



CONTENTS

About the Report	3
Message from the Chairman	4
2022 ESG performance highlights	5
About Farglory Land Development	7
Sustainable Development Plans	11
Materiality Assessment and Stakeholder Engagement	20
 Appendix	
Appendix 1: Comparison Table on Global Reporting Initiative (GRI) Index	144
Appendix 2: Index of Task Force on Climate-Related Financial Disclosures (TCFD) and Climate-Related Information of TWSE/TPEX-listed Companies	148
Appendix 3: Index of Sustainability Accounting Standards Board Metrics	150
Appendix 4: Summary of Subject Matter Assured	153
Appendix 5: CPA's Limited Assurance Report	154

CHAPTER 1 Corporate Governance and Operations

1.1 Corporate governance	31
1.2 Internal Control Operations and Risk Management	35
1.3 Operating and Financial Performance	38
1.4 Legal Compliance	39
1.5 Participation in External Organizations	42

CHAPTER 2 Leading International Construction Brand

2.1 Green Energy Buildings – Attaining Co-prosperity with Earth	46
2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life	52
2.3 Performance building – Value upgrade	53
2.4 A Century of Construction Quality Assurance	54

CHAPTER 3 Sustainable Environment

3.1 Climate Change and Energy Management	66
3.2 Waste and Water Resource Management	79

CHAPTER 4 Customer Service

4.1 Customer Marketing Communication	97
4.2 Comprehensive After-sales Service	101
4.3 Strengthening Customer Relations	106

CHAPTER 5 Friendly Workplace and Happy Enterprise

5.1 Human Resources Policy	110
5.2 Talent Development	114
5.3 Remuneration System and Diverse Benefits	118
5.4 Creating a Healthy and Safe Workplace	124

CHAPTER 6 Giving Back to Society

6.1 Social Care and Charitable Activities	137
6.2 Education and Heritage of Architecture and Culture	141



About the Report GRI2-2、2-3、2-4、2-5

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.



Contact Information

Contact unit: Farglory Land Development Co., Ltd.
Sustainability Task Force

Address: 16F., No. 200, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan

Tel.: (02)2723-9999 #2800

E-mail: ESG_fargloryland@Farglory.com.tw

Official website: <https://www.farglory-land.com.tw/>

The ESG section: <https://www.farglory-land.com.tw/esg/>

Reporting Period and Scope

The reporting period of this report is 2022 (January 1 to December 31, 2022), and its scope covers the Company and Farglory Construction Co., Ltd. (hereinafter referred to as the "Subsidiary"). Compared to the 2021 report, the scope of this report includes the Subsidiary, and information will be presented separately for areas of the reporting scope covered by the data or explanatory notes of different companies.

This report contains information on the performance of sustainable development and responses to the issues of stakeholder concern. Parts of the content pertaining to Farglory Land Development's affiliated companies are noted in the relevant paragraphs. To ensure the integrity and comparability of information, part of the information dates back to before 2022 or extends beyond the information preceding the publication of this report.

The financial data in this report is consistent with the scope of disclosure of the Company's consolidated financial report, and all financial figures in this report are denominated in NTD.

Reporting Basis

This report is prepared in accordance with the latest version of the GRI Standards published by the Global Reporting Initiative (GRI) 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 the Company and the Subsidiary's own statistics and surveys. The financial data is extracted from the CPA-certified financial statements (denominated in NTD), and the relevant statistical data is presented using internationally accepted indicators. If the quantified indicators above contain special significance, it will be denoted and explained.

Report Management Method

Preparing department

This report is prepared and published annually by the Company's Sustainability Task Force. It is available in both English and Chinese and published on the Company's website.

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 subject to independent, limited assurance by PwC Taiwan in accordance with 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.



Message from the Chairman GRI2-22


In 2022, the global economy was affected by COVID-19 and the war between Russia and Ukraine, which pushed up energy and commodity prices, while the level of global inflation remained high. Central banks around the world have maintained tight monetary policies and continued to raise interest rates, deepening the degree of global economic slowdown and adjustment to asset prices. Furthermore, the frequency and level of impact of climate anomalies have increased year by year, with climate change having an effect on food security. As a result, the global economy is still faced with various risks and uncertainties, posing more severe challenges to business operations.

Nevertheless, the management teams of Farglory Land Development and Farglory Construction, together with all of our colleagues, have been dedicated to creating value for our stakeholders with a positive attitude and flexible responses, and have demonstrated our resilience and dynamism with concrete figures. In 2022, more completed industrial/office and construction projects were recognized, boosting our operational growth, and we recorded an annual consolidated revenue of NT\$26.6 billion and a profit of NT\$5.5 billion, with the dividend payout ratio reaching 71%. In addition, the Company received the "TCSA Sustainability Report Silver Award" for its long-standing commitment to sustainable business management and its active responses to stakeholder expectations with real actions. The Company has also taken actions to support its supplier partners who are committed to green services and products by leveraging the power of corporate procurement from the perspective of sustainable supply chain management. For this, the Company received the "Outstanding Performance in Green Procurement" award from the Environmental Protection Department, New Taipei City Government.

We believe that ESG is a necessary condition for sustainable business management. We have continued to strengthen our efforts in the area of sustainability by regularly and proactively reviewing our activities in the environmental, social, and governance aspects, as well as preparing and assuring sustainability reports to identify operational risks. In line with the international trend and with reference to the "Corporate Governance 3.0 – Roadmap for Sustainable Development," we have established our disclosure requirements according to the TCFD and SASB international standards and introduced the latest version of the Global Reporting Initiative (GRI) Universal Standards 2021 for disclosure of sustainability information to strengthen information disclosure in sustainability reports. We have completed a TCFD quantitative assessment of the financial impact of climate change and a GHG inventory for Farglory Land Development, conducted a GHG inventory and verification, and expanded the scope of GHG inventory to include Farglory Construction to lay foundation for the carbon reduction target of construction sites. We have also comprehensively reviewed the current status of sustainable management to boost the momentum for continuous improvement of the Company.

In the future, faced with operational impacts caused by internal and external changes in business management, companies must have the ability and measures to prevent and respond to risks immediately in order to acquire momentum for sustainable operations and protect the interests of stakeholders. Therefore, in 2023, Farglory Land Development will initiate a corporate risk management project, establish a risk management committee, formulate appropriate risk management policies and procedures, strengthen corporate governance and improve corporate risk control. In addition, Farglory Construction will continue to implement waste management and integrate the FG Next team's core values of "sustainability and sharing" to reduce construction waste and its environmental impact and move toward the goal of low-carbon transformation and circular economy.

Chairman



2022 ESG performance highlights

E Environmental

Farglory Land Development's applications for silver or higher level green building certification accounted for **37.5%** of its annual building permits

Certifications for low-carbon building candidates acquired by Farglory Land Development accounted for **12.5%** of its annual building permits

Farglory Land Development's green procurement amounted to **NT\$370 million**, earning the **Outstanding Performance in Green Procurement award** from the New Taipei City Government

Compared with the previous year, the water consumption intensity of the office of Farglory Land Development **decreased by 0.08 (kWh/m²)** and electricity consumption intensity **decreased by 0.12 (GJ/m²)**

Farglory Construction initiated GHG inventory for construction sites

Farglory Land Development completed a **TCFD quantitative assessment of the financial impact of climate change** and a **GHG inventory and verification**

The head office installed heat insulation films in its building, replaced the chiller system, and replaced its elevators with energy-efficient ones. It also installed automatic time control equipment for lighting on 11F and installed time controllers for the main switches on 16F and 17F

Shared offices built with recycled materials from construction sites **won the German "2022 iF Design Award (Interior Architecture)"** and the Japanese **"2022 Good Design Award"**

S Social

Farglory Land Development received a **score of 86** for customer satisfaction

Farglory Land Development donated a total of **NT\$78 million** to charity for 7 consecutive years

Median salaries of non-executive employees, Farglory Land Development **ranked 2nd** among TWSE/TPEX-listed construction companies and **51th** among TWSE/TPEX-listed companies

Farglory Construction won the **"Gold Award" for the construction industry in 1111 Job Bank's "2022 Happy Enterprises"**

Farglory Cultural & Educational Foundation completed **10** public welfare reconstruction projects, benefiting **251** persons **Received the bronze award for "SDG11 Building a Dream for Children" at the "TSAA Taiwan Sustainability Action Awards"**

G Governance

Consolidated revenue of **NT\$26.6 billion**, after-tax net profit of **NT\$5.5 billion**, and EPS of **NT\$7.04**

A dividend payout ratio of over **70%** for 7 consecutive years, with an average yield of over **8%**

Received the 15th TCSA Sustainability Report Silver Award in 2022

100% of suppliers of Farglory Land Development for procurement and outsourcing contracts signed the Supplier Code of Conduct in 2022

The 2022 corporate governance evaluation score increased by **12.89** from the previous year

The results of evaluation of the performance of the Board of Directors and functional committees indicated that the overall operations are sound

Implemented integrity management, with **0** corruption cases in 2022

About Farglory Land Development

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.



Company name	Farglory Land Development Co., Ltd (Stock Code: 5522)
Founded on	August 9, 1978
Chairman	Chao, Wen-Chia
President	Tang, Chia-Feng
Capital	NT\$7.816 billion
Number of employees	162 (as of the end of December 2022)
Head office address	16F, No. 200, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City (Country of operation: Taiwan)
Official website	http : //www.farglory-land.com.tw/



Full name of the Company	Farglory Construction Co., Ltd.
Founded on	December 26, 1981
Chairman	Sun, Ning-Sheng
President	Chen, Zhi-Cun
Capital	NT\$1.075 billion
Number of employees	422 (as of the end of December 2022)
Head office address	15F., No. 200, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan
Official website	https : //www.farglory-land.com.tw/construction

"Be the best and first"

Farglory Construction was founded on December 26, 1981, as a subsidiary of Farglory Land Development. It mainly undertakes Farglory's development projects, including residential, factory, office, air transportation warehousing, marine park and hotel projects. Its project managers lead more than 200 professional engineers to ensure the quality, progress and safety of construction through standardized construction management to build a reputation for high quality for Farglory. Based on its good reputation, Farglory Construction has been undertaking contracted high-quality projects to ensure quality, progress, labor safety, cost and warranty services through teamwork and the pursuit of excellence, and has continued to strive for innovation to provide win-win construction services for business owners, hoping to set an example for the country, society and the natural environment.

Under the leadership of project managers, Farglory Construction has adopted a management structure with separate levels of responsibility for internal and external sections:

Internal

The Construction Management Division leads the staff team, which is divided into cost control, industrial safety and quality control, procurement and financial management, and administrative management offices. These professional management departments are responsible for developing and establishing management systems, as well as monitoring and providing necessary support to external project sites.

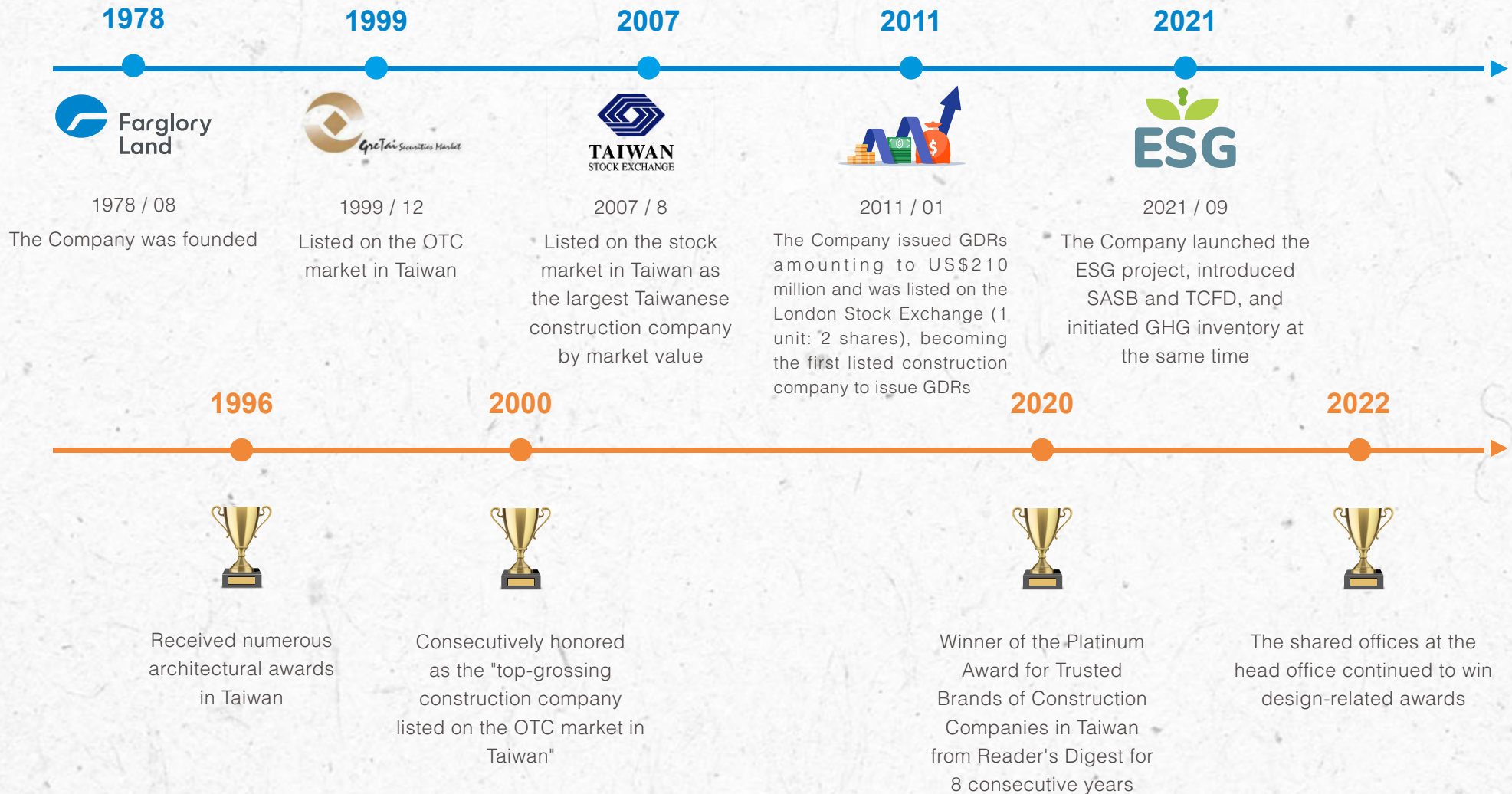
External

This section is mainly responsible for the execution of all projects on site, including construction departments and projects. The construction departments are divided into regional divisions, whose managers engage in project management through integration with the site manager of each project to coordinate the overall operation of the site, while the electrical and mechanical engineering in each project is integrated and managed by the chief of the electrical and mechanical section.

Key milestones of Farglory



- ✓ A large construction and development company in Taiwan with economies of scale
- ✓ The first Taiwanese real estate developer to issue GDRs
- ✓ Won the "Platinum Award for Trusted Brands of Construction Companies in Taiwan"



Sustainable Business Missions

"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.

"Be the best and first"

Farglory Construction aims to ensure quality, progress, labor safety, cost and warranty services through teamwork and the pursuit of excellence, and continues to strive for innovation to provide the best construction services, hoping to set an example for the country, society and natural environment.

"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 cutting-edge, all-age residential spaces, they can also enhance family bonds and engage in friendly interactions with their neighbors. Farglory always endeavors to put people first by focusing on our customers' perspectives, needs, and social care to create better residential values.



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, construction supervision, sales agent planning, acceptance and handover, and after-sales service to rental/sales agencies to ensure brand satisfaction.

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 and Hsinchu to sculpt the new appearance of international metropolises.

Construction Planning

Creating the Paradigm of Livable Cities in Taiwan

Boasting a seasoned team and over 40 decades of experience in large communities 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

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.

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.

Contract Signing and Handover

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 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 is the first listed company in Taiwan that offers "5-year waterproofing warranty, 5-year wall/floor tile warranty, and 25-year structural warranty" for all construction projects, and the first construction company in Taiwan that extends these three warranties into contracts and implements them.



5-year waterproofing warranty

Water leakage is the number one cause of home purchase disputes. Generally speaking, the waterproofing warranty contract for a new home is usually only valid for one year from the issuance of its occupancy permit, but Farglory's waterproofing warranty is extended to five years, greatly enhancing the rights of tenants.



5-year wall/floor tile warranty

Generally speaking, construction companies 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.



25-year structural warranty

Farglory extends its structural warranty to 25 years, exceeding the 15-year structural warranty of the Construction and Planning Agency, Ministry of the Interior, to preserve the value of houses and provide a permanent guarantee for housing safety.

Sustainable Development Plans GRI2-12、2-13、2-14

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 established the "Corporate Social Responsibility Best Practice Principles" in April 2015, which were approved by the Board of Directors, making the following commitments to the Company's stakeholders:

- ✓ Develop a sustainable environment
- ✓ Maintain social welfare
- ✓ Implement corporate governance
- ✓ 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. In March 2017 and 2020, the Company amended the "Corporate Social Responsibility Best Practice Principles" pursuant to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies". In March 2022, the Board of Directors adopted a resolution to change the "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" in accordance with the law to enhance the effectiveness of the promotion of sustainable development.

Sustainability Task Force

Farglory Land Development established the ESG 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 on 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 achieve corporate sustainable development and keep an eye on the overall sustainable development trends in the country and abroad, the Sustainability Task Force, directed by the Chairman, implements top-down corporate sustainable strategies, with the President acting as its convener, who is responsible for devising blueprints for sustainable development strategies. FG Next builds sustainable and shared values into developed products, while the Business Management Section of the Accounting Department is in charge of introducing sustainability requirements in compliance with the law and consolidating the outcomes, and reporting the promotional plans and achievements in material issues concerning the economy, environment and society to the Board of Directors on an annual basis.

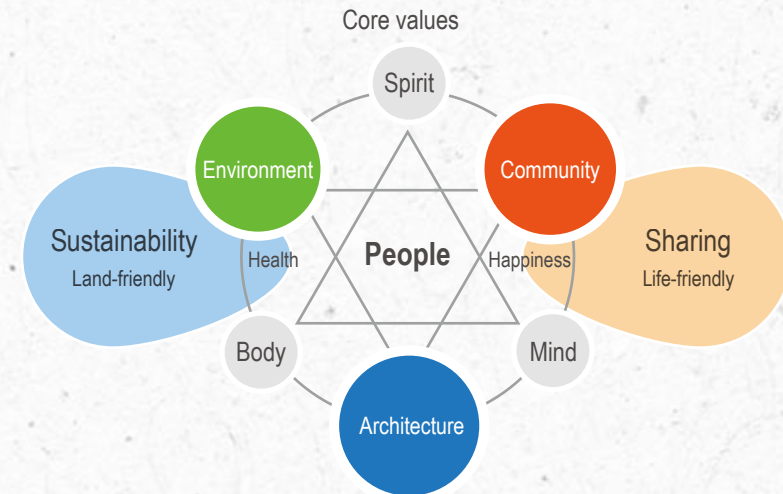
FG Next

Following the trend of technological development and social change, the Chairman started to promote internal transformation. 2018 saw the launch of the FG Next project, which gathered employees from various departments with different professions and backgrounds to rethink the core values of Farglory's future products. After two years of weekly discussions and debates, the project finally focused on two core values: "sustainability and sharing".

"Sustainability" As a company, we have to give back to the society what we take from it. In the process of operation, the Company will inevitably produce waste. Farglory Land Development has started to think about how to reduce or reuse waste to lessen the burden on society and the environment.

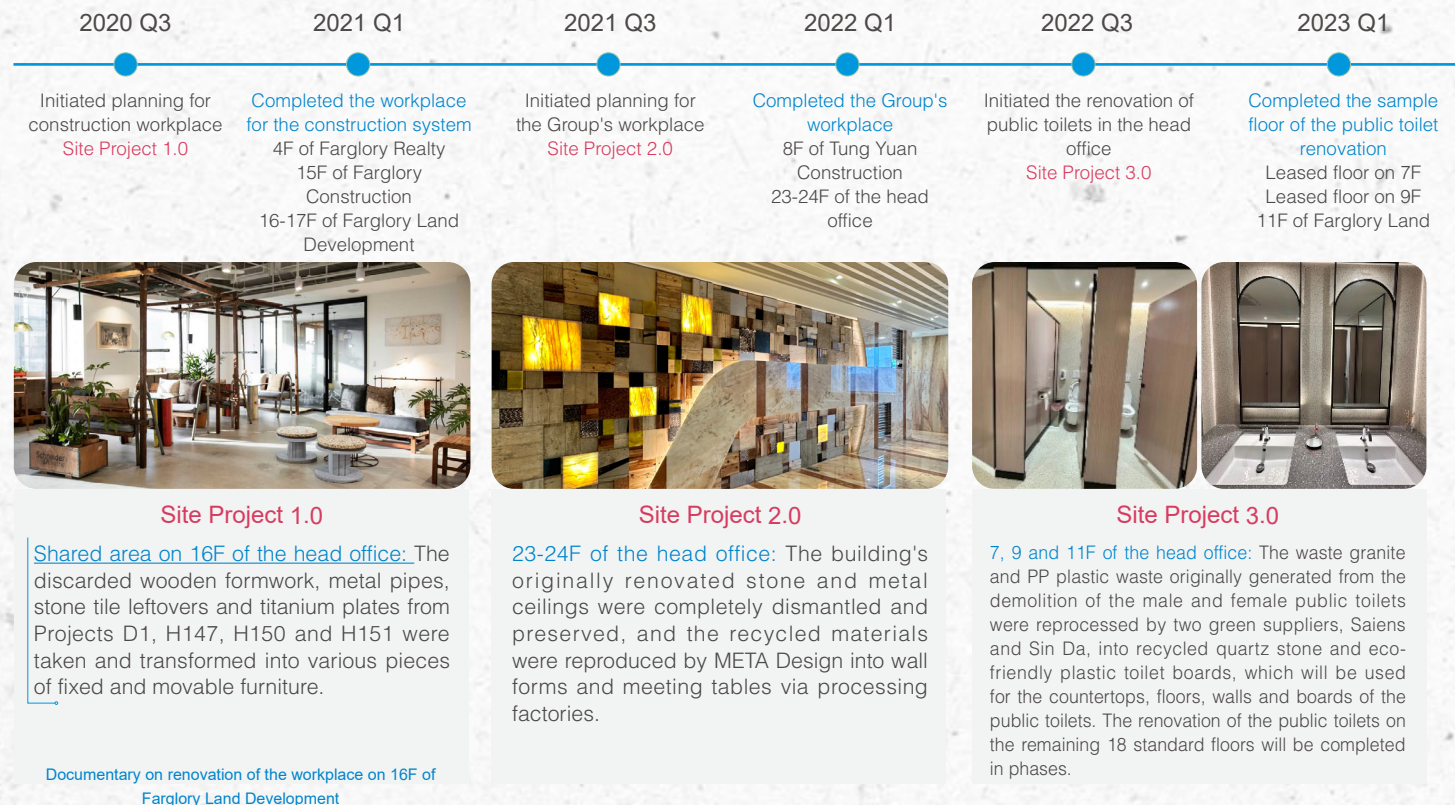
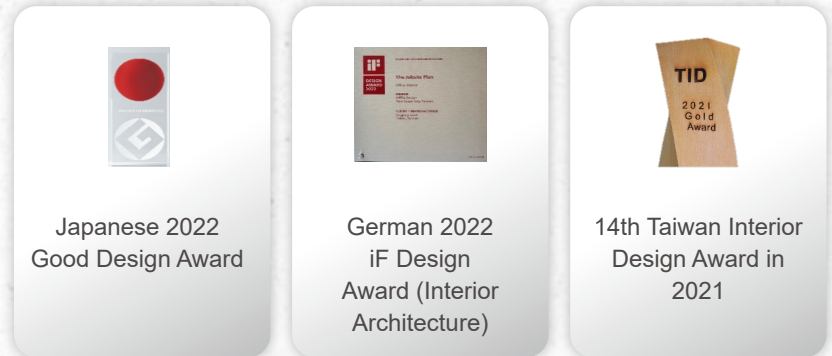
"Sharing" Due to the development of technology, feelings of alienation and proximity between people occur at the same time, and the perception of blurred distance causes anxiety. It is hoped that the relationship between people can be re-established through the value of sharing and the reduction of conflict, confrontation and distress, so as to generate a new experience of harmony and sharing. Therefore, FG Next uses human needs as the starting point to connect architecture, environment and community, while at the same time ensuring the balance between mind, body and spirit, creating "sustainable" and "shared" values.

It currently consists of 4 groups, "architectural sustainability", "service sustainability", "community sharing", and "home sharing", that engage in separate discussions. 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 actively 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.

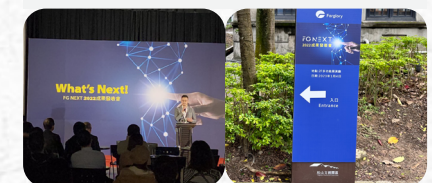


FG Next plans and achievements

Farglory invited META Design to participate in the activities of FG Next by incorporating the "Site Project" into the scope of the Group's workplace renovation. The abandoned safety nets, used formwork, broken stone and cut metal pipe leftovers on the sites were all moved back to the factory, and these waste materials were successfully transformed into pieces of furniture and installation art through rethinking, design and creation to create Farglory's unique head office by reusing construction waste on different floors of the corporate head office, demonstrating the core values of sustainability and sharing, and continuing to conduct experiments to explore more possibilities of resource reuse. In addition, FG Next organizes a physical results presentation each year to share its future plans and achievements in order to build internal consensus, so that our employees can think more practically on the ground when conducting their own business, and that the values of sustainability and sharing can be truly built into the Company's products. The "Site Plan" with META Design received a high score of 430/500, and won the German iF Design Award (Interior Architecture) and the Japanese Good Design Award in 2022, and the 14th Taiwan Interior Design Award in 2021.



2022/01/26
FG Next 2021 Results Presentation



2023/01/04
FG Next 2022 Results Presentation

For more "Site Project", please refer to P90 Recycling of Construction Waste

Organization of the Sustainability Task Force



The FGN outcome is reflected in the ESG documents
The ESG's requirements are fed back to the FGN to bolster the action plan

Sustainability blueprint

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.

Thus, using "wonderful coexistence" as the cornerstone blueprint of its brand, Farglory implements the three sustainability strategies of wonderful life, environmental coexistence, and smart digital technology, and develops six sustainability aspects including space design and customer relations, which are in line with nine themes of the United Nations 2030 Sustainable Development Goals (SDGs), as the strategies and long-term goals of internal sustainable management.



Sustainability strategy

Sustainability dimension

2022 Material issue

Corresponding SDGs



Diverse spatial design

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

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.

Employee care and talent development

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.

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.

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.

Partnerships

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

Operating and financial condition and risk management

Product safety



Marketing communication



Remuneration, welfare and labor-management communication
Occupational safety and health
Talent cultivation



Climate change governance



Use of raw materials and waste management



Use of raw materials, waste management and occupational safety and health



Wonderful life

- (I) Diverse spatial design: Satisfy the spatial needs of various groups and facilitate sharing through diverse spatial planning and design and digital technology.

Material issue: Product safety

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> No major product safety incidents. Continue to revise Farglory's all-age design principles. Create smart spaces by fully introducing the four elements of the smart building logo into Farglory's projects, namely integrated wiring, information and communication, system integration, and safety and disaster prevention. 	<ul style="list-style-type: none"> No occurrence of major product safety incident in the year. "Universal design for accessibility, and universal housing logo for 50% of cases" has been included in the vision and goals of the Design Department. The four elements of integrated wiring, information and communication, system integration, and safety and disaster prevention were fully introduced into Farglory's projects. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> Obtain Class A UD Certification for 30% of all new construction projects of the year. No major product safety incidents. 	<ul style="list-style-type: none"> Obtain Class A UD Certification for 100% of all new construction projects of the year. No major product safety incidents. 	<ul style="list-style-type: none"> Take the all-age design into consideration when designing new construction projects, and continuing 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. No major product safety incidents.

- (II) 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.

Material issue: Marketing communication

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> General satisfaction survey (contract signing, handover, repair) score ≥ 88, annual customer complaint rate $\leq 2.2\%$. 	<ul style="list-style-type: none"> Average score of 85.79 for annual customer satisfaction, customer complaint rate of 1.29%. 	<ul style="list-style-type: none"> The goal of customer satisfaction was not achieved, mainly because the quality of wall construction, window and door installation, defect repair and completion time failed to meet customer expectations, resulting in a lower satisfaction score for handover. In the future, we will continue to implement and review our vision and goal of "ensuring that repairs are carried out/improving the quality and speed of repairs" in order to improve customer satisfaction.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> Strengthen the customer repair service system, score of 75 for (digital) customer satisfaction, customer complaint rate of 2.0%. Expand the results of the customer satisfaction survey to incorporate the performance appraisal criteria of various departments. Complete the digital building history and customer database system to increase the accessibility and integrity of basic information on the maintenance of buildings. 	<ul style="list-style-type: none"> Complete the upgrade 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. 	<ul style="list-style-type: none"> Continue to promote regular checks on public facilities in the community and non-periodic major disaster inspections during the warranty period, so that the residents can live with assurance and safety. Build on our construction expertise and the development trends in digitization, 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) Employee care and talent development: 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.

Material issue 1: Remuneration, welfare and labor-management communication

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> Complete the formulation of Farglory Land Development's human rights policy. A score of at least 90 for employee satisfaction in physical welfare activities. 	<ul style="list-style-type: none"> Complete the formulation and publication of Farglory Land Development's human rights policy. Received a score of at least 90 for employee satisfaction regarding all physical welfare activities. Participated in external market salary surveys and analysis to ensure competitiveness in the industry. All departments worked together to operate the Employee Welfare Committee to meet the needs of employees and promote communication and connection. Farglory Construction completed a new election of all members of the labor-management committee. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> Build a comprehensive performance evaluation system and connecting it with remuneration management. Hold at least one labor-management meeting and Joint Employee Welfare Committee meeting per quarter. An average satisfaction score of 90 for employee welfare activities. 	<ul style="list-style-type: none"> Conduct employee engagement surveys to identify key organizational issues and implement improvement measures to retain key talents. Continue to promote various employee welfare programs and strengthening the management of human rights issues. 	<ul style="list-style-type: none"> A rate of 80% positive evaluation for employee engagement. Promote the applicable targets and scope of the association between ESG performance and the reward mechanism, and formulate and revise relevant performance management regulations.

Material issue 2: Occupational safety and health promotion

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> No major occupational accidents in the year. Participation of 50 employees in health care consultations in the year. Complete the optimization of the office environment in the workplace. Complete the revision of Farglory Construction's penalty standards for violation of contractors' EHS requirements, and incorporating them into the contractor's contract. Complete the establishment of the SAP Analytics Cloud system for business intelligence and predictive analytics for the construction sites of Farglory. 	<ul style="list-style-type: none"> No major occupational accidents in the year. A total of 61 employees participated in on-site health care consultation services in the year. Commitment to the prevention of COVID-19: 0 confirmed severe case, and we provided rapid test kits to all employees for free, with a total of 2,400 kits distributed. Optimization of the office environment in the workplace: We broadened the office space for employees and adjusted the privacy of seats according to the characteristics of the department. Farglory Construction completed the revision of its penalty standards for violation of contractors' EHS requirements, and incorporated them into contractors' contracts for implementation during procurement and outsourcing. Farglory Construction introduced the SAP Analytics Cloud system for business intelligence and predictive analytics for its construction sites for real-time tracking of occupational safety deficiencies to increase the frequency of risk control monitoring of construction sites and on-site counseling. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> 0 cases of major injury and occupational illness. 85% of all employees undergo health examinations. Irregular workloads: The number of employees subject to high workload according to the hazard level is 5% less than the total number of employees. A satisfaction rate of 90% for health promotion activities. Perform 3 on-site health care services each month. Organize 2 multi-disciplinary health seminars. 	<ul style="list-style-type: none"> Continue to maintain 0 cases of major injury and occupational illness. Strengthen the promotion of diverse employee wellbeing, safety, and care measures such as health promotion activities and workplace inspection. 	<ul style="list-style-type: none"> Continue to maintain 0 cases of major injury and occupational illness. Obtain the Badge of Accredited Healthy Workplace.

Material issue 3: Talent cultivation

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> Introduce the HRD talent development system. An annual training satisfaction rate of at least 90%. At least 90% of employees attend the sustainability and digitization courses. An annual average pass rate of 90% for training course tests. An achievement rate of 90% for monthly departmental training and joint site inspections conducted by Farglory Construction. 	<ul style="list-style-type: none"> Completed the establishment of the HRD talent development system and achieved complete target management and 100% system control. An annual average training satisfaction rate of 95%. 100% of employees attended the sustainability and digitization courses. An annual average pass rate of 100% for training course tests. An achievement rate of 95% for monthly departmental training and joint site inspections conducted by Farglory Construction. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
Future management goals	<ul style="list-style-type: none"> An average of at least 5 hours for employee training. An average satisfaction score of 94 for non-management training. An average satisfaction score of 88 for management training. Increase the rate of employees electing professional courses to 15%. Increase the rate of employees attending external training to 20%. 	<ul style="list-style-type: none"> Learning application conversion rate: 50% of our employees complete the training course and demonstrate their achievement. 90% of the Company's key job positions have succession plans in place. 100% of employees attend the sustainability and digitization courses. Organize at least one sustainability course or seminar organized, and increase the number year by year to improve our knowledge of building sustainability. 	<ul style="list-style-type: none"> A satisfaction level of digitization courses of at least 94%. 100% of employees attend the sustainability and digitization courses. Continue to optimize the talent development system's functions, and integrate learning, performance, and successor analysis system modules to facilitate the systematic analysis of human resources data.

Environmental Symbiosis

- (I) 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.

Material issue: Climate change management

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> Low-carbon certified buildings should account for at least 10% of the construction projects for the year. 30% of new construction projects should obtain at least an EEWH Green Building Label silver rating. Continue to develop energy-saving and carbon reduction architectural designs focusing on aspects such as lightweight and durability. 	<ul style="list-style-type: none"> Low-carbon certified buildings should account for at least 11% of the construction projects for the year. 37.5% of new construction projects should obtain at least an EEWH Green Building Label silver rating. The strategy of energy conservation and carbon reduction has been changed from a passive design to an action plan, and environmental simulation software has been used to achieve energy conservation. The plan has been implemented in the presentation for product positioning this year. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
Future management goals	<ul style="list-style-type: none"> Obtaining a silver or higher level green building label for 40% of the new construction projects. Complete GHG inventory and third-party verification for the head offices of Farglory Land Development and the Subsidiary, and set carbon reduction targets for electricity consumption and carbon emissions for the head offices and construction with 2022 as the base year. 	<ul style="list-style-type: none"> 60% 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. 10% of the construction projects for the year should achieve building energy consumption EUI ≤180kWh/m². 	<ul style="list-style-type: none"> 60% 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 50% of the construction projects for the year. Continue to develop energy-saving and carbon reduction architectural designs focusing on aspects such as lightweight and durability. 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.

(II) 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.

Material issue: Use of raw materials and waste management

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> Green procurement amounting to NT\$300 million. Review the garbage sorting and recycling status every year, and complete the installation of hardware for garbage sorting on the floors of our head office. No hazardous waste generated from any of Farglory Construction's sites. 	<ul style="list-style-type: none"> Farglory Land Development's annual green procurement amounted to NT\$370 million, and it received the "Outstanding Performance in Green Procurement" award from the New Taipei City Government. Waste from the head office of Farglory Land Development was reduced by 0.88 tonnes, and the installation of hardware for the waste sorting and recycling area on 11F was completed, while such hardware will be installed on 15F to 17F according to the planned schedule of the building. 0 tonnes of hazardous waste was generated from each of Farglory Construction's sites. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> Green building materials should account for 60% of the inside and 20% of the outside of construction projects. At least one construction project should utilize the aluminum formwork method. 100% of new construction projects should use water-saving facilities. Staying in control of all key building materials, and establishing Farglory's internal green material database. 	<ul style="list-style-type: none"> Using 2021 as the base year to decrease the total waste on the floors of our head office by 5%. 	<ul style="list-style-type: none"> Green building materials should account for >80% and >50% of construction projects. The rate of renewable green building materials should reach 15%. Gradually adopt the pre-casting method for projects that meet the scale criteria. The proportion of projects using aluminum formwork should 50%. Reduction of waste by 10% in a single project. Continue to develop waste recycling and reuse designs.

(III) Partnerships: Create a sustainable industry chain through supplier management and partnerships in the ecosystem.

Material issue: Use of raw materials, waste management and occupational safety and health

	2022 goals	2022 performance	Achievement of goals
Annual performance in management	<ul style="list-style-type: none"> 100% of suppliers should sign the Supplier Code of Conduct of Farglory Land Development in the year. The rate of local procurement by Farglory Land Development and Farglory Construction should reach 100%. Green procurement by Farglory Land Development and Farglory Construction should amount to NT\$300 million. 	<ul style="list-style-type: none"> 100% of suppliers signed the Supplier Code of Conduct of Farglory Land Development in the year. The rate of local procurement by Farglory Land Development and Farglory Construction should reach 100%. Green procurement by Farglory Land Development and Farglory Construction amounted to NT\$370 million. 	<ul style="list-style-type: none"> All 2022 KPIs were achieved.
Future management goals	Short-term goals (2023)	Medium-term goals (2025)	Long-term goals (2030/continuous)
	<ul style="list-style-type: none"> Continue to maintain the rate of local procurement by Farglory Land Development and Farglory Construction at 100%. 100% of suppliers should sign the Supplier Code of Conduct of Farglory Construction in the year. 	<ul style="list-style-type: none"> Key suppliers (note) 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 <p>Note: Primary suppliers such as construction firms, designers, and architects.</p>	<ul style="list-style-type: none"> Evaluate the introduction of the supplier sustainability evaluation mechanism for secondary and tertiary suppliers (note). The evaluation criteria should incorporate issues such as climate issue management, recycling, and reuse. <p>Note: Raw material suppliers and other contractors, etc.</p>

Materiality Assessment and Stakeholder Engagement GRI2-16、2-25、2-29、3-1、3-2、3-3

Material issue assessment procedure

Step 1

Identify stakeholders

In accordance with the five principles of the AA1000 SES Stakeholder Engagement Standard (responsibility, influence, tension, diverse perspective, and dependency), the Company has identified key stakeholders of operational importance, namely employees, customers, government agencies, suppliers, investors, communities, media, and others (landlords/banks).

Step 2

Collect sustainability issues

Based on GRI's sustainability reporting standards, we have surveyed domestic and international regulations concerning the construction industry and issues of the domestic industry, and we have selected 20 issues in four aspects: environment (E), society (S), governance (G), and products (P).

Step 3

Online questionnaire survey

Through an online questionnaire system, the Sustainability Task Force surveyed internal executives of the Company at the section level and above to assess the intensity and incidence of positive and negative impacts on the economy, environment and people with regard to a total of 20 issues related to the four sustainability aspects. For the rest of our employees, only 10 issues in the environmental (E) and social (S) aspects were assessed, with a total of 113 valid questionnaires returned.

Step 4

Select material issues

According to Step3, we calculated the positive and negative scores for each sustainability issue (average occurrence rate * average impact level), and summed them up to get the total impact score for each issue. We then calculated the average total score of the impact level for each of the four aspects. If the total score of impact level for the issue was greater than the average total score of that aspect, the issue was initially selected as a material issue.

Step 5

Confirm material issues

Regarding the result of the selection of material issues, the Sustainability Task Force considered the issues of stakeholder engagement in the past, the material issues of the previous year, and the industry trends and the main focuses for promoting sustainable development, to finally determine 10 material issues: [climate change governance](#), [use of raw materials](#), [waste management](#), [remuneration](#), [welfare and labor-management communication](#), [occupational safety and health](#), [talent cultivation](#), [operating and financial condition](#), [risk management](#), [product safety](#), and [marketing communication](#).

Step 6

Review and disclosure

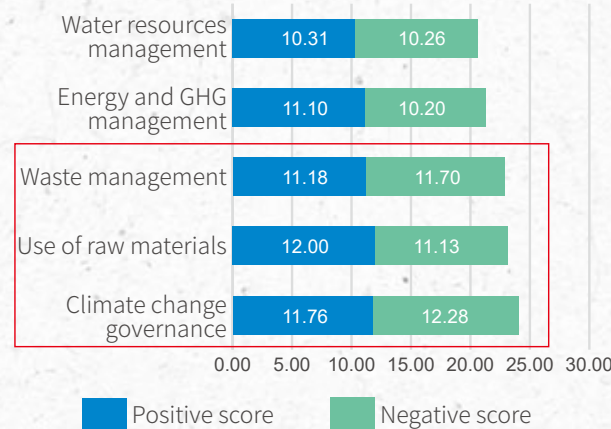
The Sustainability Task Force has applied the GRI sustainability reporting standards to the material issues, described in this report the management strategy, short-, medium- and long-term goals, action plans, effectiveness evaluation and complaint mechanism of the material issues in accordance with the reporting requirements, and submitted the report to the Chairman for review and confirmation and for external third-party verification to demonstrate its credibility.

Results of evaluation of the impact of material issues

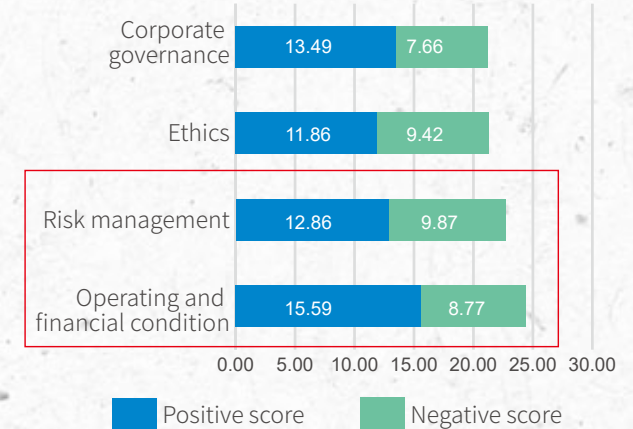
The Sustainability Task Force surveyed the positive and negative impacts of the four aspects of environment, society, governance and product (20 issues) through questionnaires, and calculated an average score of 22.38 for the environmental aspect, 22.21 for the social aspect, 22.38 for the governance aspect, and 21.21 for the product aspect. Then, the positive and negative scores of each issue were summed up to compare whether the total score is greater than the average of that aspect. A total of 10 material issues were eventually selected, including: climate change governance, use of raw materials, waste management, remuneration, welfare and labor-management communication, occupational safety and health, talent cultivation, operating and financial condition, risk management, product safety, and marketing communication.

The difference with the previous year is that "waste management", "occupational safety and health" and "talent cultivation" have been added to the top 10 material issues in 2022. This is because this year's reporting entities include the Subsidiary (Farglory Construction) and take into account the increased demand for digital and sustainable human resources in the domestic and foreign industry in recent years. "Ethics", "corporate governance" and "compliance" are not included in this year's material issues, because the new GRI 2 contains a number of indicators that emphasize corporate governance-related issues, which will be presented by the Company in accordance with general disclosure requirements. Although not listed as material issues, "social welfare and community engagement", "sustainable and innovative products and services" and "customer rights and service quality" are summarized in this report by reference to the GRI issue categories.

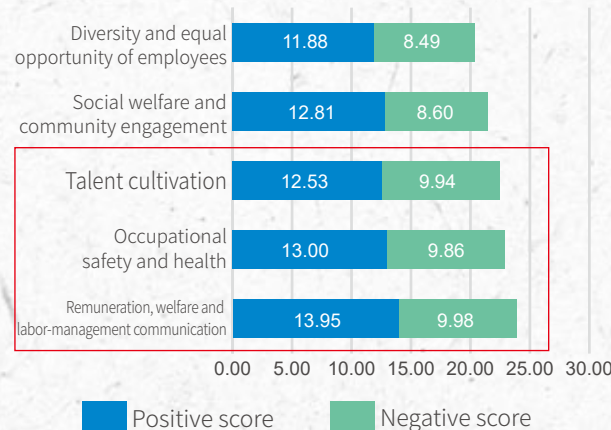
Result of the evaluation of the impact level of the environmental aspect



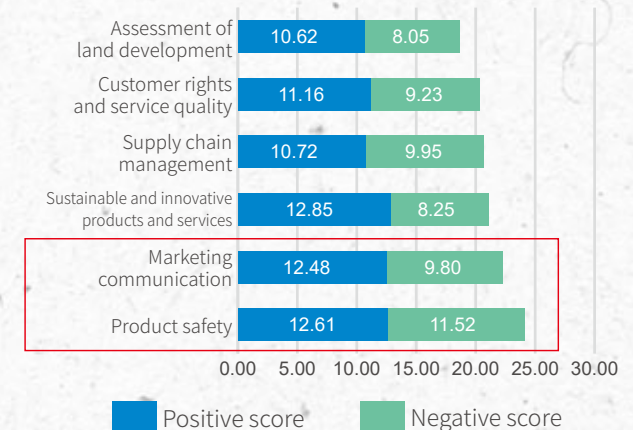
Result of the evaluation of the impact level of the governance aspect



Result of the evaluation of the impact level of the social aspect



Result of the evaluation of the impact level of the product aspect



Stakeholder communication

The Company's main stakeholders include employees, customers, government agencies, suppliers, investors, communities, media, and others (land owners/banks). In order to understand stakeholders' issues of concern and specific opinions, we have established open and direct channels for multi-faceted communication through which stakeholder feedback serves as an important reference for management policies and implementation plans, and we have responded to stakeholders in this report.

Stakeholders and their meaning to the organization

Media

The media is an important bridge for external communication for Farglory, facilitating the accurate communication of the Company's information and boosting the Company's brand image.

Employees

Employees are the foundation of the Company'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.

Customers

Customers are the main source of the Company's income. Provide safe products and good customer service to enhance customer satisfaction.

Government agencies

Comply with legal regulations and foster industrial development with the government.

Suppliers

Ensure the suppliers' products and services are in line with Farglory's philosophy and satisfy our customers' needs, thereby fostering growth for both parties and achieving business sustainability and mutual benefits.

Investors

Investors provide a source of capital for the Company, thus Farglory continues to give back to the investors through sound management performance in order to garner their support, stabilize capital, and generate investment value.

Community

Farglory plays the role of a corporate citizen by proactively engaging in social welfare to bolster positive influence on society.

Others (landowners/banks)

Landowners and banks are important partners of Farglory, so we have forged steady, mutually-beneficial partnerships.





Employees

Issues of concern

- Remuneration, welfare and labor-management communication
- Talent cultivation
- Diversity and equal opportunity of employees
- Occupational safety and health

Communication frequency and channels

- Weekly working meetings and weekly departmental meetings (weekly)
- Monthly working meetings, monthly departmental meetings and management review meetings (monthly)
- Labor-management meetings (quarterly)
- Employee Welfare Committee (quarterly)
- Education and training (annually)
- Employee profit-sharing system (annually)
- Internal grievance email (email of the head of the Auditing Department)
- Intranet site, e-announcement system (irregularly)
- Employee satisfaction survey (irregularly)

2022 communication performance

- 12 management review meetings and monthly departmental meetings
- Farglory Land Development and the Subsidiary held four and two meetings of the labor-management committee respectively, with an average attendance rate of 100% and 90%.
- 4 Employee Welfare Committee meetings
- An average of 69 training hours for Farglory Land Development and 31 hours for the Subsidiary
- The MIS Planning Department conducted 2 service satisfaction surveys

2022 responses

- We built a comprehensive performance evaluation system connected to remuneration management, and we participated in external market salary surveys and analysis to ensure competitiveness in the industry.
- All departments worked together to operate the Employee Welfare Committee to meet the needs of employees and promote communication and connection.
- Farglory Construction completed a new election of all members of the labor-management committee.
- We introduced a human resources development learning system to provide employees with a comprehensive personnel development framework in a systematic and modular manner. Farglory Construction also organized monthly departmental training sessions and joint site inspections to enhance the professional skills of our employees.

Disclosed chapters

[Chapter 5: Friendly Workplace and Happy Enterprise](#)



Customers

Issues of concern

- Product safety
- Customer rights and service quality
- Marketing communication
- Sustainable and innovative products and services

Communication frequency and channels

- Customer satisfaction survey (annually)
- 0800 customer service hotline, customer service email, fax, the Farglory community cloud and the Company's website (irregularly)
- Unit owner assembly, community visit, community network and physical activities (irregularly)

2022 communication performance

- Customer contract satisfaction score of 90.86
- Customer repair satisfaction score of 86.43
- Customer handover satisfaction score of 77.39
- Received 9,269 customer complaints.

2022 responses

- We analyzed the feedback from customers with lower satisfaction scores and proposed improvement measures to enhance customer satisfaction.
- The Company has set up a customer service platform system, an official website and a customer service hotline to receive customer feedback concerning buildings' shortcomings and repair operations, and the Company will forward the problems to the respective departments for processing through management mechanisms such as the summary report and the customer opinion processing form. We also tracked the status of the closed cases, with 9,269 customer complaints processed in the year.

Disclosed chapters

[Chapter 2: Leading International Construction Brand](#)

[Chapter 4: Customer Service](#)



Government agencies

Issues of concern

- Corporate governance
- Ethics
- Energy and GHG management

Communication frequency and channels

- Official correspondence (irregularly)
- Telephone and email communication (irregularly)
- Public hearings or briefings (irregularly)
- Questionnaire survey (irregularly)

2022 communication performance

- Replied to 99 letters from the competent authorities
- Submitted 25 questionnaires of the Taiwan Stock Exchange
- Complied with the regulations of the competent authorities for all operations

2022 responses

- Responded immediately to inquiries from the competent authorities.
- All sales contracts of construction projects were in compliance with the laws and regulations related to the sale of real estate and are based on the government's official sales contracts to protect the rights of consumers.

Disclosed chapters

[Chapter 1: Corporate Operations and Governance](#)

[Chapter 3: Sustainable Environment](#)



Suppliers

Issues of concern

- Supply chain management

Communication frequency and channels

- Supplier evaluation (irregularly)
- Supplier satisfaction survey (irregularly)
- On-site visit (irregularly)
- Telephone and email communication (irregularly)

2022 communication performance

- 100% of the suppliers submitted for purchase underwent a supplier evaluation

2022 responses

- Evaluation was conducted during and after the completion of each project. Unsuitable suppliers were immediately suspended from subsequent contracting cases until improvement was made, and a rolling review of suppliers' quality was conducted to detect problems in advance and provide feedback to the suppliers for improvement.

Disclosed chapters

[Chapter 2: Leading International Construction Brand](#)



Investors

Issues of concern

- Corporate governance
- Operating and financial condition
- Risk management

Communication frequency and channels

- Shareholders' Meeting (annually)
- Investor conference (annually)
- Annual report and financial statement disclosure (quarterly)
- Section for stakeholders on the Company's website (irregularly)
- Timely publication of material information through MOPS (irregularly)

2022 communication performance

- Convened 1 annual shareholders' meeting
- Invited to attend 3 investor conferences
- Released 64 material messages

2022 responses

- We held an annual shareholders' meeting in Q2 of the year to give a report on the Company's operations in the previous year. Voting on proposals was conducted on a case-by-case basis by electronic voting and with full participation of investors, and the results were announced on the MOPS and the Company's website.
- On March 9, August 9, and November 16, the Company was invited to attend the investor conferences held by MasterLink Securities and Yuanta Securities to explain the Company's operating performance and future outlook.
- We announced our monthly revenue on the MOPS and disclosed our quarterly financial reports, which were verified by the CPAs' firm.

Disclosed chapters

[Chapter 1: Corporate Operations and Governance](#)



Community

Issues of concern

- Social welfare and community engagement

Communication frequency and channels

- 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 ESG report (annually)
- Section for ESG on the Company's website (irregularly)

2022 communication performance

- Provided counseling for the establishment of unit owner assembly in 11 cases
- Added NT\$10 million for public welfare trust
- Issued the English and Chinese versions of the 2021 ESG Report

2022 responses

- We assisted in convening the first unit owner assembly to establish a management committee or elect the person in charge of management, so that the management committee can efficiently handle all kinds of affairs at the early stage of its establishment, and that community management can be most effective in the shortest possible time, making it possible to successfully complete the transfer of financial, electrical and mechanical, and building public facilities and equipment between different terms of the management committee.
- We set up a public welfare trust program through the Land Bank to subsidize disadvantaged groups, such as middle-aged and elderly persons, physically or mentally disabled low-income households, and those aged 55 or older whose families are in urgent need of support and living expenses.
- We published the electronic version of the ESG Report and disclosed it on the Company's website in Q3 of the year.
- We promoted volunteer culture and actively participated in charitable activities organized by the Farglory Cultural & Educational Foundation to provide services to disadvantaged groups.

Disclosed chapters

[Chapter 4: Customer Service](#)

[Chapter 6: Giving Back to Society](#)



Media

Issues of concern

- Social welfare and community engagement

Communication frequency and channels

- Press release (irregularly)
- Press conference (irregularly)
- Interviews with media or responses to news reports to the outside world (irregularly)

2022 communication performance

- Issued 1 media clarification announcement
- Released 2 reports on sustainability issues

2022 responses

- Responded appropriately to the media to build a trustworthy and good brand image.
- Covered the Company's activities related to sustainability issues through the media.

Disclosed chapters

[Chapter 6: Giving Back to Society](#)



Others(Landowners/banks)

Issues of concern

- Operating and financial condition

Communication frequency and channels

- On-site visit (irregularly)
- Official correspondence (irregularly)
- Financing statement (irregularly)
- Telephone and email communication (irregularly)

2022 communication performance

- Financial institutions visited us or communicated with us by phone and email from time to time.
- We visited landlords or communicated with them by phone and email from time to time.

2022 responses

- We regularly and irregularly communicated with financial institutions on the Company's financial business through different ways, such as submission of financial statements, building construction plans, etc. Banks were able to obtain real-time information about the Company and understand its operations, which in turn helped acquire better financing terms and provide advice and support with regard to the future direction in development.
- Through active two-way communication with landlords, we responded to landlords' needs, fulfilled agreements in a timely manner and properly handled related issues. We established good cooperative relationships with them to ensure smooth land development.

Disclosed chapters

[Chapter 1: Corporate Operations and Governance](#)

Impact boundaries of material issues

Dimension	Material issue	Significance to Farglory	Impact boundary				GRI Standards	Disclosed chapters	Key performance
			Internal	External					
			Farglory Land Development, Farglory Construction	Upstream (Landowners, land agents, government agencies, financial institutions)	Midstream (Architects, scriveners, construction managers, sales agents, suppliers of raw materials)	Downstream (Property managers, customers)			
Environmental (E)	Climate change governance	Good mitigation and adaptation strategies can reduce the direct and indirect impacts of climate change	✓			✓	201-2	3.1 Climate Change and Energy Management	<ul style="list-style-type: none">Farglory Land Development completed a TCFD quantitative assessment of the financial impact of climate change and a GHG inventory and verification.
	Use of raw materials	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	✓	✓	✓	✓	301-1 301-2 301-3	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth	<ul style="list-style-type: none">2022: We obtained 3 Low Carbon Building Alliance (LCBA) certifications.2022: We obtained 3 certifications for green building candidates from the Ministry of the Interior.
	Waste management	Reducing the environmental burden at all stages of the product life cycle is an important goal of Farglory in promoting environmental protection.	✓	✓	✓	✓	301-3 306-1 306-2 306-3 306-4 306-5	3.2 Waste and Water Resource Management	<ul style="list-style-type: none">Waste from the head office of Farglory Land Development was reduced by 0.88 tonnes, and the installation of hardware for the waste sorting and recycling area on 11F was completed.0 tonnes of hazardous waste was generated from each of Farglory Construction's sites.

Dimension	Material issue	Significance to Farglory	Impact boundary				GRI Standards	Disclosed chapters	Key performance
			Internal	External					
			Farglory Land Development, Farglory Construction	Upstream (Landowners, land agents, government agencies, financial institutions)	Midstream (Architects, scriveners, construction managers, sales agents, suppliers of raw materials)	Downstream (Property managers, customers)			
Social (S)	Remuneration, welfare and labor-management communication	Employees are valuable assets for sustainable management. We care for our employees and provide good remuneration and benefits to them. We also reach consensus between the Company and employees through communication to enhance employee cohesiveness.	✓				401-1 401-2 401-3	5.3 Remuneration System and Diverse Benefits 5.4 Creating a Healthy and Safe Workplace	<ul style="list-style-type: none">Received a score of at least 90 for employee satisfaction regarding all physical welfare activities.Farglory Land Development held four meetings of the labor–management committee, with an average attendance rate of 100%.Farglory Construction held two meetings of the labor-management committee, with an average attendance rate of 90%.
	Occupational safety and health	Farglory regards the safety and health of employees as its top priority. It implements comprehensive occupational safety and health management measures to create a healthy and safe workplace and reduce the rate of occupational accidents and occupational safety risks.	✓	✓	✓		403-1~10	5.4 Creating a Healthy and Safe Workplace	<ul style="list-style-type: none">100% and 98% of the employees of Farglory Land Development and the Subsidiary, respectively, underwent health examinations.A total of 61 employees of Farglory Land Development participated in on-site health care consultation services in the year.Farglory Construction introduced the SAC system for real-time tracking of occupational safety deficiencies to increase the frequency of risk control monitoring of construction sites and on-site counseling.
	Talent cultivation	Farglory helps its employees develop their strengths, demonstrate their potential and continue to improve, so that they can develop together with the Company in a sustainable manner.	✓				404-1 404-2 404-3	5.2 Talent Development	<ul style="list-style-type: none">An annual average training satisfaction rate of 95% for Farglory Land Development.An achievement rate of 95% for monthly departmental training and joint site inspections conducted by Farglory Construction.

Dimension	Material issue	Significance to Farglory	Impact boundary				GRI Standards	Disclosed chapters	Key performance
			Internal	External					
			Farglory Land Development, Farglory Construction	Upstream (Landowners, land agents, government agencies, financial institutions)	Midstream (Architects, scriveners, construction managers, sales agents, suppliers of raw materials)	Downstream (Property managers, customers)			
Governance (G)	Operating and financial condition	We continue to enhance our economic values by strengthening our financial structure and cost control, so as to give back to our stakeholders and achieve the goal of sustainable management	✓	✓	✓		201-1 201-2 201-4	1.3 Operating and Financial Performance	<ul style="list-style-type: none">A consolidated revenue of NT\$26.6 billion in 2022.EPS of NT\$7.04 in 2022.Return on shareholders' equity of 12.29%.Dividend payout ratio of 71%, maintaining a stable standard that is higher than the industry average.
	Risk management	We respond to potential impacts in advance; besides lowering costs, and we can also seize the opportunities that may arise with the risks	✓	✓	✓	✓	201-2	1.2 Internal Control Operations and Risk Management 3.1 Climate Change and Energy Management	<ul style="list-style-type: none">2022: The internal audit resulted in no major anomalies.Farglory Land Development completed the qualitative description and quantitative assessment of financial impacts of TCFD's material risks and opportunities.
Products (P)	Product safety	We ensure construction quality, effectively decrease construction costs, prevent rework or construction delays, and increase the Company's competitiveness	✓			✓	416-1 416-2	2.4 A Century of Construction Quality Assurance	<ul style="list-style-type: none">No major product safety incidents occurred in 2022.
	Marketing communication	Farglory Land Development abides by regulations related to marketing and product labeling to achieve comprehensive communication and protect customer rights	✓		✓	✓	417-1 417-2 417-3	1.4 Legal Compliance 4.1 Customer Marketing Communication	<ul style="list-style-type: none">Engage in real-time communication with our customers through diverse channels

1

CHAPTER

Corporate Governance and Operations

- 1.1 Corporate governance
- 1.2 Internal Control Operations and Risk Management
- 1.3 Operating and Financial Performance
- 1.4 Legal Compliance
- 1.5 Participation in External Organizations

Material Issues

Material Issues		Operating and financial condition	Risk management
Policies and commitments		<ul style="list-style-type: none"> Efficiently operating the Company and improving operational efficiency to increase profit Increasing profit year by year and enhancing the profit strategy Recreating the glory days of the brand 	<ul style="list-style-type: none"> In accordance with the "Implementation Rules for the Internal Control System and Internal Audit" adopted by the Board of Directors, a sound risk management mechanism is established to control the risks likely to arise within an acceptable range and promote the sound operation of the Company to reasonably ensure the achievement of the goals.
Action plans	Positive impact management	<ul style="list-style-type: none"> Each year, we hold a vision meeting to review the annual operating performance, set annual performance indicators for each department in accordance with our management strategy, and propose specific plans to improve revenue and profitability. Through land development, product design and positioning, and quality and cost control, we maintain stable operating results and return financial performance to our shareholders and society 	<ul style="list-style-type: none"> The Audit Committee and the Board of Directors meet on a quarterly basis for the chief internal auditor to communicate with the independent directors and give a report on the internal audit to the Audit Committee and the Board of Directors. Also, the following year's audit plan must be approved by the end of each year
	Negative impact management	<ul style="list-style-type: none"> When interest rates rise and inflation increases, the Company's operating costs are likely to increase, affecting the Company's profit and loss. Therefore, the Company controls the number of projects in regions with higher operating costs at all times and accelerates the R&D of alternative methods and building materials that reduce costs and working hours. The Finance Department keeps close track of changes in interest rates and negotiates with financial institutions to reduce borrowing rates or adopts direct financial strategies to reduce borrowing rates in order to lessen capital costs. 	<ul style="list-style-type: none"> We regularly implement the risk management supervision process, where we collect a list of problems identified during the supervision process and report them to the management for submission to the Risk Management Committee for supervision
Assessment of effectiveness		<ul style="list-style-type: none"> A consolidated revenue of NT\$26.6 billion in 2022 EPS of NT\$7.04 in 2022 Return on shareholders' equity of 12.29% in 2022 Dividend payout ratio of 71% in 2022, maintaining a stable standard that is higher than the industry average 	<ul style="list-style-type: none"> The internal audit resulted in no major anomalies in 2022. The design and the validity statement of the internal control system have been disclosed in the 2022 annual report. Farglory Land Development has introduced the TCFD program and completed the inventory and evaluation of the effects of issues of climate-related risks and opportunities on the Company's operations
Complaint mechanism		<ul style="list-style-type: none"> Responsible department: Finance Department and Accounting Department Contact information: CFO B1627@farglory.com.tw CAO B2904@farglory.com.tw 	<ul style="list-style-type: none"> Responsible department: Auditing Department Contact information: Manager of Auditing Department B2910@farglory.com.tw

Management goal

Short-term(2023)

- Start 7 projects of pre-sale housing on time
- Complete and hand over new houses in 6 projects as scheduled
- Prioritizing the selling of high-cost, large-area luxury residential projects

Medium-term(2025)

- Increase the number of large cases and continue to recognize revenue across years
- Adjusting selling prices according to the cost of construction to maintain a predetermined gross profit margin

Long-term(2030)

- Stable and gradual profit growth

Risk management | Management goal

Short-term(2023)

- Introduce a corporate risk management program and establish a risk management committee
- The Audit Committee and the Board of Directors meet at least once each quarter
- Complying with the internal control system, with no major incident of violating corporate social responsibility

Medium-term(2025)

- The Subsidiary introduces a corporate risk management program
- Adhering to the internal control system, and maintaining zero major incident of violating corporate social responsibility

Long-term(2030)

- Implement the risk management supervision process on a regular basis
- Adhering to the internal control system, and maintaining zero major incident of violating corporate social responsibility

1.1 Corporate governance

GRI2-9、2-10、2-11、2-15、2-17、2-18、2-19、2-20、2-26、205-2、205-3、206-1、405-1

1.1.1 Reinforce the Supervisory Function of the Board of Directors

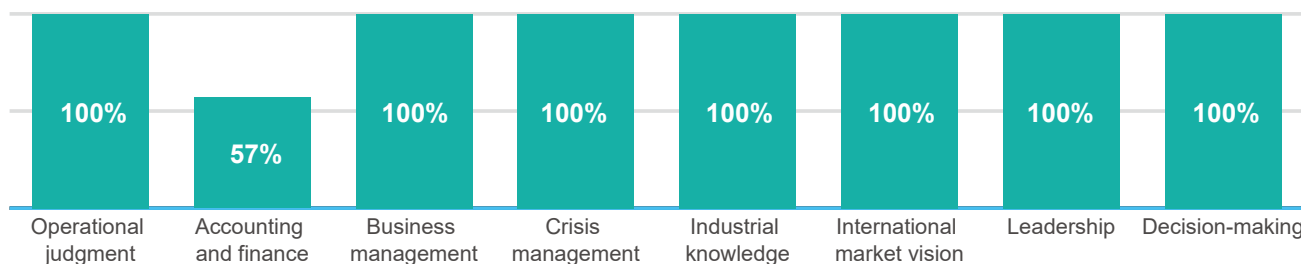
To strengthen corporate governance and improve the efficiency and decision-making of the Board of Directors, the Company has formulated the "Rules of Procedure for Board of Directors Meetings" based on the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" of the Securities 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.

Composition and operation of the Board of Directors

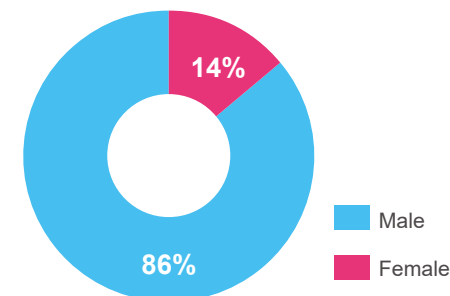
The members of the Board of Directors are nominated and elected in accordance with the Articles of Incorporation under a candidate nomination system pursuant to the "Regulations for Election of Directors" and the "Corporate Governance Best Practice Principles" to ensure the diversity and independence of the members of the Board of Directors. The Board of Directors currently consists of four directors and three independent directors with industrial experience or strong academic backgrounds. Three directors are aged 70 or older, and four are under the age of 70. In order to implement the diversity policy for the Board of Directors, the Company aims to have at least one female director. Currently, there is one female director in office, accounting for 14% of all directors.

Farglory Land Development held 12 Board of Directors meetings in 2022, with an average attendance rate of 82%, and all important resolutions have been announced on the MOPS and the Company's website. For information on the Company's directors, the contents of proposals of Board of Directors meetings, the results of resolutions and follow-up actions, see [the Company's annual report](#).

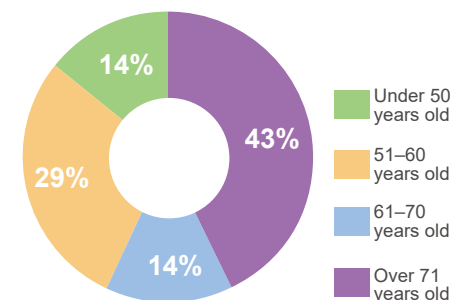
Professional skills



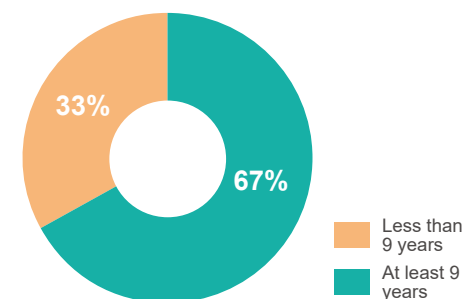
Gender





Age



Terms of independent directors



To strengthen the effectiveness of the operation of the Board of Directors, the "Audit Committee" and the "Remuneration Committee" have been established under the Board of Directors according to their powers. They are responsible for formulating and reviewing the promotion and implementation of relevant policies and systems, assisting the Board of Directors in performing its supervisory duties, and reporting regularly to the Board of Directors on their implementation and resolutions. In addition, the Company will launch a corporate risk management program in 2023 and is expected to establish a "Risk Management Committee" by the end of 2023, which is currently in the preparatory stage, hoping that the Company can operate steadily and move toward the goal of sustainable development.

 <p>Audit Committee</p>	<ul style="list-style-type: none"> The Company adopted the "Organizational Rules for the Audit Committee" on March 20, 2015, and established the Audit Committee to replace the previous supervisor system, with the 3 independent directors from the Board of Directors appointed as committee members. The committee meets at least once each quarter. The committee assists the Board of Directors in hiring CPAs and evaluating their independence and supervising the quality of the financial statements and the Company's compliance with internal control and legal regulations. In 2022, 12 meetings were held, with an average actual attendance rate of 97%
 <p>Remuneration Committee</p>	<ul style="list-style-type: none"> The Company adopted the "Organizational Rules for the Remuneration Committee" on October 20, 2011. The 3 independent directors from the Board of Directors were appointed as committee members. The committee meets at least twice each year. The committee defines and regularly reviews the policies, systems, standards and structures related to the evaluation of the performance of directors and managers and their remuneration, and regularly evaluates the remuneration for directors and managers. In 2022, 4 meetings were held, with an average actual attendance rate of 100%

Continuing education of directors

In response to the trend of corporate governance, risk management and sustainable development as well as the latest regulations, the Company provides a variety of external training courses to the members of the Board of Directors in order to strengthen the competencies they need to perform their duties and keep up with the times. In 2022, the directors of Farglory Land Development continued their training in accordance with the training hours under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies", and 7 directors spent a total of 36 hours on training. [For details of the training, see p. 37 of the Company's annual report.](#)



Evaluation of the performance of the Board of Directors

In order to implement corporate governance and enhance the functions of the Board of Directors, the Company adopted the "Regulations and Procedures for Evaluation of the Performance of the Board of Directors" on May 8, 2019, which were approved by the Board of Directors, stipulating that the internal evaluation of the performance of the Board of Directors shall be conducted at least once each year. Starting from 2019, the relevant self-evaluation questionnaires are sent in December each year, and the Board of Directors will collect the information, record the evaluation results, and submit a report to the Board of Directors by the end of Q1 of the following year as a basis for review and improvement. The results of the evaluation of the performance of the Board of Directors and the functional committees for 2022 indicate that their overall operations are sound and in line with the requirements for corporate governance.

Evaluation cycle	Once per year
Evaluation period	2022
Evaluation scope	<ul style="list-style-type: none"> Evaluation of the performance of the Board of Directors Self-evaluation of the directors Evaluation of the performance of the functional committees
Evaluation methods	<ul style="list-style-type: none"> Internal self-evaluation of the Board of Directors Self-evaluation of the directors Internal self-evaluation of the performance of the functional committees
Evaluation items	<ul style="list-style-type: none"> Evaluation of the performance of the Board of Directors: Level of participation in the Company's operation, improvement of the quality of decision-making by the Board of Directors, composition and structure of the Board of Directors, election and continuing education of directors, and internal control. Self-evaluation of the directors: Understanding of the Company's goals and missions, awareness of directors' responsibilities, level of participation in the Company's operation, internal relationship management and communication, professional and continuing education of directors, and internal control. Evaluation of the performance of the functional committees: Level of participation in the Company's operation, awareness of the responsibilities of the functional committees, improvement of the quality of decision-making by the functional committees, composition and election of the members of the functional committees, and internal control.

Remuneration for senior managers

The policies, systems, standards and structures in relation to evaluation of the performance of directors and managers and their remuneration are adopted by the Remuneration Committee and submitted to the Board of Directors. The committee includes the independent directors to provide external recommendations for remuneration, and it meets at least twice each year to review and ensure the competitiveness and reasonableness of salaries.

(1) Policy, standards and combinations for payment of remuneration:

- The remuneration for directors is divided into directors' compensation, business execution expenses (travel and attendance fees) and directors' remuneration, which are governed by the "Regulations Governing the Payment of Compensation and Remuneration to Directors".
- The remuneration for the president and vice president is divided into salaries and bonuses (employees' remuneration and year-end bonuses), which are determined based on the Company's standards for payment of salaries and bonuses to employees.

(2) Procedures for determination of remuneration:

- The compensation and remuneration for directors is based on the "Regulations Governing the Payment of Compensation and Remuneration to Directors" and the standards for payment of salaries and bonuses to employees. In addition to considering the general standards of the industry, the Company also takes into account its operating performance, results of the personal evaluation and level of personal contribution to the Company to provide reasonable compensation. The Remuneration Committee adopts and reviews the policies, systems, standards and structures for evaluation of the performance of directors and managers and their remuneration. It reviews the reasonableness of remuneration on a timely basis according to the status of actual operations and relevant laws and regulations, and then submits such remuneration to the Board of Directors for resolution.

(3) Association with the operating performance and future risks:

- Remuneration for directors: According to Article 21 of the Articles of Incorporation: "The Board of Directors is authorized to determine the remuneration to the directors based on their involvement in and contributions to the operation of the Company, taking into consideration the general standards of the industry".
- Directors' business execution expenses: Including travel and attendance fees, which are determined with reference to the standards of listed companies or the industry.
- Remuneration for directors: According to Article 26 of the Articles of Incorporation: "If there are earnings in the year (i.e., profit before tax before deduction of the profit distributed as remuneration to employees and directors), a minimum amount of 1% shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors", taking into account the operating performance of the Company.
- The salaries for the president and vice president are determined based on the results of their personal evaluations, as well as the levels of their participation in and the values of their contributions to the Company's operations.
- Employee remuneration for the president and vice president: According to Article 26 of the Articles of Incorporation: "If there are earnings in the year (i.e., profit before tax before deduction of the profit distributed as remuneration to employees and directors), a minimum amount of 1% shall be appropriated as remuneration to employees and a maximum amount of 2% shall be appropriated as remuneration to directors". Such remuneration is distributed, in principle, in direct association with the results of the personal evaluation and the operating indicators of the Company.
- The amounts of year-end bonuses for the president and vice president are determined based on the results of their personal evaluations and the Company's annual operating performance, and are approved by the Personnel Review Committee and the Remuneration Committee and then submitted to the Board of Directors for resolution.

The above remuneration is based on the future operating risks and development trends of the industry, with full consideration given to the Company's operating performance and the development of the industry.



1.1.2 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 2022, Farglory Land Development was not penalized by the competent authorities for violating any regulations governing anti-corruption, anti-competitive behavior, anti-trust and monopoly practices.

In order to ensure our employees understand the requirements for business ethics, we have published our integrity-related regulations on our website, and organize internal training courses on anti-corruption each year, so that our employees can fully understand the Company's determination, policies, prevention plans and possible penalties for violating them. In 2022, we held 3 online anti-corruption courses with a completion rate of 100%, 468 trainees and 936 training hours, detailed as follows:

Course title	Course period	Course hours	Number of trainees	Total hours
Best Practice Principles, Procedures and Guidelines of Conduct for Ethical Management	2022/3/28-2022/6/30	2	155	310
Prevention of Insider Trading	2022/3/28-2022/6/30	2	154	308
Prevention of Money Laundering	2022/5/30-2022/8/31	2	159	318
Total			468	936

In terms of the management of conflicts of interest, Farglory has formulated requirements for recusal to avoid conflicts of interest in the Rules of Procedure for the Board of Directors and the organizational rules of the Audit Committee and Remuneration Committee. If the resolutions of the Board of Directors meeting involve the interests of the directors or the corporations they represent, their interests should be explained during the meeting. If said interests are harmful to the Company, the directors may 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 names of the relevant directors, a description of important information and their recusal are indicated in the minutes of the meeting.

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 "Regulations Governing Reporting of Breach 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 unethical conduct, thereby achieving a win-win situation for the whistleblower and the Company.

The Company's complaint channel is as follows:

Complaint accepting department: Manager of the Auditing Department

Whistleblower email: B2910@farglory.com.tw

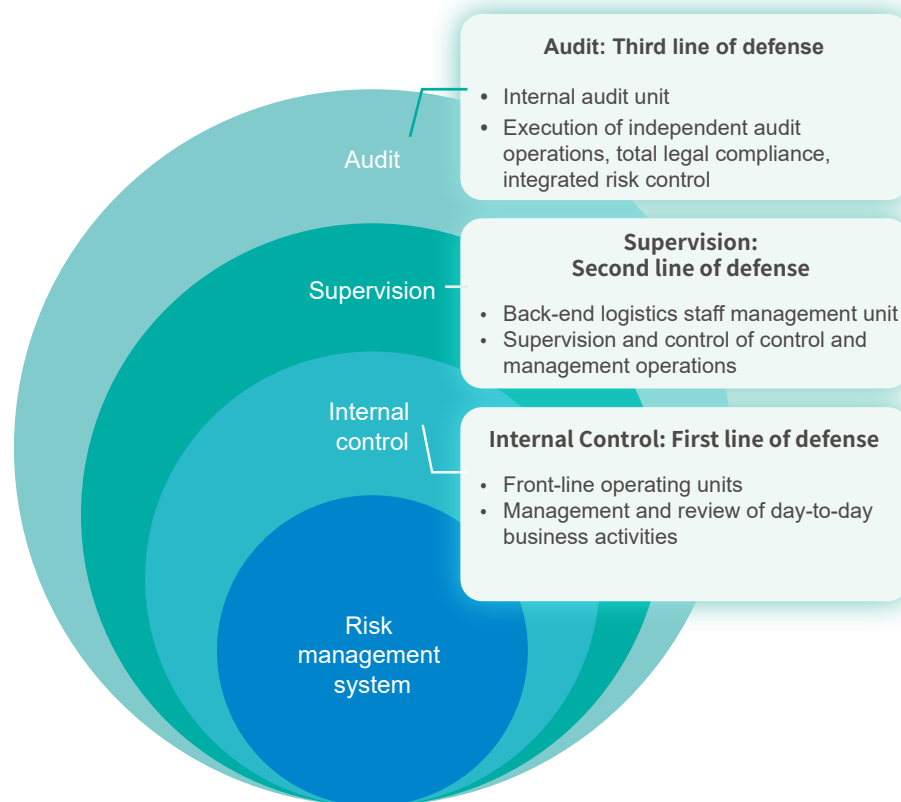
Whistleblower hotline: (02)27239999#2100



1.2 Internal Control Operations and Risk Management GRI2-16

Internal control operations

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 effectiveness 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 2022, the internal audit resulted in no major anomalies. [The design and the validity statement of the internal control system have been disclosed on p.57 of the 2022 annual report.](#)



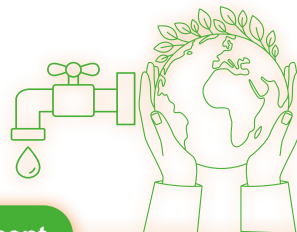
Risk management

In the face of operational impacts caused by internal and external changes in business operations, companies must have the ability and measures to prevent and respond to risks immediately in order to keep the momentum to sustain operations and protect the interests of stakeholders at the same time.

Farglory Land Development is expected to launch a corporate risk management program in 2023, planned as follows:

- ✓ A session for sharing risk management practices will be held for senior management by the end of March.
- ✓ Defining annual development strategy and business objectives, identifying priorities for risk management and policy revision, conducting analysis of the current situation, and confirming the current status of risk management.
- ✓ Revising risk management system documents to complete policies and regulations as the basis for future operations.
- ✓ Implementing risk context identification and the classification and hierarchical risk framework.
- ✓ Reviewing the results of the implementation of risk assessment and evaluating the reasonableness of the enhanced control measures corresponding to the risk response decisions.
- ✓ The results of the overall implementation will be consolidated, and a corporate risk map will be compiled.
- ✓ The Risk Management Committee is expected to be established by the end of 2023.

Assessment of current risks and responses



Environment

Climate change risks:

In order to mitigate the frequency of extreme climate, the world emphasizes the compliance of companies with environmental protection trends or standards. Farglory Land Development is deeply aware of 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 follows 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 aspects of governance, strategy, risk management, and metrics, and targets. For more information on climate risk management and response strategies, see Chapter 3 "Sustainable Environment".



Society

Prevention and management of major pandemics:

In response to the COVID-19 pandemic, the Company formed a pandemic prevention task force and established the "COVID-19 Pandemic Prevention, Classification and Response Measures" to make rolling adjustments to the pandemic prevention policies announced by the CDC at any time (including anti-pandemic notice and announcement, workplace disinfection, activity footprint tracking, the name-based registration system for visitors, and vaccination), and initiate response mechanisms by classification according to different circumstances (including video conferences, staggered shift arrangements, remote work/work-from-home drills), to achieve the two goals of protecting our employees' physical and psychological safety and ensuring the Company's normal operations. For more information on the pandemic prevention measures, see 5.4 Creating a Healthy and Safe Workplace.

Assessment of current risks and responses

Governance

I. Effects of changes in interest rate and exchange rate and inflation on the profit/loss of the Company, and future measures in response:

1. The Finance Department closely monitors the impacts of interest rate and exchange rate fluctuation on the profit/loss of the Company at all times. The Finance Department also proposes response measures, 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. In order to balance the increased interest expense after interest rate rises, financial institutions with high deposit rates are selected to conduct time deposits to increase non-operating interest 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.

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 Management 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 issued the "Information Security Policy Whitepaper" on December 9, 2020. Regarding the allocation of responsibilities, the MIS Planning Department 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 Department handles audits together with the Auditing Department. The personnel security evaluation is handled by the HR Department. In addition, the HR Department is responsible for the management of employee safety, and the MIS Planning Department is responsible for managing the safety of personnel from external contractors for development and maintenance. We also organize annual information security management courses for all employees to raise their awareness of their responsibilities for information security, increase their crisis awareness and information security concepts, and prevent the risk of data breach due to attacks.

Information security education training and publicity

Date	Topic of training or awareness	Target	Method
September to October 2022	Training on Social Engineering Attack and Post-Click Response	All employees	Online course
March 15, 2022	Information Security Awareness	All employees	E-mail
June 24, 2022			

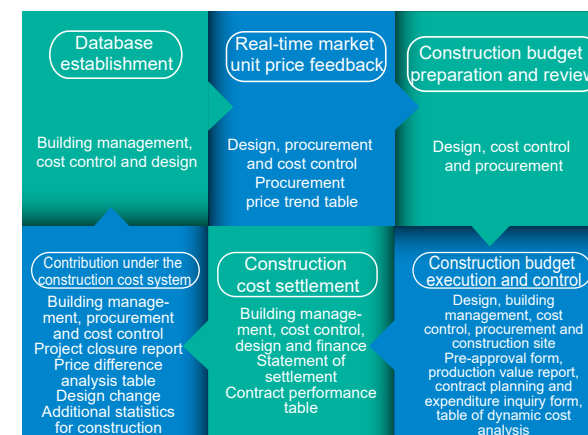
Resources invested in information and communication security management

Item	Amount (NT\$)
0365 E3, SECURITY E5, and server information security protection upgrades	2,642,493
SmartIT information security control software maintenance 2022	39,375
2022 CCSP Cloud-based Information Security Professional Certification - training fee	45,000
Total	2,726,868



III. Strategies in response to operating cost risks:

Farglory Construction quickly analyzes the reference cost of products and the reasonable equivalence of drawings based on the comparison of regional trends and market conditions, reviews the cost of sub-projects, improves the accuracy of cost estimation and scheduling, and has established competitive design equivalence standards and cost verification mechanisms to reduce the risk of increasing construction costs.



IV. Strategies in response to risks associated with supplier capacity:

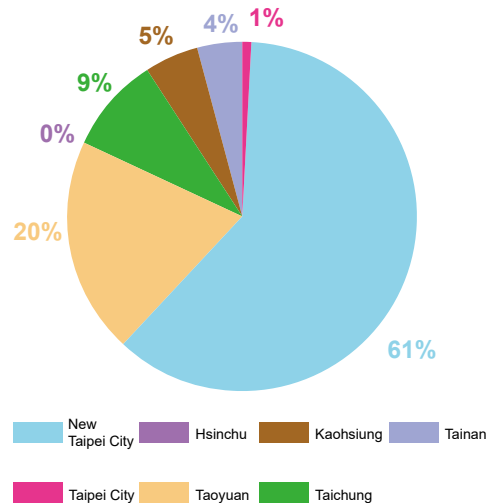
We maintain a "Supplier Capacity Risk Schedule" on a real-time basis. Once a supplier's capacity has reached the set upper limit of acceptance, the supplier will be prohibited from undertaking new projects until the number of projects and the amount undertaken after the completion of the supplier's evaluation has dropped below the set upper limit of acceptance, and such restriction will be lifted when the supplier is eligible for subsequent recontracting.

1.3 Operating and Financial Performance¹

GRI201-1、201-4

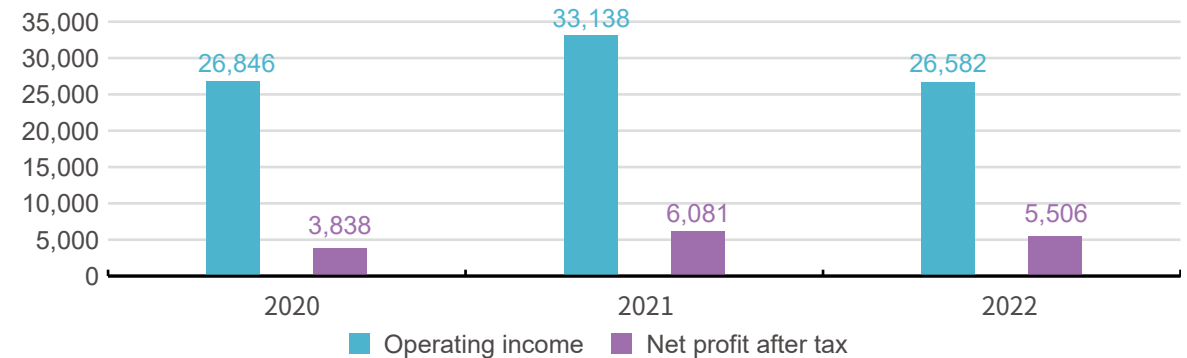
Farglory Land Development maintains a sound business performance through land development, product design and positioning, quality, and cost control. Financial performance is demonstrated by duly paying our taxes so as to give back to our shareholders and society in the form of profits. Based on the 2022 marketing strategy, the Company continued 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. In different phases of the economic cycle, the Company will increase the selling speed and improve sales performance for the launch of large luxury home projects. In addition, we are able to keep track of the potential customers and regional plans in the industry after COVID-19 restrictions are lifted. We are able to effectively meet the market demand with precise product positioning, and we will work to stabilize the business model and engage in business transformation to ensure the steady growth of revenue and profit.

Revenue percentage in 2022 (by region)



Operating revenue and net profit after tax over the last 3 years

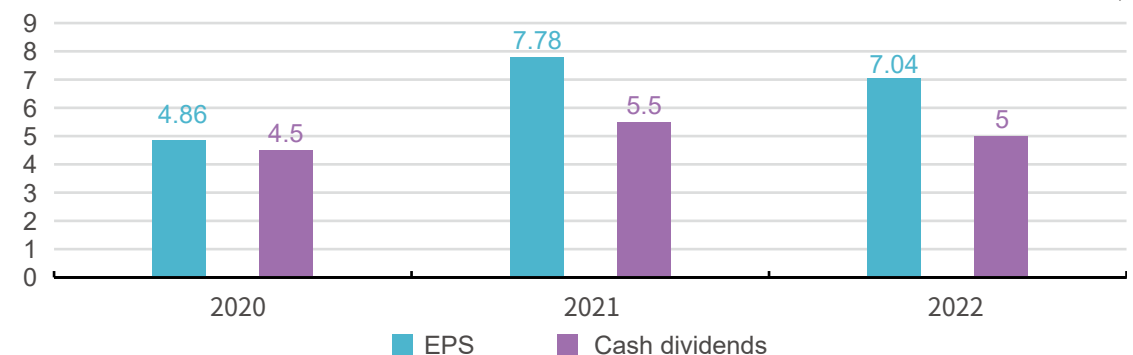
Unit: NT\$ million



In 2022, the operating revenue and net profit after tax decreased compared to the previous year, mainly due to lower-than-expected sales as a result of global inflationary pressure that suppressed people's spending power and delayed the acquisition of permits in some cases. 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 3 years

Unit: NT\$



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 2022, 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 p. 88 of the Company's annual report](#)



¹Source: The consolidated financial statements of Farglory Land Development, which have been audited and certified by CPAs from PwC Taiwan, and certain information from the Company's own surveys and statistics.

1.4 Legal Compliance GRI2-27、417-2、417-3 | SASB：IF-HB-160a.3

Farglory Land Development has reviewed the internal management regulations and the three-level supervision system in order to ensure the Company's products, services and operations comply with applicable laws and regulations. In terms of corporate governance, Farglory Land Development and the Subsidiary were not fined or subject to administrative penalties by governmental authorities for violation of the Company Act, the Securities and Exchange Act or domestic or foreign supervisory laws and regulations in 2022. In terms of environmental protection and social responsibility, Farglory Land Development and the Subsidiary were fined over NT\$100,000 for violations of environmental protection laws, the Fair Trade Act and the Occupational Safety and Health Act in 7 cases, detailed as follows:

ESG aspect	Law or regulation violated	Description of violation	Penalized company	Penalty amount	Penalty date	Management measures
E Environmental	Article 17 of the Environmental Impact Assessment Act	As the developer of the "Environmental Impact Statement for the Xizhi Innovation and Technology Center Development Project", the Company should have submitted the "Environmental Monitoring Report" to the competent authority for approval on a regular basis, and should have reported to the competent authority for discontinuation of monitoring following the expiration of a specific period and cease operations only upon approval. However, due to the isolation and movement of personnel caused by the pandemic, the monitoring consultant omitted the environmental monitoring operations from February to April 2022, resulting in inconsistency between the information of on-site operations and the information and conclusion of the review indicated in the environmental impact statement, in violation of the provisions of the Environmental Impact Assessment Act. As a consequence, the monitoring consultant was fined by the Environmental Protection Department, New Taipei City Government, and the fine was paid by the monitoring consultant.	Farglory Land Development	NT\$300 thousand	October 19, 2022	An effective monitoring mechanism has been established to regularly check whether the monitoring reports have been submitted and to promptly notify the relevant responsible persons to confirm the status of the monitoring reports. We have also strengthened the supervision of monitoring consultants for them to be familiar with applicable laws and regulations, environmental impact statements and contractual agreements, and require them to ensure the accuracy and timeliness of monitoring reports under the premise of compliance with relevant regulations, in the hope of effectively enhancing the Company's environmental management capabilities and reducing the occurrence of omissions in monitoring reports, while ensuring the Company's legality and sense of social responsibility.
	Article 30, Paragraph 1, Subparagraph 2 of the Water Pollution Control Act	Failure to properly treat runoff wastewater resulted in pollution of the side ditch of Fuxing North Road and the downstream of Chaoyang River in Xitun District, Taichung City.	Farglory Construction	NT\$100 thousand	August 2, 2022	We have strengthened the supervision of on-site personnel for them to be familiar with the law, environmental impact and contractual agreements to avoid the recurrence of such incidents.



ESG aspect	Law or regulation violated	Description of violation	Penalized company	Penalty amount	Penalty date	Management measures
S Social	Article 21, Paragraph 1 of the Fair Trade Act	The Company engaged a sales agent (Farglory Realty) to sell the "Farglory H702A Residential Project" in Nantun District, Taichung City. In August 2015, Apple Daily reported that the project "has a 600-ping atrium garden reserved in the middle of the Phase 1 and 2 communities". The pictures of the sample house published in the newspaper were taken at the sample house of the sales center of Farglory Realty, and the furniture layout drawings and other information were also provided by the sales center of Farglory Realty. However, the Company subsequently sold the Phase 2 base to another company in November 2018, and the other company completed the change in design of the approved construction permit for the Phase 2 project in November 2019, leading to an inability to provide the 600-ping atrium garden as claimed in the report, and was therefore penalized by the Fair Trade Commission for false advertising.	Farglory Land Development	NT\$1.2 million	October 31, 2022	We have implemented the review of advertising materials and provide the media with information on the content of products or services, and pay constant attention to whether it is consistent with the actual situation to ensure its truthfulness and accuracy. We have also strengthened our marketing monitoring mechanism to ensure that the conduct of our sales representatives is in compliance with relevant laws and regulations and that no false or exaggerated advertising methods are used to attract customers. We attach importance to the rights of our customers and have strengthened our own management to protect our customers' rights from infringement to avoid the recurrence of similar problems.
	<ul style="list-style-type: none"> Article 5 of the Standards for Construction Safety and Health Facilities, and Article 6, Paragraph 1, Subparagraph 13 of the Occupational Safety and Health Act Article 19, Paragraph 1 of the Standards for Construction Safety and Health Facilities and Article 6, Paragraph 1, Subparagraph 13 of the Occupational Safety and Health Act Article 131, Subparagraph 2 of the Standards for Construction Safety and Health Facilities and Article 6, Paragraph 1, Subparagraph 13 of the Occupational Safety and Health Act Subparagraph 1, Article 135 of the Standards for Construction Safety and Health Facilities, and Subparagraph 13, Paragraph 1, Article 6 of the Occupational Safety and Health Act Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act 	<ul style="list-style-type: none"> Exposed rebar without protective sleeve Opening of the scaffold at more than two meters high had no guardrail During the construction of formwork support, no dedicated engineering staff was assigned to sign according to the construction drawings Steel pipe pins for formwork support did not use standard pins Inspection, contact and agreed adjustment were not properly made at the workplace 	Farglory Construction	NT\$200 thousand	April 12, 2022	We have strengthened the occupational safety inspection for construction sites, training related to occupational safety personnel and awareness of the standard operating procedures. In the future, externally contracted vendors will be included in the training to raise the awareness of occupational safety among site personnel.

ESG aspect	Law or regulation violated	Description of violation	Penalized company	Penalty amount	Penalty date	Management measures
S Social	Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act	<ul style="list-style-type: none"> Personnel at the edge of openings over two meters high were not equipped with safety belts Inspection, contact and adjustment were not properly made at the workplace 	Farglory Construction	NT\$150 thousand	May 15, 2022	We have strengthened the occupational safety inspection for construction sites, training related to occupational safety personnel and awareness of the standard operating procedures. In the future, externally contracted vendors will be included in the training to raise the awareness of occupational safety among site personnel.
	Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act	<ul style="list-style-type: none"> The safety net of the opening parapet of the scaffold on 12F external wall was not restored Inspection, contact and adjustment were not properly made at the workplace 	Farglory Construction	NT\$120 thousand	July 28, 2022	
	<ul style="list-style-type: none"> Article 27, Paragraph 1, Subparagraphs 2 and 3 of the Occupational Safety and Health Act Article 19, Paragraph 1 of the Standards for Construction Safety and Health Facilities and Paragraph 1, Article 6 of the Occupational Safety and Health Act 	<ul style="list-style-type: none"> On-site technician had no inspection record for formwork support Opening of the scaffold at elevated area had no guardrail 	Farglory Construction	NT\$100 thousand	August 11, 2022	
G Governance	None	None	None	None	None	None

1.5 Participation in External Organizations GRI2-28

Farglory Land Development and the Subsidiary actively participate in associations and non-profit organizations and interact with members of the associations to enhance our understanding of industry trends, market information and government regulations, and to increase cooperation with other corporate organizations, for the purposes of enhancing our capabilities, exercising our social influence, and driving the exchange and development of the overall industry chain.

Company	Name of the organization	Status
Farglory Land Development	Chinese National Association of Industry and Commerce, Taiwan	Director's representative
	The Institute of Internal Auditors-Chinese Taiwan	Member
	Taiwan Institute of Directors	Member
	Taiwan Bar Association	Member
	Taipei Bar Association	Member
	Accounting Research and Development Foundation	Member
	Taiwan Intelligent Building Association	Member
	Modern Innovation Real Estate Co., Ltd.	Member
	The Real Estate Association of R.O.C.	Member
	The Real Estate Development Association of Taipei	Director's representative
	The Real Estate Development Union of New Taipei City	Member
	Taoyuan Real Estate Development Association	Member
	The Real Estate Development Association of Hsinchu	Member
	Great Taichung Real Estate Development Association	Member
	The Real Estate Development Association of Tainan	Member
	The Real Estate Development Association of Kaohsiung	Member
Farglory Construction	Taiwan Regional Engineering Contractors Association	Member



CHAPTER

2

Leading International Construction Brand

- 2.1 Green Energy Buildings – Attaining Co-prosperity with Earth
- 2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life
- 2.3 Performance Building – Value Upgrade
- 2.4 A Century of Construction Quality Assurance



Material Issues

Material Issues		Use of raw materials	Product safety
Policies and commitments		<ul style="list-style-type: none"> We comply with relevant national laws, regulations and standards to ensure that the raw materials used meet environmental requirements, and we use the ideas of source reduction and recycling to achieve resource reduction and increase the utilization rate of green building materials. 	<ul style="list-style-type: none"> We strictly implement quality control to ensure buildings comply with relevant regulations and standards in terms of structural safety, fire and earthquake prevention, environmental protection and comfort, and we select appropriate suppliers based on the results of supplier evaluation to ensure the quality and safety of buildings.
Action plans	Positive impact management	<ul style="list-style-type: none"> Through local procurement, increased use of green building materials, the use of water-saving equipment in new construction projects, and the adoption of eco-friendly construction methods, we not only have a positive impact on the environment, but also enhance our brand image and market competitiveness. 	<ul style="list-style-type: none"> By providing three types of product warranties—5-year waterproof warranty, 5-year wall/floor tile warranty, and 25-year structural warranty—the Company ensures stable product quality control, which in turn improves customer satisfaction and enhances the Company's reputation and performance in the industry.
	Negative impact management	<ul style="list-style-type: none"> If the raw materials used do not meet environmental requirements, the construction process and subsequent use of a building may have a negative impact on the environment. Therefore, adopting eco-friendly construction methods as well as using green building materials and water-saving equipment will reduce pollution emissions and energy consumption. 	<ul style="list-style-type: none"> Failure by the Company to ensure product quality and supplier evaluation may lead to product safety risks and increased improvement costs, which may affect the Company's reputation and financial condition. The structural safety of products is ensured by providing a certificate of radioactive contamination-free rebar and a declaration of no use of sea sand.
Assessment of effectiveness		<ul style="list-style-type: none"> Farglory Land Development's annual green procurement amounted to NT\$370 million, and it received the "Outstanding Performance in Green Procurement" award from the New Taipei City Government. The rate of local procurement by Farglory Land Development and Farglory Construction should reach 100%. <p>(For other relevant performance, please refer to the sustainability blueprint p19)</p>	<ul style="list-style-type: none"> No occurrence of major product safety incident in the year. The four elements of integrated wiring, information and communication, system integration, and safety and disaster prevention were fully introduced into Farglory's projects. <p>(For other relevant performance, please refer to the sustainability blueprint p16)</p>
Complaint mechanism		<ul style="list-style-type: none"> Responsible department: Sustainability Task Force, Farglory Land Development Email: ESG_fargloryland@farglory.com.tw 	<ul style="list-style-type: none"> Responsible department: Sustainability Task Force, Farglory Land Development Email: ESG_fargloryland@farglory.com.tw

Use of raw materials | Management goal

Short-term(2023)

- Green building materials should account for 60% of the inside and 20% of the outside of construction projects.
- 100% of new construction projects should use water-saving facilities.

Long-term(2030)

- Green building materials should account for >80% and >50% of construction projects.
- The rate of renewable green building materials should reach 15%.
- The proportion of projects using aluminum formwork should 50%.

(For other related goals, please refer to the sustainability blueprint p19)

Product safety | Management goal

Short-term(2023)

- No major product safety incidents.
- Obtain Class A UD Certification for 30% of all new construction projects of the year.

Medium-term(2025)

- No major product safety incidents.
- Obtain Class A UD Certification for 100% of all new construction projects of the year

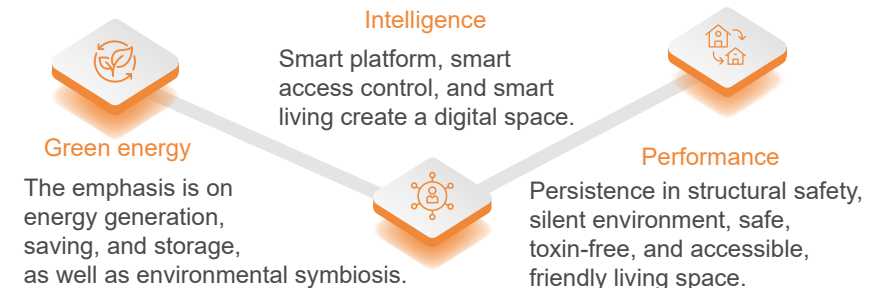
Long-term(2030)

- No major product safety incidents.
- (For other related goals, please refer to the sustainability blueprint p16)

Farglory 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 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.

7 major certifications in intelligent building with cloud technology, green energy, intelligence, and performance

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



1. Green Building Material Label

2. EEWB Green Building Label

3. Intelligent Building Label

4. Housing Performance Label

5. Fire Safety Building Label

6. Structure Accreditation Building Label

7. Universal Design Label

- Cloud platform service
- Infrastructure service
- Cloud software service

- Sustainability
- Health
- Safety

Farglory cloud

Green energy

Performance

Intelligence

- Ecology
- Energy storage
- Energy saving
- Energy generation

- Transportation
- Comfort
- Health
- Convenience
- Safety

2.1 Green Energy Buildings – Attaining Co-prosperity with Earth

GRI : 302-5、305-5 | SASB : IF-HB-410a.4

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 globally 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 has incorporated the improvement of resource efficiency into the design of buildings and homes, and taken the following measures:

- ✓ 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
- ✓ Apply energy-saving designs and equipment to construction projects
- ✓ Review water resource conservation methods and utilize water-saving equipment
- ✓ Harvest and reuse construction project rainwater
- ✓ Research the sponge city strategy

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 of the exterior, halls, parking lots, and garden landscapes of buildings, durable, energy-saving LED lights are installed to conserve electricity. 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, a car charging system has been set up to facilitate the reuse of resources and achieve results in energy storage.

► Farglory second-generation smart home: A paradigm of green residences featuring energy generation, energy-saving, and energy storage

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.
	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.
Energy saving	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.
	Recessed windows on outer walls	Introduces airflow and reduce wind pressure, using the natural movement of air to achieve heat dissipation.
Energy storage	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.

EEWH Green Building Label SASB : IF-HB-410a.1、IF-HB-410a.3、IF-HB-410a.4

From land evaluation, product positioning, building design to construction, Farglory Land Development is committed to using renewable energy, reducing energy consumption, using green building materials, establishing natural ventilation systems, applying green roofs, and collecting rainwater to minimize environmental impact. In the past three years, Farglory has received a number of green building certifications. Through the implementation of these green building projects, Farglory has become one of the representatives of green building in Taiwan. In the future, Farglory will continue the R&D of energy-efficient and carbon-reducing building design and engage in product design focusing on lightweight and durable buildings. The evaluation is conducted according to the 9 major evaluation criteria of the EEWB 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 2022, Farglory Land Development received the EEWB Green Building Label from the Taiwan Architecture & Building Center for 4 projects, all of which obtained a passing or higher grade in terms of daily energy-saving indicators. In 2022, Farglory Land Development were delivered 927 houses with the EEWB Green Building Label issued by the Taiwan Architecture & Building Center²。

Recipients of the EEWB Green Building Label in 2020–2022³

Name of building	Evaluated grade	Criteria satisfied								
		Greenification	Site water conservation	Biodiversity	Daily energy saving	CO ₂ reduction	Waste reduction	Indoor environment	Water resource	Sewage and garbage improvement
Farglory H98 Residential Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory H603 Residential Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory H101A Residential Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory H101B Residential Project	Silver	✓			✓				✓	✓
Farglory Dali	Silver	✓	✓		✓				✓	
Farglory New Future	Silver	✓			✓	✓	✓	✓	✓	✓
Farglory H138 Residential Project	Passed	✓	✓		✓	✓	✓		✓	✓
Farglory Star 7	Passed	✓	✓		✓	✓	✓		✓	✓

Recipients of certifications for green building candidates in 2020–2022⁴

Name of building	Evaluated grade	Criteria satisfied								
		Greenification	Site water conservation	Biodiversity	Daily energy saving	CO ₂ reduction	Waste reduction	Indoor environment	Water resource	Sewage and garbage improvement
Farglory H79 Residential Project	Gold	✓	✓		✓	✓	✓		✓	✓
Farglory Forest Resort	Gold	✓	✓		✓	✓	✓		✓	✓
Farglory DH1 Residential Project	Silver	✓			✓	✓	✓		✓	✓
Farglory M62 I-CITY	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory BH1 Residential Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory Classic Condo	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory H713 Residential Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory Urban Sky Park	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory Commercial Project	Silver	✓	✓		✓	✓	✓		✓	✓
Farglory Star 6	Passed	✓	✓		✓				✓	
Farglory Star 8	Passed	✓	✓		✓				✓	

²Since HERS® does not apply to Taiwan, we have utilized the EEWB Green Building Label issued by the Taiwan Architecture & Building Center in 2022 and the number of houses delivered as the basis of statistics.

³Limited to the first green building certificate obtained by Farglory Land Development after receiving the occupancy permit.

⁴Limited to the first green building certificate obtained by Farglory Land Development after receiving the building 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". 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 companies that have obtained carbon footprint certification. In 2021, [Farglory Classic Condo](#), [Farglory Gallery of Art](#) and [Farglory BH1 Residential Project](#) obtained low-carbon building planning certifications for the financial planning stage of building, and they were certified as low-carbon building candidates for the building design drawing stage in 2022.

Building life cycle



1. Farglory BH2 Classic Condo

This project is located at the intersection of Kaixuan 1st Street and Fengda Road in Xitun District, Taichung City. In line with the city's vision, the project is planned to meet the requirements of green building and smart building labels, and a carbon footprint assessment was conducted during the design stage. Its use for 60 years in the future will reduce 1,569 tonnes of CO₂e, and it has been certified as an LCBA Passing Grade Low-Carbon Building Candidate BCFd.

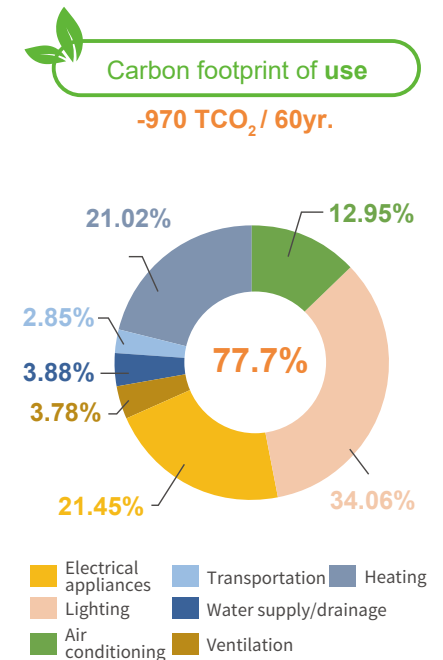
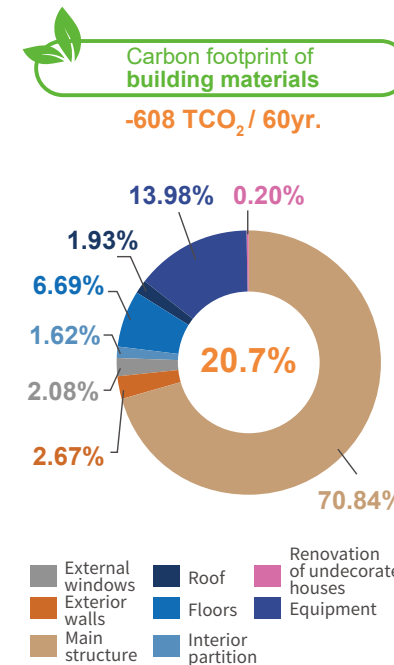
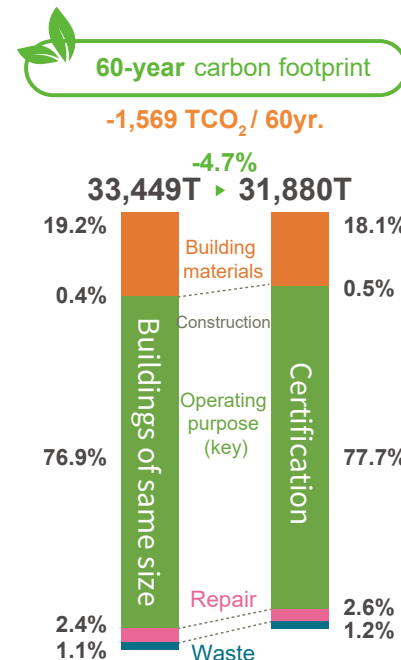
Certification no.	LCBA-2022-012
Applicant	Farglory Land Development Co., Ltd.
Building summary	Reinforced concrete structure with 9 floors above and 3 floors below ground
Interior area	13,313m ²
Use of space	Accommodation
Evaluating expert (AP)	Shih, Cheng-Hung
Total carbon footprint	31,879 (TCO ₂ /60yr.)
60-year carbon reduction	1,569 (TCO ₂ /60yr.)
Life cycle	60
Percentage of carbon reduced	4.7%



Introduction to the carbon reduction technologies applied

- ✓ For the concrete proportioning of the main structure, blast furnace slag was used in place of cement, with the replacement rate reaching 25%.
- ✓ Water-saving equipment and energy-recovering elevators are used throughout the project.
- ✓ Energy-efficient design of the building's envelope (EEV increased from 1.00 to 0.7).
- ✓ The interior partition walls are planned to be made of lightweight plaster walls.

Analysis of the structure of building carbon footprint



2. Farglory Gallery of Art

This project is located on Fuxing North Road, Xitun District, Taichung City. The architectural concept of "urban gallery" is integrated into the curatorial concept, linking the various spatial contexts from the outside to the inside, and bringing the artistic atmosphere and spacious greenery into the houses. A carbon footprint assessment was conducted during the design stage. Its use for 60 years in the future will reduce 1,496 tonnes of CO₂e, and it has been certified as an LCBA Passing Grade Low-Carbon Building Candidate BCFd.

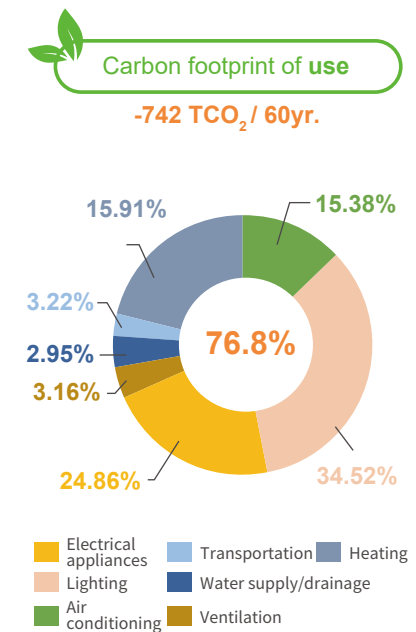
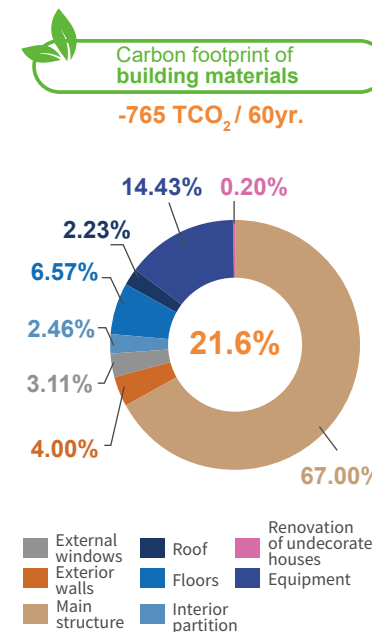
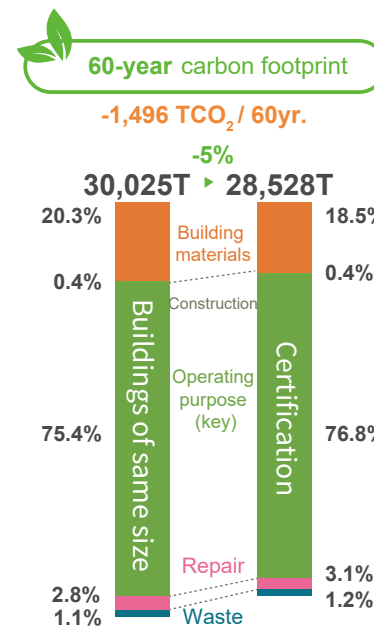
Certification no.	LCBA-2022-013
Applicant	Farglory Land Development Co., Ltd.
Building summary	Reinforced concrete structure with 9 floors above and 2 floors below ground
Interior area	12,216m ²
Use of space	Accommodation
Evaluating expert (AP)	Shih, Cheng-Hung
Total carbon footprint	28,528 (TCO ₂ /60yr.)
60-year carbon reduction	1,496 (TCO ₂ /60yr.)
Life cycle	60
Percentage of carbon reduced	5%



Introduction to the carbon reduction technologies applied

- ✓ For the concrete proportioning of the main structure, blast furnace slag was used in place of cement, with the replacement rate reaching 35%.
- ✓ Water-saving equipment and energy-recovering elevators are used throughout the project.
- ✓ The interior partition walls are planned to be made of lightweight plaster walls.
- ✓ The external windows are made of "laminated transparent glass (6mm + 6mm) + aluminum frame".

Analysis of the structure of building carbon footprint



3. Farglory BH1 Residential Project

This project is located at the intersection of Kaixuan 1st Street and Fengda Road in Xitun District, Taichung City. In line with the city's vision, the project is planned to meet the requirements of green building and smart building labels, and a carbon footprint assessment was conducted during the design stage. Its use for 60 years in the future will reduce 2,177 tonne-CO₂e of carbon, and has been certified as an LCBA Passing Grade Low-Carbon Building Candidate BCFd.

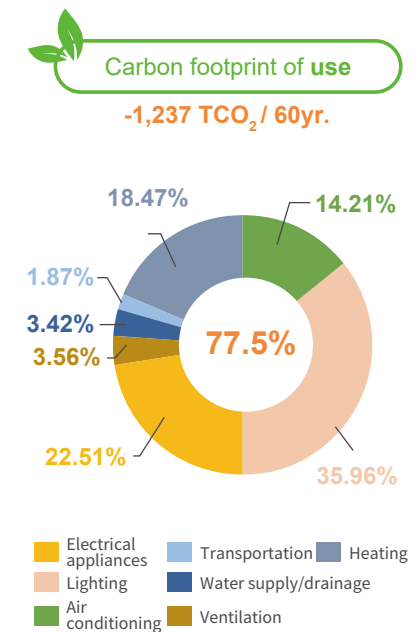
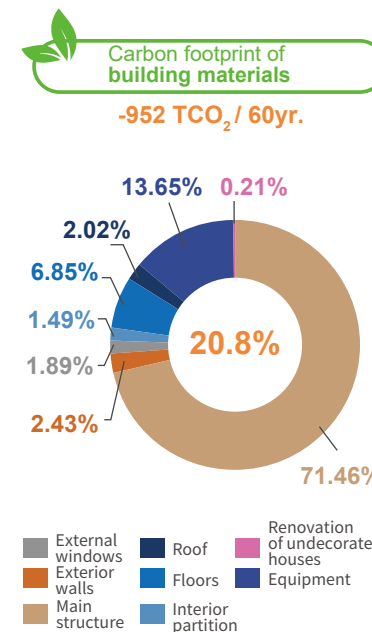
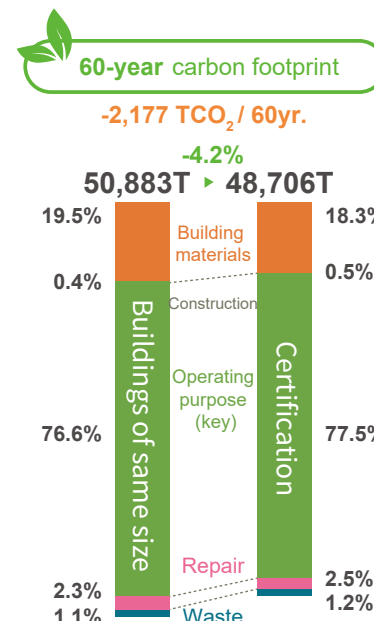
Certification no.	LCBA-2022-013
Applicant	Farglory Land Development Co., Ltd.
Building summary	Reinforced concrete structure with 9 floors above and 3 floors below ground
Interior area	20,980m ²
Use of space	Accommodation
Evaluating expert (AP)	Shih, Cheng-Hung
Total carbon footprint	48,706 (TCO ₂ /60yr.)
60-year carbon reduction	2,177 (TCO ₂ /60yr.)
Life cycle	60
Percentage of carbon reduced	4.2%



Introduction to the carbon reduction technologies applied

- ✓ For the concrete proportioning of the main structure, blast furnace slag was used in place of cement, with the replacement rate reaching 25%.
- ✓ Water-saving equipment is used throughout the project. Energy saving by air conditioning through VRF and individual air conditioning, EAC = 0.77.
- ✓ The elevators in the project are energy recovering elevators.
- ✓ Energy-efficient design of the building's envelope (EEV increased from 1.00 to 0.66).

Analysis of the structure of building carbon footprint



2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life

SASB : IF-HB-410a.4

World's first "Smart Orange" 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	1. The access control system identifies the finger vein patterns, offering a high degree of accuracy that cannot be replicated. 2. 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.

In order to provide customers with a safe, efficient, convenient, energy-saving, eco-friendly and healthy building environment, Farglory Land Development plans to integrate resource efficiency into its building design in the future, with the aim of improving customers' quality of life and achieving environmental friendliness through practical actions.

- ✓ The "Building Energy Consumption EU⁵ Value Database" has been established for Farglory's projects to reduce buildings' energy consumption through data collection and analysis.
- ✓ The Farglory Construction Waste Database has been established to facilitate construction waste inventory and survey, construction waste reduction and reuse of recycled products.
- ✓ A database of green building materials has been established to keep full track of key materials for construction projects to increase the use of recycled green building materials in projects.

⁵ EU⁵: Energy use intensity of buildings, or energy consumption per square meter per year. A higher EU⁵ indicates a higher energy consumption

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 GRI416-1、416-2、417-1

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. **In 2022, there were no incidents of violation of laws or regulations concerning the health and safety impacts of products and services.**

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	<p>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.</p> <ul style="list-style-type: none"> • Three Major Quality Regulations <ol style="list-style-type: none"> 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.
	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 coupler	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.
	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.
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	<p>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.</p> <p>Note: The damper's installation requires structural design and analysis, hence it does not apply to every project.</p>

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.

Four sign-off procedures culminate in the most stringent and responsible construction process in the construction industry

Quality inspection
and signature by the
manufacturer

Third-party
inspection

The professional
construction crew's
signature signifies

Construction foreman
self-inspection



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 requirements.

Farglory assigns a project manager, supervisor, quality assurance/labor safety personnel, and construction crew to each construction site, complying with labor safety and health regulations and relevant building construction regulations. In 2022, Farglory Land Development and Farglory Construction did not incur any major occupational accidents, casualties, or labor safety accidents.

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.



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

I. Construction process record

II. Drawings

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

III. Production team

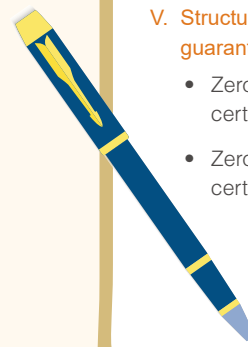
IV. Various types of certificates issued

V. Structural safety guaranteed

- Zero radiation rebar certificate
- Zero sea sand certificate

VI. Third-party test report

- 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



Selection of location for land development

SASB : IF-HB-160a.1 、 IF-HB-160a.2 、 IF-HB-160a.4 、 IF-HB-410b.1 、 IF-HB-410b.2 、 IF-HB-410b.3 、 IF-HB-000.A 、 IF-HB-000.B 、 IF-HB-000.C

Each piece of land acquired by Farglory Land Development has been reasonably and prudently evaluated and handled in accordance with applicable laws and regulations. In the decision making for land development, three aspects are examined and considered, namely:

1. Investment aspect: Verifying that the investment conditions meet the Company's needs and are risk-controlled, and considering whether it is near environmentally sensitive areas (including whether it is located on hillside land or in earthquake fault zones, and whether there are listed trees, monuments, etc.).
2. Legal aspect: Regarding the survey of the current status of the base's current condition and government restrictions, surveys are conducted with respect to whether the base is a geologically sensitive area, whether there is any water conservancy land, whether it is a conservation area, and whether it is within the restricted area of MRT/HSR facilities.
3. Positioning aspect: Together with the sales agent, we will review and confirm the base, regional development, transportation, living functions and housing market development in order to comprehensively consider the factors of site selection and development decision.



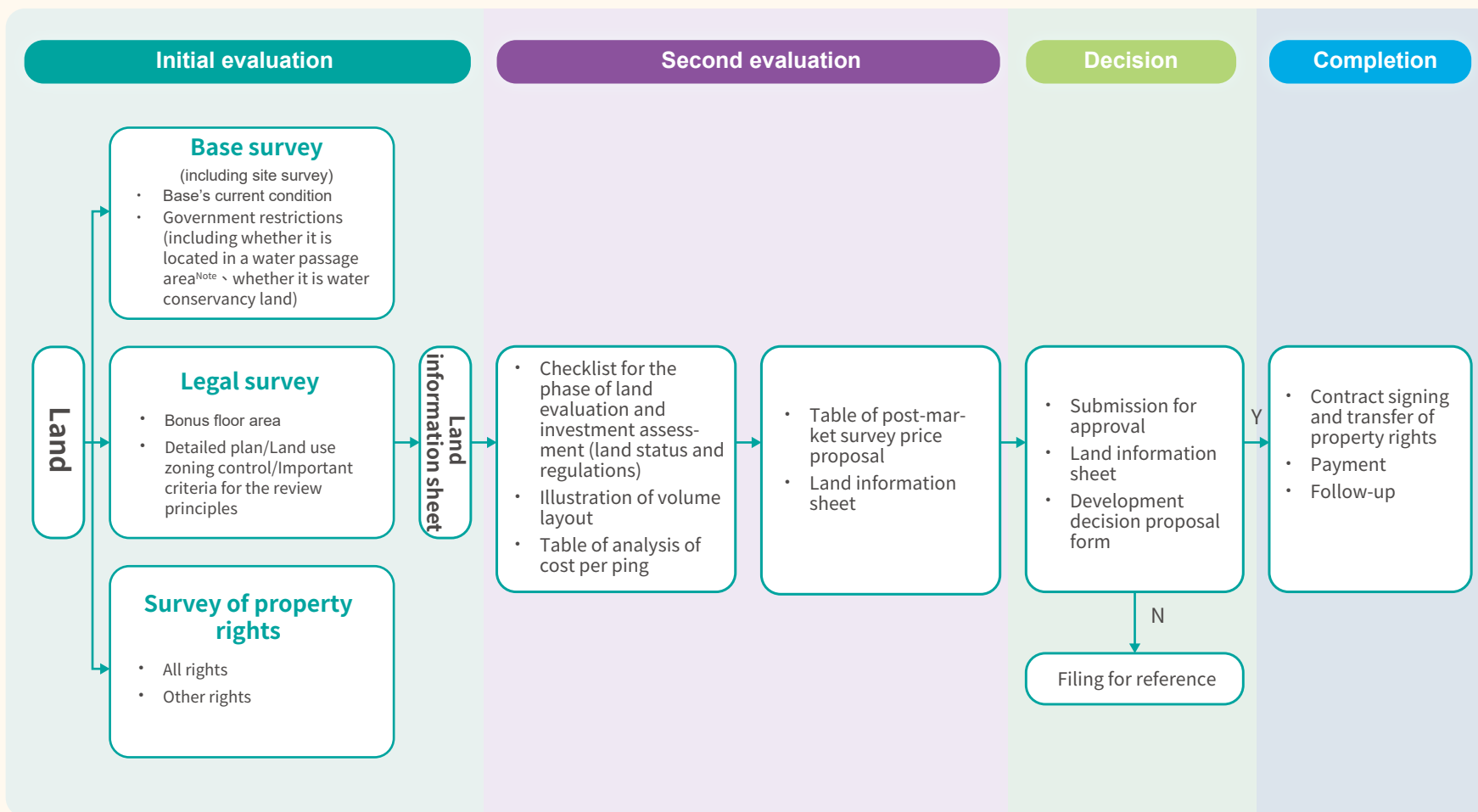
In the land development process, the factors of environmental and ecological impacts are taken into account in the design, and the measures currently taken are:

1. Development is in principle in accordance with the upper limit allowed by urban plans and building laws and regulations.
2. Avoid choosing hillside or geologically sensitive areas for development.
3. The Design Department should cooperate with architects in making preliminary plans case by case, and appropriately provide open space or green planting.
4. In the case of old trees or monuments in any urban renewal project, the Design Department and architects will consider alternative options for transplantation, in-situ preservation or preservation and revitalization during the evaluation stage. If it is not possible to preserve them, they will be demolished.

In addition, under the WRI classification required by the SASB, **Farglory Land Development does not hold any land or deliver any house in a "high water risk stress area"**. However, considering that there are still water resource risks in Taiwan, "groundwater recharge - geologically sensitive area" is used to determine high water risk stress areas. As of the end of 2022, Farglory Land Development has held 30 pieces of land and delivered 242 houses in high water risk stress areas. For these buildings, Farglory Land Development has raised the 1F elevation of the building during the design stage by taking into account the flooding records of the area; or incorporated drawings checked by a water technician into the building design to provide reference information such as local flooding records and dimensions of the surrounding drainage ditches, and checked whether the drainage plan of the 1F landscape consultant meets the requirements.



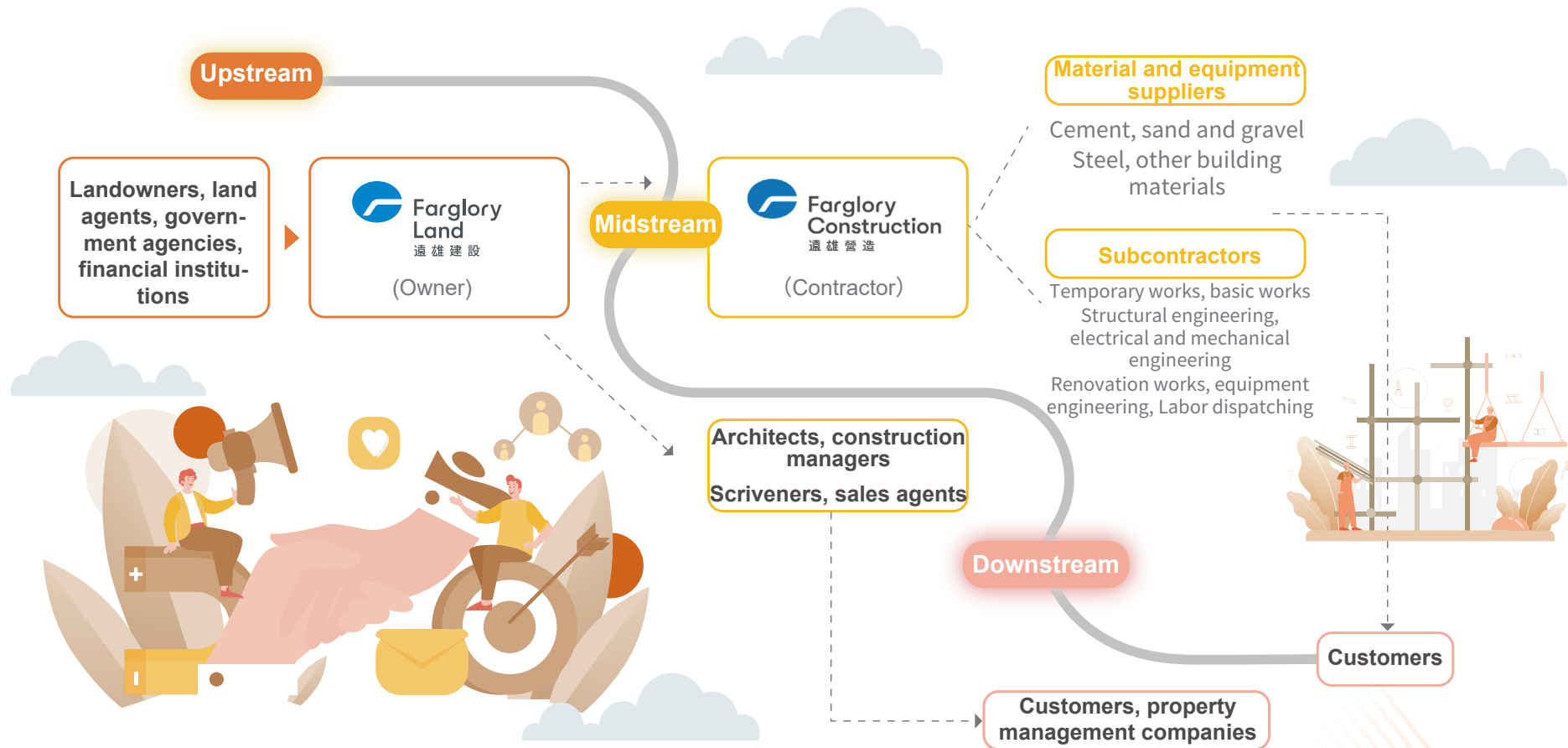
Land development process



Note: "Water passage area" means the land between two dikes in cases where dikes have been erected, or the land in the area where the normal flood level reaches in cases where no dikes have been erected.

Sustainable supply chain GRI2-6、2-23、2-24、204-1、308-1、308-2、408-1、409-1、414-1、414-2

Farglory Land Development's suppliers include: landlords, land agents, government agencies and financial institutions in the upstream; architects, construction managers, scriveners, sales agents and contractors in the midstream; and customers, property management companies and other partners in the downstream. Farglory Construction's suppliers include: raw material suppliers, subcontractors, and other partners.



Procurement policy

In order to create a standard model for procurement and contracting to speed up the procurement and contracting processes and reduce costs, Farglory Land Development has established the "Standard Guidelines for Procurement" to standardize procurement, contracting, reporting and acceptance, and to regulate matters related to the Occupational Safety and Health Act, on-site labor safety and health, the prohibition of employing illegal workers, the prohibition of violating intellectual property rights, and the prohibition of accepting gifts and invitations to banquets in all procurement contracts. Suppliers have been requested to issue the "Declaration on Prohibition of Bribery and Recusal of Related Party" and the "Declaration on Occupational Safety". The contract should also include "Reporting Instructions", providing suppliers with information related to whistleblowing to uphold labor rights and integrity.

Farglory Construction's bulk raw materials include rebar, cement, ready-mixed concrete, tiles and hollow bricks, etc. According to the estimated material demand of the contracted projects, Farglory Construction will purchase different materials in the form of annual, semi-annual or quarterly contracts, and it concludes procurement contracts with suppliers to control costs, ensure supply requirements and reduce the risk of price fluctuations. For example, rebar materials are purchased on a quarterly basis, and their price is compared to the domestic market price. They are jointly purchased at the suppliers' prices, and the suppliers are distributed by supply area (Northern, Central and Southern Taiwan) to reduce transportation to achieve the goal of carbon reduction and reduce the risk of supplier default due to price fluctuations.

Farglory Land Development and Farglory Construction are expected to continue improving the overall resilience of the supply chain by steadily developing partnerships with suppliers and to concretely ensure responsible purchasing. Therefore, in addition to the considerations of cost, delivery and quality, the overall sustainable value generated by the supply chain will be gradually incorporated into the evaluation of daily procurement for us to keep growing together with our suppliers. Besides requiring suppliers to follow the Company's sustainability-related procurement policies, we also encourage suppliers to develop sustainable procurement policies for their own suppliers. Moreover, suppliers are encouraged to demonstrate their commitment and performance through environmental, social and governance (ESG) reporting, and to incorporate ESG elements into their operations.

Supporting local and green procurement

Farglory Land Development and Farglory Construction believe that the strategy of localizing procurement is an important part of implementing sustainable corporate management and part of corporate social responsibility. We have long adhered to the principle of local procurement and local production, and have actively established close partnerships with local suppliers to achieve timely and local procurement, shorten product delivery time, reduce management and operating costs, and reduce carbon emissions from transportation of materials. We also respond to the spirit of SDG12 for responsible consumption and production to create local jobs and promote economic prosperity. In 2022, procurements by Farglory Land Development and Farglory Construction amounted to NT\$27,020 million and NT\$14,916 million, respectively, **100% of which were from local suppliers in Taiwan.**

In order to reduce the impact of products on the environment, Farglory Land Development and Farglory Construction are committed to green procurement, giving priority to materials or equipment with green building materials, energy saving, water saving and eco-friendly labels, in response to the energy saving and eco-friendly products promoted by the government, including the green procurement of computer equipment, office paper and electrical appliances with various environmental labels. With the increasing awareness of environmental protection and home health among customers, Farglory Land Development has applied recycled green building materials and healthy green building materials to its products. In the case of the residential project "Farglory Star 6", the proportion of green materials used in the interior is as high as 80%, which exceeds the regulatory value of 60%, including 19% of recycled green building materials and 61% of healthy green building materials. This not only meets the needs of customers, but also contributes to the reduction of the environmental burden during the construction process. **In 2022, green procurement by Farglory Land Development and Farglory Construction amounted to NT\$370 million, and they received the 2022 Green Procurement Award from the New Taipei City Government.**



Supplier Code of Conduct

Farglory Land Development sees suppliers as business partners and works with them on a long-term basis to build and develop solid, competitive and sustainable supply chain partnerships. Therefore, we are actively involved in the development of our supply chain to ensure that we can work with our suppliers to achieve the goal of sustainable development. We have established the Farglory Land Development Supplier Code of Conduct, which requires suppliers to fully comply with all laws and regulations in the places where they operate, and sets standards for business ethics, labor rights, environmental protection, health and safety and other aspects of business conduct. At the same time, suppliers are required to communicate the requirements of this code to their next-tier suppliers and monitor the compliance of the next-tier suppliers. **In 2022, 100% of suppliers of Farglory Land Development for procurement and outsourcing contracts signed the "Supplier Code of Conduct".** In the future, we will gradually include sustainability-related evaluation indicators into the supplier evaluation to continuously improve the sustainable management of suppliers. Additionally, Farglory Construction is expected to complete its "Supplier Code of Conduct" in 2023 and incorporate it into all contracts, requiring all suppliers to follow it to ensure that the Company and its suppliers work together to enhance corporate social responsibility and build a sustainable industrial chain.

Farglory Land Development Supplier Code of Conduct				
Ethical requirements	Labor rights		Environmental protection	Health and safety
[Ethics] Suppliers shall be held to the highest ethical standards and shall not engage in any form of corruption, collusion, extortion, fraud, bribery, false statement or forgery. Suppliers shall immediately report to the Company any situation that may constitute a serious conflict of interest or misconduct.	[Worker's age] Suppliers are prohibited from employing children (under the age of 16), those under the age of compulsory education, or those under the minimum age of employment in the country/region as workers.	[Non-discrimination] No suppliers' workers shall be discriminated against in terms of hiring, wages, benefits or management on the basis of race, color, class, language, ideology, nationality, religion, gender, sexual orientation, age, marriage, pregnancy, family responsibilities, physical or mental disability, medical condition or any other characteristic protected by law.	Suppliers shall reduce the potential environmental impact of their operations where practicable. For example, suppliers may reduce any type of resource waste by improving production processes, maintaining facilities and equipment, seeking legal and eco-friendly materials, managing and saving resources, and making efforts to recycle and reuse materials.	Suppliers shall provide a clean, safe and healthy working environment for all workers.
[Protection of private and confidential information] We encourage our suppliers to protect the privacy, confidentiality and security of personal data and confidential information in their possession, and to comply with the laws and regulations governing personal data protection and the confidentiality principles for the collection, processing and use of personal data and the management of confidential information.	[Forced labor] Suppliers are prohibited from employing forced labor of any kind, including workers who are imprisoned, coerced, subject to forced labor for debts, bound by unreasonable contracts, or subject to human trafficking.	[Anti-workplace abuse] All suppliers' workers shall be treated with respect. Suppliers shall strive to maintain a work environment free of sexual, psychological or verbal harassment.	Suppliers shall strive to prevent situations that may lead to potential loss of biodiversity and degradation of the natural environment.	Suppliers shall implement adequate measures, systems and training to minimize occupational hazards or occupational injuries and illnesses.
	[Wages and working hours] Suppliers shall ensure their workers meet the statutory minimum wage and benefit requirements, and that their workers do not work more than the statutory number of hours per week, in accordance with the relevant laws and regulations of the place of their operation.	[Right of association and collective bargaining] The Company respects the civil liberties and freedom of speech of suppliers' workers, as well as their right to form, join or not join organizations and/or participate in trade unions in accordance with local legal requirements. If a supplier's workers are representatives of organizations and/or labor unions, the supplier shall negotiate with them in good faith.	Suppliers shall identify and control hazardous or harmful substances to ensure that they are manufactured, imported, transported, stored, used, recycled and disposed of in accordance with international regulations and the laws of the place of operation.	

Supplier management and evaluation

All suppliers have different levels of quality, speed of delivery and cooperation in providing products or services. In order to clearly record and manage these differences and use them as a reference for future purchases to reduce problems arising from risks in quality, progress or performance, Farglory Land Development has established the "Guidelines for Supplier Management" to regulate the matters that require the Company's attention when cooperating with suppliers, including the documentation and maintenance of supplier data, supplier classification management, supplier capacity management, supplier rewards and penalties and other operational items, to ensure the quality of products or services and delivery progress, and to reduce the risks arising from the failure of suppliers to fulfill their commitments.

Farglory Land Development regularly evaluates existing suppliers according to the "Guidelines for Supplier Evaluation". The evaluation items include quality of work, progress, service quality, cooperation, financial condition, and industry/external evaluation. In addition, different scoring proportions will be assigned to different types of requisitions. For example, in the case of engineering requisitions, the requesting unit accounts for 40% of the total score, co-organizing units account for 30% of the total score, and the Material Management Division accounts for 30% of the total score. The scoring proportions of other types of requisition are as follows:

Farglory Land Development Supplier Evaluation				
Evaluated item	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%
Proportions of total score				
Requisition type	Requesting unit	Co-organizing unit	Material Management Division	
General	50%		50%	
Engineering	40%	30%	30%	
Fixed assets	40%	30% (HR Department)	30%	
Information	40%	30% (MIS Planning Department)	30%	
Assets	40%	30% (Asset Management Section, Land Development Department)	30%	

Farglory Construction's suppliers for projects under construction are evaluated by the construction site and industrial safety and quality control office in four categories, quality, progress, occupational safety, and customer complaint ratio. If the evaluation results in a rating of D, the supplier's rights to contract new projects will be suspended.

Farglory Construction Supplier Evaluation	
Evaluated item	Proportions of total score
Quality	40%
Occupational safety	
Progress	30%
Customer Complaint Ratio	30%

In 2022, the result of supplier evaluation showed that Farglory Land Development and Farglory Construction had 99.3% and 82% of their suppliers rated B or higher, and no significant risk of incidents of child labor or forced or compulsory labor was found. In principle, we select 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 quality, progress and occupational safety (safety and health and material management) of suppliers 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.

Supplier rating			Proportions of evaluation for supplier rating in 2022	
			Farglory Land Development	Farglory Construction
A+	5 points	Priority contractor	-	-
A	4~4.9 points		13.6%	2%
B	3~3.9 points		85.7%	80%
C	2~2.9 points	Listed for guidance and observation	0.6%	17%
D	2 points or less	Terminate rights to participate in new projects	0.1%	1%

3

CHAPTER

Sustainable Environment

- 3.1 Climate change and Energy Management
- 3.2 Waste and Water Resource Management

Material Issues

Material Issues		Climate change governance	Waste management
Policies and commitments		<ul style="list-style-type: none"> We follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) 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. 	<ul style="list-style-type: none"> We are actively formulating improved construction methods and developing technologies for building materials, water resources and waste recycling to make effective use of available resources in order to achieve the purpose of circular economy.
Action plans	Positive impact management	<ul style="list-style-type: none"> Promoting and conducting assessment of climate risks and opportunities and GHG inventory (ISO 14064-1) Installing heat insulation film and automatic control of lighting time on each floor of the workplace 	<ul style="list-style-type: none"> Ensuring waste sorting in the workplace Construction waste is treated according to the "Construction Waste Management Strategy" of the Environmental Protection Administration, Executive Yuan
	Negative impact management	<ul style="list-style-type: none"> Failure to manage risks may result in suspension of site work or damage, payment of carbon fees, increased energy prices, and higher prices of raw materials. Therefore, the Company identifies and analyzes climate risk issues through the TCFD team and prepares response measures, such as inventorying operational sites located in areas with high risk of flooding, and evaluating the management cost of flood prevention facilities and natural disaster insurance for the building design. 	<ul style="list-style-type: none"> Construction sites that fail to comply with the regulations and standards related to waste disposal may face fines. Failure to properly dispose of waste may cause damage to the environment and further affect the Company's reputation.
Assessment of effectiveness		<ul style="list-style-type: none"> Low-carbon certified buildings should account for at least 11% of the construction projects for the year. 37.5% of new construction projects should obtain at least an EEWB Green Building Label silver rating. <p>(For other relevant performance, please refer to the sustainability blueprint p18)</p>	<ul style="list-style-type: none"> Waste from the head office of Farglory Land Development was reduced by 0.88 tonnes. 0 tonnes of hazardous waste was generated from each of Farglory Construction's sites. <p>(For other relevant performance, please refer to the sustainability blueprint p19)</p>
Complaint mechanism		<ul style="list-style-type: none"> Responsible department: Sustainability Task Force, Farglory Land Development Email: ESG_fargloryland@farglory.com.tw 	<ul style="list-style-type: none"> Responsible department: Sustainability Task Force, Farglory Land Development Email: ESG_fargloryland@farglory.com.tw

Climate change governance | Management goal

Short-term(2023)

- Obtaining a silver or higher level green building label for 40% of the new construction projects.
- Complete GHG inventory and third-party verification for the head offices of Farglory Land Development and the Subsidiary, and set carbon reduction targets for electricity consumption and carbon emissions for the head offices and construction with 2022 as the base year.

Medium-term(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.

Long-term(2030)

- 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 50% of the construction projects for the year.
- (For other related goals, please refer to the sustainability blueprint p18)

Waste management | Management goal

Short-term(2023)

- Review the office garbage sorting and recycling status every year.
- No hazardous waste generated from any of Farglory Construction's sites.

Medium-term(2025)

- Using 2021 as the base year to decrease the total waste on the floors of our head office by 5%.

Long-term(2030)

- Reduction of waste by 10% in a single project.
- Continue to develop waste recycling and reuse designs.
- (For other related goals, please refer to the sustainability blueprint p19)



3.1 Climate Change and Energy Management GRI201-2 、 302-1 、 302-2 、 302-3 、 302-4 、 305-1 、 305-2 、 305-3 、 305-4 、 305-5

3.1.1 Climate Risk and Opportunity Management

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, which states that environmental risks such as failed climate actions, extreme climate, and diminished biodiversity are the top 3 risks in the "Global Risks Perception Survey Ranks". In response to the major challenge of climate change, numerous climate regulations and initiatives demand companies to disclose their climate risks and opportunities.

Farglory Land Development is aware of the urgency of climate-related risk management. Since 2021, Farglory Land Development has followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) 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. Examples include the impact of extreme weather on the progress of construction projects, as well as the carbon pricing mechanism and the possible financial impact of rising energy prices.

I. Governance

To properly manage climate-related risks and opportunities, Farglory Land Development has formed the Sustainability Task Force, chaired by the chairman. The task force consists of the ESG executive unit and the FGNext executive unit, responsible for identifying and managing climate change risks and opportunities. Furthermore, the task force reports on the results of the identification of risks and opportunities to the chairman and the president at the annual senior management meeting, and also formulates control measures, in order to ensure the effective implementation of the risk management strategy.

The Sustainability Task Force regularly reports to the Board of Directors regarding the Company's climate risks and response measures, providing it with full understanding of climate risk issues, so that it can further adopt relevant management policies and review their implementation.



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.

- Complete inventory and evaluation of the impacts of various risk and opportunity topics on the Company's operations



- Introduce a climate risk and opportunity identification mechanism
- Identify climate risks and opportunities according to Farglory's current business conditions
- Propose corresponding response measures based on the impact of the climate risks and opportunities on the Company

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)	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.
	Policy and legal risks	Carbon pricing mechanism	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	<ul style="list-style-type: none"> 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.
Transition risks		Energy management/ rising energy prices	Energy price (such as electricity price) continues to increase, causing an increase in operating costs.	Medium-term	<ul style="list-style-type: none"> 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.
	Market risk	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	<ul style="list-style-type: none"> Promote building source reduction as well as resource recycling and reuse. Staying in control of all key building materials, and establishing 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.

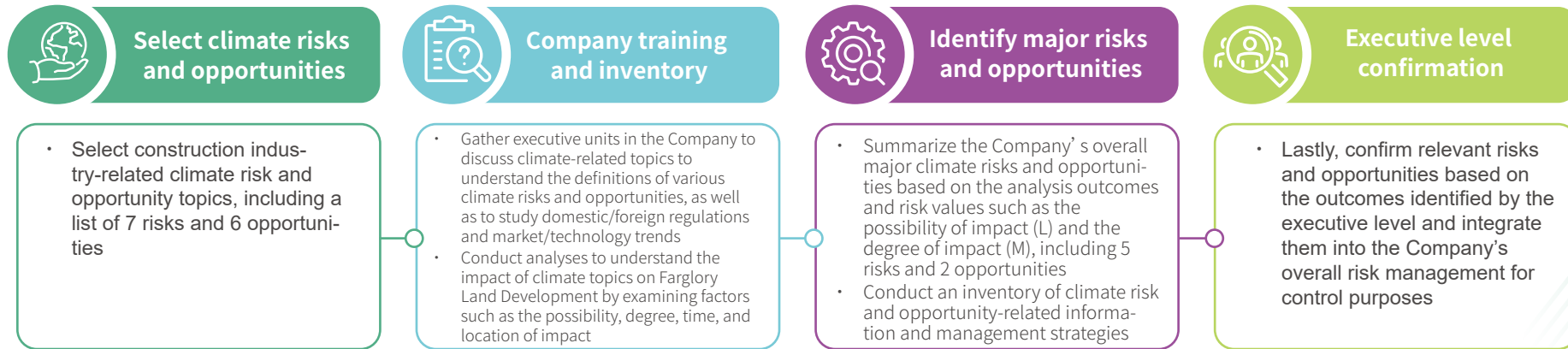
Farglory Land Development's list of major risks and opportunities

Types of risks and opportunities		Topic definition	Description of impact on the Company	Impact duration	Response strategy
Transition risks	Policy and legal risks	Licensing and monitoring 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	<ul style="list-style-type: none">• 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	Developing or expanding 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	<ul style="list-style-type: none">• 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.
Opportunities		Resource efficiency	Materializing more efficient buildings	Medium-term	<ul style="list-style-type: none">• 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:<ol style="list-style-type: none">1. 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.2. The chiller system will be replaced with an energy-saving system.3. Elevators are replaced with energy-saving elevators.4. 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:<ol style="list-style-type: none">1. Continue to develop water recycling and reuse designs to increase water efficiency.2. Evaluate the feasibility of expanding the rainwater harvesting system and progressively implementing it in construction projects.3. 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)

Transition risks

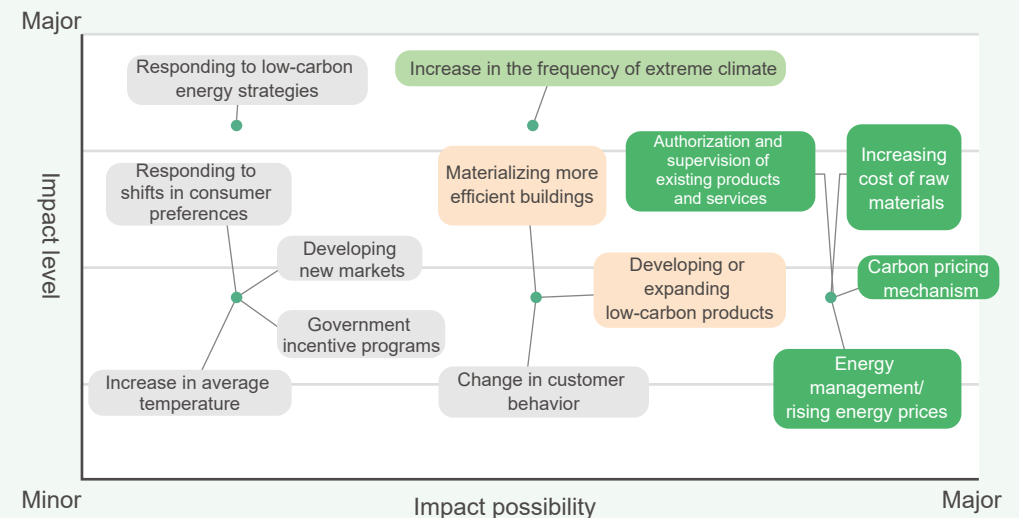
- Carbon pricing mechanism
- Authorization and supervision of existing products and services
- Energy management/rising energy prices
- Increasing cost of raw materials
- Changes in customer behavior

Physical risks

- Increase in the frequency of extreme climate
- Increase in average temperature

Opportunities

- Developing or expanding low-carbon products and services
- Materializing more efficient buildings
- Responding to low-carbon energy strategies
- Government incentive programs
- Developing new markets
- Responding to shifts in consumer preferences

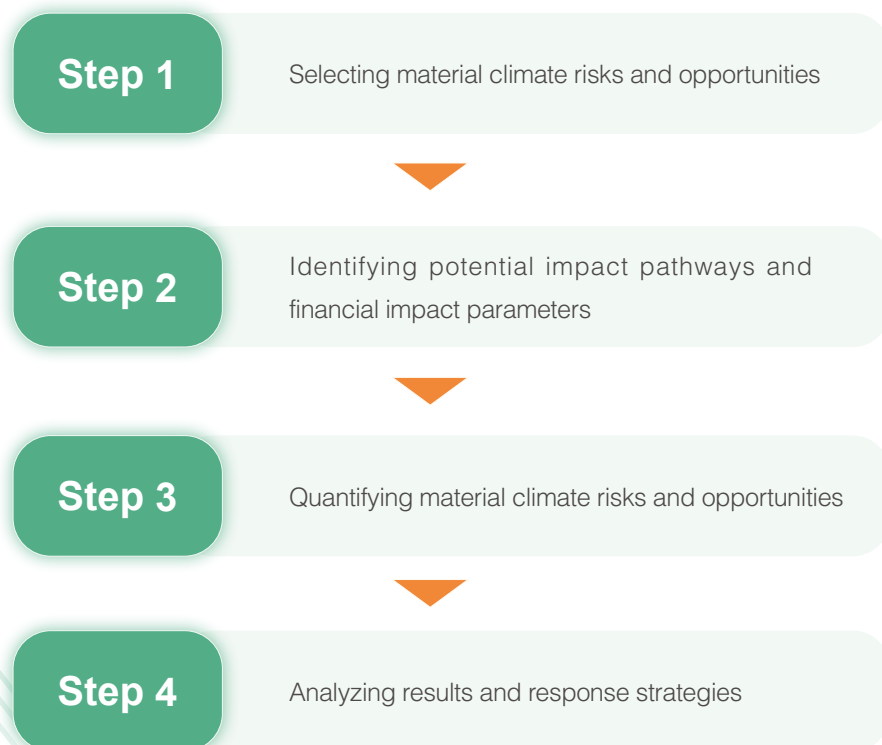




IV. Scenario Analysis

In recent years, climate change-related financial impact has received increased attention from stakeholders. In order to understand the potential financial impact of material climate risks and opportunities on Farglory Land Development in the future, Farglory Land Development will quantify the items of significant materiality selected from the opportunity and risk matrix.

Process of scenario analysis



Step 1. Selecting material climate risks and opportunities

Transition risks:

In the reference guidelines for the determination of sustainable economic activities published by the FSC at the end of 2022, the sections on "building construction and real estate industry" are all related to green buildings and building efficiency. The 2050 National Net Zero Emissions Pathway Strategy also proposes a target of "near zero emissions" for 100% of new buildings and 85% of existing buildings. In response to the law and policies and stakeholder expectations, Farglory has also set its own future management goals for green buildings and the use of green building materials (see "[Sustainability Blueprint](#)"). In order to understand the costs involved in aligning the Company's policies with and achieving the Company's future management goals, Farglory Land Development will conduct a quantitative financial analysis of "licensing and monitoring of existing products and services".

Physical risks:

Extreme weather events, such as typhoons and heavy rains, can directly cause extension of construction periods and varying degrees of disaster damage. Due to climate change, the frequency of extreme weather events has increased in recent years with the trend continuing to worsen, which will lead to an increase in the frequency and amount of losses faced by the construction industry in the future. Therefore, Farglory Land Development will conduct a quantitative financial analysis of the "increase in the frequency of extreme weather events".

Opportunities:

Nowadays, the demand for green real estate products is increasing, and investment analysts have pointed out that products with green building-related certifications are generally about 15-35%⁶ more expensive than normal buildings. Moreover, the government is providing green building-related subsidies and tax breaks. Real estate construction and sales are one of Farglory's main sources of income, and the opportunities cannot be ignored. Therefore, Farglory will analyze the potential revenue growth by "developing or expanding low carbon products and services".

⁶ <https://www.msci.com/research-and-insights/2023-trends-to-watch-in-real-assets>

Step 2. Identifying potential impact pathways and financial impact parameters

Farglory Land Development uses the risk pathway method to identify the impact of climate risks and opportunities on its operations and further develop possible quantification methods for the impacts. The next step is to understand the actual impact of climate change on the Company in specific situations through interviews with departmental heads and consultants and historical data and literature research, and to design a quantitative approach that suits the current situation of Farglory Land Development, and finally to collect or estimate the required financial parameters.

Climate risks and opportunities		Quantification scenario
Climate risks	Licensing and monitoring of existing products and services	In line with the government's net-zero transition plan, the Company needs to increase the proportion of energy-saving and carbon-reducing products. In the future, in order to meet the government's requirements, the increased cost of green buildings and the procurement of green building materials will result in higher construction costs.
	Increase in the frequency of extreme climate	Under the IPCC AR6 SSP5-8.5 scenario, it is expected that the climate conditions in Taiwan will become more severe in the future. It is estimated that the rate of change of heavy rainfall will increase by 20% in the middle of the century, which will cause damage to construction sites, sold buildings, leased assets, offices and construction offices, or cause construction delays.
Climate opportunities	Developing or expanding 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.

Step 3 : Quantifying material climate risks and opportunities

After establishing the impact path, the financial parameters collected are substituted into the formula for financial impact estimation to understand the financial impact of various risks and opportunities on the Company (presented as a percentage of total revenue).

Climate risks and opportunities		Assessment period	Impacts on operations	Percentage of total revenue ⁷
Climate risks	Increased severity of extreme weather events	2046-2065	<ul style="list-style-type: none"> Increased labor and capital costs due to construction delays caused by strong winds and heavy rains Strong winds and heavy rain cause damage to site/office equipment and products Strong winds and heavy rains cause damage to unsold buildings and rental assets Preparation for typhoons 	5.1%
	Licensing and monitoring of existing products and services	2025	<ul style="list-style-type: none"> Increased cost of green buildings (except for the procurement of green building materials) Purchase and use of green building materials 	4.25%
Climate opportunities	Developing or expanding low-carbon products and services	2025-2035	<ul style="list-style-type: none"> Sales of green buildings and low-carbon buildings 	87%-125%

⁷Based on the average vision revenue for the next five years

Step 4 : Analyzing results and response strategies

Through the above analysis, Farglory Land Development understands the possible financial impact of converting projects to green buildings. Although there will be expenses related to green building investment (4.25%), it can also open up a considerable new market (87–125%). Farglory Land Development will actively expand and further study green building related projects to cope with the possible impact and market opportunities in the future. For Farglory's planning, research and development of green building design, see [2.1 Green Energy Buildings – Attaining Co-prosperity with Earth](#).

On the other hand, extreme weather events may also impact construction sites, office operations and assets held (5.1%). In order to effectively withstand natural disasters, Farglory Land Development includes water technicians and experts in the design of projects to conduct a comprehensive review of the drawings and local flooding records, design typhoon shutters, and introduce flood prevention and drainage measures. The construction process will be adjusted according to the current situation, and the construction schedule will take into account periods of work suspension due to heavy rainfall. In addition, Farglory Land Development will continue to pay attention to the potential flooding of land, housing assets and business locations during the development, site selection, construction and completion process, and will coordinate the manpower and equipment of various departments to put in place relevant management measures to avoid possible damage.

V. Management of metrics and targets

Metric	GHG emissions	Energy management	Developing or expanding 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 $\leq 180\text{kWh/m}^2$.	<p>Low carbon transition – Develop green buildings and low-carbon buildings</p> <ul style="list-style-type: none"> 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; 30% 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. <p>Recycling and reuse – Promote building source reduction and resource recycling and reuse</p> <ul style="list-style-type: none"> 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%.
Implementation status	2022: Farglory Land Development's total GHG emissions were 279,978 tonnes of CO ₂ e/year. Farglory Construction's total GHG emissions were 195,978.993 tonnes of CO ₂ e/year.	<ul style="list-style-type: none"> The collection of commercial EUI data started in 2022. Since there is no quantitative standard for residential data, the plan is to apply the commercial model to the calculation of residential EUI first. In 2022, Farglory applied the concept of passive building to new construction projects. The architects used wind field simulation to design the appropriate direction of the building to achieve the effect of reducing the energy consumption of the building. 	<ul style="list-style-type: none"> In 2022, 3 construction projects received certifications for green building candidates. Development of green building materials: <ol style="list-style-type: none"> 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.

3.1.2 Energy and GHG Inventory

To protect environmental sustainability and decrease the environmental impact of the organization's operations, Farglory Land Development 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.

GHG inventory

Farglory Land Development and the subsidiary (Farglory Construction) have adopted the operational rights method in accordance with the ISO 14064-1:2018 organizational boundaries to determine the GHG emissions or removal. The inventory boundary encompasses 100% of the organization's operations (Taipei head office building and Kaohsiung office, the construction offices and construction sites of projects), operation-related direct GHG emissions (scope 1), energy-related indirect GHG emissions (scope 2), and other indirect GHG emissions (scope 3–4). In 2022, the total GHG emissions of Farglory Land Development and the Subsidiary (Farglory Construction) were 279.978 tCO₂e/year and 195,978.993 tCO₂e/year, respectively. This was verified by a third party and a reasonable assurance inspection statement was obtained.

The main GHG emissions of Farglory Land Development and the Subsidiary (Farglory Construction) are generated by the consumption of externally purchased electricity (scope 2). Electricity consumption at our offices, construction offices and construction sites includes air conditioners, lighting, office equipment, temporary electricity use by construction, 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.



Farglory Land Development Environmental Policy



Farglory Land Development statistics for various types of emissions in the most recent two years

Year	2021		2022	
Report for various types of emissions	Emissions(tCO ₂ e/year)	Ratio (%)	Emissions(tCO ₂ e/year)	Ratio(%)
Scope 1: Emissions and removal of direct GHGs	12.7567	4.8%	14.5408	5.19%
Scope 2: Indirect GHG emissions from external energy sources	177.7441	67.3%	183.6735	65.60%
Scope 3: Indirect GHG emissions from transportation	24.5497	9.3%	30.9884	11.07 %
Scope 4: Indirect GHG emissions from products used by the organization	49.1676	18.6%	50.7752	18.14%
Total emissions	264.2180	100%	279.978	100%
Direct emissions from biomass	--	--	--	--
Total emissions intensity (tCO ₂ e/ping)	0.311	--	0.235	--

Farglory Construction statistics for various types of emissions in 2022

Year	2022	
Report for various types of emissions	Emissions(tCO ₂ e/year)	Ratio(%)
Scope 1: Emissions and removal of direct GHGs	59.7476	0.03%
Scope 2: Indirect GHG emissions from external energy sources	3,304.0721	1.69%
Scope 3: Indirect GHG emissions from transportation	50.0361	0.03%
Scope 4: Indirect GHG emissions from products used by the organization	192,565.1373	98.26%
Total emissions	195,978.993	100%
Direct emissions from biomass	--	--

Note: Farglory Construction conducted its first GHG inventory in 2022.



Energy management

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

Electricity consumption in the most recent two years							
Energy item	Unit	Farglory Land Development (Farglory International Center and Manhattan Building)		Farglory Construction (Farglory International Center)		Farglory Construction (construction sites and construction offices)	
		2021	2022	2021	2022	2021	2022
Direct energy use	GJ	0 ^{Note1}	14.83	-	24.46	-	-
Indirect energy use	GJ	1274.66	1299.07	-	490.04	-	22878.64
Total energy use	GJ	1274.66	1313.90	-	514.50	-	22878.64
Annual growth rate	%	-	3.08%	-	-	-	-
Energy intensity	(GJ/m ²)	0.45	0.33	-	0.44 ^{Note3}	-	-

Note 1: In 2021, Farglory Land Development did not have company cars and did not use renewable energy. In 2022, it began to use company cars.

Note 2: In 2021, the head office of Farglory Land Development covered 16F, 17F and the B2 warehouse, the floor of the Kaohsiung office is 25F-2, totaling 849.26 ping. In 2022, the leased floor of 11F was newly included, which together with the original leased floors totaled 1192.36 ping.

Note 3: In 2022, Farglory Construction was included in the scope of inventory, including construction sites, construction offices and the head office. Farglory Construction has rented the floors of 15F and B2 warehouse, totaling 340.6 ping.

Energy management strategy




Management criteria	Management strategy
Renewable energy use	Farglory Land Development does not use renewable energy.
Increased efficiency of energy use	From land evaluation, product positioning to building design, we are committed to developing green buildings and low-carbon buildings, continuously developing energy-saving and carbon-reducing building designs, promoting building life-cycle carbon inventories and building energy consumption EUI value databases, and establishing a building energy consumption EUI value verification system to actively reduce the impact of building life-cycles on the environment, with the aim to reshape the project development model. The Company also promotes green operations, strengthens the energy saving and carbon reduction management of its head office, continues to introduce energy saving and carbon reduction measures, and strives to enhance the awareness and actions of its employees to save energy and reduce carbon. Automated time control equipment has been installed for lights on our floors of the head office to lower the power consumption of lights, while energy-saving film has been applied to the glass screens to lower the power consumption of the building and mitigate the environmental impact of the operational head office.


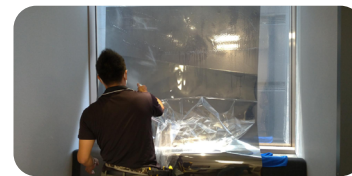


Energy-saving goal and action plan



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		Hardware for garbage sorting on our floors of the head office will be installed
		Long-term goal	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

Energy-saving hardware and energy-saving measures

Farglory Land Development attaches importance to corporate social responsibility. By implementing green office and energy saving measures, we not only cause less impact on the environment, but also make our employees aware of the importance of environmental protection, contributing together to create a better earth.

Item	Energy-saving measures	
Interior air conditioner	<p>Adjust the office's interior air conditioners to the most suitable temperature</p> <ul style="list-style-type: none"> Spring and summer (April–September): 24–26° C Fall and winter (October–March): 21–23° C 	 
Office lighting	<ul style="list-style-type: none"> 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	
Power-saving measures	<ul style="list-style-type: none"> Glass screens with heat insulation film can strengthen the effect of heat insulation and cold-proof and reduce the energy consumption of air conditioning. 	<ol style="list-style-type: none"> 1.glass surface cleaning 2.Insulation film with wet (water spray) 3.Insulation film is positioned   
Paperless fax	<ul style="list-style-type: none"> Fax documents are filed directly into departmental folders instead of being printed on paper. 	

Item	Energy-saving measures	
Printing/ photocopying	<ul style="list-style-type: none"> 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. 	
	<ul style="list-style-type: none"> Purchase or lease computers and photocopiers with an energy-saving label. 	

Item	Energy-saving measures	
Public space	<ul style="list-style-type: none"> 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. Meeting rooms are equipped with CO2 sensors to monitor the indoor air quality. 	
		
		

3.2 Waste and Water Resource Management GRI 301-1、301-2、301-3、303-3、306-1、306-2、306-3、306-4、306-5

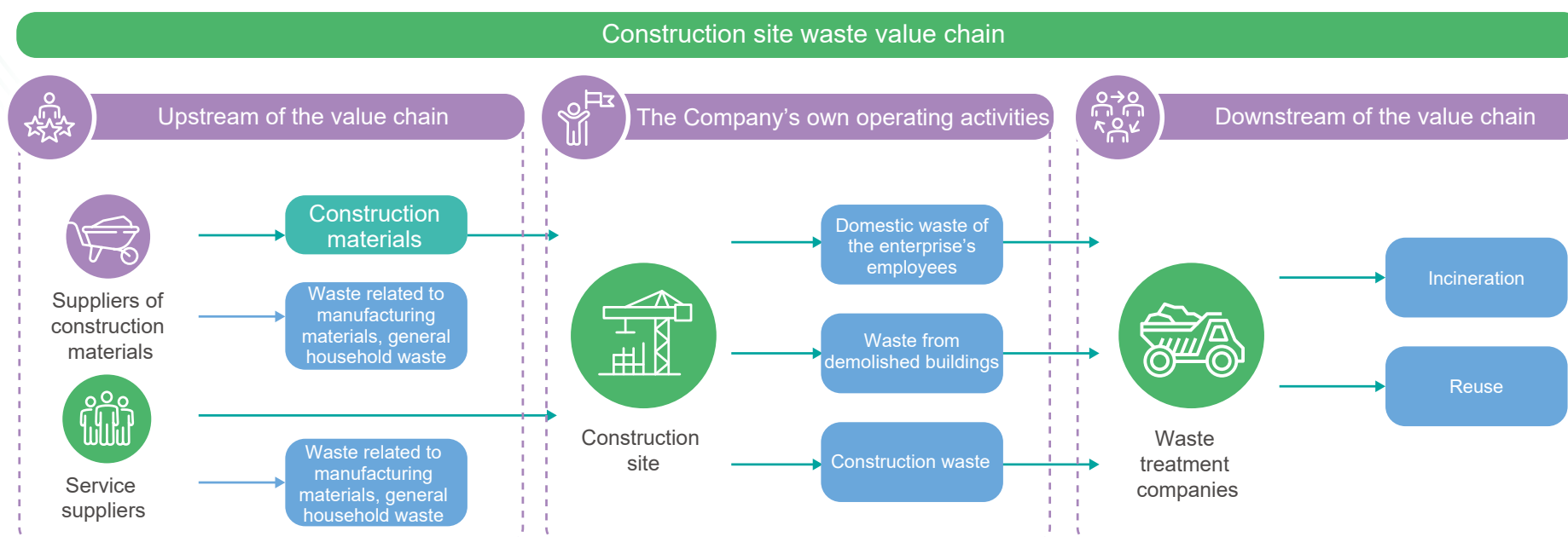
Farglory Land Development is committed to creating buildings that meet the requirements of sustainable development. It not only continues to improve project quality, but also recognizes the importance of environmental issues. Therefore, in addition to valuing building quality, Farglory Land Development also pays attention to waste and water resource management.

Waste management includes the reduction, recycling and reuse of building material waste and strict control of the amount and type of waste generated during the construction process. Water resource management includes measures for the conservation, reuse and rainwater harvesting of the water sources of buildings, and the reduction of building water consumption is taken into consideration at the building design stage.

Farglory Land Development understands the importance of sustainable development and actively promotes the concept of environmental protection in its buildings, so that they not only provide a quality living environment, but also have a minimal impact on the environment.

3.2.1 Green Construction Site

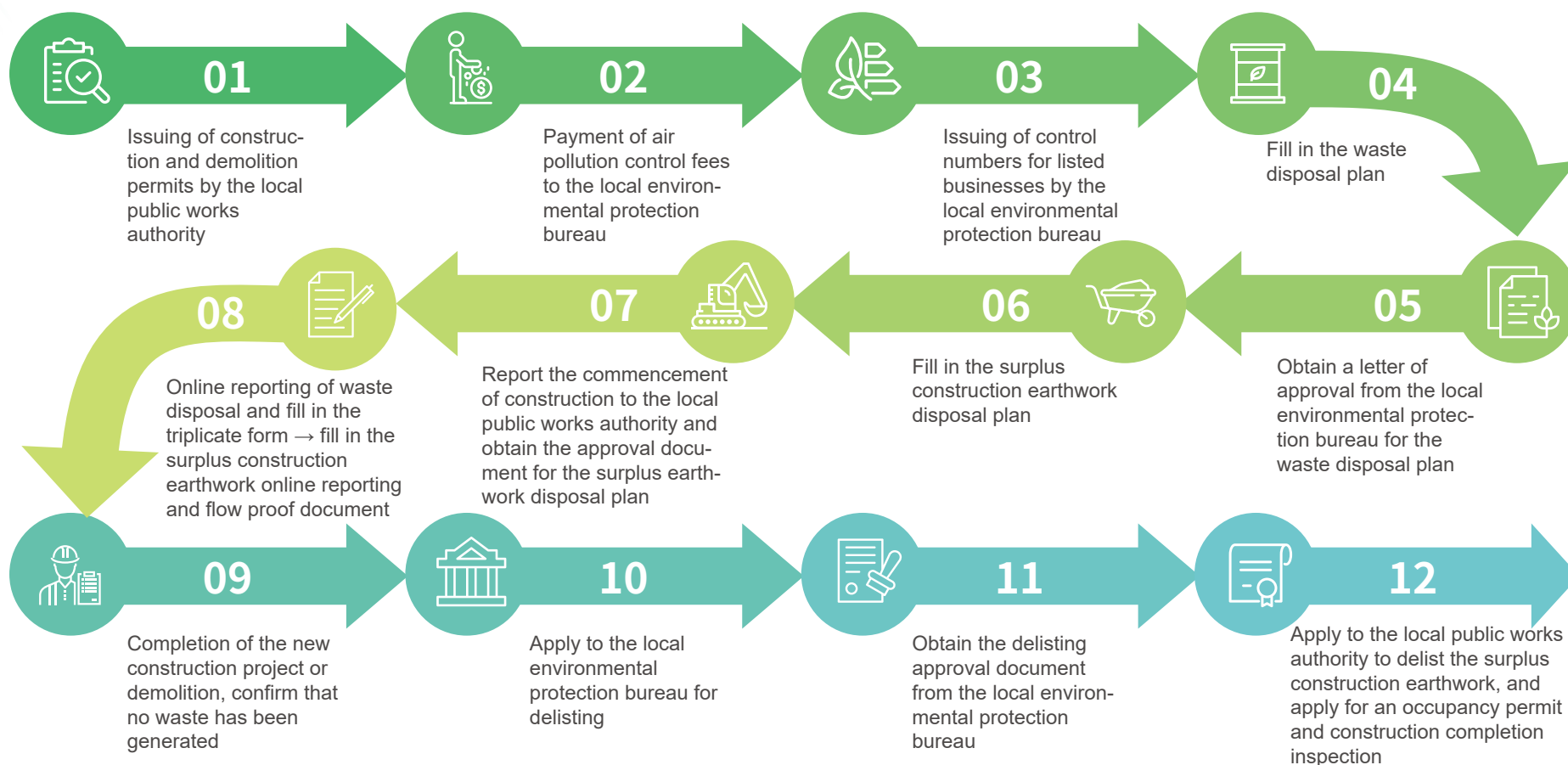
Construction site waste value chain



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.

Statistics of construction waste

The types and total amount of waste generated by each construction site of Farglory Construction over the years					
Waste type		Disposal method	Unit	2021	2022
Industrial waste	Non-hazardous waste (not recyclable)	Incineration	Tonnes	---	0
	Non-hazardous waste (recyclable)	Recycling or reuse	Tonnes	---	10834.43
	Hazardous waste	---	Tonnes	---	0
Total construction waste			Tonnes	---	10834.43
Intensity of construction waste			Tonnes/million revenue	---	0.41

Note: Farglory Construction was included in the scope of statistics in 2022.

Water resource management at construction sites and construction offices

Farglory Land Development and its construction partners attach importance to the management of water resources at construction sites. Through a number of measures such as on-site monitoring, recycling and education, we conserve and effectively use water resources to reduce environmental impact.

Type and volume of water withdrawn at construction sites and construction offices over the years			
Type of water source	Unit	2021	2022
Surface water, groundwater, seawater, generated water	million liters	-	0
Third-party water (tap water)	million liters	-	116.63
Total water withdrawal	million liters	-	116.63
Water use intensity	million liters/million revenue	-	0.004

Note 1: In 2021 and 2022, Farglory Land Development contracted Farglory Construction for its construction projects.

Note 2: Farglory Construction conducted its first GHG inventory in 2022.

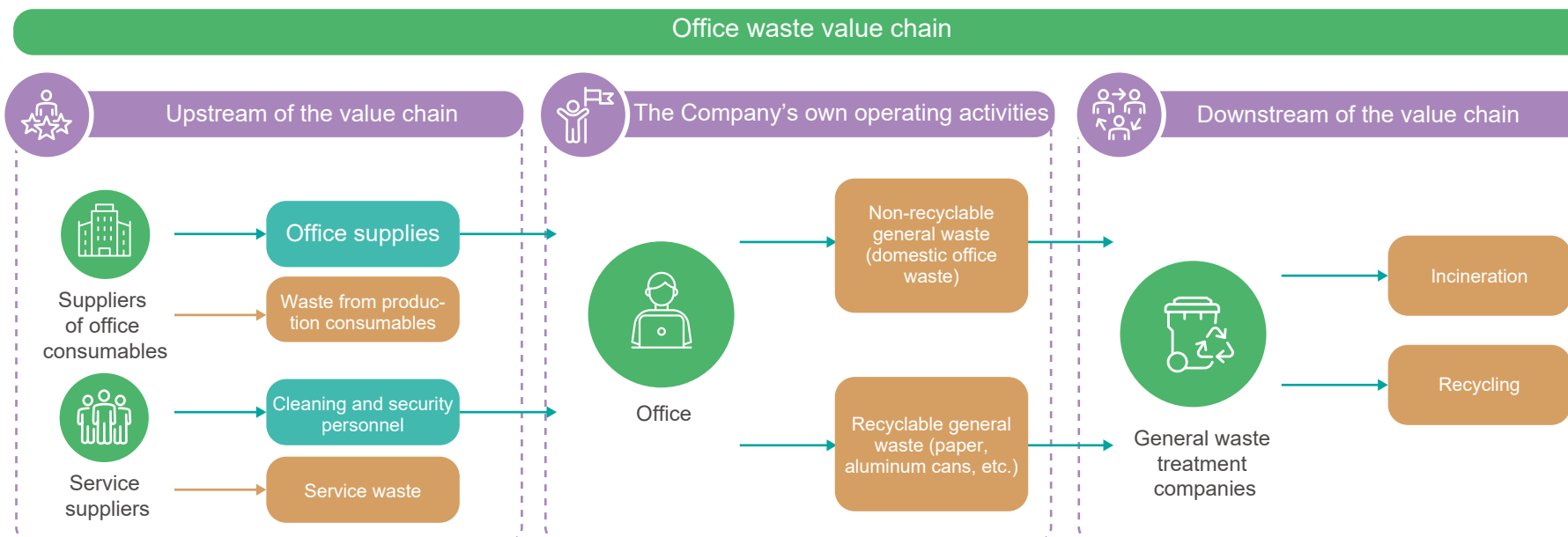
3.2.2 Green Office

Farglory Land Development has always been committed to green office and implemented energy-saving measures in the workplace, such as regular lighting control, encouraging reprinting of recycled paper, and purchasing energy-saving appliances. This not only reduces the Company's energy consumption, but also raises its employees' awareness of environmental protection. For information related to the improvement of energy-saving hardware and equipment and energy-saving measures in the office, see [3.1.2 Energy and GHG Inventory](#).

Paperless meeting

Besides energy-saving measures, we also actively promote paperless by digitally integrating paper forms such as approval documents, invoice forms, receipt forms and work contact forms into our electronic approval system, further reducing the use of paper. To reduce paper waste from meetings, we store meeting information on the cloud and distribute laptops and tablets for meeting attendees to obtain the latest information in real time, which is both eco-friendly and efficient. In 2022, we have also implemented a paperless fax policy, replacing paper faxes with Internet transmission.

Office waste value chain chart



Management of office waste

The buildings of Farglory Land Development and Farglory Construction's head offices have centralized waste management and have engaged a legal company to remove waste. In 2022, waste sorting and recycling areas were set up on their own floors to deepen the environmental awareness of resource recycling among employees.

Types and total amount of waste generated in the office over the years							
Waste type		Disposal method	Unit	Farglory Land Development		Farglory Construction	
				2021	2022	2021	2022
General waste	Domestic waste (non-recyclable)	Incineration	Tonnes	8.94	8.18	--	2.32
	Domestic waste (recyclable)	Recycling	Tonnes	--	1.72	--	0.56
Total waste			Tonnes	8.94	9.9	--	2.88
Waste intensity			Tonnes/billion revenue	0.27	0.37	--	0.11

Note 1: In 2021, the head office of Farglory Land Development (Farglory International Center) covered 16F, 17F, B2 warehouse and the floor of the Kaohsiung office (Manhattan Building) is 25F-2, totaling 849.26 ping. In 2022, the leased floor of 11F was newly included for Farglory Land Development, which together with the original leased floors totaled 1192.36 ping.

Note 2: Farglory Construction was included in the scope of statistics in 2022. The leased floors for the head office of Farglory Construction cover 15F and the B2 warehouse, totaling 340.6 ping.

Management of water resources in the office

The head offices of Farglory Land Development and Farglory Construction use tap water; no water from conflict sources is obtained. Since 2022, all the toilet facilities have been gradually equipped with water-saving equipment to achieve water conservation.

Water withdrawal type and volume in the office over the years					
Water withdrawal type	Unit	Farglory Land Development		Farglory Construction	
		2021	2022	2021	2022
Surface water, groundwater, seawater, generated water	million liters	0	0	--	0
Third-party water (tap water)	million liters	3.32	3.60	--	1.31
Total water withdrawal	million liters	3.32	3.60	--	1.31
Water use intensity	thousand liters/ m ²	1.18	1.10	--	1.17

Note 1: In 2021, the head office of Farglory Land Development (Farglory International Center) covered 16F, 17F, B2 warehouse and the floor of the Kaohsiung office (Manhattan Building) is 25F-2, totaling 849.26 ping. In 2022, the leased floor of 11F was newly included for Farglory Land Development, which together with the original leased floors totaled 1192.36 ping.

Note 2: Farglory Construction was included in the scope of statistics in 2022. The leased floors for the head office of Farglory Construction covers 15F and B2 warehouse, totaling 340.6 ping.

3.2.3 Circular Economy

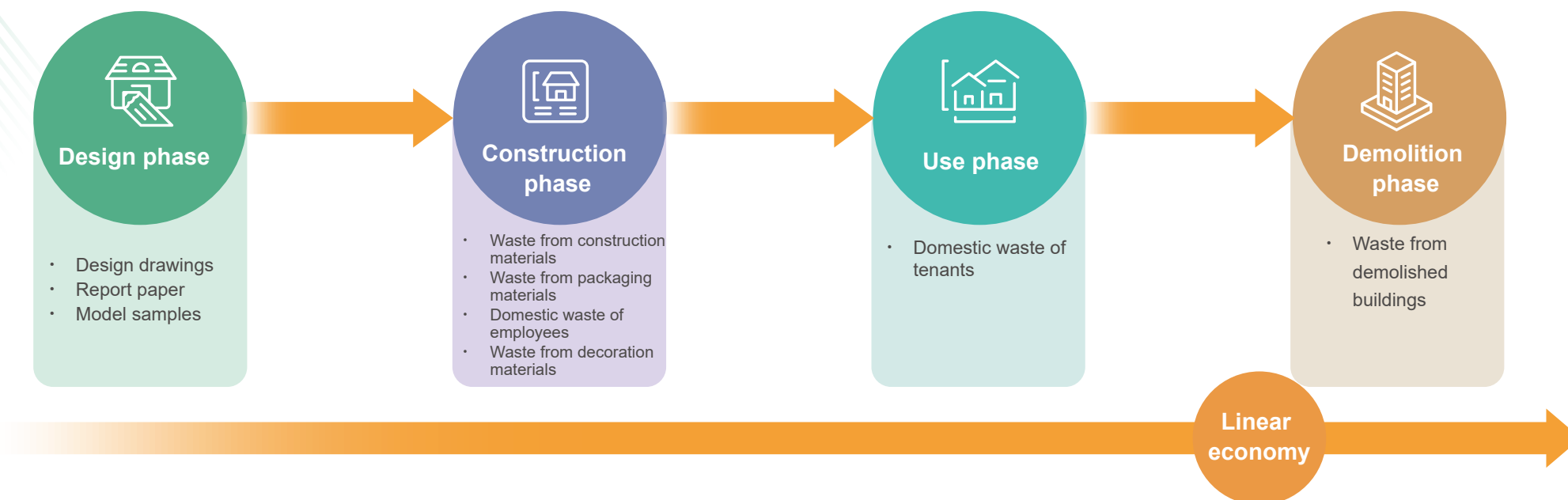
Building construction is a resource-intensive industry, whose traditional model has a lot of resource waste and environmental pollution. Therefore, the circular economy model can achieve the sustainable development of the construction industry by reducing waste and improving resource utilization. Recognizing the importance of changing the current linear economy of the construction industry, Farglory is actively exploring methods that can lead to waste reduction or reuse, and incorporating the circular economy into its existing operations.

By introducing the concept of circular economy, Farglory strives to break the mindset of the traditional construction industry and gradually establish a sustainable economic model. We integrate the concepts of resource recycling, reuse and energy saving and carbon reduction into the design and construction of buildings, and achieve the goal of sustainable development by optimizing the production process of our products and services. Our efforts not only reduce construction waste emissions, but also promote the effective use of resources and reduce environmental pollution and carbon emissions.

I. Farglory's strategic plan for circular economy

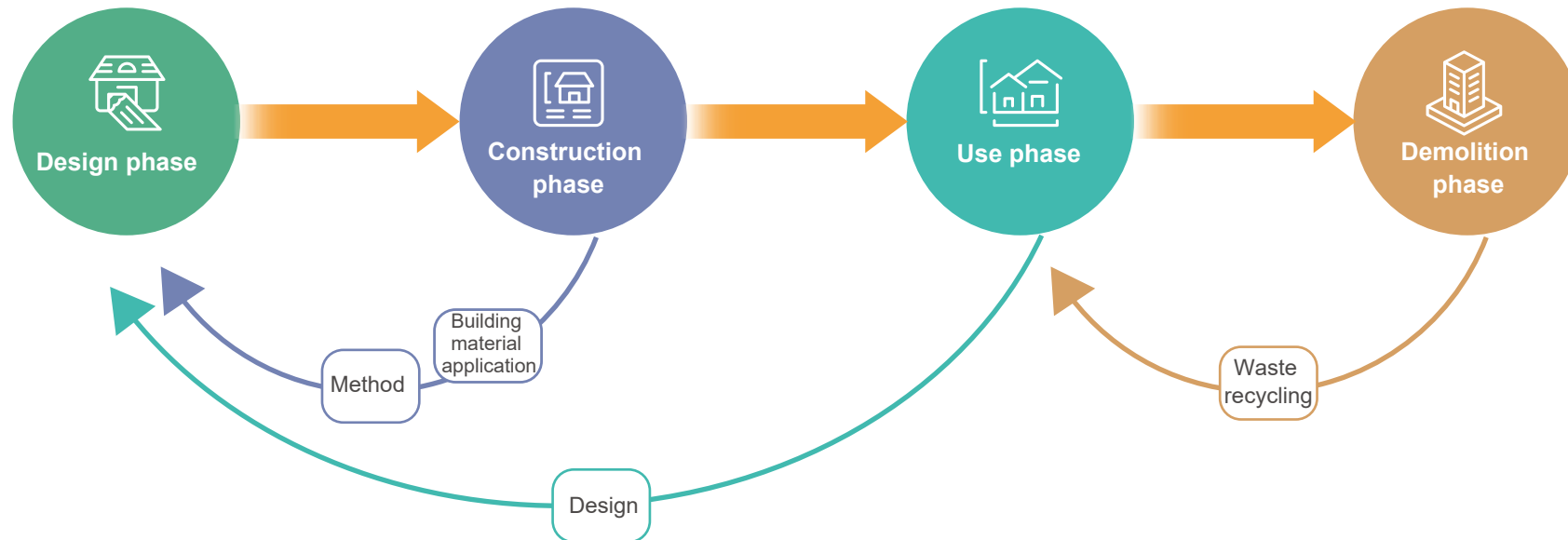
The established linear economic model of the construction industry

The linear economy of the construction industry consists mainly of the phases of building design, construction, use and demolition. A large amount of waste is generated during these phases, such as models and drawings generated during the building design phase, construction steel frames, cement, tiles and wood materials generated during the construction phase, and construction waste generated during the demolition phase. Most of these types of waste are considered non-reusable resources, resulting in waste and environmental problems.



Farglory's strategy for introduction of circular economy

Farglory is committed to reducing the environmental impact of the construction industry at all phases, with waste reduction and reuse as its starting point. Through four circular economy strategies—method, building material application, design and waste recycling—the original linear economy of the construction industry is transformed into a circular economy model of sustainable development.



Method

Through the introduction of eco-friendly and advanced methods, we are able to reduce the waste generated by old technologies during the construction phase and improve the overall quality of buildings.



Design

We integrate the principles and concepts of green building into building design to reduce emissions and environmental impact during the use phase of buildings.



Building material application

We introduce recycled green building materials and re-manufacture the remaining materials into building materials for use in the construction phase.



Waste recycling

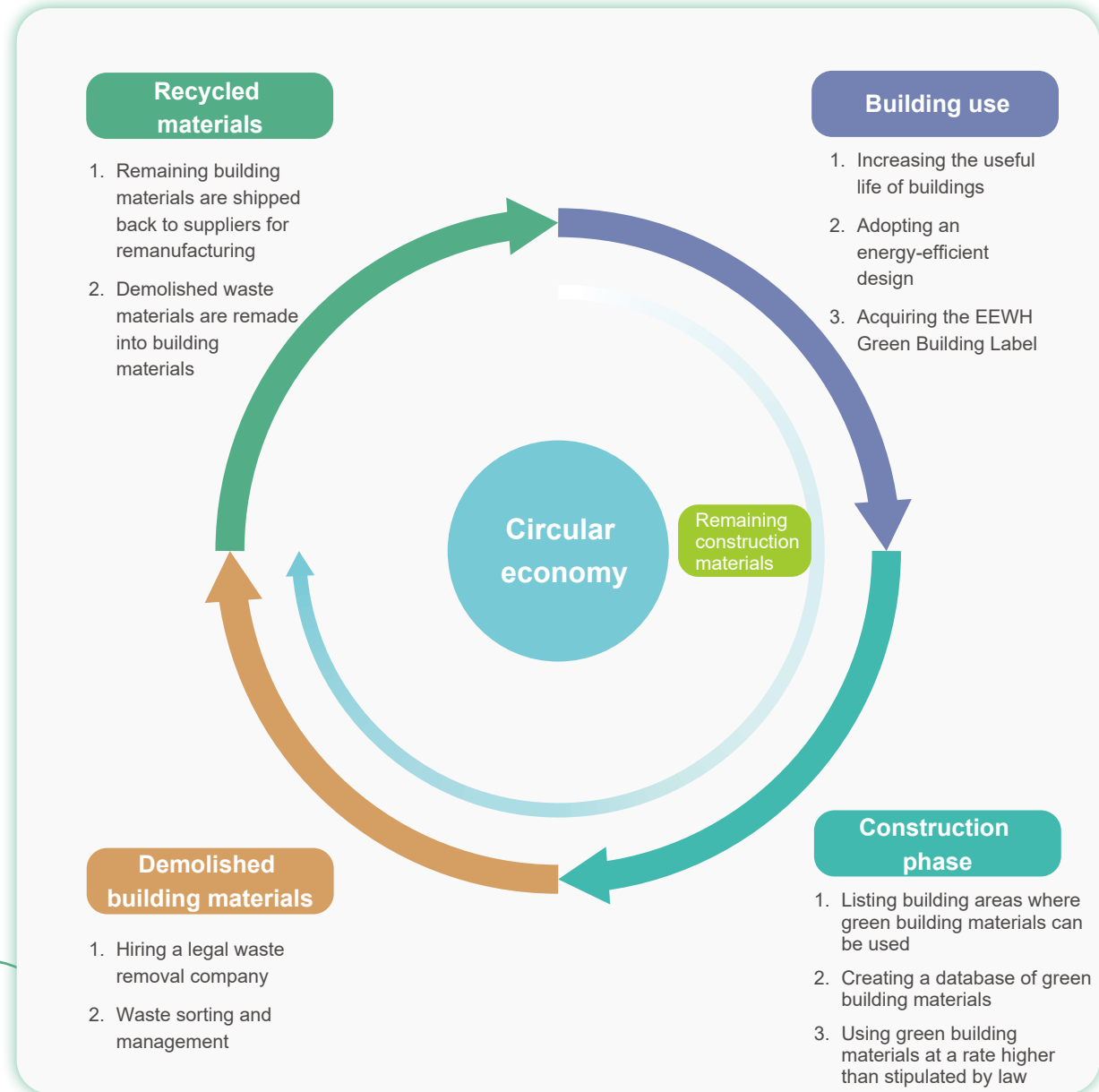
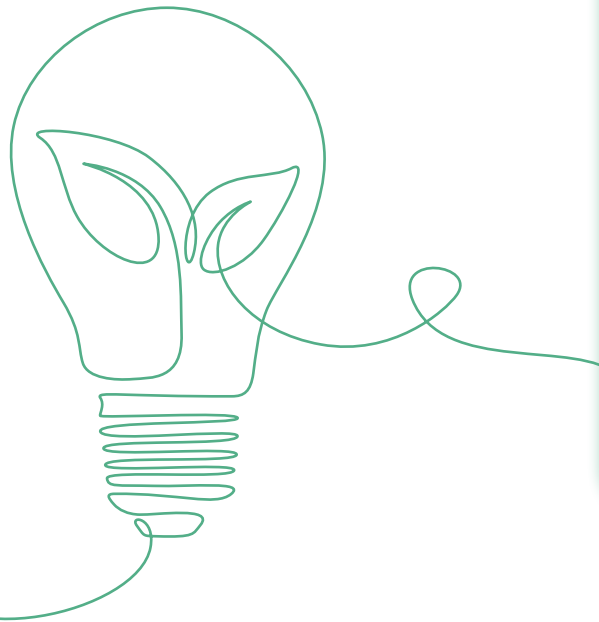
We turn waste from construction sites or demolished buildings into furniture or decorations that can be put into daily use again.



Farglory's circular economy model after strategic introduction

Farglory regards circular economy as one of its important strategies to reduce impact on the natural environment, promote resource efficiency and create new business values. To this end, we are actively pursuing a number of strategies, such as using recycled materials, implementing methods for resource reuse, and promoting the "Site Project" for recycling construction waste into building materials, in order to realize our business philosophy of sustainable development.

With the FG Next team at the core of our research and development, we continue to explore the possibilities of waste reduction and reuse and apply them to our product design and construction projects, with the hope of making a positive impact on a sustainable environment. Farglory will continue its efforts to develop more innovative technologies and strategies to contribute to the sustainable development of the construction industry and society.



II. Actions for circular economy

1. Use of recycled materials

With the increasing awareness of environmental protection and home health among customers, Farglory Land Development has applied recycled green building materials and healthy green building materials in its products. In the case of the residential project "Farglory Star 6", the proportion of green materials used in the interior is as high as 80%, which exceeds the regulatory value of 60%, including 19% of recycled green building materials and 61% of healthy green building materials. This not only meets the needs of customers, but also contributes to the reduction of the environmental burden during the construction process.

We also continue to review our existing products to increase the proportion of green building materials used. For example, we evaluate the possibility of replacing PVC ceilings in bathrooms with green building materials, and we list building areas where green building materials can be used. We are committed to continuously improving the quality and sustainability of our green building products.

Listing building areas where green building materials can be used:

Building area	Green building materials that can be used	Basic performance requirements	Usage rate of recycled materials
Ceilings	Calcium silicate board, fiber cement board	• Flexural strength, impact resistance	50%
	Plasterboard	• Water content, water absorption, flame resistance, heat insulation	50%
Interior walls	Calcium silicate board, fiber cement board	• Flexural strength, impact resistance	50%
	Ceramic tiles	• Water content, water absorption, flame resistance, heat insulation	20%
	Decorative bead pellets	• Health, smoothness	70%
Interior floors	Ceramic tiles	• Water content, water absorption, flame resistance, heat insulation	20%
Bathroom walls	Ceramic tiles	• Water content, water absorption, flame resistance, heat insulation	20%
	Decorative bead pellets	• Health, smoothness	70%
Partition walls	Calcium silicate board, fiber cement board	• Flexural strength, impact resistance	50%
	Thermal insulation materials for building	• Thermal conductivity coefficient	30%
	Common tiles	• Water absorption, compressive strength	40%

Building area	Green building materials that can be used	Basic performance requirements	Usage rate of recycled materials
Exterior walls	Ceramic tiles	• Compressive strength, flexural strength	20%
	Common tiles	• Water absorption, compressive strength	40%
	Thermal insulation materials for building	• Thermal conductivity coefficient	30%
Roof	Cement tiles	• Water absorption, flexural strength	25%
	Roof insulation tiles	• Compressive strength, flexural strength, thermal conductivity coefficient	50%
	Rubber floor tiles	• Impact resistance	80%
Pavement	High-pressure concrete floor tiles	• Compressive strength, flexural strength, abrasion resistance	20%
	Concrete hollow blocks		
	Terrazzo floor tiles		
	Ceramic tiles		
Enclosing walls	Concrete hollow blocks	• Compressive strength, specific gravity	20%
Concrete materials	Green concrete	• Compressive strength	20%
	Water-hardened blended cement	• Compressive strength, expansion rate of cement mortar	40%
Floor cushioning materials	Rubber floor tiles	• Impact resistance	80%

Note 1: Green building materials include healthy green building materials, ecological green building materials, recycled green building materials, and high-performance green building materials.

Note 2: In the technical specifications for green building design issued by the Ministry of the Interior on December 31, 2019, the benchmark value of the usage rate of indoor green building materials (R_{gic}) is 60%.

2. Methods for waste reduction/resource reuse

2-1 Introduction of the aluminum formwork method

During the construction phase, wooden formwork can be reused only 4–8 times. For environmental protection and higher efficiency, Farglory Land Development is gradually introducing durable aluminum formwork method, which can be reused up to 100 times and reduce the repairing process after pouring cement to improve the construction quality.

For example, in the residential project "Farglory Park 16", the introduction of aluminum formwork method is expected to reduce formwork waste by 70% and reduce GHG emissions by about 60,841 kg of CO₂e, which is equivalent to cutting down 110 (11m high) camphor trees. We continue to promote eco-friendly construction methods to reduce the impact of construction on the environment.



2-2 Tile recycling program

Tiles are a common building material used in the construction of buildings, but many materials are often worn out during construction, resulting in a large amount of unusable waste. In order to reduce the production of waste, Farglory Land Development and Champion Tiles have jointly launched a tile recycling program.

For example, in the residential project "HH1 Residential Project", the construction work of the whole project is expected to generate up to 84 tons of worn out tiles, with a wear rate of 8.7%. We will recycle the remaining tile materials from the construction site of the HH1 Residential Project and send them back to Champion Tiles for re-manufacturing, turning them into recycled tiles that can be used again on the site. Through this program, we are able to achieve the goal of reducing construction waste and to realize the concept of sustainable environmental development.



▲ Illustration of the circular economy of tiles



▲ Actual implementation of the tile recycling program

3. Recycling and reuse of construction waste

In 2022, Farglory Construction removed a total of 10,834.43 tonnes of construction waste. We are deeply aware that the earth's resources are limited, and it is our duty to reduce and recycle waste. Therefore, Farglory's FG Next team cooperated with META Design to launch the "Site Project". We visited construction sites to obtain the discarded building materials that seemed to have no value of use anymore. Through R&D, re-manufacturing and re-creation, they were transformed into quality installation art, lighting, tables and chairs, and even stones that can be used on a large scale for interior decoration to realize our concept of sustainable construction.

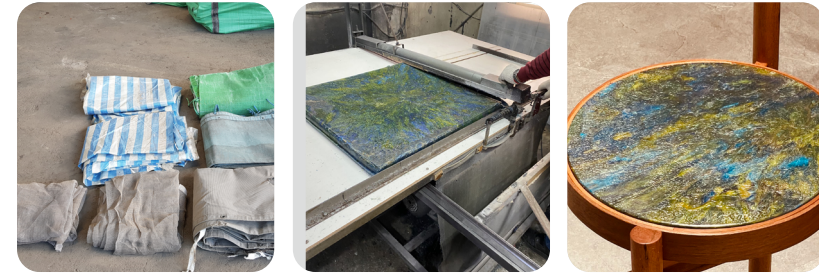


▲ The remaining building materials are designed and transformed into furniture and building materials that can be used in the building. When the building reaches the end of its useful life, the demolished building materials can be reused in new buildings through transformation.

In 2021, when the Farglory Group relocated its workplace, the FG Next team applied the results of the Site Project to the workplace renovation, using 16F as an experimental site and using recycled building materials to create switchboard counters, chairs in public areas and corporate image walls. Later, FG Next used the experience of renovation on 16F to complete the 24F Farglory Group workplace and the 25F multi-functional classroom with continuously evolving ideas and technologies. In 2022, FG Next and META Design collaborated again to renovate the newly leased office floor on 11F with the use of recycled stone and recycled materials. In addition to continuing the concept of sustainability and recycling on 16F, the workplace on 11F also incorporates more styles of modern decoration, shaking off the stereotype that recycled materials are not aesthetically pleasing to the general public.



▲ The retired wooden formwork, after removing the nails, grinding, gluing, designing and assembly, is reshaped into wooden furniture such as tables, bar chairs and kitchen counters in the shared area.



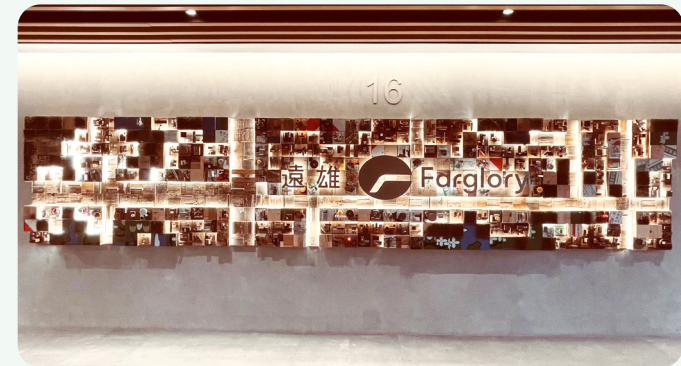
▲ The discarded blue and white tarpaulin and anti-drop net are pressed and turned into plastic chair cushions with colorful layers, so that they can avoid the fate of plastic products that can only be incinerated because they are difficult to recycle.



▲ Most of the old stones removed from the old workplace are too broken to be used directly. Through crushing, selecting, pressing and cleaning, we can recreate large pieces of stone that can be used in large quantities for interior decoration.



- ▲ The renovation of the 11F workplace was completed in 2022. Aside from using more recycled building materials, the renovation style is also more modern, breaking the stereotype that recycled materials are not aesthetically pleasing to the general public.



- ▲ The installation art, composed of 600 squares, is 100% made of construction site waste. We use this as the corporate image wall of the head office of Farglory Land Development on 16F to show our determination to contribute to society and the environment.



III. Benefits and influence

1. Economic benefits

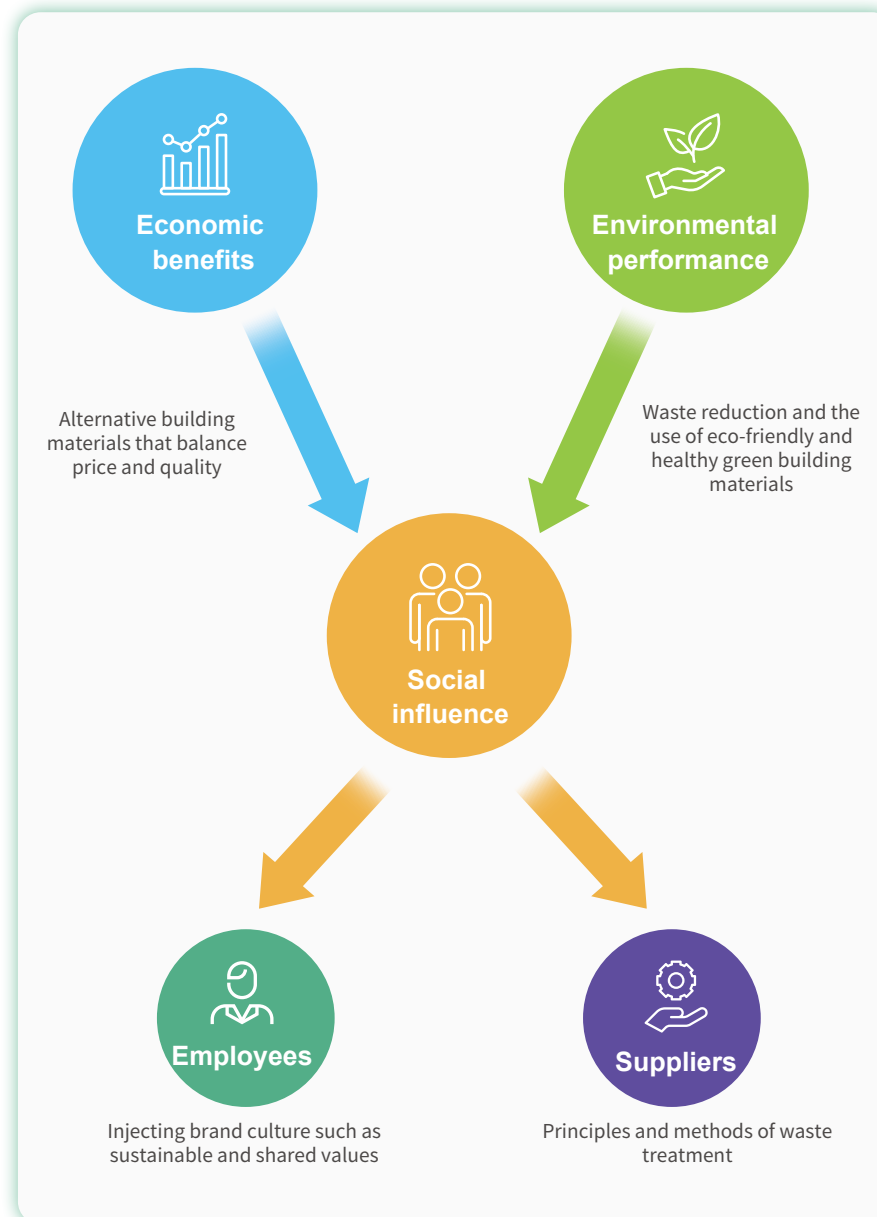
In the Site Project, we developed recycled quartz stone from waste stone and used it for workplace renovation. In the future, we hope to incorporate this eco-friendly recycled material into our own products. However, many people think that recycled materials are more expensive, and are reluctant to use them because they are not economically beneficial. Nonetheless, statistics indicate that the cost of ordinary granite is about NT\$200 to NT\$500/cuft, while the cost of recycled quartz stone is about NT\$320/cuft, which is not more expensive than general materials. In a period of continuous increase in the value of raw materials, recycled stone will become an alternative solution. In addition, recycled quartzite has both texture and quality, with stone hardness up to 5 and good acid resistance, which has the potential to increase the scale of production.

2. Environmental performance

In the tile recycling program, we recycle waste tile residue materials and return them to the original supplier for re-manufacturing. In the future, our goal is to increase the tile recycling rate to 100% in order to reduce construction waste, with the expectation to achieve a 5% reduction in the total amount of waste.

During the workplace renovation in 2022, we used a large amount of recycled quartzite made from old stone. A total of 10 tonnes of stone was removed from the old workplace. After selection, a total of 6 tonnes of old stone was successfully reused, with a waste reduction rate of 60%. In the future, we will continue to refine the technology of recycled stone, continuously improve the reuse rate of old stone, and at the same time continuously optimize the quality and texture of recycled stone, so that it can be applied to a wider range of construction products and achieve a larger scale of benefits of waste reduction.

	Recycled amount	Benefit
Tile recycling	84 tonnes (HH1 Residential Project)	Total reduction of construction waste by 5%
Re-manufacturing of old stone	6 tonnes (workplace renovation project)	Reduction of stone waste by 60%



3. Social influence

Influence on employees' ESG thinking: Injecting brand culture such as sustainable and shared values

Brand culture is the core of a company's internal culture. When ESG values are injected into brand culture, these values will directly influence the ESG thinking of employees, and implicitly change their behavior and attitudes. When a company's brand culture emphasizes ESG values, employees will be influenced to integrate ESG values into their work.

In the case of sustainable and shared values, if a company incorporates sustainable and shared values into its brand culture, employees will begin to focus on these issues as well. For example, when purchasing materials, employees will consider how eco-friendly they are and whether they are in line with the company's sustainability values, which in turn will influence the company's purchasing decisions

Influence on suppliers' ESG thinking: Principles and methods of waste treatment

In the selection of suppliers, we tend to choose those who have good principles of waste treatment and encourage them to use recyclable materials to reduce impact on the environment. In addition, we will work with our suppliers and require them to consider waste treatment as an important aspect to ensure that waste can be treated safely and effectively to reduce the environmental burden.

Awards

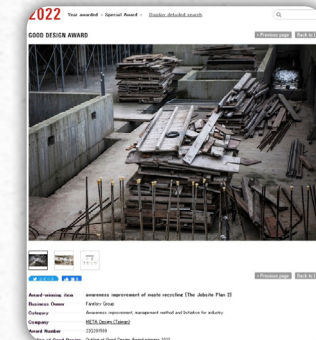
Our Site Project, carried out in collaboration with Meta Design, has been recognized by several design awards, showing that the philosophy of FG Next is gradually accepted by society. While engaging in environmental protection and waste reduction, we can also produce quality works using construction waste. However, our intention is not to make a profit, so we have not applied for any patents. On the contrary, we hope to demonstrate our achievements and call on our peers to follow the good advice and to follow us on the recycling of construction waste, so that we can do our part for Taiwan.



▲ 「14th Taiwan Interior Design Award (Working Space) in 2021」



▲ 「iF DESIGN AWARD 2022 (Interior Architecture)」



▲ 「GOOD DESIGN AWARD 2022」



4

CHAPTER

Customer Service

- 4.1 Customer Marketing Communication
- 4.2 Comprehensive After-sales Service
- 4.3 Strengthening Customer Relations



Material Issues

Material Issues		Marketing communication
Policies and commitments		<ul style="list-style-type: none"> Complying with all laws and regulations related to marketing, information transparency and product trading Accurately responding to customer needs through data analysis, and implementing the resolutions of "quality improvement meeting" and a self-management quality assurance mechanism for the upgrade and elimination of errors in product and service quality.
Action plans	Positive impact management	<ul style="list-style-type: none"> Maintaining a smooth communication channel with customers before, during and after sales to enhance customer satisfaction and recognition.
	Negative impact management	<ul style="list-style-type: none"> Through satisfaction surveys, we collect customers' opinions as a benchmark for continuous improvement, and review the items with low satisfaction in the survey result to initiate improvement Strictly enforcing the regulations related to the Personal Data Protection Act to ensure proper processing and security of customer privacy and personal information.
Assessment of effectiveness		<ul style="list-style-type: none"> Average score of 85.79 for annual customer satisfaction, customer complaint rate of 1.29%. (For other relevant performance, please refer to the sustainability blueprint p16)
Complaint mechanism		<ul style="list-style-type: none"> Responsible department: Customer Service Center Customer service hotline: 0800-033-666 Contact email: https://www.farglory-land.com.tw/contact

Management goal

Short-term(2023)

- Strengthen the customer repair service system, score of 75 for (digital) customer satisfaction, customer complaint rate of 2.0%.

Medium-term(2025)

- Complete the upgrade and optimization of the customer service platform.

Long-term(2030)

- 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.

([For other related goals, please refer to the sustainability blueprint p16](#))

4.1 Customer Marketing Communication

GRI 417-1 | SASB : IF-HB-410a.4

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 customers 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.

Additionally, through Farglory Land Development's website and sales center, we can communicate our designs and services in improving the construction projects' resource efficiency to customers:

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.

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.

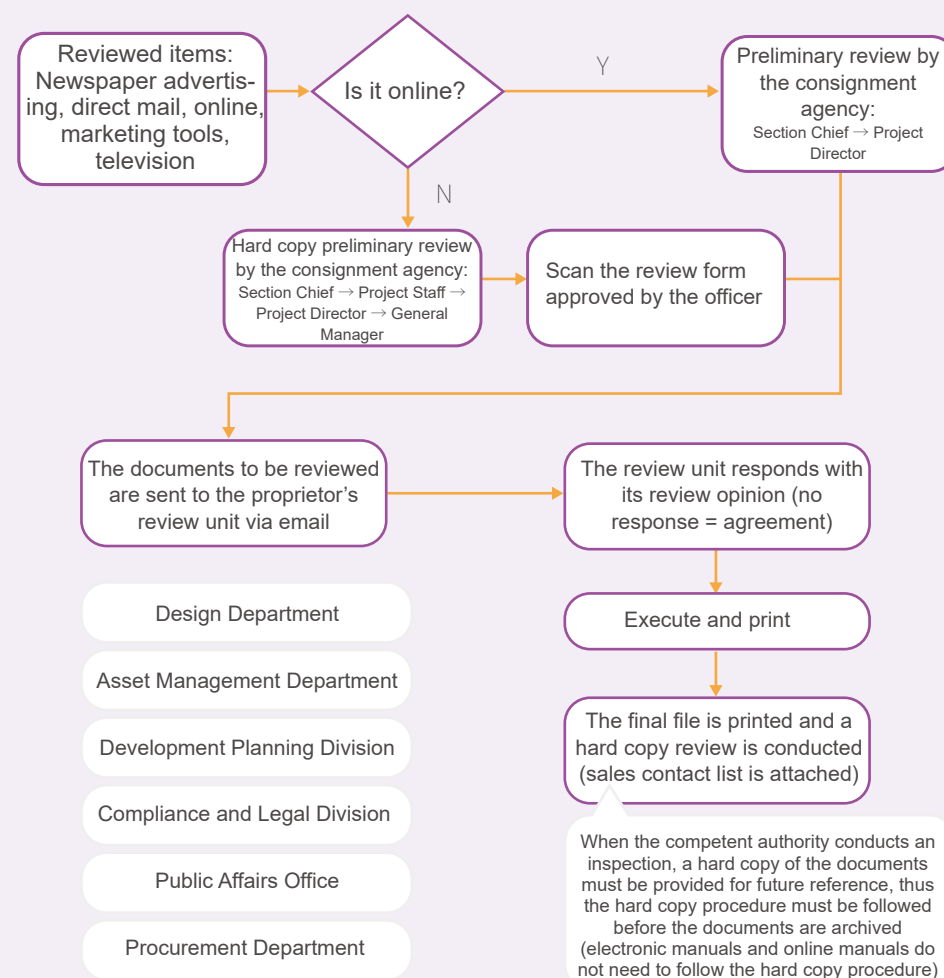
Construction project information transparency

Establish a product engineering museum and display boards in all sales centers to convey the design of the construction project and building material contents.

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

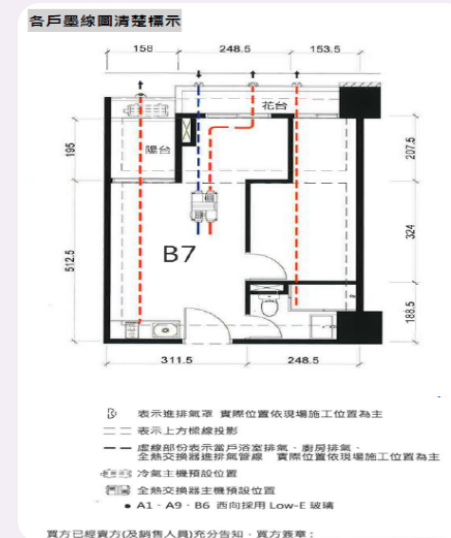
- The building materials of the sample house corresponding to the standard house handed over

「遠雄OO」交屋標準及樣品屋裝潢說明		
客廳、餐廳		
項目	交屋標準 (買賣契約書/建材設備說明書)	樣品屋說明
平頂	配合消防法規設置消防設施，不批土、不油漆、不另作天花板； 全室管線(含消防管、給、排水管等)，配置位置以實際交付為準。	本空間天花板、燈飾為設計師示範裝潢之創意表現，非交屋標準； 全室管線無展示。
牆面	刷水泥漆。	裝潢油漆為設計師示範裝潢之創意表現，非交屋標準。
地坪	拋光石英磚(60cm*60cm)， 抹縫為水泥本色處理。	同左項交屋標準，實際排磚方式略有差異。
隔間牆	輕質隔間牆。	本隔間牆為設計師示範裝潢之創意表現，非交屋標準。
玄關門	鋼板防火門(電子玄關鎖)。	無展示。
鋁門窗	力霸或詮盛或今一或錦銘或塑鋼窗或國產同等級，附紗窗。	本建材為設計師示範裝潢之創意表現，非交屋標準。
玻璃	節能LOW-E膠合玻璃。	本建材為設計師示範裝潢之創意表現，非交屋標準。

備註：
1.主要建材及其廠牌、規格說明
賣方能證明有不可歸責於賣方之事由，致無法供應原建材設備時，賣方得以不低於原約定之建材設備給付。
2.面積說明
銷售面積=專有(室內+陽台)+共有(公設)面積
銷售面積登記機關之地籍測量實施規則測繪登記，如與登記面積有誤差時，依買賣契約書第六條房屋、土地面積誤差及其價款找補辦理。
3.空間尺寸說明
本樣品屋空間尺寸與裝潢配置僅供參考，非採1:1比例呈現，與實際交屋標準會略有誤差。
本戶(型)樓層高度為340公分(自室內地板面至其直上層地板面之高度)；
淨高尺寸(天花板高度：自室內地板面至天花板之高度)須扣除樓地板、空調室內機、天花板及裝修材厚度。(目前施作295公分，若採隱藏式空調室內機，天花板高度275公分。)
※以上樓層高度依建築執照所示為主。
本樣品屋空間淨尺寸為設計師示範裝潢之創意表現，僅供參考，非交屋標準。

3. Provide the pre-purchase real estate sales agreement

- Floor plan (sample)



- List of building materials and equipment (sample)

遠雄OO 建材設備表	
項目	建材設備說明
建築結構	結構 預構
	地基設計 地牛加強型 5%
	牆面 25公分
	樓板 25公分 鋼筋
外牆設計	外牆 丁型磚牆或大瓦片或大瓦片或大瓦片
	門窗 鋁窗、鋁窗、鋁窗、鋁窗、鋁窗、鋁窗、鋁窗、鋁窗、鋁窗、鋁窗
	玻璃 鋼化Low-E玻璃或鋼化玻璃
	窗簾 防盜大瓦片或防盜大瓦片或防盜大瓦片
一樓設計	地坪 拋光石英磚或大瓦片或大瓦片或大瓦片
	牆面 鋼化石英磚或大瓦片或大瓦片或大瓦片
	地板 鋼化石英磚或大瓦片或大瓦片或大瓦片
	樓梯 鋼化石英磚或大瓦片或大瓦片或大瓦片
公共空間	樓梯 鋼化石英磚或大瓦片或大瓦片或大瓦片
	樓梯 鋼化石英磚或大瓦片或大瓦片或大瓦片
	樓梯 鋼化石英磚或大瓦片或大瓦片或大瓦片
	樓梯 鋼化石英磚或大瓦片或大瓦片或大瓦片
地下室	地下室 鋼化石英磚或大瓦片或大瓦片或大瓦片
	地下室 鋼化石英磚或大瓦片或大瓦片或大瓦片
	地下室 鋼化石英磚或大瓦片或大瓦片或大瓦片
	地下室 鋼化石英磚或大瓦片或大瓦片或大瓦片

After signing the contract

1. Set up an escrow account for the customer

Type of contract performance	Content (template)
Real estate development trust	<ol style="list-style-type: none"> ① The developer or builder shall entrust the land and construction funds for the project to a financial institution or government-approved trust company for performance management. ② Construction funds shall be earmarked according to the progress of construction work. ③ Upon execution of this Agreement, the Vendor shall provide the Purchaser with a certificate or copy of the above-mentioned trust.
Price refund guarantee	<ol style="list-style-type: none"> ① The guarantee for refund of the price of this pre-sale home shall be undertaken by ____ (financial institution). ② The cost of guarantee for price refund shall be borne by the Vendor. ③ The Vendor shall provide a copy of the guarantee agreement under Paragraph 1 to the Purchaser.
Price trust	<ol style="list-style-type: none"> ① The price of this pre-sale home shall be placed under a trust, which shall be undertaken by ____ (financial institution). A dedicated account for earmarked funds shall be set up, and the trustee shall be responsible for matters related to fund control, such as the delivery of payments for the project and the payment of taxes and fees, in accordance with the terms of the trust agreement during the term of the trust. ② The beneficiary of the trust under the preceding paragraph shall be the Vendor (i.e., the builder or joint builders) rather than the Purchaser, and the trustee shall be entrusted with the management of trust property for the Vendor rather than the Purchaser. If the Vendor fails to complete the construction or delivery of the house as agreed, the beneficiary's rights shall belong to the Purchaser. ③ The Vendor shall provide a copy of the trust agreement under Paragraph 1 to the Purchaser.
Joint guarantee with peer	<ol style="list-style-type: none"> ① The Company and ○○ Company (a peer company of the same class), which may provide external guarantees in accordance with the Company's Articles of Incorporation, shall jointly guarantee to each other that if the Vendor fails to complete the construction or delivery of the house as agreed, the Purchaser may request the aforementioned company to complete the project and deliver the house in accordance with this Agreement. ② The above-mentioned company may not raise any objection or claim any fee or compensation. ③ The criteria for classification of peer companies under the preceding paragraph shall be determined by the Ministry of the Interior. ④ The Vendor shall provide a written copy of the joint guarantee to the Purchaser.
Joint guarantee with trade association	<ol style="list-style-type: none"> ① This pre-sale home has been covered by a joint guarantee agreement with the national or a county/city real estate development association. If the Vendor fails to complete the construction or delivery of the house as agreed, the Purchaser may request ○○ Company, a party to the agreement, to jointly complete the project and deliver the house in accordance with the agreement. ② ○○ Company, a party to the agreement, may not raise any objection or claim any fee or compensation. ③ The Vendor shall provide the Purchaser with a written copy of proof of it being a party to the joint guarantee agreement under the preceding paragraph.

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 accordance with the Company's internal control system, an awareness session on personal data protection and management was held for all employees on September 29, 2022 to strengthen employees' awareness of compliance, protect the security of subjects and personal information, and enable employees to fully understand the relevant laws and regulations related to the Personal Data Protection Act, common deficiencies and information security-related cases. In 2022, 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.

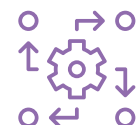


Farglory Land Development
Privacy Policy

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 non-periodic 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 GRI416-1、417-1

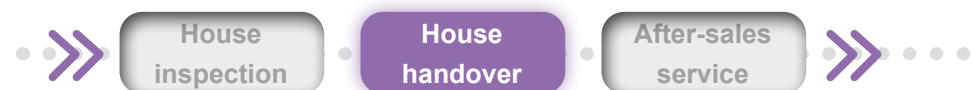


Farglory Land Development values building quality. From construction site self-inspection and proprietors' inspection to the customer's house inspection, we voluntarily provide them customers house inspection tools and instructions, and the house handover will only be completed if our customers are satisfied 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)	<ol style="list-style-type: none"> 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 	
Windows	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. No structural cracks 2. Smooth surface, no pollutants or peeling paint 	
Walls	<ol style="list-style-type: none"> 1. 建議目視距離 1.5 公尺 2. 無結構性裂紋 3. 表面平整、無汙染、無油漆垂流 4. 廚房及浴廁牆壁貼磚平整、填縫大 小均勻、無色差、無裂紋、無汙染 	

Inspection item	Inspection item function	Reference illustration
Floor	<ol style="list-style-type: none"> 1. Polished tiles are flat and evenly spaced with no color discrepancies, cracks, or pollutants 2. Baseboards are installed properly and are not loose 	
Kitchen	<ol style="list-style-type: none"> 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 	
Bathroom	<ol style="list-style-type: none"> 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 	

Inspection item	Inspection item function	Reference illustration
Electrics	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 	
Rear balcony equipment	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 1. Door access control and surveillance system (intercom) function test 2. The intercom system produces a clear image/sound and functions 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.

STEP 1

Customer arrival

- Customers present house handover notice
- Agent presents power of attorney
- Collect house handover form to begin the process

STEP 4

Property management description

- Customer information registration
- Parking space registration and issuing of temporary parking permit
- Explanation of decoration-related precautions

STEP 2

House ownership certificate description

- Ownership transfer document verification
- Ownership certificate area confirmation
- House handover document signing and confirmation

STEP 5

Construction acceptance

- House acceptance
- Signing and confirmation of the acceptance form
- Handover of keys and instruction manuals for relevant equipment

STEP 3

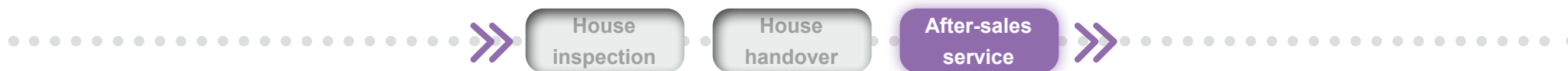
Payment

- House handover payment and modification payment
- Ownership transfer fee compensation
- Prepay 6 months of condo fees
- Handover of warranty, ownership certificate, and ownership transfer documents

STEP 6

Procedure confirmation

- Confirmation of completion of the house handover process
- Retrieval of house handover form



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 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.

The Company'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).



1. Inspection



2. Construction



3. Case closed



4. Satisfaction survey

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.



1. Inspection



2. Recommend contractor



3. Paid repairs



4. Case closed



5. Satisfaction survey

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.

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 2022, our satisfaction survey^{Note 1} resulted in an average score of 85.79^{Note 2}.

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

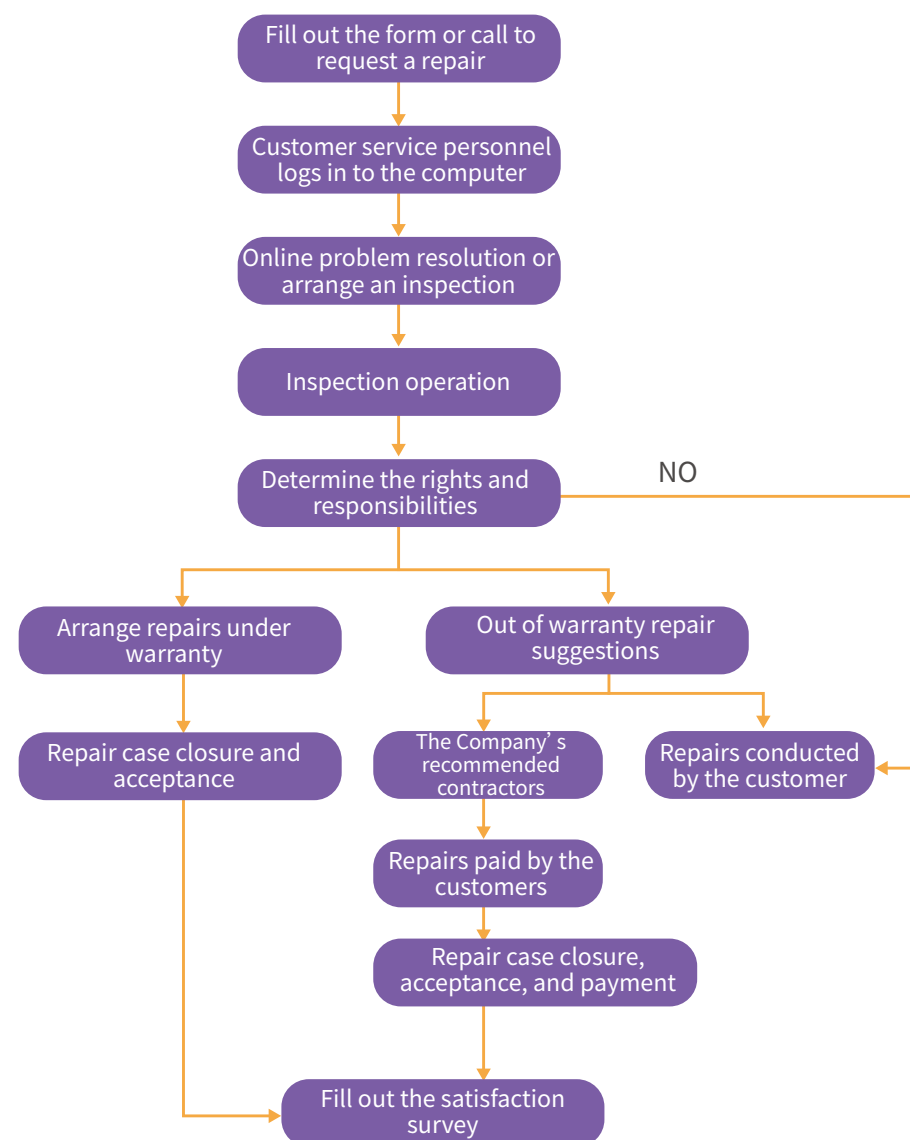
Unit: point

	2020	2021	2022
Contract signing satisfaction	90.62	90.37	90.86
House handover satisfaction	77.22	75.93	77.39
Repair satisfaction	93.26	85.07	86.43
Total average	89.11	86.99	85.79

Note 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.

Note 2: The simple average method was used to calculate the monthly average score of satisfaction at the three stages.

The Company 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 ^{Note 3} 9,269 cases before December 31, 2022.



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

4.3 Strengthening 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" (<http://www.u-city.com.tw>), 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.



Pre-house handover – Presale services



Construction project notification

Payment, customer change, house inspection, identity verification, and house handover-related notifications and information



Construction progress

Check construction project progress photos



Drawing download

Download house-related design drawings



Payment record

Check information on payments made



Official Line

Instant notification of diverse activities and special promotions



Feedback

Problem consultation, suggestion feedback



Post house handover – Newly completed house services



Community announcement

Community announcements



Mail notification

Check for registered parcels and delivery notification



Public facility reservation

Public facility reservation



Check points

Check public facility point usage status



After-sales service

Online request for residential repairs



Gas meter reading registration

Online registration of gas meter reading

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 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.



5

CHAPTER

Friendly Workplace and Happy Enterprise

- 5.1 Human Resources Policy
- 5.2 Talent Development
- 5.3 Remuneration System and Diverse Benefits
- 5.4 Creating a Healthy and Safe Workplace



Farglory Construction was awarded the **Silver Award** and **Gold Award** in the 2021 and 2022 Happy Enterprise Polling organized by 1111 Job





Material Issues

Material Issues		Remuneration, welfare and labor-management communication	Occupational safety and health	Talent cultivation
Policies and commitments		We uphold the belief of "sharing profits with our colleagues". 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 employees.	We are committed to creating a healthy, safe and friendly workplace in accordance with our "Human Rights Policy".	In accordance with the "Guidelines for Annual Learning and Development", we provide our colleagues with a wide range of learning channels under the theme of digital "occupation-oriented learning and development".
Action plans	Positive impact management	<ul style="list-style-type: none"> Although the Company and the Subsidiary do not have a labor union, they hold regular labor-management meetings on a quarterly basis to foster good communication and interaction between employers and employees. We respect the wishes of our employees when adjusting their job position or department, where thorough communication is conducted in advance to increase their job satisfaction. 	We promote relevant education and training to raise our employees' awareness of occupational safety and lower the possibility of related risks.	We have introduced a human resources development learning system to provide employees with a comprehensive personnel development framework in a systematic and modular manner. Farglory Construction also organizes monthly departmental training sessions and joint site inspections to enhance the professional skills of our employees.
	Negative impact management	To encourage employees to suggest improvements to the Company's welfare, each department will arrange for a lead representative to be the contact person to conduct a satisfaction survey to collect employees' suggestions to improve and adjust the Company's welfare policy.	In order to reduce the impact of occupational hazards on offices, we perform a number of preventive actions, including musculoskeletal injury surveys, and overwork scale surveys. We also conduct quarterly inspections of water quality and carbon dioxide in drinking fountains according to the operating environment monitoring reports to ensure process quality and continuously improve occupational safety and health management.	Faced with high costs of raw materials both domestically and internationally, a shortage of manpower and an increasingly severe industrial environment, in response to the expectation of our stakeholders, we continue to provide all of our employees with learning guidelines, such as professional training for each department and tools to improve work efficiency, so that they can develop their strengths and continue to improve.
Assessment of effectiveness		<ul style="list-style-type: none"> Received a score of at least 90 for employee satisfaction regarding all physical welfare activities. Farglory Construction completed a new election of all members of the labor-management committee. <p>(For other relevant performance, please refer to the sustainability blueprint p17)</p>	<ul style="list-style-type: none"> No major occupational accidents in the year. A total of 61 employees participated in on-site health care consultation services in the year. Farglory Construction introduced the SAP Analytics Cloud system for business intelligence and predictive analytics for its construction sites for real-time tracking of occupational safety deficiencies to increase the frequency of risk control monitoring of construction sites and on-site counseling. <p>(For other relevant performance, please refer to the sustainability blueprint p17)</p>	<ul style="list-style-type: none"> An annual average training satisfaction rate of 95%. 100% of employees attended the sustainability and digitization courses. An achievement rate of 95% for monthly departmental training and joint site inspections conducted by Farglory Construction. <p>(For other relevant performance, please refer to the sustainability blueprint p18)</p>
Complaint mechanism		<ul style="list-style-type: none"> Responsible department: HR Department, Employee Welfare Committee, labor-management meeting, Administrative Management Office of Farglory Construction Contact: Labor-management meeting, welfare representatives for compiling employees' opinions, questionnaires for new employees Employee complaint email: Land-Appeal@farglory.com.tw 	<ul style="list-style-type: none"> Responsible department: HR Department, Occupational Safety Management Department of Farglory Construction Hotline: 02-27239999 (ext. 2260) Employee complaint email: Land-Appeal@farglory.com.tw 	<ul style="list-style-type: none"> Responsible department: HR Department, Employee Welfare Committee, labor-management meeting, Administrative Management Office of Farglory Construction Contact: Labor-management meeting, welfare representatives for compiling employees' opinions, questionnaires for new employees Employee complaint email: Land-Appeal@farglory.com.tw

Management goal

Short-term(2023)

- An average satisfaction score of 90 for employee welfare activities.
- Hold at least one labor-management meeting and Joint Employee Welfare Committee meeting per quarter.

Medium-term(2025)

- Conduct employee engagement surveys to identify key organizational issues and implement improvement measures to retain key talents.
- Continue to promote various employee welfare programs and strengthening the management of human rights issues.

Long-term(2030)

- A rate of 80% positive evaluation for employee engagement.
 - Promote the applicable targets and scope of the association between ESG performance and the reward mechanism, and formulate and revise relevant performance management regulations.
- [\(For other related goals, please refer to the sustainability blueprint p17\)](#)

Short-term(2023)

- 0 cases of major injury and occupational illness.
- 85% of all employees undergo health examinations.

Medium-term(2025)

- Continue to maintain 0 cases of major injury and occupational illness.
- Strengthen the promotion of diverse employee wellbeing, safety, and care measures such as health promotion activities and workplace inspection.

Long-term(2030)

- Continue to maintain 0 cases of major injury and occupational illness.
 - Obtain the Badge of Accredited Healthy Workplace.
- [\(For other related goals, please refer to the sustainability blueprint p17\)](#)

Short-term(2023)

- An average satisfaction score of 94 for non-management training.
- An average satisfaction score of 88 for management training.
- Increase the rate of employees electing professional courses to 15%.
- Increase the rate of employees attending external training to 20%.

Medium-term(2025)

- Learning application conversion rate: 50% of our employees complete the training course and demonstrate their achievement.
- 90% of the Company's key job positions have succession plans in place.
- 100% of employees attend the sustainability and digitization courses.

Long-term(2030)

- A satisfaction level of digitization courses of at least 94%.
 - 100% of employees attend the sustainability and digitization courses.
- [\(For other related goals, please refer to the sustainability blueprint p18\)](#)

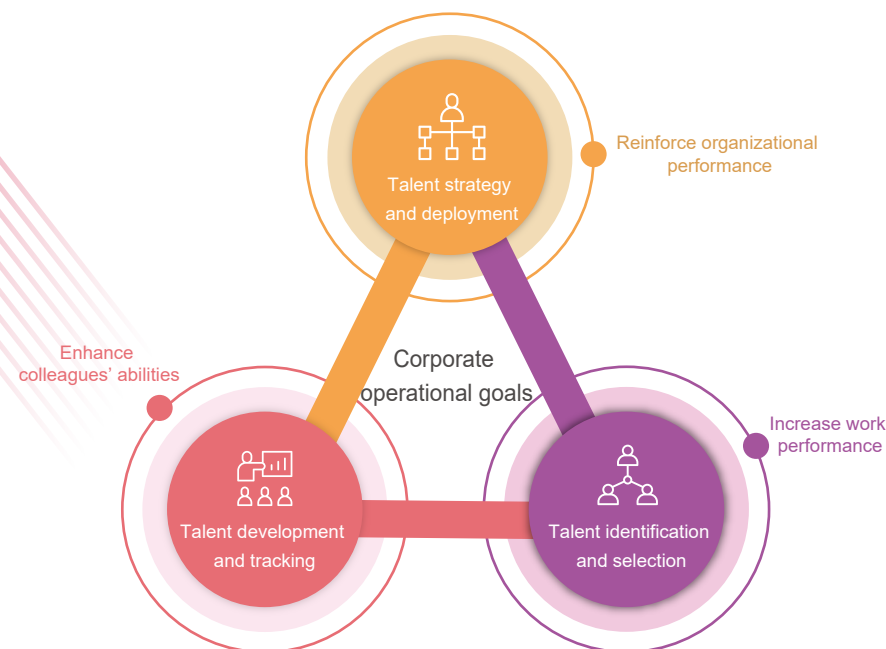
5.1 Human Resources Policy

GRI2-7、2-8、401-1、405-1

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".

► Sustainable employee management system structure



► 5.1.1 Employee Structure

As of the end of 2022, Farglory Land Development and Farglory Construction have 162 and 422 employees respectively, all of whom possess Taiwanese nationality. Our employees include people with disabilities, indigenous people, contract and hourly employees. The main workforce of Farglory Land Development is aged 30 to 50, with 98 employees, accounting for 60% of all employees. The main workforce of Farglory Construction is under the age of 40, with 291 employees, accounting for 69% of all employees.

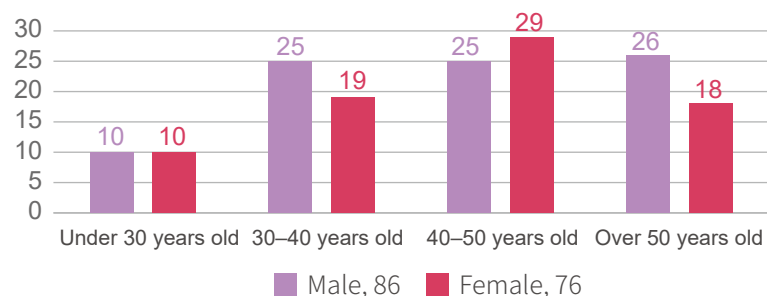
Farglory Land Development										
Gender	Male		Female		Total	Male		Female		Total
Category	Full-time	Part-time	Full-time	Part-time		Full-time	Temporary	Full-time	Temporary	
2020	73	1	69	2	145	72	2	70	1	145
2021	78	2	71	2	153	80	0	73	0	153
2022	83	3	76	0	162	86	0	75	1	162

Note: Farglory Land Development has no employees with non-guaranteed working hours.

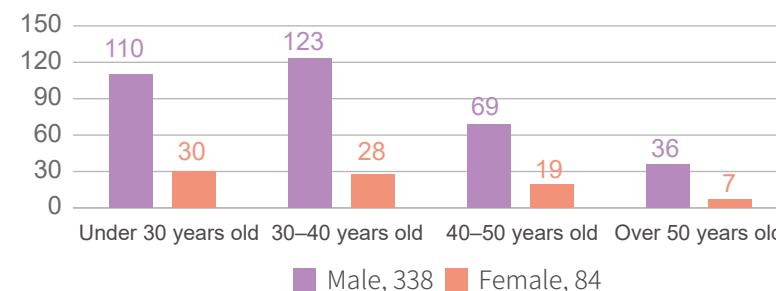
Farglory Construction										
Gender	Male		Female		Total	Male		Female		Total
Category	Full-time	Part-time	Full-time	Part-time		Full-time	Temporary	Full-time	Temporary	
2020	286	0	58	0	344	285	1	58	0	344
2021	317	0	61	0	378	316	1	61	0	378
2022	338	0	84	0	422	336	2	82	2	422

Note: All of Farglory Construction's employees are full-time, and it has no employees with non-guaranteed working hours.

■ Farglory Land Development- Age distribution of employees in 2022



■ Farglory Construction - Age distribution of employees in 2022



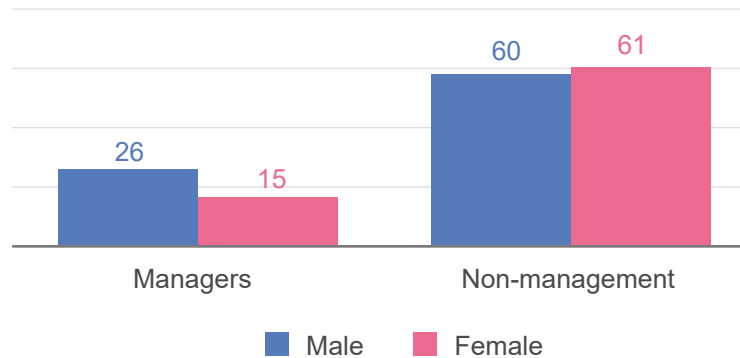
■ Diversified manpower statistics of Farglory Land Development and Farglory Construction for the most recent three years

Farglory Land Development	2020			2021			2022		
	People with disabilities	Minority groups (indigenous people)	Foreign employees	People with disabilities	Minority groups (indigenous people)	Foreign employees	People with disabilities	Minority groups (indigenous people)	Foreign employees
Male	0	0	0	0	0	0	0	0	0
Female	1	0	0	1	0	0	1	0	0
Total	1	0	0	1	0	0	1	0	0

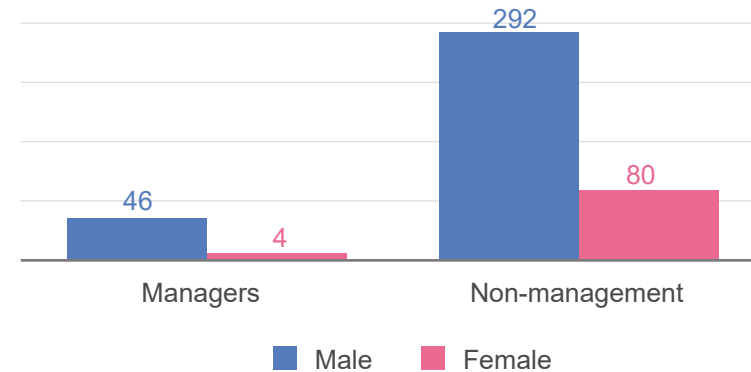
Farglory Construction	2020			2021			2022		
	People with disabilities	Minority groups (indigenous people)	Foreign employees	People with disabilities	Minority groups (indigenous people)	Foreign employees	People with disabilities	Minority groups (indigenous people)	Foreign employees
Male	0	2	0	1	2	0	1	2	0
Female	0	0	0	0	0	0	0	0	0
Total	0	2	0	1	2	0	1	2	0

Women account for 37% and 8% of managerial positions at Farglory Land Development and Farglory Construction, respectively. Farglory Construction is mainly engaged in the construction business, including physical work, machine operation, and wearing safety equipment on site. As a result, the gender distribution of employees is mostly male. However, we always emphasize the principle of meritocracy and do not discriminate on the basis of gender, but rather select talent based on the principle of the right talent for the right job. In addition, we also provide training and education programs to enhance the skills and expertise of our employees so that they can excel in the relevant industries and improve their performance. Therefore, Farglory Land Development and the Subsidiary treat all employees fairly and will continue to strive to implement the concept of gender equality, so that all employees can develop equally in the Company and create a better future together.

■ Farglory Land Development Number of male and female employees in 2022



■ Farglory Construction Number of male and female employees in 2022



Note: A managerial position is a supervisor with personnel management responsibilities, excluding the chairman. A non-managerial position is an employee who does not have personnel management responsibilities.

Non-employee workers

The most common type of non-employee workers in the statistics of Farglory Land Development are property personnel of projects, such as security guards, community managers, secretaries and cleaners. In 2022, Farglory Land Development had approximately 142 such workers, which did not change significantly from the previous year. The most common type of non-employee workers in the statistics of Farglory Construction are construction contractors, such as civil engineering, structural engineering, renovation engineering and other construction technology contractors. In 2022, Farglory Construction had approximately 1,294 such workers.

Note: The statistics of non-employee worker are calculated based on the number of workers at the end of 2022.



5.1.2 Recruitment

Farglory Land Development and Farglory Construction do not discriminate in the recruitment of talents based on nationality, race, class, language, ideology, religion, etc. in terms of hiring, compensation, benefits and promotion. They comply with relevant labor laws and regulations and respect internationally recognized basic labor rights principles, which are also specified in their human rights policies.

In order to recruit talent from all walks of life, the Company engages in talent recruitment and selection through various channels, including external recruitment platforms, internal staff recommendations and an internal transfer mechanism for serving employees, in order to recruit talent with different professions, personalities and experiences. In addition, Farglory cooperates with universities for internships to invite students who prefer the construction industry to join, and arranges for counselors to provide task guidance to accumulate practical experience and guide student interns to explore their career path. After graduation, they can develop their own career in the Farglory family and grow together with the Company, injecting new elements and new strengths into the Company and creating a new image of Farglory together with the Farglory brand.

Overview of new and separated employees

The Company continues to aim for sustainable development as a quality business. For new employees, the manager of the employing department assigns counselors to assist them in a one-on-one manner to demonstrate their personal expertise and explore their career needs to help them adapt to the workplace environment. In addition, the Company invites the manager of the employing department and the HR department to conduct interviews with separating employees to understand the reasons for their separation and engage in two-way communication and subsequently conduct statistical analysis of the reasons for separation on a regular basis. Furthermore, the Company improves the issues raised by our employees as an important basis for talent management and development.

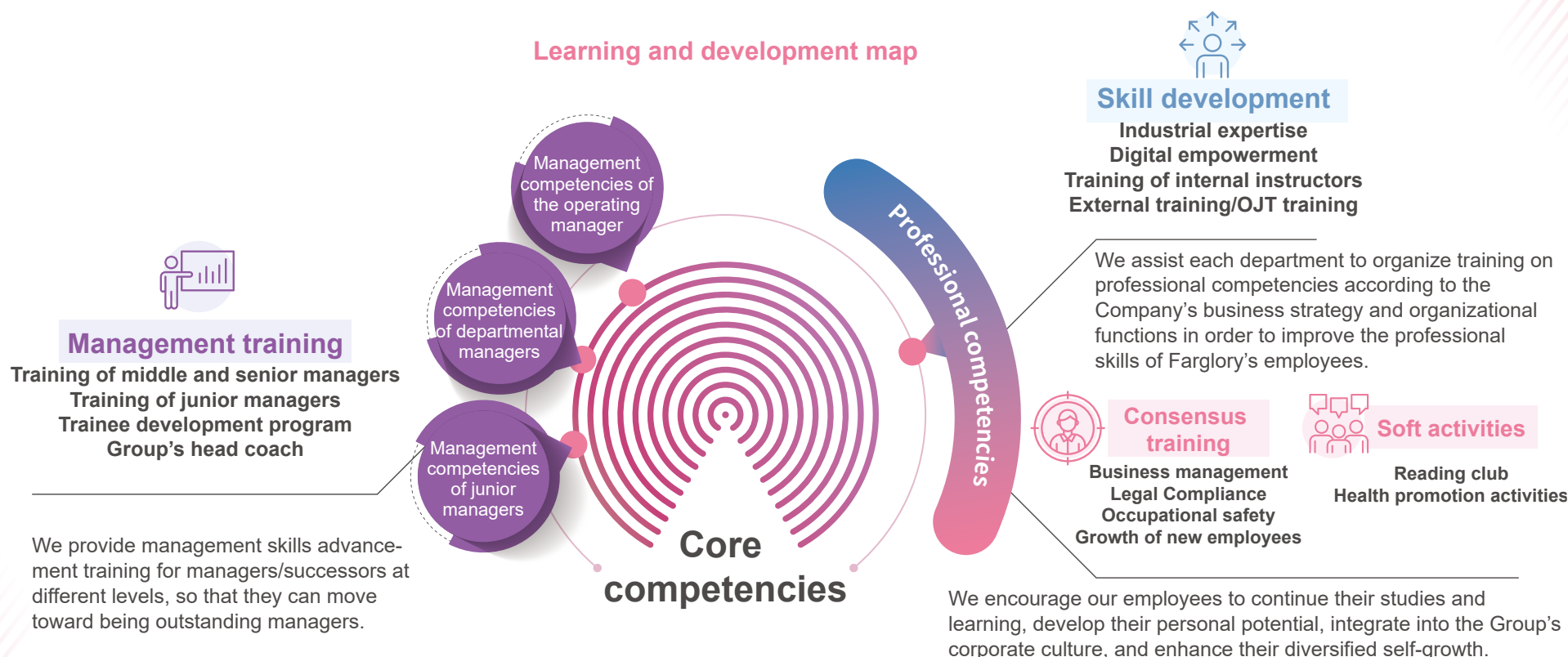
Farglory Land Development		2020		2021		2022	
Gender	Age	New employees	Separated employees	New employees	Separated employees	New employees	Separated employees
Male	Under 30 years old	0	0	2	1	2	1
	30–50 years old	9	4	8	4	9	4
	Over 50 years old	3	4	1	2	1	2
Subtotal		12	8	11	7	12	7
Female	Under 30 years old	1	0	0	0	1	2
	30–50 years old	7	4	4	2	9	4
	Over 50 years old	0	0	2	1	1	4
Subtotal		8	4	6	3	11	10
Total		20	12	17	10	23	17

Farglory Construction		2020		2021		2022	
Gender	Age	New employees	Separated employees	New employees	Separated employees	New employees	Separated employees
Male	Under 30 years old	70	20	43	20	55	27
	30–50 years old	45	27	31	22	40	40
	Over 50 years old	3	4	3	4	2	7
Subtotal		118	51	77	46	97	74
Female	Under 30 years old	8	2	6	3	22	7
	30–50 years old	10	3	8	8	14	7
	Over 50 years old	0	0	0	0	1	1
Subtotal		18	5	14	11	37	15
Total		136	56	91	57	134	89

5.2 Talent Development GRI 404-1 、404-2

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 through different levels of training and development to foster the Company's sustainable management and growth.

Promoting self-learning is an important strategy for the Company's talent development. The Company strives to raise employees' awareness of autonomous learning, provide them with a variety of learning resources and tools, and introduce human resources development learning systems in a systematic and modular manner to provide them with a comprehensive personnel development framework. 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 explanations 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

The Company has spared no effort in employee training, providing complete training planning and development. In accordance with the "Guidelines for Annual Learning and Development", we plan relevant training courses each year based on the needs of each competency to improve the quality and competitiveness of our employees. Employee training is divided into four major areas, namely general training, management training, skill development, and soft activities, to provide a variety of courses such as ESG sustainability seminars, innovation and change, digital transformation, data extraction, business management, strategic leadership, team leadership and professional training for departments, in the hope that employees can realize their potential and strengths through modular training.

In response to the continued recurrence of the pandemic, most of the training courses in 2022 were held online, and physical courses were livestreamed or made into online teaching materials to help employees learn on a mobile basis in their spare time. In 2022, the average number of training hours per person was 69 for Farglory Land Development and 31 for Farglory Construction. In the future, we will continue to organize other diverse learning courses in response to the opinions of our employees to provide them with more learning opportunities. In addition, we will continue to track the effectiveness of the courses through feedback on course satisfaction, so that training will be closer to the needs of our employees. At the same time, through after-class tests and practical training, our employees can apply what they have learned to their work.

Farglory Land Development	Male			Female		
Employee category	Total training hours	Total number of people	Average training hours	Total training hours	Total number of people	Average training hours
Management position	1,403	23	61	976	16	61
Non-management position	4,104	57	72	3,816	53	72
Total	5,507	80	69	4,792	69	69
Farglory Construction	Male			Female		
Employee category	Total training hours	Total number of people	Average training hours	Total training hours	Total number of people	Average training hours
Management position	3,841	46	83.5	334	4	83.5
Non-management position	7,008	292	24	1,920	80	24
Total	10,849	338	32	2,254	84	27

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.

■ Farglory Land Development training courses in 2022

Consensus courses (20.5 hours in total)					
	Visions and goals	Industrial economy and outlook	Annual legal course	New employee orientation training	A date with the President
Number of persons	149	39	149	15	10
Hours	4	2	4.5	8	2
Session	1	1	5	1	1

Courses on management competencies (51 hours in total)		
	Course series on middle and senior management competencies	Course series on junior management competencies
Number of persons	21	18
Hours	35	16
Session	16	1

Courses on professional competencies (30 hours in total)			
	Occupational safety course	Digital Course: Business Data Presentation	Cross-area courses
Number of persons	157	149	149
Hours	4.5	8	20.5
Session	3	1	11

■ Farglory Construction training courses in 2022

Consensus courses (6 hours in total)			
	Consensus training for new employees	Sexual harassment prevention	Awareness of policies and regulations
Number of persons	100	100	422
Hours	2	2	2
Session	10	10	5

Courses on management competencies (69.5 hours in total)					
	Management training ^{Note1}	Workshop on visions and strategies	Workshop on management competencies ^{Note2}	Presentation course	Occupational safety training
Number of persons	50	50	21	28	32
Hours	39.5	16	8	4	2
Session	4	12	2	1	4

Courses on professional competencies (18 hours in total)			
	Internal training for each department	Training of counselors	Teaching with FSM quality system
Number of persons	422	28	210
Hours	12	4	2
Session	456	1	13

Note 1 : Shifting management thinking, enhancing management/strategy/leadership skills

Note 2 : Establishment of the management competencies of Farglory Construction with hierarchical differentiation

Organized the seminar "TRENDS AND VALUES OF SUSTAINABLE DEVELOPMENT" to build sustainable thinking for middle and senior managers

In order to build up the management knowledge of environmental sustainability, social responsibility and corporate governance for the sectional and higher-level managers of Farglory Land Development and Farglory Construction, external speakers were invited to share the risks and opportunities of sustainability, strategies and actions and cases of corporate sustainability to provide the managers with a broader and more diverse perspective. The goal was to implement sustainable management thinking into our annual operating strategy plan to achieve corporate innovation by facing future economic trends with environmental and sustainable management awareness, so that our operating strategy can become more competitive in the industry year by year, while moving toward net zero transformation.

- Number of trainees: 149
- Total satisfaction: 90%



Organized the course "Coaching Development of High-potential Talent" to develop the mature and quality leadership behavior of middle and senior managers

Farglory Land Development provided learning of the four behavioral indicators to deepen the management competencies of departmental managers. Through different coaching methods, from mentality and thinking to changes affecting management behavior, the managers learned to recognize their own strengths and shortcomings. The course also stimulated the awareness of self-growth and, at the same time, drove the development of the ambition of the subordinates to show their self-improvement and lead the team with broader and more comprehensive management thinking. In addition to workshop learning, 1-on-1 coaching and team coaching were also provided to allow course attendees to learn together and share management skills.

- Number of trainees: 21
- Total satisfaction: 87%



Organized the course "Agile Project Management" to enhance the agile leadership of junior managers

Through lectures, case discussions and practical exercises, Farglory Land Development led course attendees to learn and connect with the four major competencies of the Company's junior managers, discussing how to effectively lead the team through the use of management competencies, and how to enhance the operational skills of internal project management in an agile manner. At the same time, we used the knowledge base of business management of global businesses to summarize the applicable cases for future application by course attendees in daily management.

- Number of trainees: 26
- Total satisfaction: 90%



Organized the course "Farglory Construction 2023 Visions and Strategy" to build consensus among managers to set visionary goals

Farglory Construction held a two-day "Course on 2023 Visions and Strategy" and invited external lecturers to reach a consensus among internal and external managers on the future direction. The content included formulation of vision and strategy, description of management competencies, and performance interview simulation. Through video analysis, we explained the characteristics necessary for the future and conveyed the idea of "reinventing ourselves, embracing the future, and accepting challenges" to facilitate the subsequent resolution with the management department to take on disadvantageous items, analyze causes and discuss the response strategies to produce the 2023 vision plan for each department. In addition, this course enabled managers to effectively conduct annual performance interviews of their subordinates through step-by-step interview breakdowns, role-playing exercises, and how to help their subordinates generate better performance via performance interviews. After the course, the attending managers gave feedback that through understanding the disadvantages of the organization, analyzing causes and formulating strategies, the departments discussed together to forge a consensus to be implemented in 2023 to overcome difficulties, face problems and solve them.

- Number of trainees: 46
- Total satisfaction: score of 89



5.3 Remuneration System and Diverse Benefits

GRI2-21、201-3、401-2、401-3、403-3、403-6、404-3、405-2

Farglory Land Development and Farglory Construction provide reasonable and market-competitive remuneration and related benefit policies in order to attract talented employees and strengthen the retention of existing ones. The salaries of our employees are based on educational and job experience, performance and market conditions. The remuneration system is designed and implemented without any discrimination based on gender, race, religion, political affiliation, marital status, etc. to ensure that employees receive fair and reasonable remuneration. The remuneration and benefits of employees are in compliance with the relevant laws and regulations, including minimum wage, working hours (including overtime), insurance, pension system and other statutory 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. Regarding our employee remuneration system, the Articles of Incorporation of Farglory Land Development and Farglory Construction stipulate that no less than 1% of the pre-tax profit shall be allocated as employee remuneration in the event of a profit in the year for all employees of Farglory Land Development and Farglory Construction to share the results of the Company's operations. In 2022, Farglory Land Development and Farglory Construction allocated 1% of the pre-tax profit as employee remuneration.

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 employee remuneration). The remuneration for the employees of Farglory Construction includes monthly salary (including technician bonus and travel and certification allowances), incentive bonus and annual bonus (including year-end bonus and employee remuneration). 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.



Total remuneration ratio for 2022

The ratio of the annual total income of the highest paid individual to the median annual total income of other employees (excluding the highest paid individual) (hereinafter the median ratio) is between 8.34 and 8.56:1. The ratio of the percentage increase in the annual total income of the highest paid individual to the median percentage increase in the annual total income of other employees (excluding the highest paid individual) in 2022 (hereinafter the median increase ratio) is between 1.19 and 1.56:1.

Operating entity	Median ratio	Median increase ratio
Farglory Land Development	8.56 : 1	1.56 : 1
Farglory Construction	8.34 : 1	1.19 : 1

Note: Multiple ratio for remuneration change = A/B

A: (Highest salary of the year - highest salary of the previous year)/highest salary of the previous year

B: (Median salary of the year - median salary of the previous year)/median salary of the previous year

Information on salaries of full-time employees in non-managerial positions

In order to protect the rights of our junior employees, we conduct an annual review to ensure that our level of salary payment is higher than the statutory minimum wage. In 2022, the average basic salaries of full-time employees of Farglory Land Development and Farglory Construction in non-managerial positions are, respectively, 2.48 times and 2.18 times of the statutory minimum wage in Taiwan (the statutory minimum wage in Taiwan as of December 2022 is NT\$25,250), showing the competitiveness of the Company in terms of salary.

In 2022, the salary of Farglory Land Development's non-management full-time employees was⁸ 1.62 times that of other TWSE-listed construction firms in Taiwan, indicating our competitiveness in terms of remuneration.

Operating entity	Item	2021	2022	Difference between 2 years
Farglory Land Development	Number of non-management full-time employees	130	141	Increased by 11 employees
	The average salary of non-management full-time employees	NT\$1,936 thousand	NT\$1,526 thousand	Decreased by NT\$410 thousand
	The median salary of non-management full-time employees	NT\$1,729 thousand	NT\$1,443 thousand	Decreased by NT\$286 thousand
Operating entity	Item	2021	2022	Difference between 2 years
Farglory Construction	Number of non-management full-time employees	374	415	Increased by 41 employees
	The average salary of non-management full-time employees	NT\$1,186 thousand	NT\$1,020 thousand	Decreased by NT\$166 thousand
	The median salary of non-management full-time employees	NT\$1,058 thousand	NT\$936 thousand	Decreased by NT\$122 thousand

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

Ratio of female to male remuneration for each category of employees

The salaries of all employees of Farglory Land Development and Farglory Construction are not differentiated by gender, but by their job categories and job ranks.

Operating entity	Level	Female:male
Farglory Land Development	Departmental and higher-level managers	1 : 1.19
	Sectional managers	1 : 1.06
	Non-management	1 : 1.08
Operating entity	Level	Female:male
Farglory Construction	Departmental and higher-level managers	1 : 1.78
	Sectional and project managers	1 : 1.22
	Non-management	1 : 1.16

Note: The calculation is based on the full salary of full-time manpower in December 2022, excluding the data of contractual employment/work-study/directors, etc.

⁸ 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, 2023.



5.3.2 KPI Performance Management

In order to fulfill the Company's operating plan and departmental and individual goals, and to evaluate the performance of employees as the basis for promotion, training, development and salary payment, Farglory Land Development and Farglory Construction regularly conduct performance evaluation of all employees (regardless of gender and job category) each year, and set targets and KPI indicators according to the annual operational goals of the Company from top to bottom based on each job category and job description. 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 2022, the completion rate of Farglory Land Development's employee performance evaluation reached 100% (150 employees participated in the annual performance evaluation, while 12 others participated in probationary evaluation and did not participate in the annual performance evaluation). The completion rate of Farglory Construction's employee performance evaluation reached 100% (395 employees participated in the annual performance evaluation, while 23 others who participated in the probationary evaluation, along with 3 interns and 1 on unpaid leave, did not participate in the annual performance evaluation).

5.3.3 Diverse Benefits and Happy Workplace

Farglory Land Development and Farglory Construction comply 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". 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.

Farglory Land Development and Farglory Construction provides full-time employees with comprehensive welfare measures to protect their quality of life and promote work-life balance, such as meal expenses, group insurance, employee health examinations, employee dependents' insurance and health checkups at their own expense, year-end parties, etc. In 2022, the average employee welfare expenses of Farglory Land Development and Farglory Construction⁹ were **NT\$2,315 thousand** and **NT\$1,145 thousand**, respectively.

In addition to providing basic benefits to employees in accordance with the relevant laws and regulations, the Company has established the Farglory Land Development Co., Ltd. Employee Welfare Committee in November 1997. Together with the subsidiary Farglory Construction Co., Ltd., the Farglory Land Development Co., Ltd. Joint Employee Welfare Committee was established in April 2011. According to the organizational rules of the committee, all employees shall select representatives from their departments, who shall meet once every three months. The committee may hold ad hoc meetings when necessary to prepare the current year's budget, plan for the current year's recreational and travel activities, and sign contracts for designated stores. Both committees implement an array of employee benefit plans to form an awareness among the employees to co-exist, co-prosper, and create a harmonious labor-capital relation with the Company. In accordance with the law, the Company contributes to employee benefits from the monthly operating revenue. In 2022, the total contribution was approximately **NT\$18.02 million**, and the total expenditure of the committee was **NT\$22.04 million**, with a per-capita benefit amount of approximately **NT\$4 million**.



⁹The average employee welfare expenses include salary expenses, labor and health insurance, pensions, meal allowances, employee benefits, training costs, recruitment costs and other employee insurance costs.

【Protection of health】

We regard the health of our employees as the most important cornerstone of our sustainable management and attach great importance to the health management and health promotion of our employees. We provide annual subsidies for health examination for departmental and higher-level (deputy) managers and other employees once every two years, and offer health examination packages that are better than those provided by ordinary companies. We also provide official leave for employees to go to the health examination centers of their choice. In 2022, Farglory Land Development and Farglory Construction had 100% and 98% of their employees undergo health examination, respectively.

Farglory Land Development arranges on-site consultation with occupational safety physicians and nurses to provide health consultation, health advice and follow-up care through employee health examination reports and related health protection plans. It also organizes health promotion activities and health seminars from time to time. From April 6 to July 5, 2021, the "Healthy BMI Go" campaign was held to strengthen employees' awareness of independent health management. In Q2 of 2023, we plan to hold another fat loss event, combining health seminars to maintain 12 weeks of regular exercise and a balanced diet to achieve fat loss, in order to encourage our employees to pay more attention to personal physical and mental care and develop healthy habits. Farglory Construction is expected to appoint occupational safety and health personnel in 2023 to provide on-site health services and health consultation to enhance employee healthcare and disease prevention.

【Care for the family】

• Maternity allowance

Farglory Land Development and Farglory Construction are actively creating the best workplace environment for employees to take care of children. The Farglory Land Development Co., Ltd. Joint Employee Welfare Committee (hereinafter the JEWEC) provides employees or their spouses with a maternity allowance of NT\$20,000 for each child and an increase to NT\$40,000 for the third child to encourage employees to give birth and make contribution to the country to fulfill our corporate social responsibility and achieve the benefit of talent retention. In 2022, 20 employees of Farglory Land Development and Farglory Construction applied for the maternity allowance, and a total of NT\$370,000 was granted by the JEWEC.

• Parental allowance

In order to relieve the financial burden of raising preschool-age children, Farglory Land Development and Farglory Construction provide employees with an annual parental allowance of NT\$10,000 for each child aged 1 to 6, with an increase to NT\$20,000 for the third child. In 2022, 89 employees of Farglory Land Development and Farglory Construction applied for this allowance, and the JEWEC granted a total of NT\$1,205,000 as parental allowance. We will continue to take concrete actions to support and care for our employees and create an employee-friendly and happy workplace.

• Parental leave without pay

Farglory Land Development and Farglory Construction adhere to the requirements of the "Act of Gender Equality in Employment," allowing employees who have been employed for at least six months to apply for leave without pay if they need to take care of their minor children under the age of three. In 2022, Farglory Land Development had 9 employees who were eligible to apply for parental leave without pay, and no employee applied for parental leave without pay. Farglory Construction had 50 employees eligible to apply for parental leave without pay, of which one employee applied for such leave, with a 100% reinstatement rate. The Company continues to observe the employment situation of the reinstated employees. In 2021, the percentage of Farglory Construction's employees who were reinstated and have been employed for one year or more reached 50%, and the relevant statistics are as follows:

Farglory Land Development		Gender		Total
Parental leave in 2022		Female	Male	
Total number of employees entitled to parental leave (A)		4	5	9
Total number of employees actually taking parental leave (B)		0	0	0
Rate of application for parental leave without pay (B ÷ A)		0%	0%	0%
Total number of employees requiring reinstatement upon expiration of parental leave (C)		0	0	0
Total number of employees actually reinstated upon expiration of parental leave (D)		0	0	0
Rate of reinstatement upon expiration of parental leave (D ÷ C)		0%	0%	0%
Total number of employees actually reinstated upon expiration of parental leave in 2021 (E)		0	0	0
Total number of employees remaining in their jobs 12 months after expiration of parental leave and reinstatement in 2021 (F)		0	0	0
Percentage of employees who were reinstated upon expiration of parental leave and remained employed for at least one year in 2021 (retention rate) (F ÷ E)		0%	0%	0%
Farglory Construction		Gender		Total
Parental leave in 2022		Female	Male	
Total number of employees entitled to parental leave (A)		7	43	50
Total number of employees actually taking parental leave (B)		0	1	1
Rate of application for parental leave without pay (B ÷ A)		0%	2.3%	2.0%
Total number of employees requiring reinstatement upon expiration of parental leave (C)		0	1	1
Total number of employees actually reinstated upon expiration of parental leave (D)		0	1	1
Rate of reinstatement upon expiration of parental leave (D ÷ C)		0	100%	100%
Total number of employees reinstated upon expiration of parental leave during the reporting period in 2021 (E)		1	1	2
Total number of employees remaining in their jobs 12 months after expiration of parental leave and reinstatement in 2021 (F)		0	1	1
Percentage of employees who were reinstated upon expiration of parental leave and remained employed for at least one year in 2021 (retention rate) (F ÷ E)		0%	100%	50%



【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樓人員會議室

■ 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: 人員室 蔡楓(分機2262)

服務項目

■ 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。



【Leisure and recreation】

In 2022, the JEWC of Farglory Land Development organized a domestic trip for employees with a subsidy of NT\$10,000 per person to promote inter-departmental communication and interaction among employees and create precious memories. To encourage employees to organize informal activities such as departmental trips and dinners, a subsidy of NT\$5,000 per person is provided to increase the opportunities for interaction between managers and employees in non-working places so as to strengthen the cohesiveness among employees in the department. The JEWC also offers a wide range of discounts for designated stores, including travel, transportation, shopping at shopping malls, fitness, leisure and recreation, and meal for employees.

Domestic company trips in 2022

Five-star aesthetics of ancient buildings at Yuanshan | Ceramics experience in Yingge | One-day tour to the mysterious Shih Mi Dao



Yilan traditional technique: Lanyang beach seines | Tea picking experience at Shyang Yeu | One-day tour with buffet feast at Hotel Royal Jiaoxi



Farming experience with Sanxing scallion in Yilan | Cherry Valley duck in Jiaoxi | One-day tour with afternoon tea at Jiao Xi Hotel



[Happy workplace]

Barrier free space

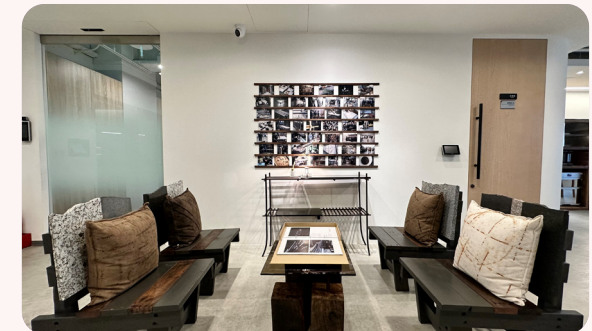
In order to create a friendly workplace, the passages in the office area are spacious and barrier-free.



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.



5.4 Creating a Healthy and Safe Workplace

GRI : 2-23 、 2-24 、 2-26 、 2-30 、 403-1 、 403-2 、 403-4 、 403-5 、 403-7 、 403-8 、 403-9 、 403-10 、 408-1 、 409-1 | SASB : IF-HB-320a.1

Workplace pandemic prevention actions

During the pandemic, a pandemic prevention team was formed by the Company's management to integrate the communication groups between the managers and departments, in order to keep track of the health status of employees in real time, and to enable employees to carry out the health management and reporting mechanism whether working from home or in the office. In addition, we have established the "COVID-19 Pandemic Prevention and Response Measures by Level," which provides for rolling management of the pandemic prevention policies announced by the CDC at any time and activates the level-based response mechanism according to different situations. We also inform our employees of the regulations on pandemic prevention and classification, pandemic prevention and management of employees and visitors, and pandemic prevention and management of the workplace environment through e-newsletters.

In May 2022, the domestic pandemic alert was raised to Level 3, and the Company initiated working in groups and shifts. Employees in the offices were kept at a safe distance with each other using checkerboard seating, and priority was given to video conferencing to avoid the risk of cross-transmission caused by personal contact, and provide care leave for epidemic prevention, so that colleagues can take care of their families with peace of mind. Although the domestic pandemic alert has been lowered to Level 2 since July 27, 2022, and the pandemic prevention measures have been conditionally eased, our vigilance for pandemic prevention should not be relaxed. The Company continues to implement flexible working schedules, inform employees of pandemic prevention measures to avoid crowding, place mobile alcohol sprays in the office for employees to use, arrange for cleaning personnel to conduct daily alcohol disinfection at the workplace, and renew the anti-COVID insurance and vaccine coverage for all employees. We also provide free rapid test kits to all employees, with 2,400 kits distributed.



Anti-COVID subsidy	
Category	Subsidy
Paid vaccination leave	To ensure our employees' health and encourage them to receive vaccination, we have provided them with 8 hours of paid vaccination leave.
Providing rapid test kits	All employees are provided with rapid test kits for home use, and the results of rapid test conducted on the first day of work following holidays are reported to the departmental manager. If the result of rapid test is positive, the number of days of isolation will be in accordance with the CDC's requirements. If the result of self-test is negative and reported to the departmental manager one day before returning to work, you will be allowed to enter the workplace.
Anti-COVID insurance	We strive to continue to take care of and maintain the health of our employees. In addition to the existing employee group insurance, we continued to provide all employees with anti-COVID and vaccine insurance in 2022. If you are hospitalized due to a statutory infectious disease, or in an intensive care unit or negative pressure isolation room, you can apply for an additional hospitalization compensation of NT\$1,000 to NT\$1,500 per day in addition to the benefit for existing group insurance. The insurance premiums are fully covered by the Company to provide comprehensive health protection for our employees.

Pandemic prevention mechanism and response measures for confirmed cases	
Pandemic prevention mechanism	Response measures for confirmed cases
Backup mechanism	Depending on changes in the pandemic, the remote working and regional backup team mechanism will be activated to ensure uninterrupted operations of the Company.
Backup exercise	The HR Department and the MIS Planning Department have been conducting backup exercises for pandemic prevention regarding the workplace and digital tools in order to remain fully prepared for the development of the pandemic.
Employees confirmed with COVID	<p>If an employee is notified by the competent authority to be confirmed with COVID or listed for isolation, the departmental manager and pandemic prevention team must be informed immediately, and the backup mechanism should be activated after arranging for workplace cleaning and disinfection. The relevant measures must give priority to pandemic prevention, the health of employees and customers, and the maintenance of uninterrupted operations and risk management.</p> <p>We arrange for nurses to care for our employees confirmed with COVID, to help them deal with the physical, psychological and life changes brought about by the pandemic, and we continue to provide health education without any discrimination due to the notification of confirmed patients.</p>

5.4.1 Human Rights Management Policy

Farglory Land Development and Farglory Construction perceive great importance in labor relations and abides by labor regulations. Every year, we regularly arrange legal compliance courses to strengthen our employees' legal compliance awareness and protect their legal rights. In accordance with our human rights policy, 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 prohibit hiring child labor under 16 years old, and we do not violate basic labor rights.

Human rights policy

Farglory Land Development respects human rights and is committed to creating a dignified work environment. The Company supports and complies with international human rights regulations and principles, including the Universal Declaration of Human Rights, the Ten Principles of the UN Global Compact, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and other international human rights conventions. The Company is committed to ensuring that everyone inside and outside the Company is treated with equality and dignity.

Article I Purpose

In order to protect basic human rights and treat everyone inside and outside the Company with dignity, and to continuously enhance and improve the management of human rights-related issues in the hope of creating a physically and mentally healthy and safe working environment, the Company has established this policy.

Article III Protection of human rights in the workplace

The Company respects the wishes of its employees and prohibits any form of forced or compulsory labor, child labor and sexual harassment and discrimination in the workplace, and does not use race, color, nationality, gender, sexual orientation, appearance, age, marital or family status, physical or mental disability or pregnancy, or political or religious affiliation as criteria for appointment, evaluation or promotion of employees.

Article V Support for freedom of association

The Company respects and supports the right of employees to form and join clubs and organizations, and provides a wide range of proper activities to help employees maintain physical and mental health and work-life balance.

Article VII Partnerships

The Company is committed to working with suppliers, contractors and business partners who are in line with the Company's philosophy of sustainable management, and to working together to pay attention to and emphasize human rights issues and the management of related risks.

Article II Scope of application

The human rights policy of the Company applies to all levels of departments and employees of the Company.

Article IV Providing a healthy and safe workplace

The Company complies with the relevant laws and regulations on occupational safety and health, carries out safety and health activities, training and employee health examination, continues to improve the safety and health conditions of the work environment, reduces the risk of occupational accidents, and provides employees with a safe, healthy and hygienic workplace environment.

Article VI Promoting labor-management harmony

The Company provides a variety of open dialogue channels and holds regular meetings of the labor-management committee to establish a platform for communication between employers and employees to protect and enhance the rights of employees.

Article VIII Implementation

This policy was established on February 23, 2022. This policy or any amendment to it shall become effective upon approval by the Chairman.

Training on human rights protection

In 2022, Farglory Land Development and Farglory Construction organized training on human rights protection for a total of 706.5 hours and 264 hours, respectively. A total of 157 employees of Farglory Land Development completed training, accounting for 97% of the total number of employees. A total of 132 employees of the Subsidiary completed training, accounting for 31% of the total number of employees. In the future, Farglory Land Development and Farglory Construction will continue to pay attention to issues of human rights protection and promote relevant training to raise our employees' awareness of human rights protection and lower the possibility of relevant risks.

Results of human rights-related training organized by Farglory Land Development in the most recent three years

Item	2020			2021			2022		
	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours
Course on prevention of workplace misconduct/sexual harassment	1	93	93	-	-	-	0.5	157	78.5
Disaster evacuation lecture/on-site drill	-	-	-	1.5	150	225	-	-	-
Occupational safety and health promotion	2	144	288	-	-	-	4	157	628
Health promotion activities	-	-	-	4	120	480	-	-	-

Results of human rights-related training organized by Farglory Construction in the most recent three years

Item	2020			2021			2022		
	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours
Course on prevention of workplace misconduct/sexual harassment	1	125	125	1	77	77	2	100	200
Occupational safety and health promotion	-	-	-	2	27	54	2	32	64

5.4.2 Occupational Safety and Health Management

In order to effectively prevent occupational accidents and protect the safety and health of workers, Farglory Land Development has adopted the "Guidelines for Occupational Safety and Health Management" in accordance with the "Regulations on Occupational Safety and Health Facilities," "Regulations Governing Occupational Safety and Health" and "Operating Standards for Occupational Safety and Health Management Plan," with "zero accident and zero occupational illness" as the highest ideal goal. To ensure the safety of the working environment of suppliers and contractors, the "Supplier Code of Conduct" was established in 2022, and all contracted suppliers have been required to sign it. Farglory Construction has established occupational safety guidelines for different operations in accordance with the "Labor Inspection Act," "Labor Standards Act" and "Occupational Safety and Health Act" based on different stages of site operations. The key safety and health facilities and the safety management related matters delivered for contracting are the focus of inspection to prevent major occupational hazards such as fall, electric shock, collapse, crumbling, hit and falling objects, and to protect the safety and health of workers.

Assessment and prevention of workplace hazards

In order to effectively identify and prevent workplace hazards, Farglory Land Development has established four major protection programs in accordance with the "Occupational Safety and Health Act": "prevention of ergonomic hazards, prevention of illnesses induced by abnormal workloads, prevention of unlawful harm on the performance of duties, and protection of maternal health." In addition, we have implemented a number of preventive actions, including: projecting a complaint process on the TV wall of the shared space to prevent occupational accidents and sexual harassment, appointing occupational safety and healthcare personnel to provide on-site services, conducting musculoskeletal injury and illness surveys, adjusting response measures for pandemic prevention and classification on a rolling basis, conducting regular maintenance and water quality testing of drinking fountains, disinfecting the entire floor on a regular basis, and testing indoor air quality, with the aim to reduce the impact of occupational accidents on the office and ensure a safe working environment for employees.

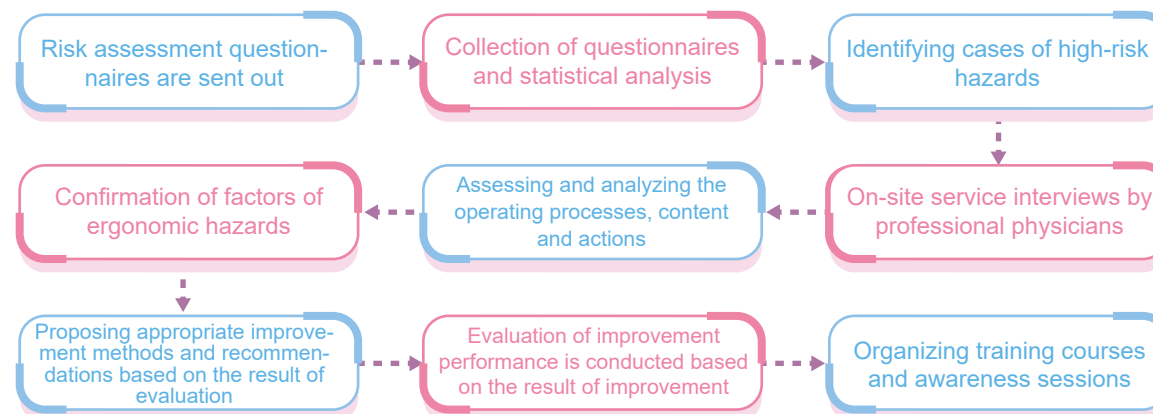
Besides the four major protection programs, Farglory Construction has also implemented a number of preventive actions in the office and construction sites, including: adjusting response measures for pandemic prevention and classification on a rolling basis, conducting regular maintenance and water quality testing of drinking fountains in the office, regular disinfection of the entire floor of the office, and appointing dedicated occupational safety personnel to conduct hazard identification, risk assessment, safety planning and coordination according to the project stages. We also provide guidance to the construction offices and the primary and secondary contractors on the concepts of occupational safety and health, build a site safety culture, and conduct daily inspections of protective equipment and machinery before operations to monitor on-site safe work at all times to prevent occupational accidents.

Assessment of ergonomic hazards

In order to protect the health and welfare of all employees, prevent ergonomic hazards and avoid musculoskeletal injuries caused by repetitive work, and to demonstrate our commitment to compliance with laws and regulations and protection of the health and welfare of workers, Farglory Land Development and Farglory Construction have adopted the "Guidelines for Ergonomic Hazard Prevention Program," which has been approved by the highest manager with approving authority and announced to all employees for promotion.

In 2022, Farglory Land Development conducted a risk assessment questionnaire survey, with a 100% questionnaire return rate. Through the results of analysis of the questionnaires, we arranged interviews with physicians to provide health guidance to prevent/avoid/reduce the occurrence of ergonomic hazards, such as work-related musculoskeletal injuries and illnesses, for those who are classified as high-risk according to the hazard classification.

Process for assessment and improvement



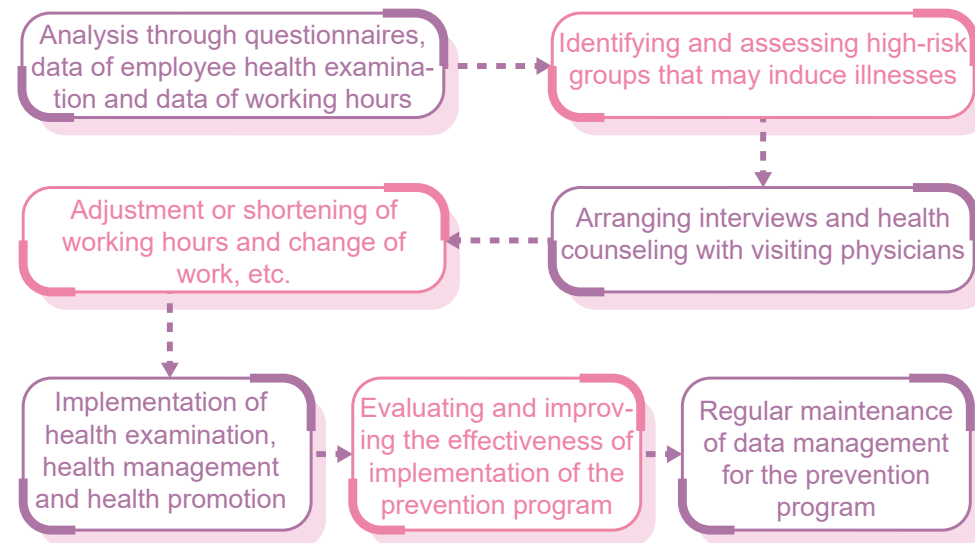


Illnesses induced by abnormal workloads

Farglory Land Development and Farglory Construction have established the "Guidelines on the Program for Prevention of Illnesses Induced by Abnormal Workloads" to prevent employees from developing illnesses due to abnormal workloads with respect to shifts, night work and long working hours. In addition, we have taken preventive measures to improve employees' skills of illness awareness to enhance self-management of health.

Farglory Land Development conducts a risk assessment questionnaire survey every two years, and the questionnaire return rate was 98% in 2021. Through the results of analysis of the questionnaires, we arranged interviews with physicians to provide assessment and recommendations regarding health risk, health guidance, work adjustment or change, and other health protection measures to employees classified as high-risk according to the hazard classification.

Process for assessment and improvement

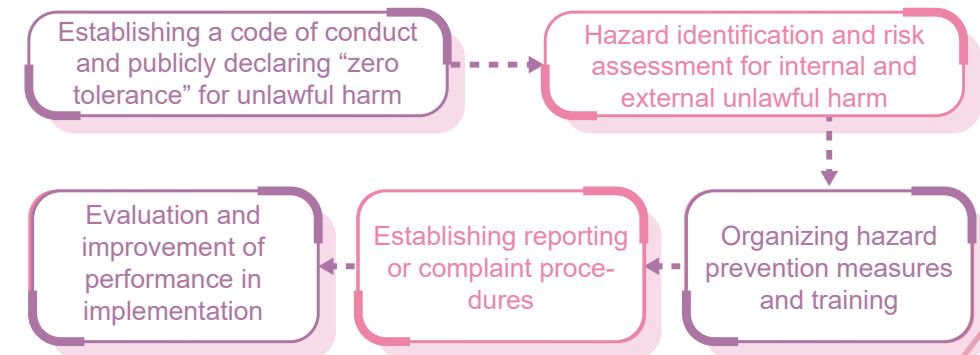


Unlawful harm suffered during the performance of duties

In order to prevent physical or mental harm of employees in the performance of their duties and ensure the safety and physical and mental health of employees at work, Farglory Land Development and Farglory Construction have adopted the "Guidelines on the Program for Prevention of Unlawful Harm Suffered During the Performance of Duties," which has been approved by the highest manager with approving authority and announced to all employees for promotion and implementation.

In 2022, Farglory Land Development organized two courses on prevention of workplace misconduct, and Farglory Construction conducted a questionnaire survey on risk assessment with a 98.3% questionnaire return rate. We will continue to project a complaint process on the TV wall of the shared space to prevent occupational accidents and sexual harassment, and organize training from time to time to realize a workplace environment of equality and mutual respect.

Process for assessment and improvement

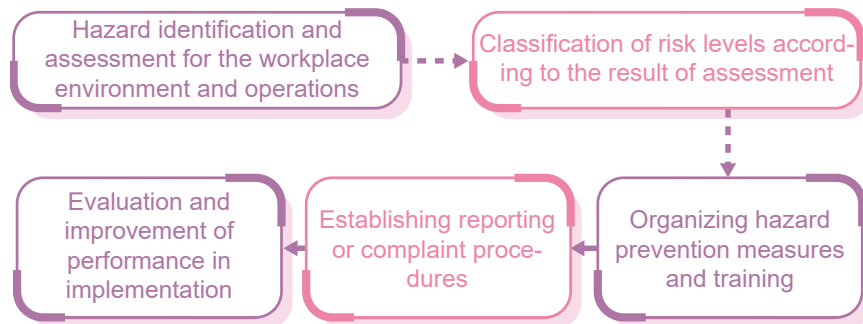


Protection of maternal health

In order to ensure the physical and mental health of female workers during pregnancy, after childbirth and during breastfeeding, Farglory Land Development and Farglory Construction have established the "Maternal Health Protection Program," which includes hazard assessment and control, interviews with physicians, risk classification and management, work suitability arrangement and other related measures to achieve the purpose of maternal health protection.

In consideration of the hard work and needs of working women, Farglory Land Development and Farglory Construction have set up exclusive breastfeeding rooms equipped with comfortable sofa chairs and refrigerators, allowing women to move freely in an independent space protected from outside interference to ensure the protection of maternal health.

Process for assessment and improvement



Major occupational safety risk incidents at construction sites

In order to develop an incident response more quickly and minimize the damage and impact of incident, Farglory Construction has adopted the "Guidelines for Handling and Reporting of Major Incidents" to define the types of major incidents, responsibilities of responsible departments, reporting mechanism, implementation and tracking, review and improvement, and penalties for violation of regulations. In the event of a major incident, the occurring department will fill out a "Major Incident Handling and Reporting Form" and submit it to the Administrative Management Office in accordance with the time limit for emergency reporting. The Administrative Management Office will conduct an investigation and report the status of damage of the incident at the responsible department within four hours, and will review the cause of the incident, improvement measures and preventive measures to prevent the recurrence of similar incidents. If a major incident is not reported or if a "Major Incident Handling and Reporting Form" is submitted late, penalties will be imposed in accordance with the "Farglory Construction Regulations Governing Management, Rewards and Penalties."

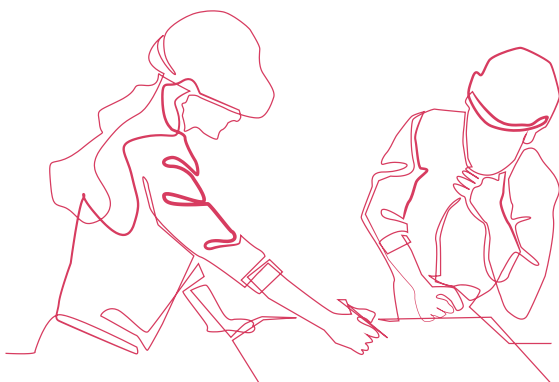
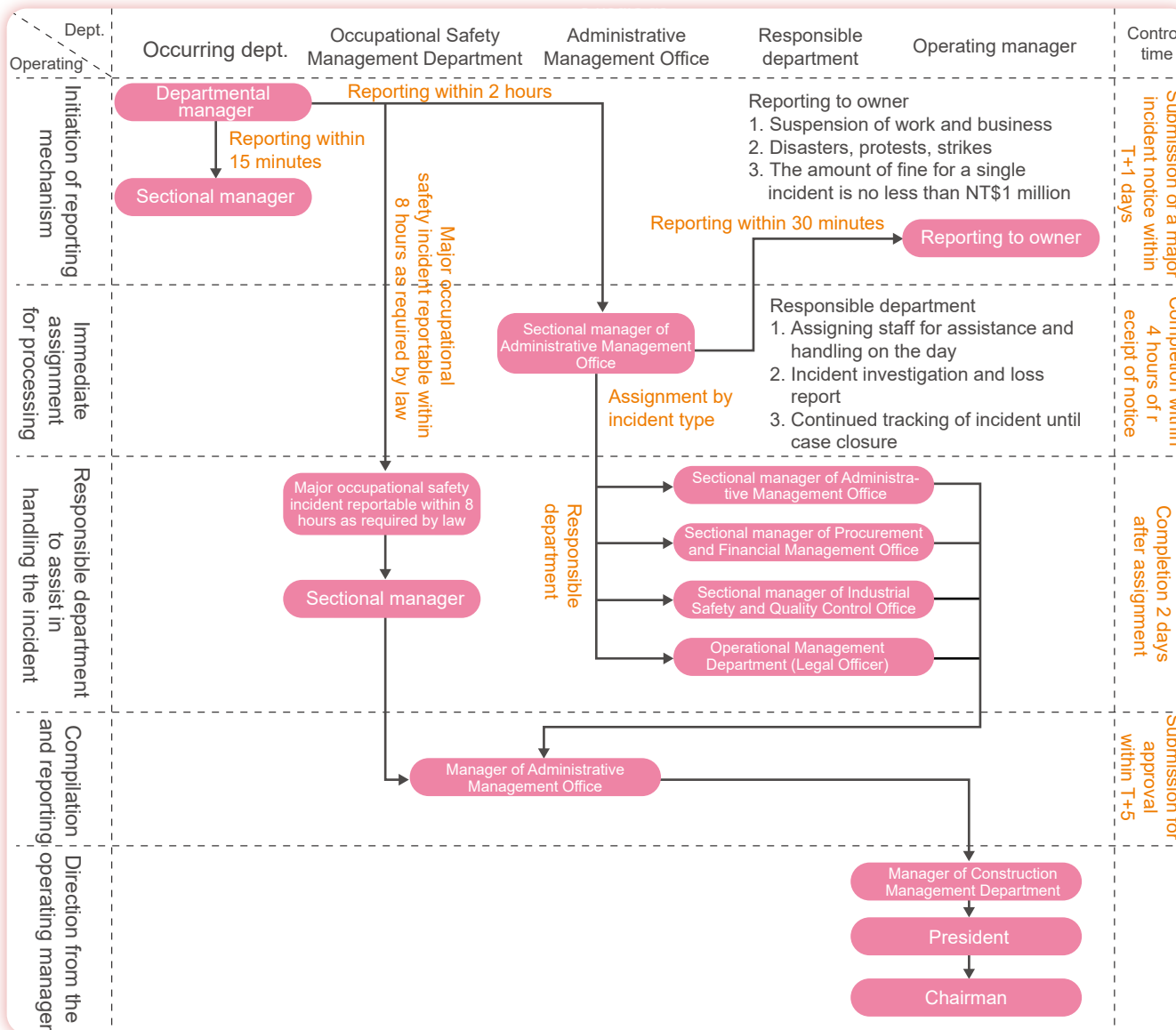
Types of major incidents at construction sites:

Type of incident	Description of incident	Responsible department
Violation of law	<ul style="list-style-type: none"> The construction site was found to have illegally allowed foreigners to work, which is a violation of the Employment Service Act. For example: the National Immigration Agency discovered illegal migrant workers. 	Industrial safety and quality control office
	<ul style="list-style-type: none"> Major theft or equipment damage. For example: theft of toilet lid and IH stove. 	Procurement and financial management office
Occupational safety hazard	<ul style="list-style-type: none"> An accident of death occurred. The total number of workers with permanent full disability or permanent partial disability and temporary full disability from the same accident is three or more. The occurrence of an accident to one or more persons, who are notified of the need for inpatient treatment after diagnosis by the hospital (excluding hospitalization for observation). For example: <ol style="list-style-type: none"> A formwork worker was hospitalized for a head injury after falling during walking. The safety support personnel did not walk on and off the equipment as required, and fell when going across the support and was hospitalized. The E&M personnel was injured due to fall from the ladder and was hospitalized. 	Industrial safety and quality control office
Industrial safety accident	<ul style="list-style-type: none"> A fire occurred at the construction site. For example: <ol style="list-style-type: none"> Spontaneous combustion of excavator equipment. The security guard closed the gate and fell down, and was injured and sent to the hospital without staying there. 	Industrial safety and quality control office
Infringement of customer rights	<ul style="list-style-type: none"> The elevator malfunctioned for unknown cause, and an accident where people were trapped occurred. The elevator manufacturer and the fire department were notified to open the door for rescue. For example: <ol style="list-style-type: none"> The position signal of the elevator is missing due to abnormal function of the floor-stop switch. The elevator went down to 14F-13F and stopped after an emergency brake, leaving people trapped in the elevator. 	Industrial safety and quality control office

Responsibilities of Responsible departments:

Department	Responsibilities
Procurement and financial management office	<ul style="list-style-type: none"> Communicating and coordinating with contractors and assisting in related matters.
Industrial safety and quality control office	<ul style="list-style-type: none"> Assisting in managing incidents related to project quality, occupational safety and customer complaints.
Administrative Management Office	<ul style="list-style-type: none"> Cross-departmental liaison and notification to provide status updates. Liaison with and notification to the external (owner) is required. Compilation of incident-related documents.
Construction Management Department Legal Office	<ul style="list-style-type: none"> Assisting in legal issues. Review and preparation of relevant legal documents. Coordinating with attorneys for legal proceedings.

Process for reporting of major incidents at construction sites:





Consultation and communication with workers

Farglory Land Development values employee consultation and participation, and regularly discusses safety and health-related issues at meetings of the labor-management committee to reach a consensus. It immediately communicates information on occupational safety and health to all employees through multiple channels, including the Company's EIP bulletin board, internal email and TV wall in the shared space, and immediately reports and handles employee feedback. In 2022, the Company announced through multiple channels the amendments to the Guidelines for Occupational Safety and Health Management, the complaint process for workplace misconduct and sexual harassment, the pandemic prevention contingency plan and points of implementation, the renewal of anti-COVID insurance, the construction of glass insulation films in the workplace, disinfection for prevention of vectors, and other information requiring notice.

In 2022, five employees and five employers of Farglory Construction attended the occupational safety and health meeting to discuss the implementation of the four major health protection programs and the responsibilities of occupational safety personnel, and to appoint occupational safety personnel at each construction site. The Company and the site's occupational safety personnel meet at least once each month to communicate the Company's policies, regulations for review of hazardous workplace and the criteria of submission for review, the identification of illegal foreign migrant workers and related laws and regulations, pandemic prevention measures and plans, and the awareness of cases of occupational accidents in the industry. Through occupational safety and health meetings, the Company aims to strengthen occupational safety and health at a company-wide level.

Occupational safety training

Besides a remuneration and benefits system that is better than that of industry competitors, Farglory Land Development also strives to create a healthy, and safe 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 2022, a total of 706.5 hours of training courses on occupational safety and health organized by Farglory Land Development were attended by 157 employees, accounting for 97% of the total number of our employees.

Farglory Construction does not have "general safety and health training for the construction industry" for its workers working at project sites, and the course hours of training institutes are different. In order to comply with the Occupational Safety Act and effectively prevent occupational hazards to protect the safety and health of workers, Farglory Construction has established the "Guidelines on General Safety and Health Training for the Construction Industry" and arranged monthly training courses, mainly targeting new employees, contractors and subcontractors who have not obtained the certificate for "general safety and health training for the construction industry" from any training institute approved by the Ministry of Labor before entering the construction site. In 2022, a total of 264 hours of training courses on occupational safety and health organized by Farglory Construction were attended by 132 employees, accounting for 31% of the total number of our employees. In the future, Farglory Land Development and the Subsidiary will continue to promote relevant education and training to raise our employees' awareness of occupational safety and lower the possibility of relevant risks.

Training courses on occupational safety organized by Farglory Land Development in the most recent 3 years

Item	2020			2021			2022		
	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours
Course on prevention of workplace misconduct/sexual harassment	1	93	93	-	-	-	0.5	157	78.5
Disaster evacuation lecture/on-site drill	-	-	-	1.5	150	225	-	-	-
Occupational safety and health promotion	2	144	288	-	-	-	4	157	628

Training courses on occupational safety organized by Farglory Construction in the most recent 3 years

Item	2020			2021			2022		
	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours	Hours	Number of trainees	Total hours
Course on prevention of workplace misconduct/sexual harassment	1	125	125	1	77	77	2	100	200
Occupational safety and health promotion	-	-	-	2	27	54	2	32	64

Occupational injuries and occupational illnesses

Farglory Land Development and Farglory Construction have always considered protecting the health and safety of our employees and creating a friendly workplace as the top priority. The Company regularly cooperates with the building for fire safety equipment inspection, and its 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. In 2022, none of Farglory Land Development's employees were injured at work, and no deaths or serious occupational injuries occurred during the execution of their duties. Seven employees of Farglory Construction had traffic accidents and suffered injuries at work. Six of them suffered from minor accidents and returned to work after taking leave on the same day. During the period of policy communication, we will continue to promote traffic safety for employees going to and from work. Another employee's foot was injured by a sliding rebar while carrying materials during site inspection, and he rested for 6 days after the doctor's evaluation. This incident was purely due to personal negligence, and we will continue to strengthen personal safety reminders and measures in accordance with occupational safety regulations to prevent the recurrence of similar incidents. In 2022, Farglory Land Development and the Subsidiary had no deaths caused by occupational illnesses or cases of occupational illnesses confirmed by occupational medicine specialists. Valuing the safety and health of all employees, the Company will continue to improve workplace safety awareness and management standards to ensure a safer and more comfortable working environment for all employees.

Statistics of occupational injuries suffered by employees in 2022	Farglory Land Development		Farglory Construction	
	Male	Female	Male	Female
Total workdays	21,328	18,848	84,162	20,916
Total work hours	170,624	150,784	673,296	167,328
Number of occupational injuries	0	0	6	1
Occupational injury ratio ^{Note 1}	0	0	1.78	0.12
Number of occupational injuries and deaths	0	0	0	0
Ratio of occupational injuries and deaths	0	0	0	0
Number of lost days	0	0	17	0
Lost day rate (LDR)	0	0	5.05	0
Number of absent days ^{Note2}	4	139	1068	280
Absence rate (AR) ^{Note3}	0.02%	0.74%	1.27%	1.34%
Number of serious occupational injuries	0	0	0	0
Ratio of serious occupational injuries	0	0	0	0
Disabling frequency rate (F.R) ^{Note4}	0		8.33	
Disabling severity rate (S.R) ^{Note 5}	0		20.22	

Note 1: Occupational injury ratio = (Number of persons/Number of hours)*200000

Note 2: 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 3: Absence rate (AR) = (absent days / total workdays) x 100%.

Note 4: Disabling frequency rate (F.R)= Number of persons suffering occupational injuries*1000000/Total working hours.

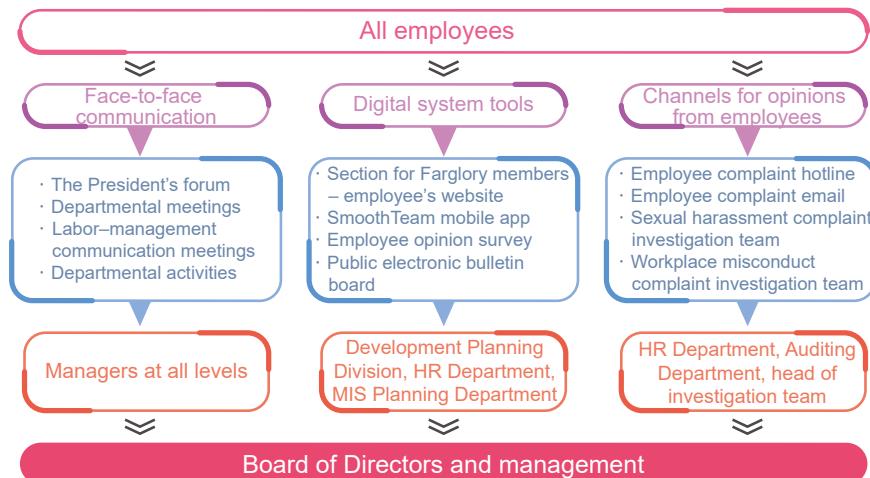
Note 5: Disabling severity rate (S.R)= Number of lost workdays*1000000/Total working hours.

5.4.3 Fostering Labor–Management Harmony

Diverse communication channels

In order to strengthen the issues of communication and the transmission and implementation of important information through the Company, Farglory Land Development and Farglory Construction have not only established comprehensive communication channels and platforms, but also continued to implement and improve communication mechanisms and related projects to ensure the completeness and depth of information communication and effectively communicate important issues related to operations.

Although Farglory Land Development and Farglory Construction have not established labor unions, in order to take into account the rights of employees and promote the exchange of opinions between employers and employees, they have established the "Regulations Governing Meetings of the Labor–Management Committee" in accordance with the law, and they hold at least one meeting of the labor–management committee each quarter. During such meeting, representatives of both employers and employees can have direct dialogue and discuss issues such as benefits and systems, employment conditions, improvement of working environment, labor health and safety, and promotion of labor–management cooperation to ensure and enhance the effectiveness of communication between both sides. After each meeting, important resolutions and notices are announced to our employees, so that they can understand the Company's latest policies and increase their participation and recognition of the Company's policies, in turn facilitating positive communication. In 2022, Farglory Land Development held four meetings of the labor–management committee, with an average attendance rate of 100%, to discuss issues such as amendment to the Guidelines on Rewards and Penalties for Employees, vaccination measures including vaccination insurance, vaccination leave, flexible working hours and company welfare programs. In 2022, Farglory Construction held two meetings of the labor–management committee, with an average attendance rate of 90%, to discuss issues such as determination of the annual calendar and the number of uniforms to be issued. The above labor–management agreements are applicable to 100% of employees.

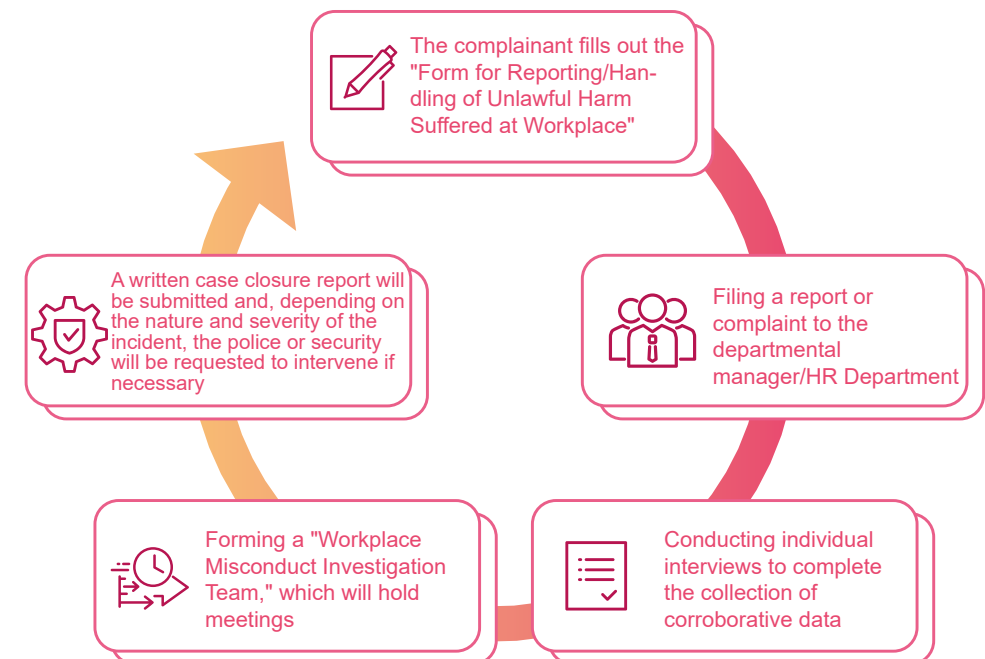


Farglory Land Development also supports an open and transparent culture of integrity and ethics. The Company provides multiple smooth communication channels in accordance with the "Guidelines for Handling of Employee Opinions and Complaints," "Guidelines for Prevention of Sexual Harassment in the Workplace" and "Guidelines for Prevention of Unlawful Harm Suffered During the Performance of Duties," and encourages internal employees and external personnel to report any non-compliance with laws or relevant policies of the Company through relevant whistleblowing channels, while allowing anonymous reporting to avoid improper supervision, unfairness, workplace harassment, or issues of other work advice. In 2022, Farglory Land Development and Farglory Construction did not have any employee complaint, human rights issue or case of social impact.

Complaint process for workplace misconduct and sexual harassment

- Complaint method: In writing, by telephone or via email
- Complaint channel: Departmental manager or HR Department
- Complaint hotline: (02)27239999#2260
- Complaint email: Land-Appeal@farglory.com.tw

Process for handling of complaints



Employee satisfaction survey

Farglory has long upheld the "people-oriented" spirit and regards employees as the most important assets of the Company, listening to their voices and actively making improvement.

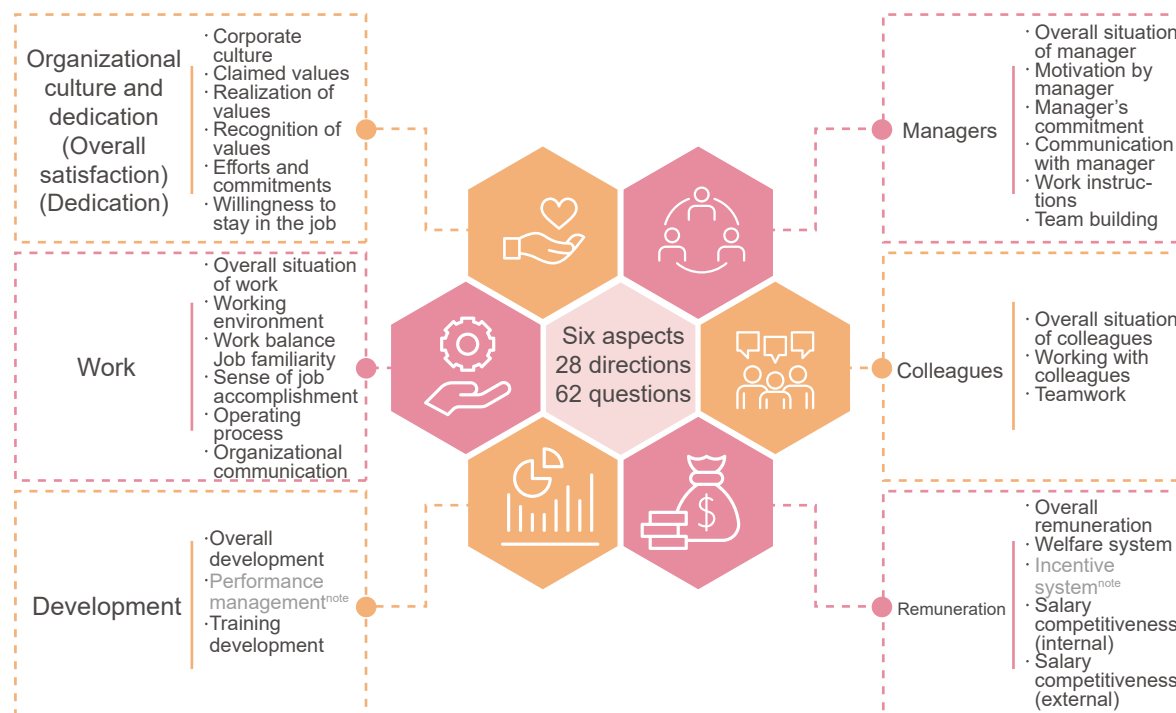
Farglory Construction conducts an annual employee satisfaction survey, which includes six major aspects: "organizational culture and dedication," "work," "development," "managers," "colleagues" and "remuneration." In 2022, 286 employees responded to the survey, with a response rate of 82%, a valid sample rate of 76%, and an average employee satisfaction score of 71. In the future, the Company will continue to conduct employee satisfaction surveys to listen to the voices of employees and understand the diverse voices of employees in the long-term development of the Company, so as to plan follow-up measures for important suggestions or trends and enhance employee satisfaction and identification.



After statistical analysis, the aspects with lower scores are "operating process," "performance management" and "salary competitiveness." The measures for future improvement are as follows:

Operating process	Performance management	Salary competitiveness
<ol style="list-style-type: none"> 1. Optimizing the operating process to increase work efficiency 2. Establishing multiple communication channels 3. Providing a safe working environment and the equipment needed by employees 4. Improving the system to achieve work balance. 	<ol style="list-style-type: none"> 1. Establishing a fair and reasonable performance management system 2. Well-planned career development opportunities and channels 	<ol style="list-style-type: none"> 1. Conducting external salary surveys to understand the market situation 2. Establishing a competitive remuneration management strategy 3. Establishing a remuneration system in line with internal fairness

Aspects of employee satisfaction survey questionnaire



Note: Sep. 1, 2021-Mar. 31, 2022 Since new employees have yet to learn about the performance and reward systems, the questions for the two aspects have been deleted.



6

CHAPTER

Giving Back to Society

- 6.1 Social Care and Charitable Activities
- 6.2 Education and Heritage of Architecture and Culture





Focus of social contribution

Related annual events

Social influence



Sponsorship and donations

Public welfare trust

Donating digital learning resources

Purchasing local agricultural products

- Reducing the resource gaps between urban and rural areas and between rich and poor.
- Assisting the government in implementing policies to support socially disadvantaged people.
- Calling on the public to respond to social issues and take practical action.



Social charity actions

Campaign to deliver Chinese New Year's dishes

Charity event of blood donation

Charitable construction and repair services

Christmas event to deliver love and warmth

Charitable road running even

- Encouraging employees to participate in corporate volunteering activities to shape a corporate culture of gratitude and contribution.
- Utilizing our expertise to create a safe and comfortable living environment.
- Gathering the Group's brand resources to care for the environment.
- Calling on the public to respond to social issues and take actions together.



Heritage of architecture and culture

Parent-child education at Farglory U Museum

Occupational courses on rural architecture

- Nurturing art talents in architecture and aesthetics to enrich the Company's human resources.
- Students are able to expand their career imagination, explore their interests and discover their own values.
- Building a brand image that focuses on education, culture, arts and the cultivation of talents.

6.1 Social Care and Charitable Activities GRI203-1 ~ 413-1

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.

In order to invest in social charity in a more systematic and efficient manner, the "Farglory Cultural & Educational Foundation" was established at the end of 1997 to focus on three major areas: health and sports, arts and culture, and social education. It aims to care for disadvantaged groups, emphasize education, sports and health activities, and strengthen sponsorship for 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's 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.

6.1.1 Social Care

Public welfare trust

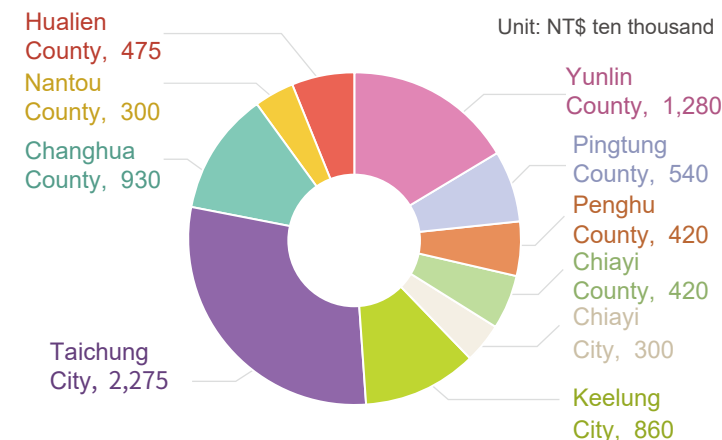
Since 2016, Farglory Land Development has collaborated with the Land Bank of Taiwan and the Taiwan Cooperative Bank to form a public welfare trust in order to assist socially disadvantaged groups by exerting a more effective spirit of public welfare. In 2022, we donated NT\$10 million to the Land Bank of Taiwan's "Farglory Land Development Co., Ltd. Public Welfare Trust." As of 2022, the total donation amounted to NT\$78 million, benefiting 1,678 people in 10 counties and cities across Taiwan. In the future, we will continue to make donations to public welfare trust to help disadvantaged groups, such as middle-aged and elderly persons, physically or mentally disabled low-income households, and those aged 55 or older whose families are in urgent need of support and living expenses. We will actively assist elderly persons in securing their retirement and help the government achieve its policy of caring for people with physical and mental disabilities.

Name of trust	Trustee	Additional donation in 2022	Region	Beneficiary
Farglory Land Development Co., Ltd. Public Welfare Trust	Land Bank of Taiwan	NT\$5.25 million	Taichung City	Elderly people, people with disabilities, low/medium income, or those who are in urgent need of nursing subsidies
		NT\$4.75 million	Hualien County	

Implementation of public welfare trust

Please refer to the Land Bank of Taiwan's official website (<https://www.landbank.com.tw/>): Information Disclosure > Statutory Disclosure > Trust Announcement

Distribution of Farglory Land Development's donations to public welfare trusts



Helping disadvantaged children and youth in Tainan City in learning without gap

In response to the Tainan City Government's idea of giving priority to the disadvantaged, the Farglory Cultural & Educational Foundation has donated approximately **NT\$1.14 million** to purchase **79 iPad tablets** for use by children and youth from disadvantaged families in community care centers in Tainan City, benefiting more than 20,000 people. We hope that more enthusiastic companies, organizations and individuals will join us to provide disadvantaged children and youth with a learning environment and resources that allow them to "learn without gap and falling behind in education" to reduce the digital learning gap and overcome the barriers of distance and resources, making the city government a support for disadvantaged people.



Supporting Taiwan's local fruit farmers to overcome their difficulties

In recent years, due to the effects of the COVID-19 pandemic and the war between Russia and Ukraine, high shipping costs and unstable sailing schedules have led to an impact on agricultural export orders, which in turn has affected the livelihood of farmers. Farglory Land Development has been organizing the "Friendly Locals" campaign for three consecutive years based on the spirit of local care. When there is an excess supply of vegetables and fruits, or when the price drops drastically, Farglory will take action to support the development of Taiwan's agriculture by purchasing large quantities of fruits and vegetables for distribution to all employees. In 2022, in response to the fruit import and export policy, Farglory Land Development and the Subsidiary purchased **537 boxes** of pineapple sweetsop (approximately NT\$67,000) from "Shih Feng Yuan Agricultural Company" in Taitung in mid-March for distribution to all employees to show compassion for the hard work of local fruit farmers in Taiwan.



6.1.2 Charitable Activities

Helping disadvantaged families to have a good Chinese New Year dinner

Farglory is committed to working hard, giving back to the community and local care. It has continued to care for disadvantaged children despite the challenges of the COVID-19 pandemic. For the fourth consecutive year, the Farglory Cultural & Educational Foundation and the Andrew Food Bank have jointly organized the "Campaign for Delivery of Chinese New Year's Dishes" to collect Chinese New Year's dishes for disadvantaged families, hoping to enrich their Chinese New Year's dinners. In 2022, the foundation purchased an additional 280 boxes of Chinese New Year's dishes and called on 30 employees from Farglory Land Development to participate in the packing and sorting of the food boxes, hoping to make contribution to the society and eliminate hunger through corporate power, spreading more positive energy.

- Amount for charitable activities **NT\$140,000**
- Amount for charitable donations **NT\$560,000**
- Donation of **280** boxes of Chinese New Year's dishes
- 120 service hours for corporate volunteers, with **30** volunteers
- Number of beneficiaries **800**



Farglory relay race

In order to raise public health awareness and demonstrate corporate care, the Farglory Cultural & Educational Foundation continued to organize the charitable event "2022 7th Farglory Group Relay Race" for blood donation, calling on all employees, group affiliates and people across the country to join in the blood donation campaign. From April to December, a total of 4 blood donation events were held in various locations throughout Taiwan. In addition to fighting the pandemic with blood, we also remind everyone to protect the environment and love the earth in the face of the resurging pandemic. The foundation prepared a set of eco-friendly tableware as a small gift for successful blood donors, thanking employees and enthusiastic citizens who came to donate blood to protect their health while taking care of environmental sustainability.

- Amount for charitable activities
NT\$400,000
- Total number of bags of blood donated:
400
- Total amount of blood 100,000 c.c.
- Number of beneficiaries 330



Charitable construction and repair services

In 2022, the Farglory Cultural & Educational Foundation completed 10 public welfare reconstruction projects, benefiting 251 persons. This year, Farglory provided construction and repair services to Taichung Guang Yin Orphanage, Nantou County Baseball Field, Nantou Chen Chou Children's Home and Farglory's project house in Changbin Township, Taitung. We hope to contribute to society with our professional skills and call on employees of group affiliates to roll up their sleeves to improve the living space of disadvantaged people and create a warm and complete living environment for them. At the same time, we received the bronze award for "SDG11 Building a Dream for Children" at the 2022 "TSAA Taiwan Sustainability Action Awards" through our public welfare reconstruction projects. In the future, Farglory will continue to utilize its expertise 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. Farglory will realize the spiritual context of sustainable urban-rural development and our own industry to create more priceless values.

- Amount for charitable activities
NT\$5,403,650
- Reconstruction of 2 schools, 2 orphanages, 1 project home and 5 communities
- 656 service hours for corporate volunteers, with 57 volunteers
- Number of beneficiaries 251



Christmas event to deliver love and warmth

The Farglory Cultural & Educational Foundation has long been caring for children's culture and education, and has been participating in the Christmas Eve event continuously for 8 years. Together with Farglory Land Development, Farglory Free Trade Zone, Farglory Ocean Park and other affiliated companies, the foundation has gathered volunteers to hand-wrap Christmas gifts and send them to rural areas, benefiting more than 8,000 disadvantaged children. In the past three years, the pandemic has made the lives of many disadvantaged children in rural areas more difficult. In order to benefit more children in rural areas, the number of Christmas gifts in 2022 increased by nearly 30% compared to previous years, and the theme of "environmental protection, love and sustainability" was used with the inclusion of the ESG concept. Reusable non-woven bags were adopted as the outer packaging, which contained stationery, drawing supplies, construction encyclopedia and drawing cards. On the eve of Christmas, Farglory took on the role of Santa Claus to spread love and warmth to rural areas and help disadvantaged children in rural areas to learn well, so that Farglory's care is found at every unnoticed corner of society.

- Amount for charitable activities **NT\$723,001**
- Donation of **1,500** Christmas gifts
- **132** service hours for corporate volunteers, with **33** volunteers
- Number of beneficiaries **1,500**



The "Studio Classroom 1919 Schooling Program" charitable road running

Many children in Taiwan grow up in disadvantaged families, are unable to get enough food to eat, live in a poor learning environment, and lack family companionship. In order to make contribution to the society and help disadvantaged children, and at the same time encourage our employees to live a healthy and happy life, Farglory Cultural & Educational Foundation called on the employees of Farglory Land Development and its affiliated companies to respond to the 9th annual "2022 Let's Run – Studio Classroom 1919 Schooling Program" jointly organized by Chinese Christian Relief Association, Studio Classroom and TRAVELER. A total of **30 runners** from Farglory ran for schooling at the East Bank Plaza in Bitan, Xindian. We hoped to provide 2,500 disadvantaged children with free academic counseling, character education, multiple talents, nutritious dinners and family care through the schooling program, so that every step we take can be transformed into strength for the growth of disadvantaged children.

- Amount for charitable activities **NT\$361,344**
- Amount for charitable donations **NT\$250,000**
- 120 service hours for corporate volunteers, with **30** volunteers
- Number of beneficiaries **2,500**



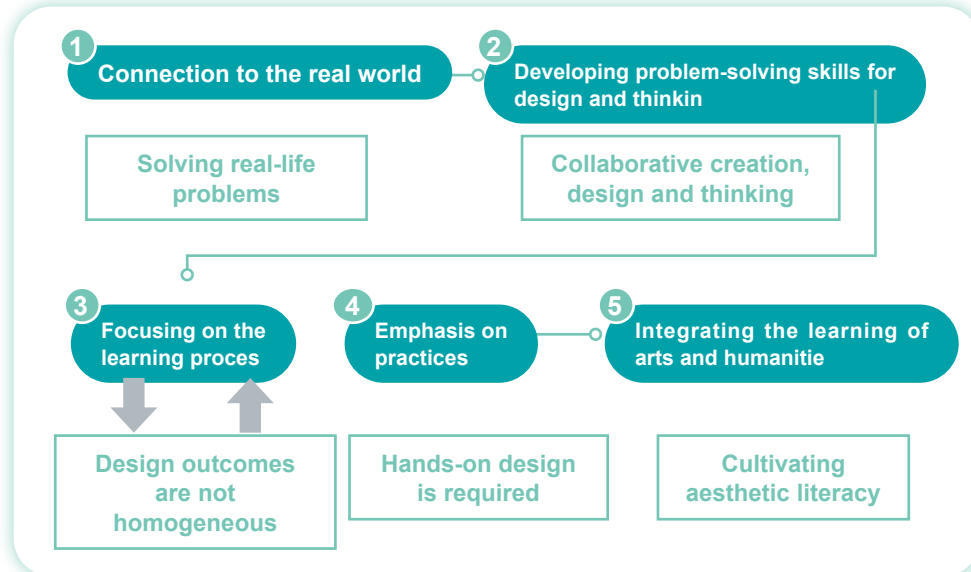
6.2 Education and Heritage of Architecture and Culture GRI203-1、413-1

6.2.1 Parent-Child Interaction and Children's Architectural Education at Farglory U Museum

The Farglory U Museum is the first architecture-themed exhibition hall in Taiwan. It is dedicated to the construction of tangible architectural and cultural assets and intangible aesthetics of life, to promote architectural art and culture through exhibitions, educational activities, publications and international cultural exchanges, and to give full play to the educational function of the Farglory U Museum.

- Amount for charitable activities NT\$3,800,000
- Number of beneficiaries 3,120

The cores of STEAM education



Steps of course teaching

Step 1 Concept development

Providing knowledge-based introduction to the topics of the course in order to build a creative database for children.



Step 2 Guidance and expression

Guiding children to develop ideas about issues and teaching them how to express their ideas in a spatially creative way.



Step 3 Formation of creative ideas

Teaching children how to use common objects in their lives and add their own creativity to change the design of existing spaces and allow creativity to continue at home.



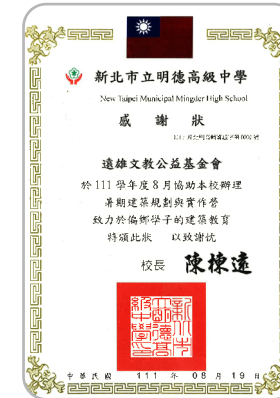
6.2.2 Visiting Rural Schools and Occupational Courses on Architecture

Farglory Cultural & Educational Foundation has been committed to the universalization of architectural education in rural areas for years. In addition to developing children's knowledge of architecture through the courses of Farglory U Museum, the foundation also joined hands with the EDC Expertise Discovery Center to organize the "Architectural Planning Camp" under the "Rural Seeds & Universal Education Program" in 2022, which was an architectural-themed program in which university lecturers from departments of architecture and practicing architects were invited to bring the culture, aesthetics and professional knowledge and experience of architecture to rural schools and teach them to students.

This event targeted two senior high schools in the rural areas of New Taipei City: Municipal Mingde High School in Sanxia District and Municipal Shuangxi High School in Shuangxi District. Through the guidance of university professors of architecture and professional architects, students can learn: the daily work of architects, the necessary learning content for the development of architects (apprentice stage), the essentials of drawing and planning, the practical methods and meanings of architectural design, how to integrate ideas into actual models and learn the skills of presentation on stage. More importantly, under the guidance of practicing architects, students can learn the proper attitude of architectural planning and design, so that they can more clearly determine whether they have the interest and ability to become a practitioner in the field of architecture.

In the future, the foundation will continue to train architectural talent. We hope that by visiting school campuses, we can not only balance the current situation of information inequality between urban and rural areas, but also 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.

- Amount for charitable activities **NT\$80,920**
- Number of beneficiaries **60**





Appendix

Appendix 1: Comparison Table on Global Reporting Initiative (GRI) Index

Appendix 2: Index of Task Force on Climate-Related Financial Disclosures (TCFD) and Climate-Related Information of TWSE/TPEX-listed Companies

Appendix 3: Index of Sustainability Accounting Standards Board Metrics

Appendix 4: Summary of Subject Matter Assured

Appendix 5: CPA's Limited Assurance Report



Appendix 1: Comparison Table on Global Reporting Initiative (GRI) Index

General Disclosures: 2021

GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
2-1	Organizational details	About Farglory Land Development	6
2-2	Entities included in the organization's sustainability reporting	About the Report	3
2-3	Reporting period, frequency and contact point	About the Report	3
2-4	Restatements of information	About the Report	3
2-5	External assurance	About the Report	3
2-6	Activities, value chain and other business relationships	2.4 A Century of Construction Quality Assurance	60
2-7	Employees	5.1 Human Resources Policy	110
2-8	Workers who are not employees	5.1 Human Resources Policy	112
2-9	Governance structure and composition	1.1 Corporate Governance	31
2-10	Nomination and selection of the highest governance body	1.1 Corporate Governance	31
2-11	Chair of the highest governance body	1.1 Corporate Governance	31
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Plans	11
2-13	Delegation of responsibility for managing impacts	Sustainable Development Plans	11
2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Plans	11
2-15	Conflicts of interest	1.1 Corporate Governance	34
2-16	Communication of critical concerns	Materiality Assessment and Stakeholder Engagement 1.2 Internal Control Operations and Risk Management	20, 35

GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
2-17	Collective knowledge of the highest governance body	1.1 Corporate Governance	31-32
2-18	Evaluation of the performance of the highest governance body	1.1 Corporate Governance	32
2-19	Remuneration policies	1.1 Corporate Governance	33
2-20	Process to determine remuneration	1.1 Corporate Governance	33
2-21	Annual total compensation ratio	5.3 Remuneration System and Diverse Benefits	118
2-22	Statement on sustainable development strategy	Message from the Chairman	4, 11
2-23	Policy commitments	2.4 A Century of Construction Quality Assurance, 3.1 Climate Change and Energy Management, 5.4 Creating a Healthy and Safe Workplace	62, 73, 125
2-24	Embedding policy commitments	2.4 A Century of Construction Quality Assurance, 3.1 Climate Change and Energy Management, 5.4 Creating a Healthy and Safe Workplace	62, 73, 125
2-25	Processes to remediate negative impacts	Materiality Assessment and Stakeholder Engagement	20
2-26	Mechanisms for seeking advice and raising concerns	1.1 Corporate Governance, 5.4 Creating a Healthy and Safe Workplace	34, 133
2-27	Compliance with laws and regulations	1.4 Legal Compliance	39
2-28	Membership of associations	1.5 Participation in External Organizations	42
2-29	Approach to stakeholder engagement	Materiality Assessment and Stakeholder Engagement	20-25
2-30	Collective bargaining agreements	5.4 Creating a Healthy and Safe Workplace	133

Disclosures of Material Issues

Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 3 Material issue	3-1	Process to determine material issues	Materiality Assessment and Stakeholder Engagement	20
	3-2	List of material issues	Materiality Assessment and Stakeholder Engagement	21
	3-3	Management of material issues	Materiality Assessment and Stakeholder Engagement	20-21
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	1.3 Operating and Financial Performance	38
	201-3	Defined benefit plan obligations and other retirement plans	5.3 Remuneration System and Diverse Benefits	118-120
	201-4	Financial assistance received from government	Farglory Land Development and the Subsidiary did not receive any financial assistance from the government in 2022.	66-72
Climate change governance	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change and Energy Management	36-37
Risk management	NA	Risk management plan, current risk assessment and response measures	1.2 Internal Control Operations and Risk Management	81, 83
GRI 301 Materials	301-1	Materials used by weight or volume	3.2 Waste and Water Resource Management	81, 83
	301-2	Recycled input materials used	3.2 Waste and Water Resource Management	81, 83
	301-3	Reclaimed products and their packaging materials	3.2 Waste and Water Resource Management	87-92

Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	3.1 Climate Change and Energy Management	73-74
	305-2	Energy indirect (Scope 2) GHG emissions	3.1 Climate Change and Energy Management	73-74
	305-3	Other indirect (Scope 3) GHG emissions	3.1 Climate Change and Energy Management	73-74
	305-4	GHG emissions intensity	3.1 Climate Change and Energy Management	73-74
	305-5	Reduction of GHG emissions	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth 3.1 Climate Change and Energy Management	46-51 73-74
306 Waste	306-1	Waste generation and significant waste-related impacts	3.2 Waste and Water Resource Management	79, 82
	306-2	Management of significant waste-related impacts	3.2 Waste and Water Resource Management	80, 83
	306-3	Waste generated	3.2 Waste and Water Resource Management	84
	306-4	Waste diverted from disposal	3.2 Waste and Water Resource Management	85-94
	306-5	Waste directed to disposal	3.2 Waste and Water Resource Management	85-94



Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 401 Employment	401-1	New employee hires and employee turnover	5.1 Human Resources Policy	113
	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	118, 120
	401-3	Parental leave	5.3 Remuneration System and Diverse Benefits	121
GRI 403 Occupational Safety and Health	403-1	Occupational safety and health management system	5.4 Creating a Healthy and Safe Workplace	127
	403-2	Hazard identification, risk assessment and incident investigation	5.4 Creating a Healthy and Safe Workplace	127-130
	403-3	Occupational health services	5.3 Remuneration System and Diverse Benefits	121
	403-4	Worker participation, consultation, and communication on occupational safety and health	5.4 Creating a Healthy and Safe Workplace	131
	403-5	Worker training on occupational safety and health	5.4 Creating a Healthy and Safe Workplace	131
	403-6	Promotion of worker health	5.3 Remuneration System and Diverse Benefits	121
	403-7	Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	5.4 Creating a Healthy and Safe Workplace	127-130
	403-8	Workers covered by an occupational safety and health management system	5.4 Creating a Healthy and Safe Workplace	127
	403-9	Work-related injuries	5.4 Creating a Healthy and Safe Workplace	132
	403-10	Work-related ill health	5.4 Creating a Healthy and Safe Workplace	132

Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 404 Training and Education	404-1	Average hours of training per year per employee	5.2 Talent Development	115-117
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Talent Development	114-115
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Remuneration System and Diverse Benefits	120
GRI 416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	2.4 A Century of Construction Quality Assurance 4.2 Comprehensive After-sales Service	54-57 101-105
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.4 Legal Compliance No related incident occurred in 2022.	39-40
GRI 417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	2.4 A Century of Construction Quality Assurance 4.2 Comprehensive After-sales Service	54, 97-99
	417-2	Incidents of non-compliance concerning product and service information and labeling	1.4 Legal Compliance No related incident occurred in 2022.	39-40
	417-3	Incidents of non-compliance concerning marketing communications	1.4 Legal Compliance	39-40



Disclosures of General Topics

Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	6.1. Social Care and Charitable Activities 6.2 Education and Heritage of Architecture and Culture	137, 141
GRI 204 Procurement Practices	204-1	Proportion of spending on local suppliers	2.4 A Century of Construction Quality Assurance	61
GRI 205 Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	1.1 Corporate Governance	34
	205-3	Confirmed incidents of corruption and actions taken	1.1 Corporate Governance No related incident occurred in 2022.	34
GRI 206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	1.1 Corporate Governance No related incident occurred in 2022.	34
GRI 302 Energy	302-1	Energy consumption within the organization	3.1 Climate Change and Energy Management	75
	302-2	Energy consumption outside of the organization	3.1 Climate Change and Energy Management	75
	302-3	Energy intensity	3.1 Climate Change and Energy Management	75
	302-4	Reduction of energy consumption	3.1 Climate Change and Energy Management	76
	302-5	Reductions in energy requirements of products and services	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth	46, 76
GRI 303 Water and Effluents	303-3	Water withdrawal	3.2 Waste and Water Resource Management	81, 83
GRI 308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	2.4 A Century of Construction Quality Assurance	62-63

Topic	GRI	Disclosure	Corresponding chapter(s) and special instructions	Page
GRI 308 Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	2.4 A Century of Construction Quality Assurance	61-63
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	1.1 Corporate Governance 5.1 Human Resources Policy	31, 111
	405-2	Ratio of basic salary and remuneration of women to men	5.3 Remuneration System and Diverse Benefits	119
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5.4 Fostering Labor–Management Harmony	133
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	2.4 A Century of Construction Quality Assurance 5.4 Creating a Healthy and Safe Workplace No related incident occurred in 2022.	62, 125
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4 A Century of Construction Quality Assurance 5.4 Creating a Healthy and Safe Workplace No related incident occurred in 2022.	62, 125
GRI 413 Local Communities	413-1	Operations with local community engagement, impact assessments and development programs	6.1. Social Care and Charitable Activities 6.2 Education and Heritage of Architecture and Culture	137, 141
GRI 414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	2.4 A Century of Construction Quality Assurance	61-63
	414-2	Negative social impacts in the supply chain and actions taken	2.4 A Century of Construction Quality Assurance	61-63
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer Marketing Communication	100



Appendix 2: Index of Task Force on Climate-Related Financial Disclosures (TCFD) and Climate-Related Information of TWSE/TPEX-listed Companies

TCFD recommended disclosures		Climate-related information of TWSE/TPEX-listed companies	Corresponding chapter (page)	Supplementary information
Governance				
TCFD 1(a)	Describe the Board of Directors' oversight of climate-related risks and opportunities.	1. Describe the Board of Directors and management's oversight and governance of climate-related risks and opportunities.	3.1.1 Climate Risk and Opportunity Management(p66)	--
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.			--
Strategy				
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the company (short, medium and long term).	3.1.1 Climate Risk and Opportunity Management (p67)	--
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	3. Describe the financial impact of extreme weather events and transitional actions.	3.1.1 Climate Risk and Opportunity Management (p70)	--
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios (including a 2° C or lower scenario).	4. If a scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors and key financial impacts used should be described.	3.1.1 Climate Risk and Opportunity Management (p71)	--
Risk management				
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	5. Describe how the processes for identifying, assessing and managing climate risks are integrated into the overall risk management system.	3.1.1 Climate Risk and Opportunity Management (p69)	--
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.			--
TCFD 3(c)	Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.			--



TCFD recommended disclosures		Climate-related information of TWSE/TPEX-listed companies	Corresponding chapter (page)	Supplementary information
Metrics and targets				
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	6. If there is a transition plan to manage climate-related risks, describe the contents of the plan and the metrics and targets used to identify and manage physical and transition risks.	3.1.1 Climate Risk and Opportunity Management (p72)	--
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	7. GHG inventory and assurance	3.1.1 Climate Risk and Opportunity Management (p73)	<ul style="list-style-type: none"> See Schedule: GHG Inventory and Assurance
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against the targets.	8. If climate related targets are set, the activities covered, the scope of GHG emissions, the planned period, the annual progress of achievement and other information should be described. If carbon offsets or renewable energy certificates (RECs) are used to achieve the related targets, the source and quantity of carbon credits or the number of RECs to be offset should be described.	3.1.1 Climate Risk and Opportunity Management (p72)	<ul style="list-style-type: none"> The Company and the Subsidiary have completed the GHG inventory and verification in July 2023, at which time climate-related targets will be set in accordance with the Company's GHG emissions. No carbon credits or renewable energy certificates have been used in the current year, and the Company is in the process of internal discussion and evaluation.
--	--	9. If internal carbon pricing is used as a planning tool, the basis for price setting should be described.	--	<ul style="list-style-type: none"> Internal carbon pricing has not been used as a planning tool in the current year, and the Company is in the process of internal discussion and evaluation.

Schedule: GHG Inventory and Assurance

Company profile

- ☐ Company with no less than NT\$10 billion in capital, steel industry, cement industry
- ☒ Company with no less than NT\$5 billion and less than NT\$10 billion in capital
- ☐ Company with less than NT\$5 billion in capital

According to the Roadmap for Sustainable Development of TWSE/TPEX Listed Companies, at least the following shall be disclosed:

- ☐ Parent-only inventory of the parent company
- ☐ Parent-only assurance of the parent company
- ☒ Inventory of subsidiaries in the consolidated financial report
- ☐ Assurance of subsidiaries in the consolidated financial report

Scope 1	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ thousand)	Assuring organization	Description of assurance
Parent company and the Subsidiary	74.2884	0.00000279	SGS	The Company and the Subsidiary have completed the investigation and verification in July 2023. For details on the related verification statement, see the 2022 ESG Report and the Company's website.
Scope 2	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ thousand)	Assuring organization	Description of assurance
Parent company and the Subsidiary	3487.7456	0.000131	SGS	The Company and the Subsidiary have completed the investigation and verification in July 2023. For details on the related verification statement, see the 2022 ESG Report and the Company's website.
Scope 3 (voluntary disclosure)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ thousand)	Assuring organization	Description of assurance
Parent company and the Subsidiary	192696.937	0.00725	SGS	The inventory will be conducted in accordance with ISO 14064-1:2018, and the inventory item is Category 4 of Scope 3: indirect GHG emissions from the use of product, including upstream emissions from electricity production and power transmission and distribution losses, waste disposal, etc. The relevant data has been verified by an external third party. For details on the related verification statement, see the 2022 ESG Report and the Company's website.



Appendix 3: Index of Sustainability Accounting Standards Board Metrics

SASB topic	Metric code	Metric	Corresponding information for 2022	Improvement and future targets	Corresponding material issue	Note/corresponding chapter and page
Land use and ecological impacts	IF-HB-160a.1	Number of lots on redevelopment sites	0	In the future, we plan to acquire a redevelopment area with a low base period.	Product safety	2.4 A Century of Construction Quality Assurance (p58)
		Number of homes delivered on redevelopment sites	0			
	IF-HB-160a.2	Number of lots in regions with high baseline water stress Number of lots in regions with high or extremely high baseline water stress	30	In the future, we do not plan to acquire the land of any water passage area and water conservancy land.	Product safety	2.4 A Century of Construction Quality Assurance (p58)
		Number of homes delivered in regions with high baseline water stress Number of homes delivered in regions with high or extremely high baseline water stress	242	For improvement and future targets, see the content of the corresponding chapter		
	IF-HB-160a.3	Total amount of monetary losses as a result of legal proceedings associated with environmental regulations. Total amount of monetary losses as a result of legal proceedings associated with environmental regulations	0	We will continue to maintain the target of 0 loss in the future.	--	1.4 Legal Compliance (p39)
	IF-HB-160a.4	Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction. Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction	For selection of site for land development and its process, see the content of the corresponding chapter.	We will continue to maintain the target of 0 loss in the future.	Product safety	2.4 A Century of Construction Quality Assurance (p58)
Employee health and safety	IF-HB-320a.1	Total recordable incident rate (TRIR) for direct employees	0	We will continue to maintain the target of 0 work-related injury and death in the future.	Occupational Safety and Health	5.4 Creating a Healthy and Safe Workplace (p132)
		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			



SASB topic	Metric code	Metric	Corresponding information for 2022	Improvement and future targets	Corresponding material issue	Note/corresponding chapter and page
Resource efficient design	IF-HB-410a.1	Number of homes that obtained a certified HERS® Index Score	4 construction projects	For improvement and future targets, see Sustainable Development Plans: Sustainability Blueprint (Continued).	--	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth (p47)
		Average score of homes that obtained a certified HERS® Index Score	4 construction projects received a passing or higher grade in terms of daily energy conservation.			
	IF-HB-410a.2	Percentage of installed water fixtures certified to WaterSense® specifications Percentage of installed water fixtures certified to WaterSense® specifications	100%	We will continue to maintain the target of 100% in the future.		Since WaterSense® does not apply to Taiwan, we have used the purchase amount of water-saving label-certified products in 2022 as the statistical basis.
	IF-HB-410a.3	Number of homes delivered certified to a third-party multi-attribute green building standard Number of homes delivered certified to a third-party multi-attribute green building standard	927	For improvement and future targets, see Sustainable Development Plans: Sustainability Blueprint (Continued).	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth (p47)	
	IF-HB-410a.4	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	For selection of site for land development and its process, see the content of the corresponding chapter.	For improvement and future targets, see Sustainable Development Plans: Sustainability Blueprint (Continued) and the content of the corresponding chapter.	Product safety Marketing communication	2.1 Green Energy Buildings – Attaining Co-prosperity with Earth (p47) 2.2 Intelligent Building – Innovation Introduces Endless Possibilities in Life (p52) 4.1 Customer Marketing and Communication (p97)
Impact of new developments	IF-HB-410b.1	Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions Description of how proximity and access to infrastructure, services, and economic centers affect site selection and development decisions	For selection of site for land development and its process, see the content of the corresponding chapter.	In the future, we will continue to review and consider land development based on three aspects: investment, laws and regulations, and positioning.	Product safety	2.4 A Century of Construction Quality Assurance (p58)
	IF-HB-410b.2	Number of lots on infill sites	21	The future direction of land development will be based on population, income and areas of high industrial development.	Product safety	2.4 A Century of Construction Quality Assurance (p58)
		Number of homes delivered on infill sites	0			
	IF-HB-410b.3	Number of homes delivered in compact developments	3,733	We will continue to develop land in the six special municipalities in the future.		2.4 A Century of Construction Quality Assurance (p58)
		Average density of compact developments	0.18 (household/ping)			



SASB topic	Metric code	Metric	Corresponding information for 2022	Improvement and future targets	Corresponding material issue	Note/corresponding chapter and page
Climate change adaptation	IF-HB-420a.1	Number of lots located in 100-year flood zones	17	In the future, we do not aim to acquire the land of any water passage area and water conservancy land.	Climate change governance	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 2022.
	IF-HB-420a.2	Description of climate change risk exposure analysis, and strategies for mitigating risks.	For strategies for climate change adaptation, see the content of the corresponding chapter.	For improvement and future targets, see the content of the corresponding chapter.		3.1.2 Climate Risk Management (p67)
Activity metrics	IF-HB-000.A	Number of controlled lots	65 (Totaling 103,412.73 ping)	Future target: Land development and housing sales are planned according to annual targets.	--	2.4 A Century of Construction Quality Assurance (p58)
	IF-HB-000.B	Number of homes delivered.	2,052			2.4 A Century of Construction Quality Assurance (p58)
	IF-HB-000.C	Number of active selling communities.	28 construction projects			2.4 A Century of Construction Quality Assurance (p58)



Appendix 4: Summary of Subject Matter Assured

No	Subject Matter	Page	Reporting Criteria
1	In 2022, Farglory Land Development received the EEWB Green Building Label from the Taiwan Architecture & Building Center for 4 projects. In 2022, Farglory Land Development were delivered 927 houses with the EEWB Green Building Label issued by the Taiwan Architecture & Building Center.	47	The amount of EEWB Green Building Labels obtained from the Ministry of the Interior and the total delivered number of the certificated houses.
2	Under legal or voluntarily requirements, the total weight of waste of Farglory's construction sites and working offices were 10,834.43 and 2.88 metric tons; the total weight of waste of Farglory Land Development's office were 8.94 and 9.9 metric tons in 2021 and 2022, respectively.	81 83	The total weight of waste which consigned to dispose and had been declared to the Environmental Protection Administration, EY, R.O.C. (Taiwan).
3	Under legal or voluntarily requirements, the volume of the water withdrawal of Farglory's construction sites and working offices were 116.63 and 1.31 megaliters in 2022; the volume of the water withdrawal of Farglory Land Development's office were 3.32 and 3.6 megaliters in 2021 and 2022, respectively.	81 83	Collect the payment receipts of the total municipal water withdrawal from the external suppliers.
4	The “customer service platform system” successfully closed 3 9,269 cases before December 31, 2022. ³ These were cases registered by management committees and homeowners (residents); the case closing date is the date registered by customer service in the system.	105	Summarize the total claims on the customer PM service platform which accepted from 2020 to 2022 and closed in 2022. Then ensure the status according to the closing claims record from the system.
5	In 2022, the salary of Farglory Land Development's non-management full-time employees' was ⁸ 1.62 times that of other TWSE-listed construction firms in Taiwan. ⁸ 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, 2023.	119	The multiple is calculated by the non-management full-time employees' salary of Farglory Land Development divided by the average non-management full-time employees' salary of other TWSE-listed building material and construction companies in Taiwan which uploaded on MOPS in 2022.
6	In 2022, we donated NT \$10 million to the Land Bank of Taiwan's "Farglory Land Development Co., Ltd. Public Welfare Trust".	137	The total amount donated into the Land Bank of Taiwan's “Farglory Land Development Co., Ltd. Public Welfare Trust” project in 2022.



Appendix 5: 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 Farglory Land Development Co., Ltd. 2022 ESG Report (hereinafter referred to as the "ESG 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 153 of the ESG Report. The scope of the aforementioned Subject Matter Information is set out in the "Scope and Boundary" on page 3 of the ESG Report.

The respective applicable criteria referred to above are the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) and the GRI Sector Disclosures published by the Global Reporting Initiative (GRI) and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

Management's Responsibilities

The Management of the Company is responsible for the preparation of the sustainability performance information disclosed in the ESG Report in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) and the GRI Sector Disclosures published by the Global Reporting Initiative (GRI) and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported, 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 ESG Report in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of 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, information systems, 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, to obtain evidence for limited assurance.

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

Compliance of Independence and Quality Management 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 Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China and accordingly maintains 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 Limitation

Certain Subject Matter Information involves non-financial data which is subject to more inherent limitations than financial information. 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 the Subject Matter Information to be prepared, in all material respects, in accordance with the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports and FAQ issued by TWSE Listed Companies and related laws and regulations, the latest edition of the GRI Sustainability Reporting Standards (GRI Standards) and the GRI Sector Disclosures published by the Global Reporting Initiative (GRI) and the other criteria referred to or designed by the Company based on the Company's industry characteristics and sustainability performance information reported.

Other Matters

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.

Chang-Shu-Chiung

For and on behalf of PricewaterhouseCoopers, Taiwan
August 4, 2023



Farglory
Land

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