

 國泰建設
Cathay Real Estate

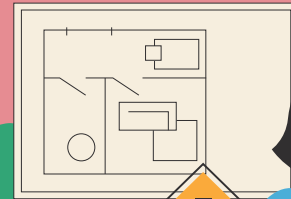
2023 Sustainability Report

Through
sixty springs
and winters,
we stand
guard over
your
worry-free

REAL ESTATE



**PROPERTY
MANAGEMENT**



HOSPITALITY

0

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CHO Preface



0.1 About This Report GRI 2-2, 2-3

This report is the 10th Sustainability Report issued by Cathay Real Estate Corporation (referred to as “Cathay Real Estate” in this report) . It aims to communicate to internal and external stakeholders Cathay Real Estate’s sustainable vision and strategic guidelines in areas such as corporate governance, integrity management, economic development, environmental protection, product responsibility, employee rights, supply chain management and social engagement. It also conveys the highlights and performance results achieved in 2023.

Reporting Principles

This report also refers to the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies”, United Nations Sustainable Development Goals (the SDGs) , Organization for Economic Cooperation and Development (OECD) , the Ten Principles of the United Nations Global Compact (UNGC) , and ISO 26000 Social Responsibility Standards as the basis for disclosure. In addition, with the official release of IFRS S1 “General Requirements for Disclosure of Sustainability-related Financial Information” and IFRS S2 “Climate-related Disclosures” by the International Sustainability Standards Board (ISSB) in 2023, in order for stakeholders to understand Cathay Real Estate’s sustainability-related risks and opportunities, plus their interaction with the value chain’s resource utilization, so as to assess the short-, medium-, and long-term financial impact on the Company in the future. Focusing on the 10 material topics, we reviewed information such as impact content, management guidelines, and goal setting. We then compared the disclosure compliance level with the core disclosure items of IFRS S1, which include governance, strategy, risk management, indicators, and targets. A higher percentage indicates a higher level of completeness in the information disclosed within the sustainability report for that particular aspect. For aspects with lower disclosure scores (indicated by red or blue) , improvements are being implemented. Please refer to the analysis chart below and the management guidelines at the beginning of each chapter for the disclosure level of each

material topic.

The statistical data disclosed in this report are derived from Cathay Real Estate’s own statistics and surveys, and are measured and presented using internationally accepted indicators. If there are any estimates, they will be noted in the relevant sections.

Note: Using the IFRS S1 disclosure tool developed by CSRone, a total of 41 indicators were evaluated.



Sustainability-Related Risks And Opportunities Disclosure Level

	Governance	Strategies	Risk Management	Metrics and Targets Aspect
Material Topics	Display corresponding icons based on the level of disclosure			
● ≥ 75% ● 50(inclusive)~75% ● 25(inclusive)~50% ● ≤ 25%				

	Sustainability Principle	Financial Principle
Compliance Standards	<ul style="list-style-type: none"> Compliant with GRI 2021 Standards AA1000 Accountability Principles Standard ISAE 3000 International Standard on Assurance Engagements Sustainability Accounting Standards Board (SASB) Task Force on Climate-related Financial Disclosures (TCFD) 	<ul style="list-style-type: none"> 2013 Taiwan-IFRSs Regulations Governing the Preparation of Financial Reports by Securities Issuers International Financial Reporting Standards, International Accounting Standards, and interpretations endorsed and issued into effect by the Financial Supervisory Commission
Verification Body	Ernst & Young Taiwan	

Report Writing and Quality Management

The dedicated promotion unit of Cathay Real Estate Development’s “Corporate Sustainability Development Committee” is responsible for the preparation of the report.



Compilation and Drafting

Cathay Real Estate’s Corporate Sustainability Development Committee (the CS Committee) ’s subgroups serve as the editing team for this report. The promotion unit is responsible for overall report planning, communication and coordination, data compilation, editing and revision, and report verification.



Review

The report is compiled and completed by the promotion unit and finalized through review by the heads of each unit. The finalized content is verified by an impartial third party before being submitted to Cathay Real Estate’s CS Committee for review.



Submission and Publication

After approval by the CS Committee, it is signed off by the President and Chairman, plus the results are reported to the Board of Directors. After approval by the Board of Directors, it is publicly published.

Compared to the “2022 Sustainability Report”, there have been no significant changes in organizational size, structure, ownership, or supply chain, nor has there been any restatement of information due to changes in measurement methods or business nature. This report responds to the requirements of the IFRS Sustainability Disclosure Standards. In addition to considering the impact of organizational operations on the environment and society, it also assesses sustainability-related risks and corresponding measures.

Scope and Boundaries

The reporting period covers January 1, 2023 to December 31, 2023, and will be published in August 2024. The scope of this report covers Cathay Real Estate Development Co., Ltd. and consolidated statement investment companies, which is indicated to four following limited companies: Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering. This year, part of the sustainability performance of Lin Yuan Property Management Co., Ltd. has been newly included in the disclosure scope. The Report’s disclosure scope is consistent with the consolidated financial statements, aiming to present a more comprehensive view of Cathay Real Estate and its subsidiaries’ sustainability affairs and journey.



Feedback

We hope that through this report, stakeholders will gain a better understanding of Cathay Real Estate’s efforts in promoting corporate sustainability. If you have any suggestions or advice regarding Cathay Real Estate’s “2023 Sustainability Report”, please feel free to contact us through the following methods:

Contact Information

Contact Person	Mr. Chia-Hao Liu, Secretary of the CS Committee, Cathay Real Estate Development Co., Ltd.
Address	2F, No. 218, Dunhua South Road, Taipei City
Tel.	02-23779968 ext. 5803
Email	csr@cathay-red.com.tw
Cathay Real Estate Development Official Website	http://www.cathay-red.com.tw
Cathay Real Estate Development Corporate Sustainability Website	http://cathayred-csr.com/

0.2 Letter from the Chairman GRI 2-22

In 2023, Cathay Real Estate Development entered its 59th year, accompanying customers on a journey of nearly six decades. We have always adhered to our four major guarantees: “Clearly-Established Ownership, Construction In Line With The Drawings, Timely Completion, And Sustainable Service”. We implement the most rigorous construction procedures and methods. For us, a “home” is not just a building of steel and concrete, but the cornerstone of everyone’s peace of mind. Cathay Real Estate meticulously creates each brick and tile, deeply exploring residents’ most genuine needs, building ideal homes for over 56,000 households across Taiwan.

We see the public’s increasing emphasis on quality of life. Cathay Real Estate has made “sustainability” and “LOHAS” our new life proposals for customers. We organize epidemic prevention and disinfection seminars in communities and promote good living habits through health lectures. “Building solid, good houses that last a lifetime” is Cathay Real Estate’s original intention. We improve environmental sanitation, air quality, and water resource utilization. In recent years, we have taken a different perspective on the living spaces we create for our customers, using green building certified materials for flooring, ceilings, and light partitions to reduce environmental burden and human harm, creating buildings that combine sustainability concepts with physical and mental health for our customers.

Cathay Real Estate has continuously optimized high-standard service quality, hoping to create happy and secure homes for residents, fulfilling the promise of being a lifelong support for customers. In recent years, we have gradually moved towards diversified operations, creating innovative development methods. These include self-initiated urban renewal, commercial real estate operations, increased strategic joint ventures and joint constructions, and forming alliances with strategic partners to obtain government-led urban renewal projects. We breathe new life into old buildings, creating diverse possibilities. We firmly believe that Cathay Real Estate can shoulder the responsibility of creating greater social value and brand influence, bringing vitality to the cityscape.

The Sustainability Report is a bridge for Cathay Real Estate to convey sustainability concepts to different stakeholders. In 2023, to prepare for the trend of IFRS Sustainability Disclosure Standards, we reviewed sustainability-related risks from different aspects based on material topics to formulate clear management measures. We implement sustainable practices from the axes of “Happy Workplace”, “Employee Health and Safety”, “Energy and Resource Management”, and “Social Impact”, laying the foundation for Cathay Real Estate’s sustainability. In this report, we truthfully and sincerely disclose our commitment to sustainability in different construction aspects. In 2023, Cathay Real Estate once again won the Reader’s Digest Trusted Brand Award - Gold Award in the Real Estate Developer category, symbolizing the trust and recognition from our customers. We hope that through the information disclosure in this report, we can enhance the transparency of sustainability governance and invite all stakeholders to participate in Cathay Real Estate’s sustainability development journey, deeply rooting the image of a leading real estate brand in the public’s mind, just like Cathay Real Estate Development’s tree logo.



**Chairman of
Cathay Real Estate**

Ching-kwei Chang



0.3 About the Company GRI 2-1 GRI 2-6 GRI 201-1

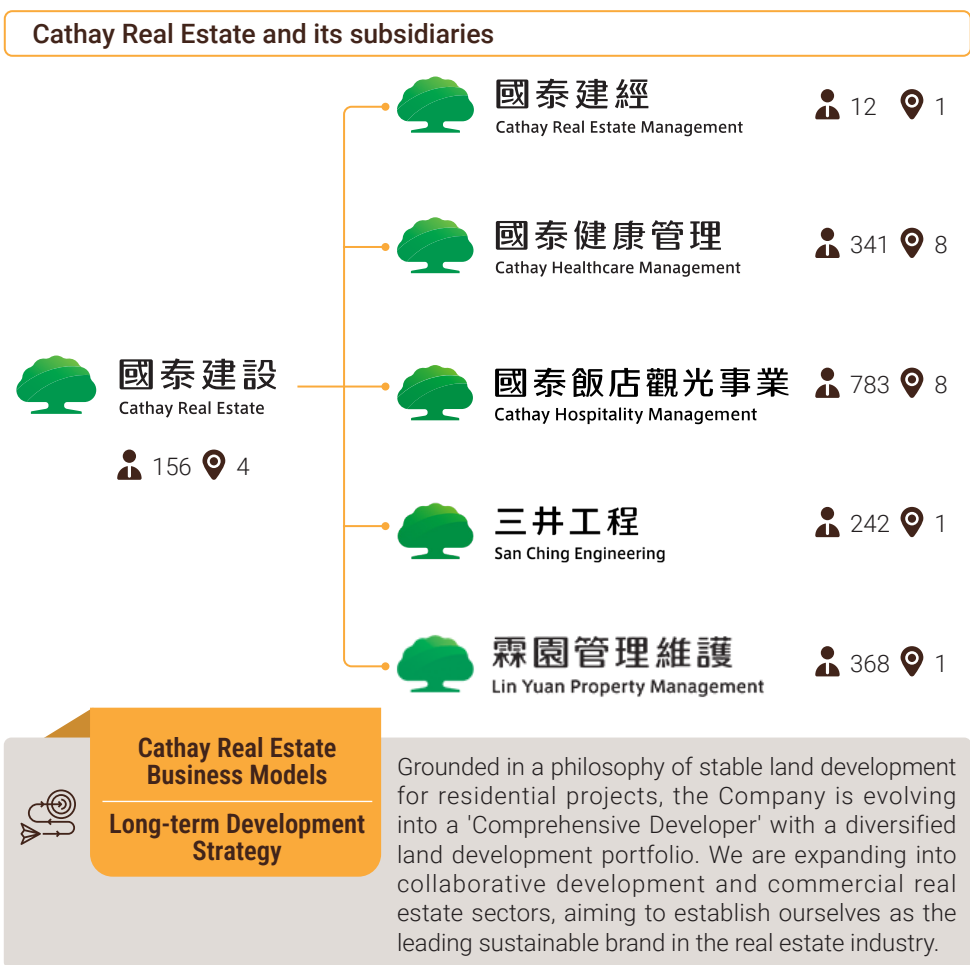
Introduction

Adhering to the three core values of “Integrity, Professionalism, and Prudent Operation”, Cathay Real Estate has been deeply rooted in the real estate industry with a spirit of down-to-earth and continuous improvement. We integrate group resources, including: Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Management, San Ching Engineering, and Lin Yuan Property Management, to provide residents with comprehensive and warm services, moving towards the vision of realizing a “Comprehensive Developer”.

Note: For more information on subsidiaries, please refer to: [Official Website](#)

Organization Chart	
Company Name	Cathay Real Estate Development Co., Ltd.
Date of Establishment	Sep. 14th, 1964
Headquarters Location	F2, No. 218, Sec. 2, Dunhua S. Rd., Taipei
Main Products and Services	Construction of residential and commercial buildings for lease and sale, accepting commissions for urban planning, land joint construction planning, design, consulting services, and the operation and investment of other related businesses.
Core Values	Integrity, Professionalism, and Prudent Operation
Paid-in Capital	NT\$11.596 billion
Net income after taxes	NT\$2.164 billion
Number of Employees	156 personnels
Total Households Nationwide	56,151 households, total floor area 2,640,166 pings <ul style="list-style-type: none"> Northern region (north of Hsinchu) : 38,793 households Taichung area: 6,780 households Tainan area: 4,138 households Kaohsiung area: 6,440 households

Note: Statistics as of December 31, 2023



Cathay Real Estate Historical Financial Performance

Cathay Real Estate Historical Financial Performance Expenditures
(Unit: NT\$ Thousands)

	2021	2022	2023
Operating revenue	9,833,582	14,126,629	6,829,160
Operating Costs and Expenses	(8,516,988)	(12,364,516)	(4,206,782)
Taxes Paid to Government	(245,115)	(316,883)	(227,521)
Employee Salaries and Benefits	(221,380)	(232,438)	(230,120)
Social Investment/Donation Expenses	(2,560)	(5,043)	(300)
Net income after taxes	847,539	1,207,749	2,164,437
Dividends Paid to Shareholders	(695,737)	(579,781)	(1,159,561)
Retained Economic Value	151,802	627,968	1,004,876

Note1: This is the individual financial statement information of Cathay Real Estate Development Co., Ltd., audited by Ernst & Young Taiwan.

Note2: Cathay Real Estate did not receive any financial subsidies from the government.

Note3: Cathay Real Estate allocates 0.1% and no more than 1% of pre-tax profit before distribution of employee and director/supervisor remuneration, amounting to NT\$1,330 thousand and NT\$2,400 thousand respectively (0.36% of pre-tax profit).

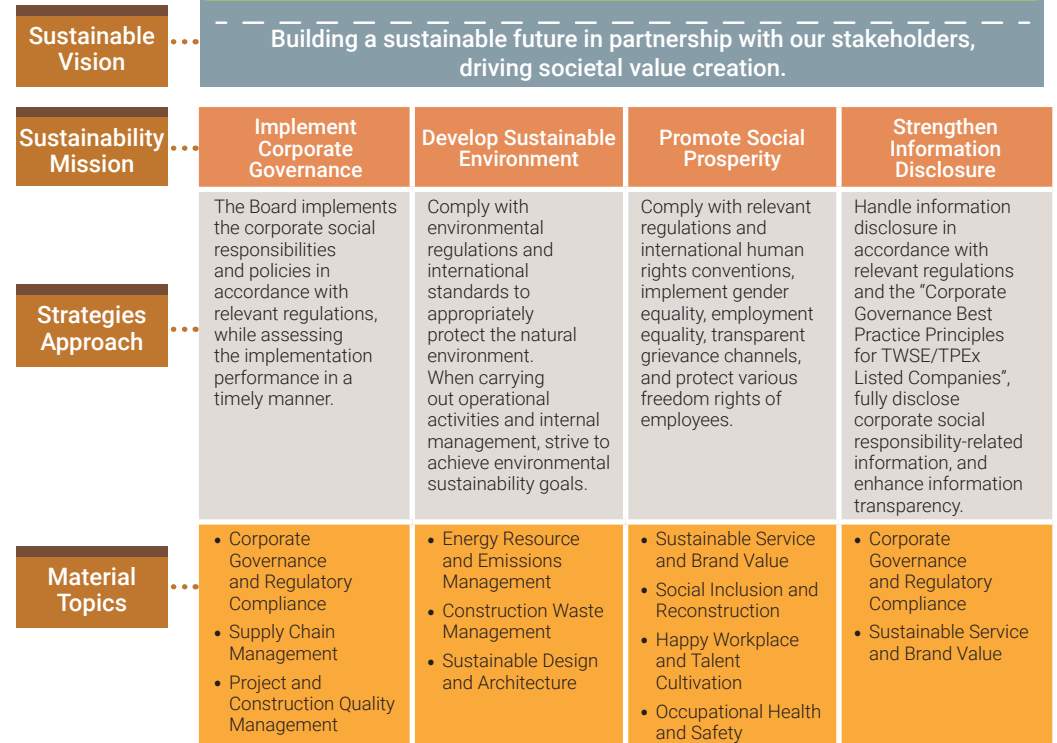
Note4: The retained economic value for 2021 was incorrectly stated and has been corrected to 151,802.

Note5: Dividend data is calculated based on the dividend per share in the year of the report's publication.



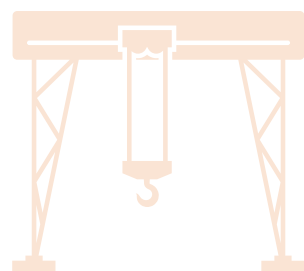
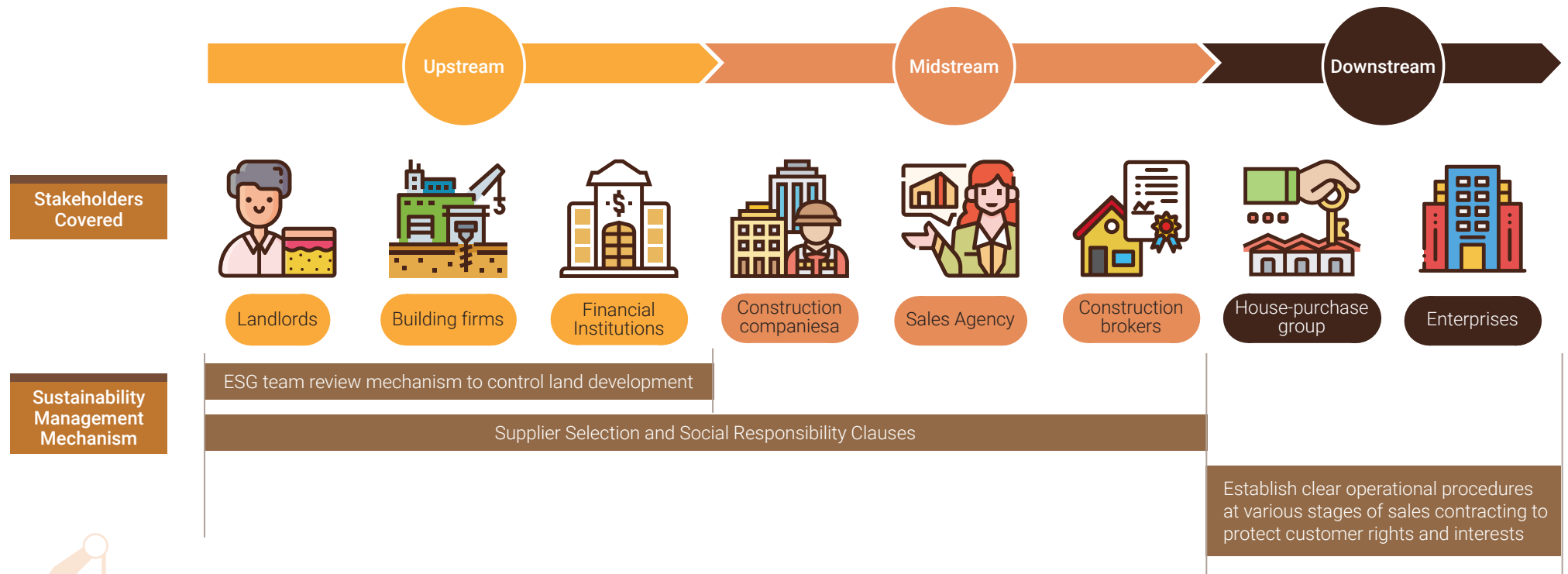
Sustainability Philosophy and Blueprint

Cathay Real Estate Development has been deeply rooted in Taiwan's construction and real estate fields for nearly six decades, adhering to the four commitments of "Clearly-Established Ownership, Construction In Line With The Drawings, Timely Completion, And Sustainable Service". With a stable, caring, and solid attitude and spirit, we construct happy and beautiful homes. We firmly believe and commit to "reliable and high-quality home that bring happiness to customers". In implementing our sustainability philosophy, we aspire to continuously deepen our social responsibility and sustainability vision, continue to implement various sustainable development actions, and build a future of mutual prosperity and goodness with stakeholders.



Constructing a Sustainable Value Chain

As the planner and integrator of the “Building Materials and Construction Industry Chain”, we always adhere to professional technology and high-quality service principles from land acquisition and development, architectural design, on-site construction, and sales services, creating maximum value and well-being for stakeholders. Cathay Real Estate Development’s main business activities cover: construction of residential and commercial buildings for lease and sale, accepting commissions for urban planning, land joint construction planning, design, consulting services, and the operation and investment of other related businesses. We provide residential and commercial building products in major metropolitan areas across northern, central, and southern Taiwan according to different needs. We view the value chain as an important partner for sustainable development, actively expanding sustainability concepts to every link of the value chain, from upstream raw material suppliers to downstream housing demand, working together to complete the sustainable value chain.



0.4 Key Sustainability Goals and Progress

Cathay Real Estate Sustainability Goals and Commit		Short Term (2024)	Medium Term (2027)	Long Term (2030)
E Environmental Protection	Environmental Aspect	<ul style="list-style-type: none"> Green procurement amount accounts for 0.1% of total contract amount 25% of construction sites implement construction waste sorting 25% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) New project application for green building certification ratio 20% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement \geq 90% 	<ul style="list-style-type: none"> In line with the GHG inventory, disclose all consolidated subsidiaries in the sustainability report. Annual increase rate of green procurement amount: 0.5% 50% of construction sites implement construction waste sorting 50% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) 30% of new projects apply for green building certification 5% of commercial projects apply for intelligent building certification Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement \geq 90% 	<ul style="list-style-type: none"> Annual increase rate of green procurement amount: 1% 100% of construction sites implement construction waste sorting 100% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) 40% of new projects apply for green building certification Commercial project smart building certification ratio 10% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement \geq 90%
S Social Inclusion	Giving Back to Society	<ul style="list-style-type: none"> Continue to sponsor rural education, enhance brand image, and invest in various public welfare activities through the Cathay Real Estate Foundation At least 60 volunteers participating, and 120 volunteer hours Online beneficiaries reach 20,000, and offline 2,000 	<ul style="list-style-type: none"> Cooperate with the promotion of the Group's public welfare platform, cooperate with social enterprises, find target groups to actively share, and enhance brand image benefits At least 70 volunteers participating, 140 volunteer hours Online beneficiaries reach 20,000, and offline 2,000 	<ul style="list-style-type: none"> Actively advocate, integrate industry, government, and academia to develop diverse service models
G Corporate Governance	Corporate Governance	<ul style="list-style-type: none"> The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100% Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors Review the disclosure scope and inventory boundaries of the sustainability report to comply with the latest laws and market trends Conduct annual supplier evaluation Supplier implementation audit rate >92% 	<ul style="list-style-type: none"> The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100% Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors Evaluate the possibility of participating in other sustainability awards, in which we proactively participate Supplier implementation audit rate >95% 	<ul style="list-style-type: none"> The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100% Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors Evaluate other disclosure contents (i.g. Reporting in English) that can enhance communication with stakeholders, report to the public on Cathay Real Estate Group's sustainable management practices, and demonstrate the determination to actively promote sustainable development Supplier implementation audit rate >96%

		Short Term (2024)	Medium Term (2027)	Long Term (2030)
G Corporate Governance	Product Quality	<ul style="list-style-type: none"> Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% Participate in design or construction quality awards with 1 project each year 	<ul style="list-style-type: none"> Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% Participate in design or construction quality awards with 1 project each year 	<ul style="list-style-type: none"> Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% Participate in design or construction quality awards with 1 project each year
	Customer Service	<ul style="list-style-type: none"> Plan 60th anniversary image advertisement: Integrate Cathay Real Estate and subsidiary resources, and from the Company's brand perspective, convey to stakeholders Cathay Real Estate's unchanging brand concept of "four guarantees" The Brand image manual structure is completed, and the publication-related operations are expected to be completed in 2024 Conduct customer customization and handover satisfaction statistics annually, with an average of over 9/10 points Conduct monthly after-sales service satisfaction statistics, with an average of over 9/10 points Carefully select business partners, establish pre-construction sales agency and architect selection standards, select high-quality suppliers through evaluation, and achieve sales service satisfaction of 9/10 points or more 	<ul style="list-style-type: none"> Continue to integrate group resources, complete Cathay Real Estate's one-stop service vision, establish good trust relationships with customers, build sustainable brand value, and showcase the real estate group's philosophy to society Promote the real estate group's philosophy to each subsidiary and increase the exposure of each subsidiary's sustainable management efforts From the investment in the core construction business, construction supervision, to property management and health management after customer occupancy, let customers experience the safe and comfortable experience of extending from residential buildings to a healthy living circle, consolidate brand value, leverage the Group's parent-subsidiary brand benefits, and maximize the Company's value Improve satisfaction through feedback from satisfaction surveys, with an increase of 1% in satisfaction ratio 	<ul style="list-style-type: none"> Property and health management after move-in, let customers feel the safe and comfortable experience from residential buildings to health living circles, consolidate brand value, exert group parent-subsidiary brand effects, and maximize company value Improve satisfaction through feedback from satisfaction surveys, with an increase of 2% in satisfaction ratio
	Talent Development and Retention	<ul style="list-style-type: none"> Improve supervisors' basic management capabilities in identifying and cultivating talents Continuously enhance colleagues' competencies. Establish a talent cultivation and development mechanism 	<ul style="list-style-type: none"> Strengthen colleagues' competencies, promote and implement personal development plans Improve supervisors' basic management capabilities Advance the mechanism of Talent Cultivation 	<ul style="list-style-type: none"> Continue to refine and improve training and development Continue to enhance supervisors' management competencies Continue to operate the talent cultivation and development system

Note: For detailed targets, please refer to each chapters management approach

0.5 Highlights, Performance and SDGs

2023 Sustainability Highlights and and Performance

E

Environmental Protection



國泰建設
Cathay Real Estate

- There were **4** energy-saving elevators replaced in Taichung Financial Building, with power regeneration devices saving about **46%** of electricity
- **Knowledge management system** platform officially launched, digitally managing internal knowledge
- Held two **interactive sustainability workshops**
- **Cathay Nangang Kunyang Building** completed and inaugurated, green building level: Gold level
- Green Procurement amount was **NTD 8,108,076**
- **No major serious leakage incidents or environment-related complaints**
- **100%** of new projects introduced green building concepts
- **100%** of new projects introduce BIM technology, digitalize model information, reduce risks of construction errors, reduce energy and resource use
- Cathay Real Estate **100%** hires qualified cleaning and transportation contractors to handle related construction waste
- **60%** of new projects commissioned applied for green building certification
- Local Procurement **100%**



國泰飯店觀光事業
Cathay Hospitality Management

- Starting from July, proactively not providing disposable amenities, and gradually replacing room toiletries with large bottles of shampoo, conditioner, and body wash



三井工程
San Ching Engineering

- Green Procurement amount was NTD **463,948,250**



霖園管理維護
Lin Yuan Property Management

- In response to Cathay Life Insurance's ESG sustainable management promotion of green landlord goals, plan to establish an ESG team in 2024 to cooperate with the implementation of building energy efficiency inventory and improvement projects, expected to complete the inventory of 125 Cathay Life Insurance buildings by 2027

S

Social Inclusion



國泰建設
Cathay Real Estate

- Organized **29** community activities, with pandemic prevention disinfection, health lectures, and succulent plant teaching sessions held respectively in northern, central, southern, and eastern Taiwan
- As of 2023, the number of registered members of the Cathay Real Estate Customer Service App (CRE App) reached **1,448**
- Continue to conduct satisfaction surveys at the stages of sales, customization, handover, and after-sales service, with average satisfaction scores exceeding **9.5/10**
- **100%** supplier commitment letter signing rate



國泰健康管理
Cathay Healthcare Management

- Arranged health check services for **66** teachers and students from Hsinchu Juvenile Home, and provided correct health education knowledge and health check report interpretation
- Cathay Postpartum Nursing Care Center (Taipei) sorted, cleaned, and sent mattresses, towels, bedding, furniture, and other materials to "Chuan-Yue Love Association", "Sun-care School" in Xiulin Township, Hualien County, and "Taipei City Children's Welfare Center"

G

Corporate Governance



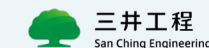
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Cathay Real Estate

- All senior executives signed the "**Statement of Compliance with Integrity Management Policy**", declaring that they will strictly comply with relevant integrity management policies
- No customer or regulatory authority complaints received, and no incidents of customer privacy infringement or loss of customer data occurred
- After-sales service satisfaction **9.94/10 points**
- Issued **723** service manuals and **812** warranty cards
- Completed **2 sessions** of CRE App digital optimization operation training
- Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of **100%**
- Cathay Mei He secured the FIABCI-Taiwan Real Estate Excellence Awards - **Gold Award** in the **Planning and Design** category
- River Park secured the FIABCI-Taiwan Real Estate Excellence Awards - **Gold Award** in the **Planning and Design category, National First Prize**
- Cathay THE PARK, UNI PARK participated in the advocacy of Outstanding Occupational Safety and Health Unit
- Cathay Huai Wei Feng Nian received the **Outstanding Occupational Safety and Health Unit** award from the Ministry of Labor
- Cathay He He won the **Outstanding Private Engineering Award** and **Outstanding Personnel Award**



國泰飯店觀光事業
Cathay Hospitality Management

- Established CS Committee and Implementation Team
- Won the "The National Brand Yushan Award - **Outstanding Enterprise**"
- Won the "1111 Job Bank - **Happiness Enterprise Gold Award winner, Hotel and Hospitality Industry**"
- Won the "**Great Place to Work Certification**"™
- Subsidiary Courtyard by Marriott Taipei Downtown won the "Tourism Bureau, Ministry of Transportation and Communications - 2023 Outstanding Tourism Industry and Its Employees **Outstanding Tourism Industry Group Award**"
- Subsidiary Hotel Cozzi Taoyuan won the "2023 Asia-Pacific Annual Catering Gold Award, **Asia-Pacific Top 10 Elite Chefs of the Year**"



三井工程
San Ching Engineering

- The "Corporate Sustainability Development Promotion Team" holds regular quarterly meetings, chaired by the Chief Commissioner (President), to track the implementation and effectiveness of sustainability issues and goals in various aspects including ESG


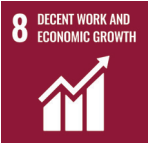














霖園管理維護
Lin Yuan Property Management











- ESG team holds regular weekly meetings to exchange cases and discuss problems; team supervisors have weekly ESG project meetings with Cathay Life Insurance to track building management methods and progress










Implementing United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are not only a global consensus and goal but also the basis for Cathay Real Estate Development's sustainable implementation direction. We strive to discover various possibilities to realize SDGs, define the top five highly relevant sustainability goals, and deeply analyze Cathay Real Estate's implementation actions in detailed objectives. The relevant actions and goals are listed as follows:

Important Ranking	SDGs Content	Actions
1.	 <p>Goal 9 Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.</p>	<ul style="list-style-type: none"> • Commit to building “reliable and high-quality home” for customers, creating livable happy homes for 56,000 households • Deepen sustainable customer service, regularly care for residents and communities
2.	 <p>Goal 8 Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Continuously improve and refine various systems and tools with the goal of zero disasters and zero accidents • Implement occupational safety risk control and preventive measures, establish hazardous item management regulations
3.	 <p>Goal 13 Climate Action Take urgent action to combat climate change and its impact.</p>	<ul style="list-style-type: none"> • Continue to increase the proportion of projects introducing green building concepts, reaching the target of 100% in 2023 • Implementation of ISO 14001 Environmental Management System at the operational headquarters • Introduce the Task Force on Climate-related Financial Disclosures (TCFD) framework, establish corporate climate resilience by combining existing risk management frameworks
4.	 <p>Goal 11 Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	<ul style="list-style-type: none"> • Diverse land development strategies, drive regional functional regeneration and development • Implement universal design and all-age housing design
5.	 <p>Goal 12 Responsible Consumption and Production Ensure sustainable consumption and production patterns.</p>	<ul style="list-style-type: none"> • Introduce building modularization to reduce pollution and negative environmental impacts • Introduce Building Information Modeling (the BIM) to reduce energy and resource use • Adopt green building materials that combine quality and environmental protection

Our Commitments	Detailed SDGs		Highlight Actions
 <p>Sustainable Development Blureprint</p>		<p>12.8</p> <ul style="list-style-type: none"> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. 	<ul style="list-style-type: none"> Continue to share sustainability knowledge through quarterly CS Committee meetings, helping colleagues grasp sustainability trends and the possibilities for Cathay Real Estate's sustainable actions development.
		<p>16.5</p> <ul style="list-style-type: none"> Substantially reduce corruption and bribery in all their forms. 	<ul style="list-style-type: none"> Cathay Real Estate has established Code of Integrity Management and Internal Audit Mechanisms. In 2023, there were no corruption or related reporting incidents.
		<p>13.1</p> <ul style="list-style-type: none"> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 	<ul style="list-style-type: none"> Introduce the Task Force on Climate-related Financial Disclosures (TCFD) framework to build corporate climate resilience.
 <p>Cathay's Framework for Happiness</p>		<p>9.1</p> <ul style="list-style-type: none"> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 	<ul style="list-style-type: none"> Expand into commercial real estate, health management, diversified construction, provide a comprehensive living environment with the operational vision of a "Comprehensive Developer"
		<p>12.8</p> <ul style="list-style-type: none"> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. 	<ul style="list-style-type: none"> Use digital innovative App to communicate with customers, reducing carbon emissions from customer house viewing and travel Organize disaster prevention education, health management activities, and house maintenance courses for residents to improve customers' quality of life
		<p>16.3</p> <ul style="list-style-type: none"> Promote the rule of law at the national and international levels and ensure equal access to justice for all. 	<ul style="list-style-type: none"> Comply with all relevant laws and regulations on marketing, information transparency, and product sales. In 2023, there were no incidents of prohibited sales or violations of product and service information labeling.
	<p>16.10</p> <ul style="list-style-type: none"> Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements. 	<ul style="list-style-type: none"> Built over 56,000 households in 59 years, accompanying customers with sustainable services 	

Our Commitments	Detailed SDGs		Highlight Actions
 <p>Meticulous Construction</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p> 	<p>7.a</p> <ul style="list-style-type: none"> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology. 	<ul style="list-style-type: none"> Require suppliers to fulfill CSR-related regulations, with 100% of suppliers signing corporate social responsibility clauses in 2023.
	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>8.3</p> <ul style="list-style-type: none"> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 	<ul style="list-style-type: none"> Hold internal seminars quarterly to research and develop innovative materials, technologies, or equipment, continuously improving professional capabilities of talents.
	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>8.8</p> <ul style="list-style-type: none"> Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. 	<ul style="list-style-type: none"> Aim for zero disasters and zero accidents, implement occupational safety risk control and preventive measures, establish hazardous item management regulations.
	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>9.1</p> <ul style="list-style-type: none"> Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all. 	<ul style="list-style-type: none"> Introduce three-level quality control system for construction sites, implement standard operating procedures, and cultivate professional talents through internal and external exchanges to provide consumers with high-quality living experiences
 <p>Friendly Architectural Design</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>11.7</p> <ul style="list-style-type: none"> By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities. 	<ul style="list-style-type: none"> Introduce universal design to create barrier-free warm universal homes that meet all-age needs.
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>12.2</p> <ul style="list-style-type: none"> By 2030, achieve the sustainable management and efficient use of natural resources. 	<ul style="list-style-type: none"> Achieve the goal of 100% of projects introducing green building concepts in 2023.
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>12.4</p> <ul style="list-style-type: none"> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. 	<ul style="list-style-type: none"> Achieve the goal of 100% of projects introducing green building concepts in 2023.
	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>12.5</p> <ul style="list-style-type: none"> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. 	<ul style="list-style-type: none"> Adopt sustainable and environmentally friendly green building materials 100% of projects introduce BIM to reduce construction errors and improve energy and resource use

Our Commitments	Detailed SDGs			Highlight Actions
 <p>Prudent Land Development</p>	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	11.a	<ul style="list-style-type: none"> Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning. 	<ul style="list-style-type: none"> Diverse land development strategies, purchase land in areas with complete functions, link suburbs and cities, build livable home environments, drive urban functional regeneration and development.
	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	11.3	<ul style="list-style-type: none"> By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries. 	<ul style="list-style-type: none"> Cathay Real Estate Development actively communicates with nearby residents and conducts impact assessments from land development, creating comfortable living environments based on building safety.
	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.4	<ul style="list-style-type: none"> By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature. 	<ul style="list-style-type: none"> Site selection principles are all within urban development areas, not competing with nature for land, reducing environmental impacts and concerns.
 <p>Pillars of Sustainability</p>	 <p>4 QUALITY EDUCATION</p>	4.1	<ul style="list-style-type: none"> By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes. 	<ul style="list-style-type: none"> Respond to Cathay Group's public welfare activities, support second-generation immigrants and rural students, ensuring all students have equal educational opportunities.
	 <p>4 QUALITY EDUCATION</p>	4.4	<ul style="list-style-type: none"> By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. 	<ul style="list-style-type: none"> Provide employees with diverse training courses including general education, professional courses, and competency courses. Since the internship program started in 2016, they were 11 interns have been employed by real estate group companies. Establish 9 LinYuan Libraries nationwide, increasing job opportunities
	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	8.3	<ul style="list-style-type: none"> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 	<ul style="list-style-type: none"> Collaborate with real estate experts and scholars on the "Cathay Real Estate Index" to enhance real estate information transparency.
	 <p>13 CLIMATE ACTION</p>	13.1	<ul style="list-style-type: none"> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. 	<ul style="list-style-type: none"> Conduct annual energy, GHG, and water resource inventories. Green office spaces, held 2 beach clean-ups and 2 street clean-ups in 2023, with a total of 546 hours invested.

CH1 Sustainable Development Blueprint

Sustainability issues and climate change bring many challenges to business operations. Clear division of roles and responsibilities can help companies manage and implement sustainability strategies more effectively. Cathay Real Estate has established a rigorous governance structure to drive corporate sustainability, and through the establishment of dedicated units and a complete supervision mechanism, it has built three pillars of sustainable governance, corporate governance, and climate governance to strengthen the management of various sustainability issues while improving Cathay Real Estate's ability to respond to climate-related risks.

2023 Sustainability Highlights and and Performance

- All senior executives signed the “**Statement of Compliance with Integrity Management Policy**”
- Conducted integrity management education and training for all employees, with **100%** of employees understanding and identifying with “Code of Integrity Management for Cathay Real Estate Development Co., Ltd.”
- **100%** of suppliers signed the CSR clause
- **100%** completion rate for repeating the same mistakes health education and training
- Obtained **ISO 27001** Information Security certification
- Invested in solar-power generation industry through subsidiary San Ching Engineering

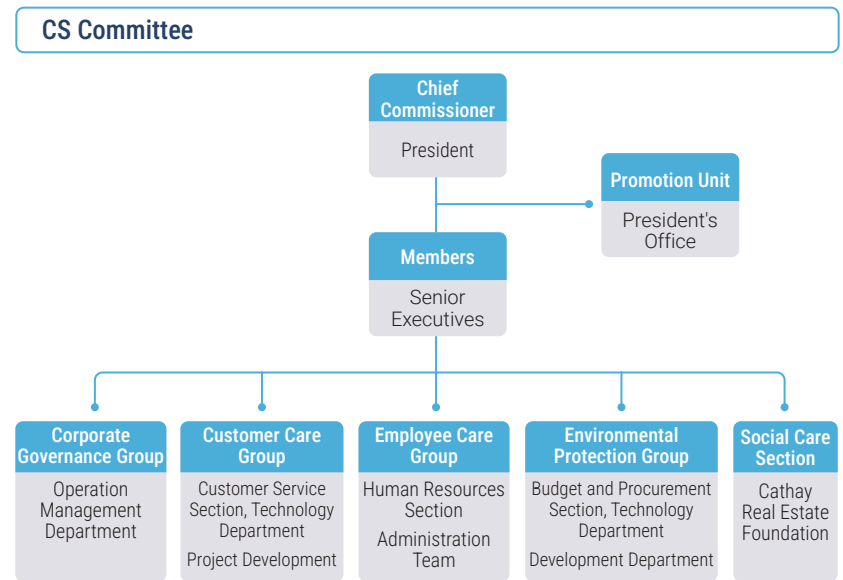


1.1 Blueprint I: Sustainable Governance GRI 2-12 GRI 2-13 GRI 2-14

Corporate Sustainability Development Committee Structure and Operation

To implement the “Sustainable Development Best Practice Principles”, Cathay Real Estate takes the corporate “Sustainability Development Committee” (the CS Committee) as the core unit for promoting corporate sustainability governance and development. It is responsible for proposing and executing corporate sustainability development policies, systems or related management guidelines and concrete promotion plans. In addition, the promotion unit of the CS Committee is the Company’s President Office, which is responsible for integrating the CS Committee’s affairs and promotion matters.

The CS Committee is composed of senior executives appointed by the Chairman, with the President serving as the chairperson. It is divided into five working groups: “Corporate Governance”, “Customer Care”, “Employee Care”, “Environmental Protection”, and “Social Care”, which manage various sustainability affairs. The CS Committee convenes at least 2 meetings each year, inviting professional consultants to report and provide guidance on issues such as carbon rights and corporate sustainability trends. Each working group of the Committee also reports on the overview of business execution. Through questionnaires, material issues are identified with stakeholders and discussed in the CS Committee before being submitted to the Board of Directors for strategic plans. The Committee report to the Board of Directors at the beginning of each year on the previous year’s sustainability progress and formulate the current year’s sustainability development strategy, which is executed after the Board’s approval. The Board regularly reviews the effectiveness of policy implementation in accordance with the law to ensure continuous optimization of sustainability strategies.



Partnering with Subsidiaries to Promote Sustainability Affairs

To promote the Group’s sustainability affairs, we continue to assist subsidiaries in formulating internal sustainability policies and focusing on material sustainability issues. Based on service advantages, we build sustainability visions and goal setting, while building a complete and clear sustainability management mechanisms.

國泰健康管理
Cathay Healthcare Management

- Established five working groups for sustainable environment, social welfare, happy workplace, customer care, and corporate governance to promote sustainability affairs.
- Deliberated on the Company’s overall corporate sustainability development strategy and policy formulation.
- Initially defined sustainability issues of concern such as carbon emissions, social welfare, talent cultivation, customer service, medical care and environmental assessment.

三井工程
San Ching Engineering

- Deliberated on the promotion methods and dedicated unit establishment for sustainability issues
- Focused on sustainability issues such as low-carbon construction technologies and materials, occupational safety and health, corporate talent cultivation, GHG inventory, and investment in renewable energy development.

霖園管理維護
Lin Yuan Property Management

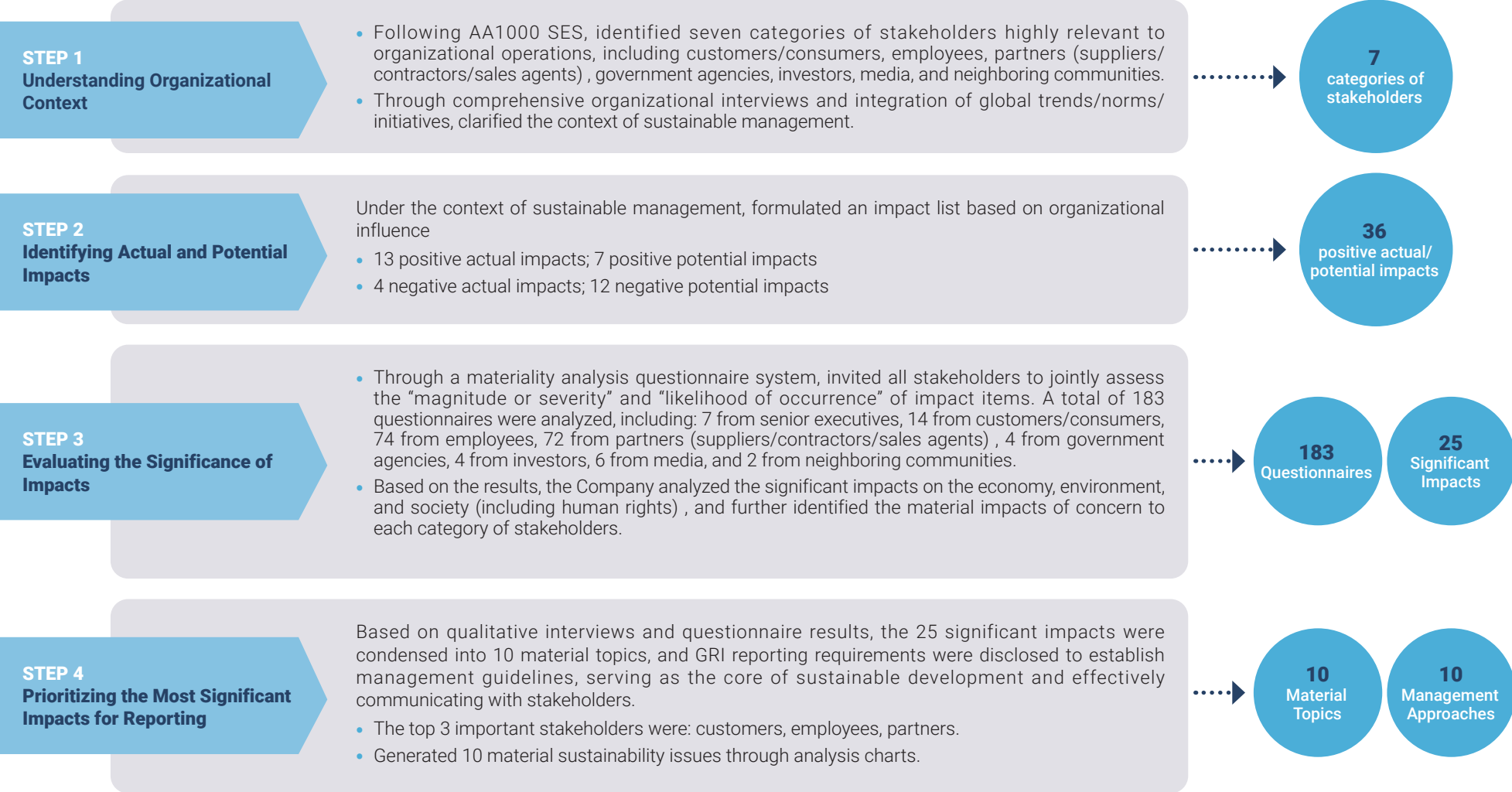
- Established an ESG team to engage with stakeholders through weekly ESG project meetings and compile reports to the highest governance unit.
- Promoted the green building project for managed buildings, with the goal of achieving building energy efficiency level 1 or above for the Group’s buildings. Plan to complete the building energy efficiency assessment of the Group’s buildings by 2030.
- In response to Cathay Life Insurance’s goal of promoting green landlords, cooperate in the implementation of building energy efficiency inventory and improvement projects
- Enhance employee competency through diverse training channels and conduct employee interviews to dynamically adjust the Company’s operational governance policies.



	Corporate Governance	Customer Care	Employee Care	Environmental Protection	Social Welfare
<p>Vision</p> <ul style="list-style-type: none"> Each hotel and supplier comply with relevant laws and regulations to maintain good interaction and strive for coexistence, co-prosperity and shared benefit Value customers' personal information, audit and continuously improve according to the personal data management system Possess "cyber resilience" to strengthen servers and network systems and upgrade protection 	<ul style="list-style-type: none"> Each branch continues to build senior-friendly hardware and software, and advocates for caring for seniors Combine eco-friendly stores and green destinations to promote sustainable tourism Continue to improve customer satisfaction through high-quality brand experiences 	<ul style="list-style-type: none"> Provide a complete remuneration adjustment mechanism to establish a good workplace environment Continue to promote workplace safety and employee health Maintain workplace gender equality and recruit diverse employees Forge sustainable campus collaboration to cultivate hospitality talents Operate competency education and annual training credit system to cultivate employees' workplace advantages 	<ul style="list-style-type: none"> Annually reduce water resource usage, electricity usage, conduct GHG inventory and carbon footprint, and obtain relevant certifications 	<ul style="list-style-type: none"> Donate idle assets to benefit rural areas and campuses Promote cherishing food activities, sponsor small farmers, and advocate sustainable ocean issues 	
<p>Action and Future Plans</p> <p>Legal Compliance</p> <ol style="list-style-type: none"> Include the "Corporate Compliance and Anti-Corruption Supplementary Clause" in contracts Zero corruption and related reporting incidents every year <p>Personal Data Protection</p> <p>The Committee holds meetings at least every six months to improve and provide recommendations for audit matters.</p> <p>Supplier Audit Evaluation and Traceability Mechanism</p> <ol style="list-style-type: none"> Annually increase the proportion of procurement amount from A-grade suppliers in the Evaluation Annually increase the proportion of green procurement 	<p>Senior-Friendly</p> <p>Each branch annually updates senior-friendly facilities and advocates for related issues</p> <p>Green Tourism and Health Promotion</p> <p>Each branch combines eco-friendly stores and green destinations to promote sustainable tourism</p>	<p>Employee Care</p> <p>Employee turnover rate \leq 35%</p> <p>Sustainable Talent Cultivation Campus Cooperation Plan</p> <ol style="list-style-type: none"> Partner with New Southbound international programs and craft art courses for junior high student Key position successor coverage rate reaches 75% internally 	<p>Water Resource Management</p> <p>Annually reduce water resource usage.</p> <p>Electricity Energy Management</p> <p>Annually reduce electricity usage.</p> <p>GHG and Energy Management</p> <p>By 2027, Cathay Hospitality Consulting's subsidiaries will complete carbon inventory certification applications and be included in the parent company's reporting.</p>	<p>Social Impact</p> <p>Continue to inject resources to help the disadvantaged and expand donation recipients.</p>	

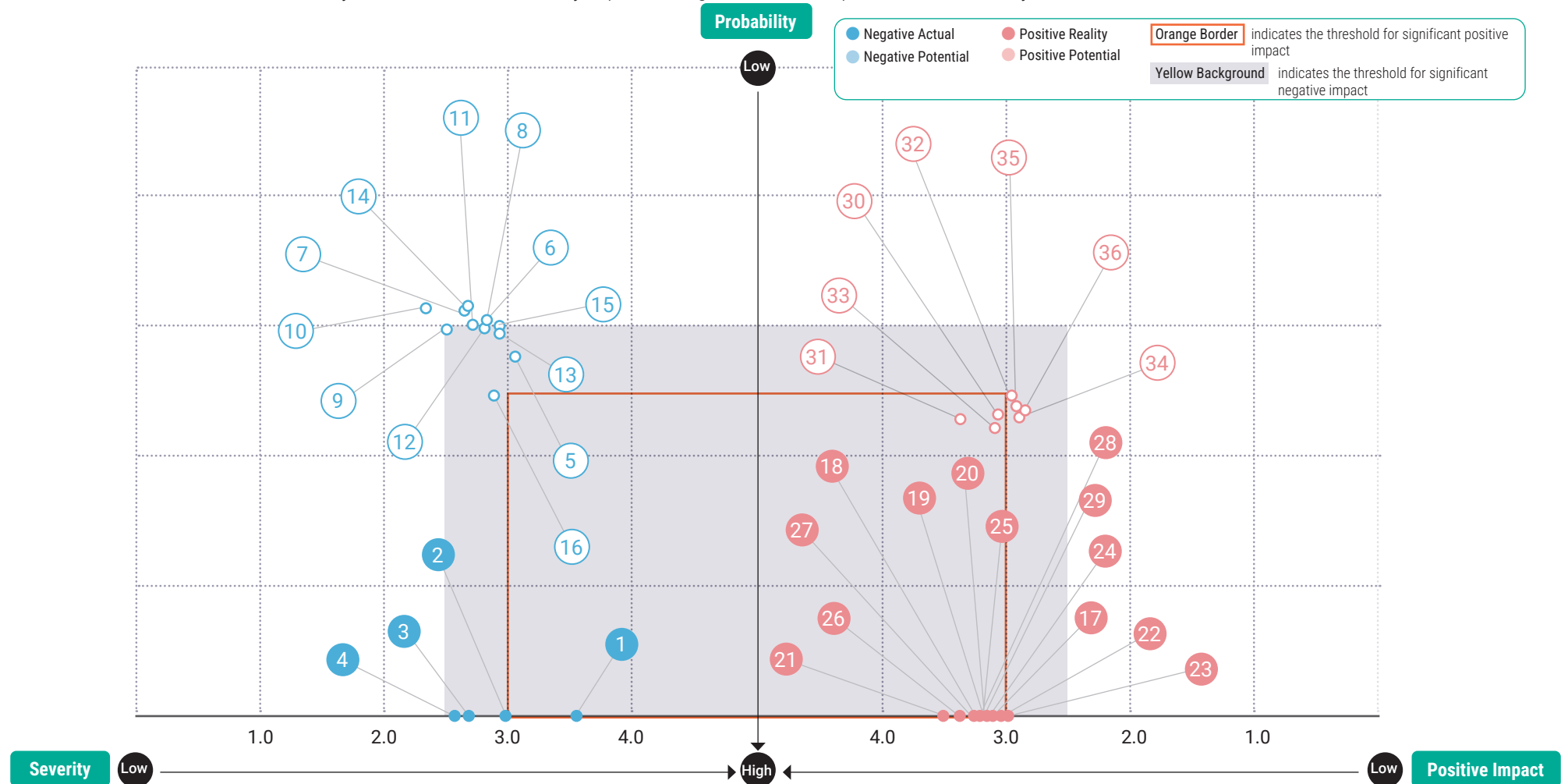
Material Topic Analysis Process GRI 3-1

Cathay Real Estate follows the AA1000 “Stakeholder Engagement Standards (the SES)” and the GRI Standards 2021 framework to identify important stakeholders throughout our business operations. We engaged these stakeholders to assess significance impacts across three aspects: economic, environmental, and social (including human rights) . In Compliance with these standards, we evaluated our operating strategy, global sustainability trends, and the external influence from the business activities. As a result, the 2023 review of material topics revealed no major changes. The Company will continuously formulate management guidelines and promotion plans for each issue, while serving as the basis for disclosing information in this Report.



Impact Duration Chart

In 2022, Cathay Real Estate identified actual and potential positive and negative impacts based on the value chain, sustainability trends, and industry practices. It considered the “magnitude and severity of impacts” and determined the probability of occurrence to define “likelihood of occurrence”. Finally, based on the analysis results, it generated the materiality impact duration chart. For positive and negative impacts, separate materiality thresholds were set to determine highly recognized impacts. Considering the impact aspects and operating entities, the material impacts were summarized into 10 material topics. In 2023, after reviewing the sustainability impacts, there were no significant changes, so the management guidelines and response methods continue to be disclosed in each chapter of this report. To understand the relationship between sustainability impacts and finance, in 2024, each working group of the CS Committee will measure the monetary value of some sustainability impacts to align with the concept of double materiality.



No.	Significant Impacts	Financial Impacts						Summarized into Material Topics
		1	2	3	4	5	6	
18	Establish a stable operating environment to effectively respond to risks and challenges				-			Corporate Governance and Regulatory Compliance
19	Institutionalize company regulations to enhance corporate governance performance and legal compliance	✓						
17	Create revenue and profit to meet stakeholders' economic performance expectations				-			
22	Properly manage information security to reduce the risk of hacking and enhance the foundation for the Company's digital development						✓	
5	Poor operating performance harms stakeholders' economic interests				-			
9	Inadequate cybersecurity controls hinder digital development				-			Supply Chain Management
30	Build a comprehensive sustainable supply chain to drive industry prosperity						✓	
31	Stable raw material supply ensures product/service quality						✓	
1	Unstable supply chain or fluctuations in raw material prices increase construction costs						✓	
21	Effectively manage construction/service quality, fulfill construction quality commitments, and enhance brand trust						✓	Project and Construction Quality Management
29	Consider the impact on neighboring communities during project development to create an atmosphere of community harmony				-			
13	Improper development of sites leads to damage to neighboring properties, affecting brand trust						✓	
15	Land development risks, which in turn affect project and construction quality						✓	Sustainable Design and Architecture
3	Compliance with energy efficiency regulations increases construction costs, compressing gross margins and market sales advantages						✓	
33	Improve building energy efficiency and align with the low-carbon economy to enhance brand image and corporate competitiveness						✓	Energy Resource and Emissions Management
4	Energy/water resource waste or price increases lead to higher operating costs and environmental impact					✓		
35	Properly conduct organizational carbon management, grasp potential climate/carbon costs, and implement environmental and ecological protection					✓		
10	Unable to effectively manage carbon assets, resulting in environmental impact and potential carbon cost pressures						✓	Construction Waste Management
24	Properly handle operational waste to implement environmental and ecological protection				-			
21	Effectively manage construction/service quality, fulfill construction quality commitments, and enhance brand trust				-			Sustainable Service and Brand Value
17	Create revenue and profit to meet stakeholders' economic performance expectations				-			
20	Integrate group and subsidiary advantages to develop diversified services and enhance Brand awareness		✓					
2	Customer changes, complaints, and handover disputes affect customer satisfaction with the Brand	✓						Social Inclusion and Reconstruction
27	Actively give back to society together with the Group to create shared social value	✓						
28	Build and share the real estate index from the core business to promote the flow of information in the real estate market				-			
29	Consider the impact on neighboring communities during project development to create an atmosphere of community harmony						✓	Happy Workplace and Talent Cultivation
26	Provide generous salary and benefits and a sound talent development mechanism to enhance talent attraction and industry competitiveness						✓	
16	Inability to attract outstanding talents leads to a talent gap and reduces industry competitiveness						✓	Occupational Health and Safety
25	Create a sense of workplace safety and a healthy environment to enhance employee loyalty and sense of belonging				-			
12	Occupational health and safety hazards and poor work safety management impact employee health and safety				✓			

Note1: Since customers are Cathay Real Estate's most valued stakeholders, considering the importance of their views and suggestions to us, after discussion by senior management and the Corporate Sustainability Development Committee, the items "Inability to effectively manage carbon assets resulting in environmental impact and potential carbon cost pressures" and "Properly conduct organizational carbon management to grasp potential climate/carbon costs and implement environmental and ecological protection" were included in the significant impact scopes.

Note2: The monetary value of financial impacts is categorized as follows: 1 represents NT\$0-5 million, 2 represents NT\$5-10 million, 3 represents NT\$10-30 million, 4 represents NT\$30-50 million, 5 represents NT\$50-100 million, and 6 represents values over NT\$100 million.

Relationship between Material Topics and Cathay Real Estate's Value Chain

GRI 3-2

We take the industry value chain as the starting point to examine the internal and external impacts caused by corporate operations, so as to clarify the connection between material topics and various types of stakeholders. The impacts of Cathay Real Estate's material topics on the value chain are determined through discussion by the Sustainability Development Committee, while also considering the scope of influence of related issues.

With the revision of GRI Standards in 2021, in 2022, Cathay Real Estate considered that material topics focus on the impacts of operations on the environment and society, which is different from understanding stakeholders' "level of concern" about issues as in the past. The CS Committee regularly reviews material topics. Since there have been none significant differences in Cathay Real Estate's views on material topics in 2023 compared to the previous year, the material topics remained the same.

Topics	Material Topics	Key Sustainable Content	Impact on the Value Chain				Corresponding GRI Standards	Disclosure Chapter
			Within the Organization	Outside the Organization				
			Cathay Real Estate	Upstream Land Owners, Financial Institutions	Midstream Architects, Construction Contractors	Downstream Sales Agents, Customers		
Governance Aspect	Corporate Governance and Regulatory Compliance	With "Integrity and Accountability" as the core management philosophy, internally we actively enhance corporate governance performance and adhere to regulatory compliance, properly manage risks to maintain stable operations, and build the foundation for Cathay Real Estate's sustainable development.	✔	✔	✔	✔	GRI 205: Anti-Corruption (2016) GRI 405: Diversity and Equal Opportunity (2016)	1.2 Blueprint II: Corporate Governance
	Supply Chain Management	Integrate the strengths of suppliers and partners from all sectors to consolidate upstream and downstream industry resources and build a sustainable supply chain.	✔		✔		GRI 308: Supplier Environmental Assessment (2016) GRI 403: Occupational Health and Safety (2018) GRI 414: Supplier Social Assessment (2016)	3.2 Commitment II: Working Safely Environment
	Project and Construction Quality Management	From land development to the construction stage, Cathay Real Estate upholds an uncompromising commitment to rigorously review land development, properly construct to mitigate impacts on surrounding sites, ensure the safety of building structures, and build homes that last a lifetime with every brick and tile.	✔	✔	✔	✔	Industry-Specific Issues	3.1 Commitment I: Uncompromising Construction Standards
Environmental Aspect	Sustainable Design and Architecture	Incorporate sustainability and green building design from the source, select environmentally friendly building materials and low-carbon technologies, and combine BIM and modular construction methods to create homes that coexist and harmonize with the environment for customers.	✔		✔		Industry-Specific Issues	4.3 Commitment III: Circular and Renewable Architecture
	Energy Resource and Emissions Management	Starting from daily operations management, Cathay Real Estate proactively responds to climate change issues such as TCFD by inventorying energy resource usage, promoting energy conservation plus carbon reduction measures, and disclosing GHG emissions, in order to reduce operating costs and risks while mitigating negative environmental impacts.	✔		✔		GRI 305: Emissions (2016)	1.3 Blueprint III: Climate Governance

Note : ✔ = Directly cause this impact Ⓞ = Directly related to this impact through business relationships




Topics	Material Topics	Key Sustainable Content	Impact on the Value Chain				Corresponding GRI Standards	Disclosure Chapter
			Within the Organization	Outside the Organization				
			Cathay Real Estate	Upstream Land Owners, Financial Institutions	Midstream Architects, Construction Contractors	Downstream Sales Agents, Customers		
Environmental Aspect	Construction Waste Management	Implement construction waste reduction and sorting at construction sites to promote the efficiency of recycling and reuse of waste resources and reduce illegal dumping, thereby practicing environmental protection for nearby communities.	☑		☑		GRI 306: Waste (2020)	4.2 Commitment II: Pollution Prevention at Construction Sites
	Sustainable Service and Brand Value	Upholding the brand values and core spirit of "Integrity, Accountability, and Innovation", we provide various secure and sustainable services, establish close and trusting relationships with residents for life, and work together with all stakeholders towards a sustainable future, exerting positive brand influence.	☑	☑	☑	☑	Industry-Specific Issues	2.1 Commitment I: Brand Vision Aligned with Customer Needs
	Social Inclusion and Reconstruction	Cathay Real Estate connects the resources of the Lin Yuan Group from its core business to practice the vision of giving back to society and sharing value through actual action projects.	☑				Industry-Specific Issues	6.4 Pillar IV: Creating Social Impact
	Happy Workplace and Talent Cultivation	Reward employees with a sound talent cultivation system and generous salaries and benefits, create an inclusive and friendly workplace, and forge a corporate culture of "Integrity, Professionalism, and Prudent Operation".	☑				GRI 201: Economic Performance (2016) GRI 202: Market Presence (2016) GRI 401: Employment (2016) GRI 402: Labor/Management Relations (2016) GRI 404: Training and Education (2016) GRI 406: Non-Discrimination (2016)	6.1 Pillar I: Happy Workplace
	Occupational Health and Safety	Cathay Real Estate rigorously ensures construction quality and safety, applying equally high standards to the workplace environments of employees and suppliers. Safety is our top priority across all operations.	☑		☑		GRI 403: Occupational Health and Safety (2018)	6.2 Pillar II: Employee Health and Safety





Note : ☑ = Directly cause this impact ☑ = Directly related to this impact through business relationships

Stakeholder Engagement

GRI 2-16 | GRI 2-29

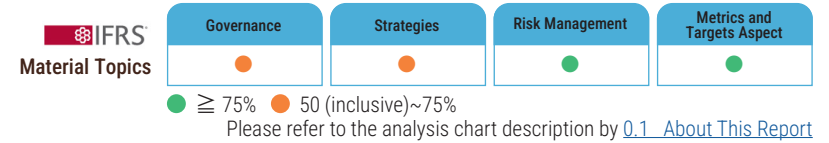
We believe that communication with stakeholders is an indispensable part of Cathay Real Estate's management. Following AA1000 Stakeholder Engagement Standard, we have identified 7 main categories of stakeholders and listen to their different needs and concerns about sustainability issues through diverse communication channels. We also establish appropriate communication channels based on the characteristics of different groups to respond to stakeholders' needs.

Type	Significance to the Group	Material Topics of Concern	Communication Methods and Frequency	2023 Results and the Group's Response
 <p>Clients/Consumers</p>	<p>Cathay Real Estate greatly values every opportunity to interact with and receive feedback from consumers. We hope to gain customer trust through high-quality service and see areas for continuous improvement from the customer's perspective.</p>	<ul style="list-style-type: none"> Supply Chain Management Sustainable Service and Brand Value Energy Resource and Emissions Management 	<ul style="list-style-type: none"> Unit Owner Assembly (irregular) Inspection and Handover (irregular) House Customization (once a month per floor during construction) Customer Service Mailbox / CRE App / Service Line / Fax / Line (instant) Official Website, Facebook Page Community Activities (irregular) Charity Events 	<ul style="list-style-type: none"> Assisted communities in establishing the first unit owner assembly and discussed community needs during the meeting. Conducted inspections and handovers, discussing deficiencies and improvements for each customer's unit, a total of 1,066 times. Adjusted unit layouts and configurations based on customer needs, provided feedback for future design from customization situations, and reviewed with construction contractors in a timely manner, a total of 697 times. Ensured the environmental hygiene of community residents, assisted communities in disinfection, a total of 14 events across Taiwan. Organized a series of lectures to help communities establish health awareness. Health lectures, a total of 10 events across Taiwan. Succulent plant activities, a total of 5 events across Taiwan. Service Review Meetings for the entire company in northern, central, southern and eastern Taiwan, a total of 12 meetings and 2,325 cases.
 <p>Employees</p>	<p>Employees are Cathay Real Estate's most valuable asset and play a crucial role in upholding our sustainable brand. Therefore, the Company is committed to the comprehensive development and well-being of the employees, fostering a motivated workforce dedicated to Cathay Real Estate's long-term success.</p>	<ul style="list-style-type: none"> Supply Chain Management Happy Workplace and Talent Cultivation Sustainable Design and Architecture 	<ul style="list-style-type: none"> Department Staff Meetings (monthly) Training (irregular) Book Club (once every 2 months) Health Lectures and Consultations Employee Complaint Mailbox (instant) 	<ul style="list-style-type: none"> Training: 616 attendees, 2,396 hours Pandemic Prevention Announcements: 2 notifications Health Consultations: A total of 36 sessions, 71 consultations Occupational Safety and Health On-the-Job Training: 5 sessions Information Security Education and Training: 134 attendees, 134 hour
 <p>Partners Suppliers, Construction Contractors and Sales Agents</p>	<p>Recognizing the value of exceptional partnerships, Cathay Real Estate is committed to cultivating long-term, mutually beneficial relationships with our partners. We aim to grow alongside our collaborators, developing sustainable cooperative ventures that create shared value.</p>	<ul style="list-style-type: none"> Sustainable Service and Brand Value Supply Chain Management Construction Waste Management 	<ul style="list-style-type: none"> Business Call (irregular) Construction Management Meetings (monthly) Handover Briefings (weekly) Sales-management Meetings (weekly) Design-management Meetings (irregular) 	<ul style="list-style-type: none"> Construction Management Meetings: 293 times Handover Briefings: 85 times Sales-management Meetings: 233 times Design-management Meetings: 72 times

Type	Significance to the Group	Material Topics of Concern	Communication Methods and Frequency	2023 Results and the Group's Response
 <p>Government Agencies</p>	<p>As a good corporate citizen, Cathay Real Estate strictly follows government regulations, cooperate with government policies, and maintain good relations with the government.</p>	<ul style="list-style-type: none"> Supply Chain Management Energy Resource and Emissions Management Happy Workplace and Talent Cultivation 	<ul style="list-style-type: none"> Government-organized Seminars and Symposiums (irregular) Daily Interaction with Various Departments (irregular) Official Documents (irregular) 	<ul style="list-style-type: none"> Cathay Real Estate actively integrated areas with urban renewal intentions and submitted them to the city government for review and to hold assemblies in accordance with administrative procedures: 1 time. Cathay Real Estate's sales contracts all comply with relevant laws and regulations on real estate sales. Before launching a project, we discuss the standard contract with local land administration bureaus in a timely manner and attend false advertising seminars held by the Fair Trade Commission to protect consumer rights. Participated in several seminars and symposiums related to urban and building laws and regulations to grasp the latest information on building laws and urban regulations, and pay attention to the latest regulations related to building materials to ensure construction quality is legal and compliant. Participated in government-organized investment briefings, actively seeking cooperation opportunities, a total of 6 sessions. Actively participated in government-organized symposiums investors.
 <p>Investors</p>	<p>Cathay Real Estate's operations must be accountable to investors, and investors will also take on supervisory responsibilities. Maintain a good interaction with investors and a sound supervisory mechanism are important advantages for Cathay Real Estate's stable operations and sustainable development.</p>	<ul style="list-style-type: none"> Supply Chain Management Happy Workplace and Talent Cultivation Occupational Health and Safety Energy Resource and Emissions Management 	<ul style="list-style-type: none"> Annual Shareholders' Meeting (annual) Financial Report Disclosure (quarterly) Institutional Investor Conference (annual) Official Website, Phone, Fax, E-mail (instant) Revenue Announcement (monthly) 	<ul style="list-style-type: none"> Held the 2023 shareholders' meeting in June to report the Company's business to shareholders. Disclosed the Company's financial reports quarterly, audited by an accounting firm. Attended an institutional investor conference in the third quarter of 2023 to explain the Company's operating performance and strategy to investors. Responded to shareholder-related information in accordance with laws, regulations and shareholder needs. Announced revenue status on the Market Observation Post System (MOPS)
 <p>Media</p>	<p>The media is one of the main external communication channels. Maintaining appropriate media relations is a key to ensure the accuracy of information delivered by Cathay Real Estate and advance the Brand image.</p>	<ul style="list-style-type: none"> Corporate Governance and Regulatory Compliance Sustainable Service and Brand Value Sustainable Design and Architecture 	<ul style="list-style-type: none"> Official Website Stakeholder Section Press Conferences Product launch conference Spokesperson Channels Online News, Social Media 	<ul style="list-style-type: none"> Quarterly release of Cathay Real Estate Index reports, maintaining good interaction with media. 59th anniversary 1 image film broadcast, 52 posts in total on YouTube and Facebook fan page, 3 online news articles.
 <p>Neighboring Communities</p>	<p>Neighbors (residents surrounding the project) are one of the most important stakeholders in the construction industry. Cathay Real Estate maintains good relationships with neighbors and community residents through various means (Construction Impact Analysis, Pre-Construction Community Engagement Sessions, plus more) and keeps our ears open to reduce the occurrence of neighbor damage incidents.</p>	<ul style="list-style-type: none"> Project and Construction Quality Management Construction Waste Management Social Inclusion and Reconstruction 	<ul style="list-style-type: none"> Community Impact Assessment Meetings (instant) 	<ul style="list-style-type: none"> Pre-construction construction impact analysis conducted by an impartial third party, a total of 6 cases. 32 social media posts communicating and interacting with followers. Volunteer community service, a total of 4 events. Published the 2023 Cathay Group Charity annual report newsletter in Chinese and English. Foundation official website disclose the relevant content to the public. Library organized teaching activities, a total of 288 hours.

1.2 Blueprint II: Corporate Governance

Material Topic - Corporate Governance and Regulatory Compliance



<p>Management Policy</p>	<p>With "Integrity and Accountability" as the core management philosophy, internally we actively enhance corporate governance performance and adhere to regulatory compliance, properly manage risks to maintain stable operations, and build the foundation for Cathay Real Estate's sustainable development. A "Code of Integrity Management" is specially established to require relevant internal personnel of the Company not to engage in dishonest behavior. In compliance with relevant laws and regulations, the employees should follow the internal corporate social responsibility related policies, such as the "Code of Ethical Conduct", "Sustainable Development Best Practice Principles", and "Cathay Real Estate Human Rights Policy". The President's Office is responsible for integrity management matters and regularly reports to the Board of Directors. The CS Committee is designated to be responsible for promoting integrity management related business activities. A dedicated audit unit is established to be responsible for internal audit and legal compliance matters. A corporate governance officer is also appointed to assist directors in implementing corporate governance matters.</p>	<p>Management Commitment</p>	<ul style="list-style-type: none"> • Prohibit bribery and taking bribes, prohibit providing illegal political contributions • Prohibit unreasonable gifts, entertainment or other improper benefits, prohibit improper charitable donations or sponsorships • Prohibit infringement of intellectual property rights, prohibit disclosure of business secrets • Prevent products or services from harming stakeholders, prohibit engaging in unfair competition • Analyze the operational impact of each information system, evaluate the tolerable interruption time of the system, tolerable data loss period, required resources, and priority of each system, and formulate an information operation continuity drill plan to regularly conduct disaster recovery drills for important systems. • Establish an information security management system and conduct information security risk assessment and improvement annually
<p>Dedicated Unit</p>	<ul style="list-style-type: none"> • The CS Committee as the dedicated unit for integrity management • Information and Administration Sections of the Operations Management Department 	<p>Resources Invested</p>	<p>A total of 29 people, including 5 committee members (along with the chairperson) , 2 promotion unit staff, and 22 people in five dedicated working groups.</p>
<p>Goals</p>	<p>Short-term (2024)</p> <ul style="list-style-type: none"> • Continue to review corporate governance scoring items. • Starting from the 2024 Q1 financial report, we announce the date of Board of Directors meetings in advance to protect the shareholders' right of knowing. • In line with the "Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", revise the Company's "Performance Evaluation Measures for the Board of Directors and Functional Committees", "Corporate Governance Best Practice Principles" and other regulations. • To promote Board gender diversity and strengthen Independent Director functions, add provisions that Directors of different genders shall not be less than 1 and the total tenure of independent directors shall not exceed 3 terms. • Complete ISO 27001 Information Security Management System re-evaluation and version difference analysis. • Implement cybersecurity education and training for all employees and social engineering drills. • Continue the natural disaster and major event reporting Line group for instant notification. 		

Goals	Medium-term (2027)	Long-term (2030)
	<ul style="list-style-type: none"> To implement the anti-corruption policy, subsidiaries should include anti-bribery clauses in contracts with suppliers. Establish the Company's risk management practice principles and have them approved by the Board of Directors. Subsidiaries regularly report litigation progress to the Board of Directors. Complete ISO 27001 Information Security Management System version update by 2025. Through the information security management system, continue to conduct information security risk assessment and improvement annually. Expand backup systems based on importance to reduce interruption impact. Review remote office solutions. 	<ul style="list-style-type: none"> Integrate the integrity management practices of the Real Estate Group, plan a consistent management system, and extend it to the supply chain to generate systematic management effects. Subsidiaries establish major information handling procedures to handle major information in a timely and accurate manner. To prevent employees and insiders of subsidiaries from violating insider trading regulations, subsidiaries establish insider trading prevention management measures. Establishment of Chief Sustainability Officer (CSO) Role. Regularly conduct external performance evaluations of the Board of Directors and functional committees. Consider the Company's operational structure, business development direction, future development trends and various needs, the Board of Directors composition is diversified. Continue to implement cybersecurity management requirements and risk improvement. Continue to review and implement business continuity drills. Review remote office solutions.

Management Approach Evaluation	Key Performance Indicators	2023 Evaluation Results
	<ul style="list-style-type: none"> Internal Control System Company's internal audit unit CS Committee reviews business execution status quarterly and reports implementation results to the Board of Directors annually Independent reporting mailbox of Company website: honest@cathay-red.com.tw Incidents of penalties or third-party complaints due to violation of the aforementioned policies and regulations Hacker attacks and damage from being hacked Information system disaster recovery level 	<ul style="list-style-type: none"> ✔ All senior executives signed the "Statement of Compliance with Integrity Management Policy" in 2023 ⊖ Conducted integrity management education and training for all employees to promote Cathay Real Estate's Code of Integrity Management, with 100% of employees' alignments. ⊖ No dishonest behavior occurred nor internal or external reporting incidents ⊖ No violations of human rights or anti-competitive behavior ⊖ No incidents of penalties or third-party complaints due to violation of the aforementioned policies and regulations ⊖ Reduce information security incidents based on current information operating procedures ✔ Introduced ISO 27001 Information Security Management System, comprehensively adjusted information-related regulations, and obtained certification in 2023 ⊖ Conducted 2 sessions of cybersecurity education and training for all employees and social engineering drills ⊖ Approved the establishment of private cloud and internal/external data exchange platforms

Note: ✔ Exceeding the original target or the previous year's performance, ⊖ Same as the original target or the previous year's performance, ✘ Did not achieve the set target

Robust Corporate Governance

Cathay Real Estate takes “Integrity, Professionalism, and Prudent Operation” as the highest guiding principles. The Board of Directors serves as the ultimate decision-making unit for corporate development and strategic direction setting. The Audit Committee and Remuneration Committee perform their supervisory duties. Cathay Real Estate regularly discloses financial and non-financial information related to the Company’s operations to protect shareholder rights and implement management through transparent information disclosure. Cathay Real Estate scored 79.02 points in the 9th Corporate Governance Evaluation, ranking in the 36%-50% range for listed companies and 41%-60% range for non-financial and electronic companies with a market value of over NT\$10 billion. We continue to optimize our corporate governance mechanism and strengthen the functions of the Board of Directors.

Board Structure and Operation

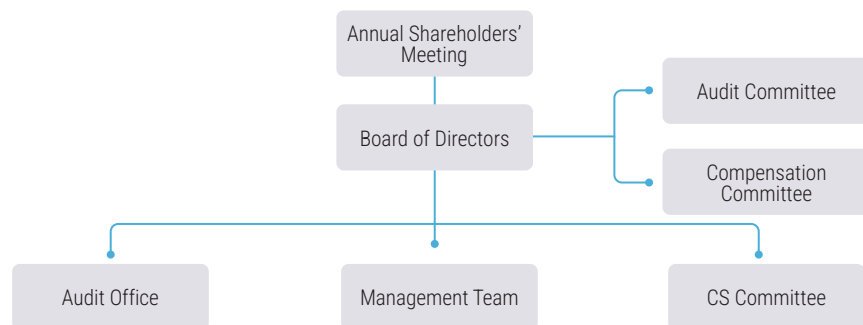
GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-15 GRI 405-1

Cathay Real Estate integrates sustainability issues into the governance level, discussing major sustainability issues and strategic planning at the Board of Directors, and based on the aspects covered by ESG-related risks and opportunities, resolving the responsible units for subsequent handling. In addition, to ensure that communication by the Board of Directors aligns with the interests of stakeholders, directors themselves or their represented legal entities with interests should recuse themselves to avoid conflicts of interest. For Board members, please refer to the official website: [Corporate Governance / Board of Directors Introduction](#).

The Board of Directors has an “Audit Committee” and a “Remuneration Committee” composed of independent directors. The Remuneration Committee is composed of all Independent Directors and is responsible for reviewing the performance evaluation and remuneration standards of Directors and managers, and establishing a remuneration and performance appraisal system. The Audit Committee regularly conducts pre-, ongoing, and post-event supervision of the Company’s internal control system, performance evaluation, financial statement appropriateness, major financial and business processing, and legal compliance to ensure the legality and compliance of the Company’s operations and promote the Company’s long-term development and performance improvement.

For the list of “Audit Committee” and “Remuneration Committee” members, please refer to the official website: [Corporate Governance / Committees](#).

Governance Chart



Board Selection Process

The Company’s articles of incorporation stipulate that the election of directors adopts the candidate nomination system, and in accordance with the Company’s “Procedures for Election of Directors” and “Corporate Governance Best Practice Principles”, candidates are nominated based on the requirements for board structure, diversity, expertise and capabilities, and submitted to the shareholders’ meeting for election after being approved by the Board of Directors. To strengthen corporate governance and promote the sound development of board composition and structure, we follow Cathay Real Estate’s “Corporate Governance Best Practice Principles” and consider the Company’s operational structure, business development direction, future development trends, and nominate candidates based on aspects such as Directors’ basic composition and professional experience, which are submitted to the shareholders’ meeting for election after being approved by the Board of Directors.



Board Expertise, Independence and Diversity

GRI 2-10 GRI 2-17

Cathay Real Estate’s Board of Directors consists of 9 Directors, including 3 Independent Directors. The Company also values gender equality on the Board, with 1 female Director currently on the Board. We emphasize independence and uphold the corporate governance philosophy of separation of powers. The Chairman and President are not the same person and respectively assume the responsibilities of supervision and execution. In addition, all members of the Company’s Board of Directors have more than 5 years of rich experience and expertise in business, construction, legal and other fields. Among them, Chairman Chang, Ching-Kuei has an architect’s license, and President Lee, Hung-Ming has the Royal Institution of Chartered Surveyors (RICS) certification, both possessing extensive industry experience. To continue strengthening the professional knowledge of the Board of Directors and grasp industry trends, we regularly arrange director training every year, with courses covering topics such as corporate governance, green industry, and climate change. In 2023, each director received an average of 8 hours of training. For directors’ course participation, please refer to pages 74-75 of the [Annual Report](#).

Board Training Courses	Board Members	Total Teaching Hours
2023 Insider Trading Prevention Seminar*	3	9
Director and Supervisor Training - "Corporate Resilience and Taiwan's Competitiveness"*	1	3
2030-2050 Green Industrial Revolution	1	3
Corporate Governance Lecture - Green Energy Innovation Business Model for Corporate Governance	1	3
Global Future Risks and Opportunities for Sustainable Transformation*	2	6
Cathay Sustainable Finance and Climate Change Summit	5	30
The Role and Responsibilities of the Board of Directors/Senior Executives in ESG Governance*	1	3
Corporate Growth Strategies and External Innovation	1	3
The Big Bang of Artificial Intelligence: The Technological Development and Business Opportunities of ChatGPT	1	3
Practical Response of Board Members to Information Technology Trends	1	3
Tax System Reform and Corporate Tax Governance in the Global and Taiwan Context under ESG Trends and Pandemic Environment	1	3
How Startups Should Plan Equity and Design Organizational Structure	1	3

Note: * indicates courses related to integrity management. Please refer to [1.2 Integrity Management](#), for detailed information on Cathay Real Estate's Integrity management approach.

Subsidiary Board Member Training Courses

	 國泰健康管理 Cathay Healthcare Management	 三井工程 San Ching Engineering
Training/ Education Content	Consensus Camp/Health Industry Trends and Health Promotion Practices	Information Security Education Training
Hours	8	1
Number of Participants	2	4
Attendance Rate	100%	100%

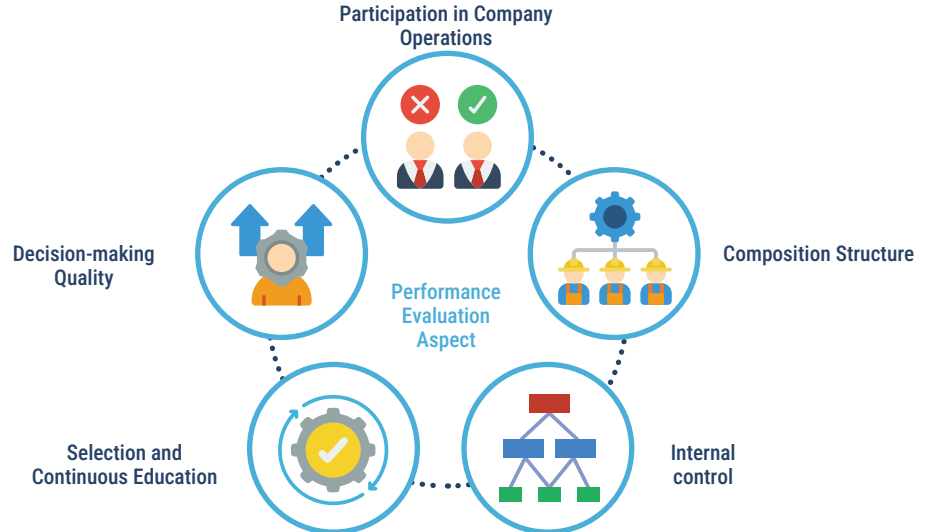
Board Performance Evaluation and Remuneration System

GRI 2-18	GRI 2-19	GRI 2-20	GRI 2-21
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The Company has established the "Remuneration Policy for Directors and Managers". The Remuneration Committee evaluates the performance of Directors based on indicators such as attendance rate, fulfillment of social responsibility, business and financial operations supervision, internal control and audit management, annual goal achievement, internal control, leadership and management capabilities, and submits the evaluation results to the Board of Directors for approval as the basis for determining the remuneration of Directors and managers. In 2023, the ratio of the highest individual remuneration to the median annual total remuneration of other employees (excluding the highest individual remuneration) at Cathay Real Estate was 10.5%, and the ratio of the annual increase in the total remuneration of the highest remunerated individual to the median annual total remuneration of other employees (excluding the highest individual remuneration) was -3.4%.

Cathay Real Estate reviews the Company's "Organizational Rules for the Compensation Committee", "Guidelines for Managers' Remuneration", "Guidelines for Directors' Remuneration", "Guidelines for Managers' Performance Evaluation", and "Guidelines for Directors' Performance Evaluation" after each re-election of the Board of Directors. In addition, Cathay Real Estate's Board of Directors has established the **"Performance Evaluation Measures for the Board of Directors and Functional Committees"**. Every year, performance self-assessment are conducted for the Board of Directors and functional committees based on aspects such as the degree of participation in operations, improvement of the quality of Board decisions, composition and structure of the Board and functional committees, selection and continuing education of Directors and functional committee members. The evaluation results are divided into three levels: "Exceeds Standards", "Meets Standards", and "Needs Improvement". The 2023 evaluation results were above standards. For information on Cathay Real Estate's Board remuneration, please refer to [Annual Report](#) pages 39-40.

Board Performance Evaluation Aspect



Integrity Management

GRI 2-23 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 2-27 | GRI 205-1 | GRI 205-2 | GRI 205-3

Policies and Management Procedures

Cathay Real Estate has established the “Code of Integrity Management” and “Internal Audit Mechanism” and “Code of Ethical Conduct” with reference to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, defining the standards of integrity and ethics that the Company should comply with in its business scope. We ensure that all of the Company’s operations comply with legal regulations through a dedicated audit unit responsible for internal audits in accordance with a complete internal control system.

In 2023, all senior executives signed the “Statement of Compliance with Integrity Management Policy”, pledging adherence to the TWSE’s “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Cathay Real Estate’s own “Code of Integrity Management”. This commitment underscores our dedication to fostering a sustainable development environment through transparent and responsible management practices, thereby strengthening our corporate governance and risk control mechanisms. The Board of Directors passed the amendment to the Code of Integrity Management, designating the CS Committee as the Company’s dedicated unit for promoting integrity management, with its main responsibilities being:

1. Assisting in integrating integrity and ethical values into the Company’s business strategy and formulating relevant preventive measures in accordance with laws and regulations.
2. Formulating programs to prevent dishonest conduct.
3. Promoting integrity policy education and training. In 2023, directors, supervisors, all employees, and new employees participated in education and training for a total of **111.5 hours** and **188 participants**.
4. Planning a reporting system to ensure its effectiveness.

2023 Integrity Management Education and Training

Teaching target	Course Content	Hour / Person	Number of Participants	Attendance rate
All employees	Advocacy of Code of Integrity Management for Cathay Real Estate, and the micro-movie from Ministry of Justice.	0.5	156	100%
New Hires	New Hires Training	0.5	25	

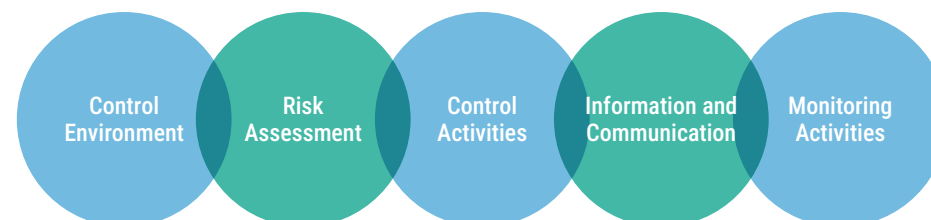
Note: Detailed information related to Directors and Supervisors Training, please refer to [1.2 Board Expertise, Independence and Diversity](#).

Integrity Management Practices

Cathay Real Estate promotes integrity management across governance units, internal staff, and supply chain partners to foster a robust corporate culture and collaborative relationships. Board members are required to sign integrity declarations, ensuring the implementation of ethical principles at the highest governance level. We regularly conduct educational training on integrity management and anti-corruption through courses and questionnaires for both the Board plus all employees. New hires are mandated to participate in integrity management training, ensuring comprehensive understanding of our internal code of conduct. Furthermore, we also include anti-corruption clauses in supplier CSR contract requirements, extending the principles of integrity management to the value chain. In 2023, 100% of suppliers signed the CSR clause.



Internal Control System



Compliance with laws and regulations | GRI 2-23 | GRI 2-24 | GRI 2-25 | GRI 2-26 | GRI 2-27 | GRI 205-1 | GRI 205-2 | GRI 205-3

Legal Compliance Management System and Commitment

While expanding our business, we also strictly comply with relevant laws and regulations. Cathay Real Estate’s Development Department tracks and monitors government-related regulations every month, including: real estate development regulations (construction, land administration), real estate purchase and sale standard contract provisions, real estate registration regulations and other regulations, fully grasping revisions and additions to laws and regulations to ensure that Cathay Real Estate takes into account legal compliance and protects customer rights when conducting real estate purchase and sale transactions. In 2023, Cathay Real Estate and its subsidiaries—Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and Lin Yuan Property Management Co., Ltd.—reported no major penalties or regulatory violations.

San Ching Engineering was penalized in 2023 for incidents such as construction noise and project safety. We take every violation incident seriously and view it as nourishment for growth and improvement. We have clarified the causes of the penalty incidents in 2023 and formulated improvement measures.

Cathay Real Estate’s Commitment to Legal Compliance

 <p>Human Rights Laws and Regulations</p>	<ul style="list-style-type: none"> • Compliance with Labor Standards Act • No use of child labor • No discrimination • No infringement of indigenous rights • No infringement of freedom of association and assembly • No forced labors
 <p>Anti-competitive Behavior</p>	<ul style="list-style-type: none"> • No anti-competitive behavior • No antitrust incidents • No monopoly incidents
 <p>Company-related Laws and Regulations</p>	<ul style="list-style-type: none"> • No violation of Company Act • No violation of securities and financial regulations • No corruption incidents • No political contributions

Legal Penalty Incidents in 2023

Case	Case Description	Penalty Amount (Unit: NT\$)	✓ Improvement Measures
<p>2023.05 Taoyuan Sanmin Section</p>	<ol style="list-style-type: none"> 1. On-site inspection on February 13, 2023, the steel bar lifting and hoisting operation did not communicate and adjust the necessary safety protection equipment or measures for their work, and there were no safety and health education and training records. 2. On-site inspection on May 5, 2023, for formwork assembly work at a height of more than 2 meters on the B3F floor, safety belts and other protective equipment should be properly used. 	<p>250,000</p>	<ol style="list-style-type: none"> 1. Contractor entry data submission, general safety and health education and training. 2. Set up safety lifelines for formwork work at heights and have workers hook safety belts.
<p>2023.04 Songjiang Road Building</p>	<p>On-site inspection on March 14, 2023, for scaffolding work on the 1F indoors, openings at a height of more than 2 meters were not equipped with guardrails, safety nets and other protective equipment.</p>	<p>240,000</p>	<p>Comprehensively inspect and restore opening protection equipment for indoor scaffolding at a height of more than 2 meters.</p>
<p>2023.03 Songjiang Road Building</p>	<p>On-site inspection on February 12, 2023, the person in charge of the workplace did not direct and supervise the plastering and door/window assembly work on B5F and 1F, and personnel did not wear safety helmets.</p>	<p>140,000</p>	<p>Require the person in charge of the workplace to indeed direct and supervise on site, and for operating personnel to wear safety helmets. Implement at closing meetings and coordination meetings, and fine those who do not cooperate in accordance with regulations.</p>

Reporting System

To prevent the occurrence of illegal or corrupt incidents, in addition to regularly promoting policies and courses to reduce the possibility of incidents occurring, Cathay Real Estate strives to respond to stakeholder opinions in a timely manner and establishes reporting and complaint channels (e.g., Integrity Management Reporting Mailbox and sexual harassment prevention mailbox). When a complaint message is received, relevant supervisors/departments are immediately notified, and investigations and meetings are conducted. During the process, experts are consulted to assist in improving remedial measures, and related units are supervised and disciplined to ensure that misconduct has nowhere to hide.

ESG Risk Management

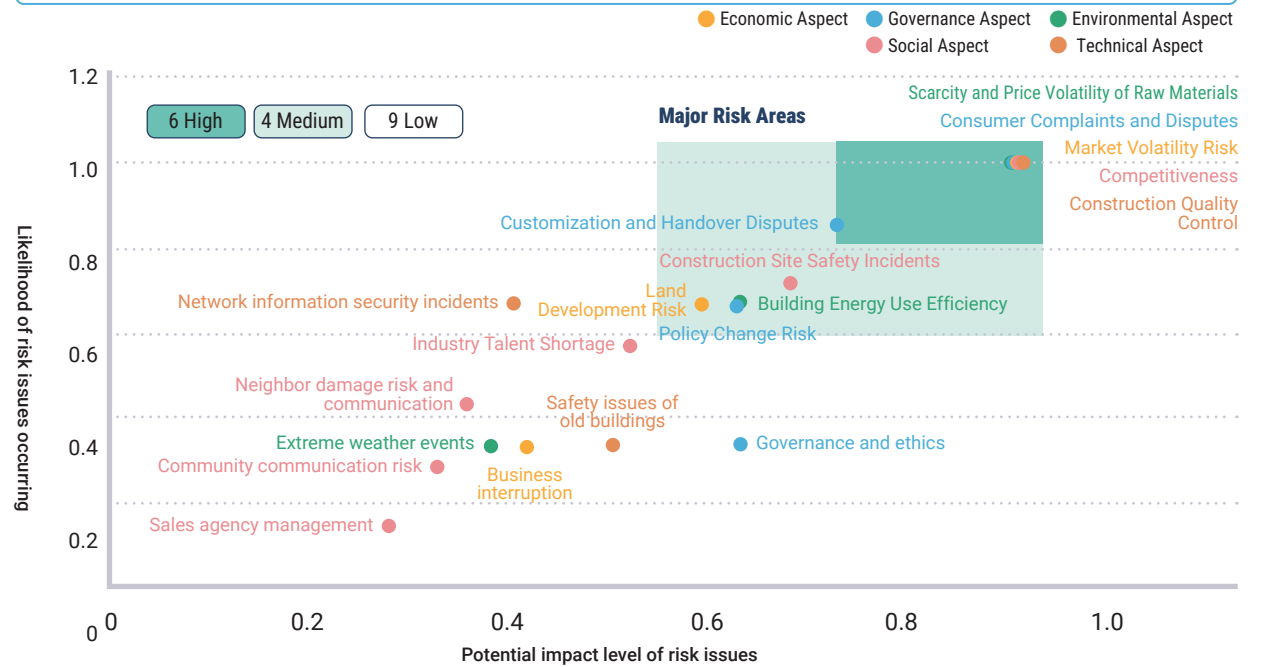
Since 2018, Cathay Real Estate has officially introduced the corporate ESG risk management framework jointly developed by the World Business Council for Sustainable Development (WBCSD) and the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We identify and prioritize ESG risk issues in the value chain, formulate preventive, handling and improvement measures before, during and after risk occurrence, and continuously enhance the risk management mechanism through the PDCA four processes: Plan, Do, Check, Act.

ESG Risk Analysis Process



Note: For the detailed process of ESG risk identification, please refer to the 2018 Cathay Real Estate Corporate Social Responsibility Report ([1.1 Identification of Sustainable Operation Risks](#))

Cathay Real Estate ESG Material Risk Issue Matrix



Aspect of Risk Issues

	Avoidance Risk (High)	Decrease Risk (Medium)	Accept Risk (Low)
Environmental	1 item	1 item	1 item
Social	1 item	1 item	4 item
Economic	1 item	1 item	1 item
Governance	2 item	1 item	1 item
Technology	1 item	0 item	2 item

Cathay Real Estate Material ESG Risk Issue Definition and Response Actions

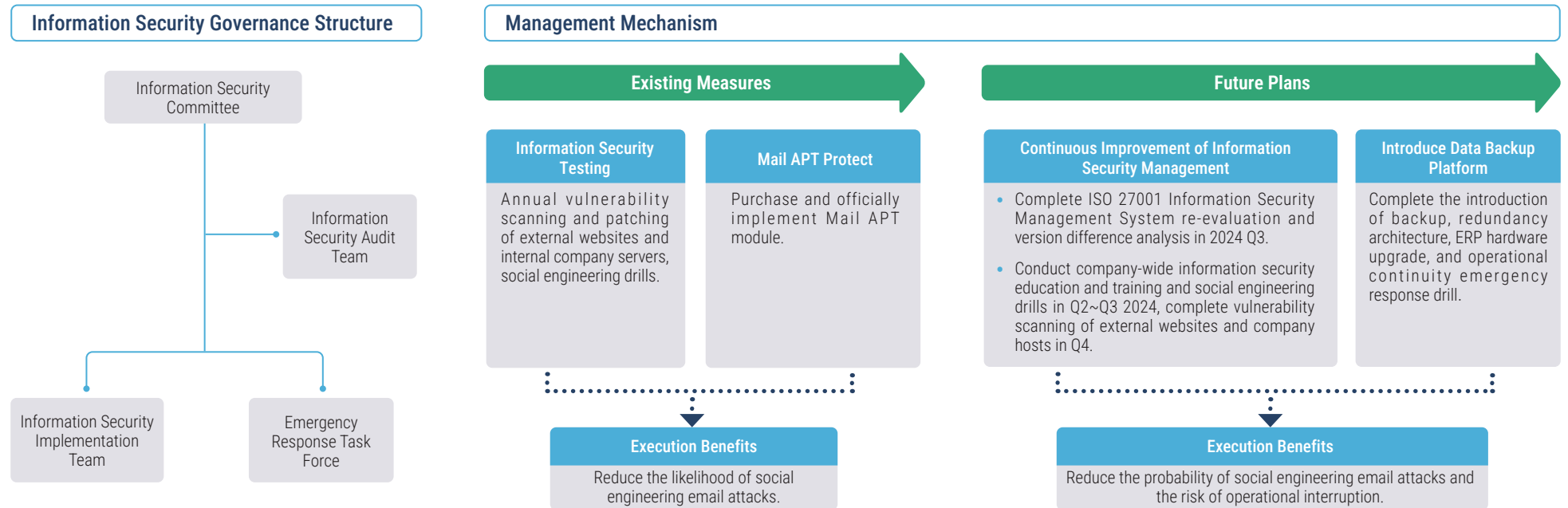
Cathay Real Estate’s CS Committee is responsible for monitoring changes in material ESG risks, and each working group of the committee proposes risk management assessments and action guidelines. In recent years, Cathay Real Estate’s CS Committee has continued to track sustainability-related risks through the five working groups of “Corporate Governance”, “Customer Care”, “Employee Care”, “Environmental Protection”, and “Social Care”. Referencing the IFRS Sustainability-related Financial Disclosure Standards, it has optimized ESG risk response strategies. After discussion by the CS Committee, the lack of industry talent has been included in Cathay Real Estate’s material sustainability risks.

Aspect	Material Risk Issues	Potential Impact	Cathay Real Estate’s Response Actions	CS Committee Responsible Unit
Environmental Aspect	Scarcity and Price Volatility of Raw Materials	Increased raw material costs due to supply scarcity or major price changes	Actively seek alternative raw materials to gain market first-mover advantage	Environmental Protection Group
	Building Energy Use Efficiency	Continuously rising energy prices, affecting the Company’s long-term operating costs	Introduce energy-saving design in buildings to reduce building energy use and respond to green building plus environmental sustainability concepts	Environmental Protection Group
Social Aspect	Competitiveness	The possibility of hindering and impacting the Company’s realization of established strategies or goals due to insufficient competitiveness	Each CS Committee working group is responsible for promoting the actions of material topics and discussing the relevance of sustainable development and Cathay Real Estate’s competitive advantages through regular meetings.	5 Functional Groups
	Construction Site Safety Incidents	Incidents that occur during the construction process and may cause injury to any personnel (including but not limited to passers-by and workers)	Establish preventive mechanisms and regulations, implement risk control and preventive measures, and create a safe workplace environment	Environmental Protection Group
	Industry Talent Shortage	Unable to attract and retain suitable talents, resulting in a talent gap and affecting corporate competitiveness	Select talents with cultivation and management abilities for promotion to management positions, and expand talent sources through campus internships	Employee Care Group
Economic	Market Volatility Risk	Bubbles in commodities and stock assets in major economies or regions, or changes in market demand due to economic conditions and population structure	Expand the real estate market in different regions to increase the diversity of asset allocation. Actively develop architectural products suitable for future population structures to seize future business opportunities.	Corporate Governance Group
	Land Development Risk	Potential land pollution and geological structure issues that may occur when purchasing land	Maintain rigorous land analysis and investigation, and further develop it into a business model	Environmental Protection Group
Governance Aspect	Consumer Complaints and Disputes	Any written or verbal expression of dissatisfaction with the Company’s products or services by stakeholders (especially customers)	Propose concrete solutions for complaints or consumer issues and conduct good communication to enhance corporate image	Customer Care Group
	Customization and Handover Disputes	Expectation gaps at different points in time between purchasing a house and handover, resulting in handover dispute risks and impacting the Brand reputation	Propose concrete solutions for customization or handover issues and conduct good communication to enhance corporate image	Customer Care Group
	Policy Change Risk	Due to the long construction period, policy changes during the sales and construction period affect revenue and profit risks	Continue to improve sales strategies and construction methods to shorten the construction period and reduce risk exposure	Corporate Governance Group
Technical	Construction Quality Control	Declining construction quality due to improper supervision, leading to decreased corporate competitiveness	Maintain rigorous construction quality control to consolidate a sustainable brand	Environmental Protection Group

Information Security Management Mechanism

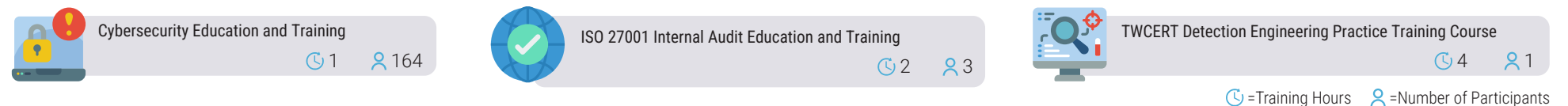
To effectively respond to information security-related risks such as data theft and cyber attacks, enhance information security systems and protection capabilities, an Information Security Committee was established in June 2023 as the highest management unit for information security issues, with the Chairman, President, and Senior Vice President serving as advisory committee members, the Chief Information Security Officer (CISO) serving as the chairperson, and the Vice President, Associate Vice President, department heads serving as committee members. An Information Security Implementation Team is set up under the committee to formulate the "Information Security Policy" as the foundation for information systems, networks, and computer rooms to protect the rights and interests of Cathay Real Estate, customers and employees. The "Information Security Incident Handling Operating Guidelines" are established to build handling and reporting procedures when information security incidents occur. It passed the ISO 27001 certification in September 2023.

Cybersecurity Management Framework



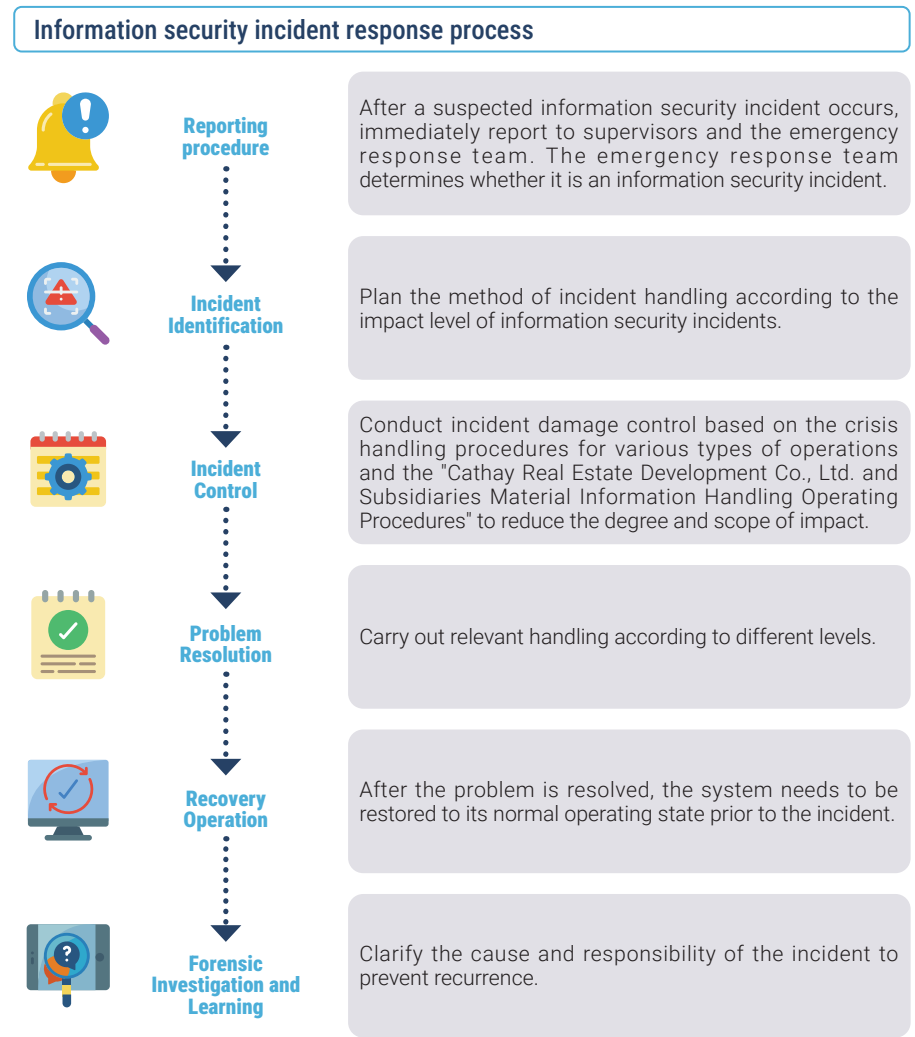
Implement Information Security Education and Training

To promote the establishment and cultivation of an information security culture, Cathay Real Estate conducts information security education and training, aiming to let all colleagues deeply understand the importance of information security, learn how to effectively protect sensitive information and prevent information security risks. In 2023, the completion rate of information security education and training reached 100%.



Information Security Incident Response Measures

Cathay Real Estate has constructed a information security incident response process to ensure timely response to information security incidents. If a suspected information security incident occurs, it is handed over to the Emergency Response Task Force to determine whether it is an information security incident and plan the incident handling method according to the severity, ensuring that every colleague clearly knows how to respond to information security incidents and jointly safeguard the information security of Cathay Real Estate and customers.



Industry and Public Influence

GRI 2-28

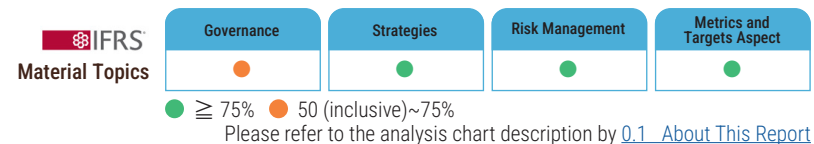
In addition to actively promoting sustainable development, Cathay Real Estate also hopes to move forward together with other industry partners. We participate in the following external organizations to promote information exchange, grasp industry dynamics and regulatory information, and communicate with competent authorities to exert influence on public policies.

External Organizations Participated by the Company

Unit Name	Reason for Participation
The Institute of Internal Auditors, R.O.C.	Obtain the latest laws, regulations and policy changes
Taipei Real Estate Marketing Agency Association	Obtain the latest information and closely connect with the industry
Taichung Architecture Development Association	
Taichung Construction Quality Control Association	
The Real Estate Development Association Tainan	
Tainan Judicious Creative Architecture Association	
Kaohsiung Housing Research Organization	
FIACBI-Taiwan	Obtain required information for leasing small passenger cars and the latest regulatory information
The Third Wednesday Club	
The Taipei Leasing Association, R.O.C	Cooperate with project submission for review and obtain the latest market, legal and policy information
The Real Estate Development Association of Taipei	
Taoyuan Real Estate Development Association	
Hsin Chu Real Estate Development Association	
Taichung real estate development association	
The Real Estate Development Association of Tainan	
The Real Estate Development Association of Kaohsiung	
The Real Estate Development Association of Kaohsiung City	
Taiwan Stock Affairs Association	A bridge for communicating opinions with competent authorities; the association conveys member opinions and suggestions to competent authorities as a reference for policy formulation.

1.3 Blueprint III: Climate Governance

Material Topic - Energy Resource and Emissions Management



<p>Management Policy</p>	<p>The Company recognizes that environmental protection is an important issue that currently requires joint efforts from people around the world. We face the impact of global warming on the ecology and the importance of environmental protection. In addition to closely monitoring the impact of climate change on operational activities, we have also formulated company energy conservation, carbon reduction and GHG reduction policies. Starting from our own energy conservation and carbon reduction, we lead customers to jointly move towards a low-carbon and sustainable future.</p>	<p>Management Commitment</p>	<ol style="list-style-type: none"> 1. Strive for energy conservation plus environmental protection by procuring "Water Conservation Mark" faucets and toilets, as well as nationally certified energy-saving electrical equipment. 2. Raise environmental awareness and sustainability through four management goals: improving energy and resource efficiency, reducing GHG emissions, optimizing resources utilization, and minimizing waste. 3. Mitigate environmental impact pressure by enhancing value chain communication on environmental risk awareness, continuously promoting internal/external education and training on sustainable risk along with environmental impact management; furthermore, actively advocating the participation of all employees, suppliers and contractors to ensure the fulfillment of value chain sustainable management commitments. 4. When comes to selecting operating and office locations, we commit to follow government regulations and avoid establishing in global or national key biodiversity areas.
<p>Dedicated Unit</p>	<p>CS Committee</p>	<p>Resources Invested</p>	<p>Some project purchases of water-saving toilets and faucets cost approximately NT\$81.08 million, GHG inventory costs approximately NT\$180,000, and verification costs NT\$336,000.</p>
<p>Goals</p>	<p>Short Term (2024)</p> <ul style="list-style-type: none"> • GHG emission intensity \leq 10.3 tons CO₂e/person • Parent company GHG inventory: inventory and verification operations • Subsidiary GHG inventory: inventory in 2025 	<p>Medium Term (2027)</p> <ul style="list-style-type: none"> • GHG emission intensity \leq 9.8 tons CO₂e/person • Include subsidiary verification operations 	<p>Long Term (2030)</p> <ul style="list-style-type: none"> • GHG emission intensity \leq 9.8 tons CO₂e/person • Parent company GHG inventory: continuous inventory and verification • Subsidiary GHG inventory: continuous inventory and verification
<p>Management Approach Evaluation</p>	<p>Management Evaluation Mechanism</p> <ul style="list-style-type: none"> • GHG emissions (tons CO₂e) • Purchased electricity (kWh) • ISO 14064-1:2018 GHG inventory coverage rate 	<p>2023 Evaluation Results</p> <ul style="list-style-type: none"> ✓ Invested in solar-power generation industry through subsidiary San Ching Engineering ✓ In response to the Ministry of Finance's policy of promoting electronic invoices and the Company's sustainable green operation goals ✓ Require contractors to strengthen construction site environmental maintenance, including air pollution prevention, noise control and water pollution prevention. 	

Note: ✓ Exceeding the original target or the previous year's performance, = Same as the original target or the previous year's performance, ✗ Did not achieve the set target

Climate Governance Structure | TCFD Governance

The World Economic Forum (the WEF) “**WEF Global Risks Report 2024**” points out that extreme climate is one of the risks that will have a huge impact on humans in the next 10 years. To enhance climate risk response measures, Cathay Real Estate follows the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD) to systematically identify and assess climate change-related risks and opportunities, explore their potential financial impact on operations, and gradually formulate relevant management measures and incorporate them into the Company’s overall risk management mechanism.

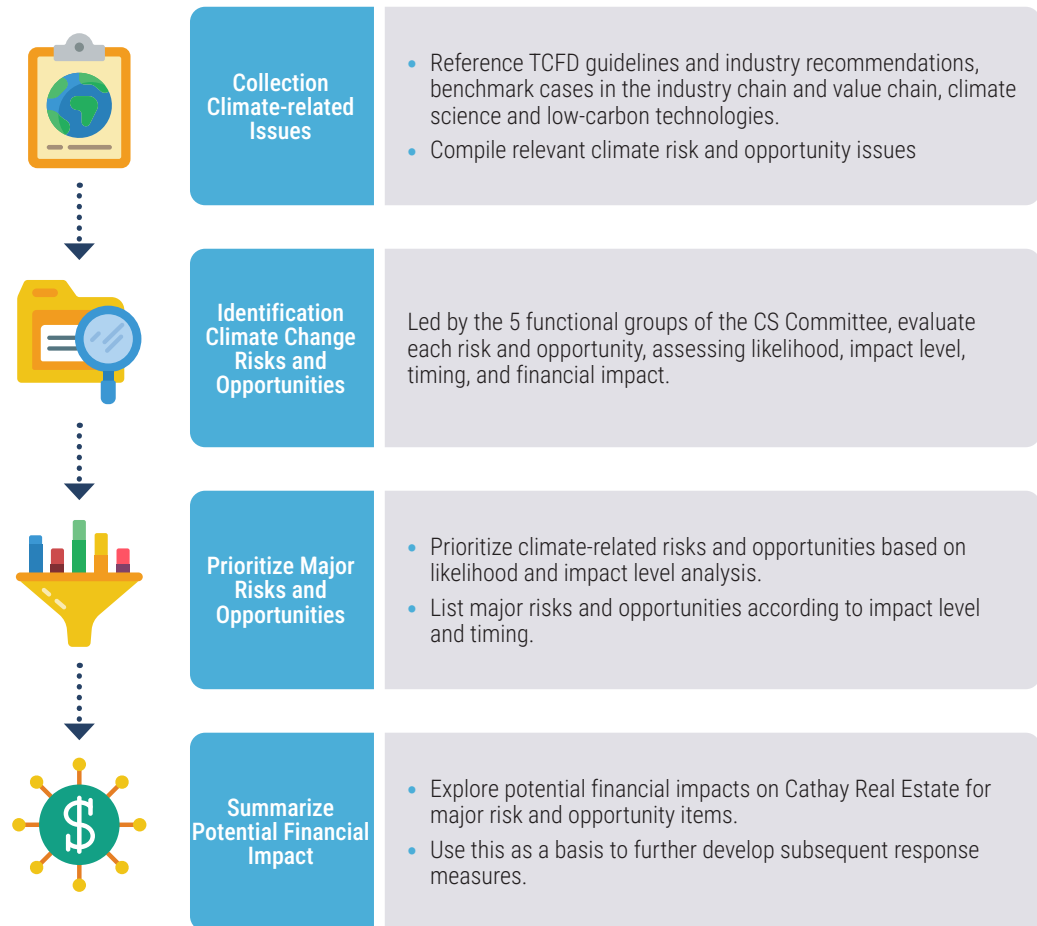
We take the Board of Directors as the highest supervisory body for corporate sustainability management strategies and integrate climate change risks and opportunities into the internal control system. The CS Committee and its 5 functional working groups under the Board of Directors serve as a platform for cross-departmental communication and management of corporate sustainability development-related issues. They are responsible for executing and promoting plans related to material sustainability issues, risk issues, and climate-related issues, and regularly report the execution performance of environment-related plans to the Board of Directors.

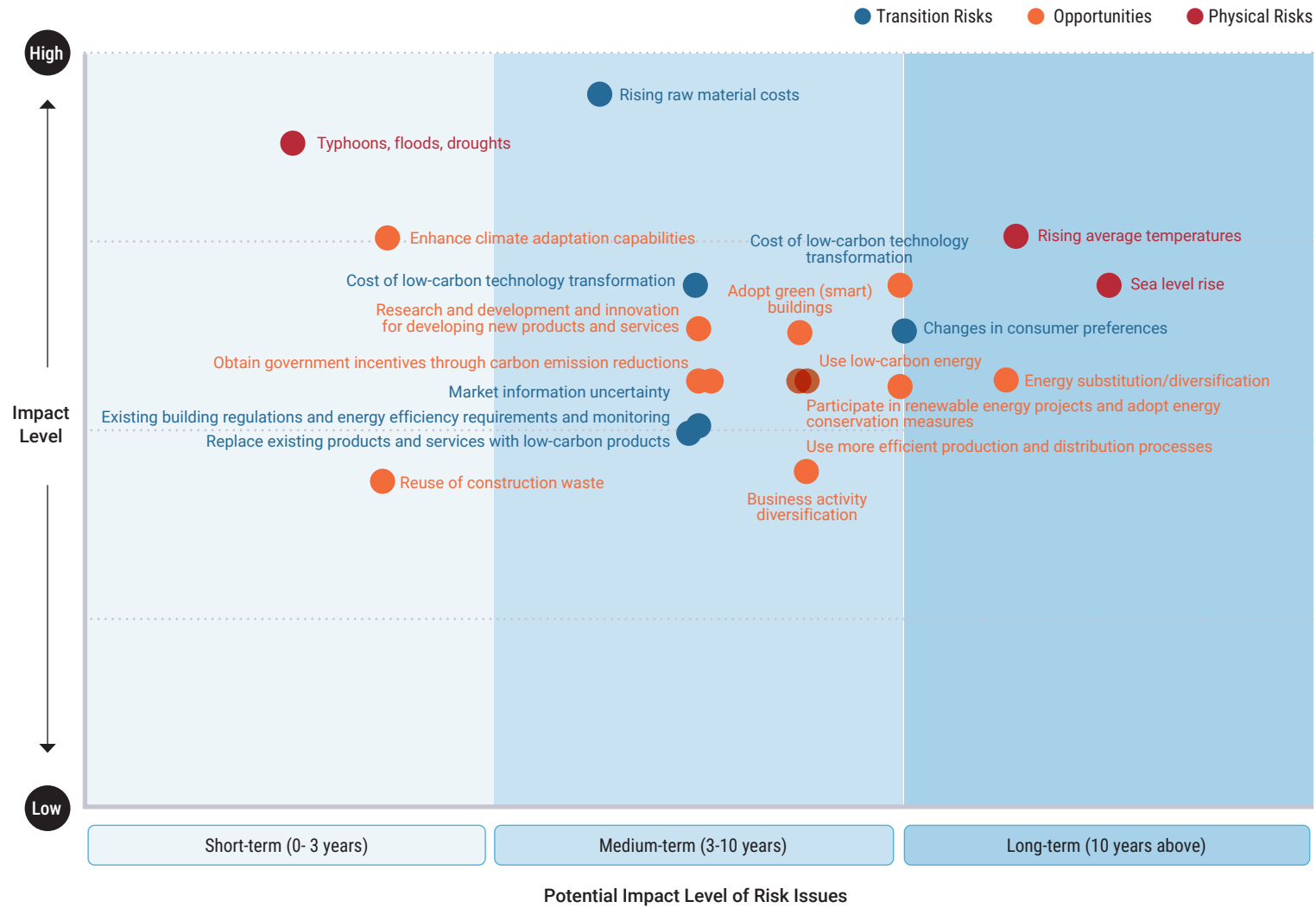


Identification of Climate-related Risks and Opportunities | TCFD Risk Management

Cathay Real Estate has established a process for identifying and assessing climate-related risks. Following the TCFD framework’s industry-specific recommendations, the characteristics of our operating value chain, and peer disclosure information, climate-related risk issues are summarized. The CS Committee assesses the likelihood of risk occurrence and the degree of impact to determine the materiality of risks, and discusses their potential financial impact on the Brand, formulating Cathay Real Estate’s future blueprint for responding to climate change and enhancing organizational climate resilience.

Climate Risk Assessment Procedure





Financial Impact and Management Strategy SASB IF-RE-450a.2 TCFD Strategy

According to the results of the analysis on the significance of climate-related risk impacts, the physical risks that Cathay Real Estate needs to prioritize include intensified severity of extreme weather events such as typhoons, floods, and droughts. Transition risks include rising raw material costs, increased pricing of GHG emissions, and increased costs of low-carbon technology transformation. Further analyzing and cross-referencing the impact of climate-related opportunities, the potential financial impacts on Cathay Real Estate’s operations are summarized and response measures are formulated.

	Risks / Opportunities	Potential Financial Impact /	Key Response Strategies	2023 Major Performance
Transition Risks / Climate Opportunities	<ul style="list-style-type: none"> Increased pricing of GHG emissions Participate in renewable energy projects and adopt energy conservation measures Obtain government incentives through carbon emission reductions Use low-carbon energy 	<ul style="list-style-type: none"> Increased operating costs due to carbon pricing feedback into raw material costs. Increased operating costs from installing equipment with carbon reduction benefits. Increased costs of purchasing carbon offset products. (Note 1) Introduce renewable/low-carbon energy to reduce the impact of carbon pricing on operating costs. Accumulate carbon rights required for future emission reductions. 	Conduct GHG inventory to set emission reduction targets and serve as a basis for future carbon rights/ reducing operating cost calculations.	<ul style="list-style-type: none"> Regularly conduct GHG inventories in accordance with ISO14064-1 and implement energy conservation and carbon reduction projects to achieve effective energy and resource management. Set emission reduction targets. Use energy-labeled products.
	<ul style="list-style-type: none"> Existing building regulations and energy efficiency requirements and monitoring. 	<ul style="list-style-type: none"> Increased operating costs from using specific materials to meet the latest regulations. Integrate with products and services in a timely manner to increase operating revenue. 	Formulate design guidelines and pay attention to changes in regulations at any time to facilitate future product design.	<ul style="list-style-type: none"> Continue to review and improve design guidelines, incorporating the latest cases and listing various advantages and disadvantages for future projects to follow. Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness.
	<ul style="list-style-type: none"> Cost of low-carbon technology transformation. Replace existing products and services with low-carbon products. Research and development and innovation for developing new products and services. Adopt green (smart) buildings. 	<ul style="list-style-type: none"> Increased R&D costs and expenditures for developing services. Increased operating costs from adopting low-carbon materials and construction methods. Increased operating revenue from developing low-carbon service models. Promote green (smart) buildings and energy conservation and carbon reduction measures to improve energy use efficiency. 	Understand green building/ low-carbon construction trends and related regulations to facilitate future product design.	Introduce energy-saving design to reduce building energy use in response to green building and environmental sustainability concepts.
	<ul style="list-style-type: none"> Rising raw material costs. Reuse of construction waste. Use more efficient production and distribution processes. 	<ul style="list-style-type: none"> Re-pricing of raw material costs, reduced profits. Improve resource use efficiency through circular construction practices. Optimize building life cycle design through BIM technology to improve production efficiency. 	<ul style="list-style-type: none"> Pay attention to changes in raw material market prices. Improve building technology to increase production efficiency. 	<ul style="list-style-type: none"> The Technology Department regularly produces the “Important Material Price Change Overview Table” for reference by managers at all levels to grasp the latest market dynamics. 100% adoption of emerging technologies such as Building Information Modeling (the BIM) and modular construction to improve construction efficiency. Follow the Environmental Protection Administration’s “Construction Waste Management Strategy” to implement construction site waste reduction and classification operations, and establish waste disposal process management. Reuse useful waste generated during construction. Plan to reuse sales display sites.

	Risks/ Opportunities	Potential Financial Impact /	Key Response Strategies	2023 Major Performance
Transition Risks / Climate Opportunities	<ul style="list-style-type: none"> Market information uncertainty. Changes in consumer preferences. Business activity diversification. 	<ul style="list-style-type: none"> Reduced revenue from not grasping market trends. Increased operations from company policy planning and transformation. Increased operating revenue from enhancing customer trust. Increased operating revenue from changing the Company's customer service model. 	<ul style="list-style-type: none"> • Increase ways and channels of interacting with customers and focus on customer service. • Integrate group data to provide comprehensive care for customers, extending from residential services to health and tourism experiences. • To protect brand value, reduce intellectual property risks, and enhance the Company's competitiveness, formulate an intellectual property management plan. • Diversified operations: green energy investment. 	<ul style="list-style-type: none"> • Digital transformation: introduction of CRE App/online material selection; in response to the Ministry of Finance's promotion of electronic invoices and the Company's sustainable green operation goals, promote paperless electronic invoices. • Towards a comprehensive developer: extending from residential services to health and tourism business experiences. • Continue to plan intellectual property rights management guidelines such as patents, trademarks, copyrights and trade secrets in accordance with operational objectives and development strategies, and report implementation results to the Board of Directors at least once a year. In 2023, additional trademark course education and training will be set up to promote practical cases and legal perspectives to all colleagues. • Invested in solar power generation industry through subsidiary San Ching Engineering Co., Ltd.
Physical Risks / Climate Opportunities	<ul style="list-style-type: none"> Typhoons, floods, droughts Sea level rise Enhance climate adaptation capabilities Energy substitution/diversification Business activity diversification 	<ul style="list-style-type: none"> Destruction of construction sites and construction equipment, increased capital costs. Reduced production capacity due to supply chain disruption, resulting in decreased revenue. Damage to existing assets and property located in high climate risk areas (Note 2). Strengthen climate resilience to reduce the probability and potential losses of construction interruptions. Increased operating revenue from innovative customer service solutions. Assess whether assets to be purchased are not in high-risk areas (Note 2) to avoid risk impact. 	<ul style="list-style-type: none"> • Pay attention to climate change issues. • Rigorously select development areas. 	<ul style="list-style-type: none"> • Require contractors to strengthen construction site environmental maintenance, including air pollution prevention, noise control and water pollution prevention. • Some building components and materials are prefabricated and completed in factories, then transported to the construction site for integrated assembly and installation, which can not only mitigate noise and dust pollution around the construction site and reduce construction risks, but also reduce potential waste or loss of raw materials during construction. • Maintain rigorous land development standards to avoid asset purchases in high-risk areas.
	<ul style="list-style-type: none"> Rising average temperatures Adopt green (smart) buildings 	<ul style="list-style-type: none"> Increased electricity consumption, leading to higher operating costs and carbon emissions Promote green (smart) buildings and energy conservation and carbon reduction measures to improve energy use efficiency. 	<ul style="list-style-type: none"> • Invest in energy-saving or green energy-related machinery and equipment. 	<ul style="list-style-type: none"> • In 2023, the Shr-Hwa International Tower completed the energy-saving elevator (4 units) replacement project. Each elevator has a speed of 300m/min. According to the electric power regenerative device, it can save 46% of electricity (about 833 kWh), saving a total of approximately NT\$16,000 to 17,000 in electricity costs per year.

Note1: Carbon offset products refer to renewable energy certificates, carbon credits or other carbon neutral products used to offset carbon emissions.

Note2: High-risk areas refer to areas prone to flooding, landslides, tsunamis, and more.

Metrics and Targets Aspect

Cathay Real Estate views climate change as a risk management and transformation opportunity. In addition to continuously implementing GHG inventory and reducing energy and resource consumption to mitigate climate impacts, in recent years, we have actively introduced green building concepts in new projects, formulated management goals and performance evaluation indicators to review the implementation progress of Cathay Real Estate's climate actions.

Indicator Item	Short-term Goal (2024)	Medium-term Goal (2027)	Long-term Goal (2030)	2023 Major Performance
Greenhouse Gas Emissions Reduction	<ul style="list-style-type: none"> GHG emission intensity \leq 10.3 tons CO₂e/person 	<ul style="list-style-type: none"> GHG emission intensity \leq 9.8 tons CO₂e/person 	<ul style="list-style-type: none"> GHG emission intensity \leq 9.8 tons CO₂e/person 	<ul style="list-style-type: none"> Emission source data collection and data management, data source confirmation, procedure document preparation, internal verification, internal verification education and training, handover training.
New Project Application for Green Building Certification	<ul style="list-style-type: none"> New project application for green building certification ratio 20% 	<ul style="list-style-type: none"> New project application for green building certification ratio 30% Commercial project smart building certification ratio 5% 	<ul style="list-style-type: none"> New project application for green building certification ratio 40% Commercial project smart building certification ratio 10% 	<ul style="list-style-type: none"> Among the 6 new projects, 4 adopted green building design, a ratio of approximately 66.67%
Construction Waste Management	<ul style="list-style-type: none"> 25% of construction sites implement construction waste sorting 25% use recyclable and renewable green building materials 	<ul style="list-style-type: none"> 50% of construction sites implement construction waste sorting 50% use recyclable and renewable green building materials 	<ul style="list-style-type: none"> 100% of construction sites implement construction waste sorting 100% use recyclable and renewable green building materials 	<ul style="list-style-type: none"> All 22 construction sites inspected have implemented construction waste classification management, and contractors have independently recycled construction waste materials such as calcium silicate board, tiles, and permeable bricks.
ISO 45001 Certification for Construction Sites	<ul style="list-style-type: none"> 60% of construction sites introduce ISO 45001. 	<ul style="list-style-type: none"> 70% of construction sites introduce ISO 45001. 	<ul style="list-style-type: none"> 80% of construction sites introduce ISO 45001. 	<ul style="list-style-type: none"> 86% of construction sites introduce ISO 45001.



CH2 Cathay's Framework for Happiness

Cathay Real Estate's unwavering commitment is to create a warm and comfortable living environment. We put people first and deeply understand customers' yearning for a happy and fulfilling family. We actively integrate subsidiary resources and wholeheartedly provide comprehensive and sustainable all-round services, from house inspection, house handover, daily management to instant repairs. Focusing on customer needs, we create a convenient living circle and become a professional and warm companion in life.

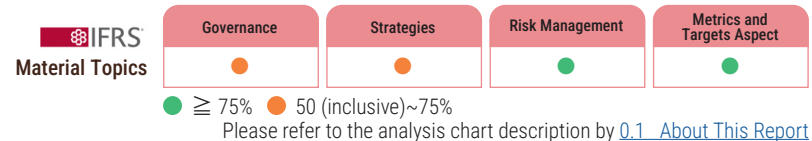
2023 Sustainability Highlights and and Performance

- Organized **29** community care events
- Service satisfaction survey scores averaged over **9.5** for all indicators
- Cathay Real Estate Management's managed asset, Ximen Zhonghua Building, officially opened, and Solaria Nishitetsu Hotel officially opened on August 1.
- Invested over **NT\$2.7 million** in digitalization promotion
- Cathay Healthcare Management won the Reader's Digest Trusted Brand Award for the ninth consecutive year and participated in the **Golden Pregnancy Award**, known as the Oscars of the maternal and infant industry.
- Cathay Hospitality Management won the "Great Place to Work Certification™" and was awarded the 1111 Job Bank's "2023 Happiness Enterprise - **Hotel and Hospitality Industry Gold Award**"



2.1 Commitment I: Brand Vision Aligned with Customer Needs

Material Topic - Sustainable Service and Brand Value | GRI 3-3



<p>Management Policy</p>	<p>"Integrity, Accountability, Innovation" are the three core values that Cathay Real Estate persists in and safeguards. For 59 years, we have grasped market trends and housing needs, diversified real estate business operations, provided comprehensive and satisfactory housing options, promoted sustainable services, and met customers' lifelong needs. Cathay Real Estate holds two business objective and business plan proposal and revision meetings each year to set operational goals for the coming year and make mid-year adjustments based on market conditions. In addition, the Company also regularly convenes land development strategy meetings, inventory promotion plan meetings, special case meetings, project closing review meetings, and beyond, to minimize uncertain risks when executing future business and ensure the continuous inheritance of past experiences. Cathay Real Estate has laid the foundation as a residential developer and expanded its business scope to ventures outside its core business. Through diversified operations and asset diversification, it can not only increase non-operating revenue but also reduce the Company's operational risks. The real estate group holds quarterly subsidiary strategy development meetings, where senior executives of each subsidiary provide explanations and execution overview reports on major businesses to the parent company.</p>	<p>Dedicated Unit</p>	<ul style="list-style-type: none"> • President's Office • Customer Service Section, Technology Department • Customer Care Group, CS Committee
<p>Management Commitment</p>	<p>Driven by essential living needs, we committed to creating "reliable, high-quality homes that turn our customers' dreams into reality". Cathay Real Estate pledges lifelong support through upholding four core guarantees: clearly-established ownership, construction in line with the drawings, timely completion, and sustainable service.</p>	<p>Resources Invested</p>	<p>Manpower / Action Investment</p> <ul style="list-style-type: none"> • CRE App and Community Care Activities: A total of 11 people. • Company image video execution, advertising broadcast, online interaction: A total of 12 people. • Cathay Real Estate Index Quarterly Report: Research team of 6 people, internal company manpower of 7 people. • Information security management manpower of 6 people. <p>Resource Investment</p> <ul style="list-style-type: none"> • Company image video execution, advertising broadcast, online interaction expenses of approximately NT\$760,000. • CRE App maintenance cost of approximately NT\$100,000, and community pandemic prevention disinfection of 29 sessions costing approximately NT\$235,000. • Budget allocation for corporate award competition entries cost of approximately NT\$400,000. • Real estate index research expenses of approximately NT\$3.22 million.

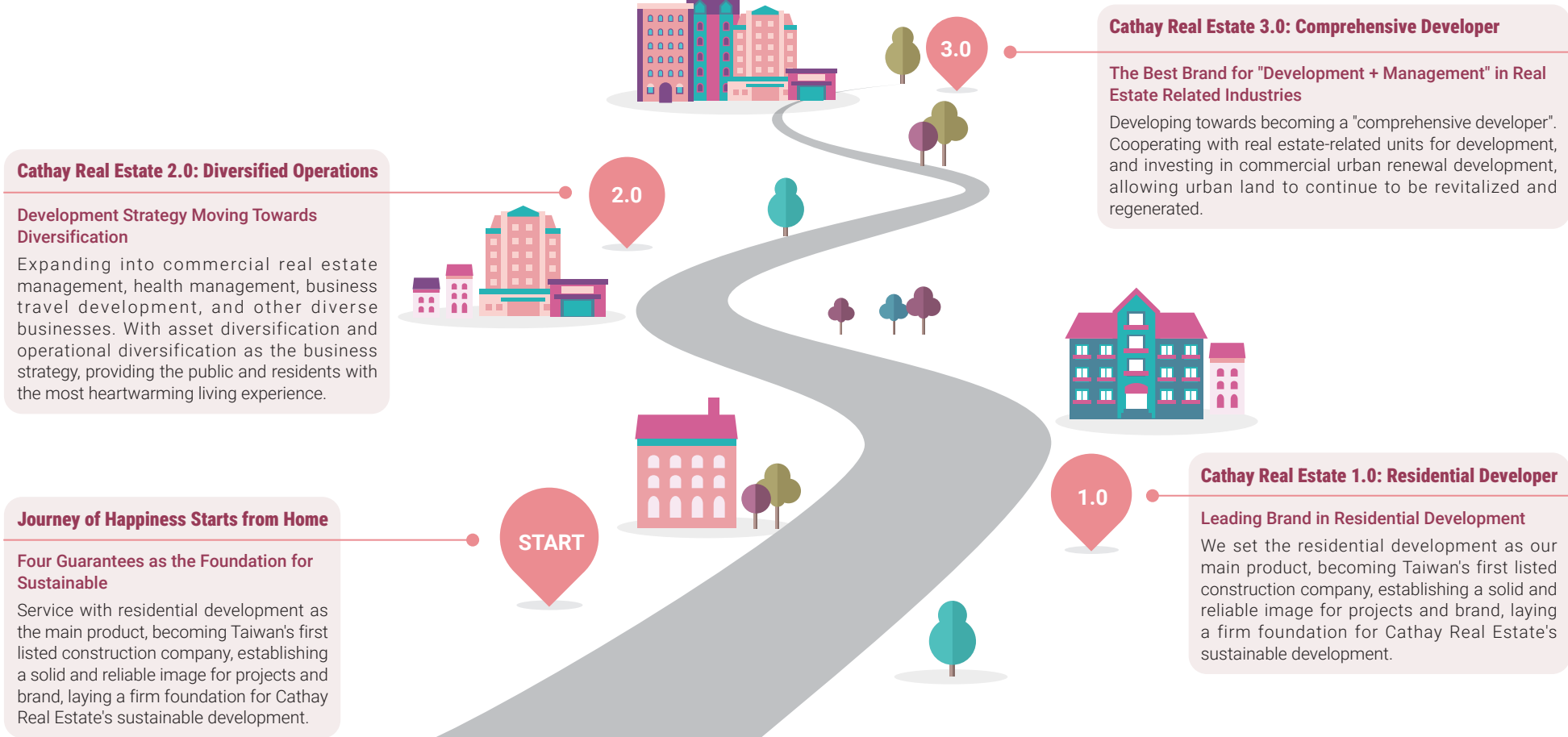
Goals	<p>Short Term (2024)</p> <ul style="list-style-type: none"> • The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100%. • Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors. • Review the disclosure scope and inventory boundaries of the sustainability report to comply with the latest laws and market trends. • Plan 60th anniversary image advertisement: Integrate Cathay Real Estate and subsidiary resources, and from the Company's brand perspective, convey to stakeholders Cathay Real Estate's unchanging brand concept of "four guarantees" • The Brand image manual structure is completed, and the publication-related operations are expected to be completed in 2024. • Continue to sponsor rural education, enhance brand image, and invest in various public welfare activities through the Cathay Real Estate Foundation. • Communicate with stakeholders through multiple channels. 	<p>Medium Term (2027)</p> <ul style="list-style-type: none"> • The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100%. • Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors. • Evaluate the possibility of participating in other sustainability awards, in which we proactively participate. • In line with the GHG inventory, disclose all consolidated subsidiaries in the sustainability report. • Cooperate with the promotion of the Group's public welfare platform, cooperate with social enterprises, find target groups to actively share, and enhance brand image benefits. • Continue to integrate group resources, complete Cathay Real Estate's one-stop service vision, establish good trust relationships with customers, build sustainable brand value, and showcase the real estate group's philosophy to society. • Promote the real estate group's philosophy to each subsidiary and increase the exposure of each subsidiary's sustainable management efforts. 	<p>Long Term (2030)</p> <ul style="list-style-type: none"> • The percentage of contracts with suppliers that include corporate social responsibility clauses reaches 100%. • Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors. • Evaluate other disclosure contents that can enhance communication with stakeholders, report to the public on Cathay Real Estate Group's sustainable management practices, and demonstrate the determination to actively promote sustainable development. • From the investment in the core construction business, construction supervision, to property management and health management after customer occupancy, let customers experience the safe and comfortable experience of extending from residential buildings to a healthy living circle, consolidate brand value, leverage the Group's parent-subsidiary brand benefits, and maximize the Company's value.
	<p>Management Approach Evaluation</p> <ul style="list-style-type: none"> • Promote sustainable services into the community by organizing activities, and hold 18 or more customer care activities. • Enhance brand value and promote the Cathay Real Estate VIP Card by integrating affiliated enterprise resources. • Enhance brand value, protect internal information and customer data, strengthen information security protection, and hold annual information security education training, stipulating it as a required course. 	<p>2023 Evaluation Results</p> <ul style="list-style-type: none"> ✔ Regularly hold CS Committee meetings every year to track and review the Company's sustainable development affairs and regularly report to the Board of Directors. ✔ Organized 29 community activities, with pandemic prevention disinfection, health lectures, and succulent plant teaching sessions held respectively in northern, central, southern, and eastern Taiwan. ✔ As of 2023, the number of registered members of the CRE App reached 1,448. ✔ Continue to conduct satisfaction surveys at the stages of sales, customization, handover, and after-sales service, with average satisfaction scores exceeding 9.5/10. ✔ In 2023, there were no complaint incidents received from customers or competent authorities, and no incidents of infringement of customer privacy or loss of customer data. ⊖ Collaborated with hotels and health management centers under the Cathay Group to issue Cathay Real Estate VIP Cards to reward high-quality customers, with a total of 5,109 cards issued by the end of 2023. 	

Note: ✔ Exceeding the original target or the previous year's performance, ⊖ Same as the original target or the previous year's performance, ✘ Did not achieve the set target

Diversified Operations: Exploring the Infinite Possibilities of "Life"

Cathay Real Estate has a 59-year history of deep cultivation across Taiwan, establishing happy homes for over 56,000 households. In the past, our core business was residential development, building high-quality houses and deeply implanting a real and reliable brand image in the minds of customers. With the increasing emphasis on quality of life by the public, we have integrated group resources and expanded into health management and hospitality tourism businesses, providing richer, more professional and warm life experiences. At the same time, we have entered the commercial building field, supporting the government's urban renewal plans and enhancing the vitality and energy of cities. Looking to the future, we expect to realize the brand vision of a comprehensive developer through more diverse business models.

Cathay Real Estate service vision

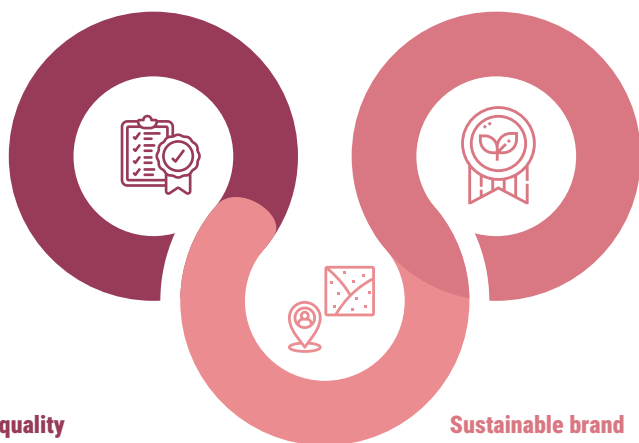


Cathay Real Estate implements the brand vision of a comprehensive developer through three dimensions: comprehensive quality, expanded scope, and sustainable brand. Personnel training introduces a mentoring system, and systematically offers real estate overview courses for new hires. Construction quality control introduces quality inspection, mall evaluation and other systems, as well as the promotion of construction specifications and design guidelines. Project costs are optimized through standard construction costs, design guidelines and standard styles. The Company actively integrates the real estate industry and strategically cooperates with Mitsui Fudosan, Japan's largest comprehensive real estate giant, to leverage the advantages of a strong alliance and create greater value.

Integrated developer vision promotion strategy

Expand business territory

- Asset inventory and management
- Diversification of land acquisition
- Expand commercial development types



Total quality

- Personnel training development and reserve
- Construction quality control
- Project cost control
- Process optimization

Sustainable brand

- Customer Relationship Maintenance

Residential Buildings - People-Oriented Design Thinking

As a leading brand in residential development, we insist on taking people and residents' needs as the foundation, conducting in-depth research on industry trends and developments, and not compromising due to overall environmental challenges such as inflation, declining birth rates and aging population. We continue to focus on improving planning, construction quality, environmentally friendly construction methods, building material selection and customer service. We listen to consumers' house purchase awareness and residential quality needs, set "practicality", "functionality" and "universal design" as the three major design principles, and integrate Cathay Hospitality Consulting and Cathay Healthcare Management to strive to meet the residential quality needs of different groups.

People-oriented design thinking

Practicality

- Focusing on family-oriented projects of 30-50 ping (99-165 square meters) to meet the needs of small families
- Emphasizing layout planning and usage requirements, reducing unnecessary luxurious decorations

Functionality

- Prioritizing childcare, recreational environments, and medical service facilities near residences.
- Preparing for smart city and carbon reduction needs by reserving public charging facilities for electric vehicles.

Age-friendly

- Introducing thoughtful designs (note) to create comfortable and safe home environments for people from 0 to 99 years old.
- Note: For details on thoughtful designs, please refer to 4.1 Commitment I: Sustainable Happy-Homes.



Cathay Hospitality Management: Sincere Service, Unique Experiences

Adhering to the concept of "sincere service", we are committed to providing a warm and comfortable accommodation experience, allowing every customer to find the feeling of "home" during their stay. Since 2012, we have successively established three brands: "Hotel Cozzi", "Madison" and "COZZI CAFÉ", and have 7 operating locations nationwide. In 2019, we conducted organizational integration under the image of "Cathay Hospitality Management" to promote hotel construction, operation management and brand development. Through comprehensive management of various details, we are moving towards a diversified and innovative business model.

We firmly believe that partners are our most valuable asset and the foundation for shaping our brand image and creating service value. With the 3C culture of Change, Creative and Connection, we create a work domain and give colleagues room to develop and grow. In 2023, we were awarded the "Great Place to Work Certification™" and the 1111 Job Bank's "2023 Happiness Enterprise - Hotel and Hospitality Industry Gold Award", symbolizing our long-term dedication to corporate culture, talent cultivation and employee benefits, and the implementation of sustainable development, continuing to provide customers with a homey service in the spirit of a happy enterprise.



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Cathay Healthcare Management: Innovative, Warm Services to Safeguard the Health of the Whole Family

With customer needs at the core, we have developed a diverse and comprehensive care network of "health checkups, medical beauty, postpartum care, and health insurance clinics". We have four health checkup centers (Taipei Dunnan, Neihu, Hsinchu, Tainan) and four postpartum care centers (Taipei, Neihu, Hsinchu, Tainan) across Taiwan. Through professional doctors, health managers, nutritionists and fitness coaches, customers can enjoy a high-quality health checkup environment and complete high-standard equipment, providing warm and professional all-age care services.

In 2023, prenatal and postnatal care will be extended to health checkups, upgrading Cathay Cathay Postpartum Nursing Care Center (Tainan) to "Cathay Tainan Health Park" to provide a comfortable recovery environment for mothers nurturing new lives. In addition, we opened the "Hsinchu Cathay Sports Center" at Cathay Hsinchu Health Park, offering a comfortable sports space and professional team's medical and health knowledge to create a comprehensive sports experience, realizing the all-around healthy living circle and the service philosophy of comprehensive care.

Insisting on safeguarding the health of all ages has also set a new milestone. In 2023, Cathay won the Reader's Digest Trusted Brand Award for the ninth consecutive year and participated in the MamiGuide Golden Award, known as the Oscars of the maternal and infant industry. Cathay Postpartum Nursing Care Center (Taipei), Cathay Postpartum Nursing Care Center (Neihu), Cathay Postpartum Nursing Care Center (Hsinchu) and Cathay Postpartum Nursing Care Center (Tainan) won the "Outstanding Featured Postnatal Care Center" award for the first time simultaneously.



Reader's Digest Trusted Brand Award



Cathay Healthcare Management Headquarters

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Commercial Buildings - Old City Revitalization, Blooming with New Appearance

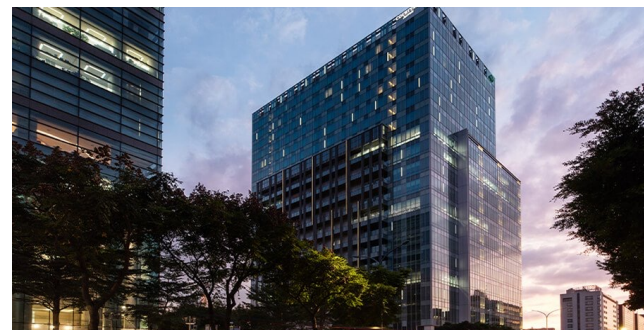
Not only enriching customers' home life, we also hope that every citizen can have a better quality of urban life. In recent years, we have jointly implemented urban renewal plans with the government, reshaping the new appearance of our hometown with the concept of sustainable development. We have partnered with subsidiaries to drive the renewal and upgrading of urban functions and promote the development of surrounding industries. In recent years, we have actively cooperated with the government's urban renewal plan to promote urban renewal projects, including the "Cathay United Bank Dunhua N. Branch Urban Renewal" and the "Cathay Building Urban Renewal". In addition, the new project "Cathay Min Le" launched in 2023 is a dangerous and old building joint construction project located on Minle Street, Yonghe District, New Taipei City. The practical layout and product design that meet customer needs have made the sales performance of the project outstanding.

In 2019, the transformation of the Zhonghua Building in Ximending, a popular tourist area in Taipei, was initiated. The urban renewal plan was mainly promoted by Cathay Real Estate Management. In 2023, the well-known Japanese hotel brand "Solaria Nishitetsu Hotel" was introduced. The Zhonghua Building, with 5 underground floors and 28 above-ground floors, combines business hotel and retail mall functions, linking the Zhonghua Road tree-lined pedestrian walkway and Hanzhong Street Ximending pedestrian zone, successfully standing in front of citizens with a brand-new appearance. For highlights and achievements of Cathay Real Estate's urban renewal projects, please refer to [5.1 Commitment II: Rigorous Development Investigation](#).

To combine the spirit of urban renewal and sustainable development, the Cathay Minsheng Jianguo Building (Courtyard by Marriott Taipei Downtown) urban renewal project is the first commercial complex building in Taiwan to obtain both the "EEWH Diamond" and "U.S. LEED Gold Certificate" certifications. At the same time, Courtyard by Marriott Taipei Downtown is the first hotel in Taiwan to obtain the EEWH Diamond, moving towards realizing the purpose of SDG 11: Sustainable Cities and Communities, which is to "Make cities and human settlements inclusive, safe, resilient and sustainable".



Zhonghua Building in Ximending



Courtyard by Marriott Taipei Downtown

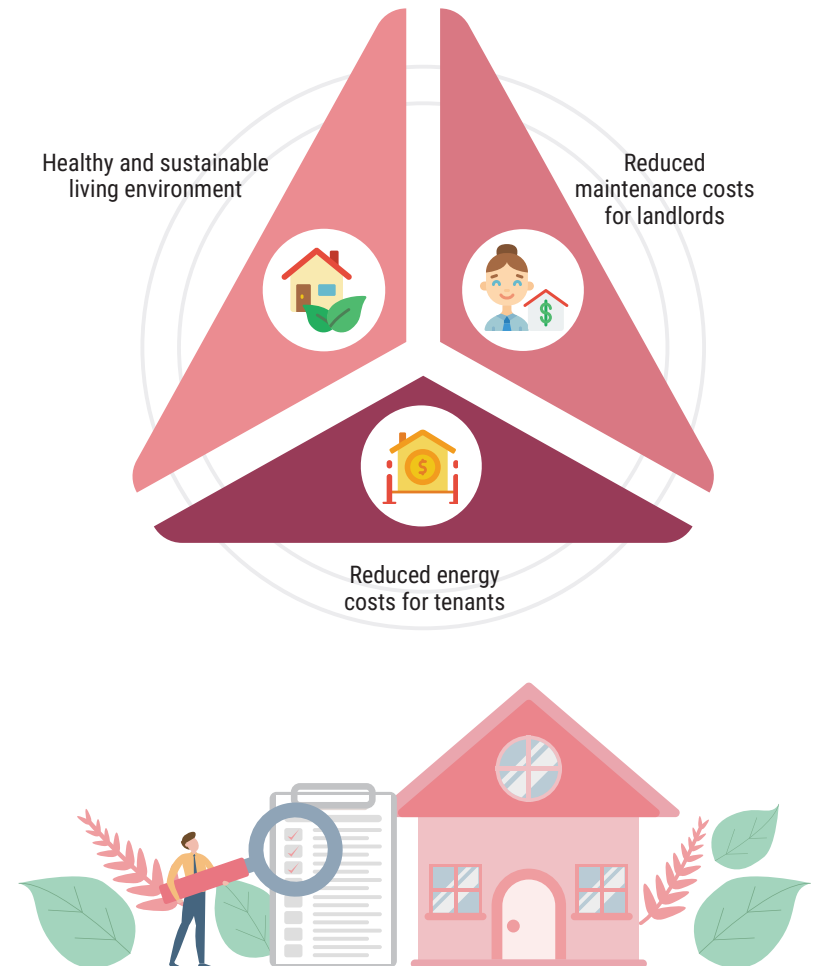
2.2 Commitment II: Safe and Sustainable Customer Service SASB IF-RE-410a.2~3

To fulfill the promise of a “reliable and high-quality home”, Cathay Real Estate uses three service guidelines of “customer residential health, energy management, and water resource management” to help customers clearly grasp the impact on themselves when purchasing a house. We also continue to optimize services based on customer feedback, rigorously control privacy and rights, and provide safe and secure sustainable services. In the future, we plan to incorporate the concept of green leasing and invite tenants to participate together in building a sustainable ecosystem.

Sustainable Service Guidelines



Three Major Impacts of Sustainable Services



Building Sustainable Services with Empathy

Cathay Real Estate considers customer service at each stage with empathy. During the land purchase process, we consider the living functions of the customer's location and prioritize areas near green spaces and schools. We gather customer needs through market research and regularly report them at sales meetings. In addition, we accompany customers throughout the inspection and handover process to provide trust and peace of mind. We also combine digital technologies and resource integration strategies to provide customers with diverse service items, and actively organize community care activities. For Cathay Real Estate, our role is not only a construction developer, but also a pillar of happiness for customers' families, providing lifelong companionship to customers.

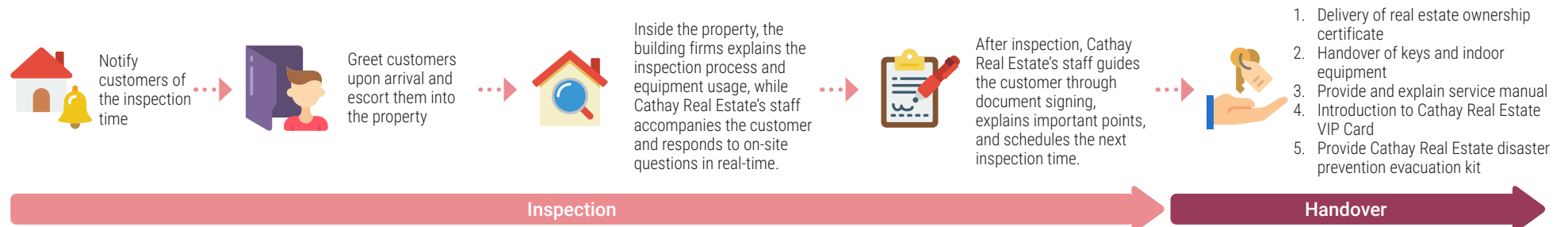
Empathetic Service Process



Sound Inspection and Handover Process

Inspection and handover is the last mile for customers to move into their ideal home. We assist in inspecting the scope of defect repairs during the inspection process and promptly discover and respond to problems, keeping an eye on the future home together with customers, providing the most comprehensive companionship.

Cathay Real Estate's handover process



Sound process, peace of mind in safeguarding handover details

- ✓ Provide customers with sample selection forms and customization options in advance
- ✓ Proactively remind customers of inspection and handover precautions
- ✓ Accompany on-site inspection and assist customers in understanding product features and benefits
- ✓ Provide reminders for future use and maintenance

House Service Manual

After completing the inspection and handover process, we provide residents with a "Service Manual" including information on residential maintenance, project warranty, repair fees, and after-sales service items. It not only explains the service items provided by Cathay Real Estate, but also symbolizes our commitment to customers.



Residential maintenance

Community maintenance

Daily cleaning tips

Resident disaster prevention

Sustainable After-sales Service

Through the establishment of a dedicated customer service unit and the training and recruitment of professionals responsible for on-site inspection services, when residents raise housing-related issues, we will actively contact them within 2 days and coordinate with the customer's schedule for on-site inspection and follow-up repair assistance. Cathay Real Estate believes that a good living environment starts with daily maintenance, so we not only focus on the maintenance of hardware facilities, but also actively convey the correct concepts of building maintenance to residents, working together to create a high-quality living environment.

Cathay Real Estate Website Customer Service Mailbox: service@cathay-red.com.tw

Digital Transformation Results

Cathay Real Estate enhances the online material selection and space planning processes through the introduction of innovative technologies to provide better service and experience for customers. It is also applied to urban renewal evaluation, project budget management and other businesses to improve internal competitive advantages and efficiency. Promoting digital transformation will help Cathay Real Estate respond to future challenges and realize Cathay Real Estate's sustainable vision.

Digital Transformation Promotion Aspects

Promoted Item	GIS Land and Project Management System	Online Material Selection	Project Budget System
Goals	Expand GIS Land and Project Management System functions	Optimize online material selection for customers	Optimize project budget
Execution Scope	Land inspection, market research cases, urban renewal evaluation	Space replacement and kitchen selection	Engineering project budget
Resources Invested	NT\$1.85 million	NT\$635,000	NT\$246,700
Results and Benefits	Digitalization of land management, enhancement of production efficiency	Improve system interface smoothness and increase flexibility of selected items	Add bid budget and split budget and engineering change order process according to actual practice to optimize current operations

Integrating Resources to Create Value: Cathay Real Estate VIP Card

Since 2022, we have integrated the Cathay Real Estate VIP Card functions into the CRE App, promoting paperless customer feedback forms, gradually bringing offline customers to the online App, and establishing long-lasting and deep relationships to deeply implant Cathay Real Estate's brand in customers' hearts. In addition, Cathay Real Estate integrates related resources such as hotels and health management centers under the Group, and launched the "Cathay VIP Card" in 2015 to provide discounts to customers who purchase projects or related consumption from the Cathay Real Estate Group.

5,109

Cathay Real Estate

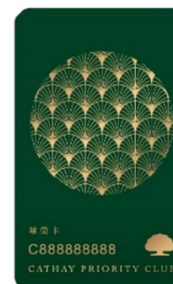
As of 2023/12/31



Accommodation Discounts

Dining Discounts

Facility Discounts



Personal Health Screening Services

Health Management Services

Postpartum Care Services

Smart Technology for a Better Life: Cathay Real Estate Customer Service App (CRE App)

We use innovative thinking and consider needs from the customer's perspective to tailor the smart living platform "Cathay Real Estate Customer Service App", comprehensively considering the needs of different stakeholders and providing diversified services and information. Cathay Real Estate's residents can consult home maintenance and repair, inquire about the latest updates of the Cathay Real Estate VIP Card through the platform. Non-Cathay Real Estate users can also grasp home disaster prevention knowledge on the platform. By analyzing and understanding consumer usage habits, we continuously optimize the CRE App to provide more convenient and thoughtful services. We expect to create more value for customers by integrating online and offline services, using smart technology as the foundation to build a better life.

CRE App Development Stages and Planning



CRE App 1.0 Home Repairs and Service Inquiries

- Residents can use the CRE App to request home repairs anytime and check the status of Cathay VIP Card services
- Non-residents can access the residential knowledge base for home disaster prevention information

CRE App 2.0 Housing and Health Management

- Record housing tax, loan, and health management information
- Integrate Cathay Hospital information, allowing users to set medication reminders

1,448 Number of downloads

As of 2023/12/31

Android



iOS



Note1: Please refer to the link for the latest Cathay Real Estate VIP Card services.
<https://www.cathay-red.com.tw/tw/Customer/Vip>

Note2: Cathay Real Estate VIP Cards were previously issued to customers at contract signing. Starting in 2023, the VIP Cards will be issued at the time of handover.

Post-pandemic Era: Moving Towards Healthy Living

Since the COVID-19 pandemic ravaged the world in 2020, we have invested in organizing community pandemic prevention and disinfection activities across Taiwan, conducting spray sterilization and cleaning disinfection operations in public spaces such as reading rooms, gyms, staircases and elevator areas in communities to comprehensively protect living quality and safety. After 3 years of accompanying customers through the severe pandemic, in order to continue maintaining a healthy and hygienic living quality, Cathay Real Estate organized 14 pandemic prevention disinfection sessions in the first half of 2023. In the second half of the year, health lectures were held to promote good living habits, and succulent plant handcrafting courses were held, inviting residents to move towards healthy living together.



Pandemic Prevention Disinfection Activities

14 Sessions



Health Lectures

10 Sessions



Succulent Plant Handcrafting Class

5 Sessions



Total **29** Sessions
in 2023 Community Activities

Cathay Real Estate Community Activities



Cathay Xin Yi Yuan Ding Pandemic Prevention Disinfection Activity



Cathay Yi Hu Yuan Succulent Plant Handcrafting Class



Cathay Nederland Village Health Lecture

Enhancing Customer Satisfaction Actions

Convenient and Flexible Customization Principles

To enhance Cathay Real Estate’s response to customer design changes, we have formulated the “Customer Design Change Operation Process” to establish the responsibilities of each unit in the customization process, ensuring that the customization handling process has stable quality. In 2020, we introduced online customization to establish a good customer experience.



Online Customization

1. Cathay Real Estate began adding online customization in 2020 and fully implemented online customization in 2021
2. Online customization can reduce printing and mailing processes, enhancing customer convenience while achieving energy conservation and carbon reduction



Standardize Customization Process

1. Formulate the “Customer Design Change Operation Process” to standardize the customization handling process of each unit
2. Allow new colleagues or different construction contractors to quickly understand the customization handling method and directly respond to customers

Review Customer Satisfaction

Through customer feedback on house purchase and living, we conduct satisfaction surveys in four stages: “sales, customization, handover, and after-sales service”. We have received high recognition of over 9.6/10 points in each stage for many consecutive years. Cathay Real Estate has always insisted on accompanying customers during handover, providing timely explanation of inquiries and instant response and handling. We also jointly check the handover contents with customers and confirm the scope of defect repairs, allowing customers to feel Cathay’s attentiveness and emphasis. Through a complete customization handling process and the introduction of online customization, we have built a warm and smooth customer experience. In 2023, we have also received customer recognition, breaking past satisfaction levels in two survey items.

Cathay Real Estate Historical Customer Satisfaction Survey Results

Survey Items	2021	2022	2023
Sales	9.94	9.94	9.97
Customization	9.76	9.76	9.92
Handover	9.73	9.73	10
After-sales service	9.96	9.96	9.94

“Statistics and Review Mechanism”

- Monthly statistics of service overview and problem records, regular reporting and review
- Hold internal service review meetings. Analyze and review the repair situation of the current month.
- Collect customer feedback, understand the cause, provide solutions, and continue to refine the quality of Cathay Real Estate’s after-sales service.

Note: The satisfaction survey score is out of 10.

Protecting Customer Rights and Privacy

Strengthen Personal Data Protection

To provide customers with a secure service experience, Cathay Real Estate has established an “Information Security Policy” and conducts annual internal audits on policies, personnel responsibilities, and system security to fulfill its personal data protection responsibilities and implement protection for customers. In 2023, there were no complaint incidents received from customers or competent authorities, and no incidents of infringement of customer privacy or loss of customer data.

Policy Regulations	Established the “Information Security Policy” in 2004 and conduct annual assessments
System Control	Conduct simulations and records on the system, introduce IT resource management system for software security management, peripheral device security management and file directory monitoring management
Operation Monitoring	Send USB file list daily, regularly check company computers monthly for installation of high-risk software to ensure company confidential data and customer data are not leaked
Internal Audit	Conduct internal audits twice a year, accounting firm at least once a year to audit information security policy, organization and responsibilities, asset classification control, personnel management and education training, physical and security environment management, computer system security management, network security management, system access control, and more, to ensure the Company’s sustainable operation

Provide Transparent Sales Information

Management measures are established for sales, contract signing, customization to handover and other service processes to protect customer rights with the principle of openness, transparency, and information equality. In 2023, there were no incidents of controversial products, prohibited sales or violations of product and service information labeling.

Cathay Real Estate's Methods to Ensure Information Transparency

Stage	Customer Rights	Actions for Information Transparency
Pre-sale House Sales	Civil Code, Consumer Protection Act and Fair Trade Act	<ul style="list-style-type: none"> Provide customers with a sample real estate purchase and sale contract for review before purchasing a house
Confirmation of Building Materials after Contract Signing	Fulfillment of Real Estate Purchase and Sale Contract	<ul style="list-style-type: none"> Building materials are provided on site for customers to choose from, and if not selected, the Company's standard configuration will be used
Payment of Installments	Ensure transaction security	<ul style="list-style-type: none"> Customers can access the Cathay Real Estate official website customer area at any time to check the payment status of their unit's installments
Customization Communication	Within the time agreed in the real estate purchase and sale contract, provide customized services according to customer needs	<ul style="list-style-type: none"> Company employees confirm the customization process with customers Customers (including designers) discuss the feasibility of changes on site with the construction company After confirming the drawings, the construction company calculates the added and deducted costs
Handover	Fulfillment of Real Estate Purchase and Sale Contract	<ul style="list-style-type: none"> Company employees assist customers in the inspection process together with the customer and construction company partner Record the parts that need repair on the inspection and handover form and make an appointment for re-inspection After the inspection process is completed, transfer the real estate ownership registration to the customer and confirm the completion of loan disbursement and payment of handover funds with the customer Schedule the house handover time and handover the house ownership certificate, keys and other in-house equipment

Establish Strict Product Sales Agency Regulations

Cathay Real Estate introduces sales teams (sales agencies, property management companies, etc.) to assist in product planning services. Through strict review of advertising information and establishment of clear sales agency management measures, it ensures that the information received by customers is true and correct. In addition, we establish good communication channels with customers through real estate sales agencies to convey our product value and sustainable building concepts.

Cathay Real Estate Sales Agency Management Measures

- 
Selection Hold sales agency selection meetings to evaluate market analysis, product planning, sales, and shaping.
- 
Regulations Clearly stipulate standard sales process, integrate clear market information, and provide sales agencies with accurate product positioning and planning.
- 
Review Review the advertising text content and display space design planned by the sales agency to ensure the accuracy of the information conveyed.
- 
Training Sales personnel should have complete education and training. Be familiar with laws and regulations and codes of conduct, and provide customers with complete product features, information and brand concepts.

Cathay Real Estate Sales Process



Note: In 2023, there were no incidents of violation of regulations and voluntary norms related to product and service information labeling.

CH3 Meticulous Construction

From material selection to the implementation of standard construction methods, we rigorously control through a three-level quality control system, adhering to the principle of “zero compromise” to ensure quality meets customer standards. We also integrate the vision of “zero occupational injuries” into the value chain. To help construction colleagues grasp the details of each process, a construction plan is prepared before the project starts, and a pre-construction briefing is held to ensure that the project follows standard procedures. Cathay Real Estate also expects business partners to exchange with each other, holds contractor observation meetings, and comprehensively requires suppliers to sign the “Corporate Social Responsibility Clause” to create a safe and comfortable workplace environment and jointly ensure customer happiness.

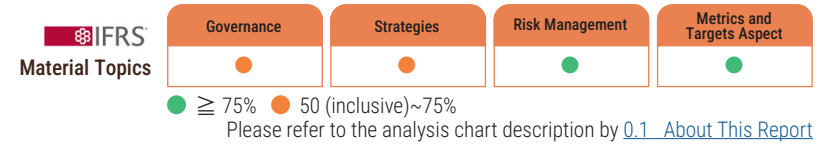
2023 Sustainability Highlights and and Performance

- Provided construction technical consulting for Cathay Postpartum Nursing Care Center (Tainan) and Cymbal Medical Network Co., Ltd.
- San Ching Engineering’s green procurement amount: **463,948,250**
- Held observation meetings with **9** participating manufacturers, with an overall average satisfaction score of **89.35**
- Achieved **zero occupational injuries** in collaboration with construction contractors



3.1 Commitment I: Uncompromising Construction Standards

Material Topic - Project and Construction Quality Management | GRI 3-3



Management Policy

- Adopt a flexible and risk management-oriented mindset for land development. Ensure the functionality and safety of the land as the principle, create diverse utilization and development value of the land, and build a livable residential environment to drive urban land regeneration and development.
- Only by paying attention to details can we achieve excellence. Cathay Real Estate values the safety of building structures and environmental comfort, insisting on grasping every safety aspect to build high-quality, high-safety products and create the most solid good houses.
- Always upholding the philosophy of “Integrity, Professionalism, and Prudent Operation”, we grow and thrive in a competitive environment. In addition to continuously strengthening our brand and professionalism, we also integrate health management, tourism and other subsidiaries to build complete living functions and environments, creating the most livable spaces.

Management Commitment

- Purchase land with safety as the top priority, balance risk and profit as the basis, and legally acquire construction land. 100% comply with building regulations and conduct analysis and investigation of land development.
- Insist on controlling building materials from the source, implementing standard construction methods, and strictly following the required processes without overlooking any details. Also expect to grow together with business partners to build safe and comfortable good houses.
- Uphold the concept and sustainable goal of building “reliable and high-quality home”. Put forward the industry’s only four service guarantees: “clearly-established ownership, construction in line with the drawings, timely completion, and sustainable service”. Establish long-term, close trust relationships with residents.

Dedicated Unit

- Technology Department: Quality Control Section, Budget and Procurement Section, Electromechanical Section, Customer Service Section
- Project Department: Project Department 1, Project Department 2, Project Department 3
- Development Department

Resources Invested

Personnel/Action Investment

- 31 people in Technology Department, 18 people in Project Department, 17 people in Development Department.

Cost Investment

- Service manual cost of NTD 253,050, warranty card cost of NTD 16,240

Goals	Short Term (2024)	Medium Term (2027)	Long Term (2030)
	<ul style="list-style-type: none"> • Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% • Participate in design or construction quality awards with 1 project each year • Conduct customer customization and handover satisfaction statistics annually, with an average of over 9/10 points • Conduct monthly after-sales service satisfaction statistics, with an average of over 9/10 points 	<ul style="list-style-type: none"> • Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% • Participate in design or construction quality awards with 1 project each year • Improve satisfaction through feedback from satisfaction surveys, with an increase of 1% in satisfaction ratio 	<ul style="list-style-type: none"> • Conduct monthly construction quality and safety and health inspections at each construction site, with an inspection rate of 100% • Participate in design or construction quality awards with 1 project each year • Improve satisfaction through feedback from satisfaction surveys, with an increase of 2% in satisfaction ratio

Management Approach Evaluation	Management Evaluation Mechanism	2023 Evaluation Results
	<ul style="list-style-type: none"> • Conduct customer customization, handover and after-sales satisfaction statistics annually, with an average of over 9/10 points • Conduct monthly after-sales service satisfaction statistics, with an average of over 9/10 points • Provide customers with service manuals and warranty cards before handover • Service digitalization, CRE App and customization App to provide convenient services 	<ul style="list-style-type: none"> ✓ Customization 9.92/10, handover 10/10, satisfaction surveys averaged over 9.5/10 points ✓ After-sales service satisfaction 9.94/10 points ✓ Service manuals 723 copies (Cathay Huai Wei Feng Nian 219 copies / Cathay Feng Shuo 132 copies / Cathay Chuan Qing 149 copies / Cathay Feng He 223 copies) ✓ Warranty cards total 812 (Cathay Huai Wei Feng Nian 219 / CatLiberty Stationery Corphay Feng Shuo 132 / Cathay Chuan Qing 149 / Cathay Feng He 223 / 89) ✓ Gifted 723 disaster prevention evacuation kits (Cathay Huai Wei Feng Nian 219 / Cathay Feng Shuo 132 / Cathay Chuan Qing 149 / Cathay Feng He 223) ✓ Completed 2 sessions of CRE App digital optimization operation training.

Note: ✓ Exceeding the original target or the previous year's performance, = Same as the original target or the previous year's performance, ✗ Did not achieve the set target

Uncompromising Construction Standards

Cathay Real Estate ensures the construction quality of each project with rigorous standards and processes. We not only pursue excellent professional quality and persistence, but also constantly explore cutting-edge industry information and innovative technologies to improve design and service quality. Cathay adheres to the spirit of keeping pace with the times and strives to create projects that better meet the needs of the times, bringing customers an outstanding living experience.

Uncompromising Construction Standards



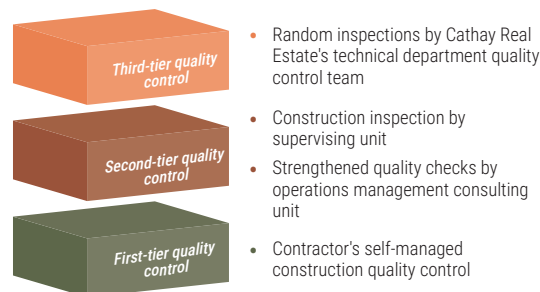
Solid Engineering Quality Management

Establish a sound construction quality management system and corporate culture, review work processes from different aspects, and ensure that every residential building can be safely handed over to customers, demonstrating the brand spirit of safety and high quality.

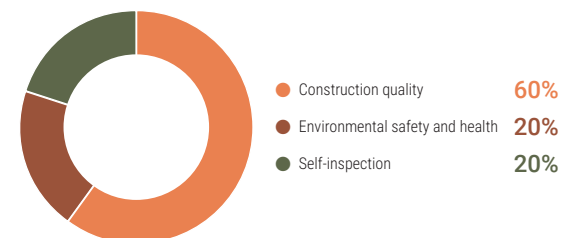
Three Processes to Control Construction Quality

Implement quality management through the "three-level quality control system". The division of responsibilities and control in the three stages establish a solid quality control mechanism to ensure project quality. In the first-level quality control, all construction contractors are required to implement self-construction quality control; the second-level inspection is the responsibility of the on-site supervision unit, and a construction consulting unit is also commissioned to strengthen quality inspection work; the third-level quality management defense is handled by colleagues from the Quality Control Section of Cathay Real Estate's Technology Department to supervise the construction management consulting unit and supervision unit to continue fulfilling quality inspections.

Three-tier quality management system



Technical Department Quality Control Team - Construction Contractor Quality Audit Weighting



Construction Contractor Inspection Method

To ensure that the quality standards of each project are strictly implemented, the Quality Control Section of Cathay Real Estate's Technology Department conducts two regular construction detail inspections every month and compiles supervision monthly reports to be submitted to the competent authorities. The construction progress, building and electromechanical inspection scores, and project rankings of each project are published in the supervision monthly report. We initiate a coaching mechanism to improve construction quality for contractors with inspection scores below 80; suppliers who fail to improve as scheduled will have their cooperation cancelled and removed from the cooperation list in accordance with regulations.



Track Construction Quality and Progress

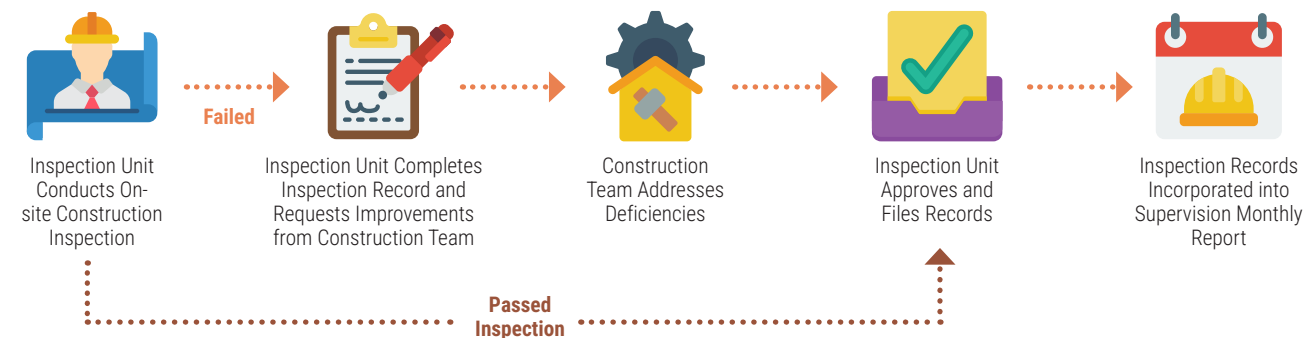
Formulate complete standard operating procedures (SOP) for construction to quickly grasp project progress and establish standard processes and responsibilities between the inspection unit and construction unit to rigorously manage every detail of construction and ensure construction quality.

Before the construction contractor enters the site for construction, a detailed "Construction Plan" must be submitted and a pre-construction briefing must be held to explain the overall construction plan to participants, including: Cathay Real Estate (including Project Department, Technology Department), architects, structural engineers, electromechanical engineers and beyond. Furthermore, it should also include ESG and other sustainable management aspects as the basis for reviewing the construction plan. For items that do not meet the standards and norms set by the Company, the construction contractor must indeed make improvements before starting construction.

ESG Aspects Covered in the Construction Plan



Keeping Pace with Construction Capabilities

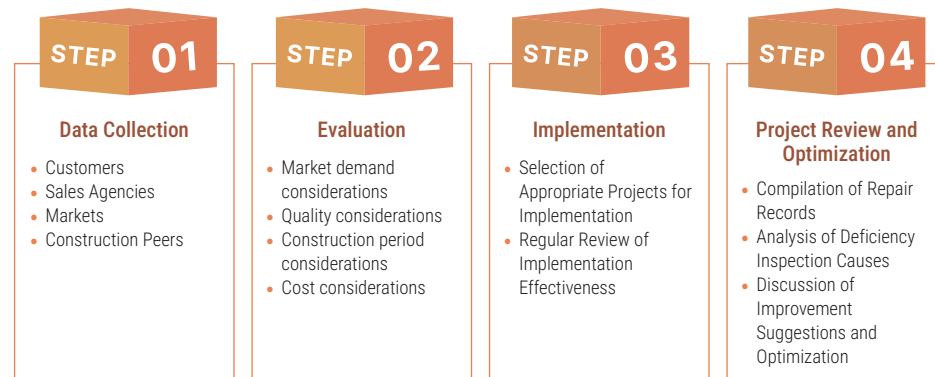


Keeping Pace with Construction Capabilities

Comprehensive Improvement of Construction Methods

Actively participate in external seminars, exhibition visits, visit meetings and other construction information exchange activities to seize the opportunity to learn about the latest building materials, construction methods and market trends. At the same time, the valuable knowledge gained is used as the basis for internal education and training to continuously improve the professional capabilities of the team and meet the challenges and opportunities of the construction industry. In addition, to comprehensively improve construction technology, a dedicated unit is set up to supervise construction quality. Feedback and reviews are collected for each project, and for deficiencies, construction methods, materials and quality control processes are optimized to accumulate knowledge and experience and enhance our ability to meet market demands.

Cathay Real Estate Building Method Optimization Process



Construction Consulting Services

Cathay Real Estate uses its industry experience and strength of over half a century to provide construction law consulting, design planning feedback, interior decoration design consulting, construction review and other advisory services to Lin Yuan Group's subsidiaries, creating mutual prosperity and benefit with the Group. In 2023, we assisted in the engineering assessment of Cathay Healthcare Management and made good use of our core to provide construction technical consulting.

國泰健康管理
Cathay Healthcare Management

Cathay Postpartum Nursing Care Center (Tainan) → Assisted in handling room noise problems to create a comfortable environment for mothers and infants

Cymbal Medical Network Co., Ltd. → Assisted in evaluating the first and second floor engineering cost budget of Hsinchu Health Park

Pioneer of Innovative Construction Technologies

Cathay Real Estate holds the “Seminars on New Materials, New Equipment, and New Construction Methods” every quarter to examine the latest technologies in the market from 6 aspects. We not only seek breakthroughs in construction methods, but also explore opportunities to achieve sustainable development through innovative technologies. In practical applications, we consider factors such as customer needs, construction period, cost, and effectiveness to select the most suitable building materials and methods to improve project quality and value.

Building trends of concern to Cathay Real Estate

- Structural Engineering**
 - Solid foundation structure
 - Mass concrete
 - Impermeable concrete
 - High-strength NEW RC
 - Other concrete
- Waterproofing Engineering**
 - Reassuring waterproofing engineering
 - Spray: Iron membrane / Polyurea (Polyurethane)
 - Apply: Waterproof membrane
 - Add: Bentonite waterproofing
 - Hydration and solidification type waterproofing materials
- Electromechanical Engineering**
 - Energy-saving mechanical and electrical design
 - Sensor-controlled energy-saving lighting
 - Electric vehicle charging equipment
 - Green renewable energy - Solar panels
- Green Building Materials**
 - Sustainable and lasting green buildings
 - Insulation Mortar
 - LOW-E Glass
 - Rainwater collection
 - Aluminum formwork
 - Low-carbon construction methods
 - Pedestrian walkway landscape permeability
- Door and Window Engineering**
 - Safe and quick door and window design
 - Shower glass door safety explosion-proof
 - Quick roll-up doors save time and look aesthetic
 - Bathroom sliding wooden doors
- Interior Decoration Engineering**
 - User-friendly interior decoration
 - Light partition applications, carpet engineering
 - Raised floor systems
 - Kitchen equipment engineering
 - Curtain wall systems
 - Indoor soundproofing pads

3.2 Commitment II: Working Safely Environment



Material Topic - Supply Chain Management	GRI 2-6	GRI 204-1	GRI 308-1	GRI 403-9	GRI 414-1
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Management Policy	<ul style="list-style-type: none"> Cathay Real Estate's internal policies - Designer Selection Measures, Sales Agency Selection Measures Corporate social responsibility clauses are included in contracts with suppliers 	Management Commitment	Conduct annual supplier evaluation, rigorously implement supplier screening, audit and guidance, share resources with suppliers to jointly improve sustainable performance, and exert sustainable influence	
Dedicated Unit	Project Department 1, Project Department 2, Project Department 3 and Technology Department	Resources Invested	Project Department 1, Project Department 2, Project Department 3 planning and sales management specialists for pre-construction projects, approximately 2-3 people.	
Goals	<div style="display: flex; justify-content: space-between;"> <div style="width: 30%;"> <p>Short Term (2023)</p> <ul style="list-style-type: none"> Carefully select business partners, establish pre-construction sales agency and architect selection standards, select high-quality suppliers through evaluation, and achieve sales service satisfaction of 9/10 points or more Conduct annual supplier evaluation </div> <div style="width: 30%;"> <p>Medium Term (2025)</p> <ul style="list-style-type: none"> Improve satisfaction by 1% through feedback from sales service satisfaction surveys </div> <div style="width: 30%;"> <p>Long Term (2027)</p> <ul style="list-style-type: none"> Improve satisfaction by 2% through feedback from sales service satisfaction surveys </div> </div>			
	Management Approach Evaluation	<p>Management Evaluation Mechanism</p> <ul style="list-style-type: none"> Sales agency and architect selection mechanism Sales satisfaction 		
		<p>2023 Evaluation Results</p> <ul style="list-style-type: none"> ✓ Cathay Real Estate has established sales agency selection measures and designer selection measures ✓ Sales satisfaction 9.97/10 		

Note: ✓ Exceeding the original target or the previous year's performance, = Same as the original target or the previous year's performance, ✗ Did not achieve the set target

Promoting a Zero-Injury Workplace Environment

A safe working environment is the foundation for Cathay Real Estate to provide quality services. When selecting suppliers, we comprehensively require them to sign the "Corporate Social Responsibility Clause" as the highest principle for Cathay Real Estate's cooperation with suppliers. We require construction contractors responsible for construction to formulate occupational safety and health management policies and implement construction safety self-management mechanisms to ensure that suppliers can provide employees with a safe working environment, thereby reducing occupational safety risks. We regularly hold contractor observation meetings to share best practices, exchange experiences, and propose improvement suggestions, promoting information sharing to help suppliers jointly realize a "zero-injury" workplace environment.

Zero-Injury Workplace Environment Promotion Measurements

 <p>Demanding all suppliers signing the "Corporate Social Responsibility Clause"</p>	 <p>Implementing Supplier Selection</p>	 <p>Decreasing Suppliers Occupational Health and Safety Risk</p>	 <p>Holding Construction Contractor Observation Meetings</p>
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Promoting Supply Chain Social Responsibility

Cathay Real Estate implements the concept of sustainable development with value chain partners. The “Corporate Social Responsibility Clause” is included in the contract scope, and architects, designers, construction contractors, external consultants, sales agencies, media advertisers, equipment procurement manufacturers and other suppliers are required to comply with regulations in 4 aspects. If there is a violation of the regulations, the supplier must immediately correct it according to the criteria in the clause. If the situation is serious, Cathay Real Estate will terminate the cooperation relationship. In 2023, all partners have signed the clause 100%.

Corporate Social Responsibility Clause



Environmental Protection



Working Criteria



Occupational Safety and Health



Labor Right

Architect	3
Landscape Designer	7
Sales Agencies and Sales Teams	7
Building firms	5
Equipments	31
Media and Advertisement	32
Green Building Consultants	2
Total 87 Suppliers Signed	



Implementing Supplier Selection

Cathay Real Estate has established selection measures, screening and selection processes to find the most suitable partners to jointly provide high-quality services. The selection criteria cover suppliers’ sales and planning capabilities. In addition, to ensure that the engineering construction team does not have major violations or occupational safety incidents, we particularly consider environmental, social and corporate governance aspects to create value for customers while also implementing Cathay Real Estate’s sustainability commitments.

Supplier Category	Sales Agency and Design Team	New Project Construction	Others
	Architects, Public Facility Designers, Sales Agencies	Engineering Consulting Companies, Construction Companies	Media, Advertising Projects, Equipment Procurement Manufacturers
Supplier Selection Method	Selection Criteria Setting Evaluation Dimensions <ul style="list-style-type: none"> Market Analysis/Sales Capability Product Planning/Shaping Ability Design Team Suitability 	Qualification Screening <ul style="list-style-type: none"> Business Qualification Paid-in Capital Engineering Experience and Performance 	Price Comparison and Negotiation <ul style="list-style-type: none"> Adherence to Procurement Procedures Proposal Presentation Service Content and Price Comparison
	Selection Meeting <ul style="list-style-type: none"> Proposal Presentation Service Content and Price Comparison 	Two-stage Evaluation <ul style="list-style-type: none"> Financial Status Performance Record (Engineering Performance, Track Record, Quality) Project Schedule Management Construction Plan Completeness and Reasonableness of Bid Price 	
Management Model	Select suitable suppliers according to the selection measures and conduct sales in accordance with Cathay Real Estate’s sales management measures	<ul style="list-style-type: none"> Select suitable suppliers according to the engineering procurement measures and implement strict quality control requirements in accordance with Cathay Real Estate’s three-level quality control system 	<ul style="list-style-type: none"> Equipment procurement manufacturers: Implement strict quality control requirements in accordance with Cathay Real Estate’s three-level quality control system Media, advertising projects: Conduct advertising business in accordance with relevant legal requirements

Cathay Real Estate 2023 Statistics of Various Supplier Categories

Supplier Type	Architect		Landscape and Public Facility Designers		Sales Agencies and Sales Teams		Building firms		Equipment and Materials (Self-operated Projects)		Media, Advertising Projects	
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
Number of Suppliers	30	1	14	1	8	-	15	-	44	-	81	-
Procurement Amount (including tax)	197,816,901		15,269,421		492,983,390		6,639,632,033		94,017,500		36,768,312	
Procurement Ratio	2.65%		0.20%		6.59%		88.81%		1.26%		0.49%	

Note1: Cathay Real Estate's definition of suppliers is engineering, advertising, design and sales manufacturers according to the procurement and selection operation measures.

Note2: In 2023, Cathay Real Estate's suppliers were all domestic except for two overseas manufacturers.

Note3: The unit of procurement amount is New Taiwan Dollars.

Cathay Health Management 2023 Statistics of Various Supplier Categories

Supplier Category	Health Checkup Reagents	Repair and Maintenance	Others
Number of Suppliers	7	41	69
Procurement Amount	60.92%	11.37%	27.72%

Note: The unit of procurement amount is New Taiwan Dollars.

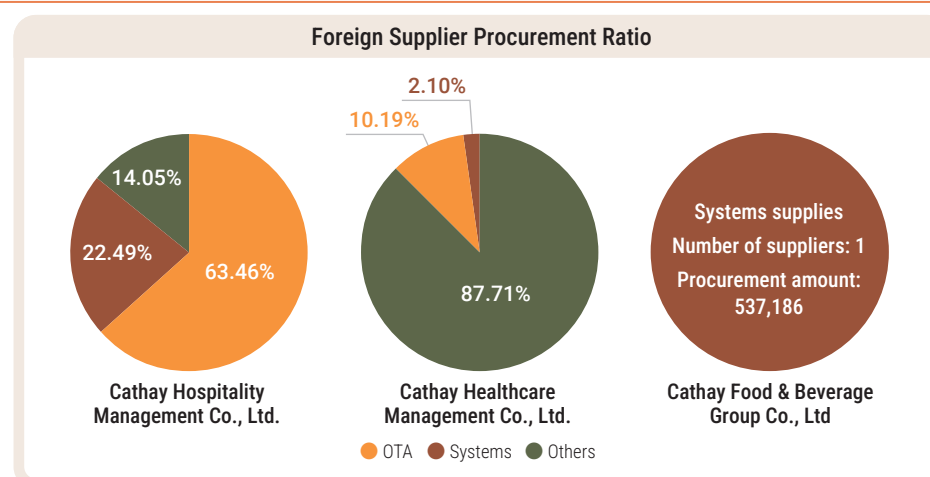
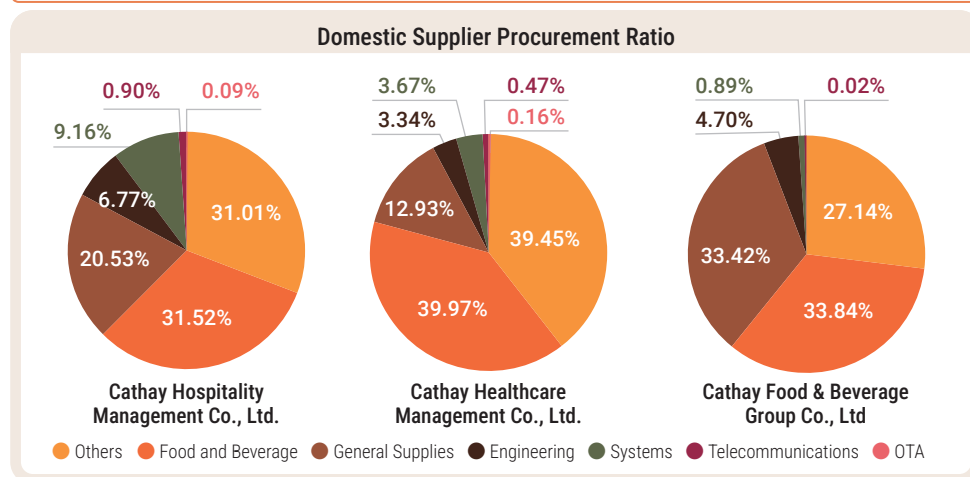
San Ching Engineering 2023 Statistics of Various Supplier Categories

Supplier Category	Construction Engineering	Electromechanical Engineering
Number of Suppliers	438	47
Procurement Amount	7,355,189,744	2,080,672,678
Proportion of Total Procurement	77.95%	22.05%

San Ching Engineering 2023 Green Procurement
Green procurement amount: **463,948,250**
Green procurement as a percentage of total procurement amount: **4.92%**

Note: The unit of procurement amount is New Taiwan Dollars.

Cathay Hospitality Consulting Co., Ltd. 2023 Statistics of Various Supplier Categories



Note: Cathay Hospitality Consulting's local procurement ratio is 81.87%, and foreign suppliers account for 18.13% of total procurement.

Engineering Procurement Standard Operating Procedure

Cathay Real Estate’s operations ensure compliance with regulations at each stage through more than 20 operating procedures, strictly managing the stages of contractor bidding, base price approval, procurement explanation, contractor bidding, and final bid opening operations. After contractors submit bids, the Technology Department conducts unified bid opening together with audit personnel, recording the completeness and bid prices of the bid documents. The rigorous engineering procurement process has ensured that no fraud or illegal procurement incidents have occurred in our 59 years of operation.

Cathay Real Estate Historical Construction Contractor Undertaking Status

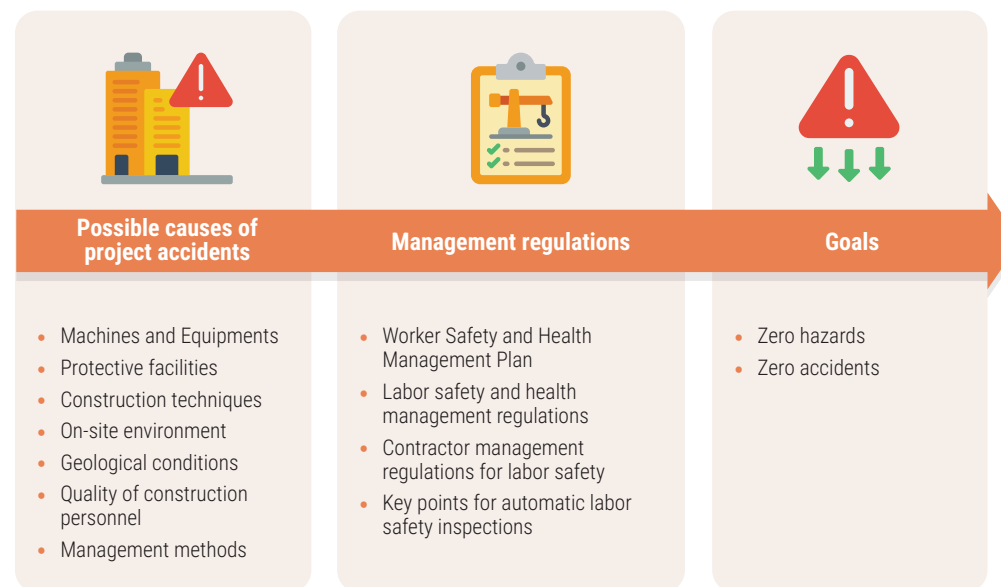
Annual Meetings	2021	2022	2023
Number of cases	8	6	5
Amount (Unit: NT\$ 100 million)	120.53	87.41	128.16
Number of Cases Undertaken by San Ching Engineering	5	4	5
Proportion of Amount Undertaken by San Ching Engineering	73%	79%	100%

Note: San Ching Engineering is a subsidiary of Cathay Real Estate Group. When Cathay Real Estate conducts procurement operations for construction contractors, San Ching Engineering must also go through the standard operating procedure for procurement, just like other construction contractors.

Implementing Occupational Health and Safety

Cathay Real Estate works with construction contractors to build safe construction sites. To provide on-site workers with a safe and healthy workplace environment, we analyze the causes of accidental incidents in past projects, establish prevention mechanisms, and formulate management measures and implement risk control and preventive measures.

Implement “Zero-Injury”



Stakeholder Testimonial

Jioushun Construction Co., Ltd. Manager of Cathay You Yang Engineering Office Wen Hao, Yang

Since Jioushun Construction first cooperated with Cathay Real Estate, I have had the honor and opportunity to coordinate and serve your company. I was appointed as the manager of Cathay You Yang Engineering Office and have been diligently working day and night. During the construction process, many issues were encountered, such as being separated from old houses in the neighborhood by just an alley, and the responsibility of maintaining the surrounding environment during construction, as well as the increasingly scarce construction manpower market. Throughout the process, Jioushun Construction has steadily progressed the operations to date. I am grateful for the experience and guidance provided by Cathay Real Estate in various aspects, allowing this project to smoothly overcome various engineering difficulties. Our staff from top to bottom will continue to improve and refine, striving for even better quality. During the cooperation period, we hope to grow and thrive together with your company, jointly creating a new sustainable construction project.



2023 Cathay Real Estate Construction Contractor Occupational Injuries

Item	San Ching Engineering			Jioushun Construction			Kimzoa Construction			Chien Kuo Engineering		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total Work Hours	381,791	89,161	470,952	145,881	45,004	190,885	197,008	24,560	221,568	88,184	16,320	104,504
Total Work Days	46,672.5	12,196.5	58,869	21,314	7,123	28,437	24,626	3,070	27,696	11,023	2,040	13,063
Number of Occupational Injuries (Note 1)	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Injury Rate (Note 2)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Occupational Injury Deaths (Note 3)	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Injury Death Rate (Note 4)	0	0	0	0	0	0	0	0	0	0	0	0
Lost Work Days (Note 5)	0	0	0	0	0	0	0	0	0	0	0	0
Lost Day Rate LDR (Note 6)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Absence Days (Note 7)	82.69	107.90	190.59	0	0	0	0	0	0	0	0	0
Absentee Rate AR (Note 8)	0.173%	0.968%	0.324%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of Severe Work Injuries (Note 9)	0	0	0	0	0	0	0	0	0	0	0	0
Severe Work Injury Rate (Note 10)	0	0	0	0	0	0	0	0	0	0	0	0

Note1: Refers to the number of recordable occupational injuries, including the number of deaths caused by occupational injuries.

Note2: Occupational injury rate = (Number of occupational injuries / Total work hours) × 200,000*

Note3: Number of deaths due to occupational injuries.

Note4: Occupational injury death rate = (Number of occupational injury deaths / Total work hours) × 200,000*

Note5: Total lost work days refers to the total number of days that employees are temporarily (or permanently) unable to return to work due to injury, which refers to the number of leave days due to occupational injury.

Note6: Lost day rate (LDR) = (Lost work days / Total work hours) × 200,000*

Note7: Absence definition: Employee absence due to loss of working capacity, including: occupational injury leave, sick leave, menstrual leave, but not including leave applied due to traffic accidents.

Note8: Absentee rate (AR) = (Total absence days / Total work days) × 100%

Note9: Severe work injury refers to an injury that makes it difficult for the worker to recover to the pre-injury health condition within 6 months, excluding deaths.

Note10: Severe work injury rate = (Number of severe work injury incidents / Total work hours) × 200,000*

Note11: *refers to the rate per 100 employees, calculated based on 50 weeks per year, 40 hours per week



Holding Construction Contractor Observation Meetings

Since 2018, Cathay Real Estate has held "Construction Contractor Observation Meetings" every quarter, inviting willing bidding manufacturers to learn the latest construction methods and technologies together based on the principle and concept of information sharing. We expect to create an interactive venue and communication platform for participating manufacturers to fully grasp the construction details and key technologies of the project, exchange practical experiences at the observation meeting, and seek technological innovation and breakthroughs. In 2023, a total of 9 manufacturers participated in the observation meetings, with an overall average satisfaction score of 89.35.

Construction Company Observation Meeting Process



Mutual Observation
Open for mutual observation among contractors to understand Cathay Real Estate's quality standards

Interactive Field
Create an interactive field to promote industry exchange

Communication Platform
Establish a communication platform to enhance interaction between Cathay Real Estate and contractors



CH4 Friendly Architectural Design

Considering residential safety, architectural design, and housing needs, combining thoughtful services and professional capabilities, we are committed to meeting the various needs of modern people for housing. We not only focus on construction quality and design aesthetics, but also hope to respond to the concepts of environmental friendliness and circular regeneration, integrating a sustainable atmosphere into residents' living and making the implementation of sustainability an indispensable part of life.

2023 Sustainability Highlights and and Performance

- **100%** of new projects introduced green building concepts
- **60%** of new projects commissioned applied for green building certification
- **100%** of new projects introduced BIM technology
- A total of **11** procurement manufacturers obtained green building material labels



4.1 Commitment I: Sustainable Happy Homes

We use high-quality building materials as the foundation, grasp users' needs, and incorporate thoughtful design into the details of each residence. At the same time, in response to economic, environmental, and social changes, we design housing for different age groups and lifestyles, hoping to provide residents with a warm and comfortable home through every design consideration. We use high-quality building materials as the foundation, grasp users' needs, and incorporate thoughtful design into the details of each residence. At the same time, in response to economic, environmental, and social changes, we design housing for different age groups and lifestyles, hoping to provide residents with a warm and comfortable home through every design consideration.

Building Material Selection - Safe and Comfortable Living Space

Cathay Real Estate not only considers buildings as places to live, but also as a guarantee of residents' health and happiness. We carefully evaluate the selection and design safety of building materials, allowing each building to become a safe and comfortable living space for residents.

Note: Varies by project.

4 Aspects to Create a Safe and Comfortable Living Space

Air Quality

- Ceiling and wall paint in residential units must comply with eco-friendly latex paint standards → Reduce toluene in the air
- Elevators equipped with air purification devices



Home Safety

- Shower glass doors must have anti-shatter film applied at the factory
- Provide AEDs for community use
- Low thresholds installed at bathroom entrances → Barrier-free environment



Night Safety

- Large switch panels with night indicator lights for indoor lighting in residential units
- Security lights installed near bedroom hallways or secondary bathroom doors in residential units



Water and Electrical Facilities

- Dedicated outlets protected by ground fault circuit interrupters installed in bathrooms, kitchens, and utility balconies
- Automatic backwash impurity filter to prevent water pollution and protect water equipment
- 5.5mm diameter electrical wires used indoors to increase electrical safety and reduce the risk of electrical fires



Thoughtful Design - Warm Companionship Everywhere

Our architectural design and planning not only consider surface usage needs, but also focus on the psychological feelings of residents, striving to create a comfortable space that satisfies people's physical and mental health.

Note: Varies by project.



Cathay Book Room



Pet-friendly and coexistence



Barrier-free residential environment



Respite space design



Automatic door safety protection



Friendly reception counter



Umbrella storage facilities

Pet-Friendly and Coexistence

Furry kids are also considered family members. Referring to successful examples of pet coexistence design abroad, we consider pet comfort and safety in architectural planning, allowing pet owners and pets to enjoy a comfortable and safe family life together.

Note: Only established in some projects.



Pet Leash



Pet Elevator

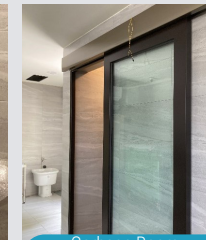
Barrier-free Living Environment

1. Handrails are installed in bathrooms, and door thresholds with sloped angles convenient for wheelchair access are designed to create a barrier-free friendly space.
2. Traditional entrances and exits are changed to sensor-controlled horizontal sliding doors to ensure residents' convenience and safety.

Note: Only established in some projects



Bathroom I-shaped Handrail

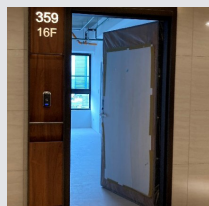


Garbage Room Automatic Horizontal Sliding Door

Rainwear Storage Facility

To address the inconvenience caused to residents by rainy weather, a hanging rainwear storage device is installed at the entrance door.

Note: Only established in some projects



Entrance Rainwear Storage

Maintaining a Comfortable Indoor Space with a Windbreak Room

To allow residents to enjoy a comfortable indoor space, a windbreak room is designed at the entrance to prevent wind, rain, dust and noise from entering the interior.

Note: Only established in some projects



Windbreak Room

Landscape Area Signage

Cathay Real Estate sets up landscape areas in projects and labels the names of tree species to enhance residents' understanding of nature.

Note: Only established in some projects



Landscape Area Tree Signage

Cathay Book Room

Since 2022, Cathay Real Estate has launched the "Cathay Book Room" community building plan, collaborating with Cite Publishing Group to select books for community residents to read and use. Through reading, residents' lives are enriched. The Cathay Book Room not only provides a space for writing and book collection, but also establishes a channel for cultural exchange between people.

Note: Only established in some projects



Cathay Book Room

Children's Play Area

Cathay Real Estate values children's safety and has notice boards and precautions in children's playgrounds.

Note: Only established in some projects



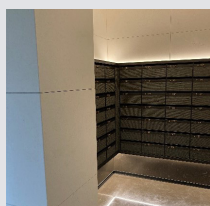
Children's Playroom Notice Board



Children's Playground Precaution Instructions

Sensor-controlled Mailbox Area

Cathay Real Estate sets up sensor-controlled mailbox areas in each project to ensure the safety of residents' mail.



Sensor-controlled Mailbox Area

Safe Cooking Space

To provide residents with a safe and secure cooking space, Cathay Real Estate considers residents' usage process and habits when planning kitchen spaces, and installs splash guards on countertops to prevent items from falling when customers are cooking.

Note: Only established in some projects



Kitchen Countertop

Driveway

Cathay Real Estate installs countdown timers for rolling shutters at the entrances and exits of project driveways, displaying the remaining time for the rolling shutters to open and close, ensuring the safety of vehicles entering and exiting.

Note: Only established in some projects



Driveway Rolling Shutter Countdown Timer

Sustainability and Health: A New Living Proposal






In response to the COVID-19 pandemic outbreak, we planned pandemic prevention residence design during this period, improving environmental hygiene, air quality and water resource utilization to achieve pandemic prevention functions while providing customers with excellent quality of life. From public facilities to indoor equipment, we uphold the concepts of innovation and intelligence to design new living proposals for customers. Since 2022, all new construction projects have installed plasma ion air purifiers in elevators, coupled with under-sink water purifiers, to improve the quality of living environment hygiene. In addition, we use building materials with green building labels for floor, ceiling, and light partition decoration to reduce environmental burden and harm to the human body, creating buildings that combine sustainable concepts and physical and mental health for customers. For details on green buildings, please refer to [4.3 Commitment III: Circular and Renewable Architecture](#).

Note: Planning varies by project

Physical and Mental Health

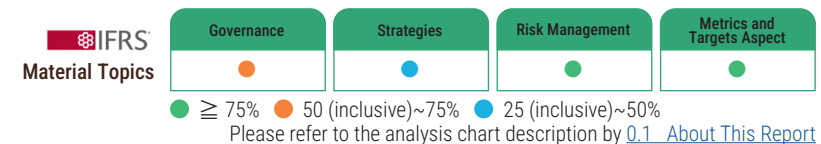
Environmental Hygiene	<p>All-intelligent Toilet</p> <p>No need to touch buttons or handles, and no need to worry about others forgetting to flush after using the toilet. Automatic flushing is performed after each use to create a clean toilet environment.</p> 	Air Quality	<p>Reserved for Total Heat Exchanger</p> <p>Exchange fresh outdoor air with indoor air to reduce the concentration of indoor air pollutants.</p> 	Pandemic Prevention Elevator	<p>Plasma Ion Air Purifier</p> <p>Install plasma ion air purifiers in elevators for comprehensive active sterilization and purification.</p> 
	<p>Sensor Faucet</p> <p>Reduce the risk of contact infection in the community.</p> 		<p>Bathroom Floor Exhaust and Shaft Partition</p> <p>Properly seal shafts to avoid exhaust affecting other units and prevent vertical infection of viruses in the community.</p> 		<p>Automatic Door</p> <p>Install automatic doors at community entrances to reduce touching of entrance and door handles.</p> 
		Water	<p>Under-sink Water Purifier</p> <p>Install ultraviolet sterilization equipment in water towers, coupled with under-sink water purifiers in each unit to ensure water safety.</p> 		

Sustainable Living

Wooden Flooring	<p>Applied spaces</p> <p>Bedroom, dining room, kitchen</p> 	Light Partitions	<p>Applied spaces</p> <p>Partitions between units</p> 	Ceiling	<p>Applied spaces</p> <p>Kitchen, bathroom</p> 	Paint	<p>Applied spaces</p> <p>Dining room, bedroom, kitchen, bathroom</p> 	<p>A total of 11 procurement manufacturers obtained green building material labels</p>	
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4.2 Commitment II: Pollution Prevention at Construction Sites

Material Topic - Construction Waste Management | GRI 306-1~306-3



Management Policy	Follow the Environmental Protection Administration's "Construction Waste Management Strategy" to implement construction waste reduction and sorting operations at construction sites, with the goal of increasing construction waste resource recycling and reuse channels and reducing illegal dumping of construction waste.		Management Commitment	In addition to the practicality of the building itself, Cathay Real Estate also values the pollution situation generated at construction sites. For construction waste generated during the construction process, we implement construction site waste management mechanisms and strictly control the flow of waste disposal during the construction stage. From the demolition of old buildings to the final completion of new projects, we establish waste disposal processes and track waste disposal. Rigorously compile statistics on the output of construction waste and household waste as a complete first step for proper disposal.
Dedicated Unit	<ul style="list-style-type: none"> Technology Department Quality Control Section Building firms 		Resources Invested	Manpower / Action Investment 9 people in the Technology Department Quality Control Section
Goals	Short Term (2024) →	Medium Term (2027) →	Long Term (2030) →	
	<ul style="list-style-type: none"> 25% of construction sites implement construction waste sorting 25% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) 	<ul style="list-style-type: none"> 50% of construction sites implement construction waste sorting 50% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) 	<ul style="list-style-type: none"> 100% of construction sites implement construction waste sorting 100% use recyclable and renewable green building materials (calcium silicate board, tiles, permeable bricks) 	
Management Approach Evaluation	Management Evaluation Mechanism		2023 Evaluation Results	
	<ul style="list-style-type: none"> Follow the Environmental Protection Administration's "Construction Waste Management Strategy" Establish construction site waste management mechanism and report construction waste. Compile statistics on the output of construction waste and household waste. Strictly control the flow of waste disposal during the construction stage. 		<ul style="list-style-type: none"> ✓ In 2023, Cathay Real Estate had no major serious leakage incidents and environment-related complaint cases. ✓ All 22 construction sites inspected have implemented construction waste classification management, and contractors have independently recycled construction waste materials such as calcium silicate board, tiles, and permeable bricks. 	

Note: ✓ Exceeding the original target or the previous year's performance, = Same as the original target or the previous year's performance, ✗ Did not achieve the set target

Strict Control and Disposal of Construction Site Waste

We follow the Environmental Protection Administration’s “Construction Waste Management Strategy” to control pollution sources at construction sites, implement waste reduction, classification and resource utilization, and strive to reduce the burden of construction on the natural environment. We also increase the recycling and reuse channels for waste resources to ensure that there are no incidents of illegal waste dumping.

Cathay Real Estate’s Construction Site Waste

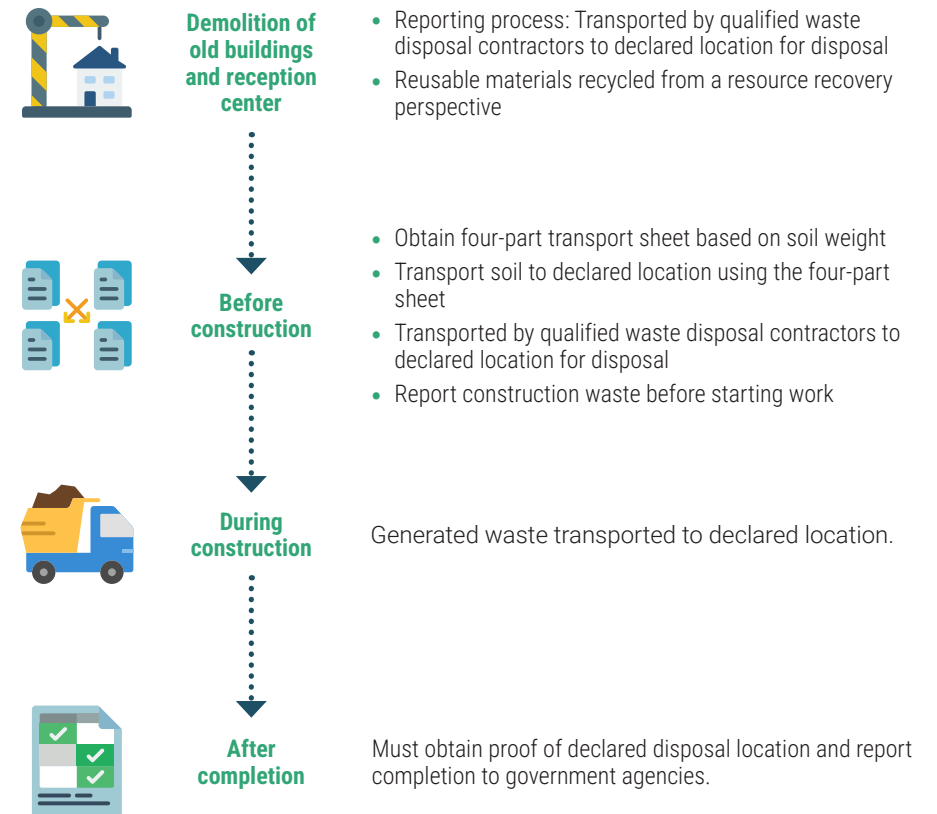
The construction waste generated during Cathay Real Estate’s construction process is all reported in accordance with legal requirements to keep track of waste flow. It is mainly divided into two major categories: “general waste” and “construction waste”.

General Waste	Waste Wood	Window frames, decoration, on-site carpentry residual materials, pallets, formwork waste
	Paper	Cement bags, wrapping paper, wallpaper, cartons
	Others	Waste generated from the demolition of temporary construction site buildings
Construction Waste	Sludge	Slurry, excavation slurry
	Waste Oil	Construction machinery waste oil, waterproof asphalt residue
	Waste Plastic	Decoration, piping, construction waste, packaging materials
	Metal Waste	Components, frames, waste wires, lighting and other waste materials
	Glass and Ceramic Fragments	Stones, tiles, bricks, glass, concrete rubble
	Soil and Stone Generated from Buildings	Sand, stone, crushed stone
	Hazardous waste	Asbestos waste for insulation, heat insulation, and fire resistance

Note: Cathay Real Estate 100% hires qualified cleaning and transportation contractors to handle related construction waste.

Construction Site Waste Disposal Process

To implement waste flow management, a waste disposal process covering building demolition to building completion is established to grasp the waste disposal situation at each stage. The metal shavings, glass fragments and other waste resources generated from the project are recycled and reused to reduce the environmental impact of waste.



Reducing Waste and Dust Generation

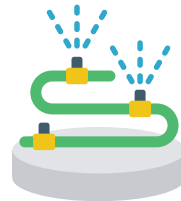
Measures to Reduce Waste and Dust



Use black mesh net to reduce dust in excavation storage area



Place recycling bins on each floor to reduce waste



Personnel sprinkle water to reduce dust



Cover exposed soil surfaces in the work area with PC to suppress dust



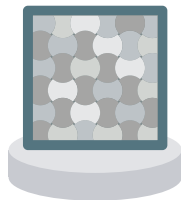
Sort waste for recycling to reduce waste



The amount of construction waste is uncertain. It is commissioned to a qualified representative cleaning and disposal operator, and a certificate from a legal disposal site must be obtained



Strengthen water sprinkling to suppress dust from vehicle movement



The construction site is equipped with dust-proof nets and is immediately covered if there is dust



Sealed garbage trucks are used as much as possible for cleaning and transportation vehicles, and vehicle bodies are washed when entering and exiting



Cover dust-proof nets during excavation operations

Waste Disposal and Statistics

Strictly compile statistics on the output of construction waste and household waste for each project to ensure proper disposal of waste.

Company	Building Firms	Construction Site	Accumulated Amount of Civil or Construction Waste Mix	Average Monthly Waste Generation	Accumulated Amount of Household Waste	Average Monthly Household Waste Generation
Cathay Real Estate	San Ching Engineering	Cathay Feng He	5.00	0.42	10.00	0.83
		Cathay Feng Shuo	30.00	2.50	8.00	0.67
		Cathay Yong Cui	11.28	0.94	8.40	0.70
		Dunhua N. Branch Urban Renewal	31.00	2.58	1.00	0.08
		Dunnan Lin Yuan	4.00	0.33	2.00	0.17
		Cathay · Hsu	-	-	1.00	0.08
		Cathay Min Le	1.00	0.08	1.00	0.08
		Cathay Chuan Qing	945.00	78.75	220.80	18.40
		Cathay Xi Jing	1,248.00	104.00	231.00	19.25
		Taoyuan Da Zhong Road	95.00	7.92	50.00	4.17
		Cathay THE PARK	383.00	31.92	55.00	4.58
		Cathay MOST+	1,292.00	107.67	115.00	9.58
		Cathay Mei He	122.00	10.17	1.00	0.08
		Cathay Yi He	-	-	-	-
	Jioushun	Cathay You Yang	285.38	23.78	22.95	1.91
	Kimzoa	Cathay He He	3,198.00	267.00	123.00	10.30
	Kimzoa	Cathay Shi Mei	76.00	6.33	55.00	4.58
	Chien Kuo	Cathay Huai Wei Feng Nian	3,908.00	326.00	36.95	3.08
Chien Kuo	Cathay You Jing	180.00	15.00	15.00	1.25	
Chien Kuo	Cathay Pan Yun	71.28	5.94	7.50	0.63	
Jinhua Realty Co., Ltd	San Ching Engineering	UNi PARK	366.46	30.54	345.60	28.80
Bannan Realty Co., Ltd.	San Ching Engineering	Meta Park	-	-	0.10	0.01
Sanchong Realty Co., Ltd.	San Ching Engineering	RIVER PARK	-	-	-	-
Subtotal			12,252.40	1,021.86	1,302.30	108.58

Note1: In 2023, Cathay Real Estate had no major serious leakage incidents and environment-related complaint cases.

Note2: The unit is unified as tons.

4.3 Commitment III: Circular and Renewable Architecture



Material Topic - Sustainable Design and Architecture

Management Policy	Cathay Real Estate provides customers with “physical and mental health, social inclusion, environmentally friendly” architectural services, while also expanding new opportunities for sustainable development.	Management Commitment	Cathay Real Estate adheres to the five major policies of green building: “environmental protection design, environmental protection building materials, life cycle assessment, innovative research and development, and living in harmony with neighbors”. It promises to introduce green building concepts in 100% of new projects in 2022, and enhance Cathay Real Estate’s overall professional knowledge of environmental protection and social inclusion. It also provides thoughtful architectural design and pandemic prevention residence research and development to strengthen the adaptability of buildings to the environment and needs.						
Dedicated Unit	<ul style="list-style-type: none"> Technology Department 	Resources Invested	Manpower / Action Investment <ul style="list-style-type: none"> 3 people in the Technology Department Project Section 5 people in the Technology Department Electromechanical Section 7 people in the Technology Department Budget and Procurement Section 55 people in Project Department 1 to 3 						
Goals	<table border="1"> <thead> <tr> <th>Short Term (2024)</th> <th>Medium Term (2027)</th> <th>Long Term (2030)</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> New project application for green building certification ratio 20% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90% </td> <td> <ul style="list-style-type: none"> New project application for green building certification ratio 30% Commercial project smart building certification ratio 5% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90% </td> <td> <ul style="list-style-type: none"> New project application for green building certification ratio 40% Commercial project smart building certification ratio 10% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90% </td> </tr> </tbody> </table>			Short Term (2024)	Medium Term (2027)	Long Term (2030)	<ul style="list-style-type: none"> New project application for green building certification ratio 20% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90% 	<ul style="list-style-type: none"> New project application for green building certification ratio 30% Commercial project smart building certification ratio 5% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90% 	<ul style="list-style-type: none"> New project application for green building certification ratio 40% Commercial project smart building certification ratio 10% Conduct research on new building materials and new construction methods every quarter to enhance product competitiveness. Local Procurement ≥ 90%
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Note: ✓ Exceeding the original target or the previous year’s performance, = Same as the original target or the previous year’s performance, ✗ Did not achieve the set target

Constructing a Green Building System

Based on the “Five Major Policies of Green Building”, relevant strategies are formulated for building material usage, design planning, and local communities, implementing the goal of circular and renewable architecture.

Green Building Five Major Policies

1 Life cycle assessment

From the perspective of a building's life cycle analysis, minimize the use of non-renewable energy.

2 Eco-friendly design

Introduce sustainable and environmentally friendly design concepts, promote green building design and planning.

3 Eco-friendly building materials

Use environmentally friendly materials with less impact on human health as much as possible.

4 Innovation and development

Provide high-level construction technology, reduce construction waste generation and ensure safety and hygiene.

5 Foster good neighborly relations

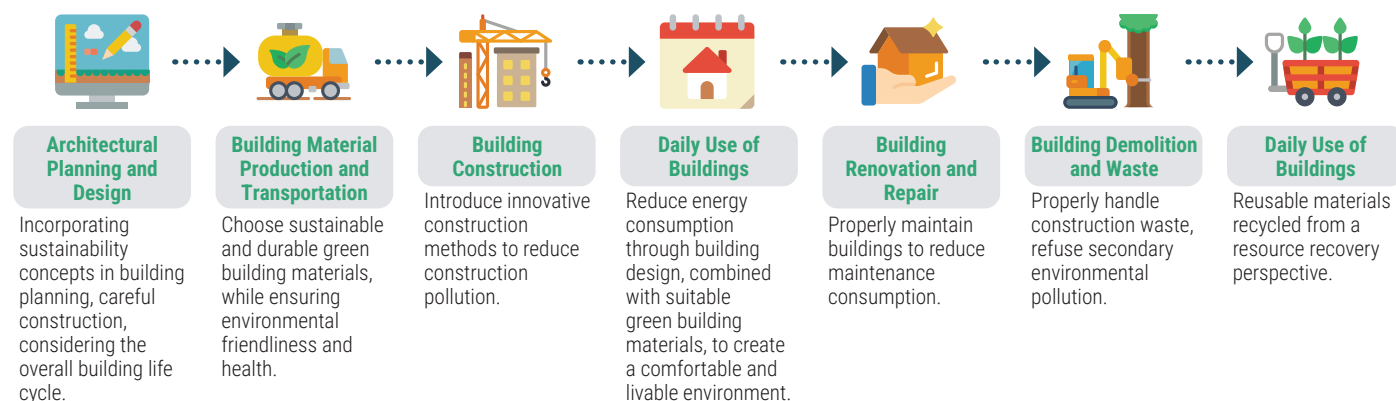
Ensure harmony between the building project and the surrounding environment and space, being friendly to the local community and society.

Green Building Life Cycle

SASB IF-RE-130a.5

Since 2022, we have conceived the introduction of green building methods from various stages of the building life cycle, and gradually planned for some projects to obtain domestic and foreign green building certifications. We also share green building experiences and insights through construction contractor observation meetings, encouraging the industry to jointly contribute to the sustainable development of the construction industry.

Green Building Life Cycle



Number of Cathay Real Estate's Projects Introducing Green Building and Expenditure in 2023

Certificate	Obtained Green Building Planning Agreement			Obtained Green Building Candidate Certificate
	3 cases			1 case
Number of Cases	Green Building Gold Level			Green Building Silver Level
Project	Cathay · Hsu	RIVER PARK	Cathay Min Le	Cathay You Jing
Insulation Mortar	7,522,524	*	*	Not used in this project
LOW-E Glass	5,805,540	*	*	2,858,940
Landscape Engineering	24,945,832	142,910,165	24,855,370	27,308,250
PS Protection Board	132,701	463,100	316,410	-
Resident Indoor Flat Ceiling Paint	1,740,073	4,689,930	2,327,140	-
Elevator Electric Power Regeneration Device	900,000	390,000	-	-
Subtotal Amount	41,046,670	148,063,195	27,498,920	
Total		216,608,785		30,167,190

*This project uses REQ for scoring, so it's not applicable.

Introducing Architectural Technology

Building a Team Communication Bridge: Building Information Modeling (BIM)

Building Information Modeling (BIM) is an application tool that has received much attention in the construction industry. It integrates various digital information of the building model through information technology and presents it in 3D visual simulation, improving communication efficiency among engineering teams and solving problems encountered in traditional workflows.

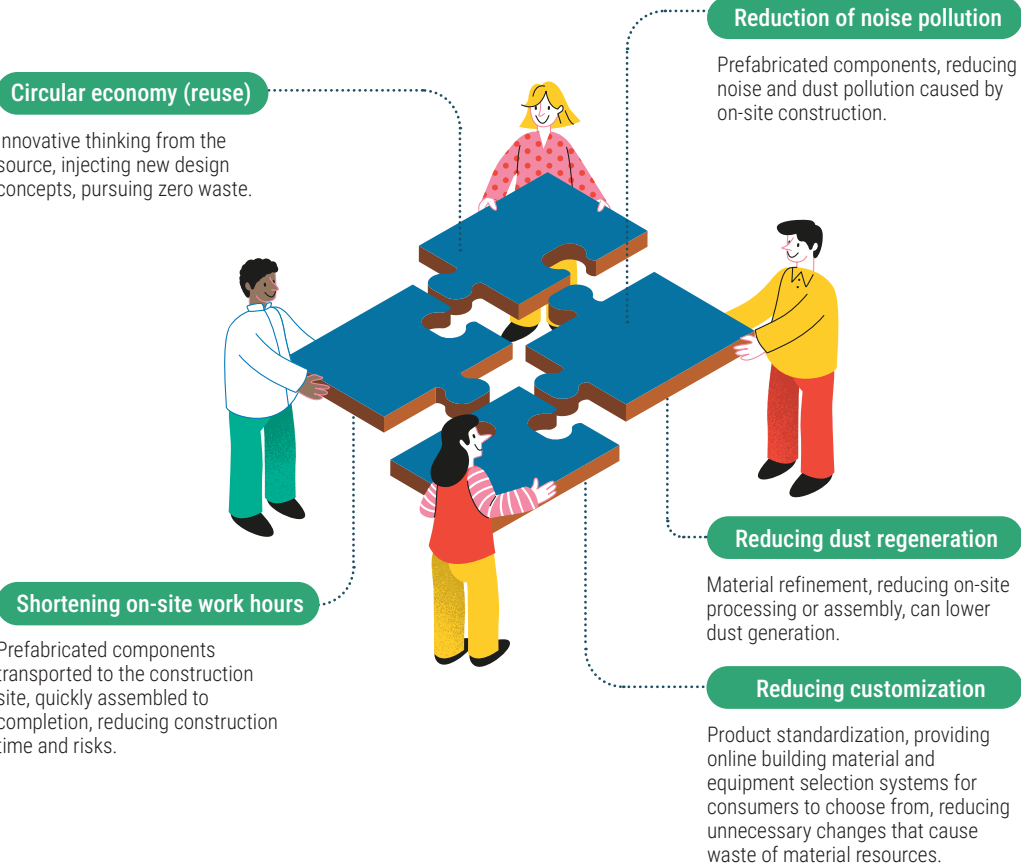
Cathay Real Estate's cooperating suppliers have been using BIM technique since 2017. To optimize the planning and execution of construction processes and improve building maintenance after completion, the Company encourages architects to apply BIM technique in their work. In 2020, construction contractors were required to use BIM to draw drawings, achieving the goal of fully introducing BIM technique in new projects.

BIM Introduction Ratio		2021	2022	2023
Construction Contractor	Number of New Projects in the Current Year (A)	8	3	5
	Number of New Projects Introducing BIM in the Current Year (B)	8	3	5
	Ratio of New Projects Introducing BIM in the Current Year (B/A)	100%	100%	100%
Architect	Number of New Projects in the Current Year (A)	8	3	5
	Number of New Projects Introducing BIM in the Current Year (B)	3	2	4
	Ratio of New Projects Introducing BIM in the Current Year (B/A)	38%	67%	80%

Efficient Construction Method: Building Modularization Technology

Different from traditional construction processes, "building modularization" prefabricates some building components and materials into modules in factories, then transports them to the construction site for integrated installation. It not only reduces raw material waste during the construction stage, but also mitigates noise and dust pollution around the construction site and reduces risks during the construction stage.

Introduction of Modular Construction



CH5 Prudent Land Development

Land is the starting point for building happy homes for customers. We have established a dedicated team to conduct market research before new project development, prioritizing safety as the primary consideration, and strictly implementing the review process to ensure the safety of land development at each stage. To create a living circle that is livable, comfortable, and convenient, we prioritize quality and functionally complete locations in site selection. In addition, we integrate real estate group resources and combine our residential development advantages to develop diverse commercial buildings and create rich life experiences, moving towards the vision of a comprehensive developer.





2023 Sustainability Highlights and Performance

- **Cathay Real Estate's Nangang Kunyang Building** urban renewal project completed
- **No** land purchase disputes occurred
- **100%** of projects undergo geological drilling and neighboring property appraisal
- Planning new projects **River Park, Meta Park, Metro Park**



5.1 Commitment II: Safe-land Selection

Deeply understanding the importance of land to architectural development, we not only strictly comply with building regulations, but also formulate a complete land development management policy. From the selection principles of location to the formulation of development strategies, every aspect is strictly controlled to lay a solid foundation for each building.

 <p>Site selection principles Safety and functionality are the primary considerations.</p>	 <p>Management Mechanism Establish a dedicated team to collect land information and rigorously review land selection.</p>	 <p>Development Investigation Principles Implement careful and meticulous principles to safeguard clients' interests.</p>	 <p>Development Strategy Develop with diversified thinking to create land value.</p>
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Development Strategy Combining Safety and Functionality

Based on the emphasis on safety assurance and diversified operations, the Company takes high-quality urban areas with safety and functionality as development sites, and expands to potential residential and commercial areas in the outskirts or suburbs, selecting land reserves in suburban areas with complete living functions as a choice for development. To ensure that the selected locations can meet customers' demands for quality of life, we also conduct market research to track major government construction projects, local commercial development, resident composition, household income, target home-buying groups and other factors to determine suitable development land.



Priority Selection

- Safety as the primary consideration
- Close to well-developed transportation and living facilities
- Resolve irregular plots and lands with complex property rights
- Diversified development strategy to revitalize regional development



Priority Skip

- Properties on hillsides
- Properties near undesirable facilities
- Properties with poor road conditions in front
- Properties in zoning areas that do not allow residential construction or only allow a small percentage for residential use

Responsible Supervisory Mechanism for Land Development

Cathay Real Estate considers land as a valuable asset for survival. Two review meetings are held before land purchase, and the Board of Directors and internal audit unit strictly supervise the operational process to ensure the appropriateness of land development. From land acquisition to project development, every step goes through a rigorous procedure.

Project Teams	<div style="background-color: #8bc34a; color: white; padding: 5px; border-radius: 5px; margin-bottom: 10px;">Development Department</div> <ul style="list-style-type: none"> • Land Development Group - Immediately Developable Land Projects • Project Development Group - Urban Renewal Land Development • Planning and Management Group - Market Research, Potential Location Research, Strategic Land Development <div style="background-color: #8bc34a; color: white; padding: 5px; border-radius: 5px; margin-bottom: 10px;">Project Department III</div> <p>Taichung, Tainan, Kaohsiung Business Group Land Development Team.</p>
Execution Mechanism	<ul style="list-style-type: none"> • Land Tracking Meeting Discussion: Conduct rigorous and thorough market research • Report to Land Decision Meeting: Before internal approval for land purchase, reconvene the land review committee for confirmation • Report to the Board of Directors: Quarterly report on execution status to the board • Internal Unit Audit: Conduct audit procedures once every six months
2023 Achievements	<ul style="list-style-type: none"> • Land Development: 100% compliance with building regulations • In 2023, no non-compliant procedures occurred, and there were no land purchase disputes

Creating Land Value, from Residential to Commercial Buildings

“Discovering the Unlimited Value of Land” is Cathay Real Estate’s development philosophy. We leverage our experience and expertise in residential construction through joint development, commercial urban renewal projects, new rezoning areas, industrial zones, mature industrial zones and other methods to expand commercial facilities and complex buildings, creating different possibilities for architecture and awakening the future development potential of the region. For Cathay Real Estate’s development vision, please refer to [2.1 Commitment I: Brand Vision Aligned with Customer Needs](#).

Since 2020, Cathay Real Estate has cooperated with Mitsui Fudosan Taiwan. Successive joint venture project companies have been established. In 2021, UNi Park, the first residential project jointly developed by Taiwan and Japan, was launched. In 2022, a milestone was further reached for the first joint venture project between Taiwan and Japan in commercial facilities, with a plan to build the Lalaport leisure shopping center in Fongshan, Kaohsiung. We plan to launch a new project, River Park, in Sanchong District in 2024, adjacent to the New Taipei Metropolitan Park, embracing the most open skyline in Sanchong. We will also launch Meta Park and Metro Park in Zhonghe District, combining Cathay’s expertise in layout planning and introducing Japanese strong points in storage design. Because of Mitsui Fudosan’s rich experience in mall operation and Cathay Real Estate’s experience in residential development, we successfully obtained the Lun-Tzu Section Government-led Urban Renewal Project from the Hsinchu City Government for the first time. In the future, both parties will continue to actively evaluate cooperation targets in Taiwan’s metropolitan areas to jointly expand residential business and complex development.



Stakeholder Testimonial

C.Y. Lee & Partners Architects / Planners Principal Architect C.Y. LEE

The key to Corporate Philosophy Is to Do Well with Initial Intentions

Lao Tzu said, “The highest good is like water. Water gives life to millions of things, and does not strive. It flows in places men reject and so it’s like the ‘Tao’.” The noblest virtue is water-like, benefiting all things without striving mindset. That’s the closest definition to “Tao”.

Cathay Real Estate, as a leading brand in the domestic construction industry, takes integrity, accountability, and innovation as its core values, and is committed to creating livable and beautiful living spaces. Cathay Real Estate’s unchanging commitment is to take root and grow in the most beautiful land in Taiwan. For sixty years, Cathay Real Estate has provided the highest quality housing, serving as a dream home for thousands of thousands people. With a stable home comes a stable heart, which is the true positive force of society. Like water nourishing the earth, it has benefited everyone in society. I believe this is the highest expression of corporate virtue.

In recent years, we have realized a high degree of alignment from concept to practice with Cathay Real Estate. Both parties have consistent goals in the pursuit of excellent quality, humanistic care and environmental sustainability, enabling us to create numerous outstanding architectural works and set new landmarks for future urban construction. Each project we complete together is an interpretation of a dream life and a contribution to urban development.

The Core of Corporate Culture Is the Essence of Living

In addition, I would like to present my view on “life architecture”.

Architecture is actually the carrier of life, including all social behaviors, life content, material environment and natural ecology. It is also the presentation of the human spirit. Therefore, the core issue of architecture lies in “How to settling life”, using information visualization to enter the information layer of life, so that life can be settled, and the architecture formed by such spatial design is called life architecture, returning to the essence of architecture.

I believe this is fundamentally the same as Cathay Real Estate’s insistence on craving spaces that can have profound dialogue and interaction with residents, providing all residents with good housing and secure housing.

The Highest Good Like Water and Life Architecture

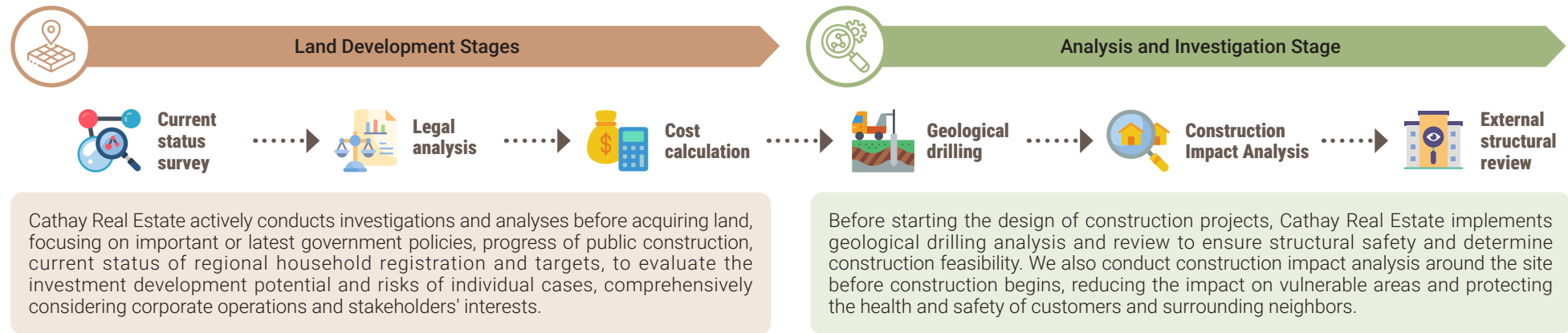
Therefore, I would like to use these two phrases, “The Highest Good Like Water” and “Life Architecture”, as my message to Cathay Real Estate, and also wish Cathay Real Estate continued achievement of outstanding accomplishments and making the greatest contribution to society.



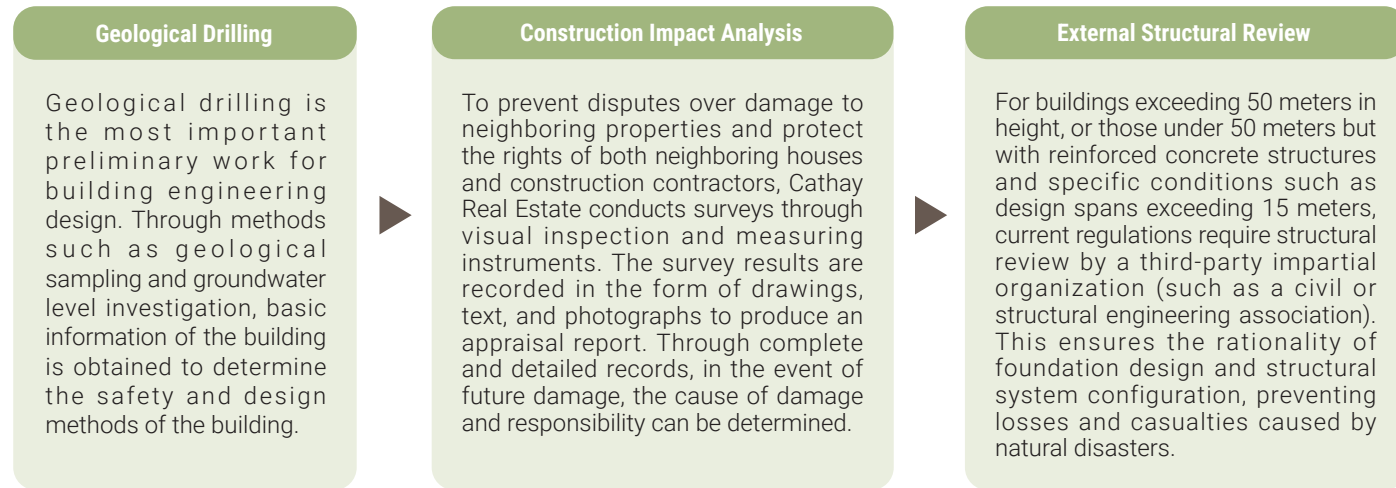
5.2 Commitment II: Rigorous Development Investigation

During the land development investigation stage, Cathay Real Estate implements sound development evaluation and legal analysis, grasping the potential and risks of the development area, and conducts geological drilling, neighboring property appraisal, and structural external review to ensure the safety of the building itself and neighboring properties, taking on the responsibility of protecting customer safety and assets.

Development Investigation Process



Laying the Foundation for Development, Ensuring Building Safety



In 2023, 100% of Cathay Real Estate's projects underwent geological drilling and neighboring house appraisals. For projects requiring external structural reviews according to government regulations, 100% were commissioned to third-party units.



Co-creating a Beautiful City, Reshaping the Appearance of the Homeland

Considering the principles of social responsibility, economic benefits and environmental protection, Cathay Real Estate cooperates with government agencies and community residents to promote urban renewal plans, improving the safety and comfort of old buildings, injecting new life into the city while leading residents towards sustainable development. As of today, we have constructed over 56,000 buildings. The Brand and reputation are deeply rooted in people's hearts. The urban regeneration are all community-driven, and have built mutual consensus of cooperation with the Company.

The "Hsinchu City Lun-Tzu Section Government-Led Urban Renewal Project" is located at the intersection of Yanping 1st Road and Jinguo 2nd Road in the city center. It is the first government-led urban renewal project jointly bid by Cathay Real Estate and Mitsui Fudosan Taiwan. With the development vision of "coexistence, recreation, and regeneration", it combines diverse functions such as commercial, public welfare, residential, parks, and surrounding environment to create a living space of "Cohere with life". In 2023, we launched Cathay Min Le to drive the local renewal momentum. After more than 40 years, we continue to write a new chapter of home for residents. We also promoted the commercial office building renewal project. The "Cathay Real Estate's Nangang Kunyang Building" was completed in 2023, bringing a brand-new urban appearance to the Nangang area. In addition, the "Cathay United Bank Dunhua N. Branch" urban renewal project is expected to be operated by Mitsui Fudosan as a hotel after completion, continuing the existing development context and further driving the development of surrounding tourism and commerce.

Historical Urban Renewal Cooperation Cases



Cathay United Bank Dunhua N. Branch Urban Renewal

New Taipei Yonghe Minle Street Dangerous and Old Building Joint Construction (Cathay Min Le)

Cathay Building Urban Renewal

Community Establishment Time	1983	1979	1982
Urban Renewal Integration Time	2015-2022	2017-2022	2012-2020
Base Location	1F-7F, No. 236, Dunhua N. Rd., Songshan Dist., Taipei City	No. 1-6, Ln. 35, Minle St., Yonghe Dist., New Taipei City	No. 141, Sec. 2, Minsheng E. Rd., Zhongshan Dist., Taipei City
Base Scale	313.69 ping	400.70 ping	745.05 ping
Urban Renewal Plan Approval Date	Apr. 20, 2022	Nov. 27, 2022	Feb. 16, 2023
Product Planning	RC structure financial and hotel complex commercial building, 14 floors above ground / 3 floors below ground	RC structure residential building, 14 floors above ground / 4 floors below ground	SC structure complex commercial building, 21 floors above ground / 5 floors below ground
Total Units after Renewal	2 units	64 units	39 units
Green Building Certification	Silver Level Green Building	Silver Level Green Building	Gold Level Green Building
Urban Renewal Incentives	Urban Renewal Floor Area Ratio Incentives	Urban Dangerous and Old Building Floor Area Ratio Incentives	Urban Renewal Floor Area Ratio Incentives
Launch Time	2026 (expected)	2023	2031 (expected)

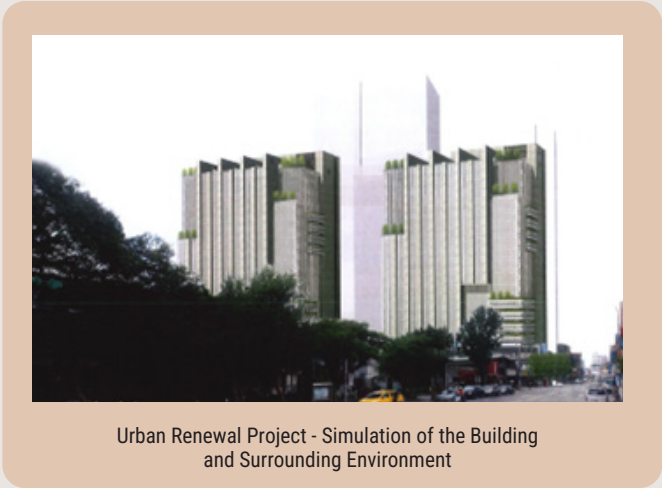
Cathay Real Estate Special Column

Cathay Nangang Kunyang Building Urban Renewal Project

Cathay Nangang Kunyang Building was completed in the second half of 2023. In addition to coordinating with the future configuration of the western commercial office and park site, it also considers the future reconstruction planning of the surrounding old buildings. While maintaining building spacing with neighboring properties, it increases the flow and interaction of internal and external spaces, jointly shaping a good open space framework with nearby buildings. Through the configuration and color scheme of this project's building volume, a visually harmonious urban color is jointly created.

Cathay Nangang Kunyang Building is located at the intersection of Nangang 3rd Road and Kunyang Street, a 5-6 minute walk from Kunyang MRT Station on the Bannan Line, close to Nankang Software Park. The Nangang area has experienced rapid development in recent years, benefiting from the Eastern District Suburban Retrofitting initiative promoted by the Taipei City Government's Department of Urban Development. Numerous transportation and infrastructure projects have been fostered, making Nangang an increasingly popular location for corporate headquarters. The selection of building materials during construction all references residential or Class A office cases, so the overall leasing strategy appeals to the development of the Eastern District Suburban Retrofitting, with the leasing goal of attracting companies or foreign enterprises to set up headquarters in this building.

Implementer:
Cathay Real Estate Development Co., Ltd.
Planning Unit:
Apex Engineering Consultants Group
Architectural Design:
Wen - Sheng Lee architect office
Green Building Planning and Design:
Gold Level



Urban Renewal Project - Simulation of the Building and Surrounding Environment



Cathay Nangang Kunyang Building Exterior



CH6 Pillars of Sustainability

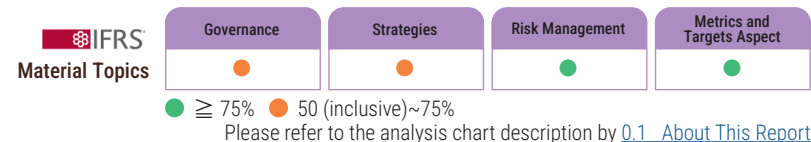
To create shared value for stakeholders, we believe in and practice talent cultivation and a happy workplace, the source of value creation for customers, and also implement energy and resource management, a necessary path for sustainable transformation. We hope to build solid pillars of sustainability, integrating professional capabilities and investing resources to expand social influence.

2023 Sustainability Highlights and and Performance

- **Knowledge management system** platform officially launched, digitally managing internal knowledge
- **4** energy-saving elevators replaced in Taichung Financial Building, with power regeneration devices saving about **46%** of electricity
- Total employee benefit expenditure of **NT\$23,247,048**
- Total employee education and training hours of **54,456 hours**
- Total investment in public welfare activities of **NT\$9,200,831**
- Cared for **128** rural elementary schools, impacting a total of **10,600** people
- As of 2023, the Dream Realization Program has issued over **NT\$28 million** in dream funds



6.1 Pillar I: Happy Workplace



Material Topic - Happy Workplace and Talent Cultivation

<p>Management Policy</p>	<p>Cathay Real Estate has a comprehensive talent cultivation policy in 4 aspects, striving to create an inclusive and friendly workplace environment, create a stable talent retention rate, and forge an corporate culture of integrity. We are committed to enhancing the team's competitiveness, providing customers with high-quality services throughout the process from planning, construction to sales, allowing all customers to feel the happy atmosphere of Cathay Real Estate.</p>			<p>Management Commitment</p>	<p>To comprehensively enhance the Team's competitiveness and attract more high-quality talents to join, we take colleagues as the center, formulate a complete cultivation, development, fair evaluation, promotion and salary adjustment mechanism, and apply internal and external resources to continuously strengthen the leadership and management capabilities of supervisors, listen to colleagues' needs, and construct a sustainable growth and operation mechanism, with the expectation of attracting and retaining outstanding employees to achieve the goal of having the right talents with the right expertise in the right positions.</p>		
<p>Dedicated Unit</p>	<p>Human Resources Section</p>			<p>Resources Invested</p>	<p>Manpower / Action Investment</p> <ul style="list-style-type: none"> • 3 people in the Human Resources Section <p>Resource Investment</p> <ul style="list-style-type: none"> • Summer internship program invested about NT\$420,000 		
<p>Goals</p>	<p>Short Term (2024)</p> <ul style="list-style-type: none"> • Improve supervisors' basic management capabilities in identifying and cultivating talents • Strengthen colleagues' basic professional and competency. • Deepen the talent cultivation and development mechanism. (new employee selection, cultivation, evaluation, promotion of campus recruitment) • Improve supervisors' basic management capabilities in identifying and cultivating talents • Continuously enhance colleagues' competencies. • Deepen the talent cultivation and development mechanism. 		<p>Medium Term (2027)</p> <ul style="list-style-type: none"> • Strengthen colleagues' professional and competency gaps, promote and implement personal development plans. • Improve supervisors' basic management capabilities. • Establish a talent cultivation and development mechanism. • Strengthen colleagues' competencies, promote and implement personal development plans. • Improve supervisors' basic management capabilities. • Establish a talent cultivation and development mechanism. 		<p>Long Term (2030)</p> <ul style="list-style-type: none"> • Continue to refine and improve training and development. • Continue to enhance supervisors' management competencies. • Continue to operate the talent cultivation and development system. • Continue to refine and improve training and development. • Continue to enhance supervisors' management competencies. 		
<p>Management Approach Evaluation</p>	<p>Management Evaluation Mechanism</p> <ul style="list-style-type: none"> • Execution results of the semester and summer internship program. • Execution results of employee performance evaluations. • Number of internal communication sessions. • Cultivation and development results of employees at all levels. 		<p>2023 Evaluation Results</p> <ul style="list-style-type: none"> ⊖ Continue to enhance supervisors' leadership and management capabilities. ⊖ Continue to promote the new employee cultivation and development plan and mentoring care mechanism. ✔ Expand and complete the internship program. (6 people in summer, 2 people in real estate semester internship at National Taipei University) ⊖ Implement and deepen personal development plans and related talent retention measures. 				

Note: ✔ Exceeding the original target or the previous year's performance, ⊖ Same as the original target or the previous year's performance, ✘ Did not achieve the set target

Employee Management Policy

Colleagues are Cathay Real Estate’s most valued asset. The employee management policy we have formulated covers aspects such as appointment, salary, promotion, workplace health and education training, allowing employees to feel respected and trusted, creating an inclusive and friendly workplace environment, cultivating employees’ identification with the Brand and establishing a corporate culture.

Employee Management Policy



Appointment

- Expertise and professionalism, suitable talents for suitable positions
- Attract and retain excellent employees



Remuneration

- Ensure fair and competitive remuneration



Promotion

- Hire based on talent, promote reasonably
- Promote performance management
- Support the development and innovation of potential talents



Safe and Health

Continuous improvement in safety and health, maintaining a balance between employees' physical and mental well-being, moving towards sustainable development.



Education and Training

Implement training according to personnel competency modules, enabling employees to possess the abilities and expertise to competently perform current and future duties.

Building a Happy Workplace

GRI 2-7 GRI 2-8 GRI 202-2 GRI 401-1 GRI 402-1

Equal Talent Policy

Cathay Real Estate has established the “[Talent Recruitment Policy](#)” Human Rights Policy and “Human Rights Policy” to implement the principles of fairness, justice and integrity in employee recruitment and appointment, and promises that all employees enjoy equal opportunities in the workplace without discrimination based on race, gender, religion and other factors.

Cathay Real Estate's Happy Workplace Policy

Cathay Real Estate's Talent Recruitment Policy

Cathay Real Estate adheres to the principles of fairness, justice, and integrity. The recruitment, selection, and employment of employees all comply with government regulations. No discrimination or differential salary treatment based on race, class, language, thought, religion, political affiliation, place of origin, place of birth, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, or union membership.

Cathay Real Estate's Human Rights Policy

Cathay Real Estate follows the principles of international human rights issues, respects internationally recognized basic human rights policies, including freedom of association, care for vulnerable groups, prohibition of child labor, elimination of all forms of forced labor, elimination of employment and occupational discrimination, plus more, and strictly adheres to labor-related regulations in the Company's location. Cathay Real Estate also invites all business partners, including suppliers and joint ventures, to jointly raise awareness of human rights issues.



Cathay Real Estate Group Employees

Contract Type		Headquarters				Total Number
		Male		Female		
		Number of Employees	Porportion	Number of Employees	Porportion	
Employment Contract	Permanent Employee	997	52.72%	894	47.28%	1,891
	Temporary Employee	168	40.19%	250	59.81%	418
	Non-Guaranteed Hours Employee	0	0.00%	0	0.00%	0
Employment Type	Full-time Employee	997	52.72%	894	47.28%	1,891
	Part-time Employee	168	40.19%	250	59.81%	418
Position	Front Office	822	59.22%	566	40.78%	1,388
	Back Office	171	34.06%	331	65.94%	502
Education	PhD.	0	0.00%	0	0.00%	0
	Master	123	56.42%	95	43.58%	218
	Bachelor	559	47.86%	609	52.14%	1,168
	College	137	75.27%	45	24.73%	182
	Senior High School	157	56.27%	122	43.73%	279
	Others	23	41.82%	32	58.18%	55
Age	30 years old (inclusive) and below	213	40.49%	313	59.51%	526
	30-50 years old (inclusive)	563	54.03%	479	45.97%	1,042
	51 years old (inclusive) and above	229	67.35%	111	32.65%	340
Persons with Disabilities		15	65.22%	8	34.78%	23
Indigenous People		2	33.33%	4	66.67%	6
Total		2309				

Cathay Real Estate Group Non-employee Workers

Type		Headquarters				Total Number
		Male		Female		
		Number of Employees	Porportion	Number of Employees	Porportion	
Director		8	89%	1	11%	9
Independent Director		3	100%	0	0%	3
Special Consultant		1	100%	0	0%	1
Fixed-term Contract Personnel		4	25%	12	75%	16
Part-time Student Worker		1	100%	0	0%	1
Total		30				

Note: The 2023 human resource structure data scope includes Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering and Lin Yuan Property Management.

Note1: Front office personnel are from the Development Department, Project Department 1, 2, and 3, Technology Department, President Office and senior executives; back office personnel are from the Operations Management Department, Audit Office and Human Resources Section.

Note2: 100% of Cathay Real Estate's employees and management are Taiwanese nationals with household registration in Taiwan.

Note3: The 2023 human resource structure data scope includes Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering and Lin Yuan Property Management.

Cathay Real Estate 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	14	56.00%	16	57.14%
	Female	11	44.00%	12	42.86%
Age	30 years old (inclusive) and below	11	44.00%	7	25.00%
	30-50 years old (inclusive)	13	52.00%	18	64.29%
	51 years old (inclusive) and above	1	4.00%	3	10.71%
Total		25		28	
Proportion of All Employees		16%		18%	

Cathay Real Estate 2023 New Hires by Position

Type	Group	Number of Internal Promotions	Number of External Hires
Position	Supervisors	3	1
	Staff	0	24

Cathay Real Estate Management 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	0	0%	3	75%
	Female	0	0%	1	25%
Age	30 years old (inclusive) and below	0	0%	0	0%
	30-50 years old (inclusive)	0	0%	3	75%
	51 years old (inclusive) and above	0	0%	1	25%
Total		0		4	
Proportion of All Employees		0%		33%	

Cathay Healthcare Management 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	45	10.56%	25	11.79%
	Female	381	89.44%	187	88.21%
Age	30 years old (inclusive) and below	105	24.65%	48	22.64%
	30-50 years old (inclusive)	278	65.26%	134	63.21%
	51 years old (inclusive) and above	43	10.09%	30	14.15%
Total		426		212	
Proportion of All Employees		125%		62%	

Cathay Hospitality Consulting 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	158	37.18%	137	35.77%
	Female	267	62.82%	246	64.23%
Age	30 years old (inclusive) and below	235	55.29%	197	51.44%
	30-50 years old (inclusive)	154	36.24%	159	41.51%
	51 years old (inclusive) and above	36	8.47%	27	7.05%
Total		425		383	
Proportion of All Employees		54%		49%	

Note1: Regular new employee ratio = Cumulative number of regular new employees in the current year ÷ Total number at the end of the year (2023.12.31).

Note2: Regular departing employee ratio = Cumulative number of regular departing employees in 2023 ÷ Total number at the end of the year (2023.12.31).

San Ching Engineering 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	23	67.65%	17	77.27%
	Female	11	32.35%	5	22.73%
Age	30 years old (inclusive) and below	18	52.94%	12	54.55%
	30-50 years old (inclusive)	16	47.06%	8	36.36%
	51 years old (inclusive) and above	0	0.00%	2	9.09%
Total		34		22	
Proportion of All Employees		14%		9%	

Note1: Regular new employee ratio = Cumulative number of regular new employees in the current year ÷ Total number at the end of the year (2023.12.31).

Note2: Regular departing employee ratio = Cumulative number of regular departing employees in 2023 ÷ Total number at the end of the year (2023.12.31).

Lin Yuan Property Management 2023 New and Departing Employee Statistics

Type	Group	New Hires		Departing Employees	
		Number of Employees	Proportion of the Type	Number of Employees	Proportion of the Type
Gender	Male	53	69.74%	46	79.31%
	Female	23	30.26%	12	20.69%
Age	30 years old (inclusive) and below	28	36.84%	19	32.76%
	30-50 years old (inclusive)	43	56.58%	24	41.38%
	51 years old (inclusive) and above	5	6.58%	15	25.86%
Total		76		58	
Proportion of All Employees		21%		16%	

Note1: Regular new employee ratio = Cumulative number of regular new employees in the current year ÷ Total number at the end of the year (2023.12.31).

Note2: Regular departing employee ratio = Cumulative number of regular departing employees in 2023 ÷ Total number at the end of the year (2023.12.31).

Remuneration System

GRI 202-1

Cathay Real Estate provides fair and competitive remuneration, evaluating employees' performance and professional capabilities based on a fair, just and objective system.



Cathay Real Estate 2023 Entry-level Employee Standard Salary and Taiwan Minimum Wage Ratio

Gender	Entry-level Employee Standard Salary	Ratio to Local Minimum Wage	Male to Female Ratio
Male	NTD 30,000	1.14 : 1	1 : 1.06
Female	NTD 31,940	1.21 : 1	

Note: The local minimum wage is calculated based on the monthly basic wage of NT\$26,400 implemented from January 1, 2023.

Cathay Real Estate Non-Managerial Staff Salary Overview

Statistics	2021	2022	2023
Number of Non-Managerial Staff	130	136	133
Average Salary of Non-Managerial Staff (NT\$ thousand/year)	1,042	987	1,032
Median Salary of Non-Managerial Staff (NT\$ thousand/year)	941	879	978

Note: Employee numbers exclude managers, part-time staff, and those employed for less than 6 months. Average employee numbers are used. Total salary is calculated on an accrual basis, including base salary, overtime pay, various allowances and bonuses, employee remuneration, etc., but excludes estimated amounts of share-based payment expenses.

Employee Benefits and Care

GRI 401-2

Cathay Real Estate provides group insurance, health checkups, wedding subsidies and other benefits, focusing on employees' physical and mental needs and interpersonal relationships. Through family days, employee travel and other activities, we aim to bring employees and their families closer together, enhance their sense of belonging, and create a happy workplace that balances work and life.

Cathay Real Estate Employee Care Benefits



Children's Education Scholarships



Marriage Subsidy



Childbirth Subsidy



Health Checkups



Group Insurance



Holiday Appreciation Bonuses

Cathay Real Estate Employee Welfare Activities



Employee Travel



Hiking Activities



Recreational Activities



Club Activities



Family Day



Birthday Gifts



Cultural and Educational Activities



Movie Appreciation Events



Small Farm Products

Cathay Real Estate Employee Benefit Expenditure Over the Years

(Unit: NTD)

Subsidy Items	2021	2022	2023
Various Subsidies	5,452,526	5,662,606	5,901,548
Holiday Benefits	4,467,691	4,382,201	2,266,290
Meal Allowances	4,726,739	9,969,241	4,473,273
Sports Activities	577,250	2,206,340	387,500
Employee Travel Expenses	5,328,015	4,790,000	2,595,065
Hiking Activity Expenses	4,393,975	9,376,864	1,461,990
Club Activity Expenses	1,303,733	4,424,079	3,931,948
Employee Birthday Celebrations	623,413	627,480	629,798
Education and Training Expenses	6,870,440	5,269,511	1,599,636
Annual Total	33,743,782	46,708,322	23,247,048
Employee Benefit Expenditure as a Percentage of Total Revenue	0.34%	0.33%	0.34%

Cathay Real Estate Management Employee Benefit Expenditure

(Unit: NTD)

Employee Benefit Items	2023
Birthday Gifts, Birthday Parties	53,608
Children's Education	14,400
Holiday Cash Gifts	144,584
Appreciation Meals, Year-End Parties	114,107
Hiking Activities	129,603
Health Checkups	103,429
Club Activities	302,812
Employee Travel	267,570
Arts and Culture Vouchers, Health Projects	78,000
Annual Total	1,208,113
Employee Benefit Expenditure as a Percentage of Total Revenue	1.74%

Cathay Hospitality Employee Benefit Expenditure

(Unit: NTD)

Employee Benefit Items	2023
Birthday Vouchers	1,162,865
Employee Activities	1,366,760
Marathon Activity Expenses	34,433
Hiking Activity Expenses	1,929
Marriage, Bereavement, Celebration Allowance Expenses	125,800
Holiday Allowance/Gift Expenses	586,656
Travel Subsidy	818,053
Annual Total	4,096,496
Employee Benefit Expenditure as a Percentage of Total Revenue	0.21%

Cathay Healthcare Management Employee Benefit Expenditure

(Unit: NTD)

Employee Benefit Items	2023
Mid-Autumn and Dragon Boat Festival Cash Gifts	1,653,000
Employee Birthday Cash Gifts	695,000
Employee Maternity/Wedding Allowances	220,000
Children's Education Subsidies	180,700
Employee Travel Expenses	966,711
Movie Tickets	277,184
Employee Health Promotion	674,000
2022 Year-End Party (held in early 2023)	1,076,807
Annual Total	5,743,402
Employee Benefit Expenditure as a Percentage of Total Revenue	0.48%

Lin Yuan Property Management Employee Benefit Expenditure

(Unit: NTD)

Employee Benefit Items	2023
Birthday Cash Gifts	920,000
Children's Education Subsidies for Full-time Employees	738,000
Group Insurance	1,230,936
Hiking Activities	892,800
Club Subsidies	728,198
Holiday Gifts	1,305,200
Holiday Cash Gifts	2,208,000
May 1st Labor Day	368,000
Health Projects	905,000
Year-End Party	715,600
Annual Travel	1,313,983
Employee Health Checkups	755,440
Annual Total	12,081,157
Employee Benefit Expenditure as a Percentage of Total Revenue	0.77%

San Ching Engineering Employee Benefit Expenditure

(Unit: NTD)

Employee Benefit Items	2022	2023
Children's Education Scholarships	294,600	293,000
Medical Care Subsidies	253,000	66,000
Holiday Appreciation Bonuses	470,130	546,600
Meal Allowances	231,587	201,149
Employee Travel Expenses	831,600	1,422,000
Hiking Activity Expenses	1,805,600	2,449,039
Club Activity Expenses	1,093,600	1,320,574
Sports Activity Expenses	1,703,300	2,616,300
Employee Birthday Celebrations	627,000	705,000
Education and Training Expenses	550,500	1,186,000
Newspaper and Magazine Expenses	22,680	22,680
Employee Group Insurance Expenses	3,758,175	4,476,435
Telecommunication Expenses for On-site Staff	706,343	870,595
Business Trip Gasoline Subsidies	684,632	956,284
Labor Day Gifts	394,000	470,000
Chinese New Year Gifts	407,170	472,668
Year-End Party Activities and Meal Expenses	721,239	718,000
Annual Total	14,555,156	18,792,324
Employee Benefit Expenditure as a Percentage of Total Revenue	0.24%	0.23%

Retirement System

GRI 201-3

Cathay Real Estate provides a comprehensive retirement pension system in compliance with the "Labor Standards Act". Following the implementation of the "Labor Pension Act", a "Labor Pension Fund Supervisory Committee" was established as required by law. For employees under the "Legacy Labor Pension System", 2% of the total employee salary is contributed monthly as a retirement reserve. For those under the "Current Labor Pension System", the Company contributes no less than 6% of each employee's monthly salary to their individual retirement account, in accordance with the "Labor Pension Act". In 2023, the total retirement pension payment amounted to NT\$ 11,306,865, of which the total contribution for the "Current Labor Pension System" was NT\$ 5,113,307 and the total contribution for the "Legacy Labor Pension System" was NT\$ 6,193,558.

Parental Leave

GRI 401-3

In 2023, a total of 42 employees applied for parental leave, with a reinstatement rate of 90.91% and a retention rate of 92.31%. Parental leave statistics include Cathay Real Estate, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering. The total number of employees eligible for parental leave is not disclosed due to privacy concerns.

Cathay Real Estate Group Parental Leave Statistics 2023

	Male	Female
Number of Employees Applying for Parental Leave	5	37
Number of Employees Expected to Return from Parental Leave (A)	3	8
Number of Employees Expected to Return from Parental Leave and Actually Returning (B)	2	8
Number of Employees Returning from Parental Leave in Previous Year (C)	0	13
Number of Employees Returning from Parental Leave and Working for Over 1 Year (D)	0	12
Reinstatement Rate (B/A)	90.91%	
Retention Rate (D/C)	92.31%	

Talent Cultivation and Development

GRI 404-1

GRI 404-2

GRI 404-3

Cathay Real Estate has a comprehensive talent development framework, providing suitable management competency and professional training for employees at different career stages, and integrating Lin Yuan Group's resources to expand the impact of talent development programs.

Cathay Real Estate 2023 Talent Cultivation Framework



Core Cultivation
Strengthening Management Competencies

- Launching leadership training projects for managers to familiarize them with team leadership skills.
- Expanding perspectives and improving management competencies through overseas benchmarking and group-level management course exchanges.



Specializing in the Industry
Enhancing Professional Competencies

- Organizing specialized training, seminars, and various competency courses to provide diverse learning opportunities.
- Introducing PaGamO gamified learning platform to provide fun learning media and enhance employee learning effectiveness.



Early Talent Acquisition
Cultivating New Employees

- Continuing to implement training, guidance, and assessment mechanisms for new hires during probation period to cultivate talents with professional competencies, corporate identity, and stable retention.
- Coordinating with the internship program to continue strengthening mentoring and coaching capabilities.



Industry-Academia Collaboration
Promoting Campus Recruitment

- Continuing partnerships with architecture, civil engineering, hospitality management and real estate-related departments of various universities for internship programs.
- Integrating group resources to expand summer internships. Since 2016, there are 11 interns joined the Company after graduation.

Comprehensively Cultivating and Enhancing Professional Competitiveness

Cathay Real Estate provides diverse education and training every year, including new employee training, new manager training, and specialized training, to enhance employees' professional competence and corporate competitiveness. In addition, training content is designed based on ranks and core competencies to create customized development paths for employees.

Cathay Real Estate Talent Cultivation Strategy



Management Positions

Implement management skill training based on management personnel competency modules, enabling them to acquire the competencies and corporate management skills necessary for future leadership roles.



General Employees

Obtain abundant learning resources through diverse channels, including on-the-job training, job rotation, external training opportunities, and seminars. Employee self-learning development, with external training expenses fully subsidized by the Company.

Training and Job Rotation System Expand Careers

GRI 404-1 GRI 404-2 GRI 404-3

To strengthen work skills and learning abilities, the Group designs training content based on job characteristics and ranks, covering “professional, competency, and general knowledge” aspects. Since 2019, we have integrated basic professional knowledge courses into the PaGamO gamified learning platform, using gamification to drive departmental learning atmosphere, enjoyment, and learning effectiveness. To expand the breadth of employees’ careers and enhance overall organizational innovation capabilities, an “employee job rotation system” has been established to communicate with employees willing to apply for job rotation and ensure they understand the new job responsibilities. We look forward to leveraging innovative training programs and flexible work systems to motivate employees to continuously improve themselves and meet future challenges.

2023 Education and Training Hours Statistics

Course Category	Number of Participants	Participation Hours	Position Category	Average Training Hours (Male)	Average Training Hours (Female)
Professional Courses	14,319	19,133	Supervisors	34.83	29.97
General Knowledge Courses	1,544	3,502			
Competency Courses	5,812	15,433	Staff	18.79	24.72



Note: Employee training course data for 2023 includes Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management. The total expenditure on employee training courses was NTD 9,846,569.

Cathay Real Estate Group Education and Training Plan



- Real Estate Overview
- Carbon Credits, GHG Emissions
- Information Security Education
- Personal Data Protection Act, Trademark Act
- Knowledge Management Systems
- Workplace Stress, Health Seminars
- Customer Service Courses
- Team Leadership Courses

國泰建經 Cathay Real Estate Management

- Fire Management
- Sustainability Competency Courses
- Financial Report Analysis Courses
- Auditor Training Courses
- Energy Storage System Analysis and Practical Application Courses
- Social Engineering Drills
- First Aid Personnel Safety Education and Training Courses

國泰健康管理 Cathay Healthcare Management

- Deepening Management Skills and Succession Planning
- Promoting Core Competencies and Structure
- Strengthening and Cultivating Professional Competencies

國泰飯店觀光事業 Cathay Hospitality Management

- Brand & Corporate Culture
- Housekeeping, Guest Services Professional Courses
- Back Office, Food and Beverage, and beyond.
- Foreign Language Training
- Supervisor Management Training
- Work-Life Balance

三井工程 San Ching Engineering

- Construction, Electromechanical Engineering Methods and Occupational Safety Courses
- Information Security
- Official Document Writing
- Economic Outlook Observation
- Management Courses for Supervisors, Various Personnel Competency Training

霖園管理維護 Lin Yuan Property Management

- Certificate Courses for Building Management Personnel
- ESG-related Courses
- Competency Courses for Contracting Units
- Competency Courses for Maintenance Units
- Management Courses for Supervisors
- HR, Finance, IT Competency Courses
- Occupational Safety Courses

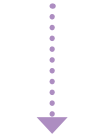
Facilitating Integration and Growth of New Employees

Cathay Real Estate provides a friendly work environment for new employees, regularly understanding their learning progress and work status to ensure their career development meets their needs and expectations. Provides training, guidance, and assessment mechanisms during the probation period to facilitate communication and provide feedback. In the future, we will continue to seek outstanding talents with strong professional capabilities, corporate identity, and stable retention to lay the foundation for sustainable corporate development.

1 **2** **3**

Three-stage Training, Guidance and Communication

Evaluations are conducted every 3 weeks in collaboration with mentors, supervisors, and HR to frequently communicate and align expectations between the Company and new hires, provide timely assistance, and observe new hires' learning attitudes and work performance to provide early feedback and adjustments.



Probation Period Achievement Report

At the end of the probation period, an achievement presentation is held to showcase learning outcomes, inviting all senior executives to participate. Mentors and supervisors also explain the learning status of new hires, allowing executives at all levels to better grasp the learning situation of probationary employees and ensure the high-quality talent of Cathay Real Estate. Since 2020, 28 sessions of achievement presentations have been held, evaluating a total of 40 people. In 2023, 4 sessions were held, evaluating a total of 13 people (including 3 from Cathay Real Estate Management), all of whom passed and were officially hired.



Stakeholder Testimonial

I felt very honored to have the opportunity to intern at Cathay Real Estate through the industry-academia collaboration program. Through this opportunity, I had my first exposure to the work content of a real estate development department and understood the various processes required to complete a case and the role the development department plays in the Company. The two-month internship was very fulfilling. In addition to frequently going out with team members to visit cases and learning practical skills such as understanding the key points of real estate company market research, reading floor plans, and evaluating the pros and cons of cases, I also participated in the production of the Company's monthly market research report. This report allowed me to consolidate my grasp of the regional market and understand the market characteristics of each area. This experience deepened my interest in the real estate market and strengthened my determination to continue developing in this field.

After graduation, I was very fortunate to smoothly become an official member of Cathay Real Estate. In this large company, I have gained valuable opportunities to interact with the industry and am grateful that in addition to routine market research business, the Company has allowed me to participate in research related to the Cathay Real Estate Index. Whenever I see the quarterly index symposium successfully concluding and being published online, it gives me a great sense of accomplishment. After more in-depth exposure to work operations, I have gained a deeper understanding of different regional markets, from initial confusion to being able to infer underlying reasons based on case details and sales status. This process has been very beneficial for me. Moreover, I have learned how to use tools to more effectively analyze the real estate market from different angles such as macroeconomics and policy regulations. These experiences have all become nourishment for my continued growth in the Company.

In the future, I hope to learn more professional knowledge at Cathay Real Estate, deepen my understanding of real estate, contribute what I've learned through my job, and grow together with the Company!



Development Department, Han Yu Liao, Specialist

Industry-Academia Collaboration: Cultivating Real Estate Professionals

We firmly believe that campus talent can inject new innovative momentum and vitality into the company. Cathay Real Estate designs internship content in alignment with school curriculum and credit requirements. Mentors assist interns to familiarize themselves with departmental responsibilities during the semester and participate in online project promotion, applying what they have learned in the workplace. Summer interns focus on real estate industry management and are provided with learning items such as real estate expertise, departmental project participation, senior employee training, and corporate visits to grasp professional knowledge in the real estate field.

In addition, we also encourage interns to learn more about Cathay Real Estate’s sustainability philosophy and participate in charitable activities. In the summer of 2023, there were a total of 6 interns with backgrounds including architecture and land administration. Project topics covered aspects such as architectural design, market analysis, location cases, and project management.

Cathay Real Estate Internship Program Participation Statistics			
Year	2021	2022	2023
Mid-term Internship Participants	1	3	2
Summer Internship Participants	0	4	6

Note1: Since the launch of the internship program in 2016, there were 11 interns joined the Company after graduation so far.

Note2: The summer internship was suspended in 2021 due to the pandemic.



Interns participated in rice planting activities to practice the Cathay Real Estate charitable spirit by getting close to nature and caring for the land.

Performance Evaluation

Cathay Real Estate uses consistent and fair standards as the basis for employee performance evaluations, without differences based on gender, age, rank, or job category. To ensure consensus between team goals and individual goals, at the beginning of the year, we confirm performance targets (KPIs) with employees. Midyear, supervisors and employees jointly explore the status of target execution. Finally, at the end of the year, self-evaluation and supervisor evaluation are completed.

In 2023, 100% of employees completed the annual performance evaluation. For underperforming employees, competency enhancement guidance will be provided in accordance with the “Measures for Employee Performance and Competency Coaching Improvement and Handling” to assist employees in identifying the reasons for underperformance and achieve growth together.

Beginning of the Year Performance Goal Setting (KPI) Interview



Supervisors must conduct interviews with their subordinates to jointly discuss and confirm annual performance goals, ensuring employees clearly understand expectations. For example: quantitative indicators, setting timelines, accuracy, etc., establishing reasonable but challenging goals.

Mid-Year Mid-Year Performance Interview



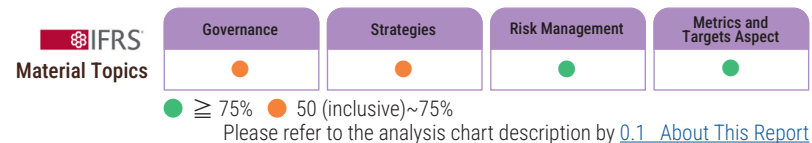
Review employee’s half-year performance; if tasks have been adjusted, performance goals need to be modified. Supervisors must clearly express the employee’s performance status and provide suggestions to facilitate year-end performance evaluation.

End of the Year Performance Evaluation Interview



Employees first conduct self-evaluation, then supervisors evaluate, and depending on different levels, there are different approval levels for supervisors. Supervisors must be well-prepared before the interview, collecting behavioral examples of employees to help them understand the performance and differences in positive and negative behaviors. Supervisors should also strive to reach a consensus on performance during the interview.

6.2 Pillar II: Employee Health and Safety



Material Topic - Occupational Health and Safety		GRI 403-1	GRI 403-2	GRI 403-3	GRI 403-5	GRI 403-6	GRI 403-9	
Management Policy	Only by paying attention to details can we achieve excellence. Cathay Real Estate values the safety of building structures, environmental comfort, and the construction quality and occupational health and safety of construction companies. We strive to do our best in every aspect to create the most genuine quality houses, aiming to become the first century-old enterprise in Taiwan's construction industry.						Management Commitment	Establish a good and safe work environment, provide employees with timely health care and professional assistance, and safeguard employees' physical and mental health through multiple channels.
Dedicated Unit	Human Resources Team, Administration Team						Resources Invested	3 people in Human Resources Team, Labor Safety Supervisors, and 2 people in Administration Team.
Goals	Short Term (2024)		Medium Term (2027)			Long Term (2030)		
	<ul style="list-style-type: none"> 60% of construction sites introduce ISO 45001. Participate in labor safety or environmental protection awards with 1 construction project each year. Organize health activities for construction workers in 1 construction project each year. Arrange 3 on-site medical consultation services per month. Provide at least 1 hour of employee health seminar once a year. Provide free annual health checkup for employees once a year. Conduct workplace lighting and carbon dioxide concentration inspections twice a year, once in the first and second half of the year. 		<ul style="list-style-type: none"> 70% of construction sites introduce ISO 45001. Participate in labor safety or environmental protection awards with 1 construction project each year. Organize health activities for construction workers in 1 construction project each year. Continue implementing on-site medical consultation services. Provide at least 1 hour of employee health seminar once a year. Provide free annual health checkup for employees once a year. Conduct workplace lighting and carbon dioxide concentration inspections twice a year, once in the first and second half of the year. 			<ul style="list-style-type: none"> 80% of construction sites introduce ISO 45001. Participate in labor safety or environmental protection awards with 1 construction project each year. Organize health activities for construction workers in 1 construction project each year. Continue implementing 3 session of on-site medical consultation services. Provide at least 1 hour of employee health seminar once a year. Provide free annual health checkup for employees once a year. Conduct workplace lighting and carbon dioxide concentration inspections twice a year, once in the first and second half of the year. 		
Management Approach Evaluation	Management Evaluation Mechanism			2023 Evaluation Results				
	<ul style="list-style-type: none"> Continue on-site medical consultations and provide answers based on health checkup reports. Continue to maintain workplace lighting and carbon dioxide concentration inspections to safeguard employee health. Provide seminars on health/healthcare topics of interest to employees. Implement risk control and preventive measures. Implement accident prevention measures. Establish hazardous item management regulations. 			<ul style="list-style-type: none"> ✔ Conduct monthly construction quality and occupational safety and health inspections at each construction site. ✔ Number of major occupational accidents: 0 ✔ Completed 36 on-site medical consultation services in 2023. ⊖ Cymbal Medical Network psychologists conducted 5 sessions of "Workplace Stress Source Analysis and Stress Relief Practices Seminar" at the Taipei, Taichung, Tainan, and Kaohsiung offices, providing health information to employees. ⊖ Employee Completed Health Checkups ⊖ Completed inspections of a total of 42 locations on the second and sixth floors of the headquarters office. Carbon dioxide concentrations and illuminance levels were all within standard values. 				

Implementing Occupational Health and Safety Surveys

Cathay Real Estate has established the “Executive Measures for Maternal Health Protection of Female Workers”, “Plan for Prevention of Diseases caused by Abnormal Workload”, and “Prevention Plan for Musculoskeletal Disorders” in accordance with regulations, clearly specifying the responsibilities of each unit at different levels and the implementation procedures, risk assessment, and personnel training plans for various protective measures. In 2023, a total of 27 employees in the Cathay Real Estate Group experienced occupational safety injuries. Cathay Real Estate completed accident reviews and improvements based on the causes of the incidents, continued to strengthen workplace environment education and training, enhance workplace safety, and raise employees’ self-protection awareness.

Cathay Real Estate Group Employee Occupational Injury Statistics 2023

	Male	Female
Total Work Hours	1,586,794	4,921,178
Total Work Days	197,298	616,199
Number of Occupational Injuries (Note 1)	6	15
Occupational Injury Rate (Note 2)	0.76%	0.61%
Number of Occupational Injury Deaths (Note 3)	0	0
Occupational Injury Death Rate (Note 4)	0%	0%
Lost Work Days (Note 5)	55.45	209.38
Lost Day Rate LDR (Note 6)	6.99	8.51
Total Absence Days (Note 7)	349.17	2119.50
Absenteeism Rate (Note 8)	0.18%	0.34%
Number of Severe Work Injuries (Note 9)	1	0
Severe Work Injury Rate (Note 10)	12.60%	0

Note1: Refers to the number of recordable occupational injuries, including the number of deaths caused by occupational injuries.

Note2: Occupational injury rate = (Number of occupational injuries / Total work hours) × 200,000*

Note3: Number of deaths due to occupational injuries.

Note4: Occupational injury death rate = (Number of occupational injury deaths / Total work hours) × 200,000*

Note5: Total lost work days refers to the total number of days that employees are temporarily (or permanently) unable to return to work due to injury, which refers to the number of leave days due to occupational injury.

Note6: Lost day rate (LDR) = (Lost work days / Total work hours) × 200,000*

Note7: Absence definition: Employee absence due to loss of working capacity, including: occupational injury leave, sick leave, menstrual leave, but not including leave applied due to traffic accidents.

Note8: Absentee rate (AR) = (Total absence days / Total work days) × 100%

Note9: Severe work injury refers to an injury that makes it difficult for the worker to recover to the pre-injury health condition within 6 months, excluding deaths.

Note10: Severe work injury rate = (Number of severe work injury incidents / Total work hours) × 200,000*

Note11: *refers to the rate per 100 employees, calculated based on 50 weeks per year, 40 hours per week

Note12: The 2023 statistics on employee occupational injuries and occupational diseases cover Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management.

Strengthening Occupational Safety and Health Protection

Occupational safety and health is the most important well-being for employees. Occupational safety is included in the training curriculum for new employees to strengthen their awareness of occupational safety. In accordance with regulations, the “Executive Measures for Maternal Health Protection of Female Workers”, “Plan for Prevention of Diseases caused by Abnormal Workload”, “Prevention Plan for Musculoskeletal Disorders”, and “Occupational Safety and Health Management Plan” have been established. The President is responsible for overseeing the implementation status, while department heads and occupational safety and health officers are responsible for implementing various measures.

2023 New Employee Occupational Safety and Health Training Results

Course Content: **1-hour** occupational safety training seminar
(**2** sessions held, **11** participants, total of **11** hours)

Measures to Protect Employee Health

To promote employees’ physical and mental health, Cathay Real Estate has established occupational safety and health work rules in accordance with regulations and provides employee health services such as designated medical personnel to handle health management, occupational disease prevention, and health promotion matters, and regular employee health checkups. The “Employee Online Walking” activity is also held to encourage the development of healthy habits.

2023 Employee Health Measure Results

Annual Employee Health Checkup: Free health checkup provided to all employees, used by **152** people
Workplace Medical On-site Consultation Service: **6** consultation sessions held, **71** participants
Employee Health Promotion Seminars: **5** seminars held, **97** participants
Employee Hiking Activities: **4** activities held, **493** participants

Natural Disaster Emergency Assistance

Each employee is a part of Cathay Real Estate. The “Natural Disaster Employee Emergency Assistance Guidelines” have been established to help employees affected by natural disasters such as typhoons and earthquakes overcome urgent difficulties and become their most reliable shelter.

Cathay Real Estate Natural Disaster Employee Emergency

Applicable Targets: Full-time employees whose houses are completely destroyed, partially destroyed, or financially damaged due to natural disasters (typhoons, earthquakes, floods, and fires.)
Assistance Methods: For employees or their dependents whose houses are completely or partially destroyed due to natural disasters, corresponding compensation will be provided.

6.3 Pillar III: Energy and Resource Management

Energy Management

GRI 302-1 | GRI 302-3 | GRI 302-4 | SASB IF-RE-130a.1~3

Cathay Real Estate is well aware of the crucial role the construction industry plays in reducing GHG emissions. In recent years, we have actively worked to reduce GHG emissions from our operating locations. In 2016, we introduced ISO 14064-1 GHG inventory. In 2019, we further adopted the latest ISO 14064-1:2018 standard for inventory. In addition, Cathay Real Estate has been actively taking inventory of energy and resource consumption data in recent years and identifying opportunities to reduce energy consumption from operating activities. Through energy-saving and carbon reduction measures, we are responding to the solutions for climate change.

2023 Energy Data Statistics

Item	Operation Sites						Total
	Headquarters	Offices	Reception Centers	Warehouses	Buildings	Undelivered Construction Projects	
Direct Energy Consumption (GJ)	176.94	28.34	0.00	0.00	25.82	0.00	231.11
Indirect Energy Consumption (GJ)	1,274.97	6,893.15	1,147.70	12.34	769.01	181.92	10,279.09
Total Energy Consumption (GJ)	1,451.91	6,921.49	1,147.70	12.34	794.83	181.92	10,510.19
Energy Intensity (GJ/Million NTD Revenue)	1.54						

Note1: Primary energy refers to gasoline and diesel.

Note2: Secondary energy refers to purchased electricity, and no renewable energy is used.

Note3: Energy conversion factors refer to the heat value coefficients of various energy sources (gasoline: 7,800 kcal/L; diesel: 8,400 kcal/L) announced in Version 6.0.4 of the GHG Emission Coefficient Management Table published by the Environmental Protection Administration; electricity is converted as 1 kWh = 0.0036 GJ.

Note4: Company facilities include 3 offices (Taichung, Tainan, Kaohsiung) , 5 reception centers, 3 warehouses, 2 corporate buildings (Taipei Cathay Real Estate Building, Taipei Bo'ai Building) , and 10 ongoing construction projects.

Note5: The coverage rate of energy consumption data reaches 100%.

The four major subsidiaries of Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering have also conducted energy consumption analysis since 2020. In 2023, Lin Yuan Property Management was added to the inventory scope to gradually establish energy management.

Energy Statistics	Cathay Real Estate Management	Cathay Healthcare Management	Cathay Hospitality Consulting	San Ching Engineering	Lin Yuan Property Management
Direct Energy Consumption (GJ)	0.00	0.00	16,888.02	66.61	0.00
Indirect Energy Consumption (GJ)	65.00	1,377.22	72,283.32	587.99	300.73
Total Energy Consumption (GJ)	65.00	1,377.22	89,171.34	654.6	300.73
Year-over-Year Increase Rate (%)	-2.97%	+4.62%	+19.93%	+0.25%	-
Energy Intensity (GJ/Person)	5.42	2,657	0.50	12.12	5.47

Note1: The energy consumption of Cathay Healthcare Management only includes the statistics of the Taipei headquarters (excluding health checkup centers and postpartum nursing care centers) .

Note2: The direct energy consumption of Cathay Hospitality Consulting refers to the natural gas used.

Note3: The energy statistics of Cathay Hospitality Consulting include the usage in guest rooms, so it is significantly higher than that of office buildings.

Note4: The energy intensity of Cathay Hospitality Consulting is calculated based on the total number of guests in 2023 (524,091 people) .

Note5: The coverage rates of energy consumption data for Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering are 100%, 100%, 91%, and 100%, respectively.

Note6: The 2021 energy data for Cathay Hospitality Consulting was incorrectly stated and has been corrected to direct energy consumption 6,829.97 GJ, indirect energy consumption 63,666.94 GJ, and total energy consumption 70,496.90 GJ.

Note7: Lin Yuan Property Management conducted its first inventory of energy consumption information in 2023, so the year-over-year increase rate is not disclosed.

GHG Inventory and Management

GRI 305-1~305-3

Cathay Real Estate has adopted the latest ISO 14064-1:2018 standard for inventory since 2019. Through significance analysis of internal indirect GHG emissions, it was confirmed to include other indirect emission sources (Category 4) in the inventory scope. In 2023, Cathay Real Estate's total GHG emissions were 2,018.083 (metric tons CO₂e) . For third-party verification information, please refer to the Appendix: GHG Verification Opinion Statement.

GHG Emissions Data Statistics

Item		2023				2022			
		Emissions		Proportion		Emissions		Proportion	
Category 1	Stationary Combustion (metric tons CO ₂ e)	4.027	325.434	0.20%	16.13%	2.103	115.170	0.11%	5.89%
	Mobile Combustion (metric tons CO ₂ e)	12.772		0.63%		14.262		0.73%	
	Fugitive Emissions (metric tons CO ₂ e)	308.635		15.29%		98.805		5.06%	
Category 2	Purchased Electricity (metric tons CO ₂ e)	1,412.032		69.89%		1,563.850		80.01%	
Category 4	Purchased Goods (metric tons CO ₂ e)	282.428		13.98%		275.548		14.10%	
Total (metric tons CO ₂ e)		2,019.894		100%		1,954.567		100%	
GHG Emission Intensity (metric tons CO ₂ e/Million NTD Revenue)		0.30				0.14			

Note1: The inventory is conducted in accordance with ISO 14064-1:2018, and the data is self-concluded and has not yet been verified by a third party.

Note2: The unit is metric tons of carbon dioxide equivalent (CO₂e) , calculated as activity data x emission factor x GWP value.

Note3: Reference year for GWP data: IPCC Sixth Assessment Report (2021) .

Note4: Source of carbon emission factors: Calculated using the latest electricity emission factor announced by the Bureau of Energy at the time of inventory (carbon emission equivalent factor 0.509 kg/kWh) .

Note5: Inventory boundary setting method: Operational control approach.

Note6: The GHGs covered include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₂, etc.

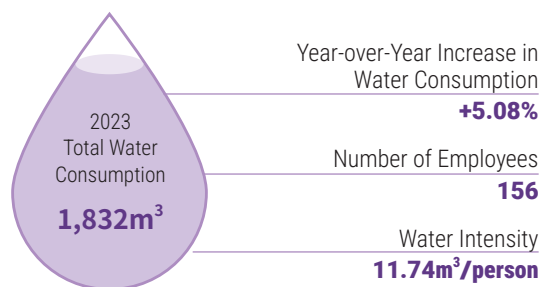
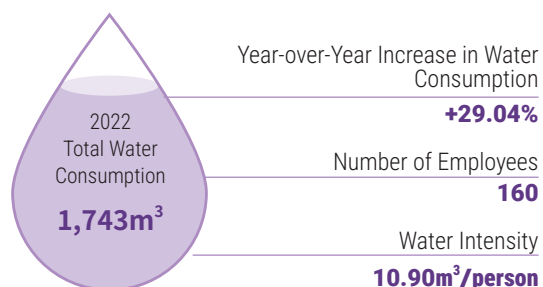
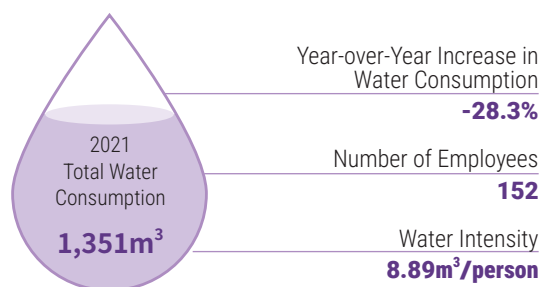
Note7: GHG emission intensity = Total GHG emissions (metric tons CO₂e) / Operating revenue (Million NT\$).

Water Resource Management

GRI 303-3 | SASB IF-RE-140a.1~3

Climate change is accompanied by extreme weather events, posing significant challenges to the efficiency of water resource utilization for businesses. Cathay Real Estate's main water source is domestic water. We actively promote water resource management at our 4 operating locations across Taiwan (Taipei, Taichung, Tainan, Kaohsiung). Since 2020, we have included the water resource consumption of our four major subsidiaries, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management, into our management scope.

Cathay Real Estate Annual Water Consumption



Note: The coverage rate of Cathay Real Estate's water consumption data is 100%.

2023 Water Consumption Statistics of Each Subsidiary

	Operating Location	Water Consumption (m ³)	Total (m ³)	Year-over-Year Increase in Water Consumption (%)	Water Intensity (m ³ /Number of Employees)
Cathay Real Estate Management	Taipei Headquarters Address	60	60	+14.90%	4.97
Cathay Healthcare Management	Taipei Headquarters Address	2,555	2,555	-0.16%	7.49
Cathay Hospitality Consulting	Hotel Cozzi	184,165	287,346	+7.01%	0.49
	Madison Taipei Hotel	35,814			
	Courtyard by Marriott Taipei Downtown	67,367			
San Ching Engineering	Taipei Headquarters Address	350	350	+12.52%	6.49
Lin Yuan Property Management	Taipei Headquarters Address	1,001	1,001	0.00%	18.19

Note1: The water consumption statistics of Cathay Hospitality Consulting include the water consumption in guest rooms, so it is significantly higher than that of office buildings.

Note2: The coverage rates of water consumption data for the following subsidiaries: Cathay Real Estate Management 100%, Cathay Healthcare Management 100%, Cathay Hospitality Consulting 78%, San Ching Engineering 100%, and Lin Yuan Property Management 100%.

Note3: Lin Yuan Property Management conducted its first inventory of water consumption information in 2023, so the year-over-year increase rate is not disclosed. Missing monthly water consumption data is estimated based on the average.

Green Actions

GRI 303-3

SASB IF-RE-140a.1~3

Cathay Real Estate Green Actions

In recent years, Cathay Real Estate has actively promoted green initiatives. We have engaged landlords regarding upgrades to equipment such as air conditioning and elevators. Simultaneously, we have vigorously promoted energy conservation within the Company. Aligning with the Ministry of Finance's electronic invoice policy and our sustainable operation goals, we offer customers electronic invoice carrier application forms. Additionally, we procure eco-friendly company vehicles and office equipment, fostering an environmentally sustainable corporate culture in our employees' work environment.



Energy-Saving Air Conditioning Equipment

- Reached a consensus on environmental protection and energy saving with the landlord, and completed the construction of more energy-efficient air conditioning equipment throughout the building.
- Continue to implement the office air conditioning temperature setting at 26°C to ensure the most efficient operation of air conditioning.
- Continue to implement the daily shutdown of air conditioning equipment power after work to avoid unnecessary energy waste.



Elevator Usage

- The construction of replacing elevator equipment with smart and highly efficient operating models has been completed with the landlord's consensus on environmental protection and energy saving, which greatly benefits the management efficiency and energy-saving goals of the entire office building.
- Negotiated with the building management office to set the elevators to serve different floors during morning, midday, and evening peak hours for maximum operational efficiency.
- Continue to encourage employees on lower floors to use stairs for going up and down, which not only promotes health and improves physical fitness but also achieves environmental protection and energy-saving goals.
- In 2023, the Shr-Hwa International Tower completed the energy-saving elevator (4 units) replacement project. Each elevator has a speed of 300m/min. According to the electric power regenerative device, it can save 46% of electricity (about 833 kWh), saving a total of approximately NT\$16,000 to 17,000 in electricity costs per year.



Driving Habit Advocacy

- The Company vehicles currently used are mainly environmentally friendly low-fuel-consumption hybrid models.
- Continue to strengthen the advocacy of energy-saving and carbon-reduction concepts to Company vehicle drivers, requiring them to avoid idling, maintain the most appropriate vehicle load at all times, and perform regular vehicle maintenance to maintain the best fuel efficiency.



E-Invoice Policy

- In response to the Ministry of Finance's policy of promoting e-invoices, invoices for customers purchasing houses or parking spaces from Cathay Real Estate can be issued electronically.
- Customers can provide basic information and mobile barcode, and e-invoices will be directly stored in their mobile carrier.



Office Equipment Procurement

- When renewing contracts for purchasing or leasing multifunction machines, printers, and other office equipment, environmentally friendly and energy-saving models are selected. The QSL energy-saving switch can effectively save about 20% of electricity consumption.
- Thoroughly utilize the smart energy management functions of office equipment to optimize equipment operation efficiency and effectiveness.
- Control the usage of copy paper through a statistical operation management mechanism to avoid unnecessary resource waste.
- In the future, office equipment with power-saving functions will be purchased. If not used for 15 minutes, it can automatically enter a power-saving sleep state.
- In the future, it will be combined with information security software. When printing, login authentication will be required to reduce paper misprinting. Detailed quantity statistics charts will be used to control printing costs and effectively control expenses.




Office Energy Management

- Continue to promote office plastic reduction measures and encourage employees to bring their own tableware and tea sets.
- Continue to implement regular light-off mechanisms during lunch breaks and after work.
- Continue to strengthen the advocacy of the habit of turning off office equipment power after work.
- The CRE App system has been launched, which has been effective in paperless operations and execution efficiency.
- The operation model of video conferencing systems and paperless meeting materials has become mature and is frequently used in practice, reducing the commuting of attendees and carbon dioxide emissions, greatly improving the efficiency and effectiveness of resource use.
- Use electronic whiteboards to directly write or annotate on the screen, improving communication efficiency.
- Adopt zoned lighting with independent switches, and turn on the lighting in specific areas according to actual usage needs. For example, when working overtime after hours or on holidays, only turn on the lighting in designated areas and turn off unnecessary lighting to achieve electricity saving.
- Encourage turning off lighting and air conditioning in unused meeting rooms and reception areas.

Cathay Healthcare Management Green Actions


Health Checkup Centers

- Promote digitalization of customer satisfaction surveys, reducing paper usage by approximately **10,000** sheets per month.
- Actively encourage customers to use stairs instead of elevators, except for gastrointestinal endoscopy customers. Approximately **80%** of customers cooperate.
- Replace high-energy-consuming traditional light bulbs with LED energy-saving light bulbs, saving more than **10%** of electricity and increasing illuminance by about **10%** or more.



Postpartum Nursing Care Centers

- Implement **green procurement**, choose seasonal and local ingredients for postpartum meals to reduce carbon emissions from long-distance transportation.
- Air conditioning adopts independent one-to-two planning **without using central air conditioning** to achieve energy saving and carbon reduction.
- Replace high-energy-consuming traditional light bulbs with LED energy-saving light bulbs, saving more than **10%** of electricity and increasing illuminance by about **10%** or more.



Cathay Hospitality Consulting Green Actions

Cathay Hospitality Consulting values energy conservation and sustainability. To protect our planet together with our customers, starting from July 2023, we no longer actively provide disposable amenities and have gradually replaced the toiletries in the rooms with large bottles of shampoo, conditioner, and shower gel. In addition to making changes in the accommodation experience and service, Cathay Hospitality Consulting also invites its Hotel Cozzi, Madison Taipei Hotel, and Courtyard by Marriott Taipei Downtown to jointly respond to the "Earth Hour" activity, fulfilling the spirit of corporate citizenship and supporting the international environmental protection movement.

Energy Conservation and Indoor Air Quality Management

- In-room environmental protection cards are placed
- Indoor temperature of each building is controlled to be no lower than **26 degrees**
- Work environment air quality testing, carbon dioxide levels meet standards
- Outdoor signboard lighting is adjusted according to time sequence

Management System and Green Hotel Certification

- Madison Taipei Hotel has obtained **ISO 50001 Energy Management System certification**
- Hotel Cozzi Taipei MinSheng has obtained **Carbon Footprint certification**
- Hotel Cozzi Taipei Zhongxiao has obtained **Green Hotel certification**
- Hotel Cozzi Kaohsiung Zhongshan has obtained **Green Hotel certification**

Green Building Certification

- Hotel Cozzi Taoyuan has obtained Green Building **Silver certification**
- Courtyard by Marriott Taipei Downtown has obtained Green Building **Diamond certification**



Cathay Hospitality Consulting In-room Environmental Protection Cards



Expert Column

Introducing Knowledge Management System

“ Knowledge management refers to the ability to extract and store the knowledge that exists among all members of an enterprise and in historical data as the enterprise’s intellectual assets, making it available to everyone and sharing it with those in need; it is a systematic accumulation and sharing of knowledge, a purposeful application of knowledge, and a continuous strengthening of the accumulated knowledge.

Peter Drucker, Father of Management ”

Given the longer development period of real estate, a construction project produces a large amount of documents, reports, and data from land purchase evaluation to completion and handover to customers. If there is a shared platform, the successful experiences of each project can be replicated and systematically preserved. In 2022, Cathay Real Estate held the first kickoff meeting for introducing a knowledge management system. After multiple cross-departmental meetings and the establishment of a project team, with the President as the convener, seed members from various departments of the Company were gathered to review the system architecture. The system was officially launched in 2023.

In the future, Cathay Real Estate will have its own intelligent search knowledge base, materializing knowledge and allowing employees to easily grasp the distribution status and access location of corporate knowledge. This also marks a new milestone for the Company in the digitalization of knowledge management.



TIPS RD - Knowledge Type Classification

- T Tips**
Methods, techniques, training materials, case studies, professional operation libraries
- I Infomation**
External regulations, academic research/new knowledge, vendor information
- P Project**
Project history files, important project meetings, information project documents
- S Standard**
Rules and regulations, construction specifications, standard operating procedures, contracts
- R Report**
Reports, weekly work reports, project plans
- D Database**
Important company records, construction photo database, architectural design database

Expert Column

Sustainability Workshops

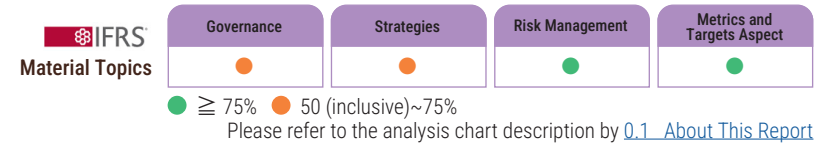
In 2023, Cathay Real Estate held a total of 2 sustainability workshops, inviting all employees to learn about sustainability and integrate sustainability thinking into their professional fields, shaping a positive sustainability culture. Cathay Real Estate collaborated with external consultants to design high-quality training programs. The 2023 curriculum focused on carbon rights, trading, and related issues. Interactive board game activities were incorporated to facilitate group discussions, enabling employees to comprehend global carbon trends, reduction strategies, and the practical implementation of corporate carbon management.



2023 Sustainability Workshops

6.4 Pillar III: Creating Social Impact

Material Topic - Social Inclusion and Reconstruction



<p>Management Policy</p>	<p>Upholding the philosophy of "Giving people happiness is happiness," we integrate the resources of the group to deliver warmth to every corner in need, demonstrating the spirit of being at the forefront of compassion.</p>			<p>Management Commitment</p>	<p>The concept of "Taking from society and using for society" is realized through diverse methods. We have long been investing in Lin Yuan Library, caring for new immigrant second generation, blood donation activities, Cathay Youth Excellence Scholarship, winter warmth activities, and sponsoring activities in remote areas.</p>		
<p>Cathay Real Estate Foundation</p>	<p>Human Resources Team, Administration Team</p>			<p>Resources Invested</p>	<p>Manpower/Action Investment 86 volunteers from the Volunteer Club, 5 people for publishing the Cathay Real Estate Index quarterly report.</p> <p>Resource Investment</p> <ul style="list-style-type: none"> Budgeted approximately NT\$ 9.2 million for library operations, organizing talent education activities, and sponsoring public welfare group activities. Approximately NT\$ 3.22 million invested in the Cathay Real Estate Index quarterly report 		
<p>Goals</p>	<p>Short Term (2024)</p> <ul style="list-style-type: none"> At least 60 volunteers participating, 120 volunteer hours. Online beneficiaries reach 20,000, and offline 2,000. 	<p>Medium Term (2027)</p> <ul style="list-style-type: none"> At least 70 volunteers participating, 140 volunteer hours. Online beneficiaries reach 20,000, and offline 2,000. 	<p>Long Term (2030)</p> <ul style="list-style-type: none"> Actively advocate, integrate industry, government, and academia to develop diverse service models. 				
<p>Management Approach Evaluation</p>	<p>Management Evaluation Mechanism</p> <ul style="list-style-type: none"> Number of Volunteer Club activities held Number of sponsorships for social welfare organizations Number of sponsorships for small farmers' products 	<p>2023 Evaluation Results</p> <ul style="list-style-type: none"> ✓ The Volunteer Club has held 4 activities: Heping Island Geopark Beach Cleanup, Taipei City Street Cleanup, Xiaoliao Beach Cleanup, Guandu Plain Street Cleanup, totaling 244 participants and 488 volunteer hours. ✓ Talent education activities are held in the library according to the annual plan for the first and second half of the year. 					

Note: ✓ Exceeding the original target or the previous year's performance, = Same as the original target or the previous year's performance, ✗ Did not achieve the set target

Cathay Real Estate Group Social Welfare Investment GRI 303-3 | SASB IF-RE-140a.1~3

Cathay Real Estate not only brings a happy life to customers through architecture but also hopes to give back to society through actions. The founder of the Lin Yuan Group, Mr. Wan Lin, Tsai, established the "Cathay Real Estate Foundation" to promote social welfare development with the three main focuses of "promoting cultural and educational activities," "supporting disadvantaged groups," and "caring for the environment." Subsidiaries also combine their core competency advantages to bring positive influence to society, putting into practice the corporate spirit of "Taking from society and using for society."

Cathay Real Estate Public Welfare Focus



Public Welfare Activity Investment Statistics

Cathay Real Estate has accompanied the public through the ravages of the COVID-19 pandemic with the warmest care and actions and will continue to fulfill its commitment to social welfare. In 2023, the total investment in public welfare activities exceeded NT\$ 9.2 million.

Cathay Real Estate 2023 Public Welfare Activity Statistics (Unit: NTD)

Public Welfare Activity Items	Investment Amount
Lin Yuan Libraries	6,973,413
Lin Yuan Library Talent Education Activities	230,400
Activities Co-organized by Cathay Charity Group	1,050,000
Sponsorship Activities	403,600
Administrative Management and Other Expenditures	543,418
Total Amount	9,200,831

Cathay Real Estate Development's Annual Public Welfare Activity Investment Amount (Unit: NTD)



Promoting Cultural and Educational Activities

Education is the key to social development. We have created a third space to promote exchange and learning, allowing students, youth, and the community to access diverse courses, cultivate the joy of learning, and develop an attitude to face future challenges, contributing positive influence to society.

Lin Yuan Libraries

The Cathay Real Estate Foundation has established 9 “Lin Yuan Libraries” across Taiwan since 1983 to enhance community cultural and educational standards and give back to society, allowing the public to enjoy the pleasure of reading in an elegant and quiet space. The Foundation also plans various teaching activities every year, inviting neighborhood residents to interact and learn from each other. In 2023, a variety of rich and colorful activities were held, such as “Painting Courses,” “Bread Flower Teaching,” “Baking Classes,” and “Art Classes.” We hope to help everyone find relaxing and happy moments in their busy lives, provide an opportunity to enhance parent-child relationships, bring people closer together, add color to residents’ lives, and bring more vitality and warmth to the community.

2023 Lin Yuan Library Course Topics and Hours

Taipei Banqiao Branch	Painting Class: Integrating Learning and Fun into Life	🕒32 hr
Taipei Xinzhuang Branch	Painting Class: Integrating Learning into Life Development	🕒32 hr
Taipei Sanchong Branch	Painting Class: Integrating Learning into Life Development	🕒32 hr
Taipei Mingren Branch	Bread Flower Teaching	🕒32 hr
Taichung Xiaoming Branch	Baking and Cooking Seminar	🕒32 hr
Tainan Yunong Branch	Parent-Child Decoupage, Let's Play with Creativity	🕒32 hr
Kaohsiung Neiwei Branch	Dessert Baking Class	🕒32 hr
Kaohsiung Huayuan Branch	Children's Power Robots, Ecological Animal Class	🕒32 hr
Kaohsiung Lingya Branch	Art Class	🕒32 hr

Highlights and Achievements

- 9 Lin Yuan Libraries across Taiwan
- Each library has a collection of over **2,000** books, cultivating new knowledge and life enjoyment through reading.
- Approximately NT\$ **230,000** invested in 2023 for operations
- Teaching activities are held every week, with a total of **288** hours of courses across Taiwan in 2023.



Baking and Cooking Seminar



Painting Class: Integrating Learning into Life Development

Anti-Drug Future Program

Drugs not only cause great harm to personal health but also pose a major threat to social stability and security. Members of the Lin Yuan Group have used their corporate influence to respond to anti-drug actions. In 2023, the Cathay Charity Foundation held a series of anti-drug advocacy activities on campuses, and Cathay Financial Holdings integrated drug prevention and academic competitions into the e-sports activities most favored by young students to strengthen campus drug prevention awareness and maintain social harmony and stability.

Sapling Cultivation Program

Cathay Hospitality Consulting spares no effort in cultivating hospitality talent. In response to the industry’s labor shortage and talent cultivation goals, in 2023, it collaborated with Taipei City University of Science and Technology to sign an industry-academia alliance to promote the “Sapling Cultivation Program.” It is the first program to start planning for potential talents from the junior high school stage, assisting students in exploring their careers during their school years, understanding the tourism and hospitality workplace environment, and enabling university graduates to quickly connect and join the hotel industry through cooperative education and internship programs.



Cathay Youth Excellence Scholarship

The Cathay Real Estate Foundation organizes the Youth Excellence Scholarship, investing educational resources in talents from various fields, encouraging idealistic and passionate public welfare proposals, and allowing young people to pursue their dreams without worries. In 2023, the Cathay Real Estate Foundation donated NT\$ **400,000**.



Marine Conservation Advocacy

The Hotel Cozzi under Cathay Hospitality Consulting actively fulfills its corporate social responsibility by visiting a nursery home near the hotel, bringing along the mascot "Penguin Pupu" of Hotel Cozzi Taoyuan to spend a joyful Children's Day with the children in the home. Through the interactive game of making whale bead art, the children's creativity is stimulated while conveying the concept of marine conservation in a fun way.



Teach For Taiwan Collaboration Program

Since 2022, the Cathay Charity Group has launched a three-year collaboration program with Teach For Taiwan. Three foundations under the group jointly support Teach For Taiwan in recruiting and training teachers for remote areas, investing NT\$ **4 million** each year to encourage young talents to teach in remote schools, create an equal and high-quality educational environment for children in remote areas, and improve the quality of education in those areas.



Welfare Association Sponsorship of Arts and Culture Activities

Cathay Real Estate actively sponsors arts and culture activities every year. In 2023, it sponsored the musical "Cape No. 7 Dream Maker" by All U People Theatre with NT\$ **576,000** and encouraged employees to participate in arts and culture activities, hoping to drive the public to support domestic theater groups.



Promotional poster for the musical "Cape No. 7 Dream Maker"
Source: All U People Theatre official website

Supporting Disadvantaged Groups

Cathay Real Estate deeply believes that caring for and supporting disadvantaged groups is not only a social responsibility but also a practice of social progress and fairness and justice. We organize various charitable activities and provide resources to help disadvantaged groups receive various life support and realize their self-worth.

Winter Warmth Activities and Dream Realization Program

The “Cathay Winter Warmth Activity,” jointly organized by the Cathay Charity Foundation, Cathay United Bank Foundation, and Cathay Real Estate Foundation, has entered its 22nd year in 2023. Cathay volunteer groups personally deliver employees’ gifts of love to children’s hands, bringing a bit of warmth to elementary schools in remote areas across Taiwan during the cold winter.



Sending Love to Remote Areas: Taipei Postpartum Center Donation

The Cathay Postpartum Nursing Care Center (Taipei) sorted out usable mattresses, towels, bedding, furniture, and other supplies, and personally cleaned and sent them to the “Chuan-Yue Love Association,” the “Sun-care School” in Xiulin Township, Hualien County, and the “Taipei City Children’s Welfare Center,” passing them on to units in need. We hope that through this small act of sharing, we can serve and care for more diverse groups.



Mid-Autumn Festival Mooncake Donation

In 2023, Cathay Hospitality Consulting collaborated with the Cathay Charity Foundation to send warmth during the Mid-Autumn Festival. Through the Department of Social Welfare, Taoyuan, mooncake gift boxes with a total value of NT\$ 600,000 were donated before the Mid-Autumn Festival and delivered through the Food and Resources Bank to new immigrant households in Taoyuan City, community care locations participating in the Food Redistribution Program, and Little Satellites care locations, conveying love and blessings and accompanying households to celebrate the Mid-Autumn Festival. In addition, members of the AMAZZING CLUB Satisfaction Customer Program were invited to participate by redeeming their membership points to donate mooncakes and care for the disadvantaged.



Public Welfare Health Checkups for Juvenile Homes

Since 2020, Cathay Healthcare Management has been using its professional expertise to provide health services and give back to disadvantaged groups. In 2023, this compassionate effort was continued by arranging health checkup services for 66 teachers and students at the Hsinchu Juvenile Home and providing correct health education knowledge and health checkup report explanations.

Caring for New Immigrants and Second-Generation Students

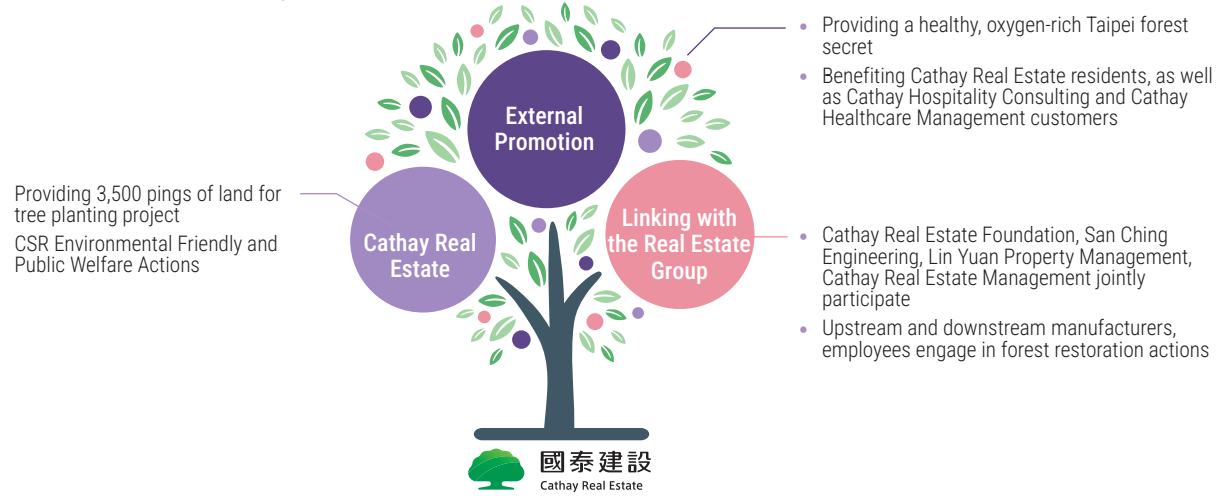
New immigrants bring rich cultural backgrounds and diverse values to society. However, new immigrants also face many difficulties such as language barriers and cultural adaptation. To help new immigrants integrate into society and adapt to the new environment as soon as possible, various professional training programs are planned to help them realize their self-worth and improve their economic conditions. In 2023, the Cathay Real Estate Foundation donated NT\$ 250,000 to new immigrant activities.

Environmental Care

Environmental protection not only concerns the quality of life of the public but also relates to the survival and development of our future generations. Cathay Real Estate has long implemented environmentally friendly actions, encouraging employees to pay attention to environmental issues and take practical actions to protect our planet together.

“Healthy Forest - Century Tree Planting” Program Implementation Timeline

Since 2019, the Cathay Real Estate Group has been promoting the “Healthy Forest - Century Tree Planting” program based on the concept of “Cathay Real Estate providing its own land, the group responding, and the public benefiting.” It combines the professional skills of Cathay Real Estate members to do their part in mitigating climate change and ecological conservation. In 2023, we continue to implement this program, actively reviewing various implementation aspects, hoping to lead the public to demonstrate their care for the environment and practice the concept of environmental co-prosperity.



Timeline	1st-2nd Year	3rd-4th Year	5th year
	Breadth: Uniting the Cathay Real Estate Group	Depth: Creating a Healthy Forest	Momentum: Giving Back with Tangible Results
Actions	<ul style="list-style-type: none"> • Cathay Real Estate: Providing land and design experience. • San Ching Engineering: Coordinating with contractors for planning and construction. • Concept Advocacy: Promoting environmental protection concepts and education. 	<ul style="list-style-type: none"> • A series of concrete actions from seedling cultivation, planting, nurturing, and cultivating young forests to forest maintenance. Doing our part to mitigate climate change and ecological conservation. • Lin Yuan Property Management: Healthy forest maintenance and management. 	<ul style="list-style-type: none"> • Customer Feedback: Opening activities in the healthy forest to residents, residents, and healthcare customers. • General Public: Opening to the public and students as an environmental education site.

Cathay Real Estate Volunteer Club

The Cathay Real Estate Volunteer Club was established on the 55th anniversary of Cathay Real Estate and has been in existence for four years. Now, all employees of Cathay Real Estate are members of the Volunteer Club. The volunteers continue Cathay Real Estate’s sustainability philosophy and corporate culture, raising funds to assist disadvantaged groups affected by mishaps and putting their care for the environment into practice by personally participating in mountain and beach cleanup activities. In 2023, there were **2 beach cleanups** and **2 street cleanups** organized, accumulating **546 volunteer hours**.



▶ Volunteer Club Activity Archive Video

Responding to Earth Hour

Cathay Hospitality Consulting supports sustainable actions and continues to participate in the annual international lights-off event. Its Hotel Cozzi, Madison Taipei Hotel, and Courtyard by Marriott Taipei Downtown all participate in the “**Earth Hour**” activity.



Cathay Real Estate Social Impact Performance

Public Welfare Focus	Project Plan	Project Background and Purpose	Stakeholders Covered	Resource Investment	Project Results
Promoting Cultural and Educational Activities	Lin Yuan Libraries	The Cathay Real Estate Foundation has established 9 "Lin Yuan Libraries" across Taiwan since 1983 to enhance community cultural and educational standards and give back to society, allowing the public to enjoy the pleasure of reading in an elegant and quiet space. The Foundation also plans various teaching activities every year, inviting neighborhood residents to interact and learn from each other. In 2023, a variety of rich and colorful activities were held, such as "Folk Painting," "Herbal Plant Potting," "Handmade Soap Making," "Baking Classes," and "Art Classes." We hope to help everyone find relaxing and happy moments in their busy lives, provide an opportunity to enhance parent-child relationships, bring people closer together, add color to residents' lives, and bring more vitality and warmth to the community.	Community Residents	Approximately NT\$ 7.2 million invested in 2023.	A total of 288 hours of courses across Taiwan in 2023.
Environmental Care	Beach Cleanup and Street Cleanup Activities.	Through beach cleanup and street cleanup activities, environmental protection awareness is deeply rooted in the corporate culture.	Employee Families and Community Residents.	<ul style="list-style-type: none"> Approximately 244 people invested. Approximately NT\$ 520,000 invested in 2023 	In 2023, a total of 244 participants and 488 volunteer hours.
Supporting Disadvantaged Groups	Teach For Taiwan (TFT)	Caring for students in remote areas is one of the strategies of the Cathay Charity Group. To effectively extend its influence, it has become a strategic partner with TFT to jointly promote education in remote areas.	Students in Remote Areas	NT\$ 500,000	This project has supported at least 260 teachers so far, benefiting a total of approximately 6,000 students.
	After-School Care Classes	To strengthen the social safety net, Cathay Group has invested in vulnerable children and youth from fragile families, collaborating with the Yunlin County Chongwen Women's Association, Sanxia Grass Book House, and Hualien Sunny Young Association to open after-school care classes, mainly targeting single-parent families, new immigrant families, skipped-generation families, and indigenous families.	Disadvantaged Families	NT\$ 250,000	This project has cared for over 101 local students.
	Winter Warmth	The "Winter Warmth Activity" targets remote areas across Taiwan where resources are not easily accessible.	Children in Remote Areas	NT\$ 100,000	In 2023, it reached 128 elementary schools in remote areas, delivering cold-weather supplies to children in person, caring for 10,600 people.
	Dream Realization Program	Elementary school students and teachers participate together, helping children in remote areas improve their educational quality and develop independent thinking skills through the dream realization process.	Students in Remote Areas	NT\$ 150,000	As of 2023, it has helped 163 schools, with nearly 4,000 students participating and issuing over NT\$ 28 million in dream realization funds.
	Education Program for Visually Impaired Students	Provides donations to the Taiwan Public Welfare League to invest in education programs for visually impaired students.	Visually Impaired Students	NT\$ 3,600	The association has helped 1.2 million people with physical and mental disabilities, 90,000 children in remote areas, and 48,000 elderly people living alone regain hope.

Cathay Real Estate Index

Since 2002, Cathay Real Estate has collaborated with the Center for Real Estate Research of National Chengchi University and real estate scholars to compile the “Cathay Real Estate Index.” Based on rigorous evaluation and research of new construction project information, it has become a credible indicator of the real estate market trends in Taiwan. We also publish survey reports for the public to use as a reference for home purchase and investment decisions. Through comprehensive real estate information, we assist the public in finding suitable housing solutions.


Action and Investment

The Cathay Real Estate Index is based on market survey data and releases 6 price and volume indicators to assess the annual trends of 6 major markets, including Taipei City, New Taipei City, Taoyuan-Hsinchu area, Taichung City, Tainan City, and Kaohsiung City, evaluating the market demand and supply conditions as a basis for public home purchase and investment evaluation.



Benefits and Influence Created


Over the past 20 years, the Cathay Real Estate Index has not only gained recognition and trust from various parties but has also expanded its influence to government agencies, professional institutions, peer companies, and foreign companies, serving as an important reference for decision-making.




Government Reference

Constructing a National Real Estate Information Platform

- Ministry of the Interior Real Estate Information Platform - Housing Price Index Information






Financial Institution Reference

Serving as a Reference for Interest Rates and Loan-To-Value Ratios

- Central Bank - Financial Stability Report
- Central Deposit Insurance Corporation - Insured Risk Dynamics



Academic Reference

An Important Data Source for Academic Research and Real Estate-Related Newspapers

- The Central Bank and National Development Council cite the Cathay Index in their reports as a reference for policy implementation.
- Cited in theses and dissertations: As of December 2023, a total of 161 theses and dissertations have cited it.
- Cited in books and literature: From 2011 to 2020, a total of 7 books and literature have cited it.

CH7 Appendices



7.1 GRI Standards Index

Statement of Use	Cathay Real Estate has reported the information cited in this GRI content index for the period from January 1, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

Topic No.	Topic Title	Report Content or Explanation	Pages	
GRI 2: General Disclosure 2021				
The Organization and its Reporting Practices	2-1	Organizational Details	0.3 About the Company	6
	2-2	Entities included in the organization's sustainability reporting	0.1 About This Report	3
	2-3	Reporting period, frequency and contact point	0.1 About This Report	3
	2-4	Restatements of information	0.1 About This Report	3
	2-5	External assurance	7.4 Accountant Assurance Item Index 7.5 Independent Limited Assurance Report	117 118
Activities and Workers	2-6	Activities, value chain, and other business relationships	0.3 About the Company	6
	2-7	Employees	6.1 Pillar I: Happy Workplace	83
	2-8	Workers who are not employees	6.1 Pillar I: Happy Workplace	83
Governance	2-9	Governance structure and composition	1.2 Blueprint II: Corporate Governance	26
	2-10	Nomination and selection of the highest governance body	1.2 Blueprint II: Corporate Governance	26
	2-11	Chair of the highest governance body	1.2 Blueprint II: Corporate Governance	26
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2 Blueprint II: Corporate Governance	26
	2-13	Delegation of responsibility for managing impacts	1.2 Blueprint II: Corporate Governance	26
	2-14	Role of the highest governance body in sustainability reporting	1.2 Blueprint II: Corporate Governance	26
	2-15	Conflicts of interest	1.2 Blueprint II: Corporate Governance	26
	2-16	Communication of critical concerns	1.1 Blueprint I: Sustainable Governance	17
	2-17	Collective knowledge of the highest governance body	1.2 Blueprint II: Corporate Governance	26
	2-18	Evaluation of the performance of the highest governance body	1.2 Blueprint II: Corporate Governance	26
	2-19	Remuneration Policies	1.2 Blueprint II: Corporate Governance	26
	2-20	Process to determine remuneration	1.2 Blueprint II: Corporate Governance	26
	2-21	Annual Total Compensation Ratio	1.2 Blueprint II: Corporate Governance	26

Topic No.	Topic Title	Report Content or Explanation	Pages	
Policy commitments	2-22	Statement on sustainable development strategy	0.2 Letter from the Chairman	5
	2-23	Policy Commitments	1.2 Blueprint II: Corporate Governance	26
	2-24	Embedding policy commitments	1.2 Blueprint II: Corporate Governance	26
	2-25	Processes to remediate negative impacts	1.2 Blueprint II: Corporate Governance	26
	2-26	Mechanisms for seeking advice and raising concerns	1.2 Blueprint II: Corporate Governance	26
	2-27	Compliance with laws and regulations	1.2 Blueprint II: Corporate Governance	26
	2-28	Membership associations	1.2 Blueprint II: Corporate Governance	26
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.1 Blueprint I: Sustainable Governance	17
	2-30	Collective bargaining agreements	The company does not have union organizations	
GRI 3: Material Topics 2021				
Material Topics	3-1	Process to determine material topics	1.1 Blueprint I: Sustainable Governance	17
	3-2	List of Material Topics	1.1 Blueprint I: Sustainable Governance	17
	3-3	Management of material topics	Please refer to each issue content	
GRI 200s: Economic-related Material Topics 2016				
Economic Performance	201-1	Direct economic value generated and distributed	0.3 About the Company	6
	201-2	Financial implications and other risks and opportunities due to climate change	1.3 Blueprint III: Climate Governance	36
	201-3	Defined benefit plan obligations and other retirement plans	6.1 Pillar I: Happy Workplace	83
Market Presence	202-1	Ratio of standard entry level wage by gender compared to local minimum wage	6.1 Pillar I: Happy Workplace	83
	202-2	Proportion of senior management hired from the local community	6.1 Pillar I: Happy Workplace	83
Procurement Practices	204-1	Proportion of spending on local suppliers	3.2 Commitment II: Working Safely Environment	59
Anti-Corruption	205-1	Operations assessed for risks related to corruption	1.2 Blueprint II: Corporate Governance	26
	205-2	Communication and training about anti-corruption policies and procedures	1.2 Blueprint II: Corporate Governance	26
	205-3	Confirmed incidents of corruption and actions taken	1.2 Blueprint II: Corporate Governance	26
GRI 300s: Environmental-related Material Topics 2016				
Energy	302-1	Energy consumption within the organization	6.3 Pillar III: Energy and Resource Management	96
	302-3	Energy intensity	6.3 Pillar III: Energy and Resource Management	96
	302-4	Reduction of energy consumption	6.3 Pillar III: Energy and Resource Management	96
Water	303-3 (2018)	Water withdrawal	6.3 Pillar III: Energy and Resource Management	96
	303-4 (2018)	Water discharge	6.3 Pillar III: Energy and Resource Management	96

Topic No.	Topic Title	Report Content or Explanation	Pages	
Emissions	305-1	Direct (Scope 1) GHG emissions	6.3 Pillar III: Energy and Resource Management	96
	305-2	Energy indirect (Scope 2) GHG emissions	6.3 Pillar III: Energy and Resource Management	96
	305-3	Other indirect (Scope 3) GHG emissions	6.3 Pillar III: Energy and Resource Management	96
	305-4	GHG Emission Intensity	6.3 Pillar III: Energy and Resource Management	96
Waste	306-1 (2020)	Waste generation and significant waste-related impacts	4.2 Commitment II: Pollution Prevention at Construction Sites	69
	306-2 (2020)	Management of significant waste related impacts	4.2 Commitment II: Pollution Prevention at Construction Sites	69
	306-3 (2020)	Waste Generated	4.2 Commitment II: Pollution Prevention at Construction Sites	69
Negative Environmental Impacts in the Supply Chain and Actions Taken	308-1	New suppliers that were screened using environmental criteria	3.2 Commitment II: Working Safely Environment	59
GRI 400s: Social-related Material Topics 2016				
Labor/ Management Relations	401-1	New employee hires and employee turnover	6.1 Pillar I: Happy Workplace	83
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	6.1 Pillar I: Happy Workplace	83
	401-3	Parental Leave	6.1 Pillar I: Happy Workplace	83
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	6.1 Pillar I: Happy Workplace	83
Occupational Safety and Health	403-1 (2018)	Occupational health and safety management system	6.2 Pillar II: Employee Health and Safety	94
	403-2 (2018)	Hazard identification, risk assessment, and incident investigation	6.2 Pillar II: Employee Health and Safety	94
	403-3 (2018)	Occupational health services	6.2 Pillar II: Employee Health and Safety	94
	403-5 (2018)	Worker training on occupational health and safety	6.2 Pillar II: Employee Health and Safety	94
	403-6 (2018)	Promotion of worker health	6.2 Pillar II: Employee Health and Safety	94
	403-9 (2018)	Work-related injuries	6.2 Pillar II: Employee Health and Safety	94
	403-10(2018)	Work-related ill health	No major occupational disease cases in 2023	
Training and Education	404-1	Average hours of training per year per employee	6.1 Pillar I: Happy Workplace	83
	404-3	Percentage of employees receiving regular performance and career development reviews	6.1 Pillar I: Happy Workplace	83
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	1.2 Blueprint II: Corporate Governance	26
Anti-Discrimination	406-1	Incidents of discrimination and corrective actions taken	No related incidents occurred in 2023	
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	3.2 Commitment II: Working Safely Environment	59

7.2 Sustainability Accounting Standards Board (SASB) Index

Code	Disclosure Indicator	2023 Disclosure Content	Pages
Topic: Energy Management			
IF-RE-130a.1	<ul style="list-style-type: none"> Percentage of total energy consumption data coverage as a percentage of total floor area. 	<ul style="list-style-type: none"> The energy consumption data coverage rates of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management are 100%, 100%, 100%, 100%, and 100%, respectively. 	96
IF-RE-130a.2	<ul style="list-style-type: none"> Total energy consumed Percentage of total energy consumption from grid electricity Percentage of total energy consumption from renewable energy 	<ul style="list-style-type: none"> The energy consumption of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management is 10,510.19 GJ, 65 GJ, 1,377.22 GJ, 1,075.19 GJ, 654.6 GJ, and 300.73 GJ, respectively; the percentage of purchased grid electricity in total energy consumption is 97.80%, 100%, 100%, 24.20%, 89.82%, and 100%, respectively. Cathay Real Estate and its subsidiaries currently do not purchase renewable energy. 	96
IF-RE-130a.3	<ul style="list-style-type: none"> Like-for-like percentage change in energy consumption compared to previous year 	<ul style="list-style-type: none"> Compared to 2022, the energy consumption of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering changed by -6.88%, -2.97%, +4.62%, +19.93%, and +0.25%, respectively. Note: Lin Yuan Property Management conducted its first inventory of energy consumption information in 2023, so the year-over-year increase rate is not disclosed. 	96
IF-RE-130a.4	<ul style="list-style-type: none"> Percentage of eligible portfolio that is by property subsector Has an energy rating Is certified to ENERGY STAR 	<ul style="list-style-type: none"> The current operating locations of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, and San Ching Engineering do not participate in relevant energy ratings. Courtyard by Marriott Taipei Downtown under Cathay Hospitality Consulting has obtained the Taiwan Green Building Diamond certification, with a coverage rate of 15% for energy rating. ENERGY STAR is a certification system in the United States and is not applicable in Taiwan. 	47
IF-RE-130a.5	<ul style="list-style-type: none"> Describe how consideration of energy management is integrated into investment analysis and strategy formulation 	<ul style="list-style-type: none"> Cathay Real Estate integrates energy-saving and water-saving technologies into building design, evaluating the environmental and ecological impacts at various stages of the building life cycle. At the same time, it actively obtains relevant green building certifications. These operational strategies have established Cathay Real Estate's building sustainability, creating shared value for customers and the Company. 	74
Disclosure Topic: Water Resource Management			
IF-RE-140a.1	<ul style="list-style-type: none"> Percentage of water usage data coverage for the following items Total floor area Located in high water stress areas 	<ul style="list-style-type: none"> The water consumption data coverage rates of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management are 100%, 100%, 100%, 78%, 100%, and 100%, respectively. Cathay Real Estate and its subsidiaries are not located in regions with high water stress. 	98
IF-RE-140a.2	<ul style="list-style-type: none"> Total water usage Total water usage in high water stress areas 	<ul style="list-style-type: none"> The water consumption of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, San Ching Engineering, and Lin Yuan Property Management is 1,832 m³, 60 m³, 2,555 m³, 287,346 m³, 350 m³, and 1,001 m³, respectively. Cathay Real Estate and its subsidiaries are not located in regions with high water stress. 	98

Code	Disclosure Indicator	2023 Disclosure Content	Pages
IF-RE-140a.3	<ul style="list-style-type: none"> Percentage change in water usage compared to previous year 	<ul style="list-style-type: none"> Compared to 2022, the water consumption of Cathay Real Estate, Cathay Real Estate Management, Cathay Healthcare Management, Cathay Hospitality Consulting, and San Ching Engineering increased by 5.08%, 14.90%, -0.16%, 7.01%, and 12.52%, respectively. Note: Lin Yuan Property Management conducted its first inventory of water consumption information in 2023, so the year-over-year increase rate is not disclosed. 	98
IF-RE-140a.4	<ul style="list-style-type: none"> Describe water resource management risks and mitigation strategies 	<ul style="list-style-type: none"> From the initial design stage of construction projects, Cathay Real Estate incorporates various water-saving designs (using toilets and related facilities with water conservation labels), mitigating the potential impact of water resource risks on customers. 	48
Disclosure Topic: Customer Sustainability Impact Management			
IF-RE-410a.1	<ul style="list-style-type: none"> Percentage of new lease agreements that include resource efficiency cost improvements Relevant contract area 	<ul style="list-style-type: none"> In 2023, no costs were invested in improving resource use efficiency, and no related leases were signed. 	
IF-RE-410a.2	<ul style="list-style-type: none"> Percentage of customers with separate or shared metering for the following items. Grid electricity consumption Water usage 	<ul style="list-style-type: none"> The floor areas that Cathay Real Estate has leased to clients are equipped with either dedicated or shared metering for energy consumption, with a coverage rate of 100%. For water usage, the metering coverage rate for the leased floor area is 14%. 	48
IF-RE-410a.3	<ul style="list-style-type: none"> Discussion of approach to measuring, incentivizing, and improving sustainability impacts of tenants. 	<ul style="list-style-type: none"> Please refer to "2.2 Commitment II: Safe and Sustainable Customer Service." 	48
Disclosure Topic: Climate Change Adaptation			
IF-RE-450a.1	<ul style="list-style-type: none"> Area of properties located in 100-year flood zones 	<ul style="list-style-type: none"> With reference to the flood potential maps announced on the government data open platform and analyzing the locations of properties, none of the properties are located in 100-year flood zones. 	
IF-RE-450a.2	<ul style="list-style-type: none"> Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks. 	<ul style="list-style-type: none"> Please refer to "1.3 Blueprint III Climate Governance." 	39
Activity Metric			
IF-RE-000.A	<ul style="list-style-type: none"> Number of assets, by property subsector 	<ul style="list-style-type: none"> Cathay Real Estate's 14 assets are all commercial buildings (including storefronts). 	
IF-RE-000.B	<ul style="list-style-type: none"> Leasable floor area, by property subsector 	<ul style="list-style-type: none"> The leasable floor area of commercial buildings totals 130,192 square meters. 	
IF-RE-000.C	<ul style="list-style-type: none"> Percentage of indirectly managed assets, by property subsector 	<ul style="list-style-type: none"> There are 73.49% of Cathay Real Estate's 14 commercial building assets indirectly managed. 	
IF-RE-000.D	<ul style="list-style-type: none"> Average occupancy rate, by property subsector 	<ul style="list-style-type: none"> The average occupancy rate of Cathay Real Estate's commercial building assets is 73.49%. 	

7.3 Task Force on Climate-Related Financial Disclosures (TCFD) Index

Code	TCFD Recommendations	2023 Disclosure Content	Pages
Governance			
TCFD 1(a)	Describe the board's oversight of climate-related risks and opportunities.	The Board of Directors of Cathay Real Estate, as the highest supervisory unit for corporate sustainability management strategies and actions, gradually includes the impact of climate change as one of the Company's risks and incorporates climate change risk and opportunity management into the existing internal control system.	37
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	The CS Committee is a cross-departmental platform for managing corporate social responsibility issues. It is responsible for executing and promoting plans related to material sustainability issues, risk issues, and climate-related issues, and regularly reports the implementation performance of environment-related plans to the Board of Directors.	37
Strategies			
TCFD 2(a)	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Based on the results of the CS Committee's cross-departmental discussion on climate risks and opportunities, a total of 10 risks and 10 opportunities have been identified. For detailed content, please refer to "1.3 Blueprint III: Climate Governance."	39
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	A qualitative assessment of the financial impact of material climate risks and opportunities has been completed. For detailed content, please refer to "1.3 Blueprint III: Climate Governance."	39
TCFD 2(c)	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The results of the material climate risk identification will be used as the basis for subsequent scenario analysis to examine the climate resilience of Cathay Real Estate's operational strategies.	39
Risk Management			
TCFD 3(a)	Describe the organization's processes for identifying and assessing climate-related risks.	Through cross-departmental discussion and analysis by the CS Committee, material climate-related risks are prioritized. For detailed processes, please refer to "1.3 Blueprint III: Climate Governance."	37
TCFD 3(b)	Describe the organization's processes for managing climate-related risks.	The material climate risks have been identified so far. In the future, the CS Committee will supervise, and each group under the committee will propose risk management assessments and action plans.	37
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		37
Indicators and Goals			
TCFD 4(a)	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Cathay Real Estate's primary task is to conduct GHG inventories for the Company itself. It has also achieved 100% adoption of green building design in new construction projects in 2022. In the future, these and other risk drivers will be used as the basis for formulating relevant assessment metrics.	41
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	According to the "ISO 14064-1:2018" standard, the Company discloses the emissions from "Direct GHG Emission Sources (Category 1)," "Energy Indirect GHG Emission Sources (Category 2)," and "Other Indirect GHG Emission Sources (Category 4)" within the operational boundaries. For detailed content, please refer to "6.3 Pillar III: Energy and Resource Management."	97
TCFD 4(c)	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In the future, GHG emissions and other risk drivers will be used to set relevant assessment targets.	41

7.4 Accountant Assurance Item Index

No.	Topic	Content	Page	Applicable Criteria
1	NA	Customer Satisfaction Survey	52	In 2023, Cathay Real Estate, after providing sales, customer changes, delivery, and after-sales services, had customers fill out scores ranging from "very satisfied" to "very dissatisfied," and calculated the average of the total scores.
2	GRI 204-1	Percentage of procurement spending from local suppliers at significant operating locations	61	According to Cathay Real Estate's supplier list, the percentage of local procurement is calculated by dividing the number of local suppliers by the total number of suppliers.
3	GRI 204-1	Percentage and amount of construction projects undertaken by San Ching Engineering	62	Number of construction projects undertaken by San Ching Engineering for Cathay Real Estate; amount of construction projects undertaken by San Ching Engineering divided by total construction project amount.
4	GRI 403-9	Occupational injury types, injury frequency, occupational diseases, lost day rates, and absenteeism rates of Cathay Real Estate Group and contractors, and total number of work-related fatalities	63 95	<ul style="list-style-type: none"> The absenteeism rate is calculated by dividing the total number of absent days (including sick leave, menstrual leave, and work-related injury leave) by the total number of scheduled workdays for employees, based on the human resources system of Cathay Real Estate and its related enterprises. The frequency and severity of disabling injuries are calculated by dividing the number and days of disabling injuries by the total work hours, based on the employee occupational injury and disease statistics table. The human resources system or occupational accident reporting statistics of Cathay Real Estate's contractors San Ching Engineering, Jioushun Construction, Kimzoa Construction, and Chien Kuo Engineering for relevant construction projects; the absence rate is calculated as a percentage by dividing the total number of employee absent days by the total number of scheduled workdays.
5	NA	Types and numbers of sustainability certifications, ratings, and labels planned for new construction, management, occupancy, and redevelopment	75	Based on the number of construction projects for which Cathay Real Estate has obtained green building candidate certificates or labels.
6	GIR 401-1	New and Departing Employees	86 87	Based on the list of new and departing employees of Cathay Real Estate and its related enterprises; calculated as a percentage of the total number of employees for the year.
7	GRI 401-3	Percentage of employees returning to work and retention after parental leave	90	Calculated based on the list of employees taking parental leave and returning to work at Cathay Real Estate and its related enterprises.
8	NA	Number of non-managerial staff; average and median salaries	87	Based on the average salary of all employees of Cathay Real Estate, excluding those in managerial positions.
9	GRI 305-1	Cathay Real Estate's GHG emissions	97	According to the Environmental Protection Administration's GHG Inventory and Registration Guidelines; annual GHG emissions are calculated as annual activity data multiplied by emission factors multiplied by GWP (Global Warming Potential).
10	GRI 303	Annual water consumption	98	Review water bill receipts for each month to calculate total water consumption and year-over-year increase in water consumption, and calculate water intensity based on the proportion of employees at Cathay Real Estate and its related enterprises.
11	GRI 201-1	Total amount of social welfare expenditure in 2023	103	Review statistical data of public welfare activities recorded in accounts, work reports and account balance sheets and ledgers of the Cathay Real Estate Foundation.
12	GRI 401-2	Cathay Real Estate's employee benefit expenditure over the years	88 89	Review statistical data of employee benefit expenditure recorded in accounts and 2023 financial statements to calculate the percentage of employee benefit expenditure to total revenue.
13	GRI 404-1	Cathay Real Estate and its subsidiaries provide training resources covering "professional, general knowledge, and competency" aspects, including number of participants and total hours	91	Review training hours reports, participant numbers, and hour statistics to calculate average training hours for managers and employees.
14	GRI 306-3	Cumulative and average amount of earthwork or waste in each construction project of Cathay Real Estate	72	Based on the statistical data of mixed earthwork or construction waste and domestic waste from each construction site of Cathay Real Estate, calculate the average monthly production of waste and domestic waste.
15	GRI 2-21	Annual Total Compensation Ratio	29	Based on the highest individual employee compensation and the annual total compensation of other employees at Cathay Real Estate, calculate the median ratio and year-over-year increase of annual total compensation.

7.5 External Independent Assurance Statement

GHG Verification Opinion Statement

查驗意見編號 TW24/00326GG

SGS

溫室氣體查驗意見

2023 年溫室氣體排放資訊

國泰建設股份有限公司

台北市大安區敦化南路二段 218 號 2 樓

經本公司依據 ISO 14064-3:2019 完成查驗並符合下列標準要求

ISO 14064-1:2018

直接溫室氣體排放量
325.4339 公噸二氧化碳當量

間接溫室氣體排放量
1,692.6489 公噸二氧化碳當量

直接與間接溫室氣體總排放量
2,018.083 公噸二氧化碳當量

簽署人



鮑柏宇
 管理與保證事業群副總裁
 日期: 2024年05月31日
 版次:1

TGP568-15-1 2401
 台灣檢驗科技股份有限公司
 新北市五股區(新北產業園區)百工路 136 之 1 號
 t (02) 22993279 f (02)22999453 www.sgs.com



本查驗意見書不可單項使用，須與查驗範圍、目標、準則及結論共同使用始具效力

第 1 頁 共 7 頁

Opinion TW24/00326GG

SGS

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2023 of

Cathay Real Estate

2F, No.218, Sec. 2, Dunhua S Rd., Da-an Dist.,
 Taipei City 106, Taiwan

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of


ISO 14064-1:2018

Direct emissions
325.4339 tonnes of CO₂e

Indirect emissions
1,692.6489 tonnes of CO₂e


Direct emissions and indirect emissions
2,018.083 tonnes of CO₂e

Authorized by



Stephen Pao
 Business Assurance Director
 Date: 31 May 2024
 Version 1

TGP568-15-1 2401
 SGS Taiwan Ltd.
 No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District,
 New Taipei City 24803, Taiwan
 t (02) 22993279 f (02)22999453 www.sgs.com



This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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Accountant's Assurance Report



安永聯合會計師事務所
11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road
Taipei City, Taiwan, R.O.C. Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
www.ey.com/taiwan

會計師有限確信報告

國泰建設股份有限公司 公鑒

確信範圍

本會計師接受國泰建設股份有限公司(以下簡稱國泰建設)之委任,對2023年度永續報告書中所選定之永續績效資訊(以下稱「標的資訊」),執行財團法人中華民國會計研究發展基金會所發布之確信準則所定義之「有限確信案件」並出具報告。

標的資訊及其適用基準

有關國泰建設之標的資訊及其適用基準詳列於附件一。

管理階層之責任

國泰建設管理階層之責任係依據臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」/財團法人中華民國證券櫃檯買賣中心「上櫃公司編製與申報永續報告書作業辦法」之規定,以及參考適當之基準編製標的資訊,包括參考全球永續性報告協會(Global Reporting Initiatives, GRI)所發布之2021年GRI 準則(GRI Standards)。國泰建設管理階層應選擇所適用之基準,並對標的資訊在所有重大方面是否依據該適用基準報導負責。此責任包括建立及維持與標的資訊編製有關之內部控制,維持適當之記錄並作成相關之估計,以確保標的資訊未有存因於舞弊或錯誤之重大不實表達。

本會計師之責任

本會計師之責任係依據所取得之證據對標的資訊作成結論。

本會計師依照財團法人中華民國會計研究發展基金會所發布之確信準則3000號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行有限確信工作,以對標的資訊是否存在重大不實表達出具有限確信報告。本會計師依據專業判斷,包括對專屬於舞弊或錯誤之重大不實表達風險之評估,以決定確信程序之性質、時間及範圍。

本會計師相信已取得足夠及適切之證據,以作為表示有限確信結論之基礎。

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安永聯合會計師事務所
11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road
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Fax: 886 2 2757 6050
www.ey.com/taiwan

會計師之獨立性及品質管理

本會計師及所隸屬組織遵循會計師職業道德規範中有關獨立性及其他道德規範之規定,該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密及專業行為。

本事務所遵循品質管理準則1號「會計師事務所之品質管理」,該品質管理準則規定組織設計、付諸實行及執行品質管理制度,包含與遵循職業道德規範、專業準則及適用之法令規範相關之政策或程序。

所執行程序之說明

有限確信案件中執行程序之性質及時間與適用於合理確信案件不同,其範圍亦較小,因此,有限確信案件中取得之確信程度明顯低於合理確信案件中取得者。本會計師所設計之程序係為取得有限確信並據此作成結論,並不提供合理確信必要之所有證據。

儘管本會計師於決定確信程序之性質及範圍時曾考量國泰建設內部控制之有效性,惟本確信案件並非對國泰建設內部控制之有效性表示意見。本會計師所執行之程序不包括測試控制或執行與檢查資訊科技(IT)系統內資料之彙總或計算相關之程序。

有限確信案件包括進行查詢,主要係對負責編製標的資訊及相關資訊之人員進行查詢,並應用分析及其他適當程序。

本會計師所執行之程序包括:

- 與國泰建設人員進行訪談,以瞭解國泰建設之業務與履行永續發展之整體情況,以及永續報導流程;
- 透過訪談、檢查相關文件,以瞭解國泰建設之主要利害關係人及利害關係人之期望與需求,雙方具體之溝通管道,以及國泰建設如何回應該等期望與需求;
- 與國泰建設相關人員進行訪談,以瞭解用以蒐集、整理及報導標的資訊之相關流程;
- 檢查計算標準是否已依據適用基準中概述的方法正確應用;
- 針對報告中所選定之永續績效資訊進行分析性程序;蒐集並評估其他支持證據資料及所取得之管理階層聲明;如必要時,則抽選樣本進行測試;
- 針對來源資訊之相關文件,抽選樣本進行測試以檢查其正確性;
- 閱讀國泰建設之永續報告書,確認其與本會計師取得關於永續發展整體履行情況之瞭解一致。

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先天限制

因永續報告中所包含之非財務資訊受到衡量不確定性之影響,選擇不同的衡量方式,可能導致績效衡量上之重大差異,且由於確信工作係採抽樣方式進行,任何內部控制均受有先天限制,故未必能查出所有業已存在之重大不實表達,無論是導因於舞弊或錯誤。

結論

依據所執行之程序及所取得之證據,本會計師未發現標的資訊有未依照適用基準編製而須作重大修正之情事。

安永聯合會計師事務所

會計師: 徐榮輝

民國一一三年七月三十一日





國泰建設
Cathay Real Estate