

建國工程

2023 Corporate Sustainability Report

Chien Kuo Construction Co., Ltd.



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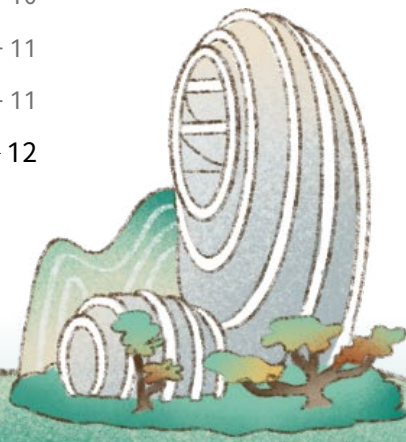
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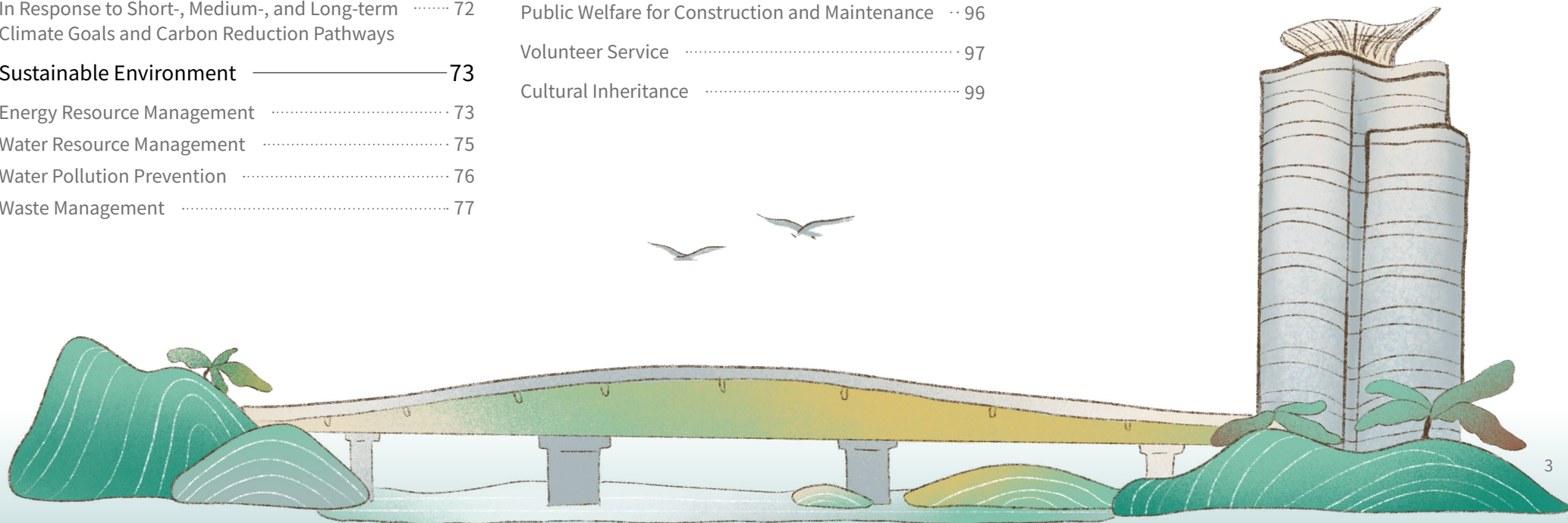
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Introduction

About this Report

Chien Kuo Construction Co., Ltd. (hereinafter referred to as "Chien Kuo Construction", "Chien Kuo", "the Company", or "we") published the Corporate Social Responsibility Report in 2019. In response to the update of the "Corporate Governance 3.0 - Sustainable Development Roadmap" updated by the Financial Supervisory Commission (FSC) in 2021, the CSR Report was retitled the Corporate Sustainability Report. The report is used to fully disclose the sustainability issues of concern to its strategies, goals, and achievements in environmental, social, and corporate governance, thereby addressing the sustainability issues of concern to all stakeholders. Chien Kuo Construction upholds the spirit of giving back what one takes from the society to the society, and we shall continue to work hard to strive to promote a virtuous cycle in the value chain and realize the vision of a better life.

This report covers material issues of concern to stakeholders and communication efforts, including Chien Kuo Construction's management and performance in governance, environment, and social aspects. The financial information and financial data certified by the accountants are consistent. Statistical data are partially sourced from the annual report, government agencies, and relevant websites.

Report Boundaries GRI 2-1, GRI 2-2

This report focuses on the operations of Chien Kuo Construction, covering its major subsidiaries, including Shun Long International Electrical Engineering Co., Ltd. The scope of this report includes the operational status and sustainability initiatives of the head office and various construction sites. This includes Chien Kuo Construction and its subsidiaries, including Shun Long International Electrical Engineering Co., Ltd., Chien Kuo Development Co., Ltd., Jian Bang Construction Co., Ltd., Golden Canyon Limited, Silver Shadow Holding Limited, and CK Asia Limited.

Report Release Date GRI 2-3

Chien Kuo Construction issues the sustainability report annually, which is disclosed on the Market Observation Post System and the company website.



- » The previous report was released in June 2023
- » This report was released in August 2024
- » The next report is scheduled to be issued in August 2025

Report Contact GRI 2-3

Chien Kuo Construction Co., Ltd.

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Principles, Outline, and Verification for Report Writing GRI 2-4, GRI 2-5

This report was compiled in accordance with the following guidelines. Any erroneous information from previous reporting periods will be revised and noted in the respective chapters. To enhance comparability and substantiate the contents of the report all information disclosed is GRI Standards: 2021 compliant. The Report has been externally verified by an independent third-party verification organization, AFNOR Asia Ltd., with the AA1000 V3 Assurance Standard and with a moderate level of assurance as defined in the 2018 Appendix, Type 1 Application. The Assurance Statement is provided in the appendix. It follows international standardized metrics. In cases where estimations are made, they will be clearly indicated.

Issuer	Applicable Standards
The latest GRI Standards: 2021	AA1000 (2018) Accountability Principles: Materiality, Inclusivity, Responsiveness, and Impact.
United Nations	» Sustainable Development Goals, SDGs » United Nations Global Compact (UNGC) Disclosure Principles
Taiwan Stock Exchange	» Over-the-Counter (OTC) Company Sustainability Development Guidelines » Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
Financial Stability Board, FSB	» Task Force on Climate-Related Financial Disclosures, TCFD » Sustainability Accounting Standards Board (SASB) Standards

Report Review and Finalization GRI 2-5

To ensure transparency and disclosure of information regarding the sustainable development of Chien Kuo Construction, this report was compiled based on data provided by each department according to their respective responsibilities. The Company's Sustainability Report Compilation Team, after consulting with external experts, consolidated and edited the report. The report was then submitted to the company's Corporate Governance Supervisor for review. The Report has been externally verified by an independent third-party verification organization, AFNOR Asia Ltd., a member of the French Standards Association in accordance with the A1000 V3 Assurance Standard and Type 1 Application. Following this verification, the report was presented to the Sustainable Development Committee and the Board of Directors for approval. The final version was then published.



External Assurance

ISO 14064-1 Greenhouse Gas Emission Standard - AFNOR Asia Ltd.



ISO 9001 Quality Management System - SGS



ISO 45001 Occupational Health and Safety Management System Standard - BSI



Sustainability Report - AFNOR Asia Ltd.



Financial Report - Deloitte & Touche

—• A Word from the Management

In 2023, Taiwan's economy entered a post-pandemic recovery and growth pattern. Coupled with regional geopolitical factors leading to supply chain restructuring and capital flows, as well as the development of upstream and downstream industry clusters driven by the AI industry, along with the government's strong push to provide suitable housing policies, Taiwan's construction industry is experiencing growth in high-tech factories and offices, commercial facilities, general housing, and social housing. Under these prevailing market trends, Chien Kuo Construction is well-positioned to expand its business through a long-term strategic approach. This has resulted in steady performance across all key metrics, including the quality and quantity of orders received, total contract value, and overall profitability. Furthermore, in response to industry development trends and the need for differentiated technologies, intelligent solutions, and green construction to meet future market demands, we are gradually implementing a phased plan.

Actively participating in the integrated social housing project is a crucial strategy for the Chien Kuo Construction as it looks towards the future. Beyond providing comfortable and secure homes for those in need, which has always been the core purpose and original intention of Chien Kuo Construction, undertaking turnkey projects allows us to present innovative architectural concepts to the public sector, shaping the future vision of the construction industry. This holds significant strategic importance for the future development of Chien Kuo Construction. This includes planning based on the needs of future users, the development of our integrated capabilities in design and construction and in civil and electrical engineering, incorporating our own low-carbon technologies, such as aluminum alloy system formwork and SD550W steel column reinforcement.

Being a new-generation construction team rooted in technology is the strategic direction for Chien Kuo Construction's future competitive advantage. Therefore, possessing leading-edge unique technology and focusing on enhancing engineering automation and project management information systems have been the directions of our step-by-step efforts over the years, and have achieved significant success. However, as professionals and managers in the construction industry, I have even greater expectations for Chien Kuo Construction's pursuit of technological leadership. It must also create a better living environment for future generations and contribute to sustainable development through the contributions of construction expertise.

Driven by this philosophy, Chien Kuo Construction has developed multifaceted low-carbon building design and construction techniques, which have been fully applied in turnkey social housing projects. This includes the use of the SD550W high-strength reinforced concrete new construction method, which reduces the amount of steel reinforcement used, thereby achieving the goal of lowering construction carbon emissions. For example, in a 14-story RC building, this method can reduce the use of steel reinforcement by 22 tons. The SD550W construction method, developed by Chien Kuo Construction, is not only used internally but also licensed to multiple industry peers. By exporting its leading technology, Chien Kuo Construction has driven its peers to achieve higher carbon reduction results, contributing to the environment together. This is a source of great encouragement and satisfaction. We have further developed a new construction method, the SD690, which offers even greater carbon reduction efficiency. This new method is currently undergoing review and is expected to be approved in 2024. Upon approval, it is anticipated to provide enhanced carbon reduction benefits for supertall buildings.



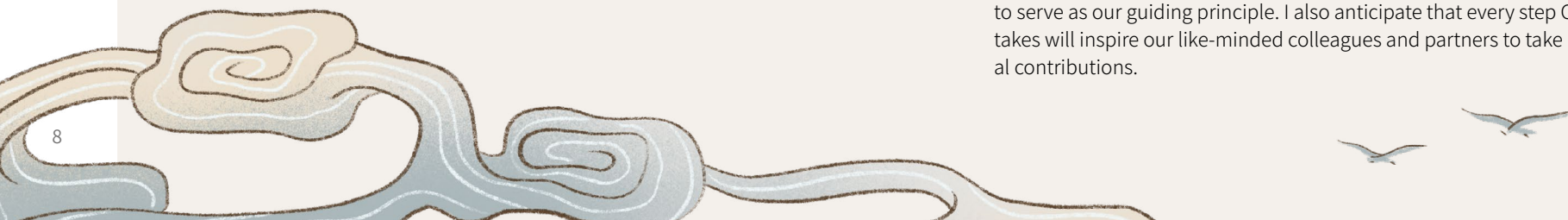
Chairman
George Wu

Furthermore, we have systematically implemented aluminum formwork construction method to replace traditional formwork methods. Due to the reusable nature of aluminum formwork, this initiative has yielded significant results in terms of energy conservation and carbon reduction for the overall construction process. It has also effectively mitigated the negative impact of labor shortages, enhanced construction efficiency and quality, and, by improving the precision of structural construction, eliminated the labor and material waste associated with the demolition and masonry work inherent in traditional methods. Regarding the introduction of aluminum formwork construction method, we have further deepened our carbon reduction efforts by obtaining the LCBA Low Carbon Construction Method certification for our aluminum alloy formwork system. In 2024, we will continue to invest in systemized aluminum formwork, further enhancing our competitiveness and advantages in structural formwork technology.

In addition to our efforts in reducing carbon emissions through structural design, material application, and construction techniques, we are also relentlessly developing our capabilities in designing and evaluating low-energy and low-embodied carbon buildings. Taking the National Housing and Urban Regeneration Center's Kaohsiung Zuoying "Chongshi" social housing project, currently under construction, as an example, low-carbon building design was considered from the outset of the architectural design phase. The project participated in the Ministry of Interior's National Land Management Agency's pilot program for low-embodied carbon building labeling assessment and received a Level 1 low-embodied carbon building design rating. This is estimated to reduce carbon emissions by over 4,800 tons, making it the first case for social housing. Furthermore, the project utilizes Level 1 energy-efficient equipment, including air conditioners, Induction Heating, low-energy lighting fixtures, solar power recovery, rainwater harvesting, and elevator regenerative braking, resulting in an annual reduction of 465 tons of carbon emissions. Based on a 50-year life cycle for the building, this effort will reduce carbon emissions by over 28,000 tons for the planet. These efforts have also earned the project the highest rating of 1+ Nearly Zero Carbon Building in the Ministry of the Interior's National Land Management Agency's new building energy efficiency assessment. This project is expected to be completed in 2025, marking the first time we have achieved a 1+ Nearly Zero Carbon Building. Adhering to this belief, all of the integrated social housing projects undertaken by Chien Kuo Construction for the National Housing Development Center will fulfill the mission of low-carbon construction.

Striving for continuous improvement in construction techniques and professional methods to create a more sustainable environment for future generations is the ideal competitive advantage we envision for Chien Kuo Construction. Furthermore, making irreplaceable contributions to underprivileged populations through engineering expertise is another key factor that sets Chien Kuo Construction apart. Over the years, one of Chien Kuo Construction's most unique clients has been the "Genesis Foundation", which cares for individuals in a vegetative state. The relationship began in 2011 when Chien Kuo Construction was fortuitously selected to construct the Genesis Foundation's Taitung Vegetative State Care Center. Subsequently, in 2013, Chien Kuo Construction built the Genesis Foundation's Kaohsiung branch, followed by the construction of the Pingtung Vegetative State Care Center in 2014. With the trust and affirmation of the Genesis Foundation, Chien Kuo Construction will soon assist the Genesis Foundation in constructing Hualien Vegetative State Care Center. This will be our next milestone in the field of caring for the underprivileged and social welfare. From the perspective of corporate governance, our commitment to sustainability is reflected in the governance assessments conducted by the Taiwan Stock Exchange for listed companies. Chien Kuo Construction ranks among the top 6-20% of all listed companies, demonstrating our dedication to good corporate governance across all levels, from the board of directors to individual departments, in order to meet all required standards.

Founded in 1931 during the Japanese colonial Period as "He-fa Trade Company", the predecessor of Chien Kuo Construction, the Company has a history spanning over 90 years. The success of Chien Kuo Construction in weathering the test of time is rooted in our founding principle: to benefit ourselves while also benefiting others, and to make a unique contribution to society through our expertise. Therefore, the core values of Chien Kuo Construction were derived from the Dayumo of the Book of Documents, specifically the phrase "ethics, utilization, welfare, and harmony", and the corresponding behavioral indicators we developed. "Ethics" represents honesty and integrity, take responsibility with courage. "Utilization" represents our pursuit of improvement and enhancement and lifelong learning. "Welfare" represents employee care and social responsibility. "Harmony" represents sustainable prosperity and cherishing the earth. This is the guiding principle that Chien Kuo Construction has adhered to throughout its journey, demonstrating that long before ESG became a popular trend in corporate management, Chien Kuo Construction had already spent decades putting ESG principles into practice. I aspire for Chien Kuo Construction's unwavering commitment to corporate and environmental sustainability to serve as our guiding principle. I also anticipate that every step Chien Kuo Construction takes will inspire our like-minded colleagues and partners to take pride in their professional contributions.



About Chien Kuo Construction

Company Profile [GRI 2-6](#)

Chien Kuo Construction was formerly "He-fa Trade Company", which was founded in 1931. In 1946, it was reorganized as "Chien Kuo Construction Contractor". It obtained the qualification of Grade A construction company and was renamed "Chien Kuo Construction Co. Ltd." in 1960. 60 years have passed since then. Chien Kuo Construction has operated as the contractor for the Shimen Reservoir Water Works project, tunnel construction projects of Zengwun Reservoir, and the North-Link Railway, contributing to national policy and the development of Taiwan. The Company takes pride in its role in these endeavors.

Chien Kuo Construction outlined its vision for the future in 2015 to "become a new generation construction team that is technology-based, social-cared, and humanistic-aesthetics-oriented." The Chien Kuo team is dedicated to refining its professional construction methods and building management system, ensuring safety and pursuing quality. The Technology Department was established in 2018 to develop ICT application technologies to meet construction requirements, we have gradually advanced toward the objectives of smart construction site, smart construction, and smart management. We started with the basic requirements and gradually adopted technology, automation, shaping and differentiation to increase our core competitiveness in construction.

Chien Kuo Construction has always adapted to changing times and the evolving demands of society. Starting with public construction projects, we have focused on enhancing our professional expertise, steadily expanding our business scope, upholding our core values, and implementing excellent corporate governance and social responsibility. We are committed to proactively seeking sustainable solutions in the areas of environment, society, and corporate governance, building a vision for a better life.

Chien Kuo Construction: A New Generation Construction Team



Social-Care

+

Technology

+

Humanistic-Aesthetics-Oriented

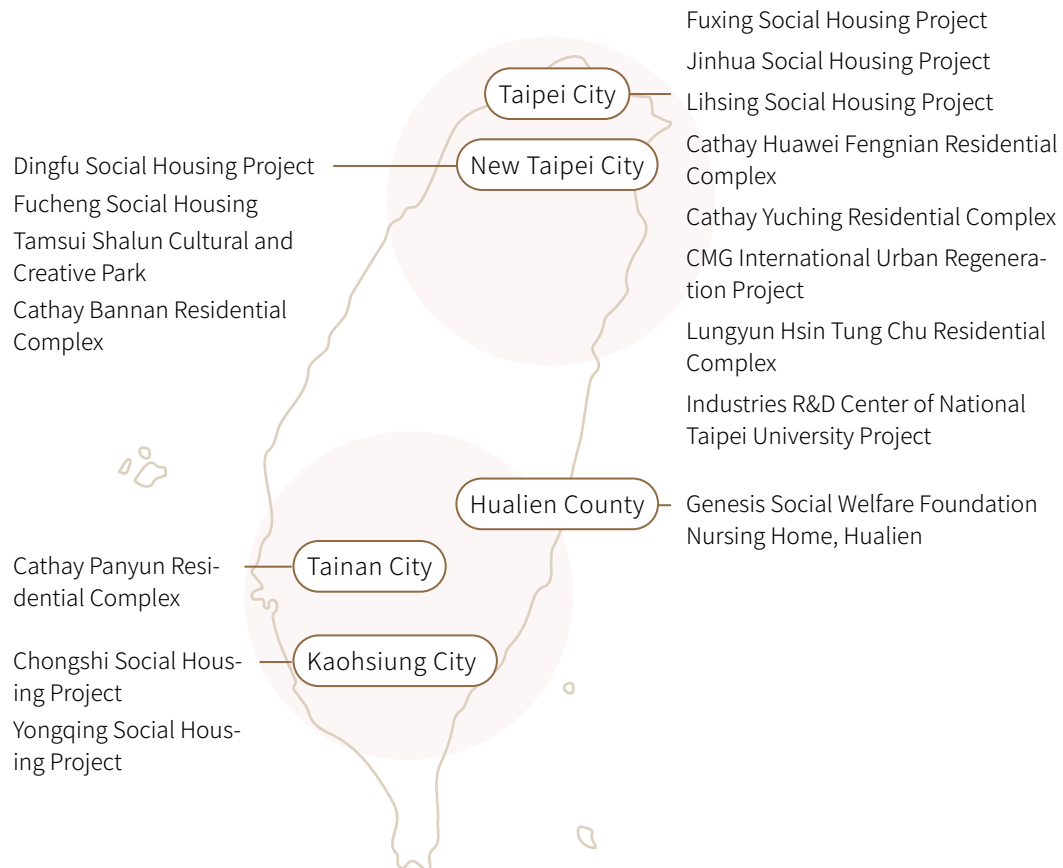
Company History GRI 2-6

1931	» Mr. CHEN Huo-sheng, the founder, established “He-fa Trade Company”, a civil engineering firm and predecessor of Chien Kuo Construction.
1946	» Reorganized as “Chien Kuo Construction Contractor” under the leadership of Mr. CHEN Jin-zao.
1960 1988	<ul style="list-style-type: none"> » Chien Kuo Construction Contractor obtained the qualification of Grade A construction company and was renamed “Chien Kuo Construction Co. Ltd.”, with Mr. CHEN Jin-zao as the founding chairman. » Contracted for various government’s Ten Major Infrastructure Projects, such as the Shimen Reservoir Water Works project, tunnel construction projects of Zengwun Reservoir, and tunnel construction for the North-Link Railway.
1988	» Mr. CHEN Chi-te became the fourth chairman.
1991 2000	<ul style="list-style-type: none"> » Contracted for the structure construction of new plants of UTAC-Taiwan in Hsinchu Science Park, the first such high-tech plant construction. » Established “Shanghai Chien Kuo Concrete Co., Ltd.” and entered the pre-mix concrete market in China. » Invested in “Chien Kuo Development Co., Ltd.” for the construction business.
1999	» Listed on TPEx.
2003	» Listed on TWSE.

2001 2010	<ul style="list-style-type: none"> » Established “Shun Long International Electrical Engineering Co., Ltd.” to integrate mechanical and electrical engineering. » The Company has successively established “Huizhou Chien Kuo Mining Co., Ltd.”, “Yingde Chien Kuo Mining Co., Ltd.”, and “Guigang Chien Kuo Mining Co., Ltd.” to undertake the quarrying business. » Contracted for construction of National Kaohsiung Center for the Arts, Wei-wuying, showcases advanced construction techniques and integrated management capabilities.
2011 2023	<ul style="list-style-type: none"> » Established the “Chien Kuo Foundation for Arts and Culture” to demonstrate a commitment to traditional arts and culture. » Established the subsidiary “WeBIM Services Co., Ltd.” for the integration of BIM technical services. » The contracted projects encompass high-quality residential complexes, turn-key social housing projects, and high-tech plant construction. <p>Technology plant construction</p> <ul style="list-style-type: none"> * Contracted for the construction of the Phase IV construction for TSMC’s Fab 18 in Southern Taiwan Science Park. * Fox Automation Technology plant construction project. <p>Social Housing</p> <ul style="list-style-type: none"> * Taoyuan City “Zhonglu No. 2” * New Taipei City “Yuanhe Youth Social housing, Tucheng” * Taipei City “Fuxing Social housing” * Taoyuan City “Yangmei No. 1” and “Pingzhen No. 1” * Taipei City “Ruiguang Social housing” * New Taipei City “Dingfu Social housing” * Kaohsiung City “Chongshi Social housing”

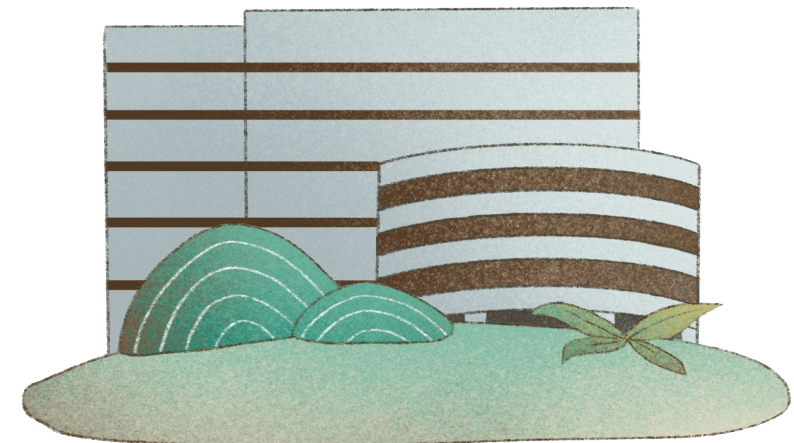
2023 Construction Sites GRI 2-6

As of 2023, the Company has a total of 16 construction projects under development and already contracted, primarily located in northern and southern Taiwan. These projects include 8 in Taipei City, 4 in New Taipei City, 1 in Hualien County, 1 in Tainan City, and 2 in Kaohsiung City.



Company Profile

Date of Incorporation	November 21, 1960
Head Office	Taipei City, Taiwan
Stock symbol	5515
Paid-in Capital	NT\$2,520,010,050
Affiliates	10 companies
Number of employees of the Group as of the end of 2023	367
Consolidated revenue in 2023	NT\$4,186,359,000
Individual revenue of Chien Kuo Construction in 2023	NT\$4,186,018,000



Chien Kuo ESG Indicators and Performance

Governance



Performance Highlights/Photos

- » The 10th corporate governance evaluation
 - * Top 6% to 20% in all TWSE listed companies
 - * Top 1% of small-cap TWSE listed companies

Short-Term Goals

- » Ranked in the top 6% to 20% of all TWSE listed companies in the 11th corporate governance evaluation

Performance Highlights/Photos

- » Fuxing social housing has been awarded with the Public Construction Golden Quality Award (Architecture Category - Excellence) and the Distinguished Public Construction Awards
- » Chongshi social housing has been awarded the Gold Quality Award for the Social housing Category of Urban Construction

Short-Term Goals

- » Continue to pursue the Public Construction Golden Quality Award

Governance

Environmental



Performance Highlights/Photos

- » Headquarters and three construction sites completed greenhouse gas inventory and ISO 14064-1 certification

Short-Term Goals

- » Complete greenhouse gas inventory and ISO 14064-1 certification for Headquarters and all construction sites



Performance Highlights/Photos

- » Fuxing social housing site
 - * A total of 14 old trees were preserved
 - * Surrounding green area reached 1,320.11 square meters
 - * Total carbon sequestration amount was approximately 414,540 kg CO₂

Short-Term Goals

- » Prioritize the use of native Taiwanese plants for greening and landscaping at all construction sites to enhance biodiversity conservation.



Performance Highlights/Photos

- » Kaohsiung “Chongshi Social housing”
 - * Taiwan’s first social housing project achieved Net-Zero Building Dual 1 Certification - Candidate for Level 1 Low Embodied-Carbon Building(LEBR) and candidate for Level 1+ Building Energy Efficiency
 - * Utilized aluminum formwork instead of wooden formwork, reducing 1,025 tons of carbon emissions, equivalent to the annual carbon sequestration of approximately 2.6 Daan Forest Parks



Short-Term Goals

- » In 2024, following the official launch of the Low Embodied-Carbon Building(LEBR) Certification and Building Energy Efficiency Certification, Chongshi social housing will achieve Dual 1+ Certification, with plans to apply this experience to other construction projects.
- » Replace wooden formwork with aluminum formwork and expand its application to at least 2 additional suitable construction sites

Environmental

Social



Performance Highlights/Photos

- » Headquarters of Chien Kuo Construction and construction sites nationwide have received a total of 12 safety and health-related awards and recognitions:
 - * Taipei City Labor Safety Award - Excellent Unit, Innovative Occupational Safety and Health, Extraordinary Contribution, and Great Heart Boss
 - * Ministry of Labor - Occupational Safety and Health Excellent Unit, Public Construction Golden Safety Award - Outstanding Personnel
 - * Badge of Accredited Healthy Workplace
 - * Healthy Construction Site Promotion - Gold Award and New Star Award
 - * New Taipei City - Outstanding Award for Sustainable Health and Safety
 - * Department of Health, Taipei City Government - Excellence Award for Outstanding Breastfeeding Room
 - * New Taipei City - Certificate for Implementing Family-Friendly and Workplace Equality Measures

Short-Term Goals

- » Continue to prioritize safety first as a self-imposed standard, maintaining high levels of workplace safety and health, and striving for recognition through various awards.



Performance Highlights/Photos

- » During the excavation phase of the Chongshi Social housing construction site, Kaohsiung experienced a drought with 559 consecutive days of no significant rainfall. Approximately 2,400 liters of groundwater were diverted daily, helping to alleviate the secondary water needs of surrounding residents.

Short-Term Goals

- » Groundwater extracted during the excavation of the construction site will be efficiently utilized for vehicle washing and road sediment flushing, minimizing water wastage. Additionally, it will be made available for surrounding residents' use when necessary.



Performance Highlights/Photos

- » Donations have accumulated to NT\$51,860,334
- » Volunteer hours have accumulated to 9,728
- » The Kunqu Opera campus promotion program reached 2,000 individuals

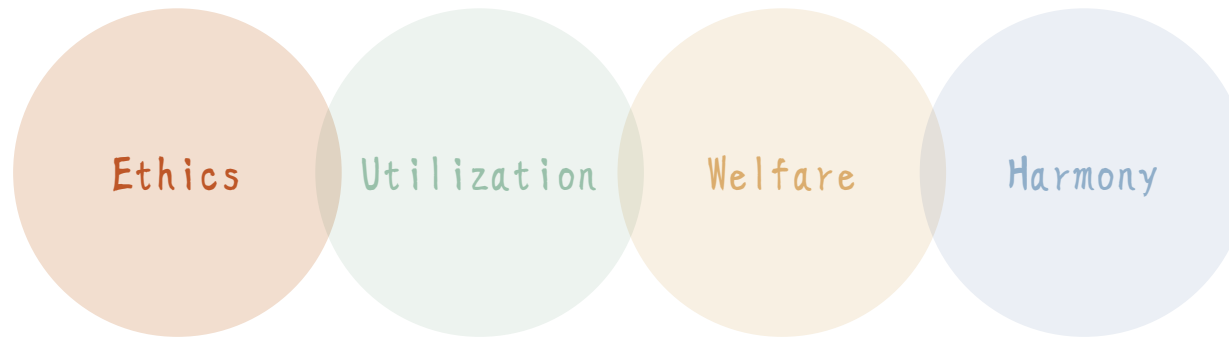
Note: Data as of December 31, 2023

Short-Term Goals

- » Donations have accumulated to NT\$53,000,000
- » Volunteer hours have accumulated to 10,000
- » Campus outreach activities have reached a total of 3,000 participants

Social

Sustainability Vision and Commitment



Ethics

Honest and trustworthy, courage, and accountability

Utilization

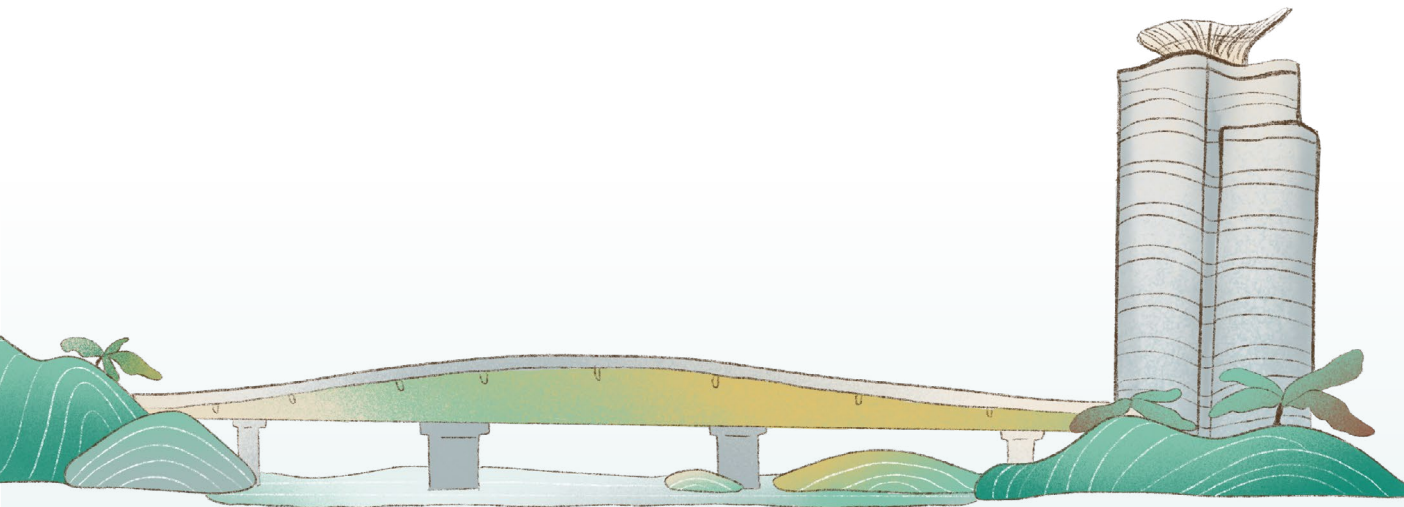
Growth mindset and lifelong learning

Welfare

Employee care and social responsibility

Harmony

Cherishing the earth and sustainable mutual benefits



Our motto is to become a new generation construction team that is technology-based, social-care, and humanistic-aesthetics-oriented



—• Sustainability Strategy and Goals



— Sustainable Development Committee GRI 2-13、GRI2-14

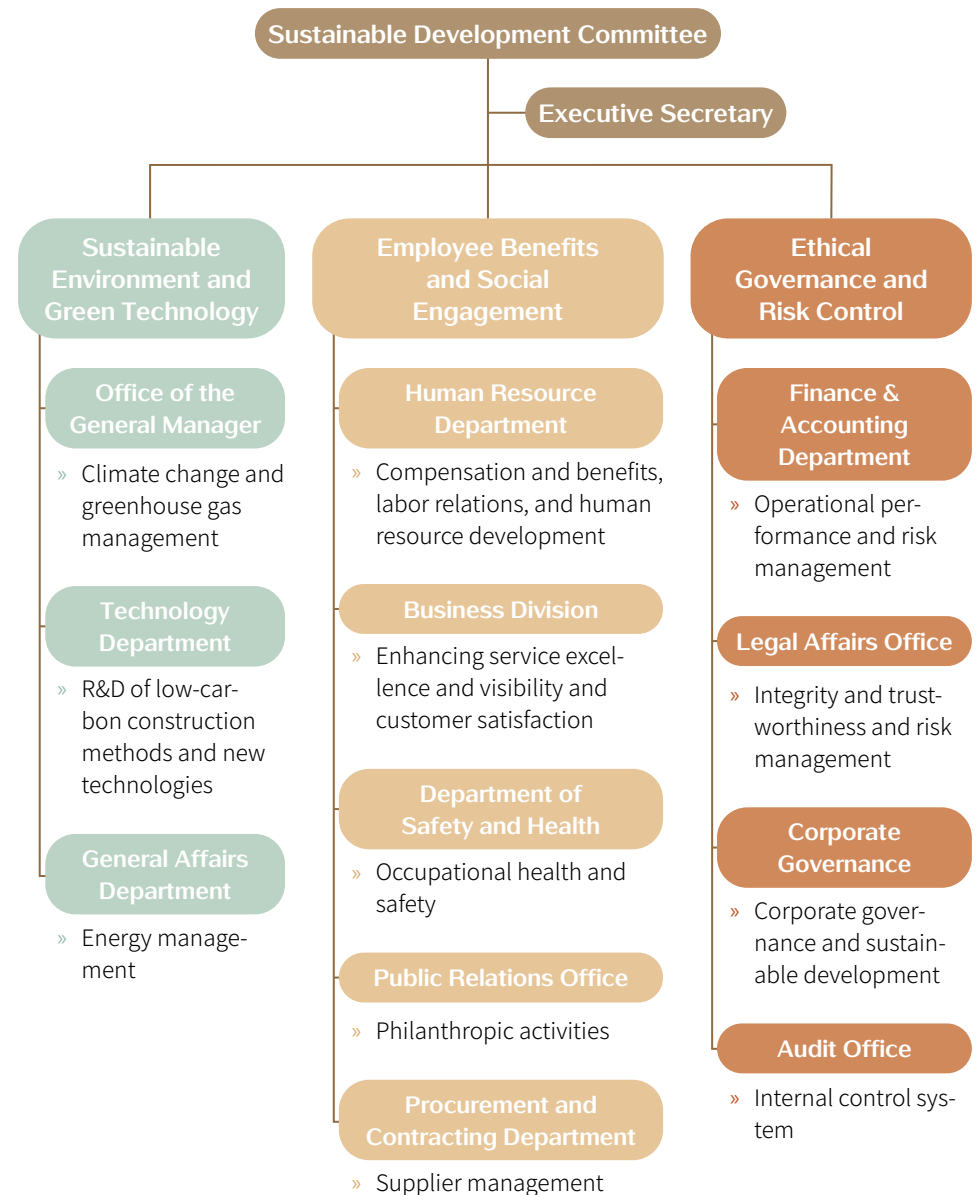
The Board of Directors approved the resolution to set up a “sustainable development committee” on November 11, 2022, which is the highest level of the company’s decision making center for sustainable development, the chairman is convenor, together with members and senior manager to review the company’s core values and operating, formulate sustainable development policies and plans. integrate and promote sustainable development issues such as corporate governance, sustainable operations, human rights, green industrial law and investment. Additionally, on May 10, 2023, the Board of Directors resolved to appoint Yu-yun Lin, Assistant Vice President, as the company’s Corporate Governance Officer.

The company has established the "Sustainability Development Committee Organizational Regulations" outlining the following responsibilities of the committee:

- » Formulating the company’s sustainable development policies
- » Corporate sustainability encompasses the establishment of targets, strategies, and implementation plans for sustainable governance, ethical business practices, and environmental and social aspects
- » The Company reviews, monitors, and revises the implementation and effectiveness of its sustainability initiatives, and regularly reports to the Board
- » The Company pays attention to the issues and oversees the communication plans related to stakeholders (shareholders, customers, suppliers, employees, government entities, non-profit organizations, communities, and the media) in order to address their concerns

There are three major functional teams under the Sustainable Development Committee responsible for data collection, planning, evaluation, and implementation of issues related to environmental sustainability, social welfare, and corporate governance. Each team is assigned to relevant business units for executing and collecting data on their respective issues. The execution, tracking, and review of these issues are conducted at different frequencies (daily, weekly, monthly, quarterly, semi-annually, annually). The heads of each unit report the execution results and challenges encountered to the Chairman during weekly meetings to develop relevant solutions. Sustainable Development Committee shall reports to the Board of Directors on the business execution and promotion results regularly in the year. Under the supervision and promotion of the Board of Directors, it continuously promotes the implementation of sustainable development, ethical corporate management and the core values of the enterprise.

Organizational Structure of the Sustainable Development Committee



"Sustainable Development Committee Organizational Regulations"

Stakeholders and Material Issues

Materiality Analysis

Materiality analysis is the first step for Chien Kuo Construction in initiating its ESG strategy and is a core element in preparing the sustainability report. Following the GRI 3 (2021) standards for material topics, we establish a systematic analysis approach by listening to and collecting stakeholder concerns on various ESG issues, while also considering the company's operational characteristics. Through a dual materiality assessment, we identify issues that significantly impact both the Company's operations and the environment. Finally, we consult with external experts and scholars to confirm the material issues for the year and extend them into that year's sustainability actions.



Analysis Process

Identification and Selection

- » Identify key stakeholders and relevant ESG issues for Chien Kuo Construction
 - * According to the AA1000SES stakeholder engagement standard's five principles, the key stakeholders identified include employees, customers/clients, suppliers/contractors, shareholders, project residents/neighbors, regulatory authorities/government, and media.
 - * The Sustainable Development Committee's three major functional teams in 2023, through communication with stakeholders, proposed 20 sustainability development issues.
 - * A survey was conducted targeting seven key stakeholder groups, with 208 questionnaires issued and collected to understand their level of concern regarding ESG issues.

20 issues
208 questionnaires

Prioritization

- » We integrate various standards and guidelines, including GRI Sustainability Reporting Standards, SDGs, SASB, and sustainability assessments such as MSCI and Sustainalytics, while also researching industry-specific issues. After weighing the risk factors associated with our operational projects against our long-term sustainability goals, and considering both internal and external expert opinions, we consolidate 13 ESG topics across the three main dimensions of Environmental, Social, and Governance impacts. These topics are identified through discussions in the executive meetings of the Company.
- » Based on the principle of Double Materiality, we define the "Sustainable Development Impacts" of Chien Kuo Construction's operations on the environment, society, and all stakeholders through Impact Valuation. This involves evaluating the organizational operational impacts of individual topics, assessing how each issue affects the internal operations of the company.
- » Based on stakeholder feedback and considering both internal and external expert opinions, issues with a total double materiality impact score exceeding 10 are classified as significant impact issues. This process has culminated in identifying 8 material topics.

13 impacts

Impacts of sustainable development
Organizational operations

Score exceeding 10
A total of 8 material topics

Confirmation and Review

- » Following discussions among senior executives and confirmation by the Sustainable Development Committee, and with final approval from the Board of Directors, the 8 material issues for Chien Kuo Construction in 2023 has been established and were to be reported in detail.

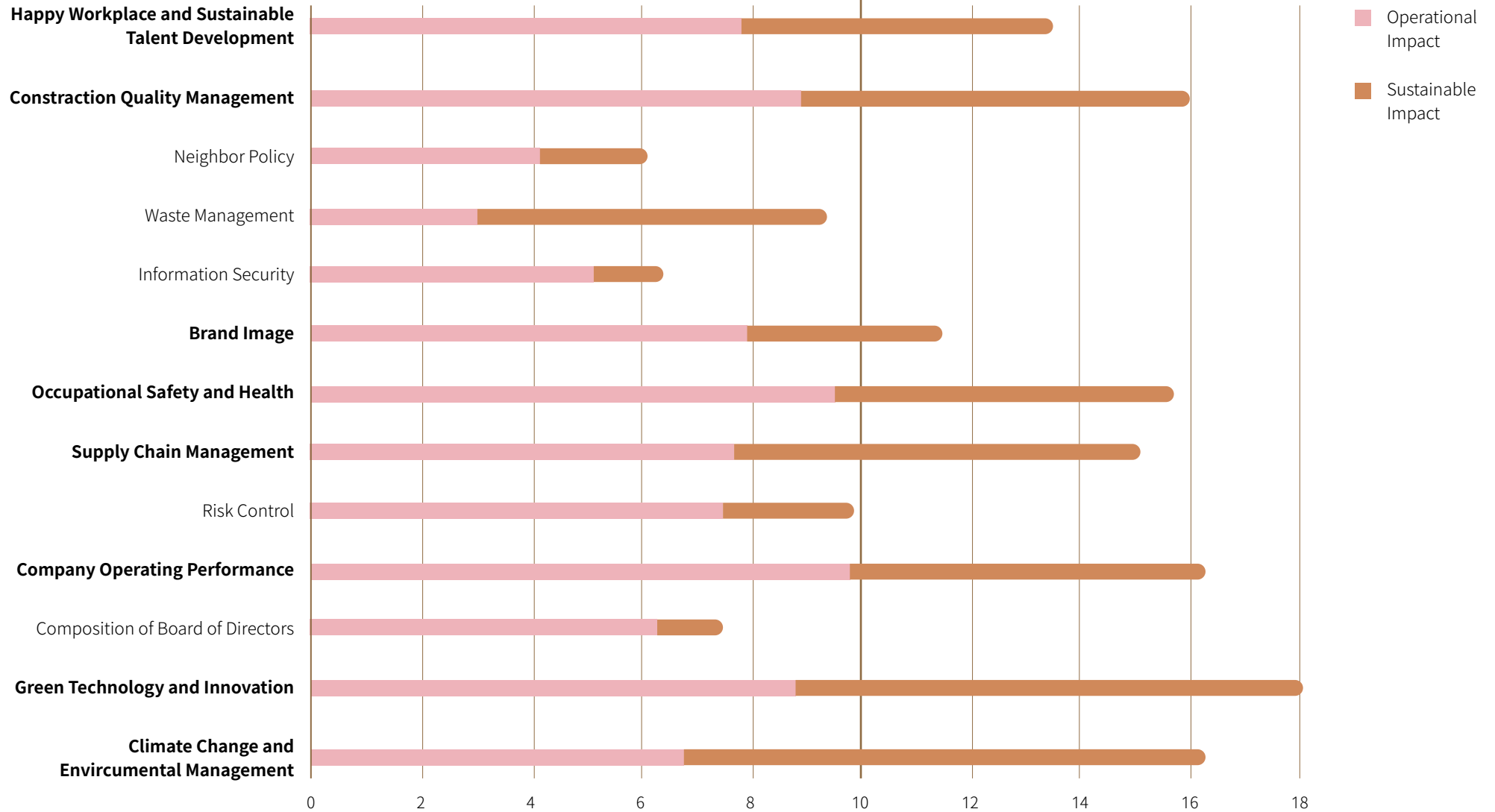
Confirmation of 8 material topics

Ranking of the Importance of Sustainability Issues

	High		Higher		Extremely High	
Stakeholder Concern Level	Waste management Neighbor policy	Composition of Board of Directors	Green procurement Sustainability strategy Employee performance Social welfare Brand image	Cybersecurity Supply chain management	Low-carbon research and development Occupational safety and health Talent development Employee benefit	Company operating performance Construction quality management
Impact of Organizational Operations	Neighbor policy	Cybersecurity	Energy efficiency Sustainability strategy Employee benefit	Composition of Board of Directors	Low-carbon research and development Occupational safety and health Brand image	Company operating performance Construction quality management Risk control
Impact of Sustainable Development	Brand image	Company operating performance Risk control	Green procurement Waste management Talent development Social welfare Occupational safety and health	Supply chain management	Sustainability strategy Energy efficiency Low-carbon research and development	

Material Issues

Material



List of Material Issues and Management Approach In 2023

Environmental



Climate change and environmental management

Sustainability Implications

Chien Kuo Construction is committed to the preservation of the Earth's ecosystem, actively addressing climate change and environmental issues. The Company is dedicated to developing green construction methods to minimize the environmental and climate impacts of its operations.

Risks

Failure to address the emissions generated during operations and their impact on climate and environmental ecosystems may damage the Company's reputation and lead to market exclusion.

Opportunities

The Company has proactively conducted a carbon inventory ahead of regulatory requirements and is formulating carbon reduction strategies based on the data. This presents an opportunity to differentiate from industry peers.

Goals

The Company completes the ISO 14064-1 greenhouse gas inventory for the Headquarters and all construction sites, with external verification to be completed by 2025.

Evaluation and Management Mechanisms

- » Complete ISO 14064-1 greenhouse gas inventory and verification.
- » Develop short-, medium-, and long-term reduction targets and related environmental policies based on the inventory results.

Chapter of Disclosure

- » Climate Change
- » Sustainable Environment

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

[GRI 301: Materials](#) [GRI 305: Emissions](#)

Green technology and innovation

Sustainability Implications

The Company is committed to developing innovative technologies and construction methods, leveraging technology to implement intelligent management systems, and creating competitive value advantages.

Risks

The construction industry is highly labor-intensive, and the aging workforce combined with a declining birth rate has resulted in labor shortages, posing the greatest risk to the Company's business operations.

Opportunities

To mitigate labor shortage risks, the Company has begun investing in the development of new technologies and construction methods. By modularizing systems, the Company reduces on-site construction risks, while the development of intelligent management programs simplifies processes and reduces manpower requirements, creating a differentiated competitive advantage.

Goals

- » Two new patents and certifications for construction methods will be added each year.
- » The tax credits for R&D achievements continue to grow.

Evaluation and Management Mechanisms

Continuously develop low-carbon technologies and construction methods, not only evaluating research outcomes based on set targets but also regularly reviewing the current situation to adjust research and development strategies as needed.

Chapter of Disclosure

- » With Technological Roots
- » Pursuing Excellence

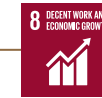
Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

[No corresponding to GRI standards](#)

Governance



Company operating performance

Sustainability Implications

Transparent information and rigorous risk control, with a strong emphasis on shareholder interests, resulting in stable and steady profit growth.

Risks

Rising wages and material shortages pose risks to operational performance.

Opportunities

To address these risks, it is essential to implement robust quality management, smooth workflow arrangements, and precise allocation of labor and materials to control costs and enhance performance.

Goals

Profits grow steadily.

Evaluation and Management Mechanisms

Regularly review and assess business performance through internal meetings, and make adjustments based on actual developments.

Chapter of Disclosure

Corporate Governance

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

GRI 201: Economic Performance GRI 202: Market Presence
GRI 203: Indirect Economic Impacts

Construction quality management

Sustainability Implications

Adopting a “Excelling in Quality” principle as the standard for business execution, the Company not only provides high-quality buildings to ensure customer satisfaction and resident safety but also adheres to precise construction practices to avoid errors and rework, thereby minimizing resource waste and conserving Earth’s resources.

Risks

The labor market shortage also results in varied skill levels among construction personnel, leading to rework and waste of both labor and materials.

Opportunities

By investigating the causes of construction errors and addressing core issues, the Company can develop intelligent management and pre-planning integration systems to reduce the likelihood of errors. This not only enhances construction management capabilities but also controls construction quality and improves competitiveness.

Goals

- » Achieve a customer satisfaction score of 95 for ongoing projects
- » Achieve a satisfaction score of 90 for warranty and maintenance services

Evaluation and Management Mechanisms

Evaluate quality management effectiveness through customer satisfaction surveys and continuously review and adjust based on the findings.

Chapter of Disclosure

Pursuing Excellence

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling

Governance



Supply chain management

Sustainability Implications

Driven by green procurement and local sourcing, encourage customers and suppliers to engage in sustainable development practices, aligning with sustainable consumption and production models.

Risks

In the current buoyant real estate market, with supply and demand imbalances for materials and labor, the incentive for customers or suppliers to invest in or develop green building materials is relatively low.

Opportunities

National policies on the 2050 net-zero pathway and climate change response laws regarding carbon pricing create opportunities for the development of low-carbon and green building materials, driving the integration of a green supply chain.

Goals

- » 100% localized procurement
- » The proportion of green procurement continues to grow.

Evaluation and Management Mechanisms

Align with customer needs to collaboratively create green supply chain opportunities with suppliers, gradually increasing the proportion of green procurement. Balance the gap between costs and carbon reduction goals, and make adjustments and corrections as necessary.

Chapter of Disclosure

Partnerships

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream

Midstream

Downstream

GRI 204: Procurement Practices GRI 205: Anti-corruption
GRI 206: Anti-competitive Behavior GRI 414: Supplier Social Assessment



Social



Occupational safety and health

Sustainability Implications

Provide a safe and healthy work environment for employees, enabling the Company to have a talented and healthy workforce as a valuable asset for sustainable development.

Risks

A lack of a safe and healthy work environment can lead to talent loss and instability in business operations.

Opportunities

Develop intelligent safety management systems to inspire various innovative ideas for enhancing site cleanliness and safety management, thereby comprehensively improving safety and health management and reducing risks.

Goals

- » Achieve zero workplace injuries for the entire year
- » Promote smoke-free and betel nut-free construction sites
- » There were no significant complaints

Evaluation and Management Mechanisms

- » Continuously adhere to ISO 45001 standards and pass external verification.
- » Promote employee mental and physical health seminars and ongoing site safety and health training.
- » Conduct various disaster or emergency response drills periodically to prepare employees for unexpected situations.
- » Regularly review implementation status, and address and rectify any issues in execution.

Chapter of Disclosure

Safety First

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

GRI 403: Occupational Health and Safety

Happy workplace and sustainable talent development

Sustainability Implications

Establish a friendly workplace that emphasizes talent development and employee care, enabling the organization to achieve sustainable growth.

Risks

The greatest risk in the construction industry is the gap in technical talent and the decreasing number of young job seekers.

Opportunities

Implement a superior and diverse training program that allows talent to find suitable positions aligned with their interests, supporting stable development within the Company. Create a diverse, gender-equal, and supportive workplace that attracts and retains talent.

Goals

- » Conduct at least 45 internal training sessions each year
- » Achieve a total internal promotion and salary adjustment rate of 25% annually

Evaluation and Management Mechanisms

- » Implement the Balanced Scorecard (BSC) evaluation system to ensure that talent is recognized through performance and compensation linkage.
- » Offer a variety of advanced training courses in response to functional and managerial needs to develop successors.
- » Regularly review implementation status and effectiveness through an ongoing assessment process, aligned with the grievance system, and make timely adjustments and corrections.

Chapter of Disclosure

Partnerships

Value Chain Impact

- » Within the Organization ✓
- » Outside the Organization

Upstream ... Midstream ... Downstream

GRI 401: Employment GRI 402: Labor/Management Relations GRI 404: Training and Education
GRI 405: Diversity and Equal Opportunity GRI 406: Non-discrimination GRI 408: Child Labor
GRI 409: Forced or Compulsory Labor GRI 411: Rights of Indigenous Peoples

Social



Brand image

Sustainability Implications

Build a “a new generation construction team that is technology-based, social-care, and humanistic-aesthetics-oriented,” excelling not only in construction quality but also placing emphasis on social support, cultural promotion, and diverse values.

Risks

Any event that damages the Company's reputation could erode stakeholder trust and negatively impact revenue.

Opportunities

The Company remains diligent in excelling in its core business while actively contributing to society.

Goals

- » Annual charitable contributions amount to NT\$3 million
- » Volunteer service hours accumulate to 10,000 hours
- » One project of public welfare for construction and maintenance

Evaluation and Management Mechanisms

We continues engaging with outstanding non-profit partners to explore suitable collaboration methods, such as supporting them through construction expertise, organizing various volunteer activities, or providing fundraising support in different forms.

Chapter of Disclosure

Social Participation

Value Chain Impact

- » Within the Organization ✕
- » Outside the Organization

Upstream

Midstream

Downstream

[GRI 413: Local Communities](#) [GRI 415: Public Policy](#)



Ethics

Corporate Governance — 28

Ethics

Column Outstanding Performance in the 10th Corporate Governance Evaluation

The Corporate Governance Evaluation, commissioned by the Taiwan Stock Exchange and Taipei Exchange and conducted by the Securities and Futures Institute, aims to help investors and companies assess corporate governance performance through evaluation indicators, fostering healthy competition among businesses. In this year's evaluation, a total of 1,706 companies were assessed, with Chien Kuo Construction ranking in the top 6-20% of all listed companies. In the small listed companies group (with a market value of under NT\$5 billion), the Company achieved an outstanding top 1% ranking. This reflects Chien Kuo Construction's leadership in corporate governance, operational performance, and corporate social responsibility, receiving widespread recognition.

Chien Kuo Construction has been deeply rooted in Taiwan's construction industry for decades, upholding its four core values of Ethics, Utilization, Welfare, and Harmony. The company is committed to ethical corporate management and transparency in information. Through diligent efforts to enhance corporate governance, collaborate with supply chain partners to develop environmentally friendly construction methods, and humbly give back to society, the Company strives to become a "a new generation construction team that is technology-based, social-care, and humanistic-aesthetics-oriented."



Ranked in the top **6~20** % of all listed companies

In the top **1** % among small-cap listed companies
(with a market value below NT\$5 billion)

Promote
Sustainable
Development



Shareholder's
Rights and Equal
Treatment of
Shareholders



Strengthening the
Board of Directors'
Structure and
Operations



Enhance
Information
Transparency



Material Issues: Company Operating Performance



Corporate Governance

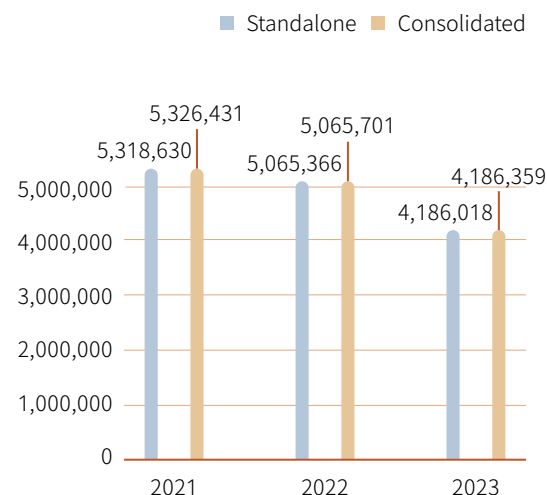
Business Performance GRI 201-1

The financial information reported in this report is consistent with the financial statements and the annual report presented at the shareholders' meeting.

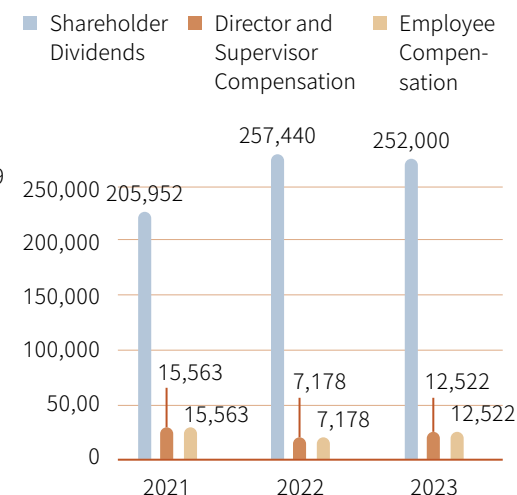
Year	2021	2022	2023
Parent-company-only liabilities to assets ratio	43.73	39.44	40.69
Parent-company-only return on assets	4.96	2.40	4.32
Parent-company-only financial leverage	1.03	1.05	1.14
EPS (earnings per share in NT\$)	1.57	0.72	1.34
Parent-company-only total assets (in thousands of NT\$)	8,357,295	7,828,827	8,177,379
Parent-company-only paid-in capital (in thousands of NT\$)	2,574,401	2,520,001	2,520,001
Parent-company-only retained earnings (in thousands of NT\$)	1,911,101	1,846,895	1,933,720
Parent-company-only shareholder equity (in thousands of NT\$)	4,702,578	4,740,848	4,849,754
Parent-company-only total revenue (in thousands of NT\$)	5,318,630	5,065,366	4,186,018
Parent-company-only operating expenses (in thousands of NT\$)	299,484	293,848	308,770
Parent-company-only salary expenses (in thousands of NT\$)	421,887	394,964	389,467
Parent-company-only pension expenses (in thousands of NT\$)	17,915	18,010	17,227
Parent-company-only benefits expenses (in thousands of NT\$)	515,951	478,849	475,931
Parent-company-only pre-tax income (in thousands of NT\$)	487,671	224,985	392,356
Parent-company-only income tax expenses (in thousands of NT\$)	82,521	40,870	53,843

Note: In 2021, some of the reported business performance figures were based on parent-company-only data, while others were based on consolidated data, leading to inconsistencies. Starting from 2022, all reported content has been standardized to reflect parent-company-only data.

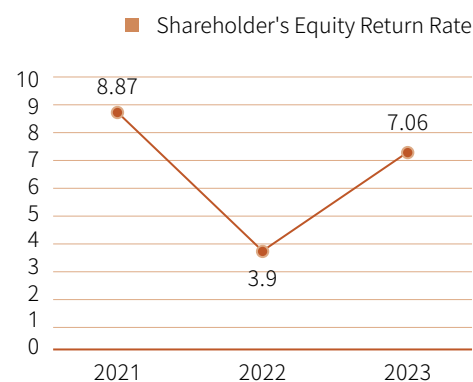
Revenue Performance over the Past Three Years (in thousands of NT\$)



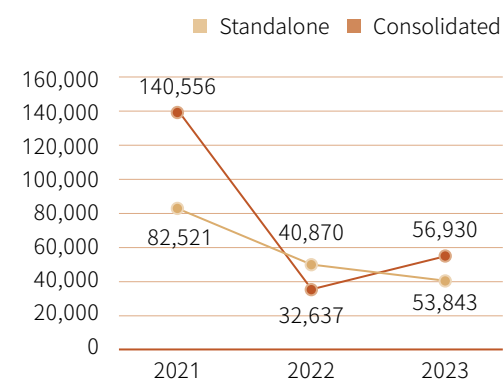
Dividend Distribution Trends in the Last Three Years



Shareholders' Equity Return Rate in the Last Three Years



Income Tax Expenses in the Last Three Years



Professional Team GRI2-9

Chien Kuo Construction Co., Ltd. upholds the core values of “Ethics, Utilization, Welfare and Harmony” and follows a business philosophy of honesty and integrity. The Company aims to create a learning organization with a growth mindset, constantly innovating and developing to meet the demands of the current times. With a united and like-minded team, it achieves outstanding quality, fulfills social responsibilities, and seeks sustainable mutual benefit. The Company has established a system for selection of directors that is comprehensive in that it considers the composition and diversification of the board of directors. The selection procedures for all directors are fair, open and just in that they comply with the Company’s Articles of Incorporation, Regulations Governing Election of Directors, and Corporate Governance Best Practice Principles. All Board of Directors’ members possess the essential knowledge, skills, and competence required to execute their duties. This ensures that the Board of Directors as a whole is equipped with the decision-making, crisis management, and leadership capabilities necessary for the construction industry. Together, they make forward-looking, objective, and comprehensive strategic decisions that drive the Company’s major initiatives.



“Articles of Incorporation”

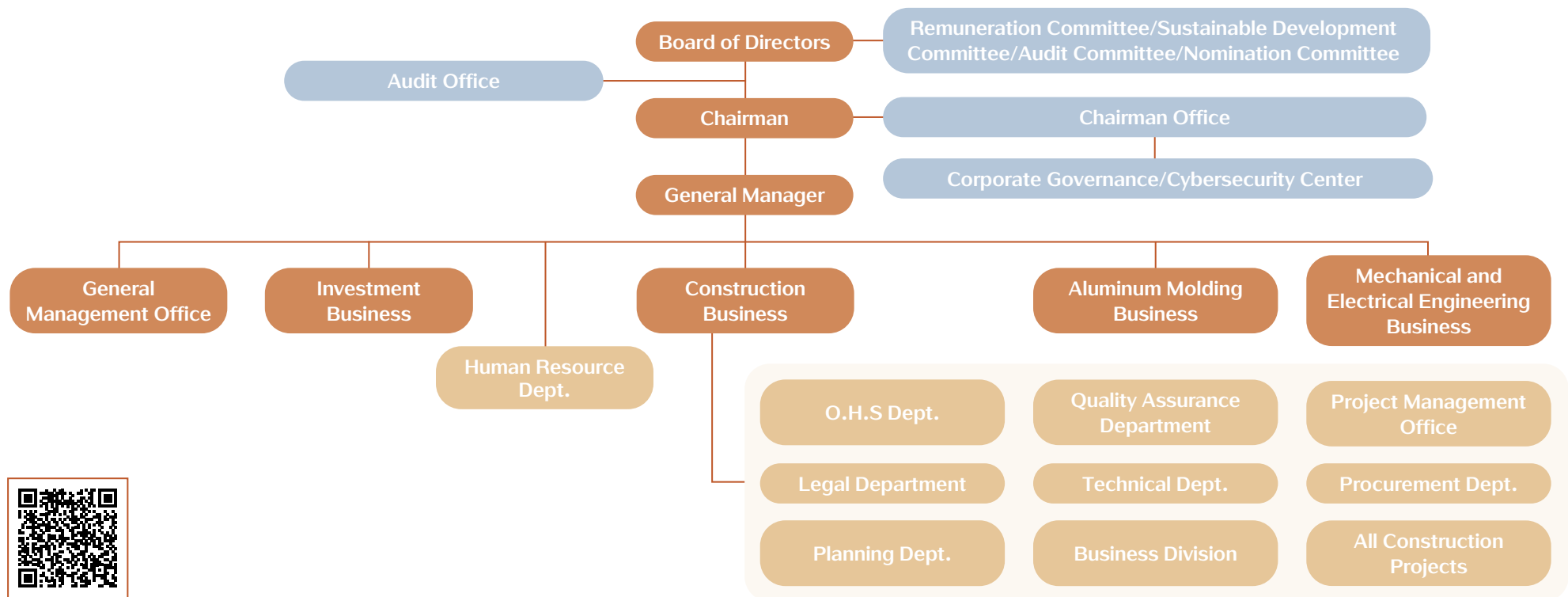


“Procedures for Election of Directors”



“Corporate Governance Best Practice Principles”

Organization



For detailed information on the primary business responsibilities of each department, please refer to pages 7-8 of the 2023 annual report of Chien Kuo Construction Co., Ltd.

Board of Directors [GRI 2-10、GRI 2-11、GRI 2-15、GRI 2-17、GRI 2-18](#)

The highest governance body of the company is the Board of Directors, chaired by Chairman Chang-shiou WU, who is responsible for overseeing the Company's overall operational accountability while monitoring the implementation of policies by the management team. The Board of Directors operates in accordance with the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," and the "Board Meeting Rules," including the regulation of conflict-of-interest principles for directors. These guidelines ensure the Board of Directors follows legal requirements, maintains integrity, and upholds sound governance functions.

The Company's Audit Committee, established in accordance with the "Audit Committee Organization Regulations", is composed of three independent directors, with independent director Chin-pao TSAI, who has accounting expertise, elected as the convener.

To enhance the effectiveness of the Board of Directors, all directors undergo continuous education annually, either arranged by the Company or through self-initiated training, covering areas such as corporate governance, operational judgment, risk management, business, legal, accounting, financial analysis, and ESG (Environmental, Social, Governance). In 2023, all directors met the 6-hour training requirement set forth by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."



"Audit Committee
Organization
Regulations"



"Board
Meeting
Rules"



"Ethical Corporate
Management Best
Practice Principles"



"Corporate
Governance Best
Practice Principles"



"Information
on Board of
Directors"



Board Diversity, Expertise, and Independence

The 22nd Board of Directors of the Company serves from July 22, 2021, to July 21, 2024, consisting of 13 directors (including 3 independent directors) appointed by the shareholders' meeting, with an additional director elected by the board as the Chairman. The Chairman of the Board, Mr. Chang-shiou WU, concurrently serves as the Chairman of Shun Long International Electrical Engineering Co., Ltd., a subsidiary of the Company. The Board of Directors includes 3 independent directors, accounting for 23% of the total board, ensuring the board's independence.

Two members of the Board of Directors also hold positions as company employees, representing 15.3% of the board. The members of the Board of Directors are of the nationality, the age distribution of the board members are 2 directors aged 41-45, 1 director aged 56-60, 3 directors aged 61-65 and 7 directors aged 66-70. None of the 3 independent directors have served a tenure of 3 years or more.

The orientation, complementarity and implementation of diversity of directors already include and are superior to the standards set forth in the Company's "Corporate Governance Best Practice Principles". In the future, we will continue to revise our diversity policy in a timely manner depending on the operation, business model and development needs of the Board of Directors, including but not limited to the standards of basic requirements and values, professional knowledge and skills, etc., to ensure that the members of the Board of Directors shall generally possess the necessary knowledge, skills and qualities to perform their duties.

Name of Director	Basic Composition				Professional Background								
	Nationality	Gender	With Employee Status	Age	Business Administration	Financial Analysis	Crisis Management	Leadership and Decision-making	Industrial Knowledge	Construction Management	Risk management function	Legal Profession	Venture Capital
Chang-Shiou Wu	Republic of China (R.O.C.)	Male	V	61~65	V	-	V	V	V	V	V	-	-
Chi-Te Chen			-	66~70	V	V	-	V	V	-	V	-	V
Pang-Yen Yang			-	66~70	V	V	-	V	-	-	-	-	V
Tzu-Chiang Yang			-	66~70	V	V	V	V	-	-	-	-	V
Pai-Tso Sun			V	61~65	V	V	-	V	V	V	V	-	-
Chung Cheng			-	61~65	V	V	-	V	V	-	-	-	-
Chu-Hsin Lee			-	66~70	V	V	-	V	-	-	-	-	V
Chi-Hsin Chen			-	56~60	V	V	-	-	-	-	-	-	-
Yu-Jui Chang			-	41~45	V	-	-	-	-	-	-	-	-
Rui-Hsing Tsai			-	41~45	V	-	-	-	V	V	-	-	-
Chin-Pao Tsai			-	66~70	V	V	V	-	-	-	V	-	-
Chen-Yu Feng			-	66~70	-	-	-	-	-	-	V	V	-
Li-Hsing I			-	66~70	V	-	-	V	V	V	V	-	-



Relationship Between the Top 10 Major Shareholders GRI2-15

The shareholder holding a stake of more than 10% is solely Mr. Chi-te CHEN, who also serves as a director. Mr. Chi-te CHEN has duly recused himself from any board discussions involving conflicts of interest.

In 2023, the Board of Directors discussed a total of 35 proposals, including 3 related to potential conflicts of interest. All conflict-of-interest cases were duly avoided.

Name ^(Note 1)	Personal Shareholding		Spouse & Minor Shareholding		Combined Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship ^(Note 3)	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or name)	Relationship
Chien Hwei Investment Co., Ltd. Chairperson: Chi-te CHEN	46,011,532	18.26%	0	0.00%	0	0.00%	Stone Publishing, Deqing Investment	Chairman is the same person
Chi-te CHEN	18,844,139	7.48%	2,101,672	0.83%	0	0.00%	Son Chen-ching CHEN	Relatives within second degree of kinship
							Taiwan Cement Corporation	Director of the Company
Chen-Ching CHEN	14,285,515	5.67%	0	0.00%	0	0.00%	Chi-te CHEN	Relatives within second degree of kinship
							Deqing Investment	Supervisor of the Company
Rock Publishing Intl. Chairperson: Chi-te CHEN	9,472,783	3.76%	0	0.00%	0	0.00%	Chien Hui Investment, Deqing Investment	Chairman is the same person
Taiwan Cement Corporation Chairman: An-ping CHANG	7,522,235	2.99%	0	0.00%	0	0.00%	Chi-te CHEN	Chi-te CHEN is the representative of the corporate director of the company

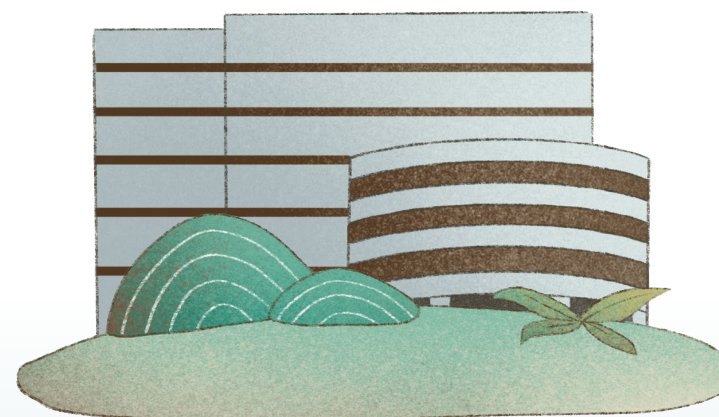
Name ^(Note 1)	Personal Shareholding		Spouse & Minor Shareholding		Combined Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship ^(Note 3)	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Title (or name)	Relationship
Deqing Investment Co., Ltd. Chairperson: Chi-te CHEN	5,760,000	2.29%	0	0.00%	0	0.00%	Chien Hui Investment, Rock Publishing Intl	Chairman is the same person
							Chen-Ching CHEN	Supervisor of the Company
Po-Sheng Yeh	3,308,000	1.31%	0	0.00%	0	0.00%	None	None
Chase escrow JP Morgan investment account	2,937,354	1.17%	0	0.00%	0	0.00%	None	None
Mei-chen He	2,720,638	1.08%	0	0.00%	0	0.00%	None	None
Barclays Capital investment account under the custody of Citi Bank	2,161,000	0.86%	0	0.00%	0	0.00%	None	None

Note 1: Please separately identify the names of the top 10 shareholders and, where the shareholder is a corporation, separately list the names of the corporate shareholder and its representative.

Note 2: The calculation of shareholding ratio should separately indicate the percentage of shares held under the person's own identity, under spouse, minor children, and by nominee arrangement.

Note 3: The relationships between the shareholders listed above, including juristic persons and natural persons, shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: As of the book closure date for shareholder register, April 20, 2024, the information was consistent with the annual report.



Board of Directors (including functional committees) Performance Evaluation GRI 2-18

To implement corporate governance and enhance the functioning of the Board of Directors, we have established the “Board Performance Evaluation Guidelines,” conducting annual evaluations based on the procedures and criteria set forth therein. The Corporate Governance Officer distributes the “Self-Assessment Form for Board Members” and “Self-Assessment Form for Functional Committee Members” to all directors and committee members. The results are then calculated for each indicator. The performance evaluation report is presented to the Board of Directors before the end of the first quarter of the following year and is disclosed on the Company’s website.

The 2023 Board of Directors’ performance evaluation results were all rated as “Exceeds Standards” and were reported to the Board of Directors on March 13, 2024.

Additionally, the Company has established a Regulations Governing Evaluation of Board Performance, which stipulates an external evaluation every three years. In October 2023, the Taiwan Investor Relation Institute was commissioned to conduct the external evaluation, covering the period from October 1, 2022, to September 30, 2023. The evaluation targets include the overall operations of the board and functional committees. The evaluation was based on meeting minutes Board of Directors, relevant internal policies, and publicly available information, combined with directors’ self-assessment questionnaires and in-person interview results. The conclusions of the evaluation were compiled accordingly.

The results of the external performance evaluation have been disclosed on the Company’s website and the Market Observation Post System. Relevant recommendations have been considered and integrated into the Company’s policy discussions.

The 2023 performance evaluation of the Board of Directors exceeded the standard

The 2023 Board of Directors performance evaluation and external performance assessment report can be found at the following link, as well as on pages 41-43 of the annual report.



“Regulations Governing Evaluation of Board Performance”



“2023 Performance Evaluation Report of Board of Directors”

Performance Self-Evaluation Items of Board of Directors

01

Mastery of company goals and tasks

02

Cognition of directors' duties

03

The extent to which they participate in the operation of the company

04

Internal relationship management and communication

05

Selection and continuing education of directors

06

Internal control



Remuneration Policy and Determination Process [GRI 2-19, GRI 2-20](#)



“Remuneration Committee Charter”

Remuneration Policy

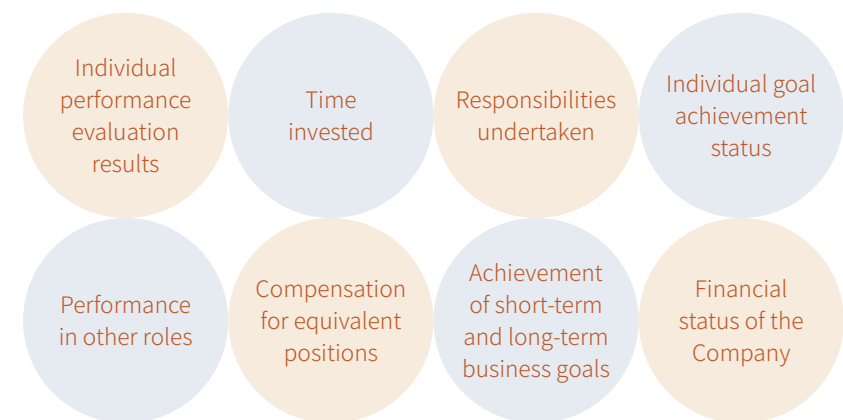
The Board of Directors of the Company has established a Remuneration Committee, which operates under the “Remuneration Committee Charter.” This charter stipulates that the Remuneration Committee shall act with the duty of care expected of a good administrator, setting and periodically reviewing the Company’s policies, systems, standards, and structures regarding the annual and long-term performance objectives and remuneration of the Directors and managers. Additionally, the Committee shall regularly assess the achievement of performance objectives and based on these assessments, determine the content and amounts of individual remuneration packages.

Compensation paid to directors are determined in accordance with Article 18-1 of the Company’s Articles of Incorporation, in which the Board is authorized to determine such remuneration by reference to the industry standard, as well as the extent to which directors participate in the management of the Company. With the net income before tax (before netting off directors’ remuneration), the Company shall appropriate 0.1% to 3% of such amount as employees’ compensation and no greater than 3% of such amount as directors’ remuneration for the current year to directors, managers and employees. The manager’s compensation includes salary and bonus, where the salary is based on the industry standard as well as title, rank, education, professional ability and responsibilities. Bonuses are determined based on managerial performance evaluations, including financial indicators (revenue, profitability) and non-financial indicators.

Pursuant to Article 23 of the Company’s Articles of Incorporation, the remuneration for directors shall be determined according to the “Regulations Governing Allocation and Payment of Remuneration to Directors,” based on the results of the performance evaluation of the Company’s Board of Directors. In addition to considering the overall operational performance of the Company, potential industry risks, and future development trends, the evaluation of reasonable compensation shall also take into account individual target achievements and contributions to the Company’s performance. The Remuneration Committee and the Board have reviewed the reasonableness of the performance evaluation and remuneration, and regularly review the remuneration system in line with real operating conditions and laws and regulations, so as to strike a balance between risk control and sustainable management of the Company.

Remuneration Determination Process

The performance and compensation evaluations and reviews of directors and executives by the Remuneration Committee should reference the customary compensations in the industry. Factors to consider include **individual performance, time committed, responsibilities undertaken, achievement of personal targets, performance in other positions, compensation given to individuals** in similar positions in recent years. In addition, the evaluation of individual performance should also consider the performance of the Company’s short and long-term business objectives, financial conditions, and a reasonable correlation with the Company’s operational performance and future risks. Percentages of short-term performance bonuses for directors and senior executives, as well as the timing of variable remuneration, should be determined taking into account industry profiles and the nature of the business activities.



Ethical Corporate Management GRI 2-25, GRI 2-26

Internal Control System

Chien Kuo Construction adheres to the principle of “Ethics”, conducting all business operations with honesty, integrity, fairness, and transparency. We absolutely prohibit the transfer of improper benefits and any form of fraudulent activity. In accordance with the Financial Supervisory Commission’s “Regulations Governing the Establishment of Internal Control Systems by Public Companies” the Company has established an “Internal Control System” approved by the Board of Directors. This system is designed to manage and control the Company’s operational activities according to the operational goals, management structure, and process control mechanisms of each business unit, while complying with relevant laws, internal regulations, and operational standards. Additionally, the Company has established internal guidelines such as the “Ethical Corporate Management Best Practice Principles” and the “Code of Ethical Conduct” and promotes and deepens its corporate ethical values. This aims to cultivate a culture of integrity within the Company.

Integrity education and training were conducted for new employees, totaling

20.5 man-hours

The “Ethical Corporate Management Series Training: Analysis of Breach of Trust

Cases” had a total of **310** man-hours

The Company’s Audit Office is an independent unit directly reporting to the Board of Directors and is staffed with professional auditors to perform auditing tasks. The Audit Office conducts audits based on the latest legal regulations, “Internal Control System,” and internal operating standards. It also tracks the deficiencies in the approved improvement plan until completion to ensure compliance and effectiveness of the internal control operating standards. It also files regular or ad hoc reports of the results of the audits to the Chairman of the Board of Directors, Audit Committee, and the Board of Directors.

In 2023, no instances of fraud were detected at Chien Kuo Construction, and there were no reports or legal actions related to business ethics issues. The Company has established a

“Complaint Reporting Procedures” that outlines the reporting process for any suspected violations of regulations or misconduct by shareholders, employees, procurement contractors, suppliers, stakeholders, independent directors, or board members. Individuals can report such issues directly through the designated channels. The investigation process and document management methods are detailed in the “Complaint Reporting Procedures,” and the results of the case handling are communicated to the whistleblower via phone, formal letter, or other methods.



“Ethical Corporate Management Best Practice Principles”



“Code of Ethical Conduct”



“Complaint Reporting Procedures”

Channels for Complaints

Scope of Application

Employees, suppliers, contractors, customers, and other stakeholders

Complaint Email and Channels

Audit Office

- » audit@ckgroup.com.tw
- » (02)2784-9730#160
- » 20F, No. 67, Sec. 2, Dunhua South Road, Da'an District, Taipei City 10682

Scope of Application

Directors or senior executives

Complaint Email and Channels

Audit Committee

- » Audit_Committee@ckgroup.com.tw

The Company shall handle reports in a confidential manner with an independent channel to verify the claims and ensure the protection of the informant. The identity of the informant will be kept strictly confidential. In cases where the informant is an employee, the Company guarantees that the employee will not face improper consequences due to the report. Furthermore, in the spirit of fairness, the Company shall provide the reported party an opportunity to present their case, and if necessary, convene a panel to conduct a review.

Risk Management

The Board of Directors of the Company serves as the highest decision-making body for risk management. A Risk Control Team is established to implement risk management, with oversight provided by the Audit Committee to ensure capital adequacy and solvency. The “Risk Management and Operational Procedures” were established on November 12, 2021, and the most recent revision was on November 10, 2023. This framework outlines the risk management strategy for operational cycles, dividing our operational processes into nine major cycles. Each unit is responsible for risk identification, control implementation, auditing, and reporting to senior management. Risks are addressed through avoidance, reduction, sharing, or acceptance, with continuous tracking to ensure effective risk control. To ensure transparency for stakeholders, the Company regularly discloses risk management operations on the investor section of its website.



“Risk Management and Operational Procedures”



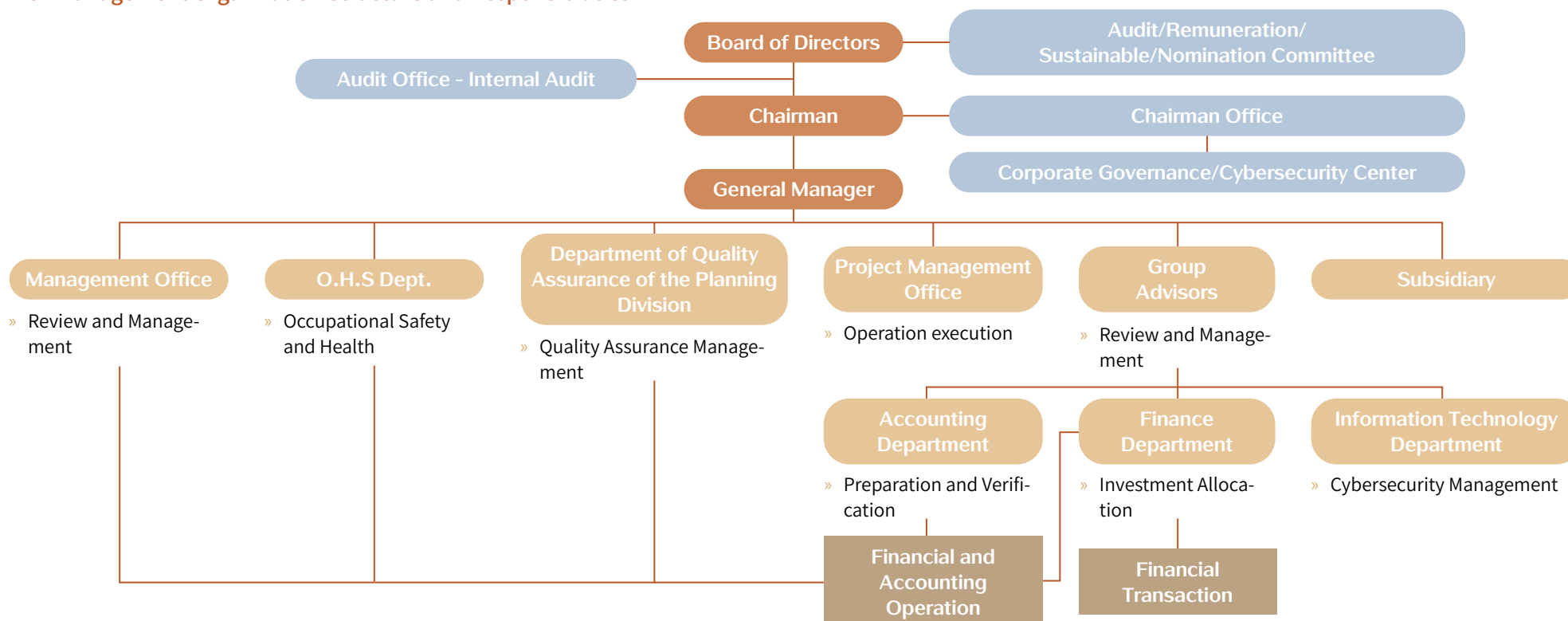
November 12, 2021

“Risk Management and Operational Procedures”
were established

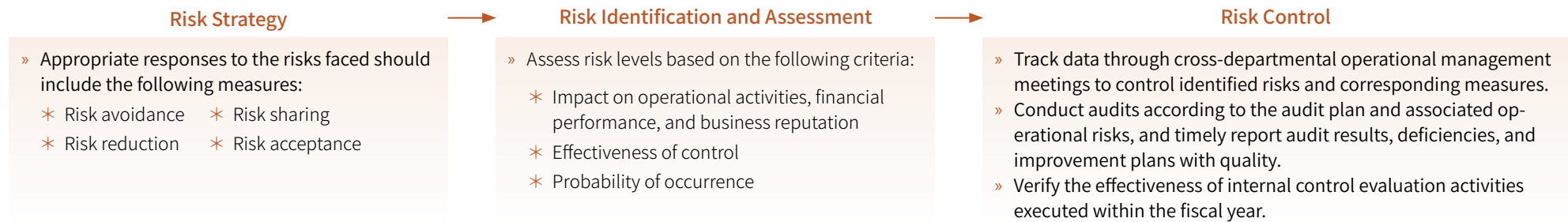
the most recent revision was on November 10, 2023

2023 Risk Management Operations

Risk Management Organization Structure and Responsibilities



Risk Management Process



According to the types of contracts and their execution stages, responsible management personnel establish various risk management mechanisms to implement and ensure capital adequacy and solvency. A risk matrix for the construction project operations is developed based on the impact of risks and the effectiveness of control. Immediate mitigation measures are taken for identified high-risk items, while medium risks are addressed by improving or optimizing existing measures. Risks at a safe stage are continuously monitored and maintained within the Company's risk tolerance to ensure the achievement of the Company's sustainability goals. The risk identification results and mitigation management for high-risk items in 2023 are as follows. The risk management execution status were reported to the Board of Directors on December 22, 2023.

Risk Impact

		Safe stage	Medium risk	High risk
		Effectiveness of control		
Risk Impact	High	Yes <ul style="list-style-type: none"> » O.H.S during Construction. » Construction environment. » Legal compliance 	Partial <ul style="list-style-type: none"> » Price fluctuations » Quality management 	No
		<ul style="list-style-type: none"> » Decision-making risks » Investment and financing » Labor relations » Environmental and pollution responsibility » Infectious diseases 	<ul style="list-style-type: none"> » Cybersecurity risks 	
	Low	<ul style="list-style-type: none"> » Community relations 	<ul style="list-style-type: none"> » Climate change » Intellectual property 	

Item	Impact	Mitigation strategy
Price Fluctuations	» Profit decline	» Increase risk reserves » Procure critical materials immediately after winning the bid
Cybersecurity Risks	» Important data loss » Impact on operations during system recovery » Damage to corporate image	» Stage-wise update of software and hardware » Strengthen cybersecurity awareness among employees
Quality Management	» Increased repair costs » Loss of customer trust » Damage to company image	» Comprehensive planning before construction » Thorough audit and review » Develop a growth mindset through learning from mistakes
Climate Change	» Extended construction period » Increased costs » Occupational safety and health issues	» Temperature monitoring at construction sites » Optimize the environment of rest areas » Enhance health awareness
Intellectual Property	» Loss of technical exclusivity » Patent royalty loss	» Apply for patents to protect R&D outcomes » Collaborate with construction contractors to check for infringement by peers

Internal Audit

The Company's Audit Office regularly reviews and supervises the execution status of each unit based on the nine major operational cycles, assisting the Company in maintaining ethical corporate management and adhering to risk control measures. In 2023, 38 audit items were reviewed, resulting in 13 audit reports. A total of 18 identified deficiencies have been addressed, with improvements implemented. For these deficiencies, enhanced training and process reviews have been conducted to reduce the likelihood of future errors. The Internal Audit supervisor periodically reports audit results to the Audit Committee and communicates with independent directors and CPAs to continually optimize control mechanisms.



The Nine Major Operational Cycles

- 01  Business contracting cycle
- 02  Procurement and distribution management cycle
- 03  Project management cycle
- 04  Financing cycle
- 05  Subsidiary supervision cycle
- 06  Fixed assets cycle
- 07  Computerized information management cycle
- 08  Payroll and compensation cycle
- 09  Investment management cycle

Audit Item List

Audit category
Internal control system self-assessment
Derivatives trading (monthly)
Monthly endorsement guarantees
Quarterly fund loans
Committee meeting operations
Legal compliance

The audit deficiencies have been rectified

In 2023, the internal audit supervisor communicated with independent directors on **5** occasions, with communication being effective



Details regarding the internal audit supervisor's key communication matters can be found on the company website

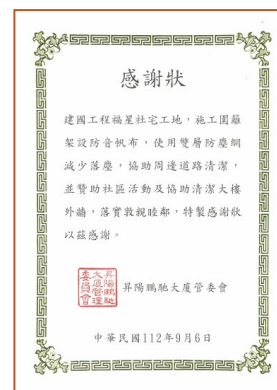
Legal Compliance GRI 2-27

In 2023, Chien Kuo Construction had no major violations.^{Note} However, there were three cases of fines under NT\$10,000 related to violations of environmental regulations such as the Noise Control Act, the Air Pollution Control Act, and the Waste Disposal Act. Additionally, there were four cases of fines between NT\$10,000 and NT\$100,000. The Company has actively implemented the following corrective measures:



Reduce noise impact on the surrounding construction site area

Certain construction activities, such as diaphragm wall concrete grouting, may require prolonged operations, potentially causing noise disturbances to nearby residents. In response, the Company has proactively installed higher soundproofing barriers on all construction projects. We also continuously improve project scheduling to choose time slots with the least environmental impact, striving to avoid early morning or nighttime work. Additionally, we maintain regular communication with neighboring residents and engage in community-friendly initiatives. For instance, at the Dingfu Social Housing site, we assisted in building and beautifying a low wall fence around the adjacent Dingfu Elementary School, which has been highly appreciated by the local community.



Implement waste management

Safety personnel diligently monitor and record the cleanup of construction site environments and waste disposal methods. Efforts have been made to strengthen the awareness of contractors and onsite workers regarding waste sorting and the principle of “no littering.” Detailed information regarding waste management mechanisms can be found in the Waste Management chapter.



Road pollution prevention

To prevent environmental pollution caused by vehicles carrying mud or dirt after entering and exiting construction sites, we have designated specific entry and exit points at each site. Vehicle wash stations are installed, and security personnel are assigned to supervise and regulate the process. All vehicles must pass through the wash stations to clean their tires and rear sections before leaving the site. To further prevent dust and road pollution from scattered dirt, we use sprinkling systems to keep roads clean and minimize dust and pollution.

Note: Incidents involving fines or administrative penalties imposed by government authorities due to violations of the “Company Act”, “Securities and Exchange Act”, information disclosure regulations, or other domestic supervisory regulations.



Heightening the Soundproof Fabric

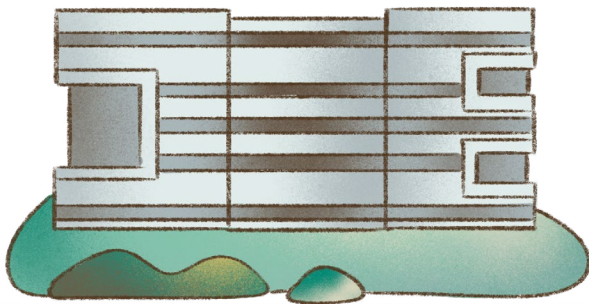


Beautification of Dingpu Elementary School's Low Wall



Cybersecurity

Cybersecurity and confidential information protection are Chien Kuo Construction's commitments to our clients, supply chain partners, and all employees. We strive for zero data leakage and effectively implement Cybersecurity controls. In 2023, Chien Kuo Construction passed an information operations audit conducted by Deloitte, with no major deficiencies identified. There were no significant Cybersecurity incidents, such as customer data breaches or fines. Furthermore, in 2023, no third parties or regulatory authorities lodged complaints or initiated legal actions against the Company due to violations of customer data protection or loss of personal information. The Board of Directors approved the establishment of the "Cybersecurity Center" on December 22, 2023, appointing IT Manager Chang-Yuan Li, as the dedicated Chief Cybersecurity Officer, with an additional two dedicated security personnel. This team is responsible for comprehensive Cybersecurity strategy planning and is preparing to implement the ISO 27001 Cybersecurity Management System to strengthen resilience and security management mechanisms.



Cybersecurity control measures

01 Facility Management

- » Vulnerability scanning (endpoint detection): Conduct on-site inspections of critical servers for malicious programs and enhance cybersecurity defense measures accordingly.
- » Security health check: Implement technical and managerial control measures to improve network and information system security protection capabilities.
- » Remote VPN access control: Enhance security by switching VPN access to two-factor authentication, preventing unauthorized access or theft in case of account and password leaks.
- » Penetration testing: Simulate real-world cyberattacks to identify high-risk areas in the Company's cybersecurity defenses and implement appropriate countermeasures.

02 Cybersecurity Awareness Campaign

- » Conducted **seven** sessions in 2023, covering topics such as email security, computer usage safety, and software security.

03 Social Engineering Drill

- » Through the irregular sending of phishing emails, we will test and strengthen training on common employee error types, thereby enhancing cybersecurity awareness.
- » **A total of 1,850 emails were sent in 2023.** Employees who failed the social engineering exercise were required to participate in cybersecurity training and assessment.

04 Cybersecurity Audits

- » Conducted periodic checks on employee computer usage to identify improper use that could increase Cybersecurity risks. Any deficiencies found were addressed immediately and tracked for follow-up. **A total of 30% of the cases were randomly selected for review in 2023.** Those not selected were informed through regular communication.

05 Backup Management

- » Automatic backups are performed on a periodic basis using the system and NAS, **implementing three backup modes: local, offsite, and offline.** Each quarter, all departments and construction sites are required to report their backup status.

06 Disaster Recovery Drills

- » **Conducted two recovery drills in 2023 across various systems,** including the P6 system, electronic forms, and JDE system.

Utilization

With Technological Roots ——— 43

Pursuing Excellence ——— 48

Safety First ——— 53

Utilization

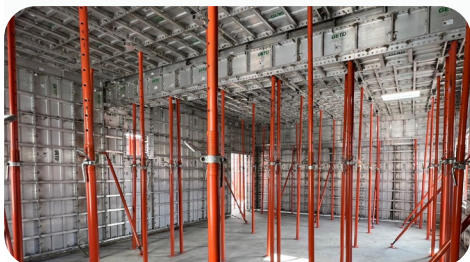
• With Technological Roots Material issues: Green technology and innovation

Column Low-Carbon Construction Reduce Carbon Emissions by Over 1,000 Tons

Chien Kuo Construction focuses on excellence in construction projects, seeking breakthroughs that balance environmental sustainability and quality. In operating procedures for formwork, we lead the industry by investing in aluminum alloy formwork, establishing a dedicated team to assess suitable projects for its implementation. In 2023, we successfully applied this technology at the Chongshi social housing site in Kaohsiung and plan to reuse it at the Dingfu social housing site in New Taipei City in 2024, achieving material recycling.



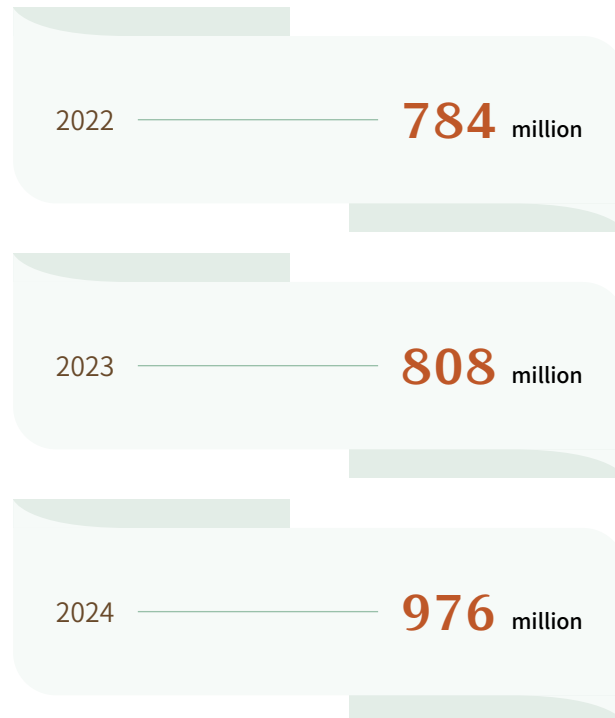
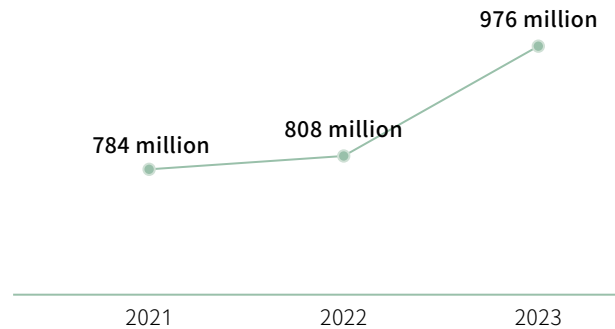
The aluminum formwork construction site was clean and tidy



Traditional Wooden Formwork		Systematic Aluminum Formwork
Uneven surfaces require additional leveling or patching with plaster or concrete	Construction Quality	Smooth surface, requiring no additional leveling or finishing Win
Requires skilled formwork and masonry workers	Construction Difficulty	Lower assembly difficulty, allowing quick adaptation for inexperienced workers Win
Slower	Construction Efficiency	Faster Win
Nails are used during construction, and wood is a flammable material, necessitating strict control on-site.	Safety and Health Level	Fewer tools required on-site lead to a cleaner work environment, reducing the risk of injuries. Aluminum is non-combustible, enhancing site safety. Win
3-4 times	Number of Reusability	300-400 times Win
Produces waste wood and concrete chunks after use	Waste	Aluminum formwork can be reused, and the aluminum material can also be remanufactured, resulting in zero waste Win
Low	Environmental Benefits	High Win

Chien Kuo Construction proposed a new generation construction development strategy in 2015, aimed at enhancing core competitiveness through technology, digitization, automation, and differentiation. We do not engage in price-cutting competition; instead, we prioritize quality and view "research and development" as a crucial tool for industry upgrade. We actively promote the development of new technologies and construction methods, positioning ourselves as one of the few contractors in the country with a dedicated R&D team.

Research and Development Expenses in the Past Three Years



The R&D strategy map of Chien Kuo Construction can be primarily divided into three main directions:

Construction technology refinement

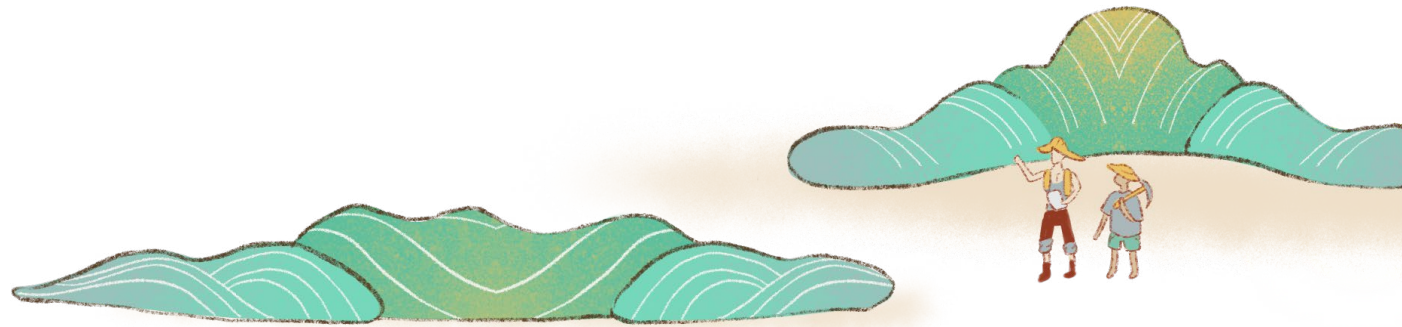
Application for new construction methods and development of patented construction techniques

Construction Management Automation

Optimize traditional construction workflows by enhancing automation levels through algorithms

Customer Service Refinement

Extend the application of the BIM system to low-carbon building assessment and facilities management (FM) systems



01 Construction technology refinement

New Construction Methods for SD550W and SD690

The SD550W and SD690 new construction methods utilize high-strength rebar to reduce the amount of structural steel, effectively achieving low-carbon building objectives. SD550W is currently implemented in our contracted turnkey projects, such as the Zuoying Chongshi social housing project, and has been authorized for use by several other industry peers. The SD690 method is undergoing a review for new construction techniques and is expected to pass by 2024.

SD690 ACHIEVED A CARBON

REDUCTION OF **64** %

SD550W ACHIEVED A CARBON

REDUCTION OF **31** %



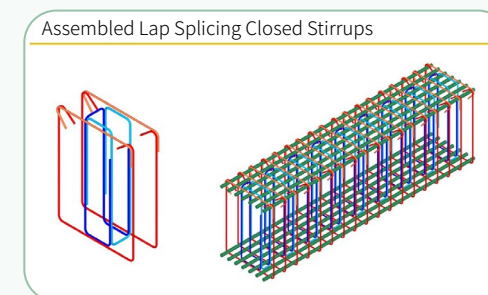
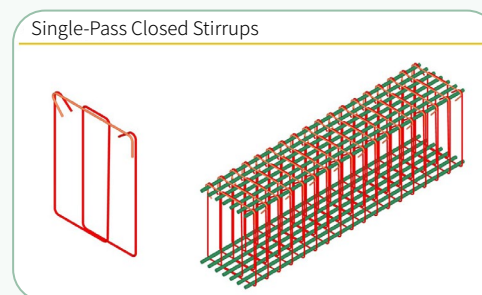
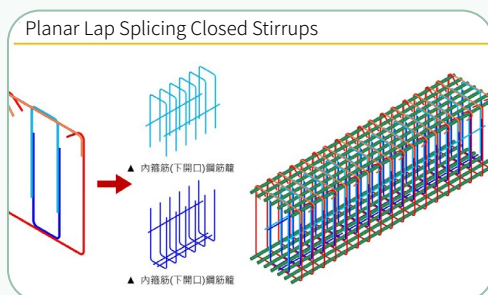
SD550W Test Model

Innovative Beam Vibration Resistant Steel

The Company has developed several innovative types of stirrups, such as three-dimensional modular internal stirrups and single-pass stirrup designs, to enhance construction efficiency and address the challenges of seismic design in the installation of internal stirrups. We have obtained three invention patents in Taiwan and three new utility model patents in China. Currently, we are undergoing a review for new construction techniques, with an expected approval in 2024.

AS OF THE END OF 2023, CHIEN KUO CO., LTD.

HAS ACCUMULATED A TOTAL OF **37** PATENTS
BOTH DOMESTICALLY AND INTERNATIONALLY



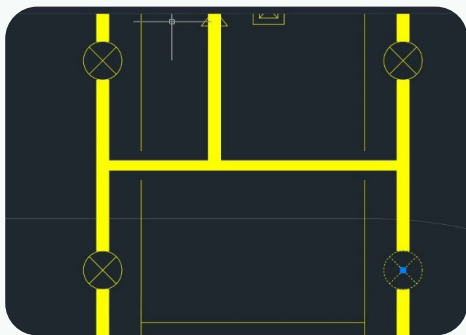
02 Construction Management Automation

Smart 3D MEP Line Drawing

The variety of mechanical and electrical lines complex, and in the past, construction relied on manual interpretation of 2D drawings. The engineering team at Chien Kuo Construction has utilized algorithms to read 2D drawings and create a 3D mechanical and electrical BIM model. This model is applied for business estimation and line material pre-cutting, allowing for precise control over equipment quantity calculations, reducing material waste costs, and effectively enhancing construction efficiency. At the same time, it lowers the technical threshold for on-site workers, addressing labor shortages.

Traditional 2D Mechanical and Electrical Line Drawing

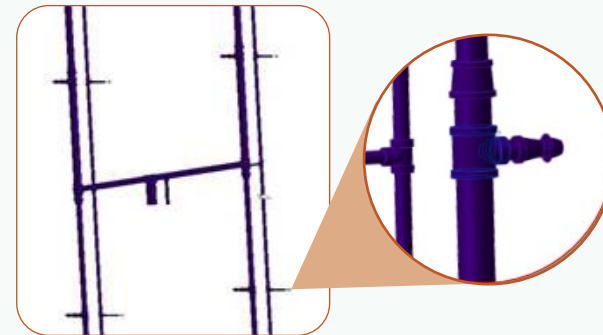
The objects are indicated on the legend with their coordinates, and overlapping coordinates require manual interpretation to determine the correct construction positions.



In 2023, successful testing of the water supply pipelines was conducted at the Zuoying Chongshi social housing project, and they have been fully implemented in the public areas of each floor. It is anticipated that by 2024, this will be extended to other construction sites, achieving automation in construction management.

3D Model

By automatically generating a 3D model from 2D drawing, the relative positions of all objects are clearly marked, facilitating precise construction.



03 Customer Service Refinement

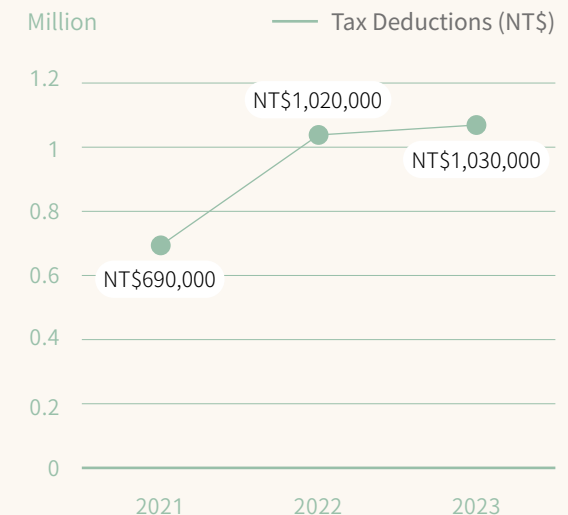
Low Carbon Label Assessment

The carbon emissions of a building are closely linked to the materials used during its construction and the selection of related energy-consuming equipment. Chien Kuo Construction is committed to addressing the environmental impact and sustainability of its buildings. In past projects, the Company has proactively raised procurement standards within controllable cost ranges, prioritizing the selection of high-efficiency equipment. In 2023, in collaboration with the Construction and Planning Agency, Chien Kuo Construction promoted the “EEWH-BERS Building Energy Efficiency Rating System” and the “Low-emodied carbon building Rating System (LEBR).” The Company participated in the Zuoying Chongshi social housing project, achieving the highest ratings of 1+ and Level 1 certification, making it the first social housing in the nation to receive dual Level 1 certifications. Chien Kuo Construction strives to create a balance between human living spaces and the natural ecosystem in the most environmentally friendly manner.



The Company actively invests resources in research and development for innovation, achieving excellent results that receive annual investment tax credit approvals from the Construction and Planning Agency:

Details of R&D Tax Deductions over the Past Three Years



Pursuing Excellence

Column

The Commitment to Golden-Quality Social Housing

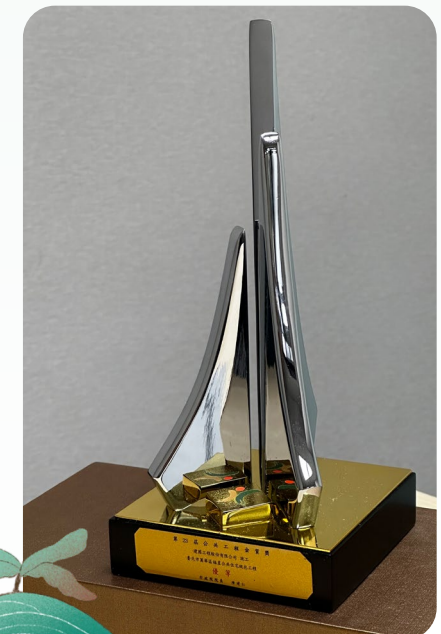
Fuxing Social housing is located next to the bustling Ximending Shopping District in Taipei, with-in the Fuxing community. It is a Residential Complex project undertaken by Chien Kuo Construction and also a designated national smart demonstration site. In 2023, Fuxing Social housing stood out from 108 public construction projects nationwide, winning the “Public Construction Golden Quality Award - Excellence in Architecture Category” from the Public Construction Commission, Executive Yuan, making it the only social housing project in the nation to receive this honor. Chien Kuo Construction’s outstanding construction quality also earned recognition from the Taipei City Government with the “Distinguished Public Construction Awards” and secured a spot on the list of excellent contractors.

Fuxing Social housing Has Been Awarded with the

Distinguished Public Construction Awards

and the **Golden-Quality Awards** in 2023

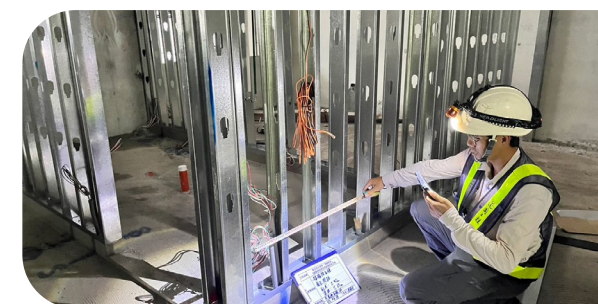
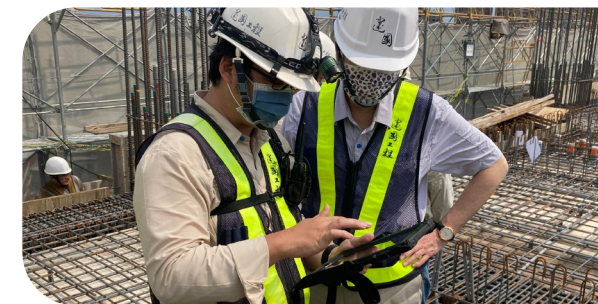
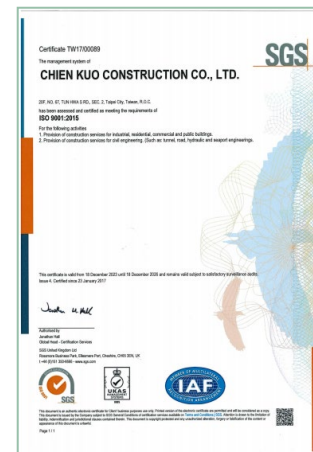
Chien Kuo Construction preserves the spatial memory created by old trees, connecting the urban landscape with the human living environment. Furthermore, it has developed a green path centered around these old trees to promote biodiversity, breathing new life into the community—one of the project’s key design features. In addition, we have leveraged technology to enhance occupational safety and health management, introducing smart systems to optimize construction quality. The project incorporates IoT smart helmets equipped with real-time positioning and SOS alert functions to improve workplace safety. The use of full-building 3D visualization technology has significantly reduced construction errors. Our technical team has also developed an FM smart management system, enabling users to easily access building equipment information and report maintenance issues with a single click, effectively lowering equipment maintenance costs and extending the building’s lifespan—another highlight of the project.



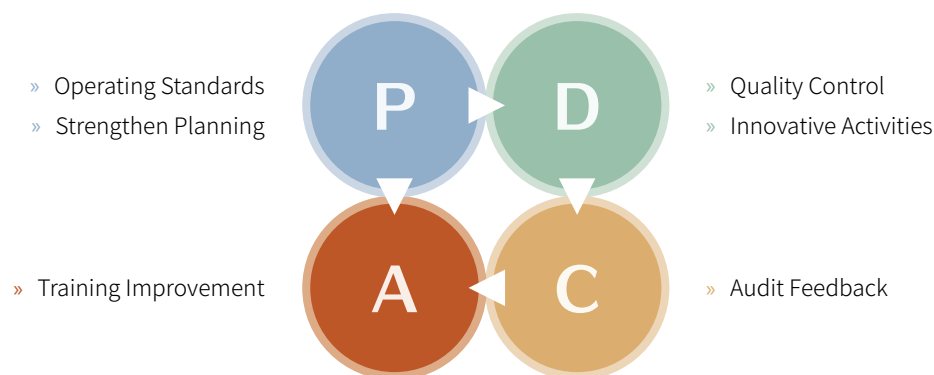
Material Issues: Construction Quality Management

Construction tasks are intricate and technically detailed. Chien Kuo Construction consistently adheres to a quality-first principle, rigorously applying self-imposed standards. Following the ISO 9001 quality management system, the Company has established a three-tier quality control system and implements the PDCA (Plan-Do-Check-Act) quality improvement cycle to plan standard operating procedures and execute on-site quality control. From materials and construction methods to the impact of the construction process on external factors, every detail falls within Chien Kuo's quality management scope.

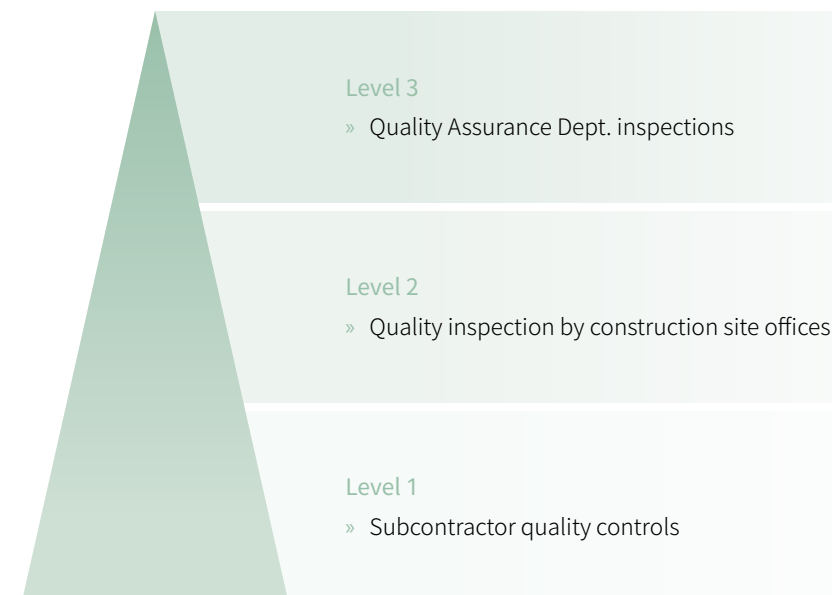
In today's era of rapid technological advancement, we have observed that many construction details still rely heavily on the manual transmission of skills and experience, which is not conducive to stable quality management or technical advancement. In light of this, the Company's R&D strategy prioritizes quality enhancement and occupational safety management, while also leveraging technology to improve construction efficiency. The technical development and quality assurance teams are committed to thoroughly executing existing self-inspection procedures while further promoting automation in construction management. Through algorithm training based on human experience, we aim to optimize management processes, reduce carbon emissions during the construction phase, and foster green construction as a long-term goal. We are dedicated to contributing to environmental sustainability and driving the transformation of the low-carbon building value chain.



Provide feedback on the acceptance standards to the Sales, Procurement, and HR departments, as well as to construction site teams for implementation



Graded quality control



Quality Assurance and Safety Self-Inspection App

Quality control in construction relies heavily on excellent partners and multiple layers of inspection at the contractor level. In the past, engineers needed to print structural floor plans and other construction-related documents, inspect each item, take photos for records, then compile and print reports for storage. This process was time-consuming, redundant, and required large amounts of paper. To streamline this process, teams of Chien Kuo developed a self-inspection app that integrates all necessary inspection data, allowing engineers to conduct inspections electronically and automatically generate self-inspection reports.

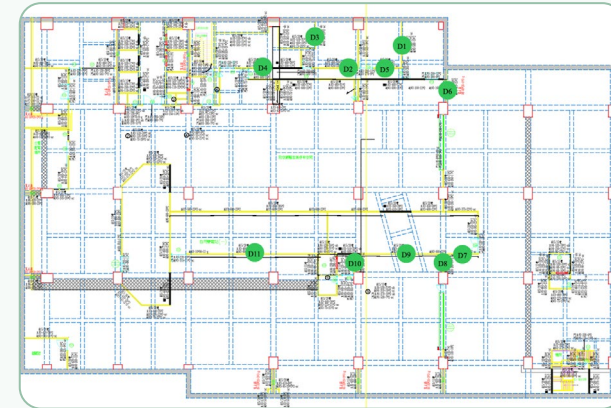
The Chien Kuo Construction self-inspection app enables direct annotation of on-site construction conditions and records of inspection photos. Upon completion, a self-inspection report can be swiftly exported, significantly reducing the administrative workload for engineers and shortening the overall time spent on internal inspections.

By using the electronic self-inspection system, substantial amounts of paper can be saved. For example, in a 10-story building project, over 72,000 sheets of paper can be conserved just from column inspections. When expanded to other structural inspections and larger-scale projects, the paper reduction and corresponding carbon footprint decrease are significant. Additionally, once inspection results are uploaded to the cloud with a single click, relevant personnel can instantly track the status of deficiency corrections. The system also compiles a database of correction results, serving as a reference for subcontractor evaluations and construction process optimizations.

The Chien Kuo quality assurance self-inspection app has been fully implemented for 26 civil engineering items and 59 mechanical and electrical items. The safety self-inspection app was scheduled to be fully launched in 2024.



Quality Assurance Self-Inspection Interface



On-site Engineer

- » Download the map and verify according to the map
- » Create a deficiency map and upload it to the cloud
- » Provide real-time updates on the progress of deficiency corrections

建國工程自檢報告管理頁面 自檢統計圖表 報告製作 標準確認 Debug 輸出

自檢表清單

選取工程： 國泰產研 選取工項： 鋼筋

篩選日期： 2024年3月16日 2024年4月16日 更新清單

選取樓層： 請選擇 關鍵字搜尋：

No.	工地	工項	子項目	樓層	自檢代碼	上傳日期	上傳人	自檢照片數	剩餘監督照片數	下載項目
1	國泰產研	鋼筋	牆	B1F-A樓	D	20240407	102273	29	0	📄 📷 📊
2	國泰產研	鋼筋	牆	B1F-A樓	C	20240407	102273	44	0	📄 📷 📊
3	國泰產研	鋼筋	柱	B1F-A樓	I	20240403	102273	24	0	📄 📷 📊
4	國泰產研	鋼筋	柱	B1F-B樓	B	20240403	102273	66	0	📄 📷 📊
5	國泰產研	鋼筋	牆	B1F-A樓	A	20240403	102273	12	0	📄 📷 📊
6	國泰產研	鋼筋	柱	B1F-B樓	C	20240401	102227	9	0	📄 📷 📊
7	國泰產研	鋼筋	柱	B1F-A樓	E	20240401	102227	45	0	📄 📷 📊
8	國泰產研	鋼筋	柱	B1F-A樓	G	20240401	102273	21	0	📄 📷 📊
9	國泰產研	鋼筋	柱	B1F-A樓	H	20240401	102273	6	0	📄 📷 📊
10	國泰產研	鋼筋	柱	B1F-B樓	A	20240328	102227	39	0	📄 📷 📊
11	國泰產研	鋼筋	柱	B1F-A樓	A	20240327	102227	52	0	📄 📷 📊
12	國泰產研	鋼筋	柱	B1F-A樓	D	20240327	102227	21	0	📄 📷 📊

Quality Assurance Personnel

- » Ability to filter by site, construction item, floor, engineer, and inspection status
- » Real-time tracking of deficiency corrections via the cloud

Digitalizing and going paperless with self-inspection can save over

72,000 sheets of paper for a single construction item

Customer Satisfaction

Short term

Implement warranty services
Improve service quality

Medium term

Optimize service process
Maintain brand image

Long term

Innovative service concepts
Pursue sustainable operations

Ongoing Construction Phase

Customer trust has been the foundation of Chien Kuo Construction's unwavering commitment for over sixty years. We promise quality service and strive to provide users with the best experience. We firmly believe that the key to earning customer trust lies in delivering safe, high-quality products and services while continually embracing digital transformation to pursue technological innovation and enhance our competitiveness. The Company has established a dedicated service team for clients, maintaining close communication from the start of construction until the handover. Every six months, we conduct a "Ongoing Construction Phase - Owner Satisfaction Survey" to gather customer feedback, which is then used to review and optimize our quality control processes.

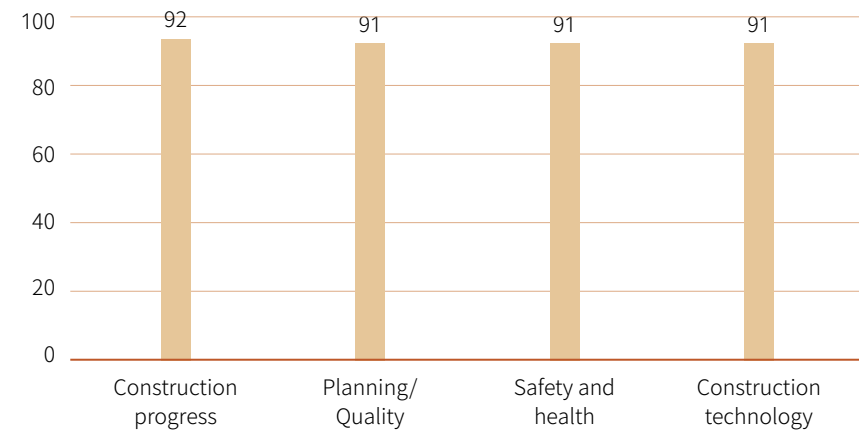
The average satisfaction score for ongoing construction

projects reached **91.25** points in 2023



Analysis of Customer Satisfaction Survey During the Construction Period

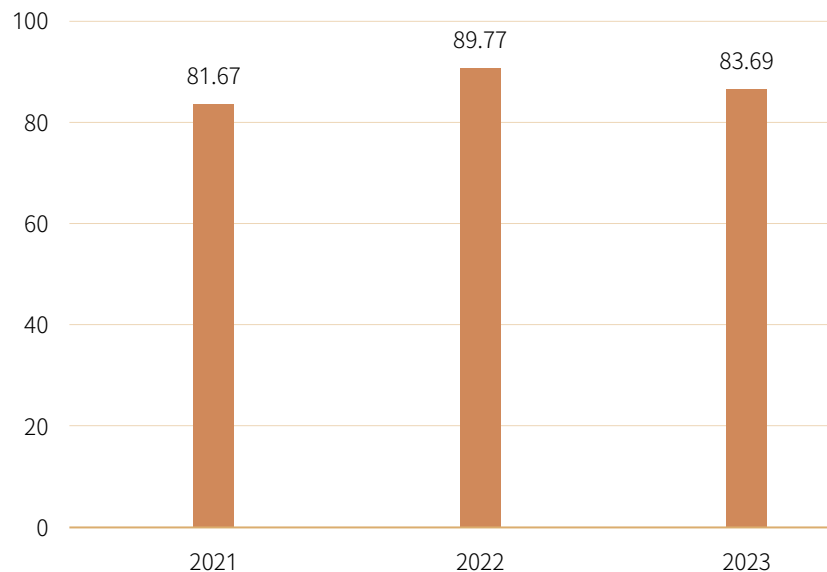
Satisfaction Survey Analysis(2023)



Commitment Remains After Handover

All buildings constructed by Chien Kuo Construction undergo thorough completion inspections and acceptance procedures upon project completion. We are committed to providing the highest quality of living safety for building occupants with a responsible attitude. After handover, we continue to offer repair consultations, warranty management, and maintenance services. All feedback from clients and residents will be meticulously recorded and preserved, serving as valuable input for ongoing optimization and improvement.

Warranty Service Satisfaction Survey



Customer Service Management Process



Material Issues: Occupational Health and Safety

— Safety First GRI 403

Construction sites are often regarded as high-risk workplaces. Chien Kuo Construction values every colleague and every partner serving within our work areas. We consistently uphold "Safety First" as our highest principle, adhering to the ISO 45001 Occupational Health and Safety Management Standards. We are committed to creating a healthy and safe working environment, implementing occupational health and safety management. In 2023, our efforts were recognized with multiple awards.

Chien Kuo Construction received a total of **12** honors for occupational safety and health awards in 2023

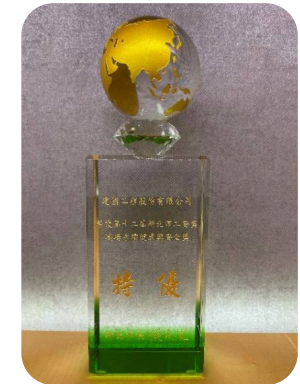
- » Ministry of Labor - Occupational Safety and Health Excellent Unit, Public Construction Golden Safety Award - Outstanding Personnel
- » Badge of Accredited Healthy Workplace
- » Taipei City Labor Safety Award - Excellent Unit, Innovative Occupational Safety and Health, Extraordinary Contribution, and Great Heart Boss
- » New Taipei City - Outstanding Award for Sustainable Health and Safety
- » Department of Health, Taipei City Government - Excellence Award for Outstanding Breastfeeding Room
- » New Taipei City - Certificate for Implementing Family-Friendly and Workplace Equality Measures



Healthy Construction
Site Promotion -
New Star Award



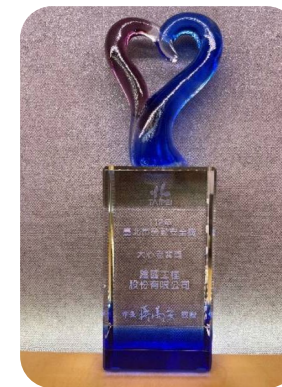
Healthy Construction
Site Promotion -
Gold Award



New Taipei City Occupational Safety Award
Workplace Sustainability,
Health, and Safety Award



Taipei City Labor Safety
Award - Excellent Unit



Taipei City Labor Safety
Award - Great Heart Boss



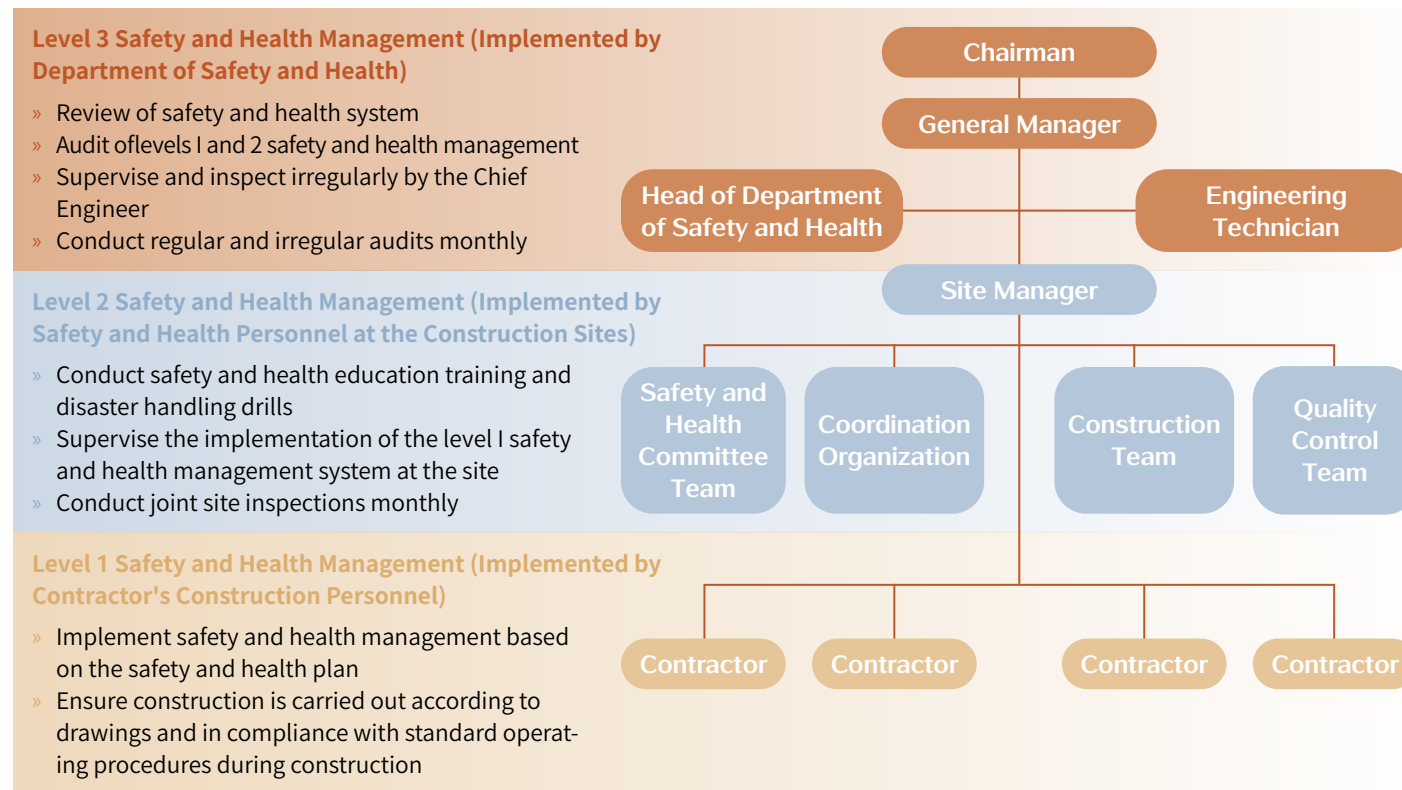
Badge of Accredited
Healthy Workplace

We firmly believe that only a rigorous and safe construction site can produce high-quality buildings. Therefore, the Company passed the ISO 45001 Occupational Health and Safety Management Standards in 2020, implementing and continuously maintaining these standards. The latest verification date was November 23, 2022, with an effective period until November 22, 2025. We are committed to comprehensive safety management, and for the numerous suppliers and subcontractors on-site, we have established the “Health and Safety Management Operation Procedures for Subcontractors” as a guideline. We regularly conduct safety evaluations of subcontractors, adhering to standards that exceed regulatory requirements, ensuring that Chien Kuo Construction’s work environment is one where our team can safely showcase their talents.

Occupational Safety and Health Management Structure and Processes

Chien Kuo Construction’s occupational safety and health management is divided into three levels. The responsibilities for first and second-level safety and health management lie within the construction site. On-site engineers and suppliers implement safety and health measures according to the safety plan, while designated personnel from the department of safety and health conduct inspections, with oversight from the General Manager.

Level 3 Audit Management Process

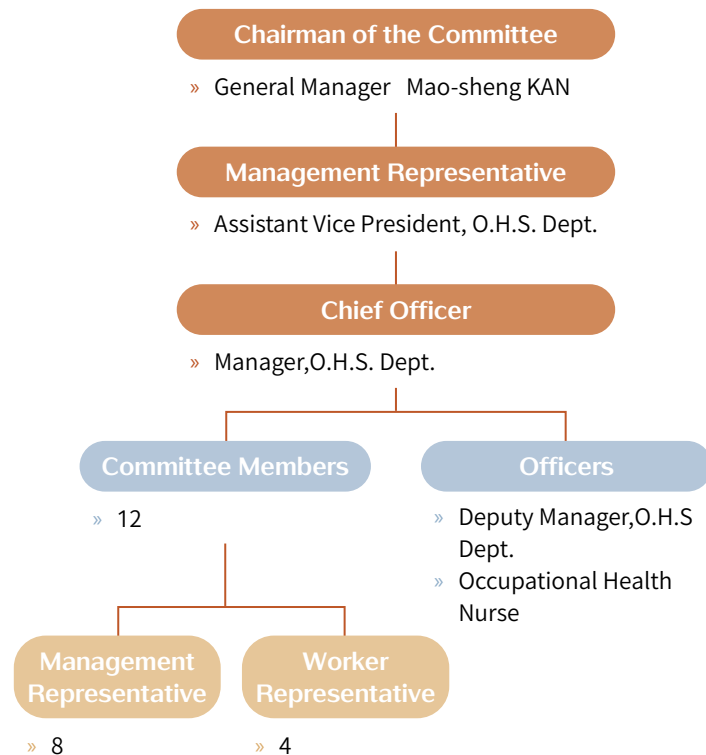


Occupational Health and Safety Management Tasks



Occupational Safety and Health Committee

The Company has established an Occupational Safety and Health Committee in accordance with the “Occupational Safety and Health Management Regulations,” which meets at least once per quarter. The committee discusses various aspects such as hazard identification at construction sites, personnel safety and health, disaster emergency response, and the overall occupational safety policy of the Company. Major resolutions made during the meetings in 2023 are outlined in the table below:



Major Resolutions

First Half of the Year

- » Integrated sustainable occupational safety and health management into ESG performance indicators.
- » Developed a digital transformation plan for safety and health.
- » Prevented workers aged 65 and above from performing higher-risk exterior wall operations.
- » Procured aluminum platforms with guardrails, non-slip ladder treads, and higher load capacity to replace traditional iron platforms for material handling operations. In the future, gradually transition to conveyor systems to reduce the risks associated with manual material handling.



Second Half of the Year

- » Provided follow-up health examinations and conducted tracking interviews for new hires with higher-risk medical examination results.
- » Revise the “Aluminum Formwork Safety Protection Operating Standards.”
- » Increased attention from dedicated units on the health conditions and regular medication needs of migrant workers.



Health and Safety Management Operation for Subcontractors

Subcontractors are essential partners for Chien Kuo Construction in achieving our commitment to “Safety First.” We are dedicated to comprehensive safety management with the goal of zero workplace injuries. We have established the “Health and Safety Management Operation Procedures for Subcontractors” to ensure that contractors effectively implement safety regulations during construction. Before commencing any project, site supervisors, along with quality control, safety, and technical personnel, conduct reviews of construction scaffolding, hazardous machinery, formwork, and other regulated items, which must be approved before work can begin. We also implement thorough pre-work training to instill correct occupational safety and health concepts among subcontractors and rigorously control safety on construction sites. Additionally, the “Operational Standards for Health and Safety Evaluation of Subcontractors” are used by Chien Kuo’s on-site engineers to regularly assess subcontractors and administer rewards or penalties based on performance, fostering a collaborative effort to create safe construction sites.



“Health and Safety Management Operation Procedures for Subcontractors”



“Operational Standards for Health and Safety Evaluation of Subcontractors”



Supplier Safety and Health Management Procedures

01



Supplier Safety and Health Management Guidelines

02



Confirm safety and health documents before construction

03



Hazard notification in project kick-off meeting

04



Onsite inspections and supervision during construction

05



Regular coordination and organization meetings

06



Management with corrective and preventive measures

07



Work site safety and health violation penalty procedures

Occupational Safety and Health Training

In 2023, we applied for and conducted safety and health education training through the Ministry of Labor's Occupational Safety and Health Administration for the Occupational Safety and Health Card. The training participants included owners, employees, and subcontractor workers, totaling 102 participants.

2023 Implementation Status of Occupational Safety and Health Card Training Course

Occupational Safety and Health Card Course

Total number of participants who completed training and obtained certification in 2023 | 102

National Occupational Safety and Health Card Training of the Occupational Safety and Health Administration, Ministry of Labor

New training	6 hours
Refresher training	3 hours

Explanation:

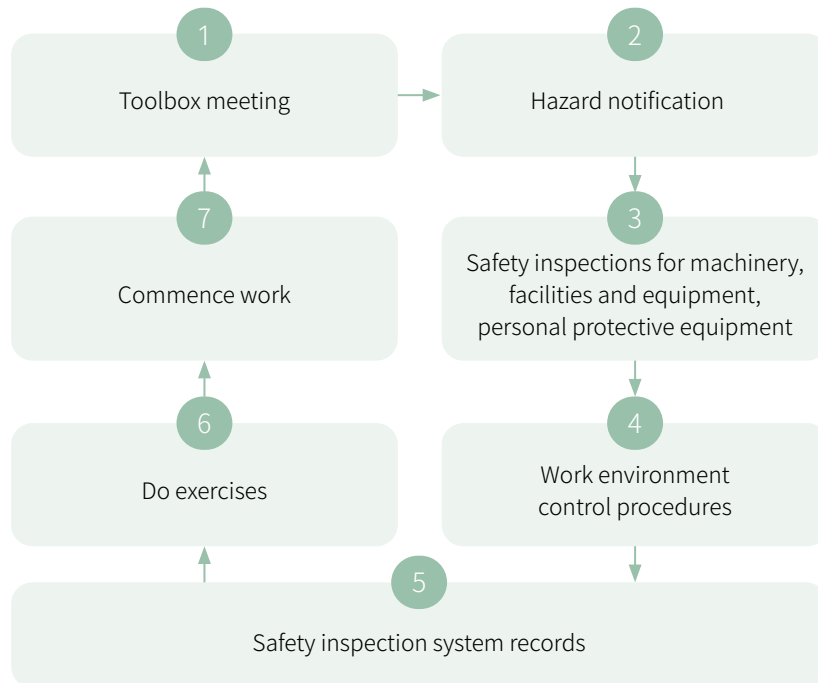
1. The Occupational Safety and Health Administration promoted an app to electronically store training records and certification documentation in 2018. Chien Kuo Construction proactively organized educational training to standardize 6 hours of training data and conduct general training (including for subcontractors)
2. Each year, we regularly review the number of new trainees and retraining needs to schedule Occupational Safety and Health Card training
3. The validity period for new training is three years, with a requirement for a 3-hour retraining session every three years

Occupational Safety and Health Certifications

Certification	Number of Employees with the Certification in 2021	Number of Employees with the Certification in 2022	Number of Employees with the Certification in 2023
Professional Engineer in Civil Engineering	6	4	6
Professional Engineer in Structural Engineering	2	2	2
Site Manager	64	74	68
Type A Industrial Safety Manager	102	133	110
Class A Occupational Safety and Health Management Professional	4	5	4
Class B Occupational Safety and Health Management Personnel	56	46	41
Public Construction Quality Management Personnel	34	43	95

Implementation of Occupational Safety and Health

Daily Safety Operation Cycles



All Chien Kuo's construction sites begin each day with a morning toolbox meeting, where the hazards of all tasks for the day are reported, and the safety inspections of machinery, equipment, facilities, and personal protective equipment are conducted. The meeting also includes a briefing on work environment controls and safety inspection system records. Following this, there is a designated time for all personnel to participate in group exercises, which involve thorough warm-up and stretching routines to effectively prevent and reduce potential workplace injuries.

During the construction period, Chien Kuo Construction's engineers conduct site inspections of each work zone at noon and before the end of the workday. If any deficiencies are found, immediate correction is required. The details of these deficiencies are directly uploaded to the Company's cloud system, allowing the responsible departments to track improvements in real-time, analyze the issues, and develop corrective and preventive control measures.

Construction Site Hazard Prevention

The Company has established the "Occupational Reporting and Investigation Procedures" and uses systematic and efficient investigations and analysis to quickly learn the cause, propose improvement measures, and prevent the recurrence of incidents. When an accident occurs, employees must report to the supervisor and unit in accordance with the "Emergency Response Procedures". The Safety and Health Department shall conduct preliminary investigations, analyze the hazardous factors, and report results to the relevant management level and the Safety and Health Committee in the current quarter. The results shall be used as references for the continuous improvement of the safety and health management system in the future.

Hazard prevention measures in work areas are as follows:

Construction Site Hazard Prevention

- » Personnel entry safety training
- » Installation of a facial recognition smart access control system to regulate the entry and exit of personnel
- » Safety control of personal equipment onsite before entering the site
- » Set up the onsite monitoring system to monitor onsite conditions at all times
- » Install elevated cable trays to prevent insulation damage
- » Installation of electricity leakage detection equipment
- » Installation of fall prevention measures
- » Installation of windproof welding work frames
- » Set up steel structure safety walkways
- » Adoption of semi-automatic unhooking device for hanging steel structures
- » Adoption of the calibration method without the use of steel cables (ACE UP)
- » Safety inspections for construction scaffolding and mold operations

Construction Site Amenities

- » Set up shaded rest areas and shower facilities in each construction site for workers to clean up and take breaks
- » Provide electrolyte drinks or warming ginger tea based on weather conditions
- » Set up medical rooms and baby-sitting and nursing rooms
- » Installation of AEDs and appointment of first aid personnel
- » Establish large safety and health notice boards and a safety culture corridor to display standard operating procedure posters, personal protective equipment demonstration mannequins, and disaster case awareness posters



Emergency Response Drills

The Company conducts emergency response drills every six months in accordance with the ISO 45001 standard's emergency response management procedures. These drills simulate disaster scenarios such as fires, earthquakes, or injuries among personnel in construction sites, enhancing our response capabilities and reducing the potential harm caused by disasters.

01



02



03



04



05

Personnel grouping and
task introduction



Fire extinguisher
operation drill



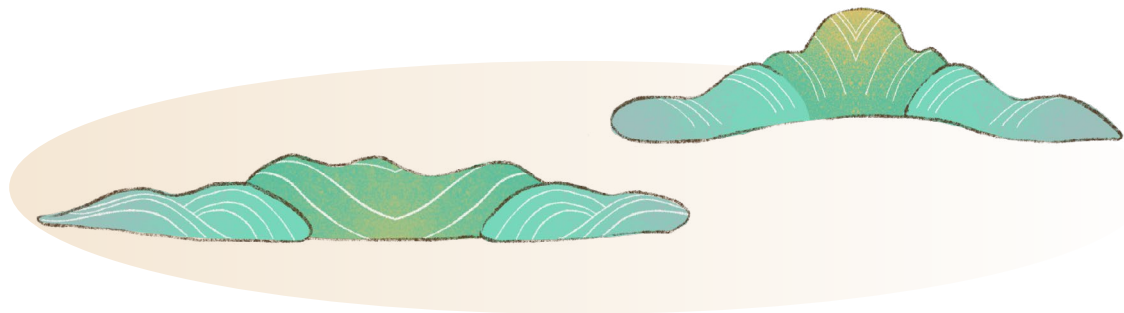
Oxygen cylinder
operation drill



Personnel evacuation
and shelter drill



Post-drill
review



Occupational Injury Statistics for 2023

The Company aims for zero workplace injuries as the foundation for enhancing various safety activities within the plant. We support zero-accident initiatives by awarding bonuses and certificates to recognize outstanding units that contribute to this goal.

Statistics on Total Working Hours and Occupational Injuries for Employees Over the Past Three Years

2021	2022	2023
Total working hours 840,622	Total working hours 821,243	Total working hours 768,847
Female 236,962 Male 603,660	Female 212,057 Male 609,186	Female 199,361 Male 569,486
Number of recordable occupational injuries (including fatalities and severe injuries) 1 (Male)	Number of recordable occupational injuries (including fatalities and severe injuries) 2 (Female 1, Male 1)	Number of recordable occupational injuries (including fatalities and severe injuries) 2 (Female)
Recordable injury rate 1.19%	Recordable injury rate 2.44%	Recordable injury rate 2.6%
Types of occupational injuries During the dismantling of formwork, a worker tripped over formwork materials, resulting in a right arm fracture.	Types of occupational injuries » A slip in the break room caused a worker's left knee to impact the ground directly, resulting in a contusion and hematoma of the left knee. » While inspecting the formwork, a worker tripped over formwork materials, resulting in a right arm fracture.	Types of occupational injuries A worker accidentally stepped into a void while walking, leading to a fracture of the left ankle.
Improvement measures » Require enhanced organization of materials in walkways to ensure they are not left on the ground » Ensure adequate lighting in construction sites » Conduct safety education for personnel	Improvement measures » Require proper organization of materials in walkways and ensure that materials are not left on the ground » Ensure sufficient lighting » Conduct safety education for personnel » Maintain cleanliness and dryness in the break room » Enhancement	Improvement measures Strengthen safety re-education for personnel, emphasizing the importance of being aware of their surroundings while walking in construction sites, and discouraging the use of mobile phones while walking.

Note 1: Fatality rate due to occupational injuries = (Number of fatalities due to occupational injuries / Total working hours) * 1,000,000

Note 2: Severe injury rate = (Number of severe injuries (excluding fatalities) / Total working hours) * 1,000,000

Note 3: Recordable injury rate = (Number of recordable injuries (including fatalities and severe injuries) / Total working hours) * 1,000,000

Note 4: Severe occupational injury refers to injuries that prevent an individual from returning to a state of health within six months

Note 5: Recordable occupational injuries do not include injuries occurring during commuting to and from work

There were **0** occurrences of severe or fatal occupational injuries from 2021 to 2023 and the severe occupational injury rate during this period was **0**

Health Service Management and Promotion

Employees are the most valuable asset of Chien Kuo Construction. The Company has established a health management policy for employees in accordance with the Occupational Safety and Health Act and the Labor Health Protection Regulations, promoting the physical and mental well-being of all staff. The Company also provides related consultation and care services. We develop a labor health service plan based on the characteristics of the working environment and job types, using it as the core framework to implement health services.

Health Check-ups

All new employees at Chien Kuo Construction are required to undergo a physical examination. Current employees receive full funding for health check-ups every two years, exceeding legal requirements, with those over 45 years old receiving check-ups every five years, and those aged 45 to 65 every three years. This ensures regular monitoring of their health status, enabling early detection and proactive treatment of any medical issues.

The results of health check-ups are classified by Occupational Physician based on medical history and various metrics, categorized into four levels. Level one indicates that all health indicators are generally normal, while level four requires further medical consultation and follow-up. Occupational nurses and physicians prioritize visits for individuals categorized as level four to provide health care and recommendations, assessing whether adjustments to their work types are necessary, and subsequently interviewing employees in other categories. In 2023, the proportion of health interviews for new employees reached 76%, and the interview rate for individuals classified as level four was 100%.

Providing health check-up subsidies beyond legal requirements

Interview rate for level four health check-up classifications **100** %

Health Check-up Implementation Status in 2023

Number of new employees undergoing health check-ups	102
Number of employees undergoing health check-ups	--

Note: Health check-ups for current employees are conducted every two years. The last check-up was held in 2022, with the next scheduled for 2024; therefore, there are no related data for 2023.

Occupational Hazard Identification and Prevention Measures

The Company conducts occupational hazard identification through various methods, including analysis of employee health check-up results, proactive assessments by occupational health nurses, observations of abnormal phenomena, and analysis of self-assessment questionnaire results filled out by employees. In 2023, we executed a survey on musculoskeletal symptoms among workers and identified hazards and assessed job suitability for middle-aged and elderly workers.

From the self-assessment musculoskeletal symptom questionnaire completed by all 367 employees, 13 reported suspected musculoskeletal injuries. Each case was individually interviewed by occupational physicians to confirm that their current conditions do not adversely affect their daily lives, and job suitability was evaluated. Occupational nurses will continue to follow up on these cases. For middle-aged and elderly workers in the Company, we assess job suitability based on factors such as age, work type, attendance due to sick leave, and results from regular health check-ups. Individual medical advice is provided by occupational physicians. In 2023, a total of 16 individuals completed the assessment, with no cases of job unsuitability identified. We will continue to monitor and provide support for these employees.

Risk Factors for Middle-aged and Elderly Workers	Number of Individuals
Abnormal workload leading to illness	1
Musculoskeletal hazards due to human factors	1
Abnormal results from general health check-ups / hospitalization	10
Suitability assessment for middle-aged workers	1
Proactive reporting of physical discomfort	3

Medical recommendations	Number of Individuals
Self-health management with regular reporting	9
Re-evaluation and monitoring (blood pressure)	7

Occupational Health Services

Chien Kuo Construction employs dedicated occupational health nurses and contracted occupational physicians to provide occupational health services. To prevent the spread of infectious pathogens or diseases, the occupational health nurses irregularly remind employees through online health education emails and actual health seminars. They promote preventive measures to avoid disease transmission and encourage healthier lifestyle choices. In addition, the topics covered in health education and seminars include prevention of common injuries related to work types and management of acute injuries. Through daily health advocacy and education on proper hygiene practices, we assist employees in maintaining their health and well-being.



Occupational Physician Interviews

Health Education Advocacy Topics

- » Recommendations for Disease Prevention
- » Introduction to the Mediterranean Diet Pyramid
- » Six Tips to Overcome Nicotine Addiction
- » Choosing Cooking Oils
- » Understanding Degenerative Arthritis
- » Self-Care Tips for Influenza
- » Staying Away from Depression
- » Measuring Waist Circumference
- » Healthy Ways to Enjoy Rice Dumpings Without Gaining Weight
- » Self-Prevention Methods for Heat Injuries
- » Proper Techniques for Icing Injuries
- » Lifestyle Considerations for Bone Spurs
- » Understanding Norovirus Prevention Methods

Health Seminar

Dingfu Social Housing Construction Site Office

- » Betel Nut Cessation Promotion



- » Health Education on Prohibition of Sexual Harassment



- » Workplace Bullying Seminar



Headquarter Office

- » Workplace Stress Management and Emotional Adjustment Health Seminar
- » Taipei City Oral Health Promotion Program and Oral Hygiene Education



Chongshi Social Housing Construction Site Office

- » Oral Cancer Screening



Cathay Panyun Residential Complex Construction Site Office

Chongshi Social Housing Construction Site Office

- » Dengue Fever Prevention and Control



Occupational Health Nurse Interviews

Number | 88

Items for Interviews

- » General illness and health care
- » Suitability assessment for middle-aged and older workers
- » Job competency evaluation
- » Attendance irregularities interviews
- » Follow-ups on abnormal health check-up
- » Follow-ups on new employee health check-up
- » Occupational hazard assessment

Follow-up and Recommendations

- » Including workplace changes, task adjustments, overtime limitations, and work environment improvements, etc.

All departments have achieved **100** % execution

Occupational Physician Interviews

Number | 110

Items for Interviews

- » Health consultations
- » General illness
- » Prevention of musculoskeletal injuries
- » Workplace psychological counseling
- » Maternity protection
- » Job placement evaluation
- » Health consultations
- » Follow-up on commuting-related injuries
- » Follow-ups on abnormal health check-up
- » Follow-ups on new employee health check-up
- » Occupational hazard assessment
- » Suitability assessment for middle-aged and older workers
- » Overload risk tracking



Welfare

Climate Change ————— 67

Sustainable Environment — 73

Welfare

Column Sustainable Urban and Rural Development of Fuxing Social housing GRI 304

In the Fuxing social housing site located in Wanhua District, Taipei City, several old trees stand silently, having watched over generations.

Chien Kuo Construction is committed to coexisting harmoniously with the environment and the life on Earth. During the project design phase, sustainability and the conservation of biodiversity were considered, and the decision was made to preserve the old tree area in its original location to provide the best protection. An elevated walkway was also constructed to transform the Fuxing old tree area into an urban green corridor, allowing nearby residents to enjoy leisurely strolls alongside the trees, achieving the coexistence of humanity and the natural environment. In September 2023, upon the completion of the social housing project, Chien Kuo Construction gave back to the community by co-hosting a birdwatching neighborhood event with Fuxing village head Ms. Li Huang Yu-ken. Wild Bird Society of Taipei lecturer Mr. Chen Yueh-hui was invited to share bird knowledge and birdwatching guidelines with the elderly residents, and led them to the old tree area for on-site observation of bird activities. The event conveyed the concept of ecological sustainability, promoted biodiversity, and fostered neighborhood connections.

The Fuxing social housing site preserved a total of **14** old trees

A surrounding green area of **1320.11** square meters

The total carbon sequestration of the green space at the site is approximately **414,540.80** kgCO₂



Material Issues: Climate Change and Environmental Management

Climate Change GRI 302, 303, 305, 306

Chien Kuo Construction upholds the principle of Ethics management, maintaining governance resilience, and focusing on the impact of climate change on the environment and society. The Company is dedicated to promoting a green construction industry chain that is environmentally friendly and respects life. The Company has incorporated climate change issues into the company's comprehensive risk management framework, where the impact of climate change on operations is regularly discussed and controlled through management meetings. Each department is responsible for identifying and analyzing climate change risks within their scope of operations, and the results of these analyses are reported to the management team. These findings serve as the foundation for developing risk management strategies as part of the Company's climate change response. Functional teams under the Sustainable Development Committee regularly report to the committee and assess management costs and financial impacts. The Sustainable Development Committee then reports these issues to the Board of Directors, which oversees and manages related matters.

TCFD Disclosure Recommendations

Governance

TCFD Disclosure Recommendations

- » How the Board of Directors supervises climate-related issues
- » How management evaluates and manages climate-related issues

Implementation Status

- » The Company's Sustainable Development Committee regularly reports relevant issues to the Board of Directors, which oversees and manages them. Below are the governance strategies implemented by the management team:
 - * The board of directors considers climate-related issues such as the impact of unstable weather on project progress and the need to increase expenditure costs to address carbon emissions issues when discussing matters related to operating income, budget allocation, and project risk management.
 - * The Company's management gathers analytical data on climate change-related laws, technologies, and market demands through internal meetings. After summarizing, discuss the response plan and report to the Sustainable Development Committee.
 - * In response to the increased probability of extreme weather events due to climate change, management has instructed the engineering planning and technical units to incorporate climate impacts into engineering design calculations. This aims to enhance the resilience of buildings, establish technical differentiation for the company, and ensure the safety of residents.

Strategy

TCFD Disclosure Recommendations

- » Identifying short, medium, and long-term climate-related risks and opportunities
- » Climate issues' impact on business models, strategies, and finances
- » Incorporating different scenarios of climate change

Implementation Status

- » The Company identifies climate risks and opportunities and assesses how they affect business operations, strategies, and finances, considering various scenarios related to climate change. For detailed information, please refer to the [“Climate Change Risks, Opportunities, and Financial Impacts Table”](#).



Risk and Opportunity Management

TCFD Disclosure Recommendations

- » Identifying assessment processes for climate risks and opportunities
- » Managing processes for climate-related risks and opportunities
- » Explaining how the aforementioned risk and opportunity identification and management processes are integrated into the overall risk management system

Implementation Status

The Company utilizes education and training to strengthen the risk identification capabilities of each department, continuously enhancing awareness of climate change risks among employees. Management periodically assesses climate change risks and sets improvement targets based on actual circumstances. Specific issues related to climate change risks are evaluated to analyze potential financial impacts, and relevant response strategies and measures are implemented.

In addition, the Sustainable Development Committee has established three functional teams to conduct business inventories and risk identification specifically focusing on climate change. This includes analyzing impacts directly or indirectly caused by extreme weather events, transformations due to regulations, technology, or market demands, as well as risks and opportunities arising from other cultural and social aspects affecting the Company's operations. The results of these analyses are reported to management, and strategic plans for addressing climate change actions are developed based on the identified risks and opportunities. These plans are used to estimate management costs and the financial impacts accordingly. The report on risk management operations presented to the Board of Directors was on December 22, 2023.



Indicators and Goals

TCFD Disclosure Recommendations

- » Evaluate if indicators align with our strategy and risk management
- » Disclose emissions and related risks
- » Management objectives and relevant performance

Implementation Status

- » The Company has incorporated climate change issues and related assessment indicators into its risk management framework, establishing the following response strategies that align with its risk management policy:

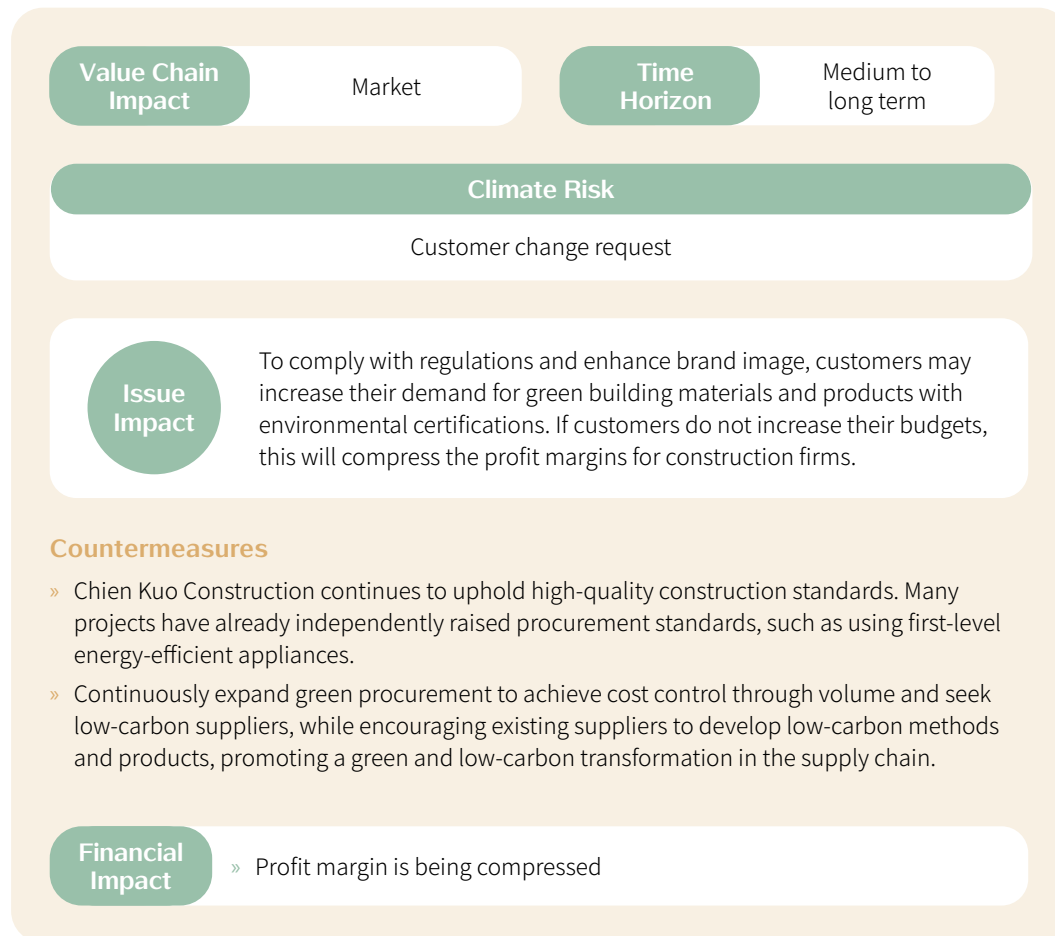
- * For market risk, we will continue to promote green procurement and aim to fully declare the use of eco-labeled products by 2024.
- * For market risk, we host one supplier conference in 2024 to enhance supply chain communication and partnership relationships, aiming to collectively move towards net-zero emissions across the industry chain through mutual encouragement and learning.
- * For regulatory update risk, the Company completed ISO 14064-1 greenhouse gas emission verification for Scope 1 and 2, as well as partial Scope 3 at the headquarters and selected sites in 2024, and for all sites by 2025.
- * For occupational safety risk, The Company continuously maintains occupational health and safety in the workplace according to the ISO 45001 standard, with at least one occupational health visit or health awareness promotion conducted monthly.

- » Greenhouse gas emissions have been disclosed in the [“Greenhouse Gas Inventory”](#) section of this report.
- » Management goals and relevant performance details can be found in the section [“In Response to Short-, Medium-, and Long-term Climate Goals and Carbon Reduction Pathways”](#) below.

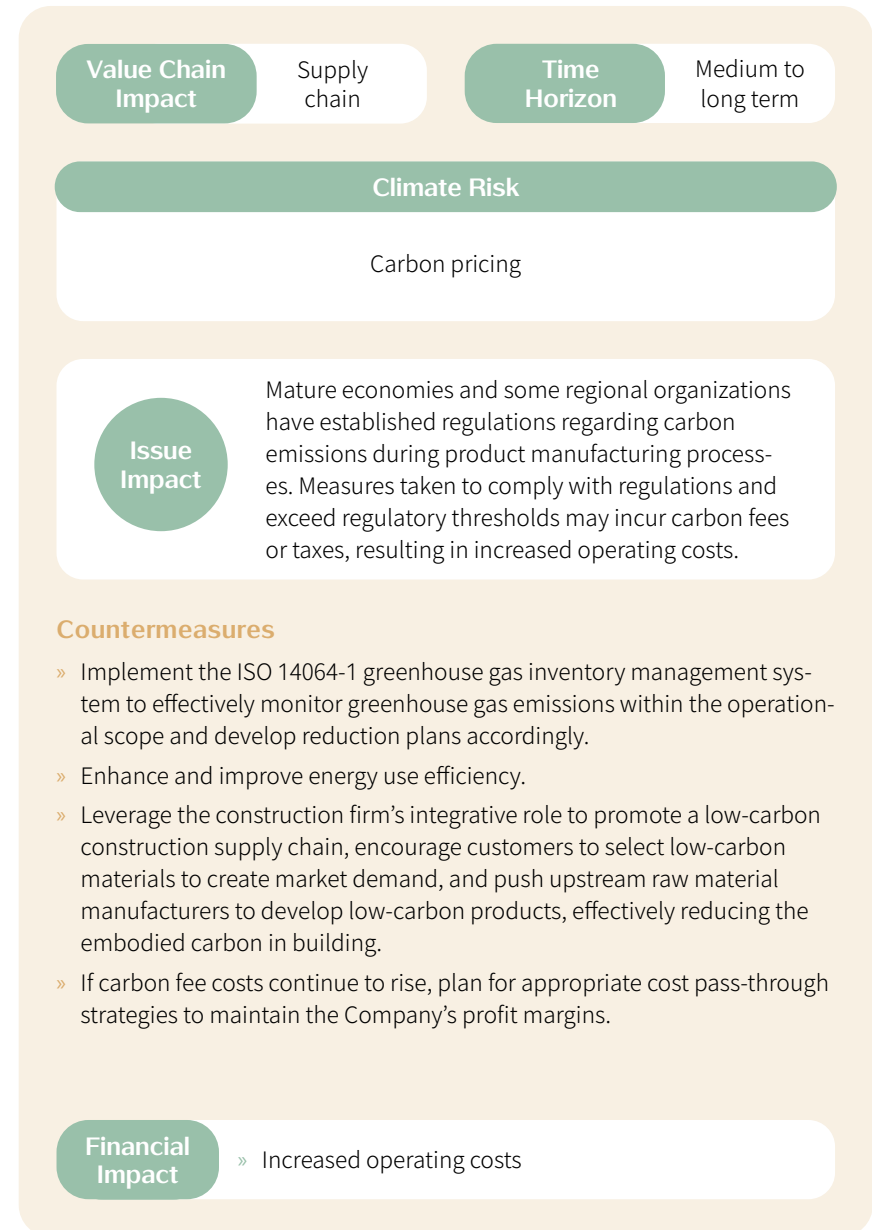
Climate Change Risks, Opportunities, and Financial Impacts GRI 201-2

Climate-related risks can be categorized into “transition risks” and “physical risks.” Transition risks refer to the potential risks and impacts that may arise during the industrial transformation process due to climate change and related factors such as policy changes and technological developments. Physical risks, on the other hand, refer to the direct impacts and shocks on tangible assets of construction firms, including production facilities, equipment, and human resources, caused by extreme weather events and natural disasters resulting from climate change.

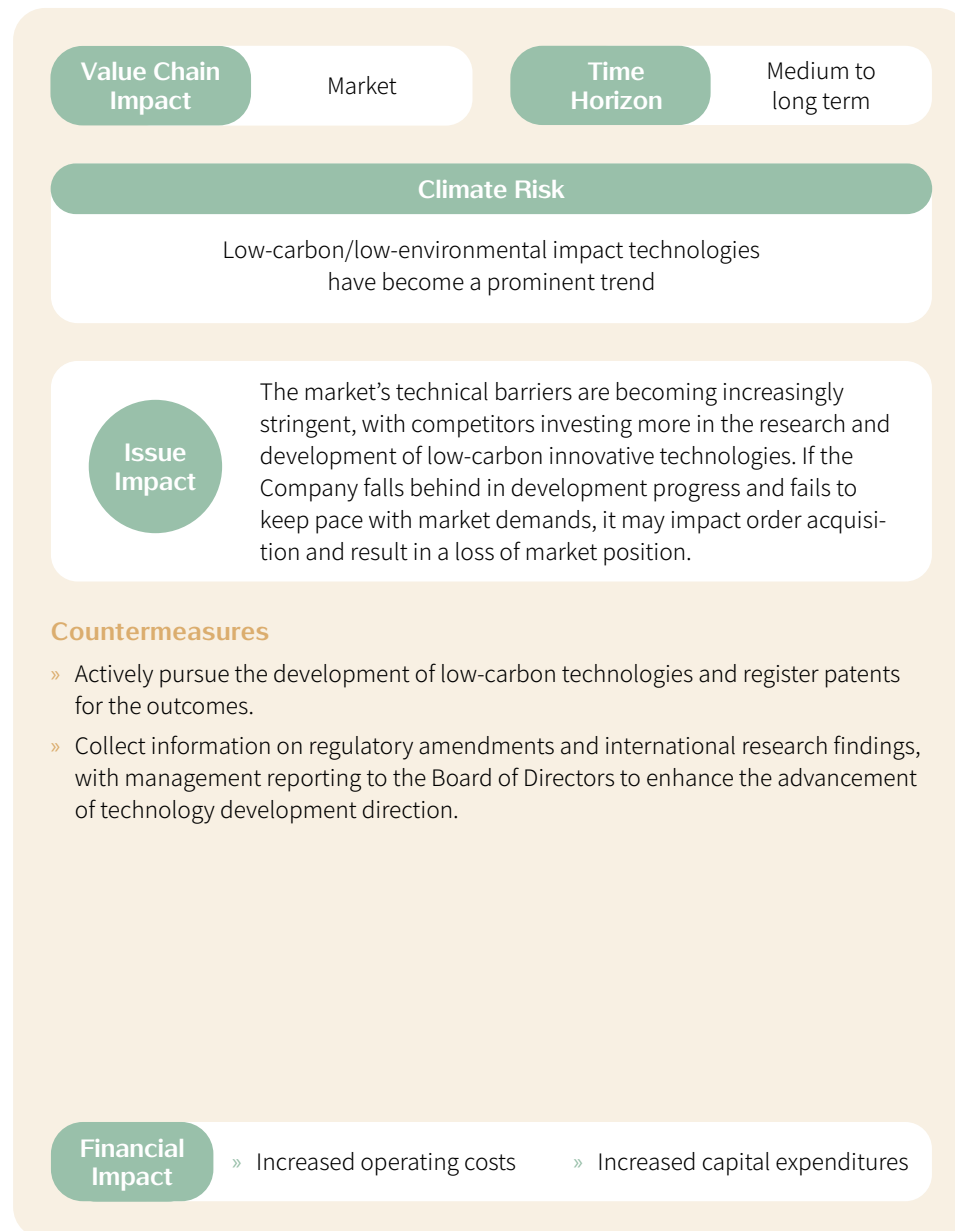
Transition Risk: Market risk



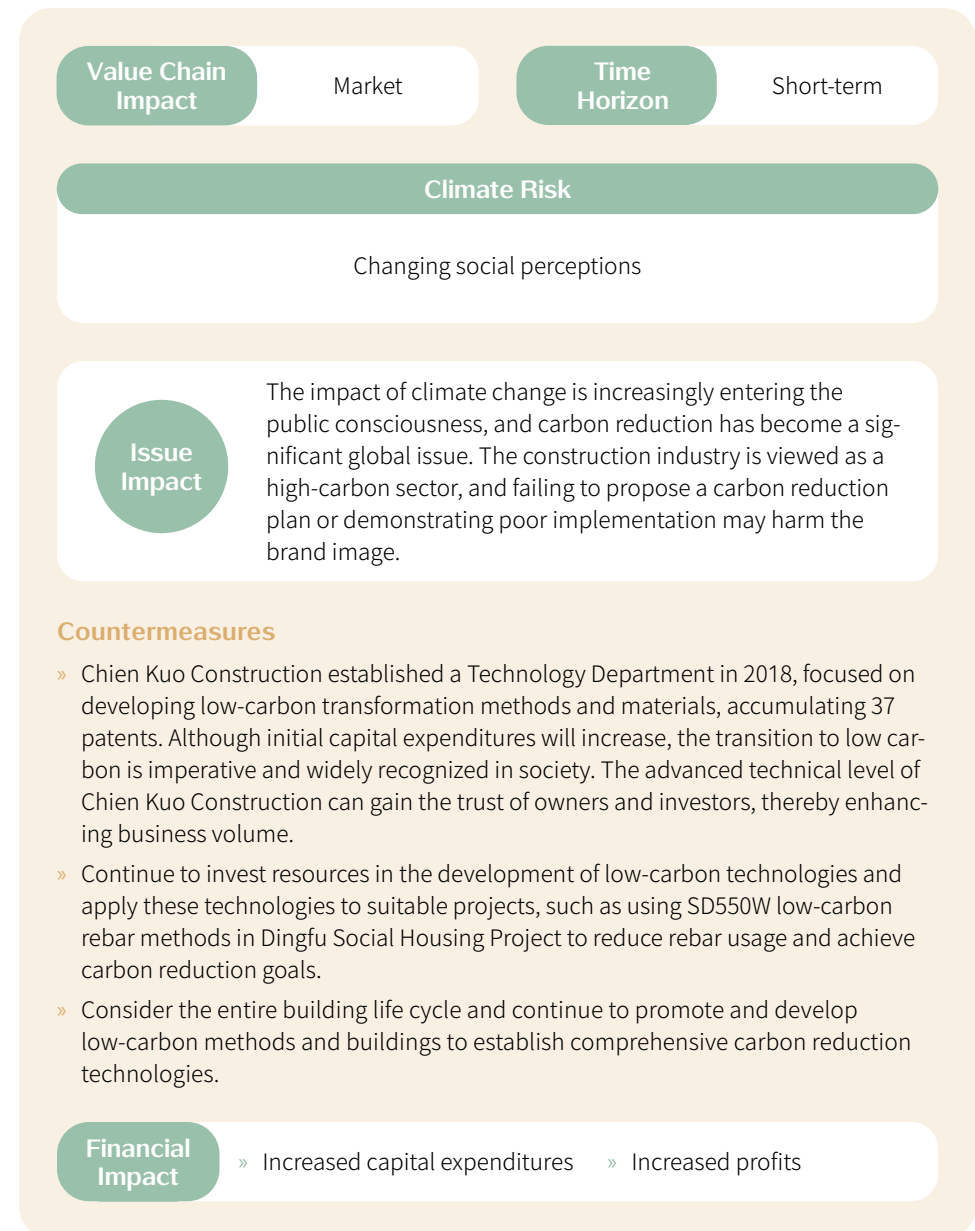
Transition Risk: Policy and regulatory risk



Transition Risk: Technical risk



Transition Risk: Brand image



Physical Risk: Supply chain risk

Value Chain Impact

Supply chain

Time Horizon

Short-term

Climate Risk

Climate change is leading to an increase in natural disasters and resource scarcity, impacting supply chain stability

Issue Impact

Climate extremes may lead to interruptions in raw material supply or transportation delays, resulting in project delays or increased material costs.

Countermeasures

- » Bulk raw materials will be procured in advance upon project acquisition to ensure that the construction period is not affected by fluctuations in raw material prices.
- » The Company utilizes an intelligent management system to monitor the progress of each project and maintains good communication with suppliers to control potential delays in delivery schedules. This allows us to proactively devise response measures in advance.
- » Maintain open channels of communication with key suppliers through events such as “A Meeting with the Chairman” and tea gatherings. A supplier conference was planned for 2024 to expand communication scope and depth.
- » Allocate appropriate risk insurance and increase reserves to minimize potential risks within the Company’s risk appetite.

Financial Impact

- » Increased operating costs

Physical Risk: Labor safety risk

Value Chain Impact

Internal company

Time Horizon

Short-term

Climate Risk

The increasing frequency of extreme weather patterns poses a significant burden on field workers, inherently increasing labor safety risks.

Issue Impact

The frequent occurrence of severe weather conditions such as high temperatures, storms, heavy rainfall, and typhoons may expose on-site workers to high-risk environments, leading to potential occupational safety costs.

Countermeasures

- » When calculating project timelines for new contracts, climate factors will be taken into account.
- » Monitor natural disaster information and prepare in advance. Refer to announcements from the Directorate-General of Personnel Administration; if the scale of the natural disaster poses a threat to employee safety, reduce or suspend work shifts.
- » Implement real-time temperature monitoring on construction sites, continuously observe the physical condition of construction personnel, and regularly remind them to hydrate, providing electrolyte drinks as necessary.
- » Suspend construction activities during severe weather conditions.

Financial Impact

- » Increased operating costs

Climate-related Opportunities and Financial Impacts

Opportunity 01 Green technology development

Financial Impact on the Company

Investment in technology development will increase long-term operational expenses; however, the outcomes of these developments can not only lead to technological differentiation but also provide annual tax deductions and licensing income from industry peers, resulting in a positive financial impact for the Company.

Countermeasures

The Company recognizes the demand for technological evolution driven by climate change and has established a dedicated "Technology Department," which has achieved significant results, including several low-carbon patents. For instance, the SD550W and SD690 new methods utilize high-strength rebar to reduce the amount of rebar used, thereby achieving carbon reduction.

Opportunity 02 Green procurement

Financial Impact on the Company

The supply of green products in the market is relatively scarce and often priced higher; however, the Company continues to expand its volume of green procurement, seeking to leverage bulk purchasing to stabilize costs while keeping climate change-related expenditures within manageable limits.

Countermeasures

The Company has autonomously elevated procurement standards for many past projects, prioritizing low-carbon materials and products, strengthening the Company's resilience, seizing the opportunities of low-carbon construction, and creating differentiation from competitors.

Greenhouse Gas Inventory

The Company has been independently conducting greenhouse gas inventories at the corporate Head Office since 2016. In 2023, we followed the ISO 14064-1 greenhouse gas inventory standard to assess the corporate Head Office and three nationwide construction sites, which were verified by AFNOR. The results of the inventory are presented in the table below. Chien Kuo is committed to gradually expanding the scope of greenhouse gas inventories to include the corporate Head Office, all subsidiaries, and all construction sites.

The 2023 Greenhouse Gas Inventory results are as follows:

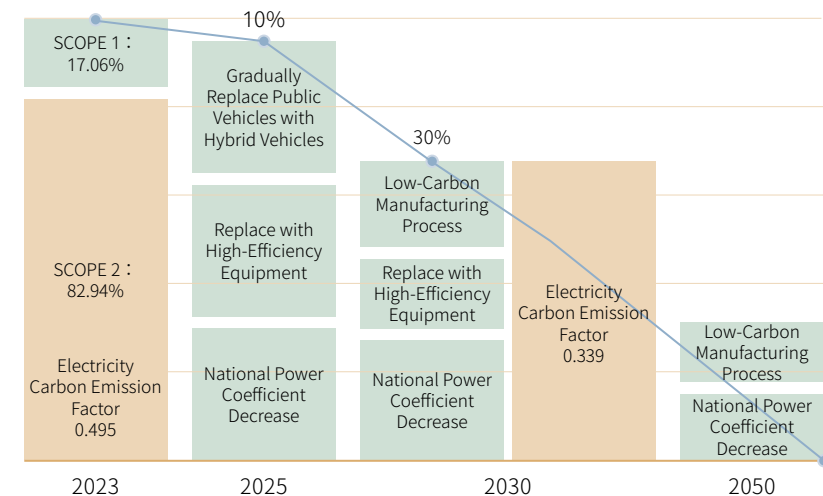
	Scope 1	Scope 2	Scope 3	Total
2022	17 metric tons of CO ₂ e	180.3 metric tons of CO ₂ e	-	193.3 metric tons of CO ₂ e
2023	92.5278 metric tons of CO ₂ e (0.42%)	449.7330 metric tons of CO ₂ e (2.03%)	21,616.5534 metric tons of CO ₂ e (97.55%)	22,158.8142 metric tons of CO ₂ e

Note 1: In 2022, the greenhouse gas inventory boundary was limited to the headquarters building, measuring emissions from scope 1 and 2. In 2023, the inventory was conducted according to ISO14064-1 standards, with the boundary expanded to include the headquarters and three construction sites, measuring emissions from scope 1 and 2, and incorporating some scope 3 emissions. Therefore, there is a significant difference in carbon emissions between the two years.

Note 2: In 2023, the Scope 3 calculation includes upstream emissions from raw materials (materials and energy resources) and transportation, as well as employee commuting and waste disposal and transportation. The primary source of emissions is the upstream emissions associated with the procurement of materials, such as rebar and concrete, which accounts for 89.74% of the total emissions.

In Response to Short-, Medium-, and Long-term Climate Goals and Carbon Reduction Pathways

Chien Kuo Construction aligns with Taiwan's 2050 net-zero transformation goals by establishing short, medium, and long-term reduction targets and pathways for Scope 1 and Scope 2 greenhouse gas emissions under operational control. We aim for an annual reduction of 5%, with a target of at least a 30% reduction by 2030, progressively moving towards net-zero by 2050. We will achieve our greenhouse gas reduction goals through the continuous development and guidance of subcontractors in implementing low-carbon processes, as well as improving the energy efficiency of equipment used at our headquarters and various construction sites, all while maintaining steady revenue growth and contributing to the mitigation of greenhouse gas emissions.



Note: The forecast for the national power coefficient is referenced from the Industrial Technology Research Institute (2023). A Study on the long-term greenhouse gas reduction strategy and its environmental impact. 2023 Project commissioned by the Climate Change Administration, Ministry of Environment (Project No.: 112AA184).

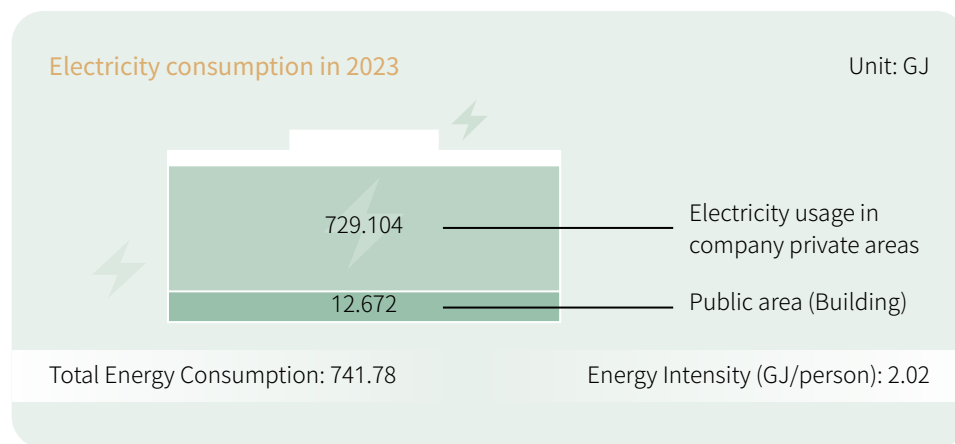
Material Issues: Climate Change and Environmental Management

Sustainable Environment

Energy Resource Management GRI302

Energy Management

The Company's primary energy source is electricity. Due to significant variations in the boundaries of each construction site based on project assignments, handovers, and construction progress, the energy inventory for 2023 was focused on the headquarters office and includes key subsidiaries, Shun Long International Electrical Engineering and Chien Kuo Development Co., Ltd. In the future, we will gradually incorporate the energy usage status of various construction sites into our inventory.



Note 1: Energy intensity = Total energy consumption / Organization-specific metric.

Note 2: Organization-specific metrics can include product units, production volume, size, full-time employees, or monetary units (revenue or sales).

Note 3: The organization-specific metric used in this table is the total number of full-time employees for the year, which was 367 in 2023.

Note 4: The conversion factor for electricity is 1kWh = 0.0036 GJ.

Energy Reduction Goals

In the short term (1-3 years)

A dedicated team will be responsible for identifying, managing, and formulating strategies for climate-related risks. Additionally, we will explore the development of low-carbon and energy-efficient technologies. **Scope and objective are achieving a 5% reduction in electricity consumption at the headquarters office.**

In the medium term (3-5 years)

Climate-related risks will be integrated into the overall policy framework of risk management. Additionally, efforts will be continued to incorporate climate risk management mechanisms into construction projects. **Scope and objective are achieving a 8% reduction in electricity consumption at the headquarters office.**

In the long term (5 years and beyond)

There will be ongoing improvement in climate-related risk management policies. Furthermore, in accordance with domestic laws and international initiatives, efforts will be made to embed climate change risks deeply within the Company's ethos. Additionally, a dedicated team will be responsible for leading annual performance reviews of climate-related risks in construction projects to effectively understand the impact of climate change on operations and business. **The scope and objective remain achieving a 10% reduction in electricity consumption at the headquarters office.**

Energy Consumption Reduction Measures



Environmentally Friendly Actions

- » Gradual replacement of appliances with energy-efficient ones
- » Lease photocopiers energy-saving labels and use power-saving mode
- » Use low-pollution toner cartridges with environmental protection labels and assign dedicated personnel to recycle cartridges
- » Reduce carbon emissions from long-distance transportation by using video conferencing for meetings of attendees in different regions
- » Implement waste sorting and recycling
- » Do not provide disposable cups and tableware in the office
- » Encourage carpooling for employees traveling to the same area for business trips.
- » Prioritize selecting non-toxic agricultural products from small local farms for holiday gifts



Indoor Air Conditioning

- » The Head Office replaced all ventilation units with variable frequency ventilation units » Office air-conditioning temperature is set to 26 degrees
- » All air-conditioning is switched off during non-office hours except for areas where employees are working overtime
- » Curtains are installed for all windows to reduce the increase in temperature due to direct sunlight in the afternoon
- » Employees close the door when entering or leaving the office area to reduce the leak of cold air
- » Installation of variable frequency fans to reduce the temperature in indoor areas with high temperature
- » Gradual replacement of air conditioners with top-tier energy-saving models



Paper

- » Establishment of the cloud document management platform
- » Digitalization of information such as company regulations, operating procedures, training, and important issues
- » Internal announcements and digital inquiry functions for employee salary
- » Use projectors for presentations in meetings to promote paperless operations
- » Use e-mail or communication software for announcements to increase efficiency and reduce paper consumption
- » Use photocopying paper with environmental label and FSC™ certification
- » Use double-side printing for documents as much as possible » Set up a waste paper area for staff to use the other side of the paper for printing

In 2023, the Head Office used approximately 25,432 kg of paper.

Note: This data does not include outsourced project-specific printing.



Water Consumption

- » Use of products with water conservation label
- » Installation of push faucets in toilet sinks
- » Regular announcements to remind employees to develop energy conservation habits



Lighting

- » Full replacement with LED panels, with plans to further switch to LEDs that can save an additional 30% energy without reducing brightness
- » Lights are switched off during lunch break
- » Lights are switched off during non-office hours except for areas where employees are working overtime
- » Only partial lighting is provided in the elevator lobbies during non-office hours
- » Daily inspections of electricity consumption in the office and conference rooms
- » Only lighting in the overtime work area is switched on for overtime work on holidays

Water Resource Management

In 2023, the annual per capita water consumption at Chien Kuo Head Office was approximately 4.36 tons, showing a slight decrease from the previous year. The Company's water supply comes directly from the Taipei Water Department, with no other sources utilized. The water is used primarily for domestic purposes, serving employees and visitors. All sewage is discharged through the building's sewage treatment system into the sewer system and sent to a treatment plant.

As the Head Office is located in a commercial office building where water facilities (such as sinks and restrooms) are shared with other organizations, opportunities for water conservation are somewhat limited. Therefore, the Company's water resource management goal is to maintain the total water usage within a range of 4.3 to 4.5 tons per person per year. The Company will continue promoting water conservation awareness and work with the building management to replace restroom faucets with either push-type or sensor-activated faucets to save water, fostering water conservation efforts in the community.

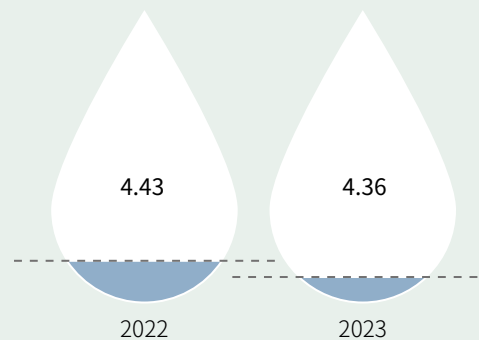
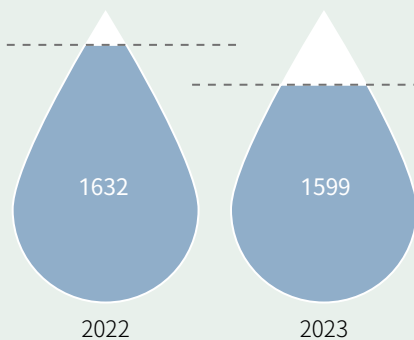
Although the construction industry is not a high water-consuming sector, we still place great emphasis on efficient water use. The Company actively seeks solutions for using recycled water at various construction sites, such as using groundwater instead of tap water for surface and vehicle cleaning, to increase the rate of recycled water usage.

Comparison of Water Consumption Between Two Years

Unit: tons

Water Consumption ^(Note 1)

Per Capita Water Consumption ^(Note 2)



Note 1: The Headquarter is located in a commercial office building, and the water consumption represents an estimated allocation within the operational control scope of Chien Kuo Construction

Note 2: There were 368 employees in 2022 and 367 employees in 2023

Note 3: This data represents the Company's self-assessment and has not been verified by a third party.

Water Pollution Prevention

The Company adheres to the ISO 14001 Environmental Management System to identify and manage pollution sources generated within our operational scope. Sewage from rain runoff, employee tool cleaning, and car wash stations within the construction sites is directed through drainage channels and interception trenches at site entrances and exits to sedimentation tanks for treatment. The sedimentation tanks are equipped with overflow weirs, and the clarified water, after sedimentation treatment, is discharged into public drainage systems via designated outlets, ensuring proper wastewater management and preventing contamination of external site drainage ditches and roads.



Car Wash station



Vehicles are thoroughly washed before leaving the construction area



Waste Management

Chien Kuo Construction prioritizes quality not only in every building we construct but also in the care we extend to every piece of land. We strictly follow the Ministry of Environment's "Construction Waste Management Strategy," entrusting 100% of our waste to certified contractors for regular environmental monitoring. We enforce rigorous on-site waste classification and reduction practices, promote recycling, advocate for waste segregation, and encourage reducing the use of disposable containers. All construction waste is legally reported and tracked to prevent illegal disposal incidents.

As our corporate Head Office is located in a shared commercial office building, waste collection is managed by the building committee, making reduction results difficult to quantify. However, we remain committed to proper waste segregation, managing waste recycling, and improving energy efficiency in equipment. We regularly promote recycling, encouraging reuse of items like cardboard boxes and packaging, aiming to reduce waste and minimize the environmental impact of our operations.

In 2023, the total waste generated by our corporate Head Office and construction sites amounted to approximately 10,201.37 metric tons, a decrease of about 33.5% compared to the previous year.

Types of Construction Waste



Waste Wood

Wooden pallets, left-over materials from carpentry, renovation materials, discarded templates, etc.



Paper

Printed waste paper, cardboard boxes, packaging paper materials, etc.



Soil and Stone

Sand, stones, and gravel generated from construction activities



Waste Oil

Used oil from machinery and remnants of waterproof asphalt



Metal Waste

Metal frames, scrap wires, and waste materials from components



Sludge

Mud and excavated sludge



Waste Plastic

Scrap materials from renovations and piping, packaging materials



Glass, Ceramic, and Other Fragments

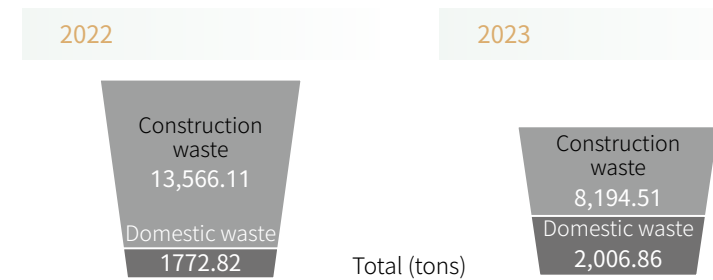
Stones, broken tiles, bricks, shattered glass, and concrete debris



Others

General waste from the construction site offices, such as domestic waste

Total Amount of All Waste Types over the Past 2 Years



Explanatory Note:

1. The total amount of waste is influenced by project progress and the number of construction projects.
2. The Headquarters is located in a commercial building, and the residential waste is collectively managed for the entire building; the data is an estimated allocation based on the operational control scope of Chien Kuo Construction.
3. In 2022, due to the impact of the pandemic, many businesses in the building where the Headquarters is located adopted remote or hybrid work models, resulting in a lower overall amount of residential waste. Starting in 2023, as employees gradually returned to physical offices, the total amount of residential waste in the building increased.

Construction Waste Management Process

Identification

Pre-Construction

- » Identify potential waste generation in accordance with the ISO 14001 Environmental Management System.
- » Sign contracts with qualified vendors for waste collection and disposal.

Collection and Disposal

During Construction

- » Qualified contractors regularly collect and dispose of and manage the waste.
- » Ensure accurate weighing and legal reporting of total waste weight.

Legal Declaration

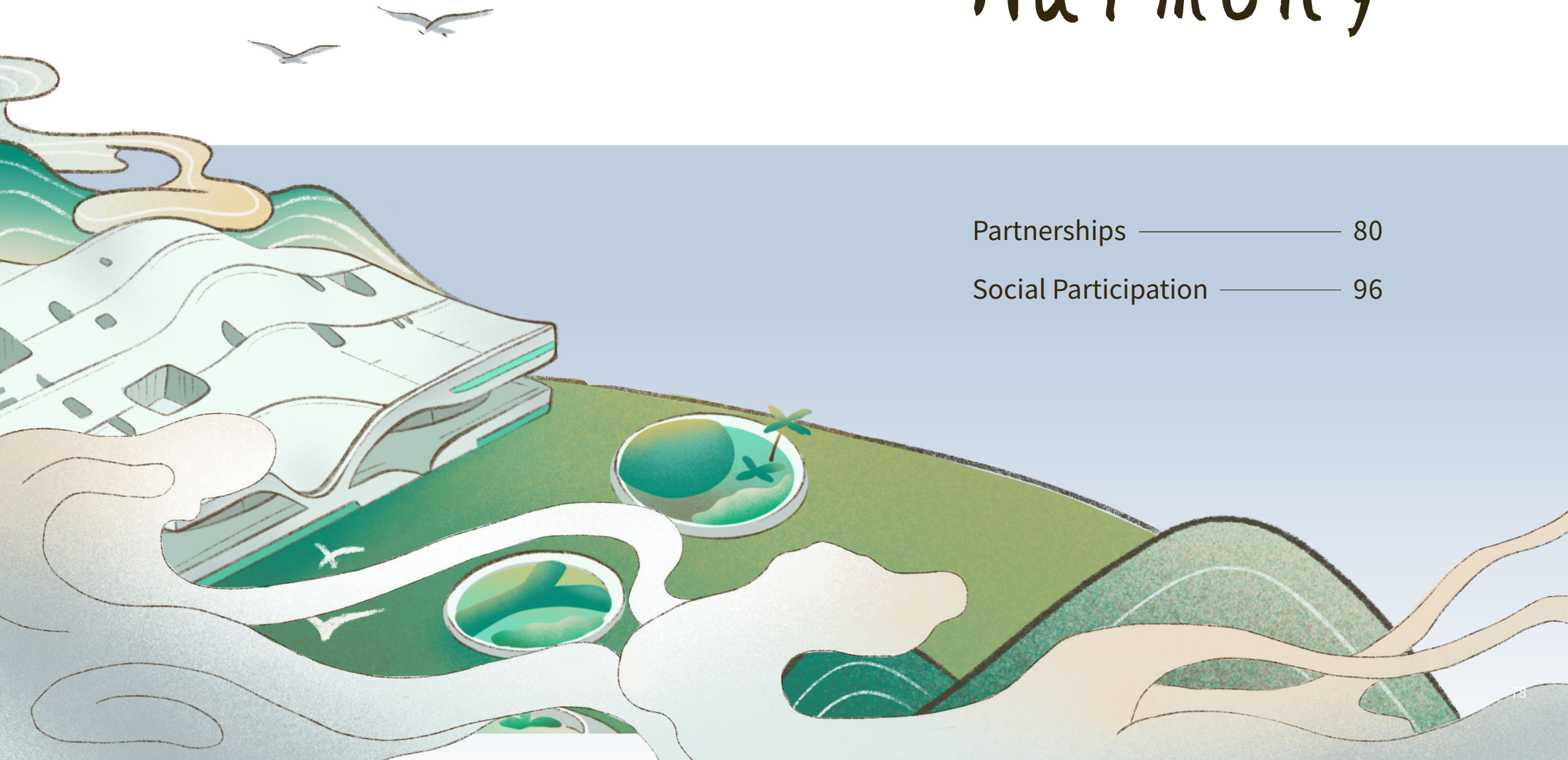
Before Completion

- » Submit the waste disposal declaration certificate to report project completion.

Harmony

Partnerships ————— 80

Social Participation ————— 96



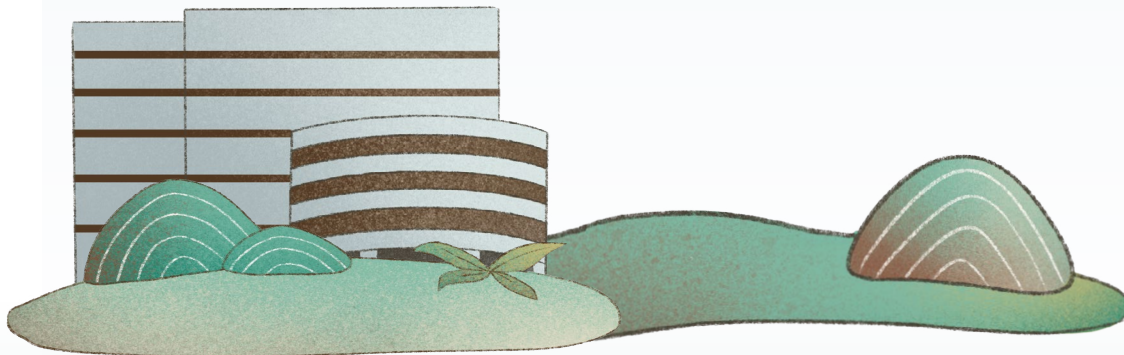
Harmony

Column Chien Kuo Construction Co., Ltd. and the Community Working Together to Overcome Water Shortages

In the summer of 2023, southern Taiwan experienced a significant drought. In collaboration with the Kaohsiung City Government's Public Works Bureau and the Construction and Real Estate Associations, Chien Kuo Construction established a free secondary water collection point at the Chongshi social housing project construction site in Zuoying District. This initiative aimed to provide local residents with water access and reduce water resource waste.

At all construction sites, any groundwater encountered during the excavation of basements is prioritized for use in washing construction vehicles and preventing road dust, thereby achieving the goal of utilizing recycled water and minimizing sediment pollution in the environment.

In response to the water scarcity in Kaohsiung in 2023, Chien Kuo Construction actively supported the policy by setting up water collection points outside construction areas for community residents. The daily water output reached approximately 2,400 liters, alleviating the secondary water needs of nearby neighborhoods.



Partnerships

Chien Kuo Construction values partnerships with various stakeholders, ranging from employees and clients/owners to suppliers, contractors, and regulatory authorities. We maintain robust collaborative relationships not only based on our professional technical expertise and quality commitments but also in our dedication to establishing shared sustainable values, working together towards industrial advancement.

To promote the development of the domestic construction industry, we actively participate in activities organized by relevant associations and societies. This includes engaging in various affairs and the operational activities of associations, fostering intensive communication and exchanges with industry members, and providing feedback from these exchanges to upstream and downstream suppliers and owners to facilitate technological advancement and sustainable development within the industry.

Membership of Associations

Association	Membership Qualifications
Taiwan Regional Engineering Contractors Association	Grade A Member
Taiwan Electrical Contractors Association	Grade A Member
Taiwan Water Pipe Engineering Industries Association	Grade A Member
Taiwan Refrigeration & Air-conditioning Engineering Association	Grade A Member

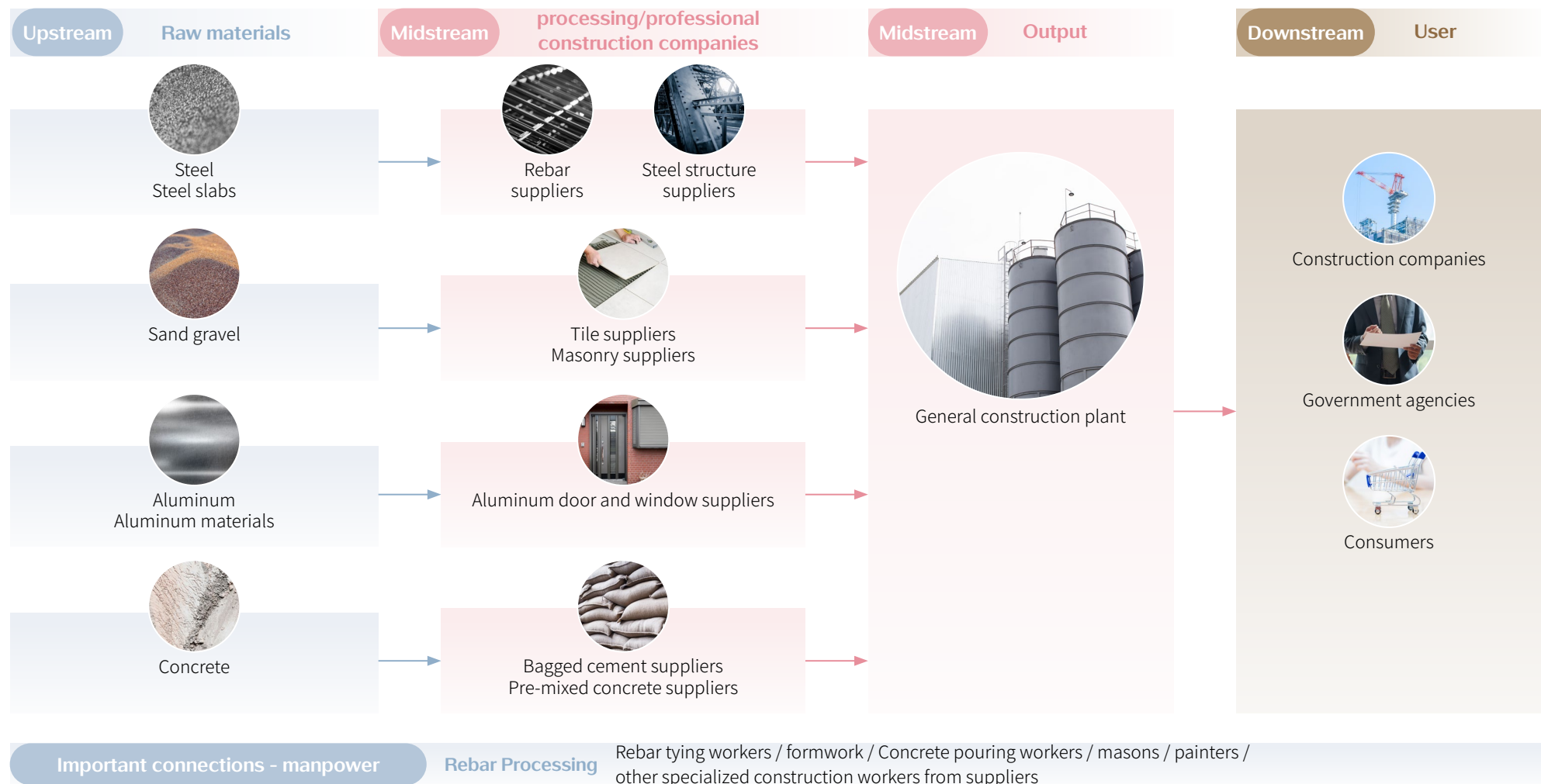


Material Issues: Supply Chain Management

Building a Sustainable Supply Chain [GRI 204, 308, 407, 409, 414](#)

The construction of buildings relies on the collaboration of multiple upstream, midstream, and downstream roles. As a general contractor, Chien Kuo Construction aims to build a sustainable supply chain, bearing the critical responsibility of integrating suppliers and adjusting appropriate cooperation models. We rigorously require all suppliers to fully comply with regulations, fulfill their social responsibilities, and work together to create a safe working environment.

Relationships within the Construction Industry Chain



Supplier Management Policy

Reliable partnerships are invaluable, and Chien Kuo Construction is committed to building a high-value professional team, including material suppliers and skilled labor. We uphold the principles of ethical corporate management and seek stable, win-win collaborations with our partners. The Company prioritizes local suppliers for collaboration and has established internal procedures such as the "Procurement Management Procedure" and the "Subcontractor Management Procedure" to manage supplier selection processes. Additionally, we require all suppliers to adhere to the following sustainable development policies:



Environmental Sustainability

Supply chain partners are expected to adopt environmentally friendly practices, reduce resource consumption, minimize waste and pollution, and promote sustainable energy and material use.



Social Responsibility Requirements

Ensuring labor rights are respected in the supply chain, prohibiting child labor and forced labor, and ensuring a safe working environment and fair wages.



Traceability and Transparency

Demanding traceable materials and products from the supply chain with transparent supply chain information to ensure the legitimacy and sustainability of products.



Technical Assistance and Training

Supporting supply chain partners in enhancing their sustainability capabilities through technical assistance and training to elevate their environmental and social practices.



Establishing Mutually Beneficial Partnerships

Incorporating sustainability requirements into supply chain contracts and partnerships, fostering long-term collaboration and shared responsibility.

In 2023, the proportion of local suppliers reached **99.79** %

100 % of our suppliers adhered to sustainability commitments



Supplier Evaluation Process:

Required documentation for new

- » Supplier profile
- » Confirmation of basic management requirements
- » Tax and personal data collection and utilization documents
- » Track records and credit investigation

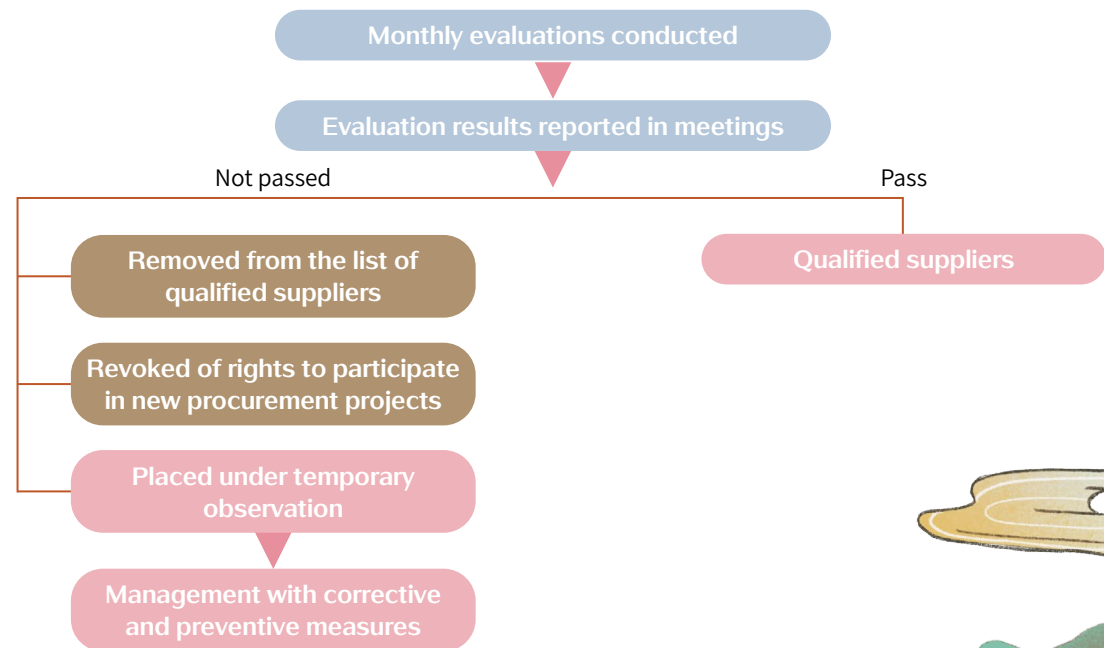
Credit investigation, evaluation, and review

Commencement of the procurement process



Supplier Evaluation Mechanism

Chien Kuo Construction conducts monthly evaluations of all suppliers. The evaluation criteria cover various aspects, including labor safety and health management, as well as construction quality management, to ensure the safety of all employees and the quality of projects. Suppliers with poor evaluation results will receive support from a dedicated counseling team. The evaluation process is as follows:



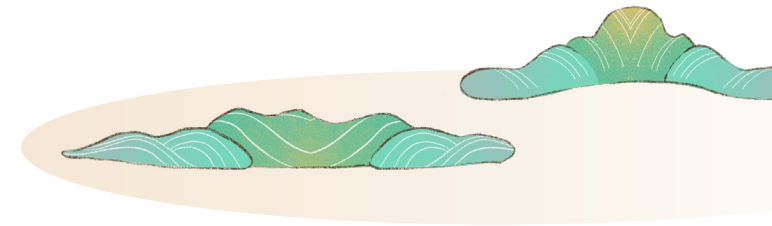
A total of **1055** suppliers were evaluated in 2023, with an average score of **81.69**, and no unqualified suppliers.

Supply Chain Collaboration - Chien Kuo Leading the Supply Chain Towards ESG

Chien Kuo Construction places great importance on maintaining open communication channels with suppliers to establish a foundation of mutual trust, enabling real-time monitoring of supply chain operations and ensuring information consistency. To build a resilient supply chain, we engage our procurement team to periodically discuss collaborative matters with suppliers. Since 2023, we have identified key suppliers for various projects and fostered deeper communication through informal tea meetings titled “Meetings with the Chairman,” encouraging two-way discussions on optimizing collaboration. This initiative also allows us to understand potential risks in areas such as ESG and provide guidance while planning risk mitigation strategies in advance.

In 2023, six key suppliers participated, and responsible departments have made improvements based on the meeting conclusions, resulting in effective communication. We plan to continue the “Meetings with the Chairman” initiative in 2024 to further enhance competitiveness.

In 2024, the Company planned to hold one supplier conference with the theme “Striving for Net-Zero Architecture.” This conference aimed to promote sustainable supply chain ecosystems among our partners. We will declare our vision for low-carbon and sustainable construction, expanding the breadth of industry chain discussions and connecting information between large and small suppliers. Additionally, we will share our experiences in low-carbon building certification and carbon inventory practices, mentoring suppliers to start with certification initiatives. Our goal is to engrain the concepts of net zero, sustainability, and ESG into industry culture, shaping a low-carbon construction future.



Meetings with the Chairman



Material Issues: Happy Workplace and Sustainable Talent Development

Happy Workplace [GRI 401, 402, 404, 405, 406, 408, 409, 411](#)

Chien Kuo Construction values every partner and sees outstanding talent as its most important asset, which is also the foundational driving force for corporate sustainability and industrial upgrading. We have established related management measures such as the "Human Rights Policy," "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Sexual Harassment Prevention Measures and Disciplinary Actions." We respect and embrace differences; hiring, evaluation, and promotion are not influenced by colleagues' gender, religion, nationality, ethnicity, self-identity, or political inclinations. We strive to create a respectful and collaborative work environment where diverse talents can find their platform at Chien Kuo, maximizing collective benefits.



"Human Rights Policy"



"Ethical Corporate Management Best Practice Principles"



"Code of Ethical Conduct"



"Sexual Harassment Prevention Measures and Disciplinary Actions"



The Chairman personally presented a gold ring to a 20-year veteran employee with an outstanding performance



Human Resources Structure [GRI2-7, 2-8](#)

As of 2023, Chien Kuo Construction had a total of 367 employees, all of whom were full-time staff, with no contracted employees. Additionally, there were 95 foreign workers hired for public works projects in accordance with the Labor Standards Act and the Employment Service Act. The number of these workers varies based on project schedules, job characteristics, and employment needs, so they are not included in the annual employee total.

Due to the nature of the construction industry, the management and engineering professionals at Chien Kuo Construction are predominantly male, while administrative personnel are mainly female. There is no wage disparity based on gender, and all employees have ample opportunities to thrive within the Company.

Employees are treated equally regardless of gender or nationality



Employee Category Statistics

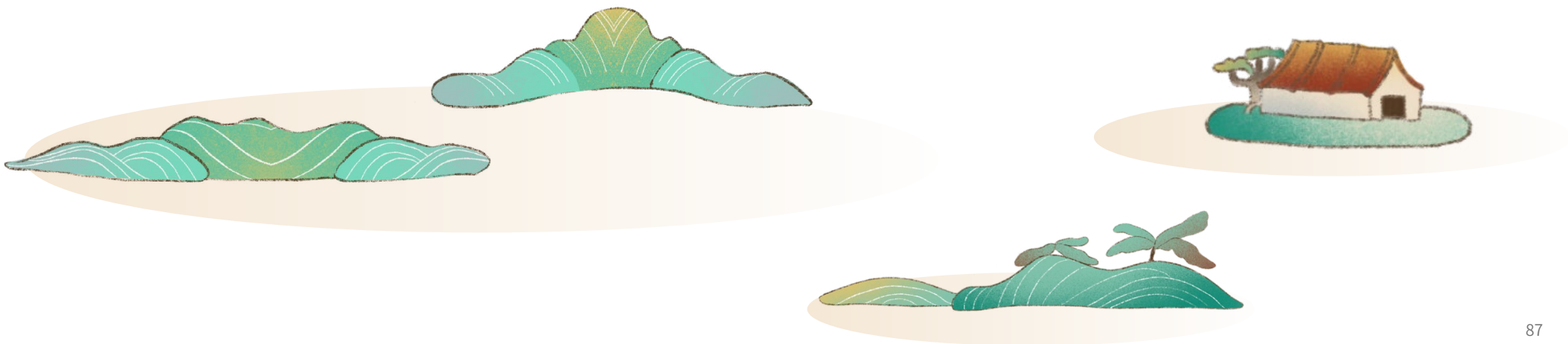
Type	Item	2021				2022				2023			
		Male	Female	Subtotal	Ratio	Male	Female	Subtotal	Ratio	Male	Female	Subtotal	Ratio
Age	Under 30 years old	44	23	67	17.45	35	19	54	14.67	39	21	60	16.35
	30-50 years old	126	76	202	52.60	125	70	195	52.99	121	73	194	52.86
	Over 50 years old	97	18	115	29.95	96	23	119	32.34	90	23	113	30.79
Contract	Full-time	267	116	383	99.74	256	112	368	100.00	250	117	367	100.00
	Contractor	0	1	1	0.26	0	0	0	0.00	0	0	0	0.00
Years of Service	Less than 5 years	175	72	247	64.32	165	63	228	61.96	151	70	221	60.22
	5-20 years	81	42	123	32.03	79	45	124	33.70	81	43	124	33.79
	Over 20 years	11	3	14	3.65	12	4	16	4.35	18	4	22	5.99
Management	Senior managers	24	5	29	7.55	37	1	38	10.33	34	5	39	10.60
	Mid-level managers	37	1	38	9.90	22	3	25	6.79	13	4	17	4.62
	Entry-level managers	31	10	41	10.68	38	13	51	13.86	56	9	65	17.66
Location	Taiwan	264	117	381	99.22	255	112	367	99.72	249	117	366	99.72
	Mainland China	3	0	3	0.78	1	0	1	0.28	1	0	1	0.28
Non-Employee	Outsourced	0	1	1	100	0	1	1	100	0	0	0	0

Employment of Vulnerable Groups

The Company supports and practices diverse recruitment in accordance with the "People with Disabilities Rights Protection Act" and Taiwan's "Multiple Employment Promotion Program." We adequately employ vulnerable and minority groups while providing comprehensive training. In 2023, the number of employees with disabilities was 3, and the number of indigenous employees was also 3.

New Employees and Employee Turnover Statistics

Year		2021				2022				2023			
Category	Group	New employees		Employee turnover		New employees		Employee turnover		New employees		Employee turnover	
		Head count	Percentage	Head count	Percentage	Head count	Percentage	Head count	Percentage	Head count	Percentage	Head count	Percentage
Age	Under 30 years old	36	35%	31	26%	24	33%	30	32%	24	33%	21	23%
	31-50 years old	55	53%	77	64%	38	52%	47	51%	38	52%	59	63%
	Over 51 years old	12	12%	12	10%	11	15%	16	17%	11	15%	31	33%
New Employment Rate (%)		26.82				19.84				19.89			
Turnover Rate (%)		31.25				25.27				30.25			



Employee Salary Standards

Chien Kuo Construction has a comprehensive job grading and salary system. Each year, we conduct salary reviews and adjustments based on industry and market salary survey results, the Company's operational status, and individual performance to maintain external competitiveness. Employee compensation includes both fixed and variable salaries. By establishing job levels and grades, we set appropriate salary structures to ensure internal equity. The salary management system is linked to performance management results, evaluating various bonus items based on operational performance, departmental achievements, individual performance, and other competitive outcomes.

For inexperienced employees, salaries are determined according to educational qualifications, with all employees receiving starting salaries above the minimum wage, which is at least 1.11 times the minimum wage. Additionally, to encourage employees to enhance their professional skills and improve industry competitiveness, the Company has established a certification subsidy and reward system to promote further education, encourage professional certification, and recognize employees' professional advancement.

Rank, Grades, Salary, and Gender Statistics

Role	2021		2022		2023	
	Female-Male Salary Ratio	Female-Male Ratio	Female-Male Salary Ratio	Female-Male Ratio	Female-Male Salary Ratio	Female-Male Ratio
Senior managers	0.92	0.06	0.94	0.03	0.86	0.15
Mid-level managers	1.05	0.15	1.12	0.14	1.03	0.23
Entry-level managers	0.97	0.40	0.97	0.34	0.96	0.16
Engineer	0.90	0.42	0.91	0.41	0.95	0.49
Non-engineer	0.61	3.09	0.63	5.00	0.79	6.20

Note: All senior executives of the Company in 2021-2023 are local employees.

Minimum Salary of New Employees (College Graduates)

Gender	Role	
	Engineer	Staff
Female	36,000	30,000
Male	36,000	30,000

The starting salary is **1.11** times higher than the statutory minimum wage

Average Salary for Non-Managerial Full-Time Employees in Taiwan

Year	Average Salary at Chien Kuo Construction (in thousands of New Taiwan Dollars)	Average Salary in Listed Building Materials and Construction Companies (in thousands of New Taiwan Dollars)
2023	926	1091
2022	901	908
2021	917	888

Note 1: Data obtained from the Market Observation Post System

Note 2: Revenue has been impacted by the pandemic over the past two years, resulting in a smaller average salary increase. However, based on project acquisition status, revenue is expected to show positive growth. The Company is also considering a compensation structure adjustment plan to offer competitive salaries, allowing employees to share in the economic benefits with Chien Kuo.

Annual Total Remuneration Ratio GRI2-21

The ratio of the annual total remuneration of the highest-paid individual in the Company to the median annual total remuneration of employees (excluding the highest-paid individual)	The increase ratio of the annual total remuneration of the highest-paid individual in the company to the increase ratio of the median annual total remuneration of employees (excluding the highest-paid individual)
16.66	3.31

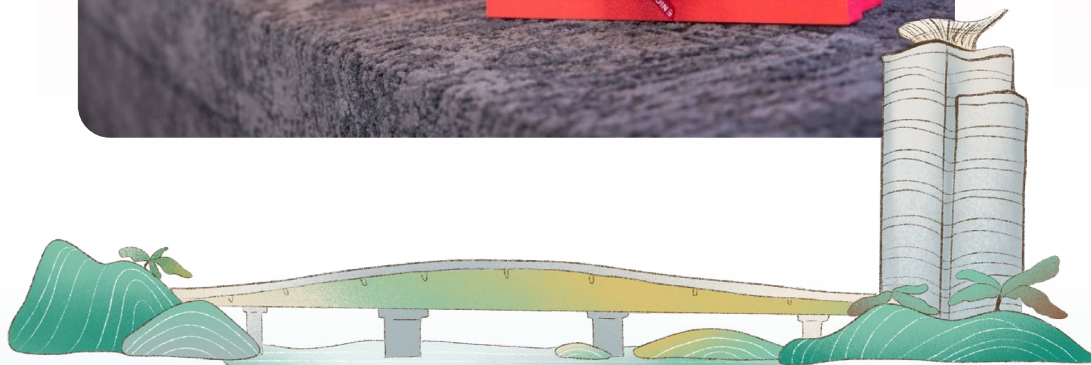
Note 1: The formula for calculating the annual remuneration median ratio: Highest annual salary of an individual for that year / Median annual salary of individuals for that year.

Note 2: The formula for calculating the annual remuneration increase ratio: Percentage increase of the highest annual salary of an individual for that year / Percentage increase of the median annual salary of individuals for that year.

Employee Benefits Program Overview

Optimization of the Salary System

- » The Company provides incentives in the form of year-end bonus and performance bonuses based on individual performance and the overall operating performance of the Company
- » In addition to salary adjustments based on those in the industry, the Company adjusts employees' salaries based on their performance in the year
- » The Company distributes gift money for Lunar New Year, Dragon Boat Festival, and Mid-Autumn Festival



Employee Care Programs

- » Marriage, childbirth, and birthday gift money
- » NT\$1,000 to NT\$6,000 of the educational scholarship per semester for employees' children
- » Group insurance subsidies for employees and their dependents
- » Employee life insurance coverage ranges from NT\$300,000 to NT\$2,500,000
- » Employee accident insurance coverage ranges from NT\$2,000,000 to NT\$7,000,000
- » Employee occupational injury insurance coverage is NT\$1,000,000
- » Employee group accident medical insurance coverage is NT\$20,000
- » Employee cancer insurance:
 - * Hospitalization medical coverage: NT\$1,000 per day
 - * Surgical medical coverage: NT\$20,000 per procedure
 - * Home care after discharge: NT\$500 per day
 - * Outpatient medical coverage: NT\$500 per day
 - * Death insurance benefit: NT\$200,000
- » Employee and dependent hospitalization medical insurance:
 - * Daily room fee: NT\$1,500 per day
 - * Hospitalization medical expenses: NT\$45,000 per procedure
 - * Surgical expenses: NT\$60,000 per procedure
- » Compassionate benefits for hospitalization and funeral expenses: NT\$31,500 to NT\$49,000



Life and Culture

- » The Company established the employee library, regularly updates the 850-book collection based on the popularity of books, and allows employees to take home old books from the collection
- » The Company encourages employees to form clubs for work-life balance, providing an annual subsidy of NT\$5,000



Physical and Mental Health

- » The Company provides an annual employee travel subsidy of NT\$6,000 per person each year
- » Employees are provided with health check-ups every two years, along with health advice through occupational health nurse consultations
- » Quarterly birthday party
- » Two days of paid volunteering leave every year



Benefits Recipient Statistics

Benefits		Number of Applications in 2021	Number of Applications in 2022	Number of Applications in 2023
Employee wedding gift money		6	8	7
Employee childbirth gift money		6	1	2
Employee birthday gift money		345	348	317
Education scholarships and subsidies for employees' children	First half of the year	79	77	70
	Second half of the year	79	69	63
Hospitalization subsidies		0	0	0
Funerary subsidies		16	27	30
Employee emergency relief		1	2	2
Employee travel subsidies		396	373	321

Parental Leave

Chien Kuo Construction supports employees' family life by providing parental leave and family care leave in accordance with legal requirements. As of the end of 2023, there were 4 employees eligible for parental leave (including those who had already applied). Of the 4 employees expected to return from parental leave in 2023, 3 returned, resulting in a return-to-work rate of 75%.

In 2022, 3 employees were expected to return from parental leave, with 2 actually returning, making the return-to-work rate 67%. Currently, 1 of those employees remains with the Company, reflecting a retention rate of 50%.

Parental Leave Statistics

Description	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Number of employees eligible for unpaid parental leave in the current year (A)	6	2	1	4	2	2
Number of employees on unpaid parental leave in the current year (B)	5	0	1	0	0	0
Number of employees scheduled for reinstatement and reinstated in the current year (C)	3	0	1	1	1	2
Number of employees scheduled for reinstatement but not reinstated in the current year (D)	2	0	1	0	1	0
Number of employees scheduled for reinstatement and reinstated in the previous year (E)	4	1	2	0	2	1
Number of employees reinstated in the previous year and remain in the Company (F)	1	0	2	0	0	1

Note: (B) Part of the unpaid leave period extends across multiple years.



Approaches to Employee Communication

We provide employees with comprehensive mechanisms and channels for lodging grievances, ensuring thorough understanding of their needs and fostering a harmonious workplace. Quarterly labor meetings are held for significant operational changes that may affect employee rights and interests, creating mutually beneficial labor relations.

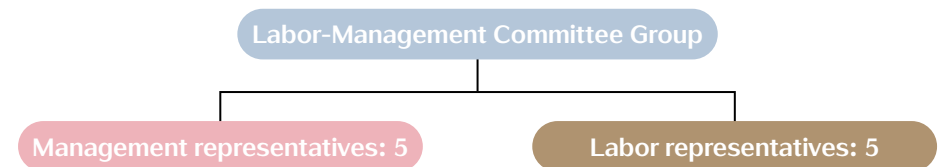
Additionally, we gather insights into employee needs and feedback through various channels, including new employee satisfaction surveys upon completing their probation period, annual employee satisfaction surveys, meetings with the chairman, the Employee Sexual Harassment Prevention Committee, as well as ad-hoc interviews, forums, and other communication methods, ensuring that our employees' voices are heard.

Employee Communications Channels

- » Written document delivery: Mail the document to the human resource unit or mail it directly to the highest-ranking officer of the human resource unit.
- » Mailing address: Human Resources Dept., 20F, No. 67, Section 2, Dunhua South Road, Da'an District, Taipei City
- » Employee complaint mailbox and sexual harassment prevention mailbox: hrhelp@ckgroup.com.tw
- » Employee hotline: 886-2-2784-9730 ext 568

Labor-Management Meeting

Chien Kuo Construction regularly holds labor-management meetings, where all employees have one vote to directly elect labor representatives. The top five candidates from the election are chosen as labor representatives, with each term lasting four years, and re-election is allowed. Labor-management meetings are held quarterly, and committee members must attend in person or participate online. Major resolutions from the 2023 labor-management meetings included decisions on the distribution of Mid-Autumn Festival bonuses, applications for child support subsidies, self-improvement activity subsidies, and communication regarding manpower needs at certain construction sites. The labor representatives were tasked with informing all employees and encouraging the recommendation of engineering talent. All labor-management resolutions are implemented by the relevant departments and tracked in the following quarterly meetings.



There were no significant labor disputes or complaints within the Company in 2023

Retention and Career Development

Complete Training Framework and Learning Map

Chien Kuo Construction aims to grow together with its employees by encouraging continuous learning and providing diverse and rich learning channels and development resources. This includes on-the-job training, classroom training, work instruction, and job rotation. To ensure effective transmission of professional knowledge and practical problem-solving experiences from the field, we have established multiple expert groups led by experienced and specialized senior managers. Each group sets quality standards for the Company and regularly conducts courses and onsite explanations, offering employees exceptional learning opportunities in various areas, creating broad and in-depth organizational learning effects.

Three major programs for management training in 2023

Management competency development training

Migrant worker aluminum formwork professional training

Strategic formation reading sessions

A total of **55** internal training sessions covering **34** courses were conducted in 2023.

Total training hours **6,253.5** hours

Internal training:
5,667 hours

External training:
586.5 hours

Total training budget **NT\$1,878,477**

The total number of training participants for internal and external courses reached 1,661.

Gender	Male			Female		
Employee Category	Total Training Hours (Hours)	Number of Participants	Average Training Hours Per Participant (Hours)	Total Training Hours (Hours)	Number of Participants	Average Training Hours Per Participant (Hours)
Management	2660	724	3.7	450	110	4.1
Non-Management	1807	491	3.7	1336.5	336	4
Total	4467	1215	3.7	1786.5	446	4

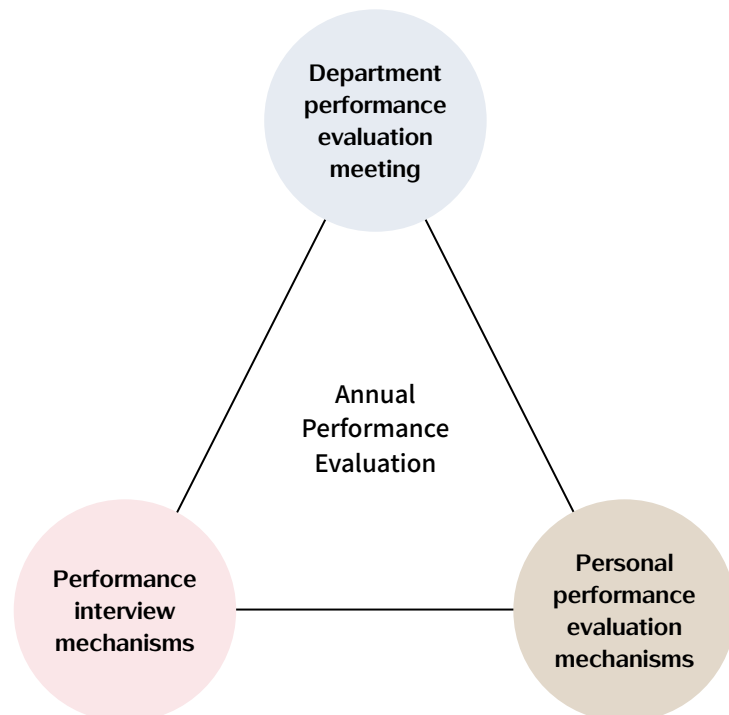


Performance Evaluation System

Chien Kuo Construction utilizes a performance evaluation system aligned with its short-, medium-, and long-term operational strategies. The Company establishes departmental goals and individual employee work objectives, assessing performance through a biannual evaluation system.

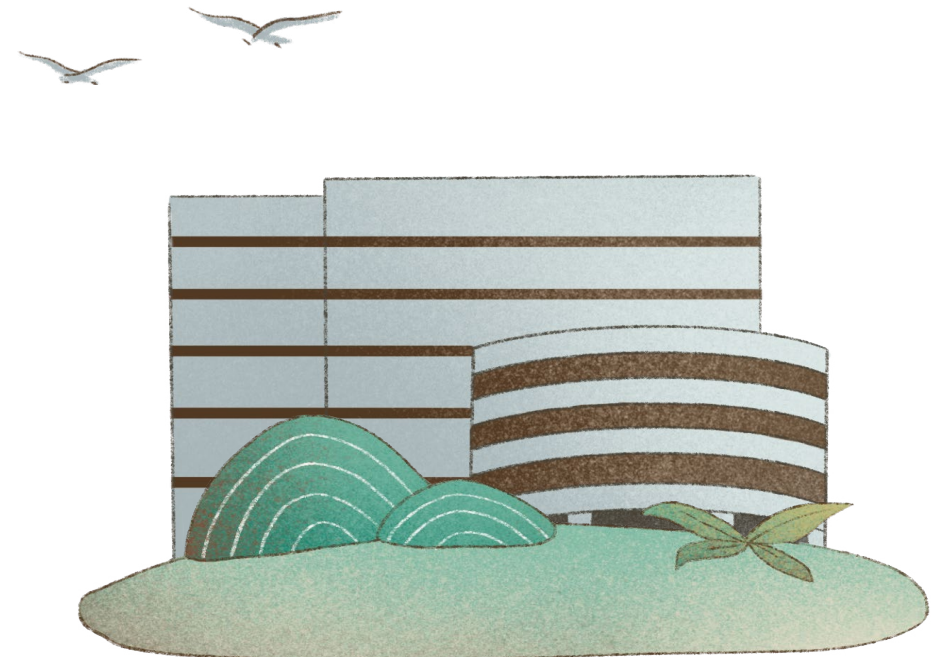
The Company conducts performance evaluations through open and transparent assessments during meetings and has initiated an annual performance discussion mechanism. This aims to foster two-way communication, facilitating employees' self-actualization and the growth of the Company's performance.

The performance evaluation rate for all employees in 2023 was **100** %



Promotion and Salary Adjustment for the Past Three Years

Promotion and Salary Adjustment	2021	2022	2023
Salary Adjustment Range	3%	4%	3%
Percentage of Promotion	29.8%	26.9%	22.95%
Percentage of Salary Adjustment	61.3%	79.1%	70.49%



Employee Retirement System

Chien Kuo Construction has established the supervisory committee of workers' retirement reserve fund to supervise and audit the operations of the workers' retirement reserve fund. Starting from July 1, 2005, the Company has appropriated funds to the workers' retirement reserve fund each month for every eligible employee or every employee who opted for the pension system in the "Labor Pension Act" (new pension system) based on their wages in accordance with the "Monthly Contribution Wages Classification of Labor Pension". The allocation method involves allocating 6% of employees' salary based on insured level to the individual account of the Labor Insurance Bureau. In 2023, a total of NT\$17,043,000 was allocated.

For those who choose to apply or retain the pension system of the "Labor Standards Act" (old pension system), the Company calculates the monthly contribution rate of the labor retirement reserve and appropriates funds to the labor retirement reserve based on the number of workers, wages, years of service, turnover rate, and other factors in accordance with Article 56, Paragraph 1 of the Labor Standards Act to pay for pensions. 2% of the employee's monthly salary is taken to a special account in the Bank of Taiwan.

For employees who are transferred to affiliated companies due to structural requirements, the number of years of service may be accumulated to provide employees with additional coverage and help them work in the Company without worries. It also helps facilitate the exchange of talents in the Group.

The cumulative balance of the labor pension reserve account in 2023 was

NT\$ **663,000**

The contribution to the new labor retirement reserve account for 2023 was

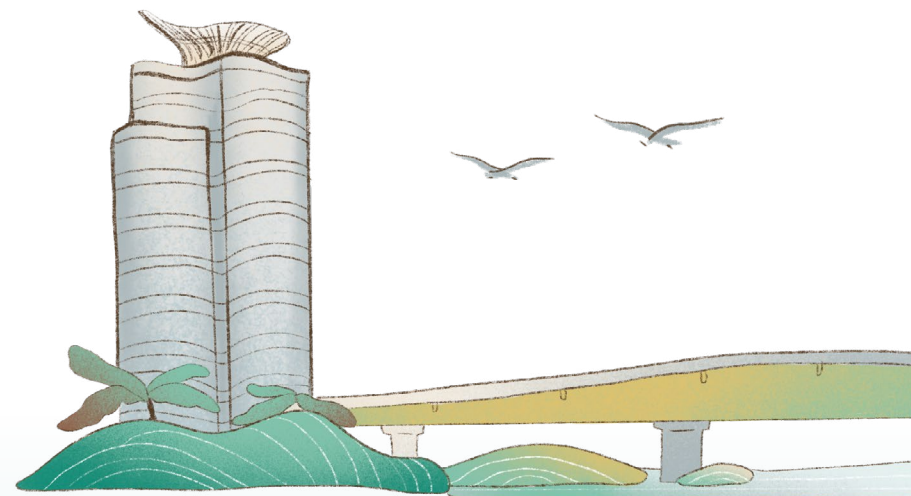
NT\$ **17,043**

Minimum Notice Periods Regarding Operational Changes

If there are significant operational changes that may affect employee rights and interests, the Company will communicate these changes through labor-management meetings before implementation and will notify the affected employees in advance as required by law. Additionally, the Company provides relevant support measures, such as assisting in transfers to other internal units and helping employees apply for government subsidies based on their circumstances.

According to the Labor Standards Act, the notification period for terminating employees is as follows:

- » For employees with more than three months but less than one year of service, notice must be given at least 10 days in advance.
- » For employees with one year but less than three years of service, notice must be given at least 20 days in advance.
- » For employees with more than three years of service, notice must be given at least 30 days in advance.



Material Issues: Brand Image

—• Social Participation

Chien Kuo Construction understands the importance of giving back to society from which it derives its benefits. We have embedded public service into our corporate culture, led by our chairman and carried out through a top-down approach. In addition to providing professional construction assistance to meet societal needs, we strive to contribute more by actively reaching out to like-minded philanthropic partners, understanding their needs, and becoming their strong support. Furthermore, the Chien Kuo Foundation For Arts And Culture is dedicated to promoting culture and aesthetics by long-term sponsorship of outstanding artists and advocating for beautiful creations. We also bring art and resources into schools, collaborating with educational institutions and art teams to offer courses and performances while providing scholarships to encourage and support students. All Chien Kuo employees work together to make society a better place.

Public Welfare for Construction and Maintenance

Creating Comfortable Living Spaces Through Professional Construction

Chien Kuo Construction has embarked on its philanthropic journey by leveraging its expertise in the construction industry. We utilize our professional capabilities to fill gaps in societal needs, particularly noting the challenges that many non-profit organizations face in securing suitable operational spaces. For instance, when social welfare institutions require renovation or expansion, they need not only financial support for construction costs but also technical support for architectural planning that fits the users' needs. Only by considering the entire lifecycle of the building and carefully planning the construction can we effectively extend its usable life, thereby reducing subsequent maintenance and operational burdens.

For non-profit organizations, resources are hard to come by, and every dollar must be used wisely. To address this, Chien Kuo Construction not only offers project funding for repair costs of needy charitable organizations but has also established a dedicated unit to oversee the public service renovation process. We leverage our extensive experience in construction management, handling everything from pre-assessment and project planning to the cumbersome tasks of sourcing contractors, obtaining quotes, supervising construction, and final acceptance of the project. Through the professional capabilities of Chien Kuo employees, we aspire to create warm and comfortable living spaces for those in need.



Chien Kuo Construction has accumulated years of experience in philanthropic renovations. Over time, we have built new homes for AIDS-affected babies, conducted comprehensive renovations for orphanages, and assisted in repairing emergency shelters for abused women as well as constructing nursing homes for individuals in a vegetative state. [As of 2023, we have successfully completed over 40 projects for public welfare for construction and maintenance.](#) Our partners and projects include:

Partners	Construction Projects
Genesis Social Welfare Foundation	Home for Persons in Persistent Vegetative State in Taitung, Kaohsiung Branch, Home for Persons in Persistent Vegetative State in Pingtung
The Garden of Mercy Foundation	Home for Babies with AIDS, Wulai Adult Care Center renovation projects
Chung Yi Social Welfare Foundation	Chung Yi Children's Home, Building of Taipei Home
Harmony Home Association, Taiwan	Wenshan Children's Home, Jiaxing Adults' Home, Zhonghe Adults' Home
The Garden of Hope Foundation	Shelters and Children's Homes for victimized women in Taoyuan / Taichung / Pingtung
Others	Homes for elderly who live alone, Taitung Dawu Junior High School, Taitung Xinyuan Elementary School

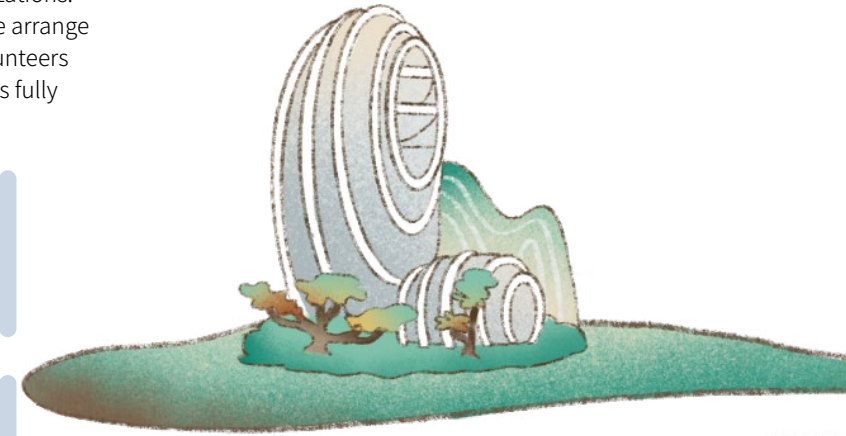
As of 2023, over **40** projects for public welfare for construction and maintenance have been completed

Volunteer Service

The spirit of public service is deeply rooted in the hearts of every Chien Kuo employee. The Company offers two days of paid volunteer leave annually, encouraging employees to participate in public service activities aligned with the needs of our partner organizations. Each year, we co-organize the year-end banquet for the homeless, “Feast for the Disadvantaged 30.” In spring and autumn, we arrange outings with children from the Chung Yi Social Welfare Foundation, and we provide occasional support as administrative volunteers for various foundations. In the past, we have also helped set up new homes for AIDS babies and organized charity fairs, always fully committed to assisting our nonprofit partners and making Chien Kuo employees their strongest support.

Chien Kuo employees contributed a total of **288** hours of service in 2023, bringing the cumulative total to **9728** hours.

The total amount of charitable donations received has reached NT\$ **51,860,334**



Feast for the Disadvantaged 30

Genesis Social Welfare Foundation, Zenan Homeless Social Welfare Foundation, and Huashan Social Welfare Foundation recognize that while Lunar New Year is a cherished time for family reunions in Chinese tradition, this heartwarming scene is often an unattainable dream for homeless people, the underprivileged, and low-income families who are struggling to make ends meet. A hot New Year's Eve dinner, a red envelope, and a few words of kindness can bring the festive atmosphere to these underprivileged individuals, offering them a sense of “home,” “respect,” and “care,” making society better.

Cheng-Kuo Engineering has been a long-term partner of the Genesis Social Welfare Foundation, co-hosting the “Feast for the Disadvantaged 30” event since 2011. Many employees and their families volunteer to assist in guiding seniors to their seats and serving meals. Those unable to attend have generously donated to cover meal costs, ensuring that the New Year's feast, filled with warmth and love, reaches homeless individuals and seniors living alone. This event encourages everyone to contribute to social welfare and spread kindness.

The 34th “Feast for the Disadvantaged 30” event was canceled due to the impact of the COVID-19 pandemic for which group meal activities were placed on hold. The Foundations opted instead to bring gifts to people's homes with the “Lunar New Year Gift and Red Envelope for People in Persistent Vegetative State” so that the disadvantaged groups can experience the warmth from the society.

In 2023, for the “Lunar New Year Gift and Red Envelope for People in Persistent Vegetative State” campaign, Chien Kuo employees

collectively donated NT\$ **1,140,300**

Companionship Trip for Children at Chung Yi Social Welfare Foundation

Chung Yi Social Welfare Foundation provides shelter for over 70 children who have lost their families or are homeless. Since 2010, Chien Kuo has worked closely with the orphanage, organizing small trips each spring and autumn for the children, allowing them to explore and interact with the world outside, just like other kids. These trips offer outdoor activities such as hiking, barbecuing, and water play. After years of bonding during these outings, the Chien Kuo team has built a strong rapport with the children, providing companionship through various games and interactions, witnessing their growth and development. These outings are filled with love and create cherished memories for both the children and the employees.

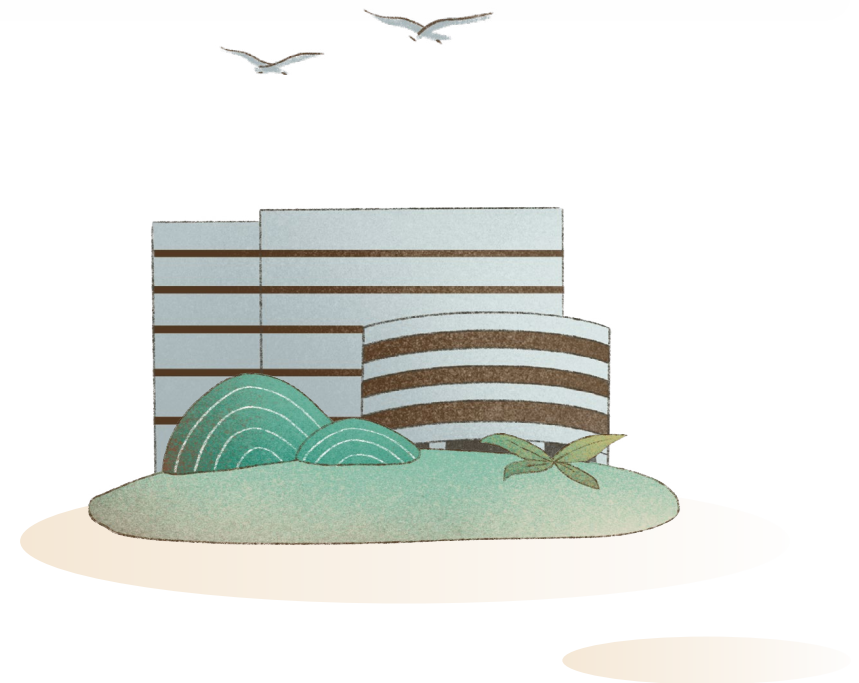
The first trip of 2023 took place in April during the beautiful spring season. Colleagues accompanied children aged 2 to 6 to the Baishihu Community's "Martin Farm" in Taipei, where they engaged in potato digging, organic vegetable baking, and radish-pulling activities, giving the children a hands-on nature experience. The second trip was held in December, marking the first time Chien Kuo organized a trip for children temporarily housed at an emergency shelter in Taoyuan. About eight children, aged between 1.5 and 5 years, participated. The team noticed that these children, who were awaiting family reunions, were more reserved and harder to approach, requiring extra patience and care. Throughout the day, as the children transitioned from shyness to a sense of attachment at departure, they left the team with a deep sense of fulfillment and reluctance to part.

A total of **136** volunteer hours were dedicated to the two accompanying short trips held in 2023.



Administrative Volunteers at the Garden of Hope Foundation

The Garden of Hope Foundation has provided long-term care for victimized women by opening dessert workshops to train and help women develop work skills for making desserts. During holidays and festivals, they need help with packaging the desserts, sorting the year-end donation receipts, and distributing and mailing the goods. Cheng-Kuo's dedicated unit helps match volunteers to assist the Garden of Hope Foundation, utilizing their free time to support administrative tasks and packaging work. This practical support helps empower women who have experienced violence to adapt to employment and achieve economic independence.



Cultural Inheritance

Chien Kuo Foundation for Arts and Culture

Chien Kuo Foundation for Arts and Culture (hereinafter referred to as the Foundation) was officially established in 2011 to promote culture and modern life aesthetics. It is committed to the education and promotion of art and creation of ink wash paintings, passing on the cultural inheritance of classical art, and their applications and innovations. It studies the history and knowledge of ancient art, painting and calligraphy, and traditional opera art, and leverages modern channels for education, promotion, exhibition, and publication projects to facilitate the fusion and development of traditional culture and art with contemporary innovation.



Ancient Art, Painting, and Calligraphy

The Foundation has provided scholarships for master and PhD students at the Graduate Institute of Art History of National Taiwan University since 2020. It has made donations to the study abroad program to cultivate art history professionals with professional knowledge, independent thinking, healthy character, aesthetic taste, care for the society, and international perspectives, who will promote the study and cultural inheritance of history and knowledge in ancient art and calligraphy.

Traditional Operas

Since 2012, the Foundation has invited several next-generation Kunqu performers from the Kunqu Opera Theatre of Jiangsu and Zhejiang Kunqu Opera Troupe to perform in Taiwan with invitation for performance or re-production. It has brought together one of the most prominent directors in Taiwanese theater in recent years, Chia-Ming Wang, and new stage, lighting, and costume designers to inject contemporary aesthetics into traditional Kunqu. Together, they have brought a new look and attracted a new audience to Kunqu opera and successfully bridged the gap with the next-generation audience. The success drew the attention of new communities and encouraged more audiences to view performances in the theater.

In November 2023, the Chien Kuo Foundation For Arts And Culture invited the Shanghai Grand Theatre to present the production “Return To The Peony Pavilion” in Taiwan. The performance took place over three days at the National Theater & Concert Hall in Taipei, showcasing a strong commitment to promoting Kunqu opera and traditional operas.



Beyond Kunqu Opera

We seek to promote traditional arts and life aesthetics and create the “Beyond Kunqu Opera” platform for diverse exchanges. This platform includes a radio program, podcasts, a fan page, and lectures so that the wonders of traditional art can reach a wider audience.

We opened the first “Beyond Kunqu Opera Academy” in 2019, focusing on the essence of the art and appreciation. We invited An-Chi Wang, Chair Professor of the Department of Drama & Theatre, National Taiwan University, and Yu-Hang Wen, xiaosheng performer of the Guo-Guang Opera Company, to explore the differences between Peking opera and Kunqu opera from both the academic and performer’s perspectives. Professor An-Chi Wang’s lecture video “Spoilers for Peking and Kunqu Opera” and Yu-Hang Wen’s lecture video “The Differences between Peking and Kunqu Opera” have accumulated a total of 12,000 views.

In 2023, we brought Kunqu arts to campuses, hosting seven promotional performances and lectures at National Tsing Hua University, National Taiwan University, Tunghai University, Feng Chia University, National Central University, and National Taipei University of the Arts, allowing students and faculty to engage closely with Kunqu performing arts. Additionally, in conjunction with the high school Chinese curriculum “Selected Works of Drama,” we planned a full performance of Kunqu’s “The Peony Pavilion,” staging three performances at The Affiliated Zhongli Senior High School of National Central University, National Hsinchu Girls’ Senior High School, and Taoyuan Municipal Xin Wu Senior High School.

The total number of participants in the campus promotion project is approximately **2,000** people



Kunqu Campus Promotion at
Taipei National University of the Arts



Kunqu Campus Promotion Activity
at The Affiliated Zhongli Senior High
School of National Central University



Kunqu Campus Promotion Activity
at National Hsinchu Girls’
Senior High School



Kunqu Campus Promotion at
Taipei National University of the Arts



Kunqu Campus Promotion Activity
at National Hsinchu Girls’
Senior High School

GRI Indicator Reference Table



Statement	Chien Kuo Construction Co., Ltd. has reported in accordance with GRI guidelines for the period from January 1, 2023, to December 31, 2023.
GRI1 used	GRI 1: Foundation 2021
Applicable GRI industry guidelines	No applicable standards

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
GRI 2: General Disclosures 2021					
Organizational and Reporting Practices	2-1	Organization Details	Company Profile	9	
	2-2	Entities included in the sustainability report	Company Profile	11	
	2-3	Reporting period, frequency, and contact person	About this Report	4	
	2-4	Restatements of information	About this Report	5	No occurrence in 2023
	2-5	External assurance	About this Report	6	
Events & workers	2-6	Activities, value chains and other business relationships	About Chien Kuo Construction Building a Sustainable Supply Chain	9-11 81	
	2-7	Employees	Human Resources Structure	86-87	
	2-8	Non-Employee workers	Human Resources Structure	86	

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Material Topic: Company Operating Performance					
Governance	2-9	Governance structure and composition	Professional Team	29	
	2-10	Nomination and selection for the highest governance body	Professional Team	29	
	2-11	Chairman of the highest governance body	Board of Directors	30	
	2-12	The role of the highest governance body in overseeing impact management	Professional Team	30	
	2-13	Head of impact management	Professional Team	30	
	2-14	The role of the highest governance body in sustainability reporting	Stakeholders and Material Issues	18	
	2-15	Conflict of interest	Board of Directors	32	
	2-16	Communication of key material events	Stakeholders and Material Issues	21-25	
	2-17	Group knowledge of the highest governance body	Board of Directors	31	
	2-18	Performance evaluation of the highest governance body	Board of Directors	34	
	2-19	Remuneration Policy	Remuneration Policy and Determination Process	35	
	2-20	Remuneration Determination Process	Remuneration Policy and Determination Process	35	
	2-21	Annual Total Remuneration Ratio	Employee Salary Standards	88	
Strategies, policies, and practices	2-22	Sustainability strategy statement	A Word from the Management	7	
	2-23	Policy commitment	Sustainability Strategy and Goals	16	
	2-24	Included in policy commitments	Sustainability Strategy and Goals	16	
	2-25	Procedures for remediating negative impacts	Ethical Corporate Management	36	
	2-26	Mechanisms for seeking advice and raising concerns	Ethical Corporate Management	36	

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Strategies, policies, and practices	2-27	Legal compliance	Legal Compliance	40	
	2-28	Membership of associations	Partnerships	80	
Stakeholder engagement	2-29	Stakeholder engagement approaches	Stakeholders and Material Issues	18	
	2-30	Collective bargaining agreements	Happy Workplace		The Company has not signed collective bargaining agreements, but we organize regular labor-management meetings to ensure smooth communication.

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
GRI 3: Material Topics 2021					
Material topic disclosures	3-1	Procedure to determine material topics	Stakeholders and Material Issues	18-20	
	3-2	List of material topics	Stakeholders and Material Issues	21-25	
	3-3	Material topic management	Stakeholders and Material Issues	21-25	

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
GRI 200: Economic Disclosures					
Economic performance	201-1	Direct economic value generated and distributed	Business Performance	28	
	201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Risks, Opportunities, and Financial Impacts	69-72	
	201-3	Defined benefit plan obligations and other retirement plans	Employee Retirement System	95	
	201-4	Financial assistance received from government	With Technological Roots	44	

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Market presence	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Employee Salary Standards	88	
	202-2	Proportion of senior management hired from the local community	Employee Salary Standards	88	
Indirect Economic	203-1	Infrastructure investments and services supported	Public Welfare for Construction and Maintenance	96	
	203-2	Significant indirect economic impacts	Public Welfare for Construction and Maintenance Volunteer Service	96 97	

Material Topic: Supply Chain Management

Procurement practices	204-1	Proportion of spending on local suppliers	Building a Sustainable Supply Chain	82	
Anti-corruption	205-1	Operations assessed for risks related to corruption	Ethical Corporate Management	36	
	205-2	Communication and training about anti-corruption policies and procedures	Ethical Corporate Management	36	
	205-3	Confirmed incidents of corruption and actions taken	Ethical Corporate Management	36	No occurrence in 2023
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Ethical Corporate Management	-	No occurrence in 2023

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
GRI 300: Environmental Disclosures					
Material Topic: Climate Change and Environmental Management					
Energy	302-1	Energy consumption within the organization	Greenhouse Gas Inventory	72	
	302-2	Energy consumption outside of the organization	Greenhouse Gas Inventory	72	
	302-3	Energy intensity	Energy Resource Management	73	

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Energy	302-4	Reduction of energy consumption	Energy Resource Management	73-74	
	302-5	Reductions in energy requirements of products and services	Energy Resource Management	74	
Emissions	305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Inventory	72	
	305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Inventory	72	
	305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Inventory	72	
	305-4	Greenhouse gas emission intensity	Greenhouse Gas Inventory	72	
	305-5	Reduction of GHG emissions	Greenhouse Gas Inventory	72	
	305-6	Emissions of Ozone Depleting Substances (ODS)	-	-	Not Applicable; as the service area does not have significant ODS emissions
	305-7	Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and other significant air emissions			Not Applicable; as the service area does not have significant emissions of Nitrogen Oxides (NOx) and Sulfur Oxides (SOx)

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
GRI 400: Social Disclosures					
Material Topic: Occupational Safety and Health					
Occupational Health and Safety	403-1	Occupational Safety and Health Management System	Safety First	54	
	403-2	Hazard Identification, Risk Assessment, and Accident Investigation	Implementation of Occupational Safety and Health	58-60	
	403-3	Occupational health services	Health Service Management and Promotion Occupational Health Services	61-62	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health Services	62-64	
	403-5	Worker training on occupational health and safety	Occupational Safety and Health Training	57	
	403-6	Promotion of worker health	Health Service Management and Promotion	61	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Hazard Identification and Prevention Measures	62	
	403-8	Workers covered by an occupational health and safety management system	Safety First Health and Safety Management Operation for Subcontractors	54、 56	
	403-9	Work-related injuries	Occupational Injury Statistics for 2023	60	
	403-10	Work-related ill health	Occupational Hazard Identification and Prevention Measures	62	
Material Topic: Happy Workplace and Sustainable Talent Development					
Employment	401-1	New employee hires and employee turnover	Human Resources Structure	87	
	401-2	Benefits provided to full-time employees	Employee Benefits Program Overview	89	
	401-3	Parental leave	Parental leave	91	

Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Minimum Notice Periods Regarding Operational Changes	95	
GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Training and Education	404-1	Average hours of training per year per employee	Retention and Career Development	93	
	404-2	Programs for upgrading employee skills and transition assistance programs	Retention and Career Development		
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance Evaluation System	94	
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Board of Directors Human Resources Structure	31 87	
	405-2	Human Resources Structure	Employee Salary Standards	88	
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Approaches to Employee Communication	92	No incidents of discrimination in 2023
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Ethical Corporate Management		No occurrence in 2023
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Ethical Corporate Management		No occurrence in 2023
Security Practices	410-1	Security personnel trained in human rights policies or procedures			Not applicable
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples			No occurrence in 2023
Material Topic: Brand Image					
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Public Welfare for Construction and Maintenance	96	
	413-2	Operations with significant actual and potential negative impacts on local communities	Volunteer Service	97-98	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Building a Sustainable Supply Chain	82-83	
	414-2	Negative social impacts in the supply chain and actions taken	Supplier Evaluation Mechanism	83	
Public Policy	415-1	Political contributions	Ethical Corporate Management		The Company did not provide political donations in 2023

GRI Standard	Disclosure Item	Description	Corresponding Chapters/Sections	Page Number	Notes
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ethical Corporate Management		No occurrence in 2023
Material Topic: Construction Quality Management					
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Pursuing Excellence	49	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Pursuing Excellence	-	No occurrence in 2023
Marketing and Labeling	417-1	Requirements for product and service information and labeling			Not applicable
	417-2	Incidents of non-compliance concerning product and service information and labeling			No occurrence in 2023
	417-3	Incidents of non-compliance concerning marketing communications			No occurrence in 2023

SASB Indicator Reference Table

SASB Standard	Indicator Code	Description	Corresponding Chapters/Sections	Page Number	Note
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Legal Compliance	40	
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	Pursuing Excellence	48	
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect- and safety-related rework costs	Pursuing Excellence	51-52	
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents			No such occurrences
Workforce Health & Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) and fatality rate for direct employees and contract employees	Safety First	85	

SASB Standard	Indicator Code	Description	Corresponding Chapters/Sections	Page Number	Note
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of commissioned projects certified to a third-party multi-attribute sustainability standard and active project seeking such certification	With Technological Roots	49	
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	Water Resource Management Water Pollution Prevention	75 76	
Climate Impacts	IF-EN-410b.1	Amount of backlog for hydrocarbon related projects and renewable energy projects			No such occurrence
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects			No such occurrence
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	2023 Construction Sites	11	
Business Ethics	IF-EN-510a.1	Number of active projects and backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	2023 Construction Sites	11	No such occurrence
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anticompetitive practices	Ethical Corporate Management	36	No such occurrence
	IF-EN-510a.3	Description of policies and practices for prevention of bribery and corruption, and anti-competitive behavior in the project bidding processes	Internal Audit	39	No such occurrence

Operating Activity Indicators

SASB Standard	Indicator Code	Description	Corresponding Chapters/Sections	Page Number	Note
Activity Indicator	IF-EN-000.A	Number of projects in progress	2023 Construction Sites	11	
	IF-EN-000.B	Number of Commissioned Projects	2023 Construction Sites	11	
	IF-EN-000.C	Value of active projects	2023 Construction Sites	11	

建國工程

Ethics Utilization Welfare Harmony

