CONTINENTAL 欣陸投控
HOLDINGS CORPORATION

2024

Continental Holdings Corporation

Sustainability Report

Contents

About This Report 3

CEO's Message 4

Awards and Honors 5

I. Operations Management 6

1.1 About CHC — 7

1.2 Sustainable Practices — 12

1.3 Stakeholder Communication and Materiality Analysis — 16

II. Integrity and Pragmatism 30

2.1 Operational Governance — 31

2.2 Ethical Management — 35

2.3 Human Rights and Employee Communication — 37

2.4 Risk Management — 41

2.5 Regulatory Compliance — 48

III. Technological and Service Innovation 49

3.1 Concept of Smart and Sustainability — 50

3.2 Sustainable Design — 53

3.3 Smart Construction and Operation — 59

3.4 Happy Home — 64

3.5 Sustainable Supply Chain — 66

IV. Safe Workplace 71

4.1 Diversity, Equality, and Inclusion — 72

4.2 Human Capital Management — 83

4.3 Workplace Health Promotion — 90

4.4 Safe Working Environment — 94

V. Environmental Sustainability 104

5.1 Climate Change Governance — 105

5.2 Energy Management — 112

5.3 Circular Economy and Resource Management — 118

VI. Prosperous Community 134

6.1 Local Care — 135

6.2 Environmental Education — 141

Appendix 151

ISO and Other Certificated Items — 151

Detailed Sustainable Performance Statistics (HR Structure / Greenhouse Gas Emissions / Energy Consumption / Waste / Water Resource Utilization) — 152

Participation of Associations and External Organizations — 155

GRI Standards Disclosure Index Table — 156

TCFD Climate-related Information Disclosure Index Table — 159

SASB Standard Disclosure Index (Engineering & Construction Services) — 160

SASB Standard Disclosure Index (Home Builders) — 162

SASB Standard Disclosure Index (Water Utilities & Services) — 163

About This Report

Scope of This Report

This report discloses information covering material topics related to corporate sustainability and corporate social responsibility (CSR) concerns of Continental Holdings Corporation (hereinafter referred to as "CHC" or "the Company") from January 1, 2024, to December 31, 2024.

This report is prepared for the Group and covers the standalone companies CHC, Continental Consulting Limited Company, Continental Engineering Corporation, and Continental Development Corporation, as well as the consolidated company HDEC Corporation. It presents the Group's management philosophy and goals, commitment to sustainable development, and corporate social responsibility practices and achievements. The report's scope accounts for 96.9% of the consolidated financial statement revenue for 2024. It excludes overseas subsidiaries, which represent the remaining 3.1% of consolidated revenue.

Reporting Principles

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards. It also makes reference to the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and the Sustainability Accounting Standards Board (SASB) industry standards for Engineering & Construction Services, Home Builders, and Water Utilities & Services. At the end of the report, GRI and SASB disclosure index tables are attached at the end of the report for readers' reference.

Financial information in this report is presented in New Taiwan Dollars (NTD) as the currency unit. Relevant statistical figures are calculated based on international standards and are rounded to the nearest whole number. "Local" refers to the Taiwan region.

Release Date

This report is the 9th annual sustainability report of CHC, disclosing corporate sustainable development and corporate social responsibility practices. The compilation is overseen by the ESG Committee, chaired by the CEO of CHC, with the Finance Department serving as the Executive Secretary. The committee comprises five sub-groups: Corporate Governance, Customer and Community Service, Employee Care, Environmental Sustainability, and Occupational Health and Safety. The preparation process follows the Global Reporting Initiative (GRI) Universal Standards, involving stakeholder analysis and communication, as well as analysis and response to materiality. After the identification of relevant materiality by decision-making executives, the report is drafted. The results of the report analysis and the compilation process are regularly reported to the executive secretary, reviewed by the ESG Committee Chairman, and submitted to the Board of Directors for approval before publication.

Previous Report Release Time:	June 2024
This Report Release Time:	August 2025
Next Report Release Time:	August 2026

Contact Information

For any feedback or suggestions regarding the content of this report, please contact:

Continental Holdings Corporation - Finance Department

Address: No. 95 Dun Hua S. Road, Sec 2, Taipei, Taiwan

Website: https://www.continental-holdings.com/en

Phone: +886-2-3701-2000

Fax: +886-2-3701-2999

CEO's Message

The Group continues to advance sustainable urbanization through its core businesses in construction engineering, real estate development, water treatment, waste management, and renewable energy. In 2024, projects related to the SDGs—such as rail transportation, social housing, urban renewal and aging building redevelopment, as well as water treatment and water resources engineering—accounted for 74% of total revenue.

The Group actively integrates resources to accelerate digital transformation. In construction, we continuously develop diverse technological tools, introducing innovative techniques and improved methods. In operations, we have established various digital management platforms to enhance information flow, strengthen communication and real-time decision-making, and improve quality management and risk alert systems. These efforts boost operational efficiency and resilience while accelerating the development of innovative applications using core technologies, continuously creating value.

In the area of customer service, we are deepening water treatment and reclaimed water supply, committed to providing stable and economically viable solutions for the recycling of water resources. The Tainan Chengxi Incineration Plant BOT project, which the group has ventured into in the fields of waste management and renewable energy, is nearing completion. We expect to optimize waste processing procedures with advanced technology, integrating digital automation and energy recovery techniques to provide more environmentally friendly services. In terms of real estate development, we are implementing policies to promote green buildings and smart buildings, starting from the design of the buildings to optimize energy efficiency and enhance the quality of living environments. In construction engineering, we are actively promoting environmentally friendly and technologically innovative construction methods to build resilient transportation infrastructure and residential spaces.

In daily operations, we promote the electrification of equipment and vehicles to improve air quality and reduce noise in engineering and operational environments. We have introduced Energy Saving Site Offices by incorporating envelope design, equipment optimization, and improved management practices. In addition, a smart energy management system is used for real-time monitoring and load scheduling to reduce energy demand and control energy use intensity (EUI). Solar energy systems have also been installed to enhance the use of renewable energy.

Employees are the cornerstone of sustainable operations. We actively support employee development and communication by providing platforms and diverse training resources to facilitate knowledge sharing and experience exchange. Simultaneously, we establish multiple recruitment channels and industry-academic collaboration programs to improve talent acquisition efficiency. We promote diversity, equity, and inclusion, respecting and embracing talents from diverse backgrounds and cultures. Additionally, we prioritize employees' physical and mental well-being by addressing their diverse needs through targeted assistance and support programs.

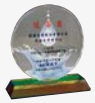
The CHC Group will continue to support low-carbon urban transformation by integrating circular economy and environmental sustainability principles with core competencies, diversified business development, and innovative technologies and solutions. In collaboration with stakeholders, we are committed to advancing sustainable practices and upholding ethical business conduct, continuously amplifying our positive influence.

Cindy Chang

Cindy Chang

Chief Executive Officer

Awards and Honors

Awards Categories	Awarded Company/ Project	Awarded (Received) Year	Awarding Organization	
The 1st Sustainable Water Award **Sewage Systems Group**	Linhai Water Resource Center	2024	Ministry of Environment	
AIGO Potential New Star Cup Competition **Corporate Team Annual Value Impact Award**	HDEC Corporation	2024	Administration for Digital Industries, Ministry of Digital Affairs	
AIGO Potential New Star Cup Competition **Growth Leap Award**	Continental Engineering Corporation	2024	Administration for Digital Industries, Ministry of Digital Affairs	
2023 National Evaluation of Public Wastewater Treatment Plants **Excellent**	Linhai Water Resource Center	2024	National Land Management Agency, Ministry of the Interior	
2024 Environmental Education Certification Evaluation **Environmental Protection/ Energy Saving Facilities Outstanding Unit**	Fengshan Water Resource Center	2024	National Environmental Research Academy, Ministry of Environment	
Corporate Sustainability Report Public Occupational Health and Safety Performance Proactive Evaluation Capital amount: NT$5 billion-NT$10 billion **Outstanding Enterprise**	Continental Holdings Corporation	2024	Occupational Safety and Health Administration, Ministry of Labor Affairs	
The 13th New Taipei City Construction Safety Award **Outstanding Unit Award Special Distinction**	Continental Engineering Corporation Taipei Metro Mass Rapid Transit System North Circular Line CF680C Section	2024	Labor Affairs Department, New Taipei City Government	

Awards Categories	Awarded Company/ Project	Awarded (Received) Year	Awarding Organization	
Taipei City Labor Safety Award **Outstanding Unit Award**	Continental Engineering Corporation Taipei MRT Wanda Line Contract CQ850A	2024	Department of Labor, Taipei City Government	
2024 Excellent Underground Pipeline Engineering Award **Engineering, First-Class Excellent**	HDEC Corporation Tainan Anping Reclaimed Water Plant Turnkey Project	2024	Chinese Taipei Society for Trenchless Technology	
The 9th Taiwan Residential Architecture Award **Best Multifamily Residential Housing Outstanding Work Award**	Continental Engineering Corporation Guanci Social Housing Area 1 (Site E)	2024	Taiwan Residential Architecture Award Association	
Best Reviewed Online Awards 2024 **Construction Company Leading Innovation Award**	Continental Development Corporation	2024	Internet Thermometer DailyView	
Occupational Health and Safety Administration, Ministry of Labor Letter of Appreciation As Deputy Chair of the Taiwan Occupational Safety and Health Management Systems Northern Region Promotional Association, actively **promoted occupational safety and health initiatives** and demonstrated strong commitment to workplace safety advocacy	Continental Engineering Corporation	2024	Occupational Safety and Health Administration, Ministry of Labor Affairs	
National Land Management Agency, Ministry of the Interior Letter of Appreciation Assisting in the implementation of demonstration drills for **wastewater sewer disaster prevention**	Fengshan Water Resource Center	2024	National Land Management Agency, Ministry of the Interior	
Taipei City Construction Site Self-Management Strategic Alliance Letter of Appreciation As an officer in the Taipei City Construction Site Self-Management Strategy Alliance, assisted in **promoting occupational safety and health initiatives**	Continental Engineering Corporation	2024	Department of Labor, Taipei City Government	

I. Operations Management

1.1 About CHC

1.2 Sustainable Practices

1.3 Stakeholder Communication and Materiality Analysis

1.1 About CHC

Key Participants in Sustainable Cities

Continental Holdings Corporation (hereinafter referred to as CHC) is Taiwan's first investment holding company integrating construction engineering, real estate development, environmental project development and water treatment. It is also one of the earliest privately-owned enterprises to expand construction engineering and real estate development businesses overseas. Its subsidiaries include Continental Consulting Limited Company (hereinafter referred to as CCLC), Continental Engineering Corporation (hereinafter referred to as CEC), Continental Development Corporation (hereinafter referred to as CDC), and HDEC Corporation (hereinafter referred to as HDEC), collectively known as the CHC Group. As a key participant in Taiwan's sustainable urban development, the CHC Group actively responds to the United Nations Sustainable Development Goals (SDGs). We are committed to creating livable and sustainable living environments through our involvement in urban infrastructure, secure housing, water resources and waste management, renewable energy, and other facets. Since the establishment of the Group's first member company, CEC, in 1945, it has participated in numerous significant domestic construction projects. Notable works include the Taiwan High-Speed Rail, building robust and resilient public infrastructure and urban rail transportation systems for society. Through organizational restructuring and the establishment of new member companies, the Group has further expanded its business into urban renewal and reconstruction of aging buildings, social housing, water treatment, waste treatment, and renewable energy. These efforts aim to create an inclusive, safe, and sustainable living environment for people, enhance the sustainable use of water resources, and reduce reliance on traditional energy sources.

CHC (2024)	
Company Name:	Continental Holdings Corporation
Date of Establishment:	April 8, 2010
Headquarters Location:	No. 95 Dun Hua S. Road, Sec. 2, Taipei, Taiwan
Industry:	Investment / Construction
Main Business:	Civil Engineering, Building Construction, Mechanical and Electrical Engineering, Real Estate Development, Water Treatment, Waste Management and Renewable Energy
Revenue Breakdown:	Construction Engineering: 58%; Real Estate Development: 16%; Environmental Project Development & Water Treatment: 26%
Number of Employees:	2,663
Global Expansion:	Subsidiaries Overseas: Hong Kong, Malaysia, India, and the United States
Engineering Experience:	79 years
Consolidated Revenue:	NT$30.701 billion
Capitalization:	NT$8,232,160 thousand

Core Business and Companies of the Group Member

Main Services of the CHC Group

Civil Engineering

- National infrastructure, such as bridges, tunnels, highways, and public transportation systems
- Metropolitan area MRT system integration
- High-speed rail design-build project
- Elevated railway and underground conversion project

"Taoyuan Railway Underground Project of Zhongli Station Section Contract CJ17"

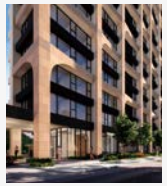
Real Estate Development

- Integrated real estate product planning and marketing communications
- Property rental
- After-sales service

Metropolitan Village

Green Utopia

Poetic Yard



Heng Mu

Mechanical and Electrical Engineering

- Integration of BIM system tools
- Mechanical and electrical engineering of Hospital / Large hotel / Shopping mall / Factory office / Corporate headquarters building

"Taoyuan Railway Underground Project of Zhongli Station Section Contract CJ17" and Mechanical & Electrical system works

Electromechanical Project for Huaku Asia One

Establishment of resilient infrastructure to promote inclusive and sustainable industries and accelerate innovation

Ensuring that everyone has access to water, sanitation, and sustainable management

Constructing inclusive, resilient, and sustainable cities and communities

Promoting the green economy and ensuring sustainable consumption and production patterns

Ensuring that everyone has access to affordable, reliable, sustainable, and modern energy

Water Treatment

- Water engineering
- Wastewater treatment
- Reclaimed water treatment

New Turnkey Project for the Wastewater Treatment Plant in Chiayi Science Park

Building Construction

- Residential building
- Large commercial complex building
- Social housing

Main Construction Works for the Nangang Rail Yard Urban Renewal Project (CMGNK Unit I)

Turnkey Project for the Nangang Depot Public Housing Phase 2 in Nangang Dist., Taipei City

Waste and Renewable Energy

- Waste treatment
- Renewable energy engineering and production

Tainan Chengxi Incinerator Plant BOT project

Mechanical and Electrical Engineering

Continental Holdings Corporation

CHC specializes in investment management, primarily engaged in portfolio management. We are responsible for formulating the group's overall development strategy, leveraging the advantages of centralized resources to assist subsidiaries in focusing on core businesses to enhance competitiveness. We provide robust financial foundations for subsidiaries and lead the group in continuously delivering optimal services and products to clients. Our environment fosters professional development for employees while creating maximum sustainable value for stakeholders.

Continental Engineering Corporation

CEC is the oldest member company of the CHC Group, specializing in civil engineering, building construction, and mechanical and electrical engineering. With outstanding construction techniques and excellent engineering quality, it responds to the goals of SDG 9 (Industry, Innovation, and Infrastructure) and SDG 11 (Sustainable Cities and Communities). CEC actively participates in promoting resilient national infrastructure projects and sustainable urban developments. One of its notable achievements includes the Taiwan High-Speed Rail, one of the world's largest BOT projects, which has established CEC as a leader in rail transportation engineering.

Continental Development Corporation

CDC originated from the property development business sector of CEC and was established through the separation of CEC in 2010. CDC specializes in real estate development, focusing on planning capability, aesthetic quality, excellent craftsmanship, and efficient after-sales service as core values. CDC actively engages in sustainable urban planning and advocacy actions, such as urban renewal and aging building reconstruction. Through green building, smart building, and universal design initiatives, CDC continues to respond to SDG 11 (Sustainable Cities and Communities). CDC has collaborated with world-renowned architects such as Richard Meier, Cesar Pelli, Antonio Citterio, and Benedetta Tagliabue to complete several landmark projects. CDC aims to become Taiwan's leading construction company in brand value creation and innovation. Currently, CDC has real estate development projects in Taiwan, Malaysia, and the United States.

HDEC Corporation

HDEC was established in 2006 with the aim of providing innovative and energy-efficient environmental engineering solutions to clients and communities through its expertise. By continuously achieving results in water treatment, it responds to SDG 6 (Clean Water and Sanitation). HDEC has not only established Taiwan's first water reclamation plant but also promotes the safety and stability of industrial and domestic water supply in Taiwan through technologies such as municipal wastewater treatment and industrial wastewater zero discharge. HDEC currently operates seven wastewater treatment plants and three reclaimed water plant. In recent years, HDEC has successfully expanded into waste-to-energy business. By providing waste-to-resource solutions, it responds to SDG 7 (Affordable and Clean Energy) and SDG 12 (Responsible Consumption and Production). HDEC is also actively involved in the fields of renewable energy and circular economy.

Continental Consulting Limited Company

CCLC provides functional resource services for the Group. It offers general administration, human resources, information technology, legal, and quality management services to CHC and the three aforementioned member companies. CCLC adheres to the Group's business philosophy, striving to provide excellent services. It assists CHC in strengthening support for each member company, enhancing the Group's operational resilience, and creating maximum value.

Operating Performance

Sustained profitability is one of the essential conditions for long-term corporate development. In 2024, the CHC Group's three major business entities demonstrated strong growth momentum. Construction Engineering Business (CEC) and Real Estate Development Business (CDC) both reached record-high revenue backlog, while Environmental Project Development & Water Treatment Business (HDEC) also achieved all-time highs in both revenue and profit. For 2024, consolidated revenue reached NT$30.701 billion, consolidated operating profit was NT$1.249 billion, net income after tax was NT$1.175 billion, and earnings per share (EPS) amounted to NT$1.43.

In 2024, the Construction Engineering Business secured new projects including the "Taipei MRT Circular Line South Section Contract CF670" from the Taipei City's Department of Rapid Transit Systems, and the "Taipei MRT Circular Line North Section Contract CF690B," jointly undertaken with Kajima Corporation. It continued strengthening its Building Information Modeling (BIM) capabilities and technological applications, while promoting measures to reduce carbon emissions and enhance energy efficiency. Real Estate Development Business has deepened its presence in the Taipei, New Taipei, Hsinchu, and Taichung markets, launching the "Green Utopia" residential project with a green coverage ratio of 140%, and acquired multiple urban renewal and aging building redevelopment projects. It focused on planning green and smart buildings while advancing product diversification. The Environmental Project Development & Water Treatment Business expanded into waste management and renewable energy industries, while continuing to grow its core water treatment operations. It applied technology to support decision-making and improve operations management efficiency.

CHC Group focuses on SDG 6, 7, 9, 11, and 12. Relevant project types include rail transportation civil engineering, urban renewal development projects, urban renewal and social housing projects, water treatment projects, and waste and renewable energy projects. In 2024, SDG-related businesses accounted for 74% of total revenue. By the end of 2024, SDG-related revenue backlog exceeded 80%, as the Group continues to provide engineering solutions and project operations to support cities in achieving sustainable development.

In the 2024 CommonWealth Magazine Top 2000 Enterprises Survey, CHC ranked 68th among service industry companies. CEC, CDC, and HDEC ranked 107th, 394th, and 346th, respectively, in the same category.

Economic Value Statistics

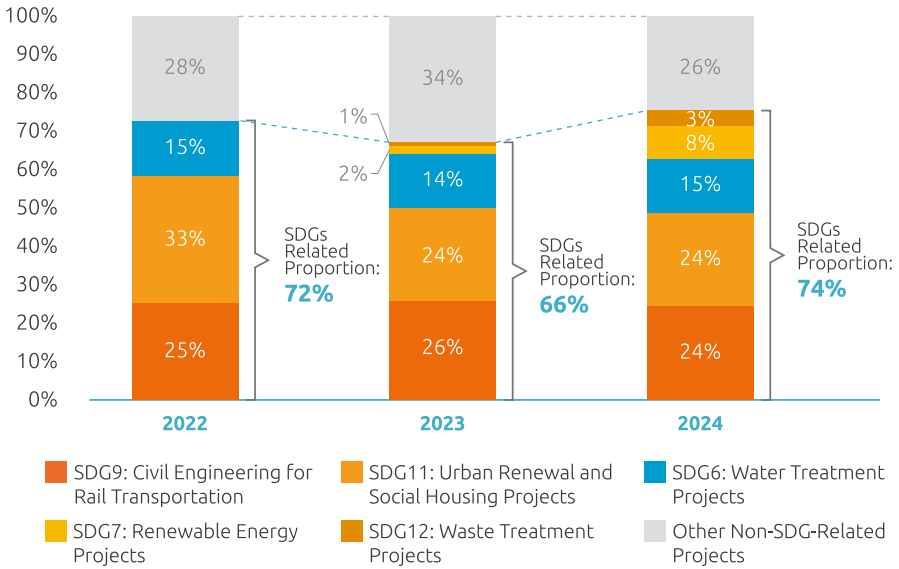
Unit: NT$ thousand

	2022	2023	2024	Percentage Change Compared to the Previous Year
Operating revenues	32,145,603	30,606,844	30,701,377	0.31
Revenue from SDGs-related business Note2	23,094,417	20,236,375	22,587,634	11.62
Operating costs and expenses	28,888,039	28,434,245	29,452,556	3.58
Operating profit	3,257,564	2,172,599	1,248,821	(42.52)
Income tax expenses	228,570	379,875	343,361	(9.61)
Net income, attributable to owners of parent	2,888,392	1,716,736	1,174,632	(31.58)
Employee salary and benefits	2,498,675	2,981,965	3,225,227	8.16
Cash dividends	2,058,040	1,234,824	864,377	(30.00)
Gross margin	15.72%	13.97%	12.14%	(1.83) Note3
Earnings per share (NTD)	3.51	2.09	1.43	(31.58)

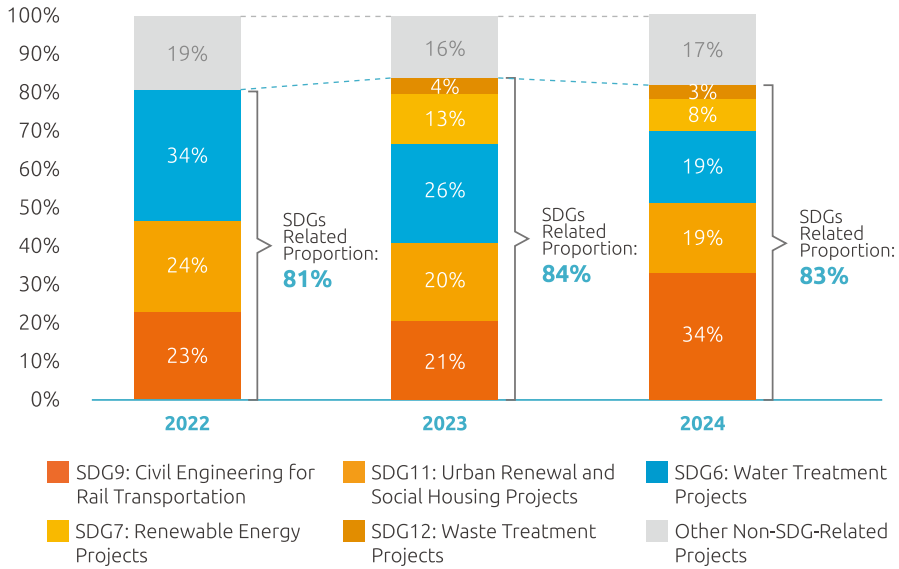
Note:

1. For detailed operational and financial performance, as well as consolidated financial statements, please refer to the Market Observation Post System (MOPS).
2. SDGs-related business categories include rail transportation civil engineering, urban renewal and redevelopment projects, social housing projects, water treatment projects, waste treatment and renewable energy projects.
3. The gross margin for 2024 decreased by 1.83 percentage points compared to the previous year.

Trend Chart of Revenue Composition



Trend Chart of Revenue Backlog Composition



1.2 Sustainable Practices

The Company upholds integrity and responsibility, leveraging core capabilities and resources to pursue revenue and profit growth. Simultaneously, we are committed to corporate governance, talent development, social engagement, and various sustainability initiatives. Facing the ongoing risks and opportunities arising from social, economic, and environmental factors, we promote sustainable business operations and governance through robust risk management and precise opportunity capture. We are committed to continuously creating positive value, exerting a positive influence, and responsibly meeting stakeholders' expectations.

Sustainable Development Promotion Organization

The ESG Committee serves as the highest governance body for sustainability affairs within the CHC Group. Led by the CEO of CHC, it includes the CEOs of the three major business entities and heads of functional departments. The committee comprises members with diverse cultural backgrounds, expertise, and experiences. Annually, it identifies risks and opportunities across the environmental, social, and governance (ESG) dimensions based on material principles. Quarterly meetings are held to discuss and formulate sustainability strategies, review short, medium, and long-term ESG plans and goals, assess annual implementation progress, and drive concrete actions for the sustainable development of the Group.

The Board of Directors serves as the highest governing body of the Company, overseeing the ESG Committee in the Company's sustainability strategy and governance aspects, and ensuring governance and oversight through the following actions:

1. Establishing an authorization system to clearly delineate responsibilities and ensure effective implementation through its establishment and management
2. Through regular and ad-hoc reports provided by the management team to understand the operational status and risks
3. Monitoring the Company's risk profile through internal control systems and continuously tracking risk response or improvement measures. Taking into account the Company's operational activities and relevant legal requirements, design and diligently implement internal control systems. Regularly review these systems to adapt to changes in the internal and external environment, ensuring the continued effectiveness of their design and execution
4. Supervising the work of the ESG Committee, regularly receiving updates on the Group's ESG plans, and providing guidance and recommendations

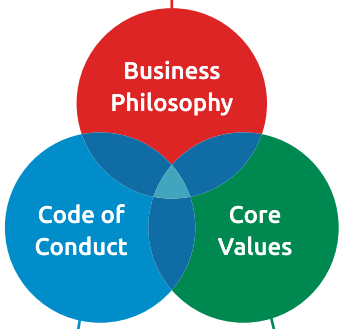
The ESG Committee regularly reports to the Board of Directors on the group's ESG implementation status and the ESG work plan for the upcoming year. In 2024, reports were presented to the Board of Directors on March 8, May 10, July 31, November 1, and December 13 regarding the group's ESG management affairs.

Sustainable Management Framework and Strategy

The Company has established the ESG Committee as the core to build a sustainable management framework. This committee focuses on formulating sustainable development guidelines and promoting directions. Through enhancing the oversight and management mechanisms of subsidiaries, the Company continuously monitors the financial, operational, and ESG performance across various business areas within the Group. Additionally, we align our operational blueprint and development strategies with the United Nations Sustainable Development Goals (SDGs), connecting international imperatives with our own actions to realize a vision of sustainable global practices.

Sustainability Core Culture | **Sustainability Strategy** | **Sustainability Focus** | **Value Creation and Influence**

- Customer-oriented Service
- Professional Development
- Value Creation



- Be innovative and overcome challenges
- Be proactive and accountable for their performance
- Respect others and share knowledge
- Value integrity and ensure health

- Integrity
- Discipline
- Quality
- Innovation

Sustainability Promotion Policy

ESG Committee

Support from Senior Management:

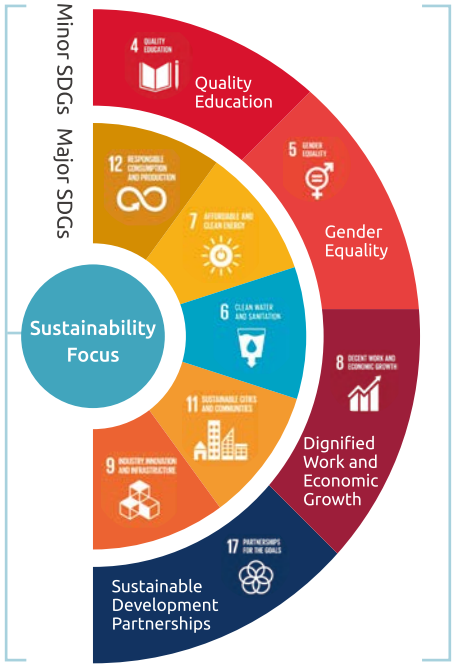
Led by the CEO of CHC, it includes the CEOs of the three major business entities and heads of functional departments. The committee comprises members with diverse cultural backgrounds, expertise, and experiences, and convenes committee meetings regularly.

Clear ESG Promotion Direction:

Developing ESG assessment methods and management metrics relevant to business, establishing proactive mid- to long-term goals for 3-5 years, and conducting regular annual reviews with continuous adjustments.

Core Business	Sustainable Management Capability	Stakeholders
• Civil Engineering • Mechanical and Electrical Engineering • Building Construction • Real Estate Development • Water Treatment • Waste Management • Renewable Energy	• Ethical Management • Technology Construction • Smart Safety and Health • Human Capital Management • Supplier Management • Environmental Engineering • Environmental Education • Local Care	• Shareholders / Investors • Financial Institutions • Employees • Clients / Consumers • Suppliers / Sub-contractors • Government Authorities • Media • Communities

- Operations Management
- Integrity and Pragmatism
- Technological and Service Innovation
- Safe Workplace
- Environmental Sustainability
- Prosperous Community



- Stable Operations and Dividend Returns
- Assisting in Promoting Sustainable and Resilient Cities
- Green and Smart Building Design and Construction
- Driving Industry Safety Culture and Construction Technology
- Creating Employment Opportunities and Labor Welfare
- Supporting Community Welfare and Fostering a Prosperous Society

Sustainability Focus and SDGs

The Company adopts a "focusing on material topics and promoting from top to bottom" approach to enhance management mechanisms and establish specific assessment indicators. We have also developed the CHC Group's ESG Plan, integrating our initiatives and annual objectives into daily management practices with continuous monitoring and improvement. Quarterly, semi-annual, and annual reviews assess the progress of each initiative, ensuring the fulfillment of the Group's corporate social commitments. At the same time, we regularly provide the public with updates on our sustainable development goals and accomplishments. The aim is to ensure that stakeholders have a clear understanding of the CHC Group's efforts and contributions across various aspects of ESG. For detailed information on ESG management indicators and annual goals, please refer to the respective chapters.

Core Business	Responding to SDGs	SDGs Action Strategy
• Civil Engineering • Mechanical and Electrical Engineering	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Following the principles of "expanding into new business areas and entering emerging markets; innovative strategic thinking and diverse contracting models," and "steadiness and prudence, careful selection of targets", we continue to undertake engineering projects in rail transportation and circular economy to deliver high-quality, reliable, sustainable, and resilient infrastructure, as well as affordable and sustainable transportation systems.
• Real Estate Development • Building Construction	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 11 SUSTAINABLE CITIES AND COMMUNITIES	In response to the trends of sustainable urbanization and aging residential buildings, the Group actively promotes urban renewal integration and the reconstruction of hazardous old buildings. We invest in engineering and construction services to develop housing products that incorporate excellent functional planning, such as green buildings and smart buildings, combined with outstanding engineering quality. Our goal is to create safe and resilient communities and cities, implementing integrated and sustainable residential environment planning and management.
• Water Treatment	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 6 CLEAN WATER AND SANITATION	Continuously cultivating the wastewater treatment and water reuse markets, deepening research and application of water treatment technologies to optimize the quality and efficiency of water treatment in Taiwan. We are committed to promoting environmental education by combining our core capabilities in water treatment with sustainable environmental issues. Additionally, we advocate for the importance of water resource conservation through experiential activities organized by our Environmental Education Center.
• Waste and Renewable Energy	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 7 AFFORDABLE AND CLEAN ENERGY	Continuing to pursue affordable Waste to Energy solutions, maximizing the value of waste and ensuring sustainable energy production to promote green economic development.

Sustainable Performance

The Company continues to facilitate cross-functional communication and leverage resources to integrate ESG principles into our daily operations and decision-making processes. This ensures the appropriate functioning of management measures, the implementation of risk assessment systems, and complementary and balanced decision-making processes. Across all facets of sustainability, we demonstrate the operational resilience and adaptive capabilities of the Group. The Group's sustainable governance performance in 2024 is as follows:

Governance Economy

- The proportion of female members on the Board of Directors has reached 57%, surpassing the overall proportion of female directors in publicly listed companies, which stands at 18.92%
- In 2024, the signing rate for the Directors' Conflict of Interest Disclosure Questionnaire and Statement, the employees' Business Ethics Compliance Commitment Statement and Questionnaire, and the Declaration of Compliance & Questionnaire (Supplier) for newly contracted suppliers all reached 100%
- In 2024, the Group's employee participation rate in ethical management training was 100%
- In 2024, the total training hours for human rights reached 4,772 hours, representing a growth of 112% compared from the previous year
- In 2024, CDC and HDEC obtained the ISO 27001:2022 Information Security Management System certification
- In 2024, Tianjin Street Project obtained a silver-level Green Building Label; the Dazhi Commercial Building received a Level One Building Energy Efficiency Rating
- In 2024, the successful development of the CEC LEBR Carbon Management Tool helps to support the low-carbon transformation of the construction industry

Environmental Sustainability

- CHC(standalone), CCLC(standalone), CDC(standalone), CEC(standalone), and HDEC(consolidated) obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement through third-party verification in 2023
- The Group's energy-saving and carbon-reduction actions reduced CO_2e emissions by a total of 1,115.36 metric tons in 2024, with a growth rate of 7%
- The Group's biogas reuse reached 763,122 m^3 in 2024, equivalent to approximately 1,743,305 kWh of electricity
- The Group's renewable energy production in 2024 was 25,056 GJ, and renewable energy consumption was approximately 16,080 GJ
- The Group's solar power generation increased by 72% in 2024 compared to the previous year, while wind power generation grew by 48%
- The Group achieved a total reduction of 5,042.06 metric tons of sludge in 2024
- The Group's reclaimed water supply amounted to 42,275,113 metric tons in 2024, representing an increase of 21% compared to the previous year

Social Inclusion

- In 2024, a total of 436 events were held at various stages of the project, with a total investment exceeding NT$9.33 million and 12,292 hours of manpower. The number of events increased by 56% compared to the previous year, and the manpower investment increased by 19% compared to the previous year
- In 2024, a total of 180 environmental education activities were held, serving a total of 6,651 individuals, representing a growth of 26% and 54% compared to the previous year. Since 2019, the cumulative number of individuals served has reached 22,127
- In 2024, CEC was awarded the New Taipei City Construction Safety Award (Outstanding Unit -Excellence) and the Taipei City Labor Safety Award (Outstanding Unit).
- In 2024, CEC received the Ministry of Health and Welfare's Healthy Workplace Certification for health promotion
- The reinstatement rate of employees with childcare leave without pay in 2024 was 100%
- In 2024, total training hours reached 30,929, a 57% increase from the previous year. On average, male employees received approximately 12.63 hours, and female employees 21.56 hours
- In 2024, the Group continue industry-academia collaborations, with the number of scholarship recipients increasing by 80% compared to the previous year. Approximately 70% of interns be offered full-time positions, marking a 25 percentage point increase from the previous year

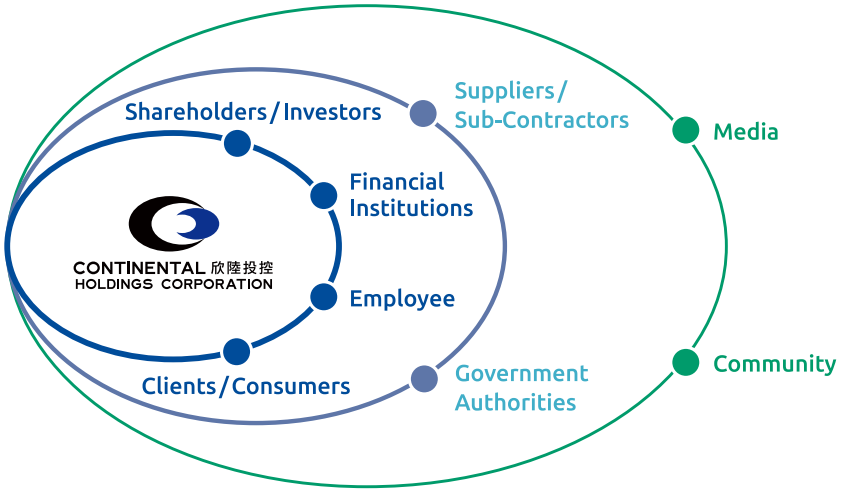
1.3 Stakeholder Communication and Materiality Analysis

Stakeholder Engagement

The CHC Group identifies stakeholders according to the Sustainable Reporting Standards released by the Global Reporting Initiative (GRI) and references the AA1000 SES standard. Stakeholders are categorized into three main groups based on five assessment dimensions: Responsibility, Influence, Tension, Diversity Perspectives, and Dependence. These groups include operational stakeholders such as shareholders/investors/financial institutions, employees, and clients/consumers; collaborative stakeholders such as suppliers/sub-contractors and government authorities; and community prosperity stakeholders such as communities and media. To safeguard the interests of stakeholders, CHC continues to strengthen information disclosure and has established stakeholder communication channels to ensure timely and appropriate disclosure of information that may affect stakeholders' decision-making.

The primary objective of the Company's stakeholder engagement is to facilitate communication and knowledge sharing with stakeholders, and to identify opportunities for enhancing ESG practices in support of sustainable corporate development and positive impact. Through industry research and dialogue, CHC assesses stakeholder concerns regarding sustainability issues, identifies material topics relevant to business operations, and prioritizes responses and improvements based on stakeholder interest. The goal is to maintain strong, interactive relationships with all stakeholders, continuously gather feedback, and apply it to adjust operational decisions and day-to-day activities as needed—striving for a win-win outcome that supports both corporate sustainability and attention to key issues. **Stakeholder communication efforts for 2024 were reported to the Board of Directors on December 13, 2024**. For details, please refer to CHC's official website. [1]

1 For communication channels with various categories of stakeholders and the communication performance for the year, please refer to the CHC website's **Stakeholder Engagement**. https://www.continental-holdings.com/en/csr/%e6%b0%b8%e7%ba%8c%e7%ae%a1%e7%90%86/#Stakeholder%20Engagement



Communication with Stakeholders		
Stakeholder	**Topic of Concern**	**Engagement Type and Frequency**
Shareholders / Investors / Financial Institutions	● Sustainable Innovative Products & Services ● Corporate Governance & Regulatory Compliance ● Economic Performance ● Climate Change Governance	● Convene annual general shareholder's meeting ● Publish annual report, sustainability report, and quarterly results report on time ● Host quarterly results online conference call and participate in corporate briefings as invited on an irregular basis ● Publish monthly revenue result press release and quarterly result press release ● Interact with investors through phone calls, emails, and / or meetings on an irregular basis ● Participate in ESG performance evaluations from domestic and international rating agencies
Employee	● Talent Development & Retention ● Occupational Health & Safety ● Diversity, Equality, and Inclusion	● Hold labor relations meetings on a quarterly basis to enhance employee-employer relations and to protect labor rights ● Setup diverse communication channels to provide employees with a transparent internal voice communication system ● Arrange Occupational Health and Safety training and construction worksite visits to create safety awareness within worksites ● Comprehensive talent development plan; Introduce online learning platform (iLearn) for learning without time and/or location restrictions ● Conduct employee engagement survey annually and employee interviews on an irregular basis
Customers / Consumers	● Customer Privacy and Information Security ● Customers' Rights ● Sustainable Innovative Products & Services	● Customer satisfaction surveys and after-sales service ※ Conduct customer satisfaction surveys for contracted clients ※ Conduct satisfaction surveys at contract signing, handovers, and maintenance for home-buying customers ● Conduct house inspections and hold product and service seminars on an irregular basis ● Present project progress to the clients through meetings
Suppliers / Sub-Contractors	● Supplier Management ● Occupational Health & Safety ● Ethical Management	● Conduct regular education training and advocacy events ● Conduct site visits, phone interviews, and written communications on an as-needed basis ● Organize supplier briefings as needed
Government Agencies	● Occupational Health & Safety ● Corporate Governance & Regulatory Compliance ● Sustainable Innovative Products & Services	● File petitions through associations for authorities' consideration ● Actively participate in authorities-hosted meetings and evaluations
Media	● Sustainable Innovative Products & Services ● Economic Performance ● Ethical Management	● Hold at least one press conference or media event per year ● Arrange media interviews and provide relevant information as needed
Community	● Local Community ● Sites Risk Assessment	● Hold at least one public briefing during the environmental impact assessment review ● Organize construction milestone events, site visits, and briefings, and participate in community service activities as needed ● Provide environmental and ecological education and maintain engagement with local communities through educational centers within operating sites

Identification Process of Material Topics

CHC follows the GRI Universal Standards 2021 to identify material topics through four key procedures: contextual analysis, impact identification, significance assessment, and review confirmation. This process involves analyzing global sustainability trends and key issues of concern to stakeholders and the relevant industries, both domestic and international. The positive and negative impacts of these issues are identified, and an internal survey is conducted to assess the likelihood and severity of each impact. Based on these results, an annual list of material topics is compiled and approved by the Chair of the ESG Committee. In 2024, CHC identified 18 sustainability issues and established 9 material topics as the basis for this report's disclosures, enabling a comprehensive review of the Group's sustainable operational governance performance.

Contextual Analysis

Based on the GRI Universal Standards 2021, integrated with disclosure recommendations from international sustainability standards like SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures), as well as trends in regulatory changes by governing authorities, and sustainability issues pertinent to industries such as construction, real estate development, and environmental engineering domestically and internationally, we have identified sustainability topics relevant to the CHC Group across economic, environmental, and social dimensions.

Impact Identification

For each sustainability topics, based on information obtained through stakeholder engagement processes and supplemented by the impact dimensions described in international sustainability standards, we have identified the potential positive and negative impacts that the Group may experience across these sustainability topics.

Significance Assessment

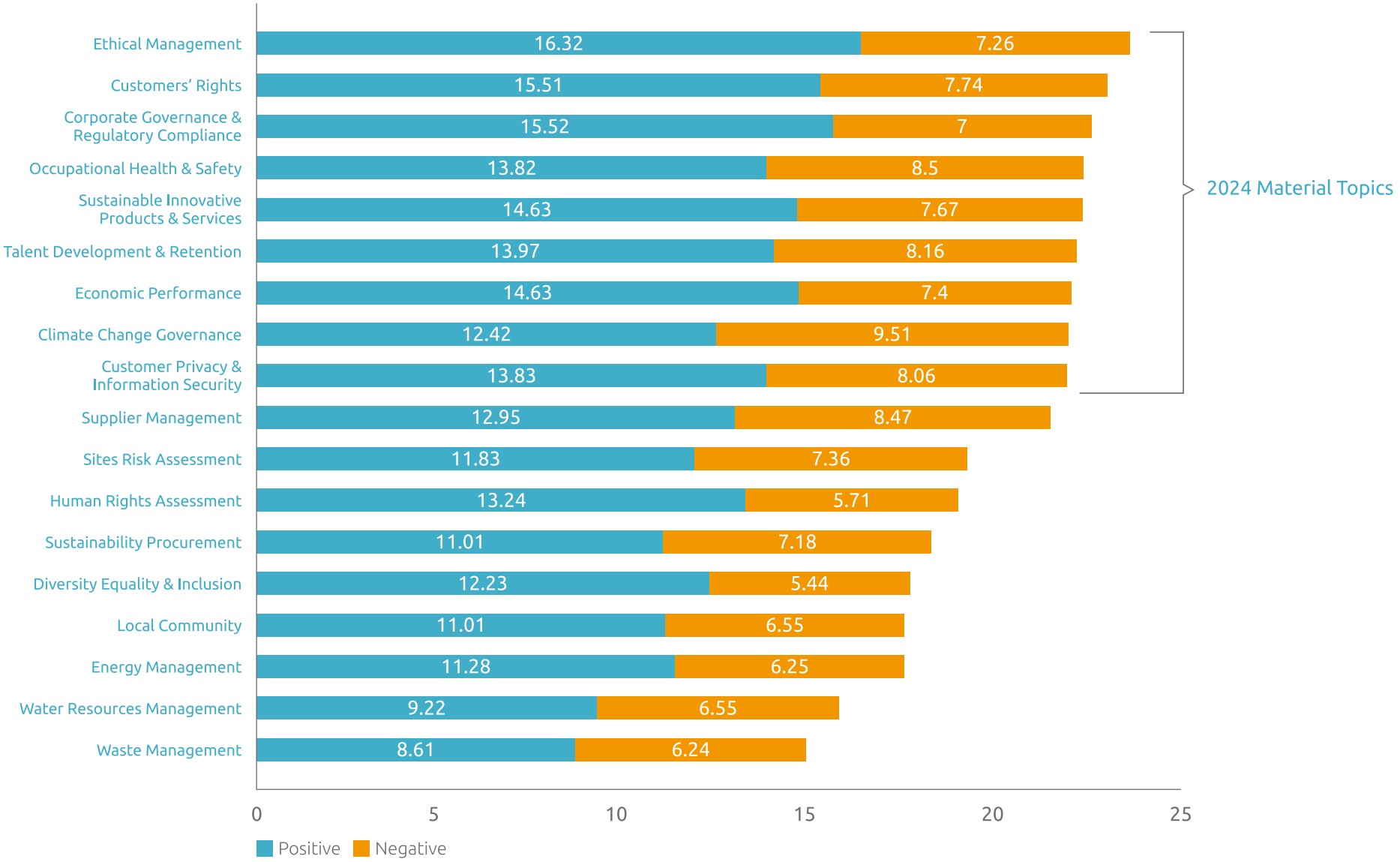
The ESG Committee and each business entity have sent impact assessment surveys to evaluate the probability and extent of positive and negative impacts of each sustainability topics on the CHC Group and its stakeholders and to assign ratings.

Review Confirmation

After analyzing and prioritizing the results of the significance of the impacts, the ESG Committee identified and confirmed 9 material sustainability topics.

All processes and identification results will be reviewed and audited to ensure completeness after the completion of the sustainability report. This includes assessing whether the Group has established management policies, and whether each issue meets the reporting requirements and quality standards set by the GRI Universal Standards. This thorough review aims to ensure that all sustainability information and performance are accurately and appropriately reported, without misrepresentation. It will also serve as a basis for continuous improvement in the following year.

Analysis Results for Material Topics



Sources and Scope of Impact of Material Topics

Material Topics	Description of Impact		Importance of Topic		Source of Impact			Scope of Impact					GRI Indicator Topics	Corresponding Chapters
	Positive	Negative	Positive	Negative	Operations	Products & Services	Value Chain	CHC Group	Suppliers / Sub-contractors	Customers / Consumers	Community	Environment		
Ethical Management	Ensure that the behavior of employees aligns with business ethics and societal expectations, enhances corporate reputation, and complies with fair trading practices and anti-corruption policies and management, in order to avoid penalties.	In the event of a negative incident, the corporate image may be damaged, and in severe cases, the company could face litigation.	V		V		V	V	V				205 Anti-corruption 206 Anti-competitive Behavior	II. Integrity and Pragmatism
Customers' Rights	Through transparent product information and honest marketing, CHC can not only enhance customer trust but also avoid misleading consumers, thereby increasing customer satisfaction and promoting long-term loyalty.	Failure to effectively protect customers' rights may lead to situations that mislead consumers, damaging our reputation and competitiveness. This not only triggers customer complaints but may also undermines market confidence in the company's products and services.	V			V		V		V			417 Marketing and Labeling	III. Innovation in Technological Services
Corporate Governance & Regulatory Compliance	A robust governance structure facilitates the effective management of business operations, thereby enhancing stakeholder trust. It also ensures strict compliance with relevant regulations in the operating regions, achieving a zero incidence of legal violations to maintain a positive image of corporate compliance.	The lack of clarity in the governance structure may lead stakeholders to lose confidence in us and withdraw their investments. Additionally, non-compliance with regulations could result in fines and penalties, or even the revocation of licenses, which would damage the company's image and affect its stable operations.	V		V			V	V	V	V	V	2 General Disclosures 2-27 Compliance with Laws and Regulations	II. Integrity and Pragmatism
Occupational Health & Safety	The company effectively manages occupational health and safety, providing employees and workers with a healthy and safe working environment to protect their rights.	Improper management of occupational health and safety during operations, may result in occupational injuries, occupational diseases, or workplace accidents for employees or workers.		V	V		V	V	V				403 Occupational Health and Safety	IV. Safe Workplace

Sources and Scope of Impact of Material Topics

Material Topics	Description of Impact		Importance of Topic		Source of Impact			Scope of Impact					GRI Indicator Topics	Corresponding Chapters
	Positive	Negative	Positive	Negative	Operations	Products & Services	Value Chain	CHC Group	Suppliers / Sub-contractors	Customers / Consumers	Community	Environment		
Sustainable Innovative Products & Services	By considering the impact of the product life cycle on the environment and customer health, and integrating green building and smart building design, we can meet the market demand for high-quality and sustainable products, thereby enhancing customer satisfaction and corporate reputation.	If we fail to consider the impact on the environment and customer health during the product design and development process, it may not meet the market demand for high-quality and sustainable products and services. This could weaken customer satisfaction and damage the company's reputation.	V		V	V	V	V	V	V		V	416 Customer Health and Safety	III. Technological and Service Innovation
Talent Development & Retention	Provide employees with education and training programs, as well as career planning initiatives, to enhance their professional capabilities and reduce the risk of unemployment due to insufficient competitiveness. Additionally, we conduct regular performance evaluations to assess outcomes and further develop professional skills.	An unfair performance evaluation system may affect employee compensation, thereby reducing employee retention rates and negatively impacting the long-term development of the enterprise and talent stability.		V	V			V					404 Training and Education	IV. Safe Workplace
Economic Performance	Revenue and profit growth strengthen the company's robust operations and financial resilience, while simultaneously enhancing shareholder and investor confidence, which is beneficial for increasing corporate value.	Operational losses can damage corporate image, leading to resource constraints that hinder talent attraction and retention.	V		V			V	V	V			201 Economic Performance	I. Operations Management

Sources and Scope of Impact of Material Topics

Material Topics	Description of Impact		Importance of Topic		Source of Impact			Scope of Impact					GRI Indicator Topics	Corresponding Chapters
	Positive	Negative	Positive	Negative	Operations	Products & Services	Value Chain	CHC Group	Suppliers / Sub-contractors	Customers / Consumers	Community	Environment		
Climate Change Governance	Understanding the risks and opportunities posed by climate change (such as the impacts of water scarcity and drought, increased demand for sustainable products, and rising raw material costs), and formulating corresponding strategies to enhance the company's revenue, corporate reputation, and overall value, thereby meeting the expectations of stakeholders such as investors and customers.	Failure to effectively manage climate change issues may result in damage to operational sites, delays in raw material supply, increased costs, and extended construction timelines by contractors, leading to deferred revenue recognition and increased interest expenses.		V	V	V	V	V			V	V	305 Emissions	V. Environmental Sustainability
Customer Privacy & Information Security	Enhance the information security framework to prevent the leakage of customer privacy or information, strengthen the education and training of all employees regarding personal data protection awareness, improve regulatory compliance, ensure customer trust, and maintain a positive corporate image.	Customer data leak or loss resulting in a violation of the Personal Data Protection Act exposes CHC to litigation risks and damages its image and reputation.		V	V	V	V	V	V	V			418 Customer Privacy	II. Integrity and Pragmatism

Sustainability Focus and Material Topic Management

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Operations Management	Economic Performance*	• Up-to-date financial risk assessments are conducted monthly to ensure that the company's operating and economic performance goals are achieved	• Monthly performance reports related to financial risk assessment are presented and discussed at the high-level management meetings	• Achieve annual operating goals	• The consolidated revenue in 2024 was NT$30.701 billion, the consolidated operating profit was NT$1.249 billion, the net profit after tax was NT$1.175 billion with EPS of NT$1.43	• Achieve annual operating goals
Integrity and Pragmatic	Corporate Governance & Regulatory Compliance* Ethical Management*	• Audit Committee and Remuneration Committee are set up under the Board of Directors to assist the Board in performing their duties and supervisory functions • Protect shareholders' rights and interests with transparent information disclosure • Set various corporate governance-related standard operating procedures (SOPs) for compliance purposes • Treat all stakeholders with integrity and honesty, as well as comply with the law and uphold the principle of fair competition. Require employees to treat the company's customers, competitors, and other workers with fairness • For matters related to the provisions of laws and regulations, Legal Department shall research and provide recommendations according to laws and regulations, and shall consult external legal advisers when necessary • The constructions or real estate projects should pass the environmental impact assessment according to laws and regulations, and be executed as planned	• Independent audit units are set up and supervise the Group's various operating activities using internal audit code • Conduct annual evaluation regarding Board performance to improve corporate governance effectiveness • Supervision is performed by the competent authority and other law enforcement units in accordance with the law • The Legal Department complies reports of violations submitted by each unit, and conducts irregular statistical analysis and evaluation	• Continuously with transparent disclosure of information and strengthen communication and interaction with stakeholders • 100% of Group's employees sign Business Ethics Compliance Commitment Statement and Questionnaire • 100% of Group's employees participate in Business Ethics courses. • 100% of newly contracted suppliers in the year sign the Declaration of Compliance & Questionnaire for Supplier • Improve risk control • Major violation cases: 0	• Stakeholder communication efforts were reported to the Board on December 13, 2024 • 100% of Group's employees signed Business Ethics Compliance Commitment Statement and Questionnaire in 2024 • 100% of the Group's employees participated in the ethical management education and training this year • 100% of the newly contracted suppliers this year signed the Declaration of Compliance & Questionnaire for Supplier • This year, CDC and HDEC obtained ISO 27001:2022 Information Security Management System certification. The Group had **no** information security incident this year • The Group received **no** penalties or violations of laws or regulations related to marketing communications, information and labeling, customer safety, or customer privacy. Penalties were incurred for 149 cases involving occupational safety and waste, with a total fine of NT$7,577,400, **none** of which met criteria for major violations. The main reason for the violations was flaws in protective measures and maintenance of the operating environment, all of which have been improved	• Continue with transparent disclosure of information and strengthen communication and interaction with stakeholders • 100% of Group's employees sign Business Ethics Compliance Commitment Statement and Questionnaire each year • 100% of Group employees participate in Business Ethics courses • 100% of the newly contracted suppliers each year sign the Declaration of Compliance & Questionnaire for Supplier • Enhance risk control on a continuous basis • Major violation cases: 0

Note: * is Material Topics for CHC Group in 2024.

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Integrity and Pragmatic	Customer Privacy & Information Security*	• Establish an ISO 27001 Information Security Management System, conduct regular audits to ensure compliance, and continuously promote the classification and grading of information assets to ensure the proper protection of sensitive data • Regularly conduct employee information security awareness training, targeted drills, and advocacy • Establish an Information Security Incident Response Team and implement an Anomaly Detection System, conducting regular vulnerability scans and risk assessments	• Regularly review the achievement rate of cybersecurity objectives, the results of internal audits, and the status of improvements • Review the implementation results of the annual cybersecurity drill plan, as well as the testing results and improvement measures for key core systems	• Maintain the availability of the group's information system at over 99% • Obtain ISO 27001 Information Security Management System certification for CDC and HDEC • Conduct at least one comprehensive risk assessment and perform quarterly risk assessments specifically for critical assets • Achieve 100% participation rate in annual information security training for all Group employees	• This year, the availability of the group's information system reached 99% • This year, CDC and HDEC obtained ISO 27001 Information Security Management System certification, further expanding the scope of the Group's information security certifications • This year, one comprehensive risk assessment was completed, and specific action plans were formulated to address the identified risks • The Group achieved a 100% employee participation rate in information security training this year	• Maintain the validity of ISO 27001 certification • Conduct at least one comprehensive risk assessment and perform quarterly risk assessments specifically for critical assets every year • Achieve 100% participation rate in annual information security training for all Group employees
Technological and Service Innovation	Sustainable Innovative Products & Services*	• Increase the proportion of green building and smart building certified products, as well as to enhance the creation of living space that is healthy environmentally friendly, and low in environmental impact • Increase the adoption rate of green building materials in order to increase the proportion of green building material usage • Focus on environmentally friendly and energy-efficient design to improve the energy efficiency of new buildings • Residential products are equipped with electric vehicle charging systems to support sustainable development and harmonious integration between people, buildings, and the environment • Expand the application of BIM technology throughout the project life cycle to ensure design execution and enhance construction service efficiency • Continue developing innovative solutions	• Review the proportion of projects applying for and obtaining the Green Building Candidate Certificate or Green Building Label each year • Review the number of certified products, including but not limited to green buildings, smart buildings, low-carbon construction, and seismic-resistant certification, etc • Regularly review the proportion of green building materials used in each project • Examine the application of BIM technology implementation status during building design and construction review stages • Quarterly review the feasibility and implementation status of various solutions	• 100% of building permit applications for buildings with five floors or more shall apply for and obtain Green Building Candidate Certificate • For projects that obtained a building permit this year with a site area over 1,652m², electric vehicle charging systems shall be installed in public parking spaces, and wiring space for charging station shall be reserved for customer's parking space • The proportion of indoor green building material usage for new building permit applications is 68%, while the outdoor proportion is 22% • Continuously expanding the application of Building Information Modeling (BIM) in the design, construction, and operation phases • Continuously identifying and testing innovative solutions	• Two Green Building Candidate Certificates and two green building labels were acquired this year, achieving a coverage rate of 70% • With an achievement rate of 100% for this year, projects that obtained construction permits with a site area over 1,652m² had an electric vehicle charging system installed in the public parking spaces, with space for electric vehicle wiring reserved in the customer's private parking spaces • This year, all newly applied building permit projects achieved target usage rates of green building materials, with 68% indoors and 22% outdoors, resulting in 100% achievement rate • The Group continued to use BIM technology in aspects such as architectural design, construction planning, and review. The application scope covered different types of projects, such as civil engineering and building construction • This year's identified innovative solutions encompassed materials, equipment, and construction methods, and are currently undergoing testing	• 100% of building permit applications for buildings with five floors or more shall apply for and obtain Green Building Candidate Certificates • For projects that obtained building permit this year with a site area over 1,652m², electric vehicle charging systems shall be installed in public parking spaces, and wiring space for charging station shall be reserved for customer's parking space • The proportion of indoor green building material usage ratio for new building permit applications is 70%, while the outdoor ratio is 23% • Continuously expanding the application of BIM in the design, construction, and operational phase • Continuously identifying and testing innovative solutions

Note: * is Material Topics for CHC Group in 2024

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Technological and Service Innovation	Customer Satisfaction	• Perform regular satisfaction surveys on construction, handover, and maintenance • Establish customer interactive groups to develop customer satisfaction standards, and design questionnaires • Continuously developing digital community services to enhance the quality of customer service • Implementing a building passport to uphold commitments and responsibilities to customers	• Satisfaction survey results and tracking • Continuously conducting feasibility assessments of building passport, regularly reviewing customer feedback, and making improvements • Continuously tracking the coverage rate of community service apps in newly handed-over residential communities	• Level of satisfaction regarding handovers: the company's actual performance is better than customers' expectations • Level of satisfaction on maintenance: satisfaction > 4.05 points (out of 5 points) • Level of satisfaction on construction: client NPS > 40 • 100% of newly handed-over properties are fully equipped with a community service app system • Provide a building passport upon completion and handover of each building project	• Level of satisfaction regarding handovers: average achievement rate of 99.8% • Level of satisfaction on maintenance: 5 points out of 5 • Level of satisfaction on construction: client NPS of 54 • The Tianjin Street Project, which entered the handover phase in 2024, was equipped with a community service app, achieving a 100% implementation rate • The Tianjin Street Project, which entered the handover phase in 2024, provided a building passport, achieving a 100% implementation rate	• Level of satisfaction regarding handovers: The variance between actual company performance and customer expectation is less than 15% • Level of satisfaction on maintenance: satisfaction > 4.1 points (out of 5 points) • Level of satisfaction on construction: client NPS > 60 • 100% of newly handed-over residential complexes are equipped with community service app systems • Provide a building passport upon completion and handover of each building project
	Customers' Rights*	• Conduct regular sales satisfaction surveys • Adhere to ethical business practices, with the Group providing customers with products and services that comply with laws and regulations and are transparently labeled	• Satisfaction survey results and tracking • Regularly check whether any complaints related to marketing and labeling have been received • Regularly review the major penalties related to marketing and communications	• Level of satisfaction on sales: the company's actual performance is better than customer's expectations • Pre-sale advertisements, architectural models, and model houses must 100% undergo cross-departmental dual review before any sales activities can be carried out	• Level of satisfaction on sales: Average achievement rate of 103% • An achievement rate of 100% was reached this year, as pre-sale advertisements, architectural models, and model houses underwent 100% cross-departmental dual review before sales activities were carried out	• Level of satisfaction on sales: The variance between actual company performance and customer expectation is less than 15% • Pre-sale advertisements, architectural models, and model houses must 100% undergo cross-departmental dual review before any sales activities can be carried out

Note: * is Material Topics for CHC Group in 2024.

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Safe Workplace	Diversity, Equality, and Inclusion	• Design a diversified welfare system and practice the core value of caring for employees • Provide a salary plan that is internally fair and market competitive • Promote diversity, equality, and inclusion within the organization, and strengthen understanding of and respect for gender equality and generational differences	• Conduct annual employee engagement surveys, and set up improvement plans accordingly • Conduct regular salary market surveys to respond to changes in the external labor market in a timely manner • Annual feedback on the diversity, equality, and inclusion events	• Employee engagement survey response rate is over 80% • Organize "Diversity, Equality and Inclusion" events to continue promoting DEI • Conduct salary and welfare market surveys and competitive analysis. • Implement employee recognition program • Offer flexible options for employee group insurance	• The employee engagement survey response rate was 85% in 2024 • Completed "Diversity, Equality, and Inclusion (DEI) Month" events • Completed salary market survey and competitive analysis • Implemented employee recognition program • Provided flexible options for group insurance plans, achieving a 100% participation rate among group employees	• Employee engagement survey response rate is over 80% • Organize events for Diversity, Equity, and Inclusion annually to continue promoting DEI • Conduct salary and welfare market surveys and competitive analysis annually • Implement employee recognition program annually • Offer flexible options for employee group insurance
	Talent Development and Retention*	• Develop diverse recruitment channels, organize in-person/on-line recruitment activities, and recruit outstanding new talents • Encourage young students to develop practical skills and enhance employment competitiveness through university collaboration and talent development programs • Provide a variety of courses and resources through an online learning management platform and create learning channels for internal experience sharing and knowledge transfer • Establish a creative and flexible learning environment that supports the growth and development of every employee, and provide and maintain equal opportunities for all • Promote cross-team learning mechanism to cultivate, explore, and retain talents with potential	• The number of student internship opportunities provided and the number of scholarship recipients each year • Regularly review the frequency of platform usage, the number/quality of courses offered, and the popularity of the courses, as well as consider the employees' feedback on the platform features and course content • Review the implementation of the Young Engineers Conference annually to understand the quality and commitment of cross-team learning	• Provide 15 prizes for the Young Talents Scholarship • Provide 40 student internships • A total of 1,150 courses within online learning platform • Achievement rate of more than 75% for annual training program • Continuous operation of the Young Engineers Conference, and complete annual plan	• 18 people were awarded the Young Talents Scholarship this year, representing an 80% increase compared to the previous year • Provided 70 student internship opportunities, with a total of 49 transitioning to full-time work • A total of 1,356 courses within online learning platform • Achievement rate of more than 85% for this year's training program • Achievement rate of 100% for the Young Engineers Conference	• Provide 20 prizes for the Young Talents Scholarship • Provide 40 student internships • A total of 13,000 participants in the online learning platform • Achievement rate of more than 75% for annual training program • Continuous operation of the Young Engineers Conference, and complete annual plan

Note: * is Material Topics for CHC Group in 2024.

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Safe Workplace	Occupational Health and Safety*	• Develop IT application tools to strengthen the health and safety management of the workplace • Enhance the convenience of self-directed health management through the health information management platform • Establish a roadmap for physical and mental well-being development, and develop employees' physical and mental balance assistance programs, to promote the balance and wellness of employees • Maintain the certification of the ISO 45001 occupational safety and health management system, and continue to optimize the intensity of on-site safety and health management • Organize regular safety and health promotion activities to strengthen workers' safety awareness and increase their ability to respond effectively in the construction environment • Promote the safety culture program and integrate safety into management practices by strengthening the senior leadership, enhancing contractors' safety and health management, improving the safety and health management capabilities of mid-level managers, and encouraging the participation of all employees in the program	• Completion rate of health checkups • Establish safety and health performance measurement standards, including goals such as the frequency of disabling injuries, safety commitments from supervisors, and OHS awareness for all employees • Whether there have been any incidents leading to operational disruptions • The validity of ISO/CNS 45001 certification	• Completion Rate of Health Check-ups: 93% for CEC, 93% for HDEC • Inspections by supervisors of construction units: CEC ≥ 5.5 times per month, HDEC ≥ 4.7 times per month • Average number of flaws improved: CEC ≥ 5 times, HDEC ≥ 10 times • Disability injury frequency rate (DIFR): CEC ≤ 0.70, HDEC ≤ 0.76 • Maintain the validity of ISO/CNS 45001 certification • Develop 1 OHS technology management equipment or technique	• Completion Rate of Health Check-ups: 100% for CEC, 93% for HDEC • Inspections by supervisors of construction units: CEC = 8.9 times per month, HDEC = 5.2 times per month • Average number of flaws improved: CEC = 22.4 times, HDEC = 16.3 times • In 2024, the Group's disability injury frequency rate (DIFR) for employees was 0.16. Including non-employees, the overall disability injury frequency rate (DIFR) was 0.48 • ISO/CNS 45001:2018 certification remained valid in 2024 • Successfully developed 1 OHS technology management equipment — Collision warning system for passenger equipment	• Completion Rate of Health Check-ups: 100% for CEC, 96% for HDEC • Inspections by supervisors of construction units: CEC ≥ 5.8 times per month, HDEC ≥ 5 times per month • Average number of flaws improved: CEC ≥ 8 times, HDEC ≥ 13 times • Disability injury frequency rate (DIFR): CEC ≤ 0.64, HDEC ≤ 1 • Maintain the validity of ISO/CNS 45001 certification • Develop 1 OHS technology management equipment or technique each year

Note: * is Material Topics for CHC Group in 2024.

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Environmental Sustainability	Climate Change Governance*	• Regularly replace and upgrade equipment, with a priority on purchasing models equipped with variable frequency control to enhance energy efficiency • Implement an energy management system and actively optimize the energy-saving operational model of the operating sites • Continuously enhance the Group's carbon management strategies and action plans • Continue to invest in renewable energy-related projects • Evaluate biogas power generation and reuse solutions • Continuously increase the generation and utilization of renewable energy • Continuously refine the establishment standards of energy-saving site offices and gradually optimize energy efficiency	• Regularly monitor the implementation status of the Group's carbon management action plan • Regularly monitor energy usage, track and improve energy efficiency • Regularly review energy usage efficiency and monitor efficiency indicators of wastewater treatment and reclaimed water supply • Regularly monitor biogas reuse utilization rate • Regularly compile statistics on the production and consumption of renewable energy	• Each water resource center achieves biogas production annual target • Each water resource center achieves the annual target of biogas reclamation and reuse • Each water resource center achieves the annual target of electricity consumption per unit of wastewater treatment • Each water resource center achieves the annual target of electricity consumption per unit of reclaimed water supply • Each site office implements an annual energy-saving plan and establishes reduction targets for the coming year • Review the implementation effectiveness of electricity management in each project and setting improvement goals • Continue to conduct the performance verification as well as review and adjust the construction standards for energy-saving site offices • According to the group's greenhouse gas inventories and verification plan, complete the annual greenhouse gas inventory and verification, and continuously improve the greenhouse gas emission management mechanism	• Each water resource center achieved the 2024 target of biogas production, resulting in the Group's achievement rate of 111%; the Group's biogas reuse rate was 65.04%, an achievement rate of 138.2% • The Group's electricity consumption per unit of wastewater treatment was 0.33 kWh/metric ton, exceeding the annual target • The Group's electricity consumption per unit of reclaimed water supply was 1.33 kWh/metric ton, exceeding the annual target • The assessment of electricity management effectiveness for each project has been completed, and improvement goals for the following year have been set. Continuous optimization of energy management is ongoing • This year, continuous performance evaluations of energy-saving site offices we conducted, and plans for the following year are being developed • CHC (standalone), CCLC (standalone), CDC (standalone), CEC (standalone), and HDEC (consolidated) obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement through third-party verification for 2023	• Each water resource center achieves annual target for biogas production and reuse rate • Each water resource center achieves the annual target of electricity consumption per unit of wastewater treatment • Each water resource center achieves the annual target of electricity consumption per unit of reclaimed water supply • Each site office implements energy-saving improvements annually • Each project annually reviews the effectiveness of electricity management and sets improvement goals for the following year • Continue to conduct performance verification for energy-saving site offices • Continue to improve the Group's carbon management

Note: * is Material Topics for CHC Group in 2024.

Category	Aspect	Management Strategy / Implementation Policy	Evaluation Mechanism	Goals Set for 2024	Achievements in 2024	Short-to-Mid Term Goals
Environmental Sustainability	Circular Economy and Resource Management	• Apply formwork system construction method to optimize resource utilization • Promote green procurement by introducing products and services that embrace circular economy principles and modular design • Implement waste classification, recycling, and reduction actions • Use technology to develop and design a low-consumption, high-efficiency operation model • Use smart technologies to treat domestic and industrial wastewater to promote sustainable usage for water resources • Deepen reclaimed water recycling schemes to improve water use efficiency	• Regularly review the adoption rate of formwork system • Review annual implementation status of green procurement • Regularly review the performance of waste recycling and reduction efforts • Annual performance review of sludge reduction • Regularly inspect the ammonia nitrogen treatment efficiency in wastewater treatment processes • Regularly review the reuse rate of reclaimed water from wastewater treatment plant	• The adoption rate of formwork system for projects meets annual target • Each water resource center meets the sludge reduction annual target • Each water resource center meets the wastewater ammonia nitrogen treatment annual target • Each water resource center meets the annual target for the reuse rate of reclaimed water • Each water resource center meets the annual targets for reclaimed water supply volume and reclaimed water system recovery rate	• This year, the adoption rate of formwork system has been continuously promoted based on construction progress, achieving the annual target • The Group's average monthly sludge reduction was 105.04 metric tons, with an achievement rate of 110%. However, Anping Water Resource Center failed to meet the annual target due to equipment malfunction • This year, all water resource centers have achieved the set targets for wastewater ammonia nitrogen treatment, and the treatment efficiency for ammonia nitrogen exceeds regulatory requirements • The Group's the reuse rate of reclaimed water was 64% in 2024, an increase of 10 percentage points compared to the previous year • The Group's reclaimed water supply achievement rate was 105%, with a reclaimed water system recovery rate of 64.6%	• Continuously promote the use of formwork system • Each water resource center meets the sludge reduction annual target • Each water resource center meets the wastewater ammonia nitrogen treatment annual target • Each water resource center meets the annual target for the reuse rate of reclaimed water • Each water resource center meets the annual targets for reclaimed water supply volume and reclaimed water system recovery rate
Prosperous Community	Local Community	• Actively participate in community care and establish a good channel for community interaction • Organize site visits and exchange engineering experience and technical know-how with industry peers, authorities, and academia • Hold briefing sessions to allow nearby residents to understand the situation regarding construction and supporting measures • Promote community service plans and encourage employee participation	• Establish a record of related activities, keep track of the input, output and feedback, and regularly review implementation results	• Continue to promote and enhance local care, implement annual community participation plan, and review the results from the previous year • Participate in adoption of sidewalks around the Group's projects	• A total of 436 community activities were held in 2024, with a cumulative investment of over NT$9.33 million dollars and 12,292 hours of manpower, growing by 56% and 19% respectively compared to the previous year • Adopted 2 sidewalks in 2024; As of end of 2024, the Group has adopted 7 sidewalks	• Continue to promote and enhance local care, implement annual community participation plan, and review the results from the previous year • Participate in adoption of sidewalks around the Group's projects
	Environmental Education	• Promote environmental education and certification for environmental education facilities, strengthening local environmental education resources	• Count the number of environmental education sessions and the number of visitors, collect feedback from the event to plan/adjust the content of the event accordingly	• Hold a total of at least 91 events related to environmental education	• The Group hosted 180 sessions of environmental education activities in 2024	• Hold a total of at least 95 events related to environmental education

Note: * is Material Topics for CHC Group in 2024.

The proportion of female board members in the Company is 57%, which is higher than the average proportion of female directors in all listed companies, which is 18.92%

Results of the Board's internal performance evaluation: The performance of the Board, Functional Committees, and Individual Board Members all met expectations

In 2024, the completion rate for the "Conflict of Interest Disclosure Questionnaire and Statement" among board members, the "Business Ethics Compliance Commitment Statement and Questionnaire" among group employees, and the "Declaration of Compliance & Questionnaire (Supplier)" for newly contracted suppliers reached **100%**

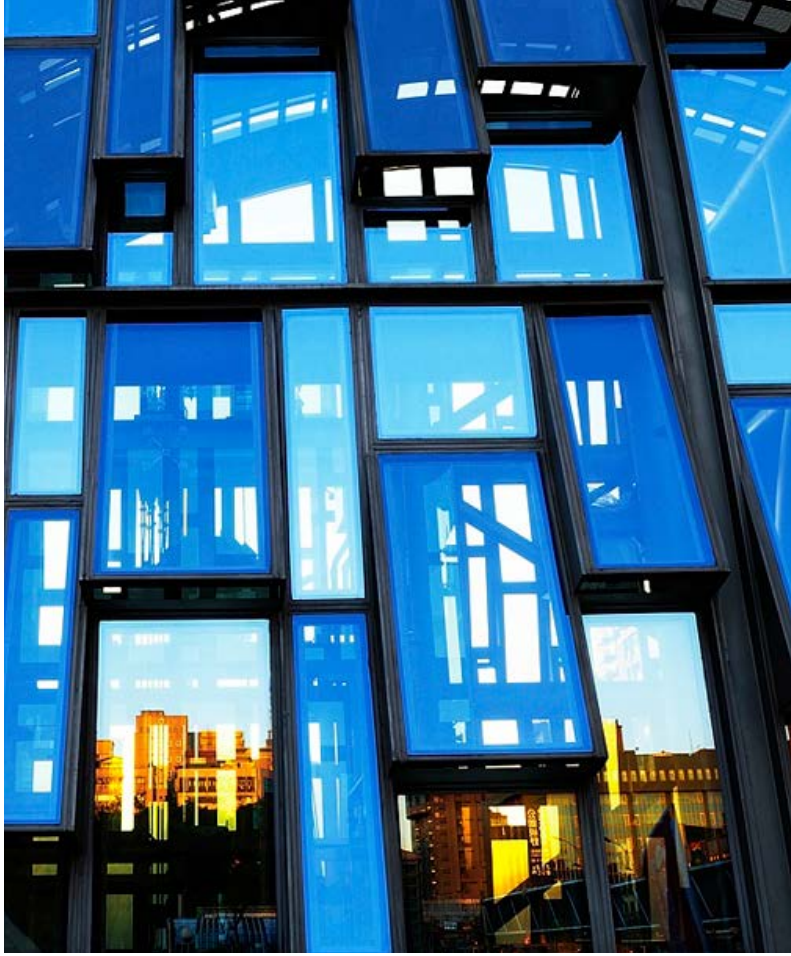
The participation rate in ethical management education training in 2024 for the Group's employee reached **100%**

In 2024, the total training hours for human rights education reached 4,772 hours, representing a growth of 112% compared to the previous year

CDC and HDEC obtained ISO 27001:2022 Information Security Management System certification in 2024

The Group did not experience any information security incidents, nor did it receive any complaints regarding customer privacy violations in 2024

The Group did not experience any significant violations in governance, social, or environmental aspects in 2024



2024 Goals

100% signing rate for the Group employees' "Business Ethics Compliance Commitment Statement and Questionnaire"	Achieved
100% participation rate in ethical management courses for the Group employees	Achieved
0 cases for major violations	Achieved
100% signing rate for Declaration of Compliance & Questionnaire (Supplier) for newly contracted	Achieved

2025 Goals

100% signing rate for the Group employees' "Business Ethics Compliance Commitment Statement and Questionnaire"

100% participation rate in ethical management courses for the Group employees

0 cases for major violations

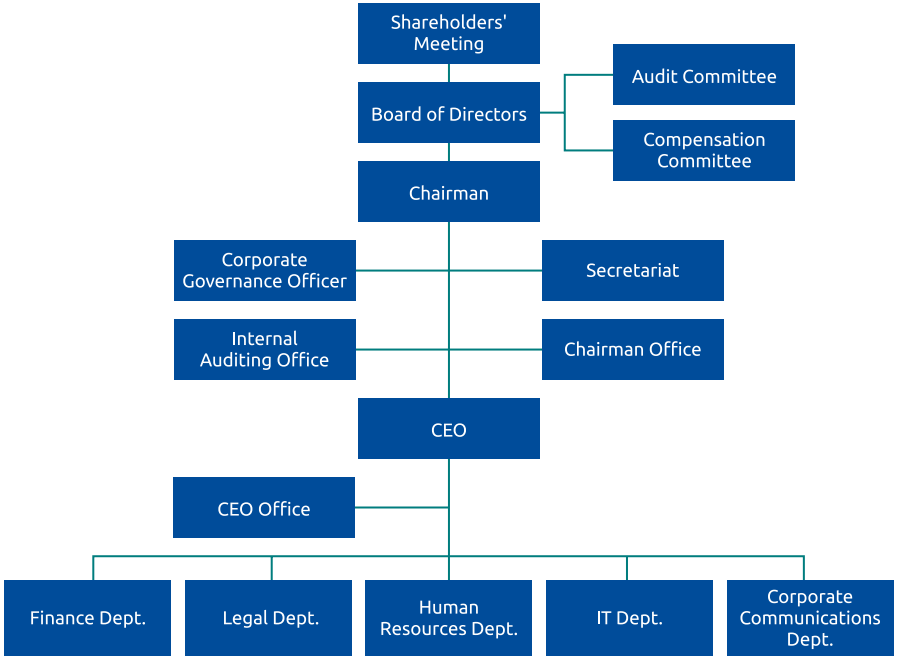
100% signing rate for Declaration of Compliance & Questionnaire (Supplier) for newly contracted

2.1 Operational Governance

Corporate Governance Structure

The Company adheres to the principles of integrity in business operations and holds the safeguarding the rights and interests of stakeholders as a core value. We have implemented robust and effective governance structures and regulatory frameworks to strengthen corporate governance.

The Board of Directors is the highest governance body of the Company, responsible for establishing the governance framework, developing strategies, and overseeing operations and risk management. To enhance decision-making and supervisory functions, the Board has established the Audit Committee and the Compensation Committee to assist in fulfilling its duties and strengthening oversight functions.



Furthermore, the Board of Directors has established an authorization system, delegating the management team to be responsible for the Company's various operational activities. The Company has also implemented a comprehensive internal control system to ensure that its operations comply with laws and internal regulations, effectively manage and control various risks, and support the Company's stable and sustainable development.

The Company has established "Corporate Governance Principles", approved by the Board of Directors, which upholds the principles of integrity and transparency in operations, aiming to strengthen board functions, protecting shareholders' rights, and respecting stakeholders' interests, thereby fostering a robust corporate governance system.

Related Regulations

- Articles of Incorporation
- Corporate Governance Principles
- Code of Conduct
- Code of Ethics and Business Conduct
- Group Risk Management Policy
- Group Information Technology Policy
- Group Occupational Health and Safety Policy
- Group Sustainability Information Management
- Procedures for the Preparation and Filing of Sustainability Reports

- Rules of Procedure for Shareholders Meetings
- Rules for the Election of Directors
- Rules of Procedure for Board of Directors Meeting
- Regulation of Self-Evaluation of the Board of Directors
- Charter of Audit Committee
- Charter of Compensation Committee

- Group Guidelines for Handling Whistleblowing Cases
- Group Guideline for Anti-Insider Trading Management
- Procedures for Asset Acquisition and Disposal
- Procedures for Loaning of Funds to Others and Making of Endorsements / Guarantees

Operation of Board of Directors

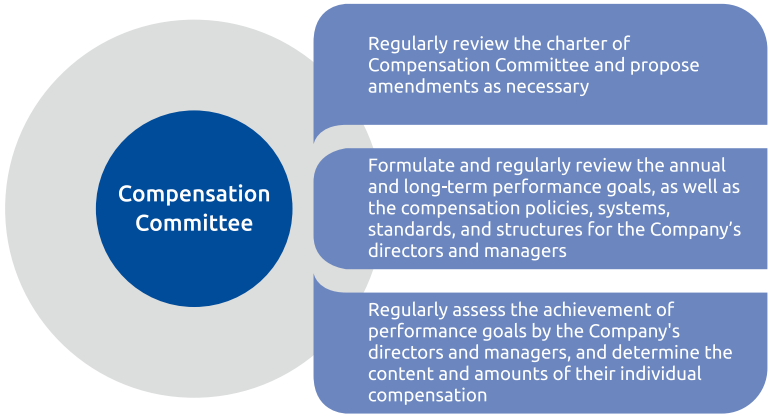
The Company's Board of Directors consists of seven members with professional expertise and corporate management skills, including three independent directors. For detailed information on the board members, please refer to the Company's annual report[1]. In 2024, the Board of Directors convened eight times. Only one director delegated attendance once, while all others attended in person, resulting in an attendance rate of 98%.

The Company's Board of Directors has established an Audit Committee and a Compensation Committee, each composed of three independent directors. For details on the operation of the functional committees in 2024, please refer to the Company's annual report[2].

In 2024, the Audit Committee held a total of 5 meetings, with an overall attendance rate of 93% by all Audit Committee members.

1 For information on the Board of Directors, please refer to pages 4-5 of the 2024 Annual Report or visit the Company's website at https://www.continental-holdings.com/en/investor-relations/corporate-governance/board-of-directors/

2 For information on the operations of the Audit Committee and the Compensation Committee, please refer to pages 18-21 of the 2024 Annual Report or the Company's website at https://www.continental-holdings.com/en/investor-relations/corporate-governance/board-committees/



In 2024, the Compensation Committee held a total of 6 meetings, with an overall attendance rate of 94% by all committee members.

| Succession Planning for Board Members

The Board of Directors has established a comprehensive, rigorous, and transparent succession plan for directors. The election of the Company's directors is conducted in accordance with laws, the Company's Articles of Incorporation, and the "Regulations for Election of Board of Directors." To maintain the professionalism and experience continuity of the Board members, the Company's Board of Directors members are selected and elected as follows:

- Engage external organizations or consultants to recommend suitable board candidates
- Corporate shareholders and current directors recommend suitable candidates
- Nomination and recommendation of director candidates by shareholders holding 1% or more of shares
- Selection of suitable candidates based on the Company's operational development direction
- Refer to the independent directors' talent database to search for suitable candidates for board membership in the Company
- Use board performance evaluation results as basis for nominating directors for reappointment

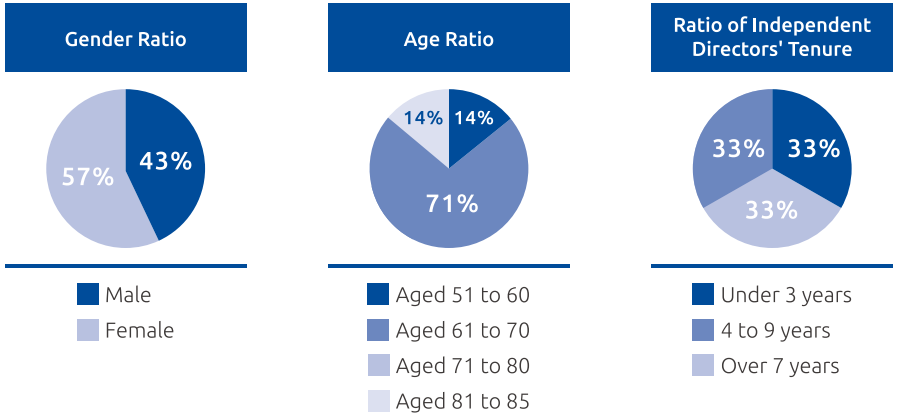
Compile the list of director candidates obtained through the aforementioned methods into the Company's director talent database, as a reference for succession planning. Coordinate with the director nomination schedule and submit for board review.

The election of the Company's directors is also based on the Company's Board Diversity Policy for selecting director candidates. The selection of board members considers the necessary professional background and expertise, taking into account CHC's needs, diversity policy, and succession planning. Nominees are discussed and decided by the Board of Directors and then submitted to the shareholders' meeting for election.

| Diversity and Independence of the Board of Directors

The members of the Company's sixth Board of Directors possess professional backgrounds in investment holding, business, finance and accounting, law, technology, and construction. They all have skills in financial analysis, management, crisis management, international market insight, and leadership decision-making. The Company also values gender equality in the composition of the Board of Directors. Currently, there are four female members on the Board, making up 57% of the directors, which is higher than the percentage of female directors in publicly listed companies in Taiwan [3], demonstrating the Board's commitment to supporting gender equality through concrete actions.

None of the Company's board members concurrently serve as employees of the Company, nor do they have spousal or second-degree familial relationships with one another. The composition of the sixth Board of Directors demonstrates independence.



3 According to the Financial Supervisory Commission's 2024 publicly disclosed corporate board gender makeup analysis, as of the end of 2024, there were 3,371 female directors (including independent directors), accounting for 18.92%. This proportion is lower compared to male directors, totaling 14,445 (81.08%). The gender ratio of female to male directors is approximately 1:4.29.

| Management Status of Conflicts of Interest among Board Members

Since 2021, all directors have been required to complete and sign the "Conflict of Interest Disclosure Questionnaire and Statement" annually to ensure the identification, prevention, and management of conflicts of interest. In the event of a conflict of interest, actions are taken in accordance with applicable regulations.

In 2024, all directors completed the conflict of interest questionnaire and signed the declaration. **For the year 2024, all directors confirmed that there were no conflicts of interest with the Company's business** and committed to strictly adhere to the Company Act, the Securities and Exchange Act, and the Company's internal regulations regarding the avoidance of conflicts of interest for directors.

| Continuing Education / Training of Directors

The Company regularly plans and conducts training seminars for directors, inviting the management team to participate in the courses. Each year's curriculum is designed to address changes in internal and external environments and development needs, covering social, economic, and environmental aspects. Topics include corporate governance, economic and technological development trends, risk management, climate change, and corporate sustainability. In 2024, all directors completed more than 6 hours of continuing education, fully meeting the required hours stipulated by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. For detailed training information, please refer to the Company's annual report [4].

| Board Performance Evaluation

To enhance corporate governance and the effectiveness of the Board of Directors, the Company has established the "Regulation of Self-Evaluation of the Board of Directors," which ensures that at least one internal board performance evaluation is conducted annually, and an external performance evaluation is conducted at least once every three years. The evaluation scope includes the overall board, individual board members, and functional committees.

4 For information on the continuing education of board members, please refer to pages 17-18 of the 2024 Annual Report or the Company's website at https://www.continental-holdings.com/en/investor-relations/corporate-governance/board-of-directors/

· External Board Performance Evaluation

The Company's most recent external board performance evaluation was conducted in September 2022 by "EY Business Advisory Services Inc.", which assessed the performance of the Company' s Board. The firm's experts have no business dealings with and maintain independence. The board performance evaluation report was issued in November 2022. The overall performance of the Company's Board of Directors was assessed as "benchmark" according to the evaluation results, which were reported to the Board in December 2022. For details on the implementation and improvement suggestions provided to the Board, please visit the "Corporate Governance" section on the Company's official website.

· Internal Board Performance Evaluation

The Company conducts internal board performance evaluations using various assessment indicators across multiple dimensions to assess directors' agreement with the evaluations criteria and to provide relevant feedback and recommendations for each dimension. Emphasis is placed on assessing whether the overall Board of Directors, Functional Committees, and individual directors meet expected performance levels. The evaluation results are presented to the Remuneration Committee and the Board of Directors. The Board uses these results to continuously enhance board effectiveness and director nominations. **The evaluation results for the Board of Directors, Functional Committees (Audit Committee and Compensation Committee), and individual board members for the year 2024 met expectations.** For detailed evaluation content, please refer to the "Corporate Governance" section on the Company's official website.

Board of Directors' Performance Evaluation	Individual Board Members' Performance Evaluation	Functional Committees' Performance Evaluation
Evaluation Indicators:	**Evaluation Indicators:**	**Evaluation Indicators:**
• Degree of Involvement in Company Operations. • Enhancement of the quality of the Board's decision-making. • Composition and responsibility awareness of the Board of Directors. • Election and continuing knowledge development of Board Members. • Internal control.	• Managing Company's goals and tasks. • Awareness of directors' duties and responsibilities. • Degree of Involvement in Company Operations. • Internal relationship management and communication. • Directors' expertise and continuing knowledge development. • Internal control.	• Degree of Involvement in Company Operations. • Enhancement of the quality of Functional Committees' decision-making. • Composition and responsibility awareness of Functional Committees. • Election and continuing knowledge development of Committee Members. • Internal control.

| Corporate Governance Officer

To enhance the corporate governance structure and strengthen the functions of the board, the Company appointed a Corporate Governance Officer in 2021, who reports directly to the Chairman of the Board. The Corporate Governance Officer is the highest officer responsible for corporate governance affairs. In addition to handling corporate governance-related matters in accordance with Article 21 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, the Officer assists the board in strengthening the corporate governance structure and promotes the planning and execution of corporate governance activities based on the Company's existing foundation. In 2024, the Officer also completed the statutory training, which covered topics such as corporate governance, risk management, and regulatory amendments.

2.2 Ethical Management

Ethical Management Policy and Commitment

The Company has established the "Code of Ethics and Business Conduct," "Code of Conduct," and "Group Guideline for Anti-Insider Trading Management," all of which have been approved by the Board of Directors, defining the standards and precautions that employees at all levels of the group must adhere to while carrying out various business activities. They clearly stipulate that directors, supervisors, managers, and all employees should uphold the principles of honesty and integrity, comply with professional standards, and strictly adhere to laws related to insider trading prevention and handling of confidential business information. During the bidding process, to prevent bribery, corruption, and anti-competitive behavior, the Company has established relevant regulations and review procedures, requiring fair treatment of the Company's trading clients, competitors, and employees. It prohibits obtaining improper benefits through manipulation, concealment, misuse of information obtained through one's position, making false statements on important matters, or other unfair trading practices. Employee work rules also require avoiding conflicts of interest, complying with insider trading prevention regulations, and prohibit embezzlement, bribery, and kickbacks. Additionally, the CHC Group requires its suppliers to adhere to its integrity management policy. The audit unit regularly conducts audits of the promotion and management of the integrity management policy, including internal and external advocacy and communication, requirements and management of business counterparts, and other related activities to understand and evaluate the implementation and effectiveness of the ethical management policy.

The Company requires all group employees to sign a "Business Ethics Compliance Commitment Statement and Questionnaire" annually. This mandates that all employees adhere to the Code of Ethics and Business Conduct and the Code of Conduct, uphold principles of honesty and integrity, and comply with professional standards in their business conduct. Any illegal or dishonest behavior is strictly prohibited. Annually, the Company conducts a survey to determine if group employees are involved in potential conflicts of interest. All employees are required to proactively inform the company of any such situations and to handle them or abstain in accordance with regulations through appropriate measures. This approach effectively prevents, manages, and prevents improper influence. In cases involving conflicts of interest, aside from being deemed related party transactions subject to applicable regulations, such situations must also be reviewed in accordance with the approval authority set forth in the Related Party Transaction Management Procedures, and the conflicted parties shall recuse themselves from participation. **In 2024, a total of 1,945 employees of the group signed the Business Ethics Compliance Commitment Statement and Questionnaire, achieving a signing rate of 100%[5] and meeting the annual target.**

Communication of Ethical Management Philosophy

In accordance with Article 17 of the Code of Ethics and Business Conduct, the Company has designated the ESG Committee - Corporate Governance as the dedicated unit responsible for ethical management within the CHC Group. This committee is convened by the Vice President of the Legal Department and is tasked with promoting and overseeing the Group's ethical management policies and action plans. The committee regularly reports to the Board of Directors and its main tasks for execution in 2024 included:

1. Conducting Group Ethical Management Education and Training
2. Implementing the Company's Commitment to Ethical Management
3. Investigation of Ethical Management Whistleblower Cases

The ethical management dedicated unit reported to the Board of Directors on November 1, 2024, regarding the implementation status of ethical management for 2024.

To ensure that all employees fully understand the Group's ethical management principles and implement them in their daily business activities, the following training courses were conducted in 2024:

Topic of Course	Contents	Targets	Hours
Anti-Corruption, Conflict of Interest Avoidance, and Prevention of Insider Trading (In-Person Course)	An overview of regulations and risks that corporate executives and employees must know	Asst. Vice President and above in Taiwan region of the Group, including department heads in operations, procurement, finance (including accounting), and the highest responsible individuals in site offices	1.5 hours
Anti-Corruption, Conflict of Interest Avoidance, and Prevention of Insider Trading (Online Course)		All employees outside the target audience of the in-person courses	One hour

5 The signing rate of the Business Ethics Compliance Commitment Statement and Questionnaire for 2024 does not include employees on maternity / paternity leave.

As of the end of 2024, the participation rate of group employees in ethical management training reached 100%[6], achieving the annual goal. The total training hours for 2024 amounted to 1,999 hours, with a total of 1,911 participants.

Photo of ethical management education and training

The Company regularly shares ethical management case studies with group employees through training sessions to strengthen overall integrity awareness. Additionally, governance and ethical management concepts are periodically communicated through meetings. In 2024, topics such as "Anti-Corruption," "Conflict of Interest Avoidance," and "Prevention of Insider Trading" were specifically advocated to all employees. The Company's ethical management practices and achievements in 2024 are publicly disclosed on the company's website.

| Integrity in the Supply Chain

To establish an environment of integrity in transactions and prevent dishonest behavior, the Company completed the formulation of Ethical Management Terms in our standard supplier contracts in 2021. These terms explicitly outline requirements for suppliers to adhere to anti-corruption practices, conflict of interest avoidance, protection of intellectual property, and confidentiality obligations. The Company developed the "Declaration of Compliance & Questionnaire (Supplier)," which includes: whether the supplier has established regulations and procedures related to integrity management, incidents of unlawful or dishonest behavior involving internal personnel, potential conflicts of interest with the Company. The Company continues to promote the signing of the "Declaration of Compliance & Questionnaire (Supplier)" by all suppliers within the Group, as well as conducting ethical management assessments of suppliers. We have also established a supplier consultation channel and provided instructional videos for completing the questionnaire, actively assisting suppliers in gaining a deeper understanding of the Group's ethical management principles. The procurement regulations have included the commitment to ethical business practices as one of the evaluation criteria for supplier management. The procurement regulations have included ethical management commitments as one of the evaluation criteria for supplier management. In 2024, the Company continued to promote and strengthen the Supplier Integrity Questionnaire, requiring suppliers to fulfill their obligation of information confidentiality. **As of the end of 2024, a total of 2,349 Declaration of Compliance & Questionnaire (Supplier) were collected, achieving a response rate of 100% and meeting the annual goal.**

| Whistleblower Channel

The CHC Group has established "Group Guidelines for Handling Whistleblowing Cases" and a whistleblower mailbox, committing to ensure the protection of whistleblowers' identities and the confidentiality of their reports. The policy adheres to accepting reports under real names as a principle, with anonymous reports considered only if accompanied by specific evidence for investigation. Whistleblowing cases are investigated according to regulations, with proposed measures for handling related discussions. Progress reports are regularly submitted to the Chairman, and cases involving directors or the CEO are handled by the Board of Directors or the Audit Committee.

In 2024, the Group's integrity management reporting channels received a total of 8 reports. Among these, 2 reports were related to integrity management issues. Upon investigation, it was found that the reported content did not involve any illegal activities or violations of the Code of Conduct or the Code of Ethics and Business Conduct, and therefore, no cases were filed. Consequently, **there were no legal proceedings or financial losses related to bribery, corruption, or anti-competitive behavior, nor were there any penalties imposed by regulatory authorities or negative impacts due to corruption-related incidents.**

Whistleblower Mailbox: WB.Box@continental-holdings.com

Mailing Address: 23F, No. 95, Sec. 2, Dunhua S. Road, Taipei City 106, Taiwan

Handling Unit:

- Reporting Group Employees: CEO
- Reporting Directors or CEO of the Company: Board Secretariat

6 The employee ethical management training and education acceptance rate for 2024 does not include employees on maternity/paternity leave.

2.3 Human Rights and Employee Communication

Human Rights Policy

The CHC Group firmly believes that employees can realize their full potential and remain focused on their work only within a diverse, inclusive, and respectful workplace. Therefore, we are committed to safeguarding the fundamental human rights of our employees and promoting diversity, equality, and inclusion.

We took reference from the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, among other internationally recognized human rights standards, in establishing the "CHC Human Rights Policy" in 2018. We have created a non-discriminatory, equal, and open work environment, providing migrant workers with workplaces that respect their religious and cultural backgrounds, and treating workers of different nationalities fairly, with the aim of fostering a healthy and safe workplace environment.

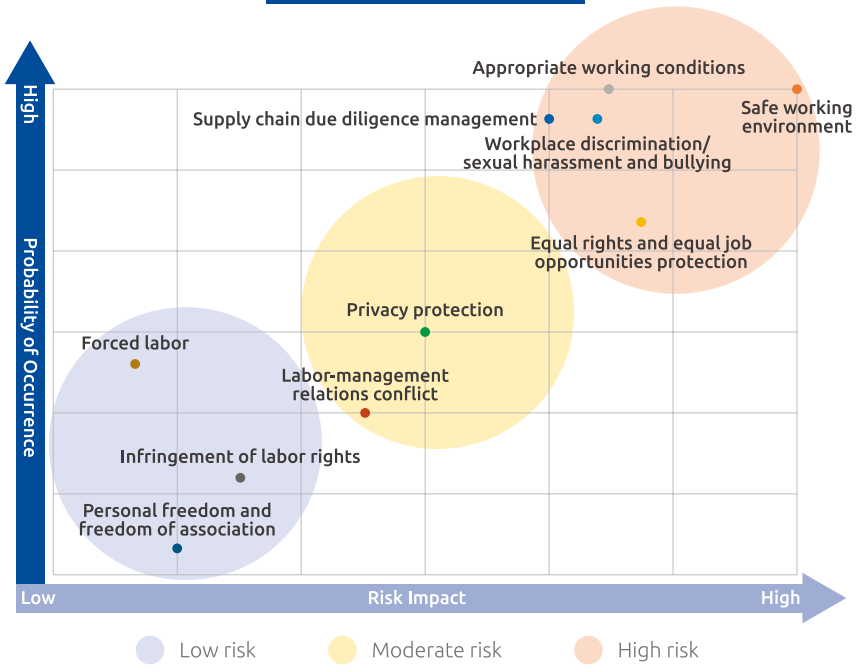
CHC Human Rights Policy

- CHC adheres to internationally respected human rights standards, ensuring that all employees receive fair and dignified treatment.
- We uphold the fundamental human rights of employees based on internationally recognized standards.
- We adhere to the labor laws and regulations of our operational locations, committed to continuously improving the work environment to promote the physical and mental health and safety of our employees.
- We foster a diverse and inclusive work environment where there is no discrimination based on gender, sexual orientation, marital status, race, nationality, religion, political affiliation, socioeconomic status, age, family status, appearance, disability, or any other factor.
- We respect the human rights of international migrant workers by providing a work environment that respects their religious and cultural beliefs, ensuring fair treatment of migrant workers.
- We regularly review and evaluate our relevant systems and practices.

| Human Rights Risk Evaluation

The CHC Group conducts human rights risk assessments based on the probability of occurrence and the potential impact, categorizing risks into high, medium, and low levels based on overall exposure. Description of the 2024 Group Human Rights Risk Matrix, related risk mitigation, and compensation measures is as follow:

Human Rights Risk Matrix



Human Rights Issues	Target	Risk Assessment Methods	Risk Mitigation Measures	Compensation Measures	Corresponding Chapters
Safe Working Environment	All employees Sub-contractors	Number of occupational injuries and occupational diseases / Deficiency in improvement value	• Continuously implement the Group's occupational health and safety policy, conducting regular hazard identification and risk assessments • Regularly conduct workplace safety and hygiene audits and inspections • Regularly conduct occupational health and safety education, training and promotion • Continuously improve and implement deficiency improvement mechanisms	• Implement employee assistance program • Provide post-disaster psychological counseling	4.4 Safe Working Environment
Equal rights and equal job opportunities protection	All employees	Number of complaints and employee engagement survey	• Continuously implement the "Human Rights Policy" and regularly assess related systems and actions • Continuously implement diversity, equity, and inclusion initiatives, promoting equality • Maintain diverse and open employee communication channels, and implement response time management • Implement and continually improve migrant-friendly measures and welfare programs	• Conduct annual talent assessment and salary market surveys, continuously offering competitive compensation and improving human resource development plans • Propose compensation improvement plans	4.1 Diversity, Equality, and Inclusion
Workplace discrimination / Sexual harassment and bullying	All employees Business partners	Number of complaints and employee engagement survey	• Continuously enforce and enhance "Guidelines for Sexual Harassment Prevention, Complaint Grievance and Punishment" • Regularly conduct sexual harassment prevention advocacy and educational training, strengthen legal awareness, and maintain smooth operation of complaint channels	• Provide psychological counseling, medical assistance, and legal support	2.3 Human Rights and Employee Communication
Assist employees in well-being	All employees	Number of annual tracking of employees at high health risk and employee engagement survey	• Continuously enhance the employee wellbeing plan, offering health promotion and support resources tailored to meet the needs of employees • Implement a mechanism for tracking work hours and regularly review employees' workload • Identify high-risk health groups and provide health promotion and support resources • Implement the employee recognition program and organize health promotion activities	• Representatives from both labor and management meet regularly to discuss and improve employee rights and benefits • Provide overtime compensation plans • Provide unused annual leave compensation plans	4.3 Workplace Health Promotion
Supply chain due diligence management	Supplier Sub-contractors	Supplier evaluation results	• Suppliers who receive an unsatisfactory evaluation must complete improvements within a specified deadline. Failure to do so will result in convening a review meeting to discuss inclusion on the non-compliant list • Promote suppliers to annually sign a Declaration of Compliance & Questionnaire • Continuously improve the supplier selection and evaluation system	• Supervise suppliers in executing compensation measures	3.5 Sustainable Supply Chain

| Implementation Actions for Human Rights Policy

The Group continues to assess and review its human rights management system and practices, such as compliance policies and procedures, labor-management meetings, employee engagement surveys, grievance hotlines, and communication channels. This ensures that employees receive equal opportunities and treatment in terms of compensation and benefits, learning and development opportunities, performance evaluations, and career advancement, regardless of gender, sexual orientation, marital status, race, nationality, religion, political affiliation, socioeconomic status, age, family status, appearance, disability, or any other factor. To ensure the implementation of the human rights policy, we assess its effectiveness through annual employee engagement survey results, information received via employee communication and feedback channels, and employee interviews. The management team also conducts periodic audits of management practices concerning key human rights issues. In 2024, the Group received a total of five complaints, including two related to violations of the Gender Equality Act and three cases of verbal bullying. After investigation by the Company, none of these cases were substantiated. The Group has developed response measures for negative human rights incidents and actively promotes prevention. **In 2024, there were no incidents of child labor, discrimination, forced labor, or indigenous rights violations at the Group's operational sites and among its suppliers.**

We actively promote concepts such as equality, sexual harassment prevention, prevention of employment discrimination, and respect and understanding of cultural differences through learning courses, games, and interactive activities. We implement comprehensive equality measures, such as providing breastfeeding hours, paternity leave, and family care leave. In terms of talent recruitment, we actively promote equal employment opportunities. **In 2024, we employed 28 individuals with disabilities and 17 employees from minority groups (Indigenous peoples), representing increases of 27% and 42%, respectively, compared to 2023.**

Additionally, the Group periodically assigns personnel to attend labor / human rights courses to stay updated on important trends and changes in human rights regulations. The Group continues to enhance the quality and quantity of human rights education and training, regularly conducting a series of human rights training sessions covering topics such as gender equality, diversity and inclusion, a friendly workplace, and intergenerational communication. **In 2024, a total of 2,428 participants attended human rights training sessions, with the total training hours reaching 4,772, representing a 112% increase compared to 2023.**

Photos of the Human Rights Training Sessions

Diverse Employee Communication Channels

The CHC Group values the feelings and opinions of each employee, establishing diverse communication channels such as labor-management meetings, the internal website platform Connect for employee feedback, the Idea Box, employee engagement surveys, and CEO lunch. These channels ensure that employees' voices and suggestions are effectively

conveyed to management team. Through these communication avenues, employee feedback receives proper attention, leading to problem resolution and fostering a constructive two-way communication cycle within the organization.

| Labor-Management Meeting

The Group sets up labor-management meetings, convening at least quarterly to discuss topics such as company benefits measures, updates on labor laws, labor relations coordination, fostering cooperation between labor and management, employee health care, and workplace safety. In 2024, a total of 20 labor-management meetings were held, facilitating bilateral communication to safeguard the rights and interests of both labor and management. These meetings aimed to enhance harmonious labor relations and foster a mutually beneficial outcome for both.

| Engagement Survey

In 2024, we continued to conduct engagement surveys among all group employees using anonymous online questionnaires. We systematically collected employees' thoughts and levels of identification with the company across various dimensions including health and safety, growth and development, wellbeing, work quality, and innovation. Actively listening to each employee's feedback, we deeply analyzed and observed trends and performance across different indicators within each member company, serving as crucial reference points for ongoing improvement and development in the future [7].

| Sexual Harassment Prevention Measures

To provide employees, job applicants, and business partners with an environment free from sexual harassment, the Company has established the "Guidelines for Sexual Harassment Prevention, Complaint Grievance and Punishment." These guidelines outline appropriate preventive, corrective, disciplinary, and handling measures for incidents of sexual harassment to ensure the protection of the rights and privacy of the parties involved. Additionally, we have incorporated gender equality, respect, and sexual harassment prevention courses into the annual mandatory training and have strengthened advocacy to enhance employees' awareness of mutual respect. Complaints of sexual harassment can be submitted verbally or in writing. Upon receiving a complaint, the designated supervisor will establish a sexual harassment complaint handling unit in a timely manner, adhering to principles of objectivity, fairness, and professionalism during the investigation, while protecting the privacy and legal rights of the parties involved. The Group continues to ensure smooth operation of complaint channels. **As of December 31, 2024, the Group received a total of 2 sexual harassment complaints, which, after investigation, were not substantiated. We actively implement education and advocacy to create a safe and respectful work environment.**

Complaint Hotline Number: (02) 3701-6576

Dedicated Complaint Fax Number: (02) 6638-8168

Dedicated Complaint Email: HR@continental-holdings.com

| CEO Lunch

The CHC Group continues to organize lunch events with the CEO, providing opportunities for non-management staff to interact directly and communicate with the CEO of the Group. This platform allows employees to express their observations and expectations directly to the CEO, while the CEO shares insights into the rationale and considerations behind key decisions. This initiative demonstrates the company's commitment to valuing non-management staff, facilitating early identification of potential concerns. **In 2024, the Group held a total of 18 CEO lunch, with a combined participation of 59 employees.**

| Idea Box

To expand sources of creativity and promote a culture of innovative thinking, the Group continues to implement the "Idea Box" initiative, supporting every employee in proposing creative ideas and encouraging them to recommend good ideas from others. In 2024, a "Sustainable Development" themed event was launched, encouraging proposals in areas such as "resource conservation," "material waste reduction," or "waste minimization." In the 2024 fiscal year, **a total of 17 proposals were received, including plans for office air conditioning energy savings and improving the efficiency and quality of grounding engineering. Ten proposals passed the review and were implemented**, with the "Enhanced construction method for one-time concrete pouring of partition walls in station concourse levels" and "Safety measures for deck hole plugs" being the most representative. (See "3.1 Concept of Smart and Sustainability" and "4.4 Safe Working Environment.")。

7 For more information, please refer to 4.1 Diversity, Equality, and Inclusion

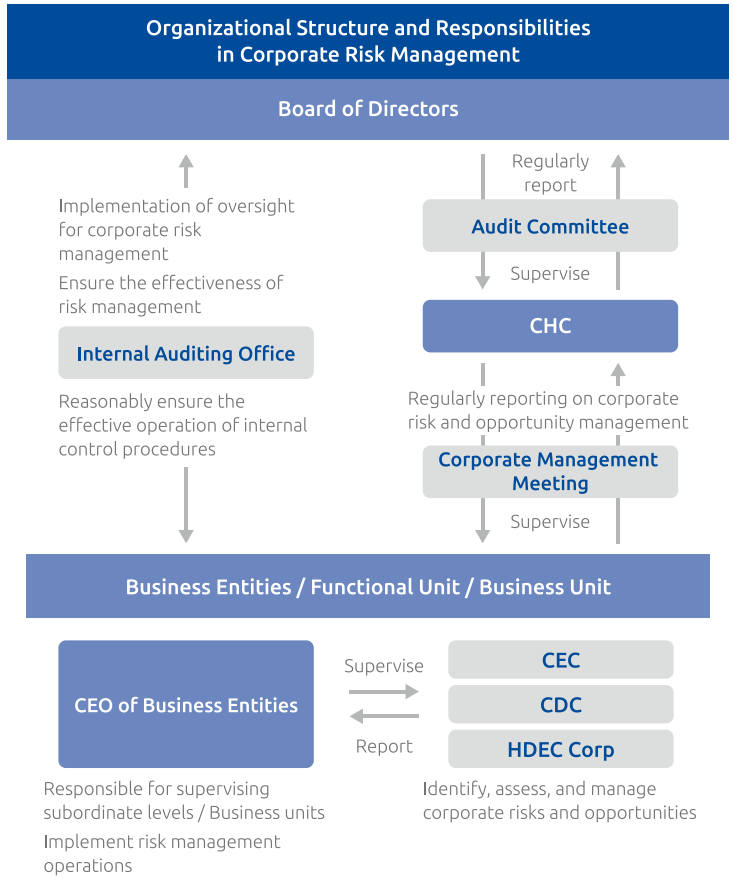
2.4 Risk Management

Risk Policy and Management

The "Group Risk Management Policy" is the highest principle of risk management for the CHC Group. It clearly defines the risk management framework, risk categories, risk management procedures, implementation practices, and supervisory mechanisms. It specifically regulates internal management mechanisms to review and track key risk items, develop response plans, and monitor execution effectiveness. It also stipulates that before participating in any project bidding or land development plans, a comprehensive risk assessment and preparation must be conducted by the review committee or designated unit. Additionally, the "Group Emergency Management Guideline" is established to swiftly respond to major risks or emergencies, aiming to eliminate uncertainties that hinder the achievement of objectives as much as possible.

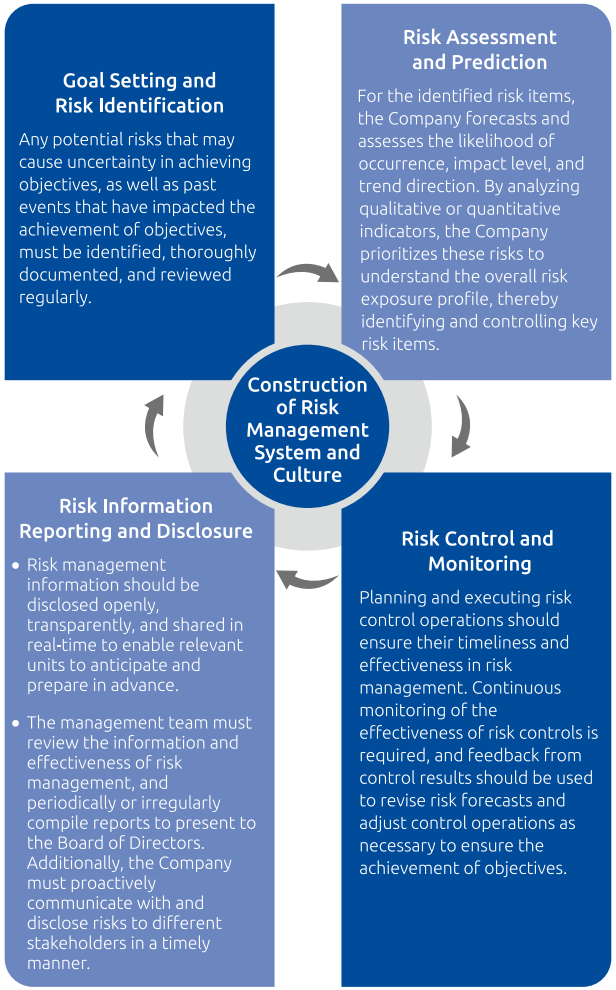
"Group Emergency Management Guideline" establishes assessment, classification, mobilization, notification, and handling principles for specific emergency events. This framework includes 15 categories of significant risks and crisis events such as natural disasters, health hazards, political risks, occupational safety, information security threats, human infringements, and reputation risks. These risks are classified and managed based on their potential impact on the group's operations, finances, or reputation. We have also established mechanisms for convening emergency response teams and setting up action teams to enhance both horizontal communication between organizations and vertical mobilization mechanisms, enabling timely and effective responses to major risk events.

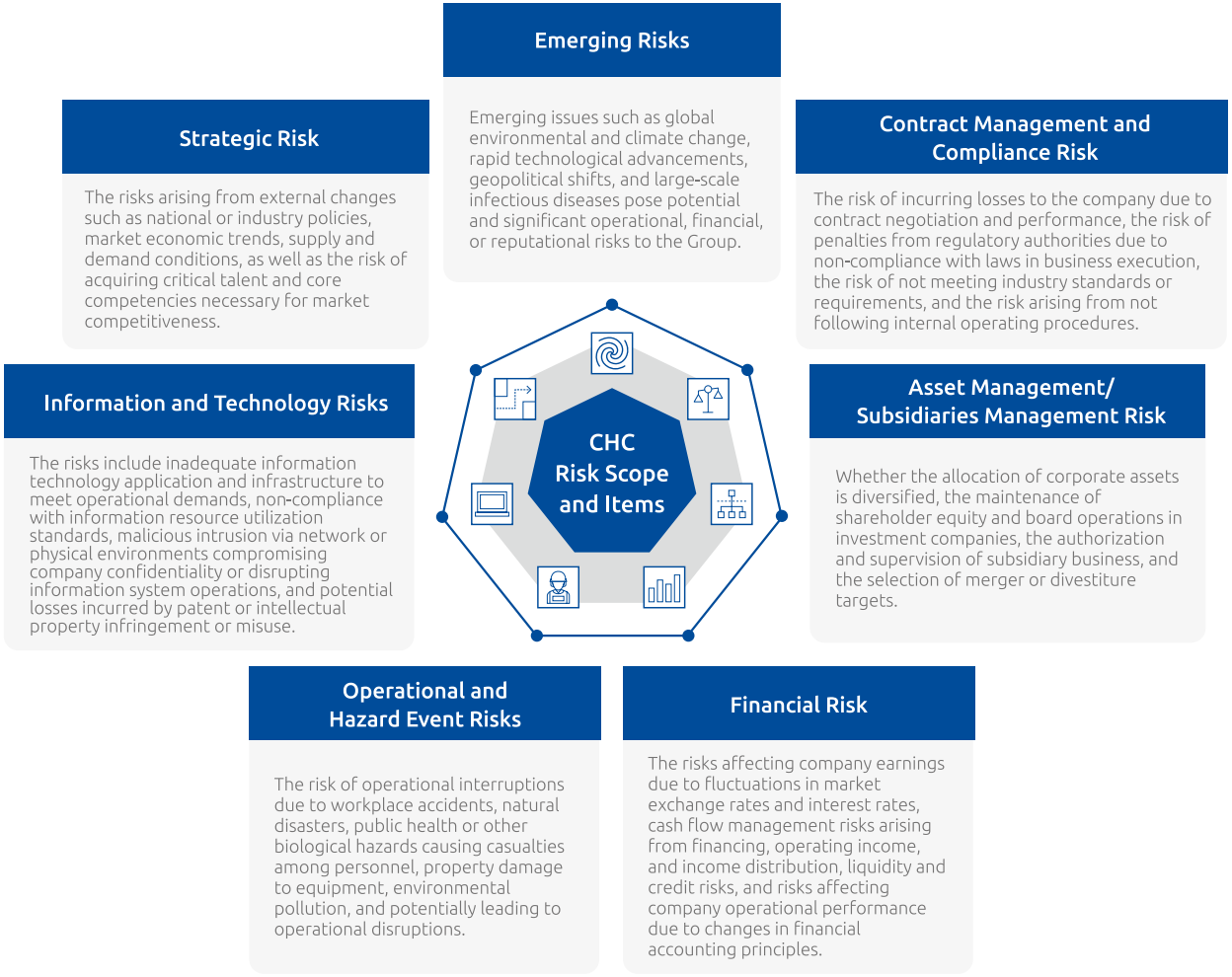
The Company's Board of Directors serves as the highest authority for risk management, overseeing the execution of risk management and holding ultimate responsibility for it. The CEO is responsible for supervising the implementation of risk management operations across all levels and business units, and for reporting on the execution of risk management to the Board of Directors and relevant stakeholders. Each functional and business unit serves as a fundamental unit for risk management execution, with unit heads overseeing the execution of risk identification, assessment, control, and other risk management activities. They are also responsible for consolidating risk management information and reporting to the next level of management. The Internal Auditing Office operates as an independent unit under the Board of Directors, responsible for assisting the Board and management in fulfilling their responsibilities for internal controls, auditing the execution of risk management within various units, and ensuring the effective operation of the risk management system. The Company's CEO reports annually to the Board of Directors on the Group's risk management operations during the first quarter. **The report on the Group's risk management operations for 2024 was issued on March 5, 2025. The identified key issues for the Group include: succession planning for critical positions, increases in raw material prices, labor costs, and electricity rates, changes in interest and exchange rates, compliance with ESG-related regulations, and risk issues for each member company.** The management team continuously tracks key risk items and discusses response plans through management mechanisms such as monthly reports and meetings.



| Risk Scope and Items

The Company continuously reviews its operational objectives, changes in the business environment, and the interrelationships between risk items and internal control systems to identify short, medium, and long-term risks that may impact our business, operations, or finances. Based on these assessments, we implement corresponding management measures. Additionally, we closely monitor emerging risks that could potentially impact the company, proactively identifying and managing potential risks to enhance the operational resilience and adaptability of the CHC Group.





Evaluation of Internal Control and Risk Management Effectiveness

The effective operation of internal controls and risk management relies not only on each department's diligent execution but also on timely audits conducted by independent and objective audit units to provide reasonable assurance. The Internal Auditing Office of CHC is an independent unit under the Board of Directors, assisting the Board of Directors and management in examining and reviewing deficiencies in internal control systems, assessing the effectiveness and efficiency of operations, and providing timely improvement recommendations. This ensures the continuous and effective implementation of the company's internal control systems and serves as the basis for reviewing and revising internal control systems as needed. The mission of internal audit is to enhance and protect the organization's value by providing risk-based, objective assurance, recommendations, and insights. The Internal Auditing Office employs systematic and rigorous methods to assess and improve the effectiveness of governance, risk management, and control processes, thereby assisting the company in achieving its objectives.

| Risk-Based Audit Operations

The Internal Auditing Office conducts a risk assessment operation in the fourth quarter annually. Based on this assessment, they propose a risk-based audit plan for the following year. This plan is presented to and approved by the Board of Directors before implementation. Throughout the year, the Internal Auditing Office continuously evaluates risks, taking into account changes in the external environment and within the Group's internal business, operations, and systems. They adjust the annual audit plan as necessary to ensure its alignment with the organization's strategic and operational objectives. The Internal Auditing Office may also, as requested by the Board of Directors, oversee the effectiveness of risk management in various units. Additionally, the Audit Committee supervises the overall risk management of the company to ensure the implementation and adherence to risk management practices.

Before conducting audit operations, the Internal Auditing Office must first confirm the audit project's objectives, scope, risk management, and management systems to plan verification methods and steps effectively. Upon completion of on-site audit operations, the Internal Auditing Office communicates the audit project's findings with relevant personnel. Following verification, they issue an audit report. Subsequently, they track the progress of management's action plans until improvements are completed to ensure effective risk management and control. Regular reports on audit activities are then submitted to the Audit Committee and the Board of Directors.

Internal Audit Process

First Step	• Assess the company's overall risk exposure and develop a risk-based annual audit plan
Second Step	• Plan audit project - After identifying operational risks, establish audit objectives, scope, schedule, and resource allocation
Third Step	• Execute audit project - Ensure comprehensive, reliable, relevant, and useful information is documented to support audit project outcomes and conclusions, and supervise appropriately
Fourth Step	• Communicate results - It is necessary to communicate audit project results with relevant personnel, including the project's objectives, scope, appropriate conclusions, and action plans. Communication should be accurate, objective, clear, concise, constructive, comprehensive, and timely
Fifth Step	• Monitor progress - Track the implementation status of management action plans to ensure timely and effective execution, and produce quarterly progress reports at a minimum until improvements are completed

The Internal Auditing Office has completed the audit operations in accordance with the 2024 annual audit plan. Overall, each functional / business unit has established relevant management processes and operational procedures based on business needs to manage risks. No significant anomalies were found.

Information Security

| Information Security Management Policy

The CHC Group prioritizes the security of digital assets to prevent potential threats. The CHC Group has established Information Security Management System Principle, implemented an information security management system, set information security objectives and

management indicators, and continuously optimizes various information security management mechanisms. **CHC and CCLC implemented the ISO 27001:2022 Information Security Management System in 2023 and obtained third-party certification. In 2024, the scope of the ISO 27001 certification was expanded to include CDC and HDEC. The certification is valid until November 7, 2026**, ensuring that the Group's information security management system meets international standards and strengthens information security management practices to enhance cybersecurity protection effectiveness.

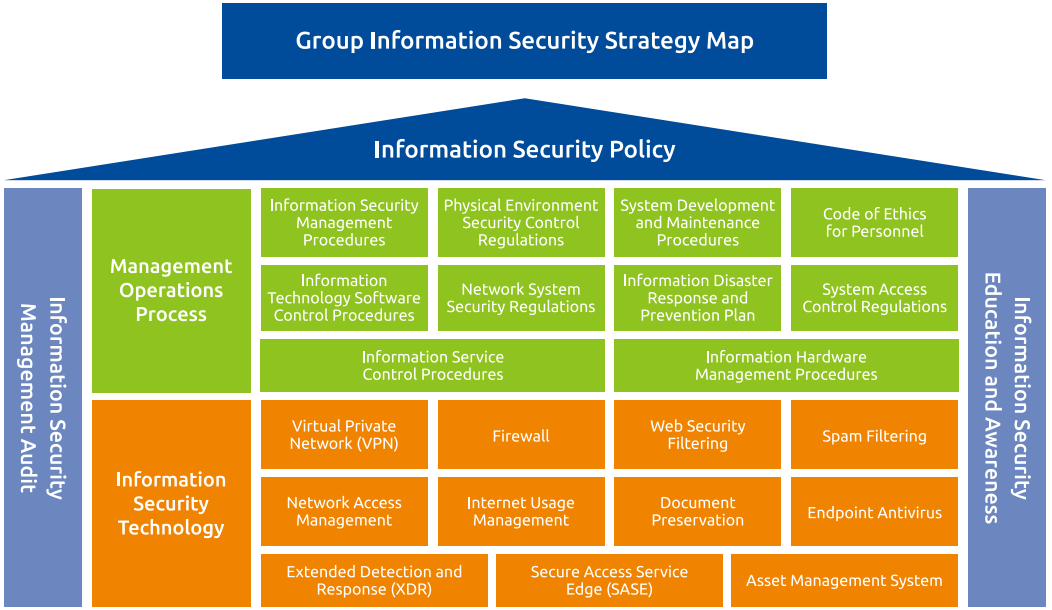
Information Security Policy

The company must protect its information resources securely in response to identified risks and security standards. Key points of information security include but are not limited to:

- All information systems must be monitored for potential security vulnerabilities to protect information resources from virus or other malicious software intrusions.
- Only authorized users may access or use company information resources, and relevant permissions should be granted based on necessary considerations of the information required to perform business operations.
- It is necessary to maintain the physical security of company premises to prevent unauthorized individuals from entering or accessing buildings and data centers.
- It is necessary to maintain an information security incident management plan to promptly respond to and periodically report information security incidents.
- Adhere to all regulations from relevant information security authorities, company policies, and contractual obligations.

| Information Security Management Framework

The CHC Group approaches information security from four aspects: prevention, response, resilience, and culture. The CHC IT Department is the responsible unit for managing the Company's information security affairs, tasked with formulating the Information Security Policy and establishing information security procedures. It reports regularly to the Board of Directors, with the most recent report submitted on November 1, 2024. CHC has established a dedicated information security unit and personnel to develop a comprehensive information security strategy, unifying the management of organizational information security risk assessment and control. In 2024, the Company continued to strengthen the protection of its information assets by enhancing security capabilities through advanced protection technologies and a multi-layered security architecture. Simultaneously, by raising employee awareness and changing behaviors, information security is integrated into daily work, creating an environment where all employees participate in information security. To enhance information security resilience, the Company optimizes information systems and business processes, improves incident response mechanisms, shortens response times, and ensures rapid response and continuity of operations in the face of security threats or unexpected events, thereby reducing the risk of business interruption.



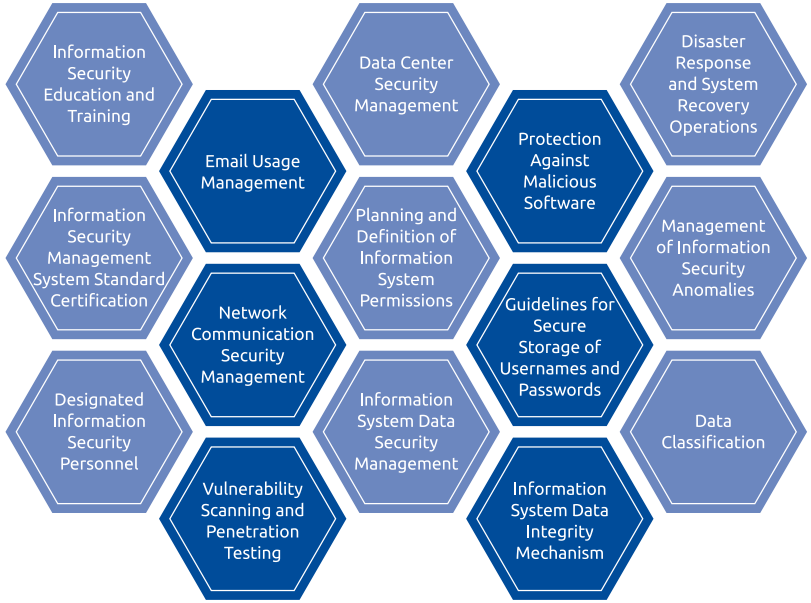
The CHC Group will continue to strengthen its information security management through activities such as asset inventory, risk assessment, prevention and response planning, review and enhancement of security protocols, implementation of annual drills, development of disaster recovery plans, establishment and maintenance of incident reporting mechanisms, and comprehensive staff education and training. These efforts are aimed at enhancing the overall level of information security management.

| Information Security Management Measures

The Group promotes information security management from six aspects: device protection and management, application system security, infrastructure protection, information security technology and service assurance, information security awareness enhancement, and asset and performance monitoring. This constructs a comprehensive information security protection mechanism, improves the level of information security, and ensures operational stability.

Device protection and management are cornerstones to the CHC Group. The Group deploys antivirus software, multi-factor authentication, and mobile device management mechanisms on endpoint devices, and implements remote encrypted connections to prevent potential security threats at the device level, ensuring all devices operate in compliance and securely. Application system security focuses on comprehensive security management throughout the entire lifecycle from system development to operation, including source code inspection, version control, vulnerability scanning, and penetration testing. Through comprehensive control mechanisms, the Group ensures stable operation of application systems and effectively reduces the risk of internal and external threats. In terms of infrastructure protection, comprehensive security measures are implemented for servers and data centers, such as backups, off-site redundancy, and regular disaster recovery drills, along with access control and environmental control mechanisms to ensure the reliability and continuity of infrastructure. Information security technology and service assurance are key to effective cybersecurity defense. The Company adopts a defense-in-depth strategy, combining firewalls, antivirus software, and third-party security operation center (SOC) to achieve real-time threat detection and response, enhancing the overall security resilience of the environment. Through regular training and continuous promotion of information security practices, employees gain a deep understanding of the importance of information security, fostering a company-wide cybersecurity culture and strengthening information security awareness. Asset and performance monitoring focuses on the establishment and improvement of asset management systems, achieving full lifecycle management of the Group's information assets, and integrating performance monitoring technology to ensure optimal asset utilization and security assurance.

Specific Information Security Management Plan



| Information Security Education and Training

All employees are required to participate in at least 2 hours of information security education training annually to ensure continuous acquisition of new information security knowledge and to enhance awareness of security protection among employees. Additionally, at least one social engineering exercise must be conducted each year. Furthermore, individuals involved in triggering events during the social engineering exercise are required to undergo an additional half-hour of social engineering education training. **In 2024, a total of 2,394 individuals participated in group information security-related education and training courses, accumulating a total training time of 4,226 hours. The Group did not experience any information security incidents in 2024.**

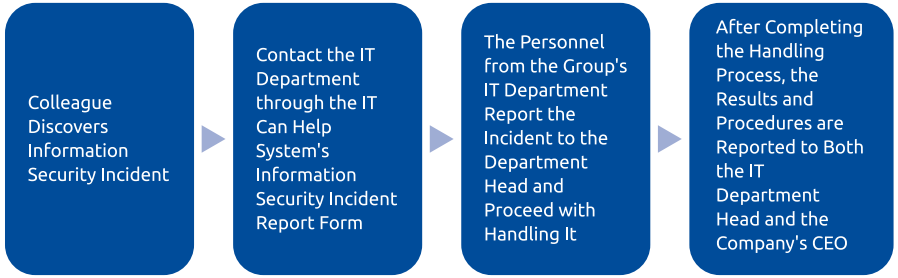
Course	Targets	Number of Participants	Hours
Information Security Awareness Promotion and Education Training	All employees of the Group	1,975	2 hours
Social Engineering Education Training	Social engineering initial testing drill for trainee personnel	345	0.5 hours
	Social engineering retest drill for trainee personnel	17	0.5 hours
Information Security Management System Policy Awareness Course	Company employees in verification scope	57	1.67 hours

| Information Security Emergency Response

The CHC Group has established an information security emergency response plan to enhance its ability to handle unexpected information security incidents, ensure operational stability, and reduce potential risks. In 2024, the Group officially joined the TWCERT/CC corporate information security defense system. Through real-time threat intelligence sharing, the Group accelerated its response speed, shifting from passive defense to proactive prevention, thereby reducing the negative impact of information security threats. The Group has built an efficient information security defense network with the TWCERT/CC professional team, strengthening incident response and collaboration effectiveness, and enhancing overall information security resilience.

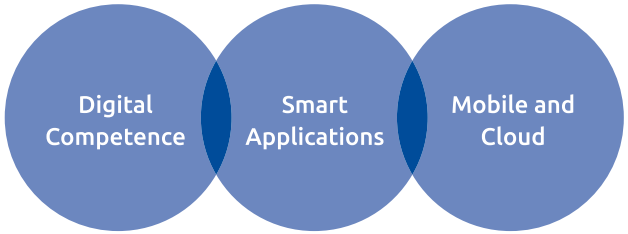
Additionally, to optimize the information security incident handling mechanism, in 2024, the Group's "IT Can Help" system introduced an information security incident reporting and handling form. Through the system's incident categories, including social engineering attacks, web attacks, illegal intrusions, denial of service, and equipment issues, information service needs are distinguished, and resources are properly allocated to ensure that information security incidents are addressed and responded to in a timely manner.

CHC Group Information Security Incident Reporting Process



| Digital Transformation

The CHC Group has been continuously integrating digital tools and cloud applications. In recent years, the Group has implemented Microsoft 365 and is actively promoting its use to enhance digital collaboration among employees, while ensuring the security and efficiency of cloud operations. This initiative aims to improve employees' digital skills, boost productivity, and optimize information security management. The Group's digital transformation encompasses three main areas: digital competency training, smart application promotion, and mobile cloud integration, all of which support the Company's move towards a more efficient and intelligent operational model.



1. Digital Competency Training

- The Group has continued to promote Microsoft 365 application training, utilizing tools such as OneDrive, Power BI, Power Automate, and SharePoint to enhance document management, data analysis, process automation, and internal knowledge management. To date, a total of 62 sessions have been held, with 1,744 participants, accounting for 96.9% of all employees.

2. Smart Application Promotion

- By utilizing OneDrive for centralized document management and real-time sharing, we enhance collaboration efficiency. Power BI strengthens data visualization and decision support, applied to engineering profit and loss reports, procurement management, and more.

- By utilizing no-code application platforms to build collaboration platforms, such as the Human Resources Service Platform, Construction Knowledge Platform, and Group Greenhouse Gas Inventory Platform, knowledge management is optimized. Low-code application platforms are applied to the Power Platform and Power Automate integration, such as the Technical Department Digital Platform, to automate business processes and reduce manual workload.

3. Mobile Cloud Integration

- Implemented Microsoft 365 and integrated cloud identity authentication and authorization services (Azure Active Directory, AAD) to achieve Single Sign-On (SSO), enhancing access security and convenience. Employees can log into AAD via mobile phones or any device, securely accessing corporate documents after two-factor authentication, supporting remote collaboration.

- Through AAD integration, all site offices in Taiwan can use the Line opening protection reporting function to report the status of construction site openings in real-time, enhancing safety monitoring and management efficiency. The introduction of cloud technology ensures that employees can access and update data at any time, strengthening the immediacy and accuracy of decision-making, supporting the company's intelligent transformation, and improving collaboration efficiency and competitiveness.

| Customer Privacy Protection

The Company has established the "Personal Data Protection Policy" and the member companies' "Personal Data File Security Maintenance Program and Rules for Handling Personal Data upon Cease of Business" to comprehensively regulate the processes of personal data collection, processing, and utilization, ensuring compliance with the Personal Data Protection Act and related regulations. Additionally, the Group requires suppliers to adhere to personal data and information security-related regulations to ensure the proper handling and security of customer privacy and personal data.

The Company continues to promote the "Personal Data Protection Policy" awareness campaign, explaining to all employees the principles and requirements for the collection, processing, and use of personal data. This aims to enhance employees' understanding of regulations and practical capabilities, ensuring the implementation of data protection in daily business operations. The Group's member companies are introducing the ISO 27001 Information Security Management System in phases, covering control mechanisms such as information asset protection, risk assessment, response mechanisms, and policy implementation. This comprehensive approach aims to prevent potential threats, reduce the risk of information leakage, and ensure the continuous optimization of management mechanisms. **In 2024, the Group did not receive any grievances or experience any violations regarding the infringement of customer privacy.**

2.5 Regulatory Compliance

To stay abreast of significant regulatory changes, our legal department collects and tracks progress and directions related to regulatory amendments pertinent to the Group's operations on a weekly basis. This involves identifying how new or revised regulations may impact the Group's business entities and operations. The legal team then communicates these findings to relevant departments responsible for oversight and evaluation. This proactive approach ensures early awareness of regulatory updates that could have significant financial implications for our company. We adjust internal regulations accordingly to ensure compliance with the latest regulatory requirements in all business operations.

The Company conducts preliminary screening based on 50% of the maximum penalty amount stipulated by applicable regulations. We then analyze the identified penalty cases to assess whether they could have significant impacts on our business or finances. Cases deemed to have substantial violations are categorized as major non-compliance incidents. **In 2024, the Group did not incur any penalty incidents violating regulations related to marketing communications, information and labeling, customer safety, or customer privacy.** However, there were a total of 149 violation cases related to occupational safety and waste disposal, amounting to a total fine of NT$7.577 million. None of these cases met the criteria for major non-compliance incidents. We have actively reviewed and immediately improved upon each deficiency identified by regulatory authorities. This includes enhancing and adjusting corresponding protective measures, replacing construction equipment, and consistently reminding contractors and workers to use protective gear correctly and dispose of waste properly. We are addressing both hardware infrastructure upgrades and behavioral changes among workers to strengthen overall occupational safety and environmental management within the Group and across our supply chain. For detailed information on occupational safety-related optimization management, please refer to 4.4 Safe Working Environment.

Aspects	Number of Violations	Penalty Amount (NT$ thousands)	Number of Major Non-Compliance Cases
Governance			
Anti-bribery and corruption related	0	0	0
Anti-competitive related	0	0	0
Environment			
Environmental permits, standards, or regulatory violations Note 1	85	1,245.4	0
Society			
Reconstruction violations related to defects and safety Note 2	0	0	0
Occupational safety and health related	64	6,332.0	0

Note:

1: Violations related to environmental permits, standards, or regulations encompass all environmental non-compliance incidents related to local regulations and permits, including but not limited to: waste management, air quality or emissions, wastewater discharge, exceeding water resource usage limits, exceeding wastewater discharge limits (such as waste load allocations), violations of wastewater quality standards, oil or hazardous substance spills, land use, and endangered species protection.

2: Due to defects and safety-related reconstruction violations, the impact on the safety of the building itself (including hardware and software equipment) and the safety of construction personnel (including facilities related to worker safety) is covered. The associated costs involve activities that must be redone on-site or the cost of removing already installed engineering work.

- CEC obtained ISO 19650-2 BIM International Standard verification again in 2024
- In 2024, the Tianjin Street Project has obtained the Silver Green Building Label and has provided a construction resume upon completion and handover
- The Dazhi Commercial Building, under construction during 2024, has successfully obtained a Level 1 rating in the Building Energy-Efficiency Rating System (BERS)
- In 2024, the customer satisfaction survey results showed a Net Promoter Score (NPS) of 54 out of 100, surpassing the annual target and demonstrating a strong willingness among customers to recommend CHC Group
- In 2024, the successful development of the CEC LEBR Carbon Management Tool helps to support the low-carbon transformation of the construction industry
- Continuously promoting the application of innovative technologies in communication collaboration, information sharing, project management, and early warning and decision-making in order to accelerate digital transformation

2024 Goals

100% of building permit applications for properties on the 5th floor and above (inclusive) are to apply for and obtain Green Building Candidate Certificates	Achieved
The indoor green building material usage ratio for new building permit applications is 68%, while the outdoor ratio is 22%	Achieved
Continuously expanding the application of BIM in the design, construction, and operational phases	In progress
For projects obtained building permit this year with lot size more than 1,653m^2, electric vehicle charging systems shall be installed in public parking spaces, and wiring space for charging station shall be reserved for customer's parking space	Achieved
Continuously identifying and testing innovative solutions	In progress
The community of newly handed-over properties is fully equipped with a community service app system	Achieved
The pre-sale advertisements, architectural models, and model houses are 100% double-checked by dual departments before launch	Achieved
Providing a construction resume upon completion and handover for every construction project	Achieved

2025 Goals

100% of building permit applications for properties on the 5th floor and above (inclusive) are to apply for and obtain Green Building Candidate Certificates
The indoor green building material usage ratio for new building permit applications is 70%, while the outdoor ratio is 23%
Continuously expanding the application of BIM in the design, construction, and operational phases
For projects obtained building permit this year with lot size more than 1,653m^2, electric vehicle charging systems shall be installed in public parking spaces, and wiring space for charging station shall be reserved for customer's parking space
Continuously identifying and testing innovative solutions
The community of newly handed-over properties is fully equipped with a community service app system
The pre-sale advertisements, architectural models, and model houses are 100% double-checked by dual departments before launch
Providing a construction resume upon completion and handover for every construction project

3.1 Concept of Smart and Sustainability

Responding to the Transformation towards Green Low-Carbon Cities

The construction industry is one of the major industries globally responsible for energy consumption and greenhouse gas emissions. The transformation towards low-carbon cities is a key strategy for the construction sector to address climate change issues. The practice of low-carbon cities primarily focuses on four key areas: circular economy, urban energy management, energy-efficient buildings, and green transportation. The CHC Group continues to promote the realization of low-carbon cities through various initiatives, such as participating in the reconstruction of old and urban renewal buildings, constructing rail transportation infrastructure and green buildings, as well as water resource and waste management, and renewable energy projects.

Responding to the transformation towards green low-carbon cities, the CHC Group has set goals in real estate development, construction engineering, environmental project development and water treatment, and is steadily progressing towards these objectives. In the field of real estate development, the CHC Group sets goals to promote green building design and the use of green building materials, increasing the proportion of green building design projects each year. Each year, all new construction applications apply for and obtain a Green Building Candidate Certificate, focusing on optimizing building energy efficiency through energy, air, and water resource designs. The CHC Group is also committed to the reconstruction of old and dangerous buildings, injecting new vitality into the city and reducing building carbon emissions. In the field of construction engineering, the CHC Group actively promotes environmentally friendly and technologically innovative construction methods, building urban transportation infrastructure and residential spaces to create livable cities conducive to practicing low-carbon lifestyles. In the field of environmental project development and water treatment, given Taiwan's unstable water conditions and the increasing demand for renewable energy, the CHC Group is enhancing environmental resilience through wastewater treatment, reclaimed water production, circular economy practices, and waste incineration power generation. [1]

The CHC Group continues to enhance healthy living environments and the quality of sustainable communities through environmentally friendly building designs and construction methods and extends the principles of the circular economy and sustainable design to various areas, including real estate development, construction engineering, environmental engineering, water resources, and waste treatment and renewable energy. Representative projects for 2024, such as "Green Utopia," "Poetic Yard" and "Heng Mu," are concrete demonstrations of the Group's efforts in promoting the transformation to green low-carbon cities. [2]

1 For more examples, please refer to "5.3 Circular Economy and Resource Management"

2 For related examples, please refer to "3.2 Sustainable Design"

Integrating Technology into Quality Management

The CHC Group has always maintained strict quality control over its products and services. The key principles and practices of the Group's quality policy are integrated into daily business work guidelines. The Group employs the DMAIC quality improvement process, project execution management, and engineering satisfaction surveys to implement quality management. Additionally, innovative technologies are consistently utilized to enhance the efficiency of quality management.

| Group Quality Policy

Adhering to the spirit of "doing things right the first time and precisely achieving every set goal," the CHC Group has continuously refined standardized operations since 2002, internalizing quality management as an integral part of its corporate culture. The Group's quality policy is based on three key principles and practices, which establish the guidelines for business execution and shape the core values of the company.

CHC Group Quality Policy	Emphasizing on customer-focused and process-oriented target, properly planning goals and plans, and establishing measurement mechanisms to ensure the quality of products and services. It also encourages continuous innovation and improvement in the pursuit of excellence in quality.
Implementation and Execution of Quality Management	Set quality objectives that align with the company's strategic direction in order to motivate employees to continuously improve quality requirements. Establish standardized procedures to ensure that operations are conducted according to consistent standards, resulting in consistent operational quality.
Quality Assurance	Every year, quality audits are conducted to ensure the effectiveness of management processes and to enhance employees' awareness of quality management. The Company has established an evaluation system for supplier management to assess the quality and performance capabilities of suppliers, ensuring the quality standards of the products and services provided by the company.
Continuous Innovation and Improvement	Based on the performance of comprehensive quality objectives, audit results, customer satisfaction, and other information and feedback, we constantly strive to identify opportunities for quality improvement. We also encourage our colleagues to continuously explore and adopt the most effective operating models, stay current with industry trends, exceed customer expectations, and progressively enhance the company's level of quality.

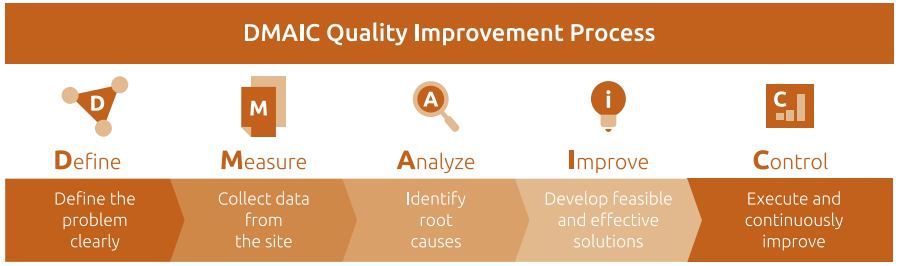
| Quality Management

· Project Execution Management

All construction projects adhere to contract provision, with construction plans, drawings, and progress schedules submitted for owner review and approval before commencing on-site construction. During the construction process, monthly review meetings are held to manage project progress and quality. The Company collaborates with the owner to conduct material inspections and construction checks. After project completion and acceptance, a warranty maintenance team is established according to the contract's warranty terms. This team regularly maintains equipment and instruments, holding quarterly maintenance work seminars to explain the execution of tasks and gather user feedback. Before the warranty period expires, inspections are completed and approved, officially disbanding the warranty maintenance team.

· Digital Quality Management

The Group has introduced a quality improvement project and employed the DMAIC quality improvement process. Through annual quality audits, we continuously seek opportunities to enhance the quality of our results, aiming to better meet customer demands and uphold the spirit of quality management.



To optimize construction quality management, the Group has self-developed the "OnSite Cloud Project Quality Management Platform", which helps construction site personnel optimize workflow using handheld mobile devices. It enhances document handling, approval efficiency, and facilitates more immediate and effective communication. The quality reporting feature of the OnSite platform facilitated the optimization of concrete material quality checks, and is applied across all projects within the Group. Each site office uploads concrete compressive strength related information to the OnSite platform. The system references international standards like ACI to determine concrete quality grades and automatically generates control charts. If there is a trend indicating quality degradation, the system issues alerts to notify managers to take immediate strengthening measures early. The Group continues to utilize the OnSite platform for collecting and analyzing construction management information from construction sites throughout Taiwan. This enables the establishment of cross-project risk alerts, making engineering risk management operations and decisions more real-time and comprehensive.

· Survey of Construction Satisfaction

The Group conducts satisfaction surveys for construction contract clients, covering indicators such as project progress management, personnel coordination and communication, quality control, safety and health, and professional capabilities. The results of these satisfaction surveys are used as quality objectives for continuous improvement. Satisfaction surveys were conducted for construction contract projects and operational projects in 2024, including 15 civil projects, 19 building projects, 5 mechanical and electrical projects, and 7 environmental projects. The survey results showed **an overall Net Promoter Score (NPS) of 54 out of 100, surpassing the annual target**. Construction customer concerns in 2024 included project schedule management, personnel competencies, and shortages of labor and materials. Meanwhile, operational project owners expect ongoing optimization of environmental monitoring and equipment performance. The CHC Group has introduced digital tools to enhance project schedule control, reduce the risks associated with labor and material shortages, and continuously improve environmental monitoring and equipment operational efficiency in response to client expectations and to meet client demands.

In 2024, ongoing interviews were conducted with key client senior executive, involving a total of 7 senior executives across 17 projects. Among them, four senior executives expressed approval of the CHC Group's control over quality and progress, as well as the professional capabilities of CEC, one of the member companies in the Group. Two owners affirmed the brand influence of CEC, while some owners indicated that due to the large size and organizational structure of CEC, they expect greater flexibility in administrative efficiency. The Net Promoter Score (NPS) analysis resulted in a high satisfaction score of 71, indicating strong satisfaction levels.

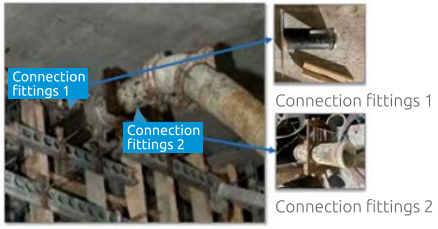
COLUMN

Enhanced Construction Method for One-Time Concrete Pouring of Partition Walls in Station Concourse Levels

In the construction of partition wall structures at MRT/subway stations, a secondary construction method is typically employed. During the construction process, it is necessary to fully open holes on one side of the vertical formwork of the partition wall (the side close to the roof) and set up a grouting port. After the initial setting of the concrete, the grouting port is manually sealed. The traditional method requires additional scaffolding for finishing work after formwork removal, resulting in longer working hours and greater labor costs; it is also prone to uneven grouting, which can affect construction quality. The improved construction method only requires minor adjustments to the construction sequence and reinforcement of the vertical formwork's strength, along with the opening of holes at appropriate locations to install the connection fittings for the concrete pump truck. The embedding and disassembly procedures for the fittings are straightforward, and the fittings can be reused. Once the concrete is poured to overflow, it is only necessary to strike and seal the grouting holes to complete the operation, eliminating the need for secondary construction. This method significantly enhances construction efficiency and quality. The introduction of this advanced construction method can effectively improve construction efficiency, optimize labor allocation, and ensure project quality.

▶ Traditional method

▶ Improved method



Connection fittings 1

Connection fittings 2

Benefit Comparison Analysis:	Traditional Method	Improved Method
Pressing and Delivery Rate of Concrete Pump Truck	Approximately 1 hour is required on average (9 cubic meters per truck)	Approximately 0.5 hours is required on average (9 cubic meters per truck)
Volume of Lost Concrete	Approximately 3% to 6%	Approximately 0.5%
Number of Operators Required	1 operator, 4 tailpipe workers, 2 formwork workers, and 8 grouting and plastering workers	1 operator, 2 tailpipe workers, 2 formwork workers, and 2 site cleanup workers
Follow-Up Operating Working Hours for Pumping	At least 4 hours or more	Approximately 0.5 hours
Disposal Costs for Waste Concrete	High	Low
Quality of Partition Wall Surfaces	The surface of the finished product is prone to honeycombing; as the grouting port is sealed with concrete that has already gone through initial setting, it cannot be compacted, resulting in lower strength	Through pressure and continuous infusion, the surface quality and strength of the finished product are improved
Cost Analysis	High	Saving approximately 38% of the cost

3.2 Sustainable Design

Safety Design and Green Building

The CHC Group is committed to providing products and services that prioritize customer health and safety. The CHC Group integrates green and smart building designs, incorporating features such as floor and ceiling sound insulation, seismic design, air quality sensing, water recycling, and smart control applications for public facilities like pumps, lighting, and centralized surveillance systems. These measures aim to create buildings that are healthier, safer, and more sustainable. To implement the Group's policies on green and smart buildings, we have established indicators for green building design and the use of green building materials since 2020. Each year, we will progressively increase the number of green building certification cases, with the ultimate objective of attaining 100% application and acquisition of Green Building Candidate Certificates for all newly constructed projects annually.

Considerations for Building Projects	
1	Before applying for a construction license, the work instruction book and the approved design drawings should be reviewed to ensure compliance with regulations and green building material design. The review should be approved by government authorities.
2	Based on the case planning and design requirements, apply for the necessary certifications or safety designs, such as obtaining Green Building Candidate Certificates or installing seismic columns, dampers, etc., to reduce earthquake and wind impacts, enhancing the building's safety design.
3	In the sales purchase contract, specify that the structural and building material warranties exclude any radiation steel bars, asbestos, untreated sea sand, or similar materials that pose risks to building safety or human health.

2024 Achievement of Safety Design and Green Building

Results	Review of Green Building Special Chapter in Construction Permits, and Review of Green Building Material Design	Green Building Certificate	Seismic Design or Seismic Resilience Label	Floor Soundproofing and Noise Reduction Design
Coverage Ratio	100%	70%	36%	73%
Representative Projects	Timeless and Modern Expression, Tianjin Street Project, Sensuous Garden, Prologue Eternal, Duan Mei, Metropolitan Village, Poetic Yard, Belle Époque, Green Utopia, Heng Mu, and Dazhi Commercial Building	Timeless and Modern Expression, Tianjin Street Project, Sensuous Garden, Prologue Eternal, Belle Époque, Green Utopia, and Dazhi Commercial Building	Timeless and Modern Expression, Sensuous Garden, Metropolitan Village, and Green Utopia	Timeless and Modern Expression, Tianjin Street Project, Prologue Eternal, Metropolitan Village, Poetic Yard, Belle Époque, Green Utopia, and Heng Mu

Status of Green Building Certifications Obtained in 2024

Project	Certificate Level	Green Building Indicators
Dazhi Commercial Building	Gold Candidate Certificate	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Water Resources, Sewage Garbage
Sensuous Garden	Gold Candidate Certificate	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Water Resources, Sewage Garbage
Timeless and Modern Expression	Silver Label	Greenery, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Water Resources, Sewage Garbage
Tianjin Street Project	Silver Label	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Water Resources, Sewage Garbage
Prologue Eternal	Silver Candidate Certificate	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Indoor Environment, Water Resources, Sewage Garbage
Green Utopia	Silver Candidate Certificate	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Indoor Environment, Water Resources, Sewage Garbage
Belle Époque	Bronze Candidate Certificate	Greenery, Daily Energy Saving, CO_2 Reduction, Water Resources, Sewage Garbage
Poetic Yard	Gold Candidate Certificate (Expected to be obtained in 2025)	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Waste Reduction, Indoor Environment, Water Resources, Sewage Garbage
Metropolitan Village	Silver Candidate Certificate (Expected to be obtained in 2025)	Greenery, Soil Water Retention, Daily Energy Saving, CO_2 Reduction, Water Resources, Sewage Garbage
Heng Mu	Qualified Candidate Certificate (Expected to be obtained in 2025)	Daily Energy Saving, CO_2 Reduction, Waste Reduction, Water Resources, Sewage Garbage

Greenery · Soil Water Retention · Daily Energy Saving · CO_2 Reduction · Waste Reduction · Indoor Environment · Water Resources · Sewage Garbage

Smart Buildings and Environmentally Friendly Design

Modern expectations for buildings go beyond safety, health, and aesthetics. There is a growing emphasis on sustainable resilience, and alignment with the environment. Practices such as energy efficiency, resource conservation, and incorporating smart concepts into residential and office spaces are becoming trends in architectural design.

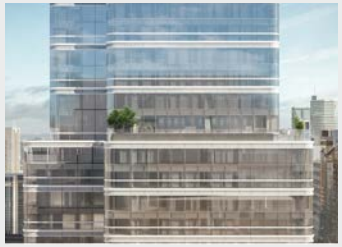
Referencing green building standards, integrating form coefficient, lightweight design, durability design, and green building materials into planning helps reduce carbon emissions during construction. Considerations include energy efficient in building design, HVAC and lighting efficiency, fixed energy- consumption equipment, water-saving equipment, and rainwater harvesting facilities. **In 2024, the Tianjin Street Project has obtained the Silver Green Building Label upon completion and handover. The number of households successfully handed over by the end of 2024 was 108**.

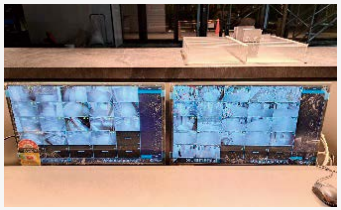
Material selection prioritizes environmentally certified and circular economy-compliant materials. For example, using recycled green building materials like compressed concrete paving units not only enhances aesthetics but also effectively mitigates environmental impacts. **In 2024, all ongoing projects exceeded the promised percentage of green building material use for both interior and exterior applications as stated in their construction license applications, achieving 100% compliance with the established goals**.

In daily building operations, energy and water demand can be reduced by implementing energy-saving and water-saving equipment, as well as installing renewable energy systems, such as solar panels and heat pumps, to increase the proportion of renewable energy use. **In 2024, a total of 218 water-saving toilets were installed in the Tianjin Street Project, achieving a 100% certification rate for water efficiency standards**. Additionally, the Dazhi Commercial Building, currently under construction by the Group, successfully obtained **a Level 1 rating in the Building Energy-Efficiency Rating System (BERS)** in 2024, effectively reducing operational energy consumption through optimized architectural design.

In response to the smart homes trend, most project plans now incorporate a central smart control system in the public facilities area. This system manages the electricity supply for ventilation, lighting, and air conditioning equipment, and also monitors the operation of generators, tap water pumps, and wastewater pumps. Responding to carbon reduction needs, the projects include electric vehicle charging facilities in communal parking spaces, with reserved wiring space for electric vehicles in private parking spaces for residents.

Items	Description	Photo
Use of Recycled Building Materials	Using environmentally certified building materials or recycled green building materials for outdoor flooring or driveways complies with material recycling and reuse, reducing environmental impact **Representative projects:** **Drawing the Dream Life, Timeless and Modern Expression, Tianjin Street Project**	 Recycled green building materials - Compressed concrete paving units
Use of Water Retention Pavement Materials	The landscape pavement is designed with either permeable pavement or grass brick permeable pavement **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Prologue Eternal, Belle Époque, Metropolitan Village, Green Utopia, Poetic Yard, Heng Mu**	 Soil water retention pavement materials
Use of Renewable Energy	Installing solar-powered garden landscape lights, solar panels, and solar clothes drying racks to reduce energy consumption, carbon emissions, and the heat island effect **Representative projects:** **Sensuous Garden, Belle Époque, Green Utopia**	 Installation of solar energy equipment

Items	Description	Photo
Reduction of the Carbon Dioxide Emissions of the Building Structure	Using lightweight partition plates and thermal insulation mortar to reduce the building load and achieve cooling effects, thereby lowering carbon emissions during the construction and use phases **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Applying thermal insulation mortar mixed with cement to building walls achieves excellent cooling and fireproofing effects, effectively conserving energy and reducing carbon emissions
Daily Energy Savings	Energy-saving glass is used, along with frequency conversion air conditioning units in public areas and high-power, high-efficiency lighting fixtures with independent control. These measures are implemented through a two-wire centralized control system, which automatically schedules the operation based on time to reduce energy resource consumption and the frequency of daily maintenance **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 The energy-saving glass design has a low visible light reflectance, which can block the heat energy from infrared radiation in sunlight and reduce the penetration of ultraviolet rays. Due to the high visible light transmission, a large amount of visible light enters, allowing for natural lighting indoors. During the summer, it blocks the heat from the sun, and in the winter, it effectively prevents indoor heat from escaping to the outside

Items	Description	Photo
Management of the Central Control System	Centralized monitoring and management of public facilities is achieved through a two-wire centralized control system for public area lighting, which operates on a scheduled basis **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Prologue Eternal, Duan Mei, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Public facilities such as electricity, pumps, lighting, security, and surveillance cameras are centrally monitored to ensure efficient scheduling and management
Improvement in Water Resource Use Efficiency	By implementing rainwater harvesting systems, detention basins, and installing water-saving equipment in public spaces, the efficiency of water resource utilization is improved **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Rainwater from the building site is first discharged to an underground raft foundation rainwater recovery tank. After filtration to remove chlorine, it can be used for garden irrigation, achieving rainwater reuse functionality
Healthy Living Environment	Adopting healthy green building materials **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Duan Mei, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Using eco-label paints reduces harmful chemicals to the environment and human health, thereby enhancing indoor environmental quality

Items	Description	Photo
Design of Electric Vehicle Charging for Parking Spaces	Installing charging equipment in public parking spaces or resident parking spaces, or reserving space for the installation of car charging equipment **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Duan Mei, Belle Époque, Green Utopia, Metropolitan Village, Poetic Yard, Heng Mu**	 Electric vehicle charging equipment is installed in public parking spaces, and wiring space is reserved for residents' parking spaces, making it convenient for residents to install charging stations and cables according to their future needs
Air Quality Management	Installing a heat recovery ventilator or reserving space for a heat recovery ventilator in the exhaust air ducts. Installing carbon monoxide detectors in parking areas to maintain good indoor air quality **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Install an energy recovery ventilation or reserve space for an energy recovery ventilation in the exhaust air ducts to each unit, allowing customers to customize their indoor space for piping and equipment installation. This setup enables outdoor fresh air intake while expelling indoor stale air, thereby maintaining indoor air quality
Water Quality Improvement	Installation of a tap water filter **Representative projects:** **Drawing the Dream Life, Tianjin Street Project, Timeless and Modern Expression, Sensuous Garden, Bountiful Journey, Prologue Eternal, Duan Mei, Metropolitan Village, Belle Époque, Green Utopia, Poetic Yard, Heng Mu**	 Install a water filtration device before filling the water tank in the basement with tap water, allowing for initial filtration of water before tap water enters the tank

Universal Design

Universal design refers to product designs that can be used by everyone without the need for modification or special design. American designer Ronald L. Mace advocated for the seven basic principles of "universal design," ensuring that everyone can use a space safely and comfortably, with appropriate dimensions and sufficient operational space. According to statistics from the National Development Council, Taiwan officially entered the "Aged Society" in 2018, with the population aged 65 and above exceeding 14%. It is estimated that by 2025, the population aged 65 and above will reach 20%, marking the transition into a "Super-Aged Society". Consequently, the importance of universal design is gradually being emphasized.

The CHC Group has incorporated the concept of universal design, enhancing the accessibility and safety of communal areas in the projects. This includes maintaining appropriate dimensions at building entrances, indoor and outdoor pathways, installing accessible elevators, stairs, and restrooms, among other conveniences. They also ensured that residents' private spaces include sufficient bathroom dimensions, meeting the needs of elderly residents and supporting multi-generational living. This approach aims to create spaces that are safe, attractive, and sustainable, catering to residents of all ages for their living and growth.

2024 Representative Projects

Green Utopia

Located in the 14th Redevelopment Zone of Beitun District, Taichung City, Green Utopia is a landmark green building in the zone. It is situated next to Sizhangli Park and boasts nearly 33,000m² of green landscape, achieving an exceptional view with every household facing the park. Continuing the natural atmosphere of the park, the architectural design of this project incorporates a multi-layered greening concept, featuring a front yard and a backyard on the first floor, and exclusive vertical greening balconies for each unit, as well as six sky gardens distributed across different floors. This design creates an organic extension of urban greenery, seamlessly connecting the building with nature, with an overall green coverage rate of 140%.

The entire project is being executed by the ODA architectural team based in New York, as it has designed a 20-story residential building with international-level architectural concepts. The project received a Silver Green Building Candidate Certificate in 2024. It incorporates energy-saving designs in the building envelope, air conditioning systems, and lighting equipment, combined with lightweight structures to reduce carbon emissions. In terms of greening, the first floor features a green area of 1,658.67m², while the roof greening area reaches 247.28m². Additionally, it is equipped with rainwater collection tanks and wastewater treatment facilities, meeting green building indicators for greening volume, daily energy savings, and water resource management. The indoor building materials include eco-friendly paint, and the outdoor areas utilize water-retaining pavement, with the proportion of green materials exceeding the legally recommended baseline. The project also includes the installation of electric vehicle charging stations to promote the use of renewable energy. Furthermore, it adopts the surrounding sidewalks for greening and care and features outdoor artworks, while planning a four-meter setback green belt and sidewalk along the street to enhance disaster response convenience and improve community livability.

Poetic Yard

Poetic Yard is located in Banqiao District, New Taipei City, designed by British architectural firm David Chipperfield Architects (DCA). It embodies simplicity, elegance, and a restrained classic essence, creating a rational spatial organization, rigorous geometric relationships, precise material selection, and a clear structural system. The design incorporates cantilever beams and hollow floor structures to enhance the landscape views. Each unit benefits from good ventilation and natural lighting, with garden relaxation spaces provided on both the ground and rooftop levels, offering a rich experience of greenery.

This project is expected to obtain a Gold Green Building Candidate Certificates, with planned measures for green indicators such as vegetation coverage, site water retention, daily energy conservation, carbon dioxide reduction, and water resource management. The design incorporates a Special Moment Resisting Frame (SMRF) structural system, with an earthquake force of 0.24g, enhancing the building's seismic performance and reducing potential structural damage during an earthquake. In terms of material selection, environmentally certified paints and lightweight partition materials are used, increasing the proportion of green building materials used indoors and outdoors, exceeding legal requirements. Additionally, the project plans to adopt the sidewalks surrounding the site to provide residents with a spacious and comfortable walking environment.

Heng Mu

Heng Mu is located in Banqiao District, New Taipei City. CDC collaborates with the internationally renowned Koichi Takada Architects, known for their natural architecture, to incorporate sustainable architectural design concepts. The firm selects internationally certified green building materials and utilizes architectural mimicry and landscaping to enhance the greenery of the streetscape, reshaping the close connection between architecture and the environment, and advocating for a coexistence of humans and nature.

The project is planned to obtain Qualified Green Building certification, with key indicators including daily energy conservation, carbon dioxide reduction, waste reduction, water resources management, and improvements in waste and wastewater management. In terms of structural design, a Special Moment Resisting Frame (SMRF) system is employed to ensure the building's seismic resistance and stability. The landscape paving utilizes permeable pavement design to enhance the site's water retention capabilities. In the selection of building materials, the proportion of green materials has been increased, exceeding legal requirements. A rainwater harvesting system and water-saving bathroom fixtures are incorporated into the design to reduce reliance on municipal water sources. Energy-efficient lighting is selected, and variable frequency air conditioning systems are installed in public spaces to automatically adjust operation based on indoor temperature, achieving high energy efficiency and creating a comfortable and environmentally friendly living space for residents.

3.3 Smart Construction and Operation

The CHC Group is a pioneer in integrating digital technology into the construction industry, committed to promoting technology adoption in construction, driving digital optimization and smart transformation. The Group's digital applications span across both construction and operations. In construction, we continuously develop technology tools, introduce innovative techniques, and refine methods to enhance construction efficiency, improve project management effectiveness, and strengthen construction quality and safety. In operations, the Group has developed multiple digital management platforms to increase information transparency and real-time updates. This enhances communication efficiency between frontline staff and operational management personnel, assists management in optimizing internal controls and decision-making, thereby improving operational management efficiency.

Smart Construction

Smart construction involves enhancing traditional construction practices by incorporating innovative technology and improved engineering techniques to optimize the construction and management processes. Implementing solutions tailored to different stages of the building lifecycle enhances project management, integrating smart applications from planning and design through construction simulation to actual execution.

The Building Information Modeling (BIM) system serves as the core of CHC Group's smart construction strategy. The BIM team plays a strategic role in advancing the Group's capabilities in smart construction, assisting the enterprise in exploring new values in future digital operations and sustainable development. From the design planning phase through construction to project completion, BIM technology is comprehensively integrated to enhance project management quality, improve work efficiency, and optimize resource utilization. Furthermore, the BIM team continues to develop diverse applications of BIM, such as image modeling and 3D aids, to enhance project efficiency and safety. Furthermore, we've established a digital project management platform to extend digital technology to daily management across all engineering projects within the Group, simplifying communication processes and enables precise management. In response to the government's call of net-zero carbon emissions and smart building policies, the BIM team has completed the development of a carbon footprint assessment application tool in 2024, providing consulting services for implicit carbon emission analysis based on BIM models during the design phase, thereby establishing a long-term and forward-looking sustainable digital foundation.

| The Diverse Applications of BIM (Building Information Modeling) Technology

The development, adoption, and application of BIM technology are essential trends in the global engineering industry. BIM uses parameterized 3D modeling techniques to integrate different designs into a single visual model. It simulates various operations and scenarios throughout the lifecycle of an engineering project. BIM employs visualization, collaborative work, and management modes to proactively identify and resolve issues before construction, thereby improving the overall efficiency and effectiveness of the project.

The Group has more than 15 years of experience in BIM research and development and has the capability to provide solutions for BIM-related engineering applications. Through the BIM Cloud platform developed by the Group, on-site engineers can scan QR codes to view and compare the completed construction surfaces. They can also quickly access the latest version of construction drawings. The supervisory unit can use it for on-site inspections to verify the accuracy of the construction, effectively reducing communication time and enhancing construction accuracy and efficiency.

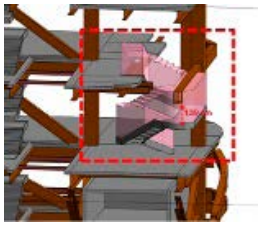
The participation of CEC in the Contract E of the Guanci Po-Ai Park Public Housing Development Project is a concrete example that showcases the Group's capabilities in BIM technology. The BIM team's extensive application and development achievements in the construction of the Guanci project have also earned them the 2021 BIM Digital Application Innovation Award. CEC successfully passed the ISO 19650-2:2018 BIM standard verification in 2023. In 2024, CEC again passed verification for ISO 19650-2:2018, demonstrating its ongoing commitment and capability in the practice of digitalization. Moving forward, CEC will continue to enhance the depth and breadth of BIM applications, expanding technology into the research and development of modular construction methods. Through precise data management and real-time collaboration, CEC aims to improve project quality and promote digital transformation within the industry, as well as environmental sustainability development.

· Application of BIM Technology in Engineering

In 2024, the Group continued to explore the potential applications of BIM in various aspects to enhance the quality and efficiency of construction work:

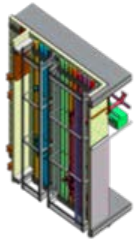
1. Automated Detection of Clearance Height

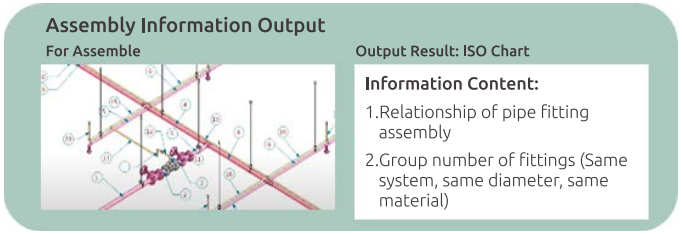
The Group successfully developed an automated clearance height detection program to check if the building design space has sufficient clearance height before construction. By setting the required clearance height volume, the program can automatically detect the clearance height of driveways, indoor spaces, and stairways. In 2024, this program was applied to 10 building projects, identifying a total of 296 issues early, thereby reducing the risk of subsequent construction errors.



2. Assisting with the Pre-Assembly Planning of Electromechanical System

The development of the BIM-based electromechanical pipeline pre-fabrication and modularization tool allows for its utilization in the planning of modular construction for electromechanical systems. This tool automatically calculates pipe dimensions, quantities, and lengths, thereby improving project efficiency and minimizing material waste. In 2024, it has been applied to the TOD project for the MRT Jiantan Multi-Purpose Building, focusing on the planning of Modular MEP construction. Through parametric modeling using BIM, the layout of the drainage system, air conditioning, and fire protection pipelines has been optimized. Additionally, the basement foam system has been precisely planned, effectively integrating the piping layouts of drainage, air conditioning, fire protection, and foam systems. This is expected to significantly enhance construction efficiency and reduce on-site interference, ensuring high-quality collaboration and quality control.





3. Structural, Electrical and Mechanical (SEM) Beam Sleeve Tool

The completed beam sleeve program optimizes the efficiency of producing structural opening diagrams, enhances the accuracy of opening locations, verifies compliance with regulatory requirements for beam penetrations, and identifies any unnecessary openings. This effectively improves project quality and reduces risks of errors and rework.

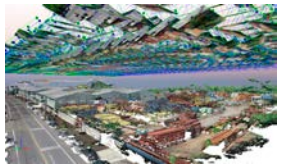
4. Overlay of Combined Service Drawing (CSD) and Structural, Electrical and Mechanical (SEM)

Completion of the development of related drawing output assistance program allows for the integration and output of collision review information, effectively reducing blind spots and human errors that cannot be identified using traditional drawing methods. This drawing service has been applied in practical civil engineering projects to enhance the efficiency of reviewing schedules required for integrating various building systems.

5. 3D Image Modeling

The project integrates aerial footage captured by UAV with automated modeling software to generate 2D images and 3D models, thereby enhancing the accuracy of geographic information while reducing time and labor costs for on-site measurements. The 3D photo-realistic model constructed by overlaying the BIM of structures with aerial images can assist the construction team in accurately controlling the planning schedule, reviewing construction conditions, shortening decision-making time, and minimizing rework. The 3D model history retained during the construction process can serve as a database for future reviews, improvements, or studying references. In 2024, this technology has been applied to the Section CJ17 of Taoyuan Railway Underground Project, utilizing modeling and virtual-real integration techniques to establish a real-time digital twin model, effectively comparing construction progress and correcting deviations.

The Group has also implemented laser scanning technology to aid in the completion inspection. To ensure consistency between the delivered digital as-built model and the on-site construction information, 3D laser scanning technology was utilized at the Nangang Depot Public Housing site to generate point cloud data. This data was then compared with the BIM model and the construction site environment to streamline the completion acceptance process and provide a reference for enhancing construction management and making modifications to the as-built BIM model in the future.



· Using BIM Technology to Implement ESG

The application of BIM technology accelerates workflow, controls costs, and facilitates the processing and analysis of environmental data, resulting in increased operational efficiency. It also helps in achieving the Company's ESG goals. BIM technology provides valuable information that facilitates the management of various aspects of ESG, such as improving energy efficiency in building design, reducing waste, enhancing social quality of life, and strengthening governance.

BIM Technology in Comprehensive ESG Management

Environment (E)	Society (S)	Governance (G)
• Energy consumption analysis • Carbon emission calculation • Material management and tracking • Reducing on-site waste generation	• On-site occupational safety management • Enhancing building safety	• Information transparency and real-time • Cost control • Time management

1. Energy Conservation and Carbon Management

CEC integrates **engineering quantity calculation, energy analysis by the Energy Saving Site Office, rebar modeling and embodied carbon management** through BIM technology. The integration enhances construction accuracy and energy efficiency, reduces resource waste and carbon emissions, and improves the sustainability of construction projects:

- Engineering Quantity Calculation

BIM technology is employed for precise engineering quantity calculations, including formwork, concrete, steel structures, and interior decoration, which ensures reasonable material allocation, reduces waste, and prevents cost overruns. Through data-driven management, the construction team can more accurately forecast and control material requirements, optimize resource utilization, and enhance construction efficiency.

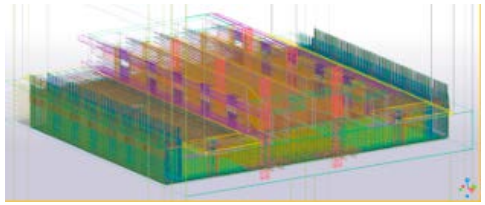
- Energy Analysis by the Energy Saving Site Office

During the design phase at the site offices, BIM technology is employed for energy analysis, simulating site environmental parameters such as sunlight exposure, air conditioning configurations, and material selection to assess the building's energy performance. After the site offices are completed and put into operation, Internet of Things (IoT) technology is integrated to monitor equipment operation, tracking Energy Usage Intensity (EUI) to ensure energy consumption is optimized, thereby reducing energy waste and carbon emissions during the operational phase, and promoting smart management and sustainable development.

- Rebar Modeling and Embodied Carbon Management

Using BIM technology for rebar modeling allows for the precise creation of construction drawings, ensuring accurate rebar placement and reducing the likelihood of rework. Coupled with BIM interference checking tools, potential collision issues during the construction process can be identified in advance, thereby minimizing on-site changes, enhancing construction accuracy, and shortening project timelines. Furthermore, CEC has developed **the Low Embodied-carbon Building Rating (LEBR) Carbon Management Tool**, which integrates BIM model information with a building materials database to review carbon emissions associated with various materials. This tool simulates the embodied carbon emissions of different design options and assesses the impact of construction changes on carbon management. It aids in identifying carbon reduction potential, optimizing construction strategies, and minimizing rework and material waste resulting from design changes. Additionally, the tool can automatically

generate the report information required for the Low Embodied-carbon Building Rating System (LEBR) certification, fulfilling the customers' demand for obtaining low-carbon building certification and promoting the low-carbon transformation of the construction industry.



Rebar Modeling

Embodied Carbon Management

2. BIM Technology and the Circular Economy

In response to the circular economy features of the Nangang Depot Public Housing, we utilize BIM models as a platform to establish a building materials database. By leveraging BIM technology, we can achieve a circular economy by modeling various building material information and preserving information from all stages of the project's life cycle. This information can be utilized for application and management during the operation and maintenance phase, as well as for future reference, thereby extending the lifespan of materials and providing a foundation for recycling and reuse.

Construction Phase	• Using BIM models to review the clash between structures, electromechanical systems, and future construction workflows helps reduce obstructions, demolitions, and rework during the construction process, thereby minimizing the short-term use of natural resources.
Usage Phase	• The subsequent maintenance management work uses the information from BIM to create a maintenance schedule, ensuring that the building remains in use for a longer lifespan through a well-maintained process.
Demolition Phase	• By preserving the information in the Building Materials Passport [Note], it enables demolition companies to plan suitable dismantling methods for reusable building materials, thereby increasing the potential for post-demolition reuse. For building materials that cannot be reused, the Building Materials Passport can provide information about their manufacturing origin, material properties, and quantities.

Note: The Building Materials Passport consists of digital data, detailing the components of construction materials and their raw material compositions.

The Group continues to utilize BIM technology for project planning, design, construction simulation, interface conflict review, engineering information documentation, and management. This enables us to derive benefits at every stage of the project life cycle. Through the diverse applications and expanded scope of BIM, it is expected to bring standardization in construction practices, reduce interface conflicts, enhance communication efficiency across teams, enable accurate cost estimation, minimize construction errors, and reduce material waste. These contributions are aimed at maintaining the Group's industry-leading position.

· Digital Construction Management

1. Technical Department Digital Platform (TDP)

The Technical Department Digital Platform (TDP) integrates key processes of construction management, engineering management, and design management through preliminaries that spans the entire lifecycle of construction. This initiative aims to improve the traditional construction industry's reliance on paper-based reporting methods, thereby enhancing operational efficiency and management accuracy. TDP consolidates technical data and processes, digitizing the engineering technical support request forms, and optimizing resource allocation and risk management through project dashboards, automated management mechanisms, and risk matrices. After completing the preliminary system architecture of the TDP platform, the Group conducted 16 training sessions at the headquarters and 38 on-site management and training sessions for the introduction of the system through preliminaries at construction sites, ensuring a smooth integration of TDP with existing site operations.

The introduction of the platform has significantly reduced cumbersome administrative tasks for the construction team, facilitating efficient collaboration among departments. By integrating real-time construction progress, the platform can proactively identify risks and implement measures to ensure compliance with contractual requirements and effective procurement management. The automated management dashboard tracks digital footprints, minimizing paperwork and reducing human errors and omissions. Meanwhile, the platform provides real-time technical support to meet employees' work demands, deepening their understanding of preliminaries management, enhancing project management capabilities, and promoting the sharing and growth of interdisciplinary knowledge and expertise.

Additionally, the TDP has enhanced system flexibility and iteration speed through a low-code development model, significantly reducing development costs by 85%. This

platform not only improves construction management efficiency but also promotes interdepartmental communication and collaboration, ensuring construction safety and risk management, thereby laying a foundation for the company's long-term sustainable development.

2. Project Dashboard

The Group has developed a project management platform tool called Project Dashboard, which is designed to meet the needs of project management and incorporates data analysis software from Business Intelligence. Through this tool, various progress, safety, and financial data collected from project sites can be utilized with the system's internal data analysis capabilities. This consolidates the data into project charts that are easy to read, understand, and manage, enabling management teams and project site managers to instantly grasp project status for guidance, decision-making, and scheduling. Project managers can proactively respond to risk warning indicators identified ahead of time, addressing issues before they escalate and formulating preventive strategies promptly.

Smart Operation

With the development of digitalization, the operational models of enterprises are undergoing disruptive changes. Digital transformation is not merely a technological update; it is a comprehensive process aimed at optimizing workflows, enhancing employee capabilities, and strengthening management effectiveness. In this process, the introduction of technological applications has become the core driving force for improving work efficiency and creating value. The key digital platform applications that the Group has introduced cover areas such as communication and collaboration, information sharing, project management, as well as early warning and decision-making, thereby achieving innovation in work patterns and enhancing overall work efficiency, risk alertness, and customer satisfaction.

Core Drivers of Digital Transformation

Communication and Collaboration

1. Technical Department Digital Platform (TDP): Utilizing the characteristics of preliminary works that span the entire life cycle of construction, this platform integrates key processes of construction management, engineering management, and design management to enhance operational efficiency and management accuracy (see section **3.3 Smart Construction and Operation** for details).
2. E-Procurement Management Platform: This platform integrates information on raw material market trends, procurement business activities, and supply chain management. By incorporating visualization technology, it presents critical information more intuitively, thereby enhancing the timeliness of management information (see section **3.5 Sustainable Supply Chain** for details).

Information Sharing

1. Architecture Knowledge Platform: Two articles on architectural knowledge are published weekly, covering fundamental engineering principles, introductions to past projects, and industry news, thereby promoting the internal knowledge transfer within the organization (see section **4.2 Human Capital Management** for details).
2. HR Assistant: A one-stop self-service platform that enables employees to quickly inquire about human resource service information, connect with the corresponding points of contact, and resolve frequently occurring issues, thereby enhancing HR management efficiency.

Project Management

1. OnSite Cloud Project Quality Management Platform: Construction site personnel use portable mobile devices to streamline quality control, improve documentation and approval efficiency, and enable faster, more effective communication (see section **3.1 Concept of Smart and Sustainability**).
2. Project Dashboard: Leveraging the system's data analysis, project-related data are consolidated into management charts, enabling managers to respond in real time and develop preventive strategies (see section **3.3 Smart Construction and Operation** for details).

Early Warning and Decision-Making

1. Water Resources Center Operations Management Platform: This platform organizes vast raw data to highlight key information for management. Through data analysis, it filters and extracts valuable insights to support stakeholder decision-making and execution (see section **5.3 Circular Economy and Resource Management** for details).
2. Greenhouse Gas Inventory Information Platform: This platform collects activity data from multiple locations using a standardized system, reducing manual verification and minimizing information gaps from personnel changes. This significantly improves inventory process efficiency (see section **5.1 Climate Change Governance** for details).

3.4 Happy Home

Protecting Customer Rights and Listening to Customer Needs

| Transparency in Product and Service Information

"Be proactive and accountable" is the code of conduct upheld by the CHC Group. We thoroughly evaluate advertising materials using stringent standards and review processes to ensure that we deliver transparent and compliant products and services to our customers.

The Group ensures transparency in external marketing tools (such as perspective drawings, manuals, furniture layout recommendations, and floor plans), and advertising materials (including POP, newspaper and magazine ads, manuals, and Facebook posts), all of which undergo dual departmental review and confirmation. Reception centers, model houses including displayed videos, electronic dashboards, models, engineering halls, building material display areas, and design team introductions are also subject to on-site checks to prevent false advertising, upholding the commitment to safeguard customer rights. Additionally, the Group is progressively implementing digital labeling of product information in phases. The sales contracts for the Group's construction projects that were inspected by government agencies in 2024 have all successfully passed the government's inspection, with no violations found.

CHC Group's Advertising Material Verification Process

Marketing Materials Design ▶ Content Proofreading ▶ Review for Approval ▶ Revised Proofreading ▶ Document Filing

2024 CHC Group's Advertising Material Verification Status

Project Name	Marketing Materials / Types	Quantity of Marketing Materials	Double-Reviewing Ratio
55 Timeless	Electronic dashboard, outdoor billboard POP, sales promotion DM, text message, invitation letter, official website, digital media and advertising, sales drawings, furniture layout plan, sales model, product manual, video, sample house	19	100%
Sensuous Garden		50	100%
Metropolitan Village		50	100%
Prologue Eternal		12	100%
Poetic Yard		76	100%
Heng Mu		46	100%
Belle Époque		147	100%
Green Utopia		57	100%

| After-sales Service: Community Services

The Group continues to maintain convenient and efficient customer communication channels and implements response time management to deliver high-quality after-sales and community services. We offer a community service app that enables residents to conveniently access notifications, community announcements, and make reservations for community facilities. This enhances communication and improves service efficiency. The community service app for the Tianjin Street Project has already been live and operational in 2024, successfully achieving the objective of implementing the community service app system for 100% of the newly handed-over communities.

Community Service APP

Procedures of Handling Customer Feedback

Handling Customer Feedback ▶ Classification and Assignment of Specialized Teams for Handling ▶ Response to Customers and Service Arrangement ▶ Investigation and Improvement Measures ▶ Case Closure Report and Continuous Improvement

In addition, we organized a variety of community activities for the residents of La Bella Vita and Treasure Garden during the estate management period. Special celebration events were held during festivals such as the Mid-Autumn Festival, Christmas, Halloween, and the Lantern Festival. These events included body sculpting experiences, chef-led cooking classes, and band performances. In 2024, the number of participants and individuals served in community events reached 439, enhancing the living and service experience for our clients.

Mid-Autumn Festival Event in La Bella Vita

Body Sculpting Experience Event for Women in La Bella Vita

Halloween Event in Treasure Garden

Chef-Led Cooking Class in Treasure Garden

Christmas Event in Drawing the Dream Life

APCV New Book Launch Event in Treasure Garden

| Project Satisfaction Survey

In order to gain a better understanding of customer needs and to satisfy and surpass their expectations, the Group conducts sales satisfaction survey, handover satisfaction survey, and maintenance satisfaction survey of all projects to ensure high-quality service at every stage. The surveys are administered through questionnaires, and the sales satisfaction survey assesses various aspects such as service attitude, professionalism, level of detail in explanations, completeness of sales information, advertising materials, sales models, internal house planning, and public facility environment. The handover satisfaction survey evaluates the house inspection process, efficiency of improvement for deficiencies, professional competence, handover procedures, document explanations, service attitude, and user manuals. The maintenance satisfaction survey rates service attitude, professionalism, construction quality, and timeliness of maintenance services, with a maximum score of 5 for each indicator.

Distribution Statistics of the 2024 Satisfaction Survey

	Sales Satisfaction Survey	Handover Satisfaction Survey	Maintenance Satisfaction Survey
Number of Distributed	146	156	8
Number of Collected	146	124	8
Response Rate	100%	79.5%	100%

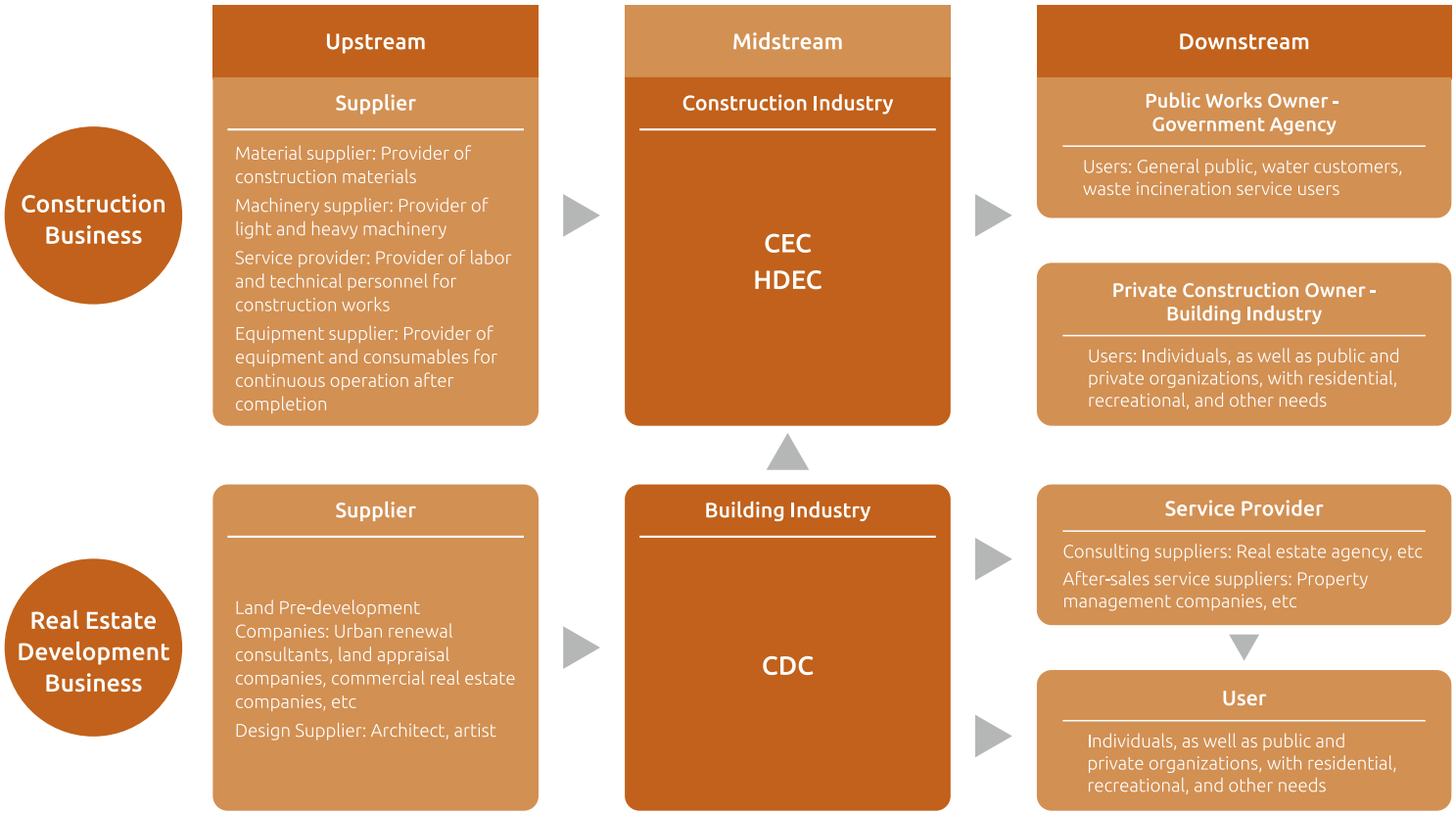
In 2024, satisfaction surveys were conducted for La Bella Vita, Metropolitan Village, Prologue Eternal, Duan Mei, Belle Époque, Green Utopia, Timeless and Modern Expression, and Tianjin Street Project. The average customer satisfaction score reached 4.91 (out of 5). The customer service team continues to gather customer feedback. For items with lower satisfaction scores in the survey results, a thorough review was conducted, and improvement measures were initiated, and specific enhancements were identified to deliver more comprehensive service and the ultimate living experience to customers.

In addition, the Group is promoting the comprehensive documentation of building life cycle information. This includes details such as construction teams, structures that guarantee the absence of sea sand and radiation-free steel bars, and related drawings and data that have been verified by third-party units. The establishment of the construction resume for the Tianjin Street Project has been completed in 2024, **achieving the goal of providing a construction resume upon completion and handover**. In the future, a construction resume of each project will be produced to provide customers with transparent and detailed digitized records of building products.

3.5 Sustainable Supply Chain

Group Supply Chain

The CHC Group's business encompasses real estate development and diversified construction. The supply chain is divided into real estate development supply chain and construction supply chain. Real estate development relies on professional service providers and teams for various stages of work, including land acquisition, house sales, and property management. From a construction perspective, it involves the procurement of machinery, equipment, and materials, as well as the engagement of sub-contractors for business support. The diagram below illustrates the relationships among the upstream, midstream, and downstream of the industry supply chain:



| Construction Supply Chain

The construction supply chain, from planning and design to contracting, raw material procurement, equipment installation, construction, completion, and operational use, heavily relies on the close collaboration of subcontractors involved in materials, equipment, labor, and facilities. The supply of various materials and the installation of equipment are closely connected to the construction schedule. The Group continues to monitor the scheduling and coordination of each stage of the project, improving the smooth operation of the project and enhancing the control of the project delivery schedule.

Categories of Construction Suppliers

Material Suppliers	Machinery Suppliers
Providing public construction materials, building materials, and foundation materials **Material supplies:** Concrete, reinforcement bars (rebar), etc	Providing light and heavy machinery required for construction work **Machinery supplies:** Forklifts, excavators, tunnel boring machines, etc
Service Providers	**Equipment Suppliers**
Providing labor and technical personnel required for construction work **Labor supplies:** Construction workers and personnel with professional skills or licenses	After completion, the equipment must be installed on-site and kept operational to ensure the facility functions properly **Equipment supplies:** Sewage treatment facilities and power generation equipment

| Real Estate Development Supply Chain

This supplier offers support for pre-project planning, mid-term execution coordination, and post-delivery maintenance services. Compared to construction suppliers, real estate development supply chain enter earlier, provide services for a longer duration, and conclude their services later. While they may not be directly involved in construction work, they have a significant impact on the project's quality. The Group continues to monitor the overall risk and ensure the smooth operation of the real estate development supply chain, in order to ensure that the quality of the building products meets expectations.

Categories of Building Suppliers

Land Pre-Development	Consulting Suppliers
Providing land development services, which include searching for, recommending, and appraising suitable land **Suppliers:** Urban renewal consultants, land appraisal companies, large-scale commercial real estate companies, etc	Assisting in formulating, recommending, and implementing product sales strategies **Suppliers:** Sales agencies, advertising and marketing firms
Design Providers	**After-Sales Service Suppliers**
Providing pre-construction planning, architectural design, and artistic landscaping integration with local textures **Suppliers:** Architects, artists	Providing post-sales services related to property promotion and assisting in maintaining customer relationships **Suppliers:** Property management companies

Sustainable Supply Chain Management

| Supplier Management Policy

The CHC Group strictly adheres to procurement policy and strengthens the general sustainability performance of the supply chain through a systematic supplier management mechanism. This includes supplier selection criteria, risk identification, supplier management regulations, regular evaluations, annual selection of outstanding suppliers, and proactive management and guidance of high-risk suppliers.

The CHC Group requires all newly contracted suppliers to sign the Declaration of Compliance & Questionnaire each year. This initiative aims to assess the effectiveness of ethical management among suppliers, enhance communication and collaboration regarding ethical management in order to maintain a trustworthy trading environment that fosters sustainable development. Since the implementation of the Ethical Management clauses in the Supplier Standard Contract in 2021, the Group has continuously enhanced these provisions. This includes investigating potential conflicts of interest between suppliers and the Group. Additionally, channels for consulting on ethical management with suppliers have been established, along with resources such as instructional videos for filling out questionnaires. These efforts aim to help suppliers gain a deeper understanding of the Group's ethical

management principles[3]. In 2024, all newly contracted suppliers signed the CHC Group Declaration of Compliance & Questionnaire (Supplier), achieving a signing rate of 100%.

The Group simultaneously prioritizes environmental protection, occupational safety, human rights, and labor rights, requiring our suppliers to comply with recognized domestic and international standards and regulations. We hope to leverage our business influence to collaborate with suppliers in upholding corporate social responsibility. The audit results for the implementation of the Group's procurement policy in 2024 indicate that there were no significant violations and no instances of suppliers violating relevant regulations.

3 Please refer to 2.2 Ethical Management.

| Supply Chain Performance and Management

To enhance general procurement efficiency and quality, the Group consolidates material requirements across its construction sites for joint procurement in order to reduce costs and improve economic benefits, as well as to improve the efficiency of procurement operations. The Group also collaborates with other companies for joint procurement of raw materials based on demand, as this approach strengthens bargaining power and reduces costs such as freight and storage expenses, leading to maximized procurement benefits. Supporting local procurement is a cornerstone of CHC Group's sustainability efforts. The Group always prioritizes local procurement to stimulate local industry development and reduce carbon emissions generated by the supply chain.

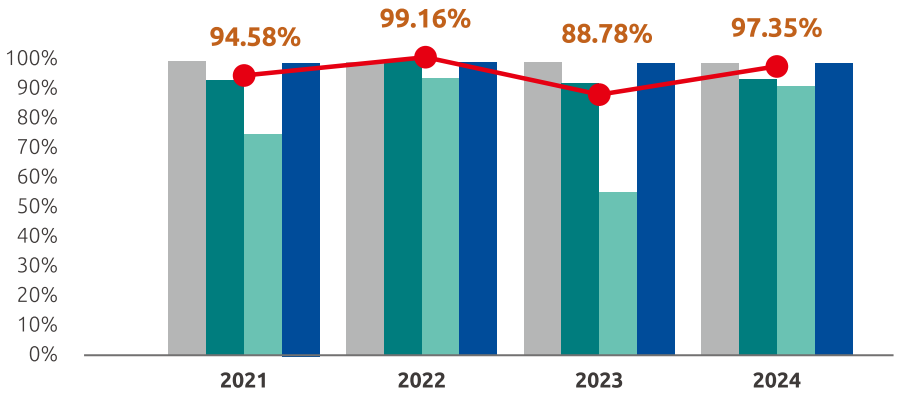
The Group continues to develop the E-Procurement Management Platform application features. Currently, it has integrated information on raw material market trends, procurement activities, and supplier management. Through the utilization of process robots, data is automatically captured and converted. Through visualization technology, the information is presented in a more intuitive manner, enhancing the timeliness of procurement management information and enabling swift adjustments to procurement strategies in response to market changes.

In terms of supplier management, the system supports online registration and review for suppliers, simplifying the previously complex management processes. Visualized presentation of information aids in evaluating the performance of different types of suppliers, thereby enabling the formulation of effective response management mechanisms. Moving forward, the Group will further strengthen the supplier management module to improve the efficiency of supplier management.

| Local Procurement

In 2024, the local procurement ratio of the CHC Group was 97.35%, an increase of nearly 9% compared to that in 2023. The local procurement ratios for CEC, CDC, and HDEC were 98.79%, 94.36%, and 91.87%, respectively.

CHC Group's Local Procurement Ratio Trend Chart



	2021	2022	2023	2024
CEC	99.78%	100%	99.43%	98.79%
CDC	93.89%	98.51%	92.77%	94.36%
HDEC	75.57%	94.43%	55.93%	91.87%
CHC	100%	100%	100%	100%
The Group	**94.58%**	**99.16%**	**88.78%**	**97.35%**

| Supplier Screening and Evaluation System

Selection and Development of Suppliers

Sources of Selection and Development:

- Construction Industry Engagement
- Owners Introduction
- Vendors Recommended by Company Agents and Commissioning Institutions
- Vendor Self-Introduction
- Business Directory
- Information Exchanged at Industry Exhibitions or among Peers

Supplier Registration

- Supplier Information Card
- Five-Year Contract Performance Record
- Receipt and Confirmation of Communication
  - Company Management Philosophy
  - Code of Ethics and Business Conduct
  - Occupational Health and Safety Policy

Supplier Classification

Grade 1: Long-term collaborating suppliers / suppliers with at least two project contracting records in the past five years and who have continued to sign contracts in the past two years

Grade 2: Collaborating suppliers / suppliers with contracting records in the past five years and not classified as Grade 1 suppliers

Grade 3: Newly registered suppliers / suppliers with no contracting records in the past five years but still maintain business relations, including newly registered suppliers and those with updated information, or those who continue to participate in bidding

Grade 4: Offline suppliers / Grade 3 suppliers with no transaction records for over five years, including those who have not participated in bidding or have not updated vendor information

Grade 5: Suppliers who have suspended operation / suppliers who are subject to regulatory issues (such as court seizures and poor performance evaluations, etc.) and who cease to engage in new contract transactions during the penalty period

Supplier Qualification Assessment

Supplier Evaluation during Selection:

1. Discussion with the person in charge
2. Comments from peers and business performance
3. On-site inspection

Evaluation on Contract Performance:

1. Status of work execution
2. Supplier ethical management / occupational safety and other ESG performance

Supplier Evaluation

During Each Project Period, Initial and Re-evaluations of Suppliers are Conducted:

A Grade - More than 90 points, exceeding the standard; recognized as a trustworthy and excellent supplier

B Grade - 80-89 points, meeting the standard; recognized as a trustworthy supplier

C Grade - 70-79 points, below the standard; suppliers requiring improvement and guidance

D Grade - Below 69 points, not meeting the standard; suppliers classified as non-compliant suppliers

· Development of Suppliers

Through various channels such as daily work interactions in the construction industry, introductions from owners, recommendations from the sales agents of the Company and institutions commissioning projects, self-recommendations from suppliers, business directories, and information exchanged at exhibitions of building material products or among industry peers, we collect supplier information to identify and develop new suitable suppliers.

· Supplier Registration

Suppliers can apply online through the CEC Supplier Information Service System or fill out the Supplier Information Card and a Five-Year Contract Performance Record, among other documents. If registering as an individual, suppliers must provide their proof of identity. The procurement unit simultaneously communicates the company's business philosophy, code of ethics and business conduct, and occupational health and safety policies to the suppliers, and requires them to sign as confirmation. After collecting complete information, the procurement unit will verify and compare the supplier data with the information on the Ministry of Economic Affairs website before completing the registration.

· Supplier Classification

Suppliers are categorized into five grades based on their transaction volume with CEC. Grades 1, 2, and 3 suppliers are regarded as qualified suppliers, from which procurement personnel may select when engaging in procurement operations. Grades 4 and 5 suppliers are classified as temporarily suspended or disqualified suppliers. If collaboration with Grades 4 and 5 suppliers is necessary due to special circumstances, approval from the head of the Procurement Department is required.

· Supplier Qualification Assessment

When the procurement unit signs contracts with potential suppliers, they must comply with the regulations of the Regulations Governing Construction Site Safety and Health Management. For high-risk suppliers, a risk identification process should be conducted. In the case of new suppliers for major projects, the procurement unit will conduct investigations and visits to more thoroughly assess the current status of the suppliers, which will serve as a reference for the final selection.

· Supplier Evaluation

The site offices are required to regularly evaluate the performance of suppliers with whom contracts have been signed and who are currently executing work. During the assessment and

valuation process, the performance of these suppliers will be evaluated based on criteria that include the level of adherence to the execution of work and ethics declaration. The evaluation results, graded from A to D, will be recorded in a database for reference by the procurement unit when selecting suppliers.

· Supplier Evaluation Results

In 2024, the supplier assessment results showed that there were a total of 921 trustworthy and excellent supplier partners (A Grade) and trustworthy supplier partners (B Grade), accounting for 92.4% of the total. This percentage slightly decreased compared to that in 2023. Suppliers requiring improvement and guidance (C Grade) accounted for 7.3%, while suppliers with poor performance (D Grade) accounted for 0.3%. For C and D grade suppliers, we have already placed them under management and provided assistance for improvement. If there is a cumulative history of unsatisfactory evaluation in contract fulfillment or poor financial conditions, they will be placed on the suspended cooperation list. We conduct quarterly tracking and evaluation of the list. As of the end of 2024, there were 20 businesses on the suspended cooperation list, managed through a grading and control mechanism to mitigate supply chain risk factors.

2024 Supplier Evaluation Results

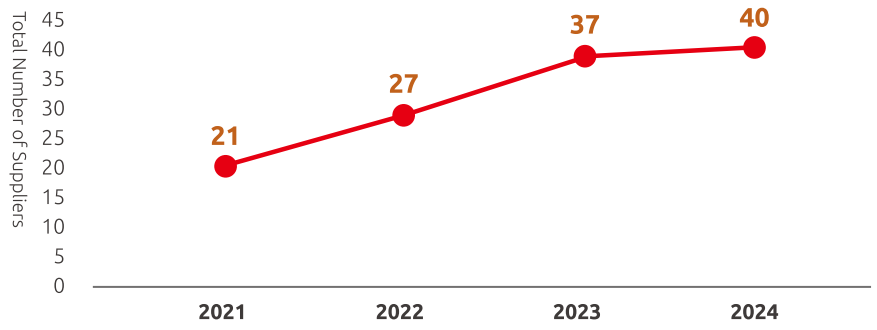
Evaluation Result	A Grade	B Grade	C Grade	D Grade
Number of Suppliers	19	902	73	3
Proportion	1.9%	90.5%	7.3%	0.3%

| Process and Results of Excellent Vendor Implementation

To identify excellent and reliable partners and cultivate long-term stable relationships with them, we hold an annual Excellent Vendor Selection event in the fourth quarter of each year. This event evaluates various site offices based on aspects such as safety management and engineering quality performance for major projects.

The selected annual excellent vendors will enjoy benefits such as a 50% reduction in retention funds for the following year, relaxed performance guarantee conditions, and priority rights for contract awards. This helps establish a mutually beneficial and stable partnership. We also analyze the contracting performance of previous year's excellent vendors in the first quarter each year, providing reference for the selection process in the following year. In 2024, a total of 40 vendors were selected as excellent vendors, marking an increase of 3 vendors compared to the previous year. From 2021 to the end of 2024, the number of vendors selected for excellence has shown a steady upward trend.

Trend Chart of the Total Number of Trustworthy and Excellent Suppliers



IV. Safe Workplace

In 2024, **CEC received the New Taipei City Construction Safety Award (Special Distinction) and the Taipei City Labor Safety Award (Outstanding Unit),** and also obtained the Ministry of Health and Welfare's **"Healthy Workplace Certification" Health Promotion Label**

CEC successfully developed the "Collision Warning Devices for Transportation Equipment"

The reinstatement rate of employees with childcare leave without pay in 2024 was **100%**

In 2024, total training hours reached 30,929, a 57% increase from the previous year. On average, male employees received approximately 12.63 hours, and female employees 21.56 hours

In 2024, the Group continued industry-academia collaborations, with the number of scholarship recipients increasing by 80% compared to the previous year. Approximately 70% of interns were offered full-time positions, up 25% from the previous year

2024 Goals

Each member company has achieved the annual target for average improvement on flaws	Achieved
Each member company has achieved the annual target for the Disability Injury Frequency Rate (DIFR)	Partly achieved
Develop one occupational safety and health technology management equipment or technology annually	Achieved
Maintain and enhance the operation and certification effectiveness of the ISO 45001 and CNS 45001 Occupational Health and Safety Management Systems	Achieved
The response rate for the employee engagement survey in the Group reach 80%	Achieved
The online learning platform has a total of 1,150 teaching materials	Achieved
Conduct a market survey of salaries and benefits and perform a competitive analysis	Achieved
Implementation of employee assistance program and employee recognition program	Achieved
Continue operation of the Young Engineers Conference and complete the annual plan	Achieved

2025 Goals

Each member company has achieved the annual target for average improvement on flaws

Each member company has achieved the annual target for the Disability Injury Frequency Rate (DIFR)

Develop one occupational safety and health technology management equipment or technology annually

Maintain and enhance the operation and certification effectiveness of the ISO 45001 and CNS 45001 Occupational Health and Safety Management Systems

The response rate for the employee engagement survey in the Group reach 80%

The online learning platform has a total of 1,200 teaching materials

Conduct a market survey of salaries and benefits and perform a competitive analysis

Implementation of employee assistance program and employee recognition program

Continue operation of the Young Engineers Conference and complete the annual plan

4.1 Diversity, Equality, and Inclusion

Diversity, Equality, and Inclusion Policies

Diversity, Equality, and Inclusion (DEI) are key focus areas of the CHC Group. Since 2020, the Group has been implementing a Diversity & Inclusion (D&I) initiative. Starting in 2022, it has adopted an equitable approach and established a people-centric management strategy. Alongside its pursuit of revenue and profit growth, the Group actively promotes diverse talent sustainability efforts. In 2023, the Group's online learning platform, iLearn, launched courses on psychological safety within the "Diversity, Equity, and Inclusion" curriculum section. This initiative promotes the concepts and spirit of DEI, encouraging employees to transition from bystanders to advocates, thereby fostering positive partnerships.

In 2024, the CHC Group held the "Diversity, Equality, and Inclusion (DEI) Month," centered around the theme of the "Five Senses (sight, hearing, smell, taste, touch)." A series of interactive activities were designed, including daily DEI readings, a seminar on "Understanding Unconscious Bias," an International Culture Week to enhance employees' sensitivity to cross-cultural differences, and a DIY poster painting activity inviting employees to express their support for DEI. Compared to previous years, the participation rate in the 2024 DEI Month activities and the overall employee satisfaction within the Group have both increased. We plan to enhance the diversity of physical activities in 2025 to further promote employees' understanding and practice of DEI issues.

List of events and seminars held during the 2024 Diversity, Equity, and Inclusion (DEI) Month:

Activity and Lecture Title	Description	Impact of Activities	Photo
Daily DEI Reading	A 7-day daily DEI activity featured the sharing of a situational story or fun fact related to DEI, allowing employees to stay informed about the latest developments and anecdotes in DEI while enjoying a light reading experience.	The total number of readers reached 2,031	

DEI Timeline

Practice
Deepen DEI culture to practice DEI and enhance workplace inclusivity.
2024 and Beyond

The "Diversity, Equity, and Inclusion (DEI) Week" has been upgraded to the "DEI Month." This initiative aims to deepen the DEI culture through various forms of advocacy, thereby enhancing employees' understanding and practice of these principles.

Promotion
Conducting diverse activities to familiarize with the operations and values of DEI.
2023

Continuously optimize the content of the Diversity, Equity, and Inclusion Week activities by introducing the online learning platform "iLearn Diversity, Equity, and Inclusion" section. This initiative encourages employees to express their genuine feelings freely and safely, thereby strengthening a culture of diversity and inclusion in the workplace.

Advocacy
Establishing a foundation to understand the principles of Diversity, Equity, and Inclusion (DEI).
2020–2022

Promoting Diversity, Equity, and Inclusion (DEI) as part of the workplace culture at CHC Group, we have initiated a Diversity, Equity, and Inclusion Week. This event includes various learning courses and activities aimed at sharing DEI information with employees.

Activity and Lecture Title	Description	Impact of Activities	Photo
"Breaking Unconscious Bias in the Workplace: A DEI Perspective" Lecture	This in-person seminar invited Clinical Psychologist Su Yi-hsien to explore the existence and impact of unconscious bias in the workplace from the perspective of Diversity, Equity, and Inclusion (DEI). The seminar integrated extensive psychological knowledge and practical experience to enhance self-awareness and promote harmony and inclusivity in the workplace.	A total of 60 participants were involved, with an overall satisfaction rating of 4.86 out of 5	
International Cultural Week	Over a period of four days, cross-cultural knowledge quizzes introduced the cultural characteristics of a different country each day to enhance employees' sensitivity to cross-cultural differences. Employees who completed the quiz were eligible to participate in a lottery to win international snacks, thereby increasing the fun and engagement of the activity.	A total of 1,526 participants were involved	
DIY For DEI	Distributed blank posters themed around Diversity, Equity, and Inclusion (DEI) to encourage employees to utilize their creativity for painting and decorating. Additionally, organized group photos to showcase the team's support for the DEI concept, fostering a cohesive cultural atmosphere.	The poster submission rate reached 72%	

In 2024, the Group's online learning resource "CommonWealth Leader Campus" was upgraded. In terms of promoting learning in Diversity, Equity, and Inclusion (DEI), the platform offers multiple courses focusing on core topics such as multiculturalism, gender equality, and inclusivity. A total of 1,179 participants engaged in learning activities in 2024. Following the platform's upgrade, the number of participants utilizing the platform for learning has increased by 2.3 times compared to the previous year.

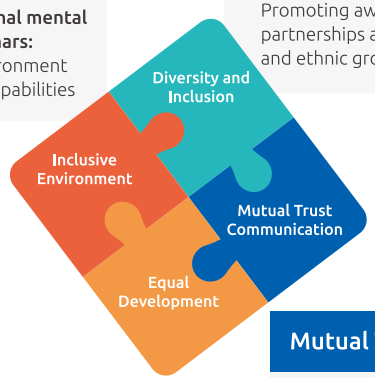
The Group firmly believes that employees are the cornerstone of business growth. We implement multiple dimensions to realize diversity, equality, and inclusiveness policies, including recruiting diverse talents, promoting trust and communication, driving equal development, and creating an inclusive environment. This creates a workplace environment that respects diversity and psychological safety, enabling employees to freely showcase their unique talents, unleash their potential, and create value for the organization.

Inclusive Environment

- **Employee assistance program (EAP):** Supporting employees in overcoming work and personal challenges
- **Employee recognition and encouragement programs 2.0, diverse clubs, and welfare activities:** Fostering community support and a sense of belonging
- **Personal and organizational mental and physical health seminars:** Enhancing workplace environment and personal well-being capabilities

Diversity and Inclusion

- **Foreign employees:** Accounting for 30% of the Group
- **Employment of persons with disabilities and indigenous peoples:** Defining suitable positions within the organization and eliminating barriers related to disabilities
- **Migrant worker-friendly:** Enhancing at least one measure annually
- **Diversity, equality and inclusion week:** Promoting awareness and building partnerships among gender, generational, and ethnic groups



Equal Development

- **Fair compensation:** Conducting annual salary market surveys to ensure a gender pay ratio close to 1:1 between men and women
- **Mandatory courses for the Group:** Establishing a comprehensive career development system
- **Flexible insurance program:** Providing financial support for diverse needs
- **Young Engineers Conference:** Promoting generational exchange and experience transfer

Mutual Trust Communication

- **Employee engagement survey:** Anonymous survey and ongoing tracking of improvement action plan
- **Lunch with the CEO:** Establishing a platform for direct communication with senior management
- **Idea Box employee suggestion proposals:** Supporting employee innovation and ideas

Sustainable Talent Indicators

The Group follows six key indicators of talent sustainability to continuously implement talent development initiatives and management practices, driving long-term talent sustainability.

Meaning and Value

Indicator

- Inspiring mission and vision; demonstrating corporate social responsibility
- Communicating the purpose and significance of work to make employees feel the value of their jobs
- Encouraging employee participation in decision-making and empowering them fully, while promoting accountable behavior

CHC's Focus

The CHC Group is actively involved in promoting resilient national infrastructure and sustainable urban development. We advocate for environmentally friendly building design and technology-driven construction services. In addition, we have expanded our operations to include urban renewal, revitalization of aging buildings, and waste/renewable energy businesses, offering affordable and innovative solution.

Physical and Mental Health

Indicator

- **Considering the physical and mental well-being of employees and implementing appropriate measures**
- **Providing a safer environment compared to the Labor Standards Act**
- **Providing flexible work arrangements, such as flexible working hours, remote work, and special leave, can be beneficial in helping employees balance their family roles**

CHC's Focus

Implementing and continuously optimizing the **Employee Well-being Plan, which offers health promotion and support resources tailored to the needs of employees**. These resources include work-life coaching, mental and physical wellness seminars and awareness programs, stress-relief massage service stations, and more.

Diversity and Inclusion

Indicator

- **Actively recruiting employees from diverse groups**
- **Advocating for a diverse, equal, and inclusive culture through systems, education and training, and activity design**
- **Setting specific strategic indicators: The ratio of male to female executives, pay equity, and diverse benefit measures**

CHC's Focus

More than 30% of the employees hired by the Group come from diverse ethnic backgrounds, including foreign employees, indigenous people, and individuals with disabilities. The distribution of employees across different age groups is well-balanced, with **women making up 20% of the workforce and holding 13% of the managerial positions**. The Group is dedicated to promoting diversity in recruitment and consistently improving the diversity of its talent pool.

Talent Development

Indicator

- Cultivating and developing employee and managerial skills to assist employees in enhancing their resilience
- **Assisting employees in fully realizing their individual potential and providing them with a clear career development path**
- **Building a diverse talent development pipeline while reducing gender, age, and ethnic disparities**

CHC's Focus

The CHC Group enhances the transfer of experience and the quality of learning resources to **ensure that the investment in training resources aligns with the needs of various employee groups and their job requirements**.

Rewards and Incentives

Indicator

- **Balancing fairness and competitiveness in salary and rewards**
- **Providing a range of benefit measures that consider the diverse needs and value preferences of employees**
- Effective utilization of non-monetary incentives, such as public recognition and career advancement opportunities

CHC's Focus

The CHC Group conducts annual salary market surveys to optimize compensation strategies. Implement appropriate performance management systems to ensure that **compensation levels reflect job performance, with a near 1:1 pay ratio between men and women**. Provide flexible group insurance plans and diverse health check-up programs. Implement Employee Recognition and Encouragement Programs to publicly commend employees and teams who have made outstanding contributions in various fields.

Communication and Experience

Indicator

- Implementing an employee experience listening mechanism to gain insight into the genuine voices and suggestions of employees
- **Establishing a creative internal communication platform to facilitate the exchange of diverse opinions**
- Establishing a culture of trust and respect, while also maintaining employee security and a sense of belonging

CHC's Focus

Every year, the CHC Group conducts an employee engagement survey to anonymously gather employees' opinions on the work environment and experience. **In 2024, the response rate was 85%**. We maintain **various channels for employee communication**, encourage employee suggestions and feedback, and ensure prompt response management.

Note: Actions related to Diversity, Equality, and Inclusion are indicated in bold text.

Diverse Hiring

We fully integrate the principles of diversity, equality, and inclusion into all human resources management measures. This includes promoting internal communication and trust, providing a friendly and inclusive environment, enhancing employee benefits, and ensuring fair compensation. These efforts support the suitable development of employees from diverse backgrounds and conditions. As of 2024, over 30% of the Group's employees are from diverse ethnic backgrounds, including foreign employees, indigenous people, and individuals with disabilities. Among them, the number of employees with disabilities increased by 27% compared to the previous year, while the number of Indigenous employees grew by 42%.

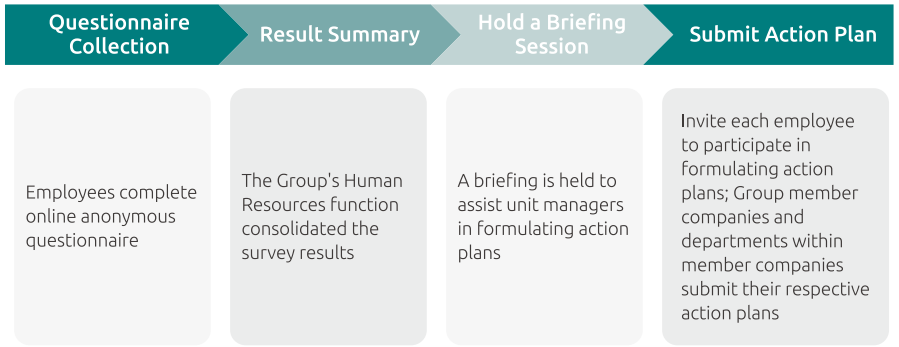
Trustworthy Communication

The Group continues to provide employees with diverse and accessible communication channels, actively listening to their thoughts and expectations as an important reference for continuous improvement. For information on the CHC Group's human rights policy, actions, and employee communication channels, please refer to Section 2.3 Human Rights and Employee Communication.

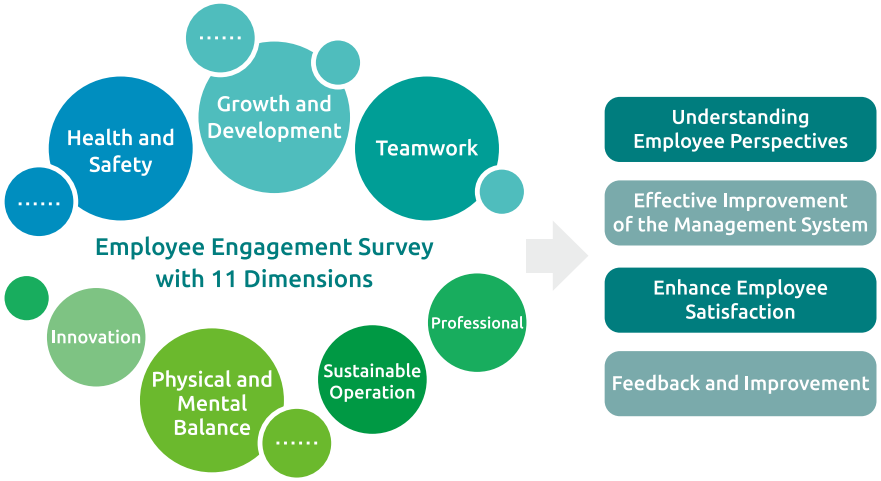
| Employee Engagement Survey

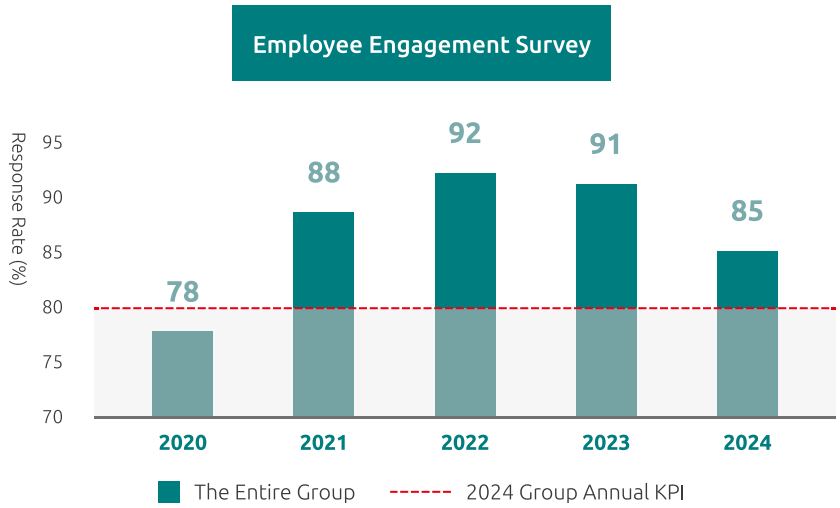
Since 2020, the CHC Group has conducted an annual employee engagement surveys, utilizing an online anonymous questionnaire to gather employee feedback regarding the current work environment and experiences. Each member company and its respective departments submit improvement action plans at both the company and departmental levels based on the results of the annual employee engagement survey. To ensure the alignment of these improvement action plans with the Group's long-term strategy, the CEOs of each member company collaborate with unit heads to integrate the action plans with the organizational goals for the following year. They regularly monitor the progress and effectiveness of the action plans to ensure that their implementation aligns with the overall organizational objectives and enhances employee satisfaction.

In 2024, the employee engagement survey questionnaire was redesigned, consolidating the original 14 survey indicators into 11 key indicators. These include employer branding, leadership metrics, health and safety, growth and development, work-life balance, teamwork,



diversity, equity and inclusion, as well as environmental, social, and corporate governance. In terms of data analysis, the survey will be examined from various perspectives, including company level, segmentation, and psychological safety index, to gain a deeper understanding of employee sentiments and to focus on planning relevant action plans.





In September 2024, the Group's human resources units initiated an engagement survey for all full-time employees, achieving a response rate of 85%. The overall employee engagement level reached 80%, reflecting an increase of 6% compared to the previous year. Notably, the indicators of "Diversity, Equity, and Inclusion" and "Environmental, Social, and Governance" showed the most significant improvements, with increases of 11% and 7% respectively compared to last year. Additionally, employees expressed strong approval of the "Occupational Safety Concepts and Measures." The indicators with lower satisfaction levels were "Team Collaboration" and "Quality Focus," with most employees suggesting optimizations in systems, enhancements in processes, and improvements in the work environment. They also expressed a desire for adjustments in salary levels and better interdepartmental communication and collaboration. In response, the management team has established specific action plans and improvement strategies, which include:

- Enhance internal communication channels to facilitate smoother information transmission.
- In terms of survey response rates, in 2025, we will enhance promotional activities and extend the survey period. We will conduct informational sessions to help employees understand the program's content and encourage their participation.
- In terms of enhancing indicators of psychological safety, this concept will be integrated into management training for supervisors, encouraging them to establish a team atmosphere that fosters a sense of security.
- In various activities promoting innovative participation, we invite the new generation to voice their opinions, ensuring that their ideas are recognized and acknowledged.

A Friendly and Inclusive Environment

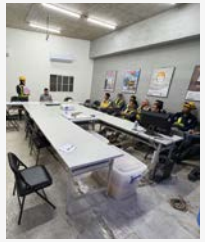
The construction industry is labor-intensive and commonly employs migrant workers, who are primarily engaged in on-site construction work. Migrant workers are a major concern for the Group's human rights issues. As of the end of 2024, they accounted for over 30% of the Group's workforce. Each year, the Group implements at least one project to improve the welfare of migrant workers, considering the local customs and traditions of their hometowns to provide suitable accommodation, recreational areas, and amenities to meet their needs. Additionally, a dedicated space is set up for religious rituals and prayers based on their religious customs.

In the area of facility optimization, we are continuously transitioning traditional large dormitories into rooms that accommodate six individuals each, thereby providing more personal privacy. Each room is equipped with air conditioning and bathrooms that feature a complete heat pump system, supplying hot water 24 hours a day. Additionally, we have established recreational areas, including billiards, sepak takraw, and fitness equipment, to create a comfortable space for rest and leisure.

In the area of care and support, we are committed to providing nutritious meals that cater to local tastes, thereby enhancing dining satisfaction. We measure blood pressure daily to continuously monitor the health of migrant workers. We understand that migrant workers may require additional assistance in social and daily life due to language and cultural differences. Therefore, we have arranged for lifestyle counseling personnel to periodically check on their adaptation to life and work, ensuring that migrant workers receive reliable care at all times. In the area of labor-management communication, all written materials are available in multiple languages, including contracts, bulletin board notices, slogans, and signage. Audio alerts and broadcasts are also provided in multiple languages to assist migrant workers in adapting smoothly to life in Taiwan. To safeguard the rights of migrant workers to voice their concerns, we offer various communication channels: monthly migrant worker forums, a feedback mailbox, site visits to understand the needs of migrant workers, and a dedicated human resources feedback service window. We continuously promote awareness through broadcasts, printed materials, and communication groups, ensuring that migrant workers are informed about how to reflect or inquire through these channels to the Group headquarters.

In the area of promotion of physical and mental balance, we regularly organize sports competitions, hold monthly fruit parties where seasonal fruits are provided for migrant workers to enjoy, and celebrate quarterly birthday parties that include cake and a self-service BBQ, as well as birthday cash gifts. During the Spring Festival holiday, various activities and rewards are arranged.

Type	Items/Description	Photo
Facility Optimization	**Improvement of Dormitory Planning** The rooms are equipped with air conditioning and a blood pressure monitor. The restaurant features satellite TV. The bathroom includes a washing machine. The entrance is fitted with a designated area for rain shoes and a shoe cabinet. A dedicated space for Buddhist worship is available. Sports facilities and entertainment equipment are provided based on the available space and individual preferences. We are constantly working on improving the layout and design of the dormitory.	
Facility Optimization	**Recreational Facilities** Provide sports facilities such as basketball courts, billiard rooms, sepak takraw courts, and fitness equipment, as well as entertainment equipment like archery games, Makruk, televisions, and karaoke machines. Additionally, develop farm areas for raising chickens or cultivating spices such as chili peppers and lemongrass.	
Care and Support	**Life Counseling Assistance** Periodically monitor the living and working conditions of migrant workers and provide assistance, such as healthcare, end-of-probation support, and support for participating in significant family events upon their return home.	
Care and Support	**Life Support Services** Interpreters provide life support services, assisting with tasks such as tax refunds, banking transactions, medical appointments, and more. We also offer transportation options, including bicycles, and can arrange daily shuttle services for commuting. In 2024, the Executive Yuan's commuter pass (TPASS) was provided to facilitate flexible transportation options for migrant workers.	
Care and Support	**Promotion of Safety and Health** Regularly conduct environmental disinfection to support migrant workers in accessing medical treatment; Various awareness campaigns are also conducted irregularly, covering topics such as safety, hygiene, and health—for example, fire safety education, drug prevention, and anti-smoking campaigns.	

Type	Items / Description	Photo
Labor-Management Communication	**Friendly Language Communication** Consider that most migrant workers are not proficient in Chinese, bulletin notices, documents, and signs are presented in multiple languages, and broadcasts and voice messages are also provided in multiple languages.	
	Multiple Communication Channels Monthly symposiums for migrant workers are held, an employee feedback mailbox is established, a dedicated human resources opinion service window is set up, and site visits are conducted to address the needs of migrant workers.	
	Satisfaction Survey of Sanitation, Catering, and Meals Regularly convene Food Committee meetings, conduct random meal inspections, and administer satisfaction surveys to ensure food hygiene and meet the needs of migrant workers. In 2024, the meal satisfaction rate reached 87%.	
Promotion of Physical and Mental Balance	**Festivals and Celebration Activities** During the Lunar New Year, Mid-Autumn Festival, and Water Splashing Festival, festive bonuses or gifts are provided. Additionally, celebratory activities such as sepak takraw competitions, billiards competitions, darts competitions, and ring toss competitions are organized. Furthermore, monthly/quarterly birthday parties are held, and birthday gift allowances are distributed. Supervisors personally deliver birthday cards to enhance camaraderie and communication.	

Comprehensive Employee Benefits

The Group values employee benefit and has established regulations for managing employee benefits. In addition to setting up an Employee Welfare Committee to provide various welfare subsidies, recreational activities, and facilities, the Group also plans for flexible working hours, health check-ups, insurance plans, and a comprehensive vacation and retirement system. All employees in the Group have the right to request different types of leave according to the labor leave regulations. Additionally, employees in higher positions are entitled to full-pay personal leave, full-pay family care leave, and full-pay sick leave, which are more generous than the leave system outlined in the Labor Standards Act.

We prioritize employee-centered design of various welfare measures. In addition to legally depositing retirement reserve funds, the retirement pension system commissions actuarial consultants to conduct annual actuarial calculations to ensure full coverage. Apart from statutory labor insurance and national health insurance, the Group employees have the right to participate in "Employee Group Insurance[1]," fully funded by the company. This insurance includes regular life insurance, accident insurance, accident medical insurance, hospitalization medical insurance, cancer medical insurance, and other benefits. We regularly review the Group insurance budget and optimize insurance plans to allow colleagues to flexibly choose insurance options that meet their needs based on their life stages. **In 2024, the participation rate in the group employee insurance within the Group was 100%**.

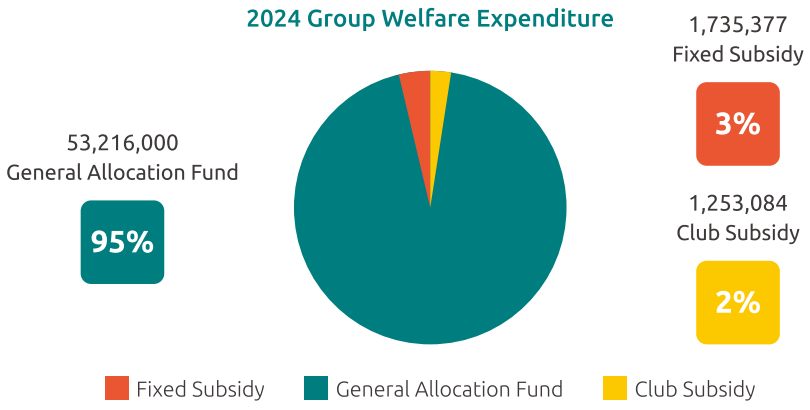
1 Migrant workers are covered under separate planning schemes.

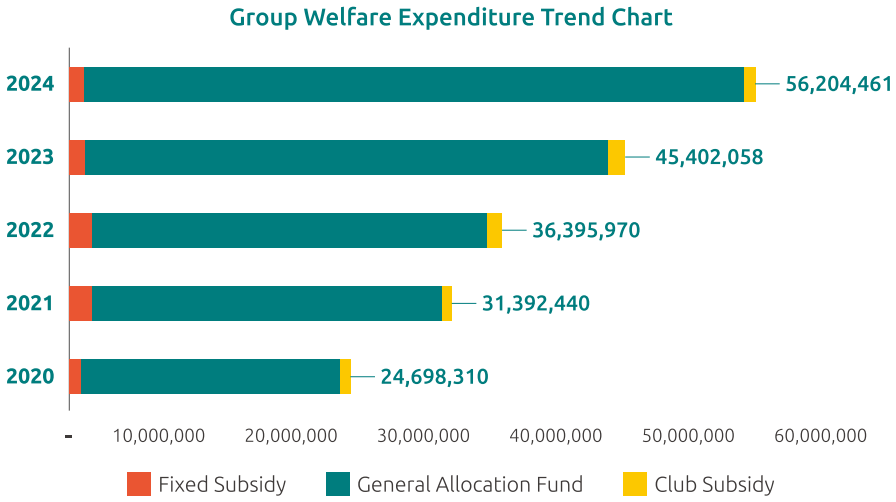
| Benefit Expenses

The Group sets aside an annual budget for emergency assistance, providing financial support to employees during times of crisis. The actual expenditure for 2024 amounted to NT$1,735,377. The Group's total cost of employee benefits[2] in 2024 was NT$56,204,461.

2 Excluding the scheme for migrant workers and direct employees.

Type	Items	Description
Fixed Subsidy	Funeral Subsidy	In the event of emergencies, the company offers financial assistance to employees to overcome any difficulties
	Hospitalization Condolence Payments	
	Major Disaster Relief Subsidies	
Club Subsidy		Sponsor various clubs to encourage employees to cultivate leisure hobbies, enhance their physical and mental health, and foster camaraderie among employees
General Allocation Fund	Holiday Bonus for Three Chinese Festival	Holiday bonuses are distributed during the Lunar New Year, Labor Day, and Mid-Autumn Festival





Note: Starting from 2023, flexible welfare funds have been incorporated into the general allocation fund, with historical years adjusted accordingly.

| Benefit Activities and Measures

The Group offers a range of employee benefits, focusing on promoting well-being and engagement in three key areas: community support, healthcare, and physical and mental balance.

The Group encourages and supports employees to form societies and sponsors the operation of various clubs. In addition, the Group hosts an annual employee recognition ceremony to commend exceptional performance, workplace health and safety, and teams that excel in achieving work-life balance. The ceremony also provides an opportunity to express gratitude for the long-term commitment of senior colleagues. Moreover, we have established an Employee Recognition and Encouragement Program to encourage adherence to the company's code of conduct and cultivate a culture of peer appreciation.

Starting in 2021, we have introduced an Employee Assistance Program to enhance the physical and mental well-being of our employees. This program offers five professional counseling services per year to all employees and their dependents. Its objective is to support our colleagues in developing effective coping strategies when confronted with different environmental changes and challenges. In addition, a new "Stress Relieving Massage Station" were established in 2024 to provide employees with a space to relax both physically and mentally. Regular health-themed seminars were also held to enhance employees' awareness of physical and mental well-being. Six seminars were conducted in 2024, covering topics such as Zentangle, workplace collaboration & boundaries, stress & nutrition, smart financial management, and legal matters, with participation exceeding 500 individuals, averaging nearly 100 participants per session. For information about the Group's concept of physical and mental balance and actions for healthcare, please see section 4.3 Workplace Health Promotion.

Club Activity – Bowling Club

Hiking Activity

Family Day Outing

Recognition Event

Health Seminar Activity

"Let's Exercise Together" series of activities

COLUMN

The Stress Relieving Massage Station is Now Open!

The CHC Group implements a diverse employment policy to support the employment of individuals with disabilities. In 2024, we hired five visually impaired massage therapists to provide massage services for employees, thereby increasing avenues for employee relaxation and well-being.

The Stress Relieving Massage Station operates regularly on Wednesdays and Fridays, utilizing a reservation system and an online booking platform to enhance service utilization and convenience. At the inception of the service, each session was limited to 15 minutes. However, many employees reported insufficient availability of appointment slots and a lack of flexibility in usage limits. The organization has continuously improved its operational methods, increasing the flexibility of service usage rules and hiring additional massage therapists. Since the service commenced in April 2024, a total of 3,496 employees have utilized this service, providing approximately 874 hours of massage therapy, with an overall satisfaction rating of 4.92 out of 5.

| Unpaid Parental Leave for Raising Children

The CHC Group provides employees with parental leave and unpaid leave benefits in accordance with the law, as specified in the "Employees Employment and Dismissal Procedure". In 2024, a total of 10 employees applied for parental leave, and all of them returned to work. The retention rate increased by 11% compared to 2023.

Items	Male	Female	Total
A: Total Number of Applications for Unpaid Parental Leave for Raising Children in 2024	3	7	10
B: Number of People Returning to Work in 2024	2	5	7
C: Actual Number of People Returning to Work in 2024	2	5	7
D: Number of People Expected to Return to Work in 2024 who Applied for an Extension	0	0	0
E: Number of Employees who Remain Employed for One Year after Parental Leave in 2023	2	5	7
F: Number of People who Returned to Work after Parental Leave in 2023	3	6	9
Return to Work Rate (%) = C /(B-D)	100%	100%	100%
Retention Rate (%) = E / F	67%	83%	78%

Note:

1. Return to work rate = (Total number of employees who returned to work after parental leave / Total number of employees expected to return to work after parental leave) x 100%.
2. Retention rate = (Total number of employees still employed twelve months after returning to work from parental leave / Total number of employees who returned to work after completing parental leave during the previous reporting period) x 100%.

Fair Compensation

The Company has established a Compensation Committee to develop compensation policies and guidelines in line with the company's development and human resources strategy. In addition, we value fairness and competitiveness and are committed to providing competitive compensation overall. We conduct annual salary market surveys and engage professional consulting teams to conduct research and analysis, which serves as an important reference for our compensation strategy. The Group has conducted annual salary adjustments for seven consecutive years, and the average salary increase rate has consistently exceeded both the inflation rate and the market average salary increase rate.

Starting from 2024, the Group's senior executives' Key Performance Indicators (KPIs) formally included ESG (Environmental, Social, Governance) indicators, linking them to annual performance targets across various responsibilities within member companies and even to employees. This integration of ESG indicators into executive compensation aims to drive organizational strategy and action changes from the top down.

| Board of Directors' Remuneration Policy

The payment of director's remuneration is conducted in accordance with the principles outlined in the Company's Articles of Incorporation and the Charter of Compensation Committee. The Compensation Committee is responsible for formulating and regularly reviewing the company's policies, systems, standards, and structures regarding director and executive compensation. It also evaluates the directors' and executives' performance targets and determines the content and amounts of individual compensation for submission to the Board of Directors for approval. The Company adopts a fixed remuneration system for directors, distinguishing between independent directors and general directors. Independent directors receive reasonable compensation, taking into account their participation in Audit and Compensation Committees, director performance evaluations, company operational performance, and industry benchmarks. Executive compensation includes both fixed remuneration and variable bonuses. Fixed remuneration is salary distributed monthly, considering job responsibilities, skills, market salary levels, and company performance. Variable bonuses are based on the annual operating performance and executive contributions for that year, assessed post company operations review. For detailed information regarding remuneration, please refer to the Company's 2024 Annual Report.

| Employee Remuneration Policy

Salaries for personnel at all levels within CHC Group are not differentiated by gender. The determination of salary payments is based on job position requirements, individual work capabilities, and performance. To encourage continuous pursuit of excellence among employees, the Company has established a performance bonus scheme, disbursing bonuses based on annual performance evaluations of both the company and individuals. In 2024 annual statistical comparison of basic salaries between men and women, with women as the benchmark, male supervisory earned approximately 0.92 times the salary, while male non-supervisory earned approximately 1.04 times the salary. The remuneration ratios for male executives and male non-executives were 0.92 and 1.06, respectively.

2024	Pay Ratio by Gender	Male (multiple)	Female (multiple is 1)
Supervisory Position	Salary Ratio	0.92	1.00
	Remuneration Ratio	0.92	1.00
Non-Supervisory Position	Salary Ratio	1.04	1.00
	Remuneration Ratio	1.06	1.00

Note:

1. The statistics exclude part time workers, migrant workers, chairman of the board, and direct labor workers.
2. Supervisory positions refers to an officer who is in charge of one or more staff.
3. Non-supervisory positions: Non-supervisory professional, engineering, and general administrative staff as defined above.
4. Comparison is based on the median to avoid the influence of extreme values.

According to the salary information for non-supervisory full-time employees, the total salary amount in 2024 was NT$1,809,446 thousand, an increase of 9.85% compared to the previous year. The average and median salaries were NT$915 thousand and NT$798 thousand, respectively, with annual growth rates of 0.11% and -3.16%, respectively.

Year	Number of Full-Time Employees	Total Salary Amount for Full-Time Employees (thousand)	Total Salary Average Amount for Full-Time Employees (thousand)	Total Salary Median Amount for Full-Time Employees (thousand)
2023	1,802	1,647,193	914	824
2024	1,978	1,809,446	915	798

Note:

1. "Non-supervisory full-time employees" refers to employees who are not defined as managers according to No. Taiwan-Finance-Securities (III)-920001301, and whose working hours meet the company's designated normal full-time hours.
2. Including the consolidated entities that meet the requirements of the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant"' as "significant subsidiaries" (including both head and branch offices), excluding employees of overseas branches.

4.2 Human Capital Management

The CHC Group has long-term investments in human capital. This starts from the source of talent and expands through cooperation with campuses. We actively develop industry-academia collaboration relationships and create a friendly, open, and respectful work environment. This is achieved through continuous improvement of diverse talent recruitment, professional training, and performance evaluation systems.

Diverse Talent Recruitment Channels

The Group continues to attract exceptional talent through various recruitment channels. Internally, we have a talent recommendation system, while externally, we utilize job fairs, employment service agencies, job websites, and campus activities to attract potential candidates.

	Recruitment Method	Description	2024 Results
Internal	CEC Management Trainee Program	The Group plans a management trainee training program with a three-year cycle as one term. Recruitment began in the second half of 2024, with official implementation starting in 2025. The program aims to cultivate fresh talent in the construction industry and develop them into future pillars of CEC. The program includes comprehensive learning courses and activities such as a mentorship system, project assignments, and performance evaluations. Within three years, trainees will participate in planned job rotations involving fieldwork at site offices, internal office tasks, and various planning departments at headquarters to gain a thorough understanding of overall operations, enabling rapid development of construction management talent.	It has been planned that 13 individuals will be recruited, with 10 from internal staff and 3 from external sources.

	Recruitment Method	Description	2024 Results
Internal	Employee Recommendation Program	The Employee Recommendation Program is applicable to all affiliated enterprises and encourages current employees to recommend job candidates in order to enhance recruitment efficiency and reduce costs. By leveraging positive endorsements from employees, the program aims to increase the success rate of hires. Job openings are regularly featured on the Group's intranet homepage and are promoted through Hot Job Mail. Additionally, a dedicated LINE group has been established for inquiries, with approximately 266 employees currently active in the group.	The Group collectively recommended 195 candidates, successfully invited 136 for interviews, and successfully appointed 89.
External-Onsite	Campus Recruitment Event and Company Presentation	The Group is actively expanding its channels for campus recruitment by organizing internship information sessions related to Civil Engineering, Construction, Safety and Health, Electrical Engineering, and Environmental Engineering departments. We invite alumni engineers to interact with students, sharing their career experiences to help students gain a deeper understanding of the work content and career development in the construction and environmental engineering industries, thereby aiding in their career planning.	A total of 7 campus expos were held, resulting in the receipt of 437 resumes; additionally, 18 internship information sessions were conducted, yielding 222 internship application resumes.

High-Quality Industry-Academia Learning Environments

The Group is expanding its collaboration with campuses to foster long-term development of professionals in engineering fields such as civil, building, construction, mechanical and electrical, and environmental engineering. The Group aims to actively establish connections with students by significantly increasing the number of scholarships under the "Young Talents Scholarship" and expanding the scale of internship programs. Additionally, the Group is proactively signing memorandums of understanding with schools for industry-academic cooperation. It welcomes students from relevant departments to visit construction sites and water resource centers. In 2024, the "One-Day Engineer" event for college students was held once again, inviting 39 students from 8 schools to participate in the experience. The event included a company introduction, explanations of construction and civil engineering practices, hands-on experience at the construction site, applications of technology, and sharing of experience outcomes. This initiative allows students to gain practical engineering experience while successfully promoting the company.

One-Day Engineer Event

One-Day Engineer Event

| Scholarship Program

The Group continues to promote its scholarship program. In 2024, CEC's "Young Talents Scholarship" admitted 10 students. To foster communication among scholarship recipients, a Line group was established to regularly share construction-related information and campus activities. Additionally, lectures and occasional gatherings are held, providing an interactive platform across different grades, schools, and majors. In 2024, four former Young Talents Scholarship recipients chose to join CEC after graduation, resulting in an employment rate of 80%.

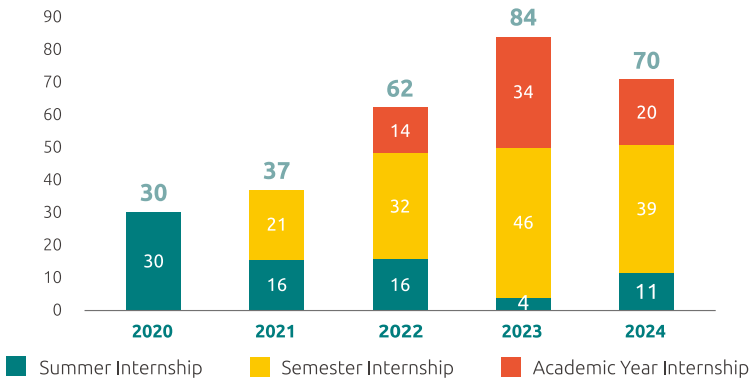
In 2024, HDEC established the "Diligent Learning Scholarship," offering a scholarship of NT$20,000 to each of the eight selected students who successfully passed the document review. HDEC organized visits to the Water Resources Center and scholarship award ceremonies, enabling students to gain a clearer understanding of future career paths through on-site observation of the wastewater treatment process and exploration of career opportunities in environmental engineering.

| Internship Program

The Group continues to implement its internship program, recruiting a total of 70 interns for 2024. This includes 39 semester interns, 11 summer and winter interns, and 20 academic year interns. Under the guidance of dedicated mentors, the students have the opportunity to learn various workplace skills, including engineering logs, quality management, and site inspection processes and procedures. During the internship period, specialized occupational health and safety training courses are designed for the interns to ensure they possess adequate knowledge of workplace safety.

Additionally, we organized internship experience sharing sessions and results presentations, allowing students to share their internship experiences and outcomes, as well as to discuss the challenges encountered during the internship and the solutions implemented. Additionally, supervisors engaged with students on career planning to assist interns in effectively applying their learning during the internship and contemplating their future career development paths. Following the conclusion of this year's internship program, a total of 49 interns transitioned to full-time positions, achieving a conversion rate of 70%, which demonstrates the Group's effectiveness in talent cultivation and employment promotion.

The Trend Chart of Internship Amount in the Group



| Collaboration with Colleges and Universities

In terms of industry-academia collaboration, the Group is actively expanding its diverse partnerships with educational institutions. In 2024, a memorandum of understanding for an industry-academia alliance was signed with the Department of Harbor and River Engineering at National Taiwan Ocean University. Additionally, a collaborative project for an international industry talent education program was launched in partnership with the Department of Civil Engineering and Environmental Informatics at Minghsin University of Science and Technology. Furthermore, a letter of intent was signed with the Department of Civil Engineering at Chung Hua University for a training program focused on industry practical talents. The collaboration encompasses various initiatives, including professional technical exchanges, lectures by industry experts, student internships, and the introduction of international students from Indonesia for internship opportunities.

In 2024, we have arranged a total of 17 site visit activities for students in construction-related disciplines, as well as organized visits to wastewater treatment plants and reclaimed water plants for students in environmental engineering-related fields. Project personnel from the Group conducted presentations, explanations, and Q&A sessions on-site to enhance the participating students' understanding of construction engineering and environmental engineering.

Talent Training and Skill Development

Talent cultivation and development are key objectives for the CHC Group's growth. We have created a comprehensive blueprint for talent training and skill development, which offers resources for employees at various stages of their careers. This includes employee competency development, experience sharing and exchange, sustainable leadership and management. We have also established multiple channels for transferring knowledge and experience, and we encourage colleagues to continuously learn and improve their skills. Additionally, we are currently implementing talent development and succession plans to foster and utilize talent competency development.

Sustainable Leadership and Operation

Potential Successor Program	Supervisor Development Program	Key Talent Required Course	External Coaching Program
• Identifying potential internal and external candidates for key positions and assist in developing individual development plans for high-potential talent	• Arranging supervisors to assist subordinates in setting Individual Development Plans (IDPs), performance coaching, and performance interview skills to enhance talent development and retention	• Assisting key talents in developing comprehensive management and leadership skills	• Assisting senior executives in their pursuit of excellence

Experience Inheritance and Exchange

Young Engineers Conference	Transition Coaching Services
• Inviting distinguished experts to deliver lectures, organize key topics, discussions and experiential learning activities, and arranging final presentations of achievements to promote sustainable knowledge transfer	• Assisting employees in adapting to work challenges by providing external coaching resources

Employee Career Development

Diversified Functional Training	External Training and Certification Courses	Leadership Course	Online Learning Platform
• Planning educational training tailored to various positions, functions, and development needs, and provide corresponding learning and development resources	• Offering external training courses in electrical engineering, engineering quality, real estate, foreign languages, finance, law, and other relevant fields	• Planning professional skills and leadership management courses to meet operational development needs	• Developing engineering project materials internally • LinkedIn learning resources • Monthly selected courses and theme learning program

CHC Group Talent Training and Competency Development Approaches

| Employee Career Development

The Group plans educational training courses tailored to various positions, functions, and development needs, utilizing the 70-20-10 Learning Model. Focusing on the learner, it continually develops diverse learning resources and channels such as on-the-job training, job rotation, site visits, formal training courses, live-streamed courses, forums, seminars, and blended learning methods. Every year, we offer a wide range of external training and certification courses, covering topics such as labor safety and health, first aid, electrical engineering, engineering quality, real estate, finance, and law.

The 70-20-10 Learning Model

10%	20%	70%
Learning from **formal courses**	Learning from **colleagues' guidance, observation, and feedback**	Learning from **practical work experience and challenges**

The 2024 training program was based on the five core values of the Group and aimed to develop a competency education system focusing on professional skills, leadership, core competencies, business acumen, and regulatory knowledge. The plan included recruitment interviews to enhance leadership skills, the production of digital teaching materials to improve professional competencies, intergenerational communication to strengthen core competencies, and M365 courses to enhance business skills. In terms of learning formats, a variety of interactive learning methods continue to be provided. The project management course enables employees to learn how to plan project management processes and control execution efficiency. The engineering practical training program combines theoretical case studies to enhance the application of professional knowledge. The execution rate of the 2024 Group education and training plan reached 85%.

Program	Target Audience and Content	Benefits and Impacts on the Company	2024 Achievement
Leadership Competencies-Recruitment Interview	Assist supervisors in understanding the processes before, during, and after recruitment interviews, including the review of resumes, interview questioning techniques, and how to assess the reliability of candidates' responses.	• By providing methods that possess reliability and validity, enhance the selection skills of supervisors to identify suitable talent for the organization. • Assist in understanding the current state and trends of the recruitment market, enhancing supervisors' conversational skills during interviews.	A total of five sessions were held, with a cumulative duration of 35 hours, and 142 participants took part; the attendance rate was 71%; the post-session satisfaction rating was 4.83 out of 5.
Regulatory Competencies-Essential Labor Standards Act for Supervisors	Assist supervisors in understanding their rights and obligations as employers, as well as compliant practices and legal concerns in management, thereby enhancing awareness of labor laws.	• Enhance employees' awareness of legal regulations to reduce the risk of labor disputes arising from improper management. • Implement legal and regulatory compliance management, create a friendly workplace environment, and enhance our brand image.	Three sessions were held, with a total of 481 participants; the attendance rate reached 93%, and the post-course satisfaction score was 4.79.
Core Competencies-Intergenerational Communication	Assist employees from different generations in understanding each other's characteristics and differences, and reduce communication issues through learning about interpersonal communication styles using the DISC model.	• By understanding oneself and others, we can eliminate conflicts arising from misunderstandings and implement the concept of "diversity, equality, and inclusion."	Six sessions were held, with a total of 179 participants; the attendance rate reached 73%, and the post-course satisfaction score was 4.83.
Professional Competencies-Digital Teaching Material Production	Through the implementation of digital teaching materials courses, we assist digital teaching materials seed personnel in mastering the core skills of instructional design, thereby fostering the development of high-quality digital teaching content.	• Utilize a standardized framework to rapidly produce digital teaching materials, thereby enhancing the efficiency and quality of material production. • Convey and preserve key internal knowledge within the enterprise through digital materials, facilitating knowledge transfer.	One session was held with 26 participants; the attendance rate reached 81%, and the post-course satisfaction score was 4.42.
Business Competencies-M365 Courses	Analysis of the functionalities of Microsoft 365 tools, including the creation of visual data reports through Power BI and the automation of processes using Power Platform, to enhance employee application skills.	• For individuals or organizations, enhancing work efficiency can also lead to higher quality outputs that better meet the expectations of supervisors.	Six sessions were held with a total of 195 participants; the attendance rate reached 79%, and the post-course satisfaction score was 4.74.

| Online Learning

Since 2020, the Group has focused on promoting digital learning, continuously optimizing learning resources and content. Through diverse content planning, course design, and the promotion of learning activities, we aim to create an environment that supports learning and innovation. In 2024, we introduced the "CommonWealth Leader Campus," and the "LinkedIn Learning" platform underwent an upgrade, adding new AI career coaching services.

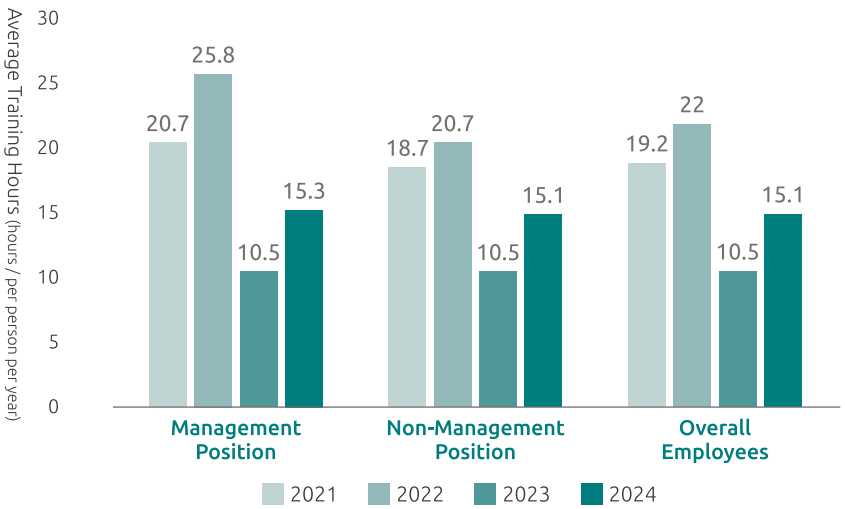
In 2024, the Group's online learning platform, iLearn, offered 1,356 course resources, including 32 engineering project teaching materials developed in-house by the Group. The types of online learning resources encompass Building Information Modeling (BIM), building construction, civil engineering, environmental engineering, business contracts, procurement, finance and accounting, construction projects, and quality management. The online learning utilization rate for 2024 reached 100%, with a total online learning duration of 255,509 hours. The average online learning hours per person amounted to 125.07 hours, reflecting a significant increase compared to the average learning hours of 7.2 hours in 2023.

CommonWealth Leader Campus	Provide diverse learning topics to meet employees' learning needs, enabling the creation of personalized learning maps. This allows employees to integrate their professional development with tailored learning paths, thereby enhancing their personal capabilities.	
LinkedIn Learning	In 2024, the "Digital Library Lending System" was launched, facilitating the sharing of platform resources to promote a culture of sustainable learning. Additionally, a new AI Career Coaching service was introduced to assist employees in planning personalized learning pathways, thereby enhancing learning outcomes and workplace competitiveness.	

In addition, two online training sessions on gender equality laws were held in 2024 to assist employees in identifying sexual harassment behaviors, understanding regulations, and mastering the correct methods for handling sexual harassment incidents. The sessions detailed our preventive measures and zero-tolerance policy. The total learning hours for the courses was 3,283 hours, with a satisfaction rating of 4.5. The Group is actively promoting gender equality and the prevention of sexual harassment, placing a high priority on employee rights and awareness enhancement, and will conduct at least one training session related to gender equality each year.

| Total Training Hours

In 2024, the total investment in internal and external training programs for the Group amounted to NT$7,371,554. The total training hours for all employees reached 30,929 hours, reflecting a 57% increase compared to the previous year. On average, male employees received approximately 12.6 hours of training each, while female employees received about 21.6 hours. Management-level employees averaged around 15.3 hours of training, whereas non-management employees averaged approximately 15.1 hours. Overall, each employee received an average of 15.1 hours of training.



| Experience Inheritance and Exchange

We have established a diverse mechanism for on-the-job guidance and training. Through a systematic talent inventory, we select successors for key positions and provide training through the Potential Successor Program, enabling talented individuals to develop and succeed in critical roles. Additionally, we promote the transfer of internal experiences through the Young Engineers Conference, professional sharing, and experience exchange.

Program / Description	Photo
Young Engineers Conference The Conference primarily convenes young engineers to provide employees with a cross-departmental platform for professional enhancement, mutual sharing, and self-expression. This initiative aims to facilitate the rapid integration of employees into their work and learning environments, ultimately creating value.	
Special Training Program for Work Instructors The two-day On-the-Job Training (OJT) skills training program focused on methods for the transmission of knowledge and expertise. Through a systematic curriculum, participants were able to effectively extract their own professional knowledge and experiences for application in daily teaching, guidance, and knowledge transfer. In 2024, a total of 21 individuals were trained, all of whom subsequently became internal instructors.	

| Sustainable Leadership and Operation

The Group continues to promote the Sustainable Leadership Talent Cultivation and Development Program. Through the Group-Required Course and the External Coaching Program, we assist senior-level employees in establishing management and leadership competencies. At the same time, we also help managerial staff develop a foundational understanding of employee development, enabling them to effectively conduct performance discussions, provide daily guidance, assist subordinates in formulating individual development plans, and evaluate the implementation results. This ongoing effort supports both personal and career growth for managers and employees. In 2024, we continued to hold the Leadership Enhancement Program, providing necessary support and resources to managerial personnel to strengthen their management skills.

Program / Description	Photo
Group-Required Course To support the development of key talents in building management and leadership skills, the course content covers a range of essential management functions. These include business acumen, personnel management and communication, relationship management, strategic thinking and problem-solving, and critical leadership management abilities. The aim is to enhance cross-department collaboration and facilitate strategic decision-making.	
External Coaching Program The cultivation of senior executives is the top priority for the CHC Group. Considering the extensive professional knowledge and management experience of senior executives, standard training courses may not fully meet their needs. Since 2021, the Group has actively established an external coaching pool to assist senior executives in continuously pursuing excellence.	
Leadership Enhancement Program A four-month course is provided for managerial staff, utilizing management concepts, case studies, assignments, and presentation practices to enhance leadership skills in the workplace. This training enables participants to make effective decisions and responses when facing challenges. In 2024, two sessions were offered, with a total of 31 participants, achieving a completion rate of 90%.	
Performance Management Courses Assist supervisors in establishing clear work objectives by facilitating real-time communication and feedback, as well as systematically arranging performance discussions to motivate employees and enhance their knowledge and skills. This approach aims to reach a consensus on achieving annual goals and improving the company's operational performance. As of 2024, the number of participants in performance management courses was 425, with a completion rate of 96% for courses related to performance evaluation.	

COLUMN AI Seminar

In response to the rise of AI and the need for managing cybersecurity risks, three hybrid online / in-person AI seminars were in 2024. These seminars aimed to educate employees on the correct and safe use of AI tools, enhancing their awareness of cybersecurity risks to support the Group's digital transformation initiatives and information security management policies.

"Enhancing Workplace Productivity with AI Tools" discussed new trends and applications of AI technology, inspiring employees to apply technology in innovative ways within their professional fields. "Welcome to the AI Work Era: ChatGPT Tailored for You" introduced how to integrate AI tools into daily workflows to improve work efficiency. "Comprehensive Guide to Workplace AI: A New Era of Intelligent Work" guided employees in designing customized AI tools based on their work requirements, creating solutions that add value to their work. A total of 514 participants attended the three sessions, with an average course satisfaction rating of 4.6 out of 5.

COLUMN Architecture Knowledge Platform

To enhance the efficiency of knowledge sharing within the organization, the Group has established a Construction Knowledge Platform. This platform regularly publishes information related to new engineering insights, developments in construction technology, introductions to landmark projects, and engineering disasters on a weekly basis, facilitating employees' quick access to industry knowledge. The platform consolidates numerous project introductions that the Group has participated in, innovative engineering solutions proposed by internal experts, and improved applications of construction methods. This allows employees not only to read the information but also to provide problem-solving ideas and stimulate critical thinking, as well as to draw on past experiences to prevent erroneous decision-making. Furthermore, we continuously increase the platform's visibility through channels such as email and TEAMS, promoting employee engagement with the platform. In 2024, a total of 105 articles were published, with over 25,000 reads recorded.

Performance Management Systems

Aligned with the Group's annual overall business strategy and goals, we implement performance-oriented human resources policies, adopting an appropriate performance management system. By setting annual goals at the beginning of the year, conducting mid-year performance progress checks and adjustments, and conducting year-end performance interviews and evaluations, we promote real-time performance feedback and communication. This ensures that employee performance is aligned with organizational goals, ultimately enhancing overall operational performance.

In 2024, the Group evaluated the performance of its employees and fully implemented the annual performance evaluation process. We utilize performance evaluation results as a benchmark for managing overall compensation and job adjustments. This ensures that the salary level adequately reflects job performance and provides motivation. Additionally, it serves as a reference for planning employee learning and development needs.

2024	Male			Female		
	Supervisory Position	Non-Supervisory Position	Total	Supervisory Position	Non-Supervisory Position	Total
Number of Employees under Performance Evaluation	402	796	1,198	61	437	498
Number of Employees Required to Take Performance Evaluation	402	796	1,198	61	437	498
Proportion of Employees Required to Take Performance Evaluation	100%	100%	100%	100%	100%	100%

Note:

1. Employees who are currently employed and have completed their probationary period as of the assessment reference date are included, with the exception of the Chairman, Directors, domestic and foreign direct labor employees, and fixed-term contract employees.
2. The number of employees who are currently employed and meet the assessment criteria mentioned in the first point as of December 31, 2024.

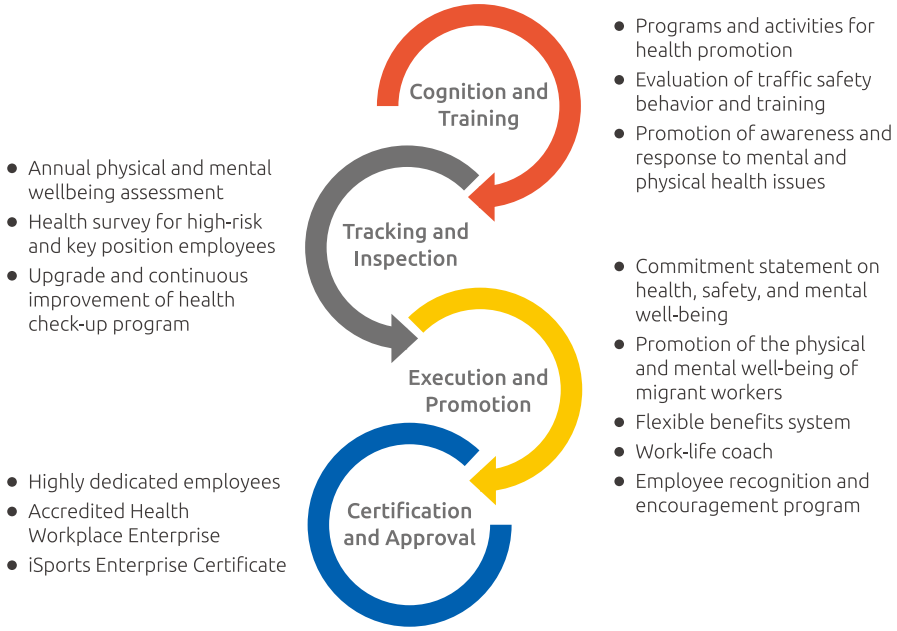
| Courses for Supervisor Evaluation

A good performance management system relies on supervisors and subordinates reaching a consensus on goal setting and how to achieve those goals. Therefore, the Group conducts briefings and courses at each critical point of the performance management cycle (beginning of the year, mid-year, and end of the year) to promote understanding of the company's evaluation system among supervisory personnel. Through learning about goal setting, performance guidance, and performance discussions, the correct concept of performance management is established.

4.3 Workplace Health Promotion

Concept of Physical and Mental Balance

The CHC Group has initiated a five-year Wellbeing program in 2021, with a focus on five dimensions: physical and mental balance, health and safety, recognition and respect, growth and development, and diversity, equality and inclusion. The program is executed through four dimensions: cognition and training, tracking and inspection, execution and promotion, and certification and approval. Its objective is to establish a model for maturity path and set goals for the physical and mental balance of the Group's employees.



Wellbeing extends beyond work-life balance, it is also built upon a safe environment where adequate rest is possible, a supportive, respectful, and recognized community, and a workplace that fosters continuous potential development and is friendly and inclusive.

The Group's Employee Wellbeing Plan focuses on employees' overall physical and mental health, planning related measures including specific aspects like mental health care, work-life balance, occupational safety and health, promoting employee recognition through encouraging public commendation activities, professional training and development, financial wellness, and creating a diverse and friendly workplace environment. This plan benefits not only the employees of the Group but also extends to foreign migrant workers and subcontractors. It includes health check-ups for subcontractors and oral cancer screenings.

The Group has always prioritized occupational health and safety issues. We have consistently invested in engineering technology, improved construction methods, and implemented construction technology applications to enhance construction safety. At the same time, we are dedicated to improving risk management in the construction process and encouraging the involvement of all staff in the Don't Walk By (DWB) program. The objective is to enhance safety and health management, foster effective communication with contractors, identify and mitigate potential risks, and ensure on-site safety. Our ultimate goal is to ensure that everyone returns home safely every day. Starting in 2022, we have been implementing a safety culture program to strengthen our safety and health management in several areas. This program focus on senior executive leadership, contractor safety management, enhancing the safety and health management skills of middle-level managers, and encouraging the participation of all employees. For more information on CHC Group's occupational safety policy and initiatives, please see section 4.4 Safe Working Environment.

The Group also aims to improve labor welfare. As of 2021, certain scheduled working days have been changed to rest days, giving on-site personnel a two-day weekend. We offer health promotion and support resources tailored to the needs of our employees, including stress management and nutrition lectures. Additionally, we have established an employee assistance program that provides professional counseling services to help employees cope with life stress, family responsibilities, and legal and financial matters. The Group's member companies, CEC, CDC, and HDEC, have all received the Healthy Workplace Certification from the Health Promotion Administration, Ministry of Health and Welfare. CDC also received the iSports Enterprise Certificate from the Sports Administration, Ministry of Education.

Measures to Promote Mental and Physical Balance

Items / Description	Photo
Work-Life Coach Service Providing unlimited telephone consultations and 5 face-to-face consultations per year for colleagues and their families. These consultations are conducted by professional and confidential external consultants, offering counseling services. The topics covered include career planning, stress management, conflict management, job adaptation, interpersonal relationships, personnel management, self-exploration and communication, friendship and marriage, mental health, parenting and family, law and finance, and other diverse aspects. Our aim is to assist colleagues in finding appropriate coping methods when facing various challenges.	
Employee Recognition and Encouragement Program 2.0 The 2024 Employee Recognition and Encouragement Program has been upgraded to simplify the nomination process and enhance employee participation. The achievements of nominees must be linked to the company's eight core values. Stories that pass the review will be publicly shared within the company for all employees to read and support with likes, promoting a culture of appreciation and public recognition, thereby fostering a positive workplace atmosphere. In 2024, 90 nominators submitted a total of 122 stories, covering 113 nominees; a total of 993 individuals participated in liking the stories, accumulating 13,391 likes.	
Lecture on Physical and Mental Health The Group integrates life coaching services and regularly holds themed seminars to enhance employees' awareness of physical and mental well-being. In 2024, a total of six seminars were organized—five online and one in-person—covering topics such as Zentangle, workplace collaboration & boundaries, stress & nutrition, smart financial management, and legal matters. Total attendance exceeded 500, with nearly 100 participants per session on average, and an average satisfaction score above 90.	

Actions for Healthcare

The Group cares about employee health and safety. Through a health information management platform, we provide employees with health care and management information services. We analyze employees' health check results based on risk classification, offer individual health counseling sessions, and provide referral information as needed. In 2024, three primary health risks were identified, including human factor hazards, abnormal workload risks, and maternal protection. After assessing the likelihood of occurrence and the severity of impact, all were determined to be low-risk. The Group also provides various response measures to assist employees.

In response to the identification of employees at high health risk, one-on-one interviews will be conducted with occupational specialists to provide case-specific health education, assisting them in self-health management. Additionally, annual health promotion activities and educational materials are designed. In 2024, the content of the health examination program were continuously optimized, in collaboration with occupational physicians, to develop health examination plans tailored to the characteristics of the construction industry, as well as designed according to age and job category, thereby offering employees more suitable health examination options. **In 2024, the Group health examination participation rate reached 98%, with a total investment exceeding NT$5.9 million, representing a 47% increase compared to 2023.**

Items / Description	Photo
Health Care Notice In 2024, a total of 33 health promotion notices were sent, covering topics such as vision care, information on infectious diseases, extreme weather, mental health, dietary guidelines for festivals, and health seminars. These notices were sent via email and uploaded to the health management information platform for convenient access at any time.	

Items / Description	Photo
Health Check Program Colleagues can schedule appointments through the health management information platform reservation system. They can select medical institutions, health check plans, and examination times based on their individual needs. The 2024 health examination program has been optimized to improve cardiovascular disease prevention, cancer screening, and fatty liver monitoring, along with a comprehensive enhancement in budget and examination items.	
Health Care for High-Risk Employees Arrange for occupational specialists and nurses to conduct interviews with high-risk employees to provide medical consultations. 1. Abnormal Workload: Based on health examination results and individual lifestyle, a ten-year cardiovascular disease index was calculated, and recommendations for self-health management were provided by physicians. In 2024, there were 11 employees with abnormal workloads, compared to 14 in 2023. Of these, 11 have shown improvement, while 8 new cases have been identified. Continuous monitoring and support for these 11 employees will be maintained. 2. Human Factor Hazards: Through the Musculoskeletal Survey, adjustments to seating posture and medical guidance were provided for employees suspected of being at risk. In 2024, there were 11 employees affected by human factor hazards. 3. Maternal Protection: Regularly monitor prenatal check-up status and provide dietary and exercise recommendations, while maintaining ongoing care. In 2024, there were 14 individuals under maternal protection.	
Health Check Vendor Evaluation In 2024, the Group conducted visits and evaluations of health examination institutions, including Taipei Municipal Wanfang Hospital, Taichung Hospital of the Ministry of Health and Welfare, Cardinal Tien Hospital Yonghe Branch in New Taipei City, Yuan's General Hospital in Kaohsiung, Kaohsiung Medical University Chung-Ho Memorial Hospital, and Cathay Health Management Centers (Neihu, Dun-Nan, Hsinchu, and Tainan branches). Health examination service contracts were signed with six medical institutions respectively.	

Items / Description	Photo
Lecture and Activity on Health In 2024, six health seminars and four health consultation events were conducted, covering topics such as knowledge of health supplements, shoulder and neck massage, and one-on-one health check consultations. A total of 638 participants attended, with an average satisfaction score of 93.	
Oral Cancer Screening In 2024, a total of 7 oral cancer screenings were conducted, with 233 individuals participating. This marked the fifth consecutive year of promoting oral cancer screening activities in the workplace. The screening targets included employees, contracted workers, and foreign migrant workers. The examinations were carried out by doctors at the site offices, allowing all workers to undergo the check-up without taking leave.	
Pandemic Prevention Measures In accordance with the pandemic prevention measures set forth by the health authorities, we have applied for medical personnel to be dispatched to the construction site to administer vaccinations. In 2024, we assisted in the administration of the Covid-19 vaccine to 100 individuals and the influenza vaccine to 109 individuals, actively implementing preventive measures.	

COLUMN CEC and CDC Collaborate to Foster a Healthy Workplace

CEC continues to promote its annual Wellbeing Week initiative, with the 2024 focus on musculoskeletal health. Based on employee health check questionnaires over the past three years, neck pain caused by prolonged sitting was identified as the most common health concern among staff. In response, a renowned physical therapist was invited to give a lecture explaining the causes of discomfort and preventive strategies. The event also featured hands-on sessions to teach employees techniques for relieving discomfort. In addition to Wellbeing Week, CEC regularly organizes health seminars, provides care for high-risk employees, and arranges employee health checks. Following its 2023 recognition with the "Health Activation Label" under the Ministry of Health and Welfare's Healthy Workplace Certification Program, CEC received the "Health Promotion Label" in 2024.

CDC continues to encourage employees to stay active by offering a variety of sports clubs and promoting participation in physical activity initiatives. In 2024, CDC organized the "Let's Get Moving" campaign, a Family Day, and a hiking day trip, along with regular health seminars and occupational safety and health training sessions. CDC has also implemented a comprehensive Labor Health Protection Program that addresses four major areas: human factor hazards, abnormal workload, maternal health protection, and workplace violence prevention. Occupational disease risks are assessed through employee surveys, with the results used to improve the work environment and prevent health issues. CDC has been certified as a "Sports Enterprise" by the Sports Administration, Ministry of Education, and has received "Healthy Workplace Certification" from the Ministry of Health and Welfare.

4.4 Safe Working Environment

Occupational Safety and Health Management

Occupational safety and health are highly prioritized issues for the CHC Group, with annual improvements in worker education and training and continuous development of technological innovations. Since 2022, CEC has initiated a safety culture program, comprehensively reviewing and strengthening safety management, and gradually implementing relevant policies and systems.

The Group is a leader in introducing innovative engineering technologies, improving project efficiency, and enhancing construction safety through the use of construction technology. Additionally, it actively shares innovative safety practices through domestic and international seminars, participation in public associations, and industry-academia cooperation, thereby exerting a positive influence. In 2024, multiple awards for safety and health were received, including the New Taipei City Outstanding Safety Award - Outstanding Unit Special Distinction, the Taipei City Labor Safety Award - Outstanding Unit, and recognition as an outstanding enterprise in the "Corporate Sustainability Report Public Occupational Health and Safety Performance Proactive Evaluation" by the Occupational Safety and Health Administration of the Ministry of Labor. Additionally, the organization received the "Healthy Workplace Certification" Health Promotion Label from the Health Promotion Administration of the Ministry of Health and Welfare.

Since 2019, CEC has served as the President of the COSHPA. Since 2010, it has been the Vice President of the CNTOSHA for Occupational Safety and Health Management System in Taiwan. It actively mobilizes the strength of members, promotes the direction and capacity of disaster reduction in the organization, integrates resources across agencies, assists in improving the quality of inspections and supervision, and utilizes technological tools to help prevent hazards on construction sites, ensuring the occupational safety and health of construction workers. In addition, we have actively participated in various associations and initiatives, including the Occupational Safety and Health Promotion Association for the construction industry in the north, central, and south Taiwan, the ISHA, and the CSHM. These engagements aim to facilitate the exchange of safety and health information in the construction industry, as well as mutual support in site visits, learning, and accident response. CEC's dedication to promoting occupational safety and health has been repeatedly recognized with certificates of appreciation from the Ministry of Labor's Occupational Safety and Health Administration and the Taipei City Construction Site Self-Management Strategic Alliance.

| Occupational Health and Safety Management System

The CHC Group implements its occupational health and safety management policies thoroughly. Both CEC and HDEC have established Occupational Safety and Health Committees as communication and coordination platforms. CEC's committee consists of 12 members, including 5 labor representatives, while HDEC's committee has 10 members, including 5 labor representatives. In both committees, labor representatives account for more than one-third of the members, exceeding legal requirements. The committees hold quarterly meetings to review management performance and adjust occupational health and safety policies. Additionally, during monthly health and safety committee meetings, consultations and communications are conducted with sub-contractors and partners to provide workers with smooth communication channels. For new sub-contractors or partners, pre-entry committee meetings are held to inform them of operational hazards and safety measures, aiming to reduce the risk of occupational accidents.

Both CEC and HDEC have passed ISO/CNS 45001:2018 Occupational Health and Safety Management System Certification. The certification encompasses the Group's development, contracting, construction, and technical research and development activities related to building construction, civil engineering, and environmental engineering projects. It also includes the investment, planning, design, procurement, construction, and operation of environmental engineering businesses. We are constantly identifying potential occupational hazards that may arise from materials, machinery, equipment, work environment, and personnel behavior. We take proactive steps to enhance occupational safety and health measures.

The Group's occupational safety and health management system[3] encompasses 2,415 employees, which accounts for 91% of the total workforce. Additionally, it includes 2,701 non-employee workers, representing 100% of this category.

3 The CHC Group has a total of 2,663 employees, not including non-employee contract workers such as the Chairman and consultants. The construction unit oversees the non-employee workers, who consist of regular or temporary, intermittent or seasonal, and informal or part-time workers. This includes individuals in top management, managerial positions, and non-managerial staff.

CEC - ISO 45001:2018 Certificate

CEC - CNS 45001:2018 Certificate

HDEC - ISO 45001:2018 Certificate

HDEC- CNS 45001:2018 Certificate

| Construction of Occupational Safety Culture

The CHC Group has embedded occupational safety and health into its corporate culture. Providing a safe working environment is not only the responsibility of safety and health personnel, but also an important aspect in which all employees should actively participate to drive continuous improvement. To enhance safety awareness, CEC has proposed a safety culture plan for 2022. This plan focuses on four aspects: the leadership of senior executives, the safety and health management of contractors, the safety and health management of middle-level supervisors, and the participation of all employees. Its objective was to promote a culture of occupational safety throughout the organization. The plan included 12 objectives and 32 action plans, as well as the establishment of relevant policies and systems. In 2024, the plan continued to be implemented, and external occupational safety consultants were hired to conduct safety assessments. Additionally, safety and health issues were addressed during the procurement selection process. Contractors and subcontractors with occupational incidents were monitored and provided with guidance, thereby expanding contractor management efforts.

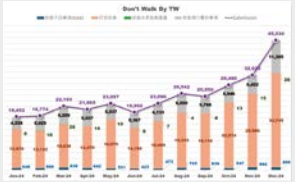
In 2024, we continued to strengthen and implement safety promotion measures at construction sites, develop new applications of occupational safety technology, and introduce the Idea Box for proposals aimed at enhancing safety in the construction environment.

The Group employs a dual approach of rewards and penalties through the "Construction Unit Safety and Health Rewards and Penalties Regulations." Each year, the effectiveness of safety and health management is evaluated. Utilizing the Safety and Health Points Reporting Forms to evaluate the safety and health performance of engineers, sub-contractors, and workers, as well as external award recognition, annual hours worked without incidents, and results from external inspections, serves as the basis for monthly assessments to award incentives or implement penalties. This system recognizes responsible engineers, vendors, construction units, and safety personnel, encouraging concrete actions to maintain workplace safety and promoting the importance of safety regulations among on-site personnel, while fostering self-improvement in safety and health performance.

The Group has established multiple site safety promotion measures and conducts various safety and health activities and training sessions. These include pre-work toolbox meetings, site inspections, site observations, and high-risk operation reporting, aimed at enhancing workers' safety awareness and response capabilities. In 2024, there has been an increasing trend in the number of site inspections, high-risk reporting operations, and cases submitted through the Don't Walk By system, compared to 2023. This reflects the employees' heightened awareness of occupational safety and health.

Items	Description	2024 Frequency and Performance
Site Safety and Health Audits	Conducting safety and health audits at construction sites. If the assessed risks are too high, increase the frequency of audits per month to address any deficiencies.	CEC: ≥1 / month; HDEC: 1 / month
Safety and Health Supervision and Promotion	Before the start of each workday, toolbox meetings are held to promote the "Four Check, Four Handover[Note]" protocol to all workers. Note: Four Check are: 1. Physical condition 2. Mental state 3. Suitability of personal protective equipment 4. Facility inspection before work; Four Handover are: 1. Job tasks 2. Hazard risks 3. Safety precautions 4. Rest and shelter	Toolbox meeting: Daily; Safety and health promotion: Irregular

Items	Description	2024 Frequency and Performance
Senior Executive Inspection	The highest-ranking executive of the construction unit conducts a collaborative safety and health inspection. If any safety and health deficiencies are identified, they are promptly reported to the Don't Walk By system, which automatically notifies the responsible engineer for further action.	CEC: 8.9 / month; HDEC: 5.2 / month
	Unannounced safety and health inspections were carried out by the highest executive of the Construction Office and relevant department heads to gain a clear understanding of the actual conditions at construction sites, thereby formulating correspond-ing safety and health regulations and management measures.	CEC: 12 / year; HDEC: Irregular
Contractor Management, Significant High-Risk Operation Declaration System	If the construction unit intends to carry out "significant high-risk operations," it must submit an application in advance. Safety and health personnel will log the "significant high-risk operations" in the "Safety and Health Management Information Platform." Operations must be approved before they can commence. After the operation, it is required to upload the operation permit form, site photos, and inspection forms to ensure continuous monitoring and inspection of personnel throughout the operation process.	Irregular; a total of 12,275 feedback records

Items	Description	2024 Frequency and Performance
Safety and Health Points Reporting Forms	Safety and health points reporting forms focus on engineers, foreign migrant workers, sub-contractors, and workers. Points are added or deducted based on safety and health performance. Each month, sub-contractors, workers, or engineers with outstanding safety and health performance are selected for awards. Those who demonstrate exceptional safety and health performance on construction sites are included in the annual list of excellent contractors. Conversely, those with abnormal safety and health performance are disqualified from participating in the selection of excellent contractors.	1 / month
Don't Walk By 	Open to all on-site workers (foremen, laborers, foreign migrant workers, and stakehold-ers, etc.), using mobile phones to report occupational safety and health issues in real-time, promoting improvement of safety and health concerns, and recognizing exemplary safety practices at the workplace.	A total of 306,150 proposals were received
Improvement System for Deficiencies in the Site Offices	Through the "Don't Walk By" system, all frontline employees are encouraged to actively identify and eliminate potential hazards, with the goal of preventing accidental injuries. The simple DWB proposal system enables every employee to participate in creating a safer work environment.	The average number of defect improvements was 22.4

| Occupational Safety Education and Training

To ensure employees understand the nature of their job roles, potential hazards in their environment, and how to prevent occupational accidents, the Group organizes regular occupational safety education and training sessions. These sessions employ methods such as random quizzes and online assessments to deepen employees' understanding of hazardous scenarios and educational content. In 2024, a total of 401 training sessions were conducted, with a total of 7,504 participants. The objective was to cultivate a strong sense of safety awareness among frontline personnel, ensuring their proficiency in operational tasks and their capacity to respond autonomously.

Items	Target	Time / Frequency	Session	Number of Participants
General Safety and Health Education Training (Initial Training) for New Office Employees	New employee	3 hours	2	24
Safety and Health Management Personnel Education and Training (Refresher Training)	Personnel holding health and safety personnel and business supervisor licenses	6 hours per year	4	114
On-the-Job Training for Business Supervisors (Refresher Training)	Personnel responsible for conducting construction safety assessments	Every 2 years, 6 hours of refresher training	1	27
Emergency Personnel On-the-Job Training	Individuals holding a first aid personnel certificate	Every 2 years, 3 hours of refresher training	1	36
Taiwan Occupational Safety and Healthy Card (Initial Training)	Personnel of construction units, contractor and foreign migrant workers	Irregular	19	435
Site Office Training	Personnel of the construction unit	Irregular	371	6,814
Occupational Safety and Health Education Training	Office staff	Irregular	3	54

Heat Hazard Observation

Health and Safety Seminars

New Employee Safety and Health Education Training

Safety and Health Management Personnel Education and Training

Occupational Accident and Occupational Disease Prevention

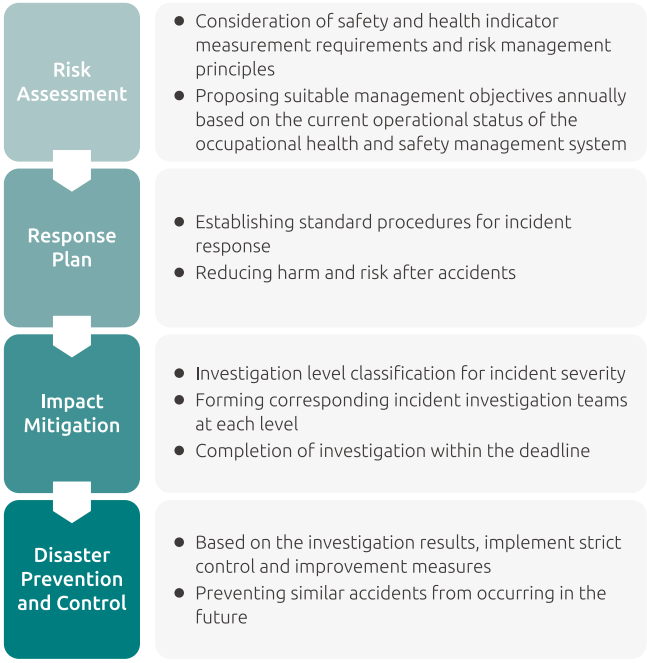
| Hazard Identification and Risk Assessment

The CHC Group adheres to the "Group Occupational Health and Safety Policy" and comprehensively promotes the identification of health and safety hazards as well as risk / opportunity assessments. Each year, the risks associated with operational activities in various units are reassessed. In the event of significant operational changes or major workplace accidents, hazard identification and risk / opportunity assessments are promptly conducted. Assessments are also carried out in cases of major changes in construction methods, significant revisions to health and safety policies, or when the scope of the health and safety management system is expanded.

The risk assessment process includes breaking down operational procedures and inspecting working conditions. It involves identifying and conducting preliminary hazard analyses for various types of hazards, including human-related, physical, chemical, and biological hazards. The process also takes into account the effectiveness of existing management and engineering controls, as well as the functionality and usage of personal protective equipment. Risk levels are determined based on established risk assessment criteria. When a risk is identified as high or above, corresponding control measures must be developed in parallel. These measures may include formulating target management plans, executing and monitoring these plans, evaluating their effectiveness, and establishing modular and standardized management systems to reduce the risk level to moderate or below.

The Occupational Safety and Health Risk Assessment has classified thirteen types of operations, including bridge installation, dismantling of construction scaffolding, material handling with work platform carts, and dismantling of support scaffolding, as significant high-risk items. If the construction unit intends to carry out "significant high-risk operations," it must submit an application in advance. Operations may only commence after obtaining permission on the day of the work. During the operations, continuous inspection and supervision are required. After the operations, the work permit, site photographs, and inspection checklist must be uploaded.

In response to the types of occupational accidents that occur each year, we are revising operational procedures and improving safety and health equipment. We are actively promoting compliance with these measures across all units, ensuring daily site inspections and the proper execution of Toolbox meetings before work commences, to guarantee the compliance of personal protective equipment. In terms of the application of occupational safety technology, we are actively developing new tools. In 2024, the Group officially implemented a collision warning device developed for use on construction sites. The Group will continue to enhance the prevention of occupational accidents, assess risks and opportunities, and identify hazards to improve safety in the workplace.



| Occupational Accident and Occupational Disease Prevention Management Measures

The CHC Group has implemented occupational accident and occupational disease prevention management measures, including operational environment monitoring. This encompasses hazard identification for preventing workplace misconduct, risk assessment, workplace environmental inspections, appropriate staffing and job design checks, and assessments for maternal health protection in the workplace. The assessment results indicate no specific hazardous operations at present, so no special health checkups have been arranged.

In terms of hazard alerts, we continue to remind the Group workers that if they encounter an immediate risk while performing their duties, they may stop operations and retreat to a safe location without endangering other workers' safety. They should promptly report the situation to

their immediate supervisor. Furthermore, according to the DWB proposal, if the project supervisor verifies an imminent hazard at the construction site, the operation will be promptly suspended.

The healthcare team continues to promote four major occupational health protection programs: maternal health protection, repetitive task management, abnormal workload management, and prevention of workplace misconduct. In 2024, a total of 12 onsite physician service sessions were conducted, providing health assessments and care for 11 high-risk cases due to abnormal workload and 14 cases related to maternal health protection. For ergonomic hazard prevention, 11 employees were identified through musculoskeletal symptom surveys as potentially at risk. The healthcare team conducted one-on-one case interviews and provided professional health education to support employees in managing their own health.

To understand employee health conditions for occupational disease prevention and health management, the Group conducts regular health examinations. Each year, based on the examination results, we perform risk classification management. This is complemented by lifestyle surveys and workload assessments. Using the Ministry of Labor's Occupational Health Service Management System (WeCare), we calculate cardiovascular disease risks, screen high-risk cases, and provide continuous monitoring. Occupational nurses conduct health interviews, and occupational specialists provide consultations for those at higher risk, helping colleagues improve lifestyle risk factors and referring them to relevant departments as needed. The healthcare team utilized the above-mentioned data to identify high-risk employee groups. Between 2023 and 2024, they successfully improved the health conditions of 17 employees, including 11 with abnormal workload issues and 6 affected by ergonomic hazards.

· Sustainable Health Value Chain

The contractor is an important partner and a key element in the implementation of safety management. To enhance the overall safety awareness of contractors, since 2022, the Group has annually invited major contractors to participate in a Contractor Safety Leadership Forum. During the bidding phase, we plan safety and health project budgets, and conduct discussions on safety and health issues. Contractors who do not participate in safety and health meetings are included in assessments. The Group continues to communicate its safety and health expectations and engage in ongoing discussions with contractors.

Throughout the contracting process, we consistently assess the safety and health performance of the contractor on the construction site. Every quarter, updates are provided by contractors and feedback is given to the company's procurement unit to serve as an indicator for monitoring qualified vendors. For contractors involved in occupational accidents, measures such as suspending all contracting sites for one year and placing the contractor under supervision are implemented. To encourage excellent safety performance among vendors, we have added safety and health awards to our outstanding vendor selection program. Selected outstanding vendors will receive benefits such as a 50% reduction in retention funds, relaxed performance bond conditions, and priority contracting rights for the following year.

| Occupational Injuries and Occupational Diseases

In 2024, there were no cases of occupational diseases among employees in the Group. There was 1 incident of general occupational injuries among Group employees. Among contracted workers, there were 2 general occupational injury cases, 2 serious occupational injury cases, and 2 fatal incidents. After an incident occurs, the Company immediately conducts a disaster review, formulates preventive measures and corrective actions, and strengthens the safety management responsibilities of vendors from the source. The Group also offers resources for post-disaster psychological counseling support to assist employees who have encountered occupational disasters in overcoming their challenges.

During construction work on sites, activities such as cutting and welding, which involve the use of open flames, can easily lead to fire incidents. In 2024, no fire incidents occurred within the Group. We regularly promote correct concepts of electrical and fire safety, constantly reminding colleagues of important precautions. For hot work operations, strict controls are in place. Before starting such tasks, flammable materials in the vicinity must be cleared away. After completing the work, it is essential to ensure that all flames are completely extinguished before leaving. Before leaving the site, it is necessary to inspect the workplace for any remaining sparks and to ensure that all electrical equipment is turned off or unplugged.

Type of Hazard	Occupational Accident	Corrective Measures
Falling and Rolling off	• Falling during the operation of dismantling the horizontal safety net • Falling while using step ladders • Falling during nighttime operations	• The personal protective equipment of the personnel is properly worn and included as a key inspection item • Enhancing the safety awareness and training of on-site personnel • An application for night operations must be submitted, accompanied by an engineer's on-site inspection, and there should be at least two individuals working together
Object Falling	• Injured by falling scaffolding • Parts from a mobile crane fall and injure an operator • During the hoisting operation, the suspended object falls and strikes the deck, resulting in injury	• Establish operational standards regarding the causes of the incident, enhance control mechanisms, implement regulations, and strengthen advocacy • Enhance the delineation of the operational area on-site and install technological tools such as environmental cameras for real-time monitoring • Enhance construction operation inspections and personnel training

| Occupational Injury Statistics

Items	Employees	Workers Who Are Not Employees	Group Total
a. Total Working Hours	6,295,805	8,217,139	14,512,944
b. Number of General Occupational Injury	1	2	3
c. Number of Serious Occupational Injury	0	2	2
d. Number of Fatalities	0	2	2
Total Number of Recorded Occupational Injury（b+c+d）	1	6	7
Fatalities Rate Caused by Occupational Injury	0	0.24	0.14
Serious Occupational Injury Rate	0	0.24	0.14
Recordable Occupational Injury Rate	0.16	0.73	0.48

Note:

1. The total cumulative working hours experienced by all employees and workers up to December 31, 2024.
2. General occupational injury: Cases resulting in less than 180 days of lost work.
3. Serious occupational injury: Cases resulting in more than 180 days of lost work.
4. Fatalities rate caused by occupational injury = Number of fatalities x 1,000,000 / Total working hours
5. Serious occupational injury rate = Number of serious occupational injuries x 1,000,000 / Total working hours
6. "Disability Injury Frequency Rate (FR)," which is calculated as the total number of recordable occupational injury 1,000,000 / Total working hours, as defined by the Ministry of Labor.

| Fire Statistics

Items	Employees	Workers Who Are Not Employees	Group Total
Number of Fire Incidents in 2024	0		0
a. Number of Fatalities	0	0	0
b. Number of injuries	0	0	0
c. Number of People Included in the Statistic	2,663	2,701	5,364
Proportion of Fatalities and Injuries (a+b)/ c	0	0	0

Innovative Occupational Safety Technology

The Group actively adopts smart technologies and technological application devices, investing annually in developing applications, digital tools, or cloud management platforms. This investment is aimed at enhancing construction safety and project efficiency, as well as ensuring the workplace safety and the physical and mental health of workers. Over the years, CEC has successfully developed more than ten construction technology applications or equipment. In 2024, the development of the "Collision Warning Device for Transportation Equipment" was completed. Smart technology applications are utilized to enable real-time identification and alerts based on the worksite environment and individual conditions, effectively preventing harm to personnel caused by negligence.

Distributor Box Status Display Device

Cloud-based management system for real-time monitoring of all distributor boxes. Enables quick identification of the tripped circuit in case of power outage and real-time display of the panel door status, facilitating efficient management and response by administrators

Safety and Health VR Reality Training

Using virtual reality (VR) to create an immersive training environment for occupational safety education, thereby enhancing its effectiveness

Garbage Pipeline Gate Display System

The wireless transmission garbage pipeline gate induction device allows operators to be notified of the status of the reverse and cleaning gate openings through signal lights, ensuring operational safety

AI Systems

Facial Recognition Access Control System timely manages personnel entry and exit; the **Electronic Fence** immediately triggers alarms and notifications upon entry into hazardous areas; the **Personal Protective Equipment Recognition System** alerts users when protective gear is not worn completely or correctly, with an identification rate exceeding 80%

Real-Time Monitoring of Aerial Photography Equipment

Aerial photography equipment is utilized to perform on-site inspections and verifications in areas that are challenging for supervisory personnel on high floors to access and in high-risk operations

Construction Elevator Floor Display System

Laborers can instantly determine the floor location of the construction elevator by scanning a QR Code, thereby reducing waiting time

Sensor-Based Devices

Installation of **Automated Detection Warning Lights** in high-risk operational areas involves the placement of multiple interconnected warning lights and alarms. When any warning light detects the approach of personnel, the system will immediately activate all warning lights and alarm sounds to alert individuals to safety concerns. The **Active Hazard Notifier** is installed at the entrance of the work area and in specific equipment zones, automatically broadcasting relevant hazard warning messages when workers approach. The **Infrared Sensor in the Fall Protection System** actively issues warning messages when scaffolding or construction barriers are improperly removed

Collision Warning Devices for Transportation Equipment

When the transportation equipment approaches an obstacle, the Detection Main Unit issues a distance warning immediately, and a wireless signal is transmitted to the Receiving Subunit in the driver's seat. At the same time, an alarm device will be activated to alert the driver to the equipment status, ensuring personnel safety

COLUMN Safety Measures for Deck Hole Plugs

Innovative proposal from Idea Box.

Every aspect of operations at the construction site must pay attention to potential hazards. Group employees have proposed safety enhancement solutions regarding the deck laid out during the execution phase of the construction project.

The decks used at construction sites typically have hanging holes reserved at the corners to accommodate the needs of lifting operations during the construction process. The dimensions of the hanging holes are usually 10 cm by 3 cm. When lifting operations are not in progress, the hollow hanging holes can easily allow small stones and foreign objects to fall in, leading to blockages or deformation and damage to the rebar within the holes, which in turn affects the operational efficiency of the lifting tasks. Furthermore, since decks are often used as walkways, pedestrians wearing high-heeled or narrow-heeled shoes may inadvertently step into the hanging holes, resulting in potential injuries.

In response to this potential hazard that may affect the walking safety of road users, the Group employees have ingeniously designed a safety hole plug. The materials selected for the plug are rubber or metal, which are used to fill the originally hollow suspension holes. This design aims to prevent foreign objects from falling into and blocking the suspension holes, as well as to avoid injuries to pedestrians who may accidentally step into these holes. The ultimate goal is to effectively protect the safety of road users and enhance the efficiency of construction operations.

2024 Annual Occupational Safety Technology Research and Development Items

Items	Research and Development Objectives	Achievement	Photo
Collision Warning Devices for Transportation Equipment	To prevent accidents such as overturning and falls resulting from collisions involving personnel riding equipment, the collision warning devices for transportation equipment is being developed.	When the equipment approaches a collision object, the "Detection Main Unit" emits a distance warning to notify the personnel riding it. Simultaneously, the "Receiving Subunit" in the cockpit receives the signal and activates the alarm device to alert the driver to pay attention to the equipment's condition, ensuring personnel safety.	

CHC (standalone), CCLC (standalone), CDC (standalone), CEC (standalone), and HDEC (consolidated) obtained ISO 14064-1:2018 Greenhouse Gas Verification Statement through third-party verification in 2023

The Group's energy-saving and carbon-reduction actions reduced CO_2e emissions by a total of 1,115.36 metric tons in 2024, with a growth rate of 7%

The Group's biogas reuse reached 763,122 m^3 in 2024, equivalent to approximately 1,743,305 kWh of electricity

The Group produced a total of 25,056 GJ of renewable energy in 2024, with an approximate consumption of 16,080 GJ

The Group's solar power generation increased by 72% in 2024 compared to the previous year, while wind power generation grew by 48%

The Group achieved a total reduction of 5,042.06 metric tons of sludge in 2024

The Group's reclaimed water supply amounted to 42,275,113 metric tons in 2024, representing an increase of 21% compared to the previous year

2024 Goals

The adoption rate of project-specific formwork system meets the annual target	Achieved
The construction business 100% implements waste management guidelines and formulates reduction plans	Achieved
Evaluation of electricity management performance for each project and establishment of improvement goals	Achieved
Each site office implements energy-saving programs and establishes reduction targets for the upcoming year	Achieved
Continuing the verification of energy efficiency by the Energy Saving Site Office and reviewing and adjusting the establishment standards of the Energy Saving Site Office	In progress
Assessing the application benefits of DIY solar energy storage equipment	In progress
Each water resource center achieves annual target of biogas production	Partly achieved
Each water resource center achieves annual target of biogas reuse utilization rate	Achieved
Each water resource center achieves annual target of electricity consumption per unit of wastewater treatment	Achieved
Each water resource center achieves annual target of electricity consumption per unit of reclaimed water supply	Achieved
Each water resource center achieves annual target of sludge reduction	Partly achieved
Each water resource center achieves annual target of wastewater ammonia nitrogen treatment	Achieved
Each water resource center achieves annual target for reuse of reclaimed water from wastewater treatment plant	Partly achieved
Each water resources center achieves annual target for reclaimed water supply and recovery rate	Partly achieved
According to the Group's greenhouse gas inventory and verification plan, complete annual greenhouse gas inventory and verification, and continuously improve greenhouse gas emission management mechanisms	Achieved

2025 Goals

The adoption rate of project-specific formwork system meets the annual target
The construction business 100% implements waste management guidelines and formulates reduction plans
Evaluation of electricity management performance for each project and establishment of improvement goals
Each site office implements energy-saving programs and establishes reduction targets for the upcoming year
Continuing the verification of energy efficiency by the Energy Saving Site Office and reviewing and adjusting the establishment standards of the Energy Saving Site Office
Assessing the application plans of DIY solar energy storage equipment
Each water resource center achieves annual target of biogas production
Each water resource center achieves annual target of biogas reuse utilization rate
Each water resource center achieves annual target of electricity consumption per unit of wastewater treatment
Each water resource center achieves annual target of electricity consumption per unit of reclaimed water supply
Each water resource center achieves annual target of sludge reduction
Each water resource center achieves annual target of wastewater ammonia nitrogen treatment
Each water resource center achieves annual target for reuse of reclaimed water from wastewater treatment plant
Each water resources center achieves annual target for reclaimed water supply and recovery rate
According to the Group's greenhouse gas inventory and verification plan, complete annual greenhouse gas inventory and verification, and continuously improve greenhouse gas emission management mechanisms

5.1 Climate Change Governance / 5.2 Energy Management / 5.3 Circular Economy and Resource Management

5.1 Climate Change Governance

Climate Risk and Opportunity Management

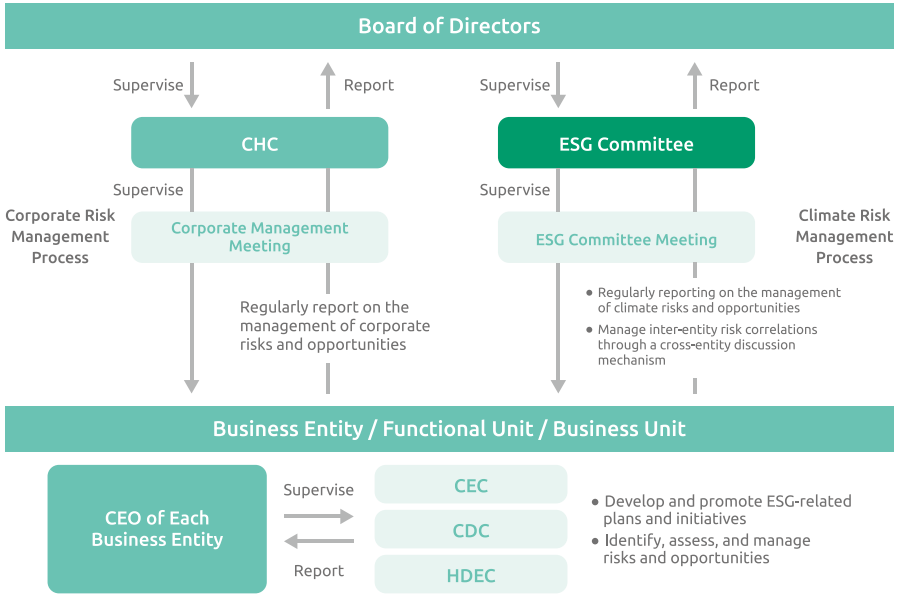
Due to greenhouse gas emissions resulting from human activities, global temperatures have consistently reached new highs over the past decade. In 2024, the World Meteorological Organization (WMO) has officially confirmed that the global average temperature has exceed the 1.5 degrees Celsius threshold established by the Paris Agreement. According to the World Economic Forum (WEF) in its Global Risks Report 2025, extreme climate events have been identified as the secondary and primary global risks faced in the coming two years and the coming decade, respectively. Consequently, starting from 2021, the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC) established the goal of achieving "Net Zero Carbon Emissions by 2050"; at the 29th Conference of the Parties (COP29) to the UNFCCC, the "Baku Adaptation Roadmap" was proposed, providing specific frameworks and recommendations for the Global Goals on Adaptation (GGA), including "resilient and healthy cities construction" and "climate finance support." The United Nations Environment Programme (UNEP), in its 2024 "Emissions Gap Report," indicated that to limit the temperature increase to within 1.5 degrees Celsius, global greenhouse gas emissions must be reduced by 42% and 57% by 2030 and 2035, respectively. The Taiwanese government enacted the Climate Change Response Act in 2023, establishing a net zero emissions target for 2050, with a proposed reduction of 32±2% by 2032 and 38±2% by 2035, in order to accelerate alignment with international standards. The National Climate Change Adaptation Action Plan released in 2023 further strengthens strategies such as "flood prevention and water management," "public works response," and "transportation system adaptation," aiming to enhance climate change adaptation capabilities through concrete measures.

The CHC Group relies on the Task Force on Climate-related Financial Disclosures (TCFD) to manage climate issues, addressing the management and implementation of climate risks and opportunities through the following aspects: "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

| Governance

The Board of Directors is the highest governance unit of the CHC Group. The ESG Committee (refer to section 1.2 Sustainable Practices), which has been established to strengthen the Board's role in overseeing the promotion of sustainability issues, functions as the central decision-making unit on sustainability issues of the Group. The committee consists of the CEO of CHC, the heads of functional units, and the CEOs of the three major business entities. Its responsibilities include developing the Group's sustainable development strategy, evaluating ESG plans and objectives, and overseeing climate risk and opportunity management for each business entity. CHC Group regularly convenes meetings of the ESG Committee to effectively manage climate risks and opportunities. These meetings facilitate cross-business and cross-departmental discussions and communication, enabling CHC Group to incorporate climate issues into the formulation of strategies and considerations for management decisions across all aspects, while also reporting regularly to the Board of Directors on the Group's ESG initiatives and management matters. The Board of Directors is responsible for overseeing and guiding the corporate sustainability management, ESG (including climate change responses) promotion strategies and actions.

Each business entity identifies and assesses climate risks and opportunities, as well as their impact. Based on the assessment results, management responsibilities are assigned to corresponding units. They develop management action plans and annual goals, under the supervision of the CEO, to continuously track the implementation effectiveness of the plans and optimize the climate risk management mechanism. This ensures that climate issues are managed in line with the company's strategy and objectives. They report regularly to CHC following the company's enterprise risk management control process and report to the ESG Committee following the climate risk management control process.



| Risk Management

Following the TCFD guidelines, the Group continuously monitors and manages climate risks and opportunities through four major procedures: "Identification," "Assessment," "Confirmation," and "Execution." By researching international sustainability trends and benchmarking against industry best practices, the Group convenes cross-departmental workshops at various levels to thoroughly discuss potential climate risk issues and their relevance, thereby establishing the Group's climate risk inventory.

Each business unit conducts climate risk and opportunity assessments and analyses, identifying the timeframe of impact on business operations, strategy, and finances, and categorizing these as short term (within 5 years), medium term (5-10 years), and long term (over 10 years). The assessed dimensions include impact severity, vulnerability, and likelihood of occurrence, covering both upstream and downstream value chains. This process also considers the Group's business development strategies and the financial impact on each business entity. Based on these factors, a risk matrix is created and reviewed by the ESG Committee to establish the priority and response strategies for each risk and opportunity. Corresponding climate opportunities are identified, action plans are then formulated, and scenario analysis models are initiated to measure potential financial impacts. These impacts are then integrated into daily management and monitoring.

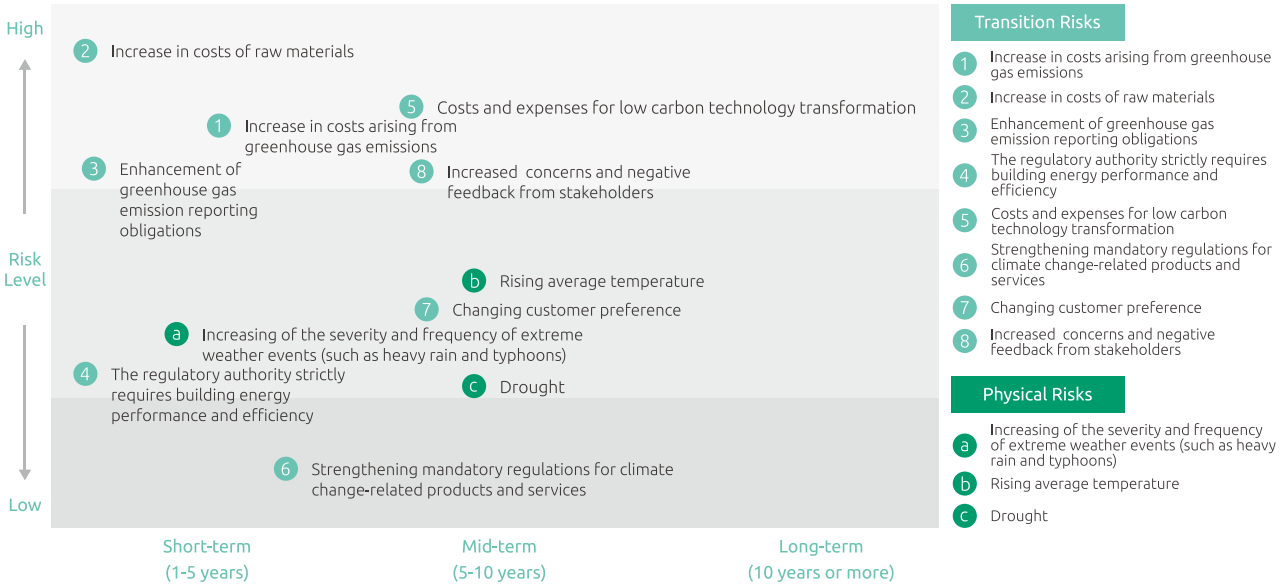
Based on the identification results, the timeframe for climate risks to significantly impact the Group's business, strategy, and finances falls within the short-term (within the next 5 years) and medium-term (the next 5-10 years). There are five transition risks and one physical risk, namely, increased raw material costs, increased greenhouse gas emission costs, enhanced greenhouse gas emission reporting obligations, costs and expenses for transitioning to low-carbon technologies, increased concerns and negative feedback from stakeholders, and rising average temperatures.

- Analyzing the TCFD recommendations, international benchmarking peers, and sustainable trends.
- Conducting cross-departmental workshops at different levels within the organization to facilitate in-depth discussions on climate-related matters.
- Based on the industry characteristics and applicability assessment checklist, the business entity has established a climate risk list through discussion.

- Based on the decision of the ESG Committee, the evaluation results have determined the priority for deployment, response strategies, and resource allocation for each risk and opportunity item.

- Each business entity conducts climate risk and opportunity assessments and analyses, encompassing factors such as the timeframe of impact, severity of impact, vulnerability, and likelihood of occurrence
- Considering the Group's business development strategy and the weighted factors of each business entity's financial impact, this evaluation becomes the outcome at the group level.

- Each business entity formulates a climate risk and opportunity management action plan, continuously monitoring and managing these aspects.



After evaluating the current business strategies, business models, and contract mechanisms in each business entity, some level of protection and mitigation can be provided for the identified significant climate risk items. In the short term, major climate risk projects will impact business activities such as raw material procurement, product design, service provision, and greenhouse gas emission management. The need for related resource development will lead to increased operating costs and expenses. However, value engineering, growing market demand for green buildings, resilient infrastructure, and reclaimed water, as well as enhanced operational resilience, will mitigate cost increase and contribute to business revenue. In the medium term, the transition to low-carbon technology, innovative products, and services will benefit business development. However, the potential increase in average temperature may pose challenges and increase the difficulty and cost of scheduling outdoor workforce.

In terms of strategy, the Group is actively integrating ESG issues into decision-making and business models, optimizing procurement and business strategies, enhancing digital innovation, improving and implementing heat hazard prevention and equipment investment, and regularly disclosing ESG management practices and results. These efforts aim to strengthen communication and engagement with stakeholders.

The Group has formulated transformation actions based on a product life cycle perspective to mitigate the negative financial impacts of climate transition risks. These actions include: gradually increasing the use of green building materials and promoting green procurement (see section 5.3 Circular Economy and Resource Management); introducing technological applications and low-carbon construction methods in construction techniques and practices (see sections 3.3 Smart Construction and Operation and 5.2 Energy Management); increasing the proportion of green building design projects and ensuring that building energy efficiency standards meet or exceed regulatory benchmarks to enhance customers' energy efficiency (see section 3.2 Sustainable Design), and also continuously optimizing the management of energy, waste, greenhouse gas emissions, and water resources in operational processes to address various climate transition risks.

On the other hand, extreme weather events can cause project delays, present challenges to construction operations, and impact the procurement of raw materials, thereby affecting revenue, operating costs, and operating expenses. **Nevertheless, CHC Group did not encounter significant negative financial effects as a result of extreme weather events in 2024**. The Group closely monitors changes in risk and adjusts its risk appetite to ensure the continuous effectiveness of risk control.

| Strategy

Based on the identification and evaluation of climate risks and opportunities, the Group has developed management action strategies for significant climate risk projects as outlined below:

Type	Items of Climate Risk	Financial Impact	Management Action Strategy	Opportunity
Transition Risk	Increase in costs of raw materials	• Increase in operating costs	• Improve research and advance planning related to raw material procurement, enhance raw material identification, management, and contingency plans, as well as optimize procurement and business strategies	• Value engineering
	Increase in costs arising from greenhouse gas emissions Costs and expenses for low carbon technology transformation	• Increase in operating expenses • Increase in capital expenditure	• Step up efforts to integrate technology into construction operations and develop digital tools, adjust product designs and service models, as well as increase energy and resource utilization efficiency • Continue to develop products and service solutions in compliance with the principles of the circular economy • Carry out R&D of innovative technologies and construction methods • Strengthen industry-government-academia collaboration to share technology, knowledge, and best practices	• Value engineering • Workforce evolution • Increased use of reclaimed water and renewable energy • Development of new sustainable services and products
	Enhancement of greenhouse gas emission reporting obligations	• Increase in operating expenses	• Continue to carry out greenhouse gas inventories according to ISO 14064-1, and regularly disclose information on greenhouse gas emissions	• Increase in stakeholders' positive feedback and recognition • Strengthen monitoring of climate and energy risks and enhance operational resilience
	Concerns and negative feedback from stakeholders	• Decrease in operating revenues • Increase in costs of capital	• Continue to integrate ESG issues into decision-making processes and business models to create sustainable value • Regularly disclose ESG management efforts and results, as well as reinforce communication and interaction with stakeholders on an ongoing basis	• Enhance brand value and elevate company reputation • Increase stakeholders' positive feedback and recognition • Expansion of corporate influence

Type	Items of Climate Risk	Financial Impact	Management Action Strategy	Opportunity
Physical Risk	Rising average temperatures	• Decrease in operating revenues • Increase in operating costs • Increase in operating expenses	• Continue to improve and implement heat hazard prevention measures and equipment investment, as well as enhance heat hazard awareness and response training among employees • Step up assessment of climate trends in CHC's operating locations and refine resource allocation and response planning • Bolster research on emerging building materials, as well as enhance performance verification and assessment	• Design and construction of green buildings • Construction of resilient infrastructure • Increase use of reclaimed water and renewable energy

| Metrics and Targets

The Group utilizes key indicators to measure and manage climate-related risks and opportunities. These indicators include design and delivery of sustainable products and service, construction technologies and methods, material selection and use, energy use, waste, greenhouse gas emissions, water resource recovery and reuse, and more. They are integrated into the Group's ESG plan, and annual goals are established for continuous management and improvement. For information on the short- to medium-term goals of these key indicators and their implementation status in 2024, please refer to sections 1.3 Stakeholder Communication and Materiality Analysis and the corresponding chapters in the sustainability report.

Indicator	Items	Sustainability Report Chapters
Design and Delivery of Sustainable Products and Service	• Green Building Design and Construction • Smart Building Design and Construction • Reclaimed Water Supply • Circular Economy	Chapter 3 Chapter 5
Construction Technologies and Methods	• Design and Construction Applications of BIM • Implementation of System Formwork • Circular Economy • Modular MEP	
Material Selection and Use	• Green Building Materials Usage • Green Procurement	
Energy and Renewable Energy	• Establishment, Monitoring, and Improvement of Energy Usage Benchmarks • Planning, Design, and Performance Verification of the Energy Saving Site Office • Introduction of Clean Energy and Energy Storage Equipment • Introduction to Energy Management Systems and Tools • Production and Utilization of Renewable Energy	Chapter 5
Waste	• Waste Reduction, Classification, Recycling, and Reuse • Circular Economy • Implementation of Formwork System	
Greenhouse Gas Management	• ISO 14064-1/GHG Protocol Greenhouse Gas Inventory • Production and Utilization of Renewable Energy • Improvement of Energy Efficiency • Development of Carbon Management Tools	
Water Resource Recovery and Reuse	• Reuse of Reclaimed Water from Wastewater Treatment Plants • Recovery Rate of Reclaimed Water System	
Stakeholder Communication	• Promotion of Communication and Collaboration with Stakeholders	Chapter 1

Greenhouse Gas Management

The CHC Group's various business entities establish respective annual goals based on their industry characteristics and business models. They formulate greenhouse gas management plans and continuously manage and improve these plans. The management strategies include, but are not limited to, establishing a mechanism for quantifying greenhouse gas emissions, researching carbon reduction solutions, investing in renewable energy development, and enhancing energy management efficiency, all aimed at gradually achieving the goal of low-carbon operations.

In order to monitor greenhouse gas emissions and align with the "Sustainable Development Roadmap for Listed Companies," the CHC Group plans to complete the boundary verification of consolidated financial statements in 2026. Starting from 2021, the Group has gradually implemented the ISO 14064-1:2018 greenhouse gas inventory standards in phases. By the end of 2024, the greenhouse gas inventory for 2023 of CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated) have been verified by Bureau Veritas Certification (BV) and obtained the ISO 14064-1:2018 greenhouse gas verification statement. In the first quarter of 2025, the greenhouse gas verification for 2024 of CHC (standalone) and CCLC (standalone) have been verified by Bureau Veritas Certification (BV), while the greenhouse gas emission data for 2024 of the other companies/locations within the Group is currently undergoing third-party verification.

In addition, due to the numerous locations of the Group, we have independently developed the GHG Inventory Management Reporting and Verification Intermediary Platform to collect greenhouse gas emission activity data from construction and operational sites across Taiwan. Through standardized and automated data collection processes, we are able to enhance the completeness and accuracy of information, thereby reducing information gaps caused by personnel changes. Meanwhile, verification and inventory personnel can promptly identify any omissions or anomalies in the data, significantly improving the efficiency of the inventory process and the quality of information.

GHG Inventory Management Reporting and Verification Intermediary Platform

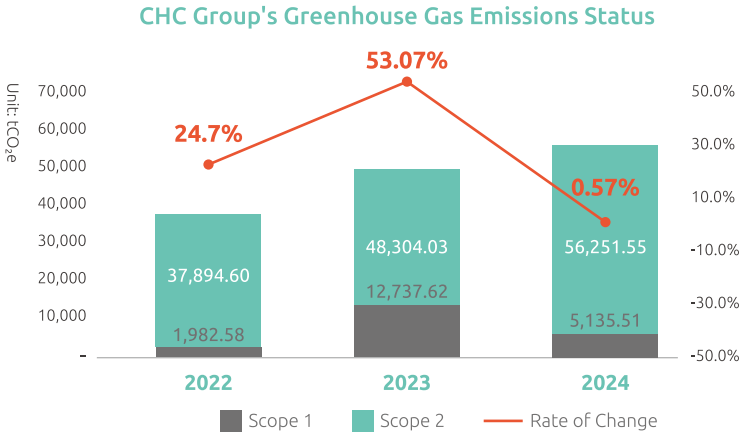
| Greenhouse Gas Emissions

The Group is actively progressing toward the goal of reducing greenhouse gas emissions. Each business entity continues to enhance the operation of carbon management and reporting mechanisms, regularly reviewing the emission trends across Scope 1, Scope 2, and Scope 3, as well as the various types of energy usage in order to identify potential reduction opportunities.

· Scope 1 and Scope 2

In 2024, the operational scale of the CHC Group continues to expand. The total greenhouse gas emissions for Scope 1 and Scope 2 amounted to 61,387.06 metric tons CO_2e, representing an increase of 0.6% compared to the previous year. Direct greenhouse gas emissions (Scope 1) for 2024 were 5,135.51 metric tons CO_2e, which is a decrease of 59.7% from the previous year. This reduction is primarily attributed to the utilization of biogas reuse to partially replace natural gas usage and the introduction of Enertainers to replace diesel generators. Consequently, the Group's consumption of natural gas and diesel has shown gradual decline, indicating that carbon reduction measures are progressively taking effect. Indirect greenhouse gas emissions (Scope 2) amount to 56,251.55 metric tons CO_2e, reflecting an increase of approximately 16.5% compared to the previous year. Combined Scope 1 and Scope 2 emissions in 2024 amounted to approximately 2 metric tons CO_2e per million dollars of revenue, a 0.5% increase from 1.99 metric tons CO_2e per million dollars in the previous year.

Of the Group's greenhouse gas emissions in Scope 1 and 2 in the past three years, indirect greenhouse gas emissions (Scope 2) are the primary source of emissions, accounting for over 90% each year. These emissions are solely attributed to purchased electricity. Greenhouse gas emissions have seen an upward trend over the past three years, primarily due to the continuous expansion of the Group's business operations; this includes a 73% increase in the actual supply of reclaimed water from the Anping Water Resource Center compared to 2023, which has significantly increased electricity consumption for equipment operation. Additionally, fluctuations in emissions have occurred in the Construction Engineering Business due to variations in the number of projects and the different stages of the projects.

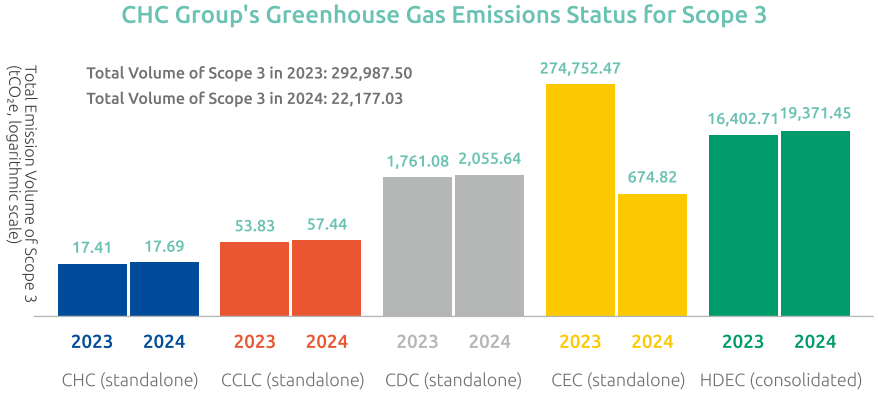


Note:

1. The emission factor for the electricity grid is calculated using the "Electricity Carbon Emission Factor for 2023" announced by the Energy Administration, Ministry of Economic Affairs.
2. The greenhouse gas emission factor management table (version 6.0.4) and the 100-year average value of GWP (Global Warming Potential) in the IPCC Sixth Assessment Report are adopted as the bases for calculating carbon dioxide.
3. The greenhouse gas emission factors for Scope 1: Natural gas is 1.8809 kg CO_2e/liter, and gasoline is 2.3565 kg CO_2e/liter. For certain types of diesel, it is not possible to distinguish between mobile and stationary sources; therefore, the average emission factor of the two sources, 2.6309 kg CO_2e/liter, is adopted as the emission factor.
4. The 2022 inventory boundary: Headquarters Building of CHC Group (CHC, CEC, CDC, HDEC, and CCLC), CEC's construction sites, HDEC's operational bases (Tamsui, Fengshan, Anping and Linhai), HDEC's construction sites (Puding pipeline network, Puding EPC, Tongluo EPC, and Anping EPC).
5. The 2023 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In 2024, the inventory data has been retrospectively adjusted following the successful greenhouse gas verification of 2023 conducted by the Bureau Veritas Certification (BV).
6. The 2024 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In the first quarter of 2025, CHC (standalone) and CCLC (standalone) passed the greenhouse gas verification of 2024 conducted by the Bureau Veritas Certification (BV), while the other companies are currently going through third-party verification processes.

· Scope 3

The Group conducted a comprehensive assessment of indirect greenhouse gas emissions in accordance with ISO 14064-1:2018. In recent years, companies included in the consolidated financial statements have been progressively assessed for materiality and the inventory of Scope 3 greenhouse gas emissions. For 2024, significant other indirect emission sources (Scope 3) were identified, including procurement of construction materials and sales services, upstream emissions from purchased energy sources, waste treatment services, and electricity consumption of downstream leased assets. The volume for Scope 3 emissions for 2024 amounts to 22,177.03 metric tons of CO_2e.



Note:

1. The emissions for 2023, as shown in the table above, have been verified in 2024 by Bureau Veritas Certification (BV).
2. In the table above, the 2024 greenhouse gas emissions of CHC (standalone) and CCLC (standalone) were verified by Bureau Veritas Certification (BV) in the first quarter of 2025, while the other companies are currently undergoing third-party verification processes. The Scope 3 inventory for CEC (standalone) of 2024 is still in progress; therefore, certain aspects of Scope 3 have not been included in the data.

GHG Protocol Classification	Carbon Dioxide Equivalent (in metric tons CO_2e)
Category 1: Purchased Goods and Services	6,530.79
Category 3: Fuel- and Energy-Related Upstream Emissions	9,578.71
Category 5: Waste Generated in Operations	3,629.86
Category 13: Downstream Leased Assets	2,437.67

The inventory boundaries of the categories of Scope 3 in the table above:

1. Purchased goods and services: CDC (standalone) and HDEC (consolidated)
2. Fuel- and energy-related upstream emissions: CHC (standalone), CCLC (standalone), CDC (standalone), CEC (standalone), and HDEC (consolidated)
3. Waste generated in operations: CHC (standalone), CCLC (standalone), CDC (standalone), CEC (standalone), and HDEC (consolidated)
4. Downstream leased assets: CEC (standalone) and CDC (standalone)

| Greenhouse Gas Emission Reduction Actions

The CHC Group integrates the industrial characteristics and life cycle perspectives of each business entity (procurement/design phase, construction/operation phase, waste management/construction demolition phase) to establish corresponding decarbonization policies and action plans. These policies and plans are regularly reviewed and adjusted through a rolling process. The main reduction of GHG emissions strategies include:

Procurement / Design Phase

1. Implementing green procurement practices by prioritizing equipment models with advanced energy efficiency and low-carbon recycled substances / materials
2. During the architectural design phase, incorporating energy-saving design considerations such as green building envelopes, lighting, and equipment
3. Continuously developing products and service solutions that align with the principles of circular economy
4. Continuously adding Building Information Modeling (BIM) into the design phase, such as the CEC LEBR carbon management tool, to implement product design while exploring feasible options for carbon reduction

Construction / Operation Phase

1. Implementing the ISO 50001 Energy Management System in operational sites to establish an energy baseline and continuously improve energy efficiency
2. Regularly analyzing equipment energy consumption and replacing inefficient, high-energy-consuming equipment in order to optimize energy efficiency
3. Promoting biogas recovery and reuse in each operational sites, while continuously planning the adoption of wind, solar power, and biogas generation equipment
4. Continuously deepening the development of digital tools for construction and operations to enhance the efficiency of resource utilization
5. Research and development of innovative energy-saving technologies and low-carbon construction methods
6. Increasing the percentage of electrification of transportation vehicles

Waste Management / Construction Demolition Phase

1. Providing zero-landfill construction demolition services for clients to reduce greenhouse gas emissions generated from incineration and landfilling
2. Utilizing waste incineration integrated with combined heat and power (CHP) systems to convert waste into energy

In 2024, the quantifiable greenhouse gas emission reduction achieved by the Group amounted to 1,115.36 metric tons of CO_2e, showing a growth of 6.6% compared to the previous year's 1,046.86 metric tons of CO_2e. The most significant energy-saving effect was attributed to biogas recovery and reuse, followed by the solar power generation system. The Group will continue to advance the installation and use of renewable energy systems, with plans to introduce biogas power generation in 2025, thereby enhancing its greenhouse gas reduction initiatives.

2024 Annual Energy Saving and Carbon Reduction Performance of CHC Group

Program	Type of Resources	Energy Saving Effectiveness	Unit	Carbon Reduction Amount (tCO_2e)
Recovery and Reuse of Biogas	Fuel	763,122	m³	861.1929
Solar Power Generation System (Self-Use)	Electricity	208,028	kWh	102.7658
Solar Power Generation System (For Sale)	Electricity	205,441	kWh	101.4879
Wind Power Generation System	Electricity	1,383	kWh	0.6831
Replacement of LED Lighting Fixtures	Electricity	98,839	kWh	48.8262
Time Control and Adjustment for Irrigation System	Electricity	810	kWh	0.4001
Paper Reduction through Digitization	Paper	4,000	Sheet	0.0029
			Total	1,115.36

Note:

1. The energy-saving effectiveness of biogas recovery and reuse is presented in terms of natural gas volume, based on 60% natural gas content.
2. Natural gas: 1 m³ = 1.8809 kg CO_2e; Electricity: 1 kWh = 0.494 kg CO_2e
3. A pack of A4 paper (500 sheets) = 0.36 kg CO_2e; Each sheet of paper = 0.00072 kg CO_2e

5.2 Energy Management

Energy Resource Management Strategy

To mitigate the potential financial impacts of climate risks and seize climate-related opportunities, the Group focuses on the emissions from purchased electricity, which is a major source of indirect greenhouse gas emissions (Scope 2). The Group's efforts are concentrated on five key areas: "environmental conservation and energy efficiency in office buildings," "energy conservation initiatives at business locations," "green buildings and smart buildings," "engagement in renewable energy," and "enhancing water resource treatment efficiency." The Group is committed to continuously optimizing its energy resource management strategies and action plans.

The headquarters building of the Group has completed an energy efficiency diagnosis of its equipment and has commenced energy-saving improvement projects. Additionally, it is exploring potential options for reducing energy consumption through smart monitoring. For business locations, the Group is introducing energy saving site offices and utilizing digital tools, renewable energy, and energy storage equipment to minimize construction energy consumption. An energy management platform has also been introduced to monitor energy usage. The Group is committed to green procurement, the introduction of high energy-efficient equipment, and the electrification of vehicles, along with adjusting equipment operation during low usage periods and spaces. These strategies are common across various types of the Group's locations.

In the field of architectural design, the Group adopts energy-efficient and modular design principles to promote green buildings and smart buildings. Renewable energy is also one of the Group's key strategies, as we are actively recycling biogas for reuse and establishing solar and wind power generation systems to increase the proportion of renewable energy utilization. Furthermore, the Group focuses on enhancing the efficiency of water treatment, continuously improving energy performance through an energy management system, strengthening the energy efficiency of wastewater and reclaimed water treatment, and utilizing smart meters for real-time monitoring of electricity consumption.

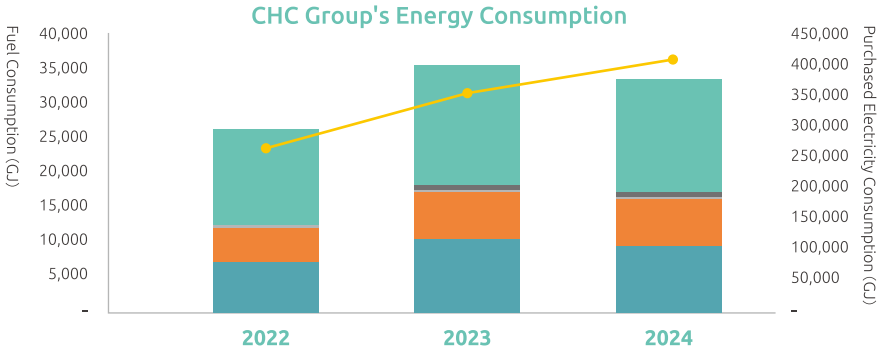
The Group's Energy Resource Management Strategy

Aspects	Management Strategy
Environmental Conservation and Energy Efficiency in Office Buildings	• Implementing green procurement policies, transitioning to electrification of transportation, and adopting high-efficiency equipment • Smart monitoring and control and energy conservation diagnosis • Implementation of an energy efficiency improvement program for rental properties • Adjusting energy usage in underutilized spaces and during off-peak hours
Energy Conservation Initiatives at Business Locations	• Implementing green procurement policies, transitioning to electrification of transportation, and adopting high-efficiency equipment • Optimizing construction engineering efficiency through the use of BIM technology • Improving construction methods, optimizing construction processes and reducing energy consumption • Promoting the Energy Saving Site Office, implementing the Energy Management Platform, and introducing energy storage equipment • Adjusting energy usage in underutilized spaces and during off-peak hours
Green Buildings and Smart Buildings	• Energy-efficient building envelope design • Building energy efficiency assessment • Design of electric vehicle charging stations
Engagement in Renewable Energy	• Recovery and Reuse of Biogas • Establishing solar and wind power generation systems and promoting biogas power generation projects • Investing in renewable energy projects • Increasing the use of renewable energy sources
Enhancing Water Resource Treatment Efficiency	• Improving the efficiency of wastewater and reclaimed water treatment • Smart meter monitoring for real-time electricity usage • ISO 14001 Environmental Management System and ISO 50001 Energy Management System Certifications • Improving electricity management efficiency

Energy Management

| Energy Consumption

The Group conducts regular audits of energy consumption at various locations, covering purchased electricity, gasoline, diesel, liquefied natural gas, and renewable energy consumption. The energy consumption for 2024 was 443,465.95 GJ, reflecting a 14% increase compared to the previous year, primarily due to the continuous expansion of Environmental Project Development & Water Treatment Business, as well as the smooth progress of existing projects and commencement of new project executions. For instance, the supply of reclaimed water from the Anping Water Resource Center and the Fengshan Water Resource Center has significantly increased, contributing to the upward trend in electricity consumption for the Group in 2024. In contrast, the decrease in diesel consumption was mainly due to reduced diesel usage in engineering operations. Additionally, the implementation of biogas recovery and reuse to replace natural gas resulted in a 29.8% decrease in natural gas consumption compared to the previous year, marking the third consecutive year of decline. Overall, 92.5% of the electricity used was purchased externally, with renewable energy accounting for 3.6% as the second source. The percentage of diesel, gasoline, and natural gas usage as energy sources have all decreased, reflecting a gradual transition towards energy transition.



	2022	2023	2024
Renewable Energy	13,764.39	17,013.22	16,079.81
Liquefied Petroleum Gas	-	808.28	741.61
Natural Gas	248.96	138.64	97.34
Gasoline	4,892.97	6,494.95	6,546.91
Diesel	7,390.02	10,865.07	9,761.79
Purchased Electricity	268,603.95	353,642.88	410,238.49

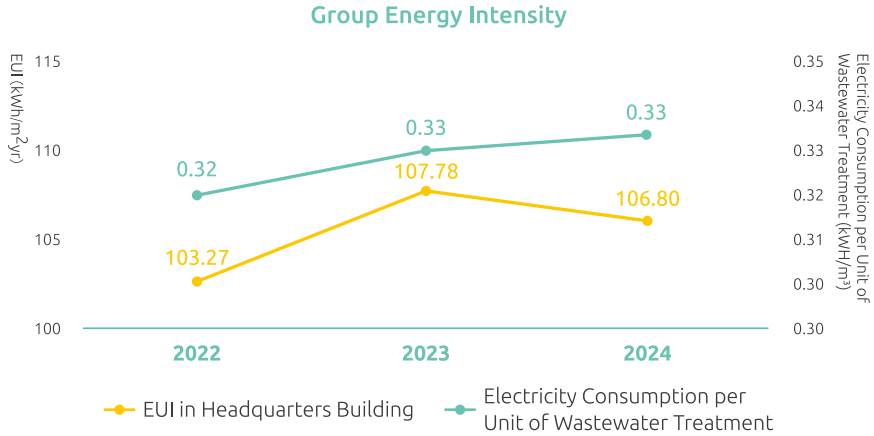
Note:

1. External purchased electricity is converted based on 3.6 GJ/kWh. The conversion for diesel and natural gas follows the "Unit Heating Value of Energy Products" announced by the Energy Administration, Ministry of Economic Affairs in 2024. The conversion for gasoline follows the "2024 Heating Values for Automotive Gasoline and Diesel" announced by the Ministry of the Environment.
2. The 2022 inventory boundary: Headquarters Building of CHC Group (CHC, CEC, CDC, HDEC, and CCLC), CEC's construction sites, HDEC's operational bases (Tamsui, Fengshan, Anping and Linhai), HDEC's construction sites (Puding pipeline network, Puding EPC, Tongluo EPC, and Anping EPC).
3. The 2023 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In 2024, the energy inventory data has been retrospectively adjusted following the successful greenhouse gas verification of 2023 conducted by the Bureau Veritas Certification (BV).
4. The 2024 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated).
5. Renewable energy includes wind power generation, solar power generation, and biogas power generation.

| Energy Intensity

Although total energy consumption has increased due to business growth, the Group is committed to enhancing energy efficiency. Simultaneously, it is actively managing major energy-consuming equipment to control energy intensity indicators. The total amount of electricity purchased from external sources for the headquarters building in 2024 increased by approximately 8% compared to the previous year. The Energy Use Intensity (EUI) was 106.8 kWh/m^2, representing a decrease of about 1% from the previous year.

In terms of water treatment, the Group maintains the unit energy consumption of 0.33 kWh/m^3 in wastewater treatment, with each water resource center exceeding the annual target.



Note: The EUI value in the headquarters building in 2023 was retrospectively adjusted in accordance with the greenhouse gas verification results for the same building in 2024.

Energy Conservation Measures

| Environmental Conservation and Energy Efficiency in Office Buildings

The Group has implemented the "Office Environmental Protection and Energy Saving Goals and Implementation Regulations." This initiative includes energy-efficient design of building facades, energy efficiency testing, and the replacement of equipment with highly energy-efficient alternatives to enhance energy utilization. Additionally, digital tools have been introduced, along with regular energy-saving awareness campaigns to continuously improve energy management. In 2024, an energy diagnostic program for the headquarters building was completed, and based on the diagnostic analysis results, improvement projects will be carried out for the chiller units, cooling towers, and the central energy monitoring system.

Due to the fact that the equipment has been in operation for several decades, the operational efficiency of some chiller units is suboptimal, resulting in an average power consumption per refrigeration ton (kW/RT) that is excessively high (approximately 0.73 to 0.99 kW/RT). The cooling towers have experienced a decline in heat dissipation efficiency due to equipment aging and damage from the major earthquake which took place on April 3, 2024. Furthermore, the central energy monitoring system is only capable of monitoring parts of the equipment within the system. Therefore, starting in 2025, we will initiate improvements, upgrades, and replacements of the equipment to reinforce energy efficiency. This will include the installation of additional electricity meters and updates to the monitoring system to optimize energy consumption data monitoring and analysis, as well as equipment control functions, in order to achieve overall operational optimization.

Energy Conservation Measures and Action Plan for the Headquarters Building

Key Measures	Action Plan
Implementation of a High-Quality Building Energy Saving Program	On the north-facing sides, using fully transparent curtains to increase daylighting, and reducing the aperture ratio on the south-facing sides to minimize heat from summer solar radiation, combined with neighboring building shading effects, achieves energy-saving effects of the building
Adoption of Advanced Energy-Saving Equipment	**Power supply:** ● Adoption of cast resin transformers and implementing low-voltage selective distribution **Air conditioning:** ● Adoption of variable frequency energy-saving AHU-VAV air conditioning systems **Public facilities:** ● Implementation of zone-based energy-saving control for elevators ● Replacement of lighting to LED lighting fixtures
Enhancement of Energy Management Measures	● Adoption of smart monitoring systems ● Contract capacity discussion and formulation ● Power variable frequency (ABB) energy-saving control ● Two-wire energy-saving control for lighting systems ● Centralized lighting control in office areas during lunchtime by the control room schedule ● Lighting reduction in elevator lobbies within office areas ● Zoning adjustments for lighting in landscape areas and parking lots ● Setting computers to automatically switch to sleep mode after 30 minutes of idle time ● Initiating energy diagnosis and improvement ● Installing time control devices on water dispensers to reduce electricity consumption for heating during off-hours ● The floor supply / exhaust system settings are controlled automatically / manually based on time periods ● Parking ventilation / exhaust system adopts variable frequency control, with automatic activation and deactivation set based on time periods ● Correction of air conditioning system ● Office area air conditioning is set at 26 degrees Celsius; management of air conditioning usage during holidays and after working hours ● Seasonal adjustments are made to the opening degree of the outdoor air damper of the air conditioning unit to maintain the cooling temperature and reduce chiller energy consumption
Energy-Saving Awareness Campaigns	● Encouraging turning off lights, air conditioning, and other electrical devices when leaving work ● Reminding all personnel to power off and unplug appliances before extended holidays ● Policy declaration on electrification of transportation

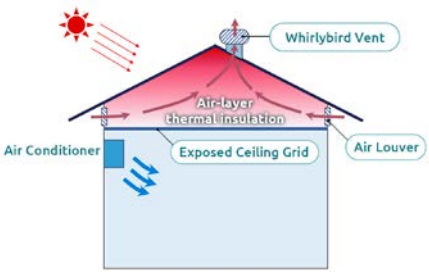
| Energy Conservation Initiatives at Business Locations

The CHC Group focuses on enhancing energy efficiency and the integration of renewable energy. In 2024, actions have been implemented at construction sites and water resource centers to achieve the annual energy-saving performance targets.

At the construction sites, the electricity management results for all site offices in 2024 achieved Level 3 of Building Energy-Efficiency Rating System, meeting the established goals. Efforts to expand the implementation of Energy Saving Site Offices continue, alongside the verification of the performance of DIY solar energy storage systems. Additionally, enertainers have been introduced to replace the use of diesel generators. The Water Resource Center is continuously improving energy performance through an energy management system, as detailed below:

· Energy Saving Site Office

Energy conservation is achieved through three main aspects of site offices: the building envelope, equipment, and management. The design of the building envelope puts orientation, spatial configuration, and insulation of exterior walls and roofs into consideration to reduce thermal transmittance. Additionally, an automated adjustment system is integrated to enhance air circulation and ventilation, thereby reducing the load on air conditioning. In terms of equipment, priority is given to procuring first-class energy-efficient devices and LED lighting, along with the introduction of renewable energy equipment to decrease energy consumption. At the management level, a power monitoring system is employed to control electricity usage of area lighting and air conditioning in real-time, and circuits are planned based on their usage and nature to facilitate analysis of electricity consumption.



Ventilation design of Energy Saving Site Office: Enhancing air convection

Orientation design of Energy Saving Site Office: Reducing westward sun exposure in living spaces

Through system simulation forecasting, using Energy Use Intensity (EUI) as a management indicator, the Energy Saving Site Offices can achieve approximately a 25% improvement in energy efficiency compared to traditional site offices. The Group will continue to analyze the benefits of the Energy Saving Site Offices and review its construction standards. Meanwhile, we will assess the feasibility of applying circular economy principles to prefabricated housing. There are also plans to replicate the successful energy-saving experiences of the Energy Saving Site Offices in the employee dormitory sector.

· DIY Solar Energy Storage Device

The DIY solar energy storage device integrates renewable energy generation management systems and storage equipment. Through the energy management system, it monitors electricity consumption during different time periods, storing energy during off-peak hours and releasing it during peak hours, effectively reducing the use and cost of purchased energy. In 2023, it was applied to track construction projects in narrow working areas that are difficult to supply with electricity; the device was used along with mobile storage cabinets with charging and discharging tools to mitigate the impact of environmental constraints such as the installation of power lines in working areas, thereby supporting potential temporary power demands. In 2024, its application has been extended to engineering vehicles, with solar panels mounted on their roofs to provide power for machinery such as grinders, crushers, air compressors, and nighttime lighting at construction sites without temporary power sources.

In 2024, the use of DIY solar energy storage device has saved approximately 642.6 kWh of electricity. The Group will continue to promote the application of this device and assess the potential for various extended applications based on the nature of each construction project.

DIY Solar Energy Storage Vehicles

Components of Energy Storage Device

· Enertainer

The enertainer is composed of energy storage equipment and a power monitoring system, designed to support the substantial power consumption of large machinery on construction sites. Compared to traditional diesel generators, the enertainer utilizes grid electricity for charging to meet the energy demands of the sites. At the same time, it addresses issues related to noise and air pollution generated by on-site power generation. In 2024, the enertainer has been integrated with electric welding machines and rebar bending machines for use in rebar cage welding and structural rebar processing operations. In the future, it will further be employed for power supply applications in fixed cranes (tower cranes) and stud welding machines. We monitor the enertainer system continuously on its energy provision status through reporting, assess the expansion of its scope of application, and promote the optimized application of the enertainer.

Schematic Diagram of Enertainer

· Energy Management System in Water Resources Centers

The water resources centers have introduced the ISO 50001 Energy Management System and installed smart electricity meters on its equipment. This initiative is integrated with the "Water Resources Center Operations Management Platform" (see 5.3 Circular Economy and Resource Management) to monitor real-time electricity consumption, total electricity consumption, and trend analysis of electricity consumption for various types of equipment. Energy performance tracking and improvement are conducted based on the energy baseline. The Group continues to effectively manage the electricity consumption of each water resources center to reduce the unit electricity consumption for wastewater treatment and reclaimed water supply.

The Group uses the electricity consumption per unit of wastewater treatment and the electricity consumption per unit of reclaimed water supply as management indicators for water resource treatment efficiency. Each water resource center sets annual targets for daily monitoring and management. In terms of wastewater treatment, the Group's electricity consumption per unit of wastewater treatment for 2024 is 0.33 kWh/ton, and all water resource centers have achieved their annual performance targets. Notably, the Tamsui Water Resource Recycle Center and the Fengshan Water Resource Center have both reduced their consumption by approximately 7% compared to 2023. Regarding reclaimed water supply, the Group's electricity consumption per unit of reclaimed water supply for 2024 is 1.33 kWh/ton, with all water resource centers performing better than the annual targets.

| Green Buildings and Smart Buildings

The Group is committed to continuously increasing the proportion of projects certified as green building and smart building. We aim to incorporate building energy efficiency assessments into new construction projects, with the goal of achieving energy efficiency ratings that meet or exceed legal standards. Specific energy-saving designs include energy efficient in building design (utilizing low-emissivity glass, thermal insulation mortar, and roof insulation boards) and energy efficiency in equipment (such as air conditioning, lighting, water heaters, and regenerative electric elevators) (see 3.2 Sustainable Design).

Taking the energy-saving design of the MRT Jiantan Multi-Objective Building, in which the Group is involved, as an example, the exterior glass curtain wall utilizes low-emissivity (LOW-E) heat-hardened double glazing with a reflectance of less than 16%. The office floors are equipped with LED lighting fixtures and high-efficiency energy-saving air conditioning systems. The electrical outlets are fitted with an automatic control system that shuts down during nighttime standby periods. The entire building employs lightweight dry partitions and an open conduit design. In terms of construction methods, precast techniques are introduced for the reinforced concrete (RC) staircases, and prefabricated methods are used for the rebar in the RC columns and the mechanical and electrical piping, enhancing construction efficiency. The design also incorporates Energy Saving Site Office promoted by the Group (for details on construction methods, please refer to 5.3 Circular Economy and Resource Management).

| Renewable Energy

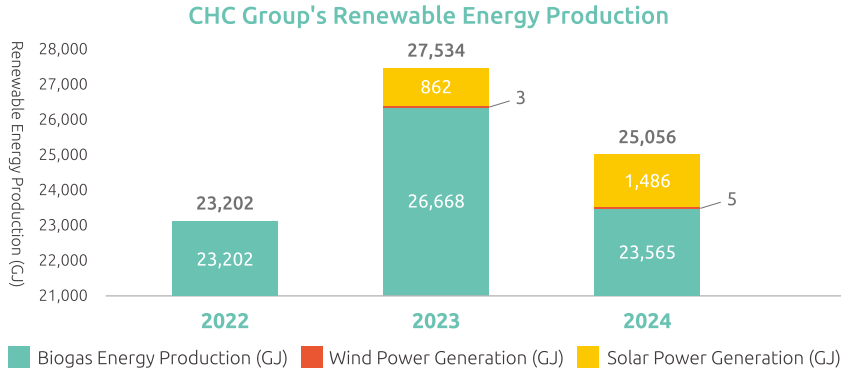
· Renewable Energy Production

The Group continues to invest in renewable energy development by introducing DIY solar energy storage systems at construction sites. We also continue to recover biogas generated during the wastewater treatment process and convert it into alternative energy for use as boiler fuel, with plans to expand biogas power generation in 2025. In addition, the water

resource centers are progressively installing solar and wind power generation systems, with part of the generated electricity used for self-consumption and part sold. Compared to 2023, solar power generation has increased by 72% in 2024, while wind power generation has grown by 48%. The Tainan City Chengxi Waste Incineration Plant renovation project is expected to be completed in 2026. Once operational, this facility will become a renewable energy power plant with an efficiency of over 25%, with an estimated annual power generation of 262.44 million kWh. The incineration plant will be capable of processing waste from 210,000 households, achieving the dual benefits of proper waste disposal and increased renewable energy generation.

CHC Group's Renewable Energy Production

Type	2024	Equivalent Energy (GJ)
Biogas Energy Production (m³)	1,173,378	23,565
Solar Power Generation (kWh)	412,801	1,486
Wind Power Generation (kWh)	1,383	5
Total		25,056



Note: The data for biogas energy production (GJ) for the years of 2022-2023 has been misreported and is hereby corrected retroactively.

· Renewable Energy Consumption

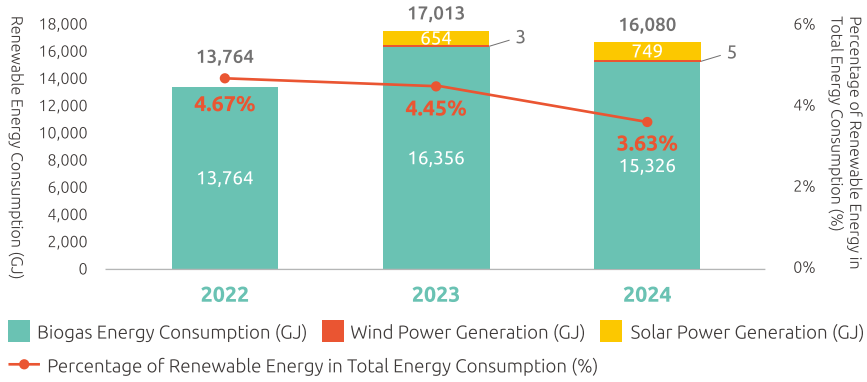
The Group's utilization of renewable energy is positively correlated with production levels. In 2024, the malfunction of the biogas disposal equipment at the Fengshan Water Resource Center has resulted in a slight decrease in the Group's biogas energy usage compared to 2023. However, the overall biogas utilization rate has improved compared to 2023. The self-consumption of electricity generated by wind and solar power systems has increased in line with the production growth in 2024, totaling 209,411 kWh, which represents an approximate 15% increase compared to 2023.

CHC Group's Renewable Energy Consumption

Type	2022	2023	2024
Biogas Energy Consumption (m³)	685,369	814,407	763,122
Biogas Equivalent Electricity Generation (kWh)	1,562,558	1,854,873	1,743,305
Wind Power Generation (kWh)	-	936	1,383
Solar Power Generation (kWh)	-	181,654	208,028
Biogas Equivalent Energy (GJ)	13,764	16,356	15,326
Wind Power Generation Equivalent Energy (GJ)	-	3	5
Solar Power Generation Equivalent Energy (GJ)	-	654	749
Total Renewable Energy Consumption (kWh)	1,562,558	2,037,463	1,952,716
Total Renewable Energy Consumption Equivalent Energy (GJ)	13,764	17,013	16,080
Percentage of Renewable Energy in Total Energy Consumption (%)	4.67%	4.37%	3.63%

Note:

1. The electricity and energy from biogas in the table are converted based on the equivalent natural gas volume, considering biogas with 60% methane content.
2. Natural gas: 1 m³ = 1.8809 kg CO_2e; Electricity in 2022: 1 kWh = 0.495 kg CO_2e, Electricity in 2023 and 2024: 1 kWh = 0.494 kg CO_2e.
3. The percentage of renewable energy in the overall energy consumption for 2023 has been retrospectively adjusted based on the verified volume of energy usage.



5.3 Circular Economy and Resource Management

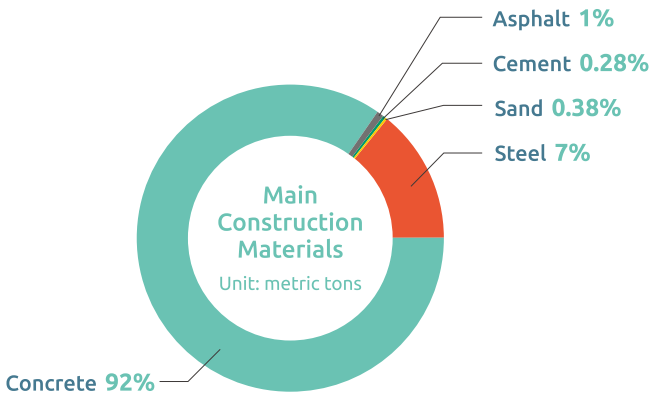
Raw Material Resource Management Strategy

The Group continues to strengthen raw material resource management to reduce reliance on and impact on natural resources. The raw material resource management strategy includes:

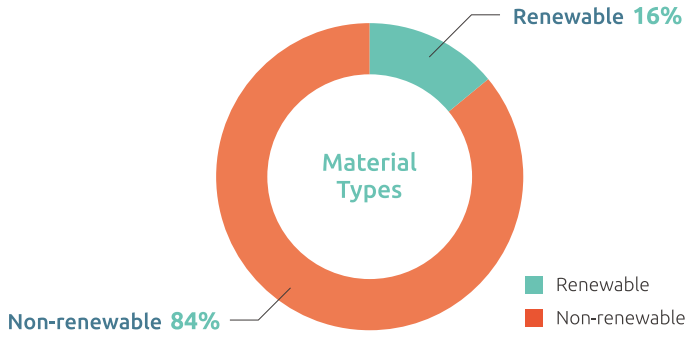
- Statistical tracking of raw material use: Utilizing digital tools to manage raw material procurement, regularly tracking changes in the raw material market, and staying informed about emerging trends in building materials development, making adjustments as needed.
- Promoting green procurement: Expanding the scope of application of green building materials in construction projects and increasing the proportion of green procurement.
- Application and development of a circular economy model: Building upon the practical experience of implementing BS 8001 Circular Economy in the social housing project at Nangang Depot Social Housing base, developing applications for circular economy initiatives.
- Research and development of new construction methods and optimization of operational models: Enhancing resource efficiency, reducing material wastage, and minimizing waste generation through innovative construction methods, operational model improvements, and service process enhancements.
- Tracking and management of waste: The volume of various types of waste generated is analyzed, and all types of waste are carefully planned for reduction, sorting, reuse, and recycling measures. Waste disposal is entrusted to government registered waste management contractors, who handle waste disposal in accordance with the law and track its subsequent flow.
- Reuse of water resources: Regularly monitor water usage behavior and water efficiency at each operational site; deepen expertise in water treatment and continuously enhance water treatment capabilities.

| Statistics on Material Usage

CHC Group primarily uses raw materials as construction materials. In 2024, we utilized a total of 1,154,768.49 metric tons, with renewable materials comprising 16%. The top three material types were concrete (92%), steel (7%), and asphalt (1%). The usage of raw materials varies annually based on the types and quantities of construction projects and their respective phases.



Note: The materials listed in the table include paper (0.002%).



Note: The recyclable materials consist of steel (43%), concrete (53%), asphalt (4%), and paper (totaling less than 0.01%).

| Green Procurement and Green Building Materials

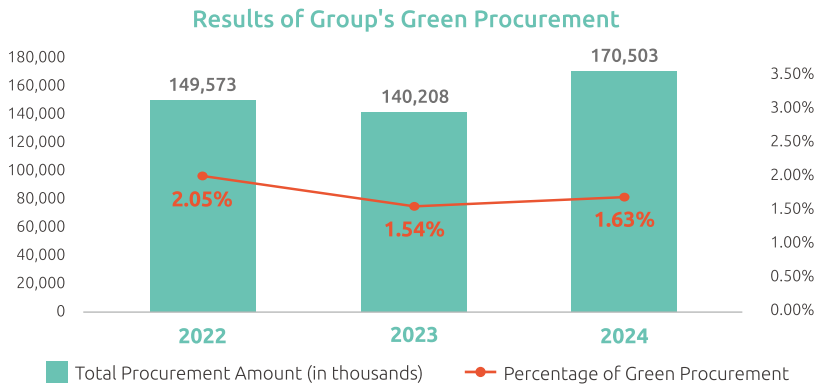
The CHC Group is committed to creating environmentally friendly residential spaces that benefit the health of residents while ensuring safety and comfort. The Group strictly adheres to building regulations and design standards, promising a higher usage ratio of green building materials than required by law. Additionally, environmental and social considerations are integrated into procurement decisions to enhance the effectiveness of the Group's green procurement initiatives.

In addition to using building materials that meet legal regulations and are certified as green building materials, we also select equipment that is harmless to humans, renewable, high-performance, energy-efficient, and environmentally certified. In terms of design specifications and usage performance, we strictly require the quality of green building materials, ensuring that their materials and strength meet building design standards. For residential equipment, we prioritize models with energy-efficient performance and environmental certifications. Considering the building's life cycle, we aim to provide an energy-saving, comfortable, and easy-to-maintain living environment, ensuring efficient use of resources during future occupancy and maintenance. In addition to the green building materials procured for construction, the Group's green procurement scope has also been extended to include operational equipment, office equipment, and supplies, such as selecting toilets with water efficiency labels and electric scooters with energy efficiency labels.

Types of Certification	Items
Energy Conservation Label	• Membrane Filter Pool Air Compressor (Screw Type) • Electric Vehicles • LED Lighting Fixtures • Inverter Air Conditioners • Energy-Efficient Water Dispensers
Environmental Protection Label	• Computer Equipment, Photocopier Toner Cartridges
Water Conservation Label	• Fully Automatic Toilets and Urinals • Sensor Faucets • Showerheads for Shower

Type	Description	Items
Healthy Materials	Use of low-toxicity, low-hazard risk building materials that have passed formaldehyde and total volatile organic compounds tests	• Environmentally-friendly paint • Calcium silicate board/Gypsum board/Prima board and other panel materials
Recycled Materials	Materials remanufactured using recycled materials, with strict quality and strength requirements to meet design standards	• Recycled concrete and asphalt • Recycled paper • High-pressure concrete floor tiles
Site Water Retention Materials	Selecting outdoor paving materials with high porosity and permeability to ensure good water infiltration for surface runoff, achieving the goal of site water retention	• Permeable pavement
High-Performance Energy-Saving Materials	Innovative materials with properties that effectively prevent outdoor heat from entering buildings, achieving energy efficiency and improving quality of life	• Roof insulation board • Heat-insulating mortar • Double-glazed glass • Rock wool and glass wool

The Group's green procurement amount and items fluctuates with changes in business content and volume. In 2024, the total green procurement amounted to NT$170,503 thousand, representing 1.63% of the total procurement. Procurement items included engineering construction materials, office administrative supplies, and operational equipment, accounting for 35.5%, 52%, and 12.5% respectively.



Note: Starting from 2024, the definition and scope of green procurement are adjusted, along with the historical annual information of 2022-2023.

Circular Economy

| Implementation of Circular Economy

The CHC Group approaches project planning and design from the perspective of the product life cycle, integrating the principles of circular economy into its processes. The core strategy focuses on raw material resource management. Through Building Information Modeling (BIM) simulations, the Group selects building materials and design solutions, as well as plans for material procurement and construction methods during the construction phase. This approach embodies the concept of circular economy and is progressively implemented at each stage of the project.

- Design Phase:

  By fully implementing BIM, we achieve practical applications such as generating 2D design drawings from 3D models, optimizing room designs, reviewing MEP systems, coordinating ICT interfaces, and assessing pipeline penetrations. These practices aim to effectively minimize construction material waste during the construction phase.

- Construction Phase - Construction Materials:

  The project prioritizes the selection of recycled materials or future reusable building materials that balance both circularity and safety considerations. For instance, it utilizes domestically sourced steel from factories that recycle 100% of scrap iron into self-recycling rebars, ensuring that dismantled steel can be entirely recycled and remanufactured into new steel products. In public spaces, high-pressure bricks with a 100% replacement rate of recycled materials are used, which can be fully reclaimed and reused by manufacturers in the future. In terms of landscape design, eco-friendly materials such as recycled plastic wood and decorative pieces made from discarded glass are utilized. Additionally, standardized rebar is selected to minimize the amount of rebar loss from cutting operations, and recycled materials such as blast furnace cement are also considered.

- Construction Phase - Construction Process:

  The project adopts a lease-to-own model for facilities and equipment, and spraying and cooling equipment is rented for use during summer months. It introduces an innovative immersive BIM system to assist owners in selecting furniture and finishes. 3D simulation is employed to present immersive scenarios, which helps to avoid misjudgment due to limited information when making choices, as well as reduce waste of resources caused by subsequent changes. Furthermore, we collect rainwater for reuse in equipment washing, irrigation, and landscaping, thereby implementing a water recycling system within the construction scope.

- Construction Phase - Construction Methods:

  Utilizing prefabrication, preassembly, and similar construction methods to reduce material waste from cutting. Considering reuse of waste materials after building demolition. Standardizing and modularizing building components to enhance flexibility in assembly or disassembly, thereby increasing the potential for resource reuse. A building material passport is established using BIM models as a database, providing owners with operational maintenance information to extend the lifespan of materials.

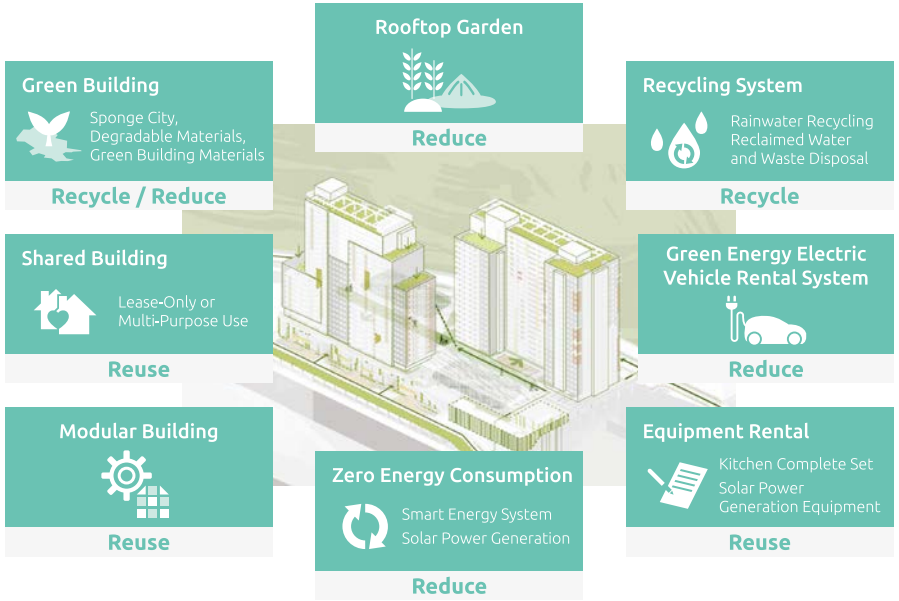
- Usage Phase

  The main axis of circular economy strategies focuses on the building envelope, structure, piping, partitions, and furniture systems. Strategies include implementing rainwater recycling systems, rooftop gardens, electric vehicle rental systems, kitchen equipment leasing, solar energy installations and power regeneration devices to reduce energy resource consumption during the usage phase.

| Case of Circular Economy Implementation

The Group participated in the Taipei City Government's "Nangang Depot Social Housing" turnkey project, and we have introduced the 3R (Reuse, Reduce, Recycle) concept, as well as incorporated circular economy and sustainable innovation thinking into the construction planning of social housing. This project is the first circular economy residential development in Taiwan, with a calculated circular economy scale accounting for approximately 47% of the project value, exceeding the set circular economy target of 20%. In 2024, it again passed the compliance audit for the circular economy business model, achieving Level 4 Optimizing status. Based on the successful experience of this project, the CEC won the bid of the turnkey project of the "Nangang Depot Social Housing Phase 2" in 2024. The company will continue to research and implement feasible practices for the circular economy.

Circular Economy Adoption Strategy for Nangang Depot Social Housing



Structure System

Standardized Steel Reinforcement: Minimizing Waste, Lightweight Design, and Durable Structures

The main structure system not only meets the requirements of seismic code inspections but also emphasizes performance, material quality, durability, and lightweight design. In this case, all steel reinforcements are pre-processed according to drawings in a factory setting, requiring only assembly and tying on-site. This approach reduces steel waste, lowers risks associated with manual cutting operations, and enhances maintenance of the work environment. The total reduction in rebar consumption in this case ranges from 707 to 1,060 metric tons.

Partition System

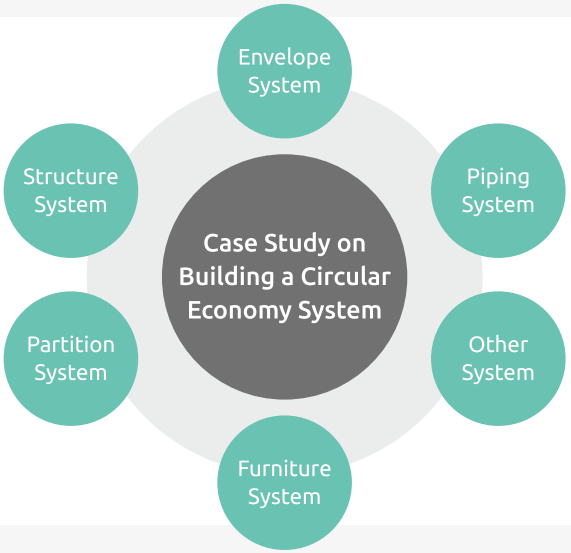
Modular Lightweight Partition

Adopting dry lightweight partition design reduces wall load-bearing by 1/3 and decreases material usage by 50 kilograms per square meter. The dry lightweight partition panels utilize green building materials that are fire-resistant and free from harmful substances like asbestos.

Envelope System

Energy Efficient in Building Design of Green Building

Taiwan is located in the subtropics, so the design of building exteriors is centered on cooling. Key elements of energy-efficient design include window-to-wall ratio, external shading for openings, building orientation, avoiding fully glazed curtain walls, and roof insulation treatments. The project complies with the applicable regulations regarding the design of the openings, the visible light reflectance of the glass, and the transmittance of roof heat insulation. The EEV value is 0.47, providing the building with advantages in terms of lighting and ventilation.



Furniture System

Furniture for Rent-to-Own

Utilizing modular, detachable system cabinets to create future reuse value; partnering with suppliers for furniture and appliances selection, employing various leasing models to maximize utility value while reducing costs for residents; and adopting 18,703 energy-efficient light fixtures to reduce electricity demand.

Piping System

Modular FRP Rainwater Storage Tanks

In terms of water resource recycling, a 5,228-ton water resource storage system is being constructed to store rainwater during normal times and regulate peak flow during heavy rainfall, ensuring efficient water resource circulation. Utilizing modular, detachable FRP water tanks not only reduces concrete usage by 6,220 metric tons but also allows for future dismantling and reuse flexibility.

Modular Power Busbars

Modular Main Power Busbar System reduces the volume of plastic packaging materials, lowers electrical transmission impedance, and enhances safety and maintainability. Additionally, 22 regenerative elevators recover kinetic energy and convert it into electricity stored in the building's power system, supplying power for building equipment. This initiative is expected to save approximately 100,000 kWh annually, equivalent to the annual carbon sequestration of about 142 Da'an Forest Park.

Solar Power Generation System

The rooftop of the social housing is equipped with solar panels to provide electricity for public spaces and connect to a smart system. The system automatically allocates power during peak or off-peak periods, reducing reliance on external power supply.

Other Systems

The PU running track provided for residents' recreational use is designed for recyclability. When the surface layer naturally degrades due to sunlight exposure, it can be removed and crushed into particles to be used as coating material for the base layer of the track, demonstrating resource utilization from waste.

Application of System Formwork Construction Method

In light of the significant construction waste generated from the cutting of traditional timber formwork on construction sites, as well as considerations for project progress and employee safety, the Group has adopted the system formwork construction method since 2019 and has been tracking its effectiveness. Continuous improvements have been made in the proficiency of the application of this method and the construction workflow, resulting in a year-on-year increase in the actual usage of systematic templates. Through practical testing, the benefits of the system formwork method include systematic operability, enhanced resource recycling, improved construction efficiency, reduced waste, and shortened construction periods. Consequently, the Group has established objectives for promoting the system formwork method, continuously expanding its application scope, and monitoring the surface area of usage and utilization rate of system formwork across various target projects.

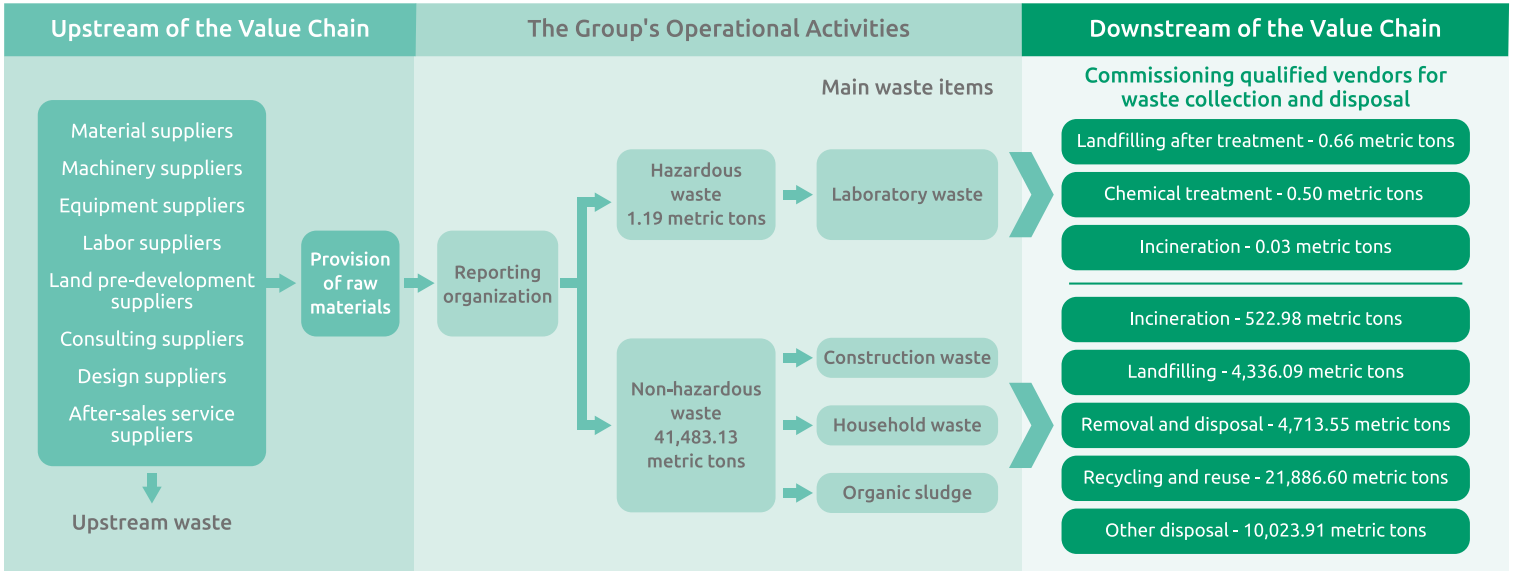
Public transportation infrastructure projects serve as prime examples of system formwork utilization. Projects such as metro tunnels, railway underground works, and bridges, characterized by uniform structural elements and elongated configurations, are ideally suited for modularization using system formwork. By employing large prefabricated components for both assembly and dismantling, construction periods are shortened while maintaining operational safety. The high controllability of system formwork operations improves personnel scheduling and construction efficiency by 30% to 40%, leading to reduced material wastage and cost-effective outcomes in cost management.

The Group is also gradually expanding the use of the system formwork construction method to building construction projects. Given the highly customized nature of building projects, introducing this method involves high upfront planning and technical thresholds. Training periods for construction crews are longer, and considerable time is spent on design planning and communication with clients. In 2024, the Group commenced the implementation of formwork works for Sheng Lian Development's Tainan Ximen Complex – Life with Books & Garden building project, utilizing the system formwork method. Furthermore, CDC, a member company of the Group, has also begun to adopt system formwork during the design planning phase of its construction products, incorporating the system formwork method into design proposal evaluations and setting procurement targets. The Group is also actively collaborating with real estate developers to promote the advantages of the system formwork method and to collaboratively integrate the system formwork into the value chain.

Assembly of the System Formwork for Sheng Lian Development's Tainan Ximen Complex – Life with Books & Garden Building Project

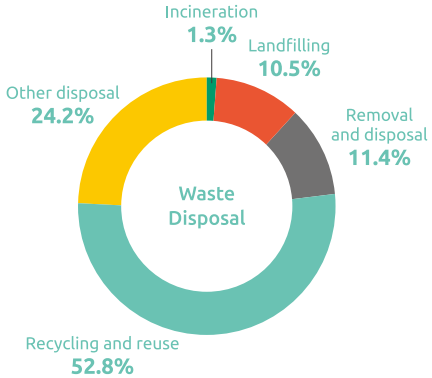
Waste Management

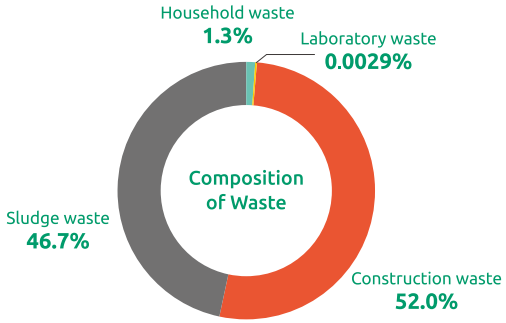
The Group is committed to reducing resource consumption at the source, thereby decreasing the generation of waste. Procurement decisions prioritize equipment and supplies that possess environmental protection labels or contain recycled materials. In daily operations, the Group has established the "Standards for the Waste Management and Reduction and Reuse of Industrial Waste", which regulates the classification, reuse, recycling, and reduction measures for various types of waste. In addition, the Group entrusts qualified waste disposal contractors registered with the government to dispose of waste.



| Waste Statistics

Waste is categorized into hazardous waste and non-hazardous waste. The CHC Group primarily generates non-hazardous waste, which includes construction waste, household waste, and organic sludge generated from wastewater treatment processes, which is treated 100% off-site, and the subsequent flow of the waste is tracked down in compliance with the law. In 2024, the total waste generated amounted to 41,484.32 metric tons, with approximately 1.35 metric tons of waste produced per million NTD in revenue in 2024, representing a decrease of approximately 9% from the previous year. Around 52.8% of the total waste generated in 2024 were recycled, 24.2% undergoing alternative disposal methods such as physical treatment, biological treatment, and thermal treatment, 10.5% being sent to landfills, 11.4% being removed, and the remaining 1.3% being incinerated. Notably, the recycling rate increased by nearly 29% compared to the previous year, primarily due to an increase in the reuse of construction waste and the establishment of new channels for the back-end reuse of sludge. Through proper storage management and collaboration with waste transportation vendors, no incidents of waste pollution occurred within the Group in 2024.



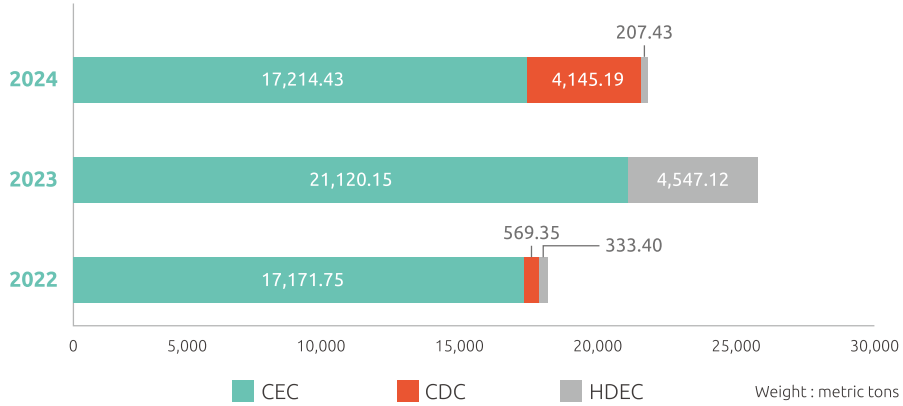


Note:

1. The waste inventory boundary includes the Group's headquarters building, CEC's construction sites, ongoing construction projects in CDC, HDEC's operational bases and construction sites.
2. The Group delegates 100% of waste disposal to government-certified waste treatment/transport contractors, who handle the waste in accordance with the triplicate waste collection, tracking its subsequent flow.
3. Other disposal include physical treatment, biological treatment, thermal treatment, and more.

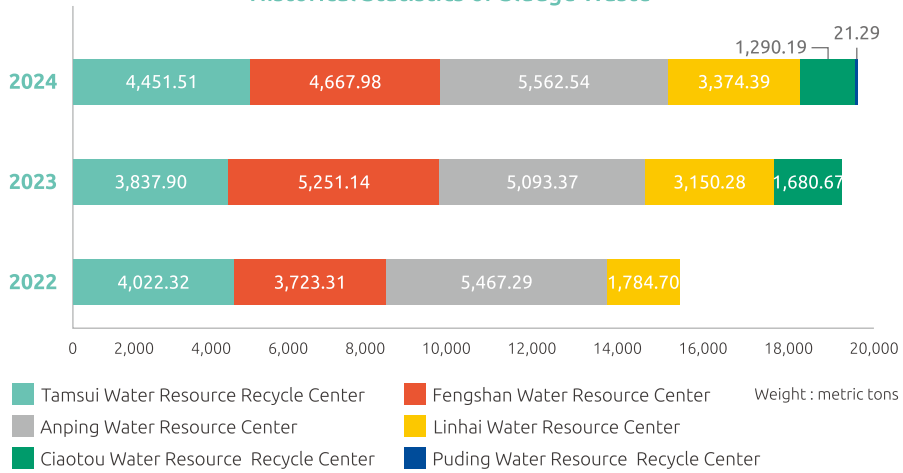
The Group has formulated the "Guidelines for the Management of Construction Waste and Household Waste" to create operational standards for the reduction and reuse of construction waste, as well as mechanisms for the tracking, reporting, and disposal of such waste, including management measures for waste disposal contractors. In 2024, 100% of construction projects have strictly adhered to these Guidelines for the control, reduction, classification, and reuse of waste generated during construction. The Group regularly compiles statistics and supporting information on various types of industrial waste produced, to serve as a reference for tracking and formulating waste management indicators.

Historical Statistics of Construction Waste



Note: The amount of construction waste fluctuates based on the number of contracts secured and the distribution of construction phases in each year.

Historical Statistics of Sludge Waste



Note: Ciaotou Water Resource Recycle Center commenced operations in 2023; Puding Water Resource Recycle Center commenced operations in 2024.

Waste Reduction Initiative

Among the waste generated by the Group's operations, construction waste accounts for 52%. In recent years, the Group has been continuously optimizing the overall measurement and monitoring processes for waste weight, enhancing waste data management and analysis. In terms of construction engineering, the Group has strengthened the management of the recycling and reuse of scrap materials and encouraged subcontractors to engage in reuse, sorting, and recycling practices. The recycling and reuse rate of construction waste has increased from 16.5% in 2023 to 77.2% in 2024. Meanwhile, the Group has implemented waste reduction through the adoption of a reusable system formwork method. As a result of using the system formwork, exterior wall plastering does not require leveling operations such as base coating before tiling, effectively reducing the amount of construction waste generated from follow-up finishing work associated with formwork. Furthermore, during the execution of the demolition work for the Zhongxiao Huaishen Project, the Group managed, verified, and audited the flow of all waste to ensure that the processes of recycling, reuse, and transformation of waste were properly handled. The waste transformation rate for this demolition project was approximately 99.7%, and it received the UL2799 Zero Waste to Landfill Gold Certification.

Waste Management Actions

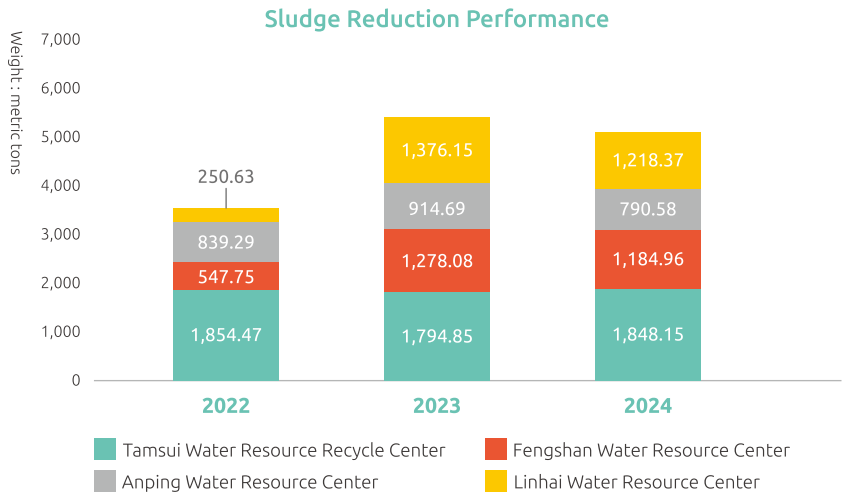
Program	Description
Recycling and Reuse of Household Waste	• Recycling PET bottles, aluminum cans, and paper, and quantifying the amounts to achieve resource reuse and reduce the total volume of waste
Recycling and Reuse of Scrap Materials	• Requiring subcontractors to recycle and reuse construction scrap materials • Collecting and centrally managing scrap rebar materials
Increasing the Number of Times of Formwork Usage	• Using system formwork to increase reuse cycles
Recycling and Reuse of Sludge Waste	• Sludge is used as low-strength concrete and artificial aggregates for drainage channel projects and wave dissipating blocks after proper treatment • Sludge is made into lightweight granular materials and brick and tile construction materials for landscape engineering

Sludge Reduction Performance

The Group continues to annually refine sludge reduction technologies and regularly track the effectiveness of sludge reduction. We achieve this through processes such as concentration, digestion, dewatering, and drying to minimize the volume of sludge produced. In 2024, the Group achieved a total sludge reduction of 5,042.06 metric tons, representing a decrease of approximately 6% compared to the previous year. This decline is attributed to the aging sludge treatment system at the existing Anping Wastewater Treatment Plant, which the Group has taken over. In 2024, multiple equipment components within the sludge treatment system experienced consecutive failures requiring maintenance, resulting in the Anping Water Resource Center not meeting its annual sludge reduction target. Subsequently, auxiliary equipment has been added, and maintenance operations for the original equipment have been strengthened to enhance the stability of system operations. All other water resource centers successfully achieved their annual targets.

Group's Sludge Reduction Performance in 2024

Total Sludge Reduction (Unit: metric tons)	Sludge Reduction Achievements	Sludge Reduction Goals	Achievement Rate
	5,042.06	4,584.00	110%



Water Resources Management

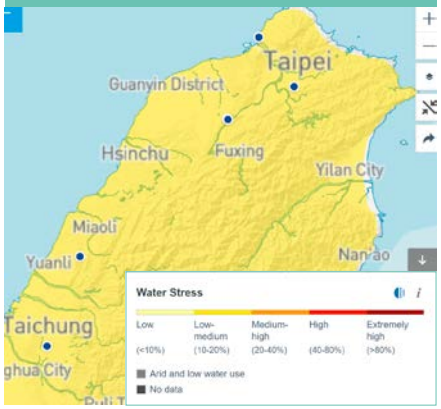
Water resources management is one of the Group's key sustainability concerns. When utilizing water resources or selecting sites for development projects, we comprehensively consider policies, regulations, environmental risks, and business demands. We assess and analyze the risks and opportunities associated with our assets and locations, taking into account the potential for droughts and extreme rainfall that may lead to flooding, and accordingly formulate response measures. Meanwhile, we strive for effective dispatch and reasonable allocation of water resources. Through the use of water-saving devices, regulation of water supply, recycling and reuse initiatives, and water conservation advocacy, we continuously enhance the water use efficiency.

| Water Risk Assessment

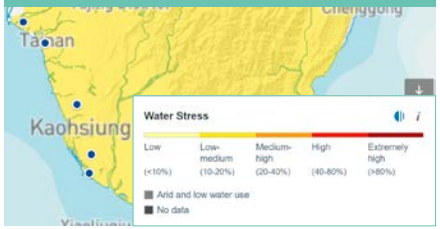
The Group focuses on changes in water environments and conducts a careful assessment of the water resource supply conditions and risks such as flooding at various operational sites, land, and buildings. Regular evaluations are conducted using different types of tools. The Group utilizes the water risk assessment tool from the World Resources Institute (WRI), specifically the Aqueduct Water Risk Atlas, to identify the water resource scarcity risks at long-term operational sites, including the headquarters building, the Taichung office of CDC, and the HDEC's operational bases, as well as all site offices across Taiwan. All aforementioned sites are located in areas with low-medium water scarcity risks. The Group also employs the "24-hour 650mm" flood potential layer from the Water Resources Spatial Information Service Platform as a standard for measuring areas at risk of a 100-year flood (hereinafter referred to as flood zones). Notably, there are no flood zones within a 1-kilometer radius of the Puding Water Resource Recycle Center, while Tamsui, Fengshan, Anping, Linhai, and Ciaotou water resource centers are all located within 300 meters of flood zones. In response to the potential risk of flooding, the Group has incorporated considerations for this risk into the design phase of the water resource centers, including the establishment of retention basins and monitoring control mechanisms at the Tamsui, Linhai, and Ciaotou water resource centers.

The Group's assessment of water risk concerning its parcels of land and buildings utilizes the "Groundwater Recharge Geological Sensitivity Area" layer from the National Land Surveying and Mapping Center, Ministry of Interior as a measurement standard for areas under high water risk pressure. A total of 27 parcels of land (approximately 14% of the total) fall within this category. Additionally, when the "24-hour 650mm" flood potential layer from the National Land Surveying and Mapping Center is used as a standard for measuring areas at risk of a 100-year flood, 7 parcels of land (approximately 4% of the total) are located within this zone.

Risk Level of Water-Stressed Areas for Group Headquarters Building, Operational and Construction Sites Located in Northern and Central Taiwan



Risk Level of Water-Stressed Areas for Operational and Construction Sites Located in Southern Taiwan

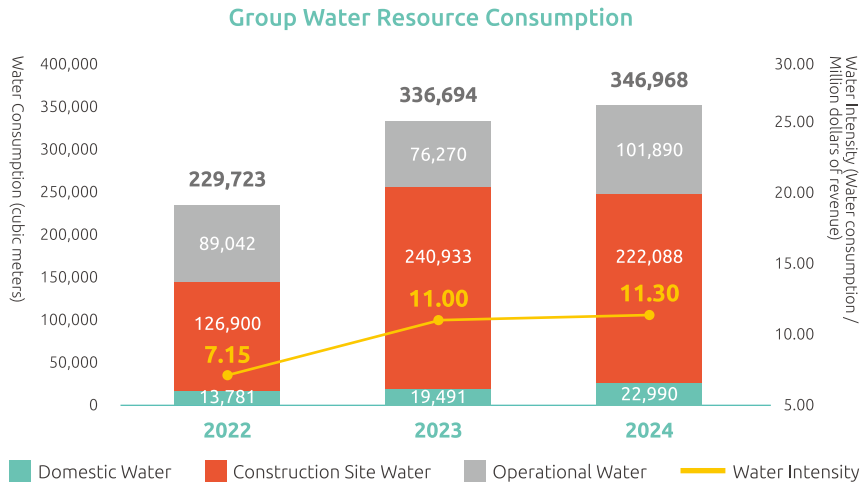


| Group Water Resource Consumption

In order to strengthen water resource management, the Group keeps records of water usage behavior, types of water sources, water consumption, and water discharge at each site. The water supply for the Group's office locations and construction areas is provided by the Taiwan Water Corporation.

In 2024, the Group's total water consumption amounted to 346,968 cubic meters, with approximately 60% used for construction purposes, while operational uses for water treatment accounted for 29%. The total water consumption increased by 3% compared to the previous year, with a 3% rise in water intensity.

The Group primarily discharges wastewater from general domestic sewage, construction runoff, and effluent from wastewater treatment. The domestic sewage from the headquarters building is legally discharged into the municipal sewerage system under the management of the Taipei City Government. Runoff wastewater from construction sites is discharged into waterways following approval by relevant authorities as per project plans. Treated effluent from the water resource center is legally discharged into designated receiving water bodies, contributing to the water cycle.



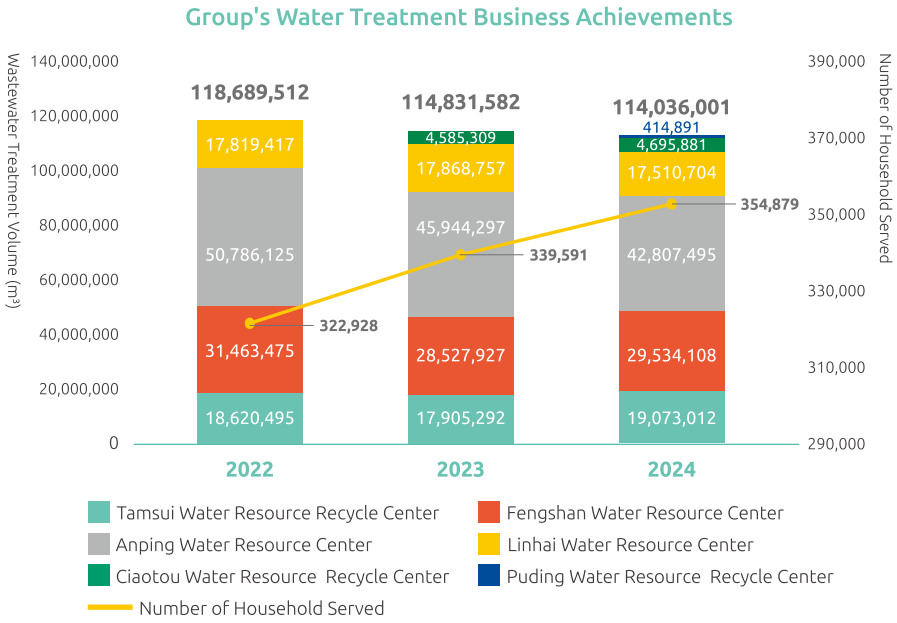
Note: The inventory boundary 2022 to 2024 includes the Group's headquarters building, CEC's construction sites, HDEC's operational bases and construction sites.

| Water Treatment Business

Taiwan is a country that receives abundant rainfall. However, in recent years, due to the intensification of climate change, there has been an increase in the uneven distribution of rainfall across different time periods, locations, and regions, resulting in frequent water shortages. The CHC Group possesses core technologies in water treatment, continually undertaking sewerage system and drainage system projects across various counties and cities, as well as effluent recycling and reuse initiatives. The water treatment business extends to domestic sewage, industrial wastewater, and reclaimed water areas, providing affordable and reliable water resources for industrial use.

· Performance of the Group's Water Treatment

In terms of water treatment capacity, in 2024, the designed capacity for wastewater treatment reached 447,300 metric tons per day, marking an approximately 11.7% increase from 2023. By the end of 2024, the total number of households served by wastewater treatment reached 354,879, showing a growth of 4.5%. For details on the service coverage area, please refer to **6.2 Environmental Education**. The designed capacity for reclaimed water treatment is 120,700 cubic meters per day, an increase of 4.5% from 2023. In 2024, the total wastewater treatment by the Group amounted to 114,036,001 metric tons, which represents a decrease of 0.7% compared to the previous year. On the other hand, the supply of reclaimed water increased to 42,275,113 metric tons, primarily due to the expansion of Fengshan and Anping Water Resource Centers in 2024, which have demonstrated effective operational performance, resulting in a growth of approximately 21.1% compared to the previous year.

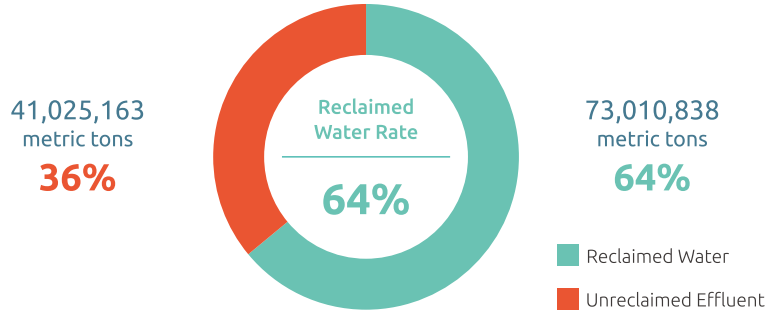


· Water Resources Center Operations Management Platform

To enhance the operational quality and management efficiency of water treatment services, the Group has initiated the operation management platforms for the Anping, Fengshan, and Linhai Water Resource Centers starting in 2023. Due to the increasing number of monitoring items and data transmission, in 2024, the Linhai Water Resource Center served as a pilot site for upgrading the system's data computation and aggregation functions, as well as optimizing the system's real-time update frequency. This enables a more rapid and accurate reflection of key indicators such as water quality, water volume, and pressure differences of the equipment units at the water resource center.

The system upgrade in 2024 aims to enhance computational performance and increase interactive experiences. Additionally, a new feature for reporting anomalies during various time periods at the water resource centers has been introduced, which includes notifications for water quality anomalies, equipment operation irregularities, and pressure differences of equipment units. It is anticipated that the establishment of an anomaly event database and the accumulation of data are able to facilitate the analysis of equipment integrity at the water resource centers, predict potential risks associated with water quality anomalies, and estimate the replacement or cleaning time for reclaimed water membrane systems, thereby improving the stability of equipment operations.

· Recovery and Reuse of Reclaimed Water from Wastewater Treatment Plant



Note: Reclaimed water rate = Amount of reclaimed water / Total amount of wastewater treated.

CHC Group implements water resource recycling and reuse. Reclaimed water is primarily used for operational equipment use and cleaning, inflow water for reclaimed water treatment, water for wastewater treatment pools, environmental cleaning, dust suppression in construction projects, wetland replenishment, and roadside tree irrigation, among other purposes. In case of a malfunction in the operational site's water boosting system, reclaimed water is also used for equipment shaft sealing to reduce the site's own water resource consumption. Additionally, it is provided to external entities such as residents, businesses, and organizations for washing, street cleaning, or irrigating roadside trees.

In 2024, all water resource centers of the Group, except for Anping and Linhai Water Resource Centers, achieved their targets for reclaimed water reuse, totaling 73,010,838 metric tons of reclaimed water. The reclaimed water rate reached 64%, an increase of about 10% from 2023, effectively enhancing water resource utilization efficiency.

Water Consumption within Water Resources Centers

De-foaming Water from Aeration Tanks

De-foaming Water from Secondary Clarifiers

Cleaning of Filter Cloth in Sludge Dewatering Machines

Wetland Replenishment

External Unit Usage

| Water Conservation Actions

The Group's water conservation initiative is divided into two aspects: "source expansion" and "water saving". The former includes the reuse of water from well points and the harvesting and utilization of rainwater; the latter encompasses the installation of water-saving devices and equipment, water conservation management, and adjustments to the water supply system.

During construction engineering involving excavation for basements and soil retention works, groundwater may seep due to geological conditions. Continuous pumping is necessary to keep the groundwater level below the excavation surface, ensuring a safe working environment. In response to the dewatering operations during this construction process, the Group employs technology analysis and integrates automated monitoring equipment with pumping control systems. This approach ensures precise control over the amount of water pumped and electricity usage, preventing excessive groundwater extraction and resource waste. The Group also recycles the extracted groundwater for various purposes, including construction activities, road cleaning, equipment cleaning, plant care, and toilet flushing. In 2024, the Group's measurable water-saving actions resulted in a total reduction of 19,850 metric tons of water consumption.

Water Saving Actions

Type	Program	Description
Open Source	Water Reuse from Well Points	• **In 2024, a total of 19,200 metric tons of water from well points were reused** for construction purposes such as for intermediate piles, diaphragm walls, environmental cleaning at the construction sites, cleaning water for vehicles, equipment and washing platforms, and irrigation.
	Rainwater Harvesting	• Installing rainwater harvesting towers or storage tanks to collect rainwater for reuse in environmental cleaning and flushing toilets. **In 2024, a total of approximately 560 metric tons were recycled and reused.**
Water Saving	Installation of Water-Saving Equipment / Devices	• Adopting water-saving certified equipment such as two-stage water closets, urinals, faucets, and other devices with water-saving labels, gradually increasing the proportion of water-saving certified equipment each year
	Water Conservation Management	• Posting slogans for water conservation • Inspecting water supply equipment and replacing defective items • Regularly inspecting pipelines to reduce leakage
	Adjustment for the Water Supply System	• The irrigation system adjusts its operating hours based on the seasons to reduce unnecessary water usage • The washing machines in the dormitory are set to use an appropriate amount of water, **with an estimated water savings of approximately 90 metric tons in 2024**

Pollution Prevention and Biodiversity Conservation

| Biodiversity Conservation Policy

Considering the company's reliance on various forms of natural capital and its impact on biodiversity, the Group has referenced the ENCORE[1] assessment tool's impact factors to comprehensively evaluate the potential natural-related issues throughout the life cycle of its business entities. Furthermore, it has formulated response measures based on the four ecological conservation strategy principles of avoidance, reduction, mitigation, and compensation. Regarding biodiversity management, the Group conducts biodiversity surveys and monitoring within its operational sites, as well as biodiversity environmental education, as part of its commitment to biodiversity conservation.

1 ENCORE: It is a tool developed and maintained collaboratively by the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC), the United Nations Environment Programme Finance Initiative (UNEP-FI), and Global Canopy for assessing industry reliance on and impacts on natural capital.

Service Life Cycle Stages	Natural Impacts	Response Measures	Relevant Sections
Site Selection	Adjacent to Ecologically Sensitive Areas	Environmental Impact Assessment	
Design	Greenhouse Gas Emissions	Green Building Design	3.2 Sustainable Design - Safety Design and Green Buildings
Procurement	Extraction of Non-Biological Resources Extraction of Biological Resources	Green Procurement (Green Building Materials and Green Products)	5.3 Circular Economy and Resource Management
Construction/ Operation Common	Greenhouse Gas Emissions	Renewable Energy Installation and Energy Saving Site Offices, etc.	5.2 Energy Management - Energy Conservation Measures
	Noise	Installation of Low-Noise Machinery and Soundproof Walls, etc.	5.3 Circular Economy and Resource Management - Application of System Formwork Method, Waste Management, and Pollution Prevention and Biodiversity Conservation
	Emission of Toxic Pollutants	Collaboration in Disposal with Qualified Waste Disposal Operators Toxic Substance Control	
	Emission of Solid Waste	Sludge Reduction and System Formwork, etc.	
	Non-Greenhouse Gas Air Pollutant Emissions	Installation of Deodorization and Desulfurization Equipment, etc.	
	Surface Area of Land Used	Construction Planning and Operational Site Management, etc.	
Operations	Discharge of Nutrient Pollutants into Water and Soil	Ammonia Standards for Effluent Discharge Exceed Regulatory Requirements	5.3 Circular Economy and Resource Management - Pollution Prevention and Biodiversity Conservation
Demolition	Noise	Installation of Low-Noise Machinery and Soundproof Walls, etc.	5.3 Circular Economy and Resource Management - Pollution Prevention and Biodiversity Conservation
	Emission of Toxic Pollutants	Collaboration in Disposal with Qualified Waste Disposal Operators	
	Emission of Solid Waste	Zero Waste to Landfill	

· Site Selection, Design and Procurement Phases

In the site selection and contract bidding phases of project development, the Group prioritizes urban center locations that are already developed to avoid potential impacts on the natural environment. A series of environmental and social factors are taken into account during the process of site investigation, including: accessibility (within walking distance to metro stations), adequacy of infrastructure (parks, sports centers, etc.), and proximity to economic centers (commercial districts, industrial parks, etc.). For projects located in outside of city center, an environmental impact assessment is conducted in compliance with regulations and requirements to ensure that the effects on the local natural environment are fully understood, and corresponding monitoring and analysis are implemented. During the procurement phase, priority is given to the selection of green products and sustainable building materials to reduce negative environmental impacts during subsequent operations and product usage phase.

· Construction and Operational Phases

In addition to improving construction methods and implementing energy-saving and waste reduction measures, the Group conducts environmental monitoring and analysis during the construction and operation phases, and regularly submits various monitoring reports to the competent authorities. In 2024, there were no violations or non-compliance issues. Furthermore, specific monitoring items have corresponding annual targets set for tracking and management to ensure that operational activities do not negatively impact the natural environment. The following are cases and descriptions of the monitoring items:

Biodiversity Survey and Monitoring at Construction and Operational Sites

- Monitoring items:
  - Construction site: Considerations include air quality, construction noise and vibration, low-frequency construction noise, effluent water quality, environmental noise and vibration, river water quality, traffic flow, ecological species, and cultural assets, tailored based on specific project conditions.
  - Operational site: Considerations include water quality of rivers, marine areas, and groundwater, as well as air quality, noise levels, and aquatic ecology (including plankton, benthic organisms, fish, and aquatic insects, etc.), will be determined based on the specific conditions of each project. In response to the characteristics of wastewater treatment operations, annual monitoring indicators for ammonia nitrogen levels in discharged water will be established.
- Monitoring targets: Water and terrestrial ecosystems near construction and operational sites, encompassing roadside trees and migratory birds.
  - > **Case study (construction site):** The environmental monitoring frequency for the Taoyuan Metro Green Line project is conducted quarterly. The monitoring items include terrestrial plant ecological surveys, terrestrial animal ecological surveys, and aquatic ecological surveys. The monitoring data is primarily used to assess the extent of impacts on air quality, noise, and water quality caused by construction activities, as well as to predict and provide early warnings regarding changes in the ecological environment surrounding the construction area, such as changes in the status of mammals, birds, amphibians, reptiles, insects, and vegetation near the construction site.
  - > **Case study (operational site):** During the operational period, regular sampling analysis and environmental monitoring of water quality, hydrology, noise, and the quality of inflow and outflow water surrounding the water resource centers are conducted. The monitoring results serve as a basis for comparing environmental quality, allowing for an understanding of the current impact on environmental quality. This enables timely adjustments to operational methods and the implementation of effective prevention and control measures.

Illustration of Aquatic Ecological Survey

Illustration of Terrestrial Ecological Survey

· Demolition Phase

The Group can manage, inspect, and audit the waste flow generated during the demolition phase of construction for clients. We engage with waste transporters to avoid disposal methods that have significant natural impacts, such as incineration or landfilling, and ensure that waste undergoes proper recycling, reuse, and transformation processes to achieve the goal of zero landfill. Taking the construction project of Zhongxiao Huaishen (Fubon THE JARDIN) contracted by CEC as an example, the reuse and transformation rate for this project reached 99.7%, earning the UL2799 Zero Waste to Landfill Gold Certification.

| Pollution Prevention and Control at Business Locations

In response to the identified natural impacts, the Group has implemented relevant experimental measures to mitigate natural effects during the operational and construction phases, and has also formulated corresponding pollution prevention measures.

· Pollution Prevention Measures during the Operational Phase

Environmental Impact	Response Measures	Actions and Results
Air Pollution	• Installing deodorization and desulfurization equipment to degrade volatile organic compounds and other gaseous pollutants, thereby preventing their negative impact on the environment • Dust control and maintenance of air quality	• **Installation of deodorization equipment:** The gaseous pollutants generated by wastewater treatment plants primarily consist of volatile organic compounds, hydrogen sulfide, methyl mercaptan, and ammonia. Therefore, deodorization facilities have been installed to prevent the escape of odors • **Installation of desulfurization equipment:** Some facilities have installed alkaline washing towers, reducing the hydrogen sulfide content in biogas to below 200 mg/L, achieving a removal rate of over 95%. This helps to maintain the service life of boilers and pipelines
Noise Pollution	• By installing soundproofing equipment, the noise emissions from heavy machinery can be reduced	• The noise generated by the Phase II blower (single-stage centrifugal blower) exceeds 95 decibels. After soundproof enclosures were installed in certain factory areas, the noise levels measured outside the enclosures fell below 85 decibels, representing a reduction of 11%
Discharge of Nutrient Pollutants into Water and Soil	• Emission water quality targets that exceed regulatory requirements are set, and the water quality of discharged water, marine water quality, sediment, and other monitoring results and changes are closely monitored. Monitoring results are regularly reported to the competent authority, and if any abnormalities are detected in the monitoring results, immediate corrective actions are taken	• In 2024, centrifugal blowers have been replaced in certain plants, reducing the ammonia nitrogen concentration in the effluent from 9 mg/L to below 1 mg/L
Emission of Toxic Pollutants	• Permits for the operation of toxic chemicals in the laboratory are obtained in compliance with the law, and records of toxic chemical operations are submitted annually • Waste liquids are temporarily stored in designated areas equipped with leak prevention facilities, and qualified removal and treatment organizations are commissioned to handle disposal	• In 2024, there were no environmental impact incidents related to the emission of toxic pollutants

· Effectiveness of Ammonia Nitrogen Treatment

To prevent high levels of ammonia nitrogen in water bodies that can lead to biological oxygen demand and harm river ecosystems, the Group has set stricter targets for ammonia nitrogen concentrations in the effluent of each water resource center. These targets are more stringent than the statutory effluent standards (ammonia nitrogen limits of 6 mg/L, 10 mg/L or 30 mg/L for discharged water based on the requirements of each sewerage system), aiming to minimize impacts on the ecosystem. In 2024, all Group water resource centers achieved their annual targets, with average ammonia nitrogen treatment efficiency significantly exceeding target values.

Group's Water Treatment Efficiency				
Water Resources Center	Ammonia Nitrogen Water Quality Achievement Rate	Average Results of Ammonia Nitrogen Treatment (mg/L)	2024 Goals	Achievement Status
Tamsui Water Resource Recycle Center	Below 10mg/L 100%	2.40	100%	✓
Fengshan Water Resource Center	Below 10mg/L 100%	0.39	100%	✓
	Below 5mg/L 100%		90%	✓
Anping Water Resource Center	Below 10mg/L 100%	1.22	100%	✓
	Below 5mg/L 100%		90%	✓
Linhai Water Resource Center	Below 10mg/L 100%	0.25	100%	✓
	Below 5mg/L 100%		90%	✓
Ciaotou Water Resource Recycle Center	Below 10mg/L 100%	4.42	100%	✓
	Below 5mg/L 58%		40% Note 3	✓
Puding Water Resource Recycle Center	Below 6mg/L 100%	0.79	100%	✓

Note:

1. The efficiency of ammonia nitrogen treatment = (days meeting ammonia nitrogen treatment standards / total treatment days).
2. According to the effluent standards set by the Ministry of Environment for public sewage systems (with a flow rate greater than 250 cubic meters per day), the applicable ammonia nitrogen limits for each water resource center are as follows: Puding Water Resource Center - 6 mg/L; Tamsui Water Resource Center - 10 mg/L; Fengshan Water Resource Center, Anping Water Resource Center, and Ciaotou Water Resource Recycle Center - 30 mg/L; ammonia nitrogen discharge standards are not applicable to Linhai Water Resource Center.
3. Since the Group took over the operation of the Ciaotou Water Resource Recycle Center in 2023, the existing facilities have been found to have insufficient airflow, resulting in lower ammonia nitrogen treatment efficiency. Currently, the Group has started the process of procuring equipment, with the aim of gradually optimizing the system in the future.

· Pollution Prevention Measures during the Operational Phase

Environmental Impact	Response Measures	Actions and Results
Air Pollution	• The transportation routes for earthworks are properly planned to minimize the impact on surrounding areas. Dust control nets or covered transport vehicles are utilized whenever possible. During the construction period, a third-party organization is entrusted to conduct air quality monitoring every quarter, ensuring that the monitored values remain below regulatory standards. Promote engines shutdown when machinery is in standby mode	• According to the results of third-party monitoring, the air quality standards were all met in 2024
Noise Pollution	• Low-noise machinery is utilized and soundproofing or sound-absorbing devices are employed to reduce and block construction noise. During the construction phase, monthly noise and vibration assessments are conducted by a third-party organization to ensure compliance with legal standards	• According to the results of third-party monitoring, the noise and vibration tolerance standards were all met in 2024
Water Pollution	• High-lift pumps are deployed to prevent the overflow of wastewater from the construction zone due to heavy rainfall during the plum rain season and typhoon season • Designated storage of construction materials with a cover to reduce contact with rainwater and prevent surface runoff contamination • A vehicle washing station and sedimentation pond are established at the entrance and exit of the construction zone to ensure that the wastewater from vehicle cleaning meets the discharge standards • Avoid using grouting methods for water stoppage to reduce the risk of groundwater pollution	• During the construction phase, water quality testing is conducted monthly by a third party to ensure that the values for surface water and groundwater are below the regulatory standards

Environmental Impact	Response Measures	Actions and Results
Land Use Area	The land area affected by the construction project strictly adheres to the project plan and is committed to avoiding negative impacts on the native environment, while actively restoring the affected areas: ● To prevent landscape damage during the construction period, efforts are made to minimize the area of the construction zone, and construction fences along with landscape greenery are established in the surrounding areas ● Plan ahead the designated storage areas for materials/waste and consolidate the management of waste soil or debris generated from construction ● The route of construction and machinery movement should be avoided or properly protected as much as possible, and large trees with a trunk diameter exceeding 30 centimeters should be transplanted to suitable growth locations	

Note: A third-party organization is commissioned each quarter to conduct air quality monitoring at the construction site. The monitoring items include Total Suspended Particulates (TSP), Particulate Matter 10 (PM_{10}), Particulate Matter 2.5 ($PM_{2.5}$), sulfur dioxide (SO_2), nitrogen dioxide (NO_2), nitrogen oxides (NO_X), carbon monoxide (CO), ozone (O_3), wind speed, wind direction, temperature, and humidity, etc.

| Environmental Education on Biodiversity

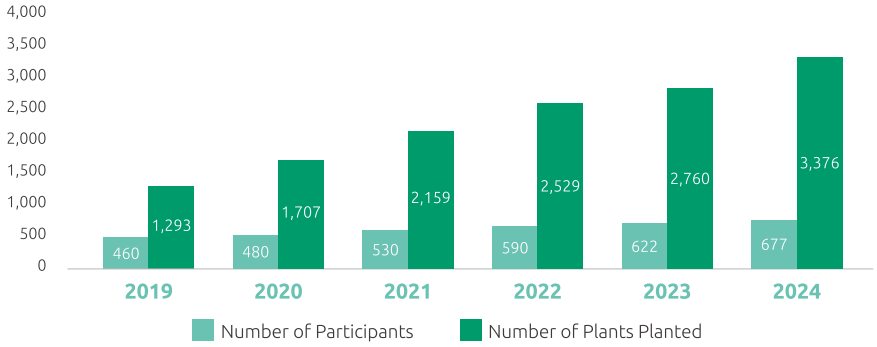
Since 2018, the CHC Group has been collaborating with the Jane Goodall Institute Taiwan to establish "Green Thumb Gardens" near elementary schools close to construction sites, with the aim of promoting the cultivation of native Taiwanese plants. In 2024, the CHC Group established a "Green Thumb Garden" at Chung-Yuan Elementary School in Zhongli District, Taoyuan City. Biodiversity experts and Group volunteers conducted a preliminary survey of the school's plant and environmental conditions to plan and discuss the planting areas for native plants.

The planting activity in 2024 centered around nectar plants, with foliage and flowering plants serving as supplements. The children were instructed to employ appropriate ecological greening methods to establish an environment that aligns with the local biological habitat. They were also educated on the significance of native plants to the ecological environment, as well as the concept and implementation of habitat creation. A total of 616 native plants from Taiwan, consisting of 26 different species, were planted during this activity. The Green Thumb Garden area has been fully developed and will be maintained by the school's Root and Shoot team. With regular guidance and monitoring, we aim to achieve sustainable ecological management. As of 2024, the Green Thumb Root and Shoot Program of the Group has planted a total of 3,376 native Taiwanese plants, with the participation of 677 individuals.

Group Photo of the Participating Team Members and Students

The Participating Team Members Collaborated with Students to Plant Native Vegetation

Cumulative Results of the Green Thumb Root and Shoot Activities



The CHC Group, while operating in the Construction Engineering, Real Estate Development, Environmental Project Development & Water Treatment, actively cares about social welfare and public wellbeing, and is committed to reducing the impact on the environment. In addition to allocating resources for social services, the CHC Group actively participates in charitable activities, maintains smooth communication with stakeholders, fulfills corporate social responsibility, and strives to create a safe, friendly, harmonious, and prosperous society.

In 2024, a total of 436 events were held at various stages of the project, with a total investment exceeding NT$9.33 million and 12,292 hours of manpower. The number of events increased by 56% compared to the previous year, and the manpower investment increased by 19% compared to the previous year.

In 2024, a total of 180 environmental education activities were held, serving a total of 6,651 individuals, representing a growth of 26% and 54% compared to the previous year. Since 2019, the cumulative number of individuals served has reached 22,127.

2024 Goals

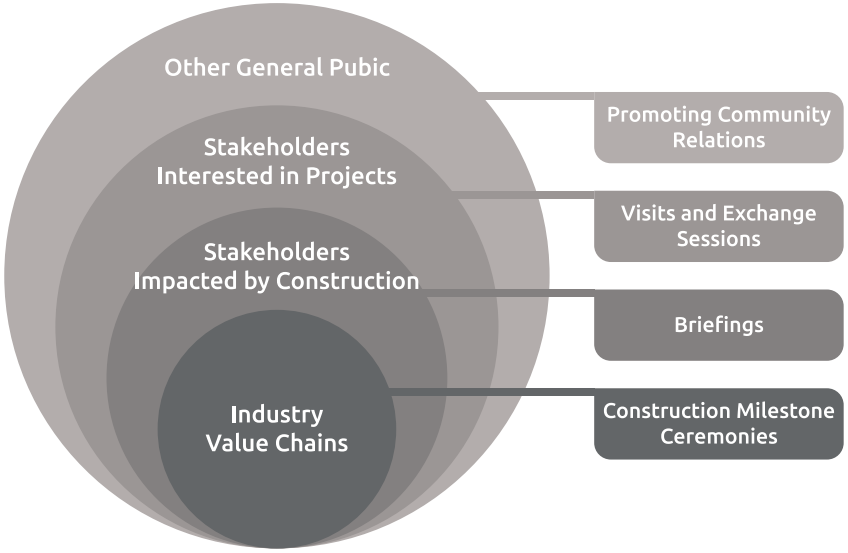
The Group conducted at least 91 environmental education activities — Achieved

2025 Goals

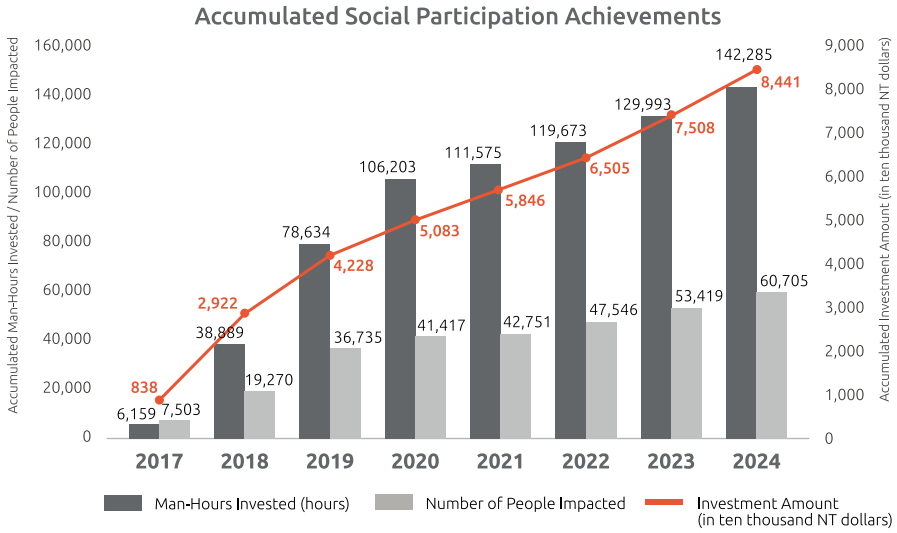
The Group conducted at least 91 environmental education activities

6.1 Local Care

While executing operations at construction sites across Taiwan, the Group not only continues to monitor project progress but also strives to avoid causing disruptions to the surrounding community. The goal is to bring positive impacts to the local community. Therefore, we consider every interaction with stakeholders as a valuable opportunity and actively engage in thorough communication and dialogue. By deeply understanding local needs and appropriately utilizing resources to provide timely feedback to the community, we aim to collaborate with stakeholders to contribute to community development and social harmony. The Group categorizes activities and primary communication targets into four major types based on their impact areas.



The CHC Group annually invests in maintaining good and harmonious relationships with local residents by engaging in detailed communication and explanations, sharing construction project experiences, and assisting in improving the local public environment to promote community development. These efforts not only contribute to the progress of projects but also foster residents' identification and support for the corporation. In 2024, the Group organized a total of 436 events through formal and informal channels, with an investment exceeding NT$9.33 million and 12,292 hours of manpower. This represents a 56% increase in events and a 19% increase in manpower compared to the previous year, involving approximately 7,286 stakeholders across various levels. Since 2017, the cumulative investment has exceeded NT$84.41 million and over 140,000 hours of manpower, hosting nearly two thousand events and engaging more than 60,000 stakeholders, generating a positive impact on society.



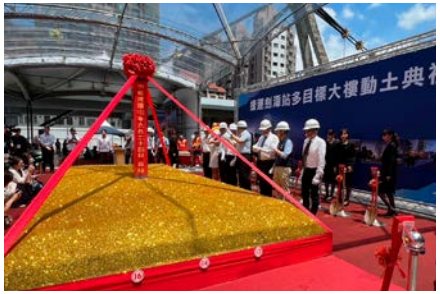
Construction Milestone Ceremonies

Type	Form	Benefits	Number of Events	Investment Amount	Man-Hours Invested (hours)	Number of People Impacted
Construction Milestone Ceremonies	• Groundbreaking Ceremony • Topping-Out Ceremony • Breakthrough and Closure Ceremony • Inauguration Ceremony	1. Introduction to Projects Milestones and Vision 2. Value Delivery and Brand Enhancement	21	NT$5.41 million	5,922	1,528

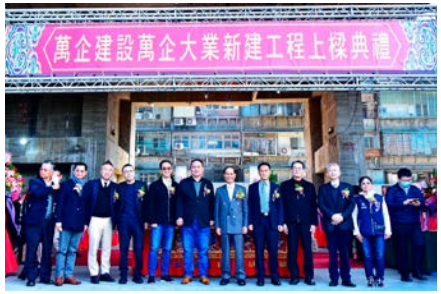
During the construction period, establishing good relationships with contractors, owners, and local residents in the project area not only helps fulfill the project contracts but also enables the quick resolution of potential disputes in a harmonious atmosphere, facilitating smooth project progress. Therefore, from project initiation to completion, including contract signing, groundbreaking, topping-out, closure, tunnel breakthrough, and commissioning, the Group holds various ceremonies at important milestones as one of the communication channels with stakeholders. In 2024, the Taoyuan MRT Green Line Contract GC01 groundbreaking ceremony and the Taipei Metro Jiantan Station Multi-Purpose Building groundbreaking ceremony both introduced the impact areas, design concepts, and future plans of the respective projects to local residents, helping them understand the potential short-term inconveniences and impacts during construction, thereby reducing residents' concerns and garnering their support for the construction progress.

Construction milestone ceremonies are vital for the public to understand the progress of construction projects. CHC Group is dedicated to enhancing communication and engagement with local residents and stakeholders through such activities to build trust and brand recognition for its member companies.

GC01, No. 6, Bade Living Circle, Taoyuan City Groundbreaking Ceremony for Road Construction



Groundbreaking Ceremony for the Multi-Purpose Building at Metro Jiantan Station



Wonderful Union New Construction Topping-Out Ceremony

Prologue Eternal New Construction Topping-Out Ceremony

Briefings

Type	Form	Benefits	Number of Events	Investment Amount	Man-Hours Invested (hours)	Number of People Impacted
Briefings	• Construction Briefings • Business Promotion Briefings	1. Explanation of Project Situation, Potential Impacts, and Supporting Measures 2. Promoting Understanding of Projects Scope and Benefits Surrounding Neighborhoods 3. Raising Public Awareness of Environmental Issues	12	NT$100,000	315	1,147

Large-scale public projects or major national constructions are crucial to the interests of the general public and national economic development must be carefully evaluated for potential impacts on the surrounding environment. Due to the relatively long project duration, in order to maintain interaction with stakeholders, we regularly hold relevant events to enhance communication and exchange frequency. In 2024, a construction briefing meeting was held for CEC's Wanda Line CQ850A project, inviting nearby residents and community leaders to participate in a discussion on the sections affected by the project, explaining the project overview, construction plans, and facilitating feedback to address residents' concerns promptly. A traffic maintenance briefing was conducted for the construction of the multi-purpose building at the Metro Jiantan Station, inviting local residents to gain a better understanding of potential impacts during the construction period and the Group's mitigation measures, aiming to minimize inconvenience to the community residents and garner public understanding and positive support.

Pedestrian Ingress and Egress Plan during Construction Period

Movement Lines

Project Briefing for the Metro Wanda Line CQ850A Project

Traffic Maintenance Advocacy Briefing for the Multi-Purpose Building Construction Project at Metro Jiantan Station

Visits and Exchange Sessions

Type	Form	Benefits	Number of Events	Investment Amount	Man-Hours Invested (hours)	Number of People Impacted
Visits and Exchanges	• Government Agency Visits • Peer-to-Peer Visits • Academic and Research Institution Visits	1. Exchange of Construction Experience and Technology with Industry, Government, and Academia 2. Sharing the Current Status of Domestic Industry Development, Showcasing the Capabilities, and Striving for Resources 3. Promoting an Education Model that Prepares Students for Both Academic Study and Employment	108	NT$730,000	1,985	3,056

The CHC Group is pleased to share engineering knowledge and expertise, actively promoting exchanges among industry, government, and academia. The Group engages in sharing engineering experiences and exchanging professional opinions with domestic and international organizations. Through on-site visits, the corporation facilitates exchanges in the fields of civil engineering, building construction, environmental project development, and water treatment, promoting the Group's sustainability initiatives.

In 2024, the wastewater treatment training program from National Kaohsiung University of Science and Technology visited the Fengshan Water Resource Center, allowing students to experience the integration of theoretical knowledge and practical application. The Innovation Incubation Center of National Tainan University visited the Anping Water Resource Center, promoting education on environmental issues such as water resource protection and climate change through guided tours. In 2024, the Society of Operations Engineers (Macau Region) visited the construction site of the MRT Wandan Line CQ842 project, where our engineers shared their construction experiences with shield tunneling machine and segmental tunnel construction. Students and faculty from the "Construction Methods" course, Department of Civil and Environmental Engineering at National Kaohsiung University visited the construction site for the Tainan Railway Underground C214 project, where we guided students to deepen their understanding of the application of theory and practice. In 2024, we continued to hold the "One-Day Engineer" program for college students, hosting students from the Civil Engineering Department of National Kaohsiung University of Science and Technology for a field visit to understand the construction techniques used in elevated and underground MRT projects, sharing practical experiences and knowledge. Additionally, we continued our collaboration with the Taoyuan Railway Pavilion to conduct the "Little Rail Promoter" program, arranging on-site observations of construction activities to introduce engineering knowledge and teach children about the challenges and efforts of engineering professionals, with the hope that through this promotion, more people will recognize the contributions and impacts of rail construction on transportation convenience.

Society of Operations Engineers (Macau Region) Visit

Visit by Students from the Department of Civil and Environmental Engineering, National Kaohsiung University

Little Rail Promoter event

Visit to the Wastewater Treatment Training Program at National Kaohsiung University of Science and Technology

Innovation Incubation Center of National Tainan University

"One-Day Engineer" experiential activity hosted by the Young Engineers Conference

Promoting Community Relations

Type	Form	Benefits	Number of Events	Investment Amount	Man-Hours Invested (hours)	Number of People Impacted
Promoting Community Relations	• Environmental Maintenance and Repair • Assisting with Traffic Management During Student Arrival and Dismissal • Donations and Sponsored Goods	1. Maintaining the Cleanliness of the Community Environment 2. Reducing Disruptions to Local Residents from Construction Activities 3. Maintaining Good Relationships with Local Residents	295	NT$3.08 million	4,070	1,501

CHC Group carefully considers the local natural environment's carrying capacity for each project and understands the expectations of local residents regarding the construction. In addition to focusing on completing projects on time and with quality, while minimizing the impact on surrounding stakeholders, the CHC Group regularly visits local residents during the construction period to ensure smooth communication and consensus. We also actively implements community service participation, such as assisting with environmental cleanup around construction sites, dredging community drainage, repairing uneven roads, conducting environmental disinfection, and managing traffic flow. Furthermore, the Group sponsors materials, visits vulnerable populations, and celebrates local festivals with residents to promote community harmony. We are also actively engaged in the adoption and maintenance of sidewalks, parks, and other public spaces near the project site, allowing local residents to enjoy well-maintained public facilities and experience a comfortable and safe environment.

Cleaning and Organizing the Surroundings of the Construction Site

Drainage Ditch Dredging Operations

Sidewalk Repair Operations

Assisting in Managing and Directing Traffic during Student Arrival and Dismissal Times

Material Sponsorship for the Lantern Festival Blessing Ceremony

Park Environment Cleaning and Maintenance

On the other hand, the Group supports community initiatives for a healthy environment by participating in local street cleaning activities and environmental disinfection operations. Each water resource center has also established parks and sports facilities, which are regularly maintained each year. In 2024, the Ciaotou Water Resource Recycle Center will maintain the community park and add fitness equipment, including seesaws, parallel bars, and rocking horses, for local residents' recreational activities. The Anping Water Resource Center will continue to conduct regular disinfection operations in the Kuoping and Wenping villages of Tainan City to prevent the occurrence of dengue fever.

Each water resource center actively participates in community public affairs, assisting with venues and materials for community activities. For example, the Fengshan Water Resource Center provided meeting rooms multiple times in 2024 to support community courses and events. The Linhai Water Resource Center assisted the Zhonglun Library in Kaohsiung City in organizing the "One Blade of Grass, One Drop of Dew" series of activities to promote awareness of wastewater treatment and other water resource environmental education. Each water resource center aims to collaborate with local community residents to promote environmental education and leverage their influence.

Ciaotou Water Resource Center Has Established Fitness Facilities

Anping Water Resource Center Conducted Environmental Disinfection of the Community Park

Fengshan Water Resource Center Assists the Social Affairs Bureau in Promoting Domestic Violence Prevention

The Linhai Water Resource Center Co-Hosted the "One Blade of Grass, One Drop of Dew" Event

COLUMN

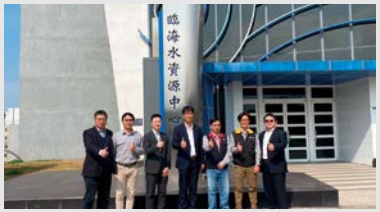
Collaborating to Create a Green Future — Expanding Cooperation and Promoting Beach Cleanup Activities for Environmental Protection

HDEC continues to exert its environmental influence by promoting a series of environmental protection initiatives and actively participating in public affairs, thereby exerting a positive impact on society.

In 2024, the Linhai Water Resource Center completed the signing of five memoranda of understanding in collaboration with the Yongkang Incineration Plant and the Rende Water Resource Recycling Center in Tainan City, the Commerce Development Research Institute, and the Wenxian Community Development Association in Kaohsiung City. This partnership focuses on promoting environmental education sessions, cultivating talent in environmental education, and designing environmental education courses. Additionally, in response to the Ministry of Environment's "Resource Circulation and Zero Waste" initiative, the Linhai Water Resource Center participated in the "Product Repair Strategy Analysis and Promotion Demonstration Project," establishing a second-hand goods exchange station and repair station to support resource circulation efforts. In 2024, the Anping Water Resource Center held beach clean-up activities at Fisherman's Island in Tainan City in August and December, while the Tamsui Water Resource Recycle Center participated in a beach clean-up event at the northern bank of the Touqian River in May. They taught participants how to use the International Coastal Cleanup (ICC) tool to record the types and quantities of waste collected, guiding participants to reflect on the results through monitoring. The Group will continue to expand its collaborations and actively promote environmental education, aiming to raise public awareness of the importance of sustainable water resource development and encouraging employee involvement and participation.

Yongkang Incineration Plant Promotion in Tainan City

Kaohsiung City Linyuan District Wenxian Community Development Association Promotes Environmental Education



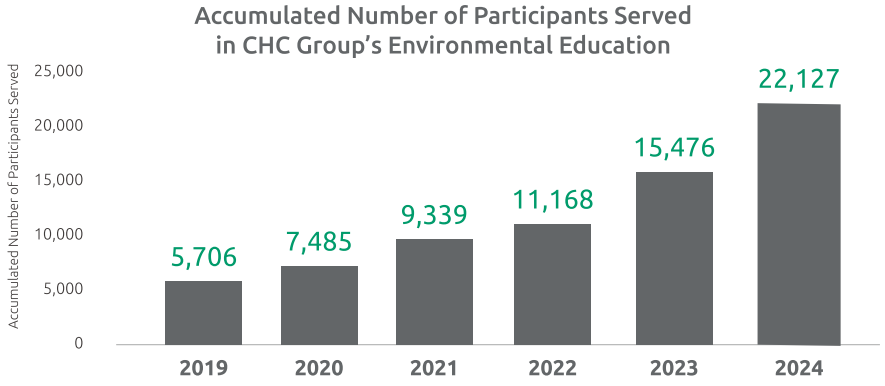
Corporate Visit to the Linhai Water Resource Center

Training for Beach Cleanup Seed Personnel by the Taiwan Environmental Information Association

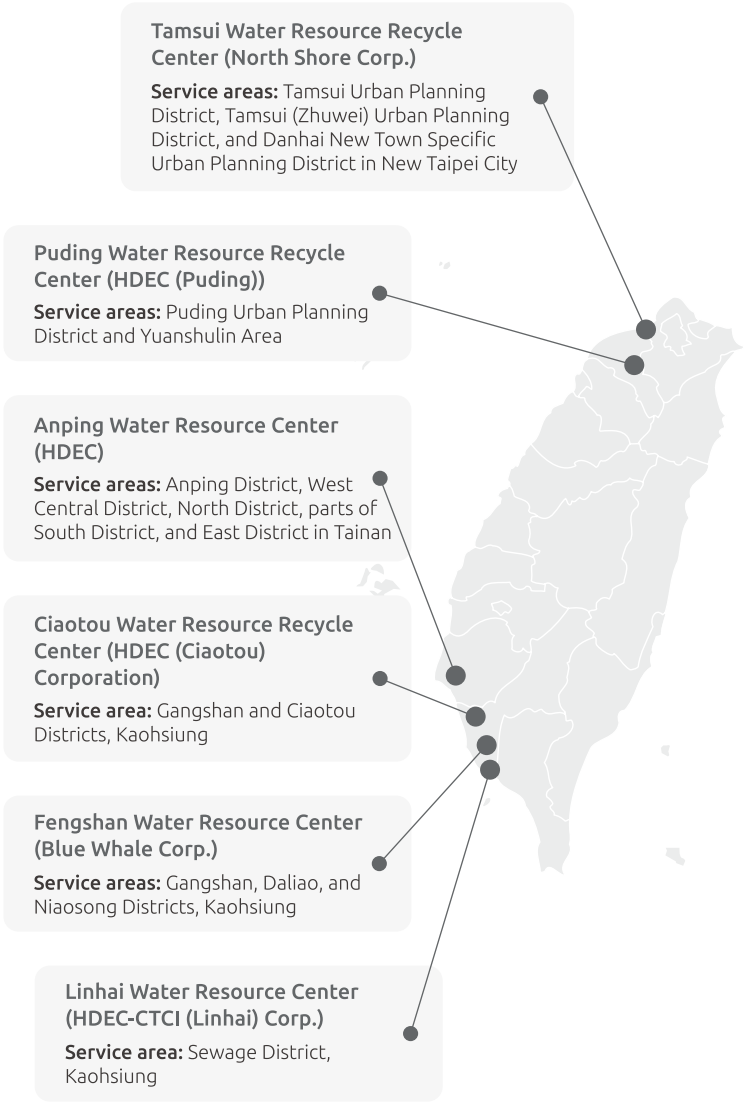
6.2 Environmental Education

HDEC, a member of the Group, specializes in environmental project development and water treatment, providing services such as reclaimed water production, municipal sewage and industrial wastewater treatment, and turnkey projects for water engineering. Over the years, it has undertaken various BOT (Build-Operate-Transfer) projects for sewage systems and BTO (Build-Transfer-Operate) projects for effluent recycling and reclaimed water plants across multiple counties and cities. Through the implementation of the "Act for Promotion of Private Participation in Infrastructure Projects," HDEC has accumulated extensive experience in planning, design, construction, operation, and maintenance. In recent years, the company has also ventured into waste treatment and renewable energy generation, continuously contributing to the sustainable development of Taiwan's water resources and environmental protection. HDEC has received external recognition for its operational efficiency and service quality. In 2024, the Linhai Water Resource Center was awarded the **"Sustainable Water Award"** by the Ministry of Environment, and received an **"excellent"** grade in the national evaluation of public wastewater treatment plants by the Ministry of the Interior. The Fengshan Water Resource Center was recognized as an **outstanding unit** in Environmental Education Certification, while the Anping Water Resource Center received the **"Corporate Team Annual Value Impact Award"** at the AIGO Potential New Star Cup competition organized by the Ministry of Digital Affairs for its solution "AI Empowered Water Management: AI Prediction for Chemical Dosing."

HDEC actively facilitates opportunities for communication among industry, government, and academia. By promoting expertise in water treatment, showcasing wastewater treatment and reclaimed water production technologies, and sharing experiences in water engineering, the Company advances the cultivation of talent in environmental engineering and water services. Through experiential and visitation activities, HDEC actively promotes environmental education, advocating the importance of water resources and enhancing public awareness of the current status, technologies, and trends in water resource management. In 2024, a total of 180 environmental education-related activities were conducted, serving 6,651 individuals, representing a 54% increase from the previous year. Since 2019, the cumulative number of individuals served has reached 22,127.



Water Resource (Recycle) Center Service Locations



Fengshan Water Resource Center

Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Households Served	Number of Industrial Customers for Reclaimed Water	Waterbody for Effluent
Fengshan, Daliao, and Niaosong Districts, Kaohsiung	• Wastewater treatment: 109,600 • Reclaimed water: 50,200	108,614	2	Fongshan River

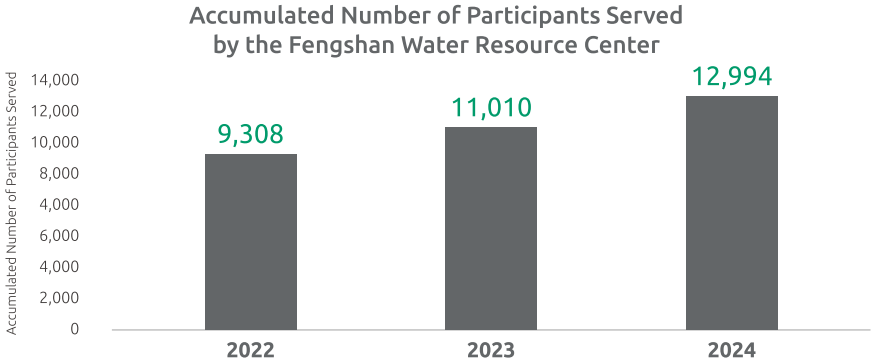
The Fengshan Water Resource Center is one of six wastewater treatment demonstration plants in the country, capable of processing 109,600 tons of wastewater daily, with a maximum daily treatment capacity of 130,000 tons. In 2024, the average daily volume of combined sewer flow treated was 80,661 tons, serving a total of 108,614 households in the Fengshan, Daliao, and Niaosong areas of Kaohsiung City, representing an increase of 2.7% compared to the previous year. The Fengshan Water Resource Center is also the first BTO project for reclaimed water supply to become operational, providing 50,200 tons of reclaimed water daily for use in the Linhai Industrial Park. In 2024, the actual supply of reclaimed water was 17,529,304 tons, significantly enhancing the reliability and flexibility of water resource management. Additionally, by maintaining the effectiveness of ISO 14001 and ISO 50001 environmental and energy management system certifications, the Center strengthens the environmental impact and energy efficiency of its daily operations, contributing to the recycling and sustainable use of water resources in the country.

| Environmental Education and Visitation Activities

The Fengshan Water Resource Center is the first environmental education park in the country focused on the theme of water resource regeneration. It centers on "water treatment, water technology, water education, and water circulation," with landscape planning that connects the surrounding wetland park and river corridor, creating a harmonious coexistence of water resources and the ecological environment. Since obtaining certification as an environmental education facility in 2020, the center has actively conducted optimization of environmental education courses and personnel training. In 2024, it completed 10 workshops on elementary school teaching plans and 13 workshops on adult teaching plans. Two staff members obtained certification as environmental education personnel, and the center received recognition as an **outstanding unit** in **Assessment of Environmental Education Facilities and Venues** organized by the Ministry of Environment in 2024.

The "Water Technology Education Center" within the park continues to utilize digital technology and professional knowledge to showcase and guide visitors through the content related to the water environment, allowing them to experience the life cycle journey of water resources. In 2024, the Center collaborated with the Kaohsiung City Water Resources Bureau to host a delegation from the Kumamoto Groundwater Conservation Promotion Headquarters in Japan, facilitating an exchange of experiences regarding the supply of reclaimed water for high-tech industries.

In 2024, the Fengshan Water Resource Center continued to support sustainable education initiatives by participating in the World Earth Day event organized by the Kaohsiung City Environmental Protection Bureau, educating approximately 250 individuals on promoting water resource recycling and sewage treatment knowledge. Additionally, for three consecutive years, the Center has participated in the Kaohsiung Smart City Summit & Expo, sharing its experiences and achievements in water treatment, showcasing smart sensing components and the operation of the sewage pipeline water quality detection system, including smart water quality monitoring for water intake systems, smart water pressure management, and flow control for water supply systems. The Center also shared practices of utilizing biogas reuse as a fuel source for sludge treatment systems, replacing fossil fuels to reduce carbon emissions. Through various visits and activities, the Center continued to promote environmental education programs, organizing a total of 58 environmental education and visitation events in 2024, with a total participation of 1,984 individuals. As of the end of 2024, the cumulative number of individuals served reached 12,994.



Family Visit

Visit from Colleges and Universities

Adult Environmental Education Activities

Visit by the Kumamoto Groundwater Conservation Promotion Headquarters in Japan

2024 Smart City Summit & Expo - Promotion of Kaohsiung Reclaimed Water

Earth Day Booth

Tamsui Water Resource Recycle Center

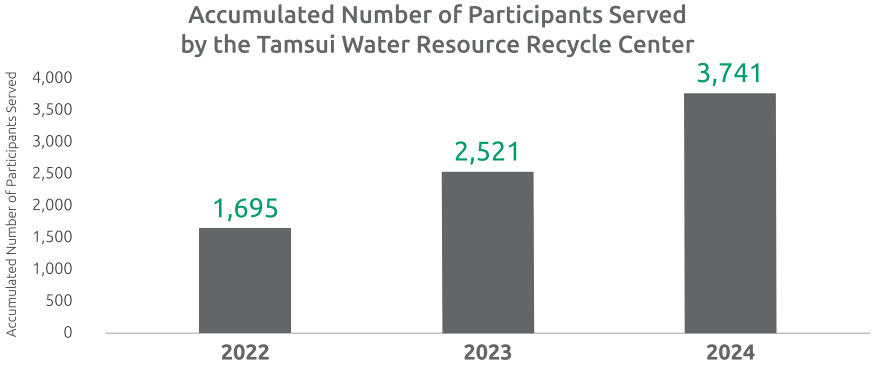
Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Households Served	Waterbody for Effluent
• Tamsui Urban Planning District in New Taipei City • Tamsui (Zhuwei) Urban Planning District in New Taipei City • Danhai New Town Specific Urban Planning District in New Taipei City	Wastewater treatment: 56,000	98,850	Linzih River

The Tamsui Water Resource Recycle Center can process 56,000 tons of domestic sewage daily. In 2024, the average daily volume of combined sewer flow treated was 52,112 tons, with treated effluent consistently exceeding regulatory water quality standards. The service area includes the Tamsui urban planning district, Tamsui (Zhuwei) urban planning district, and the specific area of the Tamsui New Town urban planning district, serving nearly 99,000 households. The sewage pipeline network has a completed length of approximately 52.7 kilometers. The number of connected users has exceeded the original target, enhancing the sewage pipeline user connection rate in the Tamsui area. The Tamsui Water Resource Recycle Center maintains the validity of its ISO 14001 environmental management system certification to ensure the effectiveness of the environmental management system. In recent years, it has actively invested in renewable energy projects, with solar power generation increasing annually. Furthermore, there are plans to introduce biogas power generation in 2025, demonstrating a commitment to implementing low-carbon operations and maintaining water environmental quality.

| Environmental Education and Visitation Activities

The Tamsui Water Resource Recycle Center has obtained the Green Building Silver Certification, meeting various green building indicators such as water conservation, energy efficiency, carbon reduction, and waste reduction. It has been continuously serving as a demonstration site for green buildings for many years. Since 2021, it has been certified as an environmental education facility, committed to maintaining the quality of environmental education programs. In 2024, it participated in the New Taipei City environmental education facility capacity enhancement program, consumer protection & green living seed personnel training, and engaged in training activities such as bird watching, SDGs innovation, and ESG governance to deepen the ESG knowledge among environmental education personnel. Furthermore, it collaborated with the Taiwan Environmental Information Association to conduct beach cleanup seed personnel training activities.

In line with the core spirit of "coexisting with the environment" and "integrating with nature," the Company promotes water resource environmental education activities targeting elementary school children of different ages. Various environmental education courses, including "Protecting Tamsui's Water Resources" and "Wate's Health Check," are designed to actively convey correct concepts to participants. In 2024, a total of 36 environmental education and visit activities were held, with a total of 1,220 participants. As of the end of 2024, the cumulative number of beneficiaries reached 3,741 people.



Course / Content	Photo
Protecting Tamsui's Water Resources Present the discharge behavior of domestic wastewater in Tamsui (Huwei) across different time periods through a narrative. Through a sensory experience, participants observe the turbidity levels caused by various impurities in clean water, as well as the dissolution and dispersion of different types of toilet paper in water; visit various wastewater treatment units to understand how wastewater transitions from turbid and dirty to clear through purification processes.	
Wate's Health Check Engage participants as inspectors to learn basic water quality analysis, interpret test results, and discuss how to prevent water quality impact during discharge into rivers. Additionally, explain the wastewater treatment process to emphasize the importance of wastewater treatment.	

In 2024, the Tamsui Water Resource Center responded to the New Taipei City "International Smart City Forum" by sharing with international guests the theme of sustainable thinking on sewage intelligent processing and reuse of recycled water. The presentation focused on the implementation of intelligent systems in wastewater treatment processes and recycled water reuse solutions.

Exchange Activity during the NTPC Smart City International Forum

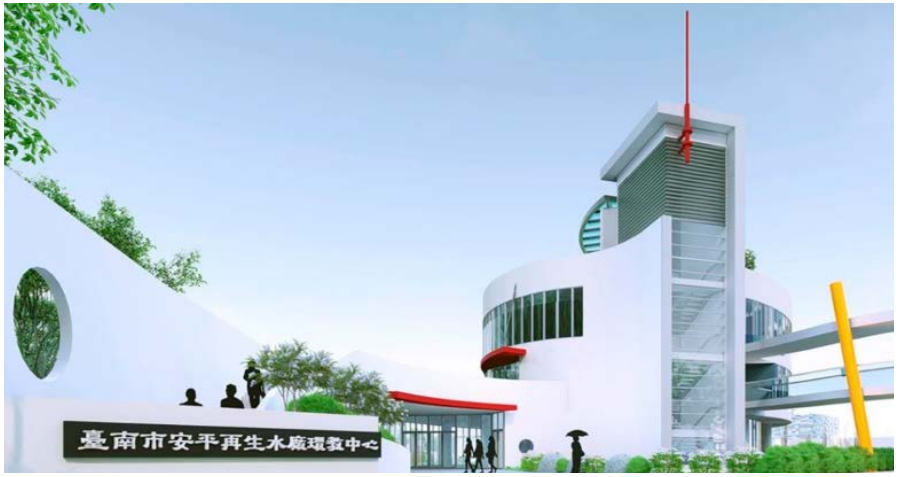
Visit of the New Taipei City Architects Association to the Water Resource Center (Green Building)

In 2024, the Tamsui Water Resource Center continued to participate in the New Taipei Environmental Festival's "i-Learn, i-Explore, i-Play" activities by launching the "The Cleaning Agent Dilemma" and "Green Creative Environmental Protection and Water Recycling" activities. These activities taught the public how to turn fruit peels into eco-friendly cleaners, giving them a renewed purpose. They also promoted water resource reuse through DIY plant moss balls, encouraging the public to implement environmental protection actions.

The Cleaning Agent Dilemma

Green Creative Environmental Protection Water Recycling

Anping Water Resource Center



Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Households Served	Number of Industrial Customers for Reclaimed Water	Waterbody for Effluent
Anping District, West Central District, North District, parts of South District, and East District in Tainan	• Wastewater treatment: 160,000 • Reclaimed water: 37,500	126,086	1	Anping Inland Sea

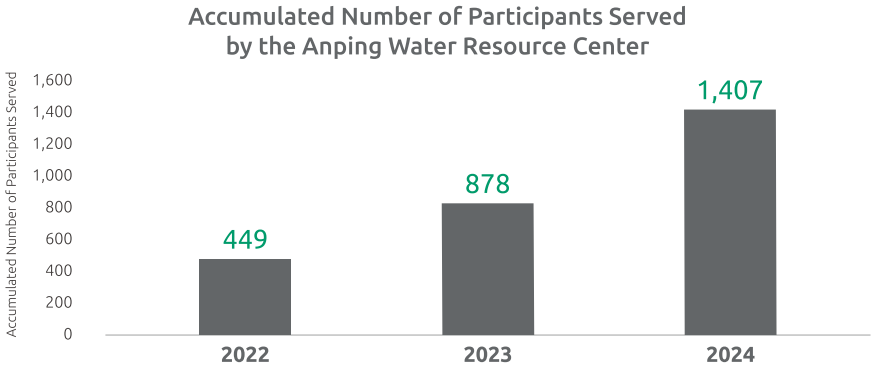
The Anping Water Resource Center can process up to 160,000 tons of wastewater per day. In 2024, the average daily volume of combined sewer flow treated was 117,000 tons, serving the Anping District, Central and Western Districts, Northern District, and parts of the Southern and Eastern Districts of Tainan City, totaling 126,086 households. The capacity for reclaimed water supply is 37,500 tons per day. In 2024, a total of 13,312,946 tons of reclaimed water were actually supplied, with plans to further expand reclaimed water supply to meet the water needs of Tainan's high-tech industries.

HDEC is responsible for the construction and operation of the Anping Recycling Water Plant to meet the water needs of advanced manufacturing processes in the Tainan Science Park. One notable feature of the construction project is the "24-kilometer long water supply

network," which was awarded the **Excellent** Underground Pipeline Engineering Award (First Class) by the Chinese Underground Pipeline Technology Association in 2024. The recycled water quality must meet the standards of ultra-pure water for industrial processes, with 21 water quality parameters, including urea, under control. The Anping Water Resource Center is required to reduce high concentrations of urea commonly found in domestic wastewater to meet the standards for industrial process water, considering influent wastewater sources such as the Tainan Anping Canal diversion water and seawater infiltration. This highlights HDEC's excellence in stable processes for reclaimed water treatment, water quality control, water supply volume, and system equipment.

| Visitation Activities

The Anping Water Resource Center obtained ISO 14001 Environmental Management System and ISO 50001 Energy Management System certifications. The Environmental Education Center opened in July 2024, featuring a smart and green building design with a water-themed exterior incorporating mangrove conservation landscapes. It offers diverse facilities and green beautification landscapes, including a VR water droplet tour and various multimedia interactive facilities. An online exhibition hall for the Environmental Education Center was established for public visits anytime, anywhere. Throughout 2024, activities included environmental education course design and planning, guided tours, pre-planning for environmental education facility certification, and on-site inspections, with environmental education facility certification expected to be obtained in 2025. A total of 27 visit activities were held in 2024, with 529 participants, marking a 23% increase from 2023. By the end of 2024, the cumulative number of service recipients reached 1,407.



In addition to actively collaborating with local government, industry, and academic research units to conduct environmental education and visitation activities, the Anping Water Resource Center, based on the successful experience in providing reclaimed water for high-tech industries, attracted expert teams from countries such as South Korea and Japan multiple times in 2024. The experts exchanged views on topics including reclaimed water technology, planning strategies for recycled water resource reuse, and the construction of reclaimed water plants. The visiting experts expressed keen interest in the control technology to ensure the stable supply of the 24-kilometer water transmission pipeline.

Opening of the Environmental Education Center

Visit Report by South Korean Scholars

Visit by the Kumamoto Environmental Living Department Team

Colleges and Universities Visit Record

Linhai Water Resource Center

Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Industrial Customers for Reclaimed Water, 2024	Waterbody for Effluent
Collecting wastewater from the main sewer pipe on old Kaisyuan Road in the Sewage District, Kaohsiung	• Wastewater treatment: 55,000 • Reclaimed water: 33,000	4	CPC Open Channel

Linhai Water Resource Center is the first demonstration project in Taiwan to simultaneously construct a sewage treatment plant and a reclaimed water treatment plant. It is also the second public sewage treatment and reuse BTO project in Kaohsiung City. The sewage from the Kaisun Fourth Road trunk line in Qianzhen District is treated at the sewage treatment plant to share the processing load of the Kaohsiung sewage area. Linhai Water Resource Center can process 55,000 tons of sewage per day, providing 33,000 tons of reclaimed water to the Linhai Industrial Zone. In 2024, an average of approximately 48,000 tons of combined sewer flow water was treated daily, with an actual supply of 11,432,863 tons of reclaimed water. This provides an affordable and stable industrial water source, while also serving as a detention basin and environmental education facility.

The Linhai Water Resource Center adopts an intelligent management and monitoring model to optimize operations, reduce energy consumption, save resources, and enhance processing efficiency. The use of the rare membrane filtration method MBR significantly enhances the quality and quantity of wastewater recycling, effectively implementing a circular economy and alleviating the water shortage in southern Taiwan. An emergency response plan has been established to enhance service stability. The Company's performance in operational efficiency and service quality has been recognized externally, with awards including the National Sustainable Development Award in 2022, the "Golden Thumb Awards For PPP" in 2023, and the Ministry of Environment's "Sustainable Water Award" in 2024.

| Environmental Education and Visitation Activities

During the construction phase, Linhai Water Resource Center implemented AR technology to integrate Building Information Modeling (BIM), reducing redundant construction and resource consumption. The main building achieved the Green Building Silver Certification and was honored with the Kaohsiung House Green Building Award. The park features facilities such as an ecological pond, a croquet court, and an environmental education center. The landscape pool's water source is recycled from within the center. Solar and wind power systems are installed on the roof. In 2024, wind power generation increased by 48%, and the water treatment process also includes a biogas reuse device.

The Linhai Water Resource Center has held certification as an environmental education facility since 2023. The center is equipped with interactive experiential facilities that cover various topics, including renewable energy, the current state of water resources in Taiwan, wastewater treatment processes, physical model displays, and water cycle exhibits. Additionally, it offers environmental education programs and activities for school-age children and the general public, including static, dynamic, virtual interactive, and hands-on courses.

Course / Content	Photo
Wastewater Turnaround Suitable for 5th and 6th grade elementary school students, the course uses VR (virtual reality) interactive facilities to allow children to become water molecules and experience the process of wastewater being gradually purified into reclaimed water.	

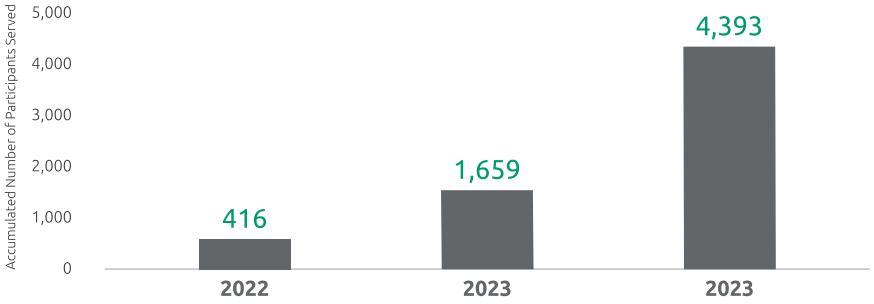
Course / Content	Photo
Climate Change - Let's Roll! Introducing climate change mitigation solutions that integrate green building design, solar photovoltaic systems, wind power generation, and systems for energy recovery from reclaimed water unit systems and effluent for reuse, to raise awareness among visitors that everyone can contribute to environmental conservation efforts.	

In 2024, Linhai Water Resource Center actively responded to sustainable education activities by collaborating with the Commerce Development Research Institute to provide corporate visits, leveraging its own environmental education experience and facilities. The Center also partnered with Kaohsiung City Linyuan District Wenxian Community Development Association and the Rende Water Resources Recycling Center in Tainan City to promote environmental education and exchange wastewater treatment-related business, collectively enhancing environmental education impact. Additionally, the Center co-organized the "Environmental Educator Certification Training Program," guiding participants to observe the facilities, share practical teaching experiences, and continuously enhance the knowledge of environmental educators. In 2024, Linhai Water Resource Center added one staff member who obtained environmental educator certification.

As the recipient of the Golden Thumb Awards for PPP in 2023, the Linhai Water Resource Center continued to receive attention and visits from various government agencies and groups in 2024, sharing its achievements in ongoing optimization of sewage treatment and reclaimed water supply. The center also hosted a visit from the University of the Philippines to exchange methods of sewage treatment between Taiwan and the Philippines, as well as to share experiences in reclaimed water treatment.

The Linhai Water Resource Center actively promoted issues such as wastewater treatment, water recycling, and water resource protection beyond the central area. In 2024, it organized environmental education and advocacy activities on-site at the Tzu Chi X PaGamO Environmental Disaster Prevention Warrior PK Competition - Kaohsiung City Cup, "2024 Earth Day (Planet vs Plastics)", "Harbor Forest Water Life - Environmental Education Parent-Child Fun Day", and the "One Blade of Grass One Drop of Dew" series of events hosted by the Kaohsiung Zhonglun Library. A total of 49 visits were held in 2024, with a total of 2,734 participants, representing a growth of 63% and 120% compared to 2023, respectively. As of the end of 2024, the cumulative number of service recipients reached 4,393.

Accumulated Number of Participants Served by the Linhai Water Resource Center

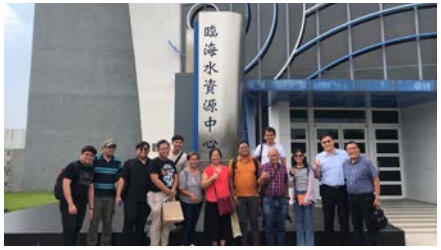


Tzu Chi x PaGamO Environmental Disaster Prevention Warrior PK Competition - Kaohsiung City Cup

On-site promotion at the 2024 Earth Day (Planet vs Plastics) Event

Harbor Forest Water Life - Environmental Education Parent-Child Fun Day

Kaohsiung City Linyuan District Wenxian Community Development Association - Environmental Education Activity Participation


University of the Philippines Visit

Ciaotou Water Resource Recycle Center

Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Households Served	Waterbody for Effluent
Gangshan and Ciaotou Districts, Kaohsiung	Wastewater treatment: 20,000	18,664	Dianbao River

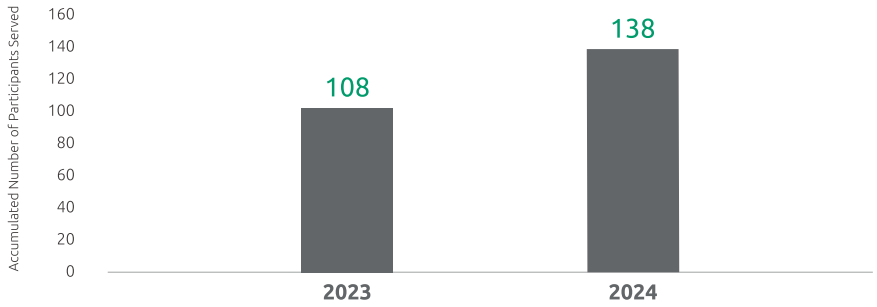
The Ciaotou Water Resource Recycle Center, formerly the Ciaotou Wastewater Treatment Plant, currently has a processing capacity of 20,000 metric tons. The catchment area includes Gangshan District and Ciaotou District in Kaohsiung City, with sewage from 18,664 households being treated in the sewage treatment system. In 2024, the average daily wastewater treatment volume was approximately 12,830 metric tons. In response to the water shortage crisis in southern Taiwan and the water demand for developing high-tech industries, the Kaohsiung Ciaotou Reclaimed Water Plant BTO project was initiated in 2023. It is expected to be completed by the end of 2025 and will be the first reclaimed water plant in northern Kaohsiung, also the third in Kaohsiung City. In its first year of operation, it is projected to supply 22,950 metric tons of reclaimed water daily. Additionally, the wastewater treatment capacity will increase from 20,000 metric tons to 50,000 metric tons, significantly alleviating water pressure and supply burden in the Greater Kaohsiung area.

| Visitation Activities

The existing Gangshan Ciaotou Wastewater Treatment Plant holds the Gold-level Green Building Certification, featuring facilities such as a rainwater harvesting system and landscape ponds. The overall design of the Reclaimed Water Park under construction is centered around creating a water-themed image and water retention function. It adopts a bright window design to enhance ventilation and reduce energy consumption. The new facilities will integrate with the surrounding landscape, increasing green space and incorporating aquatic ecological landscapes. An environmental education area is also planned. It is expected to obtain environmental education facility certification in 2027.

In 2024, the main focus of the visit to the Ciaotou Water Resource Recycle Center was on the wastewater treatment process and the introduction of the construction plan and vision for the reclaimed water plant. Due to the experience in building the Ciaotou reclaimed water plant, the Ciaotou Water Resource Center has also begun to attract attention from industry, government, and academia. It has successively hosted visiting teams from the Environmental Living Department of Kumamoto City, Japan, and teams of environmental engineering professionals for exchanges. It has also become a choice for practical water treatment visits by universities and colleges. Leveraging its water resource management experience, the Ciaotou Water Resource Center will continue to plan and design environmental education programs, promote visits and guided tours. In 2024, four visit events were held with a total of 30 participants. As of the end of 2024, the cumulative number of service recipients reached 138.

Accumulated Number of Participants Served by the Ciaotou Water Resource Recycle Center



Visit by the Kumamoto Environmental Living Department Team

Visit from Colleges and Universities

Puding Water Resource Recycle Center

Wastewater Treatment Districts	Design Processing Capacity (cubic meters / day)	Number of Households Served	Waterbody for Effluent
Puding Urban Planning District and Yuanshulin Area	Wastewater treatment: 7,500	2,665	Dahan River

The Puding Water Resource Recycle Center has a daily processing capacity of 7,500 tons. In 2024, the average daily processing volume of domestic sewage was approximately 1,134 tons. The catchment area includes the urban planning area of Puding in Taoyuan City and the Yuanshulin area. As of the end of 2024, the length of the sewage pipeline network completed was 24.2 kilometers, serving 2,665 households. Upon completion of the second and third phases of expansion in the future, the daily sewage processing capacity will reach 15,000 tons, significantly enhancing Taoyuan's sewage treatment capacity.

The Puding Water Resource Recycle Center has obtained a Silver-level Green Building Candidate Certificate. The exterior design features a kite-shaped structure, integrated with the surrounding Takoham Ecology Park and Zhongzhuang Adjustment Pond to create a landscape park. The center is equipped with a rainwater harvesting system and LED streetlights around the perimeter. Starting in 2024, the Center began hosting guided tours and visits, offering tailored programs for the general public and school-age children, including "Layer upon Layer, Constant Flow" and "Wastewater Transformation" courses. These programs aim to promote the concept of water resource recycling, water-saving tips, and introduce wastewater treatment principles in an easily understandable manner. The Center continues to collaborate with schools and local associations to organize visit activities. In 2024, a total of 6 visit events were held, with 154 participants. The Company plans to further invest in environmental education work and is expected to obtain environmental education facility certification by 2027.

Wastewater Transformation Course

Layer Upon Layer, Constant Flow Course

Appendix

ISO and Other Certificated Items

ISO Certificated Items

Items	Name	Scope of Certification	Certification Validity / Issue Date
ISO 9001:2015	Quality Management System	CHC, CEC, CDC, HDEC	2024.02.16 ~ 2027.02.15
ISO 27001:2022	Information Security Management System	CHC, CCLC	2023.11.07 ~ 2026.11.07
		CDC, HDEC	2024.12.19 ~ 2026.11.07
ISO/CNS 45001:2018	Occupational Health and Safety Management System	CEC	2021.06.02 ~ 2024.06.01 2024.06.02 ~ 2027.06.01
ISO/CNS 45001:2018	Occupational Health and Safety Management System	HDEC、North Shore Corp	2023.07.05 ~ 2026.07.04
ISO 14001:2015	Environmental Management System	HDEC - North Shore Corp (Tamsui Water Resource Recycle Center)	2022.02.02 ~ 2025.02.02
ISO 9001:2015	Quality Management System	HDEC - Blue Whale Corp (Fengshan Water Resource Center)	2023.01.17 ~ 2026.01.16
ISO 14001:2015	Environmental Management System		2023.01.13 ~ 2026.01.12
ISO 50001:2018	Energy Management System		2023.01.13 ~ 2026.01.12
ISO 45001:2018	Occupational Health and Safety Management System		2023.07.05 ~ 2026.07.04
ISO/IEC 17025:2017 CNS 17025:2018	Laboratory Quality Management System		2024.05.21 ~ 2027.05.20
ISO 9001:2015	Quality Management System	HDEC - Anping Water Resource Center	2022.09.12 ~ 2025.09.11
ISO 14001:2015	Environmental Management System		2022.09.12 ~ 2025.09.11
ISO 50001:2018	Energy Management System		2021.10.08 ~ 2024.10.07 2024.10.08 ~ 2027.10.07
ISO 45001:2018	Occupational Health and Safety Management System		2022.09.12 ~ 2025.09.11
ISO/IEC 17025:2017 CNS 17025:2018	Laboratory Quality Management System		2022.07.28 ~ 2025.07.27
ISO 9001:2015	Quality Management System	HDEC - HDEC-CTCI (Linhai) Corp (Linhai Water Resource Center)	2023.08.22 ~ 2026.08.21
ISO 14001:2015	Environmental Management System		2023.08.22 ~ 2026.08.21
ISO 50001:2018 CNS 50001:2020	Energy Management System		2023.06.21 ~ 2026.06.20
ISO 45001:2018	Occupational Health and Safety Management System		2023.07.05 ~ 2026.07.04
ISO/IEC 17025:2017 CNS 17025:2018	Laboratory Quality Management System		2023.03.22 ~ 2026.03.21
ISO 19650-2:2018	BIM (Building Information Modeling) Standards	CEC	2023.04.20 ~ 2024.04.19 2024.08.13 ~ 2025.08.12

ISO Certificated Items

Items	Name	Scope of Certification	Certification Validity / Issue Date
ISO 14064-1:2018	Greenhouse Gas Inventory Standards	CHC (standalone); Verification Year: 2023 CHC (standalone); Verification Year:2024	2024.04.25 2025.04.01
ISO 14064-1:2018	Greenhouse Gas Inventory Standards	CCLC (standalone); Verification Year: 2023 CCLC (standalone); Verification Year: 2024	2024.04.23 2025.04.01
ISO 14064-1:2018	Greenhouse Gas Inventory Standards	CEC (standalone); Verification Year: 2023	2025.01.21
ISO 14064-1:2018	Greenhouse Gas Inventory Standards	CDC (standalone); Verification Year: 2023	2024.10.02
ISO 14064-1:2018	Greenhouse Gas Inventory Standards	HDEC (consolidated); Verification Year: 2023	2024.09.20

Other Certificated Items

Items	Scope of Certification	Certification Validity / Issue Date
Environmental Education Facility and Venue	HDEC - Fengshan Water Resource Center	2020.12.21 ~ 2025.12.20
Environmental Education Facility and Venue	HDEC - Tamsui Water Resource Recycle Center	2021.07.06 ~ 2026.07.05
Environmental Education Facility and Venue	HDEC - Linhai Water Resource Center	2023.11.06 ~ 2028.11.05
Green Building Label – Silver Level	HDEC - Fengshan Water Resource Center (Education Center)	2020.06.17 ~ 2025.06.16
Green Building Label – Silver Level	HDEC - Tamsui Water Resource Recycle Center	2021.05.27 ~ 2026.05.26
Green Building Label – Silver Level	HDEC - Linhai Water Resource Center	2023.06.14 ~ 2028.06.13
Healthy Workplace Certification – Health Initiation Label	CEC –Administration Building, CDC, HDEC	2023.01.01 ~ 2025.12.31
Healthy Workplace Certification – Health Initiation Label	CEC –Administration Building	2024.01.01 ~ 2026.12.31
iSports Enterprise Certification	CDC	2023.11.01 ~ 2026.10.31

Detailed Sustainability Performance Statistics

HR Structure

Items	Classification	Male		Female		Subtotal and Percentage by Group	
		Number	Percentage of that category	Number	Percentage of that category	Number	Percentage of that category
Type of Contract	Permanent	2,090	98.1%	521	97.7%	2,611	98.0%
	Temporary	40	1.9%	12	2.3%	52	2.0%
Type of Employment	Full-time	2,090	98.1%	521	97.7%	2,611	98.0%
	Part-time	40	1.9%	12	2.3%	52	2.0%
Type of Job	Supervisor	418	19.6%	61	11.4%	479	18.0%
	Non-Supervisor	1,712	80.4%	472	88.6%	2,184	82.0%
Age	Under 35	532	25.0%	198	37.1%	730	27.4%
	35 to 45	509	23.9%	148	27.8%	657	24.7%
	Above 45	1,089	51.1%	187	35.1%	1,276	47.9%
Minority Group	People with Disabilities	22	78.6%	6	21.4%	28	1.1%
	Indigenous Peoples	9	52.9%	8	47.1%	17	0.6%
	Foreign Employees	836	99.8%	2	0.2%	838	31.5%
Total		2,663 individuals					

Note:

1. The employee statistics use the total number of personnel as of the end date of the reporting period (December 31, 2024).
2. Temporary employees include contract employees and employees without guaranteed hours; employees without guaranteed hours are defined as daily wage/hourly wage personnel, totaling 13 individuals; part-time employees are those with non-fixed working hours and shorter work durations.
3. Supervisory Positions: Employees with personnel management responsibilities, excluding the Chairman; Non-Supervisory Positions: Employees without personnel management responsibilities.
4. The total number of employees in 2024 increased by 6.1% compared to the previous year. This rate of change falls within the normal fluctuation range for the industry, indicating no significant variation.
5. In 2024, 100% of employees are permanently stationed in western Taiwan. Due to the project-oriented work arrangement, the workforce allocation is highly dynamic, making it impossible to accurately categorize statistics by county or city.

New Hires and Turnover Rates of Employees

Category	Group	New Employee		Departed Employees	
		Number	Percentage of that category	Number	Percentage of that category
Gender	Male	543	86.1%	446	90.1%
	Female	88	13.9%	49	9.9%
Age	Under 35	224	35.5%	165	33.3%
	35 to 45	189	30.0%	114	23.0%
	Above 45	218	34.5%	216	43.7%
Proportion of Full-Time Employees		24.2%		19.0%	

Note: Calculated based on the total number of full-time employees as of the end of the reporting period (December 31, 2024).

Greenhouse Gas Emissions

CO_2 Equivalent Emissions	2023			2024		
	Scope 1	Scope 2	Scope 3	Scope 1	Scope 2	Scope 3
CHC (standalone)	9.40	70.50	17.41	9.93	70.59	17.69
CCLC (standalone)	9.21	241.11	53.83	10.65	254.96	57.44
CEC (standalone)	3,363.58	6,931.16	274,752.47	542.11	7,969.33	674.82
CDC (standalone)	17.72	230.28	1,761.08	17.14	212.88	2,055.64
HDEC (consolidated)	9,337.70	40,830.98	16,402.71	4,555.68	47,743.79	19,371.45
Total Emissions	12,737.62	48,304.03	292,987.50	5,135.51	56,251.55	22,177.03

Note:

1. The emission factor for the electricity grid is calculated using the "Electricity Carbon Emission Factor for 2023" announced by the Energy Administration, Ministry of Economic Affairs.
2. The greenhouse gas emission factor management table (version 6.0.4) and the 100-year average value of GWP (Global Warming Potential) in the IPCC Sixth Assessment Report are adopted as the bases for calculating carbon dioxide.
3. The greenhouse gas emission factors for Scope 1: Natural gas is 1.8809 $kgCO_2e$/liter, and gasoline is 2.3565 $kgCO_2e$/liter. For certain types of diesel, it is not possible to distinguish between mobile and stationary sources; therefore, the average emission factor of the two sources, 2.6309 $kgCO_2e$/liter, is adopted as the emission factor.
4. The 2023 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In 2024, the inventory data has been retrospectively adjusted following the successful greenhouse gas verification of 2023 conducted by the Bureau Veritas Certification (BV).
5. The 2024 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In the first quarter of 2025, CHC (standalone) and CCLC (standalone) passed the greenhouse gas verification of 2024 conducted by the Bureau Veritas Certification (BV), while the other companies are currently going through third-party verification processes.
6. Scope 3 emissions were quantified by category based on materiality (see Chapter 5). The 2024 Scope 3 inventory for CEC (standalone) is still in progress; therefore, some Scope 3 categories have not been included in the statistics.

Energy Consumption

Unit: GJ	2022	2023	2024
CHC	696.32	636.54	644.91
CCLC	1,240.20	1,869.13	1,991.47
CEC	48,503.54	61,399.06	65,465.48
CDC	771.57	1,450.52	1,649.95
HDEC	243,688.66	323,607.79	373,714.14
Total	294,900.29	388,963.04	443,465.95

Unit: GJ		2022	2023	2024
CHC	Electricity	500.49	512.72	514.42
	Gasoline	195.83	123.82	130.49
CCLC	Electricity	1,238.93	1,753.49	1,858.00
	Gasoline	1.27	115.64	133.47
CEC	Electricity	48,142.31	52,477.21	58,076.11
	Gasoline	356.95	4,566.56	3,833.96
	Diesel	4.28	3,487.68	2,740.66
	Natural Gas	-	108.97	93.96
	Liquefied Petroleum Gas (LPG)	-	758.64	720.79
CDC	Electricity	695.25	1,345.71	1,551.39
	Gasoline	76.33	104.81	98.56
HDEC	Electricity	218,026.97	297,553.73	348,238.58
	Gasoline	4,262.59	1,584.13	2,350.43
	Diesel	7,385.74	7,377.40	7,021.13
	Natural Gas	248.96	29.66	3.38
	Liquefied Petroleum Gas (LPG)	-	49.64	20.82
	Renewable Energy	13,764.39	17,013.22	16,079.81
Total		294,900.29	388,963.04	443,465.95

Note:

1. External purchased electricity is converted based on 3.6 GJ/kWh. The conversion for diesel and natural gas follows the "Unit Heating Value of Energy Products" announced by the Energy Administration, Ministry of Economic Affairs in 2024. The conversion for gasoline follows the "2024 Heating Values for Automotive Gasoline and Diesel" announced by the Ministry of Environment.
2. The 2022 inventory boundary: Headquarters Building of CHC Group (CHC, CEC, CDC, HDEC, and CCLC), CEC's construction sites, HDEC's operational bases (Tamsui, Fengshan, Anping and Linhai), HDEC's construction sites (Puding pipeline network, Puding EPC, Tongluo EPC, and Anping EPC).
3. The 2023 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated). In 2024, the energy inventory data has been retrospectively adjusted following the successful greenhouse gas verification of 2023 conducted by the Bureau Veritas Certification (BV).
4. The 2024 inventory boundary: CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated).
5. Renewable energy includes wind power generation, solar power generation, and biogas power generation.

Waste

Non-Hazardous Waste - Domestic Waste

Site	Type	Final Disposal Method	2022		2023		2024		Unit
			Weight	Total	Weight	Total	Weight	Total	
Headquarters Building	Paper	Recycling	7,728.10	10,342.00	7,154.62	9,671.07	8,474.70	12,456.35	Kilograms
	Steel and Aluminum Cans		82.54		143.75		110.07		
	Plastics		416.36		474.90		601.10		
	Metal Waste		-		-		1,154.49		
	Kitchen Waste		2,115.44		1,897.81		2,115.98		
	Office Waste	Incineration	31,490.00	31,490.00	38,503.09	38,503.09	43,888.91	43,888.91	
HDEC	Paper	Recycling	5,123.94	9,145.00	6,022.01	13,136.00	2,644.03	12,744.65	
	Steel and Aluminum Cans		1,137.90		2,705.00		1,199.46		
	Plastics		2,237.16		3,863.92		8,884.11		
	Waste Batteries		76.00		7.07		3.05		
	Kitchen Waste		180.00		360.00		-		
	Metal Waste		390.00		178.00		14.00		
	Office Waste	Incineration	316,540.00	316,540.00	475,570.00	475,570.00	479,090.30	479,090.30	
CEC	Paper	Recycling	1,634.20	72,200.74	-	-	-	-	
	Steel and Aluminum Cans		305.20		-		-		
	Plastics		1,061.34		-		-		
	Metal Waste		69,200.00		-		-		
Total			-	439.72	-	536.88	-	548.18	Metric ton

Note: 100% of domestic waste is disposed of off-site by qualified waste management facilities.

Non-Hazardous Industrial Waste

Business	Type	Disposal Method	2022 Total Amount	2023 Total Amount	2024 Total Amount	Unit
CEC	Construction Waste	As Reused for Other Purposes	6,388.13	-	12,500.88	Metric ton
			9,925.00	-	-	Cubic meter
		Collection and Disposal	6,032.02	21,120.15	4,713.55	Metric ton
			7,911.00	-	-	Cubic meter
		Landfill Disposal	4,751.60	-	-	Metric ton
			956.00	-	-	Cubic meter
	Construction Surplus Soil	As Reused for Other Purposes	16,632.00	-	-	Cubic meter
CDC	Construction Waste	As Reused for Other Purposes	569.35	-	4,145.19	Metric ton
			-	-	-	Cubic meter
HDEC	Construction Waste	As Reused for Other Purposes	200.68	113.40	-	Metric ton
			-	-	-	Cubic meter
		Physical Disposal	-	305.72	-	Metric ton
		Collection and Disposal	132.72	-	-	Metric ton
		Landfill Disposal	-	-	207.43	Metric ton
	Construction Surplus Soil	Recycling	-	4,128.00	-	Metric ton
	Organic Sludge	Landfill Disposal	14,997.62	3,837.90	4,128.66	Metric ton
		Biological Disposal	-	921.31	3,757.81	Metric ton
		Reuse	-	6,679.82	5,215.33	Metric ton
		Temporary Storage	-	5,061.65	5,402.48	Metric ton
		Incineration Disposal	-	1,680.67	-	Metric ton
		Thermal Disposal	-	832.01	809.76	Metric ton
	Sludge Mixture	Thermal Disposal	-	-	53.86	Metric ton
Total			35,424.00	-	-	Cubic meter
			33,072.12	44,680.63	40,934.95	Metric ton

Note:

1. Industrial waste is 100% entrusted to qualified waste management facilities for off-site disposal, and the subsequent flow is tracked according to the triplicate waste collection receipt.
2. In practice, construction waste is typically measured in cubic meters, so the information is disclosed separately. Depending on the project type and its phase each year, there can be significant fluctuations in the volume of construction waste generated.

Hazardous Industrial Waste

Business	Type	Disposal Method	2022	2023	2024
			Total Amount (metric tons)		
HDEC	Liquid Acid Waste	Landfill Disposal	0.98	0.82	0.66
	Other Corrosive Industrial Waste	Landfill Disposal	0.47	-	-
		Chemical Disposal	-	0.40	0.50
	Other Flammable Industrial Waste	Landfill Disposal	0.01	-	-
		Incineration Disposal	-	0.01	0.03
Total			1.46	1.23	1.19

Note: Hazardous industrial waste refers to laboratory waste, which is 100% entrusted to qualified laboratory waste disposal contractors. The disposal process follows the tracking of the triplicate waste collection receipt to monitor subsequent flows.

Water Resources Utilization

Business Unit	Water Consumption Method	Water Source	Water Withdrawal (cubic meters) 2022	2023	2024
Headquarters Building	Domestic Water	Tap water	9,794	10,184	11,537
CEC	Domestic Water	Tap water	-	-	420
	Construction Water	Tap water	123,843	190,978	208,527
HDEC	Domestic Water	Tap water	3,987	9,308	11,033
	Construction Water	Tap water	3,057	49,955	13,561
	Operational Water	Tap water	89,042	76,270	101,890
Total			229,723	336,694	346,968

Participation of Associations and External Organizations

Company	Name of Association	Participation Status
CHC	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Group member
	BCSD-Taiwan	Permanent member
CDC	FIABCI-Taiwan	Member
	International Real Estate Federation (affiliated FIABCI-Taiwan)	Member
	The Real Estate Development Association of Taipei	Member
	Taichung Real Estate Development Association	Member
HDEC	Taiwan Environmental Engineering Association	Group member
	Taiwan Underground Pipeline Engineering Association	Group member
	Taiwan Electrical Contractors Association	Group member
	The Chinese Institute of Environmental Engineering	Group member
	The Real Estate Development Association of Taipei	Group member
CEC	Chinese Institute of Civil and Hydraulic Engineering	Group member
	China Road Federation	Group member
	Construction Management Association of the Republic of China	Group member
	Chinese Taipei Tunnelling Association	Group member
	Taiwan Regional Engineering Contractors Association	Group member
	Taiwan BIM Alliance	Group member
	Chinese Society of Structural Engineers	Group member
	Taiwan Geotechnical Society	Group member
	Taiwan Concrete Institute	Group member
	Value Management Institute of Taiwan	Group member
	Rail Engineering Society of Taiwan	Group member
	Industrial Safety and Health Association (ISHA) of the R.O.C.	Group member
	Labor Safety & Health Management Society R.O.C.	Group member
	TOSHMS Promotion Associations in Northern Taiwan	Group member
	Construction North of Taiwan Occupational Safety and Health Association (C.N.T.O.S.H.A)	Group member
	Construction Middle of Taiwan Occupational Safety and Health Association (C.M.T.O.S.H.A)	Group member

Company	Name of Association	Participation Status
CEC	Occupation Safety and Health Protection Council of Southern Taiwan Construction	Group member
	Taipei City Self-Management Strategy Alliance for Construction Sites	Group member
	Taiwan Electrical Contractors Association, R.O.C.	Group member
	Taiwan Water Pipe Engineering Industries Association	Group member
	Taiwan Refrigerating and Air-Conditioning Engineering Association of R.O.C	Group member
	Taiwan Society for Circular Economy	Group member
	Taiwan Arbitration Association	Group member
	Chinese Arbitration Association, Taipei	Group member
	The Real Estate Development Association of Taipei	Group member
	HRGROUP (Human Construction Industry Association)	Group member
	Taiwan Society for Construction Safety (TWSCS)	Group member

Note: The listed associations represent a selected excerpt.

GRI Standards Disclosure Index Table

GRI Standards Disclosure Index Table	
Statement of Use	CHC Group has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.
GRI 1 Used	GRI 1 Foundation 2021
Applicable GRI Sector Standard	N/A

GRI Standards Disclosure

GRI Standards		Disclosure	Page	Supplementary Note
General Disclosures				
GRI 2 General Disclosures (2021)	2-1	Organizational details	7	
	2-2	Entities included in the organization's sustainability reporting	3	
	2-3	Reporting period, frequency and contact point	3	
	2-4	Restatements of information	-	No restatements were made
	2-5	External assurance	-	External assurance was not conducted this year
	2-6	Activities, value chain and other business relationships	7, 66	
	2-7	Employees	152	
	2-8	Workers who are not employees	95	
	2-9	Governance structure and composition	31-33	
	2-10	Nomination and selection of the highest governance body	32-33	
	2-11	Chair of the highest governance body	32	
	2-12	Role of the highest governance body in overseeing the management of impacts	11	
	2-13	Delegation of responsibility for managing impacts	11	
	2-14	Role of the highest governance body in sustainability reporting	11	
	2-15	Conflicts of interest	33	
	2-16	Communication of critical concerns	-	No critical concerns were communicated this year
	2-17	Collective knowledge of the highest governance body	33	
	2-18	Evaluation of the performance of the highest governance body	33-34	

GRI Standards Disclosure

GRI Standards		Disclosure	Page	Supplementary Note
GRI 2 General Disclosures (2021)	2-19	Remuneration policies	81-82	
	2-20	Process to determine remuneration	81-82	
	2-21	Annual total compensation ratio	-	In accordance with the company's employee compensation policy, the annual total compensation of the highest-paid individual is considered sensitive and confidential information and is therefore not disclosed
	2-22	Statement on sustainable development strategy	4, 12-14	
	2-23	Policy commitments	34, 37, 41, 43-44, 50, 67-68, 72, 95	
	2-24	Embedding policy commitments	35-47, 50-52, 67-70, 73-82, 96-103	
	2-25	Processes to remediate negative impacts	36, 39-40, 46-47	
	2-26	Mechanisms for seeking advice and raising concerns	36, 39-40, 46-47	
	2-27	Compliance with laws and regulations	48	
	2-28	Membership associations	155	
	2-29	Approach to stakeholder engagement	16-17	
	2-30	Collective bargaining agreements	39-40	CHC has not yet received any requests from labor representatives to negotiate a collective agreement; therefore, no collective agreement has been signed. However, the Company regularly holds meetings to understand employee opinions, provides channels for complaints, and establishes reporting procedures to protect employee rights

GRI Standards Disclosure

GRI Standards	Disclosure		Page	Supplementary Note
Material Topics				
GRI 3 Material Topics (2021)	3-1	Process to determine material topics	18	
	3-2	List of material topics	19-22	
Economic Performance				
GRI 201 Economic Performance (2016)	3-3	Management of material topics	23	
	201-1	Direct economic value generated and distributed	9-11	
	201-2	Financial implications and other risks and opportunities due to climate change	106-108	
Corporate Governance & Regulatory Compliance				
GRI 2 General Disclosures (2021)	3-3	Management of material topics	23	
	2-9	Governance structure and composition	31-33	
	2-10	Nomination and selection of the highest governance body	32-33	
	2-11	Chair of the highest governance body	32	
	2-12	Role of the highest governance body in overseeing the management of impacts	11	
	2-13	Delegation of responsibility for managing impacts	11	
	2-14	Role of the highest governance body in sustainability reporting	11	
	2-27	Compliance with laws and regulations	48	
Ethical Management				
GRI 205 Anti-corruption (2016)	3-3	Management of material topics	23	
	205-2	Communication and training about anti-corruption policies and procedures	35-36	
	205-3	Confirmed incidents of corruption and actions taken	36	No incidents occurred this year
GRI 206 Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	36, 48	No incidents occurred this year

GRI Standards Disclosure

GRI Standards	Disclosure		Page	Supplementary Note
Customer Privacy & Information Security				
GRI 418 Customer Privacy (2016)	3-3	Management of material topics	24	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	47	No incidents occurred this year
Customers' Rights				
GRI 417 Marketing and Labeling (2016)	3-3	Management of material topics	25	
	417-2	Incidents of non-compliance concerning product and service information and labeling	48	No incidents occurred this year
	417-3	Incidents of non-compliance concerning marketing communications	48	No incidents occurred this year
Sustainable Innovative Products & Services				
GRI 416 Customer Health and Safety (2016)	3-3	Management of material topics	24	
	416-1	Assessment of the health and safety impacts of product and service categories	53-57	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	48	
Occupational Health & Safety				
GRI 403 Occupational Health and Safety (2018)	3-3	Management of material topics	27	
	403-1	Occupational health and safety management system	94-95	
	403-2	Hazard identification, risk assessment, and incident investigation	98-99	
	403-3	Occupational health services	99-100	
	403-4	Worker participation, consultation, and communication on occupational health and safety	95	
	403-5	Worker training on occupational health and safety	98	
	403-6	Promotion of worker health	90-93	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	96-103	
	403-8	Workers covered by an occupational health and safety management system	95	
	403-9	Work-related injuries	100-101	
	403-10	Work-related ill health	100	

GRI Standards Disclosure

GRI Standards	Disclosure		Page	Supplementary Note
Talent Development and Retention				
GRI 404 Training and Education (2016)	3-3	Management of material topics	26	
	404-1	Average hours of training per year per employee	87	
	404-2	Programs for upgrading employee skills and transition assistance programs	85-89	
	404-3	Percentage of employees receiving regular performance and career development reviews	89	
Climate Change Governance				
GRI 305 Emissions (2016)	3-3	Management of material topics	28	
	305-1	Direct (Scope 1) GHG emissions	109-110	
	305-2	Energy indirect (Scope 2) GHG emissions	109-110	
	305-3	Other indirect (Scope 3) GHG emissions	110	
	305-4	GHG emissions intensity	109-110	
	305-5	Reduction of GHG emissions	111	
Other Topics				
GRI 200: Economic				
GRI 204 Procurement Practices (2016)	204-1	Proportion of spending on local suppliers	68	
GRI 300: Environmental				
GRI 301 Materials (2016)	301-1	Materials used by weight or volume	118	
GRI 302 Energy (2016)	302-1	Energy consumption within the organization	113, 117	
	302-3	Energy intensity	113	
	302-4	Reduction of energy consumption	114-117	

GRI Standards Disclosure

GRI Standards	Disclosure		Page	Supplementary Note
GRI 303 Water and Effluents (2018)	303-1	Interactions with water as a shared resource	126	
	303-2	Management of water discharge-related impacts	126-127, 131-132	
	303-3	Water withdrawal	126-127	
	303-4	Water discharge	126-127	
GRI 306 Waste (2020)	306-1	Waste generation and significant waste-related impacts	123-124	
	306-2	Management of significant waste-related impacts	125	
	306-3	Waste generated	123-124	
	306-4	Waste diverted from disposal	123-124	
	306-5	Waste directed to disposal	123-124	
GRI 308 Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	67-70	In partial disclosure, the Company has established a group procurement policy and supplier management procedures, ensuring that suppliers are informed of our corporate culture, human rights, and ethical clauses. Additionally, we require suppliers to manage aspects such as occupational health and safety, business execution, and risk identification as part of supplier assessments
	308-2	Negative environmental impacts in the supply chain and actions taken	67-70	
GRI 400: Social-Communities				
GRI 401 Employment (2016)	401-1	New employee hires and employee turnover	152	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	76-80	
	401-3	Parental leave	81	

GRI Standards Disclosure

GRI Standards	Disclosure		Page	Supplementary Note
GRI 405 Diversity and Equal Opportunity (2016)	405-1	Diversity of governance bodies and employees	33,75, 152	
	405-2	Ratio of basic salary and remuneration of women to men	81-82	
GRI 406 Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	39	No incidents occurred this year
GRI 408 Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	39	No incidents occurred this year
GRI 409 Forced or Compulsory Labor (2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	39	No incidents occurred this year
GRI 411 Rights of Indigenous Peoples (2016)	411-1	Incidents of violations involving rights of indigenous peoples	39	No incidents occurred this year
GRI 413 Local Community (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	135-140	
GRI 414 Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	67-70	In partial disclosure, the Company has established a group procurement policy and supplier management procedures, ensuring that suppliers are informed of our corporate culture, human rights, and ethical clauses. Additionally, we require suppliers to manage aspects such as occupational health and safety, business execution, and risk identification as part of supplier assessments
	414-2	Negative social impacts in the supply chain and actions taken	67-70	

TCFD Climate-Related Information Disclosure Index

Climate Risk and Opportunity Management of CHC Group

	Item	Corresponding Chapters	Page Number
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities	5.1 Climate Change Governance – Climate Risk and Opportunity Management – Governance	105
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)	5.1 Climate Change Governance – Climate Risk and Opportunity Management – Risk Management and Strategy	106-108
3	Describe the financial impact of extreme weather events and transformative actions	5.1 Climate Change Governance – Climate Risk and Opportunity Management – Risk Management	106-107
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system	5.1 Climate Change Governance – Climate Risk and Opportunity Management – Governance and Risk Management	105-107
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	5.1 Climate Change Governance – Climate Risk and Opportunity Management – Risk Management: Initiating development of scenario analysis models	106
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks	1.3 Stakeholder Communication and Materiality Analysis – Sustainability Focus and Material Topic Management 5.1 Climate Change Governance – Climate Risk and Opportunity Management – Metrics and Targets	24, 28-29, 108
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated	Internal carbon pricing tools not utilized	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified	1.3 Stakeholder Communication and Materiality Analysis – Sustainability Focus and Material Topic Management 5.1 Climate Change Governance – Climate Risk and Opportunity Management – Metrics and Targets	24, 28-29, 108

9	Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Items	2023	2024
Inventory Boundary	CHC and Its Principal Subsidiaries in the Consolidated Financial Statements	CHC and Its Principal Subsidiaries in the Consolidated Financial Statements
Scope 1 (tCO_2e)	12,737.62	5,135.51
Scope 2 (tCO_2e)	48,304.03	56,251.55
Total Scope 1 and Scope 2 (tCO_2e)	61,041.65	61,387.06
Intensity (tCO_2e/million NT$ in revenue)	1.99	2.00

For detailed information, please refer to Chapter 5, page 109-110, and the Appendix, page 152.

1-1-2 Greenhouse Gas Assurance Information

Items	2023	2024
Scope of Assurance	CHC (standalone), CCLC (standalone), CEC (standalone), CDC (standalone), and HDEC (consolidated)	CHC (standalone) and CCLC (standalone)
Assurance Institution	Bureau Veritas Certification (Taiwan) Co., Ltd. (BV)	Bureau Veritas Certification (Taiwan) Co., Ltd. (BV)
Assurance Principle	ISO 14064-3	ISO 14064-3
Assurance Opinion	Category 1 and Category 2: Reasonable Level of Assurance Categories 3 to 6: Limited Level of Assurance	Category 1 and Category 2: Reasonable Level of Assurance Categories 3 to 6: Limited Level of Assurance
Notes		CDC (standalone), CEC (standalone), and HDEC (consolidated) are currently undergoing external assurance procedures

1-2 GHG Inventory, Reduction Targets, Strategies, and Specific Action Plans
Please refer to Chapter 5, page 108-111

SASB Standard Disclosure Index

SASB Standard: Engineering and Construction Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Environmental Impact of Project Development	Number of incidents of non-compliance with environmental permits, standards, and regulations	IF-EN-160a.1	**2.5 Legal Compliance**	48
	Amount of defect- and safety-related rework costs	IF-EN-160a.2	The Group's three business entities conduct environmental risk assessment and management during the design, site selection, construction, and operation phases of their respective projects according to their business activities. During the project development site selection and contract bidding stages, priority is given to selecting sites in established urban center locations to avoid potential impacts on the existing natural environment. For projects located outside of urban centers, environmental impact assessments are conducted as required and in compliance with regulations to ensure the impact on the local natural environment is addressed, along with corresponding monitoring and analysis. Environmental monitoring and analysis are carried out during the construction and operation phases, with regular submission of various monitoring reports to the project owner. For details, refer to section **5.3 Circular Economy and Resource Management – Pollution Prevention and Biodiversity Conservation – Biodiversity Conservation Policy**	129-131
Structural Integrity and Safety	Amount of defect- and safety-related rework costs	IF-EN-250a.1	**2.5 Legal Compliance**	48
	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	IF-EN-250a.2		

SASB Standard: Engineering and Construction Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Health and Safety of Workers	Employee (1) accident rate and (2) fatality rate	IF-EN-320a.1	(1)The employee accident rate for the Construction Engineering and Environmental Engineering Business Note 1 is 0.03 (2)The employee fatality rate for the Construction Engineering and Environmental Engineering Business Note 1 is 0	-
	Contractor (1) accident rate and (2) fatality rate		(1)The contractor accident rate for the Construction Engineering and Environmental Engineering Business Note 1 is 0.15 (2)The contractor fatality rate for the Construction Engineering and Environmental Engineering Business Note 1 is 0.05	-
Life Cycle Impacts of Buildings and Infrastructure	Number of (1) commissioned projects certified to a third-party multi-attribute sustainability standard and (2) active projects seeking such certification	IF-EN-410a.1	As a construction contractor, it is required to carry out engineering planning and execution according to the demands and design drawings provided by the client (developer, asset owner). The contractor cannot independently lead the sustainable certification standards of buildings and infrastructure, nor the project lifecycle planning and design tasks related to energy and water efficiency during the operational phase. Therefore, this indicator is not applicable	-
	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	IF-EN-410a.2		-
Climate Impact of Business Portfolios	Amount of backlog for (1)hydrocarbon-related projects and (2)renewable energy projects	IF-EN-410b.1	(1) NT$0 (2) NT$2,097,565 thousand	-
	Amount of backlog cancellations associated with hydrocarbon-related projects	IF-EN-410b.2	No orders related to hydrocarbon-related projects	-

SASB Standard: Engineering and Construction Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Climate Impact of Business Portfolios	Amount of backlog for non-energy projects associated with climate change mitigation	IF-EN-410b.3	NT$132,628,233 thousand	-
Business Ethics	Number of active projects and backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index Note 3	IF-EN-510a.1	There were no construction contracts in the 20 countries with the lowest rankings in the Corruption Perceptions Index by Transparency International in 2024	-
	Total monetary losses as a result of legal proceedings associated with bribery, corruption, or anti-competitive behavior regulations	IF-EN-510a.2	**2.2 Ethical Management** **2.5 Legal Compliance**	35-36, 48
	Description of policies and practices for prevention of (1) corruption and bribery and (2) anti-competitive behavior in the bidding process	IF-EN-510a.3	**2.2 Ethical Management**	35-36
Activity Indicator	Number of active projects	IF-EN-000.A	75	-
	Number of completed projects	IF-EN-000.B	3	-
	Total backlog amount (value of uncompleted orders)	IF-EN-000.C	NT$141,464,248 thousand	-

Note:

1. The number of workers is calculated based on the total personnel as of the end of the reporting period (December 31, 2024), covering both employees and non-employee workers of CEC and HDEC.
2. Incident Rate = (Number of Occupational Injury Accidents/Total Working Hours) × 200,000; Fatality Rate = (Number of Occupational Injury Deaths/Total Working Hours) × 200,000.
3. Using Transparency International's Corruption Perceptions Index 2024 data.

Standard: Home Builders

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Land Use and Ecological Impact	Number of (1) lots and (2) homes delivered on redevelopment sites	IF-HB-160a.1	(1) 84 (2) 108	54
	Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress	IF-HB-160a.2	(1) 27 (2) 11	126
	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	IF-HB-160a.3	**2.5 Legal Compliance**	48
	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	IF-HB-160a.4	**5.3 Circular Economy and Resource Management – Pollution Prevention and Biodiversity Conservation – Biodiversity Conservation Policy**	129-130
Health and Safety of Workers	(1) Total recordable incident rate and (2) fatality rate for direct employees	IF-HB-320a.1	(1)Recordable incident rate for direct employees in the Real Estate Development Business[Note 1] is 0 (2)Fatality rate for direct employees in the Real Estate Development Business[Note 1] is 0	-
	(1) Total recordable incident rate and (2) fatality rate for contract employees		The Real Estate Development Business has no contract employees; therefore, this indicator is not applicable	-
Design for Resource Efficiency	(1) Number of homes that obtained a certified HERS Index Score and (2) average score	IF-HB-410a.1	No residential projects received residential energy efficiency ratings in the year 2024. For details, see section **3.2 Sustainable Design**	54
	Percentage of installed water fixtures certified to WaterSense or equivalent standards	IF-HB-410a.2	**3.2 Sustainable Design**	54
	Number of homes delivered certified to a third-party multi-attribute green building standard	IF-HB-410a.3	**3.2 Sustainable Design**	53-58

Standard: Home Builders

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Design for Resource Efficiency	Description of risks and opportunities associated with incorporating resource efficiency into home design, and how benefits are communicated to customers	IF-HB-410a.4	**3.2 Sustainable Design** **5.1 Climate Change Governance**	53-58, 105-108
Impact of New Developments on the Community	Description of how infrastructure, services, and economic centers affect site selection and development decisions	F-HB-410b.1	**5.3 Circular Economy and Resource Management – Pollution Prevention and Biodiversity Conservation – Biodiversity Conservation Policy**	129-130
	Number of (1) lots and (2) homes delivered on infill sites	IF-HB-410b.2	(1) 108 (2) 108	54
	Number of (1) homes delivered in compact developments and (2) average density	IF-HB-410b.3	(1) 119 (2) 147.59 units per hectare	-
Climate Change Adaptation	Number of lots located in 100-year flood zones	IF-HB-420a.1	7	126
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-HB-420a.2	**5.1 Climate Change Governance**	107-108
Activity Indicator	Number of controlled lots	IF-HB-000.A	190	-
	Number of homes delivered	IF-HB-000.B	120	-
	Number of active selling communities	IF-HB-000.C	7 projects	-

Note:

1. The number of workers is calculated based on the total personnel as of the end of the reporting period (December 31, 2024), including employees of CDC.
2. Incident Rate = (Number of Occupational Injury Accidents / Total Working Hours) × 200,000; Fatality Rate = (Number of Occupational Injury Deaths / Total Working Hours) × 200,000.

SASB Standards: Water Utilities & Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Energy Management	(1) Total energy consumed	IF-WU-130a.1	(1) The total energy consumption of the Water Treatment Business is 367,411.9 GJ	-
	(2) Percentage grid electricity		(2) The proportion of electric power from the power grid in the Water Treatment Business is 94%	-
	(3) Percentage renewable		(3) The proportion of electric power from renewable energy in the Water Treatment Business is 4.4%	-
Water Distribution Network Efficiency	Water main replacement rate	IF-WU-140a.1	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Volume of real losses	IF-WU-140a.2		
Wastewater Quality Management	Number of non-compliances with wastewater quality permits, standards, and regulations	IF-WU-140b.1	No violations related to wastewater quality permits, standards, or regulations occurred in 2024. For details, see section **2.5 Legal Compliance**	48
	Discussion of strategies to manage emerging wastewater issues	IF-WU-140b.2	The Group is conducting discussions on management strategies for emerging wastewater issues with relevant stakeholders, including the government and academic institutions, while continuously monitoring government regulatory developments	-
Water Resource Carrying Capacity and Acquisition	Average retail water rate for (1) residential, (2) commercial, and (3) industrial customers	IF-WU-240a.1	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	(1) Number of residential customer water disconnections for non-payment, and (2) percentage reconnected within 30 days	IF-WU-240a.3		
	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	IF-WU-240a.4		

SASB Standards: Water Utilities & Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Drinking Water Quality	Number of violations related to drinking water quality, standards, and regulations	IF-WU-250a.1	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Discussion of strategies to manage drinking water contaminants of emerging concern	IF-WU-250a.2		
Final Utilization Efficiency	Percentage of revenue from rate structures that are designed to promote conservation and revenue resiliency	IF-WU-420a.1	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Customer water savings from efficiency measures, by market	IF-WU-420a.2		
Water Supply Resilience	Total water sourced from regions with High or Extremely High Baseline Water Stress, percentage purchased from third parties	IF-WU-440a.1	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Volume of recycled water delivered to customers	IF-WU-440a.2	42,275 thousand m³. For details, refer to section **5.3 Circular Economy and Resource Management – Water Resources Management –Water Treatment Business**	127
	Discussion of strategies to manage risks associated with the quality and availability of water resources	IF-WU-440a.3	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
Network Resilience and the Impact of Climate Change	Wastewater treatment capacity located in 100-year flood zones	IF-WU-450a.1	The Group uses the flood potential map layer "24-hour 650mm" from the Water Resources Spatial Information Service Platform as the standard for identifying areas subject to a 100-year flood event. It has been determined that the Tamsui, Fengshan, Anping, Linhai, and Ciaotou Water Resource Centers are adjacent to 100-year flood zones, with a combined daily wastewater design treatment capacity of 400,600 m³	126, 142-143, 145, 147, 149

SASB Standards: Water Utilities & Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Network Resilience and the Impact of Climate Change	(1) Number of sewer overflows, (2) total volume discharged, and (3) percentage recovered	IF-WU-450a.2	Current regulations do not include specific provisions for measuring overflow volume. The group is currently collecting data, including confirmation from relevant authorities. Applicable indicators will be disclosed in the future	-
	(1) Number of unplanned service disruptions and (2) customers affected, each by duration category	IF-WU-450a.3	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	IF-WU-450a.4	The assessment of the impact of climate change on water infrastructure and the corresponding management measures have been incorporated into the identification and management of climate change-related risks and opportunities within the Group. For details, refer to section **5.1 Climate Change Governance**	107-108
Activity Indicator	Number of (1) residential, (2) commercial, and (3) industrial customer accounts served, by services provided	IF-WU-000.A	(1) Serving 354,879 households (2) Serving 0 business customers (3) Serving 7 industrial customers	127, 142, 145, 147
	Total Water Volume Obtained, Percentage Calculated by Source Type	IF-WU-000.B	The Group does not engage in the provision of domestic water supply services; therefore, this indicator is not applicable	-
	Total water delivered to (1) residential, (2) commercial, (3) industrial, and (4) all other customers	IF-WU-000.C	(1) Not Applicable (2) Not Applicable (3) Supply of reclaimed water: 42,275,113 m^3 (4) Not Applicable	127
	Average daily volume of wastewater treated, by (1) sanitary sewer, (2) storm sewer, and (3) combined sewer	IF-WU-000.D	(1) The average daily volume of wastewater treated is 13,964 m^3 (2) The average daily volume of wastewater treated is 0 m^3 (3) The average daily volume of wastewater treated is 297,610 m^3	127

SASB Standards: Water Utilities & Services

Subject	Indicator	Code	Corresponding Chapters and Notes	Corresponding Page Number
Activity Indicator	(1) Length of water mains	IF-WU-000.E	The Group does not engage in the provision of tap water supply services; therefore, this indicator is not applicable	-
	(2) Length of sewer mains		The total length of wastewater pipes within the Group's operational control scope is 76.8 kilometers	143, 150

CONTINENTAL 欣陸投控
HOLDINGS CORPORATION