

2023

皇昌營造永續報告書

HWANG CHANG
GENERAL CONTRACTOR
CORPORATE
SUSTAINABILITY REPORT



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Corporate Sustainability Report 2023 of Hwang Chang General Contractor Co., Ltd.

About This Report

The Company upholds the principles of openness, transparency, and integrity to investigate and understand stakeholders' material issues of concern, discloses environmental, social, and governance strategies, actions, and communication with stakeholders. By publishing the corporate sustainability report, we hope that all relevant stakeholders can have a deeper understanding of Hwang Chang's firm commitment to sustainable development.



Report boundaries and principles

The information disclosed in this report is mainly focused on Hwang Chang and covers the performance of governance, environment and society from January 1, 2023 to December 31, 2023. This report follows the GRI Standards published by the Global Reporting Initiative (GRI) in 2021 as the main disclosure framework with reference to the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, the Sustainability Accounting Standards Board (SASB), and the TCFD. All financial figures in this report are denominated in NTD and are consistent with the financial statements. Relevant descriptions are presented using internationally accepted indicators or annotated beside the data charts. In 2023, the Company did not experience any significant changes in scale, structure, ownership, or supply chain. If the scope of coverage of each chapter is different, it will be annotated in that paragraph.



Internal review

The members of the Sustainable Development Team collected, compiled, reviewed, and ensured the accuracy of the information before finalizing the report. It was reviewed by the heads of various units, and finally submitted to the Board of Directors for confirmation before publication.

Associate Executive Officer



Publication date

This report was last published in June 2023, and the current report is published in August 2024. In the future, it will be published before the end of August each year and also on the Company's website (<https://www.hcgc.com.tw/company/display/society>) for online reading and download.



Contact information

In order to continuously improve the quality and content of Hwang Chang's corporate sustainability report and to facilitate communication with stakeholders, please feel free to contact our contact person to provide any suggestions:

Address: 23F, No. 539, Tammei Street, Neihsu District, Taipei City

Official website: <http://www.hcgc.com.tw/>

Contact point: Ms. Li

Email: esg@hcgc.com.tw



Message from Managers

The COVID-19 pandemic has caused severe social and economic disruptions, bringing about global inflation and energy issues. Coupled with various challenges, such as climate change and environmental changes, we have been continuously enhancing our response capabilities and making progress in accordance with the UN SDGs. We have set short-, medium-, and long-term targets, regularly track and review the achievement rates, and turn relevant measures into part of daily work to achieve long-term and effective goals.

In terms of corporate governance, ethical corporate management is one of the cornerstones for the establishment of long-term success, and all actions of Hwang Chang Construction are transparent and legal. Comply with all relevant laws and regulations and maintain honest communication and cooperation with stakeholders, including shareholders, customers, employees, suppliers, and the government, to ensure that their interests are fully considered and supported. In terms of environmental sustainability, we adopt energy-saving equipment and measures, use environmentally friendly materials, implement resource recycling and reuse, and implement environmental management strategies to achieve environmentally friendly practices to reduce negative impacts on the environment, such as reducing energy and resource consumption and reducing waste and pollution emissions, to ensure that the Company's business is beneficial to the environment and society. In terms of social sustainability, Hwang Chang is a people-oriented enterprise and regards employees as the Company's most important assets. We adhere to gender equality, provide fair employment opportunities, and have comprehensive remuneration, promotion, and a benefit system in place. We also aim to enhance employees' professional competence and ensure workplace safety and employee health, by providing professional education and training, organizing health checkups and health promotion activities, so that they can improve their professional skills and pay attention to the maintenance of personal health. At the same time, we attach great importance to protecting workplace safety, take occupational safety as our priority, and are committed to providing a work environment where employees can work with peace of mind. It is aimed at improving employee retention and reduce brain drain. In the face of today's ever-changing environment, for Hwang Chang, the future is both a challenge and an opportunity, and we will continue to forge ahead toward the goal of achieving sustainable development, to build a robust and sustainable model for the Company to achieve long-term success.





Performance highlights in 2023



Annual revenue reached a record high of NT\$11.2 billion.

- Earnings per share of NT\$2.15
- In 2023, there were no incidents of violation related to ethical corporate management.
- Won the 23rd Public Works Gold Award
- Won the 17th Public Works Golden Safety Award
- Won the 2023 Taipei City Government's Excellence in Public Works Award
- Won the 2023 New Taipei City Government's Public Works Excellence Award
- Won the 12th (2022) New Taipei City Government Construction Safety Awards
- Won the 2023 Taiwan Real Estate Excellence Awards
- Won the 31st Chinese Architectural Golden Stone Award
- Won the 25th National Golden Award For Architecture
- Won the 2023 Construction Environment and Greening Award
- Won the 2023 Excellent Tunnel Engineering Award



- The average training hours of employees is 8.6 hours.
- In 2023, the Company engaged in industry-academia collaboration with eight colleges and universities, with a total of 21 students involved.



Awards and recognitions in 2023

The Company has been recognized and rewarded by government agencies and academic organizations at all levels for many years. The awards are in the quality, occupational safety, environmental protection, and social charity fields.

The 2023 awards won by Hwang Chang are listed in this report to demonstrate our endeavors:

Quality category



The 23rd Public Works Gold Award - High Distinction Award

The Wan-Zhonghe-Shulin Line (Phase 1) CQ860 won the "23rd Public Works Gold Award".



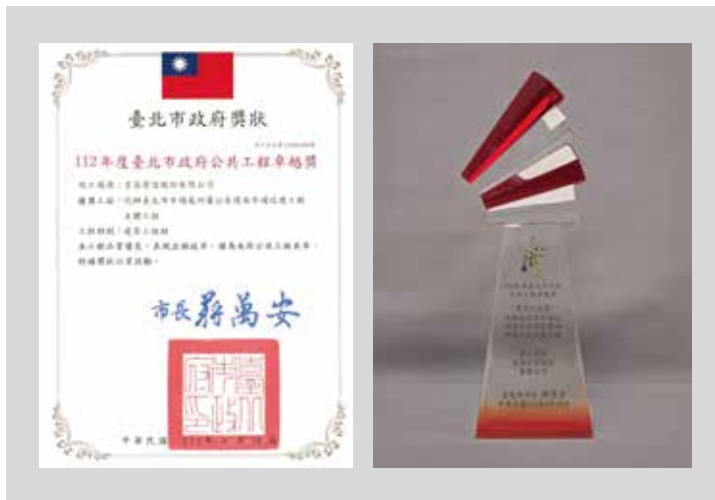
The 23rd Public Works Gold Award - Honorable Mention

The new turnkey project for youth social housing in Zhonghe-Anbang Section won the "23rd Public Works Gold Award".



Awards and recognitions in 2023

Quality category



Taipei City Government's Excellence in Public Works Award in 2023

Commissioned reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office won the Taipei City Government's Excellence in Public Works Award in 2023.



Taipei City Government's Excellence in Public Works Award in 2023

"Wanda No. 1 Chung and No. 1 Shulin Line (Phase 1) CQ860 Main Section" won the Taipei City Government's Tsao Yue Award for Public Works in 2023.



Awards and recognitions in 2023

Quality category



New Taipei City Government's Public Works Excellence Award

The new turnkey project for youth social housing in Zhonghe-Anbang Section won the 2023 New Taipei City Government's Public Works Excellence Award.



Excellent Tunnel Engineering Award

Wanda-Zhonghe-Shulin Line (Phase I Project) CQ860 Section tender project of the Mass Rapid Transit System in Taipei Metropolitan Area won the Excellent Tunnel Engineering Award.



Taiwan Real Estate Excellence Awards 2023

Social Public Housing on the North Side of the New Central Village of Xindian District New Construction Turnkey Project won the Comprehensive Achievement Excellence Award.



Awards and recognitions in 2023

Quality category



Taiwan Real Estate Excellence Awards 2023

The public housing contract tender D turnkey project of the Guangci Boai Park overall development program won the Gold Award for Best Construction Quality in the Public Construction category.



High Distinction Award of Construction Environment and Greening Award 2023

The public housing contract tender D turnkey project of the Guangci Boai Park overall development program won the Construction Greening and Landscape Award 2023.



Awards and recognitions in 2023

Quality category



Excellence Award of Construction Environment and Greening Award 2023

Caoluo Zones 1, 3, and 6 overall development unit city rezoning turnkey project in Guanyin District, Taoyuan City, won the 2023 Construction Environment and Greening Award - Construction Greening and Landscape Award.



The 31st Chinese Architectural Golden Stone Award

The new freeway project from Dayuan Interchange of National Highway No. 2 to Provincial Highway 15 won the 31st Chinese Architectural Golden Stone Award for Construction Quality/Public Works in the Taoyuan, Hsinchu, and Miaoli regions.



Awards and recognitions in 2023

Quality category



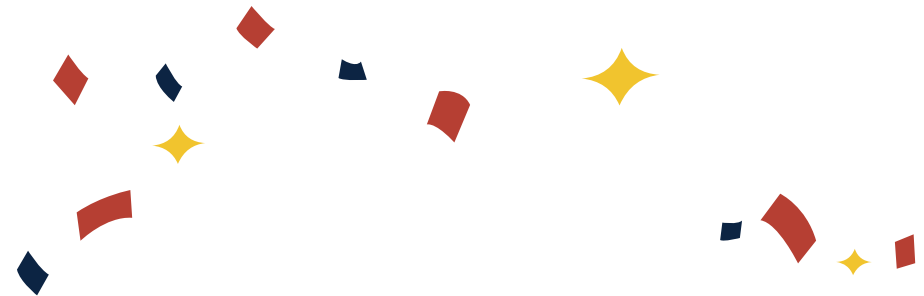
The 25th National Golden Award For Architecture

The new freeway project from Dayuan Interchange of National Highway No. 2 to Provincial Highway 15 won the Golden Award in Public Works/Civil Engineering - Highway Construction of the 25th National Golden Award For Architecture.



The 25th National Golden Award For Architecture

The new freeway project from Dayuan Interchange of National Highway No. 2 to Provincial Highway 15 won the National Top Prize in Public Works/Civil Engineering - Highway Construction of the 25th National Golden Award For Architecture.





Awards and recognitions in 2023

Occupational safety



Honorable Mention of the 17th Golden Safety Award for Excellent Construction Projects

Additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336) was awarded the 17th Golden Safety Award for Excellent Construction Projects.



Honorable Mention of the 17th Golden Safety Award for Excellent Construction Projects

The "Expropriation project in the Zhongli Sports Park Section, Taoyuan City" was awarded the 17th Golden Safety Award for Excellent Construction Projects.



The 12th New Taipei City Government Construction Safety Awards. High Distinction Award of Excellent Public Works Award

The "Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project" was awarded the Excellent Unit Award (Group A) of the 12th New Taipei City Government Construction Safety Awards.



The 12th New Taipei City Government Construction Safety Awards. High Distinction Award of Excellent Public Works Award

The "Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project" was awarded the Excellent Public Works Award of the 12th New Taipei City Government Construction Safety Awards.



Awards and recognitions in 2023

Occupational safety



**The 12th New Taipei City Government Construction Safety Awards
High Distinction Award of Excellent Public Works Award**

The new turnkey project for youth social housing in Zhonghe-Anbang Section won the Excellent Unit Award (Group A) of the 12th New Taipei City Government Construction Safety Awards.



**The 12th New Taipei City Government Construction Safety Awards
High Distinction Award of Excellent Public Works Award**

The new turnkey project for youth social housing in Zhonghe-Anbang Section won the Excellent Public Works Award of the 12th New Taipei City Government Construction Safety Awards.



**Taipei City Labor Safety Award 2023
Innovation Award for Occupational Safety**

The "Intelligent Pedestrian Collision Warning System in the Blind Spot of Vehicles" won the Innovation Award for Occupational Safety of the 2023 Taipei City Labor Safety Awards.



Outstanding Occupational Safety and Health Excellent Unit Award 2023

We have achieved excellent results in the implementation of occupational safety and health work for the Wanda-Zhonghe-Shulin Line (Phase I Project) CQ860 Section tender project, and was selected as an excellent unit in occupational safety and health in 2023.



Awards and recognitions in 2023

Environmental protection



Excellence Award of the 2023 New Taipei City Outstanding Construction Project Awards

Hwang Chang participated in the 2023 New Taipei City Outstanding Construction Project Awards and won the Excellence Award. This certificate was awarded in recognition of our efforts.











Stakeholder identification and communication channels

Based on the principles of the AA1000 SES, we have identified six major groups of stakeholders: owners, investors, employees, community, suppliers, and government agencies. Through a systematic analysis model, corporate social responsibility issues that are of concern to stakeholders with a significant impact on the Company's sustainable operations are identified as a reference for information disclosure in the report. Hwang Chang attaches great importance to communication channels and results with relevant stakeholders, and takes ESG management-related indicators, annual reports, and financial reports, among other public information to share with stakeholders are our achievements in governance, environmental ecology, and social charity.



Stakeholders	Significance to Hwang Chang	Issues of concern	Frequency of communication	Implementation in 2023
 Owner	We respond to the expectations of the owners seriously, complete each construction project with the most rigorous attitude, and establish a good reputation.	<ul style="list-style-type: none"> • Customer satisfaction • Product stability and quality 	<ul style="list-style-type: none"> • Phone communication/ad hoc • Professional evaluation presentations given according to the owners' needs. • Regular/ad-hoc meetings • Independent service email and hotline/ad hoc 	<ul style="list-style-type: none"> • A construction supervision hotline set up for the public to supervise construction safety and quality. • Annual customer satisfaction survey
 Investors	Investors' capital contributions and support are the solid backing of the Company. we will strive to operate and continue to grow to meet their expectations.	<ul style="list-style-type: none"> • Financial performance • Governance 	<ul style="list-style-type: none"> • Shareholders' meeting/once a year • Investor conference/ad hoc every year 	<ul style="list-style-type: none"> • A dedicated section for investors has been set up on the Company's website to regularly disclose the Company's financial and business information. • Holding of shareholders' meetings to disclose business performance
 Employees	Employees are the foundation of an enterprise. The Company will create a safe, healthy, and equal work environment so that employees can work with peace of mind.	<ul style="list-style-type: none"> • Rights (salary and leave) • Education and training • Related benefits 	<ul style="list-style-type: none"> • EIP - real-time updates • Twice a year (salary evaluation) • At least once a month (education and training) • At least once a month (related benefits) 	<ul style="list-style-type: none"> • Regular employee health checkup • Holding club activities



Stakeholders	Significance to Hwang Chang	Issues of concern	Frequency of communication	Implementation in 2023
 Community	Construction will inevitably affect the local community and neighborhood. The Company is committed to mitigating the impact on the surrounding areas and maintaining friendly relations with the local community.	<ul style="list-style-type: none"> • Social charity activities • Community care activities • Reduced impact on the operations of nearby stores 	<ul style="list-style-type: none"> • Before construction • Ad hoc • Personal visit to village heads/ 2-3 times a year 	<ul style="list-style-type: none"> • Establishment of communication channels • Village teambuilding activities
 Suppliers	We treat suppliers as partners and work together to ensure construction safety and quality.	<ul style="list-style-type: none"> • Supplier management • Product quality 	<ul style="list-style-type: none"> • Supplier evaluation/once a year • Supplier meetings/ad hoc • Two-way communication with suppliers by phone and email/ad hoc 	<ul style="list-style-type: none"> • Regular review meetings • Establishment of an evaluation system with rights and obligations of both parties specified in contracts
 Government agencies	Compliance with law is the Company's basic principle, and employees are required to strictly comply with laws and regulations for any construction project.	<ul style="list-style-type: none"> • Legal compliance • Occupational health and safety • Risk management • Employment 	<ul style="list-style-type: none"> • Official correspondences/ad hoc • Telephone communication/ad hoc • Face-to-face visits/ad hoc • Laws and regulations/ad hoc • Government briefings/ad hoc 	<ul style="list-style-type: none"> • Regular or irregular information reporting in accordance with regulations; in 2023, no penalty was imposed by the competent authority due to omission or false information in reporting. • Communication with competent authorities through phone calls and letters. • Participation in seminars organized by government agencies.

Contact point for stakeholders

Stakeholders	Contact point
Investors	Ms. Guan / pr@hcg.com.tw
Employees	Mr. Hua / manag-dept02@hcg.com.tw
Customers	Mr. Lin / ccb.bc01@hcg.com.tw
Suppliers	Mr. Hsu / busn@hcg.com.tw
Community	Person in charge of each construction site



Management of material topics

We understand that in the fields of construction and public works, the concerns of various stakeholders are of the utmost importance to the Company. We are aware that each group of stakeholders has its own issues of concern, and ensuring the rights and interests of all parties is our top priority. In order to meet the expectations of various stakeholders and to gain an in-depth understanding of their suggestions and feedback to the Company, we strictly follow the GRI Sustainability Reporting Guidelines. Through the material issue identification process, we analyzed and sorted each issue by impact on economy, environment, and society (people) based on the degree of concern of stakeholders and the impact of each issue, and finally selected the main content and strategic direction for this annual report. The stakeholder identification and material issue identification procedure of Hwang Chang are as follows:

Identification procedure

Identification of stakeholders

The Company engages stakeholders through daily operations to gather their concerns about construction industry-related issues. At the same time, in accordance with the AA1000 Stakeholder Engagement Standard (AA1000 SES), we identify the parties to be communicated with in the 2023 Corporate Sustainability Report of Hwang Chang, to determine the six major stakeholders: owners, investors, employees, community, suppliers, and government agencies.

Collection of sustainability issues

With reference to the GRI Standards, the United Nations Sustainable Development Goals (UN SDGs), domestic and foreign industry trends, organizational development goals, and other factors, we conducted internal group discussions, summarized 15 sustainable development topics of concern to stakeholders and used them to identify the material topics in the report. The scope covers governance, society, and the environment.

Materiality analysis of issues

The members of the sustainable development team and managers at all levels evaluated each sustainability issue based on the impact of internal operations and external impacts on economy, the environment, and people. The actual and potential positive and negative impacts were considered to score the impact of each sustainability issue based on the "degree of impact" and "likelihood" of the impact. The positive and negative impact scores of each material issue were summed up, and the final ranking was based on the impact scores.

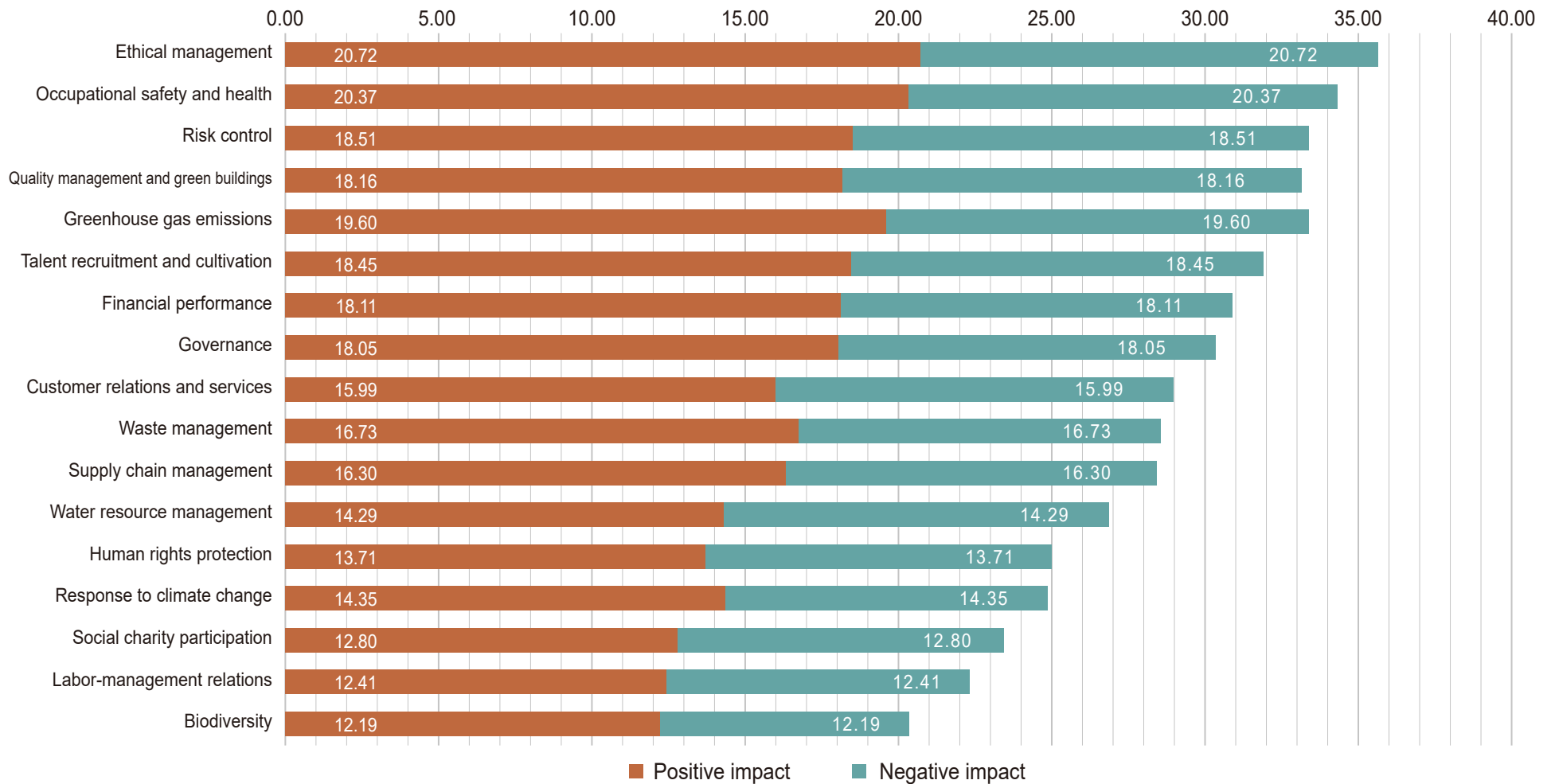
Confirmation of material topics

In the end, the order of impacts was used as the basis for sorting the material issues. After final confirmation by members of the sustainable development team and senior managers, six material issues for 2023 were determined. Hwang Chang has identified six material topics as material issues for communication with stakeholders in this report, and disclosed specific actions, such as management policies and annual results for each issue, to respond to the needs and expectations of various stakeholders.











Sorting of material topics of Hwang Chang by impact

Identification and sorting of material topics





Corresponding material topics

Corresponding chapter of this report	Material topic	Significance to Hwang Chang	Value chain impact boundary			Corresponding SDGs	Corresponding topics of GRI Standards
			● Direct impact ○ Induced impact				
			Upstream	Hwang Chang General Contractor Co., Ltd.	Downstream		
Professional governance Strategic layout	Ethical management	Hwang Chang complies with laws and regulations, and implements all plans of the Company in accordance with government regulations. Any illegal activities or violations of business integrity are strictly prohibited, and ethical management is the foundation.	○	●	○		205 Anti-corruption
Professional governance Strategic layout	Risk control	The risk management of construction projects directly affects the Company's lifeline and core values. Only by establishing complete risk management procedures can we safely and securely implement a construction project.	●	●	●		Self-defined material topics
Value creation As a leader in the future	Quality management and green buildings	Hwang Chang is deeply aware of the importance of environmental protection and the implementation of the concept of sustainable circulation. In our construction projects, we constantly improve the construction quality and create more representative green buildings as our primary task.		●	●		Self-defined material topics
Employee care Happiness and inclusion	Occupational safety and health	As a construction company, Hwang Chang is constantly striving to engage in construction works in various regions, and the safety of employees at construction sites is an important issue to us.		●	○		403 Occupational safety and health
Sustainability Cycle	Greenhouse gas emissions	Hwang Chang is very concerned about issues related to the environment, and will continue to invest resources and technology in the development of green building technologies in the future. Effective energy management can not only improve usage efficiency but also reduce greenhouse gas emissions. Energy conservation, carbon reduction, and environmental protection are our important development strategies.	○	●		     	305 Emissions
Employee care Happiness and inclusion	Talent recruitment and cultivation	Hwang Chang attaches great importance to talent cultivation and retains good talent to enable the Company to grow and advance.		●			404 Training and education



Material topic management approach

Ethical management

Policy/Commitment	Core objectives	Performance and outcome		
<ul style="list-style-type: none"> • Fulfill ethical corporate management • Comply with laws and regulations • Eliminate corruption and bribery 	<ul style="list-style-type: none"> • Strengthen education and training on work ethics for employees, and strictly prohibit the acceptance of kickbacks and gifts 	<ul style="list-style-type: none"> • In 2023, a three-hour awareness-raising event on "Management Procedures for Handling Material Inside Information and Prevention of Insider Trading" and related laws and regulations was held for 43 current directors, officers, and management. • In 2023, the Company offered internal and external education and training related to ethical management issues (including new hire training on the Company's corporate culture and ethical management, as well as ethical management and compliance, environmental protection management, occupational safety and health management, and corporate social responsibility courses) with 842 person-times, totaling 4,686 person-hours. 		
Action plans		Targets for 2024	Medium- and long-term targets	
<ol style="list-style-type: none"> 1. Establishment of the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct", which are disclosed on the corporate website 2. Strengthened publicity during new hire training and monthly meetings to implement the ethical corporate management policy. 3. Establishment of a whistleblowing system, including whistleblowing channels, whistleblowing methods and standard operating procedures, protection of whistleblower's identity and related rights, confidentiality of reported content, and records of reports accepted and investigation results kept. 4. Matters to be followed by employees: <ol style="list-style-type: none"> A. Do not accept any food, beverages, gifts, or holiday gifts from suppliers. B. Do not accept inappropriate hospitality and go to inappropriate venues. C. Suppliers' invitation to banquets must be reported to the unit supervisor. Violation of the preceding three points will be punished with dismissal. 		<ol style="list-style-type: none"> 1. Continuous employee education and training on the topic of "anti-corruption" and the rule of law, aiming for 100% of all employees to receive training 2. Diverse and smooth whistleblowing channels and whistleblower identity protection mechanism 3. Implementation of the internal audit system and continuous monitoring 	<p>The Company can ensure that its medium- and long-term targets are beneficial to the Company's development and are in line with the expectations and values of society. Through ethical corporate management, the Company is able to build a robust and sustainable business model to achieve long-term success.</p>	



Risk control

Policy/Commitment	Core objectives	Performance and outcome
Respond to possible major risks in the future to reduce the impact on the Company or grasp business opportunities early	Undergo the procedure annually to identify significant risks	Identify labor safety risks, construction environment risks, pandemic risks, and operational risks and hold senior management meetings to formulate countermeasures
Action plans	Targets for 2024	Medium- and long-term targets
The responsible unit holds a discussion meeting to screen out significant risks and submits them to the management meeting for discussion, and the responsible unit proposes improvement or countermeasures.	Reduce the possibility of risks	We make adjustments and formulate measures according to the Company's specific needs and risk conditions, so that the Company can better cope with various risks, reduce the risk of loss, and improve the stability and sustainability of the business.

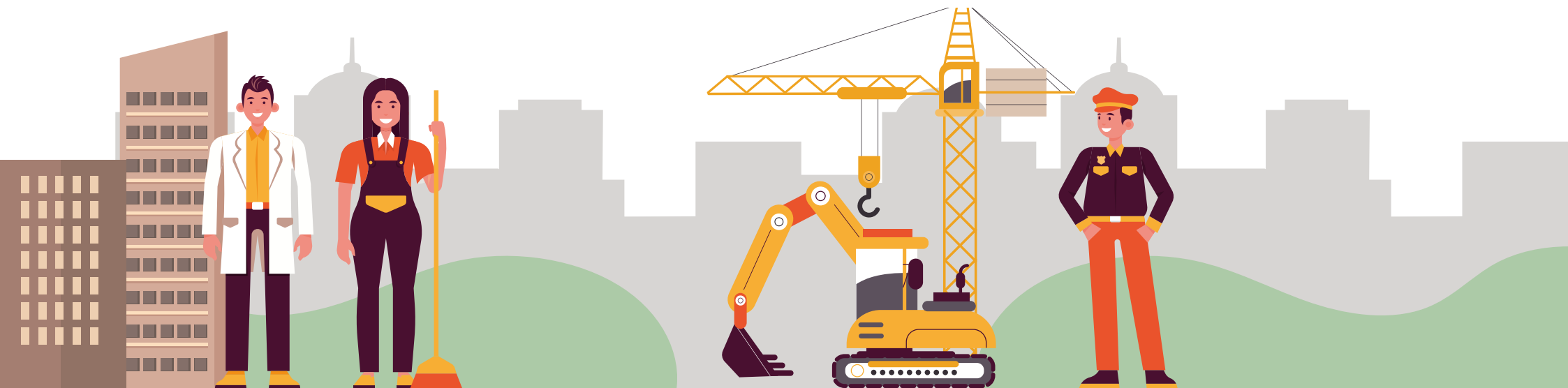
Quality management and green buildings

Policy/Commitment	Core objectives	Performance and outcome
Continue to improve and optimize product quality and construction method	Continue to create more green and sustainable buildings for Taiwan	<ol style="list-style-type: none"> 1. Candidate for green building certificate for the reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office 2. Candidate for green building and smart building certificates for the New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia (Base B1) 3. Candidates for green building and smart building certificates for the new youth social housing turnkey project in the Anbang section in Zhonghe
Action plans	Targets for 2024	Medium- and long-term targets
<ol style="list-style-type: none"> 1. Meet the needs of the Company and customers 2. Have a spirit of pursuing continuous improvement and meeting various needs 3. Can launch tasks to pursue quality goals 4. Continue to make refinements and improvements 	Continue to develop green buildings and smart buildings, and pursue sustainable and environmentally friendly building technologies	Continue to implement internal quality inspections and follow-up management to ensure that quality meets customer expectations, and continue to improve enhancing customer satisfaction and establish the foundation for sustainable operations



Occupational safety and health

Policy/Commitment	Core objectives	Performance and outcome
Improve occupational safety and health and reduce the risk of occupational safety accidents	<ol style="list-style-type: none">1. In order to effectively manage the Company's compliance with occupational safety and health regulations and reduce the risk of occupational safety accidents, continue to apply statistical analysis of inspection results to formulate improvement measures to continuously improve occupational safety and health management.2. Continue to organize site visits and health promotion activities to understand employees' work problems and health prevention.3. Promote a healthy workplace featuring smoking cessation, weight loss, oral cancer screening, and include contractors and subcontractors in health promotion activities4. Expand the scope of the employee health protection plan, and implement maternal care and workplace health activities according to the annual health plan.5. Optimize the ISO 45001 occupational health and safety management system and integrate it with the ISO 14001 environmental management system.	<ul style="list-style-type: none">• No occupational accidents occurred in 2023.• Maintain at least 40% of employees holding occupational safety and health-related licenses in the Company.
Action plans	Targets for 2024	Medium- and long-term targets
Formulate occupational safety and health management plans and apply Plan-Do-Check-Act (PDCA) management techniques to standardize various safety and health work with documents kept and procedures established; achieve safety and health management goals through PDCA cyclical process; identify problems and take immediate corrective measures through continuous audits to improve occupational safety and health management performance.	Continue to offer employee education and training, and assist in obtaining occupational safety-related technician and operation manager licenses.	<ol style="list-style-type: none">1. Monthly construction project occupational safety and health self-audit pass rate $\geq 90\%$2. ≥ 1 workplace health promotion activity per year





Greenhouse gas emissions

Policy/Commitment	Core objectives	Performance and outcome	
Implement green procurement, avoid energy waste, and fulfill corporate social responsibilities	Energy savings reduced by 1% compared to the previous year	In addition to monthly departmental meetings and public works meetings, it can strengthen colleagues' awareness of green consumption and energy conservation, to promote the concept to their family members and make joint efforts to save energy.	
Action plans		Targets for 2024	Medium- and long-term targets
Cooperate with the government to fill out the "Letter of Intent for Green Procurement for Private Enterprises and Groups" once a year, and implement the procurement of green products with green, energy labels, water saving, green building materials labels, and carbon reduction labels.		Continue to implement green investment and procurement to maximize the efficiency of energy and resource use.	Continuously use energy-saving methods to reduce energy consumption and adopt local procurement to maximize the efficiency of resource utilization.

Talent recruitment and cultivation

Policy/Commitment	Core objectives	Performance and outcome	
Recruit and retain talent through multiple channels to enhance the Company's competitiveness	Increase professional engineering talent	An average of 18 employees are hired every month (excluding migrant workers on an ad-hoc basis in the construction industry)	
Action plans		Targets for 2024	Medium- and long-term targets
1. Find suitable candidates according to the application needs according to the personnel application form provided by each unit. 2. Participate in government and campus recruitment activities to attract talent		Increase the number of new employees and increase the retention rate for new construction projects	Increase the number of new employees, reduce the number of resigned employees, and reduce the turnover rate



01

Professional governance Strategic layout

- 1.1 Overview of the organization
- 1.2 Ethical management
- 1.3 Risk internal control
- 1.4 Information security management





01 Professional governance and strategic layout

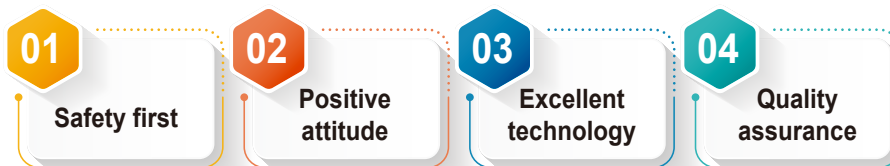
1.1 Overview of the organization

1.1.1 About Hwang Chang

The performance of Hwang Chang has been growing steadily year by year. Based on the four business principles of "safety first, positive attitude, excellent skills, and quality assurance" and the spirit of "quality first, efficiency first, and safety first", the Company's down-to-earth corporate spirit in the face of hardship has continuously led to outstanding achievements and has been recognized by owners and relevant government agencies. In the future, we will continue to uphold the spirit of excellence, innovation and development, and continue to innovate in and expand into other product fields. At the same time, we will pursue the business philosophy of "value and attitude, commitment, and execution" and create the best interests of shareholders, employees, and customers as our primary business goal.

The Company has specialized in the R&D and improvement of construction skills, and has actively cultivated outstanding professional and technical personnel to further improve the Company's cost and quality management, while creating profits with management strategies of high efficiency, pragmatic planning, technical skills, a well-organized administrative system, promotion transparency, financial disclosure, and people-centered management. We also actively participate in bidding for major government projects, turnkey projects, and the most advantageous bids, to become an enterprise with ambition and vision.

Four major business philosophies



Company basic information

Company name	Hwang Chang General Contractor Co., Ltd.
Date of establishment	February 16, 1981
Company address	23F, No. 539, Tammei Street, Neihu District, Taipei City
Chairperson	Chiang, Cheng-Chin
President	Huang, Chung-Lei
Paid-in capital	2,374,837,880
Number of employees (As of December 31, 2023)	1,607
Main products and services	MRT engineering, maritime engineering Bridge engineering, construction engineering
Revenue in 2023	NT\$11.2 billion



▲ Construction performance in 2023 - public works

Wanda–Zhonghe–Shulin Line (Phase I Project) CQ860 Section tender project

Owner First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government

Date of winning bid 2015.8.31

Construction in progress

Commissioned reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office

Owner Hydraulic Engineering Office, Public Works Department, Taipei City Government

Date of winning bid 2016.08.22

Construction in progress

New freeway project from Dayuan Interchange of National Highway No. 2 to Provincial Highway 15

Owner Freeway Bureau, Ministry of Transportation and Communications

Date of winning bid 2018.02.23

Construction in progress

New port and embankment construction project for the third liquefied natural gas receiving station

Owner CPC

Date of winning bid 2018.10.26

Construction in progress

New youth social housing turnkey project in the Anbang section in Zhonghe

Owner Department of Urban and Rural Development, New Taipei City Government

Date of winning bid 2019.06.26

Construction in progress

Additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336)

Owner Freeway Bureau, Ministry of Transportation and Communications

Date of winning bid 2019.11.21

Construction in progress

New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia

Owner Department of Urban and Rural Development, New Taipei City Government

Date of winning bid 2020.04.22

Construction in progress

Expropriation project in the Zhongli Sports Park Section, Taoyuan City

Owner Office of Public Construction, Taoyuan City Government

Date of winning bid 2021.03.18

Construction in progress

New construction project for the breakwater of the Guantang Terminal expansion solution

Owner CPC

Date of winning bid 2022.07.29

Construction in progress

North-facing entry and exit ramps improvement project for National Highway No.1 Wugu interchange (tender No. I103S)

Owner Freeway Bureau, Ministry of Transportation and Communications

Date of winning bid 2022.11.15

Construction in progress

Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y20 (excluded)~Y23 (included)

Owner First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government

Date of winning bid 2022.12.28

Construction in progress

Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y23 (excluded)~Y25 (included)

Owner First District Engineering Office, Department of Rapid Transit Systems, Taipei City Government

Date of winning bid 2023.12.01

Construction in progress



▲ Advantages of Hwang Chang

Marine and machinery brigade

Hwang Chang is the only company in the country to have set up a marine machinery team, with a large number of large vessels and construction machinery and equipment, which can be flexibly dispatched depending on the progress of each project. This allows us to effectively control the quality and progress of each project.

1 Stable source of supply

Ho Chang International Contractor, an affiliate of Hwang Chang, has three ready-mix concrete plants in Neihu, Yangmei, and Guanyin. All of them have passed the ISO 9001 quality system certification and the ready-mix concrete factory certificate of excellence. The concrete quality is excellent and the supply of materials is stable, enabling it to effectively cooperate with the progress of a project.

2 Quality assurance

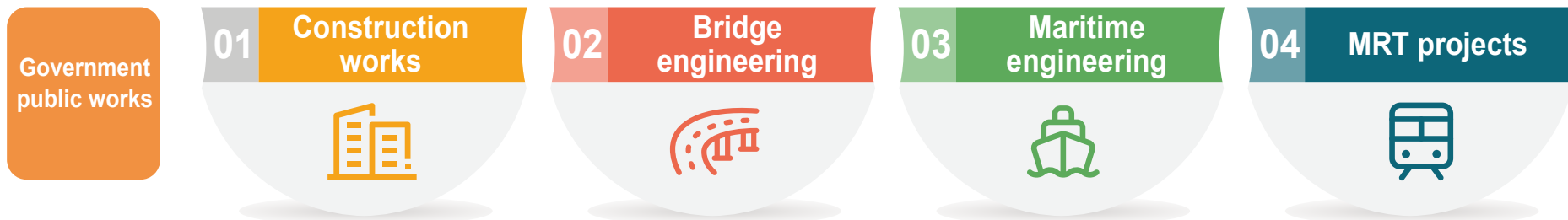
The Company has won many awards from government agencies and engineering societies over the years (such as the Public Works Gold Award, the Public Works Golden Safety Award, the Taipei City Government Construction Excellence Award, the New Taipei City Government Construction Quality Award, the New Taipei City Government Construction Safety Award, and the National Golden Award For Architecture, the Engineering Excellence Award of the Chinese Institute of Engineers, Excellent Concrete Award, etc.), which have facilitated the Company's overall corporate image and given it an advantage when bidding for turnkey projects based on the most advantageous bid policy.

3 E-management

The Company has implemented E-management for many years, from the EIP to the implementation of G2B, an electronic official document exchange system, the Public Works Information System of the Executive Yuan, and the Construction Business/Information Exchange Standards Program of the Construction and Planning Agency, Ministry of the Interior, to integrate various information and services to protect the environment, reduce management costs, and improve the Company's service efficiency and personnel competitiveness.

▲ Category of construction project

The main government public works projects for which we were contracted are divided into four categories: buildings, bridges, maritime, and MRT projects. In recent years, in order to diversify business activities, we have actively expanded underground infrastructure projects, hoping to share our excellent construction quality and enthusiastic service spirit to other places of society.





▲ Completed construction projects

Since its establishment, the Company has undertaken 152 construction projects, totaling NT\$185.203 million. According to the data for 2023, the number of contracts won was one, and the contract amount totaled NT\$10.2029 billion. Please refer to the following for the details of the number of cases and the cumulative amount of contracts for each category of construction project.

Construction category	Cumulative number of cases as of 2022	2023 Number of cases	Total cumulative Costs of construction projects
Construction works	22 cases	0 cases	NT\$29.156 billion
Bridge engineering	22 cases	0 cases	NT\$50.149 billion
MRT projects	7 cases	1 case	NT\$59.854 billion
Maritime engineering	2 cases	0 cases	NT\$27.483 billion
Other construction projects	98 cases	0 cases	NT\$18.561 billion
Total	151 cases	1 case	NT\$185.203 billion

Introduction to various representative buildings





▲ Construction performance of Hwang Chang



Circular Line CF640 Section tender project



Social Public Housing on the North Side of the New Central Village of Xindian District New Construction Turnkey Project



New freeway project from Dayuan Interchange of National Highway No. 2 to Provincial Highway 15



Taoyuan Airport MRT System CE01C construction tender project



Zones 1, 3, and 6 overall development unit city rezoning project in Caota District, Taoyuan City



Commissioned reconstruction project for the publicly-owned Huannan market under the Taipei City Market Administration Office



New port and embankment construction project for the third liquefied natural gas receiving station



New youth social housing turnkey project in the Anbang section in Zhonghe



▲ Construction performance of Hwang Chang



New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia



Expropriation project in the Zhongli Sports Park Section, Taoyuan City



North-facing entry and exit ramps improvement project for National Highway No.1 Wugu interchange (tender No. I103S)



Additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336)



New construction project for the breakwater of the Guantang Terminal expansion solution



Wanda-Zhonghe-Shulin Line (Phase I Project) CQ860 Section tender project of the Mass Rapid Transit System in Taipei Metropolitan Area Construction



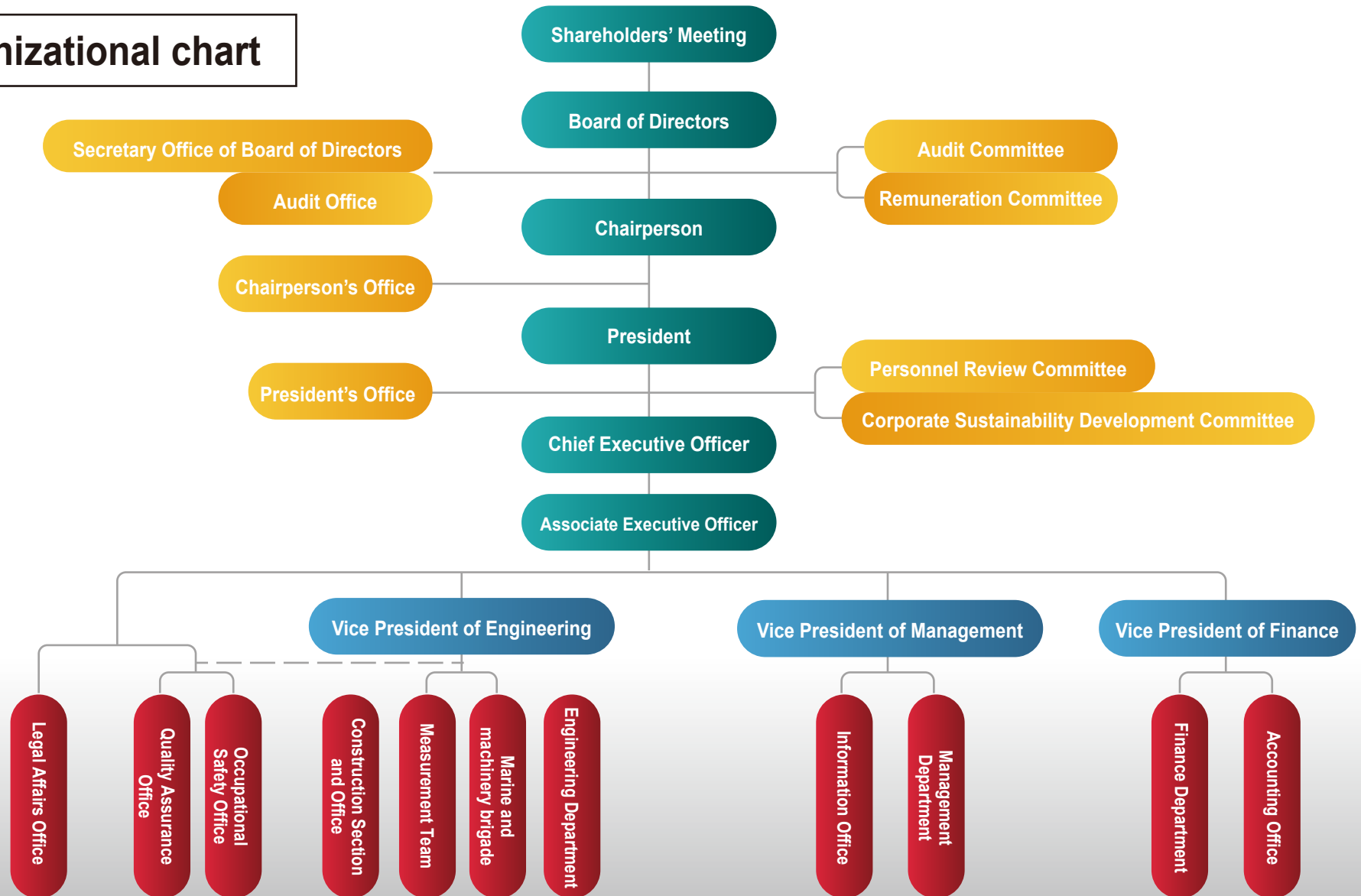
Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y20 (excluded)~Y23 (included)



Civil and Hydroelectric Control Section tender project of the Circular Line North Section stations Y23 (excluded)~Y25 (included)



Organizational chart





▲ Department responsibilities

Department	Section	Scope of responsibility
Secretary Office of Board of Directors		Assisting in matters related to the agenda and resolution compliance in the Board of Directors' and Shareholders' meeting
Audit Office		Planning and management of audit work; execution and supervision of correction and prevention of various administrative operations; promotion and continuous execution of ISO certifications.
Finance Department		Financial capital coordination and management, bills management, and holding of shareholders' meetings
Accounting Office		Accounting processing, tax filing, and preparation of various financial statements and annual reports
Management Department	General Affairs Section	Asset management and non-engineering procurement and management
Management Department	Human Resources Section	Personnel administration, human resource planning, education and training, and foreign migrant worker management
Engineering Department	Civil Engineering Team	Handling bidding matters, project contracting and material procurement, supervision of the construction quality and progress of each construction section, and participation in engineering meetings at all levels
Engineering Department	Architecture Team	Handling bidding matters, project contracting and material procurement, supervision of the construction quality and progress of each construction section, and participation in engineering meetings at all levels
Quality Assurance Office		Quality control and supply work execution of each unit
Legal Affairs Office		Legal affairs related to disputes, arbitration, and litigation for construction projects
Information Office		Electronic operations, IT equipment procurement management, and document and file management
Occupational Safety Office		Supervision of labor safety and health implementation and relevant business of each unit
Construction Office		Construction project bidding
Measurement Team		Implementation of each unit's measurement work
Marine and machinery brigade		Purchase, coordination, maintenance, and management of all construction machinery and materials



▲ Participation in associations

In order to keep abreast of domestic and foreign industry trends, we join associations and organizations to interact with relevant industry and academic circles, exchange business experience and market information, and understand the latest developments and future trends in the industry.

Organization	Role
Taiwan Regional Engineering Contractors Association	Membership
Northern Taiwan Construction Industry Occupational Safety and Health Promotion Association	Membership
Chinese Construction Industry Arbitration Association	Membership
Taiwan Arbitration Association	Membership

1.1.2 Financial performance

In recent years, despite the social and economic turmoil caused by the pandemic, all employees of Hwang Chang have persistently improved operational performance. We have responded to the fierce competition in the industry through effective raw material cost control, continuous optimization of construction methods, and active investment in innovative green building technologies. Every year, we set annual revenue and net income targets and hold regular departmental meetings to track the operating status and target achievement. For quarters that are behind schedule, we review and make appropriate adjustments to ensure that the senior management can effectively control the Company's operational direction and protect the rights and interests of shareholders.

Unit: NTD thousand

Item	Subitem	2021	2022	2023
Direct economic value generated	Operating revenue	8,002,544	8,448,320	11,275,084
Distributed economic value	Operating costs	7,192,796	7,066,241	9,026,725
	Employee salary and benefits	911,930	1,031,027	1,503,702
	Payments to capital contributors	67,777	80,596	148,599
	Payments to the government	13,792	15,123	117,351
	Community investment (donation)	712	920	1,838
Retained economic value		(184,463)	254,323	476,869

Unit: NTD thousand

Item/Year	2021	2022	2023
Operating revenue	8,002,544	8,448,320	11,275,084
Gross profit	71,786	381,196	1,008,607
Operating profit and loss	(102,894)	350,132	742,819
Non-operating income and expenditure	518,941	(61,844)	(40,192)
Net profit before tax	416,047	288,288	702,627
Net profit (loss) for the current period	402,255	273,075	585,276
Other comprehensive income for the current period (net of tax)	(10,411)	(1,808)	(8,470)
Total comprehensive income for the current period	391,844	271,267	576,806
Earnings per share (NWD)	1.56	1.02	2.15



▲ Tax governance

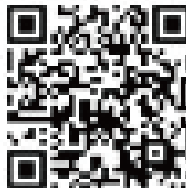
The Company adheres to the principle of integrity and transparency, and strictly ensures that all operations comply with legal regulations and tax practices. We incorporate changes in various tax laws and regulations into the scope of the assessment of daily operations of each department, and external tax consulting agencies provide professional services and substantive advice on internal financial and tax control. The Accounting Department is responsible for daily tax affairs. The accounting supervisor regularly supervises and manages the implementation results of the department to ensure that the Company's tax obligations are fulfilled. The Board of Directors has entrusted the Audit Committee to supervise the Company's accounting, auditing, and financial reporting processes, as well as the quality and integrity of financial control. It has also appointed a professional accounting firm to review related operations to ensure compliance with relevant laws and regulations.

Amount of government grants in 2023

Unit: NTD

Subsidies	Amount
Subsidies for automobiles and scooters	119,000
Youth employment subsidy	1,036,400
Commodity tax credits for energy-saving appliances	2,100
Total	1,157,500

Please refer to the Company's website for the implementation by directors and functional



1.1.3 Autonomy of the Board of Directors

The Board of Directors is the highest governing body of Hwang Chang, with the Audit Committee and the Remuneration Committee also in place. The Board of Directors is mainly responsible for guiding the Company's sustainable development strategy, supervising the management, being accountable to the Company and shareholders, and managing various operations and arrangements of the corporate governance system, and ensuring that the Board of Directors performs its duties in accordance with laws and regulations, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting, thus ensuring the rights and interests of stakeholders and maximizing the interests of shareholders. The Board of Directors currently consists of seven directors (including three independent directors), of which six male members account for 86% of all directors and one female member account for 14% of all directors. Six directors aged 50 or above account for 86% of all directors. The board members are all experienced and have expertise in the fields of industry, commerce, management, and law. In 2023, a total of seven board meetings were held, and the attendance rate of all directors was 96%.

Each year, the Company's Board of Directors conducts an internal evaluation of the performance of the board, individual directors, and functional committees (Remuneration Committee and Audit Committee) according to the Board of Directors Performance Evaluation Regulations. The unit in charge of board meetings uses a questionnaire to ask all directors to self-evaluate their awareness of company goals and tasks, directors' awareness of responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuing education, and internal control. The results of the board performance evaluation are used as a reference for the selection or nomination of directors. The performance evaluation results of individual directors are also used as a reference for determining their individual remuneration. The board performance evaluation results in 2023

As follows:

Performance evaluation by the Board of Directors	Self-evaluation of the performance by board members	Self-evaluation of the performance by functional committees
Scored 4.86 out of 5	Scored 4.75 out of 5	Scored 4.78 out of 5



Nomination and election of board members

We adopt a candidate nomination system for the election of the Company's directors, which shall be approved by the Board of Directors and submitted to the shareholders' meeting for election. Members of the Board of Directors shall generally possess the knowledge, skills, and qualities necessary to perform their duties. In order to achieve the ideal goals of corporate governance, the board as a whole should have the following capabilities:



Avoidance of conflicts of interest

The Company has established the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Work Rules" to clearly define the policies, management systems, and inspection regulations for the Company's ethical management. All board members follow the Company's Articles of Incorporation and maintain a high degree of self-discipline. The Company has also established the "Rules of Procedure for Board of Directors Meetings" and the "Management Procedures for Handling Material Inside Information and Prevention of Insider Trading". Corporate representatives or directors whose interests are involved in board meeting proposals or in conflict with the interests of the Company shall not participate in the discussion and voting, shall recuse themselves from discussion and voting, and shall not exercise their voting rights as a proxy for other directors.

Remuneration policy of the Board of Directors

The Company has formulated a director remuneration policy, which has been reviewed by the Remuneration Committee and approved by the shareholders' meeting. The remuneration paid to the Company's independent directors is a fixed monthly salary. In addition to considering the usual payment level in the industry, the amount of salary and remuneration determined as per the Company's operating conditions and future risks is highly correlated to their responsibilities, contribution, and performance, which the Remuneration Committee will regularly review. The president and vice presidents' remuneration payment methods are handled as per the Company's managers' remuneration management policy, its operating performance, and development trends and have been approved by the Remuneration Committee and the Board of Directors. The directors were provided with 2% remuneration based on the proposal of the Remuneration Committee and the resolution of the Board of Directors for 2023. In 2023, the total amount of remuneration to directors, supervisors, the president, and vice presidents was NT\$47,584 thousand.

Key and material incident communication and response

The major decisions made by the Company or the occurrence of important events are in compliance with the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. We fill out the "Material Information Release Application Form" and "Material Information Assessment Checklist" and submit them to the Chairperson for approval before publishing them on the Company's official website and the MOPS. In 2023, we released material information on the MOPS 18 times in accordance with the regulations.



▲ Board members and backgrounds

Board Diversity Background and Core Competencies							
Position	Name	Gender	Leadership and Decision Making	Finance Accounting	Managerial and Business Administrative	Legal Affairs Professional	Industry Domain Knowledge
Director	Chiang, Cheng-Chin	Male	✓		✓	✓	✓
Director	Huang, Chung-Lei	Male	✓		✓	✓	✓
Director	Chen, Wei-Hung	Male			✓	✓	✓
Director	Huang, Shu-Tsung	Male			✓		✓
Independent Director	Ni, Tzu-Hsiu	Male	✓			✓	✓
Independent Director	Wei, Yung-Neng	Male	✓		✓		✓
Independent Director	Hsu, Hsiu-Chen	Female		✓	✓		✓

▲ Audit Committee

The Company has established an Audit Committee with a total of three members, all of whom are independent directors. The purpose of the committee is to supervise the fair presentation of the Company's financial statements, the selection (dismissal) and independence and performance of CPAs, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and the control of potential risks. A total of five Audit Committee meetings were held in 2023, with a 100% attendance rate.

▲ Remuneration Committee

The Remuneration Committee is composed of three independent directors and holds at least two meetings a year. It mainly uses a professional and objective position to regularly evaluate the remuneration policies and systems for directors and managers, and makes suggestions to the Board of Directors as a reference in decision-making. Three meetings were held in 2023, with a 100% attendance rate of all committee members.





▲ Number of board members' training hours

The Board of Directors is the core of the Company's overall operations and formulates the Company's future development direction and action strategies. Therefore, the board members must receive professional knowledge training every year to receive the latest information and guide the Company to move forward.

Number of training hours received by board members in 2023

Position	Representative	Course title	Number of training hours
Chairperson	Chiang, Cheng-Chin	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6
Director	Huang, Chung-Lei	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6
Director	Chen, Wei-Hung	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) Seminar on Legal Compliance for Insider Equity Transactions in 2023 Effective Internal Control for Sustainability Reporting 	12
Director	Huang, Shu-Tsung	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6
Independent Director	Wei, Yung-Neng	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6
Independent Director	Hsu, Hsiu-Chen	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6
Independent Director	Ni, Tzu-Hsiu	<ul style="list-style-type: none"> ESG-related Legal Issues to Be Considered by the Board Of Directors How Audit Committees Interpret and Use Audit Quality Indicators (AQIs) 	6





1.2 Ethical management

Based on the principle of integrity and ethics, we have established a corporate culture of ethical management and sound development. We adhere to the principle of ethical management and not accepting improper benefits as one of the Company's important principles. Every year, we regularly promote ethical conduct, profit avoidance, and protection of business confidentiality. In addition, regular education and training on ethical management are offered for new hires and in-service employees, and instructors are invited to lecture on relevant regulations of professional ethics and integrity principles to strengthen education and training on ethical management. In 2023, there were no incidents of violation related to ethical corporate management.

Hwang Chang values the professionalism of its employees and legal compliance. We plan regulatory training courses on different topics for senior managers and employees every year to ensure that our team is always up-to-date with the latest laws, regulations and industry standards and can apply them flexibly at work.

Every year, we design courses on different topics based on business needs and changes in the external environment. These legal courses cover a wide range of regulations under the Labor Standards Act, the Occupational Safety and Health Act, and regulations related to business ethics. These training courses are not only to impart legal knowledge but also focus on practical experience. During the courses, we would invite industry experts or legal consultants to share their practical experience, and through case study and group discussions, we helped employees understand the practical meanings behind the legal provisions and practical cases of common crimes in the industry.

Integrity management





Complying with the code of professional ethics and personal integrity

We have established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" approved by the Board of Directors, and stipulated in the "Work Rules" that all employees are required to clearly understand and abide by the code of professional ethics and personal integrity, and perform duties with rigor and professionalism.



Key Points of the Ethical Corporate Management Best Practice Principles

Applicable to all employees

- Prohibiting unethical conduct and established an unethical conduct prevention program
- Enforcing compliance with various laws and regulations and shaping a corporate compliance culture
- Avoiding transactions with counterparties with a record of unethical conduct
- Directors and managers shall avoid conflicts of interest.
- Establishing effective accounting and internal control systems
- Education, training, and awareness-raising
- Established a specific whistleblowing system



Key Points of the Code of Ethical Conduct

Applicable to all employees

- Avoiding seeking personal gain
- Strictly abiding by confidentiality obligations
- Treating customers fairly and not obtaining improper benefits in any way
- Avoiding conflicts of interest
- Encouraging reporting of illegal behavior or violations of the code



Comprehensive violation penalty and anti-corruption complaint system

- We have established a comprehensive disciplinary and grievance system to ensure that whistleblowers will not be improperly punished due to their whistleblowing. We have also set up a "Reporting Misconduct" page and hotline on the Company's website. The reporting channels and methods are as follows
- Email for whistleblowing: wb@hgc.com.tw
- Hotline for whistleblowing: 02-2792-2988 ext. 701
- Mail: 23F, No. 539, Tammei Street, Neihu District, Taipei City 114

Attn: President's Office's Office,
Hwang Chang General Contractor Co., Ltd.
Special mailbox for whistleblowing



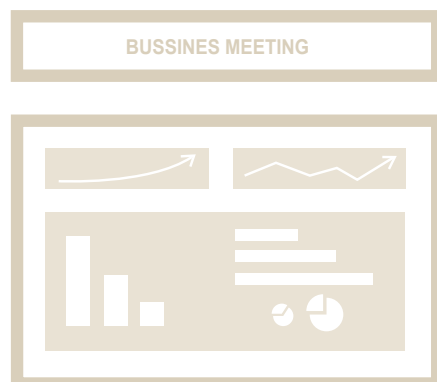
1.3 Risk management and internal control

Each year, the dedicated unit of Hwang Chang collects market information, evaluates potential risk events, and formulates strategies for responding to major risk issues to ensure that the Company can take early actions for major risks that may arise in the future within a controllable range, thereby reducing the impact on the Company and secure business opportunities early.

Type of risk	Risk analysis	Preventive measures
Labor safety risks	<ol style="list-style-type: none"> 1. Labor health management and construction safety management 2. Personnel working outdoors in high-temperature environments without shelter is prone to thermal hazards. 	<ol style="list-style-type: none"> 1.1 Hire on-site physicians and labor health nurses to provide on-site health services 1.2 Introduce and implement ISO 45001 and CNS 45001 occupational safety and health management systems, submit risk assessment written materials and briefings before construction, and convene a risk assessment review meeting (by the Company) 2.1 Use the high-temperature outdoor operation thermal hazard preventive action management app developed by the Occupational Safety and Health Administration to measure the risk level for emergency response management and conduct management according to the management measures in the app. 2.2 Provide sufficient drinking water and electrolytes 2.3 Conduct self-inspection of high-temperature outdoor operations
Construction environment risks	Construction sites are prone to air pollution, noise, dust, sewage, and construction waste.	<ol style="list-style-type: none"> 1. Prevent environmental pollution, implement the "Environmental Policy" and "6S Environmental Management Plan", and post hazard notices at the workplace 2. Reduce air pollution and wastewater discharge, use low-noise machinery, covering bare soil, and ground water, and reduce, recycle, and reuse waste. 3. Add an environmental monitoring information panel to monitor noise and air quality at any time 4. Conduct monthly inspections to effectively control the quality of the construction environment
Epidemic risks	Global spread of COVID-19	<ol style="list-style-type: none"> 1. When entering the workplace, employees will have their body temperature measured in the morning and noon. Those with a body temperature over 37.5°C are not allowed to enter the workplace. 2. We reduce the number of large meetings of the Company, hold executive meetings in different locations by video, and suspend internal education and training or offer video courses. 3. All units take turn rehearsing working from home. 4. We have prepared a certain number of medical masks for colleagues to use when necessary. 5. We regularly disinfect dormitory and office environments for migrant workers. 6. We have set up partitions in the rest area of the work area.



Type of risk	Risk analysis	Preventive measures
Financial risks	The leverage of construction expenditures is closely related to the central bank's costs of adjusting interest rates.	<ol style="list-style-type: none">1. Regularly follow up on the progress of construction funds of the Construction Section for effective financial planning and fund application.2. Control bank lines and pay attention to interest rate changes to reduce financing costs.
Operational risks	Operational risks may arise from external market changes, such as rising land acquisition costs.	<ol style="list-style-type: none">1. The Company has established a corporate governance unit to oversee corporate governance affairs, protect the rights and interests of shareholders, and strengthen the functions of the Board of Directors.2. The Company has established an internal audit system to ensure that corporate governance is in compliance with the regulations.3. We publish material information in real time through the Market Observation Post System (MOPS) and the Company's website to enable stakeholders to understand important company information in a timely manner.
Supply chain management	Being unable to ship goods or generate inventory due to insufficient or excessive production capacity, resulting in increased costs	<p>Raw material suppliers are important business partners of Hwang Chang. As the prices of raw materials used in construction continue to climb internationally, we need to implement the following three points to keep abreast of market changes.</p> <ol style="list-style-type: none">1. Keep a close eye on market trends and keep track of changes in supply and demand.2. Share the latest market trends internally and report on relevant matters in relevant meetings.3. Hold meetings regularly and irregularly, and interact with suppliers to communicate product quality and delivery time between both parties.





▲ Internal control system and management

In order to strengthen corporate governance and promote the stable operation of the Company, the Company has explicitly established the Internal Control System of Hwang Chang General Contractor Co., Ltd. An independent Audit Office has been established under the Board of Directors as the internal audit unit. The Audit Office assists the Board of Directors and the management in auditing and evaluating the operational performance of the internal control system based on the internal audit results. The Audit Office conducts regular audits of various departments and subsidiaries according to the annual audit plan, and performs ad-hoc audits when necessary. The Audit Office provides improvement suggestions in a timely manner to ensure the continuous and effective operation of the internal control system as the basis for the review and revision of the internal control system. There were 49 audits in 2023, and no major defects were found.

▲ Internal audit organization

The Company's Audit Office is an independent unit directly governed by the Board of Directors. It is equipped with a chief auditor and an auditor.

In addition to the applicable qualifications required by the Securities and Futures Bureau, the chief auditor and the auditor should continue to take professional courses related to internal auditing every year. The roster of the chief internal auditor and the auditor is disclosed on the MOPS before the end of January each year.

The appointment and dismissal of the chief auditor shall be approved by the Audit Committee and submitted to the Board of Directors for resolution; evaluation and remuneration of the chief auditor shall be approved by the Remuneration Committee and submitted to the Board of Directors for resolution.

The appointment and dismissal, evaluation, and remuneration of internal auditors shall be handled in accordance with the internal control system. The sign-off process is submitted by the chief auditor to the Chairperson for approval.

▲ Audit operation method

The annual audit plan is formulated according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and the risk assessment results, which are implemented after being approved by the Board of Directors. It is to inspect and evaluate the implementation of the internal control system and provide improvement suggestions in a timely manner.

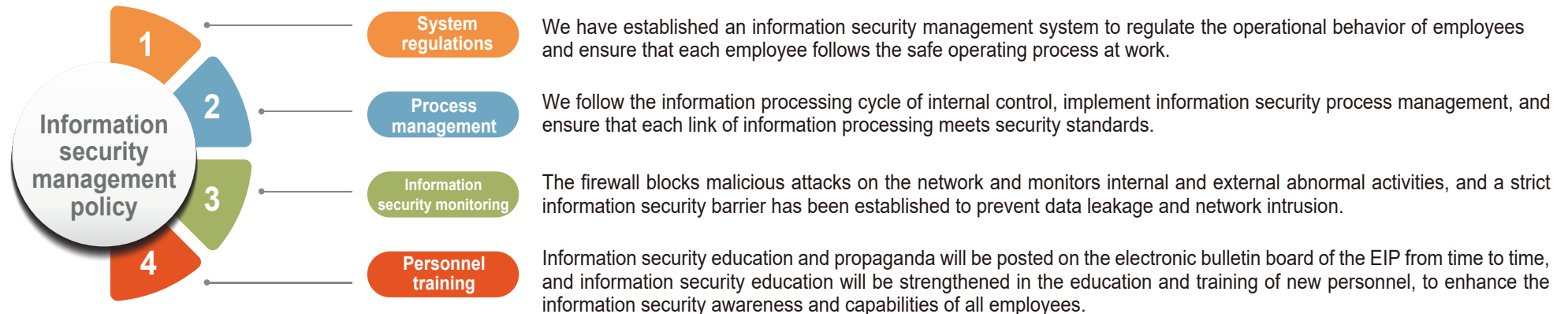
Item	Contents of implementation
Auditees	Including the business scope of each unit of the Company and subsidiaries
Audit reports	The internal chief auditor submits audit reports and follow-up reports to independent directors for review by the end of the following month, and attends the board meetings and the Audit Committee meetings in a non-voting capacity. Independent directors can fully communicate with the internal chief auditor. Independent directors hold a meeting with the chief auditor at least once a year to exchange opinions with independent directors on internal control and internal auditing, and keep records accordingly.
Annual self-assessment	Each unit and subsidiary of the Company conducts a self-assessment every year according to regulations, which is reviewed by the Audit Office and submitted to the Board of Directors and the President as the basis for assessing the effectiveness of the overall internal control system and issuing an internal control statement.
Public reporting	We file the annual audit plan, the implementation status of the audit plan, and the improvement to defects and abnormalities in accordance with the date and format of "Regulations Governing Establishment of Internal Control Systems by Public Companies."



1.4 Information security management

As the Company's operations involve a large amount of engineering data, confidential contracts, and customer data, malicious attacks or data leakage will pose a serious threat to the Company's reputation and operations. Therefore, the effective management of information security can be regarded as one of the cornerstones of the stable operation of an enterprise.

The information security management policy of Hwang Chang covers the following aspects:



To strengthen information security protection and management, the Company appointed an information security officer and information security personnel in 2021, and added the functions and responsibilities of the information security unit to the internal control system.

▲ Information security management framework

1. The information security responsible unit is the Information Office, which is responsible for formulating information security policies, and regularly reviewing and revising operating specifications to comply with information security standards.
2. The audit office incorporates the information management operation cycle into the annual audit plan.
3. We adopt PDCA management to ensure the achievement of goals and continuous improvement.





▲ Information security management measures

Item	Specific management methods
Firewall protection	<ul style="list-style-type: none"> • Security management and control procedures were set up for firewalls. • Additional applications are required if there are special connection needs. • Firewall data reports are monitored and analyzed.
User online control mechanism	<ul style="list-style-type: none"> • Facebook, gaming sites, peer-to-peer, or constant file transfer websites are blocked.
Antivirus software	<ul style="list-style-type: none"> • Anti-virus software with a client-server architecture is installed on both servers and computer users, and virus patterns are updated automatically.
Application system access privilege management	<ul style="list-style-type: none"> • Access privileges are set based on user accounts.
Email security control	<ul style="list-style-type: none"> • The email server is equipped with email anti-virus, spam filtering, and inappropriate email detection functions to prevent unpredictable damage caused by malicious emails.
Website protection mechanism	<ul style="list-style-type: none"> • The website is equipped with a firewall device to block external network attacks.
Data backup mechanism	<ul style="list-style-type: none"> • Full backups and differential backups are performed daily for servers and databases.
Computer room equipment management	<ul style="list-style-type: none"> • Servers are placed in a dedicated data center. Access is restricted and access records are kept. • Independent air conditioning and carbon dioxide fire extinguishers are installed in the data center. • All servers are connected to UPS to prevent damage to servers due to power outages or abnormal power outages.
Uploading of important files to servers	<ul style="list-style-type: none"> • The important files of each department are uploaded to the NAS for storage and backed up by the IT Department.
Self-inspection of information security	<ul style="list-style-type: none"> • The Information Office conducts safety inspections and completes self-assessments on a quarterly basis.
Cyber security risk assessment and improvement	<ul style="list-style-type: none"> • The Information Office conducts an annual cyber security risk assessment for the information and communication systems, and implements a risk improvement plan if the risk is high.
Social engineering drills	<ul style="list-style-type: none"> • The Information Office holds annual social engineering attack drills, and offers training for those who fail to pass.
Information security incident reporting and handling	<ul style="list-style-type: none"> • The Cyber Security Incident Reporting/Handling Record Form is filled out and handled immediately when an information security incident occurs.
System updates and patches	<ul style="list-style-type: none"> • We regularly patch security loopholes in equipment, system components, database systems, and software.
User review	<ul style="list-style-type: none"> • We regularly review user accounts and privileges, and suspend accounts that have not been used for a long time.



▲ Implementation of cyber security in 2023

1. In order to strengthen the information security protection management mechanism, the Information Operation Regulations were amended in October 2022, and the relevant measures were implemented in 2023.
2. The Company's server system has been upgraded from Windows Server 2012 to Windows Server 2019, and the database system has been upgraded from SQL Server 2014 to SQL Server 2019 to prevent system loopholes from being attacked and achieve optimal information security protection.
3. We announce information security information on the EIP and raise all employees' information security awareness. A total of 85 pieces of information security information has been announced so far.
4. We applied to become a member of the TWCERT cybersecurity information exchange organization to get information on cybersecurity alerts.
5. We adopted https protocols for the Company's websites and SSL/TLS encryption throughout the communication processes.
6. The password control mechanism has been strengthened. Mailbox passwords are changed to six to eight or more digits, consisting of lowercase letters, numbers, or numbers.
7. Major cybersecurity incidents: There were no major cybersecurity incidents this year.
8. We implemented the email social engineering attack exercises to raise employees' awareness of email protection and launched simulated attacks on 130 company email accounts. A total of 18 accounts belonged to employees did not meet the standard, and they received training.
9. We implement "Information Security Risk Assessment" and "Risk Improvement Plan" for the information and communication system every quarter.



Preventive measures for the Company's information security management



An active Intrusion Prevention System (IPS)



External network protection



Internet access management



Server management



02

Value creation As a leader in the future

- 2.1 Quality management
- 2.2 Technological innovation
- 2.3 Hwang Chang green buildings
- 2.4 Sustainable supply chain





02 Value creation as a leader in the future

2.1 Quality management

Hwang Chang is very strict with the control of construction quality. In order to enhance customers' trust in our buildings, we have continued to improve product quality and construction methods and have developed strict requirements for ourselves in terms of construction skills, so as to provide customers with construction products with better quality. Hwang Chang continues to pass the ISO9001 quality management system certification. In order to strengthen our core competitiveness, we have established a quality policy and goals of ensuring construction quality, improving construction efficiency, strengthening professional skills, monitoring construction progress, and enhancing corporate image. It is required that the details of the implementation be documented for implementation and maintenance in a centralized way, and the PDCA cycle must be implemented. Through these measures, we aim to demonstrate that our products and services meet customer needs, thereby improving customer satisfaction, and emphasize the effectiveness of the system and our continuous improvement.



Quality principles

- Meet the needs of the Company and customers
- Have a spirit of pursuing continuous improvement and meeting various needs
- Can launch tasks to pursue quality goals
- Continue to make refinement and improvement

PDCA





Certifications obtained by the Company's products



Awards and honors

Number of contracts, of which the performance was completed and scored, for the last five years: 10 contracts in total.
The average score of 93.29 points is better than the top standard score (83.25 points)



★ Gold Award for Special Contributions



1. Public Construction Commission, Executive Yuan
Public Works Gold Award: 18 projects (including eight projects winning high distinction awards)
2. Golden Safety Award of the Ministry of Labor: 12 projects
3. Golden Road Award of the Ministry of Transportation and Communications: 6 projects
4. Taipei City Government's Excellence in Public Works Award: 10 projects
5. New Taipei City Government's Public Works Excellence Award: 6 projects
6. Taoyuan City Public Works Gold Awards: 1 project



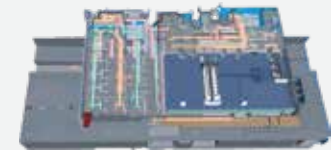
2.2 Technological innovation

Introduction to BIM

BIM is a process and method used to describe and present the information required for each stage of design, construction, and operation. It integrates various types of information (including building components and their attributes) required for many projects into a single digital data environment to simulate virtual design and construction (VDC), thus assisting the application at various construction stages from design to completion. The 3D simulation technology and processing function of BIM are helpful for the conflict review and integration of architectural design and electromechanical equipment, improving design and construction efficiency, reducing errors and rework, and improving the overall project quality with the visualization effects.

Key points of BIM application

Building structural models	We create a three-dimensional (3D) structural model and use 3D visualization to conduct spatial discussions. We also use physical models, which can be adjusted and configured with the surrounding landscape more easily. For the detailed design of buildings, such as doors, windows, or detailed facilities, the 3D model can be used to propose more accurate installation positions and sizes as a reference for spatial layouts.
Construction space	As the basis for reviewing the work area allocation and construction radius of the machine tool operating space, 3D performance is better. 3D models can provide a more visual and intuitive solution when reviewing conflicts between machine tools which are moved into construction sites and pipelines and the surrounding space. It can also be used to review the layout of occupational safety and health facilities at construction sites to enhance labor and construction safety, and to verify the quantity of materials used. In addition, the virtual reality (VR) system can be applied to the drawing of underground pipelines to effectively prevent pipeline damage caused by road excavation.
Interference detection	When we confirm the feasibility of combining various systems before on-site construction, such as structural and mechanical and electrical systems. 3D models are easier to understand than 2D models, which can accelerate the communication efficiency of construction issues.
Integration with mobile devices	Engineers can log in to the cloud platform through the built-in browser of a mobile device to directly view the BIM of each project (can be flipped, zoomed in or out, and from different angles) and query component information. In addition, they can also use the mobile device, to upload, download, and browse project documents, greatly improving efficiency.
Construction scheduling	As shown in the figure below, the pipeline configuration is shown in stages, the construction process is simulated, and the optimal construction process is discussed before the actual construction.
Equipment maintenance and management platform	We have established an equipment maintenance platform for equipment search, repair requests, maintenance, and management operations. Combined with the BIM visual model positioning view and database link, it is possible to find information, such as illustrations and catalogs, in real time.





The Company's practical application cases

1



Public housing contract tender D turnkey project of the Guangci Boai Park overall development program



(1) BIM and cloud technology

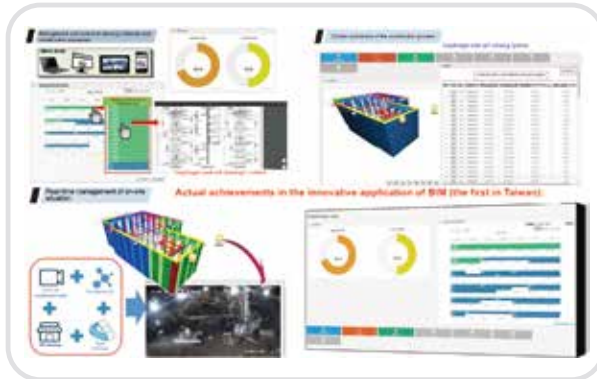
Actual achievements in the innovative application of BIM: The first in Taiwan to innovate and integrate BIM and cloud technology based on the BIM collaborative platform for project management.



(2) Review of the application of BIM integration, and construction safety assessments to adjust or add new openings if needed.



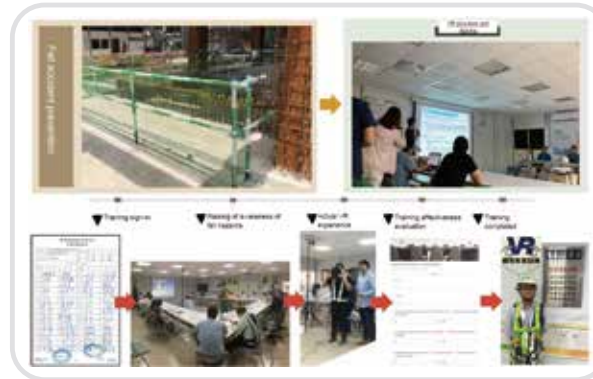
(3) Improving turnkey efficiency through building information modeling (BIM) technology to control drawing review and on-site progress



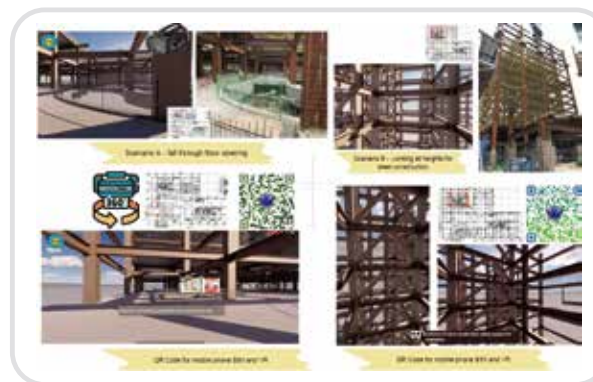
(4) Integration of real-time air quality monitoring with BIM technology and emphasis on labor activities.



(5) Virtual reality simulation of hazards



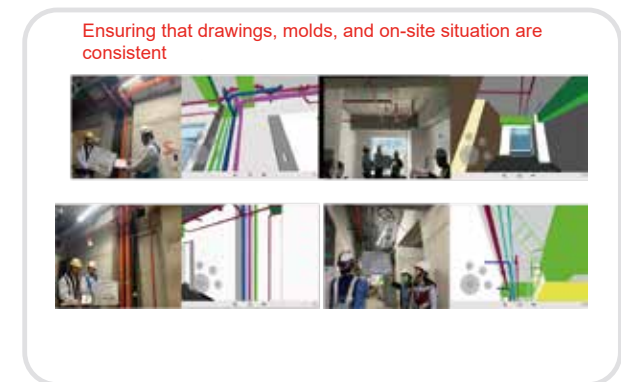
(6) Scanning of QR Code with a mobile phone to obtain a realistic model



(7) Scanning of QR Code with mobile phone for mobile management



(8) Use of BIM for on-site verification





2

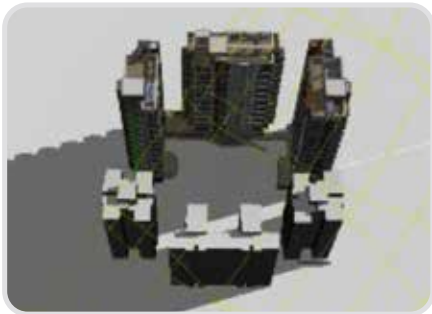


New youth social housing turnkey project in the Anbang section in Zhonghe

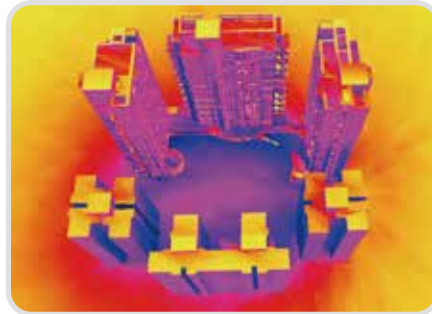


▲ Simulation and analysis of green energy in buildings

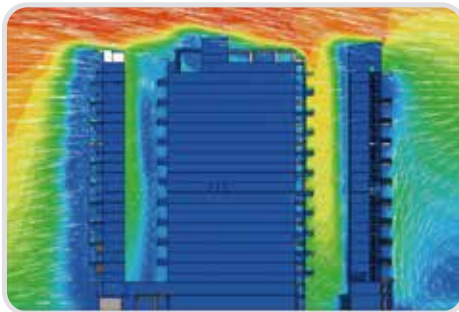
1. Volumetric configuration design reduces the impact on the surrounding environment and is friendly to living.
2. Tree species suitable for each site are selected to provide good shading and ventilation paths.
3. The east-west sun and shading design of a building are considered to ensure that the occupant space is well-ventilated and comfortable.



Sunlight and shadow simulation analysis



Annual thermal radiation (kWh/m2/year)



Ventilation simulation and analysis

3



New construction project for the breakwater of the Guantang Terminal expansion solution



According to the construction contract, a contractor must perform two tasks: 3D construction simulation and construction cross-sectional model production. The team has completed the construction of the completed model and the construction animation simulation of major construction projects during the tender preparation stage, and is committed to continuous improvement and the creation of BIM) on the initiative. We will use BIM tools and operating platforms that are compatible with Autodesk, Bentley, or the owner's drawing, and a project management information system (PMIS). Main tasks include:

1. 4D construction progress simulation:

Accurate simulation of the construction progress to ensure consistency between the planned and actual progress.

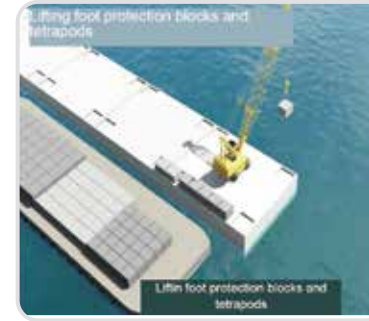
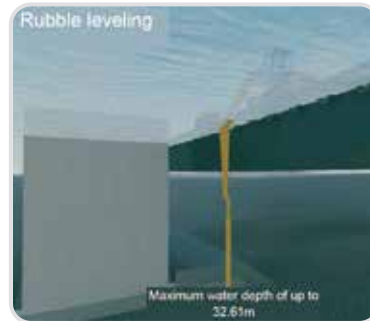
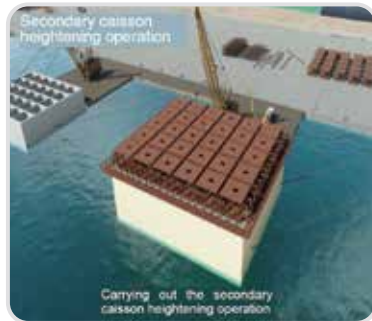
2. Conflict checks:

Conflicts during the design and construction stages are checked with BIM technology to reduce errors and rework, and improve construction efficiency.

3. Construction of the as-built model:

Creation of an as-built model to document important information during the construction stage to support subsequent maintenance and management.

These efforts will help integrate BIM with facility management (FM) to realize full life cycle management from design, construction to operation, and ultimately improve operational performance.



3

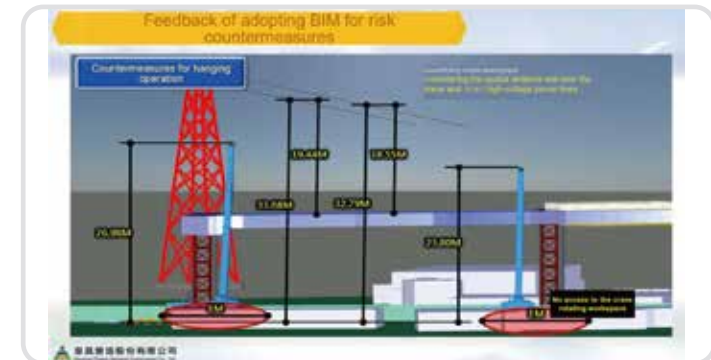


Additional system project for the interchange connecting National Highway No. 3 and Provincial Highway 66 (Tender No. 336)



It is applied to the review of construction conflicts, assisting in safety and health planning to reduce construction conflicts and enhance the safety and health knowledge of construction personnel.

1. Reviewing key construction items: hoisting of steel bridges across National Highway 3 and Provincial Highway 66, and hoisting height limit of UHV on 112 Highway A
2. Assisting in the development of effective measures: adjusting the conflict between the foundation position and the underground ultra-high pressure pipeline, checking the position of the temporary support frame on the curved section of the steel bridge to prevent overturning
3. Assisting in choosing a solution that takes into account both risk reduction and construction quality: 3D drawing simulation before construction to ensure both quality and safety
4. Proactive problem discovery and assistance in problem-solving: The solution for monitoring the hoisting height position in conjunction with Taipower's electricity pylon construction personnel
5. Rolling review of effectiveness and improvement measures: On-site construction experience feedback to enhance other aspects of construction safety and efficiency





2.3 Hwang Chang green buildings

In response to the challenges of climate change and global warming, countries around the world have implemented environmental protection measures, and the construction industry has also actively responded. The Architecture and Building Research Institute, Ministry of the Interior has established the EEWB green building certification system to promote the development of green buildings. The system initially includes seven indicators: "building base greening", "building base water conservation", "water resources", "daily energy saving", "CO2 reduction", "waste reduction", "sewage and garbage improvement", and later two indicators: "biodiversity" and "indoor environment" were added, totaling nine major indicators. These indicators are expected to improve the overall environmental friendliness of buildings, reduce the consumption of natural resources, and reduce the negative impact of construction activities on the environment.

Green buildings have a profound and positive impact on the environment. All buildings are designed and constructed in accordance with the green building standards, which can significantly reduce the use of energy and water resources, reduce carbon dioxide emissions, reduce the generation of waste and sewage, and promote biodiversity. These measures not only help to mitigate the impact of climate change, but also improve the urban environment and the quality of life of residents. In addition, we focus on the selection of materials and construction methods during the construction process for green buildings. This can also reduce the impact and interference on the ecosystem and provide a healthy and comfortable indoor environment during the use stage to protect the health of occupants.

Hwang Chang aims to realize the goal of sustainability citizenship through the construction of green buildings. During construction, we are committed to complying with the smart buildings designed by the owners and the requirements of the EEWB Green Building Label to ensure that buildings built in accordance with the green building standards, to maximize the protection of the environment and ecology, protect family health, and shape a friendly and sustainable living environment. This not only reflects our commitment to environmental protection, but also demonstrates our responsibility and determination to promote sustainable development.

EEWB green building certificate

Organizer: Ministry of the Interior

EEWB green building certificate	Name of construction site	Validity period
Gold level	Public housing contract tender D turnkey project of the Guangci Boai Park overall development program	2028.5.18
	Social Public Housing on the North Side of the New Central Village of Xindian District New Construction Turnkey Project	2025.9.21
	Linkou National Housing and 2017 Universiade Village New Construction Turnkey Project (Area A) (Area B)	2023.12.21
Qualified	Phase 1 construction of the Circular Line Project of the Mass Rapid Transit System in Taipei Metropolitan Area: Shisizhang Station	2024.10.21

EEWB green building certificate candidate

Organizer: Ministry of the Interior

Green building certificate candidate	Name of construction site	Validity period
Gold level	New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia	2021.8.27-2026.10.14
Gold level	New youth social housing turnkey project in the Anbang section in Zhonghe	2021.5.19-2026.5.18
Silver level	Reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office	2017.5.25-2025.5.24



New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia



Reconstruction project for the main part of the publicly-owned Huannan market under the Taipei City Market Administration Office



New youth social housing turnkey project in the Anbang section in Zhonghe

Smart building certificate candidate

Green building certificate candidate	Name of construction site	Validity period
Bronze level	New youth social housing turnkey project in the Guoguang Section (Phase II) in Sanxia	2021.11.30-2026.11.29



2.4 Sustainable supply chain

▲ Localized procurement

By establishing a detailed supplier information system and conducting source surveys for materials, we actively develop local suppliers and implement local procurement to achieve the goal of timely and appropriate procurement. To ensure that each construction project meets the client's requirements for quality, progress, and safety, we have established a comprehensive procurement and evaluation system for subcontractors (including suppliers and contractors). We also conduct practical evaluations in terms of environmental protection, safety, and health to confirm compliance with relevant standards. In addition, whether a supplier has committed any major violations of environmental or human rights in the past, or has a record of fines, is also included as an important supplier assessment indicator.

Hwang Chang is committed to promoting the localization of suppliers and contractors, adhering to the principle of local procurement, ensuring the smooth progress of the construction and obtaining timely assistance, and reducing the use of foreign contractors. This not only reduces carbon emissions from material transportation, but also promotes local employment and contributes to Taiwan's labor market. Through these measures, we have not only improved construction efficiency and quality, but also fulfilled our corporate social responsibility and sustainable development goals. Therefore, except for professional technical projects that must be handled by foreign companies, most of the remaining suppliers/contractors are local ones in Taiwan. In 2023, the Company signed agreements with a total of 335 suppliers/contractors. Their geographical distribution and number of contractors are shown in the table below.

Percentage of local procurement in 2023

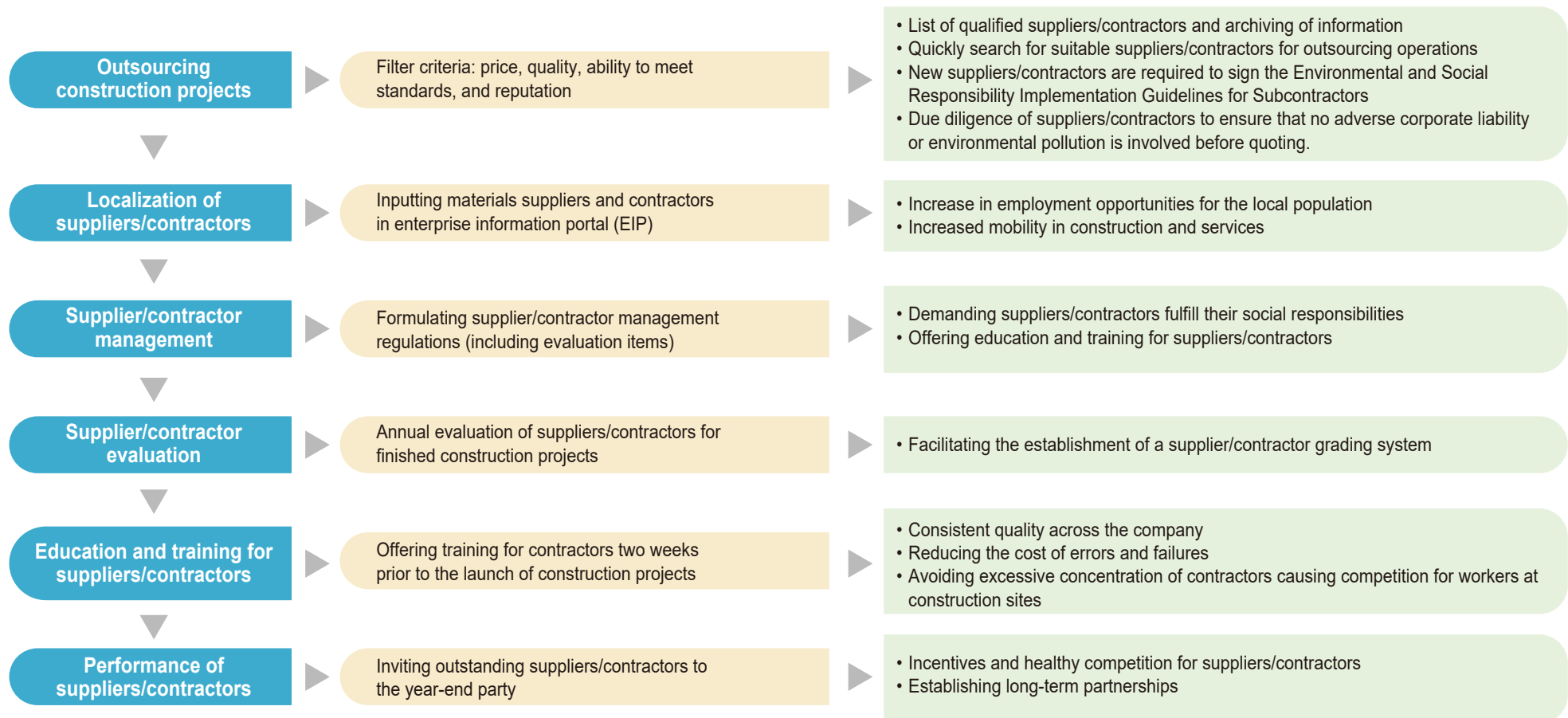
Region	Yilan	Hualien	Keelung	Taipei	New Taipei City	Taoyuan	Hsinchu	Miaoli	Taichung	Changhua	Nantou	Yunlin	Chiayi	Tainan	Kaohsiung	Pingtung	Kinmen
Number of suppliers	3	1	5	89	96	57	45	3	15	5	0	2	2	3	9	0	0
Region	Eastern Taiwan		Northern Taiwan			Taoyuan, Hsinchu, and Miaoli			Central Taiwan				Southern Taiwan			Outlying islands	
Total	4		190			105			22				14				
Percentage	1.19%		56.72%			31.34%			6.57%				4.18%				

A total of 335



▲ Supplier Management

In order to achieve good construction quality, the main factor comes from the suppliers/contractors. Therefore, the management of suppliers/contractors must be very careful and cautious. The following is the internal control procurement management flow chart of Hwang Chang.





Hwang Chang conducts construction execution evaluations of suppliers on a regular basis every year to confirm the execution capabilities of our collaborating suppliers. The evaluation items include quality, progress, safety, site management, and coordination. All suppliers have passed the evaluation in 2023, and no major environmental or social-related violations occurred. If a supplier is found to have major violations during the audit, the Company will immediately require it to make improvements and terminate the collaboration depending on the severity of the incident.

Suppliers

After appropriate price inquiry, price comparison, negotiation, and confirmation that the contracted party is not a party that is rejected by the Government Procurement Act, the contracted party should be required to provide specific information on quotes for verification.

Annual supplier evaluation

Each year, each construction unit conducts an evaluation of the subcontractors entering the construction site, and scores their progress, quality, safety and health, management, and coordination.

Hwang Chang General Contractor Co., Ltd. Construction Contractor Evaluation Scoring Form

Date of form completion: (mm/dd/yyyy)

Project:			
Construction item:			
Construction contractor:			
Major topics	Score	Weight	Evaluation indicators
Progress control (30%)		40	Comparison of monthly average actual progress and scheduled progress
		20	Critical path activity execution
		20	Implementation of construction progress control
		20	Submission of relevant progress control materials
Construction quality (30%)		20	Implementation of the quality control plan
		20	Construction technique quality, defects, and improvements
		50	Material testing and construction inspection (including installation inspection and trial operation)
Safety, health, and environmental protection (20%)		10	Disposal of non-conforming materials and machinery
		50	Safety and health
		50	Environmental protection
Construction site management (10%)		50	Timeliness and quality of proposals, reports, and data submitted
		30	Personnel, machinery, and material management
		20	Ability to cope with difficulties encountered during construction
Coordination and cooperation (10%)		30	Coordination with relevant units for land acquisition, pipeline demolition, complaints handling, regional drainage, and traffic maintenance
		40	Response to owners' requests or cooperation with other necessary matters
		30	Participation in construction coordination meetings and performance in implementation of conclusions
Total score:			
Filled out by: Reviewed by: Approved by:			

Custodian: Engineering Department
HC-2-P01-14

1/1

Retention period: 3 years
2-20170415

Hwang Chang General Contractor Co., Ltd. Construction Contractor's Construction Execution Evaluation Form

Date of form completion: (mm/dd/yyyy)

Project:			
Construction item:			
Construction contractor:			
Contract No.			
Contract amount			
Construction progress	Estimated: %	actual: %	
Estimated completion date			
Evaluation unit			
Evaluation indicators			
Progress control (30%)	Score	Instructions for filling out the form Please score according to the "Construction Contractor Evaluation Scoring Form" in an objective manner.	
Construction quality (30%)	Score		
Safety, health, and environmental protection (20%)	Score		
Construction site management (10%)	Score		
Coordination and cooperation (10%)	Score		
Total score		Evaluation date:	
List of good and bad deeds:			

Custodian: Engineering Department
HC-2-P01-15

1/1

Retention period: 3 years
2-20170415



03

Sustainability · Cycle

- 3.1 Energy resource management
- 3.2 Pollution prevention and control
- 3.3 Response to climate change



03 Sustainability cycle

3.1 Energy resource management

3.1.1 Power saving management

▲ Energy management

The electricity consumed by Hwang Chang is mainly from office buildings, and the data of electricity consumption is used as the basis for greenhouse gas emissions. In 2023, a total of 89,400 kWh of electricity was consumed, and 44,253 kg of CO₂e was generated.

Electricity consumption in the office buildings of Hwang Chang

	2021	2022	2023
kWh	150,116	144,827	89,400
Carbon emissions (kg CO ₂ e)	75,358	73,717	44,253
Emission intensity (kg CO ₂ e)	9.4162	8.7260	3.9249
Gigajoule (GJ)	540.42	521.38	321.84

Notes: 1. An operational control method was adopted, covering the head office in the administration building.
 2. The type of gas included in the calculation is carbon dioxide.
 3. One kWh of electricity is equal to 3.6 million joules, and one gigajoule is equal to one billion joules.
 4. The factor referred to is the annual electricity carbon emission factor provided by the Bureau of Energy, Ministry of Economic Affairs. It was calculated based on the factor of 0.502 in 2021, 0.509 in 2022, and 0.495 in 2023. (Unit: kg CO₂e/kWh)

Energy data

	2021	2022	2023
Item	GJ	GJ	GJ
Diesel	1,277,755	1,310,290	1,006,068





▲ Office energy saving measures

We are committed to ensuring the effectiveness of environmental management. By formulating environmental policies and guidelines and reviewing its operational performance on a yearly basis, we aim to reduce operating costs and reduce environmental burdens. At the same time, we improve employees' awareness of environmental protection and legal compliance to achieve our business philosophy of corporate sustainability. Since 2017, we have implemented energy management by taking various energy-saving measures, including encouraging the use of stairs, turning off lights to save energy, replacing old devices with energy-saving one (such as coffee machines and water dispensers), and purchasing company vehicles with energy labels. At the same time, we reinforce the habit of every employee in the office to save energy and implement it in every detail to reduce environmental pollution and achieve the goal of ensuring both growth and environmental protection. To this end, we vigorously promote office energy-saving measures and encourage employees to develop good energy-saving habits at all times.

Power saving actions in 2023

Energy conservation and carbon reduction measures	Solution description
Encouraging employees to take the stairs when going up and down the floors	Encouraging employees to take the stairs instead of the elevator
Turning off all lights during lunch break	Turning off lights during lunch break to reduce unnecessary energy consumption
Adopting paperless operations, covering faxing, clocking in and out of work, request for leave, overtime work hours approval	Reducing paper usage
Energy-saving refrigerators	Energy efficiency label: Level 1
Energy-saving faucets	Water-saving sensor faucets
Energy-saving microwave ovens	Products with energy labels
Energy-saving coffee machines	Products with energy labels
Energy-saving photocopiers	Using energy-saving and eco-labeled machines which turn to the energy-saving mode if they are idle for two minutes
LED lights	Replaced old lights with LED ones in office areas and exhibition areas
The air conditioner is maintained at 26 °C.	Setting the air conditioner at 26°C to ensure a comfortable working environment and reduce energy consumption
Energy-saving company vehicles were purchased.	Selecting the most suitable vehicle model based on the use needs, including frequency of use, distance, and traffic
Each department has its own energy-saving refrigerator.	Maintaining the low temperature and avoiding placing too much food and switching on and off too many times, resulting in high power consumption
Responsible personnel put the lunch boxes from the refrigerator into the steamer before lunch.	Having responsible personnel put the lunch boxes from the refrigerator into the steamer before lunch
Responsible personnel check the switches of computers and air conditioners after work.	Controlling the temperature and on-off of the air conditioners by the Company's switchboard to avoid unnecessary waste
Sensors were installed in the waiting area of elevators, freight elevators, and stairwells.	Installing smart sensor switches to reduce unnecessary energy waste



Replacement of traditional lights with energy-saving LED strip ones



Use of solar fans and lamps



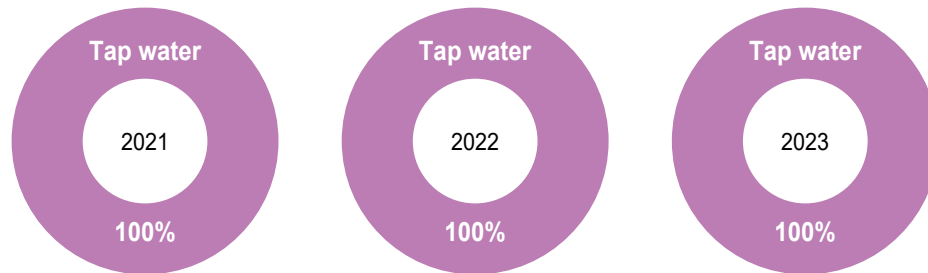


3.1.2 Water resource management

Up to 100% of the water used by Hwang Chang comes from the Taiwan Water Corporation, without the use of well water, groundwater, rainwater, and other water sources. The water withdrawal by relevant construction sites of Hwang Chang complies with the relevant regulations, and no illegal water sources are used. At the same time, we promote water conservation. We take measures to protect our environment and leave a better quality of living space for the next generation.

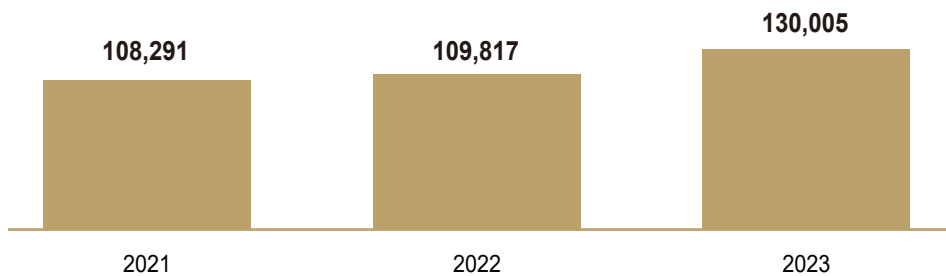
Percentage of water withdrawal sources

Unit: %



Water withdrawal

Unit: Metric ton





3.2 Pollution prevention and control

3.2.1 Wastewater treatment



The Company mainly consumes construction water and employee domestic water. Domestic sewage and construction water are both legally treated through the sewage and sewerage system. In 2023, no illegal pollution occurred, and there was no significant impact on water sources.

3.2.2 Waste management measures



Hwang Chang emphasizes actions related to environmental protection, and sustainable management is our mission. The waste generated during the operation is properly disposed of in accordance with the law, and many building materials and construction methods are adopted to minimize the impact on the local environment. In accordance with the circular economy model, waste is effectively reused through recycling and collection, classification, reduction, and recycling to replace landfilling. At the same time, we continue to promote the reduction of pollutants, reduce the amount at the source, turn garbage into useful resources, reduce related waste, and implement the concept of sustainable recycling.

Waste disposal



Hwang Chang actively reduces waste and improves construction methods to reduce the generation of waste. For construction waste, waste collection and disposal are carried out in accordance with relevant laws and regulations to ensure its legality. The waste generated in the plant is properly handled to avoid impact on the environment. Domestic qualified waste collection and disposal companies are entrusted to collect and dispose of all hazardous business waste produced.

Waste statistics

Unit	Type of waste	2022	2023
Headquarters and construction sites	Domestic waste	3,717 barrels (1 barrel/1,100 liters)	4,383 barrels (1 barrel/1,100 liters)
	Civil or construction waste	41,170 M ³	39,182 M ³
	Total	26,337.48 metric tons	25,437.72 metric tons

Notes: 1. Civil or construction waste includes concrete blocks and leftover materials from construction.
2. The density of construction mixture or waste is calculated at 0.6 tons/m³.
3. An 1100-liter garbage truck can load about 440 kilograms of waste.





3.2.3 Non-compliance with environmental protection laws and regulations

In 2023, a total of NT\$143 thousand was fined by the local county and city environmental protection bureaus for violating road cleanliness, air pollution, and water pollution. The Company has subsequently adopted improvement plans and measures to create a good, comfortable, and harmonious environment by raising employees' environmental awareness and strengthening the principles of sort, set in order, shine, standardize, sustain, and safety (6S) through environmental education and training, thereby improving construction efficiency and providing a high-quality construction environment.

In addition, the Company plans to strengthen environmental protection measures in the next three years:

- (1) Dust-proof cloths and dust-proof nets to cover all dust-emitting construction materials, sand, gravel, earthwork, or waste during the construction period.
- (2) Steel-plate concrete and coarse graded materials to effectively suppress dust on the vehicle path at construction sites.
- (3) An auto-sensing car wash station and pressure washers are installed at the entrance and exit of each construction site to prevent vehicles entering and exiting the construction area from polluting the road.
- (4) Waste resource recycling equipment to alleviate environmental pollution.
- (5) Green fences to increase the green landscape in the concrete jungle in response to the government's policy of green environment and environmental protection, and plants added to improve the air quality of the surrounding environment of each construction site through the photosynthesis of plants.
- (6) Maintaining the cleanliness of the roads adopted, dispatching workers on time to clean drainage pipes, and communicating with neighbors properly.
- (7) Real-time noise monitoring system to prevent construction from affecting the residents in the neighborhood.
- (8) Fences and overflow protection bases are set up as required in the construction area to prevent runoff wastewater with muddy water from polluting the ground.
- (9) Dust-proof and sound-proof cloth above fences to achieve noise reduction and pollution alleviation.
- (10) Low-pollution certified equipment for new items to be purchased procurement projects to achieve pollution alleviation and noise reduction.

It is hoped that through the air, noise, water quality, and road improvement projects for the above-mentioned construction projects, various environmental pollution will be reduced to a minimum.

Type of violation	Content	Number of cases	Fine amount (NT\$ 10,000)	Subsequent handling
Environment	Noise Control Act Article 8	1	0.3	We are working to raise the awareness of not using powered machinery and equipment for construction projects during the prohibited operating hours.
	Article 23 of the Air Pollution Control Act	3	14	Water trucks are dispatched to enhance the surface cleaning of the roads on which our vehicles travel.



3.3 Response to climate change

As the global climate change becomes increasingly severe, climate change has a profound impact on all walks of life. From extreme weather events to policy changes, enterprises need to actively respond to ensure continuous business stability and fulfill social responsibilities. To address this challenge, the Company adopts the Task Force on Climate-Related Financial Disclosures (TCFD) framework established by the Financial Stability Board (FSB). Through the framework, we address our strategies for responding to the risks and opportunities arising from climate change.

Governance

On August 30, 2022, the Board of Directors approved the formation of the Sustainable Development Committee. The committee consists of five senior executives or department heads. It holds meetings twice a year, chaired by the Chairman (President), and reports on corporate sustainability. The implementation progress and results of the development, the relevant strategies and goals, implementation and effectiveness are reported to the Board of Directors to strengthen the Company's response to climate change and international development trends, thus implementing sustainable development.

Strategy

We identify and prioritize climate-related risks/opportunities according to the TCFD framework, assess climate change risks and countermeasures with relevant teams, identify potential risks and possible opportunities, and set short-, medium-, and long-term targets, such as heavy rains or flooding events caused by extreme weather. It may lead to the risk of short-term business interruptions. It is necessary to strengthen disaster prevention drills to reduce the impact of damage. For the medium and long-term targets, it is necessary to continue energy-saving methods to reduce energy consumption and adopt local procurement to maximize the efficiency of resource utilization and co-exist and co-prosper with the environment.

Risk management

This is for understanding the potential financial impacts of the risks and opportunities brought about by climate change, and to provide a basis for future policy formulation and target setting. Members of the Sustainability Task Force identify climate risks and opportunities to ensure that there are clear guidelines for each step of assessment and response management. In the identification stage, the Company will identify business areas that may be affected by climate change. Next, it conducts a detailed assessment to quantify the financial impacts of these risks, including the potential impacts of extreme weather events on the operational process and supply chain. In terms of response management, the Company will develop specific action plans and countermeasures to mitigate the important risks and opportunities that have been identified and ensure business continuity and employee safety. We will continue to monitor climate change risks and opportunities, and regularly update the assessment results and management strategies to ensure the effectiveness and adaptability of response measures.

Target setting

In order to more effectively respond to various climate risks, reduce losses, and improve business stability and sustainable development. The Company will set specific and measurable targets based on the characteristics of the industry and the results of the climate change impact assessment, including reducing greenhouse gas emissions, improving energy efficiency, and strengthening the resilience of the Company's infrastructure.





Climate-related risks and financial impacts

Type	Climate-related risks	Impact period	Description of risk	Potential financial impact	Countermeasures
Transition risks					
Policies and regulations	Regulatory uncertainty	Medium-term	<ul style="list-style-type: none"> The EU's Carbon Border Adjustment Mechanism Taiwan's Greenhouse Gas Reduction and Management Act and Climate Change Response Act 	<ul style="list-style-type: none"> Increased carbon emission costs for the Company Penalties for failure to comply with increasingly stringent regulatory requirements 	<ul style="list-style-type: none"> Studying the possibility of using renewable energy Using environmentally friendly and low-carbon materials
Market	Changes in market demand	Short-term	Rising costs due to changes in market demand	Rising costs of low-carbon raw materials	<ul style="list-style-type: none"> Negotiating with suppliers for bulk purchase discounts Applying for government subsidies
Physical risks					
Immediate	Extreme climate events (such as rainstorms or typhoons)	Short-term	<ul style="list-style-type: none"> Soil erosion caused by heavy rainfall resulting in soft soil foundation, affecting engineering and construction safety Supply chain disruption and construction delays 	<ul style="list-style-type: none"> Impact on construction progress or quality Loss of materials, building materials, machinery, and personnel 	<ul style="list-style-type: none"> Designing drainage and protection measures in advance to prevent a loose foundation Establishing an emergency supply chain plan to reduce the risk of construction delays
Long-term	Average annual temperature rise	Long-term	<ul style="list-style-type: none"> Increasing extremely hot days to make it impossible to work normally Staff feeling unwell due to hot weather 	<ul style="list-style-type: none"> Increased number of days for the estimated construction period Causing casualties 	Adjusting working hours to avoid periods of extreme heat, setting up cooling equipment and rest areas, and providing sufficient drinking water to ensure employees' health and attendance.



Climate-related risks and financial impacts

Type	Climate-related opportunities	Impact period	Potential financial impact	Response actions
Energy source	Adopt renewable energy	Medium-term	Adopt renewable energy to reduce carbon emissions and reduce carbon reduction costs.	Study the possibility of using renewable energy in each project and office area
Products and services	Develop and/or increase low-carbon construction methods or design or equipment use that reduces resource consumption	Short-term	Provide flexible, more environmentally friendly, and low-carbon services to better meet the market demand for green buildings and smart buildings	<ul style="list-style-type: none">• Encourage owners to adopt green and smart buildings• Integrate BIM building information models• Actively participate in industry-related seminars on carbon reduction construction methods to collect relevant information





04

- 4.1 Friendly workplace
- 4.2 Workplace safety
- 4.3 Talent development

Employee care Social inclusion





04 Employee care, happiness, and inclusion

4.1 Friendly workplace

We value the rights and interests of employees, uphold a people-oriented philosophy, and regard employees as the most important assets of the Company. The Company strictly complies with laws and policies, eliminates discrimination, promotes gender equality, and is committed to providing a friendly and comfortable working environment. A sound compensation and benefit system provides employees with diverse educational resources and training opportunities, attracts and trains outstanding talent to join the Company's team, and empowers them with a high degree of innovative thinking. We have designed diverse training courses to enhance the professional skills and essential competencies of our employees, as well as formulated incentive measures to facilitate their growth and development. A comprehensive remuneration and benefits system is also the key to attracting and retaining talent. The Company cares about the physical and mental health of each employee, and is committed to providing a gender-equal and safe working environment to help them unleash their strengths at work and obtain professional improvement and salary increases in a warm atmosphere at work. In terms of workplace safety and employee health, the Company and relevant departments regularly organize education and training and health promotion activities to ensure the physical and mental health of employees. Hwang Chang regards construction site safety as a fundamental element, identifies potential risks in advance, creates a safe working environment, protects the rights and interests of employees, is committed to establishing a company that all employees can be proud of, and encourage all outstanding talent to work and grow together.

4.1.1 Employee structure

As of December 31, 2023, the total number of employees of Hwang Chang was 1,607, including 90 managerial personnel and 1,517 general employees (including 897 on fixed-term contracts). Due to factors of industry characteristics and job market, in terms of gender distribution, male managerial personnel accounted for 4.7% of all managerial personnel, and female accounted for 0.9%; 86.6% of our general employees are males and 7.8% female. In terms of age distribution, employees aged between 30 and 50 accounted for 54.3% of all employees.

Taiwan				
Type	Male	Female	Subtotal	Total
Number of permanent full-time employees	569	141	710	1,607
Employees on fixed-term contracts including construction project migrant workers)	897	0	897	

As of December 31, 2023	Age	Gender	Number of people	Percentage
Managerial employees	Under 30 years old	Male	0	0%
		Female	0	0%
		Subtotal	0	0%
	30-50 years old	Male	35	2.2%
		Female	10	0.6%
		Subtotal	45	2.8%
	Over 50 years old	Male	40	2.5%
		Female	5	0.3%
		Subtotal	45	2.8%
General employees	Under 30 years old	Male	228	14.2%
		Female	53	3.3%
		Subtotal	281	17.5%
	30-50 years old	Male	769	47.9%
		Female	58	3.6%
		Subtotal	827	51.5%
	Over 50 years old	Male	394	24.5%
		Female	15	0.9%
		Subtotal	409	25.5%



Number of people with disabilities hired

2023		
Employment of persons with disabilities	Male	9
	Female	4
	Total	13

Number of foreign employees

2023		
Employment of foreign personnel	Male	910
	Female	1
	Total	911

Workers who are not employees

Type	Scope of service (type of work)	Quantity	Contract conditions
Property manager and secretary	Shared amenities management, repair, and financial statement preparation	5	Commissioned by the Management Committee (commissioning contract signed)
Security	Access control and vehicle access control	5	Commissioned by the Management Committee (commissioning contract signed)
Property cleaning	Shared amenities cleaning	9	Commissioned by the Management Committee (commissioning contract signed)
Property electrical and mechanical systems	Building water, electricity, firefighting inspection and maintenance, interior design follow-up, and repair supervision	2	Commissioned by the Management Committee (commissioning contract signed)





4.1.2 Talent recruitment

▲ Diverse channels

Hwang Chang firmly believes that stable talent development is the foundation for the Company's bright future. The Company actively recruits talent through various channels, including job banks, participation in industry-academia collaboration programs, and recommendations by our employees. In addition, the Company attaches great importance to the development and retention of talent. For employees planning to leave, the Company takes their reasons for leaving seriously, reviews the reasons, and makes improvements to continuously increase the Company's attractiveness and continue to attract outstanding talent in the job market. Hwang Chang has been committed to creating an environment that can continue to attract and retain outstanding talent, creating promising prospects for the Company.

▲ Number and percentage of new hires in 2023

As of December 31, 2023	Age	Gender	Number of people	Percentage
New hires	Under 30 years old	Male	166	10%
		Female	17	1%
		Subtotal	183	11%
	30-50 years old	Male	595	37%
		Female	16	1%
		Subtotal	611	38%
	Over 50 years old	Male	180	11%
		Female	3	0%
		Subtotal	183	11%

Percentage: Number of new hires divided by the total number of employees at the end of 2023

▲ Number and percentage of resigned employees in 2023

As of December 31, 2023	Age	Gender	Number of people	Percentage
Resigned employees	Under 30 years old	Male	87	5%
		Female	6	0%
		Subtotal	93	6%
	30-50 years old	Male	209	13%
		Female	7	0%
		Subtotal	216	13%
	Over 50 years old	Male	102	6%
		Female	6	0%
		Subtotal	108	7%

Percentage: Number of resigned employees divided by the total number of employees at the end of 2023



4.1.3 Employee benefits

In addition to pursuing sustainable economic development, Hwang Chang is committed to providing a happy and inclusive work environment and caring for the physical and mental health and quality of life of employees. It is one of the important missions of the Company to enable employees to strike a balance between work and life and to develop in an all-round way. Therefore, in addition to the benefits required by law, we have formulated a number of employee benefit policies to meet the physical, mental, and health care needs of our employees.

We pay attention to the dual development of economy and humanities, and strive to create a working atmosphere where employees can feel happy and inclusive at work. Through a variety of benefit measures, the Company cares for the physical and mental health of employees, improves their quality of life, and helps them achieve work-life balance and all-round growth.

Benefits required by law

- Labor and health insurance
- Paternity leave, maternity leave, pregnancy checkup (accompaniment) leave, menstrual leave, annual leave, and family care leave

Company benefits

Bonus and benefits

- Employee birthday cash gifts (vouchers)
- Gift vouchers for three major holidays
- Labor Day gift vouchers

Insurance benefits

- Employee group insurance
- Regular employee health checkups
- Employee's survivor compensation

Other benefits

Employee travel, club, marriage, childbirth, and funeral subsidies, as well as employee uniforms and holiday boxed gifts

Group accident insurance

According to the job level, each employee is insured for NT\$5 million to NT\$6 million for death and disability insurance, medical insurance indemnity of NT\$100,000, and daily insurance indemnity for general wards of NT\$1,500.

Activity 1

Occupational Safety Cup Road Run

In line with the government's health promotion policy, employees are motivated to participate in the Occupational Safety Cup Road Run organized by the Bureau of Labor Affairs of the New Taipei City Government to care for the health of employees and convey our concept to them. This is the third year in a row that the Company has participated.





Activity 2

Mountain climbing and hiking

We encouraged employees to engage in health-related activities on their weekends for a healthy work environment. When employees completed designated hiking trails: Yehliu Geopark in New Taipei City, Yinghan Peak, Guanyin Mountain, in New Taipei City, and hiking trails in Mountain Jiantan in Taipei City, self-guided trail of the Dongyanshan National Forest Recreation Area, took pictures, and checked in on Facebook, the Company would provide a bonus of NT\$1,500.





4.1.4 Remuneration and benefits

▲ Salary compared with market standards

The emphasis that Hwang Chang attaches to talent is reflected in the work environment and various benefits provided by the Company. Adhering to the people-oriented business philosophy, the Company is committed to attracting outstanding talent to join the team and providing them with a stage to unleash their talent. In addition, the Company conducts annual industry salary surveys to evaluate the salary level and structure of the same industry, and make appropriate adjustments based on local economic development and price indexes to ensure a competitive salary structure and attract and retain outstanding talent. The salary offered by Hwang Chang is better than the industry standard. The average basic salary of entry-level employees (including foreign migrant employees) is higher than the legal requirement. The Company eliminates discrimination and unequal pay for equal work, ensures that there is no gender difference in salary, and adopts the principle of equal treatment of employees based on their abilities. In order to reward employees for continuous outstanding performance, the Company adjusts the proportion of fixed compensation in the annual salary structure based on the index to make the compensation structure more attractive, and pays attention to the local economic development and price index at any time.

Male-to-female salary ratio in 2023

Remuneration ratio by gender	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Job level						
General employees	1	0.89	1	0.91	1	0.90
First-line managers	1	0.95	1	0.94	1	0.91
Middle managers	1	0.93	1	0.94	1	0.91
Top-level managers	1	0.88	1	0.88	1	0.96

Average and median annual salaries for non-managerial personnel Unit: NTD

Item	2021	2022	2023
Total salaries of full-time employees in non-managerial positions	569,744,471	690,830,973	887,117,520
Number of full-time employees in non-managerial positions	929	959	1,233
Average salary of full-time employees in non-managerial positions	613,288	720,366	719,479
Median salary of full-time employees in non-managerial positions	472,000	563,515	514,032

▲ Annual total compensation ratio

The ratio of the annual total compensation of the highest paid individual in the organization to the median annual total compensation of the other employees in the organization (excluding the highest paid individual) is 3.12 to 1.

The ratio of the increase percentage of annual total compensation of the highest paid individual in the organization to the median annual total compensation increase percentage of the other employees in the organization (excluding the highest paid individual) is 3.39 to 1.



4.1.5 Retirement planning

To protect employees' long-term career life, we have designed and planned a pension system for our employees, including a benefit plan formulated in accordance with the Labor Standards Act and a contribution plan in accordance with the Labor Pension Act. In terms of the new labor pension scheme, in Taiwan, an amount equal to 6% of employees' monthly salary is contributed to their individual accounts governed by the Bureau of Labor Insurance, Ministry of Labor. Pension contributions under the old scheme were managed by the Supervisory Committee of Labor Retirement Reserve and deposited into the special account of the Bank of Taiwan in the name of the committee. If the estimated balance of the special account before the end of the year is insufficient to pay for the employees who are expected to meet the retirement criteria in the following year, the Company will make up for the difference in a lump sum before the end of March of the following year. In 2023, the Company contributed an amount of NT\$30,957,460 under the new pension scheme. For the old pension scheme, an amount equal to 2% of employees' gross salary is contributed to the pension fund in Taiwan each month, while that of Hwang Chang is 8%. As of the end of 2023, the balance of the old labor retirement reserve fund was NT\$81,307,029.

4.1.5 Marriage and childcare care

The Company strives to implement a work environment that supports the balance between family and career. Therefore, Hwang Chang complies with the provisions of the Act of Gender Equality in Employment and provides employees who have served for six months or more for the right to unpaid parental leave without pay. If there is a need to take care of children under three years old, they can apply for unpaid childcare leave. In addition, the Company has established a comprehensive leave management system to enable employees to flexibly arrange for parental leave or childcare leave. To further protect the rights of pregnant employees, the Company has set up a breastfeeding room to ensure that the rights of breastfeeding female employees are protected. We expect working women to be able to work with peace of mind in our work environment, while balancing family and career.

Item	Gender	2021	2022	2023
Number of people eligible for parental leave	Male	1	-	1
	Female	-	-	-
	Total	1	-	1
Number of qualified applicants	Male	-	1	1
	Female	1	-	-
	Total	1	1	1
Number of employees due for reinstatement	Male	-	-	-
	Female	1	1	-
	Total	1	1	-
Number of employees actually reinstated	Male	-	-	-
	Female	-	-	-
	Total	0	0	0
Reinstatement rate	Male	-	-	-
	Female	-	-	-
	Total	0%	0%	0%
Number of people who have been reinstated for one full year in the current year	Male	-	-	-
	Female	-	-	-
	Total	0	0	0
Retention rate	Male	-	-	-
	Female	-	-	-
	Total	0	0	0

Note: 1. Reinstatement rate = number of employees actually reinstated
 2. Retention rate = number of people who have been reinstated for one full year in the current year ÷ number of employees reinstated in the previous year x 100%

Item	Family care leave/person(s)	Maternity (paternity) leave/person(s)	Menstrual leave/person-time
Male	4	8	-
Female	3	1	69



Breastfeeding room photo



Breastfeeding room photo



Nursing room protection equipment (sterilizer)



4.1.6 Employee communication

We respect the right of our colleagues to participate in collective bargaining. We hold regular quarterly labor-management meetings in accordance with laws and regulations to create a smooth two-way communication culture in the organization, allowing colleagues' opinions to be heard effectively and handled in a timely manner, thereby preventing the recurrence of labor disputes or re-complaints. At the same time, employees are invited to participate in discussions on labor conditions and benefits.

The Company clearly stipulates that either employee's resignation, severance pay, or retirement, according to the length of service, a notice period is required. In principle, the notice period is in accordance with the Labor Standards Act. In addition, if there are major changes in the Company's operations or labor conditions, the notice period will be announced. A labor-management meeting is held for negotiation and communication, and employees are notified according to the notice period specified by the competent authority to ensure that their rights and interests are not damaged. In 2023, there were no incidents of major labor-management disputes.

Sexual harassment prevention



Public disclosure on the Company's official website Harassment prevention measures and sexual harassment complaint information



We publicly post the information related to sexual harassment complaints on the bulletin boards of all construction offices to create a gender-equal workplace.

▲ Respect for and safeguarding of labor rights

We always believe that respecting human rights and protecting labor rights and interests are the cornerstones of corporate sustainable development. We are committed to complying with international standards, such as the International Labour Organization Convention, the United Nations Global Compact, and the Universal Declaration of Human Rights, and we strictly abide by local laws and regulations, such as the Labor Standards Act and the Act of Gender Equality in Employment, to ensure that basic labor rights and interests are fully protected.

In practice, we have adopted the following specific measures:

- Promotion of fair employment: We are committed to providing equal employment opportunities, eliminating any form of discrimination and harassment, and ensuring that all employees are treated fairly in terms of recruitment, promotion, remuneration, and other working conditions.
- No forced and child labor: We firmly oppose any form of forced labor and child labor, and require our supply chain partners to comply with this principle to ensure that all suppliers and partners also comply with this principle.
- Appropriate labor conditions: The Company strictly complies with labor laws and regulations, provides a safe, healthy, and comfortable work environment, and has a comprehensive working hour management system in place to ensure employees' work-life balance.
- Remuneration and benefits: We regularly conduct market remuneration surveys to ensure that our employees' remuneration is competitive and provide benefits that exceed regulatory requirements, including medical insurance, pension plans, parental leaves, and other family-friendly policies.
- Employee participation and communication: The Company has established an employee feedback mechanism to encourage employees to express their opinions, and regularly holds labor-management meetings to listen to employees' opinions and promote two-way communication.
- Continuous training and development: We provide employees with diverse training and development opportunities to help them improve their professional skills and professionalism to achieve personal and company growth.
- Care and support: The Company pays attention to the physical and mental health of employees, provides physical and mental health promotion activities, and provides support in all aspects of work and life to create a corporate culture featuring care and mutual assistance.

We will continue to work hard to continuously improve the level of human and labor rights protection, and based on this, we will strive to achieve higher corporate sustainable development goals.



4.2 Workplace safety

4.2.1 Safe workplace

Construction site high-risk management mechanism

Based on the monthly occupational safety audit records of various construction projects conducted by the Occupational Safety Office in 2023, the hazards identified by the office included falling off, collapse, and electric shock as the top three common major hazards (frequency of occurrence x severity of occurrence), and safety procedures and safe construction measures were established for prevention and correction.

Safety procedures

Pre-operation risk assessment: In accordance with the ISO 45001:2018 occupational safety risk and opportunity assessment procedures, after the construction work is confirmed by the construction subcontractor and before the subcontractor's personnel, machinery, and materials moved in to the construction site, the person in charge of the construction project of Hwang Chang must gather together Hwang Chang's team (safety and health team, construction team, quality control team, and planning team), as well as the person in charge of the construction subcontractor, the person in charge of on-site construction/foreman, or the workers for a pre-construction risk assessment meeting, to study and discuss the health and safety protection measures in line with the construction environment and procedures at each stage.

Release and confirmation of construction drawings: According to the Guidelines for Construction Quality Management of Public Works of the Public Construction Commission, Executive Yuan, the construction unit shall carry out construction according to the description in the construction drawings; according to the graphic management regulations of Hwang Chang, engineers should receive the correct and new version of the construction drawings signed as per the procedures before constructing according to the drawings.

Safe construction

Confirmation of a safe construction environment: It is based on the results of the pre-construction risk assessment meeting.

Pre-construction hazard identification: Workers entering the site every day must receive a hazard notification and sign the "Daily Hazard Notification Form".

In-construction inspection: Workers need to perform various construction safety inspections in accordance with the ISO 45001:2018 occupational safety control procedures and immediately correct unhealthy and unsafe conditions and actions.

Cleaning and rectification after construction: After the completion of construction every day, the safety and health team shall tidy up the site and restore the safe environment with the construction team and subcontractors.



Accident investigation, analysis, and management mechanism

The Accident Reporting and Investigation Management Procedures of Hwang Chang define and distinguish between occupational safety incidents, disabling injuries, and false alarms, and regulate that the Company's various constructions projects should respond, investigate, and propose subsequent improvement measures for occupational safety incidents to reduce the loss of accidents and prevent similar accidents from happening again.

Investigation into occupational accidents

The accident investigation report shall (at least include **People, things, time, and place**) the following matters:

- (1) Confirm the course of the accident and the response to the accident.
- (2) Identify the direct cause, indirect cause, and basic cause of the accident through personnel interviews, equipment inspection and analysis, material testing, related documents and record checks, or accident scene reconstruction.
- (3) Develop effective improvement measures to eliminate or reduce the probability of the immediate cause and the basic cause, or to reduce the severity of the consequences of the accident.
- (4) Confirm the unit responsible for the improvement measures and the scheduled completion date.
- (5) Set no limit to the number of investigation meetings, and strive to ensure their accuracy and completeness. During an investigation meeting, if there are specific improvement measures, the unit responsible for implementation shall be notified orally or in writing, or invited to participate in the discussion in the next meeting (if there is a dispute, the unit head shall decide whether to implement them), so that specific improvement measures can be implemented.

Implementation and follow-up of improvement measures

- (1) Hazard identification and risk assessment are conducted before improvement measures are implemented to confirm that other risks will not arise.
- (2) The construction units and subcontractors responsible for improvement measures shall implement various improvement measures according to the established plan.
- (3) The occupational safety and health management unit shall be responsible for tracking the implementation of the improvement measures and recording the inspection results. After all the improvement measures are completed, the inspection results shall be closed and archived.
- (4) After an investigation report is reviewed by the supervisor of the unit where an accident occurred, it is submitted to the Occupational Safety and Health Office for review and forwarded to the Chairperson for approval.





Worker participation, consultation, and communication on occupational health and safety

According to Articles 5-1 and 10 of the Regulations Governing the Occupational Safety and Health Management, Hwang Chang has established an Occupational Safety and Health Committee. The labor representatives of the committee members account for more than one-third of the committee members and Table 3, a list of the Occupational Safety and Health Committee members is completed for future reference. The Occupational Safety and Health Committee is convened at least once a quarter (regularly) according to law, or in response to changes in management needs or when emergency events occur (ad hoc), to make suggestions about the Company's goals or the safety and health policies proposed by the Occupational Safety and Health Office; review, coordinate, and suggest safety and health-related matters raised by various construction projects or departments.

Since the early establishment of ISO 45001:2018 occupational health and safety management system/Taiwan Occupational Safety and Health Management Systems (TOSHMS) CNS45001:2018, the Occupational Safety and Health Committee has made suggestions about, coordinate, review, and assess, occupational safety and health issues as stipulated in Article 12 of the Regulations Governing the Occupational Safety and Health Management, and handle other matters related to occupational safety and health management, covering the Company's employees (workers) of construction projects and workers whose work is controlled by the Company, or who participate in the activities of the Company during and within the scope of activities not controlled by the Company. (e.g. construction subcontractors), and relevant business stakeholders, excluding those who are not subject to the Company's control but who may be affected by the occupational safety and health of the Company's operations, products, or services.



Title of occupational safety and health meeting	Frequency of meetings	2023 Number of meetings	Participants
Construction project agreement team meetings	Meetings required by law (At least once/month)	115	Persons in charge of construction projects Occupational safety, construction, quality control, and planning teams All construction subcontractors
Occupational Health and Safety Committee meetings	Meetings required by law (At least once/3 months)	4	CEO (chair) Head of Occupational Safety and Health Office (executive secretary) Management and labor representatives of each department Occupational health nurse
Monthly occupational safety meeting	Meetings not required by law (At least once/month)	12	Head and members of the Occupational Safety and Health Office All members of the safety and health team of all construction projects



National standard certification
CNS 45001
Taiwan occupational health and safety management system



International standard certification
ISO 14001
Environmental management system



International standard certification
ISO 45001
Occupational health and safety management system



▲ Training needs and assessment training

In 2023, Class-1 manager of occupational safety and health affairs training was offered 17 times.

Q1 (January - March 2023)

Item	Date	Courses	Number of people
1	2023.01.06	Mobile elevating work platform operator	10 people
2	2023.01.11	Forklift operator	1 person
3	2023.02.07	Class-1 manager of occupational safety and health affairs	17 people
4	2023.03.07	Mobile elevating work platform operator	9 people
5	2023.03.13	Mobile elevating work platform operator	2 people
39 people in total			

Q2 (April - June 2023)

Item	Date	Courses	Number of people
1	2023.04.07	Class-1 manager of occupational safety and health affairs	15 people
2	2023.04.22	Steel erection operations manager	1 person
16 people in total			

Q3 (July - September 2023)

Item	Date	Courses	Number of people
1	2023.07.18	Form support operations manager	2 people
2	2023.08.04	Mobile elevating work platform operator	2 people
3	2023.08.05	Steel erection operations manager	1 person
4	2023.09.05	Open cut operations manager	7 people
5	2023.09.20	Oxygen-deficient operations manager	5 people
17 people in total			

Q4 (October - December 2023)

Item	Date	Courses	Number of people
1	2023.10.11	Emergency personnel	7 people
2	2023.10.31	Soil retaining support operations manager	4 people
3	2023.11.23	Class-1 manager of occupational safety and health affairs	10 people
4	2023.12.11	Mobile elevating work platform operator	2 people
5	2023.12.25	Scaffold assembly operations manager	2 people
25 people in total			





Occupational safety and health education and training

Training category	Number of sessions	Number of trainees	Number of training hours	Total training hours
Class-1 manager of occupational safety and health affairs	3	42	42	1,764
Steel erection operations manager	2	2	18	36
Form support operations manager	1	2	18	36
Open cut operations manager	1	7	18	126
Oxygen-deficient operations manager	1	5	18	90
Soil retaining support operations manager	1	4	18	72
Scaffold assembly operations manager	1	2	18	36
Emergency personnel	1	7	16	112
Forklift operator	1	1	18	18
Mobile elevating work platform operator	5	25	16	400

AED education and training





Fire drill education and training



Diving training for research and operation personnel



Emergency response drills (Taipei Port)

Education and training on traffic maintenance





▲ Hazard identification and risk assessment

Personnel performing hazard identification must complete hazard identification risk assessment-related training before performing such operations. Personnel who perform hazard identification are all professionals with licenses or supervisors of the Company. When performing hazard identification, it is necessary to identify the hazards that may or have occurred in the various construction operations or work environment, to machinery, tools, or chemical substances used, then make suggestions for improvement about security optimization for hazards based on severity, operation duration, and likelihood of occurrence.

Record for penalty for occupational safety and health violations

Type of violation	Content	Number of cases	Fine amount (NT\$ 10,000)	Subsequent handling
Occupational safety	Article 27 of the Occupational Safety and Health Act	1	10	Promoted necessary measures for communication and adjustment at work to be taken during joint operations and workplace inspections to be strengthened
	Article 19 of the construction safety and health standard	4	85	Promoted safety protection equipment to be installed at openings at a height of more than two meters
	Article 45 of the construction safety and health standard	1	20	Promoted relevant safety measures that must be taken to maintain the stability of the construction frame and gantry.
	Article 128-1 of the Regulations for the Occupational Safety and Health Equipment and Measures	1	10	Strengthened on-site inspections and promoted the prohibition of using a mobile elevating work platform for purposes other than the main purpose.
	Article 228 of the Regulations for the Occupational Safety and Health Equipment and Measures	1	10	Immediately improved and strengthened the promotion of installing safe elevators for operations with a height difference of 1.5 meters



4.2.2 Employee health management

▲ Philosophy of maintaining employee health

Taking care of the physical and mental health of employees and providing them with a safe, healthy, and friendly working environment are one of the sustainable development goals of Hwang Chang General. To take care of the health of all employees and create a sound work environment, we vigorously promote the prevention of occupational diseases and take relevant health promotion actions to ensure that every employee can work with peace of mind in a work environment with the utmost care.

▲ Health management, occupational disease prevention, and health promotion actions

Implementations

- (1) We regularly conduct employee health checkups and questionnaire surveys on musculoskeletal symptoms and the prevention of diseases caused by abnormal workload.
- (2) Physicians and medical personnel provide on-site services at various construction sites every month. On-site checkups include the follow-up management of employees with abnormal health examination results, pregnancies, and middle-aged and elderly people.
- (3) We work with nearby medical institutions to perform screening tests for the four types of cancer, and perform oral mucosal examinations, fecal occult blood tests, Pap tests, and mammography examinations at each construction site for qualified employees.
- (4) In line with the government's health promotion policy, employees are motivated to participate in the Occupational Safety Cup Road Run organized by the Bureau of Labor Affairs of the New Taipei City Government to care for the health of employees and convey our concept to them. This is the third year in a row that the Company has participated.
- (5) We encouraged employees to engage in health-related activities on their weekends for a healthy work environment. We organized mountain climbing and hiking activities for employees to complete designated hiking trails: Yehliu Geopark in New Taipei City, Yinghan Peak, Guanyin Mountain, in New Taipei City, and hiking trails in Mountain Jiantan in Taipei City, self-guided trail of the Dongyanshan National Forest Recreation Area, take pictures, check in on Facebook, and the Company would provide a bonus of NT\$1,500.



Migrant worker care activities



We provided hot ginger tea during the cold snap.



▲ Regular carbon dioxide blood test

Monitoring results of chemical factors - carbon dioxide

Level and category of exposure	Scope
1	X < 1000 ppm
2	1000 ppm ≤ X < 1500 ppm
3	1500 ppm ≤ X < 5000 ppm
4	X ≥ 5000 ppm

▲ Regular carbon dioxide blood test

Hwang Chang attaches great importance to the safety and health of employees in the work environment. The CO2 concentration of the office environment is tested regularly every six months. Hwang Chang entrusted Data Test Scientific to use infrared or electrochemical carbon dioxide detectors to test the work areas. With the instrument, each place was determined to be a well-ventilated place. The instrument was placed for one minute to read the data.

4.2.3 Occupational injuries

Number of work-related injuries in 2023

Item	Company employees	Contractors
Disabling injury frequency rate (FR)	0.73	0
Disabling injury severity rate (SR)	36	0
Frequency-severity indicator (FSI)	0.16	0
Deaths due to occupational accidents	0	0

Note: Total working hours: Based on the daily working hours of eight hours, the total number of employees at the end of 2023, and the working days and annual holidays (including Labor Day) of the government calendar approved by the Executive Yuan in 2023, there were a total of 117 days, totaling 3,188,288 hours worked.

Occupational safety incidents and statistics (including contractors)

Item	2021	2022	2023
Occupational injuries	9	11	2
Deaths	0	1	0

4.2.4 Safety and health management of contractors

For a long time, we have considered contractors and business partners as indispensable partners, and actively established and maintained close partnerships with them. We not only value the work performance of these partners, but also regard their safety and health as our primary concern, and strictly implement the relevant management regulations.

To ensure the safety and health of the work environment, we have formulated strict safety and health policies and aim to implement these policies in every corner of every construction site. We not only emphasize these policies in documents, but also strive to convey these concepts to all employees, contractors, customers, suppliers, and the community. We require suppliers to actively fulfill their social responsibilities and work together toward the goal of sustainable development. During this process, the headquarters of Hwang Chang General acted as the chief supervisor of the implementation effectiveness of each construction site, regularly reviewing and reporting on the implementation of the safety and health improvement plan at each site. We pay special attention to the follow-up processing and preventive measures of accidents and violations, and continue to make improvements to reduce the occurrence of related hazards. Our ultimate goal is to build an optimal healthy workplace and create a safe and healthy work environment for all partners.

▲ Contracted Construction Personnel Safety and Health Management Guidelines

1. Before the start of a contracted construction project, the responsible person for contracting the project should hold a toolbox meeting with the person in charge of the project and the safety and health personnel of the contractor to discuss various possible hazards one by one and propose preventive measures for such hazards.
2. A meeting is held every day at the beginning of the construction work to brief construction personnel on the preventive measures one by one for the possible hazards caused by the operations performed on that day.
3. This year has been designated as the "Year of Enhanced Disaster Reduction for Construction Industry" by the Ministry of Labor. To this end, the Ministry of Labor has strengthened the management of alcohol testing. All construction sites are requested to strengthen alcohol testing and sampling, especially for workers working at height, to reduce the occurrence of disasters.



4.3 Talent development

4.3.1 Training and inheritance

Hwang Chang firmly believes in the people-oriented philosophy and that employees are the most important asset of the Company. In order to implement this concept, the Company actively integrates and uses various resources to promote talent development and offer education and training. We are committed to providing employees with an excellent learning environment and creating diverse development opportunities to enable each employee to realize their ambitions.

In the construction industry, education and training are critical to improving professional capabilities and ensuring project quality. We are deeply aware of this and organize various educational and training activities on a regular basis to cultivate outstanding talent in various fields. Through a step-by-step approach, we pass on skills and train outstanding professionals and make them an important driving force for the Company's development.

We value the growth and development of every employee. This not only reflects the Company's core values, but also an important strategy for us to continuously improve our competitiveness and achieve sustainable development. Through continuous education and training, we ensure that our employees can keep abreast of industry developments and master the latest technology and knowledge to stay invincible in the fierce market competition.

Average hours of employee training in 2023

Unit: hour

Job level	Male	Female	Total hours	Average hours
Managerial personnel	520.9	73.5	594.4	6.6
General staff	4,923	598.5	5,521.5	8.9
Total hours	5,443.9	672	6,115.9	8.6
Average hours	9.6	4.8		





Ecological
environment education
and training



Gender-equality
education and
training



VR education
and training





Number of training hours and number of participants in each category

Category/Year		2023
New hire training	Number of participants	73
	Participation hours	393
Professional training	Number of participants	1495
	Participation hours	5,722.9
Total hours		6,115.9

Employee training costs and hours

Training metrics	2023
Total amount on employee training (NTD)	932,445
Total number of employees trained	1,568
Average investment in training per employee (NTD)	594.7

4.3.2 Performance evaluation

Hwang Chang conducts an annual performance evaluation of all employees as per the "Employee Performance Evaluation Regulations". The main purpose of this evaluation was not to assess the strengths or weaknesses of employees, but to enable the team to give full play to their professional competencies and effectively achieve the Company's strategic goals through the relevant systems. Through such an evaluation mechanism, the Company aims to influence employees and motivate them to forge ahead.

In the evaluation process, we emphasize a diverse and multi-faceted evaluation mechanism so that employees and managers at all levels can fully understand their career goals and the Company's future development direction. We respect the creativity of each employee and provide a stage where they can unleash their potential, because we believe that each employee is a valuable asset to the Company and an indispensable member of the team.

If employees have any doubts about the performance evaluation results, they can file a grievance, and their immediate supervisor will reply. Such a mechanism enables employees to understand their deficiencies at work and set improvement targets and methods to help them improve their work ability and performance. Our performance evaluation is based on the principle of transparency and fairness, regardless of non-work performance factors, such as gender, age, or religion, to ensure that everyone has equal opportunities for promotion.

Item	Male			Female			Subtotal		
	Number of employees	Number of people inspected	Percentage	Number of employees	Number of people inspected	Percentage	Total number of employees	Number of people inspected	Percentage
Managerial personnel	75	76	11%	15	13	2%	90	89	13%
Non-managerial personnel	494	479	67%	126	126	18%	620	605	85%
Subtotal	569	555	78%	141	139	20%	710	694	98%

- Remarks:
1. The number of employees reviewed did not include the Chairperson, migrant workers, and new employees who have been on the job for less than three months.
 2. The number of employees was as of December 31. The number of employees reviewed included those who did not leave the Company before December 31.
 3. Those who participated in one or more performance evaluations were included in the number of people accepted for the evaluation.



05

Social charity practices

5.1 Industry-academia collaboration

5.2 Participation in social charity activities



5.1 Industry-academia collaboration

For many years, we have organized construction site visits and industry-academia collaborations with colleges and universities for students. We have experienced the brain drain in the construction industry in recent years, and many students are reluctant to enter the construction industry. To fulfill our corporate social responsibility and retain talent within the industry, we have established an "Off-Campus Practical Learning Project" for students. Combined with the school's academic structure and courses, we offer openings to college students to join the Company for internships and provide professional practical training for students.

Twelve colleges and universities have worked with us for internship projects. This move has been well received by the industry, and more companies are offering internship opportunities to colleges or universities.

We look forward to seeing more companies taking on social responsibilities together to retain talent within the industry.

Construction site visits



Sponsored colleges and universities' events



Education and training during the internship



Internship graduation ceremony in 2023



5.2 Participation in social charity activities

Sponsored Shihmen Experimental High School in New Taipei City to assist with its school development



Assisted with the maintenance of Taxi Yungchang Temple's ecological pool



Assisted with regular beach cleanups to pick up trash in algal-reef-sensitive ecological areas





Assisting in regular dredging of drainage ditches





Water spraying for
dust suppression near
the road





Road pavement maintenance





06

Appendix

- GRI Standards Disclosure Table
- Corresponding SASB Standards



Appendix-GRI Standards Disclosure table

Statement of Use	Hwang Chang General Contractor Co., Ltd. has reported the content of the period from January 1 to December 31, 2023 in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

GRI 2: General Disclosures 2021

Corresponding GRI and disclosure items	Related chapters	Page number	Description omitted
Organization and reporting practices			
2-1 Organizational details	1.1 Overview of the organization	25	
2-2 Entities included in the organization's sustainability reporting	About This Report	3	
2-3 Reporting period, frequency and contact point	About This Report	3	
2-4 Restatements of information	About This Report	3	
2-5 External assurance	None		
Activities and workers			
2-6 Activities, value chain and other business relationships	1.1 Overview of the organization	25	
2-7 Employees	4.1 Friendly workplace	70	
2-8 Workers who are not employees	4.1 Friendly workplace	70	
Governance			
2-9 Governance structure and composition	1.1.3 Autonomy of the Board of Directors	34	

Corresponding GRI and disclosure items	Related chapters	Page number	Description omitted
2-10 Nomination and selection of the highest governance body	1.1.3 Autonomy of the Board of Directors	34	
2-11 Chair of the highest governance body	1.1.3 Autonomy of the Board of Directors	34	
2-12 Role of the highest governance body in overseeing the management of impacts	1.1.3 Autonomy of the Board of Directors	34	
2-13 Delegation of responsibility for managing impacts	1.1.3 Autonomy of the Board of Directors	34	
2-14 Role of the highest governance body in sustainability reporting	1.1.3 Autonomy of the Board of Directors	34	
2-15 Conflicts of Interest	1.1.3 Autonomy of the Board of Directors	34	
2-16 Communication of critical concerns	1.1.3 Autonomy of the Board of Directors	34	
2-17 Collective knowledge of the highest governance body	1.1.3 Autonomy of the Board of Directors	34	
2-18 Evaluation of the performance of the highest governance body	1.1.3 Autonomy of the Board of Directors	34	
2-19 Remuneration policies	1.1.3 Autonomy of the Board of Directors	34	
2-20 Process to determine remuneration	1.1.3 Autonomy of the Board of Directors	34	
2-21 Annual total compensation ratio	4.1.4 Remuneration and benefits	75	



GRI 2: General Disclosures 2021

Corresponding GRI and disclosure items	Related chapters	Page number	Description omitted
Strategy, policies and practices			
2-22 Statement on sustainable development strategy	Message from Managers	4	
2-23 Policy commitments	1.2 Ethical management	38	
	4.1 Friendly workplace	70	
	4.2 Workplace safety	78	
2-24 Embedding policy commitments	1.2 Ethical management	38	
	4.1 Friendly workplace	70	
	4.2 Workplace safety	78	
2-25 Processes to remediate negative impacts	1.2 Ethical management	38	
	4.1 Friendly workplace	70	
2-26 Mechanisms for seeking advice and raising concerns	4.1 Friendly workplace	70	
2-27 Compliance with laws and regulations	3.2 Pollution prevention and control	64	
2-28 Membership associations	1.1 Overview of the organization	25	
Stakeholder engagement			
2-29 Approach to stakeholder engagement	Stakeholder identification and communication channels	15	
2-30 Collective bargaining agreements	None		

GRI 3: Material Topics 2021

Corresponding GRI and disclosure items	Related chapters	Page number	Description omitted
3-1 Process of determining material topics	Identification and analysis of material topics	17	
3-2 List of material topics	Identification and analysis of material topics	17	
3-3 Management of material topics	Material topic management approach	17	



Material issues GRI Corresponding topics

Self-defined material issues

Material issues	Corresponding GRI Standards and disclosures	Chapter title	Page number	Description omitted
Risk control	3-3 Management of material topics	Material topic management approach	20	
Quality management and green buildings	3-3 Management of material topics	Material topic management approach	20	

Material issue: Ethical corporate management

Material issues	Corresponding GRI Standards and disclosures	Chapter title	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic management approach	20	
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	1.2 Ethical management	38	
	205-2 Communication and training about anti-corruption policies and procedures	1.2 Ethical management	38	
	205-3 Confirmed incidents of corruption and actions taken			No corruption incident occurred in 2023.



Material issue: Energy management

Material issues	Corresponding GRI Standards and disclosures	Chapter title	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic management approach	20	
305 Emissions	305-1 Direct (Scope 1) GHG emissions	3.1 Energy resource management	60	
	305-2 Energy indirect/Scope 2 GHG emissions	3.1 Energy resource management	60	
	305-3 Other indirect/Scope 3 GHG emissions			Not covered by the voluntary inventory
	305-4 GHG emissions intensity	3.1 Energy resource management	60	
	305-5 Reduction of GHG emissions	3.1 Energy resource management	60	





Material issue: Occupational safety and health

Material issues	Corresponding GRI Standards and disclosures	Chapter title	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic management approach	20	
403 Occupational safety and health	403-1 Occupational health and safety management system	4.2 Workplace safety	78	
	403-2 Hazard identification, risk assessment, and incident investigation	4.2 Workplace safety	78	
	403-3 Occupational health services	4.2 Workplace safety	78	
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.2 Workplace safety	78	
	403-5 Worker training on occupational health and safety	4.2 Workplace safety	78	
	403-6 Promotion of worker health	4.2 Workplace safety	78	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2 Workplace safety	78	
	403-8 Workers covered by an occupational health and safety management system	4.2 Workplace safety	78	
	403-9 Work-related injuries	4.2 Workplace safety	78	
	403-10 Work-related ill health	4.2 Workplace safety	78	



Material issue: Talent cultivation

Material issues	Corresponding GRI Standards and disclosures	Chapter title	Page number	Description omitted
GRI 3: Material Topics 2021	3-3 Management of material topics	Material topic management approach	20	
404 Training and education	404-1 Average hours of training per year per employee	4.3 Talent development	87	
	404-2 Programs for upgrading employee skills and transition assistance programs	4.3 Talent development	87	
	404-3 Percentage of employees receiving regular performance and career development reviews	4.3 Talent development	87	





Appendix - SASB Standards

Code	Metrics	Responsible department
Disclosure topic: Environmental impacts of project development		
IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	None
IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	The Company's construction projects are in accordance with laws and regulations, and we have established relevant environmental regulations for the surrounding environment of construction sites. We also audit the on-site environment from time to time to ensure that there is no concern about environmental pollution and that everything is in compliance with the legal requirements.
Disclosure topic: Structural integrity and safety		
IF-EN-250a.1	Amount of defect- and safety-related rework costs	None
IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents	None
Disclosure topic: Workforce health and safety		
IF-EN-320a.1	1. Total recordable incident rate (TRIR) and fatality rate for direct employees 2. Total recordable incident rate (TRIR) and fatality rate for contract employees	4.2.3 Occupational injuries
Disclosure topic: Lifecycle impacts of buildings and infrastructure		
IF-EN-410a.1	1. Number of commissioned projects certified to a third-party multi-attribute sustainability standard 2. Number of active projects seeking such certification	2.3 Hwang Chang green buildings
IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	

Code	Metrics	Corresponding Chapter/Description
Disclosure topic: Climate impact		
IF-EN-410b.1	Costs of backlog for hydrocarbon-related and renewable energy projects	The Company has no related construction business.
IF-EN-410b.2	Costs of backlog cancellations associated with hydrocarbon-related projects	The Company has no related construction business.
IF-EN-410b.3	Costs of backlog for non-energy projects associated with climate change mitigation	The Company has no related construction business.
Disclosure topic: Business ethics		
IF-EN-510a.1	Number of active projects and backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	The Company has no foreign construction projects.
IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption and anticompetitive practices	None
IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery and corruption, and (2) anticompetitive behavior in the project bidding processes	1.2 Ethical management
Disclosure topic: Activity metrics		
IF-EN-000.A	Number of construction projects in progress	12
IF-EN-000.B	Number of construction projects completed	2
IF-EN-000.C	Costs of construction projects in progress	NT\$81,128,929,490