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2021 Sustainability Report

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About the Report

Farglory Land Development Co., Ltd. (hereinafter referred to as the Company, Farglory Land Development, or we) intends to publish the report and use it as a communication platform between Farglory Land Development and our stakeholders to explain the performance of our environmental, social, and governance (ESG) strategy. Furthermore, through third-party verification, we can reinforce the credibility of our ESG report as well as demonstrate Farglory Land Development's endeavors and commitments to sustainable management. To support the paperless environmental spirit, the report will be published on the Company's official website as an ebook.



Reporting Period

The Company prepares and publishes a report annually. The reporting period of the report is 2021 (January 1 to December 31, 2021). The report contains information on the performance of sustainable development and responses to the issues of stakeholder concern. To ensure the integrity and comparability of the information, some of the information dates back to before 2021 or extends beyond 2022.

Reporting Boundary and Scope

The reporting scope of the report is Farglory Land Development Co., Ltd. Aside from the financial statements by a certified public accountant (CPA) and parts of the information related to sustainability, the report does not include the investments in the consolidated financial statements. Parts of the content pertaining to Farglory Land Development's affiliated businesses are denoted in the report.

Reporting Basis

This report is published in accordance with the Global Reporting Initiative (GRI) Standards' core options and disclosed based on the Sustainability Accounting Standards Board's (SASB) Home Builders industry disclosure theme and the Task Force on Climate-related Financial Disclosures (TCFD) framework. The information and statistics disclosed in this report are derived from Farglory Land Development's own investigations. Financial data is extracted from the CPA's financial statement (using NTD as the unit), and relevant

statistics are presented using internationally accepted indicators. If the quantified indicators above contain special significance, it will be denoted and explained.

Report Management Method

Internal audit

The content of the chapters and accuracy of the information in the report is reviewed by the relevant department officers and the Chief Internal Auditor.

External verification

The Report has been through Limited Assurance by PwC Taiwan per Assurance Standard No. 1 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information". The CPA's limited assurance report can be found in the appendix of this report.

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Message from the Chairman

After the escalating pandemic took a toll on Taiwan's consumption, the increase in the vaccination rate gradually brought the situation under control, and relevant pandemic-related restrictions were lifted. Meanwhile, the government has launched diverse relief and revitalization measures to keep up the consumption momentum. Looking ahead to 2022, the increasing investment in domestic semiconductors, 5G, and green energy will boost Taiwan's investment momentum. However, as the spread of virus variants and supply chain bottlenecks caused by the Ukraine War still exist, the US-China trade and technology disputes drags on, and the interest rate rises, the subsequent economic development still requires close observation.

Benefitting from the recovering economy and precise production positioning in the second half of 2021, Farglory has demonstrated the best sales performance in 10 years. The Company continues to engage in land development in the 6 special municipalities and Hsinchu to maintain the number of potential construction projects for the next 3-5 years. The focus of development will be adjusted according to the profitability of the construction projects in northern and southern Taiwan. In order to address the issue of raw materials and increasing wages, the Company has expedited the R&D of substitute construction techniques and materials to reduce costs and working hours. We strive to bolster our business model and structure in a bid to achieve a steady growth in profitability.

In light of relevant measures such as Corporate Governance 3.0 and Green Finance 2.0 launched by the competent authorities, the Company has also introduced ESG projects. The Company has currently already completed the GHG inventory in 2021, and the Company established the sustainability blueprint, planned the operating mechanism, inventoried and compared the differences between the Company's current conditions and the SASB, and determined the climate change-related risks and opportunities using the TCFD framework in 2022. The Company has devised a sound implementation and monitoring plan to address problems such as climate change, natural resource shortage, and ecological destruction to materialize a comprehensive ESG management structure and keep abreast of international standards.

Chairman




Performance highlights of 2021

Environmental



- 50% of Farglory's construction projects that have received the occupancy permit also obtained the green building certification
- The head office's electricity consumption decreased by 17,374 kWh
- The new workplace constructed from recycled building materials received the 14th Taiwan Interior Design Award and was shortlisted for the Dezeen Awards 2021 longlist

Social



- Customer satisfaction of 87 points, contract satisfaction of 90 points
- Farglory Land Development donated NT\$10 million to charity in the year
- The Farglory Group organized 14 blood drives in the year, collecting 1,324 bags of blood (299,750ml)
- The Farglory Group completed 7 public welfare reconstruction projects to benefit 219 persons

The Farglory Cultural & Educational Foundation received the 5th PwC Sustainability Impact Awards – Social Influence Award

Governance



- Sales performance of NT\$42.4 billion, an increase of 23% compared to last year
- Individual revenue of NT\$33 billion, an increase of 28% compared to last year
- Net profit after tax of NT\$6.08 billion, an increase of 59% compared to last year
- EPS of NT\$7.78, dividend payout ratio of 71%

Sustainability Strategy Blueprint

Sustainability Blueprint

Commitment to Sustainable Development

To fulfill our corporate social responsibility and foster advances in the economy, environment, and society, as well as to achieve the goal of sustainable development, Farglory Land Development has stipulated the “Sustainable Development Practice Guidelines” in April 2015, which was approved by the Board of Directors, making the following commitments to the Company’s stakeholders:



- Implement corporate governance
- Develop a sustainable environment
- Maintain social welfare
- Strengthen the disclosure of information on corporate sustainable development

Furthermore, when promoting the sustainable development goals, the Company considers its stakeholders’ rights in implementing sustainable development-related policies, systems, or management guidelines. The Company revised the “Sustainable Development Practice Guidelines” in March 2017 and March 2020 to improve its performance in promoting sustainable development.

Sustainability Task Force

Farglory Land Development established the CSR Task Force in 2015, formulating the yearly ESG Report and incorporating sustainable corporate development into the Company’s business activities and development. Furthermore, the task force also ensures that corporate sustainable development-related information is fully disclosed in time. The Company’s ESG Report is available on the official website and the Annual Report.

The intensifying climate change has increased Taiwanese industries’ awareness of the sustainability issue. To attain corporate sustainable development and keep an eye on the overall sustainable development trends in the country and abroad, the Company changed the CSR Task Force to the Sustainability Task Force in 2021, with the Chairman acting as the director to implement top-down corporate sustainable strategies; the President is appointed as the convener, responsible for devising the sustainable development strategy blueprint; the Business Management Section of the Accounting Department is in charge of executing the sustainability promotional plan and consolidating the outcome, reporting the promotional plan and achievements in material issues concerning the economy, environment, and society to the Board of Directors.



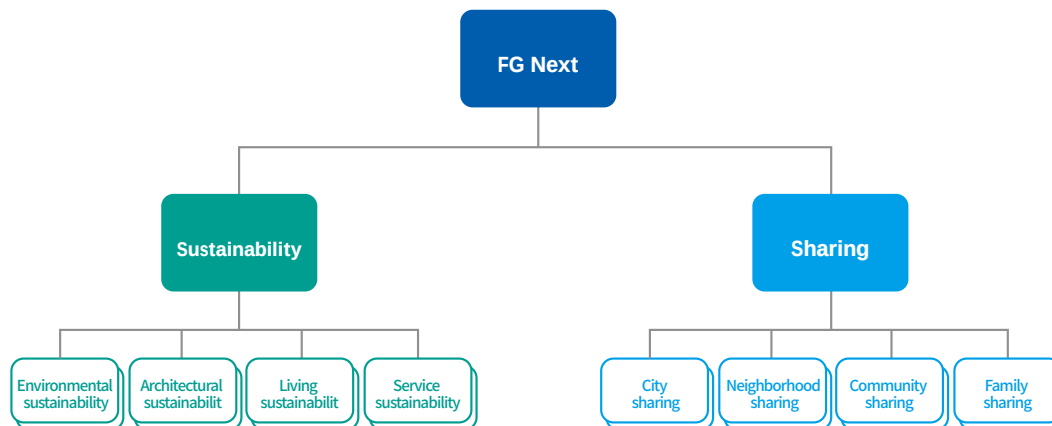
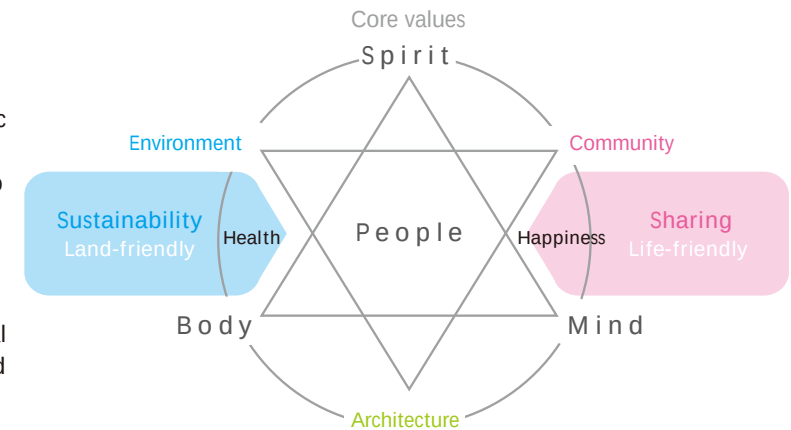
FG Next

Following the trends of technological development and social changes, the Chairman initiated internal transformation by founding the FG Next organization in 2018, which consists of employees of varying seniorities, ranks, and group subsidiaries. After 2 years of weekly debates and discussions, we have officially determined “sustainability and sharing” as the core values of Farglory’s future products.

FG Next now comprises 4 groups, “architectural sustainability”, “service sustainability”, “community sharing”, and “home sharing”, that engage in separate discussions from the perspective of people’s needs. The opinions of diverse experts are consolidated to propose core development values for the sustainability and sharing of the next generation of architectural products to shape creative and cozy architectural spaces. At the same time, we wish to contribute to the protection of the environment by contemplating how to vigorously decrease construction waste, lower environmental impact, and introduce low-carbon, energy-saving residential design philosophies and construction techniques, in order to create a better living environment for the general public.

- **【Architectural sustainability】** The core value of fostering symbiosis and co-prosperity between people and the environment
- **【Service sustainability】** Increase customer loyalty through our expertise in construction and empathetic services
- **【Community sharing】** Focus on people’s needs and uphold the shared core values of the enterprise to ascertain the customers’ needs in community sharing, and incorporate them into product design
- **【Family sharing】** Apply the core value of “the space most conducive to sharing emotions” for the next decade to design and position the Company’s products

In the future, FG Next will expand the topics discussed by the abovementioned groups with 4 additional groups, namely “environmental sustainability”, “living sustainability”, “city sharing”, and “neighborhood sharing”, to form 8 groups to engage in more in-depth discussions.

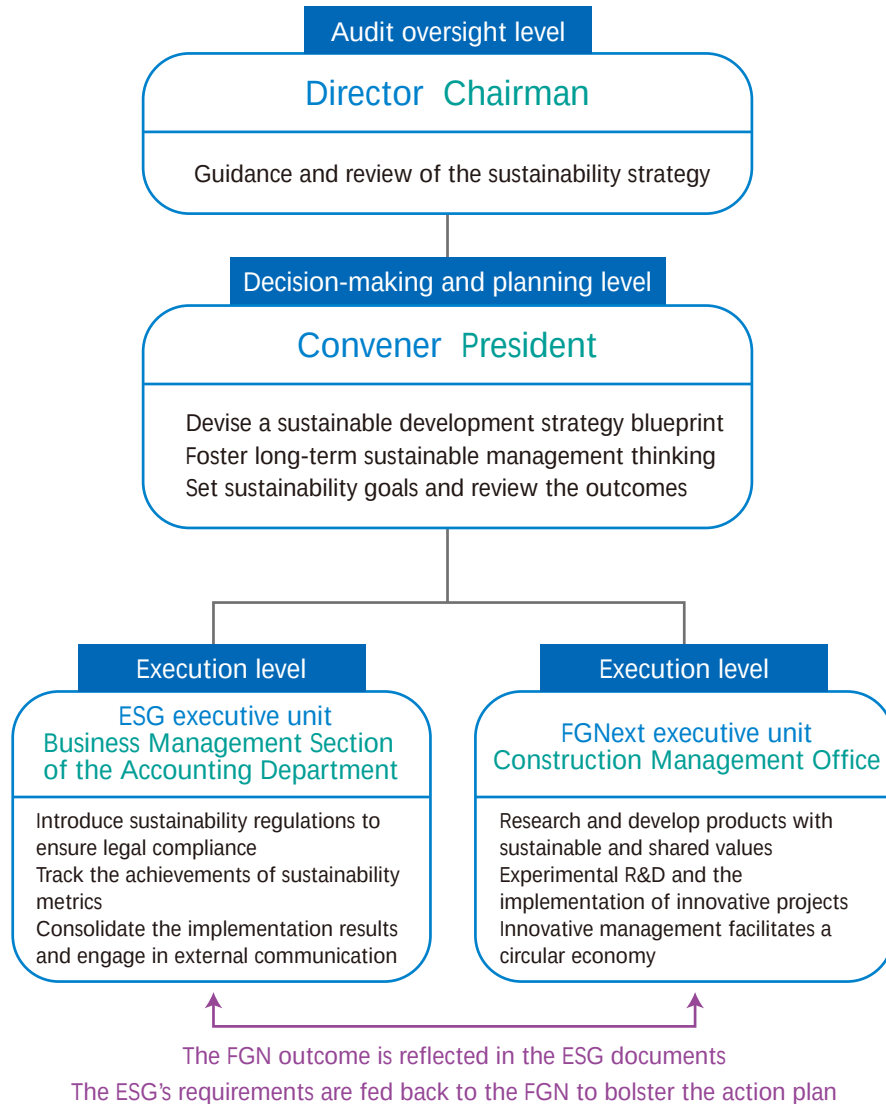


2021 FG Next Achievements

【Renewable resources】
Building a shared office with recycled materials from construction sites

Farglory Land Development 16F
Workplace renovation documentary

Sustainability Task Force



Blueprint Overview

The Farglory Group focuses on its core competence of “construction” and incorporates the element of “people-oriented innovation” to propose the sustainable vision of the “NEX Community”. We look forward to inspiring sparks of innovation through shared connections between people to endow our construction projects with brand new meaning in a bid to engender magnificence and sustainability.

The “NEX Community” combines the brand philosophy of “Dream Bigger – Do Together” with our corporate value of “Spirit of Partnership” and the Group’s definition of “Crossover Living Experience” to culminate in the Farglory Group’s new vision in sustainable management and governance. NEX is the acronym for “Navigation”, “Eco-inclusion”, and “eXtended influence”, corresponding to the spirit of ESG such as corporate governance, environmental sustainability, and social engagement.

Consequently, Farglory Land Development has adopted the Group’s vision as the main axis; besides complying with the fundamental elements and spirit of corporate governance, we have also conducted an inventory of the Company’s implementation status, as well as launched action plans and management goals, aligning our management policy with the issue of sustainability. The aim is to match our brand vision with sustainability strategies in order to create a sustainability strategy blueprint of “wonderful life”, “environmental symbiosis”, and “ smart digital technology”.



Brand proposition	Wonderful symbiosis					
Brand vision	Create a living environment of sustainability and sharing					
Brand mission	Create a wonderful living experience for families and businesses					
Sustainability strategy	Wonderful Life			Environmental Symbiosis		
	Build shared, smart residential and business communities with innovative services and customer care. We aspire to cultivate future talent to meet the needs of different groups and create a wonderful life for our customers, residents, and our employees			By vigorously reducing carbon emissions and adopting green building materials, we strives to develop a circular economy and achieve environmental symbiosis with our customers, suppliers, and investors		
	Smart Digital Technology					
	Develop a platform with digital and smart technology to subvert the stereotype of the building sector as being a traditional industry, as well as to materialize the vision of a wonderful life and environmental symbiosis					
Sustainability dimension	Diversity spatial design	Sustainability customer relations	Employee care and talent development	Low carbon transition	Recycling and reuse	Partnerships
	Satisfy the spatial needs of various groups and facilitate sharing through diverse spatial planning and design and digital technology.	Enhance customer loyalty on the basis of our architectural expertise and empathy through innovative service and sincere care to forge sustainable customer relationships.	Listen to our colleagues' needs, provide them with excellent benefits and care, and bolster our human resources system to accommodate our colleagues' career development requirements. The diverse empowerment measures are designed to equip our colleagues with the necessary skills to embrace the future.	Decrease the carbon footprint and energy consumption generated by the head office's operations and during the life cycles of buildings, and manage climate-related risks and opportunities in response to the development of the low-carbon economy.	Mitigate the environmental impact generated by the head office's operations and during the life cycles of buildings through resource reduction, recycling, and reuse.	Create a sustainable industry chain through supplier management and partnerships in the ecosystem.
Comparison of SDGs	11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	4 QUALITY EDUCATION	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION	6 CLEAN WATER AND SANITATION 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS

(I) Wonderful Life - Diverse Spatial Design

Satisfy the spatial needs of various groups and facilitate sharing through diverse spatial planning and design and digital technology

Sustainability dimension		Diverse spatial design
Management strategy		Create spaces for people of all ages
Management goal	2023	Obtain Class A UD Certification for 30% of all new construction projects of the year
	2025	Obtain Class A UD Certification for 100% of all new construction projects of the year
	Continuity	Continue to revise Farglory's all-age design principle
Action plan		Take the all-age design into consideration when designing new construction projects. Continue to review, formulate, and adjust the Company's all-age design principle to create an environment where occupants of all ages can live with peace of mind.

(II) Wonderful Life - Sustainable Customer Relations

Enhance customer loyalty on the basis of our architectural expertise and empathy through innovative service and sincere care to forge sustainable customer relationships.

Sustainability dimension		Sustainable customer relations
Management strategy		Comprehensive customer service platform
Management goal	2022	- General satisfaction survey (contract signing, handover, repair) ≥88 points - Annual customer complaint rate ≤2.2%
	2023	- The results of the customer satisfaction survey will be expanded to incorporate the performance appraisal criteria of various departments - Completed the digital building history and customer database system to increase the accessibility and integrity of basic information on the maintenance of buildings
	2025	Completed the upgrading and optimization of the customer service platform, including the community introduction and equipment instruction app service to let the occupants fully understand the information on the maintenance of the community, thereby improving communication and negotiation efficiency
Action plan		Building on our construction expertise and the development trends in digitization, we will continue to optimize our customer service platform and strengthen the link between customer satisfaction and internal management to maintain a steady relationship with our customers

(III) Wonderful Life - Employee Care and Talent Development

Listen to our colleagues' needs, provide them with decent benefits and care, and bolster our human resources system to accommodate our colleagues' career development requirements. The diverse empowerment measures are designed to equip our colleagues with the necessary skills to embrace the future.

Sustainability dimension		Employee care and talent development
Management strategy		1.Optimize the talent development management system 2.Sustainability and digital learning development 3.Create a healthy and happy workplace
Management goal	2022	- Learning application conversion rate: 30% of our employees will complete the training course and demonstrate their achievement - Colleague training course participation rate: 85% of our employees will attend the sustainability and digitization courses - Complete Farglory Land Development' s human rights policy formulation
	2025	- Learning application conversion rate: 50% of our employees will complete the training course and demonstrate their achievement 90% of the Company's key job positions will have succession plans in place
	2030	- Colleague training course participation rate: 100% of our employees will attend the sustainability and digitization courses - Obtain the Badge of Accredited Healthy Workplace - Employee engagement positive evaluation level of 80%
	Continuity	- The satisfaction level of digital courses will reach at least 94% - Zero cases of major injuries and occupational diseases - Study the applicable targets and scope of the association between ESG performance and the reward mechanism, and formulate and revise relevant performance management regulations
Action plan		- The system training course is combined with practical achievement demonstration to increase the learning application conversion rate - Continue to optimize the talent development system's functions, and introduce learning, performance, and successor analysis modules to facilitate the systematic analysis of human resources - Continue to increase the number of sustainability courses and lectures for our employees to enhance their knowledge related to the sustainability of buildings - Reinforce the promotion of diverse employee wellbeing, safety, and care measures such as health promotion activities and workplace inspection. Promote various employee benefits and implement employee surveys to listen to employees' thoughts. Bolster human rights issue management in a bid to create a healthy and happy workplace

(IV) Environmental Symbiosis - Low Carbon Transition

Decrease the carbon footprint and energy consumption generated by the head office's operations and during the life cycles of buildings, and manage climate-related risks and opportunities in response to the development of the low-carbon economy.

Sustainability dimension		Low carbon transition
Management strategy		Develop green buildings and low-carbon buildings
Management goal	2022	25% of the construction projects should obtain at least a Green Building Silver rating during the land evaluation stage - Low-carbon certified buildings should account for at least 10% of the construction projects for the year 20% of new construction projects should obtain at least an EEWH Green Building Label silver rating
	2025	40% of new construction projects should obtain at least an EEWH Green Building Label silver rating - Bronze low-carbon certified buildings should account for at least 20% of the construction projects for the year
	2030	Bronze low-carbon certified buildings should account for at least 50% of the construction projects for the year
	Continuity	Continue to develop energy-saving and carbon reduction architectural designs focusing on aspects such as lightweight and durability
Action plan		Revise the building development model from land evaluation and product positioning to architectural design in a bid to develop green buildings and low-carbon buildings

(V) Environmental Symbiosis - Recycling and Reuse

Mitigate the environmental impact generated by the head office's operations and during the life cycles of buildings through resource reduction, recycling, and reuse.

Sustainability dimension		Recycling and reuse
Management strategy		Promote building source reduction and resource recycling and reuse
Management goal	2023	- Green building materials must account for 60% and 20% of a construction project, respectively - Stay in control of all key building materials and establish Farglory's internal green material database 100% of new construction projects must be equipped with water-saving facilities
	2030	- Green building materials must account for >80% and >50% of a construction project, respectively - The ratio of renewable green building materials must reach 15%
	Continuity	- Continue to develop waste recycling and reuse designs - Continue to develop water recycling and reuse designs to increase water efficiency - Evaluate the feasibility of expanding the rainwater harvesting system and progressively implement it in construction projects - Promote research into the sponge city strategy to develop feasible architectural designs
Action plan		Uphold the philosophy of source reduction, recycling, and reuse to increase the ratio of green building materials used, introduce water-saving, recycling, and reuse facilities to achieve the goal of resource reduction, recycling, and reuse

(VI) Environmental Symbiosis - Partnerships

Create a sustainable industry chain through supplier management and partnerships in the ecosystem.

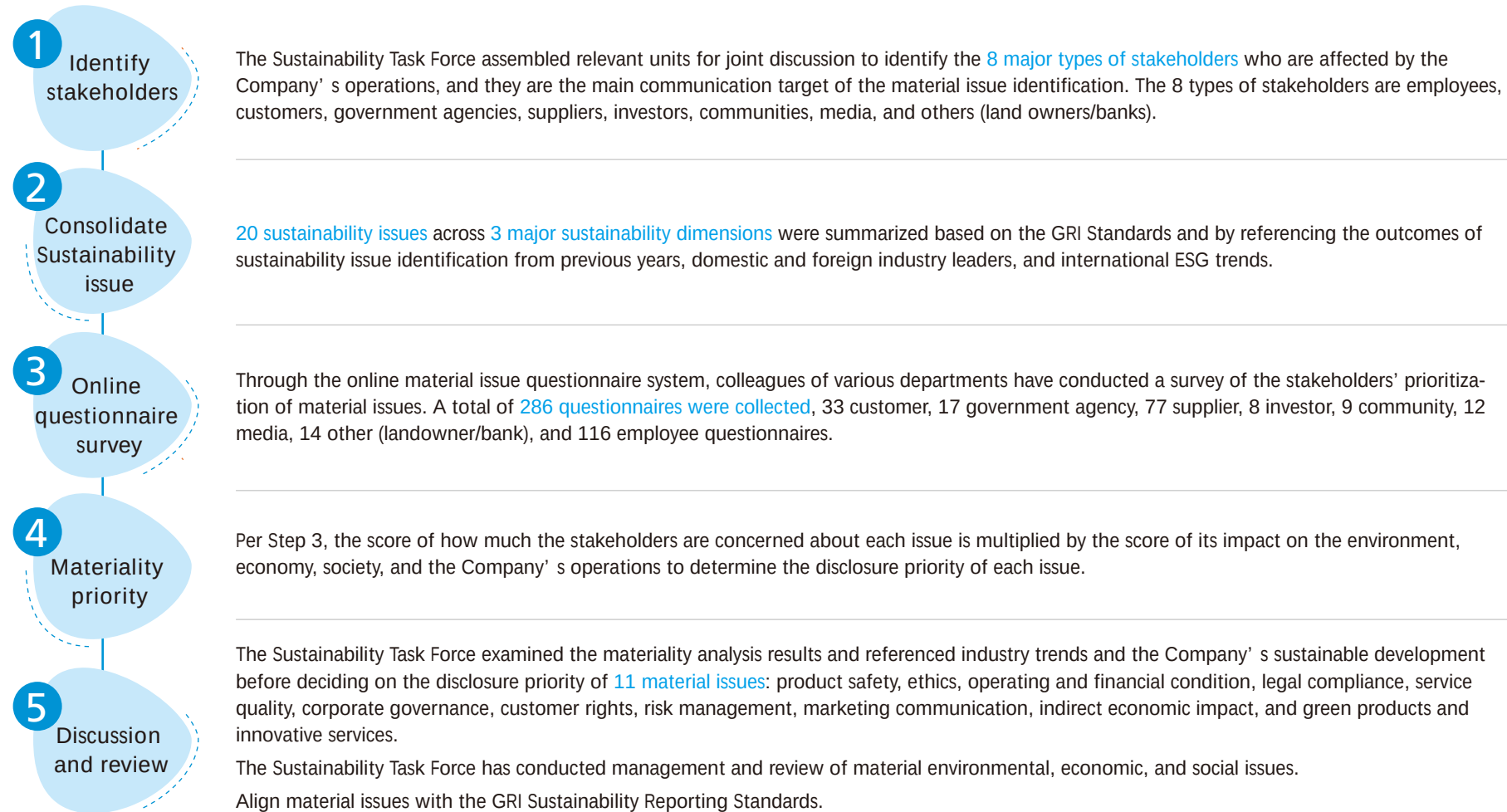
Sustainability dimension		Partnerships
Management strategy		Bolster supplier sustainability management
Management goal	2022	100% of suppliers for the year must sign the Supplier Code of Conduct
	2025	Key suppliers (Note1) should introduce a supplier sustainability evaluation mechanism with evaluation criteria such as labor rights, safety and health, environmental protection (waste and water resources, etc.), and business ethics
	2030	Evaluate the introduction of the supplier sustainability evaluation mechanism for secondary and tertiary suppliers (Note2). The evaluation criteria should incorporate issues such as climate issue management, recycling, and reuse
Action plan		Demand suppliers to abide by the "Supplier Code of Conduct" to enhance their performance in labor rights, safety and health, environmental protection, and business ethics. Furthermore, include evaluation criteria related to sustainability into the supplier evaluation to continue refining supplier sustainability management

Note1: Primary suppliers such as construction firms, designers, and architects

Note2: Raw material suppliers and other contractors, etc.

Stakeholder Engagement and Material issues

Material Issue Assessment Procedure



List of issues of concern

(3 sustainability dimensions & 20 sustainability issues)

Environmental (E)

- 11.Green products and innovative services
- 18.Sustainable environment (Energy, GHG emissions, waste, water resources)
- 19.Biodiversity
- 20.Climate change

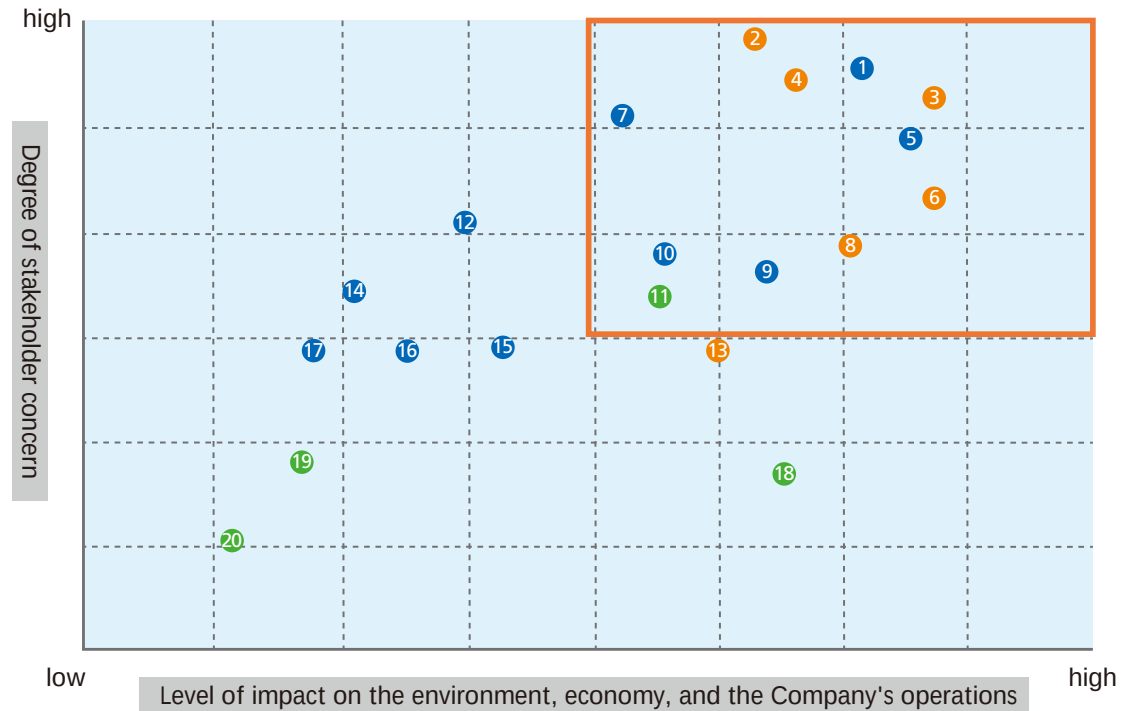
Governance (G)

- 2.Ethics
- 3.Operating and financial condition
- 4.Legal compliance
- 6.Corporate governance
- 8.Risk management
- 13.Supply chain management

Social (S)

- 1.Product safety
- 7.Customer rights
- 5.Service quality
- 9.Marketing communication
- 10.Indirect economic impacts
- 12.Social welfare
- 14.Workplace health and safety
- 15.Labor relations
- 16.Employee diversity and human rights assessment
- 17.Talent cultivation

Materiality matrix (11 material issues)



Stakeholders' issues of concern and engagement channel

Stakeholders	Significance to Farglory Land Development	Issues of concern	Engagement channel and frequency	Disclosed chapters
 Employees	Employees are the foundation of Farglory Land Development's sustainability. Provide remuneration and benefits that are superior to the market standards as well as a diverse learning environment to attract outstanding talent and allow them to showcase their skills.	• Labor relations • Talent cultivation • Employee diversity and human rights assessment • Workplace health and safety	• Internal grievance email (email of the head of the Auditing Department) • Labor-management meetings (quarterly) • Employee Welfare Committee (quarterly) • Education and training (annually) • Intranet site, e-announcement system (irregularly) • Employee satisfaction survey (irregularly) • Periodic meetings (weekly departmental meetings, monthly meetings, management review meetings) • Employee profit-sharing system (annually)	Chapter 5: Friendly Workplace and Happy Enterprise
 Customers	Customers are the main source of the Company's income. Provide safe products and good customer service to enhance customer satisfaction.	• Product safety • Service quality • Customer rights • Marketing communication • Green products and innovative services	• Customer satisfaction survey (annually) • Customer free service hotline and contact box (irregularly) • Unit owner assembly and community visit (irregularly) • Telephone and email communication (irregularly)	Chapter 2: Leading International Construction Brand Chapter 4: Customer Service
 Government agencies	Comply with legal regulations and foster industrial development with the government.	• Legal compliance • Ethics	• Official correspondence (irregularly) • Telephone and email communication (irregularly) • Public hearings or briefings (irregularly)	Chapter 1: Corporate Operations and Governance
 Suppliers	Ensure the suppliers' products and services are in line with Farglory Land Development's philosophy and satisfy our customers' needs, thereby fostering growth for both parties and achieving business sustainability and mutual benefits.	Supply chain management	• Supplier evaluation (irregularly) • Supplier satisfaction survey (irregularly) • On-site visit (irregularly) • Telephone and email communication (irregularly)	Chapter 2: Leading International Construction Brand

Stakeholders	Significance to Farglory Land Development	Issues of concern	Engagement channel and frequency	Disclosed chapters
 Investors	Investors provide a source of capital for the Company, thus Farglory Land Development continues to give back to the investors through sound management performance in order to garner their support, stabilize capital, and generate investment value.	• Corporate governance • Operating and financial condition • Risk management	• Shareholders' Meeting (annually) • Investor conference (annually) • Annual report and financial statement disclosure (quarterly) • Stakeholder section on the Company's website (irregularly) • Timely publication of material information through MOPS (irregularly)	Chapter 1: Corporate Operations and Governance
 Community	Farglory Land Development plays the role of a corporate citizen by proactively engaging in social welfare to bolster positive influence on society.	Social welfare Indirect economic impacts	Helping communities form owner assemblies (irregularly) Holding humanities and arts activities, providing scholarships and sponsorships for cultural educational and sports activities as well as for Indigenous people and new immigrants (irregularly) Publish CSR report (annually) Stakeholder section on the Company's website (irregularly)	Chapter 4: Customer Service Chapter 6: Giving Back to Society
 Media	The media is an important bridge for external communication for Farglory Land Development, facilitating the accurate communication of the Company's information and boosting the Company's brand image.	Social welfare	Press release (irregularly) Press conference (irregularly) Interviews with media or responses to news reports to the outside world (irregularly)	Chapter 6: Giving Back to Society
 Others (Landowners/ banks)	Landowners and banks are important partners of Farglory Land Development, so we have forged a steady, mutually-beneficial partnership.	Operating and financial condition	On-site visit (irregularly) Official correspondence (irregularly) Financing statement (irregularly) Telephone and email communication (irregularly)	Chapter 1: Corporate Operations and Governance

The significance of material issues to Farglory Land Development and the value chain

Dimension	Material issue	Significance to Farglory Land Development	Impact boundary				GRI Standards	Disclosed chapters	Key performance
			Internal	External					
				Farglory Land Development	Upstream (Landowners, banks)	Midstream (Architects, construction firms)			
Environmental (E)	Green products and innovative services	Farglory Land Development values environmental sustainability, hence we have introduced the green building concept into our construction projects, where the stringent selection of materials and the development of new technologies serve to decrease energy consumption, and the stipulation of rigorous regulations aims to minimize environmental impacts in order to achieve the sustainable management goal					NA	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth	• 2021: Obtained 3 Low Carbon Building Alliance (LCBA) certifications. • 2021: Obtained 30 EEWB Green Building Label certifications from the Ministry of the Interior (MOI).
Social (S)	Product safety	Ensure construction quality, effectively decrease construction costs, prevent rework or construction delays, and increase the Company's competitiveness					416-1	2.4 A Century of Construction Quality Assurance	• No major product safety incidents occurred in 2021.
	Customer rights	Farglory Land Development values our customers' privacy, so we constantly strengthen our information security to obtain and maintain the trust of our stakeholders					418-1	4.1 Customer Marketing Communication	• No disputes related to personal information occurred in 2021. • The “Customer Service Platform System” processed a total of 8,238 cases before December 31, 2021.
	Service quality	Applying our architectural expertise and empathy and enhancing customer loyalty through sincere care are the cornerstones of Farglory Land Development's long-term operations					NA	4.2 Comprehensive After-sales Service	• Contract satisfaction score of 90.37 points in 2021.
	Marketing communication	Farglory Land Development abides by regulations related to marketing and product labeling to achieve comprehensive communication and protect customer rights					417-3	1.5 Legal Compliance	• Engage in real-time communication with our customers through diverse channels

Dimension	Material issue	Significance to Farglory Land Development	Impact boundary				GRI Standards	Disclosed chapters	Key performance
			Internal	External					
				Farglory Land Development	Upstream (Landowners, banks)	Midstream (Architects, construction firms)			
Social (s)	Indirect economic impacts	Giving back to society and generating mutually-beneficial values are the beliefs of Farglory Land Development					203-1	6.1 Social Engagement and Public Welfare 6.2 Education and Heritage of Architecture and Culture	- The Farglory Volunteer Corps organized 7 public welfare reconstruction projects. - In 2021, Farglory Land Development donated NT\$10 million through a public trust to give back to society and help underprivileged groups.
Governance (g)	Ethics	Establish good business conduct and ethics regulations to ensure Farglory Land Development's sustainable management and prevent operational risks from illegal activities or the funneling of illegitimate benefits					205-1 205-2 205-3	1.2 Corporate Governance 5.2 Talent Development	The Company has formulated the Ethical Corporate Management Best Practice Principle and Regulations for Reporting Fraud. In 2021, we did not receive any complaints for ethical violations.
	Operating and financial condition	Financial performance exemplifies sound business operations and efficiency, hence Farglory Land Development continues to elevate economic value by bolstering our financial structure and cost control, so as to give back to all the stakeholders and achieve the goal of sustainable management					201-1 201-2 201-3	1.4 Business Performance 3.1 Climate Change Management 5.3 Remuneration System and Diverse Benefits	- Revenue of NT\$33 billion in 2021. - EPS of NT\$7.78 in 2021. - Return on shareholders' equity of 13.7%. - Dividend payout ratio of 71%, maintaining a stable standard that is higher than the industry average.
	Legal compliance	Legal compliance is Farglory Land Development's fundamental principle for sustainable development, allowing us to increase stakeholders' trust and reduce the financial risks of fines or damage to our reputation					307-1 417-3 419-1	1.5 Legal Compliance	In 2021, our "Farglory DH1 Residential Project" was fined for NT\$2 million by the Fair Trade Commission (FTC). The said infractions have been remedied.
	Corporate governance	Establish an effective corporate governance structure to fortify the Company's performance and responsibilities, and to ensure the stakeholders' rights					NA	1.2 Corporate Governance	- The Audit Committee achieved 100% attendance rate in 2021. - The Remuneration Committee achieved 100% attendance rate in 2021.
	Risk management	Respond to potential impacts in advance; besides lowering costs, the Company can also seize the opportunities that may arise with the risks					NA	1.3 Management Strategy and Risk Management	2021: The internal audit resulted in no major anomalies.

Corporate Operations and Governance

1

Chapter

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Material Issues	Corporate governance, operating and financial condition Legal compliance, risk management, and ethics 8 DECENT WORK AND ECONOMIC GROWTH		
Management guidelines	Management policies		- Efficiently operate the company and improve operational efficiency to increase profit - Increase profit year by year and enhance the profit strategy - Recreate the glory days of the brand
	Management goal	Short-term	- Attain a corporate governance evaluation score of over 70 points - Ensure solid sales performance - Adjust selling prices according to the cost of construction to maintain a predetermined gross profit margin - Comply with the internal control system, no major incidents of violating corporate social responsibility - Achieve an annual ethical management education and training rate of 100% and at least 80 points for the test
		Medium-term	- Give full play to the functions of the Board of Directors and continue to refine corporate governance - Product replacement, destocking, and adjusting the focus of capital investment - Continue to expand the ratio of luxury residential and industrial/office products in Greater Taipei - Adhere to the internal control system, maintain zero major incidents of violating corporate social responsibility - Continue to conduct ethical management education and training, promote the Company's ethical management beliefs
		Long-term	Comprehensive corporate governance structure, continue to promote ESG and strive to become a sustainable business
	Action plan		- Prioritize the selling of high-cost, large-area luxury residential projects - Flexibly adjust the construction progress of various construction sites and keep an account based on the annual plan - Upload quarterly financial reports and annual reports - Convene at least one Audit Committee and Board Meeting, where the Chief Internal Auditor and Independent Directors engage in communication and report the internal audit conditions to the Board Meeting. Also, the following year's audit plan must be approved by the end of every year - Report the implementation status of ethical management to the Board Meeting annually - Convene the annual general shareholders' meeting and attend the investor conference - Various operations and management regulations comply with the latest updates in relevant legal regulations - Organize internal education and training to enhance colleagues' awareness of legal compliance and corporate social responsibility - As a means of realizing ethical conduct, the Company performs a credit check on the Company's contractors, while the "Anti-bribery Letter" and "Reporting Instructions" are enclosed in the agreement signed by both sides.
	Evaluation mechanism		- Conduct self-evaluation according to the "Regulations and Procedures for the Performance Evaluation of the Board" - Complete the annual self-assessment of the corporate governance evaluation system - Announce the Company's revenue on the MOPS every month - Commission CPAs to review and issue financial reports every quarter - The audit unit regularly conducts internal audits and regulation reviews - Engage in ongoing communication with stakeholders via diverse channels - Establish a grievance mechanism

遠雄 Farglory

Full name of the Company	Farglory Land Development Co., Ltd. (Stock Code: 5522)
Official website	http://www.farglory-land.com.tw/
Founded on	August 9, 1978
Chairman	Chao, Wen-Chia
President	Tang, Chia-Feng
Head office address	16F, No. 200, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City (Country of operation: Taiwan)
Capital	NT\$7.816 billion
Number of employees	153

1.1 About Farglory Land Development

1.1.1 Company Profile

“Half a century of commitment – Persistence in the ultimate glory”. The construction business is the essence of the Farglory Group. It has already been 5 decades since the founding of Farglory Land Development in 1978. In 2007, the Company was listed on the TWSE. In 2011, we successfully issued US\$210 million worth of depository receipts and were listed on the London Stock Exchange, becoming the first construction firm in Taiwan to issue global depository receipts. In addition, we also vigorously engage in public welfare. Besides participating in various Farglory Volunteer Corps public welfare renovation projects, we have collaborated with the Land Bank of Taiwan and the Taiwan Cooperative Bank since 2016 to establish a social welfare trust and educational fund in a bid to give back to society and take care of disadvantaged groups. Our donations have reached regions including Keelung City, Chiayi County and City, Taichung City, Changhua County, Nantou County, Yunlin County, Pingtung County, and Penghu County. For the Company’s milestones and accolades over the years, please refer to the [Farglory’s website](#) and [annual report](#).

“Brand sustainability – The definition of international metropolis in Taiwan”. As the most preferred name in construction among consumers in Taiwan, Farglory’s endeavors are not limited to building houses. In pursuing our brand development, we are the first construction company to form a “future residence R&D team” and launch the “second-generation smart home”, offering pioneering concepts such as symbiosis, smart digital technology, smart green lifestyle, and brand sustainability. Furthermore, we have applied our creative know-how to develop popular international cityscapes such as the Sanxia Art Town, Linkou Digital Town, Xinzhuang Sanneng Residential Community, and the Huazhong Smart Living Park. Farglory’s ambition is not confined to a building or a community, we aspire to create premium international living environments.

1.1.2 Our Products and Services

“The only one-stop service provider in the industry”. Farglory has created a one-stop, full-satisfaction service from land development, construction planning, civil construction, planning and sales, acceptance and handover, and after-sales service to rental/sales agencies to ensure brand satisfaction. The Farglory Group has completed over 600 construction projects in Taiwan covering a floor area of more than 1,980 hectares, creating at least 400,000 jobs during the process.



Land development Countrywide deployment

From residential towns in Sanxia and Linkou to business clusters in Xindian, Zhonghe, and Neihu, Farglory has successfully created miracles through art, digital technology, and smart waterfront towns. We will continue to develop the 6 special municipalities, Hsinchu, and Changhua to sculpt the new appearance of international metropolises.

Construction planning Creating the Paradigm of Livable Cities in Taiwan

Boasting a seasoned team and over 4 decades of experience in large communities, cloud-generation factories, offices, and luxury residences, Farglory has combined the sustainable development of the environment with urban design perspectives to design:

- Ecosophy and waterfront living
- Picturesque and lush natural elements
- Industrial/office complexes within industrial clusters

Creating people-oriented living environments and quality



Construction Supervision Creating Value in Construction Supervision through Attention to Detail

Farglory Construction has intricately divided construction supervision into 5 management dimensions: construction site progress execution, administrative supervision, quality management, labor safety management, and cost control. We believe value creation originates from paying attention to details.

Since the introduction of ERP in 2019, Farglory Construction has implemented online construction site inspection in 2020 and completed the inspection of buildings and their history as a demonstration of our professional commitment.

Consignment Plan Professional Team – Service with Peace of Mind

Farglory satisfies the needs of home buyers with the most professional marketing team and innovative services. Apply professional big data analysis in conjunction with precise, highly effective media and marketing channels to generate the maximum benefits for our customers and enable home buyers to find their happy homes.

Farglory is focused on customer service to become the most trusted partner of home buyers.

Signing the Contract and Handing Over the House Open and Thoughtful

Contract Signing and House Handover Process

Farglory promises to ensure the openness and transparency of the entire process from contract signing, construction progress, and relevant drawings to house handover, and we will provide the home buyers with a comprehensive checking mechanism.

Farglory has meticulously designed the homeowner's manual for each project, incorporating details such as decoration management before moving in and tax-related information, allowing our customers to handle the contract signing and home handover process effortlessly, turning homes into the starting point of happiness.

After-sales Warranty After-sales Warranty Lasts Up to 25 Years

As far as Farglory is concerned, handing over the house is not the end of our service but the beginning!

To materialize our commitment to service satisfaction, Farglory has formed a dedicated after-sales service department, SOPs, convenient and quick repair channels, free consultation, and on-site maintenance services to let our customers start a family and move in with peace of mind.

Farglory offers industry-leading “5-year waterproof warranty, 5-year wall/floor tile warranty, and 25-year structural warranty”, demonstrating our commitment to protecting people's homes.

3大保固

業界唯一

建商是國內第一家上市公司提出防水保固5年、地壁磚保固5年、結構保固25年。三大保固是建商落實對合約中的建設公司。

防水保固5年

建商對所有外牆及外牆防水保固，室內廚房浴室及公共空間防水保固，並提供專業防水工程團隊，及公設區域大廳與游泳池水保固，只要在社區保固範圍內，將免費修繕。

【適用戶】：內外部、室內廚房、浴室
【公設區】：泳池、健身房、浴室、地下室

地壁磚保固5年

台灣因氣候因素易熱脹冷縮，容易造成室內外牆壁磚塊脫落或剝離，除了不美觀之外還有危險性問題(如外牆磁磚或石材剝落)，只要在社區保固範圍內，將免費修繕。

【適用戶】：商業、住宅、辦公室
【公設區】：外牆磁磚、牆壁、公設、健身房、停車場

結構保固25年

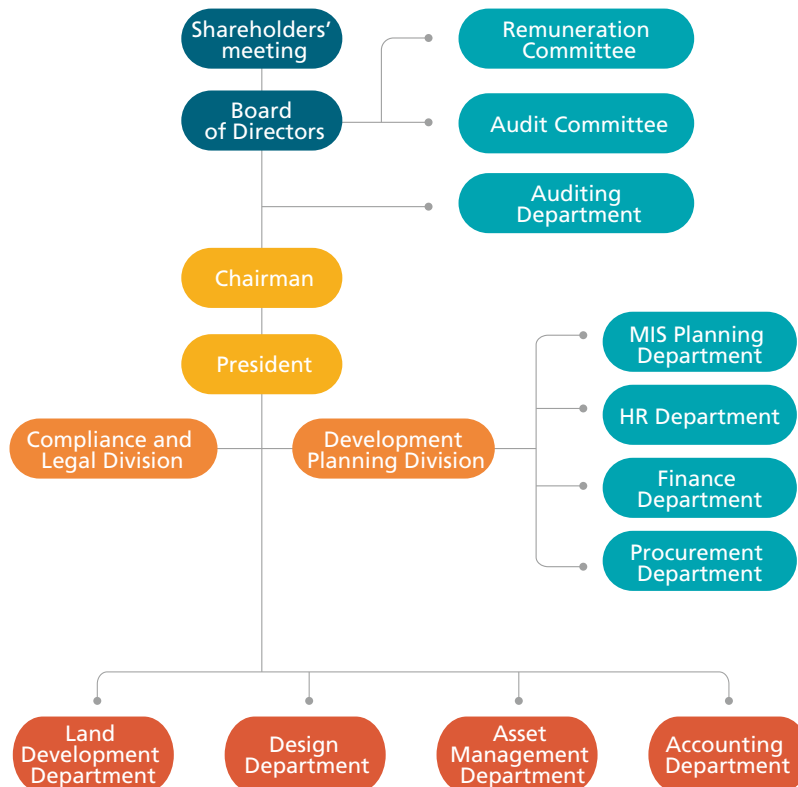
2016年台灣大地建商達成共識，而建商大建於1994年取得使用執照，應地產而生於2016年，最遲法定結構保固16年，目前以興建房屋之結構材料與責任，台灣多數建築為了節稅，一築建商比比皆是，其多數公司實際也長達20年甚至多，總建商50年經驗，提出結構保固25年保固，只有總建商敢保證。

附註：結構保固及專業設計及監理，均應符合相關規定，並應由專業設計、監理及專業監理，共同負責。結構保固及專業設計及監理，均應符合相關規定，並應由專業設計、監理及專業監理，共同負責。結構保固及專業設計及監理，均應符合相關規定，並應由專業設計、監理及專業監理，共同負責。

類別	項目	定製化契約	上市建商	北市建商	保固年限
防水	所有戶 公共區	未註記	1年	1.5年	5年
地壁磚 建商	所有戶 公共區	1年 或依合約約定	1年	1.5年	5年
結構	主結構 牆、柱、樑、板	15年	15年	15年	25年

1.2 Corporate governance

1.2.1 Organizational Structure



1.2.2 Reinforce the Supervisory Function of the Board of Directors

To strengthen corporate governance and improve the efficiency and decision-making of the Board of Directors, the Company has formulated the “Rules of Procedure for Board of Directors Meetings” based on the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” of the Securities and Exchange Act. In addition, the directors uphold a high degree of self-discipline; the Company’s “Rules of Procedure for Board of Directors Meetings” stipulates that if the resolutions of the Board Meeting involve the interests of the directors or someone they represent, their interests should be explained during the Board Meeting. If said interests are harmful to the Company, the directors shall not participate in the discussion and voting, during which they should recuse themselves, and they may not vote on the behalf of other directors.

The members of the Company’s Board of Directors possess abundant industry-academia experience. As of 2021, the Board of Directors consists of 7 members (of which 3 are independent directors). The list is outlined below:

Title	Name	Gender Age	Date first elected Date of election (appointment)	Principal work experience and education	Positions held concurrently in the Company or other companies
Chairman	Fareast Land Development Co., Ltd. Representative: Chao, Wen-Chia	Male 51–60 years old	2018/06/08 2021/07/30	Graduated from the Department of Architecture, University of Pennsylvania	- Chairman of Shin Yu Investment Co., Ltd. - Chairman of Farglory International Investment Co., Ltd. - Chairman of Yan Jan Investment Co., Ltd. (representative of the juristic person) - Development Co., Ltd. (representative of juristic person) - Chairman of Farglory Realty Co., Ltd. (representative of juristic person) - Chairman of Farglory Dome Co., Ltd. (representative of juristic person) - Chairman of FarGlory Sowwah Development

Title	Name	Gender Age	Date first elected Date of election (appointment)	Principal work experience and education	Positions held concurrently in the Company or other companies
Director	Fareast Land Development Co., Ltd. Representative: Chao, Teng-Hsiung	Male Over 70 years old	2018/06/08 2021/07/30	• Graduated from Miaoli Junior High School • Honorary Ph.D., International Academy of Education, New York, USA • Honorary Ph.D., Engineering, National Kaohsiung University of Science and Technology • Honorary Ph.D., Business, Oklahoma City University, USA • Honorary Ph.D., National Taipei University of Technology	• Director of Farglory Dome Co., Ltd. (representative of juristic person) • Chairman of Farglory Hotel, Kenting • Chairman of Homes LLC, USA
Director	Fareast Land Development Co., Ltd. Representative: Hsu, Hong-Zhang	Male Under 50 years old	2018/06/08 2021/07/30	Graduated from the Department of Business Administration, National Chung Hsing University	Senior Manager of Farglory Land Development Co., Ltd.
Director	Hsu, Chih-Chiang	Male 51–60 years old	2010/06/18 2021/07/30	Graduated from the Department of Financial Taxation, Feng Chia University	• Senior Vice President of Farglory Group • Director of Farglory Free Trade Zone Investment Holding Co., Ltd. (representative of juristic person) • Supervisor of Farglory Dome Co., Ltd. (representative of juristic person) • Director of KHH Arena Corporation (representative of juristic person) • Director of Sanxin Outlet Co., Ltd. (representative of juristic person) • Chairman of Qi Xing Land Development Co., Ltd. (representative of juristic person) • Chairman of Qi Xin Land Development Co., Ltd. (representative of juristic person)
Independent Director	Chang, Cheng-Shang	Male Over 70 years old	2007/06/22 2021/07/30	Bachelor of Laws, National Taiwan University	None
Independent Director	Yeh, Ming-Feng	Male Over 70 years old	2015/06/09 2021/07/30	Master's degree from the Institute of Economics, National Taiwan University	• Director of Yuban & Company (representative of juristic person) • Director of E&E Recycling, Inc.
Independent Director	Chen, Xiu Zu	Female 61–70 years old	2018/06/08 2021/07/30	Master's degree from the Department of Marine Environment and Engineering, National Sun Yat-Sen University	None

Farglory Land Development convened 13 Board Meetings in 2021, and all-important resolutions have been announced on the MOPS and the official website. For the disclosure of the Company's Board members, their further studies, the meeting outlines of the Board Meetings, and the operational status, please refer to the [Company's annual report](#).

To elevate the Board of Director's performance and reinforce corporate governance, the Company has established 2 functional committees:

» Remuneration Committee

The Remuneration Committee is comprised of 3 independent directors to help the Board of Directors assess the managerial officers' benefits system and the Company's overall salary and benefits policy. In 2021, 5 meetings were convened, and the Remuneration Committee had an average attendance rate of 100% in the same year.

» Audit Committee

The Company formulated the "Audit Committee Charter" on March 20, 2015, and created the Audit Committee to replace the previous supervisor system, where 3 independent directors from the Board of Directors are appointed as committee members. The Audit Committee assists the Board of Directors in hiring CPAs to evaluate its independence and supervise the quality of the financial statements, as well as the Company's compliance with the internal control and legal regulations. In 2021, 11 meetings were convened, and the Audit Committee had an average attendance rate of 100% in the same year.

1.2.3 Ethical Management and Fraud Reporting Mechanism

Based on the principle of fairness, integrity, and openness, and to realize the ethical management policy, Farglory Land Development has stipulated the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct" to align the conduct of the Company's directors and managerial officers with ethical standards, where the management must lead by example to implement the policy in a top-down fashion. Internally, every employee is required to uphold the principle of ethical management practices through employee training, education, and promotion; externally, we collaborate with suppliers to realize mutual benefits in the industry through ethical management practices to become a trusted partner of our stakeholders. [In 2021, Farglory Land Development was not penalized by the competent authorities for violating any anti-corruption regulations.](#)

The Company places great importance on the on-site promotion of ethical management. To facilitate the sound development of ethical management beliefs and actively prevent unethical conduct, we have formulated the "Reporting Measures for Breaching of Ethical Conduct", allowing our employees, customers, and suppliers to report fraudulent and illegal conduct and violations of the Ethical Corporate Management Best Practice Principles through a regular reporting mechanism. The whistleblowers are given absolute confidentiality and rewards for reporting substantiated fraud, thereby achieving a win-win situation for the whistleblower and the Company.

The Company's grievance channel is as follows

Complaint handing unit: Auditing Department Officer

Whistleblower email: B2910@farglory.com.tw

Whistleblower hotline: (02)27239999#2100

1.3 Management Strategy and Risk Management

1.3.1 Farglory Land Development's Mission of Business Sustainability

“Farglory sets out from a people-oriented perspective, focusing on the needs of people and caring about them to engender better residential values with the home at the center.” We believe that buildings are more than just reinforced concrete structures. Instead, they embody a fusion of culture, arts, and life while fostering the happiness and safety of families. Farglory strives to design the houses of the future for the occupants by envisioning their accommodation needs for the next 50 or even 100 years. Aside from enjoying a cutting-edge, all-age residential space, they can also enhance family bonds and engage in friendly interactions with their neighbors. Farglory always strives to put people first by focusing on our customers' perspectives, needs, and social care to create better residential values.

“**Original intention – Trust and commitment**” Farglory's people-oriented, genuine, scrupulous, and caring attitude is complemented by attention to detail that culminates in our sound corporate culture.

“**Touching service – People first, forever**” The very essence of architecture lies in people, thus Farglory endeavors to conduct rigorous analyses, implementation, and quality assurance from design and planning to construction and after-sales service for the sake of creating more livable residential spaces, allowing people to realize a better, more wonderful, and ideal way of life.

“**Brand sustainability – Planning and facilitating a smart lifestyle**” We have upheld our belief in brand development to unveil the second-generation smart home, advocating environmental symbiosis, smart digital technology, and brand sustainability. Farglory not only builds houses but also envisions people's future smart green life.

Short-term Plans	Long-term Plans
Marketing Strategy	
Clean up inventory: Control the proportion of existing home sales and the on-time and on-quality completion and handover of construction projects.	In the case of industrial projects, promote sales using a rent-and-resell strategy; in the case of high-priced projects, launch VIP public facility experience marketing to show the brand value.
Increase the sales pace: Precise positioning of product and packaging, and consolidate market share.	Constantly monitor the sales ratio, encourage unclosed pre-sale projects, and finished house sales to close the case.
Quality improvement plan: Multi-channel feedback and adjustments, improve customer satisfaction and reduce customer disputes.	Utilize the monthly quality management meeting mechanism to track the effectiveness of quality improvement and enhance brand public praise and customer value.
Development Strategy	
Expand performance scale: Increase the number of land development projects.	Increase the inventory of projects launched in the future based on overall and regional market analysis settings.
Reorganize product structure: Region and product and optimized allocation.	Focus on the areas with land value-added effect and increase the proportion of medium and long-term land investments.
Clean up inventory: Optimization of idle assets.	Continuously dispose of idle assets to revitalize capital.
Improve ROI: Set the criteria for gross margin by product, and improve the gross margin of individual projects.	Set the development period, emphasize the effectiveness of individual projects, and constantly monitor projects from development to marketing.
Product Planning	
Increase the turnover rate: Shorten the time for product positioning simulation and accelerate design finalization.	Build operating standards for sensitivity analysis and formulate graphic design specifications.
Reduce the risk of construction costs: Improve the accuracy of cost estimation and compilation, and establish a competitive design equivalence standard and cost review mechanism.	Develop and revise cost estimates, and formulate accurate strategies, methods, and operating standards.
Financial Support	
Maintain an adequate self-owned capital ratio to reduce operating risks and obtain stable, low-interest capital in response to market interest rate fluctuations at all times.	Allocate part of the capital to real estate investments or reinvestment in companies with fixed income to stabilize cash flows, achieve a sound financial structure, and realize sustainable management.

1.3.2 Internal Control Operations and Risk Evaluation

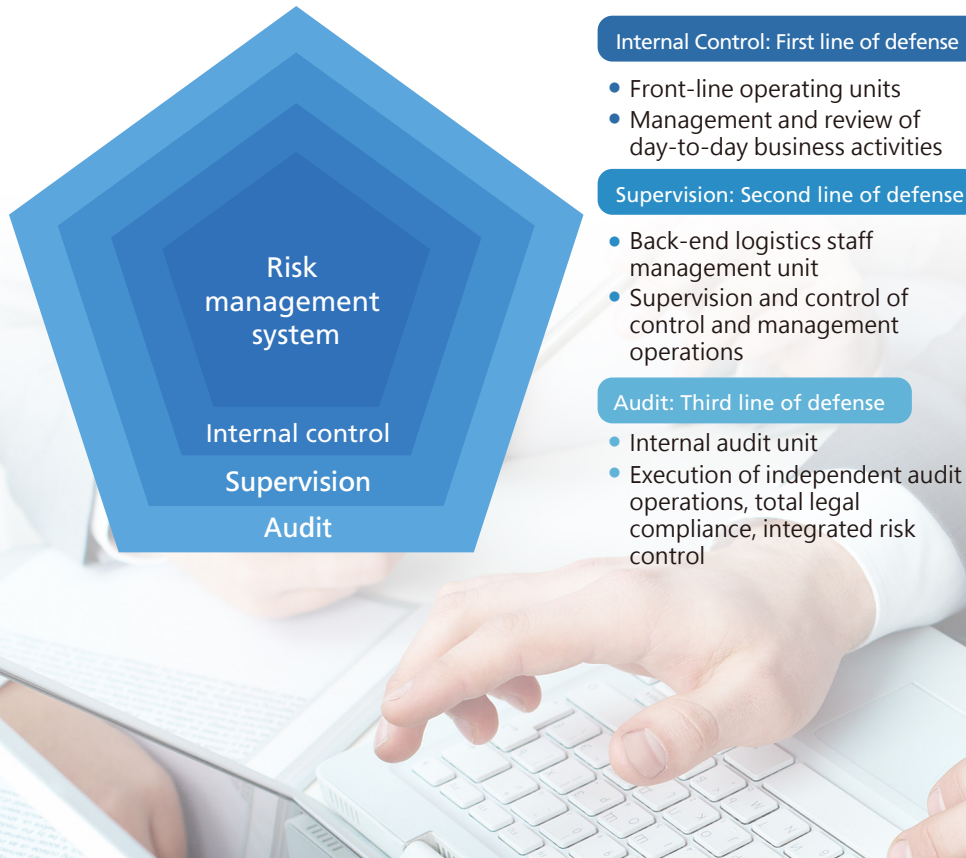
The Company followed the “Regulations Governing Establishment of Internal Control Systems by Public Companies” to stipulate the internal control system and internal audit enforcement rules. Furthermore, we have bolstered our internal control system based on the 5 components of the COSO framework to implement 3 levels of audit operations and defenses. The first line of defense is the internal control self-inspection of the front-line operating units; the second line of defense is the supervision, management, and control operations of the back-end logistics staff management unit; the third line of defense is the effective audit of the operating cycle and risk management by the internal audit unit.

The internal control system is designed by the managerial officer and approved by the Board of Directors. It is managed by the Board of Directors, managerial officers, and other employees to foster sound corporate management and reasonably ensure the accomplishment of the following goals:

- I. Operational efficacy and efficiency.
- II. The report must be reliable, on time, and transparent, and comply with relevant regulations.
- III. Compliance with relevant laws and regulations.

The internal audit operations serve to assist the Board of Directors and managerial officers to inspect and review the shortcomings of the internal control system, as well as to measure its operational efficacy and efficiency. Improvement suggestions must be provided in time to ensure the ongoing, effective implementation of the internal control system and to serve as a basis for reviewing and revising the internal control system. Moreover, annual audit plans such as the operating activity cycle and management/control operations are formulated according to the risk evaluation results, where audit reports are issued based on the project schedule. The internal audit personnel should thoroughly carry out its duties in a professional, independent, objective and fair manner, as well as regularly report to the Audit Committee, with the Chief Internal Auditor presenting a report during the Board Meeting.

In 2021, the internal audit resulted in no major anomalies. The design and the validity statement of the internal control system have been disclosed in the 2021 annual report.



【Risk Evaluation and Response】

I. Impact of interest rate, exchange rate fluctuation, and inflation on the profit/loss of the Company and future countermeasures:

1. In recent years, due to the drop in the currency market interest rate and international market trends, the Company's interest income has decreased. Based on the principle of conservation and stability, the idle capital of the Company is deposited in a financial institution with excellent credit in consideration of both security and reasonable income.

2. Impact of inflation on business operations: As land prices have repeatedly hit new highs, raw material costs have continued to rise, and construction costs have remained high, it is necessary to control the number of projects in areas where construction costs are higher and accelerate the adoption of alternative construction techniques and building materials to reduce research and development costs and man-hours. It is also necessary to pay attention to response measures to the global carbon reduction issue leading to green inflation.

3. The financial department of the Company closely monitors the impacts of interest rate, exchange rate fluctuation, and inflation on the profit/loss of the Company at all times. The financial department also proposes countermeasures, such as seeking loan interest rate reduction with financial institutions or adopting a direct financial strategy to reduce loan interest rates to save on capital costs.

II. The impact of technological changes (including information and communication security risks) and transformations in the industry on the Company's finances, as well as the countermeasures:

The Company established the "Information Security Policy" to ensure the security of its data, information systems, facilities, and networks, as well as to enhance information security management in order to provide reliable information service. The Company also announced the "Information Security Policy Whitepaper" on December 9, 2020. Regarding the allocation of responsibilities, the MIS Planning Office is mainly responsible for establishing the information security policies, plans, measures, and technical specifications, and the research,

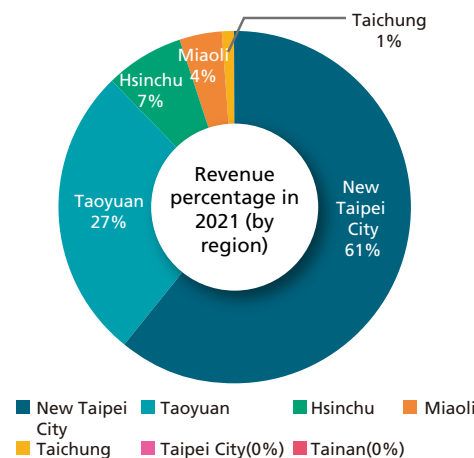
establishment, and evaluation of matters related to security technologies. For audit-related operations, the MIS Planning Office handles audits together with the Auditing Department. The personnel security evaluation is handled by the HR Department. Educational training on information security in techniques and business operations is provided from time to time to promote the responsibility of the employees for information security.

III. Other significant risks and corresponding countermeasures:

In response to the COVID-19 pandemic, the Company has implemented anti-pandemic measures since the beginning of 2020 (including anti-pandemic notice and announcement, workplace disinfection, activity footprint tracking, the name-based registration system for visitors, and vaccination) and an operational contingency plan (video conferences, staggered shift arrangements, remote work/work-from-home drills, etc.) to achieve the two goals of protecting our employees' physical and psychological safety and ensuring the Company's normal operations.

1.4 Business Performance

Farglory Land Development maintains a sound business performance through land development, product design and positioning, quality, and cost control. Financial performance is demonstrated by duly paying our taxes so as to give back to our shareholders and society in the form of profits.

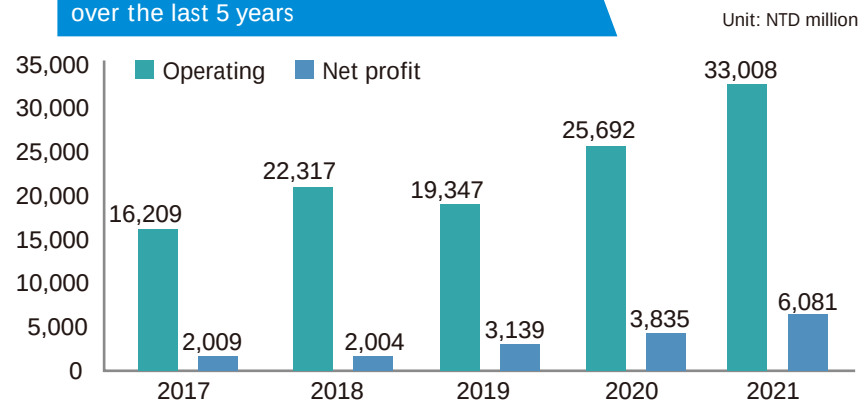


Unit: NTD thousand

Item/Year	2019	2020	2021
Operating income	19,347,316	25,692,155	33,007,708
Income tax expense	746,960	1,041,364	1,844,251
Net profit after tax	3,138,954	3,835,390	6,080,658
EPS (NTD)	3.89	4.86	7.78
Return on shareholders' equity (%)	7.54%	9.21%	13.71%
Cash dividends	3.61	4.5	5.5

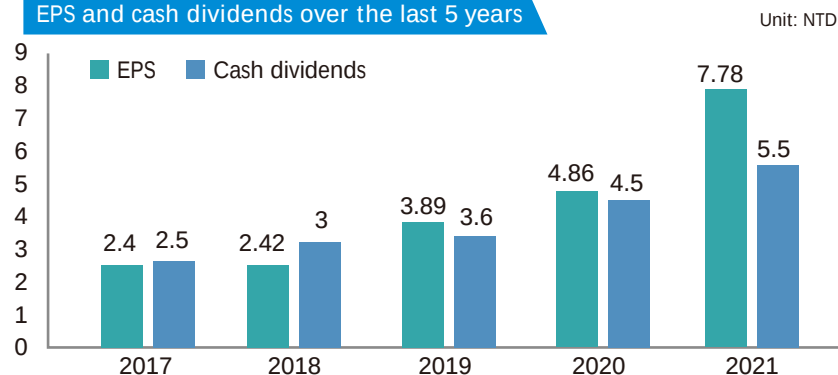
Based on the 2021 marketing strategy, the Company continued to engage in land development in the 6 special municipalities, Hsinchu, and Changhua to maintain the number of potential construction projects for the next 3–5 years. In addition, to respond to the return of overseas Taiwanese businesses, the Company has expanded the business layout of large or customized factory (office) buildings. Regarding the profit difference in construction projects between northern, central, and southern Taiwan, the proportion of projects in the three regions will be adjusted, and we will work to stabilize the business model and engage in business transformation to ensure steady growth of revenue and profit.

Operating revenue and net profit after tax over the last 5 years



Benefiting from the recovery of the economy in the second half of 2021 and the precise positioning of products, the Company's sales in 2021 reached NT\$42.4 billion, a new high over the last decade. Our operating income also reached a record high of NT\$33 billion due to the completion of a major project in Taoyuan. In the future, we will continue to control costs through the standard contracting schedule and estimation of cost increase, to respond to the rising costs of raw materials, building materials, and labor, to further increase the profit margin after tax and EPS.

EPS and cash dividends over the last 5 years



Farglory Land Development upholds the principle of sound management and strives to give back to our shareholders on the premise that the working capital remains safe. In 2021, the Company's dividend payout ratio was 71% in response to the shareholders' support and encouragement. For detailed financial information and analysis, please refer to the [Company's annual report](#).

1.5 Legal Compliance

Farglory Land Development ensures the legal compliance of the Company's products, services, and operations through the internal management regulations and the 3-level supervision system. In 2021, our "Farglory DH1 Residential Project" was fined for NT\$2 million by the Fair Trade Commission (FTC), and the Company has already reviewed its inadequate marketing approach as stated in the FTC's news release. In the future, we will fulfill our supervisory duty and implement a marketing supervision mechanism to ensure that our marketing methods comply with the law, thereby preventing similar disputes from occurring again.

1.6 Participation in External Organizations

We proactively participate in various industry associations and organizations to facilitate industrial development through the exchange of learning experiences.

Type	Organization Name
Industry, commerce, and economy	Chinese National Association of Industry and Commerce, Taiwan
Real estate associations	• The Real Estate Association of R.O.C. • The Real Estate Development Association of Taipei • The Real Estate Development Union of New Taipei City • Taoyuan Real Estate Development Association • The Real Estate Development Association of Hsinchu • The Real Estate Development Association of Hsinchu County • Great Taichung Real Estate Development Association • The Real Estate Development Association of Tainan • The Real Estate Development Association of Kaohsiung
Industrial technology development	Taiwan Intelligent Building Association
Professional finance and accounting	• Taiwan Institute of Directors • Accounting Research and Development Foundation

2

Chapter

Leading International Construction Brand

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2.2	Intelligent Building – Innovation Introduces Endless Possibilities in Life	33
2.3	Performance Building – Value Upgrade	34
2.4	A Century of Construction Quality Assurance	35



Material Issues	Product safety, green products, and innovative services		7 AFFORDABLE AND CLEAN ENERGY
Management guidelines	Management policies	Develop green buildings and low-carbon buildings	
	Management goal	Short-term	25% of the construction projects should obtain at least a green building silver rating during the land evaluation stage - Low-carbon certified buildings should account for at least 10% of the construction projects for the year 40% of new construction projects should obtain at least an EEWB Green Building Label silver rating
		Medium-term	60% of new construction projects should obtain at least an EEWB Green Building Label silver rating - Bronze low-carbon certified buildings should account for at least 20% of the construction projects for the year
		Long-term	Bronze low-carbon certified buildings should account for at least 50% of the construction projects for the year
		Continuity	Continue to develop energy-saving and carbon reduction architectural designs focusing on aspects such as lightweight and durability
	Action plan	Revise the building development model from land evaluation and product positioning to architectural design in a bid to develop green buildings and low-carbon buildings.	
		Third-party notary	

The Farglory Group has visited cities in over a dozen advanced countries in the world including Japan, Korea, Singapore, the US, and Europe to conduct studies. Furthermore, we have joined forces with numerous strategic domestic and international partners to promote the “Farglory second-generation smart home” inspired by 3 core concepts: environmental symbiosis, smart digital technology, and brand sustainability. We aim to provide the occupants with safety, convenience, comfort, health, energy conservation, and environmental protection benefits. We will continue to evolve in a bid to enhance the residential environment in Taiwan. Subsequently, we have integrated cloud technology with green energy, intelligence, and performance to create a new residential paradigm featuring culture, technology, environmental protection, energy conservation, and carbon reduction benefits. In 2015, the length of FTTH fiber optic cable deployed for Farglory second-generation smart homes reached 1,250km, enough to circle Taiwan once, making us the number one construction firm in Taiwan in this regard.

The core concept of Farglory's second-generation smart home is integrating green energy with intelligence and performance.

- Green energy** — The emphasis is on energy generation, saving, and storage, as well as environmental symbiosis.
- Intelligence** — Smart platform, smart access control, and smart living create a digital space.
- Performance** — Persistence in structural safety, silent environment, safe, toxin-free, and accessible, friendly living space.

7 major certifications Intelligent building with cloud technology, green Energy, intelligence, and performance

- Green Building Material Label
- EEWB Green Building Label
- Intelligent Building Label
- Housing Performance Label
- Fire Safety Building Label
- Structure Accreditation Building Label
- Universal Design Label



2.1 Green Energy Buildings – Attaining Co-prosperity with Earth

40% of the energy consumption and 20% of the carbon emissions on Earth originate from buildings. Farglory Land Development continues to contemplate ways to incorporate the low-carbon, sustainable lifestyle from Europe and the US into Taiwan. Over the years, our architecture team has visited over 30 cities throughout Europe, Asia, and the Americas to bring back cutting-edge green energy technologies and green building concepts. Moreover, we have collaborated with top domestic and foreign architecture, technology, and art teams to advance the construction of green towns in the country. As global citizens, we strive to make the world a more beautiful place by leveraging our corporate resources to ensure sustainability and symbiosis between buildings and the environment.

Farglory Land Development's green energy buildings begin with energy generation, where solar panels and wind turbines are installed on the rooftops to generate electricity for public facilities to save electricity consumption. In terms of lighting design for the buildings' exterior, halls, parking lots, and garden landscapes, durable, energy-saving LED lights are installed to conserve electricity. Although inherently more expensive, they can generate long-lasting energy-saving benefits and contribute to environmental protection through the application of technology. The high-performance rooftop thermal insulation and recessed window design on the outer walls prevent exposure to direct sunlight, in turn reducing the interior temperature and the use of air conditioners. In addition, the green building design features a rainwater harvesting system, garbage sorting, refrigeration system, and car charging system to facilitate the reuse of resources and achieve energy-storage benefits.

📌 Farglory second-generation smart home: A paradigm of green residences boasting energy generation, energy-saving, and energy storage characteristics

Farglory Land Development – Green energy buildings		
Energy generation	Install solar panels and wind turbines	The electricity generated can be used in conjunction with municipal power through the power regulation system. We can effectively save power consumption by using the generated electricity for public facilities.
Energy saving	Rooftop high-performance thermal insulation plan	Increase the thickness of the reinforced concrete and cement mortar, and enhance the waterproof and thermal insulation layer to prevent buildings from absorbing heat from the sun. As a result, the interior won't overheat in summer, in turn decreasing the power consumption of air conditioners.
	LED and energy-saving products	Considerable power savings compared to traditional products.
	LOW-E glass design	Protects the interior from direct sunlight exposure and lowers the indoor temperature.
Energy storage	Recessed windows on outer walls	Introduces airflow and reduce wind pressure, using the natural movement of air to achieve heat dissipation.
	Rainwater harvesting system	Use the rooftop water collection tank and the atrium well to harvest rainwater to the underground storage tank. The water is used for plant irrigation, thereby lowering tap water consumption and sewage treatment expenses.
	Garbage sorting and refrigeration system	Unrestricted by time or climate, the low-temperature sealed structure inhibits the growth of germs to ensure environmental hygiene.
	EV charging station	EV and electric scooter charging stations minimize pollution, creating a living environment that is in line with the environmental trend for the next 50-100 years.

EEWB Green Building Label and international certifications obtained by Farglory Land Development since 2011:

Name of building	MOI's EEWB Green Building Label	Criteria satisfied							U.S. Green Building Council's LEED certification	International certification
		Greenification	Site water conservation	Daily energy saving	CO ₂ reduction	Waste reduction	Indoor environment	Water resource		
Farglory Central Park	Silver	v	v	v			v	v	v	-
Farglory-Rose Garden	Silver	v		v			v	v	v	LLG Certificate of Innovation and Excellence for Smart Urban Technologies
Farglory-Garden	Bronze	v		v			v	v	v	-
Farglory H92 Residential Project	Silver	v	v	v			v	v	v	-
Farglory-Chateau des Champs Elysees	Gold	v	v	v	v			v	v	-
Farglory H75 Residential Project	Silver	v	v	v	v		v	v	v	-
Farglory H82 Residential Project	Silver	v	v	v	v			v	v	-
Farglory H89 Residential Project	Silver	v	v	v	v			v	v	-
Farglory H108 Residential Project	Gold	v	v	v	v	v	v	v	v	NC – Silver Silver
Farglory-Fairview Garden	Silver	v	v	v	v	v		v	v	-
Farglory Shinjuku	Silver	v	v	v	v			v	v	-
Farglory H115 Residential Project	Silver	v	v	v			v	v	v	-
Farglory H117 Residential Project	Silver	v		v	v		v	v	v	-
Farglory H99 Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory H103 Residential Project	Silver	v	v	v	v	v	v	v	v	-
Farglory H132 Residential Project	Silver	v	v	v	v	v		v	v	-

Name of building	MOI's EEWB Green Building Label	Criteria satisfied							U.S. Green Building Council's LEED certification	International certification
		Greenification	Site water conservation	Daily energy saving	CO ₂ reduction	Waste reduction	Indoor environment	Water resource		
Farglory H601 Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory W Plaza	Silver	v	v	v	v	v		v	v	-
Farglory H88 Residential Project	Silver	v	v	v				v	v	-
Farglory H702A Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory H98 Residential Project	Silver	v		v	v	v	v	v	v	-
Farglory H101A Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory H603 Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory-U-Town	Silver	v		v				v	v	LLG Certificate of Innovation and Excellence for Smart Urban Technologies
Farglory CASA	Passed	v	v	v	v	v		v	v	-
Farglory H101B Residential Project	Silver	v	v	v	v	v		v	v	-
Farglory H138 Residential Project	Silver	v		v				v	v	-
Farglory Balvenie	Passed	v	v	v	v	v		v	v	-
Farglory Dali	Passed	v	v	v	v	v		v	v	-
Farglory New Future	Silver	v	v	v	v	v		v	v	-

From 2011 to 2021, Farglory Land Development applied for and obtained¹ 30 EEWB Green Building Labels from the MOI. The Company also obtained one U.S. Green Building Council's LEED certification and 2 Living Labs Global (LLG) certifications from Denmark.

¹Limited to the first green building certificate obtained by Farglory Land Development after receiving the occupancy permit.

Building carbon footprint

The “carbon footprint certification system” was launched by the Low Carbon Building Alliance (LCBA). The so-called building carbon footprint refers to the CO₂ emissions generated by the building during its life cycle “from cradle to grave”. Each building’s life cycle is divided into 5 major stages: “building material production and transport”, “construction work”, “daily use”, “repair and upgrade”, and “demolition”.

We can analyze the influence of the life cycle from the carbon footprint by examining the environmental impact of construction, use, and demolition. We can also analyze the energy consumption of electrical appliances, air conditioners, and lighting. Through the building’s structural analysis, we can understand the structure’s carbon emissions. The architect can discover and improve the most energy-hungry hotspots during the design stage.

Through the carbon footprint certification, we can ascertain the building’s total carbon emissions during its life cycle, carbon emissions per square meter per year, as well as the carbon reduction ratio in comparison with other products in the same class. Consequently, to materialize the concept of green environmental protection and sustainability, as well as to determine whether our buildings conform to the definition of green building, Farglory Land Development has joined the ranks of carbon footprint certification. In 2021, we obtained 3 low-carbon building planning certifications:

2 Taichung – Farglory Classic Condo

For the next 6 decades, the building will reduce CO₂ by 5,518 TCO₂e, earning it the bronze LCBA certification



1 Taichung – Farglory BH1 Residential Project

For the next 6 decades, the building will reduce CO₂ by 8,060 TCO₂e, earning it the bronze LCBA certification



3 Taichung – Farglory BH6 Residential Project

For the next 6 decades, the building will reduce CO₂ by 1,445 TCO₂e, earning it the LCBA certification (passed)



2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life

World's first “Smart City” certification

Farglory Left Bank's smart community is the first community to receive the LLG (Living Labs Global) “smart city” certification. Using smart security, low-carbon, energy-saving, and ecological green energy as the blueprint, the intelligence of Taiwan as a tech island and the global trend of environmental symbiosis have been integrated to create the first low-carbon, sustainable city in Taiwan.

With the rise of the global cloud generation, Farglory-U-Town is the first industrial/office park in Taiwan that boasts a wide range of green energy, intelligent, low-carbon, and cloud technologies. In collaboration with Chunghwa Telecom, Microsoft Taiwan, Trend Micro, and HTC, Farglory has unveiled the first commercial building integrating the public and private cloud. Farglory-U-Town is equipped with an ISO 27001-certified cloud data center that has obtained 6 major golden certifications from Living Labs Global in 2013: “business cloud”, “smart cloud”, “smart green building”, “cloud-enabled building – online/offline management and sharing”, “cloud-enabled building – high-speed data transmission”, and “cloud-enabled building – safe cloud data transmission”.



Farglory second-generation smart home

Farglory Land Development – Intelligent building		
Smart platform	FTTH	Global digital standards – Fiber to the home
	Farglory digital service platform	The convenience of entertainment, communication, education, and work through digitization
Smart access control	All-area access control system	The access control system identifies the finger vein patterns, offering a high degree of accuracy that cannot be replicated. Community access control, elevators, and entrance electronic door locks can be accessed with an EasyCard or a smartphone's NFC function, making it convenient and non-replicable.
	eTag driveway and safe high speed doors	We are the first to apply the eTag system on vehicle access control and adopt German safe high-speed doors, which allows the opening of driveways door within 3 seconds to ensure accurate and quick access.
Smart living	IP-CAM community-wide surveillance system	IP-CAM combines digital image processing technology with a virtual fence and dangerous area display to enhance community safety.
	5-in-1 smart HA system	1. Intercom: The phone at home is connected to the management center, offering free calls to visitors or neighbors. One can also video chat with visitors via the touch screen. 2. Scenario control: Customizable home scenario modes; for instance, the going out mode will shut off all public area lights and gas at home. 3. Energy management: The occupants can monitor their water and power consumption via the digital water and electricity meter. 4. Environmental control: The 3-in-1 sensor monitors the temperature, humidity, and CO₂ levels at home. When the system detects that the humidity is too high, the air conditioner's dehumidifier function will be activated; when the CO₂ concentration is too high, the total heat exchanger will be activated to introduce fresh air into the home. 5. Digital service platform: The 5-in-1 smart HA system integrates Farglory's proprietary digital service platform, on which residents can confirm parcel status, view community announcements, take online gas meter readings, etc. Integrating everyday details into the digital lifestyle.
	Community public service wireless network system	A wireless network is available in public areas, allowing residents to surf the Internet with their cell phones or laptops while enjoying the public facilities.

2.3 Performance building – Value upgrade

The spirit of “brand sustainability” of the Farglory second-generation smart home is embodied in the 4 major criteria of performance buildings: structural safety, acoustic environment, air environment, and universal design. For Farglory, structural safety has always been an important consideration. Our architectural designs and rigorous construction standards that surpass the legal regulations endow our residential buildings with more earthquake resistance and protection. In terms of sound insulation, thermal insulation, and energy-saving, Farglory specializes in increasing living quality through technology. For instance, as far as the acoustic environment is concerned, we use watertight, high-performance sound-insulating aluminum windows in conjunction with laminated glass to decrease external noise by 35dB. The windows also block out infrared radiant heat to lower the power consumption of interior air conditioners.

We uphold our people-oriented spirit to consider the residential needs of an aging society and disadvantaged groups from the perspective of people, their needs, and care for them to generate better residential values. In 2008, we proposed the all-age residential concept that encompasses 3 major drives: **1. Eliminating height difference**; **2. Maintaining reasonable net width for doors and passages**; **3. Reserving suitable space**. The aim is to build residences for users of all ages for the next 50 to 100 years.



The “Farglory The One” project allowed us to become the first private firm to receive the “Class A UD Certification” in September 2014.

The “Farglory H810 Residential Project” became the first building in Tainan to receive the “Class A UD Certification” in September 2019.

All-age residence (Farglory H810 Residential Project as example)

Private space

Passage: Maintain a net width of at least 90cm for indoor passages

Door width: Maintain a net width of at least 75cm for room and bathroom doors

Entrance: Entrance thresholds of no more than 3cm, and they must be beveled

Bathroom: Each household must have at least one bathroom with an internal net width of 70cm

Public space

Entrance: ① The entire building is connected to the external public streets in a way that is accessible and convenient for the users;
② Non-slip flooring is used for the lobby and entrance

Outdoor: Wheelchair and stroller-accessible parking spaces are designed

Playground: The outdoor landscape features a safety protection design

Swimming pool: The pool features non-slip flooring and a pool hoist

Elevator: Offers smooth access to the rooftop

Signs: Signs in various spaces feature visual illustrations

2.4 A Century of Construction Quality Assurance

Construction is a conscientious business; after all, many people spend their life savings to own a home that offers them safety and protection. Besides being committed to architectural design and planning, Farglory Land Development also emphasizes construction quality. Our one-stop business model allows us to stay in total control of construction site management and quality through the standard quality inspection system, thereby providing our customers with exceptional architectural quality.



Earthquake-resistant Building – Safety Standards for Design and Materials

Farglory Land Development ensures the safety of buildings through certified earthquake-resistant design and rigorous demand on building materials to offer our customers peace of mind. Every detail of construction is subject to meticulous regulations. When conducting structural design and analysis, the first step of architectural design involves geotechnical engineering and geological survey. Farglory Land Development reduces the geological parameters to increase the safety factor and choose the most appropriate construction method to reinforce structural safety and eliminate the risk of soil liquefaction. The inspection results are integrated into the architectural design to ensure the overall safety of the building. The Seismic Design Specification for Buildings has been revised 3 times since 1971, with the seismic coefficient increasing from 0.18–0.33G to 0.20–0.32G. In particular, since the 921 Earthquake, most buildings can sustain earthquake magnitudes of 5, 6, or above. Being capable of withstanding magnitude 6 earthquakes is the basic requirement of Farglory Land Development. For regions prone to earthquakes, the seismic coefficient is raised to 0.384G, 37% higher than the legal standard and surpassing the legal architectural standards.

Foundation Design of Earthquake-resistant Buildings

Raft foundation	The one-piece foundation evenly distributes the weight and load of the building across the entire area to reduce the differential settlement of the foundation so that when an earthquake strikes, the building will shift on the soft soil like a ship on the ocean, thereby minimizing structural damage.
Pile foundation	The pile is driven deep underground to transfer the structural load directly to the load-bearing layer such as hard soil or bedrock. The outstanding load-bearing characteristics protect the structure from the effects of soil liquefaction.
Diaphragm wall	The underground diaphragm wall technique is the most ideal construction method in terms of retention, waterproof performance, rigidity, and safety. The wall structure acts as a permanent structure offering great retention and waterproof functions, as well as structural rigidity and safety.



As far as the choice of building materials such as concrete, rebar, and steel is concerned, Farglory not only abides by the government's standards but also purchases from well-known suppliers to ensure a higher standard than other buildings on the market. We rigorously demand safety and quality.

Earthquake-resistant building material standards		
Concrete	High strength concrete	Products from major cement brands such as Taiwan Cement Corporation, Asia Cement Corporation, and Hsing Ta Cement Company are used in combination with ready-mix concrete from Lih Tai, Goldsun, Taiwan Cement, Universal, and Ya Tung. The compressive strength satisfies the latest concrete structure design regulations (Civil Engineering 401-110), using high strength concrete of at least 4000psi, which offers a higher strength and weather resistance than the 3,000psi and 3,500psi concrete of traditional buildings. Three Major Quality Regulations 1 The concrete mixing and pouring time must be within 90 minutes 2 The chloride ion level standard is lower than that of the government's regulations, and absolutely no sea sand is used 3 Mixing of concrete from different manufacturer brands is strictly prohibited to provide the best structural quality
	High-strength rebar	Hot-rolled rebar from major steel mills is used. Hot-rolled rebar is manufactured by adding vanadium to steel during the production process to enhance the mechanical properties of rebar such as yield strength and resilience. Quenched rebar is not used as it is not suitable for welding and processing, thus ensuring the quality of rebar constructions.
Rebar	High -tensile earthquake-resistant rebar	The rebar used by the Company complies with weldable rebar regulations (CNS 560). The advantages include high tensile strength and weldability, and it can be used for the processing of couplers. Furthermore, its malleability ensures that the structure meets the demands for earthquake-resistant design.

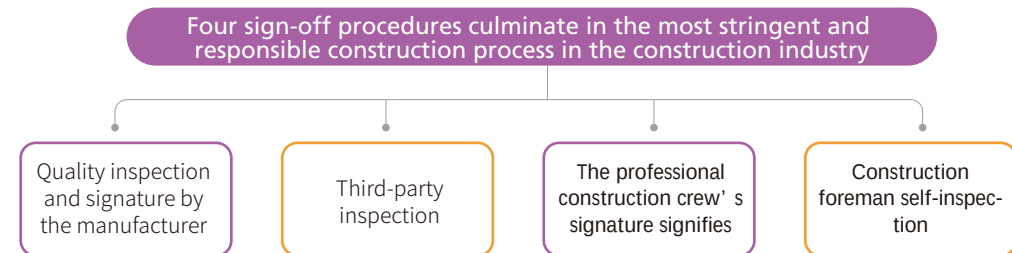
Earthquake-resistant building material standards		
Rebar coupler	SA-grade coupler	SA-grade friction-welded couplers from renowned professional manufacturers are purchased, which offer better malleability and resilience than conventional B-grade couplers. Their tensile or compressive strength allows coupled rebar to reach the stipulated tensile strength.
	Rebar coupling	Unlike the traditional connection method, the couplers are compartmentalized to prevent couplers from connecting on the same cross-section. As the rebar does not overlap, the concrete bonds the rebar tightly to reduce the possibility of cross-sectional collapse due to damage by strong external forces.
Steel	High-strength earthquake-resistant steel	Steel from 2 domestic major manufacturers, China Steel and Tung Ho, is used, and we collaborate with process plants such as Evergreen Steel and China Steel Structure to use earthquake-resistant SN-B and SN-C steel plates that comply with CNS13812 national standards (hot-rolled steel used for building structures) to improve earthquake-resistance, up to 1.2 times more earthquake-resistant than conventional A36 or A572 steel plates. China Steel's headquarters in Kaohsiung are also constructed using the SN-B and SN-C steel plates.
Damping system	The only NASA-certified damping system	Taylor Devices dampers are NASA's equipment of choice, capable of absorbing the seismic energy of earthquakes through the energy dissipation mechanism and the building structure, thereby minimizing structural shift. This is complemented by the buckling restrained brace (BRB) system to protect the structural safety of the building.

Note: The damper's installation requires structural design and analysis, hence it does not apply to every project.



Steel-like Commitment – Constructing Buildings That Will Last a Century

Construction quality determines whether a building can exist sustainably, hence Farglory Land Development's construction team implements every construction detail with the utmost professionalism and rigor. In 1987, Farglory set the industry standard in building safety by signing the steel structure. Over 3 decades later, every piece of steel in the building still goes through 4 inspection procedures before it is signed as a seal of approval of the construction quality.



Structural safety guaranteed

If a building's steel structure is akin to the human bone, concrete is the muscle around the bone; the key to physical strength lies in the structural strength of the steel and concrete. Farglory Land Development regards every construction project as our own home and demands the highest quality. From basic building materials such as gravel to construction technologies, we always apply the highest standards. In particular, since Taiwan is located on a seismic belt, building structural safety is even more important.



Farglory Land Development's first consideration is that the building materials do not cause harm to the human body. Every construction project comes with a zero radiation pollution rebar guarantee and zero sea sand affidavit, demonstrating our emphasis on the unseen details.

Taking Farglory Star 7 as an example, the structural engineering involves bottom-up construction and raft foundation. The earth retaining technique involves driving steel sheet piles 19m into the ground and erecting a 45cm permanent basement outer wall to ensure fortress-like structural safety. Additionally, the structural system boasts an RC moment-resisting frame, architectural symmetry, zero short column/beam effect, strong column, and weak beam earthquake-resistant design, and optimal earthquake resilience, allowing the building's safety values to exceed the legal requirement.





System

Three-level quality assurance system

Six-stage construction inspection

160 categories of inspection forms

13,067 inspection items

12 major categories of structural materials

58 inspection items

5 major categories of decoration materials

79 inspection items

2 major categories of public decoration materials

39 inspection items

Building record

Even the most cutting-edge designs and construction technologies still need to be supported by abundant on-site construction experience. Farglory Land Development has assembled a professional cross-disciplinary construction team to devise 1,421 construction standards across 7 different stages based on successful experiences in the past. These encompass 52 building material inspections (12 categories), 79 decoration material inspections (5 categories), and 39 public area material inspections. We aim to elevate quality through the systematic examination of details. Besides a professional construction team and rigorous construction process, a 3-level quality management system is also implemented to ensure that structures comply 100% with the latest building earthquake-resistant design regulations. A 6-stage construction inspection of “assumption, foundation, structure, exterior, interior, landscape” is conducted along with various external professional tests. Moreover, 755 construction SOPs have been implemented during construction management, as well as 13,067 construction inspection items, setting the highest quality standards.

Building record

I. Construction process record

II. Drawings

- ◆ Floor plan
- ◆ Structural diagram
- ◆ Standard floor plan
- ◆ Customer floor plan
- ◆ Plumbing diagram

III. Production team

IV. Various types of certificates issued

V. Structural safety guaranteed

- ◆ Zero radiation rebar certificate
- ◆ Zero sea sand certificate

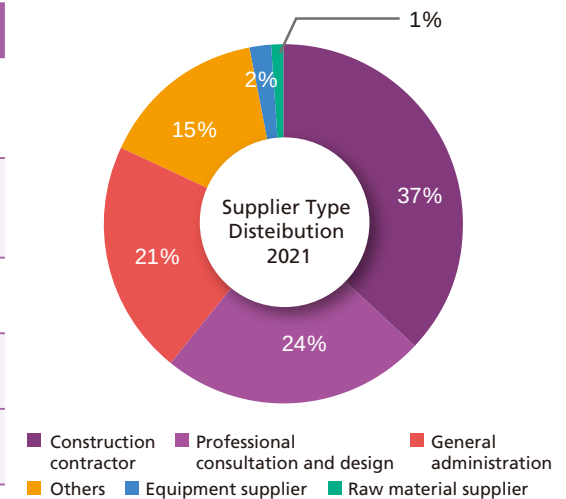
VI. Construction process record

- ◆ Rebar tensile strength test report
- ◆ Concrete compression test report
- ◆ Chloride ion test report
- ◆ NDT test report
- ◆ Waterproof material test report
- ◆ Dry wall test report
- ◆ Paint factory certificate
- ◆ Fire-resistant ceiling test report
- ◆ Stone material test report
- ◆ Fire door test report
- ◆ Escalator safety inspection information
- ◆ Mechanical parking safety inspection information
- ◆ Emergency generator certificate information
- ◆ Lightning rod warranty

Supply chain management

Farglory Land Development's suppliers that reached a total amount of NT\$500,000 in 2021 are divided into 6 major categories. Of these, construction contractors account for the majority (37%), the primary supplier being Farglory Construction, which, like other suppliers, also adheres to the purchasing and outsourcing management system. In addition to supplier evaluation, the supplier contract must also contain regulations including the Occupational Safety and Health Act, construction site labor safety and health, no hiring of illegal labor, no intellectual property infringement, and no acceptance of gifts or treats. Our suppliers are asked to produce the "Anti-bribery Letter" and "Labor Safety Letter". The contract should also include "Reporting Instructions", providing suppliers with information related to whistleblowing to uphold labor rights and integrity.

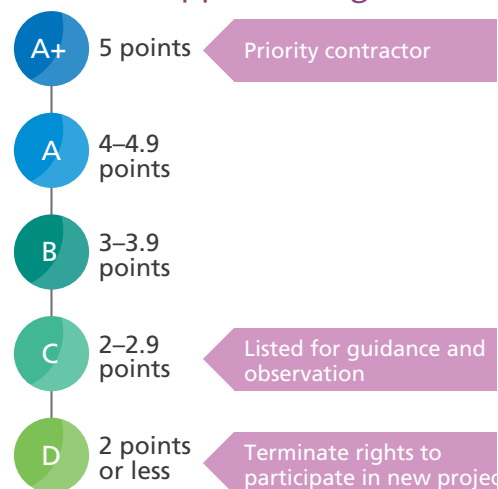
Supplier type	Service details
Professional consultation and design	Provide consultation or design, professional consultants such as architects, interior designers, accountants, attorneys, and appraisers
Construction contractor	Providers of construction technical services such as demolition, land preparation, fence construction, ground anchor construction, civil engineering, structural engineering, and decoration
Raw material supplier	Suppliers of building materials such as rebar, concrete, gravel, cement, bricks, tiles, and stone materials
Equipment supplier	Suppliers of fire safety equipment, elevators, kitchenware, bathroom, lights, and furniture
General administration	Suppliers of workplace software/hardware, office supplies, workplace cleaning services, and property security services
Others	Landowners, banks, securities, scriveners



Farglory Land Development selects only suppliers with a supplier rating of at least B, and suppliers deemed unfit will be terminated until the improvements are made. Furthermore, every construction project undergoes reevaluation before completion, where a rolling review of the suppliers' quality is conducted to detect problems in advance and provide feedback to the suppliers for improvement, in turn generating a win-win situation with the suppliers.

Our contractors and suppliers must assign a project manager, site supervisor, quality assurance/labor safety personnel, and construction crew to each Farglory Land Development construction site to comply with labor safety and health regulations and relevant building construction regulations. In 2021, Farglory Land Development and its contractors/suppliers did not incur any major occupational disasters, casualties, or labor safety accidents.

Supplier rating



Supplier evaluation (5-point system)

Requisition type	Requesting unit	Co-organizing unit	Material Management Division
General category	50%		50%
Engineering category	40%	30%	30%
Fixed assets category	40%	30% (HR Department)	30%
Information category	40%	30% (MIS Planning Office)	30%
Assets category	40%	30% (Asset Management Section, Land Development Department)	30%

Acceptance unit		Material Management Division	
Construction quality	40%	Construction quality	30%
Progress	30%	Willingness to provide quotations	20%
Service quality	30%	Emergency cooperation	20%
		Financial position	15%
		Evaluation by the industry/different parties	15%

3

Chapter

Sustainable Environment

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3.1 Climate Change Management

In recent years, climate change has caused an increase in climate anomalies or extreme climate. Farglory Land Development realizes that the Earth's resources are limited, and faced with environmental impacts and changes, we will fulfill our duty as global citizens by constantly improving the utilization of different resources such as materials, energy, personnel, space, and time, thereby minimizing the unnecessary waste of resources and ensuring the sustainable development of the Earth and businesses.

3.1.1 GHG Inventory

Farglory Land Development has adopted the operational rights method in accordance with the ISO 14064-1:2018 organizational boundaries to determine the Company's GHG emissions or removal in 2021. The inventory boundary encompasses 100% of the organization's operations (Taipei head office building and Kaohsiung office), operation-related direct GHG emissions (category 1), energy-related indirect GHG emissions (category 2), and other indirect GHG emissions (category 3–4). In 2021, Farglory Land Development's total GHG emissions were 264.218 tonnes of CO₂e/year. This was verified by a third party and a reasonable assurance inspection statement was obtained.

The Company's main GHG emissions are generated by the consumption of externally purchased electricity (category 2). Electricity consumption at our offices includes air conditioners, lighting, office equipment, etc. The inventory and quantified results are used for planning the GHG reduction of our electrical equipment in the future, as well as to discuss and evaluate feasible carbon reduction projects with relevant units.

Statistics for various type of emissions in 2021

Report for various types of emissions	Emissions (tonne CO ₂ e/year)	Ratio (%)
Category 1: Emissions and removal of direct GHGs	12.7567	4.83%
Category 2: Indirect GHG emissions from external energy sources	177.7441	67.27%
Category 3: Indirect GHG emissions from transportation	24.5497	9.29%
Category 4: Indirect GHG emissions from products used by the organization	49.1676	18.61%
Total emissions	264.2180	100.00%
Direct emissions from biomass	--	--
Total emissions intensity (tonne CO ₂ e/ping)	0.311	--

» GHG emissions reduction plan

To protect environmental sustainability and decrease the environmental impact of the organization's operations, the Company will continue to refine and improve the management of environmental issues. Environmental goals and action plans are formulated according to the "Farglory Land Development Environmental Policy", while internal promotions are strengthened to elevate our colleagues' energy saving and carbon reduction awareness and actions.



Farglory Land Development
Environmental Policy

Energy-saving goal and action plan

Environmental goal		Action plan	
Management strategy	Management criteria	Estimated implementation period	Implementation method
Low carbon transition	Lower the power consumption of the head office	Short-term goal	Automated time control equipment will be installed for lights on our floors of the head office to lower the power consumption of lights
			Energy-saving film will be applied to the glass screens on our floors of the head office to lower the power consumption of the building
Recycling and reuse	Resource reduction, recycling, and reuse	Long-term goal	Hardware for garbage sorting on our floors of the head office will be installed
			Water-saving facilities on our floors of the head office will be installed
		Continuity	Review the garbage sorting and recycling status every year and promote employee waste reduction resolutions



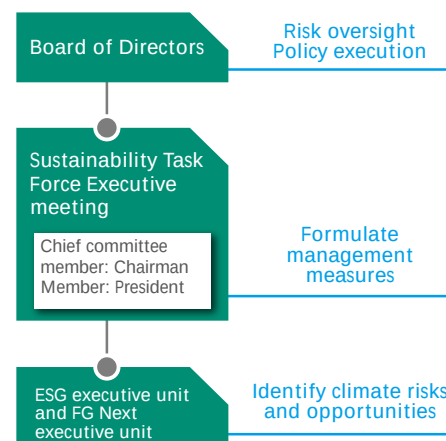
3.1.2 Climate Risk Management System

In recent years, as climate change exacerbates and extreme climate events become more frequent, the World Economic Forum (WEF) issued The Global Risks Report 2022 in January 2022, which states that environmental risks such as failed climate actions, extreme climate, and diminished biodiversity are the top 3 risks. In response to the major challenge of climate change, numerous climate regulations and initiatives demand enterprises to disclose their climate risks and opportunities.

Farglory Land Development appreciates the urgency of climate-related risk management; whether it is the influence of extreme climate on the construction progress or the health risks of rising temperatures for construction workers, Farglory Land Development followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) announced by the Financial Stability Board (FSB) in 2017 to disclose the management status of Farglory Land Development's key climate risks and opportunities based on the 4 major structures of governance, strategy, risk management, and metrics and targets.

I. Governance

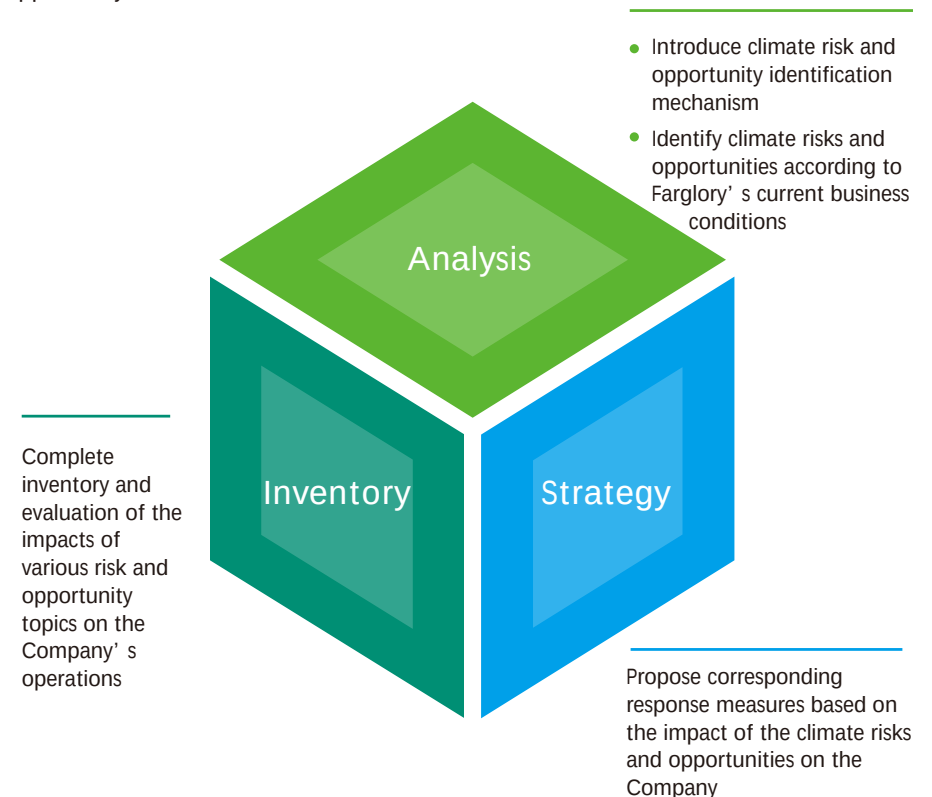
To ascertain various climate-related risks and opportunities, Farglory Land Development's Sustainability Task Force has appointed the Chairman as the chief committee member. The task force consists of the ESG executive unit and the FG Next executive unit, responsible for identifying and managing climate change-related risks and opportunities. Furthermore, the Sustainability Task Force reports the risk and opportunity identification outcomes to the Chairman and the President at the annual Executive Meeting, and also formulates control measures.



The Sustainability Task Force regularly reports the Company's climate risks and response measures to the Board of Directors, providing it with full oversight over climate risk issues so that it can decide on relevant management policies and review its implementation status.

II. Strategy

Farglory Land Development introduced a climate-related risk and opportunity identification mechanism in 2021. Based on different time scopes, the possibility of the problem occurring, and the level of impact on the Company's operations, we have conducted a comprehensive inventory and evaluated the impacts of various climate risks and opportunities on the Company's operations through a climate change risk and opportunity matrix.



Farglory Land Development's list of major risks and opportunities

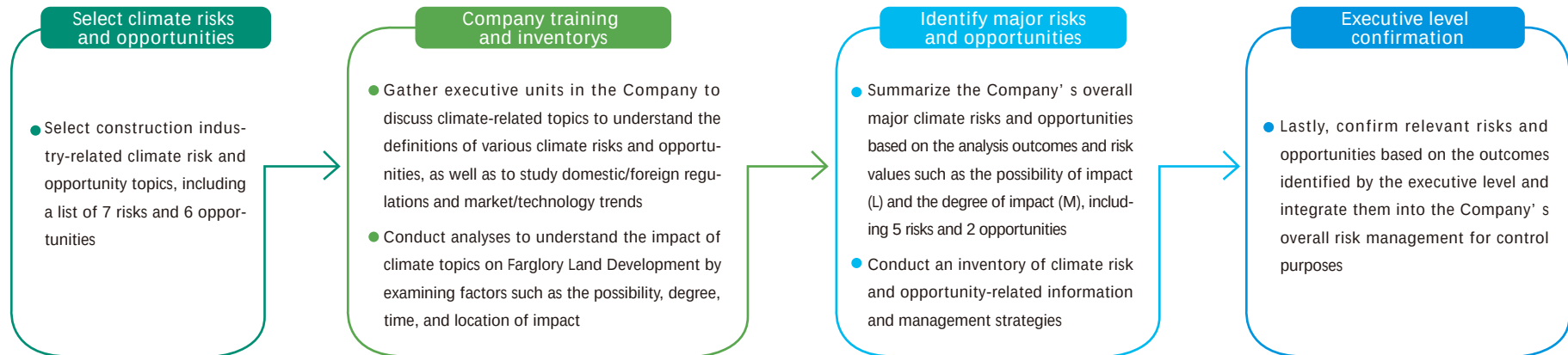
Types of risks and opportunities		Topic definition	Description of impact on the Company	Impact duration	Response strategy
Physical risks	Urgent risks	Increased frequency of extreme climate (floods and storms)	- Strong winds and torrential rain brought by typhoons may cause construction site shutdowns (in line with the government's torrential rain or typhoon holidays) and damage to construction projects, resulting in increased construction costs and deferred revenue. - Strong winds and torrential rain may cause damage to buildings already sold or rented properties, resulting in increased after-sales service. If construction site fences collapse due to strong winds, it may cause damage to people's properties and result in compensation. - Office buildings and construction site offices may be affected by damage caused by strong winds and torrential rain.	Short-term	- Depending on the impact of the typhoon or climate, construction sites will adjust the construction process to ensure operations are not interrupted. When formulating the work schedule, possible delays caused by torrential rain are taken into consideration. - If a typhoon land warning is issued, the building's management personnel will be required to submit a typhoon-prevention plan and make the necessary preparations (such as stacking sandbags, securing trees, and checking if doors and windows are closed properly). - Carry out disaster inspection and address anomalies immediately to prevent subsequent disasters. - Purchase natural disaster insurance products to minimize the impact of disaster damages. - During the design stage of buildings, the region's flood record is taken into consideration and the first floor will be elevated. - The building design references the hydraulic engineer's drawings including local flood records and the dimensions of nearby drainage ditches. Furthermore, the landscape consultant's drainage plan for the building's first floor is also examined to determine if it meets the necessary requirements. - Typhoon-resistant shutters (capable of withstanding force 17 winds on the Beaufort scale) and flood control facilities.
	Transition risks	Policy and legal risks	If the government implements a carbon pricing mechanism, the Company's excess carbon emissions will result in fines that will in turn increase operating costs.	Medium-term	- Implement GHG inventory - To promote green operations, automated time control equipment will be installed for lights on our floors of the head office to lower the power consumption of lights; energy-saving film will be applied to the glass screens on our floors of the head office to lower the power consumption of the building. - Continue to promote building life cycle carbon inventory. - The FG Next building sustainability team researches "passive" building design, where lighting, ventilation, and sunlight exposure are improved through architectural design in order to lower energy consumption.
	Market risk	Energy management/ rising energy price	Energy price (such as electricity price) continues to increase, causing an increase in operating costs.	Medium-term	- Establish Farglory's building energy consumption EUI inspection mechanism. - Establish a building energy consumption EUI database. - Facilitate the digitalization of the head office and the online sign-off system.
		Increasing cost of raw materials	Extreme climate results in interruptions in the supply chain or shortage of materials, causing the price of raw materials to increase.	Medium-term	- Promote building source reduction as well as resource recycling and reuse. - Stay in control of all key building materials and establish Farglory's internal green material database. - Develop renewable materials from recycled plastic. Currently, partitions in the public toilets on 23F/24F of the head office are manufactured from recycled PP plastic materials, thus they are also 100% recyclable and renewable. This approach will be applied to all the public toilets in the building next year. - Waste safety nets from construction sites are recycled, compressed, and made into sheet materials that can be applied to furniture. Currently, the concept has been implemented in the elevator hall art decoration wall on 23F and the public area furniture on 24F. The abovementioned experimental building materials are used in the workplace, and they will be implemented in public facilities in our construction projects once the products are proven to be stable.

Types of risks and opportunities		Topic definition	Description of impact on the Company	Impact duration	Response strategy
Transition risks	Policy and legal risks	Authorization and supervision of existing products and services	In cooperating with the government's carbon reduction goals, the Company needs to increase the ratio of energy-saving and carbon reduction products; designing green buildings and procuring low-carbon raw materials drive up the buildings' costs.	Medium-term	- Develop green buildings and low-carbon buildings. - Promote building source reduction as well as resource recycling and reuse. - Design energy-saving products and apply for the EEWB Green Building Label. - Develop energy-saving and carbon reduction architectural design, focusing on lightweight and durable properties of buildings. - Collaborate with manufacturers in the industry chain to develop low carbon, energy-saving, and renewable products.
	Products and services	Develop or expand low-carbon products and services	In light of the potential need for new construction projects and environmental engineering as a result of the shifting economic paradigm and the corresponding increase in revenue and asset value, Farglory has vigorously participated in zero-energy building transition-related subsidies. Although the unit price of zero-energy buildings is relatively more expensive, consumer demand for such buildings has risen significantly.	Medium-term	- Develop green buildings and low-carbon buildings, focusing on lightweight and durable architectural design. - Promote green construction and continue to develop energy-saving building materials and construction methods. - Collaborate with manufacturers in the industry chain to develop low carbon, energy-saving, and renewable products.
	Resource efficiency	Materializing more efficient buildings	Improving the energy efficiency of new or old buildings and decreasing pollution generated by the consumption of energy not only lowers operating costs but also enhances property value.	Medium-term	- Establish Farglory's building energy consumption EUI inspection mechanism. - Promote building source reduction as well as resource recycling and reuse. - Promote green operations. - Energy efficiency improvement measures at the head office building: - The building's public toilet facilities are replaced with water-saving facilities. In 2022, our floors 23F and 24F will undergo upgrades first, and the remainder will be completed progressively within a year. - The chiller system will be replaced with an energy-saving system. - Elevators are replaced with energy-saving elevators. - Farglory Land Development will apply thermal insulation film to the glass screens on its own floors. Energy-saving lights are also installed for illumination. - Project-specific strategies: - Continue to develop water recycling and reuse designs to increase water efficiency. - Evaluate the feasibility of expanding the rainwater harvesting system and progressively implementing it in construction projects. - Promote research into the sponge city strategy to develop feasible architectural designs.

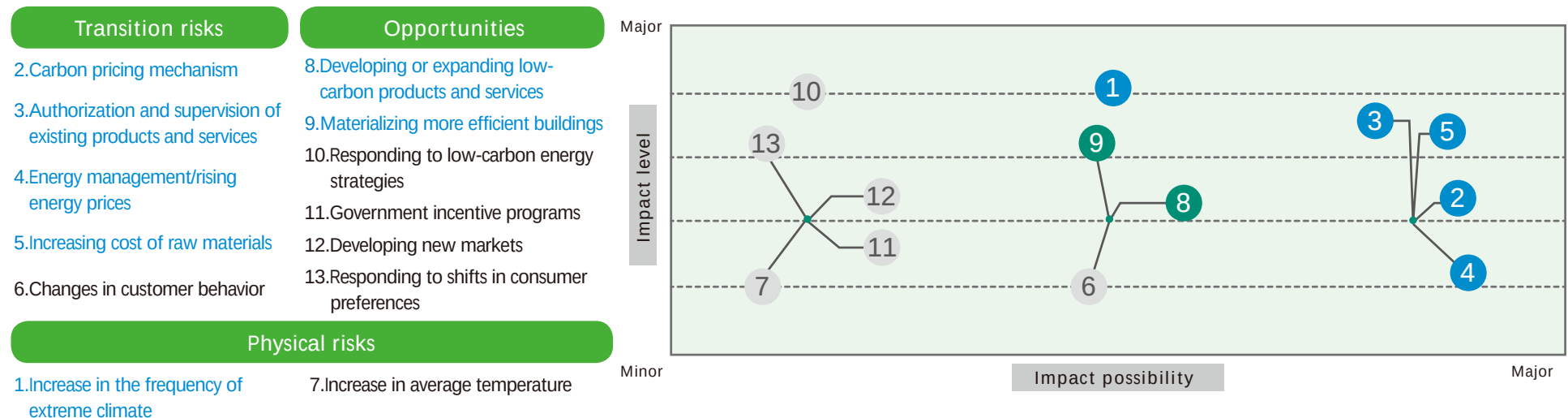


III. Risk Management

Climate change-related risk and opportunity identification process



Climate change risk and opportunity matrix (5 major risks and 2 major opportunities)



IV. Metrics and Management

Metric	GHG emissions	Energy management	Develop or expand low-carbon products and services
Goal	2025: An inventory of the head office's electricity consumption and carbon emissions was conducted in 2022, while Farglory Construction's energy and emissions statistics will be included in the future; Farglory will use 2022 as the base year to set the carbon reduction goals for the electricity consumption and carbon emissions by the head office and construction projects.	2025: 10% of the construction projects for the year will achieve building energy consumption EUI $\leq 180\text{kWh/m}^2$.	Low carbon transition – Develop green buildings and low-carbon buildings 2022: 25% of the construction projects should obtain at least an EEWB Green Building Label silver rating during the land evaluation stage; low-carbon certified buildings should account for at least 10% of the construction projects for the year; 40% of new construction projects should obtain at least EEWB Green Building Label silver rating. 2025: 60% of new construction projects should obtain at least an EEWB Green Building Label silver rating; Bronze low-carbon certified buildings should account for at least 20% of the construction projects for the year. 2030: Bronze low-carbon certified buildings should account for at least 50% of the construction projects for the year. Recycling and reuse – Promote building source reduction and resource recycling and reuse 2023: Green building materials must account for 60% and 20% of construction projects, respectively; 100% of new construction projects must be equipped with water-saving facilities. 2030: Green building materials must account for >80% and >50% of construction projects, respectively; the ratio of renewable green building materials must reach 15%. Recycling and reuse - Promote green operations 2022: Complete the installation of hardware for garbage sorting on our floors of the head office. 2023: Complete the installation of the water meter and water-saving devices on our floors of the head office. 2025: Using 2021 as the base year, decrease the total waste on our floors of the head office by 5%.
Implementation status	2021: Farglory Land Development's total GHG emissions were 264.218 tonnes of CO₂e/year. 2022: We will include the inventory of Farglory Construction using 2022 as the base year to set the carbon reduction goals.	2022: The head office building will be fitted with energy-saving elevators; automated time control equipment will be installed for the lights and energy-saving film will be applied to the glass screens on our floors; thermal insulation film will be installed on the workplace floors.	2021: 3 construction projects received the EEWB Green Building Label. 2022: The chiller system in the head office building has been replaced, and water-saving facilities will be installed. - Development of green building materials: - Formulate measures to reduce carbon emissions from building material construction and transportation. - Conserve building material consumption, research structural rationalization, lightweight architecture, durability, and the application of renewable materials.

3.2 Environmental Management

As the climate and the ecological environment become increasingly damaged, user demand for architectural quality is also expanding. As a responsible developer, Farglory Land Development has always placed great emphasis on the buildings' quality by anticipating user needs. Through the application of design techniques and technological equipment, we have achieved the development of the Farglory second-generation smart home and created new architectural trends. We focus on the control of the physical environment such as natural sunlight, air, or disasters to let Farglory's residents enjoy their right to sunlight and fresh air while ensuring heat/cold prevention and lowering energy consumption at the same time. Furthermore, we strive to create a more refined living environment and give back to other citizens who are not Farglory's customers by changing the external environment. For example, Sanxia Art Town, the 5th redevelopment zone in Neihu, the Huazhong Bridge redevelopment zone in Zhonghe, the Xinzhuang Fuduxin redevelopment zone, and the Taichung Qingshui redevelopment zone.

To let Farglory residents and nearby communities enjoy better living quality, Farglory has invested in areas where other construction firms are unwilling to do so to fulfill our social responsibility and enhance our brand image. The Farglory second-generation smart home is constantly evolving in a bid to pursue improvements.

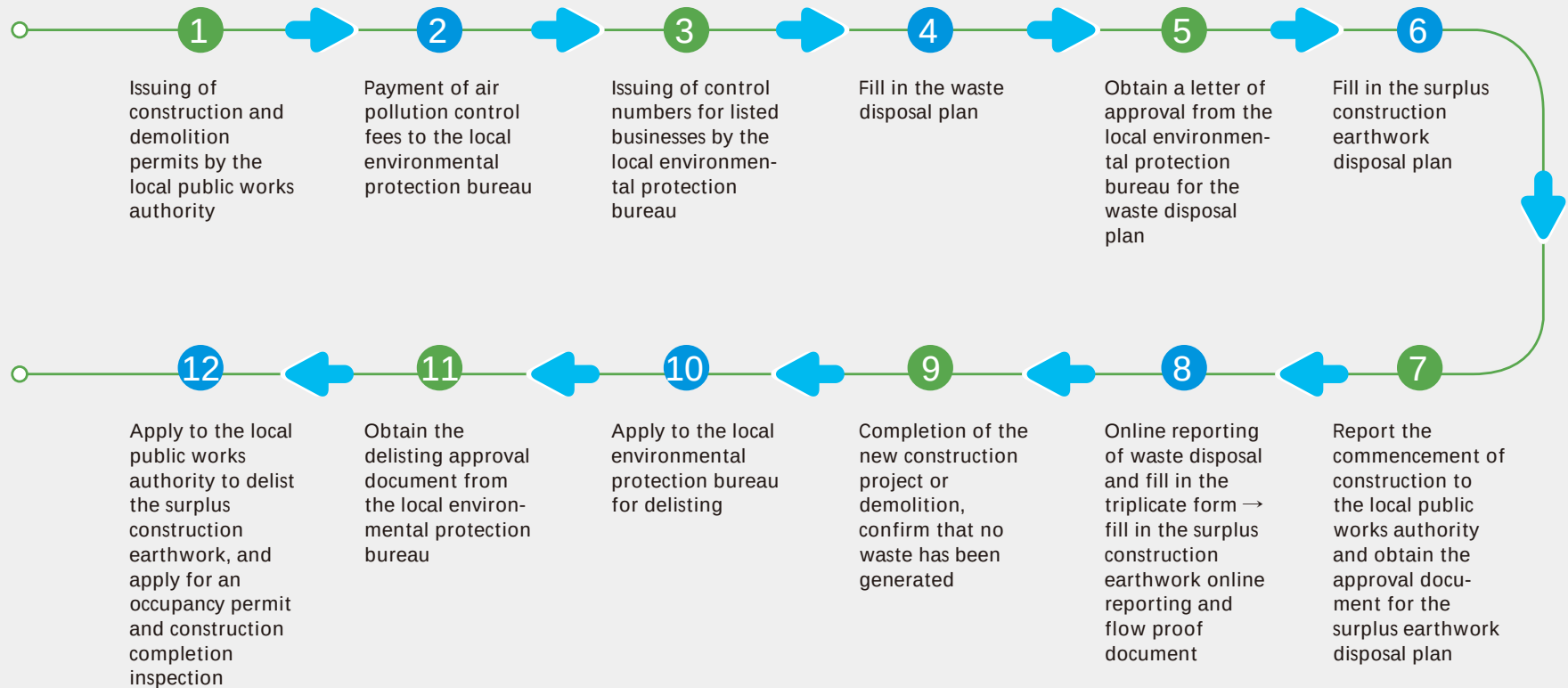


3.2.1 Green Construction Site

Construction waste management

Farglory Land Development and our construction partners dispose of construction waste produced by every construction project in accordance with the “Construction Waste Management Strategy” of the Environmental Protection Administration, Executive Yuan (EPA). Waste reduction, classification, and recycling operations are carried out at construction sites, while qualified disposal contractors are hired to implement waste disposal as well as reduce and prevent illegal waste disposal.

Construction waste disposal process



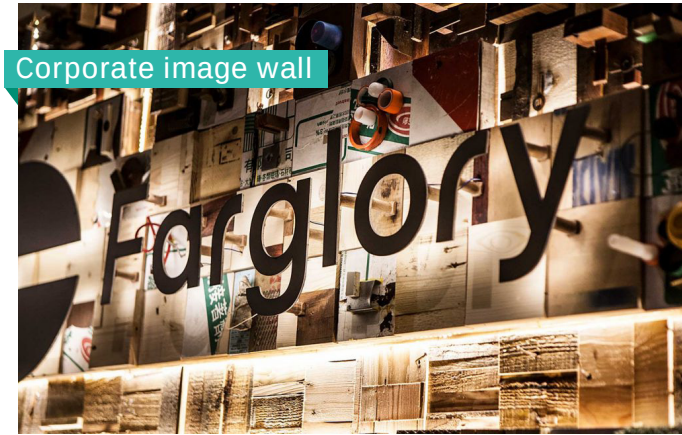
Note: Farglory Land Development and our construction partners dispose of or recycle construction waste through qualified waste disposal contractors in accordance with the Waste Disposal Act.

Construction waste recycling and reuse

In 2021, Farglory Land Development joined forces with META to create a sustainable, shared, and open new workplace on 16F and 17F. The concept of a long family table and the culture of sharing have been applied to the shared area on 17F, while 16F embodies the values of sustainable architecture, recycling, and reuse, making the most effective use of resources by relocating the construction site to our corporate headquarters. Waste materials from various demolition sites were recycled and reused, transforming them into tables, chairs, counters, lamps, and art installations, in turn realizing Farglory Land Development's core value of environmental symbiosis.



The new workplace constructed from recycled building materials received the 14th Taiwan Interior Design Award



Corporate image wall

The art installation is fabricated from 600 small cubes, each cube and the decoration used are made of recycled construction site waste



Pantry area

Waste wood panels, recycled safety nets, recycled titanium panels, surplus tiles



Meeting area

Waste wood panels, waste wood blocks, surplus stone materials



Box area

Waste wood panels, waste railing, recycled timber, waste spools, waste rebar, waste door panels

3.2.2 Green Office

In response to digital transformation, Farglory Land Development has implemented paperless meetings internally, where the required documents are stored in the cloud database, divided into various categories according to the meeting agenda; access authorization for the meeting participants is also stipulated. There is no need to print out the information needed for the meeting because everyone can see the same information screen via mobile device, making the meeting more efficient, eco-friendly, and cost-effective. The paperless energy-saving measure accrues green energy one bit at a time to materialize our commitment to social responsibility.

Furthermore, in our daily work environment, apart from energy-saving hardware such as water-saving toilets and eco-friendly office equipment, we have also implemented resource classification and recycling operations in the workplace. Since 2014, Farglory has formulated a series of energy-saving measures to encourage our colleagues to contribute to green environmental protection.



遠雄節能111

節費減碳一起GO



**隨手關電要做好
節約用電免煩惱**




**冷氣調高1度C
舒適涼爽又環保
<適溫26~28度>**



**小小紙張大環保
積少成多一樣好**



【電腦關機1小時】
可節省**0.1度**用電

1年可省約104元/台
1年可少約19公斤CO2

【冷氣調高1度】
可節省**6%**用電

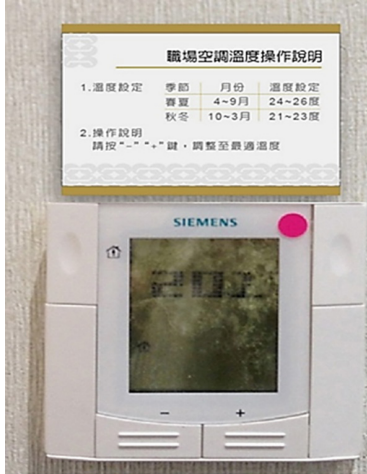
1年省約36,000元
1年少約7200公斤CO2

【減少列印1張A4】
黑白可節省**0.439元/張**
彩色可節省**3.13元/張**
可少**0.02公斤CO2**

本業1年使用246萬張
→相當122棵樹
→相當19,200公斤CO2

【公共區域節能提醒】

1. 中午時段(12:45~13:30)離開茶水間請隨手關燈，減少用電。
2. 每日19:00以後：離開廁所請隨手關燈。
3. 每週五下班：將冰箱個人物品清空，減少耗能。
4. 節約用水：清洗物品請勿將水龍頭一直開啟。
5. 推行步行運動：上下一樓層儘可能不搭電梯。

Item	Energy-saving measures	
Interior air conditioner	Adjust the office's interior air conditioners to the most suitable temperature Spring and summer (April–September): 24–26° C Fall and winter (October–March): 21–23° C	
Office lighting	- LED energy-saving lights are installed, and they shut off automatically during lunch break and after hours. - Light control in the office is divided into different zones: The last person to leave a particular zone can turn off the lights via switches in the hallway - Colleagues working overtime have a habit of turning off lights in public areas such as pantry areas and toilets when they are not in use.	

Item	Energy-saving measures	
Printing/ photocopying	- Non-official internal documents are printed on recycled paper. Double-sided, 2 pages or 4 pages per sheet is adopted for printing, and documents are automatically printed in black and white to minimize color printing. - Employees must turn off their computers before leaving the office after work. - Turn off the office equipment's power when not in use for a long time and before leaving the office after work.	
	Purchase or lease computers and photocopiers with an energy-saving label.	
Public space	- Purchase electrical appliances with energy-saving labels and attach energy-saving slogans. - Clear the fridge every Friday afternoon to conserve energy. - Check if the toilet facilities are turned off properly, and contact the Human Resources and General Affairs Office or Management Center if anomalies are discovered. - The meeting rooms are equipped with CO₂ sensors to monitor the indoor air quality.	  

3.3 Energy and Resource Management

3.3.1 Energy Management

Farglory Land Development's main energy consumption consists of electricity at the workplace. In 2021, the G2 head office building was installed with energy-saving lights, and by 2022, our floors are expected to be equipped with glass screen thermal insulation film, while the chiller system and elevators will be replaced with energy-saving equipment to minimize workplace energy consumption and achieve energy conservation.

Electricity consumption over the years			
Head office location	Farglory Financial Center (O3 head office building)		Farglory International Center and Manhattan Building (G2 head office building and Kaohsiung office)
Year	2019	2020	2021
Electricity (kWh)	354,151	371,446	354,072
Electricity (MJ)	1,274,944	1,337,206	1,274,659

Note 1: The scope of calculation from 2019 to 2020 does not include the Kaohsiung office; the leased floors are 23F, 24F, and 29F of the Farglory Financial Center, totaling 2,764m².

Note 2: In 2021, Farglory Land Development did not use renewable energy; since we do not have company cars, no gasoline/diesel was consumed.

Note 3: In 2021, Farglory Land Development's head office building was relocated to the Farglory International Center, the leased floors are 16F, and 17F, and the warehouse on B2, totaling 2,333 m².



3.3.2 Water Resource Management

Farglory Land Development's head office uses tap water; no water from conflict sources is obtained. In 2021, the G2 head office building was not equipped with water-saving equipment, hence the total water withdrawal increased. In 2022, all the toilet facilities will be equipped with water-saving equipment to achieve water conservation.

Water withdrawal type and volume over the years			
Head office location	Farglory Financial Center (O3 head office building)		Farglory International Center and Manhattan Building (G2 head office building and Kaohsiung office)
Year	2019	2020	2021
Surface water, groundwater, seawater, generated water	0	0	0
Third-party water (tap water) (ML)	1.53	1.59	3.32
Total water withdrawal (ML)	1.53	1.59	3.32

Note 1: The scope of calculation from 2019 to 2020 does not include the Kaohsiung office; the leased floors are 23F, 24F, and 29F of the Farglory Financial Center, totaling 2,764m².

Note 2: In 2021, Farglory Land Development's head office building was relocated to the Farglory International Center, the leased floors are 16F, and 17F, and the warehouse on B2, totaling 2,333 m².

4 Chapter

Customer Service

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Material Issues	Marketing communication, customer rights, service quality		9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Management guidelines	Management policies	Legal compliance, emphasis on consumer rights, focus on zero disputes as our service objective	
	Management goal	Short-term	Contract fulfillment, construction according to drawings (descriptions), conform to the customer complaint rate standards stipulated for the year.
		Medium to long-term	Think from the consumer's perspective to plan/design (and build) people-oriented residences and to conform to the customer complaint rate standards stipulated for the year.
	Action plan		Include customer feedback in the review of the plan and design, and implement marketing and construction supervision service
	Evaluation mechanism		Internal audit, construction acceptance, convene monthly quality improvement meeting, customer satisfaction survey (including contract signing, handover, and repairs)

4.1 Customer marketing communication

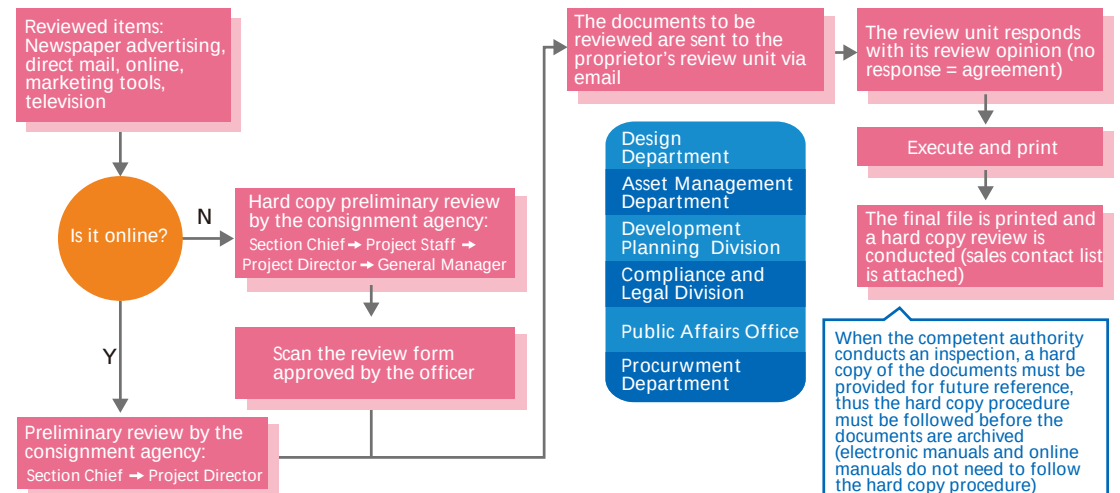
4.1.1 Product Sales Regulations

To achieve information symmetry, openness, and transparency, Farglory Land Development provides customers with accurate and comprehensive information during different stages such as sales, contract signing, customer changes, and handover. We have also stipulated relevant regulations to protect our customers' rights. From the sales stage, all marketing tools (sales posters, direct mail, advertisement, etc.) are subject to scrutiny, and sales locations are equipped with the "Handover Standard and Show House Decor Description" sign. Moreover, we offer consumers a copy of the pre-purchase real estate sales agreement (including dedicated floor plans and a list of building materials and equipment) for their perusal. After signing the contract, an escrow account will be created for our customers and the community cloud app will be provided so that they can check the installment payment status and photos of the construction progress at any time to ensure their transaction safety.

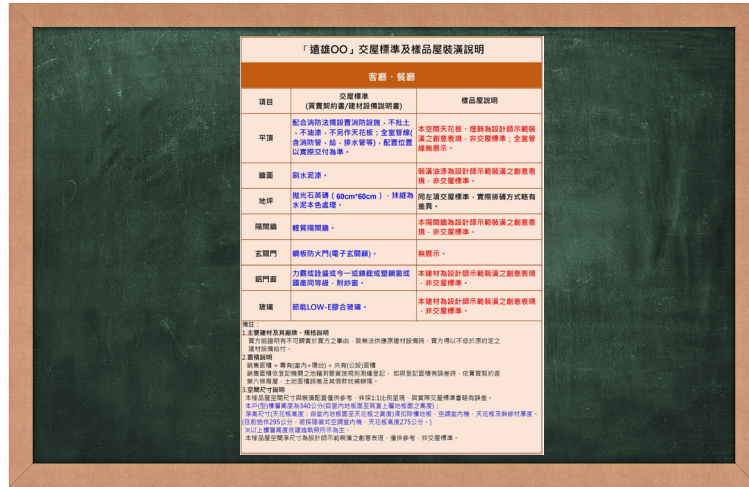
Before signing the contract

1. 【Advertising Copy Review Process】

Advertising copy review process



2. 【The “Handover Standard and Show House Decor Description” sign is placed at the sales location】



3. 【Provide the pre-purchase real estate sales agreement】

① Floor plan (sample)



② List of building materials and equipment (sample)

遠雄00 建材設備表	
項目	建材設備說明
建築結構	結構：預拌鋼筋
	耐震設計：太平洋地區地震烈度
	牆面：200mm 厚磚牆
	樓板：150mm 厚預拌鋼筋
外觀設計	外牆：丁掛磚貼於大面石材或異形建築材料
	門窗：鋁窗、鋁門、鋁門窗、鋁門窗、鋁門窗、鋁門窗
	屋頂：採用SBS/PU塗料全覆面防水
	屋頂：防水層鋪設完成後鋪設材料鋪設
一樓大堂	磁磚大門：全瓷釉面磁磚鋪設
	中庭：中庭一樓頂部及二樓頂部
	地磚：鋪設於大堂及中庭區域
	牆面：全瓷釉面磁磚鋪設
二樓樓底	牆面：鋪設於二樓樓底
	中庭：鋪設於二樓樓底
	地磚：鋪設於二樓樓底
	牆面：鋪設於二樓樓底
公共空間及公共走廊	牆面：鋪設於公共空間及公共走廊
	中庭：鋪設於公共空間及公共走廊
	地磚：鋪設於公共空間及公共走廊
	牆面：鋪設於公共空間及公共走廊
地下停車場	牆面：鋪設於地下停車場
	中庭：鋪設於地下停車場
	地磚：鋪設於地下停車場
	牆面：鋪設於地下停車場
電梯	電梯：採用名牌電梯
	電梯：採用名牌電梯
	電梯：採用名牌電梯
	電梯：採用名牌電梯
公共梯間	牆面：鋪設於公共梯間
	中庭：鋪設於公共梯間
	地磚：鋪設於公共梯間
	牆面：鋪設於公共梯間
地下停車場	牆面：鋪設於地下停車場
	中庭：鋪設於地下停車場
	地磚：鋪設於地下停車場
	牆面：鋪設於地下停車場

After signing the contract

1. 【Set up an escrow account for the customer】

履約種類	內容
不動產開發信託	①由建商或起造人將建築土地及興建資金信託予某金融機構或經政府許可之信託業者執行履約管理。 ②興建資金應依工程進度專款專用。 ③簽定本契約時，買方應提供上開信託之證明文件或影本予買方。
價金返還保證	①本預售屋由（金融機構）負責承作價金返還保證。 ②價金返還之保證費用由買方負擔。 ③買方應提供第一項之保證契約影本予買方。
價金信託	①本預售屋將價金交付信託，由（金融機構）負責承作，設立專款專用帳戶，並由受託機構於信託存續期間，按信託契約約定辦理工程款交付、繳納各項稅費等資金控管事宜。 ②前項信託之受益人為買方（即建商或合建雙方）而非賣方，受託人係受託為買方而非為賣方管理信託財產，但買方未依約定完工或交屋者，受益權歸屬於買方。 ③買方應提供第一項之信託契約影本予買方。
同業連帶擔保	①本公司與依公司章程規定得對外保證之○○公司（同業同級公司）等相互連帶擔保，買方未依約定完工或交屋者，買方可持本契約向上述公司請求完成本建築後交屋。 ②上列公司不得為任何異議，亦不得要求任何費用或補償。 ③前項同業連帶擔保之基礎，由內政部認定之。 ④買方應提供連帶擔保之證明影本予買方。
公會連帶保證	①本預售屋已加入由全國或各縣市不動產開發商業同業公會辦理之連帶保證協定，買方未依約定完工或交屋者，買方可持本契約向加入本協定之○○公司請求共同完成本建築後交屋。 ②加入本協定之○○公司不得為任何異議，亦不得要求任何費用或補償。 ③買方應提供加入前項連帶保證協定之證明影本予買方。

2. 【Provide the community cloud app to check installment payment status and construction progress】



4.1.2 Information Safety and Customer Privacy

Information security is a major global concern, and it is also a major emphasis at Farglory Land Development. We value and protect our customers' data, uphold the principle of equality and reciprocity and the principle of good faith, and adopt a standard form sales contract, where the personal data clause is stated in the contract. We maintain our customers' privacy per the Personal Data Protection Act, and we have obtained the "BS 10012 Personal Information Management Information" certification.

To protect personal and confidential information obtained by the Company from leakage, abuse, and theft resulting in damage to personal privacy rights, Farglory Land Development has formulated the "Privacy Policy" based on Taiwan's "Personal Data Protection Act", stipulating the legal use and storage of personal data, as well as individuals' exercising of their rights and grievance channels, etc. **In 2021, no incidents of invasion of customer privacy or loss of customer data took place in the Company.**

【Privacy Policy】

The Privacy Policy has been formulated and announced for the collection of personal or confidential data by the Company from the following subjects: Those who have purchased the Company's products or used the Company's services through telephone, website, personnel, or other means, and those who have left messages on the Company's bulletin board or joined the Company's recruitment activities.



Farglory Land Development
Privacy Policy

【Specific Measures】

- Establish the Information Security Management Organization responsible for planning and promoting various information security management operations including system access control, encryption management, digital media, and document security management, computer system and communication security management, and establish a secure and reliable data protection mechanism to prevent data theft, tampering, damage, loss, or leakage.
- Establish an information security incident reporting procedure and conduct an annual information security management course/training for every employee. This is to reinforce our colleagues' crisis and information security awareness.

- Establish an information security internal audit system that includes the audit cycle, content, and procedures. Regularly confirm the implementation of various information security operations by internal units, and continue to optimize the management process and the reporting mechanism of information security anomalies.

4.2 Comprehensive after-sales service



Farglory Land Development values building quality. From construction site self-inspection and proprietors' inspection to the customer's house inspection, we voluntarily provide them customers house inspection tools and instructions, and the house handover will only be completed if our customers are satisfied with the repairs. The Company is the first in the industry to invite professional external contractors to inspect buildings' public facilities, thereby increasing the house acceptance efficiency and customer satisfaction.

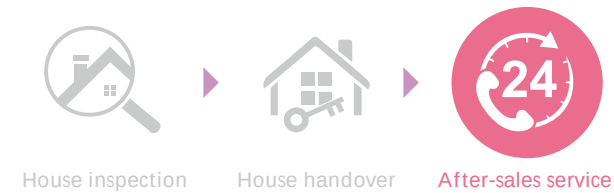
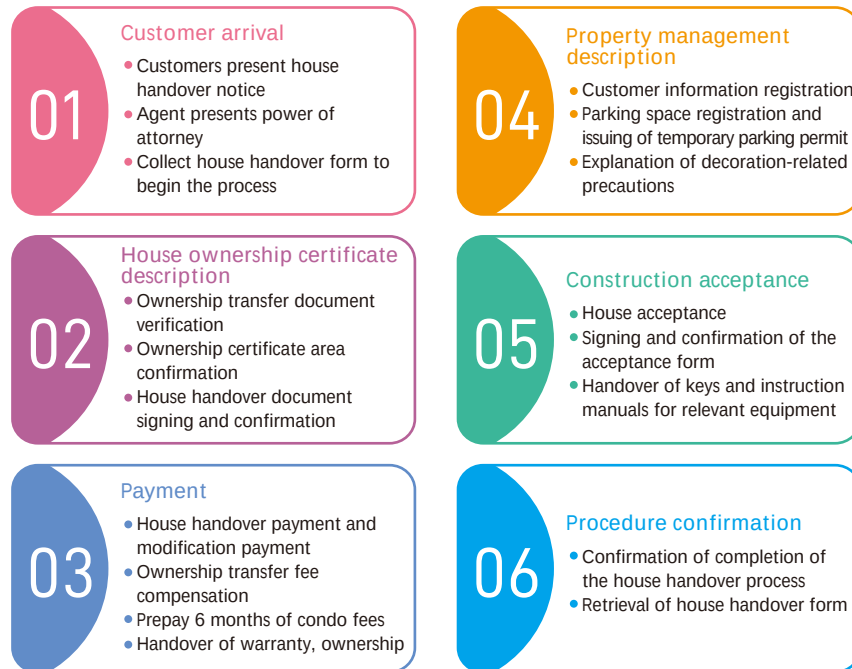
Inspection item	Inspection item function	Reference illustration
Door (entrance door, interior door, kitchen door, and bathroom door)	1. Door leaf: Opens and closes smoothly, flush and tight, flat with no dents 2. Door frame and handle: No bump damage or scratches on the paint 3. Door lock (handle): No surface scratches, warped paint, and the keyholes open normally 4. Door sill: No scratches and hollowness 5. Hardware and locks: Open smoothly and locks normally	

Inspection item	Inspection item function	Reference illustration
Windows	1. Window sash: Opens and closes smoothly, no scratches on the glass, flat silicone 2. Locks: Open and close smoothly 3. Door leaf: Moves smoothly without noise 4. Aluminum products: No scratches or bumps on the paint	
Ceiling	1. No structural cracks 2. Smooth surface, no pollutants or peeling paint	
Walls	1. Recommended visual distance of 1.5m 2. No structural cracks 3. Flat surface, no pollutants or paint drips 4. Kitchen and bathroom wall tiles are flat and evenly spaced with no color discrepancies, cracks, or pollutants	
Floor	1. Polished tiles are flat and evenly spaced with no color discrepancies, cracks, or pollutants 2. Baseboards are installed properly and are not loose	
Rear balcony equipment	1. The drying rack is installed properly and is not loose 2. Balcony lights function normally 3. Balcony lighting fixtures are installed properly, they are no loose or damaged	
Surveillance system	1. Door access control and surveillance system (intercom) function test 2. The intercom system produces a clear image/sound and functions normally	

Inspection item	Inspection item function	Reference illustration
Kitchen	1. Kitchenware: No external damage or scratches, drawers open and close smoothly, upper and lower kitchen cabinets do not clash with the ceiling and other facilities when opening and closing 2. Sink: The sink stopper and drainage function normally 3. Countertop and equipment panel: No scratches 4. Faucet: Water flow is normal and opens smoothly 5. Kitchen hood: Installed properly and turns on normally 6. Gas stove: Installed properly (since the gas meter has yet to be installed, it cannot be tested; functionality is listed as a warranty item) 7. Dish dryer: Installed properly and turns on normally	
Bathroom	1. Bathtub: No scratches and flaws on the surface, flat grout, stopper holds and drains water normally, faucet water flow test is normal and there is no damage 2. Bathroom sink and toilet: No scratches on the surface, drain water smoothly, flat silicone, and no leakages 3. Bathroom accessories: No scratches on the surface, no watermarks, nothing is loose 4. Shower doors: No scratches, open and close smoothly, tight fit, flat silicone, shower head, and drainage function normally	
Electrics	1. Switch box and sockets: (small night light is provided to test the sockets) Clear internal labels, switches are normal, and the cover is undamaged 2. Television, telephone, and Ethernet wall outlet: Functioning normally and the cover is undamaged 3. Video intercom system: Functions normally 4. Main switch box panel circuit: Labeled correctly	
Water supply/drainage	1. Faucet: Water flow is normal and there is no damage 2. Balcony: The floor drain functions normally and is not clogged 3. Washing machine drainage: The floor drain functions normally 4. Air conditioner drainage: Drains water normally	



During house handover, details such as “registration of property rights”, “description of various area calculations”, “various taxes and documents for the transfer of property rights”, “moving in”, and “decoration precautions” are explained to our customers. There are also house handover procedure poster boards at the scene to offer our customers comprehensive and attentive service. Each homeowner has a copy of the “homeowner’s manual” that contains a complete introduction of the community environment and facilities, easy maintenance solutions, home security and common disaster prevention knowledge, and a list of contractors for the homeowners’ convenience.



For Farglory, house handover signifies not the end of our service but the beginning!

To materialize our commitment to service satisfaction, Farglory has formed a dedicated after-sales service department, where SOPs, convenient and quick repair channels, free consultation, and on-site maintenance service allow our customers start a family and move in with peace of mind.

Farglory’s 3 major warranties

To realize our after-sales warranty service as a construction firm, Farglory Land Development offers 3 major industry-leading warranty upgrades, focusing on the earthquake-resistant structure, waterproofing (living quality), and wall/floor tile construction (residential safety) of buildings. We demand high standards in quality and our 3 major warranties are included in the statement.

5-year Waterproof Warranty — External wall waterproof warranty, kitchen/bathroom/public space waterproof warranty, rooftop waterproofing, and garden landscape. All these will be repaired free of charge within the community’s warranty period, thereby improving the occupants’ rights considerably.

- House: Interior/exterior wall, kitchen, bathroom
- Public area: Roof, garden, basement



5-year wall/floor tile warranty — Taiwan is prone to thermal expansion and contraction due to the climate, causing wall/floor tiles to peel off. Besides aesthetic problems, it is also dangerous (such as tiles or stone materials falling off external walls). Generally, construction firms offer a 1-year wall/floor tile warranty, but Farglory offers a 5-year warranty for wall/floor tiles in public spaces to maintain the public safety of our customers.

- House: Kitchen, bathroom, balcony
- Public area: External wall facade, hall, public facilities, landscape, parking lot
(Tile colors may vary due to batch number or time elements)

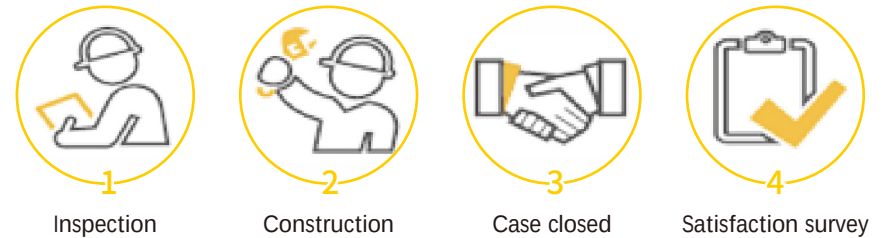
25-year structural integrity warranty — The consumer standard form contract of the Construction and Planning Agency, MOI, stipulates a structural warranty of 15 years. Considering the high frequency of earthquakes and soil liquefaction in Taiwan, Farglory has extended its structural warranty to 25 years, exceeding the standards of the government and other TWSE/TPEX listed construction firms, thereby setting the Farglory standard.

Farglory Land Development upholds a people-oriented spirit and values the feedback of its customers, hence we provide customers with an 0800 customer service hotline, customer service email, fax, Farglory community cloud, the Company's official website, and other open communication and inquiry channels to let them reach out to our trusted and professional customer service team. Additionally, we respond to various letters, complaints, or opinions with the utmost sincerity and dedication in a bid to elevate customer satisfaction and achieve the objective of complete feedback.

Farglory's customer service team is divided into the after-sales service team and the construction service team, providing our customers with professional services to meet their diverse needs. We accept our customers' opinions and vigorously try to resolve their problems. To protect the residential safety of Farglory community residents, the Company is committed to building maintenance and warranty service by providing the only repair reporting system in the industry. After a repair request is received, we will contact the homeowner within 3 days to ascertain the conditions. The entire repair process is documented so that it can be used as a future reference to help the residents deal with relevant repair problems. Furthermore, the residents and the management committee are reminded of the instructions for various facilities to enhance product value and fulfill our social responsibility for sustainable services.

The customer service team offers professional repair services for Farglory community residents covering the building structure, equipment, and building materials:

Under warranty : Free repair service for houses and public spaces (note: consumables, improper use, and force majeure such as natural disasters, and other damage or losses that are not attributable to the Company are not included).



Out of warranty : The Company will still dispatch personnel to conduct an inspection and offer professional consultation or contractor information, so that the customer may decide whether to carry out and pay for the repair.



The customer service team will conduct the customer satisfaction survey in different stages. We value our customers' feedback and opinions, thus content of the feedback is reviewed during every stage, to conduct follow-up improvements and formulate future preventive solutions. Farglory Land Development's satisfaction survey questionnaire is administered during 3 stages: "contract signing", "house handover", and "repair". In 2021, our satisfaction survey¹ had an average score of 86.99 points².

Satisfaction survey outcome of the "contract signing", "house handover", and "repair" stages:

Unit: point

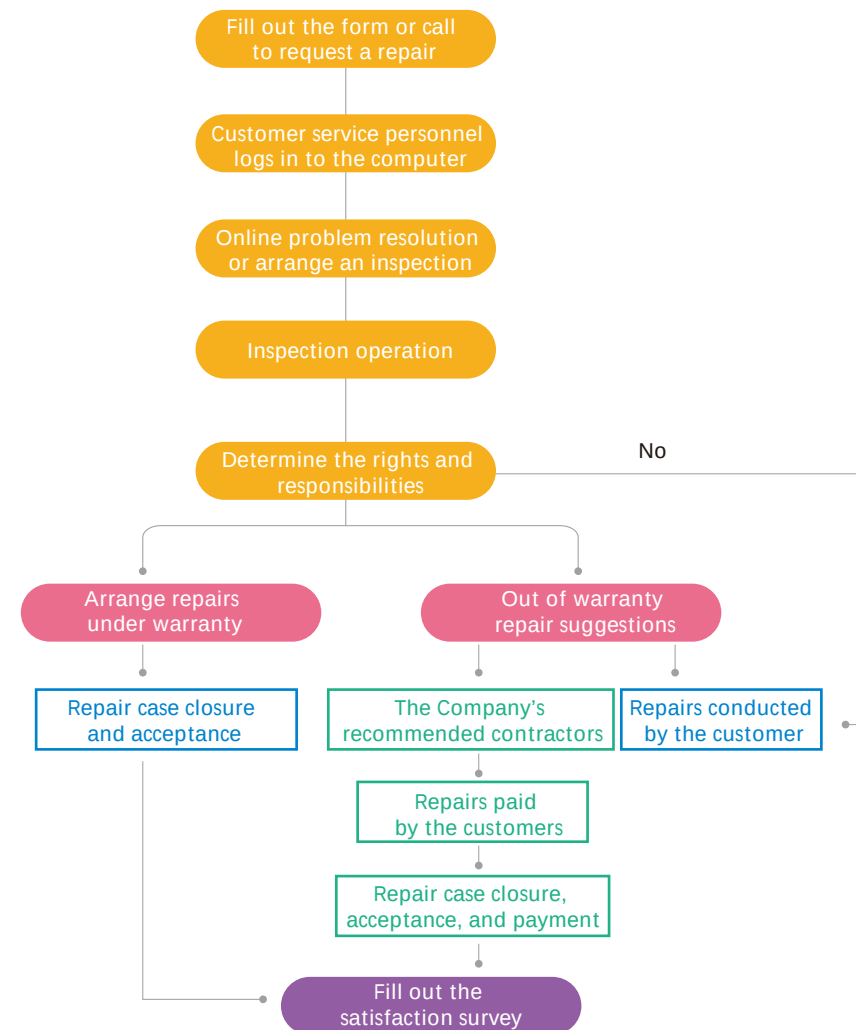
	2019	2020	2021
Contract signing satisfaction	90.55	90.62	90.37
House handover satisfaction	79.69	77.22	75.93
Moving in satisfaction	78.81	-	-
Repair satisfaction	93.41	93.26	85.07
Total average	85.64	89.11	86.99

¹ The repair satisfaction survey contains 10 questions across 3 major categories (service attitude, warranty responsibility, out of warranty responsibility), expressed in 1–5 points: very dissatisfied, dissatisfied, neutral, satisfied, and very satisfied. The simple average method is applied to calculate the total score before it is scaled up into a 100-point system.

² Calculated based on the simple average method, the total repair satisfaction score of each month / number of months.

Farglory has established a "customer service platform system", which categorizes incoming customer opinions into 2 items, opinion feedback and repair request service. Customers provide their feedback concerning the building's shortcomings and repair operations, and the Company will forward the problems to the respective units for processing through feedback mechanisms such as the problem summary report and the customer opinion processing form. Besides immediate rectification and improvement, subsequent action plans are also generated to implement improvements and upgrades through relevant systems (SOPs). Every customer complaint is managed in the system and the case status is monitored closely. Our customers can log in to the system via their cell phone or computer to offer feedback and check on the progress. After the customer service center has confirmed that the repair outcome is satisfactory via random sampling, the case will be closed by the customer service center on the system.

The "customer service platform system" successfully closed 8,238 cases³ before December 31, 2021.

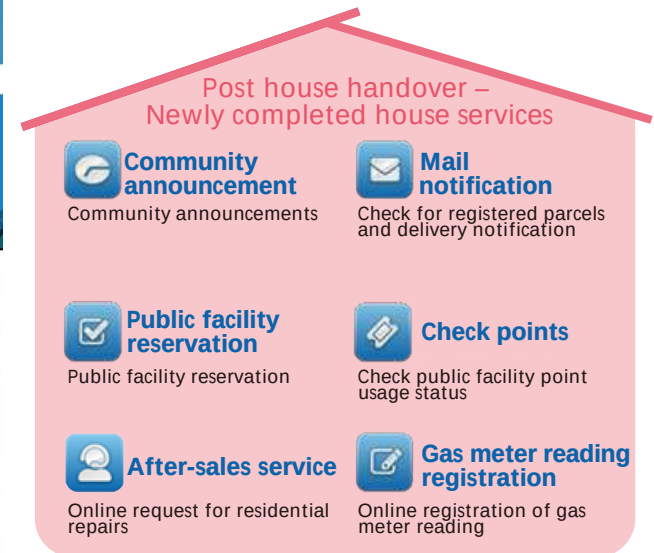
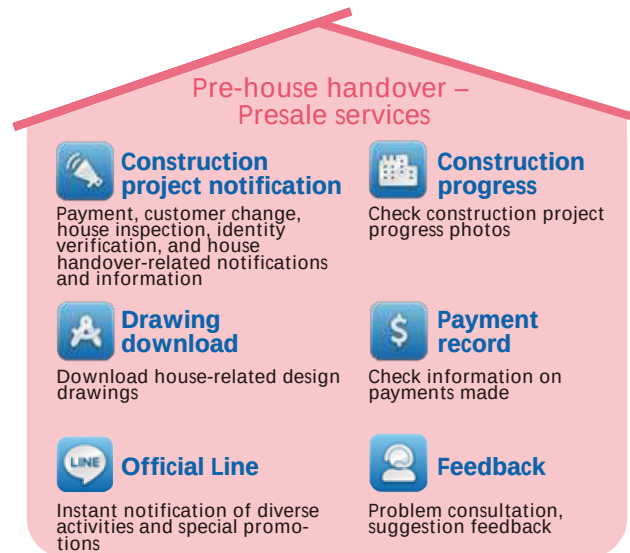


³ These were cases registered by management committees and homeowners (residents) in 2019–2021; the case closing date is the date registered by customer service in the system.

4.3 Strengthen customer relations

◀ Farglory Community Cloud Ucity (formerly Farglory Digital Service Platform)

In the spirit of a sustainable service brand, we have created the “[Farglory Community Cloud Ucity Service Platform](#)” becoming the first construction firm to provide residents with cloud services. Community residents may use the Internet and app to enjoy a convenient digital lifestyle and relevant information services such as checking the construction progress of their new home and the payment status, as well as diverse exclusive benefits



Farglory Library Cloud Ucity

Farglory Land Development is the first in the industry to unveil the cross-community “Farglory Library Cloud Ucity” platform in conjunction with a renowned ebook supplier, providing our residents with a free cloud virtual library service, where they can browse a collection of thousands of books and magazines on their computers or mobile devices anywhere, anytime.

We host online and offline community activities, and electronic newsletters containing more promotional information are sent to Farglory residents. The Company offers the community cloud official LINE@ one-on-one online live customer service to ensure that our residents do not miss any information!



To proactively participate in the life journey of our residents, we will provide them with Farglory residents' exclusive “Three Fantastic Gifts” to celebrate major milestones in their lives including birthdays, weddings, and one-month-old baby bashes, embracing the wonderful moments in the life of every resident.



Friendly Workplace and Happy Enterprise

5

Chapter

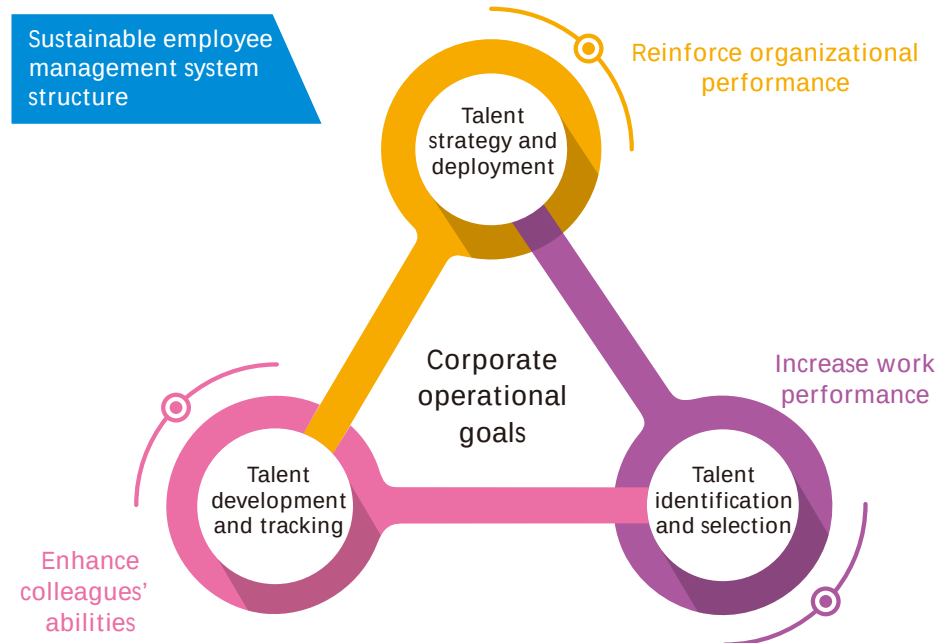
5.1	Human Resources Policy	65	5.3	Remuneration System and Diverse Benefits	71
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5.1 Human resources policy

Farglory Land Development believes that the key to achieving sustainable development lies in our employees. Consequently, when planning our employee development strategy, we meticulously consolidate the visions and goals of corporate development with our colleagues' learning and development to progressively formulate a sustainable employee development strategy from the perspective of talent strategy and deployment, talent identification and selection, and talent development and tracking.

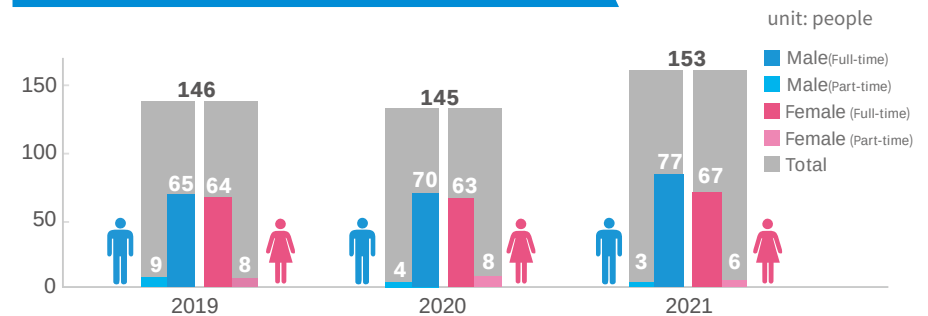
We offer a healthy and safe workplace and a diverse career development environment. We listen to our colleagues' needs, provide them with decent benefits and care, and bolster our human resources system to accommodate our colleagues' career development requirements. The diverse empowerment measures are designed to equip our colleagues with the necessary skills to embrace the future, increase work performance, enhance organizational performance, and maintain market competitiveness. We aspire to become "the most competitive brand in the construction industry".



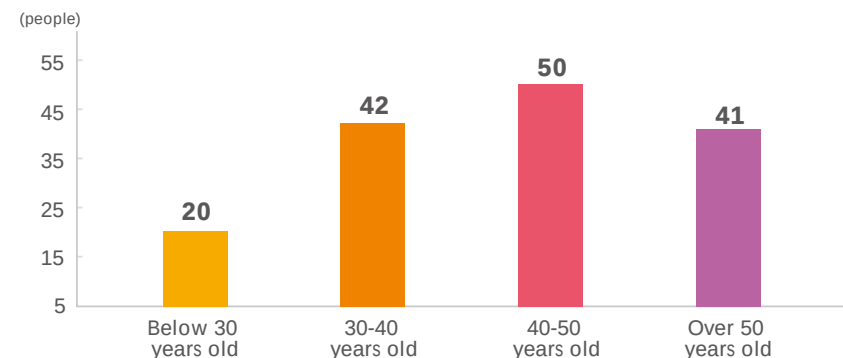
5.1.1 Employee Structure

Farglory Land Development "hires the best talent" and emphasizes diversity, equality, and no gender difference. As of late 2021, Farglory Land Development has 153 employees, all of them possessing Taiwanese nationality. Our employees include people with disabilities, Indigenous people, and interns. Female employees account for about 48% of the overall workforce. The Company has created a workplace that fosters communication, exchange, and teamwork, and offers a generous remuneration and benefits system. Our employees have an average age of 42 years and an average work experience of 9.1 years.

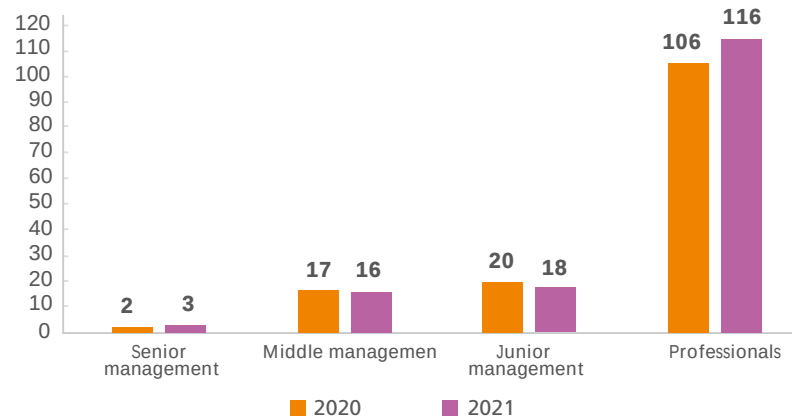
Farglory Land Development's employee statistics over the last 3 years are as follows:



Employee age structure



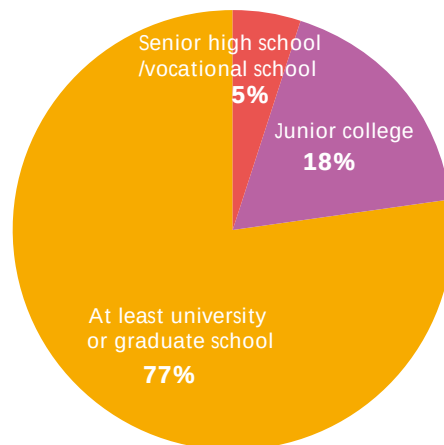
Number of employees across different ranks (male and female)



Note 1: Farglory Land Development's senior management consists of management-level officers; middle management consists of department officers; junior management consists of section officers; professionals are other colleagues.

Note 2: Farglory Land Development's employees and management consist of 100% Taiwanese citizens.

Employee educational background distribution



5.1.2 Recruitment

Talent selection

We conduct recruitment and selection through various channels to recruit talent from diverse disciplines. These include external recruitment platforms, construction industry association websites, as well as referrals by internal colleagues and the transfer of job positions among our current employees. The aim is to attract talent with varying expertise, personalities, and work experience, and assign them to the appropriate positions so that they can unleash their skills.

To bolster the Company's human resources, we conduct internships in collaboration with major colleges and universities to assist young students to cultivate their professional function. This allows students aspiring to pursue a career in the construction industry to engage in practical learning in advance. Through the internship mechanism, we can select outstanding talent with future potential who also satisfy Farglory Land Development's requirements in core functions, standards of conduct, and professional functions, thereby fulfilling the talent needs in corporate expansion, allowing our colleagues to continue to grow and create a win-win situation.

Corporate interns

We believe in giving back to society. Farglory Land Development continues to implement the "intern cultivation project", inviting students who are passionate about the construction industry to join the program. We intend to help them accumulate practical experience so that they may successfully join the workforce after graduation. The talent cultivation project focuses on students currently in school, allowing them to gain insight into the inner workings of the industry as well as the different types of works and missions involved through the internship. Guidance counselors are appointed for the program to offer mission instructions. The internship adopts a learning-by-doing approach, enabling the students to appreciate the difference between the industry and the school, as well as accrue practical experience and understand their capabilities and future career directions. The emphasis is also on elevating their self-learning skills.

Farglory Land Development upholds a people-oriented spirit. Through a series of training activities and resources, we combine a people-oriented perspective with Farglory's corporate culture and expertise to guide the interns to discover their career paths, so that they may pursue suitable careers in the big family of Farglory and grow with the Company by introducing new elements and energy. Together we reinvigorate Farglory's brand image to attain wonderful symbiosis and create a sustainable workplace.

5.1.3 New and Resigned Employees

Farglory Land Development strives to become a sustainable, high-quality enterprise. We value the opinions of our colleagues and conduct interviews with every resigning employee to understand their needs and difficulties through two-way communication. Furthermore, we regularly carry out resignation analysis, taking into consideration the unit, job position, performance, seniority, age, and experience/background of resigning employees to review the resignation rate and the reason for resigning. After getting to the bottom of the problem, we formulate and execute an improvement plan that is used as an important basis for employee management and development.

The ratio between new and resigned employees over the last 3 years



The age group and gender of new and resigned employees over the last 3 years

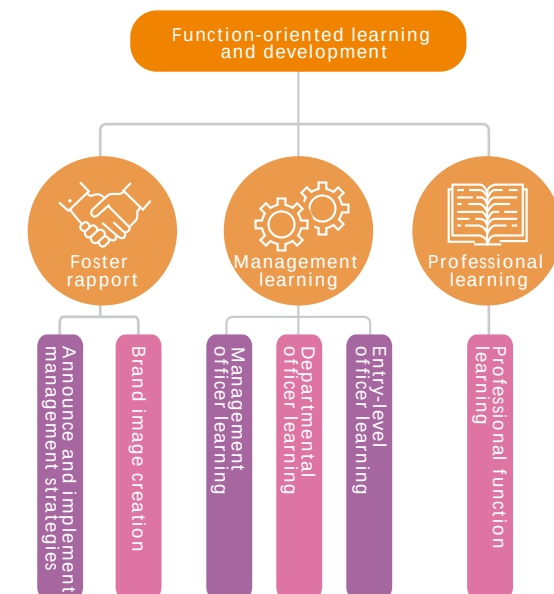
Age	2019		2020		2021	
	New employees	Resigned employees	New employees	Resigned employees	New employees	Resigned employees
Below 30 years old	4	4	1	0	2	1
30–50 years old	26	10	16	8	12	6
Over 50 years old	1	5	3	4	3	3
Total	31	19	20	12	17	10
Gender	New employees	Resigned employees	New employees	Resigned employees	New employees	Resigned employees
	New employees	Resigned employees	New employees	Resigned employees	New employees	Resigned employees
Male	20	11	12	8	11	7
Female	11	8	8	4	6	3
Total	31	19	20	12	17	10

5.2 Employee development

Farglory Land Development upholds the mission of “ongoing innovation, growth, and development with the team” to engage in employee development. We provide our colleagues with a wide range of learning channels under the theme of digital “function-oriented learning and development”.

Every year, we keep optimizing the content and operating mechanism of learning and development based on the Company's visions, goals, management strategies, the external environment, and adjustments in the law. We strive to enhance the competitiveness of our employees and officers through different levels of training and development to foster the Company's sustainable management and growth.

Farglory values teamwork and individual growth, which is why we emphasize the establishment of a transparent performance data management mechanism and human resources development system. The Company offers its colleagues diverse learning channels to monitor individual learning progress at all times. Experience the learning ambiance of the Farglory corporate culture through practical operations. The Company's officers are given systematic compulsory/elective learning and development blueprints and annual plans based on their areas of expertise, where systematic training courses are combined with practical achievement presentations to increase their learning application conversion rate. This allows our colleagues to understand Farglory Land Development's determination in realizing “the most competitive brand in the construction industry”. In turn, the Company can quickly develop talent and train diverse reserve talent across various disciplines.



5.2.1 New Employee Counseling

Farglory Land Development cares about every new colleague. From interviews to reporting for duty, we strive to familiarize them with the workplace within the shortest time so that they can showcase their professionalism. The “new employee counseling goal plan” is devised based on the new employees’ job position, talent standard, and mission to set their job objectives. This is complemented by the exclusive “counselor” who offers work instructions and assistance in life. The new employees’ learning and adaptation conditions are methodically documented, and the new employees, counselors, or officers can obtain two-way communication information through the online system in order to help the new employees understand and fit into the Company’s culture and various operations within 3 months.

At the same time, to let the new employees acclimatize to corporate life, we focus on relevant rights/obligations and system regulations such as the group’s organizational structure, work environment, unit functions, and partner introductions to conduct the new employee orientation lecture. Furthermore, a new employee care investigation is conducted through a questionnaire one week, one month, and two months after reporting for duty. We regularly organize new employee education and training and occupational safety and training. We foster rapport through the Company’s management beliefs, corporate spirit, and brand/product values and offer detailed explanation on personal performance appraisal, attendance and welfare, information security concepts, and learning/development to provide new colleagues with the utmost assistance and resources and allow them to adapt to the new workplace as soon as possible.

5.2.2 Learning and Development

Farglory Land Development perceives equal importance in every colleague’s growth and that of the Company, hence we continue to develop comprehensive function-oriented learning programs for colleagues with different job categories. The aim is to provide them with a sound learning and development blueprint driven by consensus, management, professionalism, and current trends. We also offer diverse learning channels coupled with diverse learning tools to bolster the management skills of various levels of officers and the expertise of our colleagues. The Company encourages its colleagues’ engagement and commitment by giving them a work environment where they can learn by doing and strive to grow together by learning from one another. This facilitates the planning and implementation of learning and development in accordance with the 4 major categories.

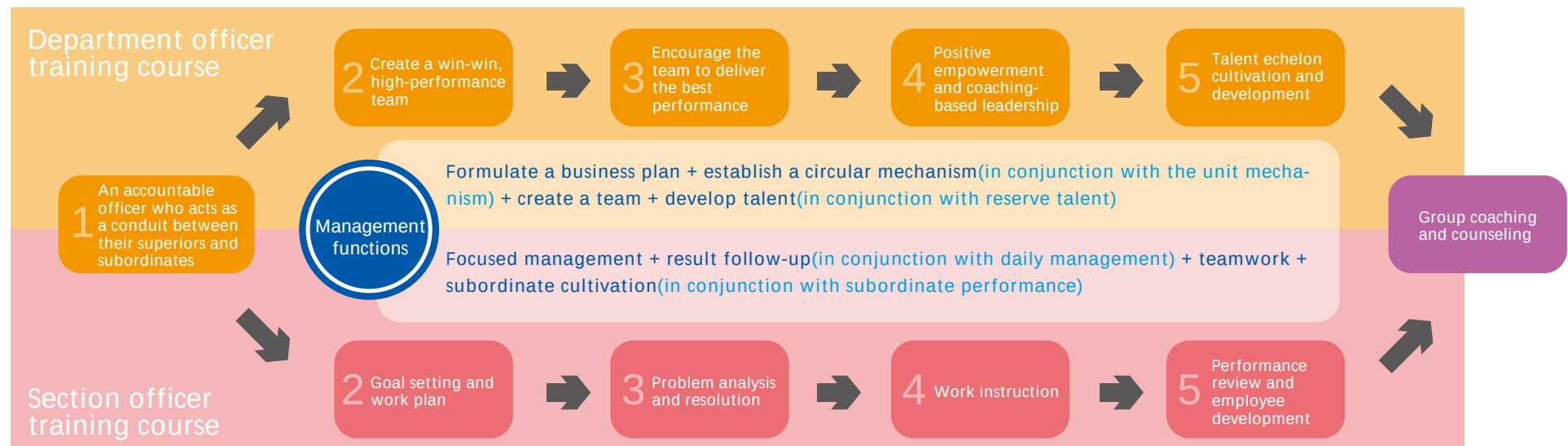
Meanwhile, providing our colleagues with an adaptive development work environment is also Farglory’s ongoing commitment. We provide various types of training programs for our colleagues according to different stages of their career development and the professional background of the respective units. These include the cultivation of digital management thinking, exploration of sustainable development topics, management role positioning, empowerment and authorization, legal compliance-related courses, internal lecturer incubation programs, and the provision of external learning resources.

In terms of legal compliance-related courses, we concentrate on important concepts such as corporate social responsibility and anti-corruption. Courses include money laundering prevention, ethical management, and insider trading prevention, which are mandatory courses for our employees every year. [In 2021, 100% of Farglory Land Development’s employees received anti-corruption education](#) and training in a bid to bolster their awareness and concept of legal compliance in everyday activities.



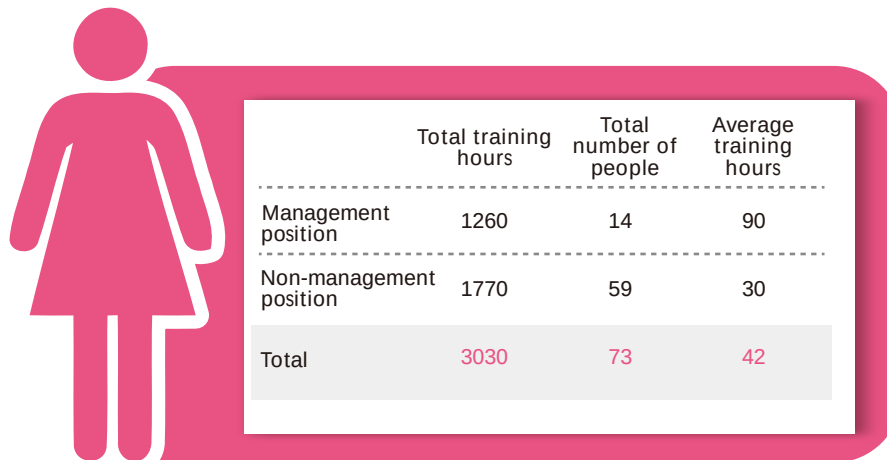
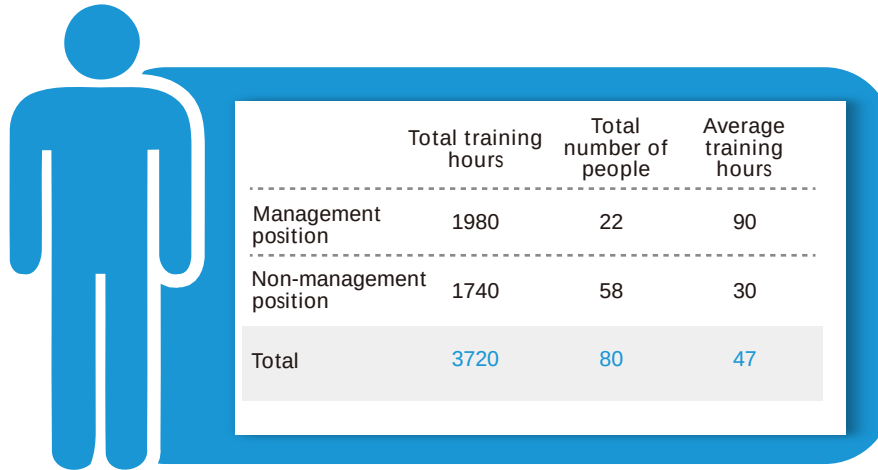
Diverse, high-efficiency learning channel: We announce courses, learning resources, live online courses, and live streaming-related information on Farglory's internal electronic platform and workplace electronic bulletins to let our colleagues engage in systematic learning in fragmented time. The Company regularly organizes internal training courses and cultivates internal lecturers. Coupled with external resources such as inviting external lecturers and CEOs from benchmark enterprises to deliver celebrity lectures and other practical lectures, our colleagues can learn about the successful experiences of others through cross-industry sharing lectures and activities so that they can be inspired at work and receive the necessary assistance.

2021 new management function course series



The Company's growth is closely related to our colleagues' learning and development, hence we will continue our efforts in learning development and personnel development. In terms of learning and development, the Company helps the organization and colleagues to achieve rapid growth, adapt to environmental changes, and accommodate the need for organizational growth. In relation to personnel development, the officers and colleagues work together to create a work environment conducive to our colleagues' ongoing growth. As far as course design is concerned, to keep on improving the Company's competitiveness, strengthen management ability, and train outstanding management talent, as well as achieve the Company's sustainable development goals, Farglory has organized a functional workshop series in the form of online live streaming and interaction combined with practice, team coaching/exchange, and the Company's new management function culture. Through practical application and discussion, we can pass on the knowledge and enhance the accountable officers' proactive awareness, mentality, and perspective.

Farglory Land Development's learning and development items for 2021 include learning topics such as middle to senior-level management functional training, legal compliance studies, new employee consensus training, sustainable development, and soft exchange lectures.



Report fostering courses in 2021

	Announce and implement the Company's visions, goals, and strategies	Industrial economy and outlook	Annual legal course	New employee orientation training	A date with the President	Total hours
Number of persons	153	36	153	30	10	
Hours	4	2	2	10	2	20
Session	1	1	1	2	1	

Management function courses in 2021

	Middle to senior-level management function course series	Entry level management function course series	Total hours
Number of persons	16	20	
Hours	28	32	60
Session	9	7	

Professional training course in 2021

	Occupational safety course	Digital course_work efficiency expert	Digital course_agile communication	Total hours
Number of persons	153	153	153	
Hours	2	3	5	10
Session	1	1	1	



Career development

Farglory Land Development provides our colleagues with an all-inclusive career development environment to help them grow and cultivate all-round competencies based on their interests and specialized skills. This is complemented by the organization's comprehensive rotation system as well as the Group's resources and development platform. The dual-track career system allows our colleagues to engage in design and development based on their willingness and abilities, thereby transforming them into experts and leaders in the professional field.

5.3 Remuneration System and Diverse Benefits

Farglory Land Development upholds the belief of "sharing profits with our colleagues". Besides a generous base salary, the Company also provides a career platform for our colleagues to unleash their potential. Personal rewards are tied to the Company's management performance for the sake of fostering a consensus and generating a win-win situation for the Company and our colleagues.

5.3.1 Talent Retention

To attract, incentivize, and retain talent, Farglory Land Development offers an outstanding work environment as well as competitive remuneration and benefits. Our colleagues' remuneration includes monthly salary, sales bonus, and annual bonus (including year-end bonus and dividends). The Company implements annual salary adjustments; besides examining the Company's profit situation and external criteria such as the price index, we also take our colleagues' contributions and development potential into consideration to provide them with reasonable remuneration and position adjustments. This serves to reward their efforts in the past and motivate them to grow with the organization in the future.

In 2021, the base salary of Farglory Land Development's non-management full-time employees was double that of the legal minimum wage in Taiwan (the statutory minimum wage in December 2021 was NT\$24,000).

In 2021, the salary of Farglory Land Development's non-management full-time employees¹ was 2.04 times that of other TWSE-listed construction firms in Taiwan, indicating our competitiveness in terms of remuneration².

Remuneration of non-management full-time employees

The Company's reward mechanism is tied to performance, and profits are shared with our colleagues.

unit: NTD thousand

Item	2020	2021	Difference between 2 years
Number of non-management full-time employees	123	130	Increased by 7 employees
The average salary of non-management full-time employees	1,401	1,936	Increased by NT\$535 thousand
The median salary of non-management full-time employees	749	1,729	Increased by NT\$980 thousand

¹ Non-management are employees who do not receive the additional pay for supervisors.

² It is the non-management full-time employees' average salary at publicly listed building materials and construction companies in Taiwan based on the data uploaded on the MOPS on May 31, 2022.

2021 female to male remuneration ratio

Employees	Female : male
Supervisor	1 : 1
Non-management	1 : 1.1

Note: Supervisors refer to assistant vice presidents or above and supervisors from the Financial Division and Accounting Department. Non-management refers to other employees.

5.3.2 KPI Performance Management

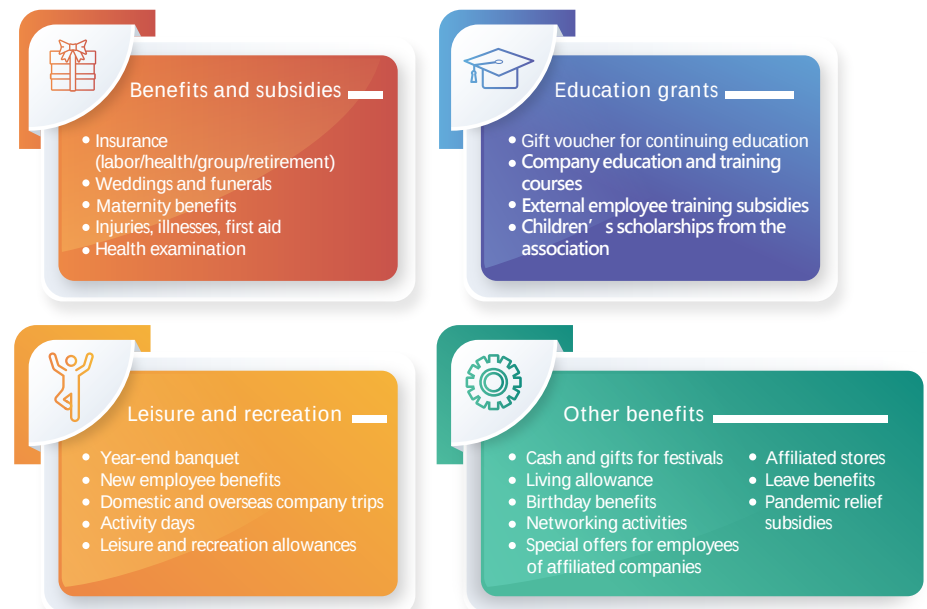
Farglory Land Development has implemented KPI performance management, where our colleagues formulate their goals and KPI criteria in a top-down fashion according to the Company's annual operational goals, job positions, as well as their responsibilities, and duties. The performance management mechanism also includes digital decision-making and management, where performance statistics are reviewed based on the schedule. When conducting the annual performance review operations, the officers and colleagues engage in two-way communication and discussion. The evaluation is carried out along dimensions such as professional functions, management functions, and core functions; after reaching a consensus, both parties will propose improvement and optimization suggestions to continue focusing on and contributing to the Company's operational goals. To achieve the Company's goals through the accumulation of our employees' performance, Farglory Land Development can only become a competitive company by elevating our colleagues' perspectives to the management level.

The performance review outcome is discussed and reviewed by various officers from the Human Resources Evaluation Committee in a fair and just manner. The Company tries to gain insight into high-performing and under-performing colleagues to provide them with the necessary assistance and platform to unleash their potential. The outcome is tied to remuneration management and talent deployment operations, where outstanding colleagues will receive the attention and training they deserve along with rewards and encouragement. In 2021, 95% of our colleagues underwent performance evaluation (137 people participated in the annual performance evaluation, 7 people on probation partook in the probation performance evaluation instead of the annual performance evaluation).

5.3.3 Diverse Benefits and Friendly Workplace

Farglory Land Development complies with the regulations of the "Labor Standards Act" by allocating 2% of our colleagues' monthly salary to the old pension fund plan, which is handed over to the Labor Pension Fund Oversight Committee and deposited into a special account of the Bank of Taiwan. Additionally, the Company contributes no less than 6% of employees' salary to their pension account at the Bureau of Labor Insurance every month in accordance with the "Labor Pension Act". The defined benefit assets in late 2021 amounted to NT\$1,093 thousand. Furthermore, to protect the rights of our colleagues who are on the old pension fund plan, they may clear their service seniority in advance to make use of their pension. Their labor contract-related rights and obligations will not be affected.

The "Farglory Land Development Co., Ltd. Joint Employees Welfare Committee" offers diverse benefits. In 2021, the welfare committee's expenditures amounted to NT\$22,040 thousand equivalent to NT\$44 thousand per employee. The committee members collect the suggestions of the entire workforce and include them in the agenda of the quarterly welfare committee meeting, where committee members plan annual activities for our colleagues. Motions are passed with the approval of 2/3 of the committee members; besides the welfare committee's benefits, the Company also provides premium benefits to look after the physical, mental, and spiritual wellbeing of our colleagues. The standards of our overall benefits surpass those of our industry competitors.



📌 Breastfeeding room

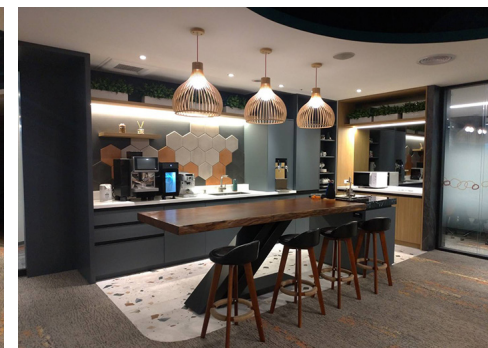
In consideration of the hard work and needs of working women, the Company has established an exclusive breastfeeding room equipped with comfortable sofa chairs and a fridge, allowing women to move freely in an independent space protected from outside interference.



📌 Shared space

To inspire our colleagues' creativity and invigorate the workplace, the Company has created a fragrant shared space with music, as well as a creative thinking and reading space that includes physical and cloud-based library services, offering a wide selection of books for our colleagues. We also provide complimentary beverages such as coffee, tea bags, and sparkling water, as well as amenities including a microwave and a fridge. By creating an unconventional office space and atmosphere, our colleagues can enjoy a leisurely break and a commanding view of the city in the shared space. The welfare committee hosts informal gatherings from time to time to satisfy our colleagues' workplace and social needs by creating a cozy and comfortable space.

Light music is regularly played for 2 to 3 minutes in the office to remind our colleagues to rest, take a walk, and stretch their bodies.



Welfare activities



The welfare committee has set aside a budget to encourage our colleagues to organize informal activities such as internal departmental trips or dinner parties to increase interaction between the Company's officers and employees, thereby fostering rapport among departmental colleagues.



2021 online livestreaming
activity – Christmas gift
exchange

Occupational health and safety

Precautions	
Approach	Provide a healthy and safe workplace
Goals and actions	- On-site occupational safety and health services is offered by medical personnel. - The "ergonomic risk prevention, abnormal workload prevention, maternity protection mechanism" has been formulated. - The "annual occupational safety plan" and "pandemic prevention classification and response measures" has been formulated.
Risk evaluation	- Employees' health examination participation rate and risk analysis is reviewed. - Employees' physical and mental wellbeing is cared for through the physical and mental stress questionnaire survey. - The work environment is regularly inspected to eliminate risk factors.
Mitigation measures	New employee consensus training is held biannually, while health soft courses and occupational safety promotion courses are conducted from time to time.
Remedies	- Provide comprehensive psychological health counseling. - Ergonomic risk prevention and excessive workload prevention questionnaire surveys are used as the basis for making improvements. - Workplace inspection is carried out every week to examine and document relevant software/hardware, and to implement maintenance and repairs.
Grievance channel	Employee grievance channel

Besides a remuneration and benefits system that is better than that of industry competitors, Farglory Land Development also strives to create a healthy, safe, and friendly workplace by organizing compulsory "occupational safety and health" courses and new employee consensus training courses from time to time. The relevant training hours are conducted according to the occupational safety and health education/training regulations, while our colleagues are required to attend external first aid personnel and occupational safety personnel training courses in accordance with the requirements of regulations and certificates.

In 2021, a total of 705 hours of occupational safety and health-related training were received by 150 colleagues, accounting for 98% of our workforce. In the future, we will continue to promote relevant education and training to raise our employees' awareness of occupational safety and lower the possibility of relevant risks.

Occupational safety-related training courses over the last 3 years

Item	2021			2020			2019		
	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours
Disaster evacuation lecture/on-site drill	1.5	150	225	-	-	-	-	-	-
Occupational safety and health promotion	-	-	-	2	144	288	-	-	-
Health promotion activities	4	120	480	-	-	-	2	20	40

The Company has formulated the following 4 major protection plans based on the “Occupational Safety and Health Act”, and we continue to engage in risk identification and risk prevention through questionnaire surveys and on-site interviews.

Prevention of ergonomic risks

In accordance with Article 6 of the Occupational Safety and Health Act
Since 2020, we have formulated the “ergonomic risk prevention plan”. In 2019, we also hosted “occupational safety and health” and “musculo-skeletal disorder prevention education” training courses. Analysis and follow-up management was implemented according to the plan.

Prevention of abnormal workload-induced diseases

In accordance with Article 6 of the Occupational Safety and Health Act
Since 2020, we have formulated the “abnormal workload-induced disease prevention plan”. In 2021, we conducted a risk evaluation questionnaire survey, achieving a recovery rate of 98%. Based on the results of the questionnaire analysis, colleagues with high risks are offered on-site health instructions from a physician to ensure their physical and mental health.

Prevention of unlawful infringement while carrying out duties

In accordance with Article 6 of the Occupational Safety and Health Act
Since 2020, we have formulated the “plan for the prevention of unlawful infringement while carrying out duties”. In 2020, we organized one workplace unlawful infringement prevention training and promotion course. In the future, we will conduct such education, training, and promotion from time to time.

Maternity health protection

In accordance with Article 31 of the Occupational Safety and Health Act
In consideration of the hard work and needs of working women, the Company has not only formulated the “maternity health protection plan” but also established an exclusive breastfeeding room equipped with comfortable sofa chairs and a fridge, allowing women to move freely in an independent space protected from outside interference, thereby materializing maternity health protection.

Employee occupational injury statistics:

In 2021, no Farglory Land Development colleagues were injured at work, and no deaths or serious occupational injuries occurred during the execution of their duties.

Gender	 Male	 Female
Total work days	18,191.56	16,968.82
Total work hours	145,532.50	135,750.52
Number of occupational injuries	0	0
Ratio of occupational injuries	0	0
Number of occupational injuries and deaths	0	0
Ratio of occupational injuries and deaths	0	0
Number of lost days	0	0
Lost day rate (LDR)	0	0
Number of absent days ¹	78.81	37.00
Absence rate (AR) ²	0.43%	0.22%
Number of serious occupational injuries	0	0
Ratio of serious occupational injuries	0	0
Disabling frequency rate (FR)	0	
Disabling severity rate (SR)	0	

Note 1: Definition of absence: An employee absent from work because of incapacity of any kind such as injury leave, sick leave, menstrual leave, but not including transportation-related leave.

Note 2: Absence rate (AR) = (absent days / total work days) x 100%.

Workplace health promotion

Our employees' health is the greatest asset of the Company, hence Farglory Land Development holds biennial health examinations, offering health examination packages that are superior to those of other enterprises. Moreover, we provide our colleagues with official leave so that they can receive health examinations at an institution of their choice. This is complemented by on-site occupational safety physician and nurse services to conduct health consultations for our colleagues and to offer them health education advice and subsequent care and tracking. In addition, we organize health promotion activities and health lectures from time to time to take care of our colleagues' physical and mental wellbeing, and we continuously provide them with healthcare-related information.

To encourage our colleagues to monitor their physical and mental wellbeing, as well as to bolster their self-health management awareness, the Company hosted the "Healthy BMI Let's Go" activity from April 6 to July 5, 2021. Furthermore, nutritionists were invited to analyze our colleagues' body composition and provide them with health consultations using professional instruments. The aim is to encourage our colleagues to maintain a healthy lifestyle by engaging in correct exercise and a balanced diet.



【職安健康宣導】
遠雄建設職場醫護人員

- 服務時間(每月第1-3週)
週二下午13:30-15:30
- 服務地點：16樓人資面談室
- 預約說明
 1. 每次提供3位名額，以報名時間優先順序作安排。
 2. 預約信箱：fgnurse@farglory.com.tw

※職安窗口：人資室 筱楓(分機2262)

服務項目

【健康促進】

- 健康檢查結果分析與諮詢。
- 員工健康管理。
- 健康促進活動與課程推動。

【員工健康照顧】

- 健康/職安資訊預防宣導
- 提供工作相關疾病預防建議。

Dream Begins. Do Together.



健康 BMI 一起GO起來
2021年度風雲榜

精準達標王

部門	姓名	達成率
營業部	曾靖婷	174%
營業部	李居正	134%
營業部	胡昇志	117%
開發部	陳祥銘	116%
資企室	翁章益	107%

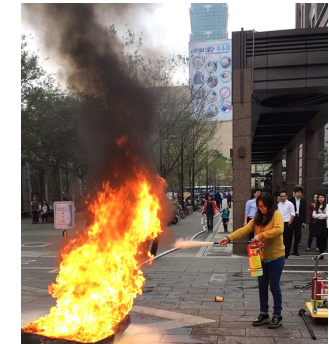
體態最輕盈

部門	姓名	減輕率
資企室	翁章益	↓21%
營業部	黃國淳	↓16%
設計部	李博仁	↓16%
營業部	林建利	↓15%
開發部	陳祥銘	↓13%

人資營運室

Workplace inspections and drills

Farglory Land Development has always considered protecting our colleagues' health and safety and creating a friendly workplace as the top priority. We regularly conduct fire safety drills and equipment inspections in conjunction with the building. On January 28, 2021, we hosted the disaster prevention and evacuation lecture/drill to let our colleagues understand how to operate the firefighting equipment and reinforce their safety awareness. Additionally, the building's security personnel conducts daily workplace inspections to ensure the safety of our colleagues' work environment. There were no occupational injury accidents in our Taipei and Kaohsiung offices in 2021.



The Company's occupational safety personnel regularly conducts workplace inspections, focusing on the examination and documentation of relevant software/hardware, as well as the implementation of maintenance and repairs. Furthermore, we administer the ergonomic risk prevention and excessive workload prevention questionnaire survey to serve as the basis for ongoing improvements to the work environment throughout the year.



Workplace pandemic prevention actions

In response to the COVID-19 pandemic in 2020, Farglory Land Development immediately launched the Farglory Land Development pandemic prevention center and formulated the "Farglory Land Development COVID-19 pandemic prevention, classification, and response measures". We also promoted our pandemic classification strategy, colleague attendance management, personnel pandemic management, and workplace pandemic control and management regulations to our colleagues. Moreover, we regularly compiled and reported information on our colleague's health and the pandemic. To ensure our colleagues' health and encourage them to receive vaccination, we have provided them with 8 hours of paid vaccination leave.

Since the level-3 pandemic alert was implemented in the first half of 2021, the Company immediately adopted a staggered shift system in conjunction with work from home (WFH) and flexible work hours. Meetings were convened to formulate various contingency measures in order to elevate the overall pandemic prevention efforts. Adequate resource allocation was carried out together with the procurement of relevant equipment such as alcohol, pandemic prevention partitions, face shields, and rapid antigen tests. We also provided our employees with remote work equipment such as laptops to ensure the stable operation of WFH.

Although the alert level was lowered to level 2 in the second half of 2021, we remained vigilant and continued to install face recognition body temperature measurement systems at workplace entrances to monitor our colleagues' health every day. In addition, we implemented the visitor real-name registration system and workplace disinfection. To protect our colleagues' right to work and enhance their security in life, the Company has taken out 2 pandemic prevention insurance policies for them, while the pandemic living allowance was distributed on June 28, 2021, to support our colleagues in their daily lives.



5.4 Fostering Labor-Management Harmony

Farglory Land Development perceives great importance in labor relations and abides by labor regulations. Every year, we regularly arrange legal compliance courses (held on April 27, 2021) to fortify our colleagues' legal compliance awareness and protect their legal rights. We do not engage in differential treatment in terms of our hiring policy in a bid to create an equal, discrimination-free environment. At the same time, we forbid hiring child labor under 16 years old, and we do not violate basic labor rights.

The Company emphasizes our colleagues' satisfaction level, hence we respect the wishes of our colleagues when adjusting their job position or department, where thorough communication is conducted in advance. Changes in the employment relationship are notified in advance according to the regulations of the Labor Standards Act, and relevant assistance is provided.

The soundness of our mechanism for communication with colleagues has a direct impact on the Company's growth. Therefore, Farglory Land Development values our colleagues' opinions and feedback on problems, and we are committed to fostering trusting and harmonious labor relations and ambiance. Apart from regular labor-management communication meetings, we have also established diverse, open communication channels (such as the "A date with the President" afternoon tea lecture in 2021) to let our colleagues closely interact with the Company's officers over a cup of coffee, so as to let them voice their opinions and obtain work-related support.

In regards to major employee rights-related matters, we convene at least one labor-management meeting every quarter in accordance with the "Regulations for Implementing Labor-Management Meetings" to announce and promote important notices to our colleagues, so that they can understand the Company's latest policies and increase their participation and recognition of company policies, in turn facilitating positive communication.

In 2021, Farglory Land Development did not incur any complaints related to labor practices, human rights problems, or social impact.



6 Chapter

Giving Back to Society

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Material Issues	Indirect economic impacts		2 ZERO HUNGER	4 QUALITY EDUCATION
Management guidelines	Management policies	Engage in public welfare campaigns to bridge the resource gap and engender common good values		
	Management goal	Short-term	- Farglory Group conducts at least 7 public welfare reconstruction activities annually - Farglory Land Development donates at least NT\$10 million to disadvantaged groups - At least 30 volunteers partake in the Andrew Charity Association New Year's dish campaign to pack 250 boxes of food for underprivileged groups	
		Medium to long-term	Continue to expand existing public welfare activities to realize the spirit of giving back to society and serving people	
	Action plan		Consolidate the strength of departmental employees to participate in local public welfare activities including caring for and serving the community, disadvantaged groups, environmental protection, child welfare, education, sports, and health-related activities. Furthermore, the Company continues to sponsor middle-aged to older citizens, people with disabilities, low-income households, and those who are 55 years old or above whose families have encountered major accidents and urgently need money to cover their living expenses.	
	Evaluation mechanism		- Public welfare trust transaction reports disclosed on the websites of financial institutions - Andrew Charity Association certification	



6.1 Social Engagement and Public Welfare

Giving back to society has always been Farglory Group's mission and purpose. We endeavor to lead by example and contribute to social welfare by reaching out to the often neglected corners of society. We support cultural, art, and sports activities, integrating them with architecture and life. We also continue to support disadvantaged groups to fulfill Farglory Group's social responsibility.

To engage in public welfare more systematically and efficiently, the "Farglory Cultural & Educational Foundation" was established in 1997 to care for underprivileged groups, promote education, sports, and health activities, inspired by the 3 major themes of assisting underprivileged groups, arts and culture, and social education. The aim is to reinforce the sponsorship of art and cultural activities. In addition, to encourage students from his alma mater and Miaoli County to study diligently, as well as to give thanks to his father Wan-Chih Chao, Farglory Group Chairman Teng-Hsiung Chao created the "Miaoli County Chenggong Primary School Wan-Chih Chao Scholarship" and "Miaoli County Waipu Elementary School Wan-Chih Chao Scholarship". The purpose is to cultivate reserve talent for his township and give back to society and the country.

2021 Resources invested by Farglory Cultural & Educational Foundation

Item	Number of beneficiaries (people)	Budget (NTD)
Scholarships	3,629	2,790,600
Construction and repair	204	4,745,821
Social care	1,015,148	13,799,715
Culture and education	4,488,423	16,330,075
Public welfare activities	11,398	2,842,048
Other public welfare educational activities	24,604	2,606,136
Total	5,543,406	43,114,395

6.1.1 Community Engagement

During the level-3 alert period of the pandemic, Farglory Cultural & Educational Foundation collaborated with our affiliated enterprise – Farglory Cafe – to prepare afternoon tea for 600 medical care personnel and firefighters in the Xizhi area, supporting them by taking action. We hoped that the hard-working frontline personnel would be able to look after their health and eat a balanced diet while on duty.



The level-3 pandemic alert has changed people's ways of life, and many underprivileged families have encountered financial difficulties. In light of this, the Foundation has collaborated with the New Taipei City Government Social Affairs Bureau to help Indigenous and disadvantaged families in Xizhi by donating 5,500 cases of food in the hope of accompanying these families through the trying times by offering them warmth and much-needed daily supplies.

To cooperate with the government's pandemic prevention policy, the start of senior/vocational high schools or below was postponed, resulting in surplus vegetables that were supposed to be supplied to schools for preparing lunch. To reduce waste and lend small farmers a helping hand, we launched the "friendly Earth vegetable relief activity" in late February 2021 and purchased 98 boxes of vegetables to share with our colleagues in support of agriculture in Taiwan and assist small farmers to get through the pandemic.



6.1.2 Public Welfare Activities

For many years, Farglory Land Development, enterprises within the Farglory Group, and the Foundation have sponsored numerous public welfare activities, vigorously giving back to society and engaging in philanthropy.

TMUH innovative digital platform

COVID-19 has changed the citizens' ways of life and the education model. Faced with the ever-changing pandemic, distance learning and online learning have become indispensable, and the impact of the pandemic has accelerated the implementation and development of telemedicine. In response to the COVID-19 pandemic, the Taipei Medical University Hospital (TMUH) has developed an app to help the public evaluate their safety, receive the antigen test under exigent circumstances and receive medical treatment. At the same time, to protect the frontline medical personnel's safety and increase medical care performance, we have launched the "comprehensive zero contact pandemic prevention and care system." Technology is applied to implement the technical transformation of education. TMUH has set up a studio to film instruction videos, investing in online learning resources in advance. During the pandemic, the ratio of students learning online has increased, and the difficult clinical and anatomy courses were conducted using virtual reality (VR) technology. The review of medical resources has always been an important task during the pandemic. The Farglory Cultural & Educational Foundation supports TMUH to develop an innovative digital learning performance management platform in a bid to train medical professionals with medical expertise and technical application abilities, thereby offering society better medical care services by forming a robust community medical care network and materializing our corporate social responsibility.



Corporate blood drive

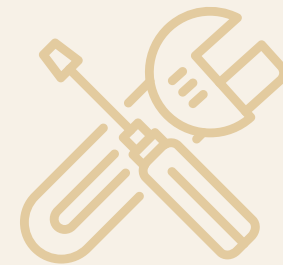
The 2021 6th Farglory Group blood drive called upon various subsidiaries of Farglory to support 14 blood donating activities held throughout Taiwan. Those who have successfully donated blood received masks and gift cards as a token of appreciation. Total number of blood bags: 1,324; total blood donated: 299,750ml

Provide better medical services for the society, establish a more perfect community medical network, and implement corporate social responsibility.



Public welfare reconstruction

Farglory Cultural & Educational Foundation has completed 7 public welfare reconstruction projects in 2021 to benefit 219 persons. A total of 35 corporate volunteers were involved! In 2021, Farglory's reconstruction project has reached the Hongye Elementary School and the Torik Village in Haiduan, Taitung, as well as underprivileged families in Penghu, to assist more people in every corner Taiwanese society! Meanwhile, Farglory's public welfare reconstruction projects [received the 5th PwC Sustainability Impact Awards – Social Influence Award](#) In the future, the Foundation will continue to engage in public welfare reconstruction, hoping to create safer schools and home environments for children by expanding our services and working with our partners.



Public welfare Christmas

The Farglory Cultural & Educational Foundation supported the “Chinese Christian Relief Association” and the Raising Children Medical Foundation’s public welfare Christmas train activity, where corporate volunteers were invited to wrap Christmas presents in an effort to provide children in the hospitals and remote townships with a memorable Christmas. In 2021, the gift bags were made to resemble canvas bags in the hope that children receiving the presents can repurpose these bags.

Number of corporate volunteers: 75; presents donated: 1,000 boxes



Andrew Charity Association New Year's dish campaign

For the 2021 Andrew Charity Association New Year's dish campaign, Farglory Cultural & Educational Foundation invited 40 volunteers from the Group's head office to wrap 250 food boxes to help children from disadvantaged homes enjoy a warm and delicious New Year!



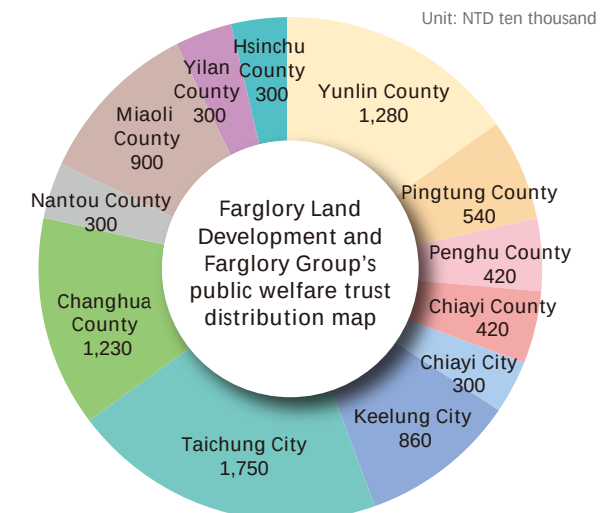
Public welfare trust

Since 2016, Farglory Land Development and the Farglory Group have collaborated with the Land Bank of Taiwan and the Taiwan Cooperative Bank to form a public welfare trust in order to assist disadvantaged groups by exerting a more effective public welfare spirit. In 2021, we donated NT\$10 million to the Land Bank of Taiwan's "Farglory Land Development Co., Ltd. public welfare trust" project. Between 2016 and 2021, Farglory Land Development and Farglory Group have donated a cumulative total of NT\$86 million to facilitate developments in social welfare and education. As of 2021, the program has already benefitted 1,479 persons, and a total of 2,452 underprivileged people and students are expected to receive such assistance.

Trust name	Trustee	Total donated amount	Region	Beneficiary
Farglory Land Development Co., Ltd. Public welfare trust	Land Bank of Taiwan	NT\$1.8 million	Yunlin County	Elderly people, people with disabilities, low/medium income, or those who are in urgent need of nursing subsidies
		NT\$1.4 million	Keelung City	
		NT\$4.7 million	Taichung City	
		NT\$2.1 million	Changhua County	

Public welfare trust implementation status

Please refer to the Land Bank of Taiwan's official website (<https://www.landbank.com.tw/>) information disclosure section > statutory disclosure items>trust announcement section



6.2 Education and Heritage of Architecture and Culture

6.2.1 Architectural Functional Course

In 2021, the Foundation collaborated with Grass Book House in Sanxia to provide children with 4 vocational courses, carpentry, cement work, painting, and plumbing, endowing them with diverse learning opportunities and cultivating their skills. Furthermore, architectural education is combined with general knowledge to let children unleash their creativity and imagination. In the future, the Foundation will continue to train architectural talent. We hope that by visiting school campuses, we can integrate architecture into the syllabus and incorporate concepts such as design and aesthetics to accompany children to explore their interests and let them discover their self-worth.



6.2.2 Farglory U Museum Activities

In 2021, the Farglory U Museum planned a series of children's architectural creative experience activities, taking them to change existing spatial designs by unleashing their creativity upon everyday locations in life. During the pandemic, the Farglory U Museum also adopted an online class format to provide people with home-learning services. The Foundation provided free teaching materials to let people at home learn knowledge and appreciate architecture with the teacher.



6.2.3 Golden Pin Design Award – Farglory Special Award

To promote architectural education and train exceptional talent, the Farglory Cultural & Educational Foundation joined forces with the Taiwan Design Research Institute to create the “Farglory Special Award” for the 2021 Golden Pin Design Award to encourage architecture and design-related talent in Taiwan, and to support emerging designers to realize their creativity in the future.



Appendix 1: Global Reporting Initiative (GRI) Index

General Disclosures: 2016

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102-22	Composition of the highest governance body and its committees	1.2 Corporate Governance	21
102-40	List of stakeholder groups	Sustainability Strategy Blueprint	11
102-41	Collective bargaining agreements	5.4 Fostering Labor-Management Harmony	77
102-42	Identifying and selecting stakeholders	Sustainability Strategy Blueprint	11
102-43	Approach to stakeholder engagement	Sustainability Strategy Blueprint	13-14
102-44	Key topics and concerns raised	Sustainability Strategy Blueprint	12
102-45	Entities included in the consolidated financial statements	About the Report	02
102-46	Defining report content and topic Boundaries	About the Report	02
102-47	List of material topics	Sustainability Strategy Blueprint	15-16
102-48	Restatements of information	None	-
102-49	Changes in reporting	No significant changes during the reporting period	-
102-50	Reporting period	About the Report	02
102-51	Date of most recent report	September 2020	-
102-52	Reporting cycle	About the Report	02
102-53	Contact point for questions regarding the report	About the Report	02

GRI	Disclosure item	Corresponding chapters and special instructions	Page
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	02
102-55	GRI content index	Appendix 1: GRI Content Index	87
102-56	External assurance	About the Report Appendix 3: CPA's Assurance Report	02 94

Material Topic Disclosures

Topic	GRI	Disclosure item	Corresponding chapters and special instructions	Page
GRI 103 Management Approach: 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Strategy Blueprint	15-16
	103-2	The management approach and its components	1. Corporate Operations and Governance 2. Leading International Construction Brand 4. Customer Service 6. Giving Back to Society	18 29 55 79
GRI 201 Economic Performance: 2016	201-1	Direct economic value generated and distributed	1.4 Business Performance	26 27
	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Management	43-46
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Remuneration System and Diverse Benefits	72
GRI 203 Indirect Economic Impacts: 2016	203-1	Infrastructure investments and services supported	6.1 Social Engagement and Public Welfare	79
			6.2 Education and Heritage of Architecture and Culture	85

Topic	GRI	Disclosure item	Corresponding chapters and special instructions	Page
GRI 205 Anti-corruption: 2016	205-1	Operations assessed for risks related to corruption	1.2 Corporate Governance	23
	205-2	Communication and training about anti-corruption policies and procedures	5.2 Talent Development	68
	205-3	Confirmed incidents of corruption and actions taken	1.2 Corporate Governance	23
GRI 307 Environmental Compliance: 2016	307-1	Non-compliance with environmental laws and regulations	None in 2021	-
GRI 416 Customer Health and Safety: 2016	416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Strategy Blueprint 2.4 A Century of Construction Quality Assurance	9-10 35
GRI 417 Marketing and Labeling: 2016	417-3	Incidents of non-compliance concerning marketing communications	1.5 Legal Compliance	27
GRI 418 Customer Privacy: 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer marketing communication	57
GRI 419 Socioeconomic Compliance: 2016	419-1	Non-compliance with laws and regulations in the social and economic area	1.5 Legal Compliance	27

General Topic Disclosures

Topic	GRI	Disclosure item	Corresponding chapters and special instructions	Page
GRI 202 Market Presence: 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Remuneration System and Diverse Benefits	71
	202-2	Proportion of senior management hired from the local community	5.1 Human Resources Policy	66
GRI 302 Energy: 2016	302-1	Energy consumption within the organization	3.3 Energy and Resource Management	53
	302-4	Reduction of energy consumption		51-52
GRI 305 Emissions: 2016	305-1	Direct (Scope 1) GHG emissions	3.1 Climate Change Management 3.3 Energy and Resource Management	41
	305-2	Energy indirect (Scope 2) GHG emissions		41
	305-4	GHG emissions intensity		41
	305-5	Reduction of GHG emissions		42
GRI 401 Employment: 2016	401-1	New employee hires and employee turnover	5.1 Human Resources Policy	67
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Remuneration System and Diverse Benefits	72

Topic	GRI	Disclosure item	Corresponding chapters and special instructions	Page
GRI 403 Occupational Health and Safety 2018	403-3	Occupational health services	5.3 Remuneration System and Diverse Benefits	76
	403-5	Worker training on occupational health and safety		76
	403-6	Promotion of worker health		75
GRI 404 Training and Education: 2016	404-1	Average hours of training per year per employee	5.2 Talent Development	70
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Development	69-70
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Remuneration System and Diverse Benefits	72
GRI 405 Diversity and Equal Opportunity: 2016	405-1	Diversity of governance bodies and employees	5.1 Human Resources Policy	65-66
	405-2	Ratio of basic salary and remuneration of women to men	5.3 Remuneration System and Diverse Benefits	72
GRI 406 Non-discrimination: 2016	406-1	Incidents of discrimination and corrective actions taken	5.4 Fostering Labor-Management Harmony	77

Appendix 2: Sustainability Accounting Standards Board Content Index

SASB topics	Criteria code	Criteria content	2021 corresponding information	Corresponding material topic	Note/corresponding chapter and page
Land utilization and ecological impact	IF-HB-160a.1	Number of lots on redevelopment sites.	3	Operating and financial condition	--
		Number of homes delivered on redevelopment sites.	0		--
	IF-HB-160a.2	Number of lots regions with high baseline water stress.	33	Risk management	In compliance with the SASB's demand of applying the WRI classification system, Farglory does not own lots or delivered homes in "high baseline water stress regions". However, considering water resource risks in Taiwan, we have used "groundwater recharge geologically sensitive area" to determine regions with high baseline water stress.
		Number of homes delivered in regions with high baseline water stress.	1,113		
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations.	NT\$0	Compliance	--
	IIF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction.	Planning and development are conducted in accordance with the Urban Planning Law and the Building Act. The land condition and regulation checklist has been formulated to conduct a feasibility study of the site during the early stages of development. The reviewed items include a geological survey, whether it is located on sloping terrain or in conservation area, as well as other factors such as the presence of historic monuments or old trees. Meanwhile, we will also reserve open spaces or cultivate green plants to foster environmental symbiosis.	Green products and innovative services	Please refer to 2.4 A Century of Construction Quality Assurance on Page 35 of the report

SASB topics	Criteria code	Criteria content	2021 corresponding information	Corresponding material topic	Note/corresponding chapter and page
Employee health and safety	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees.	0	--	--
		Total recordable fatality rate for direct employees.	0		--
		Total recordable incident rate (TRIR) for contract employees.	0		--
		Total recordable fatality rate for contract employees.	0		--
Resource efficient design	IF-HB-410a.1	Number of homes that obtained a certified HERS® Index Score.	3 construction projects	Green products and innovative services	Since HERS® does not apply to Taiwan, hence we have utilized the EEWH Green Building Label issued by the Taiwan Architecture & Building Center in 2021 as the basic statistics.
	IF-HB-410a.1	Average score of homes that obtained a certified HERS® Index Score.	The evaluation is conducted according to the 9 major evaluation criteria of the EEWH Green Building Label. In particular, the daily energy-saving criteria to measure building energy efficiency, which takes 3 major dimensions into consideration: building shell energy-saving design, air conditioning efficiency, and lighting efficiency. In 2021, 3 Farglory construction projects were awarded a pass rating or above in terms of building daily energy-saving criteria.		
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications.	100%		Since WaterSense® does not apply to Taiwan, hence we have used the purchase amount of water-saving label-certified products as the basic statistics.
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard.	1,667		In 2021, the number of homes delivered by Farglory that have passed the Taiwan Architecture & Building Center's EEWH Green Building Label was used as the basic statistics.

SASB topics	Criteria code	Criteria content	2021 corresponding information	Corresponding material topic	Note/corresponding chapter and page
Resource efficient design	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers.	Incorporate resource efficiency into building/home design: I. Current actions: 1. Formulate measures to reduce carbon emissions from building material construction and transportation 2. Conserve building material consumption, research structural rationalization, lightweight architecture, durability, and the application of renewable materials 3. Apply energy-saving designs and equipment to construction projects 4. Review water resource conservation methods and utilize water-saving equipment 5. Construction project rainwater harvesting and reuse 6. Research the sponge city strategy II. Future plans: 1. Establish Farglory's "building energy consumption EUI database" and set the EUI standards for Farglory's construction projects. 2. Promote construction waste audit and investigation, and establish Farglory's construction waste database. 3. Review and reduce construction waste through the continuous development of efficient building materials and construction methods. 4. Green building materials must account for 60% of the inside and 20% of the outside of construction projects 5. Stay in control of all key building materials and establish Farglory's internal green material database 6. 100% of new construction projects are equipped with water-saving facilities Communicate with the consumers: Through Farglory Land Development's website and sales center, we can communicate our designs and services in improving the construction projects' resource efficiency to the consumers: 1. Communicate our core design philosophy: We uphold the architectural belief of "creating a more valuable living environment inspired by the home as the core concept", where the environment is developed before the house is constructed by applying a macro perspective to overall planning. Furthermore, we strive to promote the concept of community building, emphasizing a "people-oriented" living environment in a bid to elevate the quality of life of the residents and foster a sense of rapport. 2. Farglory's premium service: Three major warranties – Setting new service standards in Taiwan's construction industry. We provide our customers with a 5-year waterproof warranty, 5-year wall/floor tile warranty, and 25-year structural warranty. 3. Construction project information transparency: Establish a product engineering museum and display boards in all sales centers to convey the design of the construction project and building material contents.	Green products and innovative services Product safety Marketing communication	EUI: Energy use intensity of buildings, or energy consumption per square meter per year. A higher EUI indicates a higher energy consumption. Please refer to 2.1 Green Energy Buildings – Attaining Co-prosperity with Earth on Page 30, 2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life on Page 33, 2.4 A Century of Construction Quality Assurance on Page 35, 4.1.1 Product Sales Regulations on Page 55, 4.2 Comprehensive after-sales service on Page 57.

SASB topics	Criteria code	Criteria content	2021 corresponding information	Corresponding material topic	Note/corresponding chapter and page
Impact of new developments on the community	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions.	During the land development decision-making process, we conduct inspection and evaluation based in 3 major dimensions: Investment: Confirm that the investment conditions are consistent with the Company's needs and that the risks are controllable, and consider whether the nearby environment is in a sensitive zone (such as sloping terrain, earthquake fault zones, listed trees, historic monuments, etc.); Development regulations: In terms of site condition investigation and government-listed matters, whether the site is located in a geologically sensitive area, water conservancy land, conservation area, or restricted area near MRT/THSR facility roads; Positioning: Work with a consignment agency to examine and verify the construction site, regional development, transportation, amenities, and real estate development, so as to comprehensively consider site selection and development decision-related factors.	Product safety	Please refer to 2.4 A Century of Construction Quality Assurance on Page 35 of the report
	F-HB-410b.2	Number of lots on infill sites.	20	Operating and financial condition	--
		Number of homes delivered on infill sites.	0		--
	IF-HB-410b.3	Number of homes delivered in compact developments.	3,781		--
		Average density of compact developments.	0.14		Unit: Household/ping
Climate change adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones.	17	Risk management	Make use of the National Science and Technology Center for Disaster Reduction's "3D Disaster Potential Map" tool to analyze the number of Farglory plots located in the 24H 650mm flood potential area as of late 2021.
	F-HB-420a.2	Description of climate change risk exposure analysis, and strategies for mitigating risks.	Utilizing TCFD's 4 major structures – governance, strategy, risk management, metrics and targets – we will disclose the Company's important climate risks and opportunities, as well as risk analysis and management to formulate response strategies.		Please refer to 3.1.2 Climate Risk Management on page 43-47 of the report
Activity metrics	IF-HB-000.A	Number of controlled lots.	61	Operating and financial condition	Totaling 29.5 hectares
	IF-HB-000.B	Number of homes delivered.	2,441		--
	IF-HB-000.C	Number of active selling communities.	29 construction projects		--

Appendix 3: CPA's Limited Assurance Report



Independent Limited Assurance Report

To FARGLORY LAND DEVELOPMENT CO.,LTD.

We have been engaged by Farglory Land Development Co., Ltd. (the "Company") to perform assurance procedures on the sustainability performance information identified by the Company and reported in the 2021 Sustainability Report, and have issued a limited assurance report based on the result of our work performed.

Subject Matter Information and Applicable Criteria

The sustainability performance information identified by the Company (hereinafter referred to as the "Subject Matter Information") and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 95 of the Sustainability Report. The scope of the aforementioned Subject Matter Information is set out in the "Scope and Boundary" on page 2 of the Sustainability Report.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the Sustainability Report in accordance with the respective applicable criteria, and for such internal control as management determines is necessary to enable the preparation of the sustainability performance information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We conducted our assurance work on the Subject Matter Information disclosed in the Sustainability Report in accordance with the Statement of Assurance Engagements Standards No. 1, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" in the Republic of China, to identify whether any amendment is required of the Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria, and issue a limited assurance report.

We conducted our assurance work in accordance with the aforementioned standards including identifying the areas where there may be risks of material misstatement of the Subject Matter Information, and designing and performing procedures to address the identified areas. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.



The extent of the assurance work we performed were based on the identified risk areas and determined materiality, and given the circumstances of the engagement, we designed and performed the following procedures:

- Made inquiries of the persons responsible for the Subject Matter Information to understand the processes, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Subject Matter Information and performed selective testing including inquiry, observation, inspection, and reperformance to obtain evidence for limited assurance.

We do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of Independence and Quality Control Requirement

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Statement of Auditing Standard No. 46, "Quality Control for Public Accounting Firms" in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent Limitations

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, we are not aware of any amendment that is required of Subject Matter Information to be prepared, in all material respects, in accordance with the respective applicable criteria."



Other Matter

The Management of the Company is responsible for maintaining the Company's website. If the Subject Matter Information or the applicable criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan

Chang, Shu-Chiung

August 5, 2022

Appendix 4: Summary of Subject Matter Assured

NO	Subject Matter	Page	Reporting Criteria
1	In 2021, the Remuneration Committee had an average attendance rate of 100%. In 2021, the Audit Committee had an average attendance rate of 100%.	23	Average actual attendance rate of the Audit Committee/Remuneration Committee is calculated by actual attendance divided to number of meetings.
2	The “customer service platform system” successfully closed 8,238 cases³ before December 31, 2021. ³ These were cases registered by management committees and homeowners (residents) in 2019–2021; the case closing date is the date registered by customer service in the system.	61	Official customer PM service platform summed up claims from 2019 to 2021, and tracked claim closing records.
3	In 2021, the salary of Farglory Land Development's non-management full-time employees¹ was 2.04 times that of other TWSE-listed construction firms in Taiwan, indicating our competitiveness in terms of remuneration². ¹ Non-management are employees who do not receive the additional pay for supervisors. ² It is the non-management full-time employees' average salary at publicly listed building materials and construction companies in Taiwan based on the data uploaded on the MOPS on May 31, 2022.	71	The multiple is calculated by dividing the salary of Farglory Land Development's non-management full-time employees by the average salary of other TWSE-listed construction firms in Taiwan in 2021.
4	From 2011 to 2021, Farglory Land Development applied for and obtained¹ 30 EEWH Green Building Labels from the MOI. The Company also obtained one U.S. Green Building Council's LEED certification and 2 Living Labs Global (LLG) certifications from Denmark. ¹ Limited to the first green building certificate obtained by Farglory Land Development after receiving the occupancy permit.	31	Amount of EEWH Green Building Labels from the MOI , U.S. Green Building Council's LEED certification and Living Labs Global (LLG) certifications from Denmark from 2011 to 2021.
5	In 2021, Farglory Land Development donated NT\$10 million to the Land Bank of Taiwan's “Farglory Land Development Co., Ltd. public welfare trust” project.	84	The total amount donated to the Land Bank of Taiwan's “Farglory Land Development Co., Ltd. public welfare trust” project in 2021.



<http://www.farglory-land.com.tw>