根基營造
KEDGE CONSTRUCTION

2024 ESG

Sustainability Report



CONTECT

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01

Information About The Company

1.1 About The Report

1.2 Words From The Chairman

1.3 Company Profile

1.4 Special Report



This image was generated through AI editing.

1.1 About The Report

• GRI 2-3

Since 2015, Kedge Construction has been publishing Corporate Social Responsibility Reports for 11 consecutive years, making it the first listed construction company in Taiwan to have its reports verified by third-party assurance. In alignment with the Financial Supervisory Commission's "Corporate Governance 3.0" policy, the original Corporate Social Responsibility Report has been officially renamed as the "ESG Report" since 2022. This report demonstrates Kedge Construction's proactive concern for stakeholders and its commitment to actively listening and fulfilling communication responsibilities. The "ESG Committee" and its implementation team regularly and irregularly engage with various stakeholders. All disclosed content has undergone materiality analysis identification and issue analysis screening to determine priorities, and is compiled following the guidelines of the Global Reporting Initiative (GRI) to communicate and disclose important company information.

Additionally, to enhance real-time communication, Kedge has established a Sustainable Development Website (hereinafter referred to as the ESG official website) to increase the transparency of information. The website continuously interacts with stakeholders and collects feedback to improve the content and presentation of the reports.

Reporting Period and Boundary

This report primarily presents Kedge Construction's actions and performance in business management, environmental protection, and social engagement for 2024 (from January 1, 2024, to December 31, 2024). To ensure completeness, some content and data include 2023; additionally, for timeliness, some information from January to June 2025 is disclosed.

The report focuses on Kedge Construction's operations in Taiwan (including the Taipei headquarters and the scope of construction sites contracted in 2024), but does not include subsidiaries and within the Kedge Group (only the financial data is included). The information disclosed covers more than 90% of the operating income of the consolidated financial statements. The contracted projects encompass residential buildings, technology factories and offices, biotech and medical buildings, as well as large-scale public works, railways, bridges, and other major national constructions, in cooperation with the government to build sustainable cities.

Compilation Principles and Internal Review

This report has been compiled in accordance with the GRI Universal Standards 2021 published by the Global Reporting Initiative (GRI). The report also aligns with the "Guidelines for Preparing and Reporting ESG Reports for Listed Companies," the "United Nations Global Compact," and the "ISO 26000 Guidance on Social Responsibility," among other international standards. It complies with the standards of the Sustainability Accounting Standards Board (SASB) and the framework of Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD); the correspondence table can be found in the appendix.

The information and data in this report have been disclosed after a three-stage review process. In the first stage, consultants provide guidance and each department provides relevant information. After the planning department summarizes the information, the heads of each department confirm the draft. In the second stage, the members of the sustainability promotion team conduct a preliminary review, the Chairman and the general manager jointly review it, and it is confirmed after verification by a third party. In the final stage, it is submitted to the ESG Committee for review, and after being approved by the board of directors, it will be disclosed publicly.

International Standards and External Assurance

This report was entrusted to AFNOR Asia Ltd. for verification, and was certificated as per the requirements of GRI Standards in accordance with the Type1 moderate-level assurance of the AA 1000 AS v3.

Further, the management indicators disclosed in the report were all in alignment with the international standards of ISO and BSI, and were also certified by a third-party inspection.

- Financial data: based on the data in the annual report audited by KPMG; such data is in New Taiwan dollars (NTD).
- Quality information: ISO 9001 – SGS
- Building Information Modeling (BIM): ISO 19650-BSI Taiwan
- Environmental Data: - ISO 14064-1 - DNV, ISO 14001 -SGS
- Circular Economy: BS 8001 – SGS
- Occupational Safety and Health Information: ISO 45001 / TOSHMS - SGS
- ESG Data: AA 1000AS v3 - AFNOR ASIA Ltd.
- Information Security-ISO 27001-SGS

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Website of Kedge Construction

https://www.kedge.com.tw/

Cover Story



In 2024, Kedge Construction continues to uphold the belief of "Solid Foundation, Sustainable Future," deeply cultivating smart cities, green buildings, and infrastructure upgrades to create urban spaces that combine resilience and innovation. From high-rise buildings to bridge engineering, each of our construction projects carries a commitment to the future. This year's ESG report was personally conceived by the Chairman and incorporates AI generation technology in its design for the first time. The cover and chapter pages utilize blue and white line drawings, digital visual codes, and hexagonal icon vocabulary to outline the silhouette of future cities where technology and architecture converge. The AI imagery not only symbolizes smart buildings but also embodies our determination to embrace technology and move toward sustainability.

1.2 Words From The Chairman

Facing the challenges brought by extreme climate and rapid international political and economic changes, the world is experiencing unprecedented environmental and social impacts. Kedge Construction deeply understands that enterprises are a key force driving economic and social progress, and should courageously undertake the mission of environmental protection, social responsibility, and corporate governance (ESG). **Working together to build sustainable cities is not only Kedge's founding intention but also our commitment to future generations.** We continue to deeply embed ESG principles in corporate management, hoping to move forward alongside all stakeholders to create a stable and net-zero sustainable future.

In 2024, Kedge undertook a total of 31 construction projects with a total contract value of NT$74.6 billion, covering major new projects including Chiayi C613, TSMC AP5B-CUP, F22P3-CUP, AP7P1-Office, and Logistics Center of Southern Taiwan Science Park, with contract amounts of approximately NT$22.8 billion; other projects such as Taoyuan Exhibition Center and Kindom Landmark residential construction were completed and settled, with contract amounts of approximately NT$6.8 billion. **The annual consolidated operating revenue was NT$14.234 billion, maintaining parity with NT$14.292 billion in 2023**; consolidated net income after tax was NT$874 million, a slight decrease of 11.7% compared to the previous year. Total revenue (including non-operating income) was NT$14.328 billion, a marginal decline of 0.27%; operating expenses were NT$13.224 billion, an increase of 0.91% from the previous year, with overall operations remaining stable and steadily advancing toward the goal of sustainable construction.

As a member of the Kindom Group, Kedge upholds **the group's five blueprints: "Green Home, Smart City, Innovate Together, Integrity Enterprise, and Happy Enterprise,"** actively implementing sustainable actions. Since 2024, the company headquarters and all construction projects **have comprehensively implemented and passed ISO 14001 Environmental Management System certification**, strictly controlling potential pollution risks during construction through environmental risk assessment and systematic management. Simultaneously, we have passed SBTi review, committing to reduce Scope 1 and 2 emissions by 42% and Scope 3 emissions by 25% compared to 2022 levels by 2030, demonstrating Kedge's determination and concrete actions toward carbon reduction.

In terms of technological innovation, Kedge continuously deepens **BIM integrated applications, combining facility management (FM) with carbon emission research**, extensively implementing low-carbon construction methods such as precast and aluminum formwork, and adopting high-circulation building materials and low-carbon concrete. Construction sites across Taiwan have simultaneously installed air and noise monitoring systems to proactively reduce construction's environmental impact. Our excellence in quality has been repeatedly recognized, including both "Taoyuan Exhibition Center" and "Nanmen Building" winning National Excellence in Construction Awards; in Taipei City's Labor Safety Awards, we swept four honors including "Outstanding Unit Award," "Outstanding Personnel Award," "Workplace Peace of Mind Award," and "Safety Innovation Award," and have consistently achieved outstanding results in the Golden Safety Award and New Taipei Construction Safety Award.

We firmly believe that talent is the foundation of sustainability. Kedge focuses on "Talent Sustainability, Shared Growth," establishing competitive compensation systems and a warm workplace culture, **with employee average salary increases reaching 4.5% in 2024**. Meanwhile, we care for the health and well-being of all colleagues, including domestic employees, migrant workers, and subcontractor partners, all incorporated into workplace health management programs. Kedge further combines negative carbon advocacy with inclusive activities, rallying employees to participate in beach cleanups, tree planting, and friendly farming, extending green actions from the workplace to families and society.

In terms of social care, Kedge continues to promote the "Repair and Recycle Program," upholding the original intention of "one construction site protects one family," repurposing construction site surplus materials and rallying cooperative manufacturers to participate together. **In 2024, we completed repairs for 128 households**, including 10 disadvantaged families, while the other 118 households responded to the TSMC Charity Foundation's call to participate in post-disaster repairs following the 0403 Hualien earthquake, demonstrating the circular spirit of mutual benefit and sharing. We also collaborate with the "Happy Repair Team," 1919 Food Bank, and local governments to expand diverse partnerships and amplify social impact.

Continuing founder Mr. Ma Yu-Shan's deep care for education and reading, in 2024 Kedge donated NT$6 million to the "Kindom Yu San Education Foundation," supporting the production and broadcasting of the "Celebrity Study" program and architectural arts lectures, continuously cultivating a scholarly society and enriching cultural foundations.

Moving toward a sustainable future, Kedge Construction will continue to uphold the entrepreneurial beliefs of "integrity, quality, service, innovation, and sustainability," working hand in hand with benchmark enterprises domestically and internationally, using professional capabilities to build sustainable cities one by one, jointly realizing a beautiful future that is visible and achievable.

Chairman, Kedge Construction Co., Ltd.

Yuan, Ai-Wei

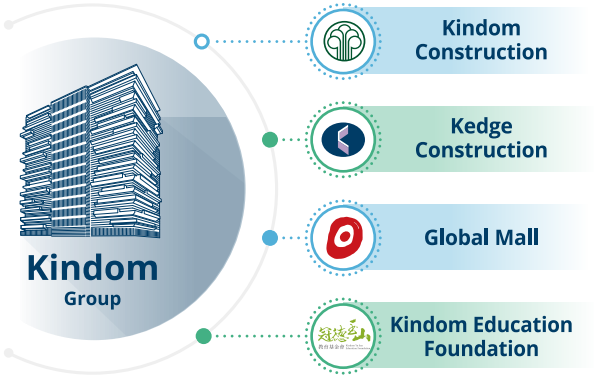
1.3 Company Profile

- SASB IF-EN-000.A、IF-EN-000.B、IF-EN-000.C
- GRI 2-1, 2-2, 2-6, 2-28

Development History

Kedge Construction Co., Ltd. belongs to the Kindom Group. Founded in 1982, Kedge has so far lived for 43 years. Kedge is a Class-A excellent construction company, listed on Taipei Exchange ("TPEx") in 1998 and later on the Taiwan Stock Exchange Corporation ("TWSE") in 2000. Kedge concentrates on diverse construction projects concerning social and civic infrastructures such as transportation, technological plants, hospitals, housing, civil sport centers, and so on. We adopt the professional knowledge of turnkey construction, building, and operation to carry out constructions throughout Taiwan.

Our professional employees create outstanding value for customers, shareholders, and the company. Through the combination of innovation and unique construction capabilities with engineering expertise, we enhance the company's profitability, ensure continuous profit growth, and improve customer satisfaction. We listen to the expectations of stakeholders including customers, business partners, shareholders, and employees. To achieve the vision of sustainable management, we actively undertake responsibilities in economic, environmental, and social dimensions.



Business and Scale

Kedge Construction has achieved revenue exceeding NT$10 billion for four consecutive years, with a market share of approximately 0.3%-0.5% in the construction engineering industry. In 2024, revenue reached NT$14.234 billion, with overall operations remaining stable.

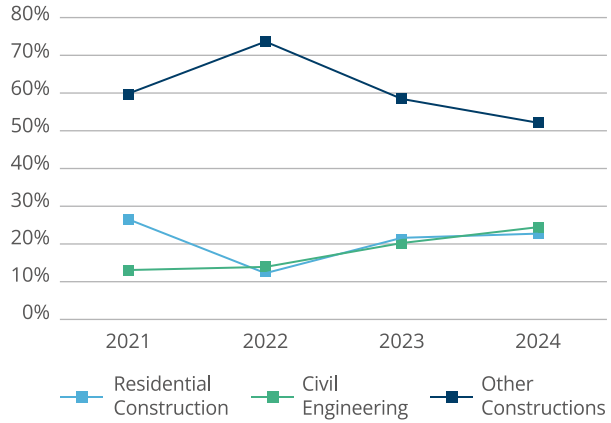
Kedge's core business is comprehensive construction, undertaking diverse engineering projects as follows:

■ Residential construction:
Private urban renewal business, elaborate residences, collective residential buildings, office buildings, and other construction projects.

■ Civil engineering:
Government transportation constructions includes railways, bridges, train stations, tunnels, sewer systems, underground railways, etc.

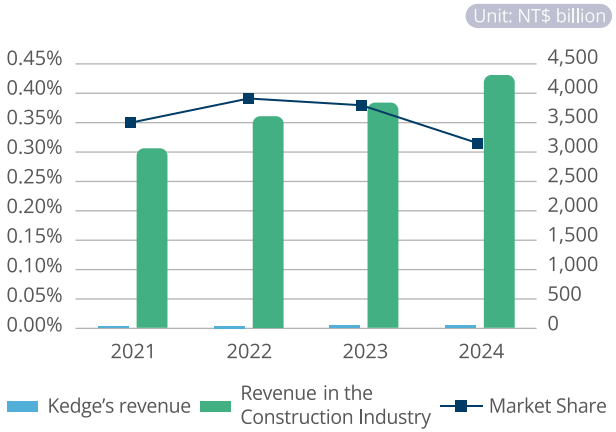
■ Other constructions:
Government public construction, indicative building construction, social housing, high technological and private plants, corporate headquarter office buildings.

Business in the Recent Four Years



Item	2021	2022	2023	2024
Residential Construction	26.76%	12.99%	21.04%	23.01%
Civil Engineering	14.10%	13.67%	20.58%	24.89%
Other Constructions	59.14%	73.34%	58.38%	52.10%

Kedge's Market Share



Item	2021	2022	2023	2024
Kedge's revenue	107	142	143	142
Revenue in the Construction Industry	30,731	35,996	38,754	43,553
Market Share	0.35%	0.39%	0.37%	0.32%

Source: Monthly statistics of Finance, by the Department of Statistics of the Ministry of Finance.

Establishment Date	April 13, 1982
Headquarters Address	6th Floor, No. 131, Section 3, Heping East Road, Taipei City
Stock Code	2546
Capital Amount	NT$1.23 billion

根基營造股份有限公司
KEDGE CONSTRUCTION CO.,LTD.

2024 Consolidated Revenue	NT$ 14.234 billion
End of 2024 Total Number of Employees (including foreign workers)	1,215
2024 Total Number of Contracts	31 projects
2024 Total Value of Contracts	NT$ 74.6 billion

Integrity
Integrity is the fundamental business philosophy of Kedge.

Quality
Quality is the bloodline of business management.

Service
Customer satisfaction will be a key indicator of business operation.

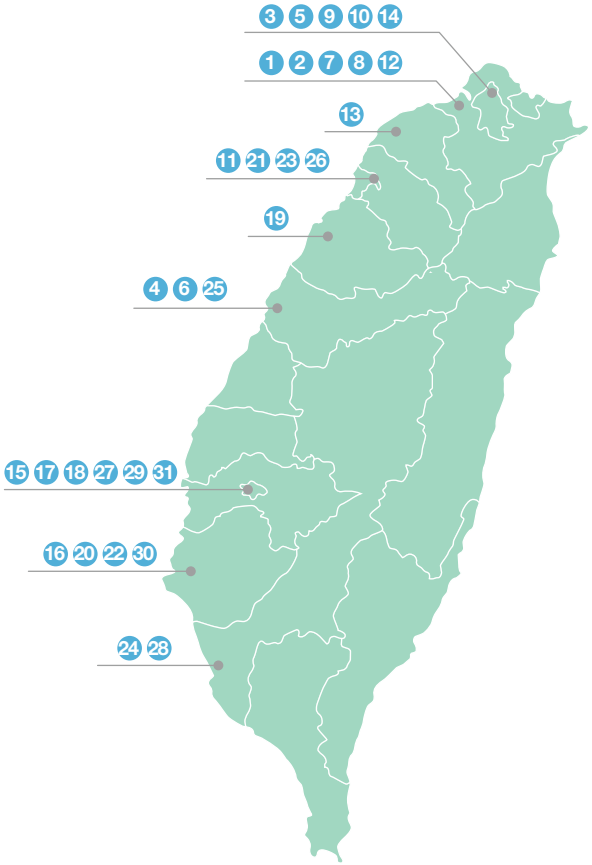
Innovation
An innovative spirit is a crucial ingredient of a business's survival.

Sustainability
We uphold our business philosophy to achieve corporate sustainability.



Constructions in Progress and Closed Cases in 2024

By December 31, 2024, there are 31 construction projects at hand; the contract sum is around NT$ 74.6 billion; this amount will be entered in the future 1-3 years. (Part of the amount for civil engineering will be in 5 years).



- Definition of Construction in Progress: for the architecture type, the construction in progress refers to the construction period between the official start and the acquirement of the license; for the civil engineering type, it indicates the period between the official start and the completion of inspection.
- The statistical data of this table are collected until December 31, 2024.

	Projects	Contract beginning & ending date	Owner
1	Zhonghe Senior High School Station (LG08) MRT Joint Development Residential Building Project, New Taipei City	Estimated Completion Year: 2025	Kindom Development Co., LTD.
2	Investment in land development at Xulangqiao Station of the New Taipei Circular Line	Estimated Completion Year: 2025	
3	New construction of office building on 3 plots of land, No. 363-1, Subsection 4, Dunhua Section, Songshan District, Taipei City, Taiwan.	Estimated Completion Year: 2025	
4	New construction of Songchang store, general office, indoor swimming pool, and residential building in Beitun District, Taichung City	Estimated Completion Year: 2026	
5	Kindom's New Construction Project in Wanhua Zhixing Section	Estimated Completion Year: 2028	
6	Developed an office building at the Siwei Elementary School Station on the Wuri-Wenxin-Beitun Line of the Taichung Metropolitan Mass Rapid Transit System	Estimated Completion Year: 2026	
7	Demolition case in Fuzhong section of Banqiao	Estimated Completion Year: 2025	
8	9 new land construction projects in land No. 472, Fuzhong Section, Banqiao District, New Taipei City	Estimated Completion Year: 2029	
9	New construction of a residential building of the urban renewal project at the former site of Taipower Corporation's Northern Storage and Transportation Center (AR-1-2) in Nangang District, Taipei City	Estimated Completion Year: 2029	
10	New construction of an office building of the urban renewal project at the former site of Taipower Corporation's Northern Storage and Transportation Center (AR-1-2) in Nangang District, Taipei City	Estimated Completion Year: 2029	
11	Tongluo Park Plant New Construction Project	Estimated Completion Year: 2025	MediaTek Inc.
12	New Taipei City Taishan Zhongshan Section Social Housing (1st Period) and National Military Dorms Turnkey Construction	Estimated Completion Year: 2026	National Housing and Urban Regeneration Center
13	New construction project of Linkou plant of a semiconductor equipment supplier	Estimated Completion Year: 2026	Yankee Engineering Co., Ltd.
14	Preliminary project on 2 plots of land, No. 480 and No. 480-2, subsection 5, Ren'ai Section, Da'an District, Taipei City	Estimated Completion Year: 2025	Co-operative Assets Management Co., Ltd.
15	C611 Chiayi Elevated Railway and Under-bridge Road Construction Project	Estimated Completion Year: 2027	Northern Region Engineering office, Railway Bureau, MOTC.
16	C212 Tainan Railway Station Underground Project	Estimated Completion Year: 2027	Central Region Engineering office, Railway Bureau, MOTC.

	Projects	Contract beginning & ending date	Owner
17	Chiayi Urban District Elevated Railway Project C612 Chiabei Elevated Railway Station, Chiayi Elevated Railway Station, and The Tropic of Cancer Station project	Estimated Completion Year: 2028	Central Engineering Office, Railway Bureau, MOTC
18	Chiayi City Railway Elevation Project C613 Shuishang Vehicle Base Construction	Estimated Completion Year: 2028	Central Engineering Office, Railway Bureau, MOTC
19	Reconstruction Project of Houlong Cross-Sea Bridge / Xihu River Bridge on Provincial Highway No. 61	Estimated Completion Year: 2026	Directorate General of Highways
20	Tatung Group Corporate Headquarters New Construction Project	Estimated Completion Year: 2026	Tatung Changcheng Enterprises Co., Ltd.
21	TSMC Zhunan Advanced Packaging Plant 6 Phase 2 New Construction Project (FAB)	Estimated Completion Year: 2026	Taiwan Semiconductor Manufacturing Co., Ltd.
22	TSMC Tainan F18 Gong 25 Earthwork and Excavation New Construction Project	Estimated Completion Year: 2025	
23	TSMC Zhunan Advanced Packaging Plant 6 Phase 2 New Construction Project (OFFICE)	Estimated Completion Year: 2027	
24	TSMC Kaohsiung Plant 22 Phase 1 New Construction Project (SUPPORT)	Estimated Completion Year: 2025	
25	TSMC Central Taiwan Science Park Advanced Packaging Plant 5 Phase 2 Expansion Project (Earthwork and Retaining Wall Engineering)	Estimated Completion Year: 2025	
26	TSMC Advanced Packaging Plant 5 Phase 2 New Construction Project (CUP), Central Taiwan Science Park	Estimated Completion Year: 2025	
27	TSMC Chiayi Science Park Advanced Packaging Plant 7 Phase 1 New Construction Project (FAB)	Estimated Completion Year: 2027	
28	TSMC Kaohsiung F22 P3 New Construction Project (CUP)	Estimated Completion Year: 2026	
29	TSMC Chiayi Science Park Advanced Packaging Plant 7 Phase 1 New Construction Project (Office Building)	Estimated Completion Year: 2026	
30	TSMC's plant material logistics center construction project at Tainan Science Park	Estimated Completion Year: 2026	
31	TSMC's Advanced Packaging Fab 7 Phase II construction project in Chiayi Science Park (FAB)	Estimated Completion Year: 2026	

Market Analysis

According to statistics from the Construction and Planning Agency under the Ministry of the Interior, as of the fourth quarter of 2024, the total number of construction companies at all levels nationwide reached 19,963, with Class A construction companies accounting for 3,305, indicating that overall market supply maintains stable growth momentum. Compared to 2023, the nationwide number of construction companies increased by 165, and Class A comprehensive construction companies also increased by 74, reflecting the continuous expansion of the construction industry structure and the simultaneous enhancement of professional and large-scale project undertaking capabilities.

On the demand side, the government's overall public construction budget scale in 2024 approached NT$780 billion, continuously promoting various large-scale infrastructure construction projects, including multiple important projects that have been completed or entered commercial operation phases. The government also strengthens rural construction and regional balanced development through the Forward-looking Infrastructure Development Program 2.0, and actively invests in infrastructure construction required for six core strategic industries including 5G, digital development, artificial intelligence, and information security, promoting digital transformation, environmental sustainability, and enhancing national resilience, further expanding the future growth space of the construction industry.



Kedge's Competitiveness

1. Outstanding Public Works Bidding Performance and Corporate Reputation	Having received multiple awards from government agencies over the years, the company possesses distinct competitive advantages in public works selection under the most advantageous tender system, and strengthens business undertaking capabilities through sound financial structure and favorable corporate image.
2. International Quality and Occupational Safety Certification with Comprehensive Operating Systems	Certified under ISO 9001 Quality Management System and ISO 45001 Occupational Health and Safety Management System, becoming the first construction company in Taiwan to obtain dual certification, demonstrating systematic operations and high-standard management capabilities.
3. Sustainability Governance Pioneer Actively Implementing Social Responsibility	Publishing corporate ESG reports annually, being the first listed construction company in Taiwan to disclose according to GRI Standards, and receiving continuous recognition from TCSA Sustainability Awards.
4. Digital Transformation and Circular Economy Leader	Leading the industry in obtaining BIM international standards (PAS 1192-2 and ISO 19650) and the highest level certification for BSI Circular Economy Standards, serving as a pioneer in domestic BIM and green circular standards, demonstrating high-level technical integration and innovation capabilities.
5. Professional and Youthful Team Building Sustainable Competitiveness	Possessing a complete consulting team and over 700 professional technical personnel, with distinct characteristics of team rejuvenation and high educational attainment, an average age of only 39.52 years, and master's degree holders accounting for 22.98%, injecting strong momentum into corporate sustainable development.

Future risk analysis of value chain and industry chain

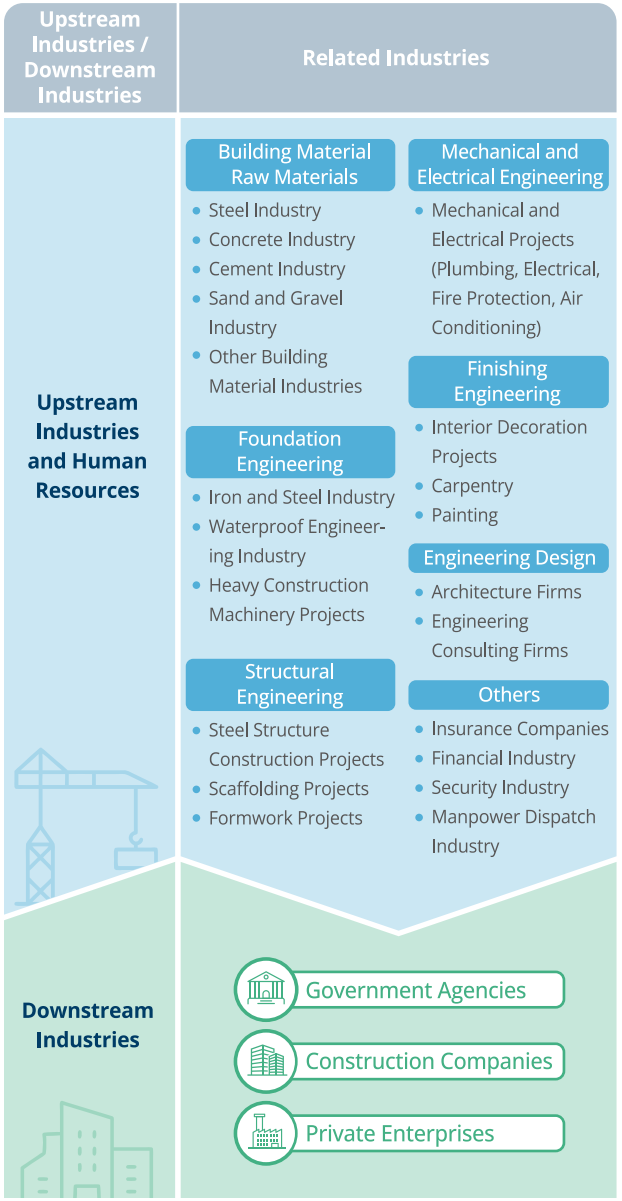
The civil engineering industry pertains to the construction industry. The main sources of its business opportunities rely on contracted construction projects from various owners such as the governmental public construction, private construction companies, and public and private agencies. Upstream industries include building materials, foundation works, structural engineering, mechanical and electrical engineering, and interior design, engineering design.

Relevance to upstream industries

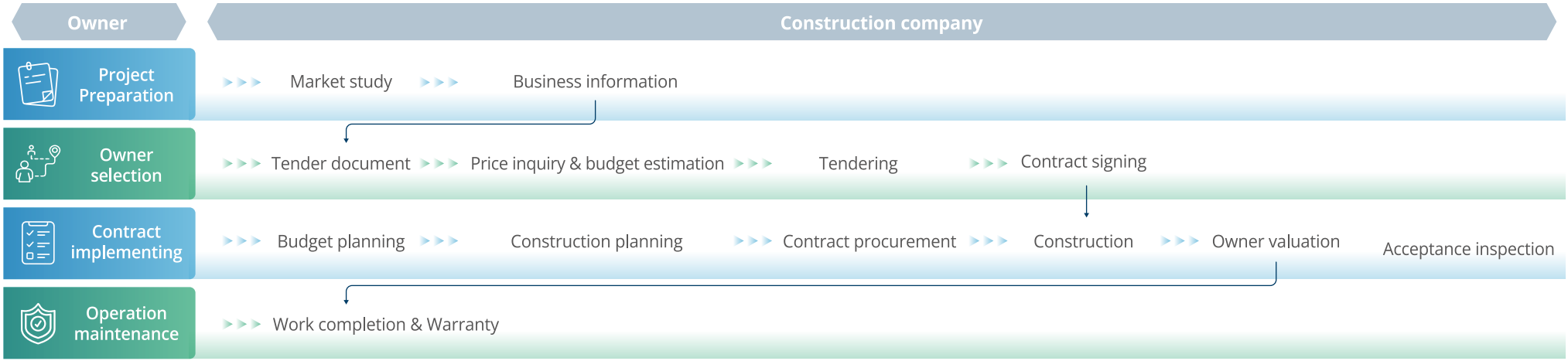
The price fluctuation of building materials, the increase in the cost of professional contractors, the increase in labor costs due to a shortage of labor, and the increase in the cost of machinery and tools due to price fluctuations – such aspects all influence the construction costs of the construction industry. The development of the upstream industries is also deeply affected by the economic conditions in the construction industry. The two are closely related. Relevance to upstream industries: The price fluctuation of building materials, the increase in the cost of professional contractors, the increase in labor costs due to a shortage of labor, and the increase in the cost of machinery and tools due to price fluctuations – such aspects all influence the construction costs of the civil engineering industry. The development of the upstream industries is also deeply affected by the economic condition in the civil engineering industry. The two are closely related.

Relevance to the downstream industries

The downstream industries include multiple owners ranging from government agencies, public and private institutions, and private construction companies. The main approach of obtaining business opportunities from them is mostly via open competitive bidding or price comparison/negotiation. Public construction projects bid openly by government agencies and projects contracted by private construction companies, in particular, are the main source of business opportunities. The economic condition in this industry is thus largely affected by the government's public construction policies and the economic condition in the construction industry.



Main Product Manufacturing Process



Participating in associations

Kedge Construction actively participates in professional associations to promote the development of the associations, enhance the service quality in this industry with other companies in this industry, and contribute to the dissemination of industry knowledge.

In 2024, Kedge took part in 20 associations to which we sponsored in various ways, such as placing advertisements, paying membership fee, and financially supporting events, to help with their operation. The total amount was NT$ 349,364.

In 2024, Kedge joined academic associations and guilds as both institutional and individual member, including: National Taiwan University Alliance for Promoting Upgrading of Taiwan Construction Industry, Taiwan Society of Civil and Hydraulic Engineering, Taiwan Society of Human Settlements, Taiwan Professional Engineering Consultants Association, Chinese Value Management Association, Concrete Society, Taiwan Rail Economic Development Association, Taiwan Circular Economy Society, Taiwan Aluminum Alloy System Formwork Construction Association, Post-Tensioned Prestressed Society, Taipei Construction Industry Association, Construction Management Association Forum, Taiwan Engineering Law Society, and others.

International Initiatives

Kedge actively participates in events on the environment and human rights, putting together entities in different fields to form a positive circular community to facilitate a sustainable planet through mutual exchanges.

- **Greenhouse Gas Reduction Initiative:** In 2022, the Board of Directors approved the significant target of achieving Net Zero emissions by 2050, and in June 2023, formally submitted the commitment for a net zero emissions plan to SBTi; in March 2024, successfully passed the "Science Based Targets initiative (SBTi)" review, committing to achieve a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions and a 25% reduction in Scope 3 greenhouse gas emissions by 2030.
- **Universal Declaration of Human Rights:** We support and respect internationally recognized beliefs in human rights and enhance our employees' awareness of human rights. With the regular and occasional dissemination of such concepts and policy formulation, we form a consensus and ensure that our daily operations are in alignment with business ethics. We treat employees fairly and with respect and insist on equal pay for equal work, regardless of gender, race, age, group, and religion, and provide employees with grievance channels.
- **Response to TNFD:** While the construction industry endeavors to minimize environmental impact during development and construction, it inevitably causes certain degrees of impact on biological habitats. To demonstrate its commitment to biodiversity conservation, Kedge Construction became one of the first companies to successfully match with the "Natural Carbon Sink and Biodiversity Project" under the Forestry and Nature Conservation Agency of the Ministry of Agriculture, breaking away from traditional corporate adoption models and taking concrete steps to practice corporate ESG goals through environmental ecological conservation, community participation, and promoting local economic development.

Special Report

DEI-Friendly Workplace Without National Boundaries

Our Actions

Affected by declining birth rates and social transformation, construction engineering relies on migrant workers to fill labor shortages. Taking Kedge as an example, approximately 533 migrant workers from Vietnam, Thailand, and Indonesia work across Taiwan. To practice the United Nations Sustainable Development Goals (SDGs), Kedge Construction's establishment of a DEI (Diversity, Equity, Inclusion) friendly workplace has been a continuously promoted goal in recent years, providing colleagues from Southeast Asia with opportunities for self-growth outside of work through courses (health and sports), and fostering more friendly communication and harmonious relationships among multinational colleagues through activities.

Highlights

Cross-Cultural Integration Sharing Health Knowledge and Specialty Rice Foods

We held a "Health and Rice Food Culture Seminar" at the Taishan Zhongshan Section construction site, inviting physical therapists and "Kitchen God at Home" to share on-site, allowing migrant workers and domestic colleagues to learn effective stretching exercises with professional physical therapists to help colleagues relieve stress and fatigue from work, and gain deep understanding of the unique aspects of Taiwan's rice food culture.

Colleagues of all nationalities gathered together to stretch their bodies and make grass jelly cakes. In addition to gaining health knowledge, traditional Taiwanese cuisine allowed them to experience the unique charm of Taiwan culture up close, and cross-cultural exchanges enabled colleagues to learn from each other and grow together, continuously deepening their understanding!

Kedge Construction, upholding the principles of diversity, equity, and inclusion, will continue to hold cultural prosperity activities, promote construction site exchanges, and create a vibrant and harmonious working environment.

Taiwan-Vietnam Partnership Integration: The Intersection of Arm Wrestling and Culture

We invited the NPO group "Viet in Chiayi Cultural Station" to hold a "Partnership Prosperity - Taiwan-Vietnam Arm Wrestling Exchange Competition" at the engineering office in Miaoli, promoting colleague interaction and exchange. Through friendly competition, we not only demonstrated team spirit but also deepened understanding and connection among international colleagues. Experience traditional Vietnamese costumes, cultural ceremonial exhibits, and authentic Vietnamese cuisine on-site, enhancing mutual cooperation spirit and cultural integration, creating a relaxed and pleasant workplace atmosphere.



▲ Taiwan and Vietnam have diverse rice food cultures, inviting the "Kitchen God at Home" culinary team to the construction site to lead migrant worker colleagues in experiencing grass jelly cake making.



▲ Vietnamese colleagues joined hands for an interesting arm wrestling competition, with continuous cheering and applause from the audience.

Results

Awarded the "ASSET Social Innovation Award - Friendly Workplace"



Activity Videos



Migrant Worker Care "Taiwan-Vietnam Partnership Integration: The Intersection of Arm Wrestling and Culture"



Migrant Worker Care "Health and Culture"

Special Report

Repair and Recycle Program

Problems Addressed

The origin of the Repair and Recycle Program addresses the long-term "shortage of professional repair personnel" problem faced by remote disadvantaged areas. Although government departments can provide assistance, resource coordination usually takes too long, making it difficult to quickly respond to the urgent needs of disadvantaged groups. Through Kedge's provision of professional supplier management services, suitable contractors can be quickly found, thereby helping disadvantaged families solve the dilemma of being unable to afford repairs.

Our Actions

Since the launch of the "Repair and Recycle Program" in 2021, it has gradually developed into a "public welfare platform" model, committed to helping more disadvantaged groups improve their living conditions through collaboration and resource integration. Kedge is responsible for contacting cases with repair needs and working closely with supply chains and social welfare organizations to complete various repair work together. This collaborative model not only improves resource utilization efficiency but also ensures the sustainable development of the program. When facing disasters or emergencies, Kedge responds immediately to calls, quickly mobilizes resources from all parties, advances into disaster areas, and provides urgently needed support to affected families, demonstrating care and responsibility for society.

Social Return on Investment (SROI) Research Results

The Repair and Recycle Program commissioned KPMG and National Sun Yat-Sen University to conduct SROI analysis, with repair investments of NT$1.19 million (2022) and NT$2.9 million (2023). Research shows SROI increased from 7.62 to **8.1**, indicating that collaboration and resource integration enhance the impact of public welfare repairs. The greatest benefit for recipients was "spiritual satisfaction" (**44.27%**), followed by "improved living environment" (**26.66%**) and "enhanced family interaction" (**10.74%**). Employee and family benefits can be sustained for two and three years respectively. The SROI total value of service providers' "sense of achievement" and "increased empathy" was **1.28**, accounting for **15.8%** of overall benefits, showing that the Repair and Recycle Program not only has significant impact on recipients but also promotes the growth and social contribution of service providers, bringing positive virtuous cycles.

Results and Highlights



In 2024, received recognition from the "Asian Enterprise Social Responsibility Award"

- In 2024,

10 disadvantaged families were repaired with an investment of NT$**1.5 million**

118 households were repaired for Hualien earthquake disaster with an investment of NT$**13.58 million**

totaling over NT$**15.08 million** in investment.

- Since the program launch in 2021, **145** households have been successfully repaired.
- Cooperating with the New Taipei City Social Affairs Bureau's "Love Platform," with the Love Platform serving as a resource integration role, matching charitable resources according to case needs, ensuring resources are used in the most appropriate places.



▲ Kedge Repair and Recycle Program received certificate of appreciation from New Taipei City Social Affairs Bureau

- Responding to TSMC's call to participate in April 3 earthquake disaster repair, completing repairs for **118** households, sharing and recognizing collaborative manufacturers through supplier meetings and electronic newsletters, connecting upstream and downstream forces to expand social impact.
- Cooperating with public welfare organizations such as Happy Repair Team and 1919 Food Bank to deeply understand disadvantaged needs, empowering the disadvantaged, donating relief packages, and continuously promoting social well-being.

Term Introduction

Social Return on Investment (SROI). A way to measure how much social and environmental value a project creates compared to the resources invested.

Special Report

"Railway New Pathways"
Chiayi's Rail Economy and Cultural Journey

Our Actions

During the construction process at Chiayi Station, we accidentally discovered the historic turntable from the Japanese colonial period, which reminded us that Taiwan's historical stories are closely related to the figures of internal migration. For this reason, we decided to seize this rare opportunity to enter the historical context of railways, feel the sentiments of internal migrants, and continue this culture. To prevent this precious railway culture from being forgotten, we planned the "Railway New Pathways" rail economy and cultural journey, inviting everyone to visit these historical sites together, review the past, understand the present, and promote United Nations Sustainable Development Goals (SDGs) in modern urban development, allowing this profound cultural memory to be inherited and developed.

Implementation Methods

Walking Reading Activities

- **First walking reading activity:** Contrasting the fountain roundabout that opened the modern era with the new train station after railway elevation, presenting the modernization changes brought by landmarks.
- **Second walking reading activity:** Contrasting the internal migration history of the Houy community with Kedge's current international migrant workers, presenting the migration culture under railway economic development.
- **Third walking reading activity:** From Woo Chiayi City Living Room, unboxing the railway elevation construction site/engineering office, exploring the starting point of Chiayi City's Grand Station Plan.
- **"Railway New Pathways" Exhibition:** Traveling through past and present, learning from history, whether through venue activation or preserving historical emotions, combining exhibitions with space, entering Chiayi's urban time machine.

Results and Highlights

- Three walking reading activities visitor count: **80** visits
- "Railway New Pathways" exhibition, visitor count: **420** visits
- Exhibition period: May 4 to May 26
- Exhibition venue: Taocheng Douhua (Guanghua Store)

Activity Videos
"Railway New Pathways, Entering Chiayi's Urban Time Machine"

Through three walking reading activities and exhibitions, we led community residents and colleagues to visit Chiayi Station's historic district, gaining deep understanding of Chiayi Station's development process and railway culture. Through walking reading, participants could not only review past history but also understand how railway elevation brings diverse development possibilities to the city. This journey explored stories of internal migration from an empathetic perspective, promoting cultural exchange and strengthening community tolerance and inclusion. Through this opportunity, we also hope to convey to the public that railway elevation not only improves urban transportation convenience but also stimulates new economic and cultural opportunities, promoting Chiayi City toward more sustainable and livable future development.



▲ "Railway New Pathways" exhibition opening group photo



▲ Walking reading activity site introducing Chiayi Station's historical appearance



▲ Japanese colonial period historic turntable



▲ Parent-child participation in walking reading activity rubbing session



▲ "Railway New Pathways" exhibition promotional design

Special Report

PLC Pioneer Alliance Symposium

What Problems Does This Solve

Adopting PLC (Portland Limestone Cement, low-carbon concrete) helps solve the carbon emission problems that the construction industry has long faced. Traditional cement manufacturing processes are highly energy-intensive and generate large carbon emissions, making them one of the main sources of global greenhouse gas emissions. PLC partially replaces clinker components in its formulation, reducing carbon dioxide generated from limestone decomposition during cement manufacturing, significantly lowering overall carbon footprint. Meanwhile, PLC maintains the same construction performance and structural strength as traditional concrete, enabling widespread application in various engineering construction projects. Its application not only reduces carbon emissions but also improves resource utilization efficiency, responding to corporate net-zero transformation and international sustainability goals. Through introducing PLC, construction industry players can effectively manage environmental impact while ensuring engineering quality, achieving the dual goals of environmental protection and operational performance. Kedge Construction's active adoption of low-carbon building materials is a concrete practice of source carbon reduction and promoting green construction methods.

Our Actions

To accelerate low-carbon transformation, Kedge Construction has taken the lead in promoting the introduction of PLC (Low-Carbon Concrete) and demonstrated concrete action capability. In 2024, we commissioned the Taiwan Construction Research Institute and the Department of Civil Engineering at National Cheng Kung University to complete PLC seismic testing at the National Center for Research on Earthquake Engineering, verifying its structural safety. On June 24, we held a symposium to publicly share research results and promote industry exchange. Kedge also pioneered the introduction of PLC in actual engineering projects, becoming the first construction company nationwide to apply it in high-tech facilities (ASML) and public works (Chiayi C611 Railway Elevation Project), demonstrating implementation capability and industry leadership. Additionally, we actively participate in the "Taiwan Cement Low-Carbon Construction Pioneer Alliance," working with industry, government, and academia to promote the widespread adoption of sustainable building materials. From research and verification to practical application and industry integration, Kedge implements carbon reduction through action, laying a solid foundation for the construction industry to move toward net-zero goals.

Highlights and Special Features

Kedge collaborates with parent company Kindom Development to adopt PLC comprehensively in all new development projects starting from 2025, demonstrating the group's determination to promote low-carbon transformation. Eight development projects are expected to use more than 640,000 cubic meters of concrete, with estimated carbon reduction benefits of 75,000 tons CO_2e and a carbon emission reduction of 34%. This action not only expands the practical application of low-carbon building materials but also integrates upstream and downstream resources within the group, driving supply chain transformation and establishing a substantial demonstration and cooperation model for Taiwan's construction industry in using PLC, advancing comprehensively toward sustainable construction.

Estimated Carbon Reduction Benefits

Carbon emissions reduced by **34** %

Carbon reduction benefits reaching **75000** metric tons CO_2e











Activity Videos



Low-Carbon Circular Taiwan - Sustainable and Durable Construction Symposium (Part 1)



Low-Carbon Circular Taiwan - Sustainable and Durable Construction Symposium (Part 2)

Special Report

Investment in Technology-Based Disaster Prevention Applications

High Risk in Construction Industry and Necessity of Technology-Based Disaster Prevention

According to 2023 labor inspection statistics, although the construction industry accounts for only 5.47% of all industries, it represents 50% of occupational fatalities, with falling accidents accounting for as high as 47%, highlighting the high-risk nature of construction environments.

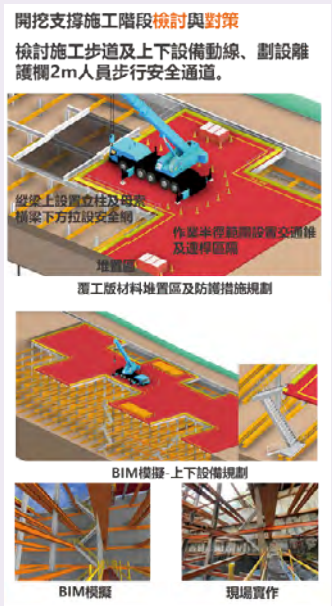
To reduce construction site risks, introducing technology-based disaster prevention measures has become a key corporate strategy. Kedge Construction has introduced multiple technology-based disaster prevention applications to help construction sites improve safety standards.

BIM Simulation Technology: Predicting Construction Risks

BIM (Building Information Modeling) technology can be used in excavation support construction, system formwork construction, and other scenarios, predicting potential risks through 3D simulation for early adjustments.

Benefits of BIM

- Pre-simulate construction behaviors to avoid construction risks caused by poor design
- Ensure construction flow and spatial safety through 3D analysis
- Reduce the proportion of unsafe equipment and unsafe actions



High-Risk Area Safety Monitoring Technology

Fixed Electronic Perimeter

- Installed in high-risk areas to monitor personnel, vehicles, or foreign objects entering the alert zone.
- The system sends real-time alerts to mobile phones, notifying on-site personnel to handle the situation.





Mobile CCTV Monitoring

- Adjusts monitor positions according to construction progress, real-time monitoring of construction site conditions through APP.
- Reminds on-site personnel through broadcasting to avoid high-risk operations.
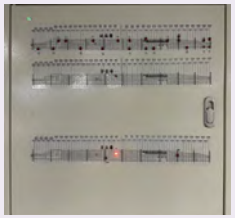




Smart Electrical Shock Prevention

Smart Electrical Box Monitoring System

- When electrical boxes are opened without authorization, the system automatically issues alerts.
- Automatically inspects temporary electrical panels weekly to ensure electrical safety.





Mechanical Collision Prevention Technology

Magnetic Collision Prevention Alert System

- When construction machinery approaches personnel, the system automatically issues alerts.
- Ensures immediate collision avoidance when construction site vehicles are operating.



Vehicle and Construction Machinery Auxiliary Display System

- When construction machinery approaches personnel, drivers can immediately detect through their screens.



Aerial Work Platform Safety Protection

- Equipped with sensing devices controlled through mobile phone APP, issuing warning sounds when objects are detected.



Heat Hazard and Environmental Monitoring Technology

Automatic Push Notification System

- When temperatures are excessively high, the system pushes alerts to construction site personnel, reminding them to hydrate.
- On-site automatic misting cooling devices are installed to reduce working area temperatures.



Environmental Automatic Monitoring Station

- Monitors air quality and water level changes to ensure construction site environmental safety.



Conclusion

Future Development of Technology-Based Disaster Prevention

Technology-based disaster prevention applications have become important tools for improving construction site safety. Through BIM simulation, high-risk area monitoring, smart electrical boxes, and environmental monitoring technologies, construction site accident rates can be effectively reduced.

In the future, companies will continue to introduce more AI smart monitoring and automated safety equipment to achieve zero-accident goals.

Special Report

Supplier Conference

Our Actions

The 2025 Kedge Construction Supplier Conference was held on March 21, with the core concept of "Advancing Sustainability Together, Leaping to New Horizons," gathering over 200 construction supply chain partners, including benchmark companies such as Taiwan Cement, Tong Ho Steel, Champion Ceramics, Ruentex Precision Materials, and Asia Dong Ready Mixed Concrete, to jointly explore new directions for sustainable development in the construction industry. During the conference, "Outstanding Sustainability Partner Awards" and "Excellent Supplier Awards" were presented, totaling 73 awards, to recognize supply chain partners' outstanding contributions to sustainable management.

Kedge Construction Chairman Yuan Ai-Wei emphasized in his address that sustainable development has become the core of global corporate operations. As the construction industry is an important link in carbon emissions, it must work hand-in-hand with value chain partners to jointly promote low-carbon building materials, environmental construction methods, and resource recycling. Kedge Construction has long been committed to green procurement and has received the "Green Procurement Excellence Enterprise" award from New Taipei City Government Environmental Protection Bureau for four consecutive years. In 2024, procurement amounts exceeded NT$700 million, demonstrating firm commitment to sustainable construction and environmental responsibility.



▲ Chairman Yuan Ai-Wei (fifth from left) presents the "Outstanding Sustainability Partner Award" at the conference, recognizing supply chain partners' outstanding contributions to sustainable development.

Highlights

Promoting "Construction Industry ESG Sustainability Implementation Plan Operational Guidelines" Leading the Industry Toward Low-Carbon Transformation

To accelerate low-carbon building material applications, Kedge Construction commissioned the Taiwan Construction Research Institute in 2024 to conduct seismic testing on PLC low-carbon concrete beams and columns, verifying their safety and feasibility, laying the foundation for low-carbon material promotion. This year, Kedge and the Taiwan Construction Research Institute will jointly publish the "Construction Industry ESG Sustainability Implementation Plan Operational Guidelines" to assist the industry in exchanging sustainable practice experiences. The guidelines provide a framework for corporate sustainability information disclosure, helping grasp sustainable development trends and offering feasible recommendations to promote the implementation of ESG goals in the construction industry.

Collaborating with Supply Chain to Create a Low-Carbon Future

Kedge Construction deeply understands that sustainable development relies on the collective efforts of the entire supply chain. Senior Vice President Fan Jin-Hua stated: "Excellent suppliers are key to achieving outstanding engineering. Currently, Kedge has established supplier management procedures based on ISO standards, from initial evaluation, regular assessment after contract signing to continuous monitoring, establishing standardized processes to ensure engineering quality and enhance industry competitiveness."



▲ Collaborating with Taiwan Construction Research Institute to jointly promote "Construction Industry ESG Sustainability Implementation Guidelines" - General Manager Huang Yi-Fang (from right), Chairman Yuan Ai-Wei, Taiwan Construction Research Institute Group Leader Guo Si-Jie, General Manager Chen Jun-Ming.



▲ Senior Vice President Fan Jin-Hua (seventh from left) leads the procurement team, working hand-in-hand with supplier partners to jointly promote sustainable procurement and green supply chain development.



Complete Video Record of Supplier Conference

In the future, Kedge Construction will promote the construction industry toward more environmentally friendly and resilient development through technological innovation, information transparency, and industry cooperation. The successful hosting of this supplier conference symbolizes the close cooperation between Kedge Construction and supply chain partners on the path of sustainable development, continuing to uphold the spirit of "Advancing Sustainability Together, Leaping to New Horizons," working hand-in-hand with industry partners to create a new sustainable landscape for the construction industry.

02
Sustainability

- **2.1** Recognition and Honors
- **2.2** Sustainable Development Strategy
- **2.3** ESG Committee
- **2.4** Materiality Analysis
- **2.5** Material Topic Management Approach
- **2.6** Communication with Stakeholders



This image was generated through AI editing.

2.1 Recognition and Honors

Major achievements and sustainable performances in 2024

Sustainability	TCSA Taiwan Top 100 Sustainable Model Corporation, Asia Responsible Enterprise Awards (AREA), HR Asia Best Companies To Work For In Asia Award
Occupational Safety	Taipei City Labor Safety Award Four Major Awards, New Taipei Industrial Safety Award, Executive Yuan Golden Safety Award
Quality	National Excellence in Construction Award
Innovation	ASSET Social Innovation Award, Humanistic Enterprise Award, Golden Eagle Film Festival Gold Award



E Environment

4 construction projects

Won green building labels and candidate certificates

- Green Building Candidate Certificates and Labels*2
- Intelligent Building Labels*2

NT$ **737** million

The total amount for green procurement

- The proportion from domestic suppliers is 100%
- The procurement rate within each region is 83%

2000 trees

Planting Shorea trees and supporting understory economy

- Annual carbon sequestration of 9.4 tons CO_2e/year
- Promoting ecological and economic synergy, purchasing NT$1 million of eco-friendly agricultural products

25 sites (including headquarters)

For the comprehensive greenhouse gas inventory

Of all the listed construction companies, Kedge undergoes the most comprehensive review and provide data to the Taiwan Institute of Construction Research.

S Social

NT$ **6** million

Invested to promote reading and public welfare

- Donated to the Kindom Yu San Education Foundation. Produced and televised programs such as Celebrity Study and Ju Xin Zhi to promote reading and support film and television culture.

30 %

Employees' salary rose

- 173 employees obtained a salary raise.
- 4.5% increased in all employees' salary.

97 %

Employee training completion rate

- Annual average education and training per person: 32.42 hours
- Annual education and training investment amount: NT$2,313,697

145 families

Cumulative beneficiaries of the repair and circulation program

- Social return on investment reaches NT$ 8.1
- Collaborative participating enterprises and institutions exceed 50

G Governance

NT$ **14.234** billion

Consolidated revenue reaches

Revenue continues to reach the hundred billion level.

NT$ **74.6** billion

The annual contract amount

- Invested in railway engineering to support the rail economy.
- Headquarters and factory office projects are highly favored by many businesses.

100 %

Suppliers sign a sustainable commitment

Worked with supply chains in compliance with the principles on sincerity and sustainability.

92 points

Customer satisfaction

7 cases listed under control, achieving a 100% actual survey response rate.

2.1.2 Sharing the most glorious moment with you



TCSA Taiwan Corporate Sustainability Award
Platinum Award for Corporate Sustainability Report



TCSA Taiwan Corporate Sustainability Award
Exemplar of the Top 100 Sustainable Enterprises



AREA Asian Corporate Social Responsibility Award
Social Public Welfare Development Awar



HR ASIA Taiwan's Best Employer in Asia
Green Leadership Award



ASSET Sustainability Excellence Award
Social Innovation Award (Friendly Workplace)



Ministry of Labor Outstanding Engineering Golden Safety Award
Taipei Metro Wanda Line Zhonghe High School Station (LG08) New Construction Project



National Excellence inConstruction Award - Excellence Award
Taoyuan Exhibition Center Project



National Excellence in Construction Award - Gold Quality Award
Nanmen Building and Market Reconstruction Design-Build Project



New Taipei City Environmental Protection Bureau
Private Green Procurement Excellence Enterprise



1111 Job Bank Happy Enterprise
Construction Industry Gold Level



Taipei City Labor Safety Award
Workplace Peace of Mind Award



New Taipei City Public Safety Award Outstanding Private Engineering Excellence
Taipei Metro Wanda Line Zhonghe High School Station (LG08) New Construction Project



Taipei City Labor Safety Award
(111-Jian-042) New construction of office buildings on 3 plots of land, No. 363-1, 372372-2, Dunhua Section 4, Songshan District, Taipei City



New Taipei City Friendly Outstanding Construction Site Selection Activity
General Construction Category Excellence



Taipei Golden Eagle Micro Film Festival
Best Corporate Governance Micro Film Gold Award

2.2 Sustainable Development Strategy

Corporate Sustainability Perspective and Commitment

"Integrity," "Quality," "Service," "Innovation," and "Sustainability" are the core values of Kedge Construction. While pursuing revenue and profit, we insist on fulfilling our role as a global corporate citizen. We are committed to sustainable corporate development to continuously generate operational momentum and raise our competitiveness.

As an ethical and responsible enterprise, Kedge is dedicated to becoming an outstanding company with a mission. We firmly believe that taking on the responsibilities towards stakeholders and environmental protection will ultimately contribute to the company's long-term profitability and growth. Kedge will adhere to the spirit of giving back to society and practicing corporate social responsibility (CSR) by maintaining stable labor relations, caring for employees, governing the company well, protecting the environment, and engaging in social welfare. We comply with government regulations, safeguard employees' job rights, enhance employee health and safety, develop low-carbon projects, reduce environmental impact, and take on social and environmental responsibilities in the three ESG aspects to meet stakeholders' expectations.

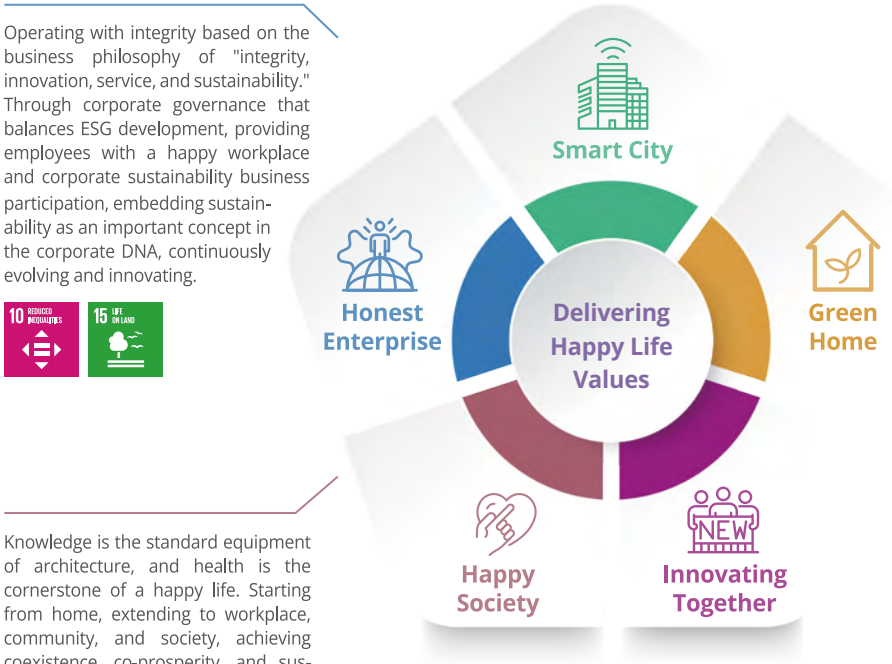
Kedge is the first publicly listed construction company in the country to pass the AA 1000AS verification. We value talent cultivation and consider construction technology as the foundation of the enterprise. We strive for innovation through the integration of quality and technology, aiming for efficient resource use and energy conservation. We employ BIM (Building Information Modeling) to simulate engineering planning, integrate design, and conduct visualized construction reviews, applying it to project progress and cash flow management. Kedge also emphasizes respect and care for people and nature, viewing the completion of each project as a mission, and continuously improving engineering technology for full lifecycle management.

Corporate Sustainable Development Blueprint

As a member of the Kindom Group, Kedge Construction follows the group's core ESG values, which are "delivering the value of a happy life." This extends into five specific strategies: "Green Home," "Smart City," "Collaborative Innovation," "Integrity Enterprise," and "Happy Society," aligning with 11 of the United Nations Sustainable Development Goals (SDGs).

To fulfill its responsibilities in environmental sustainability (E), social inclusion (S), and corporate governance (G), Kedge Construction aims to meet the expectations of stakeholders regarding products, services, corporate governance, and the environmental protection. By integrating its core values, Kedge pursues sustainable corporate development and upholds social responsibility. With the mission of being the "Sustainable City Engineering Team," Kedge actively participates in public works, residential complexes, corporate offices, and medical facility construction, positioning itself as the most professional partner for governments in creating sustainable cities.

Operating with integrity based on the business philosophy of "integrity, innovation, service, and sustainability." Through corporate governance that balances ESG development, providing employees with a happy workplace and corporate sustainability business participation, embedding sustainability as an important concept in the corporate DNA, continuously evolving and innovating.



Combined with 5G and IoT infrastructure development, utilizing innovative and digital technologies (construction methods, materials, tools, etc.) to lead industry trends, aiming to reduce carbon emissions and facilitate convenient living, creating imaginative future cities.

Utilizing design and technological optimization to reduce environmental impact during construction processes and operations, reducing carbon emissions while increasing clean energy and ecological restoration, developing circular economy, and building green living circles.

Knowledge is the standard equipment of architecture, and health is the cornerstone of a happy life. Starting from home, extending to workplace, community, and society, achieving coexistence, co-prosperity, and sustainable development.

With shared ideals, walking together on the path of sustainability, guiding industry trends. To meet industry needs and create markets, we will join hands with more partners for sustainable city development, thinking of innovative actions, exerting positive influence, and revitalizing sustainable development and partnerships.

ESG Sustainability Strategy Blueprint

Corporate Sustainable Development Vision - The Professional Team for Sustainable Cities

Rooted deeply, building a solid foundation, pursuing excellence, and always leading as the champion.

E ENVIRONMENT
Green Home & Smart City



- Align with international standards, plan SBTi carbon reduction path.
- Innovatively adopt low-carbon construction methods, strengthen supply chain resilience.
- Integrate smart and digital construction management.

S SOCIAL
Happy Society



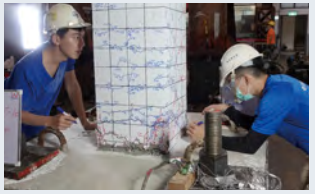
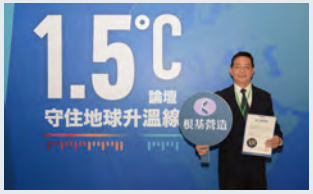
- Combine construction management functions, collaborate with suppliers and NGOs to improve housing for rural and disadvantaged families.
- Friendly to the ocean, close to the land, afforestation for negative carbon.

G GOVERNANCE
Honest Enterprise & Innovating Together



- Continuously improving corporate governance.
- Focus on talent cultivation, advocate for DEI workplace environment.
- Respond to climate change, manage risks and seize opportunities.

Short-Medium-Long Term Development Goals

	Short Term 2024~2025	Medium Term 2026~2030	Long Term 2031~2050
	Follow regulations and stay ahead	Sustainable transformation and value creation	Expand influence, achieve net zero together
			
E	**Institutional Alignment** ISO14000 (Environmental Management), ISO14064 (Greenhouse Gas Inventory), SBTi (Science-Based Carbon Reduction Pathway), TCFD (Climate-Related Financial Disclosure), GRI (ESG Report Disclosure), BS8001 (Circular Economy)	**Low-Carbon Construction** Innovative low-carbon construction methods, adoption of low-carbon materials, green energy and financial investments, SBTi review passed, commitment to reducing Scope 1 and 2 GHGs by 42% by 2030, and Scope 3 GHGs by 25%	**Net Zero Target** Achieving the national 2050 net-zero target
S	**Social Well-Being** Recycling (public welfare repairs), beach cleanups, farmland and forest adoption, friendly workplace activities	**Deepen Differentiation** Quantify public welfare benefits, diversify activities, expand impact, collaborate with internal and external stakeholders	**Public Welfare Brand** Establish a corporate public welfare brand image
G	**Integrity in Business Operations** Enhance corporate governance evaluation, external evaluation of the board of directors, organize supplier conferences	**Evaluation Leadership** Continuously improve corporate governance evaluation, international indicators (DJSI), and align with IFRS Sustainability Disclosure Standards S1 and S2.	**International Advancement** Continuously improve corporate governance evaluation, international indicators (DJSI)

2.3 ESG Committee

• GRI 2-12, 2-13, 2-14, 2-16

Kedge Construction established in 2014 the "CSR Committee," whose responsibility aimed at planning for actions and strategic development regarding corporate social responsibility. In line with the FSC's "Corporate Governance 3.0 - Blueprint for Sustainable Development," in 2023, the ESG Committee formed at the company to board level serves as the highest-level sustainable development organization within Kedge Construction, coordinating the strategy and goal formulation of the company's sustainable development, and regularly reviewing performance and goal achievement.

To implement corporate sustainable governance, the duties and responsibilities of the ESG Committee are as follows:

- Formulate a sustainable development policy.
- Review the operation of a sustainable development management system.
- Review our company's ESG policy objectives, strategies, and action plans, as well as guide and follow up on the progress and performance improvement of each action plan.
- Supervise various stakeholder engagement plans (such as the writing of a ESG Report) and invite stakeholders to participate in committee meetings or hold stakeholder meetings if necessary.
- Supervising the compilation of ESG reports and reviewing and approving the publication of report disclosure content (including material topics)

Committee Structure and Responsibilities of Promotion Teams

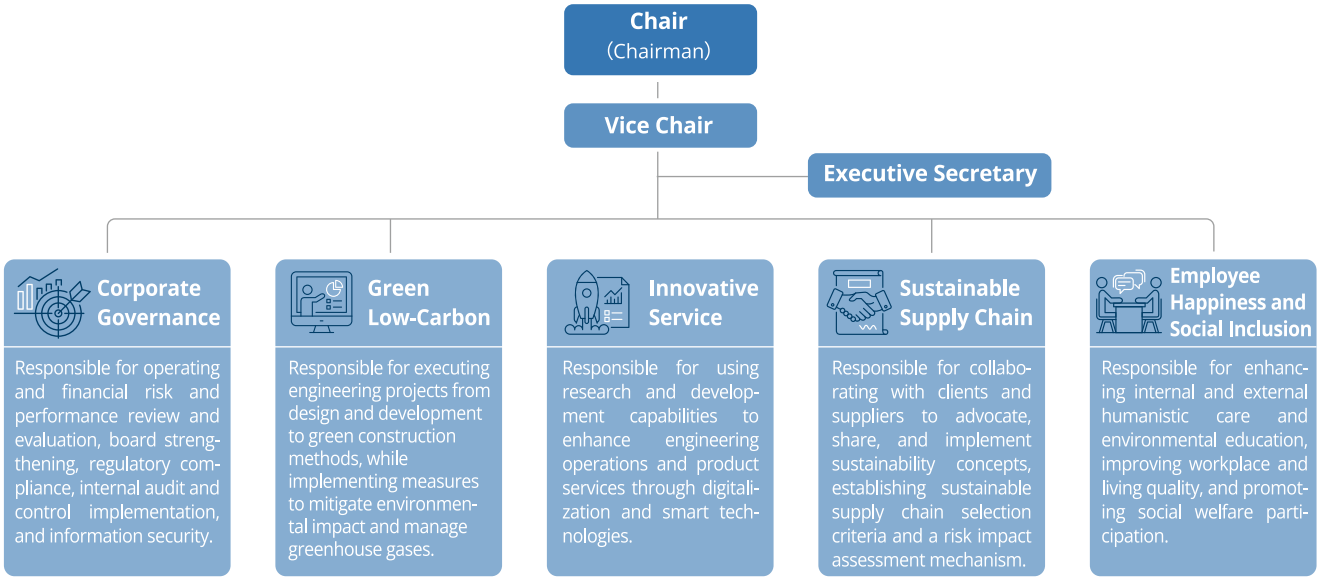
The results and progress of every mission of ESG Committee are reviewed and supervised by the Corporate Governance team to incorporate them in the company's decision-making process and improve the performance of the sustainable development. Meanwhile, the results and progress also gradually help us achieve the short-, medium-, and long-term sustainable development targets to demonstrate our resolution to move toward sustainable development.

In 2024, the ESG Committee was established with 4 committee members, with Chairman Yuan Ai-Wei serving as the chief committee member, structuring and promoting group responsibilities, and appointing Independent Director He Chen as deputy chief committee member, with the other 2 members served by the company's independent directors and general manager. To implement corporate sustainability-related work, the committee has established "Five Major Promotion Groups" under its structure, with group conveners concurrently served by the highest management personnel of corresponding internal departments, and an executive secretary designated by the chief committee member to ensure the promotion and implementation of corporate sustainability development-related work. The five major functional teams currently are: the corporate governance team, the green low-carbon team, the innovative service team, the sustainable supply chain team, and the employee happiness and social inclusion team.

The ESG Committee holds meetings twice a year, chaired by the chair (Chairman). Each team reports on the results of relevant topics and strategies and evaluates the performance, and thus plans approaches for corporate sustainable development. At the meetings, future working projects, the progress of execution and its results, and the ESG-related strategies and goals are required to be reported to the Board of Directors.

Of the 9 board meetings held as of the first quarter of 2025, proposals related to ESG sustainable development accounted for 33% of the total. The content of the proposals involves: (1) the specific implementation plan for sustainable development; (2) sustainability-related policies; (3) the implementation result of sustainable plans. At the meetings, the Board of Directors will ask questions or give suggestions on the content of ESG strategic plans and policy formulation, and decide whether to pass or not. It also reviews and supervises the implementation of the sustainable plans from the progress report, and supervise the operation teams adjusting themselves, when necessary.

Discussions between the ESG Committee and the Board of Directors



2.4 Materiality Analysis

Identify stakeholders-seven major categories of stakeholders

Based on the 5 principles of the AA1000 Stakeholder Engagement Standard (2015) and the experience of various departments and industry peers, the promotion team under the ESG Committee of Kedge Construction has identified 7 categories of stakeholders, including: media, government agencies, shareholders/investors, community/non-governmental organizations, suppliers, employees, and customers.



Understand the context: collect ESG issues – 20 ESG issues

Referring to international sustainability norms and standards (GRI Standards, SASB, SDGs, ISO 26000, TCFD), domestic and international construction and building industry peer cases, the company's risk assessment review reports, and stakeholder communication processes, the promotion groups compiled and listed 20 sustainability topics (topic names were substantially adjusted and reorganized, differing from 2023). To ensure the objectivity, completeness, and inclusiveness of material topics, we also reviewed the material topics from the previous report.

Identify the actual and potential impacts:

At the internal meetings the functional teams invited 35 department heads to discuss the 20 issues that are collected and identify the actual or potential negative/positive impacts as well as the influence that the impacts may cause in various aspects including finance, business reputation, environment, and human rights.

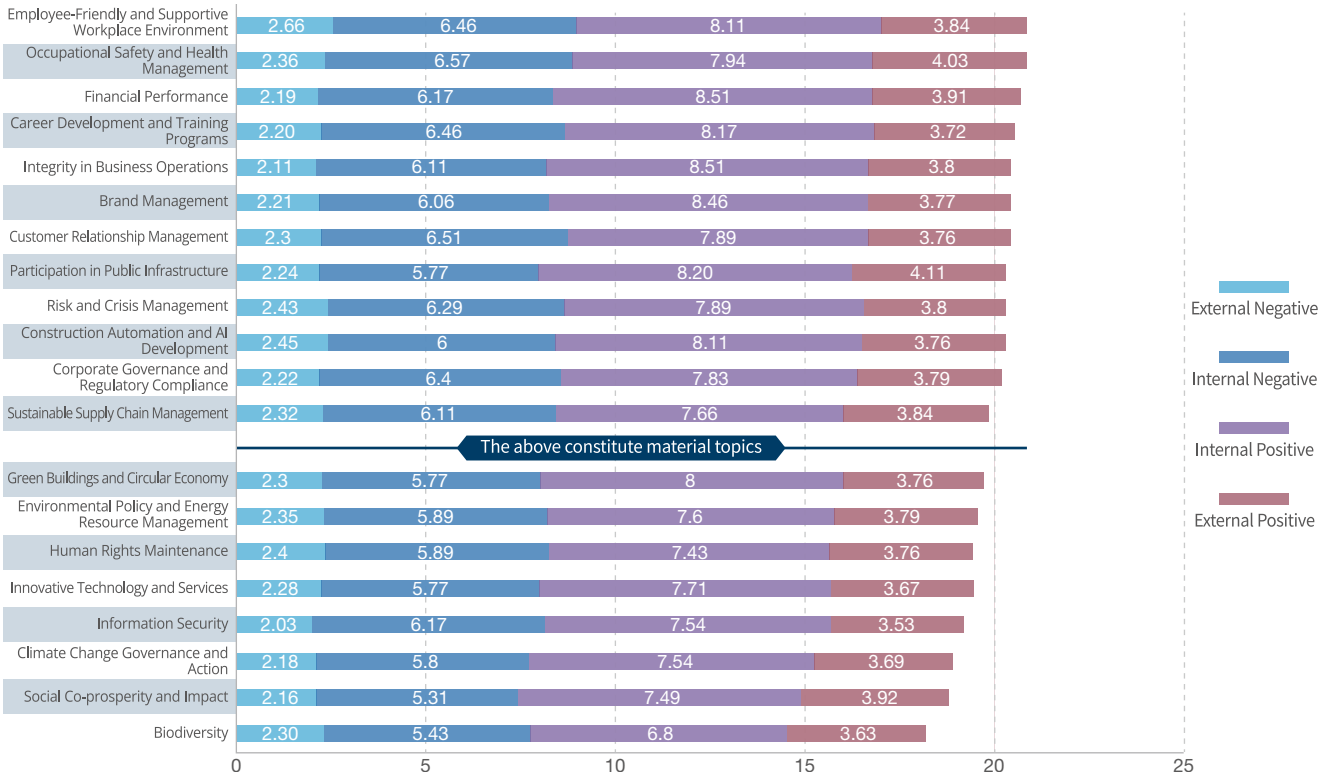
Evaluate the significance of impacts: 320 external questionnaires and 35 internal questionnaires

The promotion groups conducted the "Kedge Construction Stakeholder ESG Questionnaire" survey with 7 categories of stakeholders to assess the degree of positive impacts and negative impacts (low/medium-low/medium/medium-high/high) brought by the company's management of 20 sustainability topics, receiving a total of 320 valid responses. The impact degree can be comprehensively assessed by the level of impact on you, probability or frequency of occurrence, scope of this impact, and whether negative impacts can be remediated.

Simultaneously, internal questionnaires were distributed to 35 department supervisors to assess the degree of positive impacts and negative impacts (low/medium-low/medium/medium-high/high) that current behaviors regarding various sustainability topics have on the company. The impact degree can be comprehensively assessed by the level of impact on the company, probability or frequency of occurrence, scope of this impact, and whether negative impacts can be remediated.

Sort material issues by significance: 12 material issues

After reviewing stakeholder and internal questionnaires, and based on materiality thresholds, 12 highly concerned sustainability topics were identified as this year's material topics, creating a materiality matrix and reporting to the ESG Committee and Board of Directors.



Material issues and the meaning of the value chain

Kedge Construction conducts material topic surveys every two years. Through analysis following the 2025 survey, a total of 12 material topics were identified. From the analysis results, it can be observed that stakeholder concerns are diverse and change over time. Compared to 2023, 5 topics became material: "Construction Automation and AI Development" (newly added in 2025), "Friendly and Happy Workplace Environment," "Career Development and Education Training," "Brand Management," and "Customer Relationship Management" (these 4 topics were disclosed in past two-year reports but were not material topics). Additionally, besides the 12 material topics, the remaining 8 topics, although not classified as material, have been disclosed in the past two years of reports. For continuity of reporting and observing long-term trends, they continue to be explained in this year's report with the latest management approaches and performance. The significance of each material topic, including positive and negative impacts directly caused by Kedge or indirectly promoted through upstream and downstream industries, as well as specific targets and actions for each topic, will be explained in corresponding chapters of this report. The GRI Standards disclosure items corresponding to each material topic can be referenced in the GRI Standards Content Index appendix of this report.



Material issues	GRI Standards Specific Topics	SASB Standards	Scope of Impact Across the Value Chain		
			upstream	Kedge	downstream
NEW Friendly and Happy Workplace Environment	GRI 401: 2016 Employment	No corresponding topic	◎	●	
Occupational health and safety	GRI 403: 2018 Occupational Health and Safety	Worker Health and Safety • IF-EN-320a.1	◎	●	
Financial Performance	GRI 201: Economic Performance 2016	Climate Impact • IF-EN-410b.3 Activity Metrics • IF-EN-000.C	◎	●	
NEW Career Development and Education Training	GRI 404: 2016 Training and Education	No corresponding topic	◎	●	
Integrity in Business Operations	GRI 205: Anti-corruption 2016	Business Ethics • IF-EN-510a.1~3	◎	●	◎
NEW Brand Management	Self-defined topic	No corresponding topic	◎	●	◎
NEW Customer Relationship Management	Self-defined topic	No corresponding topic		●	◎
Public construction participation	Self-defined topic	Activity Metrics • IF-EN-000.A~C	◎	●	●
Risk and Crisis Management	Self-defined topic	No corresponding topic		●	◎
NEW Construction Automation and AI Development	Self-defined topic	No corresponding topic	◎	●	◎
Corporate Governance and Regulatory Compliance	Self-defined topic	Project Environmental Impact • IF-EN-160a.1 Building Structural Integrity and Safety • IF-EN-250a.2 Business Ethics • IF-EN-510a.2		●	◎
Sustainable Supply Chain Management	GRI 414: 2016 Supplier Social Assessment	No corresponding topic	●	●	◎

Note 1: The table above references the industrial categories informed in the "Taiwan Industry Value Chain Information Platform," identifying the impact boundary of the value chain of Kedge Construction. The core of the value chain lies in Kedge Construction itself, covering employees and collaborative suppliers. The upstream includes building material supply, foundation engineering, structural engineering, electromechanical engineering, and related construction engineering design, and the downstream includes customers (governments, private enterprises, individuals) and communities

Note 2: ● represents direct impact;◎ represents indirect impact

2.5 Material Topic Management Approach

Sustainability and Corporate Governance Management Approach							
Material Topic	Management Strategy and Approach	Key Performance Indicators (KPI)	Management Indicators and Targets				Impact and Opportunities for the Company
			2024 Target	2024 Performance Results	2025 Target	2030 Target	
Financial Performance	Continuously creating profits through activities such as increasing operating revenue and reducing costs. Under a stable financial structure, distributing annual surplus to shareholders through dividend payments, creating diverse value for stakeholders.	Annual operating revenue and earnings per share	Continuously stable growth in revenue and profit, creating better economic value returns for investors and stakeholders	Consolidated operating revenue reached NT$14.234 billion Consolidated earnings per share NT$7.10 Decreased by NT$0.94 compared to 2023 (NT$8.04), a decline of 11.69%	Continuously stable growth in revenue and profit, creating better economic value returns for investors and stakeholders	Continuously stable growth in revenue and profit, creating better economic value returns for investors and stakeholders	Continuously and steadily driving improvement in economic value and returning it to all stakeholders to achieve long-term sustainable development goals.
Integrity in Business Operations	Emphasizing the company's anti-corruption and integrity concepts through education and training, requiring employees and suppliers to sign commitment letters and related clauses, and establishing reporting channels to strengthen the implementation of integrity management.	Employee integrity management course completion rate	New employee integrity management course completion rate 80%	New employee integrity management course completion rate 83%	All employee integrity management course completion rate 85%	All employee integrity management course completion rate 100%	Implementing integrity management helps avoid high costs of legal liability and reputational damage caused by illegal activities.
		Employee integrity and confidentiality commitment letter signing rate	Employee integrity and confidentiality commitment letter signing rate 100%	Both existing employees and new employees have signed	Employee integrity and confidentiality commitment letter signing rate 100%	Employee integrity and confidentiality commitment letter signing rate 100%	
		Supplier integrity clause and commitment letter signing rate	Supplier integrity clause and commitment letter signing rate 100%	Both existing suppliers and newly contracted suppliers have signed	Supplier integrity clause and commitment letter signing rate 100%	Supplier integrity clause and commitment letter signing rate 100%	
Corporate Governance and Regulatory Compliance	Through the company's twice-yearly regulatory assessment and annual governance evaluation mechanism by competent authorities, continuously managing and supervising company ESG policies and ensuring regulatory compliance in business operations.	Implementation of corporate governance evaluation items	Continuously reviewing and improving corporate governance evaluation items	1. Complete disclosure of sustainability development and integrity management implementation in annual reports. 2. Disclosure of greenhouse gas, water use, and total waste weight for the past two years with external verification.	1. Establish environmental management system. 2. Develop energy management plan. 3. Introduce internal carbon pricing.	Implement annual governance evaluation items, continuously promote sustainable development to comply with company carbon reduction pathway.	Corporate governance and regulatory compliance enables the fulfillment of corporate management responsibilities and protection of stakeholder rights.
		Number of violation incidents	Reduce number of violation incidents and zero major violation incidents	Violation cases decreased compared to 2023, no major violation incidents	Number of violation incidents reduced by 5% compared to last year and no major violation incidents	Number of violation incidents reduced by 10% compared to last year and no major violation incidents	
Risk and Crisis Management	Establish effective risk identification mechanisms, assess strategic risks that may affect the company's future development, such as changes in industry trends, policy regulations, and technological innovation, formulate comprehensive risk management strategies, conduct timely assessments, and prepare risk mitigation measures in advance.	Risk occurrence within controllable range	No risk losses	After risk assessment, for major or high unacceptable risks, further risk control measures have been implemented (such as adding operational control points and strengthening education and training). After implementing risk control measures, risks have been reduced to acceptable levels.	Review emerging risks, prevent major risk occurrence	Identify potential risks, make appropriate responses, ensure sustainable company development	Risk management needs to be dynamically adjusted according to external environment, business development, and internal resources. Short-term focus on immediate response, medium-term attention to risk control and strategic adjustment, long-term emphasis on strategic planning and sustainability. The three are interconnected, forming a complete strategy to ensure stable business operations and sustainable development.

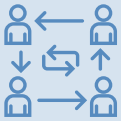
Caring Management Approach							
Material Topic	Management Strategy and Approach	Key Performance Indicators (KPI)	Management Indicators and Targets				Impact and Opportunities for the Company
			2024 Target	2024 Performance Results	2025 Target	2030 Target	
Occupational Safety and Health Management	Providing employees and suppliers with adequate training courses, strengthening occupational safety knowledge and disaster response capabilities, and strictly supervising implementation processes.	Major industrial safety incidents	Annual fatality rate from occupational disasters 0	1 major occupational disaster (fatality) Note: Not company employee	Annual fatality from occupational disasters 0 cases	Annual fatality from occupational disasters 0 cases, completely eliminate major industrial safety incidents	Stricter regulations and increased occupational safety requirements require companies to invest more resources in strengthening management systems and on-site control, resulting in significantly increased compliance and personnel costs, creating operational and financial burdens. However, strengthening occupational safety systems can reduce occupational disaster risks, enhance employee trust and brand image, thereby increasing market competitiveness and sustainable business capabilities.
				3 reportable occupational accident cases (hospitalization) Note: 2 company employees; 1 non-company employee	Annual hospitalization reportable occupational disasters within 3 cases	Annual hospitalization reportable occupational disasters ≤ 1 case, reduce accident occurrence rate	
		Disabling injury rate	FSI (Frequency Severity Index) average further reduced by 0.5	2024 FSI (Frequency Severity Index) 0.9 Note: 2023 announced construction engineering industry FSI (Frequency Severity Index) 1	FSI (Frequency Severity Index) average further reduced by 0.5	FSI (Frequency Severity Index) average ≤ 0.5, ensure continuous improvement	
Friendly and Happy Workplace Environment	Adhering to the concept of "Earth Sustainability, Happiness Delivery," committed to promoting environmental protection, health, and social responsibility, with sustainable resource utilization, inviting colleagues to create better living environments, workplaces, and happy society through innovation and cooperation.	Organize health or green workplace activities in cooperation with the group	Organize 7 related activities	Organized 8 related activities (rational fertilization bamboo shoot picking activities, charity group dream fulfillment donation programs, etc.)	Continue to organize various charity activities and use Walkii APP to promote colleague participation in sustainability and health-related projects.	1. Continue corporate social responsibility, expand influence 2. Company-wide environmental protection and sustainability awareness improvement, forming important corporate sustainability culture core	When companies do not actively create friendly workplaces, they face risks of talent loss, recruitment difficulties, and decreased internal efficiency, increasing personnel costs and business instability. Conversely, promoting diversity, inclusion, and friendly systems helps improve employee satisfaction and retention rates, strengthen corporate employer brand, creating long-term economic benefits and competitive advantages.
		Strive for external awards for friendly workplace	Obtain happy enterprise and friendly employer awards	1111 Job Bank Happy Enterprise Gold Award, HR Asia Best Employer Award	1. Maintain participation in external awards, continuously obtain happy enterprise and best employer certification 2. Strengthen health examination items, increase fertility-related testing programs		
		Promote colleagues' active participation in charity activities	Include in overall departmental performance targets	Annual review 100% of departments included in performance evaluation items, over 95% of departments fully achieved targets.	Departments still need to include participation in charity activities as common departmental goals and promote colleague participation in substantial activities, such as "Healthy Rice Planting Fun" and "Tree Planting Activities."		
Career Development and Education Training	Establish competency and learning maps, utilize physical and online courses for colleague learning and development, and improve clear promotion and development pathways.	Digital course promotion and establishment	Add at least 8 digital courses, digital course application rate reaches 30% of total courses	Opened 12 courses	Add at least 10 digital courses, digital course application rate reaches 40% of course applications.	Improve training structure according to competency system, utilize blended learning for colleague learning map application, continue improvement through National Talent Quality Award, targeting gold medal as training verification.	The company is committed to systematic talent development, establishing a comprehensive education and training system to ensure colleagues receive appropriate learning resources and development opportunities at different career stages, not only improving corporate competitiveness but also achieving win-win situation of personal value and corporate sustainable development, bringing stable growth momentum to the company.
					At least 5 professional competency courses converted to online courses, providing online learning for engineering colleagues.		
		Focus on competency, improve training levels and optimize course content	Establish promotion standards and norms, complete competency assessment that manager-level and senior executives should complete	Conduct testing and analysis for manager-level and deputy manager-level executives, report results to senior management, and plan training programs to address overall management capability gaps.	Complete competency standard forms for on-site occupational safety/drawing/electrical supervisors below supervisor level		

Green Engineering Section							
Material Topic	Management Strategy and Approach	Key Performance Indicators (KPI)	Management Indicators and Targets				Impact and Opportunities for the Company
			2024 Target	2024 Performance Results	2025 Target	2030 Target	
Sustainable Supply Chain Management	Through formulating "Supplier Integrity Principles Commitment Letter and Corporate Social Responsibility Clauses," building a responsible supply chain, and through green procurement and local procurement, working together with suppliers toward sustainable management.	New suppliers sign "Supplier Integrity Principles Commitment Letter and Corporate Social Responsibility Clauses"	Supplier signing rate 100%	Supplier signing rate 100% achieved	Supplier signing rate 100%	Supplier signing rate 100%	Through supplier signing of sustainability commitment letters and conducting audits, improve supplier sustainability management performance, forming positive cycles and expanding upstream and downstream sustainability influence.
		Adopt ESG supply chain suppliers	Account for 50% of material contract items	52.63%	50%	55%	
		Winning bidders and new suppliers complete Supplier Corporate Social Responsibility Self-Assessment Form	Supplier completion rate 70%	83.11%	85%	90%	
		Procurement localization	85%	82.91% *Did not meet target due to labor shortage and procurement strategy changes	85%	85%	
		Green procurement	Account for 5% of total contract amount	Account for 3.83% of total contract amount *Did not meet procurement amount target due to government regulation adjustments	Due to different annual project volumes and procurement (bulk purchasing) timing, green procurement amount as percentage of total contract amount increased by 10% compared to previous year	Increase green procurement ratio annually, but adjustments needed according to government regulations	
Public construction participation	Participating in public construction projects including transportation, healthcare, and international-level exhibition venues, continuously breaking through and innovating, striving to invest in public construction with the best engineering quality, and bringing employment opportunities and economic growth to local areas of each project.	External project contract award amount	Target amount achievement rate 100%	100%	Target amount achievement rate 100%	Target amount achievement rate 100%	Bringing employment opportunities and economic growth to local project areas.
	Individual project risk assessment and construction risk management	After obtaining bid documents, submit assessment reports for individual cases and combine with relevant units for on-site surveys	Bid document case assessment and site survey ratio 100%	100%	Bid document case assessment and site survey ratio 100%	Bid document case assessment and site survey ratio 100%	Implement bidding operations, reduce assessment errors, improve bid winning rate
Construction Automation and AI Development	Actively introducing AI and automation technologies to improve construction efficiency and quality, and address construction labor shortage issues. Additionally, the company invests in technical talent development to ensure deep integration of AI technology with construction management, achieving smart construction and sustainable development goals.	Construction robot introduction and efficiency assessment	Explore construction robot introduction and efficiency assessment	Robot construction visits and trials (e.g., Yu Mao Wu painting robots)	Introduce construction robots to construction sites	1. Mature application of AI and digital construction technology 2. Full digitization of quality assurance self-inspection forms 3. Establish complete engineering module customized development 4. Establish data center and form monitoring maintenance team 5. Regularly review and optimize	Through construction management module integrated development, AI technology application, and data center establishment, the company will achieve more efficient construction management modes, not only improving construction quality and efficiency, but also strengthening cost control, further enhancing corporate competitiveness and sustainable value.
		AI-assisted construction quality inspection and digital management	Replace paper with digital tools, improve construction quality assurance and inspection efficiency	Construction quality inspection digitization, introduce monthly inspection report digitization	AI-assisted quality assurance project inspection (such as rebar binding inspection)		
		Optimize project cost control	Construction automation research and application	1. Establish Power BI dashboard: project data management automation and visualization. 2. Develop cost control monthly report APP	1. Continuous optimization of engineering modules 2. Data center establishment planning		

Collaborative Prosperity Section							
Material Topic	Management Strategy and Approach	Key Performance Indicators (KPI)	Management Indicators and Targets				Impact and Opportunities for the Company
			2024 Target	2024 Performance Results	2025 Target	2030 Target	
Customer Relationship Management	1. Through quality communication channels, provide customers with quality after-sales service. 2. Reply within 24 hours after receiving notification, complete site survey within 3 days. Continue to maintain high-quality construction engineering, fulfill corporate social responsibility.	1. Improve customer satisfaction 2. Response time to maintenance notifications	Customer satisfaction survey reaches 85 points or above	2024 satisfaction score 92 points	Maintain customer satisfaction survey reaches 85 points or above	Customer satisfaction survey reaches 90 points or above	Excellent after-sales service effectively enhances corporate brand image. Through feedback from repair cases, helps reduce defects and improve construction quality.
Brand Management	With "Professional Team Building Sustainable Cities" as the core brand narrative, establish good corporate image. Deepen owners' and partners' trust in the company and continue to gain investor favor.	Communication information update frequency	• Website updates total 25 items • News releases reach 6 items	• Website updates total 31 items • News releases reach 6 items	Same as 2024 target	• Website updates total 30 items • News releases reach 10 items	Establish quality corporate brand image to enhance trust from owners and potential customers. Through autonomous corporate information release and disclosure, immediately respond to stakeholders, reducing crises and conflicts.
		Social media reach and exposure	• Total exposure reaches 150,000 views • Video views reach 80,000	• Total exposure reaches 394,000 views • Video views reach 80,000		• Total exposure reaches 500,000 views • Video views reach 200,000	

2.6 Communication with Stakeholders

• GRI 2-25, 2-26, 2-29

Stakeholders	Significance to Kedge Construction	Communication method and frequency		Important issues of concerns	2024 Kedge's actual performances and communication
 Employees	Kedge views employees as the cornerstone of corporate growth. Attracting talent, cultivating talent, and retaining talent, continuously creating a work environment where employees feel respected, safe and stable, striving for everyone to realize their self-worth in their career.	• Internal announcement (irregular) • Labor-management meeting (every quarter) • Employee suggestion mailbox (prompt) • Inter-departmental communication (monthly) • Weekly departmental meeting (weekly) • Regular quality meeting (weekly) • Target meeting (monthly) • Site manager meeting (monthly)	• Human Resources dept. Manager Chou • Tel.: (02)2378-6789 #25333 • Employee grievance mailbox: sally_chou01@kindom.com.tw	• Friendly and Happy Workplace Environment • Occupational health and safety • Career Development and Education Training • Human Rights Protection	• Internal announcement / 882 pieces during the year • Labor-management meeting / 4 meetings during the year • Employee suggestion mailbox / Any time • Inter-departmental communication / Irregular • Weekly departmental meeting / 1 per month • Regular quality meeting / 1 per week • Target meeting / 1 per month • Site manager meeting (internal plan) / 1 per month
 Customers	Actively complying with all regulations of government agency supervision and auditing, and committed to providing quality construction services and maintaining high-quality construction engineering for client agencies.	• Customer satisfaction survey (irregular)	• After-Sales dept. Manager Mr.Kung • Tel.: (02)2378-6789 #25254	• Customer Relationship Management • Green Buildings and Circular Economy • Innovative Technology and Services	• Customer satisfaction in 2024 reached 92 points.
 Suppliers	Excellent suppliers are the key to the success of construction. Therefore, we have established a standardized process for suppliers from the initial stage to the stage after a contract is signed, to ensure the quality of construction and enhance our competitiveness in the industry. Meanwhile, we tap into our influence to require suppliers to prevent environmental pollution, labor hazards, and human rights violations.	• Procurement meeting (irregular) • Supplier evaluation mechanism (annual) • Initial evaluation of new suppliers' construction sites (annual) • Hazard notification meeting (irregular) • On-site interviews (irregular) • Factory visits (annual) • Construction coordination meeting (annual)	• Purchase dept. Senior Manager Li • Tel.: (02)2378-6789 #25302 • Email:cslee@kindom.com.tw	• Occupational health and safety • Sustainable Supply Chain Management	• 12 Pre-Procurement meetings during the year • 51 Procurement meetings during the year • Supplier evaluation mechanism /Initial evaluation of 66 new suppliers' construction sites • 489 Hazard notification meetings during the year. • 22 sessions of on-site interviews • 12 sessions of factory visits • 6 Construction coordination meeting during the year • Received 4 problem responses from suppliers

Stakeholders	Significance to Kedge Construction	Communication method and frequency		Important issues of concerns	2024 Kedge's actual performances and communication
Shareholders/ Investors	Shareholders are our investors. We protect their rights and interests and ensure their right to know, participate in, and decide on our major issues.	• Shareholders' meeting (annual) • Investor conference (every six months) • Email/call inquiries from investors (prompt)	Spokesperson Senior vice general manager Mr. Fan • Email: gfan@kindom.com.tw Stock Transfer Agency CTBC Bank Co., Ltd., Transfer Agency dept. • Tel.: (02) 6636-5566 • Email: transfer.agency@ctbcbank.com	• Financial Performance • Risk and crisis management • Construction Automation and AI Development • Public construction participation	• 1 Shareholders' meeting held • 2 Investor conference
Government agencies	We actively comply with the government agencies' regulations on supervision and audit. We strive to provide highquality construction services and construction works to government agencies.	• Renew the governmental websites, publicize information from the Market Observation Post System (monthly, quarterly, annual, irregular) • Undergo evaluations by the government's agencies (annual)	• Corporate governance dept. Assistant Manager Lee • Tel.: (02)2378-6789 #25466 • Email: dalisha_li@kindom.com.tw	• Occupational health and safety • Corporate Governance and Regulatory Compliance • Environmental Policy and Energy Resource Management • Information Security	• Published 1 annual report • Published 1 ESG report
Communities/ NGOs	We implement environmental management and control measures to avoid environmental pollution at the construction sites and to maintain positive relations with the local residents. We also actively participate in various local social charity events.	• Participate in community activities (irregular) • Support for NGOs (irregular) • Advocacy for social welfare (irregular)	• Planning dept.Manager Wang. • Tel.: (02) 2378-6789 #25337 • Email: kerry_wang@kindom.com.tw	• Social Co-prosperity and Impact • Climate Change Governance and Action • Biodiversity	• 502 people attended communal activities. • Participated in 2 NGO caring activities • Took part in 8 enterprise-held charity activities
Media	With active communication with the public through the media, and promotion of our brand and corporate philosophy, we humbly accept suggestions and make improvements.	• Issue press releases about the company's operation (irregular) • Release information on social media about the company's operation (irregular)	• Planning dept.Manager Wang. • Tel.: (02) 2378-6789 #25337 • Email: kerry_wang@kindom.com.tw	• Corporate Governance and Regulatory Compliance • Financial Performance • Public construction participation • Brand management • Climate Change Governance and Action	• 10 press releases of the company's operation • 39 posts on the Facebook fan page • 31 new updates on official website

03

Corporate Governance

- **3.1** Organization Of Corporate Governance
- **3.2** Shareholder Rights
- **3.3** Integrity Management
- **3.4** Compliance
- **3.5** Risk and Crisis Management
- **3.6** Financial Performance
- **3.7** Information Security

Highlight Performance

Top 5% in Corporate Governance Evaluation (Market Cap NT$5–10 Billion Category)

Implementation and certification of **ISO 27001:2022 ISMS**

100% signing rate by employees and suppliers, fully implementing integrity and confidentiality commitments



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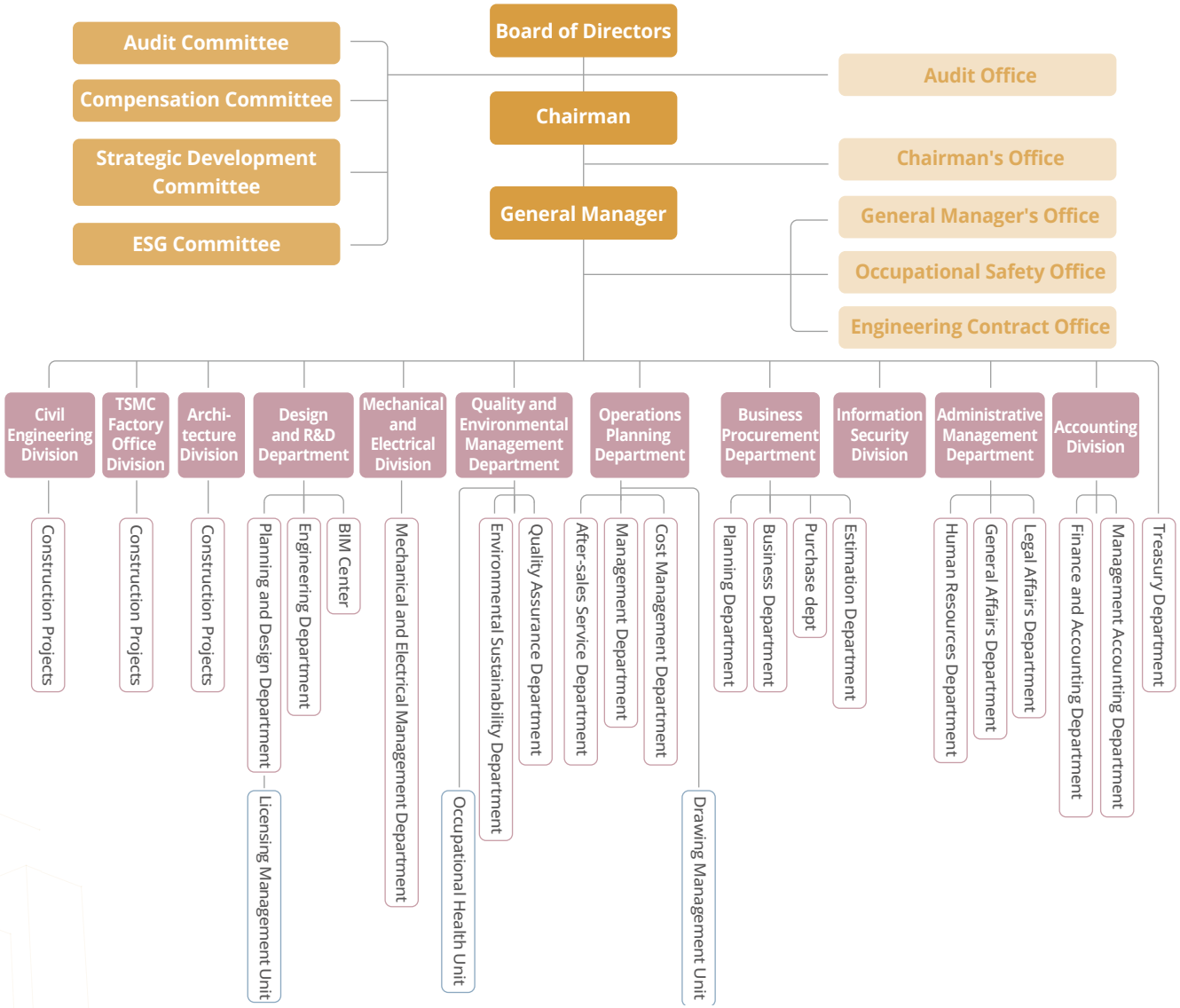
3.1 Organization Of Corporate Governance

• GRI 2-9, 2-10, 2-11, 2-15, 2-17, 2-18, 2-19, 2-20, 405-1

Kedge Construction upholds the highest principles of "integrity, quality, service, innovation, and sustainability." The Board of Directors serves as the ultimate decision-making body for corporate development and strategic direction formulation. The Audit Committee and Compensation Committee fulfill their supervisory responsibilities while actively implementing diversity and independence among board members to enhance corporate governance effectiveness.

The Board of Directors is the highest management level of the enterprise's operating mechanism and is responsible for the future development and strategy of the enterprise. Kedge Construction upholds the concept of sustainable management and aim to create the maximum benefits and values for our customers, shareholders, employees, and society. With “integrity, quality, service, innovation, and sustainability” as our highest guiding principle, we implement the principles of financial disclosures and information transparency, ensuring appropriate and efficient business operation and management and committing ourselves to protecting shareholders’ rights and interests.





Board Operations

In 2024, the Board of Directors convened six times, with an average attendance rate of 96.83%. The Kedge Construction Board of Directors, as the company's highest governance body, consists of nine directors(all male). According to Article 192-1 of the "Company Act" and Article 15 of Chapter 4 of the "Kedge Construction Articles of Association," the nomination of Kedge directors follows a candidate nomination system. The nomination of board members is highly rigorous, considering not only their expertise but also their reputation in ethics and leadership. The independence of independent director candidates must also comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. According to relevant laws and regulations, shareholders holding more than 1% of the total issued shares of the company can submit a list of candidates to the company, allowing shareholders to participate in the nomination process for board candidates. All director candidates are elected by voting at the shareholders' meeting. Currently, the nine directors (including three independent directors) each have more than five years of work experience in fields ranging from business, law, finance, and accounting to areas necessary for company operations. They are assigned tasks according to the situation and report to the board of directors.

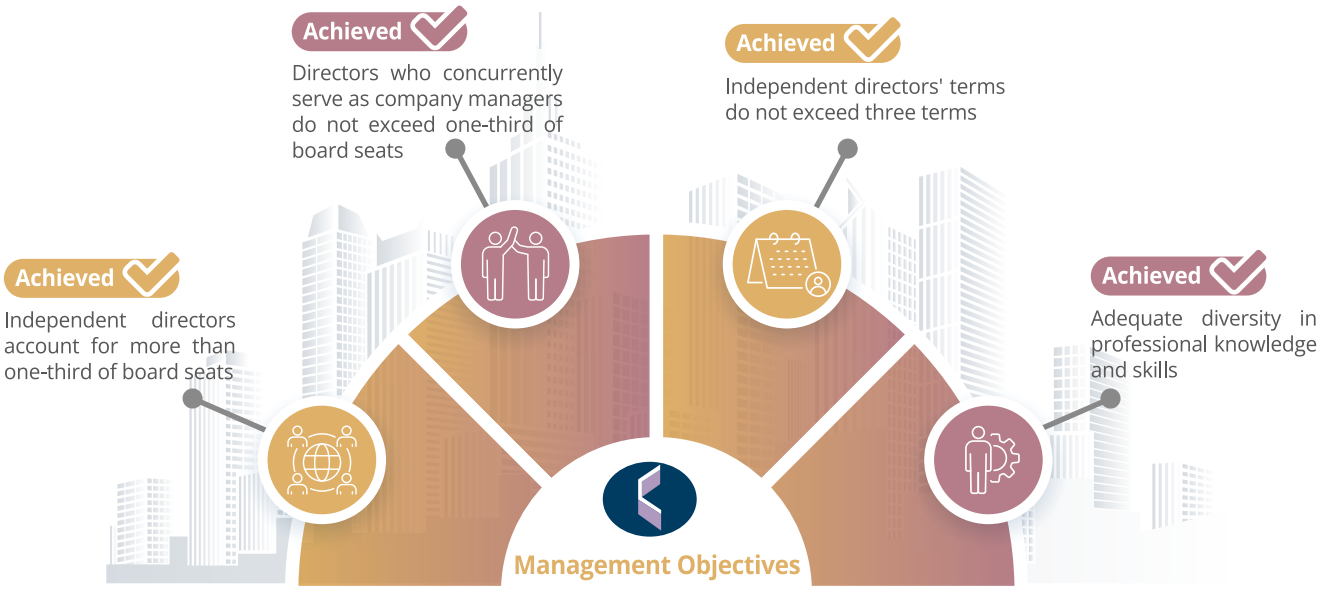
To promote honesty and ethical behavior among directors and enhance corporate governance, the company has established a code of ethical conduct for directors: all directors must prevent and mitigate conflicts of interest, and independent directors maintain their independence within their scope of business. The annual report discloses the compliance of independent directors with the independence requirements to ensure compliance with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The board of directors has established an Audit Committee, a Remuneration Committee, and a Sustainable Development Committee to assist in oversight and improve corporate governance performance.

Members of the Board of Directors

The company has specified in the “Corporate Governance Best Practice Principles” and the Procedures for Election of Directors that the diversity principle, business operation, business model, and development shall be considered for the composition of members, without restrictions on gender, age, and education. In practice, each board member has expertise and practical experience in various fields of business administration, construction management, and accounting in alignment with the diversity policy.

Implementation of the diversity policy in 2024:

1. The Company has implemented a diversified policy as stipulated in Article 20 of the "Corporate Governance Best Practice Principles" to develop appropriate diversification guidelines based on the Company's operations, business model, and development needs. This aims to enhance corporate governance and promote the healthy development of the board's composition and structure, including but not limited to the following two major criteria:
   (1) Basic Conditions and Values: Gender, age, nationality, and culture.
   (2) Professional Knowledge and Skills: Professional backgrounds (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.
2. The members of our company's board of directors should generally possess the necessary knowledge, skills, and qualities required to perform their duties. To achieve the ideal goals of corporate governance, the board as a whole should possess the following expertise: operational judgment, management, industry knowledge, financial and accounting analysis, and leadership decision-making. This will enable the company to respond to changes in the international market, understand their potential impact on the company's operations, and provide necessary crisis management guidance.
3. Our current board of directors is composed of nine members. The specific management objectives and achievement status of the board's diversification policy are as follows:



4. Diversity Management Objectives: According to Article 20 of our company's "Corporate Governance Best Practice Principles," the composition of board members should consider diversity. Our current board of directors is composed of nine members, including six directors and three independent directors, all of whom have extensive experience and expertise in civil engineering, finance, business, law, and management. Additionally, our company emphasizes gender equality in the composition of the board. Currently, we aim to have at least one female director (for the next board re-election, this management objective will guide the nomination process). Moving forward, we will continue to strive to achieve a goal of having more than 25% female directors.

The remuneration for the directors of Kedge Construction is negotiated based on the degree of directors' participation in the Company's operations and the value of their contributions, covering the Company's economic, social, environmental, and sustainable goals. The Company has also established the "Regulations Governing the Evaluation of the Performance of the Board of Directors" and the "Director and Manager Performance Evaluation and Salary Management Regulations". According to the current "Company Articles of Association", if there is a profit in the current year, no more than 2% can be set aside as remuneration for directors and supervisors. The actual distribution ratio and amount shall be proposed by the Board of Directors in the proposal for the distribution of shareholder dividends and submitted to the shareholders' meeting for resolution.

Articles of Association

Procedures for Election of Directors

Profiles of the Board members

Chairman
Yuan, Ai-Wei
Male ♂
Term 4
Age 61-70
Sustainable Development Committee

Corporate director
Kindom Development Co., Ltd.
Chih-Kang Ma
Male ♂
Term 2
Age 41-50
Chairman of Kindom Development Co., Ltd.

Corporate director
Kindom Development Co., Ltd.
Chen-Tan Ho
Male ♂
Term 1
Age over 71
Sustainable Development Committee

Corporate director
Kindom Development Co., Ltd.
Sui-Chang Liang
Male ♂
Term 1
Age 61-70

Corporate director
Kindom Development Co., Ltd.
Yi-Fang Huang
Male ♂
Term 5
Age 61-70
Concurrent position in the company: General manager of Kedge Construction

Corporate director
Kindom Development Co., Ltd.
Chun-Ming Chen
Male ♂
Term 1
Age 51-60
Concurrent position in the company: General manager of Kedge Construction

Independent director
Kuo-Feng Lin
Male ♂
Term 2
Age 61-70
Audit Committee | Remuneration Committee | Sustainable Development Committee

Independent director
Hung-Chin Huang
Male ♂
Term 3
Age 61-70
Audit Committee | Remuneration Committee | Sustainable Development Committee

Independent director
Shen-Yu Kung
Male ♂
Term 3
Age 61-70
Audit Committee

Term of the current Board:June 2, 2023 to June 1, 2026

Professional Skills and Experiences of Board Members

		Leadership and decision-making	Manage-ment	Industrial Knowledge	Financial laws	Environmental sustainability
Ai-Wei Yuan	Chairman	✓	✓	✓		
Kindom Development Co., Ltd. Chih-Kang Ma	Corporate director	✓	✓	✓	✓	
Kindom Development Co., Ltd. Chen-Tan Ho	Corporate director	✓		✓		✓
Kindom Development Co., Ltd. Sui-Chang Liang	Corporate director	✓		✓	✓	
Kindom Development Co., Ltd. Yi-Fang Huang	Corporate director	✓	✓	✓		
Kindom Development Co., Ltd. Chun-Ming Chen	Corporate director	✓	✓	✓		
Kuo-Feng Lin	Independent director			✓		✓
Shen-Yu Kung	Independent director		✓	✓		
Hung-Chin Huang	Independent director		✓	✓	✓	✓

For the members of the Remuneration Committee and its operation, please visit the website at the link below

For the members of the Audit Committee and its operation, please visit the website at the link below

For the members of the Sustainable Development Committee and its operation, please visit the website at the link below

Functional committee members

Audit Committee

Kedge established the "Audit Committee" in March 2020. Composed of three independent directors, the committee assists the Board of Directors in fulfilling its supervision of the company's quality and integrity in accounting, auditing, financial reporting processes and financial control. The term of office is the same as that of the Board of Directors.

attendance rate **94.44%**
6 meetings in **2024**

For the members of the Remuneration Committee and its operation, please visit the website at the link below

Kedge Construction Corp. established the Remuneration Committee in December 2011, consisting of two independent directors and one external expert. This committee assists the Board of Directors in setting policies, systems, standards, and structures for evaluating the performance and remuneration of directors and managers. Issues related to performance assessment, salaries, bonuses, employee compensation systems, and the distribution methods for director and supervisor remuneration are regularly evaluated and reviewed by the committee before submitting recommendations to the board for discussion.

attendance rate **100%**
4 meetings in **2024**

Sustainable Development Committee

Kedge established the "Sustainable Development Committee" in 2022, which consists of four directors (including two independent directors) and is the highest level of internal sustainable development organization of Kedge. The committee coordinates the formulation of the strategy and goals related to the company's corporate social responsibility and sustainable development. It regularly reviews performance and goal achievement.

attendance rate **100%**
2 meetings in **2024**

Effectiveness of the Board of Director GRI 2-17

Directors' advanced training

Kedge Construction arranges for directors to participate in advanced courses each year on directors' professional skills and knowledge as well as issues related to sustainable development, so as to strengthen the professional ability of directors and the company in response to operational impacts. In 2024, there were accumulatively 66 hours of the advanced course participation.

Directors' advanced training Please scan this QR code and key in 2546.

Board of Directors and Senior Management Compensation Policy

• GRI 2-19

Kedge Construction maintains consistent regulations for directors' compensation and compensation for directors serving as employees, including remuneration, severance and retirement benefits, distributed compensation, and business execution expenses. The Compensation Committee references industry standards and individual director performance as the basis for adjusting individual compensation. In addition to fixed salaries, performance bonuses are calculated based on the achievement of various performance indicators. For the 2024 directors' remuneration, directors' remuneration range table and payment criteria, please refer to page 11-12 and 16-17 of Kedge's 2024 Annual Report. Beyond the aforementioned, there is no remuneration clawback mechanism for directors and senior management.

The remuneration system for senior management at Kedge Construction is proposed by the Remuneration Committee to the board of directors for approval. Besides fixed salaries and retirement pensions, performance bonuses are calculated based on the achievement of various performance indicators. The retirement system for senior management is the same as for other employees. For details on the 2024 senior management remuneration and scale, please refer to pages 13-15 of Kedge Construction's 2024 Annual Report.

Resignation and Retirement Policy of Directors and Senior Management

The notice period for the resignation of directors and senior management at Kedge Construction is determined in accordance with the Labor Standards Act and the company's relevant resignation and retirement policies. The notice period and calculation methods are the same as for other employees, and no additional payments or in-kind benefits are provided to resigning directors and senior management.

Kedge's
2024 Annual Report

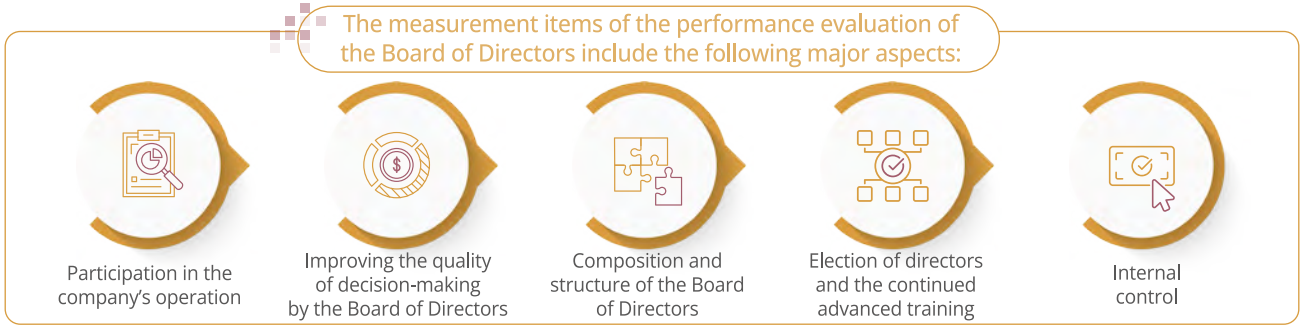
Link between the ESG performance and the remuneration of directors and senior management

In order to link the performance of the senior management with the Company's sustainable vision and short-, medium-, and long-term goals, evaluate the core competencies of the senior management, strengthen the responsibility of the senior management, and implement the linkage between performance and salary, Kedge Construction has included ESG strategic goals as one of the evaluation items for directors' remuneration changes, and has established an "incentive system and sustainable performance linkage policy" to include sustainability as one of the performance indicator items, with the general manager and senior managers accounting for 10% and 20% respectively. The evaluation focuses on executing the Company's annual sustainable development goals, implementing honest business operations, promoting corporate governance, and supporting sustainable responsible procurement, so that the goals of senior management are consistent with the Company's ESG sustainable development strategy.

Performance Evaluation of the Board of Directors

• GRI 2-18

Article 3 of the company's "Regulations on the Performance Evaluation of the Board of Directors" stipulates that the internal performance evaluation of the Board of Directors shall be carried out at least once a year; the external evaluation by an external professional independent organization or a team of external experts and scholars shall be carried out at least once every three years.



Results of internal evaluatio

Board Performance Self-assessment
Based on the collection of relevant meeting data of the company's Board of Directors in 2024, the "Board Performance Self-assessment Questionnaire" was filled out based on the five major aspects. Scores were assigned according to evaluation standards reflecting actual operational performance, resulting in an average score of 4.47 out of 5.0. The self-assessment results were rated as "Excellent." Our company has a total of nine directors (including independent directors). In December 2024, nine "Board Member Self-Evaluation Questionnaires" were distributed, with a 100% return rate. After summarizing and compiling the results, the average score from the self-evaluation questionnaires was 4.78 out of 5. The self-evaluation result is rated as "Excellent."

Results of external evaluation

In February 2023, Kedge appointed the Taiwan Association of Board Governance to conduct an external evaluation of the performance of the Board of Directors during 2019-2022. The evaluation concluded that the Company's board members have diverse professional backgrounds, actively plan measures for net zero carbon emissions and carbon reduction paths, attach importance to community care, and strictly control construction schedule execution and construction quality. It also recommended that the Company establish a system of initial director training, report ESG implementation status to shareholders' meetings, and entrust fair and neutral professional organizations to improve the whistleblowing mechanism. External evaluation of Board of Directors performance for 2023-2025 is scheduled to be conducted in 2026.

Management of the conflicts of interest GRI 2-15

The procedure rules of the Board of Directors of Kedge Construction and the organizational regulations of the functional committees all have provisions on the avoidance of interests. If a director's proposal involves the interests of himself, his spouse, blood relatives within second-degree relatives, or a company in which the director has control and affiliation, he shall explain his interest at the current board meeting. If there is concern about impairing the interests of the company, he shall not participate in the discussion and vote. He shall be withdrawn during discussion and voting, and shall not exercise other directors' voting rights on behalf of other directors; the names of relevant directors, descriptions of important contents and circumstances of withdrawal shall be recorded in the meeting minutes. Directors and managers are also required to complete the annual related party transaction statement and report the results to the Audit Committee.

- For related party transactions, directors, controlling shareholders or other interested parties' cross-shareholding status in 2024, please refer to:

In addition, Kedge has also formulated a code of integrity for employees at different levels, a code of ethical conduct for directors and managers, and a code of professional ethics for employees. As of the end of 2024, there have been no major conflicts of interest in Kedge Construction.

For the result of internal evaluation, please visit the website at the link below

For the result of external evaluation, please visit the website at the link below

3.2 Shareholder Rights

Kedge attaches great importance to the rights and interests of every shareholder. In compliance with the Company Act, Securities Exchange Act and other relevant laws and regulations, we treat all shareholders equally. Shareholders can exercise their voting rights through the shareholders' meeting to participate in the company's decision-making. All approval, discussion and election proposals in the shareholders' meeting are voted on a case-by-case basis, and electronic voting is listed as one of the methods of exercising voting rights. The voting results are publicly disclosed in the shareholders' meeting; in addition, the company's website provides contact information for investors and shareholders to strengthen communication with shareholders on weekdays in response to the suggestions put forward by shareholders.

Shareholder Structure

Apart from the group enterprises and insiders, Kedge Construction's major shareholders include financial institutions, general investment corporations, and individuals. There are no government agency holdings. For details on the shareholder structure and equity distribution, please refer to Market Observation Post System, URL: https://mopsov.twse.com.tw/mops/web/t16sn02

Corporate Governance Evaluation

The Company achieved a score of 87.2 points in the 10th Corporate Governance Evaluation in 2023, with a ranking range of 21%~35% among listed companies and a ranking range of top 11%~20% in the market capitalization category of NT$5 billion to NT$10 billion. Among 80 indicators, a total of 15 indicators did not receive scores. In 2024, the Company continued to improve various evaluation items: 1. Convening shareholders' meetings before the end of May; 2. Disclosing the implementation status of sustainable development and integrity management; 3. Disclosing greenhouse gas annual emissions, water consumption, and total waste weight for the past two years with external verification; 4. Obtaining ISO14001 certification, etc.

The Company achieved a score of 98.34 points in the 11th Corporate Governance Evaluation in 2024, with a ranking range of 6%~20% among listed companies and a ranking range of top 5% in the market capitalization category of NT$5 billion to NT$10 billion. Among 75 indicators, a total of 8 indicators did not receive scores. The Company will continue to strengthen board functions, green investment, and optimize corporate governance mechanisms in the future.



▲ Corporate Governance Evaluation: Top 5% in the NT$5–10 billion category

Procedure Rules for Shareholders' Meetings

Corporate Governance Best Practice Principles

3.3 Integrity Management

• GRI 2-23, 2-24

We are aware that integrity management and elimination of bribery and fraud are the fundament for corporate sustainable development. Corruption and unethical conduct in business will give rise to loss of goodwill, losses to many stakeholders, and damage to the corporate image.

We advocate integrity and ethical business conduct and follow laws and regulations. In addition to complying with national laws and regulations, we have also established the “Procedures for Ethical Management and Guidelines for Conduct.” Our employees, managers at all levels, and members of the board of directors are all highly self-disciplined to embody ethical behaviors literacy and professional ethics in the workplace. We recognize the integration of labor and capital, provide various remuneration and benefits, reward employees for their hard work and encourage employees to strive to achieve operational goals, and at the same time attract and keep the professional talented people needed by the company.

Kedge Construction formulated the "Corporate Integrity Management Code," “Procedures for Ethical Management and Guidelines for Conduct,” “Reporting Procedures for Violations of Integrity Management,” and “Donation Management Regulations” so as to strengthen and implement the integrity management policy, and prevent dishonest behavior and business activities.

The Company has established a Corporate Governance Group under the ESG Committee. The Corporate Governance Group and the Integrity Management Group, based on the responsibilities and scope of each unit, are responsible for promoting the implementation of integrity management and anti-corruption measures within the Company, ensuring the implementation of integrity management guidelines, and reporting the execution results to the Board of Directors once annually.

The Company has included integrity management promotion as one of the education and training courses for new employees. In 2024, the completion rate of the integrity management course for new employees was 83%. The Company offers relevant courses every year to help employees understand the Company's values, work rules, integrity standards, employee conflict of interest norms, personal data confidentiality measures, etc. All employees shall abide by laws and regulations and the Company’s internal control system and other regulations to handle affairs, adhere to personal integrity and social moral standards, and maintain the assets, the rights and interests, and the image of the Company. In 2024, a total of 10 integrity management-related courses were offered, with 452 participants in educational training and a total of 495 hours of training. The scope covers the following items:

452 participants in educational training | a total of **495** hours of training

In 2024, a total of 10 integrity management-related courses were offered

Protect confidential information	Protect confidential information : every employee is required to sign the “Employee Confidentiality Agreement” when on the job, and shall promise not to disclose the company’s business secrets in any form during the period of employment and after resignation.
Prohibit seeking personal interests	every employee is not allowed to seek personal gain by using the company’s property, information or taking advantage of his position, and he is not allowed to operate similar business to that of the company for himself or for others.
Illegal or improper benefits are prohibited	every employee shall not ask for gifts, kickbacks, entertainment or other improper benefits from the company’s suppliers. Supervisors are not allowed to accept any form of financial gifts from subordinates.
Norms for fair trade	every employee should treat the company’s trade creditors and debtors, competitors and their employees fairly.
Insider trading is strictly prohibited	every employee is not allowed to use the insider information obtained from the execution of business to benefit others or seek personal gain. The company’s financial and business information shall not be published without permission or before it is made public, so as not to affect the rights and interests of other shareholders.

In addition to educational training, the Company also requires new employees to sign undertaking letters upon employment, requiring compliance with confidentiality obligations and the Company's integrity management guidelines and other related regulations to implement the Company's integrity management practices. The employee signing rate was 100% in 2024.

To implement integrity management policies, Kedge Construction has also incorporated supply chain partners into the scope of integrity management promotion. Clauses requiring suppliers to comply with integrity management responsibilities are included in supplier procurement contracts, and suppliers are required to sign related undertaking letters. Violations will result in contract termination and damage compensation, thereby regulating supplier compliance. In 2024, the number of supplier undertaking letters signed was 489, with a signing rate of 100%.

Additionally, Kedge Construction has established an integrity management zone on the company's official website, where anyone can follow proper whistleblowing channels and contact designated personnel regarding discovered matters according to the "Whistleblowing Procedures for Violations of Integrity Management." The complaint hotline is (02)2378-6789 extension 25333.



3.4 Compliance

- SASB IF-EN-510a.2、IF-EN-510a.3
- GRI 2-27

Kedge Construction conducts legal compliance assessments twice a year to ensure the Company's operations comply with relevant regulations. The number of violations this year was fewer than last year. Kedge Construction takes every penalty incident seriously and actively formulates improvement measures to strengthen overall occupational safety and environmental management.

In order to ensure compliance with relevant laws and regulations, we have set up a dedicated legal unit to pay close attention to the formulation and development of laws and regulations that may affect the Company. We have formulated the “Regulatory Compliance Statement.” The legal compliance supervisor leads the legal compliance management unit to be responsible for the planning, management and implementation of the legal compliance system, supervising and assisting each unit to conduct legal compliance assessments, respond to legal changes, and comprehensively manage legal compliance affairs. Every year, Kedge Construction conducts two legal assessments, convenes all units of the Company to confirm the status of regulatory changes, assess the potential impacts and response plans, and submit them for discussion at the regulatory assessment meeting. The scope of regulatory assessment includes construction, occupational safety, fire protection, labor, environment, corporate securities and other related regulations.

All employees shall attend relevant education when entering the job. Education training courses are held occasionally for engineering, procurement, occupational safety and other related laws and regulations, so that all units of the company can implement various regulations, and the senior management can grasp the implementation status of laws and regulations. The Kedge EIP (internal webpage) "Education and Training Zone" online system also provides course materials related to integrity management, work ethics, and legal advocacy for employee self-development. The implementation status of integrity management advocacy and educational training is detailed in Section 3.3 Integrity Management. Anti-corruption advocacy and related educational training are also conducted for procurement units. In line with the ESG concept, we increase the use of digital methods such as TEAMS or email, and conduct relevant education and training or publicity of laws and regulations, so as to achieve the goals of circular economy, energy saving and carbon reduction.

To prevent illegal or corrupt incidents, in addition to conducting legal compliance assessments twice a year and regularly promoting policies and courses, Kedge Construction has also established whistleblowing and complaint channels (such as integrity management reporting mailbox, sexual harassment prevention hotline, etc.).

Data of Major Violations in 2024

- SASB IF-EN-160a.1

The Company defines "single incidents with fines of NT$300,000 or above" as major violation incidents, serving as the basis for internal monitoring and risk management. In 2024, the Company had no major violation incidents with fines reaching NT$300,000 or above.

In 2024, the Company did not violate the Company Act, Securities and Exchange Act, information disclosure regulations, or any other domestic or international supervisory laws, nor was it subject to any fines or other administrative penalties imposed by competent authorities.However, there were a total of 8 incidents involving violations of environmental protection laws, including the Noise Control Act, Waste Disposal Act, and Water Pollution Control Act, resulting in total fines of NT$97,800.Additionally, there were 8 incidents related to violations of the Occupational Safety and Health Act, with total fines amounting to NT$1,010,000.

Improvement Measures and Implementation Results

To prevent recurrence of violation incidents, the Company has actively adopted the following improvement measures and continues to strengthen environmental protection and occupational safety and health management:

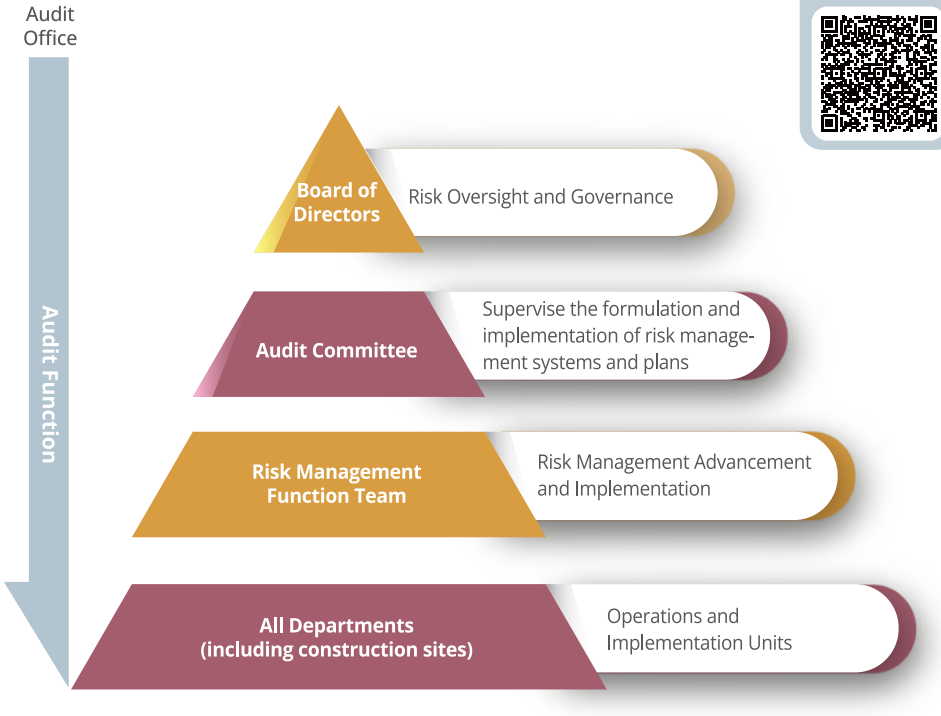


3.5 Risk and Crisis Management

Risk is an inevitable part of company operations, particularly in the construction industry where various uncertainties that threaten operations often arise. Therefore, it is essential to establish a robust risk management system. Addressing risks related to corporate governance, environment, social aspects, and climate change requires the formulation of comprehensive risk policies to support business operations and growth, achieving sustainable business for the company. Kedge Construction follows the company's "Risk Management Policy and Procedures" to establish systems, assess compliance with regulations across departments, enhance employee compliance awareness through continuous education, training, and self-assessment improvements, and strengthen business operations through early warning and robust management. Additionally, Kedge Construction ensures that all risk issues receive timely and comprehensive management from senior management through regular reporting meetings.

Risk Management Organizational Structure

Organizational Regulations of Audit Committee



Board of Directors
- Formulate and approve risk management policies, procedures, and systems.
- Supervise the implementation of risk management policies to ensure the effective operation of a risk management mechanism.

Audit Committee
- Supervise the formulation and implementation of risk management systems and plans

Risk Management Function Team
- The general manager coordinates and directs the heads of all departments, and is responsible for formulating various risk management systems.
- Review the company's risk management reports, strategies, and improvement plans that have been proposed, and supervise the implementation of relevant measures and plans.
- Review and evaluate the effectiveness of risk management measures, and regularly report the risk status to the board of directors.

All Departments
- Promote, identify, evaluate and implement daily risk management related to risk management policies.
- Determine the risk level based on changes in the external environment and internal strategies and suggest ways to undertake it, and coordinate inter-departmental risk management interaction and communication when necessary.
- Regularly report the risk status to the risk management executive team.

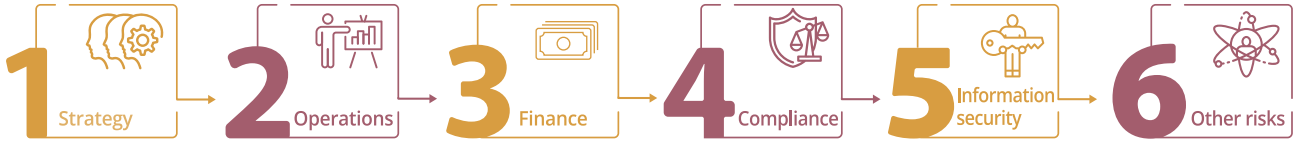
Audit Office
- Assist the Board of Directors and managers to inspect and review the deficiencies of the internal control system, and measure the effectiveness and efficiency of operations.
- Formulate annual audit plans based on risk assessment results, and regularly report audit implementation results to the Audit Committee and the Board of Directors.

Risk Measurement Methods and Management Strategies

According to the risk management policies and procedures established by Kedge Construction Co., Ltd., the Risk Management Implementation Team has formulated the 2024 Kedge Construction Risk Report. This report explores and effectively responds to various potential risks encountered in company management or construction processes. It assists management in understanding the company's risk status to formulate corresponding and effective strategies, ensuring sustainable development and continuous value creation.

I. Scope of Risk Assessment

The scope includes six major categories: strategy, operations, finance, compliance, information security, and other risks. The report's structure will analyze risks across multiple domains, with each domain including a description of the risk, assessment methods, risk scoring, and recommended risk response measures, providing relevant information. Environmental and occupational safety risks are assessed and controlled at project sites using a 5*5 matrix in accordance with ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System, and are not included in this report.



II. Risk Analysis

Probability and Impact of Risk Occurrence

Level		Expected Risk Occurrence Probability
P4	Highly Likely	Expected to occur at least twice annually
P3	Likely	Expected to occur 1-2 times or less annually
P2	Possible	Expected to occur 0.5-1 time or less annually
P1	Unlikely	Expected to occur 0-0.5 times or less annually

Severity of Equivalent Loss

Level	Approximate Loss (NT$)	Personnel Casualties	Production Loss
S4	Over 5 million	One death or three injuries	One-month shutdown
S3	1 million to 5 million	Permanent disability	Two-week shutdown
S2	100,000 to 1 million	Temporary disability	One-week shutdown
S1	Below 100,000	Medical injuries	Short-term

Risk Classification

Risk Level	Risk Control Planning	Remarks
1.Minor Risk	No need for risk reduction measures, but ensure the effectiveness of existing management measures.	Acceptable risk, maintain or strengthen existing management measures' maintenance, supervision, and training mechanisms.
2.Low Risk	Temporarily no need for risk reduction measures, but ensure the effectiveness of existing management measures.	
3.Moderate Risk	1. Gradually implement risk reduction measures based on cost or financial considerations to gradually reduce the proportion of moderate risks. 2. For moderate risks with significant or very significant severity, further asses the likelihood of occurrence to serve as a basis for improving control measures.	Strive to reduce risks.
4.High Risk	Must take risk control measures within a specified period before starting operations. Significant resources may be required to reduce risk. If current operations are highly risky, promptly implement risk reduction measures.	Unacceptable risk, develop control measures to reduce significant and high risks to a moderate level or below.
5.Critical Risk	Must immediately take risk reduction measures and should not start or continue operations until risks are reduced.	

III. Risk Measurement

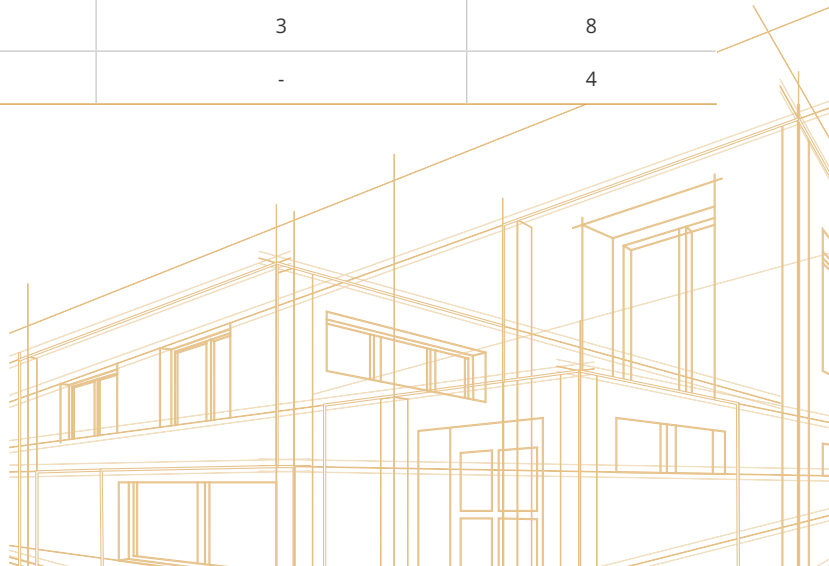
In 2024, through the practical and professional experience of the construction and management departments, the company's potential risks were assessed based on their respective business scopes and operating processes, supplemented by the use of risk matrix assessment methods to target possible risk types. A total of 4,183 items were identified (145 items for strategic, operational, financial, compliance, information security, and other risks, and 4,038 items for environmental and occupational safety). Among these, the acceptable risks under existing management measures that fall under mild risk (Level 1), low risk (Level 2), and moderate risk (Level 3) total 3,920 items (87 items for strategic, operational, financial, compliance, information security, and other risks, and 3,833 items for environmental and occupational safety). The moderate risk (Level 3), high risk (Level 4), and major risk levels with severe or extremely severe severity total 263 items (58 items for strategic, operational, financial, compliance, information security, and other risks, and 205 items for environmental and occupational safety). After considering the control measures taken to reduce risks, the original risk levels changed to 6 items of mild risk (Level 1), 183 items of low risk (Level 2), and 74 items of moderate risk (Level 3). (Originally 263 unacceptable risks, all reduced to acceptable risks after implementing control measures).

Risk Types/Categories	I. Strategy Risk	II. Operation Risk	III. Financial Risk	VI. Compliance Risk	V. Information Security Risk	VI. Other Risks
Risk Assessment Items	18	39	24	28	10	26
Acceptable Risks	6	28	17	20	7	9
Risks Requiring Control Measures	12	11	7	8	3	17

Among these, under existing management measures, there are 87 acceptable risks and 58 unacceptable risks that require the development of risk reduction measures. After implementing control measures, all risks have been reduced to acceptable levels.

Risk Types/Categories	I. Strategy Risk	II. Operation Risk	III. Financial Risk	VI. Compliance Risk	V. Information Security Risk	VI. Other Risks
Risks Requiring Control Measures	12	11	7	8	3	17
Minor Risk	-	-	-	-	-	5
Low Risk	11	10	7	8	3	8
Moderate Risk	1	1	-	-	-	4

The construction industry in Taiwan has always faced numerous challenges and risks. Looking ahead, careful management is required to ensure the company's steady development. In response to global economic fluctuations, geopolitical impacts, changes in raw material markets, and carbon fee collections, the company will develop flexible operating strategies. Additionally, labor and technical shortages will be execution bottlenecks. The company should focus on talent training, actively adopt new technologies and construction methods to improve production efficiency, use intelligent support systems to increase per capita output, and participate in different types of construction projects to mitigate market risks. Establishing a comprehensive risk management system, including monitoring market fluctuations and reasonably drafting contract terms, is essential. In terms of sustainable development, continuous efforts in energy saving and carbon reduction should be pursued to meet market demands and achieve the goals of diversification and sustainable operation.



IV. Emerging Risks

Emerging Risks	Potential risk category	Impact direction	Assessment approach
US Reciprocal Tariff Policy	Strategic risk, other risks (international trade).	Rising costs of imported building materials, delays in equipment procurement schedules, creating pressure on cost control and schedule arrangements.	Establish diversified supply mechanisms, advance material preparation, and monitor market price fluctuations.
Russia-Ukraine War Ceasefire Agreement	Financial and operational risks.	Metal and energy price fluctuations may ease, but geopolitical stability remains unclear.	Maintain high vigilance in the short term, adopt price index clauses to avoid the impact of severe commodity price fluctuations.
Domestic and International Political Turmoil (including Cross-Strait Relations)	Strategic risk, compliance risk, other risks.	Taiwanese enterprises' overseas expansion, potential increase in cybersecurity attack incidents.	Strengthen data backup and cybersecurity drills, maintain constant vigilance for "political risk monitoring."
TSMC's Expanded Investment in the US	Operational and strategic risks.	Industry chain resources tilting toward the US may lead to intensified competition for domestic professional labor and equipment.	Strengthen talent development, apply new technologies and construction methods, joint contracting cooperation models.



HIGHLIGHT

Implementation Roadmap for IFRS S1 and S2 Sustainability Standards

Responding to the Financial Supervisory Commission's Taiwan roadmap for International Financial Reporting Standards (IFRS) sustainability disclosure standard alignment, the Company proactively plans implementation of IFRS S1 "General Requirements for Disclosure of Sustainability-related Financial Information" and IFRS S2 "Climate-related Disclosures" issued by the International Sustainability Standards Board (ISSB).

Per FSC's plan, Kedge Construction as a listed company with capital below NT$5 billion anticipates publishing 2028 sustainability disclosure information during 2029.

The Company has initiated preparatory operations while commissioning professional consultants for implementation planning across four phases:

STEP 01
Phase 1
Analysis and Planning

2026 Q4 ~ 2027 Q2

- Establish cross-functional IFRS sustainability standards implementation project team
- Identify gaps between current sustainability informtion reporting and IFRS standards
- Preliminary assessment of reporting systems and resource requirements
- Develop three-year implmentation roadmap

STEP 02
Phase 2
Design and Implementation

2027 Q2 ~ 2028 Q2

- Establish data sources and collection mechanisms for disclosure requirements
- Modify financial and non-financial reporting processes (including internal controls and supply chain procedures)
- Implement material risk and opportunity identification mechanisms incorporating climate scenario analysis
- Design performance indicators (KPIs), objectives, and governance frameworks

STEP 03
Phase 3
Pilot and Implementation

2028 Q2 ~ 2028 Q4

- Pilot sustainability disclosure sections within annual report format
- Complete comprehensive staff training and executive education
- Establish internal controls and operational procedures manual

STEP 04
Phase 4
Refinement and Enhancement

2028 Q4 ~ 2029 Q1

- Compile 2028 annual data to complete disclosure documentation
- Publish sustainability information compliant with IFRS S1/S2 framework integrated into 2029 shareholder annual reports and statutory reporting requirements

3.6 Financial Performance

• GRI 201-1

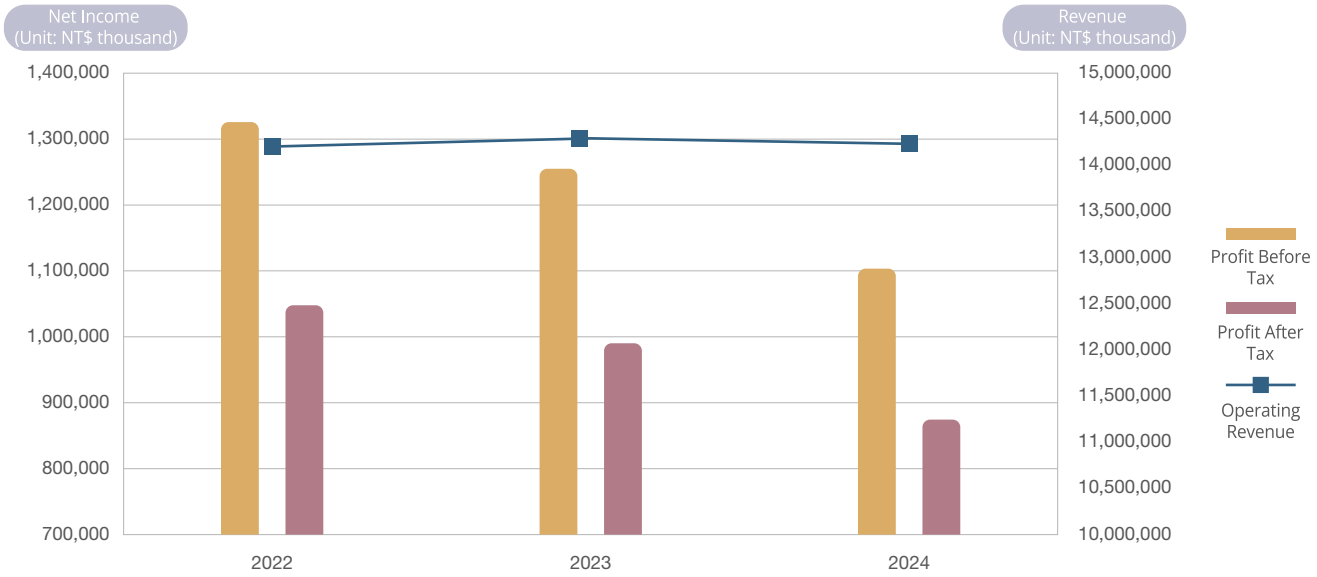
Each year in the fourth quarter, each department prepares the annual budget for the following year. The Accounting Department consolidates budgets or targets for operations and staff units, and prepares projected income statements, balance sheets, and cash flow statements for review by the management hierarchy. The results of the budget preparation are reported to the first board meeting of the following year by the Chairman or a designated representative, and the board approves them.

Every quarter, the Accounting Department consolidates the current financial statements and compares them with budgets and previous operational performance, submitting them to the board. During board meetings, operational policies are reviewed and improved upon. Kedge Construction publishes quarterly consolidated financial reports, annual consolidated financial reports, and individual financial reports on its official website and the Market Observation Post System.

In 2024, Kedge Construction's consolidated revenue totaled NT$14,234,149,000, representing a decrease of 0.04% compared to 2023. Consolidated net profit after tax amounted to NT$874,374,000, with earnings per share of NT$7.1 after tax. For further financial performance details and analysis, please refer to the Company's annual report.

Kedge's
2024 Annual Report

Kedge Construction Consolidated Financial Performance



Item	2022	2023	2024
Operating Revenue (thousands)	14,204,563	14,292,411	14,234,149
Profit Before Tax (thousands)	1,325,771	1,254,881	1,103,489
Profit After Tax (thousands)	1,047,936	990,357	874,374
Earnings Per Share (NT$)	8.68	8.04	7.1

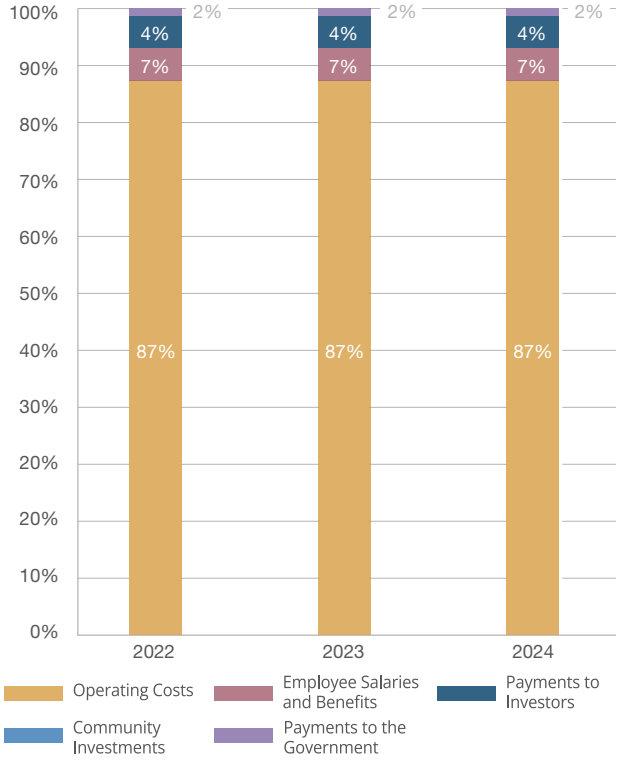
Note 1: Cash dividends are the amounts approved for distribution from the earnings allocation proposal for each reporting year (The 2024 distribution was approved by the Board of Directors resolution on March 7, 2025, and approved by the shareholders' meeting resolution on May 26, 2025.)
Note 2: 2022: Retroactive adjustment of earnings per share for stock dividends; earnings per share before adjustment was NT$8.98, and after adjustment was NT$8.68.
2023: Retroactive adjustment of earnings per share for stock dividends; earnings per share before adjustment was NT$8.20, and after adjustment was NT$8.04.

Economic Value Generated and Distributed in the Past Three Years (Unit: Thousand NT$)

Economic Value	Item	2022	2023	2024
Direct Economic Revenue	Net Operating Revenue	14,204,563	14,292,411	14,234,149
	Financial Investment Revenue	38,216	89,270	123,644
	Asset Sale Revenue	0	0	0
	Royalty Revenue	0	0	0
	Government Subsidies	0	0	0
	Other Revenue	9,706	29	5,861
Total Direct Economic Value Generated		14,252,485	14,381,270	14,363,654
Economic Distribution	Operating Costs	11,743,180	11,902,700	12,119,717
	Employee Salaries and Benefits	889,420	944,370	899,337
	Payments to Investors	529,099	511,394	471,365
	Payments to Government	279,091	267,075	230,263
	Community Investments	10,800	8,320	7,400
	Other Expenditures	0	0	0
Total Economic Value Distributed		13,451,590	13,633,859	13,728,082
Total Economic Value Distributed		800,895	747,851	635,572

Note: Retained Economic Value = Direct Economic Value Generated - Economic Value Distributed.

The Pie Chart of the Economic Allocation Items for Each Fiscal Year.



Green Deposits

Kedge has long been concerned with environmental changes, circular economy, energy conservation and carbon reduction, and green sustainability-related issues. The Company continues to support and care for this land through actions, implementing sustainable environmental concepts. By investing funds in green deposits, in addition to earning interest, this also serves as one of the ways to respond to ESG sustainable development. Kedge has continuously supported green deposits or sustainable deposits launched by financial institutions in recent years. During 2024, the Company successively responded to green or sustainable deposits promoted by 5 banks: Bank of Taiwan (term commitment), Hua Nan Commercial Bank (term commitment), Land Bank of Taiwan, Chang Hwa Commercial Bank (term commitment), and KGI Bank. As of the end of 2024, Kedge's green and sustainable deposits with financial institutions totaled NT$900 million (year-end balance).

Furthermore, since 2023, Kedge has successively collaborated with financial institutions to plan the integration of key sustainability performance indicators into credit conditions linked to borrowing and guarantee limits. Currently, the Company has signed financing contracts with sustainability-linked clauses with First Commercial Bank, Mega International Commercial Bank, Chang Hwa Commercial Bank, and Taishin International Bank. Achievement of these targets will effectively reduce financial cost expenditures, including but not limited to linking third-party certified water consumption, electricity consumption, greenhouse gas/carbon emission reductions, corporate governance rankings, and other ESG sustainability indicators. Combining banking capabilities, the Company jointly aims for net-zero sustainability as a future goal and will continue to obtain support from more financial institutions.

Sustainable Economic Activity Identification Guidelines

Kedge Construction, per industry classification by Directorate-General of Budget, Accounting and Statistics, belongs to Category F - Construction Engineering. The corresponding general economic activity in the "Sustainable Economic Activity Identification Reference Guidelines" (hereinafter referred to as the Reference Guidelines) is "new buildings." However, Appendix 16 of second version Reference Guidelines announced December 31, 2024, remains inapplicable to Kedge Construction revenue from new building construction economic activities. According to Appendix 27 of Reference Guidelines, Kedge Construction's 2024 Tainan and Chiayi railway infrastructure construction and modernization projects align with general economic activity "infrastructure for road transport and public transport," yielding the following measurement results:

	Engineering Project Categories		
	Residential, Manufacturing, Commercial Office Construction	Road, Bridge, Railway Engineering Construction	Other Categories (Demolition engineering, earthwork engineering, etc.)
Kedge Construction 2024 revenue-corresponding economic activities	New buildings	Infrastructure for road transport and public transport	Not covered under current guidelines
Economic activity applicability	Not applicable	Applicable	Not applicable
Substantial contribution technical screening criteria identification	N/A	EO1 Climate change mitigation	N/A
Capital expenditure meeting substantial contribution technical screening criteria	0	2,918,118,986	0
Compliance with [No significant harm to other six environmental objectives]	Not applicable	Compliant	Not applicable
Compliance with [No significant harm to social safeguards]	Not applicable	Compliant	Not applicable
Operating revenue proportion applicable to sustainable economic activity identification / Total operating revenue	**0**	**20.51%**	**0**

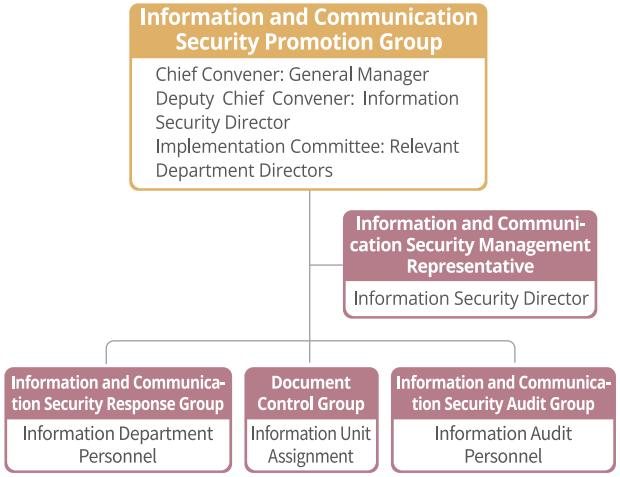


3.7 Information Security

Information Security Management Policy and Measures

Our company actively promotes information applications and digital transformation while emphasizing the protection of information security and personal data. Therefore, we have appointed several information security specialists and a dedicated information security manager. Additionally, our company is a member of the Taiwan CERT/CSIRT Alliance and Taiwan CISO Alliance under the Ministry of Economic Affairs. All employees adhere to the "Kedge Construction Information Security Policy" approved by the Board of Directors, ensuring the protection of information security in response to identified risks and security norms. Furthermore, in accordance with the "Information Security Management Operational Procedures" developed by the Information Technology department, various information security operational procedures and responsibilities are planned and executed. The Information Security Manager supervises the implementation effectiveness.

To promote the Company's information and communication security-related policies and implement information and communication security practices and audit requirements, an "Information and Communication Security Promotion Group" has been specially established to continuously strengthen information and communication security protection and the overall management and joint defense mechanisms for information and communication security intelligence. The organizational structure is shown in the diagram below:



The General Convener of the Information and Communication Security Promotion Group is held by the Company's General Manager, and the Information and Communication Security Management Representative is responsible by the Information Security Officer. Under this structure, the "Information and Communication Security Processing Group," "Document Control Group," and "Information and Communication Security Audit Group" are established. Members of each group are appointed by the convener and are responsible for planning and implementing information security operations and promoting and implementing information security policies. They report information security implementation status to the Board of Directors regularly every year.

The management of the Company's information and communication security incidents follows the "Information Security Incident and Accident Operating Standards." The General Convener of the Information and Communication Security Management Promotion Group appoints personnel to form an "Emergency Response Implementation Group" according to task organization to be responsible for business continuity management and major information security incident handling. Information security incidents are classified according to procedures to determine whether they constitute information security accidents. Rapid notification according to procedures and appropriate necessary handling or response measures are taken to reduce potential damage from accidents and prevent similar accidents from recurring.

Key Information Security Control Measures

The Company actively promotes information application and digital transformation while placing great importance on information and communication security and personal information protection. The Company has appointed dedicated Information Security Officers and Information Security Engineers responsible for the Company's information security planning, technology implementation, and related audit matters to maintain and continuously strengthen information security. The Company strengthens corporate information and communication protection capabilities through four aspects: "Information Security Protection," "Information Security Response," "Governance," and "Personnel Education." The main information security work points for 2024 are as follows:

Protection

- Activated MS Defender identity protection for prevention, detection, and response to identity-based cyber attacks.
- Executed comprehensive firmware upgrades across headquarters, IDC, and site office firewall and switch infrastructure.
- Completed IDC L3 core switch replacement and enhancement.
- Implemented virtual platform host performance expansion and upgrades.
- Engaged external information security consultants for vulnerability assessments across all company external systems and official websites, executed vulnerability remediation per testing reports, and achieved successful revalidation.

Response

- Per ISO27001 requirements, deployed N-Reporter platform for multi-dimensional system log collection, correlation analysis execution, comprehensive network behavior and security incident monitoring with immediate anomaly resolution.

Governance

- Maintain continuous strengthening and implementation of group information and communication security policies plus internal standard operating procedures.
- In April 2024, simultaneously implemented ISO 27001 ISMS international information security management system across Kindom, Kedge, and Global Mall, achieving successful certification through external SGS validation in September.
- Completed information security risk inventory documentation with planned reinforcement measures for high-risk elements.

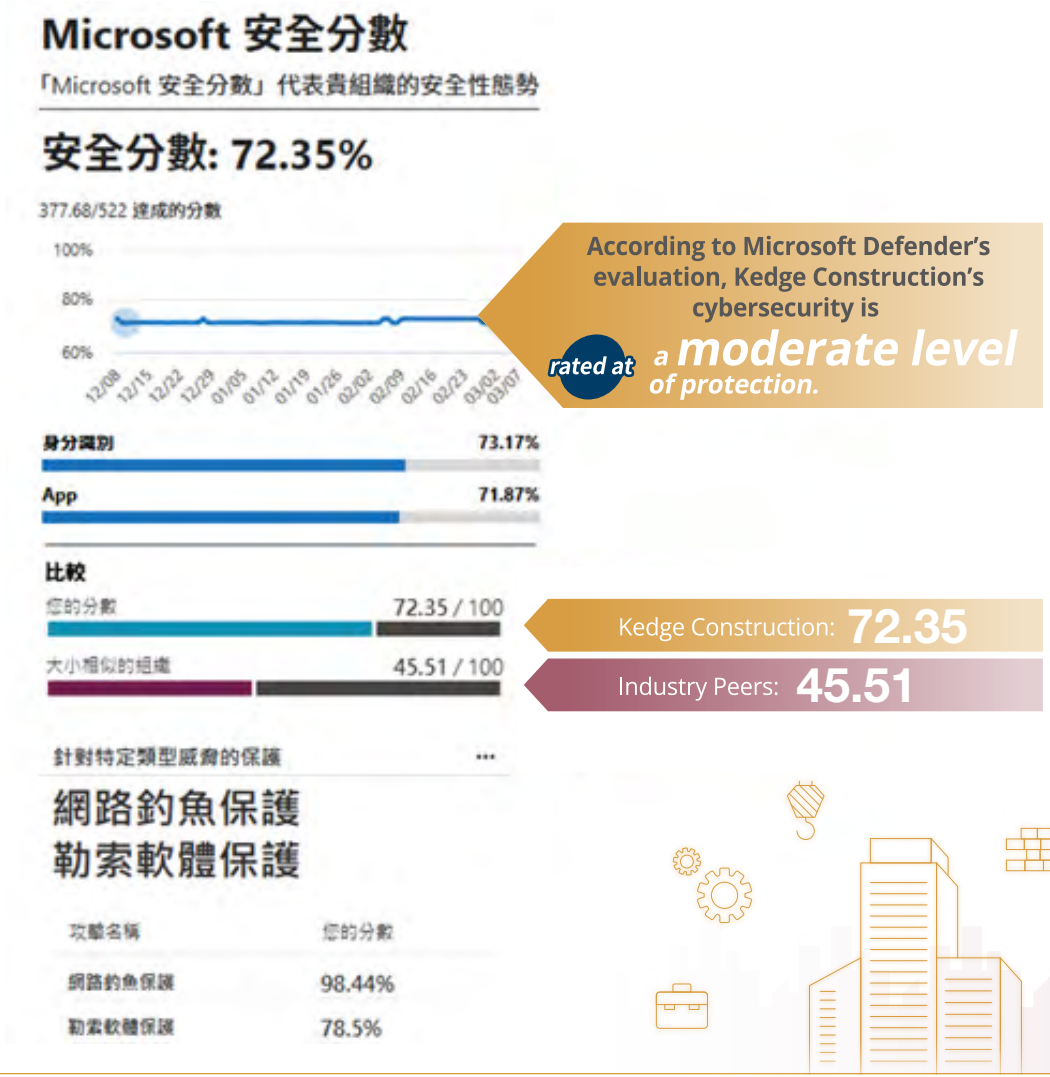
Education

- Conducted comprehensive information security awareness training and social engineering courses for all group employees during August and October to strengthen colleague cybersecurity awareness and self-protection capabilities.
- Designated three information security specialists from Kindom/Kedge for participation in "CompTIA Security+ International Network Security Training Program."
- Kedge information security supervisor achieved "ISO27001:2022 Lead Auditor Certification" in November 2024.

Simultaneously, to strengthen the Company's information security technology and security protection, a budget of approximately NT$10.98 million was allocated for 2024 (averaging NT$19,000 per employee) for the construction of information and communication security-related hardware and software and information security enhancement services, including but not limited to the following items:

1. Computer antivirus software and endpoint detection and response system (EDR)
2. Implementation of privileged access management system for user computers
3. Adoption of data loss prevention software (DLP)
4. Comprehensive implementation of multi-factor authentication mechanisms
5. Email security protection system
6. Firewall equipment for headquarters and various branch offices
7. Computer hardware and software asset management system
8. Quarterly social engineering drills
9. Annual outsourced vulnerability detection and penetration testing of information systems
10. Annual disaster recovery drills for major information services

The Company's information environment achieved superior results compared to industry peers in the "Microsoft Secure Score" evaluation:



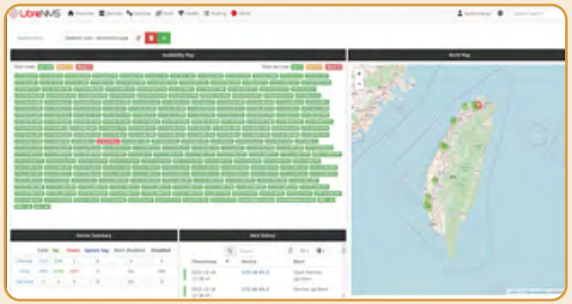
Information Security Awareness Enhancement

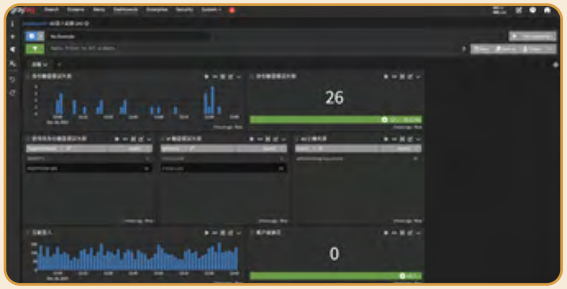
Employees are the most vulnerable link in enterprise attacks. To strengthen employees' information security awareness, help employees recognize the importance of information security, and adopt corresponding security measures, the Company commissions external professional consulting teams to conduct at least two information security awareness enhancement courses for colleagues annually, making these courses mandatory for all colleagues.

	上課現場	Course Topics	Number of Participants
2024 First Half Course		1 Explanation of suspicious points in social engineering emails 2 Review of recent attack incidents 3 Social engineering and attack methods 4 How to detect and protect oneself	In-person participants approximately **26** people Online participants approximately **90** people
2024 Second Half Course		1 Review of recent attack incidents 2 Social engineering and attack methods 3 Explanation of suspicious points in social engineering emails 4 How to detect and prevent social engineering attacks	In-person participants approximately **17** people Online participants approximately **63** people

Establishment of network equipment monitoring and log management system

In response to increasing cybersecurity threats and risks, our company has implemented a Security Information and Event Management (SIEM) system, led by the Information Technology department. This system monitors the application systems and network devices across our headquarters and all branch offices. Simultaneously, it centralizes log records collected from various cybersecurity products, integrating event alerts, correlation analysis, and generating data reports. This helps our cybersecurity personnel efficiently enhance overall environment visibility and promptly rule out problems. Strengthening our information service monitoring capabilities ensures the continuous operation and protection of our company's information assets and business activities.





HIGHLIGHT

Strengthening Information Security Protection

Successful Implementation and Certification of ISO 27001:2022 ISMS

To ensure the confidentiality, integrity, and availability of group business information and fully protect the privacy of colleagues and customers, Kindom Group launched the latest ISO 27001:2022 implementation plan in April 2024 for the three major business entities under the group: "Kindom Construction," "Kedge Construction," and "Global Mall," establishing ISMS (Information Security Management System) management mechanisms for core systems, e-commerce platforms, and customer membership systems. The project work schedule and main work content are as follows:

The ISO 27001 information security international standard adopts the PDCA management cycle (Plan-Do-Check-Act) framework. Kindom Group's Information Technology Department introduced various security testing tools during the project development process, combined with a comprehensive ISMS information security 114 control management systems. Information security awareness education and training, communication security, information security incident handling, and other aspects are all included in process control. Through the implementation of the ISMS information security management system, information asset management is established, information security risk assessment is enhanced, outsourcing management and information security incident handling are strengthened in various control aspects of planning and execution. This not only helps reduce the possibility and impact of information security incidents such as hacker attacks, data breaches, and operational interruptions, but also ensures IT operational compliance and overall operational efficiency improvement, strengthening corporate competitiveness.

Group Information Security Operations Management and Control Mechanism Enhancement

Following ISO 27001 Information Security Management System (ISMS) and ISO 19650-5 Building Information Modeling (BIM) Information Security Management standards, information security enhancement encompasses three dimensions: people, technology, processes

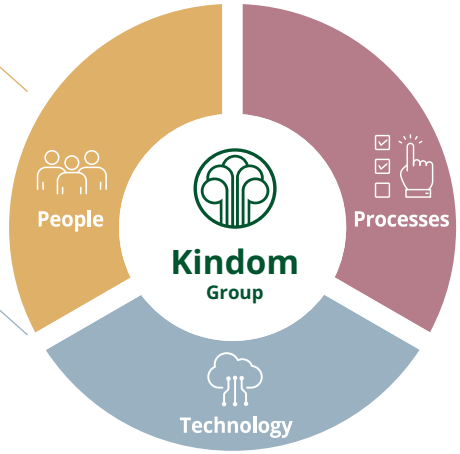
Through continuous strengthening across personnel, process, and technology dimensions, organizational information security management mechanisms achieve comprehensive enhancement.

People

- User privilege minimization implementation
- Information security promotion group establishment
- Continuous outsourced vendor oversight

Technology

- Data Loss Prevention (DLP) mechanism activation
- Identity verification enhancement (2FA)
- Endpoint device (personal computer) privilege restriction



Processes

- Information security management procedure establishment
- Information asset identification and risk evaluation
- Core business continuity planning
- Security intelligence acquisition and incident reporting

Through the efforts of information and communication security promotion group members and continuous process improvement, "Kindom Construction," "Kedge Construction," and "Global Mall" all successfully passed SGS Taiwan Ltd. audit verification at the end of 2024, successfully obtaining ISO 27001 information security certification. The current certificate validity period is from November 24, 2024, to November 24, 2027, and third-party certification will be obtained regularly in the future.

Goals and Prospects

Looking to the future, the Company will maintain high standards to enhance the company's network information and communication system architecture. In addition to strictly complying with relevant legal regulations, all colleagues are required to implement information security management regulations with a rigorous work attitude. Through the promotion of ISO 27001 certification and mechanisms such as information asset and risk assessment, monitoring operational impact analysis, and business continuity drills, complete information security protection capabilities are constructed. Information security awareness and concepts are integrated as part of the company's corporate culture, continuously advancing toward the goal of building a zero-trust network architecture to enhance enterprise security and strengthen sustainable business competitiveness.



04

Friendly Environment

- **4.1** Environmental Policy
- **4.2** Energy Resources Usage
- **4.3** Climate Change and Adaptation
- **4.4** Biodiversity

Highlight Performance

Implemented classification and legal disposal protocols, achieving zero landfill waste and **100%** transfer rate.

Closed-loop resource circulation system: Regeneration effectiveness exceeding **5,000** cubic meters of concrete.

In 2024, achieved Scope 1 and 2 carbon reduction of **11.95%**, Scope 3 carbon reduction of **6.99%**, aligned with SBTi objectives.



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4.1 Environmental Policy

• GRI 306-1, 306-2

Kedge Construction continues strengthening environmental control measure implementation through comprehensive procedural documentation, notification mechanisms, educational training, and on-site monitoring to ensure engineering projects execute environmental protection measures while minimizing impacts. Addressing previously challenging construction surplus earth and stone disposal, we utilize proper on-site demolition methodologies and classification recycling to transform waste concrete blocks into regenerated fine aggregates, providing construction materials with renewed purpose through reuse at original sites, achieving closed-loop circulation objectives.

Environmental Management System Operations

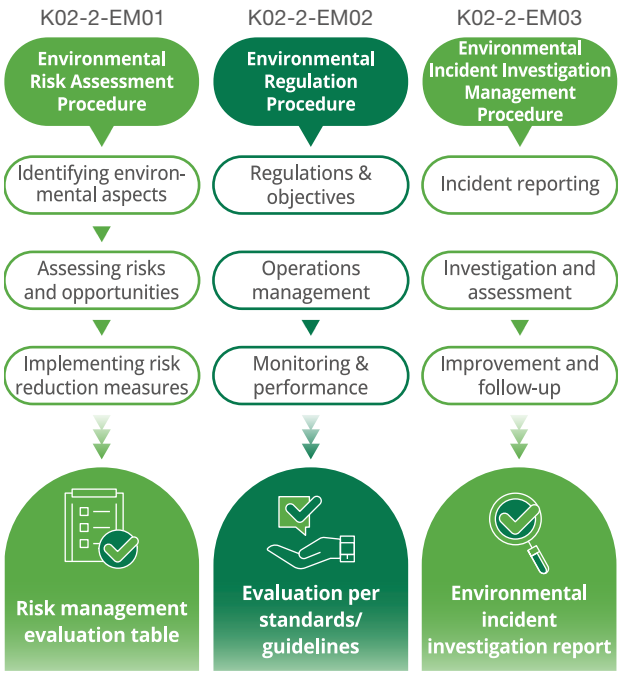
To minimize environmental impacts throughout construction processes, Kedge Construction actively adheres to central and local government environmental regulations. Company headquarters and all engineering projects have comprehensively implemented ISO 14001 Environmental Management Systems (Valid period: January 31, 2024 – January 31, 2027) , committed to reducing environmental impacts across all project phases. Kedge Construction pursues environmental sustainability goals while actively assuming global environmental protection responsibilities, working to mitigate climate change impacts and achieve mutual prosperity through environmental coexistence.

Kedge Construction's Environmental Policy

Regulatory Compliance	Adhere to regulations implementing environmental pollution prevention while reducing environmental impacts surrounding engineering operations
Proactive Management	Effectively control and achieve environmental management performance through comprehensive participation in environmental protection and energy conservation initiatives
Actively develop green sustainable	engineering practices, promoting low-carbon construction methodologies and circular material applications
Continuously evaluate and optimize	management systems ensuring sustainable operational objective achievement

To implement environmental policy commitments, Kedge Construction's environmental management system framework operates through three primary components

1. Environmental Risk Assessment Procedures	Govern company identification of environmental risks and opportunities, materiality analysis, and response measures, ensuring environmental risk control within acceptable parameters.
2. Environmental Control Procedures	Regulate company and engineering project operational activities, emphasizing environmental impact control and management while ensuring environmental protection concept integration throughout operations, enabling effective supervision, measurement, evaluation, and improvement to achieve environmental objectives and enhance performance.
3. Environmental Incident Investigation Management Procedures	Govern notification, investigation, and subsequent improvement measures during environmental incidents within company and engineering projects, minimizing environmental impacts and losses while preventing similar incident recurrence.



Environmental Performance Monitoring and Enhancement

Pre-Construction Phase

- Conduct comprehensive employee and contractor education programs for newly initiated construction sites, encompassing construction engineering environmental regulations and penalties, plus pollution prevention measures addressing air quality, noise, soil and groundwater protection, and waste management, ensuring construction personnel thoroughly understand environmental protection importance, implementation methodologies, and emergency response protocols.
- Organize construction briefings for neighboring residents, maintaining positive community relations while providing pollution complaint channels and adopting adjacent roadways or parks for maintenance activities, supporting road cleaning and environmental hygiene initiatives while fulfilling community stewardship responsibilities and preserving traffic safety.

Construction Phase

- Utilize Teams "Environmental Unit Inspection Reporting" group enabling on-site personnel to document environmental audit conditions, record deficiency improvement requirements, and monitor completion of corresponding corrective measures.
- Monthly meetings led by the Chairman evaluate environmental management status across construction sites while developing improvement strategies and enhanced education programs addressing common deficiency patterns.
- Conduct irregular site visits for on-site inspection and guidance, providing education regarding environmental protection measure implementation, regulatory compliance standards, common deficiencies, and problem resolution.

Environmental Protection Measures

For environmental protection throughout engineering project construction phases, Kedge Construction established comprehensive "Engineering Project Environmental Management and Maintenance Standards" to rigorously control potential temporary pollution impacts. Primary environmental improvement strategies and preventive measures include:

Noise Pollution Prevention

- Manage construction personnel, work schedules, construction methodologies, equipment selection, and facility operations.
- Develop noise prevention measures across different construction phases including site preparation, excavation and transport, foundation work, construction, and finishing activities: implementing electric power systems replacing diesel generation, engine electrification, hydraulic lifting equipment utilization, full casing and reverse circulation cast-in-place or precast pile construction methods, hydraulic or precision cutting demolition techniques, and avoiding simultaneous high-noise machinery operations.
- Implement equipment noise prevention and regular maintenance programs, installing acoustic enclosures for noise-generating components (such as engines) with fire-rated sound-absorbing materials within enclosures; for construction equipment generating vibration noise, install vibration damping pads or springs (such as rubber cushioning) beneath machinery bases.
- Adhere to noise control zone regulated operating hours, avoiding holiday or nighttime construction while minimizing continuous operation durations.


▲ Noise barriers installation


▲ Perimeter noise monitoring

Soil and Water Pollution Prevention

- Install comprehensive systems including vehicle wash stations, high-pressure cleaning equipment, sedimentation basins, spill containment systems, weather protection facilities, and interceptor channels. Vehicle washing equipment must be positioned at designated fixed locations within construction sites.
- Construction wastewater requires filtration treatment prior to discharge with regular sedimentation pond water quality monitoring.
- Bentonite fluids from earth retention operations undergo site personnel supervision ensuring contractor proper recovery and regulatory-compliant processing.
- Concrete operation washwater and foundation excavation stabilizing fluids require sedimentation and filtration prior to discharge authorization.
- Domestic sewage utilizes septic tank systems with qualified treatment institution commissioning for regular removal and processing, preventing soil infiltration contamination. Outdoor waste storage requires covering to prevent sewage overflow and soil seepage contamination.
- Construction site and surrounding drainage systems receive covering or filter screen installation with regular cleaning and maintenance protocols.
- Equip construction access roads with appropriate covering and drainage facilities to prevent erosion.
- Adhere to water and soil conservation regulations when working near rivers, and employ low-pollution construction methods with adequate water pollution control equipment to minimize river water pollution.
- Regularly maintain construction vehicles and equipment to prevent oil leaks. Prohibit changing liquid oils such as engine oil and lubricants within the construction area, and perform maintenance exclusively at off-site vehicle service stations.
- Prohibit cleaning paint tools in sedimentation barrels or tanks.


▲ Sedimentation tank cleaning


▲ Drainage ditch maintenance

Air Pollution Control

- To reduce dust dispersion, appropriate height fences are installed around the construction site.
- Deploy air quality monitoring systems enabling immediate implementation of effective control measures when emission thresholds are exceeded.
- For construction sites exceeding 10,000 square meters in area or external soil and stone volumes (loose measurement) exceeding 10,000 cubic meters, install monitoring instrumentation and video surveillance systems for air pollution prevention facilities.
- Exposed surfaces within the construction site are sprayed with water, covered with dust nets, or paved with concrete or gravel to reduce dust dispersion.
- For vehicle pathways within the construction sites, steel plates or concrete are laid to suppress dust spread.
- Vehicles, bodies, and wheels leaving the construction site are cleaned.
- Vehicles transporting dispersible particulate pollutants utilize enclosed cargo containers or securely covered cargo systems. When utilizing dust-prevention cloth or mesh covers, edges must extend at least 15 centimeters below cargo container upper edges.
- Install dust-prevention cloth/mesh systems along structural scaffolding perimeters or building structures.
- Prioritize equipment featuring "Clean Emission Self-Management Certification" ensuring optimal diesel engine construction equipment exhaust system performance while reducing black smoke emissions.



▲ Certification issued through instrumental measurement or visual assessment of black smoke light absorption coefficient (m-1)



▲ Laying straw on exposed soil to suppress dust



▲ Using equipment with self-management certification



▲ Automatic water-spraying system activated when air pollution exceeds limits



▲ Installing 2.4-meter-high fences



▲ Covering material stockpiles with dust-proof nets



▲ Paving steel plates on vehicle pathways



▲ Covering exposed areas with dust-proof nets



▲ Installing wheel-wash stations at site entrances/exits



▲ Installing dust-proof nets on structures



▲ Covering truck cargo with tightly secured dust-proof nets, extended 15 cm below the rim



▲ Sprinkling water to keep surfaces damp and control dust



▲ Using CCTV monitoring systems

Waste Management

Waste streams generated through Kedge Construction operations encompass employee domestic waste, construction waste materials, and surplus earth and stone. To enhance resource utilization efficiency while reducing environmental pollution from waste generation, headquarters facilities and nationwide construction sites have comprehensively implemented waste classification protocols, mandating 100% industrial waste processing through Environmental Protection Administration-approved removal and treatment operators for recycling, reuse, and incineration disposal, achieving zero waste landfill volumes and 100% waste transfer rates. Processing protocols by category include:

Household Waste

Garbage from the company headquarters and construction site employees is sorted and recycled according to legal regulations. Posters and other methods are used to promote waste reduction and sorting. All regional offices across the country have implemented sorting, food waste recycling, and resource recycling. Waste is cleared and processed by qualified public or private waste disposal agencies as mandated by law.

Construction Waste and Excess Soil and Rocks

Construction debris and building demolition materials generated at construction sites undergo resource separation procedures to maximize collection of reusable materials including metals, plastics, and wood, with remaining construction mixtures commissioned to qualified reuse institutions for removal and processing. Treatment facilities implement manual sorting, electromagnetic separation, and air classification procedures to categorize reusable resource materials. Construction surplus earth and stone management prioritizes soil balance within work zones or inter-site exchange between nearby construction projects, with remaining materials transported to legally established waste treatment facilities or earth and stone resource storage sites per regulatory requirements.

Compliance with Environmental Regulations

Kedge Construction conducts biannual legal assessment operations while providing timely updates and announcements of critical regulations, supporting engineering projects in confirming regulatory applicability and proactively addressing current requirements. Engineering projects designate personnel responsible for environmental protection affairs, requiring participation in environmental advocacy and educational training programs organized by local government environmental protection agencies with project jurisdiction.

Through December 2024, comprehensive review encompassed 19 environmental regulation categories including environmental protection, atmospheric environment, water quality protection, resource circulation, environmental management, chemical substance management, climate change, plus owner and additional requirements, totaling 362 regulations. Site-specific applicability assessments address marine and agricultural water conservation laws based on varying engineering characteristics and locations.

Environmental Operations and Educational Training

- All pollution prevention equipment and environmental protection measures implement regulatory compliance and owner special requirement provisions as operational standards, with immediate corrective action for identified deficiencies.
- Engineering project coordination assigns designated personnel to execute environmental protection responsibilities per regulatory and company system requirements, including regular on-site self-inspection and compliance evaluation, audit result documentation and reporting, coordinating personnel for non-conformance improvement initiatives, and emergency support for complaint/violation incident management.
- Periodic environmental protection training and educational programs include government-sponsored environmental protection lectures to strengthen environmental awareness among employees and collaborative vendor personnel while implementing construction environmental protection practices.
- Educational training delivery includes ISO 14001 regulatory assessment practice, environmental risk assessment practice, and internal audit practice across 5 sessions, training over 100 participants.
- Four environmental education series lectures encompassed "Effortless Energy Conservation," "Climate Change Kitchen Workshop," "Urban Hydrology Green Spaces and Sustainable Environmental Value," and "Experiencing Community Warmth: Second-hand Value Innovation for Sustainable Living," with over 300 participants.
- Participation in multiple briefing sessions organized by environmental protection bureaus across Taipei City, New Taipei City, Taoyuan City, Miaoli County, and Taichung City addressing construction engineering environmental regulations, construction equipment certification standards, and air quality health impact education.
- Regular cleaning and maintenance operations around construction sites ensure environmental cleanliness standards.



▲ September 26 — Climate Change on the Table Workshop



▲ November 27 — MyNeighbor App Launch and Promotion Event

4.2 Energy Resources Usage

- SASB IF-EN-410a.2
- GRI 302-1, 302-3, 303-3, 306-3

Energy Usage and Conservation

In response to the SBTi carbon reduction targets, Kedge Construction is promoting energy saving and carbon reduction for its headquarters building and engineering project offices. The specific policies are as follows:

Energy Policy

Comply with laws and regulations and self-requirements and adopt energy-efficient products.

During equipment replacement and upgrades, prioritize procurement of electrical equipment meeting first-class energy efficiency standards to enhance energy utilization efficiency and reduce consumption.



Fulfill the responsibility for sustainable development and operate green projects in a sustainable manner

Deploy solar power generation systems, electric vehicles, and electric motorcycles at engineering offices, prioritizing temporary electrical power and tower cranes over diesel generators and diesel cranes when conditions permit, reducing greenhouse gas emissions.

Raise employees' awareness of energy conservation through multiple publicity channels

Provide monthly statistics and announcements of electricity consumption across company headquarters floors, comparing with previous year data to identify potential energy consumption gaps and develop energy-saving solutions, while organizing energy conservation lectures encouraging colleagues to implement energy and carbon reduction practices throughout daily office operations.

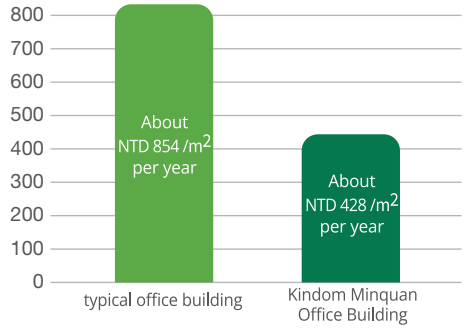
Implement energy conservation and carbon reduction targets and continuously improve energy performance.

Actively implement low-carbon building materials and construction methodologies to minimize greenhouse gas emissions during construction processes, demonstrating concrete construction industry climate change responsibility initiatives.

Energy Saving Measures

To enhance energy conservation and carbon reduction benefits while providing superior working environments for colleagues, company headquarters will relocate to the newly completed Minquan Building in June 2025. The facility features rooftop solar power generation equipment with 16.92 kW capacity, while public areas will utilize 100% renewable energy (including green electricity contracts + EACs). Regarding energy management, high-efficiency equipment and energy management system implementation anticipates approximately 50% electricity consumption reduction.

Annual Electricity Cost per Square Meter



- Independent meters & circuit control
- High-efficiency LED lighting
- Real-time energy monitoring (AC, lighting, water)
- Water-cooled VRV A/C (Grade 1 efficiency)
- ERV + CO_2 sensors + auto ventilation
- Occupancy/daylight sensors

Primary energy conservation measures implemented at company headquarters - Kindom Minquan Commercial Office Building during 2024 include:

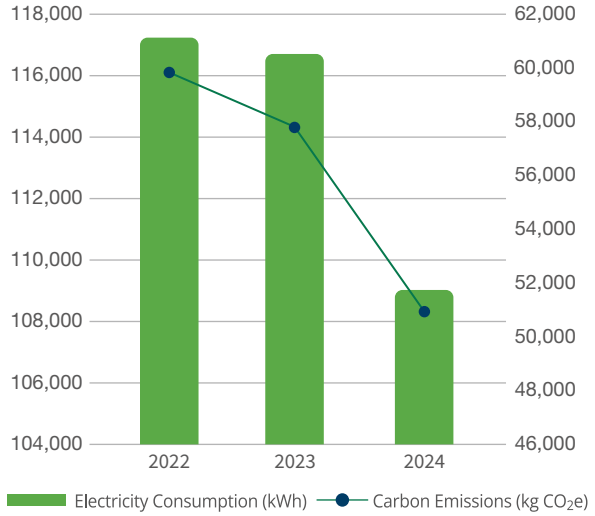
Air Conditioning	• Turn off some air conditioners after working hours or on holidays (overtime on holidays requires an application). • Set air conditioning load modes in public areas based on time periods. • Link air conditioning to lighting switches so that air conditioning automatically turns off when the lights are off. • Set uniform air conditioning temperatures based on outdoor temperatures, with records kept for review and adjustment. • Conduct major maintenance and cleaning of the central air conditioning system in mid-April each year. • Add energy-saving circulation fans on each floor to enhance air circulation.
Lighting	• Replace stairwell and parking lot lighting with sensor-activated LED fixtures. • Set different lighting modes in public areas based on time periods. • Strengthen holiday patrols to reduce unnecessary lighting. • Replace downlights in meeting rooms and floor indicator lights in emergency staircases with LEDs. • Turn off lights during lunch breaks.
Elevators	• Turn off some elevators after working hours or on holidays, keeping only the minimum required in operation.
Other Measures	• Fully switch to low-energy inkjet printers, and require employees to log in before printing to reduce paper usage. • Gradually replace old refrigerators with inverter refrigerators. • Set fixed switch-on times for rice steamers. • Detect computers left on overnight and send reminders to users, reducing recurrence. • Participate in the Earth Hour global energy-saving campaign.

Energy Management

Company headquarters' 2024 electricity consumption totaled 109,156 kWh, representing a 6.98% reduction compared to 2022. Three-year electricity consumption trends demonstrate consistent decline, indicating successful implementation of company ESG initiatives and General Affairs Department energy conservation and carbon reduction measures.

Simultaneously, nationwide construction site electricity consumption during 2024 exhibited notable reduction. While certain sites experienced substantial diesel generator fuel consumption increases due to delayed temporary electrical supply during earthwork phases, overall energy intensity decreased 5.62% compared to 2023.

	2022		2023		2024	
	Headquarters	Construction Sites	Headquarters	Construction Sites	Headquarters	Construction Sites
Electricity Consumption (kWh)	117,342	5,195,220	116,740	5,597,803	109,156	4,327,905
Carbon Emissions (kg CO_2e)	59,727	2,644,367	57,786	2,770,912	51,740	2,051,429
Gigajoules (GJ)	422.430	18,702.791	420.264	20,152.091	392.961	15,580.457
Electricity Intensity	98.42 (kWh/m^2)	365.74 (kWh/million NT dollars)	97.92 (kWh/m^2)	391.66 (kWh/million NT dollars)	91.56 (kWh/m^2)	304.05 (kWh/million NT dollars)
Emission Intensity	50.10 (kgCO_2e/m^2)	186.16 (kgCO_2e/million NT dollars)	48.47 (kgCO_2e/m^2)	193.87 (kgCO_2e/million NT dollars)	43.40 (kgCO_2e/m^2)	144.12 (kgCO_2e/million NT dollars)
Gasoline for Company Vehicles (liters)	19.71	52.51	15.67	42.19	16.81	41.27
Diesel for Company Vehicles (liters)	0	6.37	0	9.31	0	10.91
Gasoline for Machinery/ Generators (liters)	0	8.28	0	6.11	0	10.66
Diesel for Machinery/ Generators (liters)	0	4.87	0	12.16	0	96.86
Energy Intensity (GJ/million revenue)		**1.559**		**1.638**		**1.546**



Note 1: From 2022 onwards, based on the greenhouse gas inventory boundary, electricity consumption is separately counted for the company headquarters (only Kedge) and construction sites. Electricity consumption is totaled according to Taiwan Power Company billing details. Currently, both the company headquarters and construction sites use non-renewable energy.

Note 2: Annual Electricity Emission Coefficients Provided by the Energy Administration of the Ministry of Economic Affairs: The coefficients are 0.509 kg CO_2e/kWh for 2022, 0.495 kg CO_2e/kWh for 2023, and 0.474 kg CO_2e/kWh for 2024.

Note 3: One kilowatt-hour of electricity = 3.6 million joules, the calorific value of each liter of gasoline is 32.635 million joules, and the calorific value of each liter of diesel is 35.146 million joules; one gigajoule is equal to 1 billion joules. Company vehicle gasoline and diesel consumption data collection commenced in 2022.

Water Management

During 2024, company headquarters annual per capita water consumption reached 8.69 m^3, increasing 35.15% from the previous year, primarily attributed to significant shared public water consumption increases from May through September, assessed as resulting from increased summer air conditioning cooling tower water requirements. For the company's construction sites, water usage is mainly for employee domestic use (100% sourced from municipal water) and for vehicle washing (using rainwater harvesting or recycled groundwater from wells).

Considering water resource stress within engineering project locations, Water Risk Atlas analysis of local water resource pressure across various construction sites indicates low-to-medium water stress levels, excluding classification as water-stressed regions. There are five pressure levels (Low, Low-Medium, Medium-High, High, Very High) as per the Water Risk Atlas.

Additionally, a query of the Reservoir Catchment Area and Drinking Water Quality and Quantity Protection Area system confirmed that none of the company's construction sites are located within drinking water quality and quantity protection areas or groundwater control areas.

	2022		2023		2024	
	Headquarters	Construction Sites	Headquarters	Construction Sites	Headquarters	Construction Sites
Total Water Usage (million liters)	0.725	57.74	0.829	83.73	1.191	108.97
Water Intensity (Headquarters: m^3/person Construction Sites: m^3/million revenue)	5.71	4.06	6.43	5.86	8.69	7.66

Note 1: The scope of water usage statistics in 2021 was limited to the company's headquarters (Kindom Tower). Starting from 2022, based on the greenhouse gas inventory boundary, the statistics separately include the water usage of the headquarters (Kedge only) and construction sites.

Note 2: The number of employees at the headquarters is based on the number of employees at the end of December, with 127 employees in 2022, 129 employees in 2023, and 137 employees in 2024.

Waste Management

The table below summarizes the domestic waste, surplus construction earth and rock, and construction waste generated by the company's headquarters and nationwide construction sites in 2024.

	Construction Waste	Household Waste	Earth and Stone Excavation and Removal
2022 Total Waste	15,507 tons	601 tons	1,114,077 tons
2023 Total Waste	18,639 tons	520 tons	1,409,477 tons
2024 Total Waste	10,493 tons	560 tons	954,927 tons
Treatment Methodology	Handled by legally compliant construction waste removal and treatment contractors, using methods such as stabilized landfill, sanitary landfill, and resource recycling for intermediate treatment.	Handled by legally compliant domestic waste collection contractors, using methods such as resource recycling or reuse and incineration for intermediate treatment.	Prioritize balancing earthwork within the construction area without external transportation or exchanging usage between sites. For earthwork that is difficult to recycle and reuse, it is transported to legally established waste treatment plants or earth and stone resource storage yards as per building management unit regulations.

HIGHLIGHT

Green Transformation from Demolition to Construction: Implementing Construction Circular Economy Blueprint

Kedge Construction maintains sustainable development as its central focus while actively supporting government circular economy policies and implementing construction industry waste reduction and resource reuse objectives. Within the "Banqiao District Fuzhong Section Urban Renewal Project," Kedge implemented "cradle to cradle" circular principles, achieving efficient circular reuse of construction surplus resources through comprehensive building demolition, classification, and recycled material manufacturing processes.

Selective Demolition Operations Ensuring Source Classification Quality

Throughout the demolition phase, Kedge Construction initiated meticulous classification of construction surplus materials, particularly conducting on-site preliminary screening and categorization of B5-class earth and stone materials (primarily masonry with supplementary concrete blocks and fine sand). Demolition operations proceeded through three distinct phases:

Interior Clearance

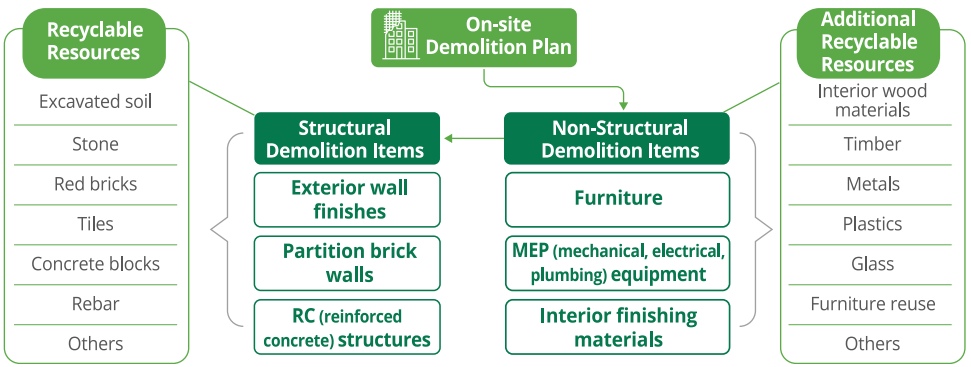
Manual removal of refuse, appliances, and non-fixed waste materials, with large furniture temporarily relocated to site perimeters.

Furniture and Fixture Removal

Crane-assisted deployment of compact excavators to rooftop levels, systematically dismantling wooden fixtures and non-structural partitions floor by floor.

Primary Structure Demolition

Large excavator and hydraulic breaker utilization for main structural dismantling, with steel reinforcement separately recovered and masonry plus concrete materials forwarded for recycling processing.



▲ Existing Building Selective Demolition Process

Recycled Material Processing and Application Creating Closed-Loop Circulation

Post-demolition B5-class earth and stone materials underwent processing by partner Xinglei Resource Recovery through sequential coarse crushing, fine crushing, washing, screening, grinding, and dehydration procedures, manufactured into recycled fine aggregate per CNS 1240 standards, subsequently incorporated into concrete mixtures replacing natural fine aggregate to produce "Recycled Fine Aggregate Concrete."

This recycled concrete achieved successful application within site engineering including: continuous wall guide trench surfacing, PC layers (precast concrete foundation layers), sedimentation basins, vehicle washing facilities, and additional areas, effectively realizing building material "circular self-utilization" within the site while establishing closed-loop resource circulation systems.

This project cumulatively recycled and processed 2,826 cubic meters of B5-class earth and stone materials, generating 5,338 cubic meters of recycled fine aggregate concrete.



Combined Performance and Environmental Benefits

Experimental validation demonstrates recycled fine aggregate concrete exhibits superior engineering performance:

- Compressive Strength: 180-day strength achieves 563 kgf/cm^2 (design strength 350 kgf/cm^2), 91-day strength reaches 463 kgf/cm^2 (design specification 280 kgf/cm^2).
- Durability: Chloride ion penetration below 1,000 coulombs, providing corrosion resistance and extended service life.
- Structural Stability: Multi-porous characteristics with high water retention capacity effectively minimize drying shrink-age crack development.

Substantial Environmental Benefits

Recycled fine aggregate utilization replaces natural sand and gravel resources, reducing waste volumes while alleviating soil disposal facility pressures and preventing environmental impacts from natural resource extraction including soil erosion, contamination, and ecological degradation.

Based on Ministry of Interior Architecture and Building Research Institute carbon footprint data, each cubic meter of natural sand and gravel generates approximately 1.39 kg CO_2e. Utilizing recycled materials from this project reduces approximately 3.92 tons CO_2e, demonstrating quantifiable carbon emission reduction achievements.

4.3 Climate Change and Adaptation

• GRI 201-2, 305-1, 305-2, 305-3, 305-4

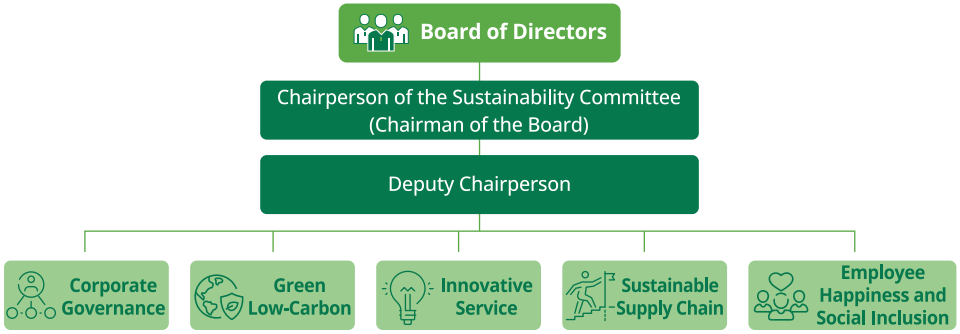
Climate change-related risk management

Kedge Construction prioritizes climate change risk response while dedicating efforts to transforming risks into opportunities and developing new business prospects. During 2023, the company adopted "TCFD Climate-related Financial Disclosures Recommendations (Recommendations of the Task Force on Climate-related Financial Disclosures)" framework and published its inaugural TCFD report, identifying material climate change risks and opportunities affecting the company while implementing relevant response strategies based on assessment outcomes. We continuously conduct necessary evaluations and adjustments according to corporate circumstances, disclosure requirements, and international developments.

Adoption of the TCFD framework

We adopt the TCFD framework to assess climate change-related transition risks, and measure the impact of climate change faced by the company itself, supply chain and related industries, so as to communicate with stakeholders through climate-related financial disclosures. For demonstrating the globally shared responsibility of mitigating climate change with the world, we have formally included the issues of greenhouse gases and climate change in the discussion agenda of the green low-carbon group under the ESG Committee, proposed green engineering refinement plans, assessed climate change risks and opportunities, and formulated energy-saving and carbon-reduction plans. This group is supervised by the ESG Committee under the Board of Directors, and the chairman of the committee (the Chairman serves as the chair) regularly reports to the Board of Directors the effectiveness of greenhouse gas management and the results of climate change response as a reference base for the long-term strategy of the company in responding to climate change risks.

Kedge Construction Climate Change Governance Organizational Chart



Corporate Management Strategy and Implementation	Kedge Implementation Status
Governance	• The Sustainability Committee holds regular meetings every year, chaired by the Chairman, to review various environmental impact assessments and set targets. • 2024 implementation effectiveness underwent Board of Directors reporting during **March** and **November** sessions.
Strategy	• Through cross-departmental discussion meetings, relevant climate risks and opportunities affecting the organization were identified: **4** climate risks and **5** climate opportunities. • Impact assessments and response measures were conducted for medium to high-impact risks and opportunities. Please refer to the "Climate Change Financial Impact Analysis". —1.5°C Scenario —Taiwan 2050 Net-Zero Emissions Pathway and Strategy —Taiwan NDC (Nationally Determined Contribution) —Taiwan's "Climate Change Response Act" —Worst-case Global Warming Scenario in the IPCC Sixth Assessment Report (SSP5-8.5)
Risk Management	• Conducted cross-departmental discussion meetings to identify and prioritize climate-related risks and opportunities, and assess their financial impact. • Reported the evaluation results of climate-related risks and their financial impact to the Sustainability Committee and the Board of Directors. • Starting in 2024, the Risk Management Team will conduct regular assessments and reviews during the risk assessment meetings held in **April** and **October** each year.
Metrics and Targets	• Annual inventory and disclosure of greenhouse gas emissions and energy usage, with third-party verification. Please refer to section "4.2 Energy Resource Usage" of this report. • Set SBTi reduction targets: **42**% reduction in Scope 1 and Scope 2 compared to the base year by 2030, and **25**% reduction in Scope 3. • Develop quantifiable indicators for greenhouse gas reduction, energy resource conservation, and human safety/financial risks caused by project delays due to climate change.

TCFD Risk and Opportunity Identification and Impacts on Finance

Based on the TCFD framework, the identification and prioritization of climate-related risks and opportunities are carried out. By referring to relevant research reports on climate risks and opportunities from various organizations, the company's executive meetings assess climate change risks and response measures to identify potential crises and possible opportunities related to climate change.

After cross-departmental discussions on climate change risks and opportunities, Kedge Construction, following the TCFD recommended framework, has identified four major climate-related risks and five major climate-related opportunities.

Risk Ranking	Risk Type	Risk Content	Timeframe	Likelihood	Financial Impact
Risk 1	**Physical Risk**	Immediate Tropical Cyclone	Short-term	Certain	Low
Risk 2	**Physical Risk**	Immediate Extreme Temperature Changes	Short-term	Certain	High
Risk 3	**Physical Risk**	Regulatory Government-imposed corporate carbon fees	Medium Term	Certain	Chinese
Risk 4	**Physical Risk**	Regulatory Mandatory reporting and public project regulations	Medium Term	Very Likely	Low

Opportunity Ranking	Opportunity Type	Opportunity Content	Timeframe	Likelihood	Financial Impact
Opp 1	**Resource Efficiency**	Production and Manufacturing - Aluminum Formwork	Short-term	Certain	High
Opp 2	**Market**	International Initiatives – SBTi	Medium Term	Very Likely	Low
Opp 3	**Resource Efficiency**	Recycled Materials	Long Term	Certain	Low
Opp 4	**Physical Risk**	Innovation and Research and Development	Medium Term	Very Likely	Low
Opp 5	**Market**	Participation in Public Infrastructure	Short-term	Very Likely	Low

Climate-Related Risk and Opportunity Identification and Financial Impact Analysis - Risk Aspect

Risk Ranking	Risk Type	Risk Content	Risk and Strategy Description	Timeframe	Likelihood	Financial Impact
Risk 1	Physical Risk	Immediate **Tropical Cyclone** • Typhoons causing property damage (repair costs) at construction sites • Typhoons causing direct and indirect management cost losses due to construction site shutdowns	According to the scientific highlights of the IPCC Sixth Assessment Report on Climate Change and the most adverse scenario (RCP8.5) of the Taiwan Climate Change Assessment Report, the proportion of strong typhoons in the mid-21st century will increase by approximately 100%. The company expects 2 strong typhoons per year in the short term, 3 in the medium term, and 4 in the long term, causing construction site shutdowns and property losses. The company's response strategy includes enhancing pre-disaster typhoon prevention measures, ensuring thorough site inspections, real-time monitoring of site conditions during typhoons, minimizing necessary personnel attendance, and insuring against related hazards.	Short-term	Certain	Low
Risk 2	Physical Risk	Immediate **Extreme Temperature Changes** • Costs due to work stoppages (reduced working hours) caused by extreme high temperatures • Costs from cooling measures mandated by the government • Risk costs due to project delays • Reduced losses from shifting to night work	According to the scientific highlights of the IPCC Sixth Assessment Report on Climate Change and the most adverse scenario (RCP8.5) of the Taiwan Climate Change Assessment Report, the number of days with temperatures exceeding 36°C will increase in the future extreme high temperature events. In the mid-21st century and the end of the 21st century, the increase will be about 8.5 days and 48.1 days, respectively. The company expects 5 days in the short term, 10 days in the medium term, and 15 days in the long term per year of extreme high temperature events causing reduced working hours or work stoppages. The company's response strategy is to adjust working hours to avoid extreme high temperature periods.	Short-term	Certain	High
Risk 3	Physical Risk	Regulatory **Government-imposed corporate carbon fees** • Increased costs of major raw materials such as rebar, steel structures, and cement • Passing on raw material costs	The Taiwan government has enacted the "Climate Change Response Act," establishing a corporate carbon fee mechanism, which will increase the company's carbon fee costs and indirectly affect the rising costs of raw materials. The company will adopt strategies such as switching to electric machinery to reduce carbon emissions and passing on raw material costs to cope with the situation.	Medium Term	Certain	Chinese
Risk 4	Physical Risk	Regulatory **Regulatory Mandatory reporting and public project regulations** • Penalties for mandatory reporting • Labor costs for implementing carbon management • Counseling and external verification costs for carbon reporting. • Reduced penalties from implementing carbon reporting • Preferential financing rates	In response to the requirements of the Climate Change Response Act, Taiwan's relevant ministries will require companies to report greenhouse gas emissions. Additionally, future public projects may also include requirements related to greenhouse gases and carbon footprints. The company has actively completed greenhouse gas inventory and related carbon management responses.	Medium Term	Very Likely	Low

Climate-Related Risk and Opportunity Identification and Financial Impact Analysis - Opportunity Aspect

Opportunity Ranking	Opportunity Type	Opportunity Content	Opportunity and Strategy Description	Timeframe	Likelihood	Financial Impact
Opp 1	Resource Efficiency	**Production and Manufacturing - Aluminum Formwork** • Lower the outsourcing costs of formwork engineering	Using aluminum formwork instead of traditional wooden formwork can increase the number of uses, reduce labor costs, and lower the outsourcing costs of formwork engineering.	Short-term	Certain	High
Opp 2	Market	**International Initiatives – SBTi** • Guidance and application fees for SBTi • Labor costs for SBTi application • Increased revenue from public projects and related businesses	Applying for SBTi can drive growth in public projects and related businesses.	Medium Term	Very Likely	Low
Opp 3	Resource Efficiency	**Recycled Materials** • Recycled Materials • Use of boards made from waste plastic packaging materials • Reduce the use of traditional calcium silicate boards • Minimize packaging material disposal expenses • Reduce Scope 3 greenhouse gas emissions and carbon costs	Kedge has begun using "precast construction methods" in some projects, gradually advancing from exterior wall precasts to structure (columns/beams/slabs) precasts. This approach not only significantly reduces onsite labor but also lessens environmental pollution from multi-stage construction, improving overall efficiency and yield.	Long Term	Certain	Low
Opp 4	Products and Services	**Innovation and Research and Development** • Labor and equipment costs for innovation and R&D • Government subsidies and future business opportunities	Using boards made from waste plastic packaging materials instead of traditional calcium silicate boards can reduce waste disposal costs, lower board costs, and decrease Scope 3 greenhouse gas emissions.	Medium Term	Very Likely	Low
Opp 5	Market	**Participation in Public Infrastructure** • Costs of investing in new public engineering projects • Revenue from new public engineering projects	Kedge Construction's investment in innovative R&D related to carbon management in the construction industry is expected to secure government subsidies and future business opportunities.	Short-term	Very Likely	Low

Note: Definition of financial impact levels: Low - less than 0.2% of revenue, Medium - 0.2% to 2% of revenue, High - more than 2% of revenue.

GHG Inventory

Greenhouse gas reduction is one of Kedge Construction's sustainable development goals. The company integrates energy-saving and carbon-reduction measures into daily operations management at both headquarters and construction sites, actively invests in green engineering technologies, and implements circular economy practices. Kedge has been conducting an internal inventory of emissions sources in categories one to six, covering seven greenhouse gases (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3), in accordance with the "ISO 14064-1:2018 Standard". The inventory boundaries are set for the company's headquarters and nationwide construction sites, with the first inventory year 2022 as the base year, verified by a third party. In 2024, the greenhouse gas emissions for Scope 1 and Scope 2 at the company headquarters were 36.93 and 51.74 tCO_2e, respectively, while the total emissions for Scope 1 and Scope 2 at nationwide construction sites were 782.12 and 2,051.43 tCO_2e, respectively

Area	Scope	Annual Performance (tons CO_2e)		
		2022	2023	2024
Headquarters	Scope 1	46.44	36.93	39.63
	Scope 2	59.73	57.79	51.74
	Scope 3	121.4	126.83	156.94
	Scope 1+2	106.17	94.72	91.37
	Emission Intensity (Scope 1+2) (metric tons CO_2e/person)	0.836	0.734	0.667
	Emission Intensity (Scope 3) (metric tons CO_2e/person)	0.956	0.983	1.146
Construction Sites	Scope 1	572.17	524.56	782.12
	Scope 2	2,644.47	2,770.91	2,051.43
	Scope 3	281,264.54	210,784.16	258,082.02
	Scope 1+2	3,216.64	3,295.47	2,833.55
	Emission Intensity (Scope 1+2) (tons CO_2e/million revenue)	0.226	0.231	0.199
	Emission Intensity (Scope 3) (metric tons CO_2e/million revenue)	19.80	14.75	18.13
Total	Scope 1+2	3,322.81	3,390.19	2,924.92

Note 1: The number of employees at the headquarters is based on the number of employees at the end of December, with 127 employees in 2022, 129 employees in 2023, and 137 employees in 2024.

Note 2: Beginning 2022, greenhouse gas inventory utilizes operational control methodology, with Scope 3 encompassing greenhouse gas emissions from upstream transportation, employee commuting, business travel, purchased goods and services, waste treatment, and utilized services.

Note 3: Global Warming Potential (GWP) values reference the IPCC AR6 Assessment Report.

Greenhouse Gas Inventory and Reduction Implementation Progress

GHG Inventory

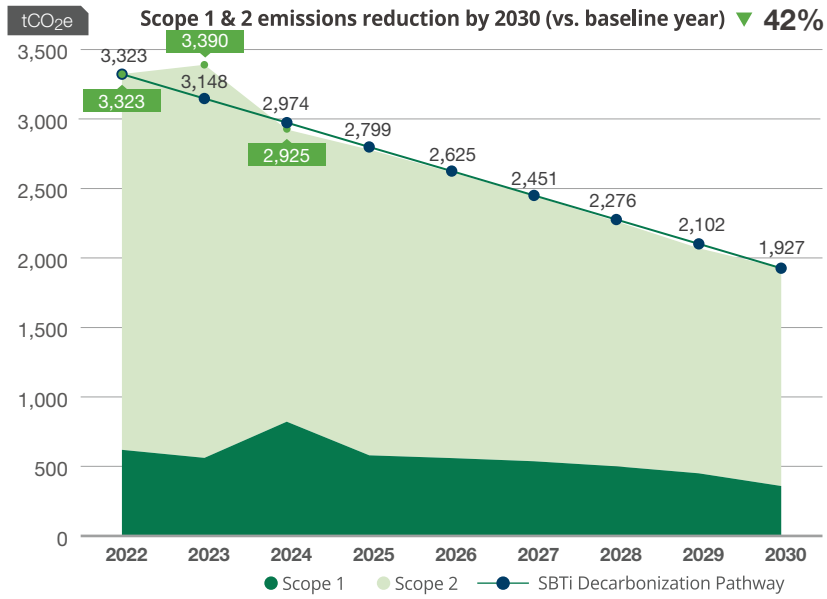
- 2022 established as inventory baseline year
- 2023, 2024 sustained comprehensive carbon inventory advancement across headquarters and nationwide active construction sites

Science-Based Targets Initiative (SBTi)

- 2023 Established science-based reduction objectives
- 2024 Successfully completed near-term reduction target validation
- Beginning 2025 Annual carbon reduction pathway review and adjustment

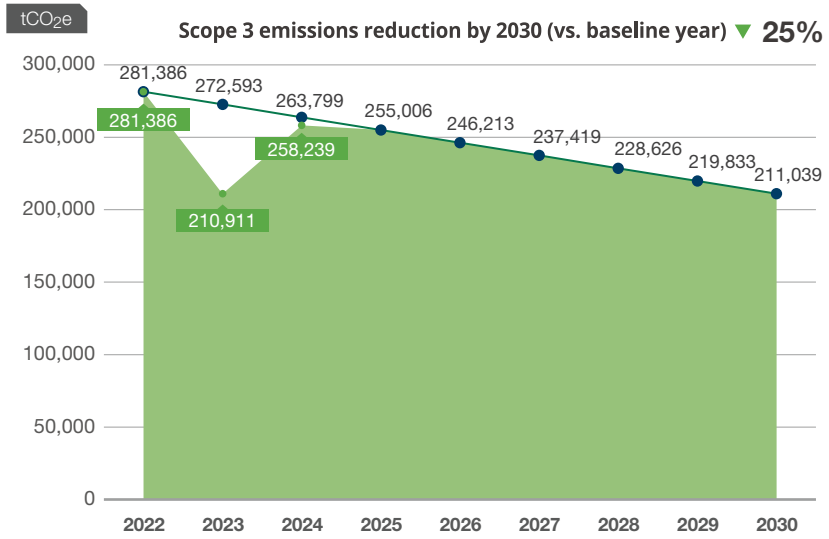
Scope 1 and 2 Reduction Implementation Strategies

- Company vehicle gasoline and diesel represents the primary Scope 1 emission source, transitioning progressively toward hybrid or electric vehicle alternatives.
- Advance early temporary electricity applications at construction sites to minimize diesel generator utilization.
- Commencing 2026, implement internal carbon pricing mechanisms to facilitate electrical equipment replacement with first-class energy efficiency standards.



Scope 3 Reduction Implementation Strategies

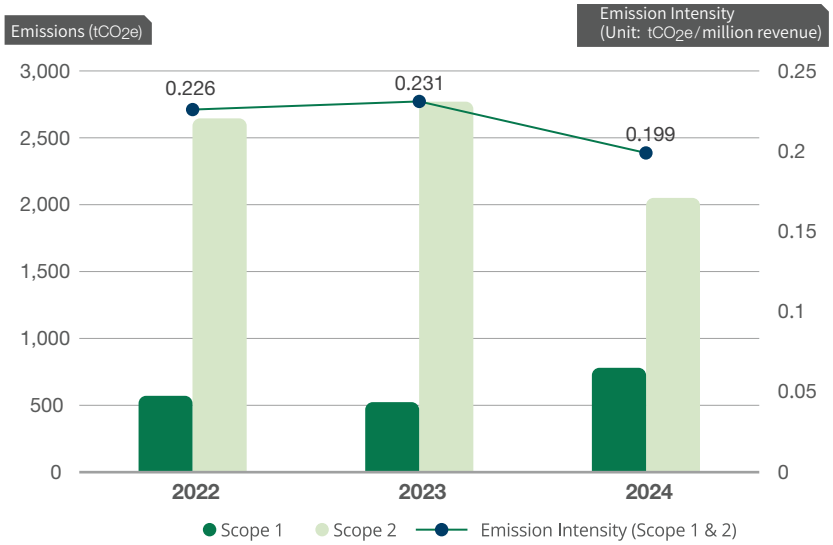
- Continue advancing low-carbon construction methodologies and materials (LEBR-certified low-carbon circular building materials, carbon reduction construction methods and materials evaluated by Taiwan Construction Research Institute, etc.).
- Assess LEBR low-carbon construction method certification application (aluminum formwork system engineering).



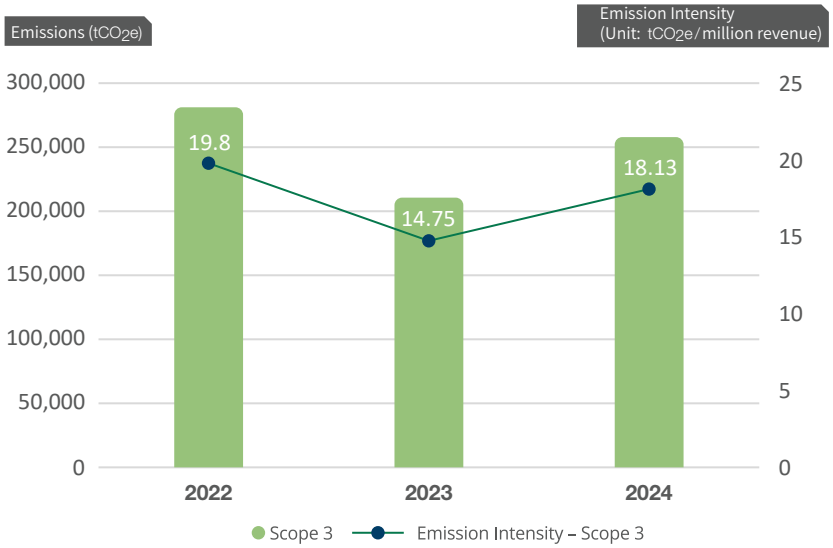
Three-Year Emission Trend Analysis

Kedge Construction evaluated 2024 absolute reduction alignment with 1.5°C carbon reduction trajectory, **achieving Scope 1 and 2 reductions of 11.97% compared to baseline year, with Scope 3 reduced by 8.23% from baseline year, demonstrating carbon reduction effectiveness consistent with SBTi pathway requirements.** Furthermore, three-year greenhouse gas emission comparisons indicate both company headquarters and construction site Scope 1 and 2 demonstrate declining trends, particularly with headquarters employee count and electricity consumption achieving clear decoupling. Scope 3 increased due to expanded international business travel and southern construction site transportation in 2024, resulting in elevated business travel emissions. Regarding construction sites, 2024 manufacturing facility projects entered structural construction peak phases, with carbon emissions from concrete, reinforcement steel, structural steel, and precast components significantly increasing compared to 2023. Moving forward, Kedge Construction will maintain carbon reduction objective and pathway evaluation. During 2024, beyond comprehensive limestone cement low-carbon concrete implementation for new building projects, we continue expanding low-carbon construction method applications including precast construction techniques and aluminum formwork replacement of traditional systems.For Scope 1 and Scope 2, the Company has completed internal carbon pricing planning. Starting in 2026, a carbon fee fund of NT$300 per metric ton of CO_2 equivalent will be levied on all construction projects nationwide to encourage the implementation of energy-saving and carbon-reduction measures, thereby promoting the achievement of carbon reduction goals

Construction Site Emissions – Scope 1+2



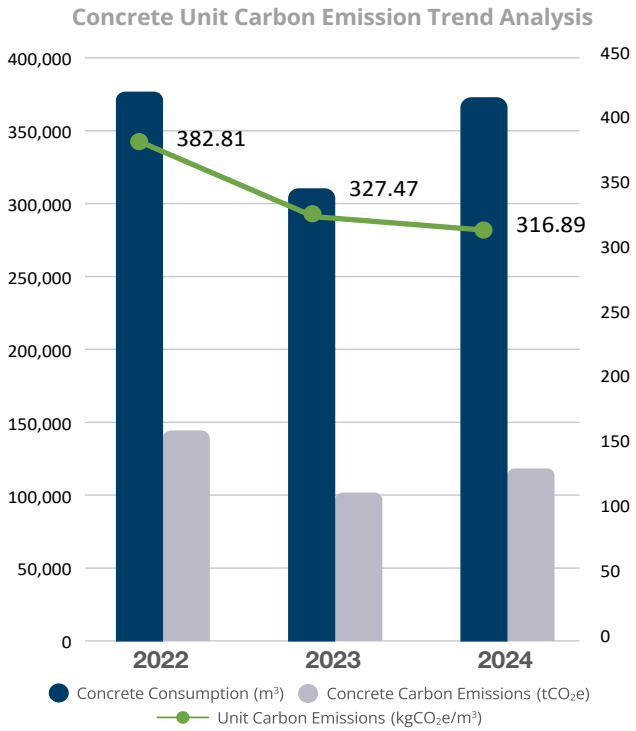
Construction Site Emissions – Scope 3



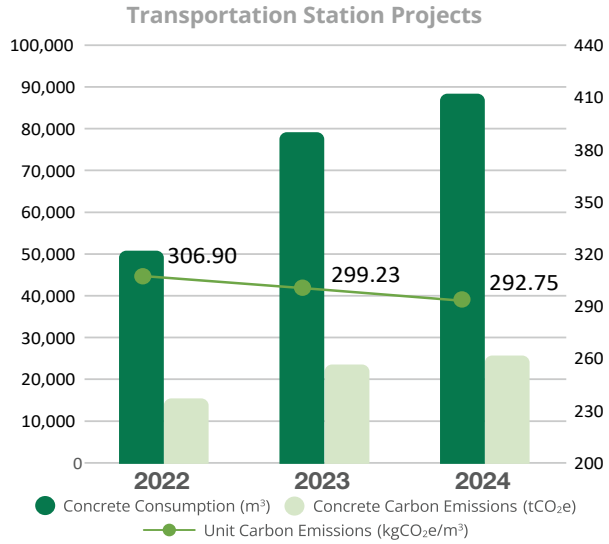
Note: Scope 3 emissions rose in 2024 during peak structural work.

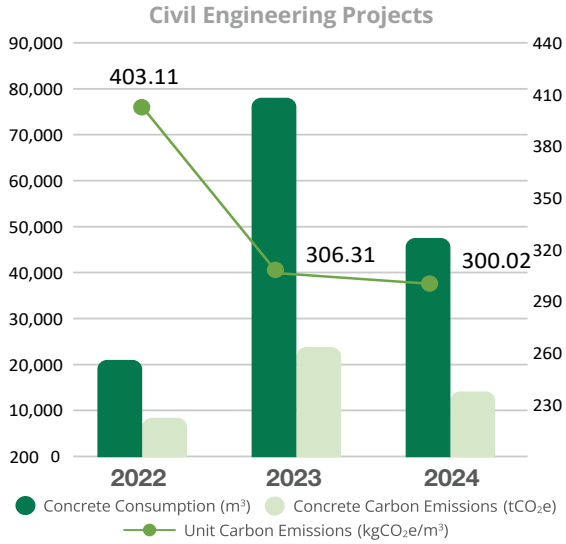
Concrete Emission Reduction

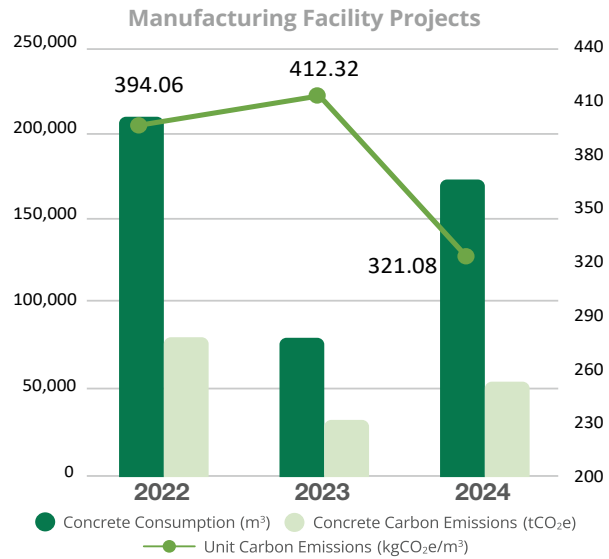
Over 90% of Kedge Construction's carbon emissions originate from building materials utilized in construction engineering, with concrete representing the predominant component, comprising over 50% of building material carbon emissions. Consequently, Kedge Construction advances low-cement ratio concrete and limestone cement concrete applications as the primary Scope 3 reduction strategy to minimize overall embodied carbon within construction engineering operations. Analysis of Kedge Construction's carbon emissions per unit concrete consumption across recent three years demonstrates that carbon emissions per cubic meter of concrete exhibit clear declining trends, achieving 17.2% reduction compared to 2022.

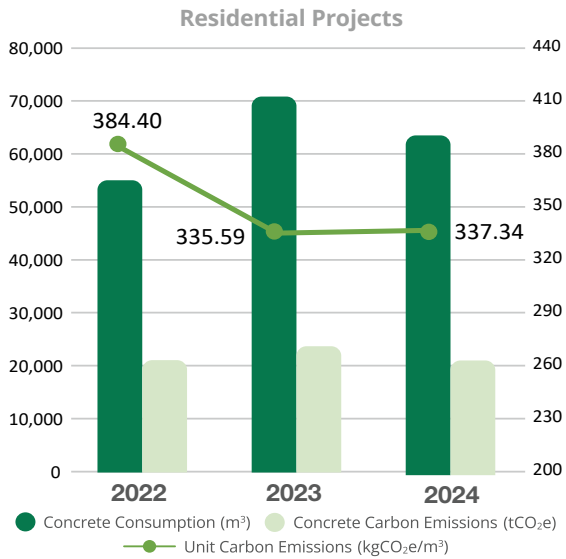


Across different engineering project categories, unit concrete carbon emission trend analysis indicates:









Note: Partial use of PLC concrete from 2024.

Note: Higher-strength concrete led to increased emissions in 2024.

HIGHLIGHT

Value Chain Collaboration for Low-Carbon Sustainable Engineering

Kedge Construction proactively addresses construction industry carbon reduction challenges. Construction companies occupy pivotal bridging roles within construction industry value chains, characterized by specialized division of labor and interdependent relationships. Consequently, over 90% of carbon emissions originate from construction engineering building materials, indicating construction engineering carbon reduction requires collaborative industry approaches to achieve objectives. Kedge Construction collaborates with clients, supply chains, and diverse industry-government-academia-research entities to advance comprehensive carbon reduction strategies spanning materials to construction methodologies for embodied carbon in construction engineering, aspiring to mobilize entire value chains toward collaborative low-carbon sustainable engineering ecosystem development while advancing collectively toward net-zero objectives.

Value Chain Upstream	Through extensive communication and consensus-building sessions with owners, supervisors, and engineers, successfully advanced Taiwan's inaugural high-tech manufacturing facility and first public engineering project to implement PLC low-carbon concrete, achieving approximately 30% carbon reduction compared to conventional concrete while promoting comprehensive adoption across parent company Kindom Development's new development projects.
Suppliers	Advance low-carbon building material application initiatives, prioritizing structural components representing highest emission proportions through collaboration with suppliers including Taiwan Cement, Asia Cement Corporation, and Tung Ho Steel to replace conventional building materials with low-carbon concrete, reinforcement steel, and structural steel alternatives.
Construction Sites	Implement aluminum formwork replacement of traditional systems, achieving dual benefits through labor cost savings and reduced masonry material consumption, delivering over 60% carbon reduction compared to wooden formwork construction.
Site Offices	Deploy modular container designs replacing conventional prefabricated structures while integrating site-recovered materials and innovative low-carbon environmental building materials to enhance site office reusability and minimize prefabricated structure waste.
Circular Regeneration	Systematically classify and recover waste masonry and concrete blocks from building demolition phases, processing into fine aggregates for concrete incorporation and application to site continuous wall guide trench surfacing, implementing cradle-to-cradle circular principles.
Academic Research	Collaborate with Taiwan Construction Research Institute and Civil Engineering Department of National Cheng Kung University through National Center for Research on Earthquake Engineering to complete PLC low-carbon concrete seismic performance testing research, ensuring material safety validation.
Portland Limestone Cement (PLC) Low-Carbon Concrete	In January 2024, initiated seismic performance testing collaboration with Taiwan Construction Research Institute, Civil Engineering Department of National Cheng Kung University, Asia Cement Corporation, and Tung Ho Steel. Experimental validation demonstrated that PLC and Portland Type I cement composite utilization with blast furnace slag and fly ash delivers concrete performance meeting structural design code seismic requirements, achieving carbon reduction without strength compromise or seismic performance impact. Research outcomes received presentation during June 2024 symposium featuring Ministry of Interior National Land Management Agency, Architecture and Building Research Institute participation alongside over one hundred construction industry professionals, civil engineers, and architects demonstrating support and engagement. Following months of dedicated effort including multiple stakeholder communications with engineers and regulatory authorities plus prototype development, successful advancement enabled Taiwan's premier technology manufacturing facility (ASML) and public engineering project (C611) official PLC concrete adoption. Current initiatives further advance comprehensive implementation across parent company Kindom Development building projects, anticipating 640,000 cubic meters PLC concrete utilization delivering approximately 75,000 tons CO_2e carbon reduction compared to conventional concrete systems.




▲ PLC Low-Carbon Concrete Seismic Testing at Taipei Laboratory of National Center for Research on Earthquake Engineering



▲ 2024/06/24 Research Results Presentation and Technical Symposium



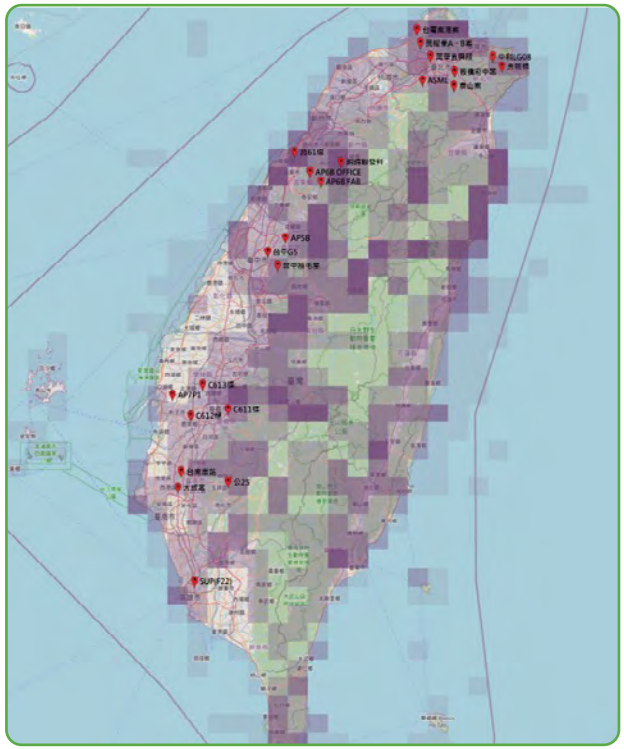

▲ August 2024 Taiwan's First Technology Manufacturing Facility PLC Low-Carbon Concrete Pour




▲ July 2024 Taiwan's First Public Engineering Project PLC Low-Carbon Concrete Pour

4.4 Biodiversity

While the construction industry endeavors to minimize environmental impact during development and construction, it inevitably causes certain degrees of impact on biological habitats. To demonstrate its commitment to biodiversity conservation, Kedge Construction became one of the first companies to successfully match with the "Natural Carbon Sink and Biodiversity Project" under the Forestry and Nature Conservation Agency of the Ministry of Agriculture, breaking away from traditional corporate adoption models and taking concrete steps to practice corporate ESG goals through environmental ecological conservation, community participation, and promoting local economic development.



• Source: Taiwan Biodiversity

Kedge Construction's headquarters and 2024 new construction projects including residential, commercial office, high-technology manufacturing, civil bridge, and public building developments are predominantly located within high-density metropolitan areas or science parks, positioned outside Taiwan's 98 designated protected areas established for natural conservation purposes (encompassing nature reserves, wildlife protection areas, critical wildlife habitats, national parks, national natural parks, and nature protection areas). Taiwan Biodiversity Network observation records and biological group species distribution pattern analysis utilizes approximately 10-kilometer x 10-kilometer grid systems, with darker grid coloration indicating higher species density within respective grid areas. Comparative analysis of Kedge Construction ongoing project locations indicates that Provincial Highway 61 and Tongluo MediaTek projects coincide with mammalian species distribution hotspots.

	Mammalian species count	**Class I** Protected Species (Endangered)	**Class II** Protected Species (Valuable and Rare)	**Class III** Protected Species (Others)
Provincial Highway 61 Bridge reconstruction project	**41** species	No Such Incident	• Masked Palm Civet • Ferret Badger • Pangolin • Asian Palm Civet • Taiwanese Leaf-nosed Bat • Taiwan Lesser Horseshoe Bat	• Crab-eating Mongoose
Tongluo Media Tek Manufacturing facility construction projects	**37** species	No Such Incident	• Masked Palm Civet • Pangolin • Taiwanese Leaf-nosed Bat • Taiwan Lesser Horseshoe Bat	• Crab-eating Mongoose

• Source: Taiwan Biodiversity

In response to ecological conservation work within a 2-kilometer radius of the construction project areas, Kedge Construction follows specific project environmental impact assessment reports to formulate management plans. Kedge has an environmental protection plan for construction and implements it to minimize environmental impacts during construction and avoid affecting the surrounding natural ecology. The environmental protection measures taken before, during, and after construction for each project are summarized in the table below:

	Before	During	After
Terrestrial Ecological Protection Measures	• Preserve valuable trees in situ and enhance protective measures. • Plan appropriate environmental maintenance and educational training based on the environmental impact assessment results or the surrounding natural environment. • Incorporate ecological conservation considerations into construction operation controls and pollution prevention plans.	• Implement measures to control air pollution, noise/vibration, soil and ground-water protection, proper waste management, and ecological conservation. • Implement environmental self-inspection and environmental monitoring procedures. • Establish construction personnel compliance with wildlife conservation legislation. • Reduce engineering vehicle speeds during site access to prevent wildlife fatalities.	• Execute vegetation restoration on slope areas adjacent to roadway surfaces. • Consider native tree species for environmental greening, mixed planting, and diverse multilayer planting. • Ground surface permeabilization maintains soil health and moisture retention. • Eliminate herbicide, pesticide, and chemical fertilizer usage in vegetation programs.
Marine Ecological Protection Measures	• Develop comprehensive work area planning with pollution prevention equipment installation. • Incorporate zoned small-area construction methodologies during construction planning phases.	• Establish designated waste collection points with covering systems to prevent environmental contamination. • Install sedimentation basins and interceptor channels preventing sediment runoff into surrounding water systems. • Conduct beach cleaning and work area environmental maintenance activities.	• Execute post-construction environmental restoration protocols including temporary facility removal and site restoration.



▲ Soundproof sheets for noise and vibration control



▲ Organized a beach cleanup activity.



HIGHLIGHT

TNFD Natural Capital Implementation Project: Chiayi Magicicada Habitat Restoration and Forest Conservation Initiative

Project Background and Sustainability Vision

Kedge Construction pursues the vision of establishing a "Sustainable Urban Engineering Team" while actively embracing Task Force on Nature-related Financial Disclosures (TNFD) framework principles and achieving recognition as among the first enterprises successfully participating in the Ministry of Agriculture's Forestry and Nature Conservation Agency's "Natural Carbon Sequestration and Biodiversity Project." Through the 20-year Chiayi restoration initiative - "Collaborative Tree Planting to Protect Taiwan Magicicada Habitat" project, integrating ecological conservation, community engagement, and local economic advancement demonstrates substantive positive natural impact actions while aligning with TNFD's four recommended disclosure dimensions and LEAP methodology





▲ Kedge Construction received selection for "Natural Carbon Sequestration and Biodiversity Project Matching Platform" participation, collaborating with Forestry and Nature Conservation Agency Chiayi Branch to advance magicicada habitat restoration efforts. The image depicts the project signing ceremony.

LEAP Methodology Practical Implementation

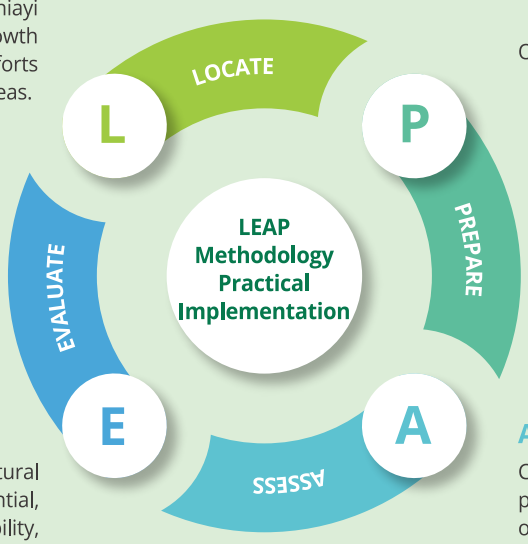
L – Locate

Target Taiwan magicicada population distribution hotspots within Chiayi region, identify host plant growth requirements, focus restoration efforts on shallow mountain forestland areas.

P – Prepare

Risks: Habitat degradation, climate change impacts on species survival;

Opportunities: Biodiversity enhancement, environmental resilience improvement, local economic development, and social trust building.



E – Evaluate

Assess restoration forestland natural conditions, biodiversity potential, Taiwan Firmiana habitat suitability, corporate long-term investment capacity, and participation frameworks.

A – Assess

Communicate implementation progress, performance indicators, and participation outcomes through sustainability reporting while continuously monitoring nature-positive impacts.

Project Objectives and Sustainability Outcomes

This initiative establishes specific objectives spanning habitat development, ecological education, and community prosperity:

Habitat Restoration: Establish approximately 2,000 Taiwan Firmiana plantings per hectare to create optimal magicicada habitat environments.

Conservation Objectives: Restore Taiwan endemic magicicada populations while protecting breeding and foraging ecological networks.

Monitoring and Assessment: Conduct comprehensive on-site ecological surveys and monitoring ensuring overall ecological environment stability throughout implementation phases.

Carbon Sequestration Benefits: Projected annual CO_2e absorption of approximately 9.4 tons, effectively strengthening climate resilience capacity.

Community Integration: Collaborate with Caoshan and Xinmei community groups advancing guided tours, ecological education programs, and volunteer engagement initiatives.

Forest Understory Economy Development: Revitalize sustainable products including log-cultivated shiitake mushrooms, forest bee products, and Taiwan mountain tea, generating local economic opportunities.

SDG and Global Framework Alignment

This initiative simultaneously advances the following United Nations Sustainable Development Goals (SDGs):



SDG 15 (Life on Land), 13 (Climate Action), 08 (Decent Work and Economic Growth), 04 (Quality Education), 02 (Zero Hunger), 03 (Good Health and Well-being), 11 (Sustainable Cities and Communities)

While supporting Global Biodiversity Framework (GBF) core objectives regarding "habitat restoration," "community participation," and "private sector engagement expansion."

Future Outlook

Through this initiative, Kedge Construction implements concrete nature-positive impact, sustainable co-benefit, and natural capital management practices while establishing a representative case study for preliminary TNFD framework application. Future development will maintain strengthened information disclosure, establish project monitoring mechanisms, and evaluate independent TNFD report publication feasibility.



▲ Taiwan Michelia



▲ Taiwanese Cicada

Term Introduction

Forest Understory Economy Product Overview

The Ministry of Agriculture's Forestry and Nature Conservation Agency designated forest understory economy products including log-cultivated shiitake and wood ear mushrooms, forest bee products, Taiwan Anoectochilus, Taiwan mountain tea, indigo plants, Ficus erecta, bamboo pith fungus, jiaogulan, Taiwan white tea, and Taiwan mountain tea Zhuluo cultivar.

Alignment with TNFD Four Disclosure Dimensions

Governance

Biodiversity and nature conservation considerations are integrated within corporate sustainability governance frameworks, with Board of Directors establishing sustainability development promotion teams coordinating policy direction. Environmental sustainability departments assume specific responsibility for project execution and external partnerships while establishing enduring cooperation and oversight dialogue mechanisms with Forestry and Nature Conservation Agency, community residents, and indigenous communities.

Strategy

Ecological conservation initiatives integrate into comprehensive ESG strategic planning. Through habitat restoration and forest understory economic development, we strengthen sustainable engineering reputation while effectively enhancing public engineering competitive advantages and governmental confidence, establishing concrete sustainable transformation pathways.

Risk and Opportunity Management

Identified nature-related risks encompass habitat degradation and conservation species decline, implementing risk management protocols for engineering projects within biodiversity hotspot regions including construction environmental assessment oversight, ecological conservation planning, and restoration procedures. Concurrently, participation in Forestry and Nature Conservation Agency Chiayi Branch's 20-year ecological restoration program transforms risks into nature-positive opportunities including brand reputation enhancement, project evaluation advantages, and sustainable investment appeal.

Metrics and Targets

Kedge Construction established comprehensive performance indicator frameworks for nature conservation and restoration activities, encompassing planting density (2,000 Taiwan Firmiana specimens per hectare), annual carbon sequestration benefits (approximately 9.4 tons CO_2e), ecological monitoring protocols, community engagement, and educational outreach activity frequencies. All indicators incorporate annual monitoring and disclosure mechanisms ensuring action alignment with ESG objectives while demonstrating measurable effectiveness.

05

Green Construction

- **5.1** Public Construction Participation
- **5.2** Innovative Technologies and Services
- **5.3** Supply Chain Management
- **5.4** Support the Green Building Policy
- **5.5** Construction Automation and AI Management

Highlight Performance

Procurement amount reached 700 million NTD, awarded Green Procurement Excellence Enterprise Award for **4** consecutive years

Annual investment of NT$**2.6** billion in railway engineering, recognized as a sustainable economic activity.

Achieved **100%** green building certification rate for construction projects



This image was generated through AI editing.

5.1 Public Construction Participation

Kedge Construction actively engages in various domestic engineering projects, leveraging its extensive experience and professional expertise to contribute to diverse construction initiatives. The company has participated in numerous major infrastructure development projects, spanning from transportation hubs to municipal engineering works, while also partnering with government entities on public urban renewal and MRT joint development projects, continuously pursuing innovation and earning widespread recognition and acclaim through exceptional quality and innovative methodologies.

Throughout project execution, Kedge Construction focuses not only on engineering quality but also emphasizes positive social and economic impacts. We actively foster local economic development and remain committed to creating employment opportunities. Furthermore, we continuously work to maintain harmonious relationships with local communities, striving to minimize potential impacts during the construction process and achieve a balanced integration of economic and social benefits.

Bridge and Track Infrastructure

Promoting rail-based economic development, enhancing road safety

In 2024, the company invested a total of NT$2,627,005,590 in non-energy projects related to climate change mitigation within ongoing construction projects

Tainan Station C212 (Tainan Station Underground Construction Project)

2024 Investment Amount: 703,489,678 NTD

Awards Received

- 2023 City Engineering Quality Gold Award
- Public Engineering Category Excellence Occupational Safety and Health Award / Engineering Technical Personnel Gold Excellence Award

C611 Chiayi Project Railway Viaduct and Underpass Road Project	2024 Investment Amount: 1,037,876,981 NTD
Chiayi City Railway Viaduct Project C612 Jiabei Elevated Station, Chiayi Elevated Station, and Tropic of Cancer Line Station Project	2024 Investment Amount: 729,522,441 NTD
Chiayi City Railway Elevation Project C613 Shuishang Vehicle Base Construction	2024 Investment Amount: 156,116,490 NTD
Taiwan Route 61 Houlong Sea Viewing Bridge and Xihu Creek Bridge Reconstruction Project	

Public Urban Renewal and Housing Development

Revitalizing urban functions, achieving housing justice

New Taipei City Taishan Zhongshan Section Social Housing (Phase 1) and Military Service Dormitory New Construction Design-Build Project

Awards Received

- 2024 New Taipei City Friendly Outstanding Construction Site Selection Activity
- 2023 New Taipei City First "Outstanding Building Engineering Evaluation Activity" Excellence Award

Sanchong Erchongpu Project

Minquan East Road Public Urban Renewal

Wanhua Zhixing Section

Banqiao District Fuzhong Section Lot 472 Urban Renewal Project

Nangang Taipower Urban Renewal

Public and Private Buildings, Corporate Office Buildings

Strengthening public facilities, promoting economic development

Taoyuan Exhibition Center Design-Build Project

Awards Received

- 25th National Architecture Golden Award for Public Infrastructure Quality
- 2024 National Excellence in Construction Award for Best Construction Quality
- 2021 National Excellence in Construction Award for Best Planning and Design Category (Taoyuan City Government Public Works Department)

Taipei Metro Wanda Line Zhonghe High School Station (LG08) New Construction Project

Awards Received

- 2024 Excellent Engineering Golden Safety Award Merit
- 2023 (13th) New Taipei City Industrial Safety Award for Outstanding Private Engineering Excellence
- 2023 (13th) New Taipei City Industrial Safety Award for Workplace Sustainable Health and Safety Excellence

New Taipei Circular Line Xiulang Bridge Station Land Development Investment Project
Taichung Yumaoyu New Construction Project
Taichung Metropolitan Area Rapid Transit System
Wuri-Wenxin-Beitun Line Siwei Elementary School Station Land Development Office Building
Dacheng Great Wall Group New Headquarters
MediaTek Tongluo Science Park Manufacturing Facility
New construction project of Linkou plant of a semiconductor equipment supplier
TSMC Zhunan AP6B Office Building
TSMC Taichung Science Park AP5B CUP Facility
TSMC Tainan Science Park Earthwork Construction
TSMC Tainan Science Park Logistics Center
TSMC Chiayi AP7P1 FAB Facility
TSMC Chiayi AP7P1-Office Building
TSMC Kaohsiung F22P1-SUPPORT Facility
TSMC Kaohsiung F22P3 CUP Structure Construction

HIGHLIGHT

Taiwan Route 61 Houlong Sea Viewing Bridge and Xihu Creek Bridge Reconstruction Project

Bridges serve as critical structural components within the domestic highway network. Current planning predominantly adopts bridge-over-road solutions. To ensure bridge structures fulfill their design objectives and maintain vehicle and pedestrian safety, regular inspection and maintenance operations have become essential daily responsibilities for bridge management authorities. Following inspection, Miaoli County's Houlong Sea Viewing Bridge and Xihu Creek Bridge were determined to have inadequate flood and seismic resistance capabilities. This reconstruction project simultaneously extends the Bridges' service life while ensuring both driving safety and comfort.

Construction Challenge 1

Construction within Taiwan Route 61 existing operational roadway

Road accessibility must be maintained throughout reconstruction to preserve surrounding residents' daily functions and ensure road user safety

Mitigation Measures

1. To maintain road accessibility during construction, half-and-half construction with phased detour implementation is necessary
2. During northbound lane construction, traffic flow is redirected to southbound lanes, and conversely during southbound lane construction, maintaining bidirectional traffic flow with planned detour routes
3. Construction barriers will be implemented for separation, with traffic management facilities installed in detour sections
4. Directional signage will be positioned at intersections to guide vehicle flow and achieve effective traffic distribution
5. The third-phase detour must maintain bidirectional four-lane capacity plus dedicated motorcycle and bicycle lanes. Due to heavy vehicle volume and high speeds on the West Coast Expressway, initial traffic incidents were frequent. Subsequently, enhanced traffic management measures were implemented, including twice-daily road patrols and bi-weekly road maintenance to ensure road user safety!

Construction Challenge 2

River area construction and ensuring waterside work safety

Mitigation Measures

Beyond standard protective measures including personal protective equipment, safety lifelines, and protective nets, additional construction support measures are implemented to ensure personnel safety

1. Inter-span access: steel structural work platforms
2. Lateral movement: temporary steel columns and steel work beams

Construction Challenge 3

Complex construction conditions at cofferdam construction site

Steel sheet pile installation using water jet pilot hole construction continuously encountered obstacles, resulting in suboptimal on-site construction productivity

Mitigation Measures

Following team evaluation of three construction methodologies - spiral pilot hole, foundation elevation, and guided open excavation - the spiral drill pilot hole approach demonstrated minimal deviation from the original construction method.

Spiral drill pilot hole assistance reduces installation complexity, thereby improving existing cofferdam construction efficiency. This construction approach does not increase environmental impact on rivers and ecosystems, while enabling obstacle removal during the pilot hole process.

Kedge focuses not only on group building construction but also actively expands into diverse engineering sectors. Through close collaboration with TSMC, the company has undertaken multiple technology facility construction projects, alongside infrastructure development including railway and bridge engineering, exhibition centers, and urban renewal initiatives. This diversified strategic positioning helps ensure sustained growth in engineering project volume over the coming years, securing Kedge's competitive advantage in future markets.



▲ Existing steel plate components of Houlong Sea Viewing Bridge



▲ Spiral drilling operations through muddy sandstone formations

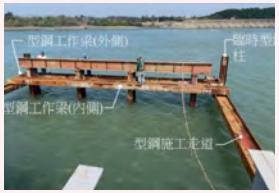
Term Introduction

Half-and-half construction

refers to an engineering approach where construction is not conducted comprehensively at once, but rather proceeds through staged, sectional implementation. For instance, during road construction, work may commence on one half while maintaining traffic flow on the other half, then switching to construct the remaining section upon completion. This methodology minimizes impact on traffic flow and surrounding environments, enabling concurrent engineering operations and daily activities.







▲ Enhanced construction support measures



▲ Discovery of original bridge foundation pile head concrete on Houlong Sea Viewing Bridge southbound lane

HIGHLIGHT

Semiconductor Equipment Supplier Linkou Industrial Zone One New Factory Construction Project

Kedge undertook the design-build construction project for a semiconductor supplier facility within New Taipei International AI+ Smart Park (New Taipei City Linkou Industrial Zone One), spanning 6.68 hectares. Beyond clean room facilities, the project encompasses offices, research and development centers, and logistics warehouses. The factory design integrates zero-carbon concepts, featuring extensive green infrastructure including rooftop and vertical greening systems, while committed to minimizing greenhouse gas emissions. The project targets LEED Gold and WELL Platinum certifications to achieve sustainable development objectives.

Construction Challenge 1

RC building structures utilize high energy-consuming, high-pollution, high CO_2-emission concrete materials

This project encompasses approximately 25,000 tsubo of floor area with primarily RC construction, requiring over 50,000 cubic meters of concrete usage, generating substantial carbon dioxide emission

Mitigation Measures

The project's concrete mix design limits total replacement materials such as slag powder and fly ash to no more than 15%, maintaining cement content at 85%.

Kedge Construction actively promotes carbon reduction initiatives, addressing the structural components with highest emission ratios by seeking building materials with lower embodied carbon. The team implemented PLC low-carbon concrete technology, substantially reducing carbon emissions.

Construction Challenge 2

Schedule constraints and challenging construction environment

Due to structural strength requirements and exceptional floor heights (1F exceeding 10M, 3F exceeding 8M), column reinforcement arrangements became excessively dense and challenging to install. The Linkou region's susceptibility to weather disruptions significantly impacts on-site construction, with traditional construction methods presenting substantial schedule delay risks.

Mitigation Measures

Implementation of NTC Pre-assembly Construction Method

Considering handover timelines, construction quality, and safety requirements, the team adopted pre-assembled reinforcement cages for columns, replacing traditional rebar binding methods.

- Utilizing reinforcement cages pre-fabricated at manufacturing facilities or on-site staging areas, coordinated with project schedules for direct continuation or lap splicing installation.
- Since column reinforcement cages are pre-assembled using this methodology, tower crane operations enable continuation during construction phases to complete the building's primary structural systems.
- This approach not only reduces on-site construction duration and labor requirements but also significantly enhances construction quality management capabilities.

Construction Challenge 3

Construction industry labor shortage crisis

Taiwan's declining birth rate, aging construction workforce, and reduced labor productivity contribute to construction industry labor shortages

Mitigation Measures

Column reinforcement utilizes NTC pre-assembly methodology, with semi-finished components pre-fabricated at manufacturing facilities or ground-level staging areas. On-site mechanized assembly reduces field personnel requirements through concentrated deployment periods, minimizing schedule impacts

Formwork systems employ traditional approaches including plywood formwork to enhance reusable system formwork applications, improving formwork productivity and mitigating manpower shortage impacts

Plywood formwork implementation reduces wall finishing requirements, consequently decreasing cement consumption and masonry construction labor demands

Construction Photography



▲ Coordination with NTC threaded reinforcement pre-assembly methodology, optimizing column reinforcement arrangements



▲ Completion of pre-assembled reinforcement installation, utilizing wire rope systems and lever blocks for four-point stabilization preventing structural collapse

5.2 Innovative Technologies and Services

Development and Innovation

The main research and development focus of Kedge Construction lies in the effort to shorten the construction period, improve construction methods, reduce pollution and improve efficiency. We conduct research and refinement on the workflow composed of information software and hardware, and the working methods of innovative technology, to achieve "improving quality, increasing efficiency, reducing costs, enhancing image."

New technologies and R&D methods are developed by the Technology R&D Department, Information Department, and other departments, or jointly introduced with collaborative suppliers to enhance our competitiveness. In recent years, in addition to the research and refinement of construction technology, the ERP system has achieved remarkable results. It has been implemented and used to manage and integrate the company's core business processes and resources. The construction management system has improved the efficiency of project management on construction sites. Currently, the overall informatization engineering operation continues to be introduced into various departments and construction sites with a cloud-based service model.

In response to the latest trends in domestic occupational accidents, and to enhance safety and disaster prevention technology, government departments are using information technology and innovative analytical methods to build a disaster prevention database. On this basis, our company is dedicated to improving safety assessment and intelligent monitoring technology to achieve precise disaster prevention goals.

In addition to informatization, we have been committed to the development of BIM (Building Information Modeling) and even extended to the promotion of CIM (Civil Information Modeling). In the process of the BIM development, for providing information to the BIM model, or extracting information from the BIM model for various use, all kinds of software and hardware deploy BIM as the carrier, and take "digital twin" as the central idea to provide various possibilities and solutions, such as AR, VR, MR, drones, image processing, IoT, etc., so that participants can create diverse possibilities, extract them and transform them into execution plans for strengthening the enterprise's technical foundation.

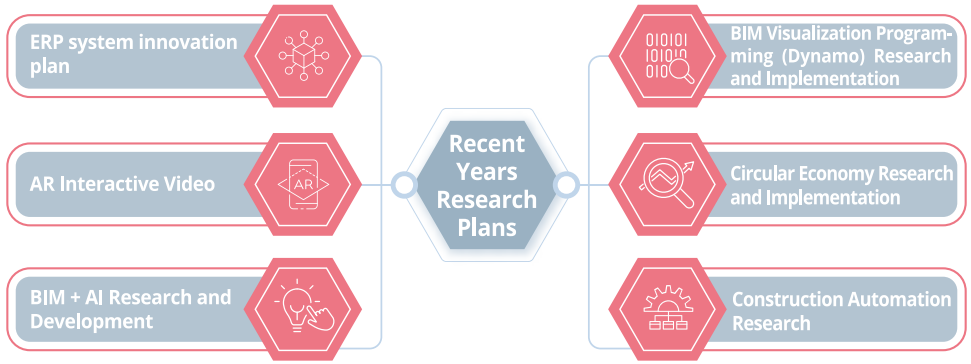
KPI	No.	Research Plan in 2024	Goals in 2024	Achievement Level	Goals in 2025	Implementation Results and Description
Information Management System	1	ERP system innovation plan-1	100 %	Target achieved	Continuous operation	• Engineering management system - Cloud platform (Cloud ERP). • Continuous optimization of engineering management and financial accounting.
	2	ERP system innovation plan -2				• Team cloud collaboration system - Communication platform (MS TEAMS). • Team cloud collaboration system - Operation platform (MS OFFICE 365).
Safety Management System	1	Facial recognition access control system	5 projects 4 achieved targets	Target achieved	5 continuous operation projects	All have been implemented at various construction sites in 2024.
	2	AI-assisted management system				Based on comprehensive 2024 research results, after feasibility evaluation, future research will continue in directions such as image recognition inspection systems, developing more effective approaches.
	3	Mobile CCTV				Started introducing mobile CCTV in 2023 and continued expanding related functions in 2024, tested at Taiwan Route 61 project, LG08 project, Tainan Station C212, Chiayi C611 and other construction sites.
	4	AR Interactive Video				• AR2VR software was implemented in 2024, with testing conducted at Taishan project, Taiwan Route 61 project, and Tainan Station C212. • Included in 2025 objectives, with continued promotion and expanded usage.
BIM Technology Support	1	UAV: Unmanned Aerial Vehicle aerial image conversion to BIM data	3 projects	Target achieved	Continuous application across projects	Applied to projects including Chiayi C613 throughout 2024.

KPI	No.	Research Plan in 2024	Goals in 2024	Achievement Level	Goals in 2025	Implementation Results and Description
BIM Modeling and Application	1	R&D on BIM-assisted engineering quantity output - Tekla software	14 projects	Target achieved	16 projects	Sustained implementation across various projects in 2024.
	2	Introduction of BIM collaborative platform				Continued implementation across projects throughout 2024, encompassing Nanmen Market, Taoyuan Exhibition Center, Chiayi C612, Taishan Social Housing, Taipower Nangang, Banqiao Fuzhong, and Wanhua Zhixing Section.
	3	R&D on BIM-assisted engineering quantity output - Revit software				Sustained implementation across various projects in 2024.
	4	Drawing production from BIM general modeling software Revit				Continued promotion of key features of automated labeling for BIM construction drawings, used in projects like Taoyuan Convention Center, Taishan Social Housing, and Taipower Nangang, Banqiao-Fuzhong and Wanhua-Zhixing Sections.
	5	Introduction of Civil Information Modeling (CIM)				Continued introduction of various applications of CIM, such as in the Chiayi C613 project for railway-related facilities.
BIM Technology R&D and Integration	1	BIM Visualization Programming (Dynamo) Research and Implementation	-	-	2 projects	Implementation of Dynamo automation research
	2	BIM+AI Intelligent Construction Management				Implementation of research on BIM integration with AI technology
Sustainable Development Goals	1	R&D and Implementation of Circular Economy	100%	Target achieved	Continuous operation	2024 Sustainable Site Office project relocated to Taipower Nangang project, progressing toward 2.0

2024 Annual R&D Investment and Technology Innovation Plan

Kedge Construction operates within the comprehensive construction industry, with R&D activities primarily focused on reducing construction timelines, improving construction methodologies, minimizing environmental pollution, and enhancing operational efficiency. Construction method and production technology improvements are developed internally by the Technology Research Department or through technology transfer partnerships with collaborative vendors.

In recent years, beyond strengthening comprehensive computerization initiatives, engineering management systems have been implemented to enhance management efficiency. Currently, all construction sites have achieved full system implementation. For fiscal year 2025, optimization efforts will continue with active execution of the following initiatives, requiring an estimated investment of approximately NT$14 million in human resources and operational support.

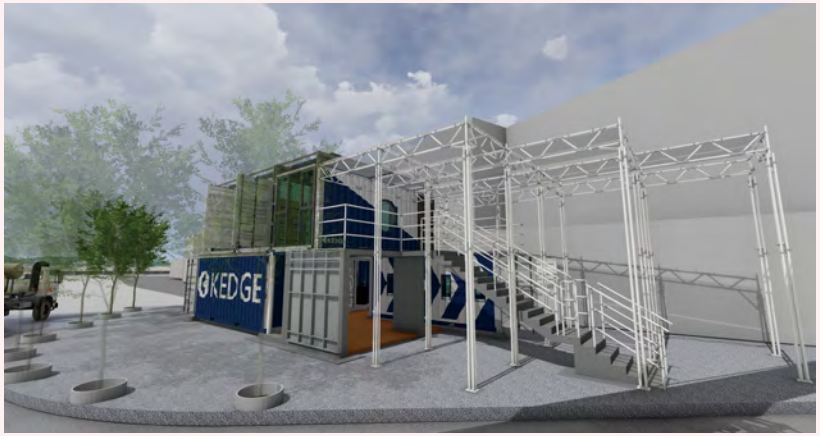


Future R&D Initiatives

In recent years, the Group has actively promoted ESG sustainable development while dedicating efforts to enhancing technological innovation and intelligent transformation within the construction industry. However, as the construction industry confronts challenges including labor shortages, construction site safety management complexities, and elevated building quality standards, the adoption of digital technologies and automated construction methodologies has emerged as a critical strategy for industrial transformation. The Group actively implements low-carbon construction technologies including aluminum formwork and precast construction methods. Through standardized and modular operations, these approaches reduce waste generation from traditional formwork construction, not only minimizing carbon emissions and reducing construction timelines, but also decreasing on-site labor requirements while effectively enhancing construction safety and quality. Furthermore, precast technology applications enable improved component precision through factory prefabrication, simultaneously reducing on-site construction variables and enhancing building structural stability and durability. Regarding digital transformation, the Group plans to implement artificial intelligence (AI) technologies to advance construction automation and improve overall construction efficiency and management effectiveness. For instance, utilizing BIM+AI technology research and implementing BIM + Dynamo visualization programming technology enables automated execution of repetitive operations, reduces human input errors, and ensures BIM model consistency. Additionally, occupational safety management will incorporate image recognition inspection systems to continuously enhance occupational safety management practices.

Kedge Construction actively participates in various exhibitions and industry forums, engaging with professionals across the sector to continuously update technical expertise and expand strategic thinking regarding future possibilities. Examples include AI integration with BIM and construction automation research, enhancing overall competitiveness and propelling the construction industry toward a new era of intelligent and sustainable development.

Sustainable Container House 2.0 - BIM Rendering Visualization





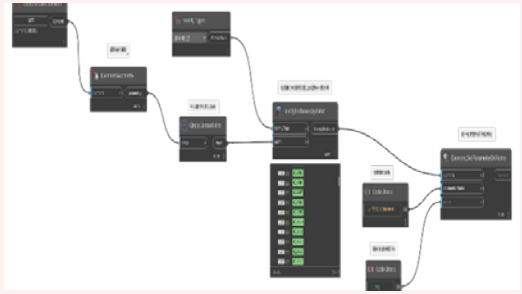


Occupational Safety AR Interactive Simulation





Dynamo Visualization Programming Research



Cloud Enterprise Resource System (Cloud ERP)







BIM Sustainable Action

Through the research, development, and application of BIM, we actively carry out inter-departmental and inter-disciplinary cooperation, and strive to achieve the goal of reducing carbon and waste and conserving resources. We respond to sustainability-related issues with four main aspects, including “reducing cost,” “improving work efficiency,” “deepening the use of information,” and “exploring the future of engineering".

Sustainability Initiatives	2009-2020	2021-2025	2026-2030
	BIM Implementation • Kindom Development projects execute building and mechanical/electrical construction phase BIM modeling and applications, with progressive implementation across additional projects • BIM integration into public engineering design-build project "New Taipei City Yongxi Tree National Sports Center" featuring comprehensive lifecycle BIM execution from design phase initiation **Awards and Recognition** • New Taipei City Yongxi Tree National Sports Center received BIM Award Excellence Recognition **BIM Implementation** • National Taiwan University Hsinchu Biomedical most advantageous tender engineering • Veterans General Hospital medical facility design-build project • Fengshan Hospital medical building engineering • Academia Sinica Southern Campus engineering • Xindian Paogao Smart Industrial Park	**BIM Implementation** • Railway and train station construction project (C212, C611, C612 projects) • Taoyuan Exhibition Center Design-Build Project • Nanmen Market reconstruction project • Taishan Zhongshan Section social housing • Manufacturing facility construction projects • Dachan Group Corporate Headquarters' New Construction Project • Taipower Nangang urban renewal project **BIM Applications** • BIM operations and maintenance systems: Xindian Paogao Smart Industrial Park, Nanmen Market reconstruction project, Taoyuan Exhibition Center design-build project • BIM + greenhouse gas inventory: Nanmen Market reconstruction project, Taoyuan Exhibition Center design-build project • Construction Automation Research	**BIM Implementation** • Manufacturing facility construction projects • Taipower Nangang urban renewal project • Banqiao Fuzhong mixed-use building construction project • Wanhua Zhixing Section mixed-use building construction project **Future Technology Research and Development Directions** • BIM+AI research initiatives, enhancing work efficiency while reducing operational costs, exploring engineering's future potential. • BIM + Dynamo visual programming technology can automate repetitive tasks, reduce human input errors, and ensure BIM model consistency. • Advanced construction automation development targeting project implementation to achieve labor shortage resolution and construction timeline reduction effectiveness while minimizing construction activity environmental impacts.

Research and Applications	BIM architecture, structural, mechanical/electrical modeling software/visualization software	BIM management platforms/ BIM operations and maintenance systems/BIM advanced technologies	Mixed reality headsets/ greenhouse gas inventory/ circular economy	BIM+AI research / BIM+Dynamo automation development / Construction automation
Cost expenditure reduction	●	●	●	●
Work efficiency enhancement	●	●	●	●
Information application advancement	●	●	●	●
Engineering future exploration	●	●	●	●

2024 Implementation Results

1. Continued execution of the ERP system innovation plan
2. Continued execution of mobile CCTV innovative functionality expansion
3. Continued execution of AR interactive video simulation
4. Introduction of Civil Engineering CIM (Civil 3D / Infraworks)
5. Application of BIM-assisted engineering quantity output
6. Construction automation research and application

2025 Implementation Objectives

1. Continued execution of the ERP system innovation plan
2. Continued execution of mobile CCTV innovative functionality expansion
3. Continued execution of AR interactive video simulation
4. Implementation of occupational safety image recognition inspection system
5. Continued application of BIM-assisted engineering quantity output
6. BIM+AI research initiatives
7. BIM+Dynamo automation research and development
8. Circular economy with sustainable site office advancement to 2.0 development

5.3 Supply Chain Management

• GRI 2-23, 2-24, 204-1, 308-1

The construction industry represents a highly complex, highly specialized, and highly integrated sustainable sector. Constructing towering structures from ground level requires comprehensive interface integration and collaborative coordination among diverse teams. Following acquisition of each valuable land parcel, effective utilization, planning, and construction within building regulatory frameworks constitutes a sophisticated discipline. Kedge Construction systematically and precisely delineates responsible components and construction sequences between suppliers and construction operations, maintaining on-schedule delivery, cost optimization, and quality assurance as paramount standards. From raw material quality management to comprehensive project timeline planning, all processes undergo detailed documentation and monitoring to achieve maximum efficiency, consistent quality, transparent policies, and establish collaborative partnerships with suppliers, creating mutually beneficial and high-standard engineering outcomes.



Raw Materials Procurement Policy

As for the raw materials required for each construction site and project, we collect data and classify it in advance to make an estimate through big data analysis, and then purchase materials sequentially in stages or at one time to cut down cost expenses. We select local materials. To assure our customers, we strictly control the quality of materials and comply with various laws and regulations, and give priority to the use of raw materials with various energy label certifications.

We outsourced a total of 591 procurement projects, 591 of which were won by Taiwanese suppliers (100%)

Total Outsourced Projects	Taiwanese Suppliers	Percentage
591	591	100%

Note: One procurement item was handled through overseas supplier arrangements

After segmenting local Taiwanese suppliers into northern, central, and southern regions, under these conditions, the rate of local procurement was 82.91% (in 2024)

Region	Number of Projects	Local Suppliers	Percentage
Northern Region	239	220	92.05%
Central Region	187	139	74.33%
Southern Region	165	131	79.39%
Eastern Region	0	0	-
Total	591	490	82.91%

Note: Northern Region - Taipei, Taoyuan
Central Region - Hsinchu to Taichung
Southern Region - Changhua to Pingtung
Eastern Region - Yilan to Taitung (No projects undertaken in 2024)

1 **Provide** jobs for domestic suppliers and laborers.

2 **Increase** employment opportunities for residents near the construction sites.

3 **Reduce** transportation costs and conserve energy and reduce carbon.

Response to energy conservation and carbon reduction and green procurement

Energy conservation and carbon reduction represents a universal consensus in contemporary society. Beginning in 2023, material procurement suppliers are required to demonstrate ESG compliance, including implementation of greenhouse gas inventories, publication of sustainability reports, and other related initiatives. The annual proportion of material procurement projects must achieve 50%, with the 2024 target reaching 52.63%. To support this consensus and protect our precious planet, demonstrating sustained commitment and determination toward energy conservation and carbon reduction, Kedge Construction procures building materials featuring water-saving, energy-efficient, green building materials, environmental certifications, and carbon footprint reduction labels in accordance with client specifications or Environmental Protection Administration guidelines, while also purchasing electric motorcycles and electric vehicles, demonstrating Kedge's continued expansion of commitment to green and sustainable practices.

Note: we outsourced a total of 76 material procurement, and 40 suppliers met the ESG requirements, accounting for 52.63% > 50%.

Procurement status of main raw materials

Rebar procurement **55,975** tons

Steel plate and structural steel procurement **36,212** tons

Concrete material procurement **544,873** m^3

Masonry material procurement
Procured and controlled by the site

1. Amount of Green Procurement (water saving label, energy saving label, green building material label, carbon footprint verification, eco-marks etc.)

2022	2023	2024
NT$510,875,178 excluding tax	NT$176,971,999 excluding tax	NT$737,356,857 excluding tax

Note: In 2023, the amounts in this table are calculated according to the Environmental Protection Administration's green procurement regulations, replacing the carbon footprint label with the carbon reduction label.

2. The estimated attainable amount of water and energy conserved by green procurement

Purchase items		2022	2023	2024
Water Saving liter/year	Toilet	31,098,000	8,541,000	6,433,344
	Faucet	10,784,990	8,774,658	1,518,400
Energy Saving KWh	Air-conditioning	-	-	46,800
	Water Chiller	662,256	-	-
	Ventilation Fans			566
	LED Lighting Fixtures			70,956

Calculation standard of the green procurement amount

- Water Saving Label

Water-saving toilets - According to the regulations of the Water Resource Administration of the Ministry of Economic Affairs, for the comparison of general-level water-saving and gold-level water-saving: one-stage general-level water-saving standard toilets flush with a volume of 6 liters; two-stage gold-level water-saving standard toilets flush with a volume of 4.8 liters for defecation and 3 liters for urination. According to the principles and procedures of the ISO 14024 environmental labeling standard, the amounts for materials that have obtained the environmental label will be totaled.

Water-saving faucet - According to the regulations of the Water Resouces Administration of the Ministry of Economic Affairs, it complies with the National Standard CNS 8088 for the flow performance test of water-saving faucets. The maximum flow rate per minute shall not exceed 9.0 liters, nor shall it be less than 0.5 liters. Non-water-saving faucets operate at a flow rate of 12 liters per minute

The amount of water saved by faucets (liter/year) = number of people x number of times x days x water saving x number of faucets

Here below is the example for calculating the annual amount of water saved by the toilet

Given in a family of 4 members, everyone defects once a day and urinate 5 times a day. The difference in the water amount within a year is calculated as below:

Original – general-level water-saving toilet: 4 people x 6 times/day x 6L/time x 365 days = 52,560L/year

Replacement – gold-level water-saving toilet: 4 people x (1 time/day x 4.8L/time + 5 times /day x 3L/time) x 365 days=28,908L/year

Difference in the water amount in one year: 52,560-28,908=23,652L/year The amount of water saved by toilets (liter/year)=Purchase quantity x difference in water amount in a year

The example for calculating the amount of water saved by faucet

Assuming a household of 2 people, with each person daily washing hands 2 times and brushing teeth 2 times, water savings (liters per minute) are calculated based on water discharge performance test results provided by suppliers.

- Energy Conservation Label

Air-conditioning - According to the calculation standard of the Bureau of Energy of the Ministry of Economic Affairs, purchasing inverter air-conditioning models can save about 40% of the total quantity of electricity.

- The average annual electricity consumption of an air conditioning unit in Taiwan is approximately 750kWh (based on a 1.5kW air conditioner operating for 500 hours annually)
- Number of units × Power consumption = Total electricity consumption Total quantity of electricity x 40% = the quantity of electricity that is saved

Water chiller - according to the calculation standard of the Bureau of Energy of the Ministry of Economic Affairs. Given that the general consumption model consumes the 0.77kW/RT of electricity in average, the average efficiency of the high-efficiency inverter model can be 0.5 kW/RT. The water chiller runs 16 hours a day, and it runs a total of 5840 hours in a year (365 days). Estimated energy efficiency = the electricity capacity of water chillerß x (0.77kW/RT-0.5 kW/RT) x5840hr/year

Ventilation Fans - According to Ministry of Economic Affairs Bureau of Energy calculation standards, utilizing energy-efficient bathroom ventilation fans can achieve approximately 70% electricity savings

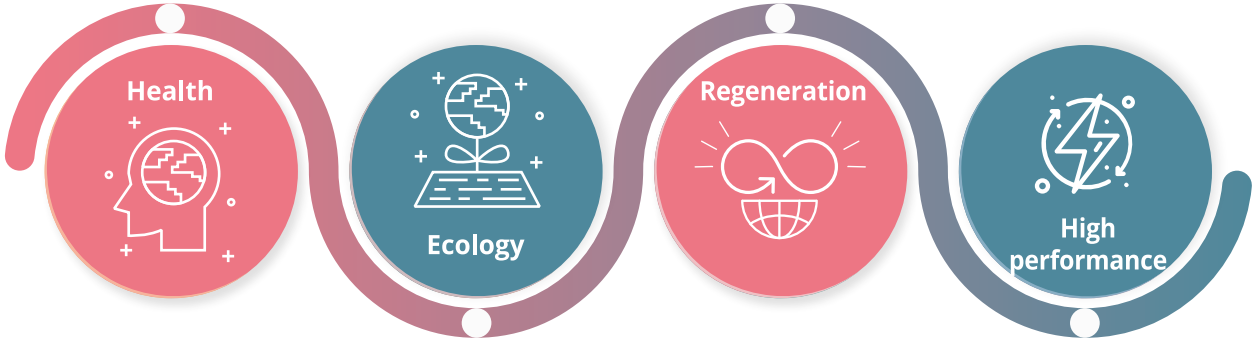
- The average annual electricity consumption of a ventilation fan in Taiwan is approximately 5.5kWh (based on a 30W ventilation fan operating 30 minutes daily)
- Number of units × Power consumption = Total electricity consumption Total electricity consumption ×70%= Achievable electricity savings

LED Bulbs - According to Ministry of Economic Affairs Bureau of Energy calculation standards, LED bulb usage can achieve approximately 90% electricity savings compared to conventional incandescent lighting

- The average annual electricity consumption of an incandescent bulb in Taiwan is approximately 438kWh (based on a 100W bulb operating 12 hours daily)
- Number of bulbs × Power consumption = Total electricity consumption Total electricity consumption ×90%= Achievable electricity savings

- Green Building Materials Label

According to the regulations of the Architecture and Building Research Institute of the Ministry of the Interior, we divide green building materials into 4 types: health, ecology, regeneration, and high performance. We calculate the total amount of materials for procurement after confirming that suppliers have obtained the green building material labels



- Carbon Footprint Reduction Label

Products applying for carbon reduction label authorization must demonstrate carbon footprint reduction of 3% or greater within five years. Upon successful review approval, they qualify for carbon reduction label certification. Material costs are aggregated accordingly.

Supply status of main raw materials

The main raw materials we require include rebars, cement, ready-mixed concrete, tiles, aluminum windows, steel structures, etc. Unless in the case with the contract specified in the contracts, we purchase all raw materials on our own. Based on the needs for actual materials used in the various construction projects, we sign procurement contract with each supplier to clarify the project requirements and the relevant responsibilities, so as to grasp the source of materials. In particular, when purchasing key materials such as rebars and steel plates, we first compare the price of the materials with the domestic market prices and then decide to purchase them in large amount, to ensure the quality of raw materials and reasonable prices. We estimate the costs of the remaining bulk materials and manpower for the second half of the year every six months, as per international economic trends and fluctuations, to bid for new projects and control costs.

Counter-measures against raw material fluctuations:

1. **Conduct centralized procurement for eight cases to control prices through volume**
   In 2024, centralized procurement was conducted for 15 categories of materials, equipment, and engineering services, representing 51.04% of the budget.
2. **Consolidate projects for tendering**
   Achieved better tender prices.
3. **Procurement of materials such as steel reinforcement and steel plates**
   Compare domestic market prices and decide on bulk purchases when the timing is favorable; otherwise, make small purchases to reduce costs.
4. **Refer to international economic trends and raw material fluctuations**
   Every six months, provide forecasts for bulk material and labor market trends for the upcoming half-year to assist in new project bidding and cost control.

Supplier Classification

To effectively monitor and manage ESG risks within the supply chain, the company categorizes suppliers based on procurement expenditure ratio rankings, thereby identifying potential ESG risks among suppliers. Through periodic site visits, inspections, and telephone interviews with tier-one suppliers, we assess suppliers' ESG practices and risk management capabilities.

Level	Engineering Category	Major Suppliers	Percentage	ESG Risk
Tier 1	Mechanical and Electrical	Guanqing, Youzhao, Quanshun, Sanyi, Acter, Yifeng, Jianyuan, Chengzheng	18.94%	Energy Management
	Concrete Materials	Goldsun Building Materials, TCC Group, Ya Tung Ready Mixed Concrete, Universal Cement, Chan Yi R.M.C, Sin-Cheng Cement	14.17%	High Carbon Emissions
	Steel Structure	Evergreen Steel, JHC Engineering, Chan Chun Construction, Unigin, Jinde, Chenjing	13.72%	
	Rebar Materials	Tung Ho Steedl, Feng Hsin Steel, Hai Kwang, Lo Toun Steel, Zhiyi	13.65%	
Tier 2	Formwork	Chengzheng, Jifu, Ruice, Renfu, Yixin	9.78%	Resource Circulation
	Precast	Ruentex, Ya Li	6.18%	
	Earthwork	insihgu, Qianyuan, Dumao, Weiming, Shunfu	5.87%	Legal Compliance
	Rebar Binding	Yihong, Shunhong, Guanyu, Ruice	3.63%	Construction Safety
	Scaffolding	Jusheng, Minfeng, Changyang, Hecheng, Luefa	3.29%	
Tier 3	Light Partition	Lianghe, Sanshun, Fangqun, Yueh Cherng	3.19%	
	Doors and Windows	YKK Taiwan, China Wire & Cable	2.94%	
	Curtain Wall	YKK Taiwan, Xinge, IDomain, Xinmei	2.69%	
	Masonry	Zhengzao, Yanghong, Jingyuan, Jifa, Fuda	1.95%	
			100%	

Evaluation Mechanism Strengthens Sustainable Engineering Quality

Kedge Construction undertakes diverse and large-scale engineering projects throughout Taiwan, encompassing hospitals, technology manufacturing facilities, buildings, and bridges. With deep understanding of the differences and specialization requirements across various professional domains, the company recognizes suppliers as critical partners in achieving engineering excellence. The company has established standardized evaluation and assessment protocols, emphasizing engineering experience and professional competencies from the initial supplier selection phase, while conducting regular performance reviews and management oversight post-contract execution to ensure sustained adherence to high-quality standards. Prior to material and equipment delivery, comprehensive communication and collaborative planning with partner vendors establishes strong cooperative relationships founded on integrity and mutual trust. Through systematic management frameworks and performance-driven replacement and development mechanisms based on evaluation outcomes, Kedge Construction has successfully established a stable, high-quality supply chain that strengthens schedule and cost management while demonstrating unwavering commitment to engineering excellence and sustainable development.

Kedge Construction's suppliers include:

Professional suppliers	Suppliers of manpower required to complete and deliver projects, suppliers of equipment and materials, such as diaphragm walls, doors, and windows, stones, all of which have a certain scale of business and sufficient liquidity.
Professional subcontractors	Suppliers provide professional and technical workers, such as form workers, painters, and tile setters, whose scale is smaller and has less sufficient liquidity.
Raw material suppliers	Subcontractors provide various construction materials or other materials, such as rebars, cement, sand, red bricks, and tiles.
Labor or service dispatch	Raw material suppliers provide general non-technical workers.
Equipment suppliers	They provide qualified suppliers in alignment with customers' needs.
Architects and consultancies	Equipment suppliers provide architectural design ideas to assist with turnkey design, planning, professional reporting, and selection of professional suppliers.
Asset suppliers	Such companies provide or lease general software and hardware and facilities to construction sites or companies.
Others	Suppliers not in the categories above.

Ethics Agreement Signing

In 2024, a total of 489 ethical agreements were signed. As a publicly listed company, Kedge upholds integrity in business and requires suppliers to specialize in their techniques and complete work with a sincere and pragmatic attitude. Therefore, when we sign each contract, an affidavit is attached, and the contract clearly specifies the requirements on environmental protection, participation in associations, no child labor, and no forced labor to regulate both parties' conduct and allow Kedge to break through the stereotype of the traditional construction industry.

Greenhouse Gas Inventory Clause

In response to climate change, we add to the contracts with suppliers the clauses with regard to the Greenhouse Gas Inventory【Party A must disclose greenhouse gas inventory information year by year in accordance with the FSC's "Sustainable Development Roadmap for TWSE/TPEx Listed Companies." For facilitating Party A to calculate the annual greenhouse gas emissions, Party B should provide the data of various emissions as per the needs of Party A's construction sites. The records and certificates of the emission data include but are not limited to: the consumption, weight, specification and model of fuels, refrigerant, acetylene, ground powder, engineering and construction materials, machinery and facilities, purchased electricity, etc. If Party B fails to provide the necessary records and certificates within the time required by Party A, Party A may suspend the valuation until Party B makes improvements.】, in line with the environmental policies to select collaborative suppliers.

Self-assessment sheet for newly added suppliers

To help suppliers understand our ESG policies, we have incorporated items related to environment, human rights, ethics, and corporate governance into the self-assessment sheet, enabling suppliers to align with our sustainable development goals when undertaking construction projects. Suppliers are required to reassess and complete the Corporate Social Responsibility self-assessment form every 3 years. In 2024, out of 333 contracted suppliers, 235 have completed the form, achieving a completion rate of 70.57%.

Supplier Code of Conduct

Self-assessment sheet for newly added suppliers

Supplier Evaluation System

Selecting excellent new suppliers and rigorously evaluating existing suppliers is one of the keys to maintaining high-quality engineering at Kedge Construction. Therefore, we have established a comprehensive evaluation and assessment system, with the following process:

Category	New Supplier Addition Method	New Supplier Evaluation Items (Points)		Adoption of Qualified Contractors
Before Quotation	• Screening of business catalogs • Search on construction websites • Visits or introductions by industry peers • E-marketplaces • Annual construction material exhibitions • Self-recommendation • Service proposals, suppliers designated by architects or drawings • Recommended by colleagues	Supplier Investigation Form, Supplier Selection Evaluation Form, Performance Record, Form 401, Supplier Internal Control Self-Assessment Form, and New Supplier Evaluation Form (visit): • Company Scale(Vendor Performance, Business Capability Form 401)(5) • Technical level and innovation ability(5) • Quotation competitiveness (procurement score)(5) • Green sustainability(10) • Ethical compliance(5) • Environmental management(10)	• Human rights maintenance (gender equality, prohibition of child labor)(5) • Owner's evaluation(5) • Work crew (self-ownership rate and cooperation)(10) • Energy conservation and carbon reduction (including use or provision of low-carbon or recycled materials)(10) • Construction quality(15) • On-site safety and health management(15)	✓ Qualified
After Awarding	New suppliers must conduct an initial evaluation and complete the Supplier Assessment Form within 3 months of entering the site. The evaluation result will serve as the basis for whether the supplier can continue to bid in subsequent projects.	• Material management(5) • Coordination and cooperation(5) • Work crew control(5) • Financial capability(5) • Green sustainability(10) • Ethical compliance(5) • Environmental management(10)	• Energy conservation and carbon reduction (including use or provision of low-carbon or recycled materials)(5) • Human rights maintenance (gender equality, prohibition of child labor)(5) • Employee health care(5) • Construction quality including review and construction plan(10) • Construction progress(15) • Safety and health management(15)	✓ Qualified − Observed ✗ Unqualified
Completion Evaluation	For existing suppliers, Kedge Construction has a specified ISO45001 supplier management evaluation procedure. When the progress of a single project reaches 50% and 90%, the main project engineer on-site conducts the evaluation, which is then reviewed by the site supervisor and project manager. The data is finally archived electronically and managed by the procurment department. This mechanism retains excellent suppliers and eliminates unsuitable ones.	• Material management(5) • Coordination and cooperation(5) • Work crew control(5) • Financial capability(5) • Green sustainability(10) • Ethical compliance(5) • Environmental management(10)	• Energy conservation and carbon reduction (including use or provision of low-carbon or recycled materials)(5) • Human rights maintenance (gender equality, prohibition of child labor)(5) • Employee health care(5) • Construction quality including review and construction plan(10) • Construction progress(15) • Safety and health management(15)	✓ Qualified − Observed ✗ Unqualified

New Supplier Evaluation Analysis

2024 New Suppliers Initial Evaluation
(Including suppliers contracted before 2024 but not yet commenced on-site)

Total number of new suppliers evaluated: 102
(32 from pre-2024 contracts / 70 from 2024 contracts)

36 36% | 66 66%

- Not yet commenced, not evaluated
- Commenced and evaluated

Proportion of qualified suppliers that commenced: 64%

- Excellent: 90~100points 13
- Good: 80~89points 42
- Acceptable: 70~79points 11

66

Proportion of unqualified suppliers that commenced: 0%

- Unsatisfactory: 60~69points 0
- Poor: below 60points 0

0

2024 Contracted Suppliers Mid-term Evaluation
50%

Total number of suppliers evaluated: 574

348 60.6% | 226 39.4%

- Commenced but not yet at evaluation stage
- Commenced and evaluated

Proportion of qualified suppliers that commenced: 39.2%

- Excellent: 90~100points 64
- Good: 80~89points 135
- Acceptable: 70~79points 26

225

Proportion of unqualified suppliers that commenced: 0.2%

- Unsatisfactory: 60~69points 1
- Poor: below 60points 0

1

2024 Contracted Suppliers Completion Evaluation
90%

Total number of suppliers evaluated: 574

513 90% | 61 10%

- Commenced but not yet at evaluation stage
- Commenced and evaluated

Proportion of qualified suppliers that commenced: 10%

- Excellent: 90~100points 18
- Good: 80~89points 35
- Acceptable: 70~79points 8

61

Proportion of unqualified suppliers that commenced: 0%

- Unsatisfactory: 60~69points 0
- Poor: below 60points 0

0

1. Suppliers rated as unsatisfactory will never be used again, those rated as poor will be barred from quoting for one year, and those rated as excellent or good will be given priority in negotiations and usage under the same price conditions.
2. Rating levels: Excellent: 90-100 points, Good: 80-89 points, Acceptable: 70-79 points, Unsatisfactory: 60-69 points, Poor: below 60 points.

Supplier communication, education and training and health maintenance

Kedge Construction proactively enhances supplier management mechanisms aligned with construction industry supply chain characteristics, collaborating with partners to establish a stable and resilient sustainable supply chain. Addressing industry challenges including labor shortages and material delays, the company systematically develops work crew and material management databases, monitoring trade dynamics and material delivery status. Through diversified communication channels, professional education and training programs, and recognition systems, we strengthen construction efficiency, maintain consistent project progress, while implementing ESG principles in construction operations.

Supply Chain Stability Strategy

- Establish work crew databases to monitor workforce scheduling and dynamics, complemented by foreign worker management, reducing labor shortage risks.
- For contracted materials and work crews, maintain regular contact to confirm supply status, enabling immediate reporting and response to potential delays.

Communication and Capability Development

- Provide diversified communication channels (supplier portal on company website, EPO electronic procurement platform, etc.) to promptly assist suppliers in problem resolution.
- Starting from the third quarter of 2023, the company began sending out ESG newsletters, integrating company ESG policies and related information to guide suppliers in jointly achieve low-carbon and sustainable practices.
- During 2024, we conducted
  - ▶ 22 supplier interviews to understand assistance requirements and cash flow situations.
  - ▶ 29 procurement operation training courses to enhance work execution and contract comprehension.

Annual Supplier Conference

On March 21, 2025, we hosted our annual supplier conference themed "Advancing Sustainability, Creating New Opportunities," bringing together over 200 partner companies, including industry leaders such as TCC Group, Tungho Steel, and Champion Ceramics.

- Presented 73 awards recognizing outstanding sustainable partners and exemplary suppliers.
- Communicated company ESG policies and future strategies while organizing expert presentations to strengthen supplier ESG capabilities and awareness.
- Following ISO operational standards, we maintain our biennial conference system, selecting high-performing suppliers for public recognition.

The Establishment of a Supplier Section on the Official Website

Construction Site Procurement Operations Training Programs



2025 Kedge Supplier Conference



ESG Newsletter Promoting Supply Chain Sustainability Awareness



5.4 Support the Green Building Policy

• SASB IF-EN-410a.1

Kedge Construction has obtained the following building certifications in the past three years

Sustainable development represents a universal objective, ensuring human needs fulfillment while protecting natural environments for future generations' continued prosperity. Green building certification and intelligent building standards promotion aims to establish comfortable, healthy, and environmentally responsible living environments while encouraging private sector adoption to achieve sustainable development goals



▲ Green Building Gold-level Certification – Nanmen Market

Label Type	Level	2022 Cases	2023 Cases	2024 Cases	Expected to Obtain in 2025
Green Building Label	Gold Level	1 case • Da'an District Ruian Section Public Urban Renewal Project (Anmu Residence)	-	2 case • Gungteh Xintian Hui • Nanmen Building and Market Reconstruction Design-Build Project	
	Silver Level	1 case • Kindom Tianying	0 case	-	2 case • Taoyuan Exhibition Center Design-Build Project • Taishan Staff Quarters and Social Housing
Candidate Green Building	Gold Level	2 case • Songchang Section Residential Building Project in Beitun District, Taichung (Yumauya) • Office Building Construction Project on Dunhua Section, Songshan District, Taipei (land lot numbers 363-1, etc.)	0 case	-	
	Silver Level	3 case • Sihwei Elementary School Station Land Development Project (G5) on the Wuri-Wenxin-Beitun Line of Taichung Metropolitan Area MRT System • New Taipei City Zhonghe Senior High School Station (LG08) MRT Joint • Development Residential Building Project	1 case • New Taipei Circular Line Xiulang Bridge Station Development Project		
Intelligent Building Labels	Silver Level	1 case • Songshan Minquan East B Block Public Urban Renewal Project	0 case	1 case Taipei City Housing and Urban Regeneration Center Da'an District Ruian Section 2 Subsection Building 34 - General Retail, General Office, and Collective Housing New Construction Project	
	Bronze Level	1 case • Taipei Veterans General Hospital New Medical Building Design-Build Project	0 case	1 case Nanmen Building and Market Re-construction Design-Build Project	

Note: The above includes construction projects that are ongoing or completed.

Building Label Certificates 2024



Golden Level
Candidate Green Building Certificate
Gungteh Xintian Hui



Golden Level
Candidate Green Building Certificate
Nanmen Building and Market Reconstruction Design-Build Project



Bronze Level
Candidate Green Building Certificate
Nanmen Building and Market Reconstruction Design-Build Project



Silver Level
Candidate Green Building Certificate
Taipei City Housing and Urban Regeneration Center Da'an District Ruian Section 2 Subsection Building 34 - General Retail, General Office, and Collective Housing New Construction Project

Construction Circular Transformation Implementing Low-Carbon Construction Methods

Formwork Innovation: Replacing Traditional Wood Formwork with Aluminum Alloy

To address the challenges of excessive wood consumption and waste generation in construction projects, Kedge Construction has implemented aluminum alloy formwork systems, significantly reducing resource consumption through superior durability and reusability characteristics. Aluminum alloy formwork demonstrates substantially longer service life compared to traditional wood formwork, enabling over 100 reuse cycles and post-removal recycling for remanufacturing, effectively minimizing single-use wood consumption and waste generation.

In the Taishan Staff Quarters project, aluminum formwork implementation reduced carbon emissions from 867.3 metric tons of CO_2 equivalent associated with traditional wood formwork to 51.6 metric tons, achieving remarkable carbon reduction benefits of 94%. Beyond carbon reduction, aluminum formwork methodology enhances concrete pouring quality and construction efficiency while reducing subsequent repair requirements for labor and time investments.

Construction Waste Classification and Reuse Promoting Recycled Concrete and Plastic Applications

Kedge Construction actively advances on-site waste classification and reuse initiatives, transforming materials previously destined for landfill disposal into valuable recycled resources. Within the Banqiao District Fuzhong Section urban renewal project, B5-category earth and stone materials generated during demolition processes, including concrete blocks and masonry materials, underwent classification, crushing, washing, and grinding treatments to produce standard-compliant aggregate fine-particle concrete. This recycled concrete found practical application in on-site areas including continuous wall guide channels, PC layers, sedimentation facilities, and vehicle washing platforms, successfully achieving closed-loop building material circulation.

The project recovered 2,826 cubic meters of construction earth and stone materials while producing 5,338 cubic meters of recycled concrete, substantially reducing dependence on natural aggregate resources. This approach addresses urban renewal demolition disposal challenges while demonstrating viable on-site material recovery and reuse methodologies.

Beyond concrete waste streams, Kedge processes plastic waste generated at construction sites through recycling and classification procedures to produce recycled plastic pellets for composite waterproof panel manufacturing applications. The Erchongpu engineering project's recycled material implementation is projected to deliver 157.8 metric tons of CO_2 equivalent carbon reduction benefits, exemplifying extended plastic resource utilization value.

Sustainable Site Office: Creating Low-Carbon Circular Construction Environments

Kedge Construction begins with the construction site itself, advancing sustainable site office development to minimize resource consumption of temporary facilities. Sustainable site offices utilize container modular design featuring detachable and repeatedly assemblable characteristics, replacing conventional temporary construction approaches while enhancing utilization efficiency and reducing waste generation. Design integration incorporates recycled building material applications complemented by solar power generation systems and rainwater collection facilities, optimizing resource utilization efficiency while reducing carbon emissions.

Over half the materials for these site offices derive from renewable resources, successfully achieving BS8001 Business Model Innovation Level 4 certification and receiving the Outstanding Award at the Fifth Taiwan Circular Economy Awards, establishing an exemplary model for sustainable facility development at construction sites.

Kedge Construction comprehensively implements circular economy principles through construction methodology innovation, material regeneration, and site facility optimization, demonstrating corporate commitment and concrete actions toward low-carbon, sustainable advancement within the construction industry.





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5.5 Construction Automation and AI Management

With technological advancement, the construction industry progressively adopts artificial intelligence (AI) and construction automation technologies, enhancing construction efficiency, addressing labor shortage challenges, reducing resource waste, while ensuring engineering quality and safety standards. Kedge Construction commits to advancing digital transformation through AI and machine learning (ML) applications to optimize construction processes and progress toward the new era of Smart Construction.

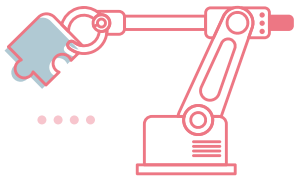
AI-Driven On-Site Construction Management Technology

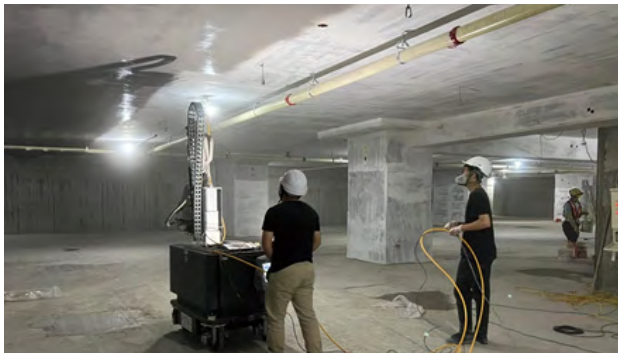
• AI Construction Painting Automation Equipment

Painting operations represent the final phase of building projects, constituting the initial quality impression for customer handover and acceptance processes, thereby maintaining critical importance. Traditional painting operations rely heavily on manual labor, presenting challenges including inconsistent construction quality and labor shortage constraints.

Throughout the past year, Kedge Construction has deployed AI construction painting automation equipment at construction sites for spraying operations. During 2024, we successfully completed painting robot spraying operations at the Taichung Yumaoyu construction site, covering 2,085 square meters of construction area. This automation equipment technology ensures coating uniformity, improves construction efficiency, and minimizes paint waste.

Moving forward, we will continue implementing AI construction painting automation equipment in the New construction project of Linkou plant of a semiconductor equipment supplier to fulfill client requirements for construction quality, operational efficiency, and resource optimization.





▲ Kedge Construction's spraying operations by painting robot at Taichung Yumaowu construction site



▲ Site inspection procedures for New construction project of Linkou plant of a semiconductor equipment supplier

• AI Construction Masonry Automation Equipment

Masonry operations play a pivotal role during the finishing phases of building construction. However, labor shortage challenges continue to intensify, making the improvement of workforce gaps through AI construction masonry automation equipment a critical direction for future development.

Kedge Construction plans to actively evaluate the implementation of AI construction masonry automation equipment at the Wanhua Zhixing Section construction site to enhance masonry construction precision and efficiency, reduce heavy reliance on traditional labor, and ensure construction standard consistency.

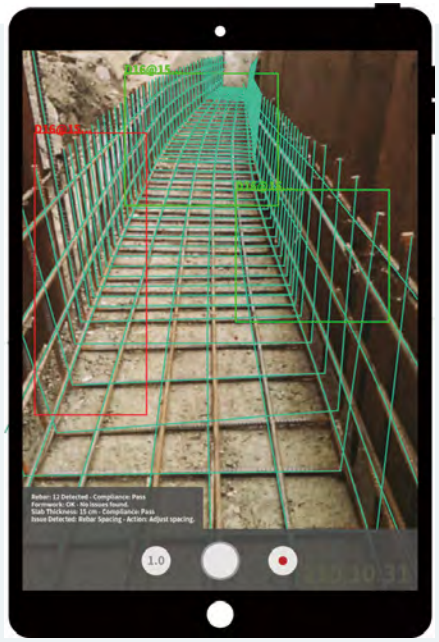
Masonry Automation Equipment Trial Plastering Process



AI-Assisted Detection of Rebar Binding Deficiencies

Rebar binding precision remains critical to building structural safety integrity. However, during on-site inspection procedures, personnel qualification and experience variations may result in inconsistent standards and inspection completeness gaps. Therefore, we will actively evaluate deep learning (DL) and digital twin (DT) technology implementation to develop innovative rebar inspection methodologies.

This technology enables stable inspection processes and quality assurance through construction site rebar assembly image capture combined with AI analysis capabilities. Additionally, digital twin technology provides precise inspection location marking, enabling rebar assembly correction operations and inspection issue tracking functionality. Simultaneously, unmanned aerial vehicles (UAV) can support rebar inspection operations in high-risk environments, further enhancing construction site safety performance.



▲ AI-Assisted On-site Image Automated Rebar Spacing Recognition

AI Construction Automation Future Development in On-Site Construction

AI applications in construction automation have emerged as vital tools for addressing construction site labor shortages. Through related work categories AI construction automation equipment, AI-assisted detection of rebar binding deficiencies, we are transforming the traditional construction industry's highly labor-intensive characteristics, progressively achieving the vision of AI-intelligent construction sites.

Moving forward, Kedge Construction will continue investing in the development and application of AI intelligent construction and automated inspection technologies to enhance engineering project quality, improve worker environments, and strengthen corporate operational efficiency, realizing objectives of sustainable operations and intelligent construction.

Digital Transformation and Sustainable Development

Amid the construction industry's digital transformation wave, our company actively implements automated management and system integration to enhance management efficiency, optimize data utilization, and strengthen decision-support capabilities.

During 2024, we concentrated on four core technology applications: data center integration, low-code development platforms, construction process automation (RPA), and artificial intelligence, advancing project management digitalization while improving operational precision and real-time performance to ensure more efficient operational workflows.

Looking ahead, we will pursue operational control digitalization, automation, and intelligence as core objectives, continuously promoting efficient, empowering management practices to maintain competitive advantages in construction management automation.

Four Core Technologies

- Data Center Integration
- Low-Code Development Platform
- Construction Process Automation (RPA)
- Artificial Intelligence (AI)

Data Center Integration

In 2024, the Cost Management Department concentrated on integrating and managing work processes with ERP workflows. Through comprehensive work process and management objective reviews, beyond ERP system optimization and customization, we independently developed systems (including low-code platform applications) to expand insufficient original ERP functionalities, ultimately establishing a data center that integrates diverse data sources, strengthens numerical verification mechanisms, and implements management dashboards, enabling management personnel to gain deeper problem insights and make precise decisions.

Through cloud ERP integration with engineering construction management systems, we achieve process automation where systems automatically calculate project input costs with daily data updates, allowing cost management personnel to focus solely on following up problematic projects. Additionally, "visualized" real-time reporting reduced project management personnel report generation time by approximately 50%, enabling colleagues to concentrate on higher-value business activities.



▲ Through cloud ERP integration with engineering construction management systems, cost management personnel save data processing operations, requiring only follow-up on problematic projects.

Low-Code Development Platform

Kedge Construction undertakes engineering projects spanning diverse fields including public works and transportation infrastructure. Consequently, construction site management requirements are extensive and complex, making it challenging for any single system to satisfy all user needs. Information technology personnel cannot develop customized systems for every individual project, resulting in construction site operations remaining in paper-based management phases. This changed in 2021 with the introduction of Microsoft's cloud collaboration platform featuring low-code application development capabilities. Previously, APP development required information personnel to write programming code, but the low-code platform now enables general staff to build applications independently through graphical interfaces and logic configuration, reducing programming technical barriers and accelerating construction site management digitalization.

Through the low-code application development platform, we have shortened application development cycles, enabling colleagues to independently create reports, applications, and other digital tools. Consider construction site safety inspection and patrol operations as an example. Previously, these relied solely on human visual assessment and judgment with paper-based recording, creating inefficiencies and making continuous safety oversight tracking and improvement challenging. Today, colleagues develop work area patrol mobile applications through low-code platforms. During construction site patrols, personnel simply photograph conditions, select content through dropdown menus, and the application synchronously transmits information to safety offices and collaborative vendors while identifying deficiency issues, strengthening construction site safety protocols and risk reduction while eliminating paper record time and material consumption. Additionally, colleagues design reports through low-code development platforms, integrating diverse data sources, automatically calculating metrics, and generating comprehensive reports. During 2024, dozens of automatically generated reports including patrol documentation saved the company nearly NT$1 million in external development costs.

Construction Process Automation and Digital Management Enhancement

Kedge Construction continuously optimizes construction management workflows through automation technology implementation to enhance operational efficiency and precision. Our process automation systems automatically generate subcontract pricing summaries and retention logs for individual projects while dispatching notification emails to ensure seamless construction site confirmation and accounting settlement procedures. Furthermore, we established an annual planned revenue and investment planning platform that automatically generates operational planning files during annual planning initiation, incorporating automated reminder and version control mechanisms to improve annual plan execution efficiency and quality while advancing corporate digital transformation and lean management practices.

Artificial Intelligence Applications

Kedge Construction proactively addresses artificial intelligence (AI) technological advancement through continued investment in AI-assisted operational research and applications to enhance operational efficiency and construction quality. We develop AI application instructional content, train seed personnel through hands-on education programs, and collaborate with partners on AI technology development to accelerate AI implementation within construction sectors. Moving forward, Kedge Construction will continue deepening AI technology integration, strengthening digital transformation initiatives, and achieving more efficient, sustainable construction management methodologies.

Management Guidelines for Generative Artificial Intelligence (AI)



▲ Enabling colleagues to independently design applications for workflow digitalization, improving work efficiency while advancing paperless operations.



▲ Construction Site Budget Digital Management Platform



▲ AI Seed Personnel Hands-on Training

06

Employ Care

- **6.1** Salary and Benefits
- **6.2** Talent Development and Training
- **6.3** Human Rights Policy
- **6.4** Occupational Safety and Health

Highlight Performance

173 employees received promotions, representing **30**%; overall salary increase reached **4.5**%

Annual education and training completion rate achieved **97**%

8 Safe Place certifications earned, establishing a secure and healthy workplace environment.



This image was generated through AI editing.

6.1 Salary and Benefits

Talent - the Cornerstone of Kedge Construction

Employees are the cornerstone of corporate growth. Kedge Construction has a three-layered talent strategy: attract, cultivate, and retain talent. We have established industry-academia mechanisms for exchanges with schools, providing industry experiences to attract talent, setting up an excellent talent recruitment platform, and constantly creating a safe and stable work environment in which employees feel respected, allowing everyone to achieve their career goals and realize their dreams.

	Male	Female	Total	North	Central	South
Number of employees (Full-time + Part-time + Interns + Migrant workers)	975	240	1215	687	66	462
Irregular employees (Full-time)	383	201	584	365	34	185
Regular employees (Construction workers)	12	17	29	4	0	25
Employees without specific working hours	0	0	0	0	0	0
Full-time (Full-time employees + Construction workers)	395	218	613	369	34	210
Part-time	0	1	1	1	0	0
Interns for summer break/ semester	47	21	68	26	13	29
Non-local workers	533	0	533	291	19	223

Note 1: Data is collected until December 2024.

Note 2: The number of interns (summer/semester) represents the number hired during the year, not the number still employed as of December 31, 2024.

Note 3: Indefinite-term employees (regular staff), with personnel count including employees on unpaid leave, as the company maintains position retention during unpaid leave periods, calculated using this methodology.

As of December 31, 2024, in response to company development, the total number of employees (including full-time, part-time, summer interns, and non-local workers) reached 1215.

Giving back through local job opportunities

Kedge Construction recruits new employees based on the principle of local employment, provides regional employment opportunities in the operation office or project location, and implements labor-related laws and regulations to protect employees' work rights and interests.The number of full-time employees (employed under non-fixed-term contracts) of Kedge Construction is 584 (including 7 employees who stay on leave without pay), the number of part-time employees is 1, and the number of summer/semester interns is 68. The rights and interests of all employees are protected by the Labor Standards Act and related laws. There are also 29 employees under fixed-term contracts (11 men and 17 women), and 533 migrant workers, for a total of 1,215 employees.

Number of persons with disabilities employed over the years

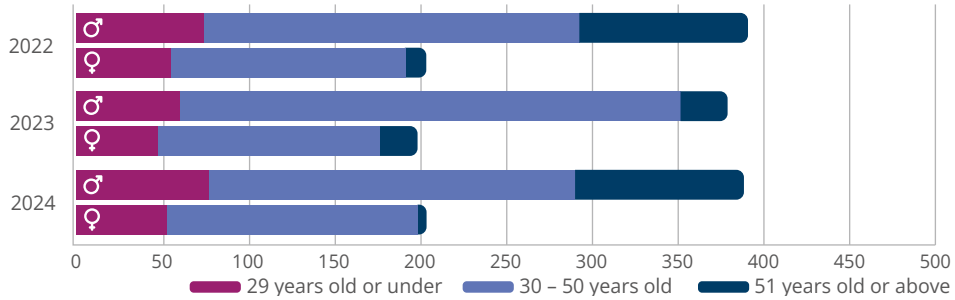
	2022		2023		2024	
Gender	Male	Female	Male	Female	Male	Female
Number of persons with disabilities employed	3	2	8	2	9	3
Total	5		10		12	

Note 1: Regular staff, fixed-term contract personnel, and foreign workers totaling 1,146 individuals. Kedge legally employs the required quota of people with disabilities to safeguard employment rights for individuals with disabilities.

Note 2: Recruitment of indigenous people: We provide indigenous people with jobs and employed a total of 11 people in 2024 to ensure their right to work and livelihoods. Over the past two years, we have employed sufficient indigenous people to avoid paying an indigenous employment fee.

Number of employees and gender ratio over the past three years

The main manpower of Kedge is young and middle-aged employees aged 30 to 50. More than 90% of the employees have a college degree or above. The disproportionate ratio of males to females is due to the characteristics of the industry.



Age group	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
29 years old or under	**71**(12%)	**56**(10%)	**60**(11%)	**46**(8%)	**73**(13%)	**50**(9%)
30 – 50 years old	**218**(37%)	**131**(22%)	**217**(38%)	**129**(23%)	**212**(36%)	**133**(23%)
51 years old or above	**95**(16%)	**14**(3%)	**95**(17%)	**17**(3%)	**98**(17%)	**18**(3%)
Total	**585**		**564**		**584**	

Note: The employees concerned in the statistics are mainly employees contracted with no fixed term of employment.

Compensation System

During 2024, the highest individual annual total compensation represented approximately 8.2 times the median salary of other employees. Employee salary median refers to formal employees maintaining employment throughout the entire year (excluding foreign workers) and amounts actually paid to aforementioned employees during that year. The median individual annual income increase was 17%, compared to the highest individual annual total compensation change at approximately a 1:5 ratio. Individual annual income increase refers to formal employees employed during both previous and current years (excluding foreign workers) and amounts actually increased for aforementioned employees during the current year.

Kedge establishes compensation based on market competitiveness principles and internal equity concepts. Total compensation positioning follows third-party market research company surveys of construction industry compensation, adjusting according to overall economic fluctuations, government regulatory requirements, etc. Salary design adheres to the principle of "enabling high performers to excel further," with adjustments based on overall company profitability, departmental performance, and individual performance metrics. Additionally, year-end bonuses are distributed according to annual company profitability levels and organizational goal achievement status, based on colleagues' annual work performance evaluations. Furthermore, following engineering project completion and settlement, appropriate profit allocations become bonus distributions for colleagues demonstrating exceptional performance in engineering projects, motivating staff while achieving profit-sharing mechanisms and strengthening organizational cohesion and employee pride, encouraging colleagues to pursue excellence and embrace responsibility. Company salary standards maintain consistency without distinction based on gender, race, religion, political affiliation, marital status, or other factors. Compensation and benefits encompass merit-based salary increases and various bonuses to ensure and attract exceptional talent.

Senior management compensation policy receives Compensation Committee recommendation and Board of Directors approval, based on corporate sustainable management strategy, financial indicators, and environmental, social, and governance performance metrics to ensure operational objectives align with sustainable management outcomes. Beyond establishing fixed salaries referencing market salary levels, senior management compensation directly connects ESG implementation effectiveness to executive performance evaluation criteria, representing 10% weighting as variable bonus distribution basis, ensuring long-term value contributions beyond short-term financial indicators.

Non-managerial male entry-level personnel regular salary exceeds minimum wage by 2.22 times, non-managerial female entry-level personnel regular salary exceeds minimum wage by 1.75 times, with overall salary increase ratio of 4.5%.

Year	2024	
Gender	Male	Female
Regular Salary	60,994	47,967
Basic Wage	27,470	27,470
Difference Multiple	2.22	1.75

Item	2022	2023	2024
Number of Non-Supervisory Full-Time Employees *	682	830	865
Year-over-Year Change Rate in Number of Non-Supervisory Full-Time Employees (%)	20.92	21.7	4
Average Salary of Non-Supervisory Full-Time Employees (NTD)	981,532	836,337	864,373
Year-over-Year Change Rate in Average Salary of Non-Supervisory Full-Time Employees (%)	5.65	-14.8	3
Median Salary of Non-Supervisory Full-Time Employees (NTD)	915,543	766,877	747,673
Year-over-Year Change Rate in Median Salary of Non-Supervisory Full-Time Employees (%)	5.84	-16.2	-3

Note 1: Salary data in this table represents total compensation.
Note 2: Non-supervisory refers to personnel below (excluding) associate director level.
Note 3: Full-time employees refer to personnel with tenure exceeding 6 months.

Regular Salary Ratio by Gender Across Personnel Levels

Category	2022		2023		2024	
	Female	Male	Female	Male	Female	Male
General Personnel	1	1.26	1	1.27	1	1.2
Junior to Mid-Level Management Positions	1	1.1	1	1.13	1	1.4
Executive Management	1	1.24	1	1.35		

Note 1: Construction site compensation includes position allowances, hazard allowances, and fuel subsidies, with male personnel representation at construction sites exceeding female representation.
Note 2: Executive management refers to associate director level and above; no female executives were employed during 2024.



Focus on gender equality in the workplace to allow employees to work with peace of mind

Employees who have served for more than six months can apply for a maximum of two years of unpaid parental leave before their child turns three years old, in accordance with the Act of Gender Equality in Employment and the Regulations for Implementing Unpaid Parental Leave for Raising Children. After the end of the unpaid parental leave, the Company will arrange their return to their unit and position and provide relevant education and training courses to smooth out their return to the workplace. In 2024, a total of 9 people applied for unpaid parental leave, and a total of 6 were reinstated this year.

Item	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Number of people eligible for unpaid parental leave	2	7	9	12	4	14
Number of applicants for unpaid parental leave	1	2	1	2	1	8
Number of people who have been reinstated in the year	0	2	0	1	1	5
Number of people who should be reinstated in the year	1	2	2	1	2	6
Reinstatement rate for the year	0%	100%	0%	100%	50%	83%
Number of people who applied for unpaid parental leave and have been reinstated for more than 12 months	0	0	0	2	0	1
Retention rate of people reinstated for more than 12 months	0%	0%	0%	100%	0%	100%

Note 1: Reinstatement rate for the year = Number of people who have been reinstated in the year/Number of people who should be reinstated in the year.
Note 2: Retention rate of people reinstated for more than 12 months = Number of people who have been reinstated for more than 12 months/Total number of people who should be reinstated for more than 12 months.
Note 3: The number of employees on parental leave includes those who applied for maternity and paternity leave in 2024.

Employee benefits

We attach great importance to labor-management relations and provide various excellent salaries and benefits to motivate employees to work with peace of mind and strive to achieve operational targets. Remuneration and benefits include salary increases and various bonuses for outstanding performance. To attract and retain professional talents needed by us, we have established innovation awards and rewards measures for senior role models to motivate other employees and enhance their commitment.

We regard every employee as an important partner and family member and are committed to providing a happy and harmonious work environment. In terms of work, we adopt various reward systems to enhance employees' sense of honor. We provide them with the most complete care, so that they can enjoy a good quality of life after work, including a variety of employee benefits and bonuses and a benefits system. For example, we have established an Employee Welfare Committee in accordance with the Employee Welfare Fund Act to provide all employees with subsidies for various activities and events, such as employee health examinations, sports days, year-end party, and departmental gatherings, as well as coffee machines, snacks, afternoon tea, and massage services, to relax their body and mind and adjust their status at work. (In addition, those who do not contribute to the welfare fund are not entitled to subsidies, the welfare fund, travel subsidies, and health examination.)

• Innovation Award

The establishment of the Innovation Award and the Long-term Model Employee Award aims to recognize and present appreciation plaques. This initiative serves to attract talent and retain the professional personnel needed by the company, thereby motivating employees and strengthening team cohesion.

	2022	2023	2024
Number of applications	5	11	6
Number of winners	3	4	4 (First place awarded to group category with 2 participants)
Total of prize money (NT$)	30,000	40,000	30,000

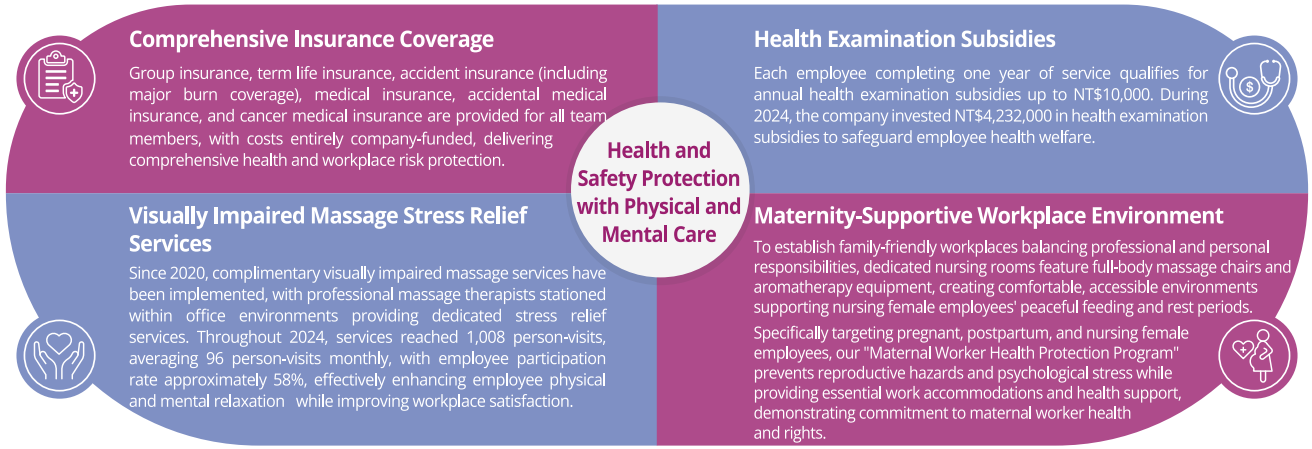
• Senior employee award

To appreciate employees for their long-term contributions, we present awards to long-serving staff members each year. In 2024, a total of 35 employees received awards. Specifically, 22 employees with 5 years of service, 10 employees with 10 years, 2 employee with 20 years, and 1 employees with 30 years of service were honored.

Employee Care and Welfare Measures

Our company prioritizes employee physical and mental health alongside quality of life, dedicated to establishing a secure, supportive, and fulfilling work environment. Through comprehensive welfare systems, healthcare initiatives, and work-life balance mechanisms, we actively cultivate workplace culture enabling employees to work confidently and live joyfully, realizing core values of "people-centered, employee wellbeing."

Health and Safety Protection with Physical and Mental Care



Comprehensive Insurance Coverage

Group insurance, term life insurance, accident insurance (including major burn coverage), medical insurance, accidental medical insurance, and cancer medical insurance are provided for all team members, with costs entirely company-funded, delivering comprehensive health and workplace risk protection.

Health Examination Subsidies

Each employee completing one year of service qualifies for annual health examination subsidies up to NT$10,000. During 2024, the company invested NT$4,232,000 in health examination subsidies to safeguard employee health welfare.

Visually Impaired Massage Stress Relief Services

Since 2020, complimentary visually impaired massage services have been implemented, with professional massage therapists stationed within office environments providing dedicated stress relief services. Throughout 2024, services reached 1,008 person-visits, averaging 96 person-visits monthly, with employee participation rate approximately 58%, effectively enhancing employee physical and mental relaxation while improving workplace satisfaction.

Maternity-Supportive Workplace Environment

To establish family-friendly workplaces balancing professional and personal responsibilities, dedicated nursing rooms feature full-body massage chairs and aromatherapy equipment, creating comfortable, accessible environments supporting nursing female employees' peaceful feeding and rest periods.

Specifically targeting pregnant, postpartum, and nursing female employees, our "Maternal Worker Health Protection Program" prevents reproductive hazards and psychological stress while providing essential work accommodations and health support, demonstrating commitment to maternal worker health and rights.

Worker Health Services and Risk Prevention

Following "Worker Health Protection Regulations," we establish and implement comprehensive health service programs:

Abnormal Workload-Induced Disease Prevention Program

Annual questionnaire surveys systematically assess risk levels (low, medium, high), arranging on-site health consultations and educational programs for high-risk employees to prevent physical and mental challenges resulting from excessive working hours and stress.

Human Factors Hazard Prevention Program

Enhancing work postures and reducing repetitive strain injuries to improve occupational safety standards.

Workplace Violence Prevention Program

Strengthening workplace security measures to prevent violence and inappropriate treatment incidents.

Heat Stress Prevention Program

Providing protective measures and response protocols for high-temperature work environments to ensure operational safety.

Worker Health Education Programs

Regularly conducting health education initiatives to strengthen employee health literacy and promote workplace wellness culture.

Diversified Welfare Measures and Family Support

1. Festival and Life Allowances

Dragon Boat Festival and Mid-Autumn Festival allowances: NT$3,000 per festival / Birthday allowance: NT$5,000 / Wedding allowance: NT$20,000 / Childbirth allowance: NT$10,000 for first child, NT$20,000 for second and subsequent children / Illness and hospitalization assistance: NT$4,000 per occurrence for employees and family members / Bereavement consolation funds: NT$6,000 to NT$20,000 based on family relationship

2. Child Care Support

Partnership with "Hess International Educational Group" provides employee children with nationwide kindergarten and after-school program discounts, assisting employees in balancing professional and family responsibilities.

3. Travel and Activity Subsidies

Annual family events, sports competitions, and diverse recreational activities foster colleague interaction and family engagement. / Travel subsidies encourage employee relaxation and lifestyle enrichment.

4. Shopping and Housing Benefits

Affiliated company (Global Mall) employee exclusive discounts and special promotional events / Employees and family members enjoy housing purchase benefits and periodic special offers supporting homeownership objectives

Employee Compensation and Shared Business Success

Following company charter provisions, employee compensation is allocated and distributed according to annual earnings, sharing enterprise growth outcomes with all team members to strengthen organizational commitment and talent retention competitiveness.

Labor-Management Communication Channels

Kedge prioritizes employee participation through various mechanisms promoting labor-management dialogue. Should any significant changes be anticipated, the company will engage in communication and consultation with employees at least two weeks in advance. Throughout the reporting period, no major operational changes significantly impacting employee rights occurred, nor did any employee grievances or disputes arise. In accordance with Labor Standards Act provisions, any substantial adjustments to organizational structure or employee responsibilities will be announced and discussed with employees at least two weeks prior, strictly preventing forced labor, discrimination, or mistreatment. The company rigorously adheres to Labor Standards Act requirements, with both labor and management observing these principles.

The company clearly defines minimum notice periods for employment changes within work regulations:

- **10** days — Personnel serving **3** months to less than **1** year
- **20** days — Personnel serving **1** year to less than **3** years
- **30** days — Personnel serving **3** years or more within the organization

During 2024,
4 labor-management conferences convened

Achieving **90**% attendance from labor and management representatives.

Labor-Management Conferences

Quarterly labor-management conferences address major operational decisions including business development, employee health, safety, welfare, compensation, and disciplinary matters with labor representatives, with meeting records published for colleague awareness. During 2024, 4 labor-management conferences convened, achieving 90% attendance from labor and management representatives.

Retirement System

Our company establishes employee retirement procedures according to relevant legislation including the "Labor Standards Act" and "Labor Pension Act." For employees under the new retirement pension system, monthly contributions of minimum 6% of salary are deposited into individual Bureau of Labor Insurance accounts. For those maintaining partial old system tenure, a retirement fund supervisory committee oversees monthly contributions of 3% of total wages to Taiwan Bank dedicated accounts. Employees may request voluntary retirement upon meeting tenure and age requirements, or face mandatory retirement at age 65 or when work-related injuries prevent job performance. Retirement benefit calculations follow applicable regulations - old system benefits calculated per "Labor Standards Act" with 20% additional compensation for occupational disability; new system maintains company fixed 6% contributions. The company must complete retirement benefit payments within 30 days following employee retirement to guarantee retirement entitlements. Related regulations and systems detailed on pages 85-86 of the company's 2024 annual report.

6.2 Talent Development and Training

Recruitment and retention

There is an economic cycle, but we always seek outstanding talents and never stop investing in the development of human capital, as we believe that an enterprise's competitiveness lies in talents. We participate in job fairs on campus and interact with the school interns, fresh graduates of universities or master's programs, and talents with one to two years of experience through an all-round talent cultivation program- a new talent training program and provide internship or employment opportunities through diverse online and offline channels to continue to recruit and train outstanding talents, enhance our competitiveness, and lay a foundation for our sustainable development It is our responsibility to provide a work environment of happiness and fulfill our corporate social responsibility. We regularly review employees' salaries, survey their satisfaction with work, and continue to improve, so that they will be proud of working at Kedge. We train their other skill sets through internal talent selection and interdepartmental rotation to cultivate all-around talents through training, experience, and honing.

Promotion system

To encourage continuous employee development, Kedge management and team members with tenure exceeding six months regularly participate in mid-year and year-end performance planning feedback and discussion sessions (employees with less than six months tenure focus on probationary evaluations). Participants engage in the company's biannual performance management and advancement system, ensuring all colleagues receive support and guidance during work progression while effectively enhancing and recognizing employee achievements. Annual performance evaluations utilize objective management and behavioral assessment methodologies to evaluate individual goal attainment and competency demonstration, integrated with professional development reviews to effectively recognize exceptional colleagues. Various recognition forms including bonuses, awards, promotions, salary increases, and development opportunities are provided to individuals and teams achieving strategic objectives or demonstrating outstanding performance. All team members participate 100% in annual evaluations, excluding part-time students, interns, employees on unpaid leave, new hires with less than six months tenure, and confirmed departing personnel.

During 2024,
173 individuals received personnel promotions, representing **30**% of total company workforce.

All team members participate **100**% in annual evaluations, excluding part-time students, interns, employees on unpaid leave, new hires with less than six months tenure, and confirmed departing personnel.

	2022		2023		2024	
Annual Assessment	Male	Female	Male	Female	Male	Female
Number of people to be evaluated	351	161	361	183	336	165
Number of evaluatee	351	161	361	183	336	165
Percentage %	100%	100%	100%	100%	100%	100%

Personnel turnover over the years

In 2024, there were 148 new employees (93 males and 55 females); there were 142 employees who resigned (92 males and 50 females).

New Employees

Age Distribution	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
29 years old or under	35(6.32%)	28(5.06%)	25(4.34%)	12(2.08%)	40(7.12%)	22(3.92%)
30 – 50 years old	62(11.20%)	58(10.48%)	49(8.51%)	16(2.78%)	43(7.65%)	30(5.34%)
51 years old or above	9(1.61%)	2(0.36%)	6(1.04%)	4(0.69%)	10(1.78%)	3(0.53%)
Total	106(19.15%)	88(15.90%)	80(13.89%)	32(5.56%)	93(16.55%)	55(9.79%)
Percentage of new employees	35.05%		19.44%		26.3%	

Note 1: Percentage = Number of people in each age group by gender/average total number of employees during the year
Note 2: Percentage of new employees = Total number of new employees during the year/average total number of employees during the year

Resigned Employees

Age Distribution	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
29 years old or under	13(2.33%)	6(1.07%)	20(3.47%)	7(1.22%)	18(3.20%)	11(1.96%)
30 – 50 years old	54(9.66%)	27(4.83%)	60(10.42%)	28(4.86%)	58(10.32%)	33(5.87%)
51 years old or above	14(2.50%)	1(0.18%)	15(2.60%)	4(0.69%)	16(2.85%)	6(1.07%)
Total	81(14.49%)	34(6.08%)	95(16.49%)	39(6.77%)	92(16.37%)	50(8.90%)
Percentage of resigned employees	20.58%		23.26%		25.3%	

Note 1: Percentage = Number of employees in each age group by gender / Average total number of employees in that year
Note 2: Turnover = Total number of resigned employees during the year/average total number of employees during the year
Note 3: The employees concerned in the statistics are mainly employees contracted with no fixed term of employment.

Turnover Analysis by Organizational Level

The company conducted organizational level-based analysis of employee turnover throughout 2024. Results indicate turnover concentrated primarily within entry-level positions, representing approximately 24.6% of total departures, with primary factors including personal career planning considerations and work condition evaluations. Middle and senior management position turnover rates remained relatively stable, with departure motivations predominantly relating to advancement opportunities and work-life balance concerns.

Following analysis outcomes, the company has initiated strengthened retention strategies for entry-level personnel, incorporating career development program implementation, enhanced internal advancement opportunities, and continued focus on management-level talent succession and organizational stability to foster sustainable human resource structural development.

2024		Headcount	Percentage of Category Total (%)
Gender	Female	50	8.9
	Male	92	16.4
Age	29 years old (inclusive) and below	29	5.2
	30 – 50 years old	91	16.2
	51 years old (inclusive) and above	22	3.9
Organizational Level	General Personnel	138	24.6
	Junior to Mid-Level Management	3	0.5
	Executive Management	1	0.2

Note 1: Percentage = Number of departures by gender/age/organizational level / Average total number of employees for that year.
Note 2: Turnover rate = Total annual departures / Average total number of employees for that year.
Note 3: The employees concerned in the statistics are mainly employees contracted with no fixed term of employment.

Exit Interview Program

Addressing organizational departure patterns, Kedge Construction developed a comprehensive exit interview process during late 2024. Through telephone interviews conducted during the departure month and three months post-departure, we assess departing personnel's current circumstances, new employer benefit packages, and recommendations for our organization. Compiled data undergoes regular reporting to senior management, serving as evaluation criteria for company improvement initiative assessments.

Furthermore, when interviewed personnel express return interest, we confirm their intentions and facilitate matching with current position openings, integrating them into recruitment processes. We anticipate these motivated, organizationally familiar individuals can serve as crucial support pillars addressing departmental staffing challenges upon reemployment.

Talent Cultivation and Development

Kedge, through a comprehensive talent development system, provides employees with diverse learning opportunities and broad career development. Employees are required to undergo continuous training to enhance their quality and professionalism, thereby stimulating their work enthusiasm and ensuring employment opportunities. In 2024, the total number of employee training hours at Kedge Construction reached 18,899.92 hours, with all employees receiving training. On average, each employee received 32.42 hours of training, exceeding the company's set standards.

Responding to construction site operational requirements this year, we have prioritized online learning platform advancement enabling colleagues to engage in modular learning opportunities, delivering 713 total courses with 97% annual training requirement completion rates, representing a 10% improvement from the previous year.

In **2024**, the total number of employee training hours Reached **18,899.92** hours

Delivering **713** total courses With **97**% annual training requirement completion rates

Education and training hours over the years

	2022		2023		2024	
Total number of hours	Number of hours	Percentage	Number of hours	Percentage	Number of hours	Percentage
Internal Training	8,676.12	56.31%	10,036.00	49.62%	11,524.47	60.98%
External Training	6,730.90	43.69%	10,191.28	50.38%	73,75.45	39.02%
	Total number of hours	Average hours	Total number of hours	Average hours	Total number of hours	Average hours
Total	**15,407.02**	**26.25**	**20227.28**	**35.86**	**18,899.92**	**32.42**
Total number of hours by gender						
Male	10,102.64	26.24	12,951.05	34.81	12943.04	33.62
Female	5,304.38	26.26	7,276.23	37.90	5956.88	30.09
職務訓練時數						
Managerial position	3,335.12	26.26	2,169.42	34.44	2715.05	41.14
Non-managerial position	12,071.90	26.24	18,057.86	36.04	16184.87	31.31

We offer education and training every year according to the trends, the different needs of various job levels and units, and the expertise and skills required for their work and provide employees with subsidies for their professional elective courses to improve their expertise and soft skills. The implementation is as follows:

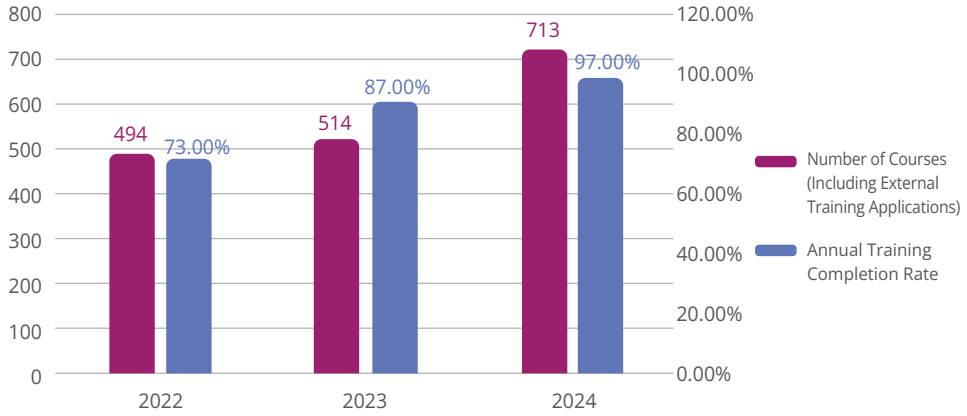
Category		Senior Executives	Middle Managers	Frontline Supervisors	General Staff	New Employees
Off-the-Job Training (off-JT)	Management Training Course	Supervisory Management Courses at Various Levels				• Mission Statement • Organizational History • Rules and Regulations • Information Security • Introduction to Occupational Safety and Health Environment • New Employee Orientation • Learning Resources
	Common Training	Supervisory Training and Development Program				
	Professional Training	Core Competencies and General Education Courses				
	Life-long Learning	Information Security, Engineering Law, Occupational Safety and Health Training				
	Digital Learning	Department-specific Professional Knowledge and Skills Training				
	Language Learning	Internal Trainer Development				
On-the-Job Training (OJT)		• On-the-job training • Work internships • Job rotation • Job shadowing • Job enlargement • Job enrichment • Participation in project experiences • Coaching and mentoring				
Self-Development (SD)		• Self-study • Reading • Participating in seminars • Joining study groups • Participating in external reading courses				

2024 Employee Educational Training Sessions

Category of training		Number of courses	Expense (NT$)	Percentage	Number of people	Percentage
Internal Training	Internal instructor course	65	100,100	4.3%	1,048	14.7%
	External instructor course	37	38,831	1.7%	1,036	14.6%
	Managerial Training Programs	7	508,116	22.0%	148	2.1%
Life-long Learning	Professional training subsidies (subsidies for license obtaining)	21	259,000	11.2%	21	0.3%
	Subsidies for advanced studies (master's programs)	-	514,166	22.2%	Yet to graduate:5 Graduated:2	-
General external training subsidy		503	893,484	38.6%	503	7.1%
Online course		80	0	0%	4,364	61.3%
Total		713	2,313,697	100%	7,120	100%

Note 1: Subsidies for further studies are not included in the total number of people and the percentage thereof.
Note 2: The total number of students receiving advanced studies subsidies was 7, of which 5 were still in school and 2 graduated in 2024.

Education and Training Implementation Status for the Past Three Years




▲ After-sales service courses conducted by Vice President leading detailed workshop sessions across various construction sites



▲ Summer internship orientation ceremony featuring opening remarks and encouragement from General Manager


▲ AED training course guided by professional firefighters leading participants through CPR operational experience procedures


▲ Professional courses explaining electrical and plumbing engineering at construction sites through hands-on sharing, creating lasting impressions for colleagues

HIGHLIGHT

Industry-Academia Collaboration
Enhancing Engineering Practical Experience

Kedge Construction maintains long-term partnerships with various colleges and universities, offering summer internship programs for enrolled students. This summer internship program welcomed 47 participants from 14 colleges and universities throughout Taiwan, providing opportunities to understand engineering work through direct construction site experience, enabling first-hand workplace exposure and deeper comprehension of post-graduation career environments within civil engineering fields.

Prior to official work commencement, the HR department organizes orientation ceremonies featuring General Manager encouragement and motivation, welcoming participants to experience internship life with Kedge Construction.

During orientation sessions, Quality Assurance Department Senior Project Manager Yan Shifeng explained Kedge's quality commitment, related operational standards, and inspection procedures to students. We also invited Occupational Safety Office's Project Manager Qiu Weizhen to facilitate hands-on occupational safety card training. Beyond understanding occupational safety regulations and importance through comprehensive legal coursework, participants completed examinations following practical sessions and received Taiwan occupational safety card certifications.



▲ The General Manager personally delivered encouragement and blessings to summer interns, encouraging enhanced observation, understanding, and learning of engineering expertise during actual construction site experiences.



▲ Throughout orientation courses, instructors provided thoughtful gifts for students providing correct responses while encouraging careful observation of exceptional quality standards across all construction sites.





▲ Students gained direct construction site exposure through mentor-guided learning of relevant knowledge and safety protocols, enabling theoretical classroom learning to demonstrate practical application, deepening knowledge comprehension and facilitating integrated understanding.





▲ Students from different construction sites shared internship experiences through group discussions, developing post-internship perspectives and insights regarding engineering professions.

Concluding internship activities, all students participated in graduation ceremonies where the HR department facilitated "World Café" discussion formats, enabling interns to share individual observations and insights from their two-month experiences. Group collaboration summarized key insights while providing organizational feedback regarding internship processes, supporting enhanced program development for subsequent years through collective input.

Summer Internship Student Experience Sharing

Taichung Yumaowu Intern He Yu-han

- Student He Yu-han selected Kedge Taichung Yumaowu construction site for internship again during her 2025 semester internship program

I was delighted to join Kedge Construction Yumaowu for this two-month internship experience. Throughout these months, working alongside safety management engineers and project engineers, I acquired invaluable knowledge unavailable in academic settings while developing deeper regulatory understanding through hands-on practical application.

Beginning with fundamental inspection procedures including monthly fire extinguisher evaluations, weekly scaffolding self-assessments, and daily construction site patrols monitoring electrical panel security, waste chute locking protocols, and self-inspection documentation. I was fortunate to observe tower crane work inspections, witnessing firsthand the intricate inspection processes with numerous detailed requirements that I never previously appreciated. The one-machine-three-certificates verification process before mobile crane operations proved particularly educational. During my initial inspection experience, following completion and operational commencement, a deputy director comprehensively explained each rigging operator procedure, enhancing my understanding of operational safety considerations.

During monthly Occupational Safety Office audits, the auditing director continuously presented quiz questions throughout audit procedures, facilitating regulatory review while creating memorable learning experiences. Beyond occupational safety and health exposure, I gained substantial practical construction knowledge including industry material terminology, rebar binding methodologies, and grouting safety protocols. I also participated in SGS laboratory rebar tensile testing and concrete strength test witnessing procedures.

Throughout these months, my supervisor imparted not only technical expertise but also effective interpersonal communication strategies. I learned that thoughtful dialogue often proves more successful than rigid enforcement and criticism in encouraging worker compliance with safety protocols.

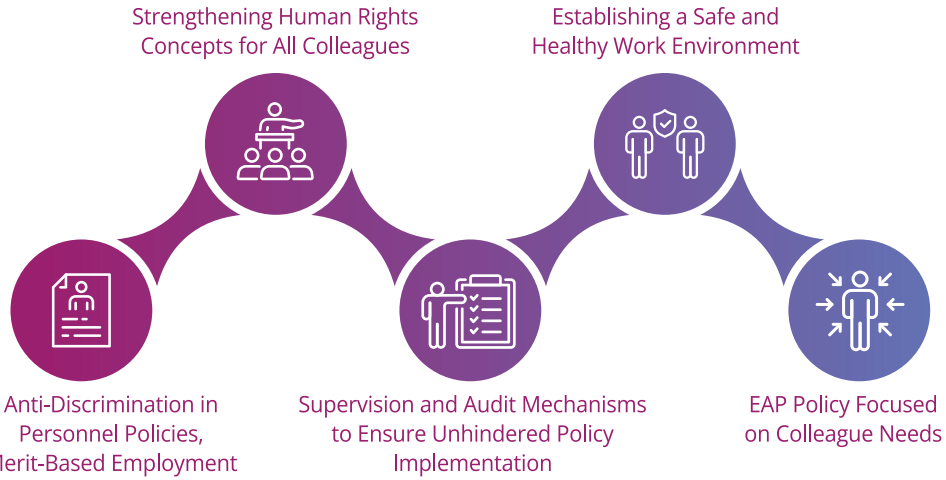
6.3 Human Rights Policy

• GRI 2-23, 2-24, 408-1

Human Rights Maintenance

Kedge Construction supports and maintains basic human rights, recognizing and adhering to the spirit and fundamental principles of internationally recognized human rights protections such as the "Universal Declaration of Human Rights," the "United Nations Global Compact," and the "International Labour Organization's Declaration on Fundamental Principles and Rights at Work." We strictly comply with labor-related regulations where we operate, eliminating any acts that infringe or violate human rights, ensuring that everyone within and outside the company is treated fairly and with dignity.

To implement workplace diversity and avoid discrimination based on any condition, we strive to create a dignified, safe, equal, and harassment-free working environment. The practices of Kindom Construction Corp. are as follows:



Anti-Discrimination in Personnel Policies, Merit-Based Employment

To effectively promote a fair and equal recruitment mechanism, employing units must not set unfair recruitment conditions such as race, gender, or age. In 2023, we further established competency standards for engineers at all levels, with related recruitment, probation, assessment, promotion, and salary adjustments based on their competencies, performance, and cultural fit. Employment is merit-based, providing colleagues with consistent and fair opportunities for promotion and development.

Strengthening Human Rights Concepts for All Colleagues

All new colleagues must participate in orientation training, where they receive an introduction and explanation of the company's relevant systems and regulations, including various personnel policies, regulations, and occupational safety and health laws. They are also reminded that the company's EIP portal provides access to all policies and procedures. The employee assistance section contains various complaint and support information, and the training system continuously offers human rights-related courses to reinforce colleagues' awareness and understanding of human rights.

Human Rights-Related Education and Training Hours in 2024

NO	Category	Course Name	Number of hours	Passed Participants	Person-Hours
1	Online course	Human Rights Policy and Personal Data Protection Act Educational Course	1.5 hours	11	16.5
2	Online course	New Employee Sexual Harassment Prevention Training	0.25 hours	148	37
3	Online course	Combat Workplace Violence – 2024 Manager Training and Self-Assessment	1.75 hours	65	113.8
4	Online course	Taichung District Prosecutor's Office: Trade Secret Protection and System Enhancement Symposium - Prosecutor Yang Zhi-jun	0.5 hours	53	26.5
5	Online course	Sexual Harassment Prevention Education (Part 1)	0.35 hours	25	8.75
6	Online course	Sexual Harassment Prevention Education (Part 2)	0.35 hours	22	7.7
7	Online course	Powerful Psychology! Workplace Bullying Prevention	0.5 hours	30	15
8	Online course	Still Have the Face to Stay? Workplace Bullying Is Rampant	1 hour	32	32
9	Online course	Comprehensive Campaign to Eliminate Work-place Violence	1 hour	123	123
Total			**7.2** hours	509	380.2

Establishing a Safe and Healthy Work Environment

We conduct regular fire drills, emergency response training, first aid training, and general occupational safety and health education activities at the company and various construction sites. Safety personnel monitor workplace safety in compliance with regulations, reducing the risk of occupational accidents.Occupational health personnel manage colleagues' health based on annual health examination data, combined with occupational medical care and on-site services, ensuring colleagues' physical and mental health and safety at work.

EAP Policy Focused on Colleague Needs

To effectively provide resources to colleagues, the company has set up an employee assistance section on the website, offering consultation through various channels.Collaboration among HR, occupational safety, occupational health, finance, and legal departments addresses colleagues' urgent or special assistance needs, providing initial solutions and support, and integrating other resources for more effective help or advice on specific issues.

Supervision and Audit Mechanisms to Ensure Unhindered Policy Implementation

To ensure that every colleague is free from discrimination and unfair treatment at work, Kindom Construction offers multiple, convenient complaint and reporting channels, including paper, phone, fax, email, and the internal Teams system for reporting or complaints.If violations of the "Code of Conduct for Ethical Business Operations" or other company regulations (e.g., sexual harassment, improper management) are found, a special investigation team with different functions will be established according to the regulations to complete the investigation within the specified time. If the reported content is confirmed, disciplinary actions will be taken according to the employee reward and punishment regulations or relevant laws. To ensure the proper functioning of the system, the company holds ISO certification and conducts regular internal audits to ensure that all systems and procedures are executed according to relevant laws and regulations, ensuring the smooth operation of every activity and aspect of Kedge Construction.

Preventive Policies

To implement human rights, the company has established human rights policies, measures for preventing and punishing sexual harassment, measures for preventing workplace violence due to actions of others, occupational safety and health policies, and a complaint mailbox. Human rights-related training courses are regularly offered in the training system. Colleagues can report opinions or illegal incidents via phone, email, or related contact mechanisms. A dedicated department handles and responds to these reports, completing the investigation process according to formal procedures to ensure fair and just handling of the reported content.

Measures for Preventing and Punishing Sexual Harassment:

Kindom Construction clearly defines "Measures for Preventing and Punishing Sexual Harassment" and provides a dedicated phone line and email for complaints. Colleagues subjected to sexual harassment can file complaints in writing or orally. If a sexual harassment case or suspected case occurs, a Sexual Harassment Complaint Handling Committee will be formed confidentially and initiate an investigation procedure, with at least half of the committee members being female colleagues. Complaints should be concluded within two months of filing. If the investigation confirms the complaint, disciplinary actions will be taken according to the work rules and employee reward and punishment regulations.

Employee Satisfaction Survey

Survey Scope	Encompasses Kedge Construction domestic workforce
Survey Participants	**549** respondents participated, achieving **94**% coverage rate

Overall Employee Satisfaction Average: **75.2**%

Employee satisfaction serves as a crucial indicator for measuring organizational loyalty, cohesion, and sense of belonging within enterprises. Kedge Construction has implemented the "Employee Core Values Opinion Survey" beginning in 2024, utilizing systematic analysis to comprehensively understand employee satisfaction across various organizational functions while providing essential reference data for continuous workplace environment and management mechanism optimization.

Analysis reveals that relatively lower satisfaction areas primarily focus on "work-life balance," "cross-departmental communication," and "work efficiency," which have been concurrently identified as potential organizational risk factors. The company will conduct comprehensive analysis based on employee feedback insights, developing targeted improvement strategies to enhance employee satisfaction and organizational commitment while fostering a more inclusive and efficient workplace environment.



Risk Assessment

In 2024, a human rights risk assessment was conducted on 10 various human rights issues, including non-discriminatory employment, prohibition of child labor and forced labor, ensuring freedom of association, maintaining a healthy and safe workplace, balancing work and life, valuing labor relations, establishing a complaint mechanism, ensuring information security and privacy protection, promoting workplace inclusion and equality, and prohibiting workplace sexual harassment, to assess the risk value of the enterprise. Based on feedback from 90% of colleagues, the issues with higher risks were work-life balance and labor relations. Communication and feedback at labor-management meetings were strengthened to mitigate these risks.

Human Rights Issue	Target	Risk Assessment Method	Measures	Benefits
Non-Discriminatory Employment	All Employees	Number of dispute cases	• Recruitment conditions in compliance with the Employment Service Act • Equal pay for equal work	**0** complaints
Prohibition of Child Labor and Forced Labor	All Employees	Number of dispute cases	• No employment of child labor • Employment of disabled and indigenous people • Monitoring for abnormal attendance	• No child labor employed in 2024 • Full employment of disabled people • Full employment of indigenous people
Ensuring Freedom ofAssociatio	All Employees	Number of dispute cases	Promotion of associations	**0** complaints
Healthy and Safe Workplace	All Employees	Number of work injuries	• Training and promotion by occupational safety and health units • Follow-up for high-risk groups in health checks • Health lectures • EAP (Employee Assistance Program) • Lactation rooms and rest areas	Number of work injuries: **3**
Work-Life Balance	All Employees	• At least one day off per 7 days • Overtime not exceeding 46 hours/month	• System management of employee work hours and scheduling issues • Encouragement of work-life balance • Organizing various activities (e.g., charity events, family days)	**0** anomalies

Human Rights Issue	Target	Risk Assessment Method	Measures	Benefits
Valuing Labor Relations	All Employees	Number of dispute cases	• Holding labor-management meetings • EIP (Employee Information Portal) announcement system	**0** complaints 4 labor-management meetings held
Establishing a Complaint Mechanism	All Employees	Number of dispute cases	• Complaint mailbox and hotline • Training for new employees	**0** complaints
Information Security and Privacy Protection	All Employees	Number of dispute cases	• Signing documents related to personal data • Encrypted management of document storage • Water shredding of discarded documents	**0** complaints
Workplace Inclusion and Equality	All Employees	Number of dispute cases	Promotion of workplace diversity and inclusion	**0** complaints
Prohibition of Workplace Sexual Harassment	All Employees	Number of dispute cases	• Education and training • Posting workplace posters	**0** complaints

Prevention Measures for Physical or Mental Harm Caused by Others (Workplace Violence Prevention)

Apart from sexual harassment, Kindom also implements measures to prevent workplace violence that may cause physical or mental harm due to official duties or work factors, whether at the workplace or other locations. Any form of physical, psychological, verbal, or sexual harassment is not permitted within the company. If an employee encounters workplace violence, they can report it to their supervisors or the HR department. Following a formal investigation, if the report is verified, disciplinary actions will be taken in accordance with work rules and the employee reward and punishment regulations.

• Occupational Safety and Health Policy:

Through collaboration between the Occupational Safety Office, occupational health personnel, and supervisors at all levels, Kindom aims to create a safe, healthy, and comfortable work environment. The company is committed to complying with regulations, preventing hazards, involving all employees, and continuously improving to achieve a zero-harm, zero-accident work environment. Concurrently, leveraging occupational health personnel expertise for employees' health examination data management, tracking individuals requiring care attention, and facilitating one-on-one health management monitoring through the company's TEAMS platform.

• Education and Training:

To promote understanding of the importance of human rights among employees, Kindom includes explanations of various human rights-related policies and regulations during new employee orientation. The company also utilizes its education and training system to offer human rights courses, encouraging employees to participate in these courses anytime, anywhere. During 2024, responding to regulatory requirements, sexual harassment prevention courses became mandatory online training for new employees while being incorporated into new hire evaluation criteria.

This year maintained supervisory workplace unlawful harassment training programs and assessment checklists, enabling supervisors to comprehend unlawful harassment regulatory frameworks while conducting self-evaluations and maintaining awareness of critical considerations during colleague interactions.

• Mitigation Measures

Kindom employs advocacy communication and system management as mitigation measures to reduce human rights risks and impacts.

Mitigation Measures	Employees	Partner Suppliers
Advocacy Communication	• Advocacy for Reasonable Working • Diverse Communication Channels • Personal Data and Information Security Awareness • Organizing Health Promotion Activities • Human Rights Issue Investigations	• Supplier Conference Advocacy • Supplier Code of Conduct • Signing of Supplier Sustainable Business
System Management	• Attendance Management System • Reasonable Working Hours Management	• Supplier Sustainability Risk Assessment

• Supervisory Mechanism

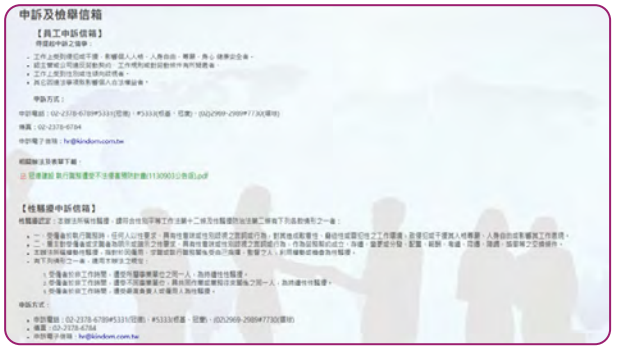
Whistleblower Hotline | sally_chou01@kindom.com.tw

Audit System:

Kedge Construction holds ISO 45001 system certification, ensuring a robust audit system. To safeguard human rights, all processes and operations must comply with relevant laws and regulations.



▲ Utilizing education and training management systems, mandating supervisory participation in annual unlawful harassment training courses with self-assessment completion requirements.



▲ Employee EIP website featuring published unlawful harassment complaint channels and dedicated hotlines

6.4 Occupational Safety and Health

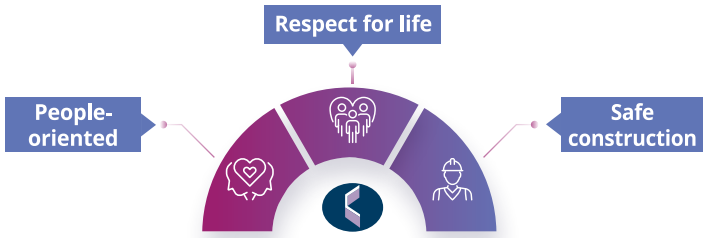
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- GRI 2-8, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

Working with health and safety is a human right

Kedge Construction guarantees "every worker participating in company activities (including employees, contractors, and individuals whose work falls under company oversight) possesses rights to know, understand, and freely participate in reviewing and improving work environments and procedures regarding potential health or safety hazards and risk factors (the rights to information, participation and assembly), while obtaining corresponding health and safety protection to prevent potential physical and life impacts (the right to be protected); should confirmed health or safety losses result from such impacts, participants and their families will receive appropriate and effective remedy."

Kedge Construction Co., Ltd., adhering to the founder Mr. Ma Yushan's concept of "people-oriented, respect for life, and safe construction," provides a healthy and safe working environment and system and regards occupational safety and health management as one of the important conditions for the company's survival and sustainable development.

Commitment Themes	Primary Strategies	Implementation Approaches
Regulatory Compliance	Ensuring adherence to legal and international standards	Execute policies established by the Chairman, ensuring compliance with all applicable occupational safety and health regulations, international standards, and related requirements, encompassing employees, contractors, individual workers, and relevant stakeholders.
Hazard Prevention	Proactive risk identification and prevention	Evaluate potential health and safety risks within work environments and processes, establish hazard identification and risk assessment procedures, implement control measures to prevent workplace accidents and occupational diseases.
Universal Participation	Labor-management collaboration fostering safety culture	Conduct regular and ad-hoc occupational safety and health meetings, organize relevant educational and training activities, through employee and worker representative consultation participation, enhance worker engagement and awareness regarding occupational safety and health matters.
Continuous Improvement	Establishing performance metrics and enhancement mechanisms	Implement quantitative performance indicators to monitor improvement progress, continuously evaluate and optimize safety measures, advance safety culture to strengthen workplace health and safety environments.



Occupational Safety and Health Policy webpage link

Establish, verify and maintain occupational safety and health management system

Kindom Construction has established and obtained certification for the "ISO 45001:2018 Occupational Health and Safety Management System and Taiwan Occupational Safety and Health Management System TOSHMS under CNS 45001:2018." This certification encompasses employees and workers in designated workplaces under the company's control, workers engaged in activities under the company's control, and stakeholders involved in related business activities. However, it excludes co-working personnel not under the company's control who may be impacted by the company's operations, products, or services in terms of occupational safety and health.



▲ International Standard ISO 45001:2018 Certification for Occupational Health and Safety Management Systems



▲ Taiwan Occupational Safety and Health Management System (TOSHMS/CNS 45001:2018) Certification

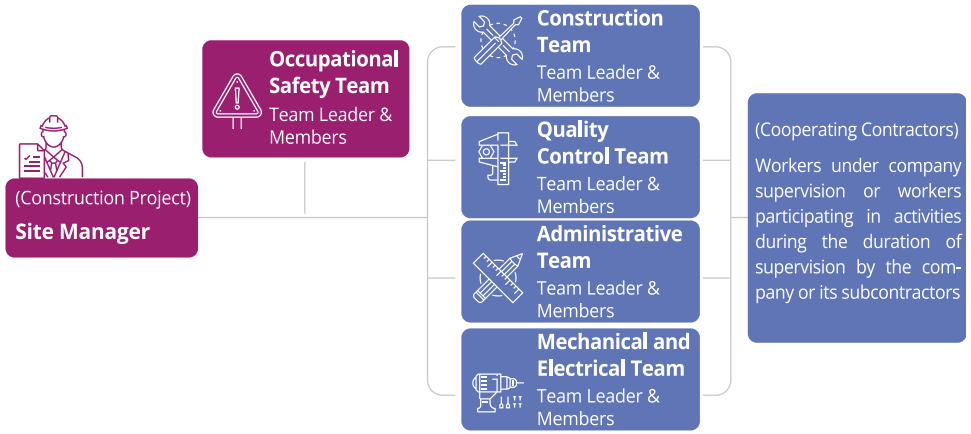
Hazard Identification, Risk Assessment and Incident Investigation

According to Article 2-1 and Article 6 of the Occupational Safety and Health Management Measures, the company's head office has set up an Occupational Safety Office directly under the General Manager's dedicated first-level management unit, responsible for drafting, planning, supervising and promoting affairs concerning safety and health management. It also serves to guide the implementation of relevant departments. In order to prevent occupational accidents in the engineering projects affiliated to the company, the person in charge of the workplace of the engineering project shall act as the commander, supervisor and coordinator of the workplace, and organize the occupational safety team to which he belongs. The team leader shall have qualification as a supervisor of construction industry and occupational safety and health business. He shall be responsible for supervising safety and health management affairs involved in engineering projects. One of the team members should have qualifications as the occupational safety and health administrator above grade B, responsible for drafting, planning and promoting affairs of safety and health management in engineering projects. He shall be also in charge of guiding relevant departmental implementation. In compliance with the provisions of Article 27 of the Occupational Safety and Health Act and Article 38 of the Enforcement Rules of the Occupational Safety and Health Act, we established a coordination organization for engineering projects, and at least once a month (regularly) or irregularly hold the "Engineering Project Coordination Organization Meeting" to convene contractors, sub-contractors, etc. to carry out connection and adjustment of the company, inspection of the workplace, guidance and assistance in safety and health education between related contractors, and other necessary matters for the prevention of occupational accidents.

The Occupational Safety Team and the Occupational Safety Office of the Occupational Safety and Health Organization shall, in accordance with the Occupational Safety and Health Management Measures (Attachment 2 and 2-1), stipulate the scale of the construction business units and the qualifications of the management personnel (construction business supervisor, Class B or (and) Class A management) and the full number of people.

Within the company, there are a total of 241 qualified occupational health and safety management personnel (including: 158 supervisors of occupational health and safety affairs in the construction industry, 69 occupational safety and health managers with Class B technician qualifications, 11 occupational safety managers with Class A technician qualifications, 3 occupational health managers with Class A technician qualifications.)

Engineering Project Team Organization Chart:

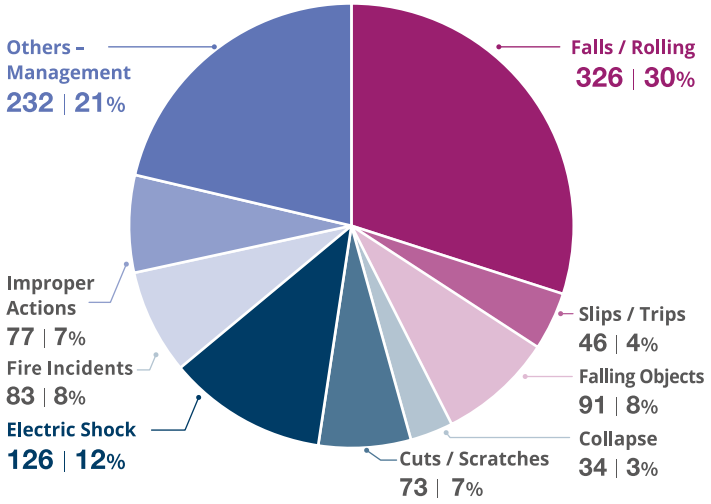


Based on the certified ISO 45001:2018 Occupational Health and Safety Management System / Taiwan Occupational Safety and Health Management System (TOSHMS) CNS 45001:2018, Kedge Construction Co., Ltd. formulated the "Occupational Safety Risk and Opportunity Assessment Procedure" and "Accident Reporting and Investigation Management Procedures," required the Occupational Safety Office, engineering projects and all departments to carry out hazard identification, risk assessment and accident investigation related to occupational safety and health. The Occupational Safety Risk and Opportunity Assessment Procedure serves to standardize the risk assessment at all levels of the company, including methods, background establishment, risk opportunity identification, risk opportunity assessment, risk opportunity treatment, and change risk management. It clearly defines hazards, risks, etc. and determines the qualifications of personnel who accept risks and undertake assessments. Accident Reporting and Investigation Management Procedures are defined to distinguish between occupational safety incidents, disability injury incidents or disease incidents, major occupational accidents, near-misses and traffic incidents. The Procedures also standardize the company's various project projects, emergency response, investigation and reporting when occupational safety incidents occur, so as to reduce the loss of the accident and prevent the recurrence of similar accidents.

Kedge Construction Co., Ltd. complies with Paragraph 1 of Article 18, of the Occupational Safety and Health Act, which states "When there is a concern of a potential imminent danger at a workplace, the employers or people responsible for the worksite shall immediately issue orders to halt work and withdraw laborers to a safe location," and with Paragraph 2 "When laborers discover there is a concern of a threat of imminent danger while executing their duties, under conditions in which the safety of other workers is not jeopardized, they may terminate work of their own accord and withdraw to safe locations, and immediately report to their direct supervisors." We also abide by Paragraph 3 "The employers shall not dismiss, reassign, not pay wages for the period of work on halt, or otherwise impose unfavorably treatment on laborers taking actions prescribed in the preceding paragraph."

Number of Incident/ Accident Corrective and Preventive Measures	Number of Proposals for Corrective, Preventive, and Improvement Actions	occurrence record in 2024		
		Cases Number	Stakeholders (Employees, Suppliers and Other stakeholders)	Processing status (Number of cases under investigation or closed)
Near-miss cases	1	1	Suppliers	Closed
Non-serious occupational accidents	12	12	Employees and Supplier	
Serious occupational accidents	1	1	Suppliers	
Traffic incidents	5	5	Employees	
Others	0	0	No Such Incident	No Such Incident

Based on the monthly occupational safety inspection records of each engineering project carried out by the Occupational Safety Office in 2024, Kedge Construction counts the types of hazards as "falling, tumbling, electric shock, flying objects" as the top three common major hazards. In order to reduce possible risks (=occurrence frequency X occurrence severity), we set two aspects of "safety process" and "safe construction" for prevention and correction.



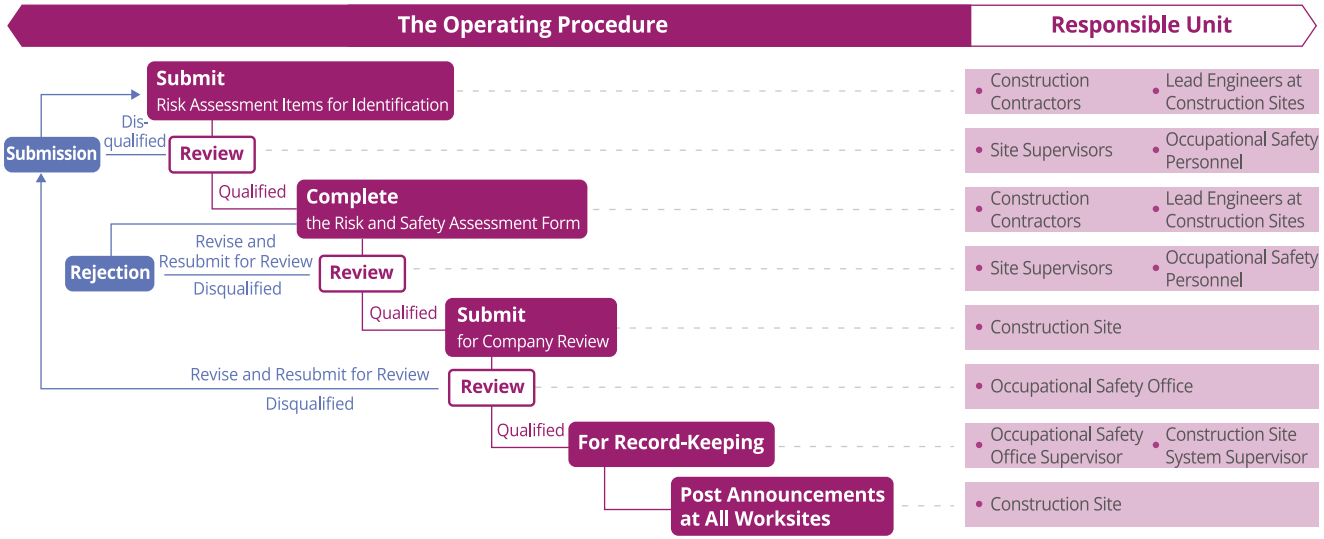
safety process:

- Pre-operation risk assessment: According to ISO 45001:2018 occupational safety risk and opportunity assessment procedures, after the construction contractor is confirmed, before the contractor, personnel, machinery, materials, etc. enter the project site, the person in charge of the project workplace of Kedge Construction must convene the Kedge team (occupational safety group, construction group, quality control group), and the contractor's on-site person in charge/ foreman to perform pre-construction risk assessment operations to effectively control construction hazards and risks and prevent or reduce the possibility and severity of disasters.
- Issuance and Confirmation of Construction Drawings: According to the " Guidelines For Performing Quality Management Of Public Construction Works " of the Public Construction Committee of the Executive Yuan, the construction unit should construct according to the construction drawings; Following Kedge's construction drawing management regulations, the engineer should receive a correct construction drawing signed by the procedures and conduct the construction according to the correct and new version of the construction drawing.

Safe construction:

- Confirm the safe construction environment: in accordance with the results of the "pre-operation risk assessment meeting".
- Conduct pre-construction hazard identification: Workers who enter the site every day must receive hazard notification and sign the "Daily Hazard Notification Sheet".
- Inspection during construction operations: implement various construction safety inspections and immediately improve unhealthy and unsafe states and actions in accordance with the K02-2-HS02-occupational safety control procedures formulated by ISO 45001:2018.
- Clean-up after construction: After the daily construction work, the occupational safety team will lead the site clean-up and restore the safe environment together with the construction team and all the suppliers.

Risk Assessment Process Diagram:



Risk Identification and Hazard Prevention Measures

Our company systematically conducts occupational hazard risk identification and assessment across work sites. Assessment outcomes encompass five primary categories with corresponding prevention and control measures:

Physical Hazards

Risk Categories

Noise exposure, vibration, extreme temperatures, unsafe machinery and equipment.

Management Measures

Establish high-noise area warning signage, conduct regular environmental monitoring, install worker rest facilities and cooling equipment on-site, provide personal protective equipment (PPE) including safety goggles and insulated gloves, while ensuring regular machinery maintenance and inspection protocols.



Human Factors Hazards

Risk Categories

Manual handling, improper work postures, repetitive motion activities.

Management Measures

Implement comprehensive "Human Factors Hazard Prevention Programs" featuring annual employee questionnaire surveys and analysis, plus regular on-site physician consultations providing individualized health management recommendations and workstation adjustment guidance. Minimize musculoskeletal injury incidence rates.



Chemical Hazards

Risk Categories

Solvent exposure, paint fumes, cement dust, adhesive substances, flammable gases (oxygen, acetylene).

Management Measures

Enhance local exhaust ventilation systems, supply appropriate respiratory protection and chemical-resistant gloves, maintain separation between gas storage and work areas with proper hazard warning signage.



Biological Hazards

Risk Categories

Vector-borne diseases including dengue fever, tuberculosis, influenza, and other infectious conditions.

Management Measures

Implement regular pest control programs, maintain site environmental cleaning and disinfection protocols, provide vaccination education campaigns, immunization services, and health screening programs as needed.



Psychosocial Hazards

Risk Categories

Extended work hours, occupational stress, workplace interpersonal conflicts.

Management Measures

Deploy Employee Assistance Programs (EAP), provide psychological counseling resources, establish regular on-site healthcare visits and workplace wellness initiatives, foster supportive work environments.



Worker Participation, Consultation, and Communication on OHS

Kedge Construction established the Occupational Safety and Health Committee in accordance with Articles 5-1 and 10 of the Occupational Safety and Health Management Regulations, ensuring worker representatives comprise more than one-third of committee membership while completing Attachment 3 Occupational Safety and Health Committee roster documentation. "Occupational Safety and Health Committee meetings" exceed regulatory requirements through monthly regular sessions, plus irregular meetings responding to management changes or emergency events, providing recommendations for company objectives and safety policies proposed by the Occupational Safety Office while reviewing, coordinating, and advising on safety and health matters from various engineering projects and departments.

Since establishing ISO 45001:2018 Occupational Health and Safety Management System / Taiwan Occupational Safety and Health Management System (TOSHMS) CNS 45001:2018, the Occupational Safety and Health Committee addresses recommendations, coordination, review, assessment, and other occupational safety and health management functions per Article 12 of the Occupational Safety and Health Management Regulations. Coverage encompasses company employees and company-controlled workers (contractors and individuals), non-company-controlled collaborative workers (joint contractors) during company activity participation, and related business stakeholders, excluding non-company-controlled collaborative workers potentially impacted by company operations, products, or services regarding occupational safety and health.

2024 Virtual/In-Person Occupational Safety and Health Committee Meetings / Occupational Safety Monthly Meetings

Kedge Construction provides occupational safety and health education and training for company employees and company-controlled workers within organizational departments or consolidated engineering projects, fulfilling Article 32 of the Occupational Safety and Health Act requiring "Employers shall provide workers with essential safety and health education and training for work performance and disaster prevention."

Occupational Safety and Health Meeting Designation	Meeting Frequency	2024 Session Count	Participants	Workplace Safety and Health Committee Roster
Engineering Project Coordination Group Meetings	Statutory Meetings (minimum 1/month)	**192** sessions 12(months) × 16 construction sites	Engineering project site supervisors convening Kedge teams (safety, construction, quality control groups) with contractor site supervisors/foremen	
Occupational Safety and Health Committee Meetings	Statutory Meetings (minimum 1/quarter)	**12** sessions (Civil Engineering Division: 6 sessions, Architecture Division: 6 sessions)	Occupational Safety and Health Committee Chairman (General Manager), Secretary (Occupational Safety Office Director), Division Representatives (Deputy General Managers), Worker Health Service Medical Personnel (Occupational Health Nurses), Worker Representatives	
Quality Safety Monthly Meetings	Non-statutory Meetings	**12** sessions	Chairman, General Manager, Occupational Safety Office Director, Division Representatives (Deputy General Managers), Engineering Project Directors	



▲ Civil Engineering Division Occupational Safety Committee Meeting



▲ Worker Participation, Consultation and Communication in Occupational Safety and Health





▲ Quality Safety Monthly Meetings

Architecture Division 2024 Second Occupational Safety and Health Committee Meeting

Records of relevant education and training on occupational safety and health completed in 2024

Name of education and training on occupational safety and health	Type of training (Internal/ External)	Date of training	Qualification of instructor	Trainee	Frequency	Seed Personnel Certification Rate	Training Effectiveness (Certification)	Note (Language and others)
Taiwan Occupational Safety and Health Card education and training	Internal Training	29 Taiwan Occupational Safety Card training sessions conducted throughout 2024	Qualified instructors who hold qualifications of Grade B or above and have received training from Taiwan Occupational Safety and Health Card	Employee, workers under the company	Irregular	100% 656 people	Continuously valid	Chinese/Thai/ Vietnamese
2024 Policy Promotion (Visible Safety, Visible Risk)	Internal Training	2024/05/22	Qualifications of Grade B Manager or Above	Employees	Irregular	100% 8 people	Continuously valid	Chinese
New Technology Disaster Reduction Technology Promotion Education and Training	Internal Training	2024/08/01	External Instructor	Employees	Irregular	100% 42 people	Continuously valid	Chinese
High-Risk Operations Hazards and Dangerous Workplace Operation Safety Guidelines	Internal Training	• 2024/08/16 • 2024/09/11 • 2024/10/9 • 2024/10/17 • 2024/11/5 • 2024/11/8	Qualifications of Grade B Manager or Above	Employees	Irregular	100% 79 people	Continuously valid	Chinese

Internal Construction Site Observation Records Completed in 2024

Observation Site	Date of training	Number of Participants	Trainee	Frequency
Taiwan Route 61 Site Observation Conference	2024/3/27	22 people	Worker representatives, employees	Irregular
C212 Site Observation Conference	2024/07/29	20 people	Worker representatives, employees	Irregular

In 2024, Kedge Construction assisted government agencies in organizing construction site observations and camp activities for workplace safety and health. Through on-site exhibitions and interactions, they promoted occupational safety and health in construction.

Event	Date	Co-organizers
2024 National Construction Industry Occupational Safety and Health Promotion Joint General Assembly Second Members' Meeting and "Visible Safety, Visible Risk_Taishan Site Observation Conference"	2024/07/01	Ministry of Labor Occupational Safety and Health Administration, National Construction Industry Occupational Safety and Health Promotion Association, Kedge Construction Corporation



Preventing and mitigating the occupational safety and health impacts directly related to business operations

According to Paragraph 1 of Article 5 of the Occupational Safety and Health Act, "When an employer causes a worker to perform work, he shall, within reasonable limits, take necessary preventive equipment or measures to protect the worker from occupational hazards." Through the 2023 questionnaire survey, "occupational safety and health" is a major topic faced by employees, and management objectives, management methods and evaluation mechanisms have been formulated, and occupational safety and health goals have been set and completed in 2024.



ISO45001 System Management
- Operation of ISO 45001 system
- Maintenance of ISO 45001 documents

Occupational Safety Education and Training
- Basic and advanced occupational safety education and training

Enhancement of Occupational Safety and Health Management
- Organize safety and health competitions to enhance colleague safety awareness
- Implement occupational safety technology management with existing system improvements
- Advance colleague safety knowledge, encouraging independent enhancement of occupational safety management outcomes

Execute comprehensive occupational safety and health management
- Promote project participation in occupational safety and health evaluations
- Collaborate with industry, government, and academic sectors on occupational safety research initiatives and performance showcase activities
- Reduce the Frequency Severity Rate (FSI)

Managemnt of Foreign Labor
- Assist in pre-assessment and related business processes for foreign labor application
- Assist in the management and control of dispatched foreign labor and related application processes

Implementation of Company Policy Goals
- Advance safety and health aesthetics
- Integrate environmental protection with safety practices
- Sustainable occupational safety (brand advancement, talent development)
- Engage in group/company charitable activities

Workers covered by the occupational safety and health management system

Based on the certification of ISO 45001:2018 Occupational Health and Safety Management System / Taiwan Occupational Safety and Health Management System (TOSHMS) CNS 45001:2018, the legal management scope includes all our employees and workers.

We collected the statistics of occupational accidents in accordance with Article 38 of the Occupational Safety and Health Act. The complete statistics in 2024 is as follows.

Employees (employed workers)			Workers and/or workers in regulated workplaces (other individuals not classified as "employed" workers)		Number of monthly workers
Month	Number of People	(%)	Number of People	(%)	
1	1031	65.05%	554	34.95%	1585
2	984	65.38%	521	34.62%	1505
3	958	59.95%	640	40.05%	1598
4	940	64.74%	512	35.26%	1452
5	1023	68.15%	478	31.85%	1501
6	983	65.06%	528	34.94%	1511
7	1013	66.21%	517	33.79%	1530
8	1071	66.52%	539	33.48%	1610
9	986	58.07%	712	41.93%	1698
10	1034	62.29%	626	37.71%	1660
11	1050	61.08%	669	38.92%	1719
12	784	36.98%	1336	63.02%	2120
Total	11857	60.84%	7632	39.16%	19489

Note 1: The above statistics are based on the total number of workers reported on the monthly submission date of each project, including other workers who are not employed laborers.

Note 2: The statistical items are based on the "Occupational Accident Contents and Statistical Table" stipulated in Article 38 of the Occupational Safety and Health Act.

Occupational Injury

According to Article 38 of the Occupational Safety and Health Act, Kedge Construction Co., Ltd. prepares the content and statistics of occupational accidents and submits a monthly report to the labor inspection agency for reference, and publishes it in the workplace.

Statistics of occupational accidents involving employees of Kedge Construction

	2024	
	Employees	Contractors
Number of people employed (headcount) Note 1	13,276	15,660
Total number of working days (day) Note 2	292,072	344,520
Total number of working hours (working hour) Note 3	2,089,763	3,428,712
Total number of working hours of loss (hour) Note 4, 5, 6, 7	2,000	48,064
Occupational injury fatality rate	0	0.29
Serious injury rate	0.47	0.29
Recordable occupational injury rate	0.95	0.58
Occupational Injury	2	1
Fatality	0	1

Note 1: Employment headcount: Estimated based on personnel numbers reported by individual engineering projects

Note 2: Total working days: Calculated from employment headcount using 22 working days per month. Calculation period spans January 1, 2024 through December 31, 2024.

Note 3: Total experience hours: Calculated from working hours reported by individual engineering projects

Note 4: This table exclusively includes diseases, injuries, disabilities, and fatalities resulting from "occupational disasters" per Article 2, Paragraph 1, Subparagraph 5 of the Occupational Safety and Health Act for lost time and injury rate calculations, excluding psychological impacts from on-site first aid treatable incidents or near-miss events (such as fear-induced time off) from statistical compilation.

Note 5: Through this report's statistical deadline, no labor insurance-covered employees have submitted occupational disease recognition/evaluation applications under Article 11 of the Occupational Accident Workers Protection Act, Article 18 of its Enforcement Rules, or Article 13 of the Occupational Accident Workers Protection Act.

Note 6: 2 employee injuries, total lost days: 232 days. Incident categories: 1 fall (51 days lost), 1 traffic accident (181 days lost); 1 contractor fatality(The accident resulted from an improper sequence in removing earth-retaining supports, causing a worker to be injured by falling concrete debris. The site was suspended for a full safety review, the support removal plan was revised, demolition work was designated as high-risk, and headquarters increased inspection frequency to prevent recurrence.) , 1 contractor injury, total lost days 6,008 days. Incident categories: 1 falling object (6,000 days lost), 1 slip incident (8 days lost).

Note 7: Employee injured in 2023 returned to work January 19, 2024; 2024 lost days: 18 days.

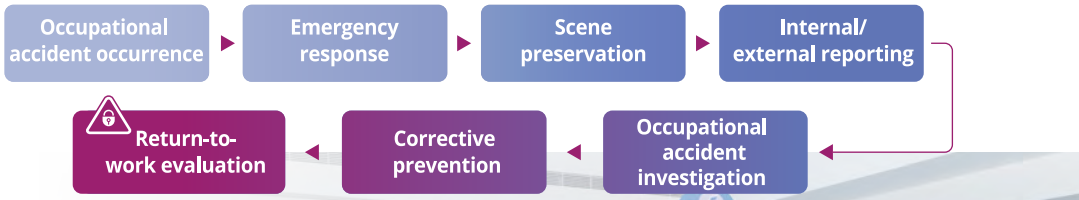
Occupational Accident Investigation Procedures and Corrective Actions (Return-to-Work Assessment)

Addressing occupational accidents requires understanding incident causation through objective, professional investigation procedures, comprehensive cause analysis (direct, indirect, and root causes), and thorough incident examination to establish improvement strategies and implement relevant preventive measures, ensuring all workers maintain workplace confidence and safe homecoming

Personnel support involves workplace medical staff providing assistance based on physical and mental health status, conducting health monitoring, consultation, and return-to-work evaluations as necessary to preserve individual health and safety.

Management programs mitigate high-risk hazards pursuing zero major occupational accident objectives.

Occupational Accident Response Process





Participation in Occupational Safety Organizations and Industry Advancement

Kedge Construction actively participates in and leads industry occupational safety and health advancement initiatives. General Manager Huang Yi-fang serves as President of the second-term "National Construction Industry Occupational Safety and Health Promotion Joint General Assembly," coordinating resources across northern, central, and southern regional occupational safety promotion associations to advance construction industry safety culture. Throughout 2024, **five** nationwide occupational safety activities were conducted, encompassing seed instructor training, construction site observations, and achievement presentations:

- Seed Instructor Training Programs: "Visible Safety" themed occupational safety curricula
- Construction Site Observation Conferences: Guided tours of exemplary construction sites including Guihe Anju Social Housing Phase I Design-Build Project and Qigu to Southern Taiwan Science Park Line Project
- Achievement Presentation Conferences: Project experience exchanges for Modern Food and Drug National Laboratory Building and related initiatives

Concurrently maintaining active participation in occupational safety activities promoted by the Occupational Safety and Health Administration and local governments, fostering industry collaboration and safety knowledge dissemination:

- Taipei City Construction Site Self-Management Strategy Alliance: 4 sessions
- Construction industry northern, central, and southern regional occupational safety promotion associations: 18 sessions
- 2024 Central Promotion Safety and Health Cup Health Run Event
- Occupational Safety and Health Lectures and Symposiums: 14 sessions
- Supporting local government occupational safety program implementation:
  Taipei City: Small and Medium Enterprise Work Environment Guidance Improvement Program
  Taoyuan City: Micro Engineering Occupational Safety Guidance Program














Annual Awards

- Received the "Excellent Civil Engineering Award for Occupational Safety and Health, 13th Taipei New Construction Safety Award (2023)" from the New Taipei City Government's Department of Labor - "Kindom Construction Corp.'s New Construction Project at Taipei Metro Wan-da Line Zhonghe High School Station (LG08)".
- Received the "Workplace Sustainable Health and Safety Award, 13th Taipei New Construction Safety Award (2023)" from the New Taipei City Government's Department of Labor.
- Awarded "2024 Excellent Unit Award" by Taipei City Government's Department of Labor - "New Construction of Office Buildings on Three Lots of Land No. 363-1, 372, and 372-2, Section 4, Dunhua Section, Songshan District, Taipei City".
- Awarded "2024 Workplace Peace of Mind Award" by Taipei City Government's Department of Labor.
- Awarded "2024 Outstanding Unit Award for Promoting Occupational Safety and Health" by the Ministry of Labor for "Office Building New Construction Project at Lots 363-1, 372, 372-2, Dunhua Section 4 Subsection, Songshan District, Taipei City."
- Awarded "2024 Golden Safety Award for Promoting Occupational Safety and Health Excellence in Engineering Projects - Private Engineering Group Merit Recognition" by the Ministry of Labor for "Taipei Metro Wanda Line Zhonghe High School Station (LG08) Kindom Construction Corp.'s New Construction Project."














Health Services

Kedge Construction, pursuant to Article 22 of the "Occupational Safety and Health Act," established an occupational health unit within the head office Quality and Environmental Management Division while employing qualified nursing professionals. Personnel must possess nursing degrees from domestic or international public or private university nursing programs recognized by the Ministry of Education, maintain nursing licenses, complete worker health service nursing training programs, and obtain qualified completion certificates for statutory medical personnel designation.

The head office and 16 construction sites actively participated in "Workplace Safety and Health Week" activities organized by the Ministry of Labor's Occupational Safety and Health Administration, successfully obtaining 17 [2024 Workplace Safety and Health Week Participation Certificates]. Additionally, Kedge Construction continuously enhances health care and monitoring services through multiple workplace health seminars, comprehensive health information dissemination, and health education initiatives. The company collaborates with Taipei City Government Health Bureau and private organizations to conduct multiple first aid training programs.

By 2024, Kedge Construction successfully secured 8 [Safe Place Certifications], demonstrating corporate responsibility and commitment to employee health promotion and care while continuously providing secure, healthy work environments for personnel.

Safe Place Certification











Total **18** sessions (Head office: 7 sessions, Construction sites: 11 sessions)

• Physician On-Site Health Services

Monthly physician on-site services are provided. Beginning October 7, 2024, physician on-site service frequency increased to three monthly visits. The company exclusively engages professional attending physicians from Linkou Chang Gung Memorial Hospital (Medical Center), delivering premium health services for employees. Throughout service delivery, physicians conduct individual consultations and assessments with comprehensive support from head office licensed nursing staff, ensuring service professionalism and quality standards.





Total **4** sessions / **417** participant-visits (In-person: 2 sessions)

• Health Promotion Seminars

1. Partnership with Chiayi City Health Bureau for chronic disease prevention programs
   • 4/3 [Cardiovascular, Chronic Kidney Disease, Diabetes Prevention Seminar] In-person **31** participants + Online **128** participants
2. High Temperature Outdoor Work Hazard Prevention
   • 6/3 In-person program at Tainan Dacheng project: **20** participants
3. [Active Workplace, Healthy Everyone] Healthy Weight Management Online Course Series: **87** participants
4. Psychology program - Workplace Adaptation and Stress Management, Online course: **151** participants





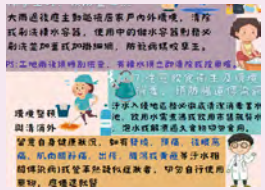

Total **37** instances (Healtheducation information: 22 instances,Health education posters: 15 materials)

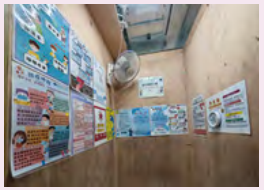
• Health Education Information Distribution

Regular provision of dynamic health information updates, incorporating current health knowledge developments, enabling colleagues to maintain awareness of latest health trends.

1. All health education materials are published on the company's internal website while simultaneously distributed to employee personal email accounts, enhancing health literacy.
2. Health education poster development and distribution: Design health education materials that construction sites can independently print and display, ensuring site personnel, contractor employees, and field workers access health knowledge and preventive guidance.





Total **6** sessions / **161** participant-visits

- First Aid Education and Training Programs

Collaboration with county and municipal health bureaus plus private organizations to deliver comprehensive "Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) Operation" training programs, providing professional certification upon successful completion. During 2024, specialized AED administrator courses were introduced to further enhance colleague emergency response capabilities and intervention skills during first aid situations, ensuring workplace safety and health standards.

2024 Training Records:

- 1/9 CPR+AED 20 participants
- 7/15 CPR+AED 31 participants
- 7/31 CPR+AED 23 participants
- 8/15 CPR+AED 41 participants
- 9/12 CPR+AED 16 participants
- 11/4 AED Administrator Specialized Course 30 participants



Total **7** sessions / **262** participants
(Oral screening: 4 sessions, Tuberculosis screening X-ray: 1 session, Blood testing: 1 session, HIV screening: 1 session)

- Cancer Screening Programs

1. Implementing disease prevention initiatives, emphasizing early detection, prevention, and treatment effectiveness.
2. Partnering with medical institutions to support national health policies, providing comprehensive preventive screening services while coordinating with construction teams for screening implementation.

Oral Cancer Screening :

- 5/30_Ministry of Health and Welfare Tainan Hospital_C212 Project_32 participants
- 6/7_Chiayi Christian Hospital_C611 Project_24 participants
- 6/7_Chiayi Christian Hospital_C612 Project_36 participants
- 7/26_Fu Jen Catholic University Hospital_ Taishan Project_39 participants

Tuberculosis Screening IGRA Testing:

- 2/6_C611 Project_35 participants

Tuberculosis Screening_X-ray Testing:

- 2/23_Taoyuan Exhibition_42 participants

HIV Screening:

- 2/6_C611 Project_54 participants



Total **4** sessions / **612** participant-visits

- Online Walking Challenge Event

Colleagues can download the Walkii APP on personal smartphones as pedometers, participating in various fitness challenges through daily step tracking. Through active engagement in fitness challenges, employees cultivate healthy regular exercise habits. Additionally, quarterly prize drawings during activity periods motivate enhanced colleague participation and sustained commitment to healthy fitness activities.

07

Social Inclusion

- **7.1** Social Relations and Social Inclusion
- **7.2** Brand Management
- **7.3** Customer Service

Highlight Performance

- Annual investment of NT$**10** million in cultural and social welfare initiatives.
- Completed **128** households of charitable repairs
- Customer satisfaction **92** points



This image was generated through AI editing.

7.1 Social Relations and Social Inclusion

Influence

Kedge sticks to beliefs of "creating a better living environment to give back to the society" and combine our own core capabilities and operating strategies. In addition to developing professional and sustainable green engineering services on our way to sustainable management, we also strive to give back to the society.

We review our investment results every year to measure the impact of social participation, so that financial and non-financial resources can be effectively allocated and combined to meet the expectations of multiple stakeholders and create shared value.

The Content and Effectiveness are Explained as Follows:

Social Commitment

- To practice the mission of "creating a better living environment to give back to society": Combining our core capabilities and operational strategies to convey the fundamental essence of the enterprise.
- Continuously giving back to society Through the "Kindom Yu San Education Foundation," actively participating in social issues, demonstrating gratitude for people and the environment, and expressing warm intentions to give back to society.
- We support society with care and compassion, focusing on improving the lives and education of vulnerable groups.

Achievements

- Total donation amount in 2024: NT$**6,000,000**
- Volunteer Service: A total of **502** employees /totaling **1,158** volunteer hours employees participated in activities during work or off hours.

Social Engagement

Main Objectives	Partners	Achievements	Description
Sustainable Land	Yilan Xingjian Organic Cooperation	• Adoption of **2,700** kg of rice • **429** volunteer hours	Kindom Corporation group has adopted "Xingjian Organic Rice" for 5 consecutive years, inviting employees, their families, and Yiguang Orphanage, totaling 78 people, to Xingjian Village for rice planting and harvesting, working together with organic farmers to care for the land. • Related Coverage: https://reurl.cc/lNGe69
	Forestry and Nature Conservation Agency Chiayi Branch, Northern Water Resources Bureau	• Optimized fertilization practices, effectively reducing **938kg/CO_2e** per hectare • Supporting forest understory economy through optimized fertilization, purchasing over NT$**1.13** million worth of organic bamboo shoots and shiitake mushrooms	Collaborating with Forestry and Nature Conservation Agency Chiayi Branch on ESG initiatives, implementing a 20-year reforestation program in Chiayi Caoshan, restoring damaged forest ecosystems and rebuilding cicada habitats to enhance biodiversity. • Related Coverage: https://reurl.cc/V0k1dR
	Kedge Construction Miaoli Houlong Bridge engineering team voluntary beach cleaning initiative	• Cleaning **250** kg of marine debris	Independently organizing charitable beach cleaning activities, inviting suppliers to participate jointly in waste removal efforts at Houlong River estuary, collectively removing 250 kilograms of marine debris, contributing to ocean conservation. • Related Coverage: https://reurl.cc/d16WMg
Happiness Delivery	Andrew Food Bank	• Donation amount: NT$**200,000** • **160** food packages • **60** volunteer hours	Kindom Corporation group supports Andrew's "New Year's Food Package" project, donating NT$200,000 and inviting 20 employees and their families to pack 160 New Year's food packages for underprivileged children. • Related Coverage: https://reurl.cc/eG1WOj
	Yiguang Orphanage	• **300** packages of organic Xingjian rice, collected **100** sets of educational supplies • Purchase of **438** Christmas dream gifts	Supporting the "Yiguang Orphanage - Shimei Home" charity event for the 6th year, with the theme of "Sustainability and Sharing," employees voluntarily donated 438 Christmas gifts for underprivileged children and further donated 300 kg of "organic rice" from Yilan Xingjian Village adopted by Kindom Corporation. • Related Coverage: https://reurl.cc/geKM3b
	New Taipei City Social Affairs Bureau, 1919 Food Bank, Chiayi City Social Affairs Bureau, Huashan Foundation	• **10** disadvantaged households repair funding NT$**1.5** million • Hualien earthquake disaster repair funding NT$**13.58** million, total assistance provided to **118** earthquake-affected households	In 2024, the "Repair and Circulation Program" partnered with New Taipei City Love Platform, investing NT$1.5 million to assist 10 disadvantaged families in improving their living conditions, earning recognition from Chiayi City Government. The program also contributed NT$100,000 to 1919 Food Bank to support operations and expand community impact. This year, the program scaled up operations, conducting repairs for 118 disaster-affected families following the Hualien April 3rd major earthquake, providing substantial assistance while further expanding charitable impact. • Related Coverage: https://reurl.cc/V0k1QA
Promoting Literacy	Kindom Yu San Education Foundation	Donation amount: More than NT$**6,000,000**	Fulfilling corporate social responsibility, participating in public welfare activities, promoting a reading culture, and conveying the value of a happy life to society. • Related Coverage: https://reurl.cc/86dpL4

Kindom Yu San Education Foundation

Kindom Corporation group has long been dedicated to sharing knowledge in the field of "life aesthetics" and aspires to become a "professional craftsman" in the construction industry, conveying the value of a happy life to customers. To fulfill social corporate responsibility, the "Kindom Yu San Education Foundation" was established in 2014 with the mission of "promoting reading and architectural education." In addition to implementing the reading highlight plan and organizing various art and educational activities, it also injects educational resources and facilities to support underprivileged students and social welfare groups in remote areas, hoping to give back to society to the best of its ability and lead the public to appreciate the "truth" of architecture, the "goodness" of cities, and the "beauty" of life.



Kindom Yu San Education Foundation Website - Project Results:

I. Celebrity Study Reading Project

Continuing from 2014 to 2015, Kindom Yu San Education Foundation collaborated with CTI Television to produce the program "Books by Celebrities' Bedsides," which aimed to inspire viewers by sharing stories of reading from famous people and enhancing reading habits. Since 2018, the foundation has independently produced the reading program "Celebrity Study," inviting cross-disciplinary celebrities to share their reading experiences in themed reality recordings. Hosted by senior anchor Zhan Qingling, the program features in-depth and candid conversations about life insights, reading experiences, and the pursuit of dreams.

Building upon the widespread acclaim and recognition achieved by the previous five seasons, 2024 saw the production and broadcast of "Celebrity Study" sixth season featuring 13 episodes. Distinguished guests included international superstar Jet Li, Kris Yao Artech senior partner Yao Jen-Hsiang, acclaimed director Wu Nien-Jen, Japan-based writer Li Qin-Feng, world-renowned chef Andre Chiang, urban detective Lee Ching-Chih, Yuan-Liou Publishing chairman Wang Jung-Wen, Ganlour Cultural Enterprise CEO Lin Chun-Cheng, All U People Theatre director Hsieh Nien-Chu, Trend Education Foundation chairman and CEO Jenny Chen, celebrated album design master Xiao Qing-Yang, Taiwan Mobile president Jamie Lin, and accomplished writer Hao Yu-Hsiang, among other luminaries sharing diverse life experiences and reading perspectives across different fields and generations.

The sixth season introduced a new "Walking Study Room 2" segment, featuring visits to 13 independent bookstores: Chiayi Miaomiao Bookstore, Hengchun Red Balloon Bookhouse, Yunlin Huwei Cuo Salon, Keelung Jian Bookstore, Taichung Chenxi Society, Qijin thák, Tainan Seagull Bookhouse, Puli Basket City Study Room, Lukang Book Collection Room, Taipei Guo Yimei Bookstore, Hualien Yuqiao Lazy Person Bookstore, Hsinchu Rose-colored Used Bookstore, and Taoyuan Langhuan Study Room, discovering vibrant reading cultures throughout Taiwan.

Additionally, three online special episodes were produced, featuring carefully selected publications with author discussions and collaborative reading sessions. Featured guests included molecular and cell biology PhD Su Ching-tien, dementia research authority Dr. Liu Hsiu-chih, and Satir communication model facilitator Li Chung-yi.

Throughout the "Celebrity Study" sixth season broadcast period, synchronized physical and online "Celebrity Study - Theme Book Exhibitions" were organized at Global Mall locations including Zhonghe New Taipei and Banqiao Station stores, five additional locations spanning northern, central, and southern Taiwan (Xinyi, Hsinchu, Taichung, Wenxin, and Chaozhou stores), plus Dadaocheng Guo Yimei Bookstore and Kingstone online bookstore, enabling audiences to discover exceptional literature while engaging with program content.

"Celebrity Study" sixth season premiered officially in May 2024 across multiple broadcast platforms including Beautiful Life Television, Da Ai Television, Public Television Service, CTS Education Sports Culture Channel, Azio TV, Yahoo TV, iQiyi, and the dedicated "Celebrity Study" YouTube channel. Performance metrics include YouTube channel views exceeding 930,000, exposure surpassing 11.73 million, and accumulated subscribers reaching 66,600. Podcast platform downloads exceeded 390,000, while Facebook fan page engagement reached 134,000 individuals, demonstrating successful multi-platform community integration and expanded audience reach.

To strengthen audience engagement and interaction, July 2024 featured a "Celebrity Study - Fan and Book Lovers' Sharing Session" at Guo Yimei Bookstore, where host Zhan Qing-Ling shared captivating anecdotes and behind-the-scenes insights about "Celebrity Study", while encouraging participating audience members to share their personal reflections and insights gained from the program, with 44 attendees participating.

Celebrity Study Project Results

Celebrity Study - YouTube

Celebrity Study - Podcast



• Key Visual of the Sixth Season of "Celebrity Study"



• "Celebrity Study" Season 6 Guest - Jet Li



• "Celebrity Study" Season 6 Guest - Yao Jen-Hsiang



• "Celebrity Study" Season 6 Guest - Wu Nien-Jen



• "Celebrity Study" Season 6 - Li Qin-Feng



• "Celebrity Study" Season 6 - Andre Chiang



• "Celebrity Study" Season 6 - Lee Ching-Chih



• "Celebrity Study" Season 6 - Wang Jung-Wen



• "Celebrity Study" Season 6 - Lin Chun-Cheng



• "Celebrity Study" Season 6 - Hsieh Nien-Chu



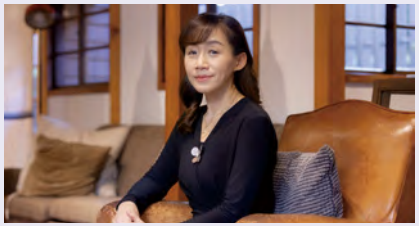
• "Celebrity Study" Season 6 - Jenny Chen



• "Celebrity Study" Season 6 - Xiao Qing-Yang



- "Celebrity Study" Season 6 - Jamie Lin



- "Celebrity Study" Season 6 - Hao Yu-Hsiang



- "Celebrity Study" Special Episode - Su Ching-Tien



- "Celebrity Study" Special Episode - Liu Hsiu-Chih



- "Celebrity Study" Special Episode - Li Chung-Yi



- "Celebrity Study" Season 6 "Walking Study Room 2" - Book Collection Room



- "Celebrity Study" Physical Book Exhibition in Partnership with Kingstone Bookstore



- "Celebrity Study" Online Book Exhibition in Partnership with Kingstone Bookstore



- "Celebrity Study" Physical Book Exhibition in Partnership with Guo Yimei Bookstore





- "Celebrity Study" Sharing Session Hosted at Guo Yimei Bookstore

II. "Ju Xin Zhi" Online Magazine and Annual Publication

Since 2015, the foundation has published the magazine "Ju Xin Zhi," covering various aspects such as lifestyle, architecture, design, and taste. Through print, we read life together with readers and explore various imaginations about home. In 2019, the magazine transitioned to a digital format, establishing an online magazine to share life trends, pursuits, and details with the public.

Throughout 2024, "Ju Xin Zhi" embraced the theme "Taiwan's Beauty," examining diverse perspectives including architecture, lifestyle, and landscape to explore the essence of Taiwan's everyday aesthetics. Beyond continuing the acclaimed columns by Li Chih-yu and Yeh Yi-lan, we introduced a new "Good Daily Design" section, featuring industry experts sharing distinctive insights and curated recommendations on everyday design, redefining relationships between people and objects while experiencing design's transformative power in daily life.

Aligning with the website's annual theme, we conducted exclusive interviews with four distinguished architect groups: Chiu Wen-Chieh, Wen Tzu-Hsien, the Takaharu Tezuka and Yui Tezuka partnership, and Lin Yu-Han, exploring architectural contemporaneity and emerging expressions through their unique perspectives and professional insights. November 2024 marked the publication of "Ju Xin Zhi" No.22 annual magazine, utilizing FSC-certified paper, soy-based inks, and sustainable printing processes, compiling exceptional website content while presenting Kindom Corporation group's latest developments, demonstrating dual commitments to sustainability and innovation while conveying positive charitable impact. This annual publication provided 2,500 complimentary copies for charitable distribution, with digital versions made available through the foundation's official website for public online access.

We continue cultivating diverse network engagement, strengthening community and reader interactions, achieving annual website page views exceeding 250,000. Our Facebook fan page accumulated 69,200 followers, with post reach surpassing 1.18 million.



• "Ju Xin Zhi" Website Homepage

"Ju Xin Zhi" Online Magazine

"Ju Xin Zhi" Fan Page

"Ju Xin Zhi" No.22 Online Reading



• "Ju Xin Zhi" Featured Interview - Chiu Wen-chieh



• "Ju Xin Zhi" Featured Interview - Wen Tzu-hsien



• "Ju Xin Zhi" Featured Interview - Takaharu Tezuka and Yui Tezuka



• "Ju Xin Zhi" Featured Interview - Lin Yu-han



• "Ju Xin Zhi" No.22 Annual Magazine Cover



• "Ju Xin Zhi" No.22 Annual Magazine - Kindom Sustainability Learning 3.0 Coverage



• "Ju Xin Zhi" No.22 Annual Magazine - Good Daily Design



• "Ju Xin Zhi" No.22 Annual Magazine - Kindom Real Estate Coverage



• "Ju Xin Zhi" No.22 Annual Magazine - Kedge Construction Coverage



• "Ju Xin Zhi" No.22 Annual Magazine - Global Mall and Foundation Coverage



HIGHLIGHT

Year-End Trilogy

Dream-Fulfilling Festival, Spreading Warmth

Each year-end, Kindom Corporation presents a special initiative - the Dream-Fulfilling Trilogy - creating warm holiday experiences for employees while fostering mutual blessings and care. Every component embodies gratitude, charitable spirit, and creativity, infusing the season with boundless warmth.

First Step | Thanksgiving Cards

Grateful hearts possess the power to warm one another. Each Thanksgiving, Kindom Corporation invites all team members to participate in our "Thanksgiving Cards" initiative, encouraging employees to acknowledge people or experiences deserving gratitude, then share these sentiments through card exchanges. Many colleagues discover through these exchanges that seemingly small, everyday gestures represent the caring actions and thoughtful behaviors that bring extraordinary warmth to our daily work and personal lives.





▲ Figure 1. Colleagues enthusiastically engage in activities, expressing heartfelt appreciation through thank-you cards and thoughtful gestures!Figure 2. When team members receive appreciation cards, relationships strengthen and workplace harmony flourishes.

Second Step | Charitable Dream-Fulfilling Initiative

This Christmas season, Kindom Corporation organized our "Christmas Dream-Fulfilling Initiative," again collaborating with Eden Social Welfare Foundation and inviting all employees to participate in delivering dream Christmas gifts to children in need. Using wish lists provided by the foundation, employees purchased gifts, bringing long-anticipated holiday joy and hope to deserving children.

Additionally, we partnered with Eden Social Welfare Foundation, Yiguang Orphanage, and Andrew Charity Association to contribute **300** packages of organic Xingjian rice and **100** educational supply sets, while collecting **438** charitable gifts from team members. Through these efforts, we extend love and hope to communities requiring assistance, ensuring this Christmas season overflows with warmth and joy.



▲ Figure 3. Children receiving Christmas gifts display radiant, innocent smiles, adding vibrant color to their childhood experiences.

Third Step | Christmas Dream-Fulfilling Initiative

Throughout the Christmas season, we invite colleagues to craft sustainable Christmas trees, allowing employee-designed wooden ornaments to beautify our entire holiday celebration.

Through voting for the five most popular wooden ornaments, we fulfill designers' wishes while collectively embracing a joyful and heartwarming Christmas season!

Kedge believes holidays transcend mere celebration, representing optimal opportunities to practice love and social responsibility.

We anticipate this warmth will inspire broader participation in spreading love's transformative power!



▲ Figure 4. Colleagues joyfully arrange Christmas decorations, with sparkling lights creating festive atmosphere while adding warmth and celebratory Christmas spirit throughout our workplace.

Social Media Coverage



7.2 Brand Management

Brand management remains crucial for Kedge in establishing enduring collaborative relationships with clients and industry chain partners. A robust brand not only showcases corporate professional competencies and reliability but also cultivates customer trust while generating sustained business opportunities. Effective brand management strategies enable enterprises to distinguish themselves within highly competitive markets, attract strategic partnerships, and strengthen negotiating capabilities. Through precise brand positioning, professional brand presentation, and proactive brand communications, companies can establish trustworthy brands with enduring value.

Kedge Construction recognizes brand management's fundamental importance, remaining committed to brand advancement through comprehensive brand marketing initiatives and activities that enhance brand image and market influence.

Implementing Corporate Sustainable Brand Development through the ACES Model

Adaptability

- Active brand strategy shaped by industry trends and stakeholder needs.
- Multi-channel engagement via official website, ESG website, Facebook, and YouTube.
- Agile communication to quickly respond to market changes and align with ESG values

Consistency

- Brand Identity & Values: Positions itself as "a professional team building sustainable cities", upholding the founder's five principles — Integrity, Quality, Service, Innovation, and Sustainability.
- ESG Commitment & Governance: Advances from engineering quality to ESG initiatives, with a Sustainability Committee and task forces driving company-wide alignment toward shared goals.
- People & Engagement: Strengthens employee well-being and brand recognition, enabling staff to act as ambassadors and reinforcing Kedge as a trusted, reliable partner.

Efficiency

- Creating ESG Value: Invests resources to generate social, environmental, and governance impact — e.g., the "Repair & Reuse" program delivers 8.1x social value per NT$1 invested and is growing into a recognized public welfare brand.
- Driving Sustainable Innovation: Builds sustainable site offices and collaborates with industry, government, and academia on PLC (limestone cement) seismic testing to accelerate low-carbon transition.
- Recognition & Impact: Sustainability initiatives have earned major honors, including TCSA Top 100 Sustainable Companies, ASSET Awards, BS8001 Circular Economy Certification, and in 2024, HR Asia Best Companies to Work for in Asia and AREA CSR Award.

Substantiality

- Media Presence: Released 30 news articles, feature reports, and interviews in 2024, strengthening professional brand image and expanding influence.
- Active Marketing Channels: Leveraged Facebook as a key engagement platform for direct, accessible interaction with stakeholders.
- Strong Growth in Reach: Facebook performance in 2024 surged — audience reach up 122% (394,326 people) and video views up 378% (104,724 views) compared to the previous year.

Term Introduction

ACES Model

In "ESG Branding for Sustainable Success", the author introduces the ACES model for sustainable brand management, which includes four key elements:

Adaptability – The brand can adjust its strategies to market changes and stakeholder needs.

Consistency – The brand maintains a consistent set of values and identity across all aspects.

Efficiency – The brand effectively utilizes resources to deliver tangible results.

Substantiality – The brand creates genuine impact through responsible actions, contributing to social value creation.



Kedge Construction Official Website

Kedge Construction's Facebook

Kedge Construction's ESG Website

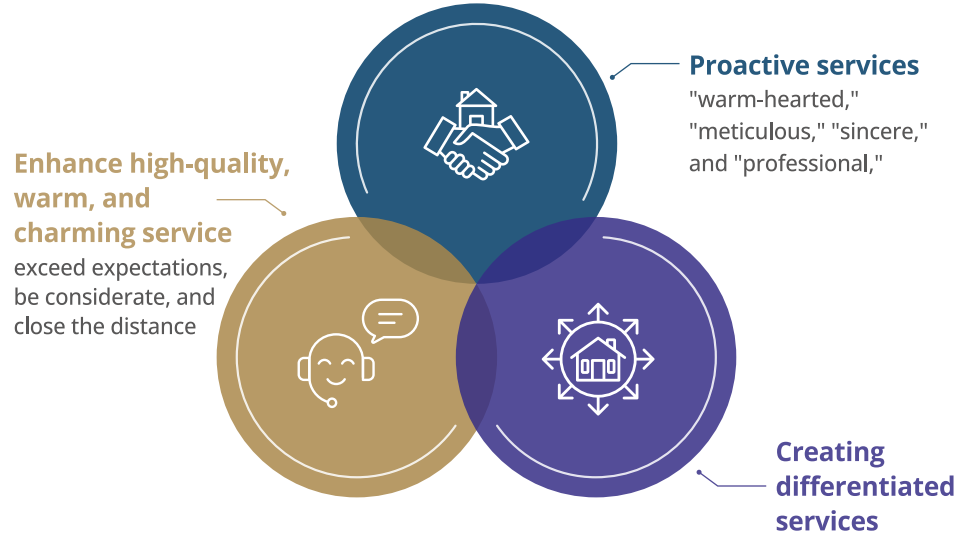
Kedge Construction's Youtube

7.3 Customer Service

Construction Services Industry

Kedge Construction's corporate spirit is "to provide high-quality construction services, insist on high-quality construction projects, and fulfill corporate social responsibility." Every building and house we construct is a future home for our clients. How to establish higher quality and detailed services, allowing clients to move in with peace of mind and continue to convey the value of a happy life, is the shared mission and responsibility of all our colleagues.

Customer Service Philosophy



We offer proactive services that are "warm-hearted," "meticulous," "sincere," and "professional," prioritizing the customer. We strive to exceed expectations, be considerate, and close the distance, fully understanding that every interaction with customers is an opportunity to enhance high-quality, warm, and charming service, creating differentiated services that bring customers full satisfaction and happiness.

Customer Maintenance Channels

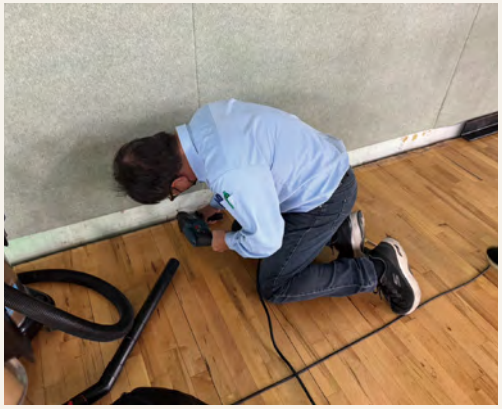
We base our services on the spirit of providing high-quality construction services and pay great attention to each repair item reported by customers. Therefore, during the warranty period, we offer dedicated services for each case to prevent customers from having nowhere to turn for help with repairs.

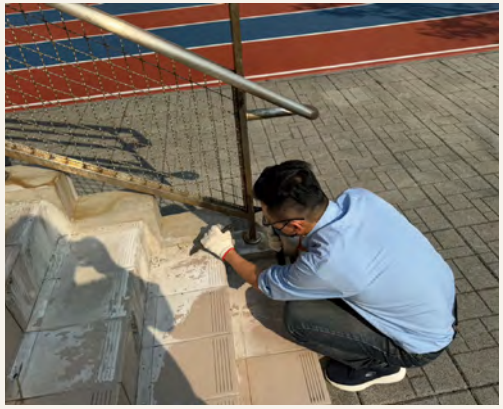
For warranty repairs, to quickly resolve customer-reported issues, besides accepting customer reports via phone, fax, letter, and in-person visits, we also provide communication software channels for project repair personnel. We contact customers within 24 hours and actively arrange a site inspection schedule with them.

Attentive Maintenance

After receiving a repair report, the maintenance team will conduct a joint inspection with the customer to understand the actual problem of the reported item and determine from a professional perspective whether it falls within the scope of the project's warranty responsibility. For repair items within the warranty responsibility, a customer feedback form is immediately established and entered into the controlled repair service management form. This ensures efficient management of repairs, allowing customers to resume normal use of their space and environment as quickly as possible.

If the issue is outside the warranty responsibility, we still uphold the spirit of service first, providing relevant repair service suggestions and assisting in finding suitable vendors to handle the issue. This ensures customers can resolve problems quickly, maintaining good and friendly relations even after the service is completed.





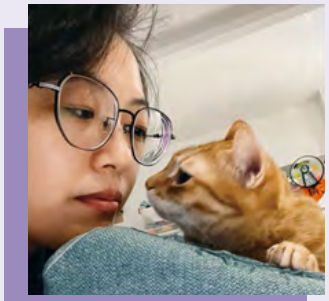

Stakeholder Testimonial: Nanhu Elementary School

Operations Vendor (Constant Dynamics Co., Ltd.)

We extend sincere gratitude to Kedge Construction's after-sales service team for their exceptional repair services and dedicated commitment throughout Nanhu Elementary School's warranty period. Director Chen's professionalism and meticulous attention have provided us with tremendous confidence and peace of mind. Throughout the warranty period, Director Chen consistently delivered proactive and swift assistance for both routine maintenance and emergency repair situations. His rigorous oversight of every detail and process, combined with thorough vendor communication and confirmation, exemplified excellence. During maintenance periods, he personally engaged with craftsmen to discuss and refine repair specifics.

The gymnasium ceiling leak presented a particularly persistent challenge. Under Director Chen's leadership, he personally committed to on-site investigation and conducted extensive multi-day research to address this complex issue. Whenever we required repair progress updates, Director Chen was consistently visible throughout the facility, personally coordinating and reporting developments. This responsible approach and professional excellence has earned our deep admiration.

Beyond the ceiling leak resolution, swimming pool joint deterioration represented another significant repair undertaking. We appreciate your after-sales service team's proactive vendor collaboration, ensuring swimming pool safety and enhancing our operational confidence. Your after-sales service department demonstrates professional capabilities exceeding those of specialized consultants, consistently maintaining the highest vendor standards while embodying customer-focused service principles. This approach enables prompt issue resolution whenever challenges arise, eliminating operational concerns. We again express heartfelt appreciation for your after-sales service team's exceptional support.



Director

Lin Yu-lun

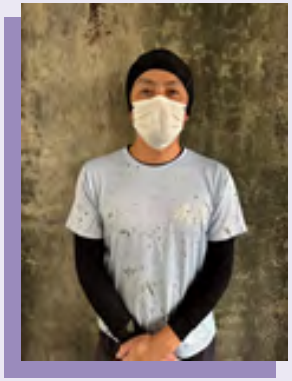
Stakeholder Testimonial: Hon Jeng Enterprise

Kedge Construction Partner (Hon Jeng Enterprise Co., Ltd.)

Kedge Construction consistently upholds "integrity, quality, service, innovation, sustainability" as fundamental pillars of corporate sustainable development, maintaining principles of ethical operations and quality excellence while ensuring superior standards across all construction projects. As your long-term waterproofing partnership collaborator, we deeply recognize your company's meticulous construction detail requirements and unwavering commitment to customer satisfaction excellence.

After-sales service department Manager Gong and Director Chen exemplify corporate culture implementation through their dedicated service approach. They focus comprehensively on individual customer requirements while professionally managing every repair assignment, ensuring optimal usage quality and safety standards. Whether addressing warranty-period repairs or post-warranty assistance including repair plan recommendations and vendor coordination, they maintain balanced, professional attitudes that optimize company-customer relationships while preserving corporate reputation and ensuring comprehensive customer need fulfillment. Their customer-centric perspective consistently delivers professional guidance while completing repair work efficiently to minimize customer inconvenience.

Beyond exceptional primary role performance, they actively engage in your company's nationwide charitable repair initiatives supporting disadvantaged families, demonstrating corporate social responsibility through tangible community action. We collaborative vendors draw inspiration from your company's corporate culture and enthusiastically participate in charitable repair programs, aspiring to provide enhanced warmth and security for socially disadvantaged communities through our specialized waterproofing expertise. Numerous disadvantaged families have experienced improved living environments through your company's dedicated efforts, achieving enhanced safety and comfort standards. This meaningful contribution merits exceptional recognition. Through virtuous charitable initiatives, your company delivers safe, comfortable living environments while fostering societal hope and compassionate care. We genuinely commend Kedge Construction's social responsibility commitment and anticipate continued collaboration, advancing both engineering technology excellence and corporate social responsibility implementation to collectively create a more promising future.



Project Manager

Li Kai-li

Attitude Towards Sustainable Management

For cases beyond the warranty period, Kedge Construction also provides enhanced permanent service-oriented construction services, conducting annual visits and caring for past clients to maintain good interaction with them.

For cases within the warranty period, to ensure that service quality meets clients' trust and expectations, project repair personnel request client feedback forms for each repair case completed, using these forms for subsequent adjustments and improvements.

Customer Satisfaction

Our construction engineering after-sales service team consistently maintains a "customer-first" service philosophy while continuously striving to deliver exceptional after-sales service quality. Throughout the past year, customer evaluations of our services have remained overwhelmingly positive, representing significant recognition and motivation for our team. Each customer's satisfaction demonstrates our service value while reinforcing our understanding of professionalism and dedication's critical importance to service excellence.

Whether addressing post-construction repairs, problem resolution, or providing timely responses to concerns, our team handles all matters efficiently and effectively, ensuring every customer experiences confidence and satisfaction when utilizing our engineering deliverables. We appreciate every customer's trust and will continue with utmost sincerity to enhance service quality continuously, ensuring all services exceed customer expectations.

For 2024, this department established a customer satisfaction survey target of 85 points or above. Seven cases underwent annual monitoring, with 47 questionnaire surveys distributed across these projects, achieving a 100% response rate. The collected survey analysis yielded an average score of 92 points for Kedge's after-sales repair services, surpassing our annual objective. (Individual project scores: Largan Precision LP7 case - 91 points; Academia Sinica South Campus case - 90 points; National Taiwan University Hsinchu Biomedical case - 92 points; Taipei Veterans General Hospital case - 94 points; Nanmen Market case - 91 points; Nanhu Elementary School case - 91 points; Pao Kao Smart Industrial Park case - 93 points)

Case	Score
Largan Precision LP7	91
Academia Sinica South Campus	90
National Taiwan University Hsinchu Biomedical	92
Taipei Veterans General Hospital	94

Case	Score
Nanmen Market	91
Nanhu Elementary School	91
Pao Kao Smart Industrial Park	93

	2022	2023	2024
Average Score	89	91.3	91.9
Number of Questionnaires	75	64	47

Repair Feedback

A quality team needs to listen to customer feedback and conduct professional training to avoid recurring issues post-construction, thereby gaining customer trust and recognition. We learn from past experiences, effectively controlling and classifying defects each year, and provide key repair items as after-sales notifications for the company's learning. The after-sales department also provides training courses based on past repair cases to prevent repeated issues.

Customer Recognition

Completing a construction project involves several important links, including initial planning and design, construction planning and control during execution, and final completion and acceptance. Post-completion, building maintenance is also critical, often overlooked by construction companies. Kedge Construction, guided by the principles of integrity, quality, innovation, and sustainable management, places great importance on post-completion customer service and feedback. We listen to our customers and proactively address their concerns with a service-first attitude. Our excellent construction team collaborates to judge repair points, handle repair methods, and restore areas efficiently, earning customer recognition, trust, and satisfaction.

08

Appendix

- **8.1** GRI Index Table
- **8.2** External Verification Statement
- **8.3** SASB Index Table
- **8.4** TCFD Index Table
- **8.5** Climate-related Information for TWSE/TPEx Listed Companies



This image was generated through AI editing.

8.1 GRI Index Table

- Statement of Use: Kedge has reported ESG information for the period from January 1 to December 31, 2024, in accordance with the GRI Standards.
- Applicable GRI 1: GRI 1: Foundation 2021
- Applicable GRI Sector Standards: Not applicable (not yet announced)

General Disclosure Items

GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 2: 2021 General Disclosure	2-1 Organizational Details	1.3 Company Profile	6		
	2-2 Entities Included in the Organization's Sustainability Reporting	1.3 Company Profile	6		
	2-3 Reporting Period, Frequency, and Contact	1.1 About The Report	4		
	2-4 Restatements of Information	No restatements of information for 2023	-		
	2-5 External Assurance	8.2 Third-Party Statement	141		
	2-6 Activities, Value Chain, and Other Business Relationships	1.3 Company Profile	10		
	2-7 Employees	6.1 Salaries and Benefits	97		
	2-8 Workers Who Are Not Employees	6.1 Salaries and Benefits 6.4 Occupational Safety and Health	97 113		
	2-9 Governance Structure and Composition	3.1 Organization Of Corporate Governance	34		
	2-10 Nomination and Selection of the Highest Governance Body	3.1 Organization Of Corporate Governance	35		
	2-11 Chair of the Highest Governance Body	3.1 Organization Of Corporate Governance	35		
	2-12 Role of the Highest Governance Body in Overseeing Impact Management	2.3 ESG Committee	24		
	2-13 Delegation of Responsibility for Impact Management	2.3 ESG Committee	24		
	2-14 Role of the Highest Governance Body in Sustainability Reporting	2.3 ESG Committee	24		
	2-15 Conflicts of Interest	3.1 Organization Of Corporate Governance Management of the conflicts of interest	39		
	2-16 Communication of Critical Concerns	2.3 ESG Committee	24		
	2-17 Collective Knowledge of the Highest Governance Body	3.1 Organization Of Corporate Governance Directors' advanced training	37		

GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
				Omitted Disclosure Items	Reason and Explanation
GRI 2: 2021 General Disclosure	2-18 Evaluation of the Performance of the Highest Governance Body	3.1 Organization Of Corporate Governance Performance Evaluation of the Board of Directors	38		
	2-19 Remuneration Policies	3.1 Organization Of Corporate Governance Board and Senior Management Remuneration Policies	38		
	2-20 Process for Determining Remuneration	3.1 Organization Of Corporate Governance For the members of the Remuneration Committee and its operation, please visit the website at the link below	37		
	2-21 Annual Total Compensation Ratio	6.1 Salaries and Benefits Compensation System	98		
	2-22 Statement on Sustainable Development Strategy	1.2 Words From The Chairman	5		
	2-23 Policy Commitments	3.3 Integrity Management 6.3 Human Rights Policy 5.3 Supply Chain Management	40 106 87		
	2-24 Embedding Policy Commitments	3.3 Integrity Management 6.3 Human Rights Policy 5.3 Supply Chain Management	40 106 87		
	2-25 Processes to Remediate Negative Impacts	2.4 Materiality Analysis 2.6 Communication with Stakeholders	25 31		
	2-26 Mechanisms for Seeking Advice and Raising Concerns	2.6 Communication with Stakeholders	31		
	2-27 Compliance with Laws and Regulations	3.4 Compliance	41		
	2-28 Membership Associations	1.3 Company Profile Associations	11		
	2-29 Approach to Stakeholder Engagement	2.6 Communication with Stakeholders	31		
	2-30 Collective Bargaining Agreements	The company has no unions, no collective bargaining agreements	-		
GRI 3: 2021 Material Topics	3-1 Process to Determine Material Topics	2.4 Materiality Analysis	25		
	3-2 List of Material Topics	2.4 Materiality Analysis	26		

Material TopicsDisclosure Items

Materiality	GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
					Omitted Disclosure Items	Reason and Explanation
Financial Performance	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	27		
	GRI 201: 2016 Economic Performance	201-1 Direct Economic Value Generated and Distributed	3.6 Financial Performance	47		
		201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change	4.3 Climate Change and Adaptation	63		
		201-3 Defined Benefit Plan Obligations and Other Retirement Plans	6.1 Salaries and Benefits	98		
		201-4 Financial Assistance Received from Government	2024 No financial assistance was received from the government during the year	-		
	GRI 202: 2016 Market Presence	202-1 Ratio of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	6.1 Salaries and Benefits Compensation System	98		
	GRI 204: 2016 Procurement Practices	204-1 Proportion of Spending on Local Suppliers	5.3 Supply Chain Management Raw Material Procurement Policy	83		
	GRI 302: 2016 Energy	302-1 Energy Consumption within the Organization	4.2 Resource Use Energy Management Energy Management	60		
		302-3 Energy Intensity	4.2 Resource Use Energy Management Energy Management	60		
	GRI 303: 2018 Water and Effluents	303-3 Water Withdrawal	4.2 Resource Use Energy Management Use Water Resource Management	61		
	GRI 304: 2016 Biodiversity	304-1 Operational Sites Owned, Leased, Managed in, or Adjacent to, Protected Areas and Areas of High Biodiversity Value Outside Protected Areas	4.4 Biodiversity	71		
		304-2 Significant Impacts of Activities, Products, and Services on Biodiversity	4.4 Biodiversity	71		
	GRI 305: 2016 Emissions	305-1 Direct (Scope 1) Greenhouse Gas Emissions	4.3 Climate Change and Adaptation Gas Inventory	67		
		305-2 Energy Indirect (Scope 2) Greenhouse Gas Emissions	4.3 Climate Change and Adaptation Gas Inventory	67		
		305-3 Other Indirect (Scope 3) Greenhouse Gas Emissions	4.3 Climate Change and Adaptation Gas Inventory	67		
		305-4 Greenhouse Gas Emissions Intensity	4.3 Climate Change and Adaptation Gas Inventory	67		

Materiality	GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
					Omitted Disclosure Items	Reason and Explanation
Financial Performance	GRI 306: 2020 Waste	306-1 Waste Generation and Significant Waste-Related Impacts	4.1Environmental Policy Waste Management	58		
		306-1 Waste Generation and Significant Waste-Related Impacts	4.1Environmental Policy Waste Management 4.2 Energy and Resource Consumption Promotion of Circular Economy	58 60		
		306-3 Waste Generated	4.2 Resource Use Energy Management Waste Treatment	61		
Financial Performance	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	29		
	GRI 308: 2016 Supplier Environmental Assessment	308-1 New Suppliers that were Screened using Environmental Criteria	5.3 Supply Chain Management	87		
Sustainable Supply Chain Management	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	28		
	GRI 401: 2016 Employment	401-1 New Employee Hires and Employee Turnover	6.2 Talent Development and Training Annual Employee Turnover Rates	102		
		401-2 Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	6.1 Salaries and Benefits Employee Benefits	99		
		401-3 Parental Leave	6.1 Salaries and Benefits Equality in the Workplace, Allowing Employees to Work with Peace of Mind	99		
Occupational Safety and Health Management	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	28		
	GRI 403: 2018 Occupational Health and Safety	403-1 Occupational Health and Safety Management System	6.4 Occupational Health and Safety Establishment, Verification, and Maintenance of OHS Management System	110		
		403-2 Hazard Identification, Risk Assessment, and Incident Investigation	6.4 Occupational Health and Safety Hazard Identification, Risk Assessment and Incident Investigation	112		
		403-3 Occupational Health Services	6.4 Occupational Health and Safety Health Services	118		
		403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety	6.4 Worker Participation, Consultation, and Communication on OHS	113		

Materiality	GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
					Omitted Disclosure Items	Reason and Explanation
Occupational Safety and Health Management	GRI 403: 2018 Occupational Health and Safety	403-5 Worker Participation, Consultation, and Communication on OHS	6.4 Occupational Health and Safety Worker Participation, Consultation, and Communication on OHS	113		
		403-6 Promotion of Worker Health	6.4 Occupational Health and Safety Health Services	118		
		403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	6.4 Occupational Health and Safety Mitigation of OHS Impacts Directly Linked by Business Relationships	115		
		403-8 Workers Covered by an Occupational Health and Safety Management System	6.4 Occupational Health and Safety Workers Covered by an Occupational Health and Safety Management System	115		
		403-9 Work-Related Injuries	6.4 Occupational Health and Safety Work-Related Injuries	116		
		403-10 Work-Related Ill Health	6.4 Occupational Health and Safety Work-Related Injuries	116		
Career Development and Training Programs	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	28		
	GRI 404: 2016 Training and Education	404-1 Average Hours of Training per Year per Employee	6.2 Talent Development and Training Annual Development and Training	103		
		404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	6.2 Talent Development and Training Annual Promotion System	101		
	GRI 405: 2016 Diversity and Equal Opportunity	405-1 Diversity of Governance Bodies and Employees	3.1 Organization Of Corporate Governance Profiles of the Board members 6.1 Salaries and Benefits Employee Numbers and Gender Ratios for the Past 3 Years	36 97		
		405-2 Ratio of Basic Salary and Remuneration of Women to Men	6.2 Talent Development and Training Annual Compensation System	98		
	GRI 406: 2016 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken by the organization	6.3 Human Rights Policy	108		
	GRI 408: 2016 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	6.3 Human Rights Policy	108		

Materiality	GRI Standard	Disclosure Items	Report Section	Page	Omission of Explanation	
					Omitted Disclosure Items	Reason and Explanation
Integrity in Business Operations	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	27		
	GRI 205: Anti-corruption 2016	205-1 Operations Assessed for Risks Related to Corruption	3.3 Integrity in Business Operations	40		
		205-3 Confirmed Incidents of Corruption and Actions Taken	2024 No corruption incidents occurred during the year	-		
Brand management	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	30		
	Customized Topic: Brand management		7.2 Brand management	129		
Customer Relationship Management	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	30		
	Customized Topic: Customer Relationship Management		7.3 Customer Service	130		
Public Infrastructure Participation	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	29		
	Customized Topic: Participation in Public Infrastructure		5.1 Public Works	76		
Risk and crisis management	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	27		
	Customized Topic: Risk and crisis management		3.5 Risk and crisis management	42		
Construction Automation and AI Development	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	29		
	Customized Topic: Construction Automation and AI Development		5.5 Construction Automation and AI Management	93		
Corporate Governance and Regulatory Compliance	GRI 3: 2021 Material Topics	3-3 Management of Material Topics	2.5 Material Topic Management Approach	27		
	Customized Topic: Corporate Governance and Regulatory Compliance		3.1 Organization Of Corporate Governance 3.4 Compliance	34 41		

8.2 External Verification Statement

2024 Independent Assurance Statement for the Sustainability Report



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Independent Assurance Statement

KEDGE CONSTRUCTION CO., LTD. 2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and KEDGE CONSTRUCTION CO., LTD. (hereinafter referred to as KEDGE) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of KEDGE.

RESPONSIBILITIES

KEDGE is responsible for reporting its economic, environmental, and social operating activities and performance in Taiwan operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to KEDGE and its stakeholders in accordance with the described scope and method. This statement is for KEDGE use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

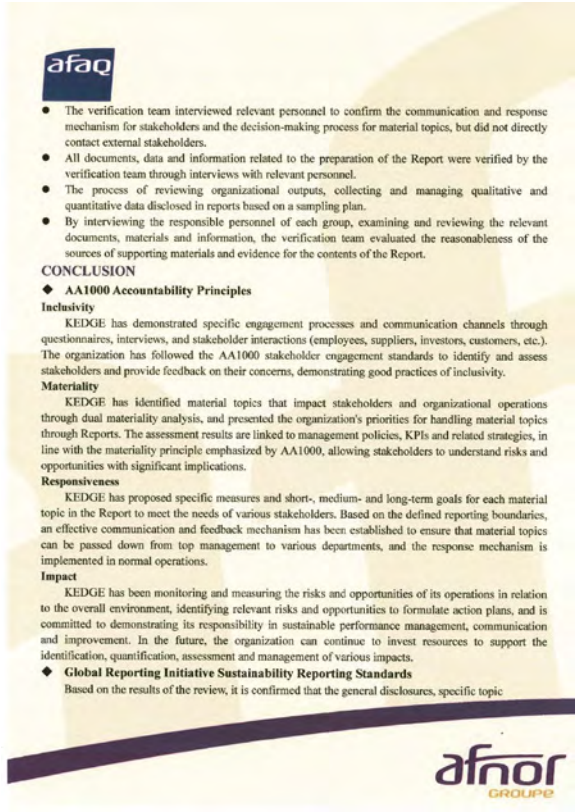
The assurance scope of the agreement between KEDGE and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the 「KEDGE CONSTRUCTION CO., LTD. 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating KEDGE's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating KEDGE's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.
   - Task Force on Climate-related Financial Disclosures
   - Sustainability Accounting Standards Board Standards

METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.

afnor GROUPE



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- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

KEDGE has demonstrated specific engagement processes and communication channels through questionnaires, interviews, and stakeholder interactions (employees, suppliers, investors, customers, etc.). The organization has followed the AA1000 stakeholder engagement standards to identify and assess stakeholders and provide feedback on their concerns, demonstrating good practices of inclusivity.

Materiality

KEDGE has identified material topics that impact stakeholders and organizational operations through dual materiality analysis, and presented the organization's priorities for handling material topics through Reports. The assessment results are linked to management policies, KPIs and related strategies, in line with the materiality principle emphasized by AA1000, allowing stakeholders to understand risks and opportunities with significant implications.

Responsiveness

KEDGE has proposed specific measures and short-, medium- and long-term goals for each material topic in the Report to meet the needs of various stakeholders. Based on the defined reporting boundaries, an effective communication and feedback mechanism has been established to ensure that material topics can be passed down from top management to various departments, and the response mechanism is implemented in normal operations.

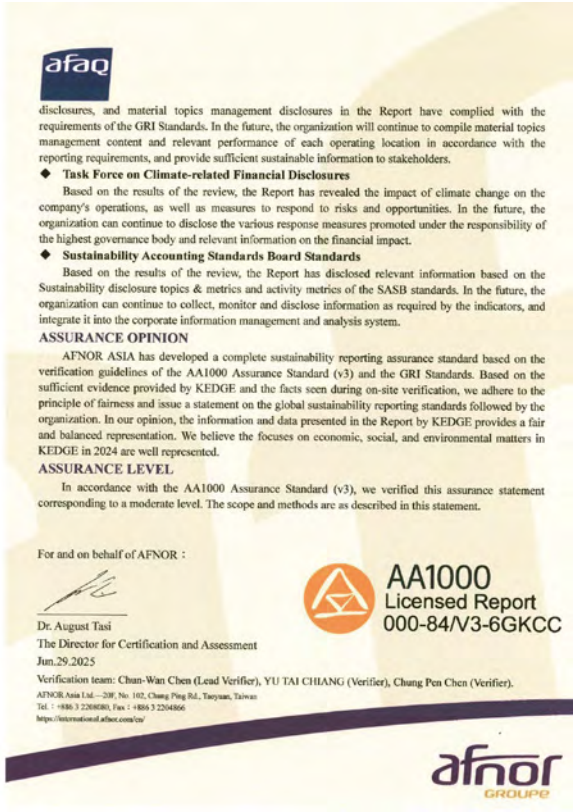
Impact

KEDGE has been monitoring and measuring the risks and opportunities of its operations in relation to the overall environment, identifying relevant risks and opportunities to formulate action plans, and is committed to demonstrating its responsibility in sustainable performance management, communication and improvement. In the future, the organization can continue to invest resources to support the identification, quantification, assessment and management of various impacts.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic

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disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization will continue to compile material topics management content and relevant performance of each operating location in accordance with the reporting requirements, and provide sufficient sustainable information to stakeholders.

◆ **Task Force on Climate-related Financial Disclosures**

Based on the results of the review, the Report has revealed the impact of climate change on the company's operations, as well as measures to respond to risks and opportunities. In the future, the organization can continue to disclose the various response measures promoted under the responsibility of the highest governance body and relevant information on the financial impact.

◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB standards. In the future, the organization can continue to collect, monitor and disclose information as required by the indicators, and integrate it into the corporate information management and analysis system.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by KEDGE and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization. In our opinion, the information and data presented in the Report by KEDGE provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in KEDGE in 2024 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR：

AA1000
Licensed Report
000-84/V3-6GKCC

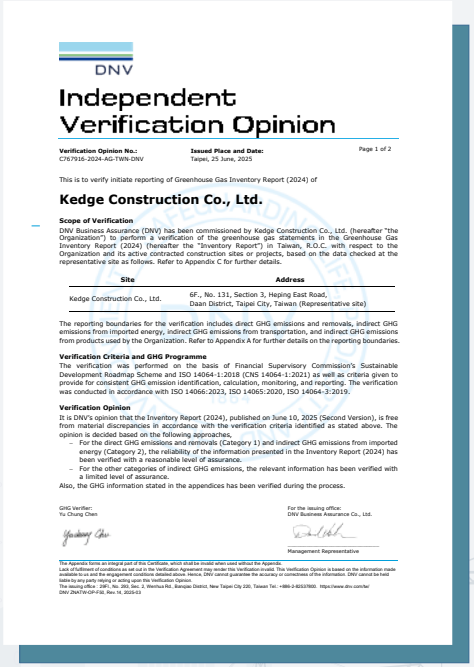
Dr. August Tasi
The Director for Certification and Assessment
Jun.29.2025

Verification team: Chan-Wan Chen (Lead Verifier), YU TAI CHIANG (Verifier), Chung Pen Chen (Verifier).

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2024 GHG Inventory Declaration



DNV

Independent Verification Opinion

Verification Opinion No.: C767916-2024-AG-TWN-DNV
Issued Place and Date: Taipei, 25 June, 2025
Page 1 of 2

This is to verify initiate reporting of Greenhouse Gas Inventory Report (2024) of

Kedge Construction Co., Ltd.

Scope of Verification
DNV Business Assurance (DNV) has been commissioned by Kedge Construction Co., Ltd. (hereafter "the Organization") to perform a verification of the greenhouse gas statements in the Greenhouse Gas Inventory Report (2024) (hereafter the "Inventory Report") in Taiwan, R.O.C. with respect to the Organization and its active contracted construction sites or projects, based on the data checked at the representative site as follows. Refer to Appendix C for further details.

Site	Address
Kedge Construction Co., Ltd.	6F., No. 131, Section 3, Heping East Road, Daan District, Taipei City, Taiwan (Representative site)

The reporting boundaries for the verification includes direct GHG emissions and removals, indirect GHG emissions from imported energy, indirect GHG emissions from transportation, and indirect GHG emissions from products used by the Organization. Refer to Appendix A for further details on the reporting boundaries.

Verification Criteria and GHG Programme
The verification was performed on the basis of Financial Supervisory Commission's Sustainable Development Roadmap Scheme and ISO 14064-1:2018 (CNS 14064-1:2021) as well as criteria given to provide for consistent GHG emission identification, calculation, monitoring, and reporting. The verification was conducted in accordance with ISO 14066:2023, ISO 14065:2020, ISO 14064-3:2019.

Verification Opinion
It is DNV's opinion that the Inventory Report (2024), published on June 10, 2025 (Second Version), is free from material discrepancies in accordance with the verification criteria identified as stated above. The opinion is decided based on the following approaches,
- For the direct GHG emissions and removals (Category 1) and indirect GHG emissions from imported energy (Category 2), the reliability of the information presented in the Inventory Report (2024) has been verified with a reasonable level of assurance.
- For the other categories of indirect GHG emissions, the relevant information has been verified with a limited level of assurance.

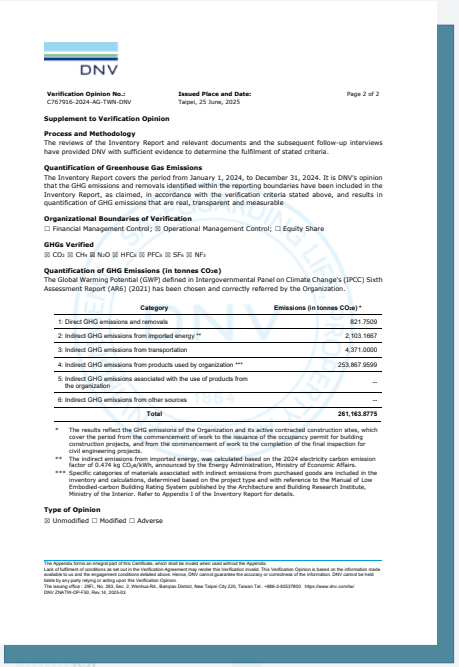
Also, the GHG information stated in the appendices has been verified during the process.

GHG Verifier:
Yu Chung Chen

For the issuing office:
DNV Business Assurance Co., Ltd.

Management Representative

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
Lack of fulfilment of conditions as set out in the Verification Agreement may render this Verification invalid. This Verification Opinion is based on the information made available to us and the engagement conditions detailed above. Hence, DNV cannot guarantee the accuracy or correctness of the information. DNV cannot be held liable by any party relying or acting upon this Verification Opinion.
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DNV

Supplement to Verification Opinion

Process and Methodology
The reviews of the Inventory Report and relevant documents and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

Quantification of Greenhouse Gas Emissions
The Inventory Report covers the period from January 1, 2024, to December 31, 2024. It is DNV's opinion that the GHG emissions and removals identified within the reporting boundaries have been included in the Inventory Report, as claimed, in accordance with the verification criteria stated above, and results in quantification of GHG emissions that are real, transparent and measurable

Organizational Boundaries of Verification
☐ Financial Management Control; ☒ Operational Management Control; ☐ Equity Share

GHGs Verified
☒ CO_2 ☒ CH_4 ☒ N_2O ☒ $HFCs$ ☒ $PFCs$ ☒ SF_6 ☒ NF_3

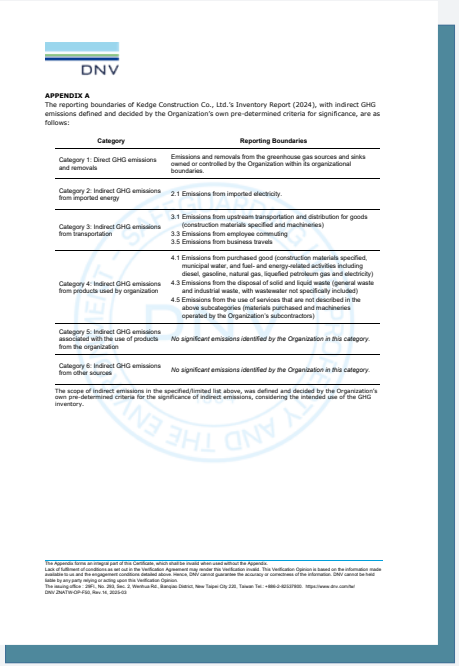
Quantification of GHG Emissions (in tonnes CO_2e)
The Global Warming Potential (GWP) defined in Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report (AR6) (2021) has been chosen and correctly referred by the Organization.

Category	Emissions (in tonnes CO_2e) *
1: Direct GHG emissions and removals	821.7509
2: Indirect GHG emissions from imported energy **	2,103.1667
3: Indirect GHG emissions from transportation	4,371.0000
4: Indirect GHG emissions from products used by organization ***	253,867.9599
5: Indirect GHG emissions associated with the use of products from the organization	--
6: Indirect GHG emissions from other sources	--
Total	**261,163.8775**

* The results reflect the GHG emissions of the Organization and its active contracted construction sites, which cover the period from the commencement of work to the issuance of the occupancy permit for building construction projects, and from the commencement of work to the completion of the final inspection for civil engineering projects.
** The indirect emissions from imported energy, was calculated based on the 2024 electricity carbon emission factor of 0.474 kg CO_2e/kWh, announced by the Energy Administration, Ministry of Economic Affairs.
*** Specific categories of materials associated with indirect emissions from purchased goods are included in the inventory and calculations, determined based on the project type and with reference to the Manual of Low Embodied-carbon Building Rating System published by the Architecture and Building Research Institute, Ministry of the Interior. Refer to Appendix I of the Inventory Report for details.

Type of Opinion
☒ Unmodified ☐ Modified ☐ Adverse

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
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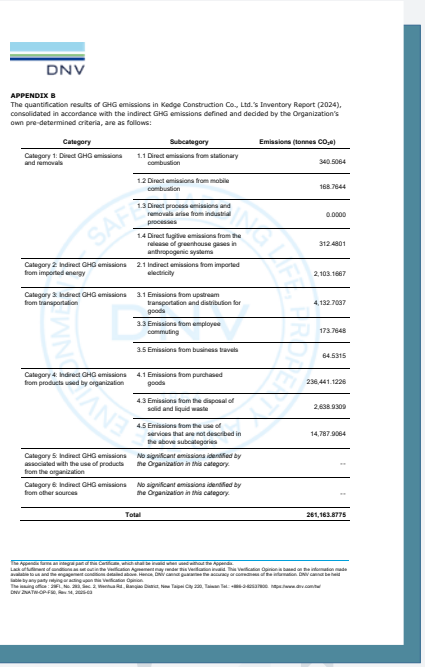
DNV

APPENDIX A
The reporting boundaries of Kedge Construction Co., Ltd.'s Inventory Report (2024), with indirect GHG emissions defined and decided by the Organization's own pre-determined criteria for significance, are as follows:

Category	Reporting Boundaries
Category 1: Direct GHG emissions and removals	Emissions and removals from the greenhouse gas sources and sinks owned or controlled by the Organization within its organizational boundaries.
Category 2: Indirect GHG emissions from imported energy	2.1 Emissions from imported electricity.
Category 3: Indirect GHG emissions from transportation	3.1 Emissions from upstream transportation and distribution for goods (construction materials specified and machineries) 3.3 Emissions from employee commuting 3.5 Emissions from business travels
Category 4: Indirect GHG emissions from products used by organization	4.1 Emissions from purchased good (construction materials specified, municipal water, and fuel- and energy-related activities including diesel, gasoline, natural gas, liquefied petroleum gas and electricity) 4.3 Emissions from the disposal of solid and liquid waste (general waste and industrial waste, with wastewater not specifically included) 4.5 Emissions from the use of services that are not described in the above subcategories (materials purchased and machineries operated by the Organization's subcontractors)
Category 5: Indirect GHG emissions associated with the use of products from the organization	*No significant emissions identified by the Organization in this category.*
Category 6: Indirect GHG emissions from other sources	*No significant emissions identified by the Organization in this category.*

The scope of indirect emissions in the specified/limited list above, was defined and decided by the Organization's own pre-determined criteria for the significance of indirect emissions, considering the intended use of the GHG inventory.

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APPENDIX B
The quantification results of GHG emissions in Kedge Construction Co., Ltd.'s Inventory Report (2024), consolidated in accordance with the indirect GHG emissions defined and decided by the Organization's own pre-determined criteria, are as follows:

Category	Subcategory	Emissions (tonnes CO_2e)
Category 1: Direct GHG emissions and removals	1.1 Direct emissions from stationary combustion	340.5064
	1.2 Direct emissions from mobile combustion	168.7644
	1.3 Direct process emissions and removals arise from industrial processes	0.0000
	1.4 Direct fugitive emissions from the release of greenhouse gases in anthropogenic systems	312.4801
Category 2: Indirect GHG emissions from imported energy	2.1 Indirect emissions from imported electricity	2,103.1667
Category 3: Indirect GHG emissions from transportation	3.1 Emissions from upstream transportation and distribution for goods	4,132.7037
	3.3 Emissions from employee commuting	173.7648
	3.5 Emissions from business travels	64.5315
Category 4: Indirect GHG emissions from products used by organization	4.1 Emissions from purchased goods	236,441.1226
	4.3 Emissions from the disposal of solid and liquid waste	2,638.9309
	4.5 Emissions from the use of services that are not described in the above subcategories	14,787.9064
Category 5: Indirect GHG emissions associated with the use of products from the organization	*No significant emissions identified by the Organization in this category.*	--
Category 6: Indirect GHG emissions from other sources	*No significant emissions identified by the Organization in this category.*	--
Total		**261,163.8775**

The Appendix forms an integral part of this Certificate, which shall be invalid when used without the Appendix.
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8.3 SASB Index Table

SASB Index Table

Kedge Construction has adopted indicators from the Sustainability Accounting Standards Board (SASB) Materiality Map, covering 11 sectors and 77 industries, and selected applicable indicators for disclosure:

- Sector : Infrastructure
- Industry : Engineering & Construction

Topic	Code	Type	Measurement Unit	Accounting Metric	Corresponding Section	Page
Project Environmental Impact	IF-EN-160a.1	Quantitative	Absolute Number	Number of cases of non-compliance with environmental permits, standards, or regulations	3.4 Compliance	28
	IF-EN-160a.2	Discussion and Analysis	None	Discussion of processes to manage and assess environmental risks associated with project design, siting, and construction	4.1Environmental Policy 5.4 Support the Green Building Policy	55 90
Building Structural Integrity and Safety	IF-EN-250a.1	Quantitative	Amount	Costs related to defect- and safety-related rework	No such event in 2024 (The amount is 0)	-
	IF-EN-250a.2	Quantitative	Amount	Total monetary losses from legal proceedings associated with defect- and safety-related rework	No such event in 2024 (The amount is 0)	-
Worker Health and Safety	IF-EN-320a.1	Quantitative	Ratio	1. Employee accident and fatality rates	6.4 Occupational Safety and Health	116
				2. Contractor accident and fatality rates	6.4 Occupational Safety and Health	116
Building Lifecycle Assessment	IF-EN-410a.1	Quantitative	Absolute Number	1. Number of projects certified to third-party sustainability standards	5.4 Support the Green Building Policy	90
				2. Number of projects seeking such certification		
	IF-EN-410a.2	Discussion and Analysis	None	Discussion of process to integrate considerations of operational-phase energy and water efficiency into project planning and design	4.2 Resource Use Energy Management 5.3 Supply Chain Management	59 87
Climate Impact	IF-EN-410b.1	Quantitative	Amount	Total amount of fossil fuel and renewable energy projects under construction	2024 No related projects (The amount is 0)	-
	IF-EN-410b.2	Quantitative	Amount	Amount of canceled fossil fuel projects under construction	No such event in 2024 (The amount is 0)	-
	IF-EN-410b.3	Quantitative	Amount	Total amount of non-energy projects under construction related to climate change mitigation	5.1 Public Construction Participation	76
Business Ethics	IF-EN-510a.1	Quantitative	Absolute Number, Amount	Number and amount of projects in the 20 lowest-ranked countries on Transparency International's Corruption Perception Index	2024 No related projects (The quantity and amount are both 0)	-
	IF-EN-510a.2	Quantitative	Amount	Total monetary losses from legal proceedings associated with bribery, corruption, and anticompetitive behavior violations	No such event in 2024 (The amount is 0))	-
	IF-EN-510a.3	Discussion and Analysis	None	Description of policies and actions taken to prevent (1) bribery/corruption and (2) anticompetitive behavior during the tender process	3.4 Compliance	41
Activity Indicators	IF-EN-000.A	Quantitative	Absolute Number	Number of projects under construction	1.3 Company Profile	8
	IF-EN-000.B	Quantitative	Absolute Number	Number of completed projects	1.3 Company Profile	8
	IF-EN-000.C	Quantitative	Amount	Amount of projects under construction	1.3 Company Profile	8

8.4 TCFD Index Table

Aspect	Indicator	Corresponding Section
Governance	a) Describe the board's oversight of climate-related risks and opportunities	4.3 Climate Change and Adaptation
	b) Describe management's role in assessing and managing climate-related risks and opportunities	
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	
	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	
	c) Describe the resilience of the organization's strategy, taking into consideration different climate scenarios, including a 2°C or lower scenario	
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks	
	b) Describe the organization's processes for managing climate-related risks	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	

8.5 Climate-related Information for TWSE/TPEx Listed Companies

Climate-related Information for TWSE/TPEx Listed Companies - Climate Change Risks and Opportunities for the Company and Related Response Measures Taken

	Items	Page
1	Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	63
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	64
3	Describe the financial impact of extreme weather events and transformative actions.	65、66
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	63
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	63
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	65、66
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	68
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	67、68
9	GHG inventory and assurance status, reduction targets, strategies, and specific action plans	67、142

根基營造股份有限公司
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