

2021

ESG INSIGHT



Delphi

ENVIRONMENTAL

Delpha construction is a brand construction company with its beginnings in Taipei City and continues its commitment to propagate the essence of quality Taipei architecture to all cities across Taiwan, while actively responding to the international environmental protection trends and social needs; and strives to use environmentally friendly building materials and obtain green building certification into upcoming projects. Sustainable management is Delpha Construction's primary goal. As of September 2022, Delpha Construction's ESG Report has been externally verified in accordance with Accounting Research and Development Foundation guidelines. Please refer to the ESG Report for information.

Delpha Construction has actively participated in the TCFD initiative, and officially signed as a TCFD supporter in March 2022, demonstrating to investors and clients that they can ensure their resilience in response to relevant risks.



Company	Sector	Industry	Location	Region	Date
Delpha Construction Co	Real Estate	Real Estate Management & Development	Taiwan	Asia Pacific	March 2022

Key Environmental Metrics and Targets

Delpha Construction's 2021 new construction projects are externally contracted; therefore, the scope of environmental metrics is for Delpha Construction and does not include statistics for construction sites, but will endeavour to expand the scope in the future.

GHG Emissions

Short-term: 2022 GHG intensity to be below 30kg/m².

Mid-Long-term: 2030 GHG intensity to decrease by 5% compared to 2020.

Due to increase in scope of reporting, new goals are being formulated and will be disclosed in the coming year.

	2019	2020	2021
Scope 1 CO₂ Emissions kg ^(Note 1)			
Direct Emissions	812	779	926
Scope 2 CO₂ Emissions kg ^{(Note 2) (Note 3)}			
Delpha Construction Taipei Office	36,383	40,100	44,859
Delpha Construction Taichung Office	-	-	4,034 ^(Note 4)
Own Assets	122	120	120
Total Emissions	36,505	40,220	49,013
GHG Intensity kg/m² ^(Note 5)			
Scope 1	0.69	0.66	0.70
Scope 2	30.86	34.00	36.81
Total Area m ²	1,182.84	1,182.84	1,331.50

Note 1: Scope 1 consists of GHG Emissions for Delpha Construction Taipei Office and Own Asset's refrigerators, air-conditioning, split-type air-conditioning units and company vehicle usage.

Note 2: Scope 2 consists of GHG Emissions for Delpha Construction Taipei Office, Delpha Construction Taichung Office and Own Asset's indirect GHG emissions.

Note 3: According to data provided by the Bureau of Energy, Ministry of Economic Affairs.

2019 Electricity carbon emission factor = 0.509kg CO₂/kWh.

2020 Electricity carbon emission factor = 0.502kg CO₂/kWh.

2021 Electricity carbon emission factor = 0.502kg CO₂/kWh.

Note 4: Calculated from April to December 2021.

Note 5: Total Area used in 2019 and 2020 includes Delpha Construction Taipei Office, and Own Assets. For 2021, Total Area used includes Delpha Construction Taipei Office, Delpha Construction Taichung Office and Own Assets.

■ Energy Management

Goal: Annual power consumption to be below 290GJ.

Due to increase in scope of reporting, new goals are being formulated and will be disclosed in the coming year.

	2019	2020	2021
Power Consumption GJ (Note 1)			
Delpha Construction Taipei Office	257.33	287.57	321.70
Delpha Construction Taichung Office	-	-	28.93 (Apr-Dec)
Own Assets	0.86	0.86	0.86
Total Consumption	254.19	288.43	351.49
Power Intensity GJ/m²			
Delpha Construction Taipei Office (Note 2)	0.31	0.35	0.39
Delpha Construction Taichung Office (Note 3)	-	-	0.195 (Apr-Dec)
Own Assets (Note 4)	0.002	0.002	0.002

Note 1: 1 kWh=3600000J = 0.0036 GJ.

Note 3: Delpha Construction Taichung Office Area = 148.66m².

Note 2: Delpha Construction Taipei Office Area = 817.82 m².

Note 4: Own Assets Area = 365.02 m².

■ Water Management

Taipei Office Goals: Annual water intensity is below 0.9m³/m².

Due to increase in scope of reporting, new Company-wide goals are being formulated and will be disclosed in the coming year.

Delpha Construction water usage is mainly from the day-to-day usage of the office buildings, using the water bill as a basis for statistics.

	2020	2021
Water Consumption m³ (Note 1)		
Delpha Construction Taipei Office	715	511
Delpha Construction Taichung Office	-	34.45 (Apr-Dec)
Own Assets	19	19
Total Consumption	734.00	564.45
Water Intensity m³/m²		
Delpha Construction Taipei Office (Note 2)	0.87	0.62
Delpha Construction Taichung Office (Note 3)	0	0.23 (Apr-Dec)
Own Assets (Note 4)	0.05	0.05

Note 1: Dimension is 1 m³ as on water bills.

Note 3: Delpha Construction Taichung Office Area = 148.66m².

Note 2: Delpha Construction Taipei Office Area = 817.82 m².

Note 4: Own Assets Area = 365.02 m².

Waste management

2021 Construction Waste

The total construction waste in 2021 is 997.22 m³, which is the sum of the following completed construction projects:

- ① The Urban Green: 568.62 m³
- ② Central One: 428.60 m³

Office

Delpha Construction has set up a resource recycling area in the office, which divides waste into three categories: resource waste, general waste and kitchen waste; and continues to promote colleagues to implement waste classification. In addition to supervising colleagues to reduce and classify garbage, we also hire cleaning personnel to assist in garbage cleaning and supervise cleaning personnel to comply with relevant regulations in subsequent garbage disposal.

Green Buildings

The green building label is issued by a professional organization designated by the Ministry of the Interior to evaluate the evaluation system of nine major indicators of green building .

- Greenery
- Base water retention
- Water resources
- Daily energy saving
- Carbon dioxide reduction
- Waste reduction
- Sewage and waste improvement
- Biodiversity
- Indoor Environment

Status of Green Building Indicators

Area	Project	Green Building Certification Index	Status
Taipei City	The Urban Green	Silver	Achieved
Taipei City	Taiyuan Road Urban Renewal Project	Silver	To apply
Taipei City	Huaisheng Section Urban Renewal Project	Qualified	To apply
Taichung City	Centre for the Future	Silver	To apply

Climate Change

Delpha Construction referred to TCFD disclosure recommendations as well as industry-specific characteristics, market trends, laws, and policies to identify short, medium, long-term climate change related risks.

Relevant departments are invited to assess the potential impacts that may be caused when climate-related transition risks and physical risks occur and formulate corresponding action plans based on the assessment results of the risk analysis, so as to improve the ability to adapt and mitigate the impact of climate change.

Transition Risks

Type	Risk Item	Description	Response/Opportunities
Policy and Regulatory Risk	Increased cost of GHG emissions	2050 Net Zero Emissions, stipulated in EPA law, will likely increase operating costs from payments for excess GHG emissions to carbon reduction capital investment.	<ol style="list-style-type: none"> 1 Actively develop low-carbon operation methods, such as paperless office and smart energy-saving equipment. 2 Actively improve energy efficiency, optimize resource management processes, and improve energy stability. 3 Green building equipment and actively acquire green building certification.
	Sustainability-related needs and increase in regulations	Additional expenses to build renewable energy installations and obtain renewable energy certificates.	<ol style="list-style-type: none"> 1 Purchase renewable energy certificates to support the development of renewable energy 2 Actively participate in renewable energy projects and promote cooperation with the government and other business partners.
	Increased construction costs (EV parking)	"Building Design and Construction Act" provides for full electrification of new motorbikes and vehicles by 2035 and 2040 respective. EV parking, charging pillars and related supporting facilities will be a necessity and leads to increased construction costs.	<ol style="list-style-type: none"> 1 EVs will become the future trend, and if EV is supported in the standard offering of construction projects, it will be advantageous for sales. 2 "Taipei City Urban Renewal Unit Planning and Design Award Volume Evaluation Criteria", awards 1% floor area ratio when electric charging pillars reaches 2% of the legal parking space.
Technical Risks	Costs of low-carbon transition	Expenses are required to reduce carbon emissions of operations and low-carbon products or services.	Actively look for low carbon incentives and balance costs with awarded floor area ratio.
Market Risks	Increased raw material costs	<ol style="list-style-type: none"> 1 Increased raw material costs flows through suppliers onto Delpha Construction 2 The price increase of products may impact revenue. 3 The adoption of relevant environmental regulations has led to a sharp rise in the prices of raw materials required for construction industries, and materials such as sand, cement, coal, and timber; resulting in contractors being reluctant or have no free capacity to work. 	<ol style="list-style-type: none"> 1 Actively assist and promote to suppliers regarding climate adaptation and energy transition to deepen mutual cooperation. 2 Identify suppliers that advocate for environmental protection and pay attention to climate risks, and urge them to improve their relevant response capabilities and promote the formation of a sustainable value chain.

Type	Risk Item	Description	Response/Opportunities
Market Risks	Changes in customer preferences	Consumers' emphasis on sustainability will affect their choice of projects. Pursuing the green building label or using building materials that meet low energy consumption and low carbon emissions will greatly increase construction costs. In addition, before the popularization and mass adoption of sustainable materials, if the supply is unstable, it will affect the construction period and the subsequent completion period and delivery; resulting in additional labor costs and even fines for breach of contract.	Green buildings with energy saving and carbon reduction are the future trend. In addition to awarding floor area ratio, the adoption of development methods such as universal design, green roofs, and environmentally friendly building materials will become the foundation of natural buildings. It can build a loyal customer base and establish a corporate brand image.
Reputation Risks	Increased negative feedback from stakeholders	Failure to successfully implement climate change mitigation actions may generate negative feedback from the government, investors, and customers. Delpha Construction will lose its sustainable status in the current market environment, resulting in damage to goodwill and potential financial losses.	Through promotions, education and training, the management team of Delpha Construction and employees will pay more attention to issues related to climate change, and actively respond to and communicate with the external parties, to enhance the corporate image of Delpha Construction and increase media exposure.

Physical Risks

Type	Risk Item	Description	Response/Opportunities
Short-term Risks	Increase in extreme weather events	<p>When the number of rainstorms and the severe typhoons increase, it may cause:</p> <ul style="list-style-type: none"> ① The office buildings, sales centers and construction sites of Delpha Construction may be flooded, which may lead to asset loss, affect construction progress, and incur construction costs; which may even incur construction safety risks in serious cases. ② Strong typhoons may interrupt power, cause power outages in local areas, lead to interruption of operations or services, and interruptions of engineering operations. 	Risk assessment is carried out for sales and construction sites located in areas with high risk of flooding or vulnerable to typhoons, and the possible impact of disasters is reduced through prudent construction planning, disaster response design among other strategies.






Type	Risk Item	Description	Response/Opportunities
Long-term Risks	Rise of average temperature	<p>Due to global climate change, the increase in the length of the dry season and the increase in the duration of extreme high temperatures in East Asia will have the following impacts on Delpha Construction:</p> <ul style="list-style-type: none"> ① In order to maintain the indoor temperature of the office or public works, additional energy costs may incur. ② There is no air-conditioning system on the construction site. When workers work in the humid basements, they may feel uncomfortable due to the high temperature and humidity, which increases the risk of construction. ③ When selecting plant life for construction projects, it is necessary to maintain good condition before handing over the house. When handing over the house to the community building management committee, it is also necessary to ensure the simplicity of plants and relevant maintenance. Plants that are resistant to high temperatures and are adaptable need to be considered, which may incur maintenance cost and design difficulty. 	<ul style="list-style-type: none"> ① Actively formulate energy-saving plans or evaluate the purchase of energy-saving equipment, gradually reduce unnecessary energy consumption during operation and improve energy efficiency. ② Establish a construction site labor care mechanism as follows: <ul style="list-style-type: none"> (1) Provide comfortable and breathable clothing to reduce heat strokes. (2) Provide drinks according to the temperature, to assist in hydration and temperature. (3) Installation of fans in the basement to improve air flow and avoid physical discomfort caused by insufficient oxygen due to prolonged stay.
	Rising sea levels	<p>Emission of greenhouse gases will lead to the rise of sea level. If the groundwater rises due to the inflow of sea water, it will be difficult to carry out the underground excavation and bracing of the projects. The ingress of water in the underground layer will also lead to concerns regarding structural strength and construction safety.</p>	<p>Although Taiwan is located in a monsoon climate region, there is rain all year round, but when the extreme weather causes no typhoon to bring rainfall to reservoirs, the central and southern regions will face serious water shortages. When there is no water available during the dry season, the groundwater extracted can be used as industrial water or secondary water when the underground layer is excavated, which can not only make full use of water resources, but also enhance the corporate image.</p>

Human Rights and Workforce








With recent international developments to fulfill corporate social responsibility and protect the basic human rights issues of all employees, customers and stakeholders; Delpha Construction will follow the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the United Nations Global Covenant, comply with the universal values uncovered by the International Labor Organization (ILO) and other international human rights conventions.

Delpha Construction did not experience discrimination or other related incidents in 2021.

We prohibit:

-  Regulatory violations
-  Child labor and all forms of forced labor
-  Bribery and Corruption
-  Illegal political donations
-  Facilitation payments

We support:

-  Freedom of association
-  Labor-Management Communication/Negotiation
-  Gender equality and diversity
-  Reasonable working hours
-  Non-discriminatory employment
-  Occupational Health and Safety principles
-  Care for disadvantaged groups

Human Capital

Delpha Construction's Employee Composition: Gender / Age (2021)

Type	Male		Female	
	Management	Non-management	Management	Non-management
Age < 30	0	1	0	2
Age 30-50	1	4	1	10
Age > 50	5	6	3	3
Total	6	11	4	15
M:F Ratio	89%		100%	

Delpha Construction attaches great importance to female employees and has been committed to promoting female supervisors and senior managers for a long time. In 2021, two female supervisors were promoted. Currently, the number of female supervisors (roles above department managers) accounts for 40% of the total number of senior management. Continuing our commitment of gender equality, Delpha Construction will guide the board selection processes to increase female representation, to balance the proportion of male and female directors, and leverage the diverse perspectives genders to enable comprehensive business decisions.

■ Human Capital

Based on the number of 36 employees of Delpha Construction in 2021, the turnover rate is 22%, all transferred to the subsidiaries of Delpha Construction.

Gender	New Employees		Exited Employees	
	Male	Female	Male	Female
Count	10	3	8	0
Age				
20-29	4	0	4	0
30-39	5	2	4	0
40-49	1	1	0	0
50-59	0	0	0	0
60+	0	0	0	0
Total	13		8	
New/Exited Ratio ●	36%		22%	

- Ratio calculated with 36 total employees as of 2021/12/31

■ Employee Remuneration

Delpha Construction did not experience discrimination or other related incidents in 2021.

Year	Total Employee Salary	Employees	Employee Salary Average	Employee Salary Median	Industry Competitor Median	Delpha Employee Salary Median Compared to Industry Median
Unit	NTD Thousand	Person	NTD Thousand / Person			
2020	21,520	22	978	867	846	+21
2021	27,542	26	1,059	989	888	+101

Gender pay distribution for Delpha Construction (excluding general manager)

Gender	2020		2021	
	Male	Female	Male	Female
Ratio	1.30	1	1.63	1
Percentage of total salary	53%	47%	58%	42%

■ Employee Welfare

No labor-management problems have occurred in Delpha Construction.

A total of 4 labor-management meetings were held in 2021. The labor-management relationship is harmonious and stable, and there were no labor-management disputes in 2021.

	2018	2019	2020	2021
Number of Meetings	4	4	4	4
Number of Motions	11	9	9	11



Employee Welfare Committee

The Employee Welfare Committee has a total of 7 members, 1 of which appointed by the Company, and the other 6 members are elected by various departments, and the director general relevant staff are selected from the employees to assist the operation of various activities. The Employee Welfare Committee held 4 meetings in 2021 and total amount of related benefits provided to colleagues is NT\$591,358.



Retirement System and Implementation

In conforming to relevant government regulations, Delpha Construction implement the new labor retirement system on July 1, 2005, with a focus on "individual labor pension accounts", supplemented by "annuity insurance"; 6% of monthly wages are allocated towards labor retirement pensions, and deposited in individual labor pension account established by the Bureau of Labor Insurance. Employees have ownership of the account, and also can voluntarily contribute an additional 6% of their monthly wage to their pension.



Minimum Notice Period for Operational Changes

Regarding the shortest notice period for work changes, Delpha Construction, in accordance with the Labor Standards Act, shall notify the worker in advance of the date of termination of the labor contract according to the worker's years of employment when terminating the labor contract. Those who continue to work for more than three months and less than one year shall be given 10 days' notice; those who have continued to work for more than one year, but less than three years shall be announced given 20 days' notice; and those who have continued to work for more than three years shall be given more than 30 days' notice.

■ Occupational Health and Safety

Goals:

- ① Legal Compliance: Compliance with occupational health and safety laws and regulations.
- ② Complete Employee Participation: Established health and safety code to enable all employees to participate in accordance to prevent occupational disasters.
- ③ Safety Improvements: Prevent accidents, eliminate possible hazards, and ensure health and safety.
- ④ Zero Accidents: Continuously improve the effectiveness of the occupational health and safety management system to achieve the vision of zero occupational accidents.

Delpha Construction has no occupational injuries or occupational diseases in 2021.

Delpha Construction creates a workplace with an active occupational safety culture, with attention to detail and quality. Labor health and safety matters are overseen by division managers supervising each company department. Work safety and hygiene standards are in place to ensure workplace, machinery and equipment safety.

OHS Education and Training

Delpha Construction handles the necessary health and safety educational training, on-the-job educational training in accordance with relevant rules, for the following employees:

- Occupational health and safety supervisors
- Occupational health and safety management personnel
- Work environment monitoring personnel
- Construction safety assessors
- Process safety assessors
- High-pressure gas operation supervisors
- Construction operations supervisors
- Hazardous operations supervisors
- Operators of dangerous machinery or equipment
- Special operations personnel
- Nursing staff of labor health service
- Emergency personnel

■ Training and Education

In 2021, there was 185.5 hours of education and training. The overall average training hours per person is 15.46 hours. The total training cost is \$55,550. Training includes but not limited to facets such as ESG trends and sustainability, occupational health and safety, information protection and audit control, insider training and ethics.

Item	Male		Female	
	Management	Non-management	Management	Non-management
Person(s)	1	2	3	6
Training Hours	12	22.8	48.5	78.3
Average Training Hours	2.04		7.93	

■ Regular Employee Training on Product Service Safety

In order to improve the quality of the project and to build the consensus of colleagues and partners for legal compliance, Delpha Construction holds internal education and training courses such as SOP review and case study sessions, sales seminars and construction law related studies, etc. The information is summarized as follows:

1. Engineering SOP Review and Case Study

The engineering staff in charge of the case site will regularly review and share with all colleagues in the region on seven major topics, including "Site Survey", "Groundwork Review", "Excavation and Support", "First Floor Slab Elevation", "Model House", "Tile", "Scaffolding", and "Application for Use License".

2. Sales Training for Pre-sale Projects

Before the public sale of each project launched by our company, the basic information of the sales case, the construction team, design team, building materials and equipment, etc. will be taught by specialized personnel or professional manufacturers, so that the frontline sales partners can have a deeper understanding of our company's products to help customers choose the products that best meet their needs during sales process.

3. Construction Law Related Studies

A series of training courses are designed by practicing architects for colleagues and partners to continue their education. In 2021, the course "Land Development Concepts and Practical Analysis" will cover several topics, including urban planning and land control, capacity transfer and commutation system, introduction to road-related systems, and the basic logic and concept of land development. In addition, the course "Urban Renewal Law Seminar" will focus on urban renewal laws and regulations, urban renewal implementation rules, urban renewal rights conversion implementation rules, rights conversion implementation rules, urban renewal capacity incentive rules, and other related urban renewal laws and regulations.

	Total Hours	Total Number	
		Company Staff	Partner
Engineering SOP Review and Case Study	105	4	27
Sales Training for Pre-sale Projects	45	3	41
Construction Law Related Studies	6	17	14
Total	156	24	82

Note 1: The SOP Review and Case Study is for the 5 construction sites that will be started in 2021, namely, "Metro Building", "Delpha Jing", "The Rising City", "Qing Xi Section B", "Xinzhan Section". Each session lasts for 3 hours, and each site will have 7 major topics to share.

Note 2: The Sales Training for Pre-sale Projects is calculated for the three projects that are started to be sold in 2021, namely "Metro Building", "Delpha Jing", "The Rising City".

Supply Chain Management

Delpha Construction regards supplier management as its top priority. The construction industry requires a high degree of professional division of labor and integration. To develop long-term and high-quality cooperative relations with suppliers, Delpha Construction establishes a clearly defined and rigorous supplier selection process. In addition to the verification of architectural design, construction, and project quality, it also emphasizes the suitability and stability of suppliers through environmental, social, and governance-oriented risk assessment and audit procedures.

We require our vendors or contractors to abide by local laws, Delpha Construction's Sustainable Development Code of Conduct and internationally recognized labor rights.



freedom of association,



caring for disadvantaged groups



collective bargaining agreements



no employment discrimination (such as equality based on gender, race, socioeconomic class, age, marital and family status)



prohibiting child labor and all forms of forced labor



prohibit bribery, commissions, agency fees, post-gratuities, rebates, gifts and other improper interests or activities.



no illegal foreign migrant workers

Supplier Selection

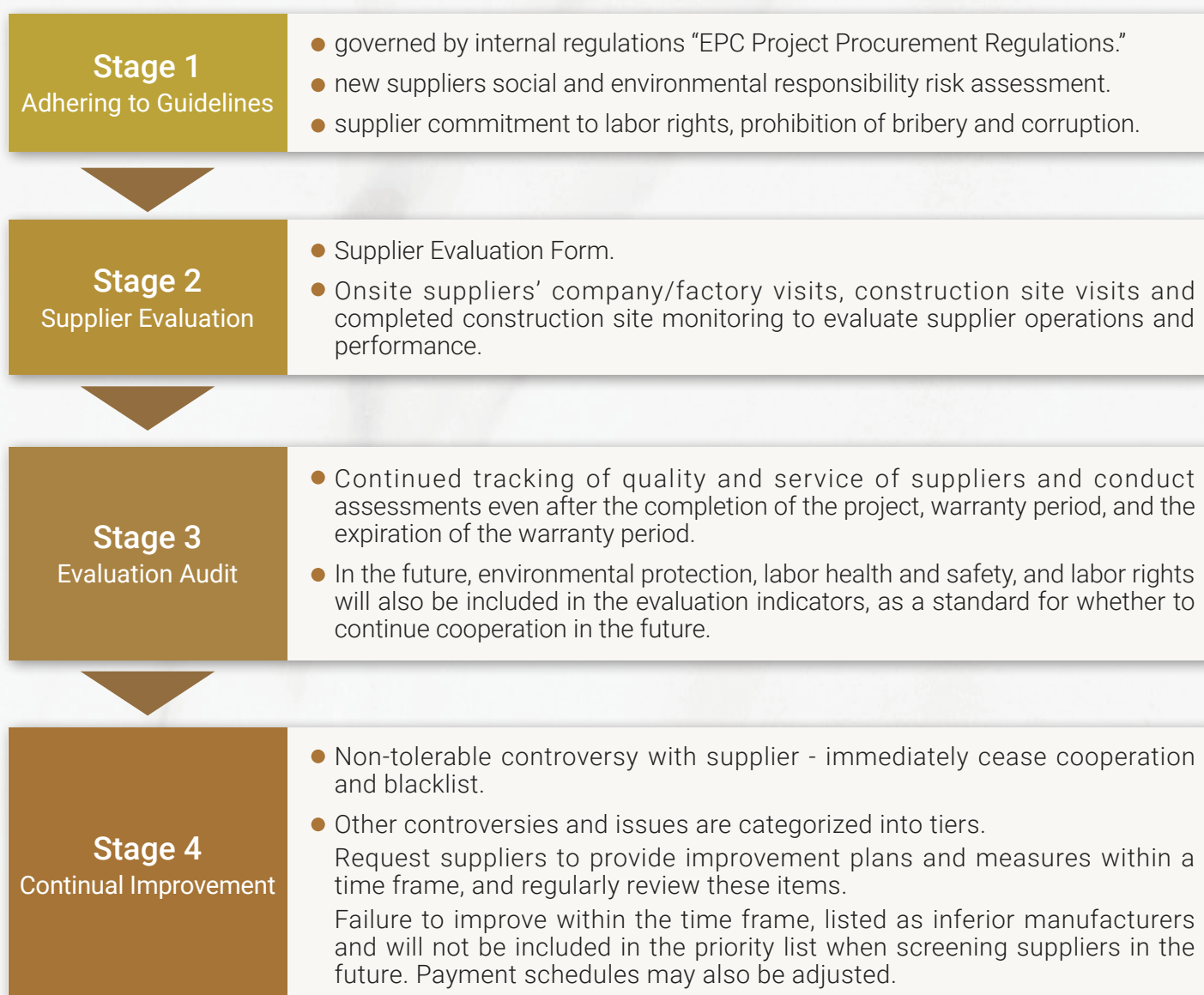
In order to optimize the quality of suppliers and strengthen the management process, Delpha Construction has revised the internal control system in 2021, conducted a comprehensive review and adjustment of the supplier management and evaluation system. In 2022, with 2 construction projects in Taipei City completed and handed over, the results of the supplier evaluation according to the revised internal control system are as below:

2022 Summary of Supplier Evaluation Results

Project	Supplier quantity	Quantity of evaluations performed	Quantity of supplier by rating result			
			Level A	Level B	Level C	Unqualified level
The Urban Green	24	5	5	0	0	0
Central One	26	5	3	2	0	0

Note 1: The evaluation parameters include "material/construction quality", "delivery/completion schedule", "price advantage", "professional competence", "cooperation" and "ESG-related ISO certification".

Note 2: The threshold for the evaluation is that the contract amount exceeds NTD 2 million, in excluding the landlord and the Transfer Development Rights supplier.



Suppliers and environmental management

Delpha Construction will sign contracts with construction vendors and contractors before commencement. Contracts binds parties relevant to construction to pay attention to environmental protection relating to exhaust, noise, sewage, and waste. To effectively recycle and prevent and reduce the impact on the surrounding environment, Delpha Construction will also actively require construction vendors and contractors to strictly abide by environmental regulations and cooperate with relevant pollution prevention and control measures.

Recycling and Classification of Resources by construction Vendors



General Waste



Resource Recovery



Construction Waste

Construction waste reduction measures

- ① Building Foundation – best cut and fill balance design
- ② Construction Automation
- ③ Use recycled building materials
- ④ Adopt various pollution control measures

Suppliers with Green Certification

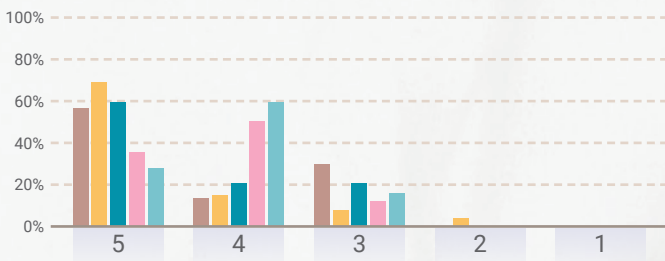
Delpha Construction will create "buildings that consume the least earth's energy and resources, produce the least waste, and have ecological, energy-saving, healthy characteristics and waste reduction" according to the domestic climate conditions. Delpha Construction continues to seek suppliers with green certification to achieve the goal of green construction. Current suppliers with green certifications:

Green Certification	Lia Kao Construction	Taiwan Green Architectural Design Consultants
United States LEED Green Building Association Green Building Professional GA	2	1
Association of Sick Building Syndrome – Level 2 Technician	2	
Taiwan Environmental Protection Agency - Air Quality Specialist	4	
Taiwan Environmental Protection Agency - Class 2 Specialist of Indoor Air Quality	2	
Low Carbon Building Alliance – Member of construction carbon footprint assessment expert LCBA-AP		1

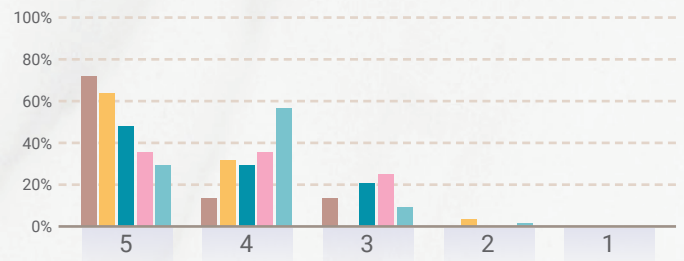
Occupier Satisfaction Survey

Delpha Construction attaches great importance to the opinions of customers, and the improvement of customers' rights and interests as a key goal. This year, the satisfaction survey focuses on two construction projects "The urban green" and "Central One" that will be completed and handed over in 2022; as well as three currently in the pre-sale stage, "Delpha Metro Building", "Delpha Jing" and "The Rising City". The results of the survey are as follows:

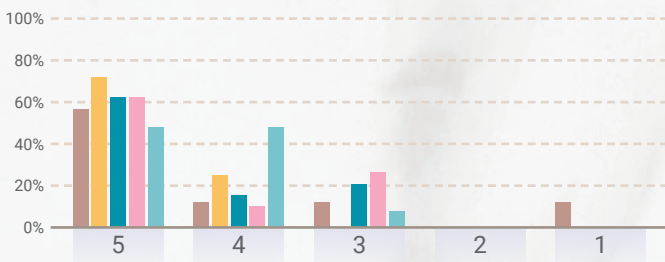
Satisfaction with the architectural planning (structural, shared spaces, materials)



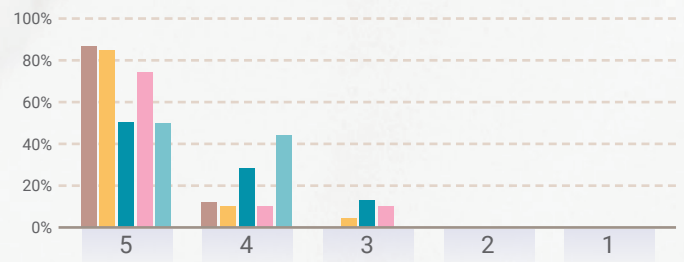
Satisfaction with the seismic design



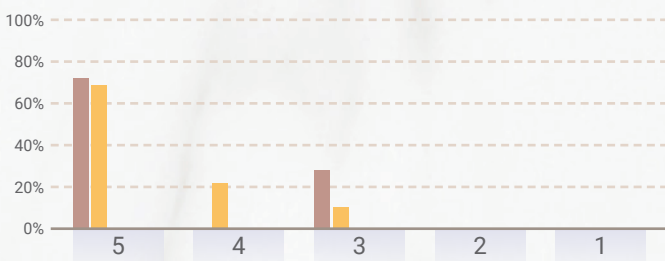
Satisfaction with the visual design (interior, exterior, landscape)



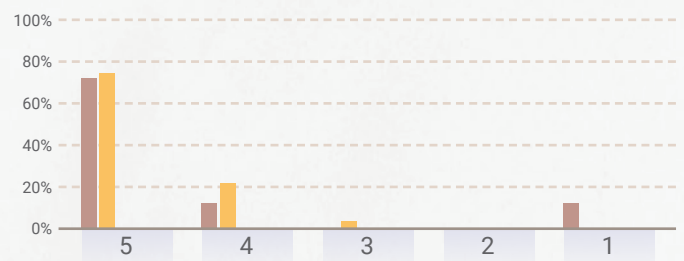
Satisfaction with the construction schedule



Satisfaction with the after-sales and warranty services (including service quality, efficiency)

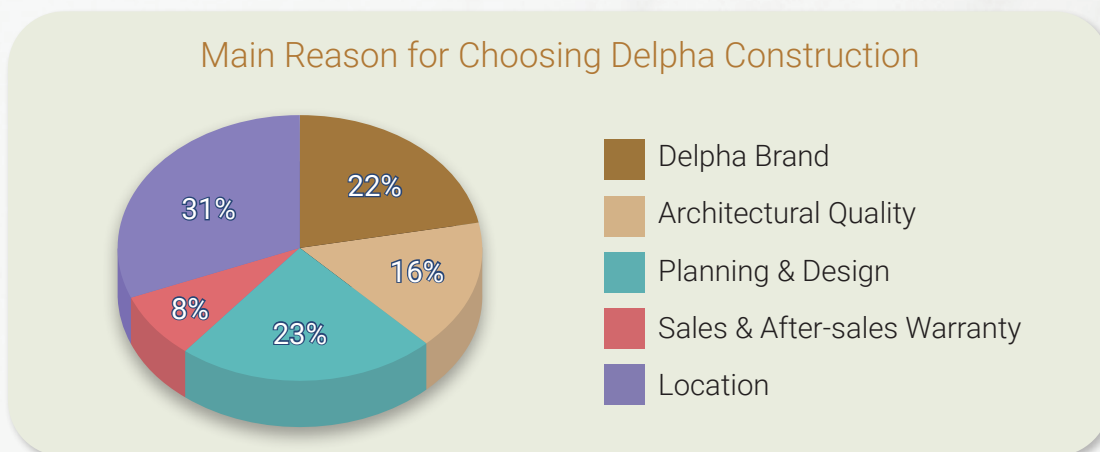


Satisfaction with the delivery speed



Central One The Urban Green Delpha Metro Building Delpha Jing The Rising City

Note: "Delpha Metro Building", "Delpha Jing" and "The Rising City" post-purchase sentiments will be collected after handing over.



Short-term goals

When "Delpha Metro Building", "Delpha Jing" and "The Rising City" are completed and handed over, a survey is conducted upon delivery for the customer's sentiments and feedback after purchase.

Medium-term Goals

The survey will encompass all projects in the future, and a designated unit will collect customer satisfaction surveys at a specific stage along with the development process of the construction project, and continuously track the opinions of customers for internal review and improvement.

Policy Commitment to Ensure Product Service Safety

1. Housing Service Manuals

The "Service Manual" and "Housing User Manual" are provided to customers at the time of delivery, which include information on maintenance of residential building materials and equipment, building warranty, repair fees, and after-sales service items. We also leave the after-sales contact of each supplier, so that customers can get comprehensive consultation services immediately.

2. After-sales Sustainable Service

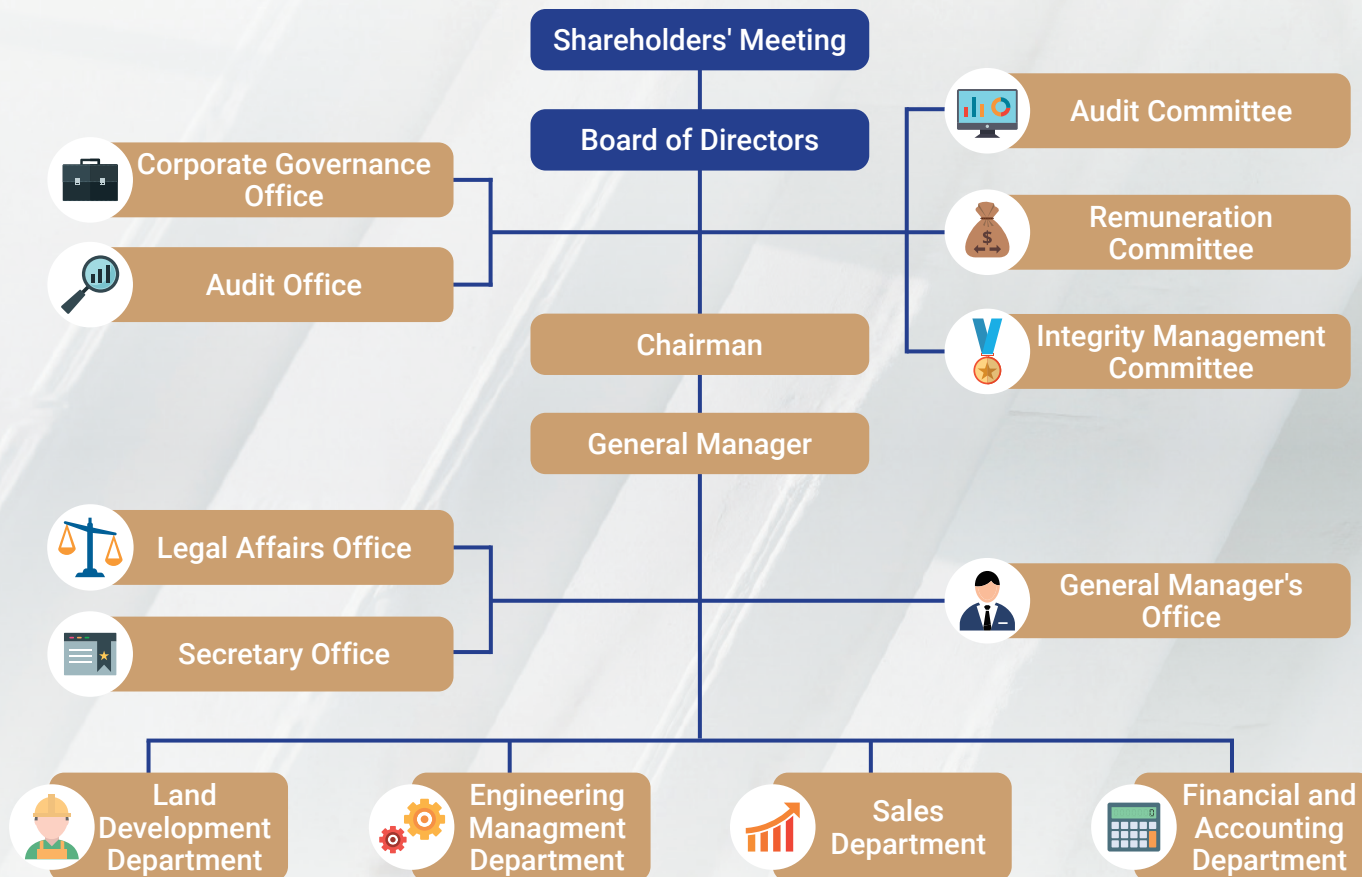
Delpha Construction's "After-Sales Sustainable Service" is a dedicated customer service unit, and the Engineering Management Department performs on-site inspection services. When we receive a housing-related problem from a tenant, we will take the initiative to contact the tenant within 3 days and work with the customer to conduct a site survey and assist in subsequent repairs. We not only assist in the maintenance of hardware facilities, but also convey the correct concept of building maintenance to our residents, so that we can work together to maintain a good house for life.

2021 New Project Warranty and Acoustic Equipment Information

Project	Structure (Year)	Water-resistant (Year)	Building materials (Year)	Acoustic insulation equipment
Metro Building	15	1	1	✗
Delpha Jing	15	3	1	✗
The Rising City	15	3	1	✓
Centre for the Future	15	3	1	✓
Future Project Objectives	15	3	1	✓

GOVERNANCE

Organizational Chart



Board of Directors

In 2021 the Board convened 13 times, with an average participation of 93.75%.

Title	Name	Gender	Age	2021 Attendance
Chairman	Cheng, Ssu-Tsung	M	<50	100%
Director	Lee, Chin-Yi	M	60+	100%
Director	Yan, Ming-Hung	M	<50	100%
Director	Tseng, Ping-Joung ¹	M	60+	100%
Independent Director	Wang, Mu-Fan	M	<50	92%
Independent Director	Yeh, Chien-Wei	M	<50	100%
Independent Director	Chen, Ruei-Li ²	M	<50	100%

43%
Independent Board Representation

Note 1: Representative for Dajie Investment Co., Ltd.

Note 2: Huang, Chih-Chen resigned due to busy business since March 26th, 2021. Chen, Ruei-Li is newly acceded on August 5th, 2021.

Functional Committees

The **Audit Committee** convened 9 times in 2021 and has average attendance of 100%.

The **Remuneration Committee** convened 5 times in 2021 and has average attendance of 100%.

The **Integrity Committee** was established in May 2022, and convened once in 2022 with an average attendance of 100%.

The current term members of functional committees are:

Name	Title	Audit Committee	Remuneration Committee	Integrity Management Committee
Wang, Mu-Fan	Independent Director	Convener	Convener	Member
Yeh, Chien-Wei	Independent Director	Member	Member	Convener
Chen, Ruei-Li	Independent Director	Member	Member	Member

Corporate Governance Office

The Corporate Governance Office was established on March 30, 2021. Core responsibilities include coordinating corporate governance affairs and is the dedicated corporate social responsibility unit.

Through meetings, the communication mechanism between various departments is strengthened, internal and external resources are mobilized as appropriate, and project planning and management are carried out when necessary; to achieve the principle of sustainable development of the enterprise, fully demonstrate the company's commitment to social responsibility.

Grasping the overall social responsibility development trends at home and abroad paramount to Delpha Construction's efforts, and also provides opportunities for colleagues to participate in internal and external education, training and seminars, to continuously improve Delpha Construction's sustainability management concepts.

The corporate governance office reports to the board of directors on sustainability issues from time to time, and reviews the effectiveness of operations, and hope to achieve the goal of co-prosperity with all stakeholders, the environment, and society.

Ethics and Integrity Management

Board of Directors and management strive to internalize "Corporate Integrity" as a corporate culture, and are expected to implement the concept of corporate integrity management, abide by laws and regulations, and ethical standards. the Corporate Governance Office serve as the integrity management promotion team which is responsible for promoting the operation of corporate integrity management.

Delpha Construction's "Integrity Management Principles", "Integrity Management Committee Procedures", "Integrity Management Operating Procedure and Guideline" requires directors, managers and all colleagues to act in compliance with ethical standards, and no fraudulent intentions or deceptive behaviors are allowed; it is strictly forbidden to use Company property, non-public information or use positions held to obtain improper benefits for themselves (or relatives); to ensure that employees are free from fraud, misconduct, leaks or misrepresentations, and require employees not to accept entertainment and financial gifts by manufacturers.

Delpha Construction publishes a Statement of Integrity (Anti-Corruption) management policy every year and sends an "Integrity management policy statement" to suppliers with the audit office as the implementation unit.

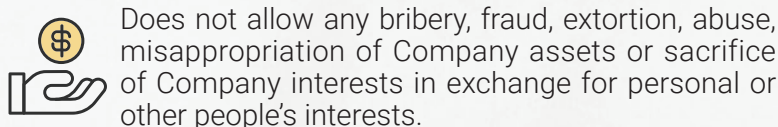
The integrity management related principles formulated by Delpha Construction in recent years are as follows:

Principle	Year Formulated	Goal
Corporate Governance Code of Conduct	2017	Establish a sound corporate governance system for Delpha Construction.
Integrity Management Principles	2021	The implementation of the corporate culture and policy of integrity management has enabled Delpha Construction to operate continuously.
Sustainable Development Principles (Former: Corporate Social Responsibility Code of Conduct)	2021	Implement corporate social responsibility and promote economic, environmental and social progress and sustainable development.
Reporting of Illegal and Unethical Behavior Procedures	2021	In order to implement ethical behavior and operate with integrity, we encourage reporting any behavior that does not comply with laws and regulations and violates the company's "Integrity Management Principles" or other internal regulations.
Integrity Management Committee Procedures	2022	Set standards for the effective functioning of the Integrity Management Committee.
Integrity Management Operating Procedure and Guideline	2022	Engage in business activities with fairness, honesty, trustworthiness and transparency to actively prevent dishonest behavior.

No litigation involving any anti-competitive behavior, anti-trust and monopoly laws and regulations has occurred this year.

Anti-Corruption

Delpha Construction’s integrity policies expressly prohibit direct or indirect offering, promise, request, or acceptance of any illegitimate benefits, and effectively combats corruption. Delpha Construction has employees in all departments carry out semiannual self-assessment and review, established effective internal and external complaint channels; to detect abnormalities as soon as possible to effectively prevent the occurrence of corruption.



Anti-Corruption Policy for Suppliers

Delpha Construction - Statement of Integrity (Anti-Corruption) of 2021		
2021 Total supplier	83	Eligible Suppliers: 17
Statement of Integrity (sent quantity)	16	

Note 1: The target recipients of the Statement of Integrity (Anti-Corruption) are those suppliers with whom the invoiced amount of the Company's transactions reached 1 million TWD or more in year 2021. The number of companies that meet the criteria is 17, including the subsidiary Huajian Construction Co., Ltd. So, the actual quantity is 16.

Note 2: The Company's Statement of Integrity (Anti-Corruption) focuses on "prohibit employees from accepting gifts or other favors as a condition of business dealings" as a measure to prevent "accepting bribes" and "accepting unreasonable gifts, treat or other improper benefits".

Risk Management Internal Control System

In 2021, there were no cases for penalties, violations, major deficiencies, and no reports for violations of the internal control system by Delpha Construction and its internal personnel, and there have no illegal activities.

The Board is the highest unit responsible for approving, reviewing, and supervising Delpha Construction's risk management policies.

Internal audit unit draws up the audit plan for the following year, and submits it to the Board for approval and implementation. The audit unit audits the internal control operations of all business facets and processes and compliance with laws and regulations of various operations. Internal Audit unit regularly reports to the Board for review and approval. Missing and abnormal events will be tracked quarterly until improvement.

The internal units and subsidiaries will conduct self-assessment on an annual basis, followed by the review of self-assessment reports by the internal audit unit. The improvement of internal control deficiencies and abnormal events is used as the main basis for the Board of Directors and general manager to evaluate the effectiveness of the overall internal control system and to issue an internal control system statement.

Sexual Harassment Prevention

Delpha Construction has established policies to protect employees from threats of sexual harassment, promote gender equality, and create a diverse, friendly working environment. A special committee to handle workplace sexual harassment complaints is in place to balance the handicap of women in sexual harassment incidents, the committee specifically stipulates that the number of female committee members shall not be less than half. Incidents are investigated confidentially and relevant psychological counseling is provided. The company also accepts cases where employees are harassed by external parties, and assists employees in their rights, such as appealing to relevant units in the name of the company.

Furthermore, Delpha Construction strengthens education and training on sexual harassment for employees to prevent sexual harassment incidents.

Whistleblowing/ Complaint Reporting System

Complaint channels are available to report any illegal or improper behavior and have relevant disciplinary regulations and appeal procedures for those in violation of integrity. Procedures is governed by internal policy "Measures for Reporting and Handling Cases of Illegal and Immoral or Dishonest Behavior" and offers for whistleblower protection and non-retaliation. Anonymous reporting is available as set in "Integrity Management Principles".

The Audit Office is a dedicated unit responsible for and supervising the implementation of related matters and accepting submissions. In addition, to protect the whistleblower, the complaint will be handled confidentially throughout the entire process. The dedicated unit will collect all the whistleblowing incidents, their handling methods and follow-up review and improvement measures, and report to the Board of Directors according to the situation.

Whistleblower mailbox: service@delpha.com.tw

For 2021, Delpha Construction has not received any reports of illegalities.