

ENVIRONMENTAL SOCIAL GOVERNANCE

CHYUNN ENVIRONMENT
CORPORATION
SUSTAINABILITY REPORT

Technology

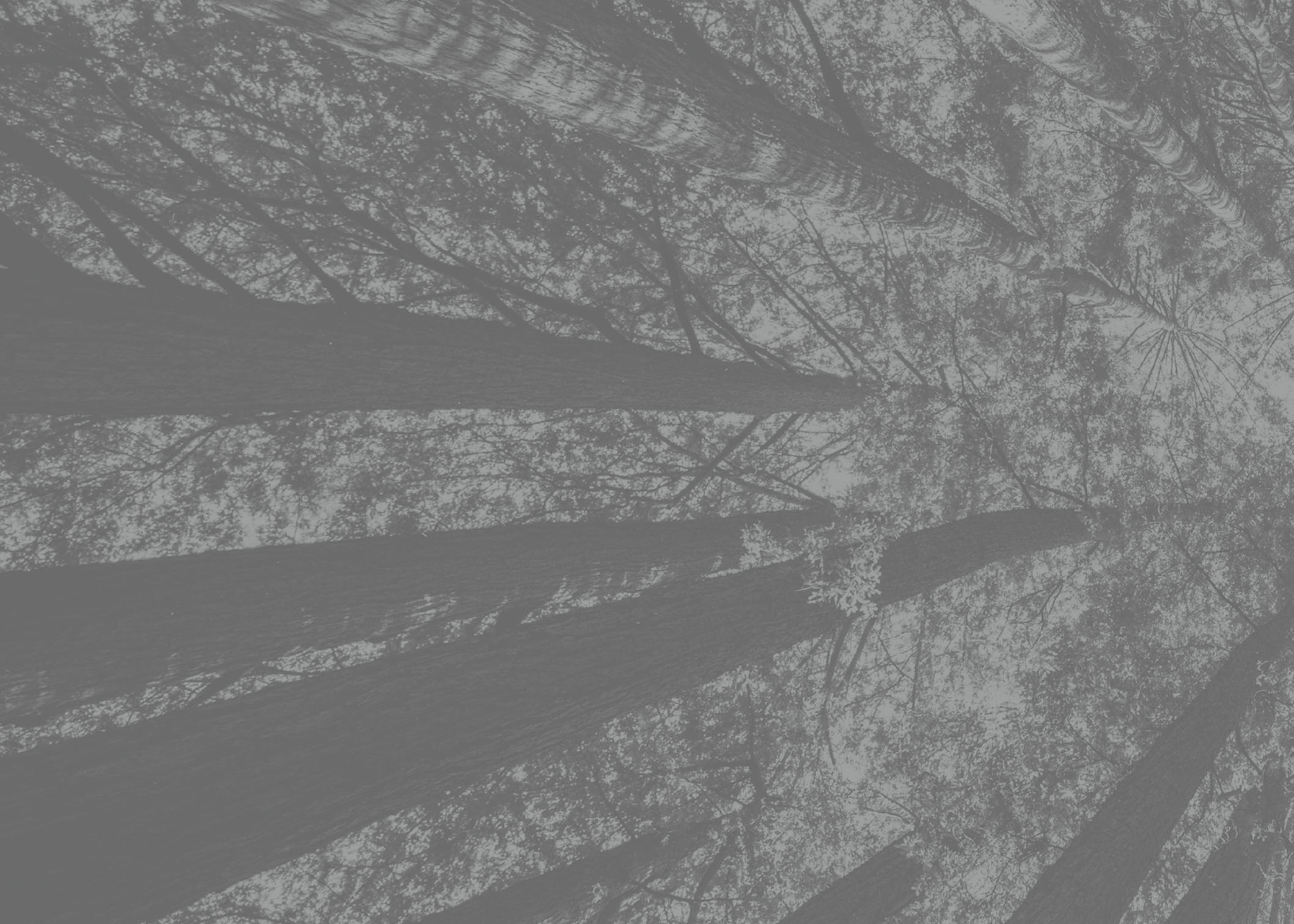
Sustainability

Environment

ESG

SUSTAINABILITY AND
INNOVATION:
OUR PATH TO LASTING SUCCESS.

HARMONIZING TECH AND
NATURE THROUGH
ECO-FRIENDLY SOLUTIONS.





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Preface

Message from the Chair of the Sustainable Development Committee

Maximize Value and Fulfill the Social Responsibility of the "Venous Industry"

Traditional industries follow a linear economic model, involving raw material extraction, product manufacturing, and disposal after use. However, in the 1960s, American economist Kenneth E. Boulding introduced a concept comparing Earth to a spaceship that relies on its own resources for survival. If these resources are exhausted, the spaceship faces extinction.

Since we only have one Earth, the circular economy emerged as a solution.

The circular economy likens the economy to the human body, where different industries act as arteries or veins. Arterial industries extract natural resources, manufacture products, and create value, while venous industries, like CHYUNN uses advanced technologies to transform waste from production and consumption into valuable resources that re-enter the economic system.

With the growing awareness of sustainability at both international and national levels, venous industries are gaining more attention. Indeed, all sectors rely on effective waste removal and processing. As I often say, our clients range from major tech companies like TSMC to local eateries. Addressing client needs and maximizing benefits has always been our value. It is our starting point, core purpose, and the best foundation for fulfilling corporate responsibility.

Addressing client needs and maximizing benefits has always been the Company's value. It is our starting point, core purpose, and the best foundation for fulfilling corporate responsibility.

As a member of this planet, CHYUNN actively responds to the government's 2050 net-zero carbon emission goal, even though we are not currently regulated. We have conducted greenhouse gas inventories to understand our emissions and set carbon reduction directions. Additionally, we have formed a Sustainability Development Committee, bringing together experts across environmental, social, and governance (ESG) fields to regularly assess our sustainability performance.

Achieving sustainability is a gradual process, and we hold ourselves to stringent standards. Besides publishing our sustainability report and conducting greenhouse gas inventories, we aim to ensure thorough ESG implementation through detailed disclosures in our reports. As part of this earth, we strive to maximize our value and fulfill the social responsibilities of the venous industry through our work."

Chair of the Sustainability Development
Committee and Chairman of the Board

李天佑



Preface

Message from the Chief Sustainability Officer

Aligning with International Standards for a Better Future

2023 has been a year of accelerated sustainability efforts, not just in environmental areas but also in corporate governance and social responsibility, which have gained even more clarity and importance.

On the environmental front, green energy has garnered significant attention. Taiwan’s renewable energy capacity is now nearly matching nuclear energy output. The emphasis on corporate governance is evident from the increasing weight given to "promoting sustainable development" in Corporate Governance Evaluation. Meanwhile, the ongoing challenge for all companies, especially amid labor shortages, is to attract and retain top talent-an issue closely tied to corporate social responsibility.

To address the concerns of our stakeholders, including investors, shareholders, regulatory bodies, and employees, we completed greenhouse gas inventory and published our 2022 Sustainability Report in 2023, ensuring transparency and demonstrating our commitment.

Our current sustainability policy is guided by international standards. We align with the Paris Agreement, aiming for net-zero emissions by 2050, and reference the UN Sustainable Development Goals (SDGs).

Looking ahead to 2024, we are committed to the direction of "proactive carbon reduction". Our primary emissions come from transportation, particularly diesel vehicles. In 2023, we proposed refitting refuse compactor trucks with electric loading system, funded by the MOEA's CITD low-carbon subsidy. In 2024, we will begin testing these refitted trucks, monitoring data to explore innovative solutions for reducing carbon emissions.

Transforming waste into valuable resources remains a key focus. We will enhance the 3Rs (Reduce, Recycle, Reuse) mindset and explore the feasibility of renewable fuels to find sustainable waste management solutions.

In terms of corporate governance, CHYUNN is making solid progress towards getting listed. We have undergone thorough audits by accountants and securities firms, meeting the requirements set by the OTC (TPEx). These efforts have strengthened our internal control system, ensuring clear, effective governance and paving the way for CHYUNN's future growth.

At the same time, the selection, cultivation and retention of talent are also paramount. We will diversify the composition of our employees and enhance employee benefits. A work environment where employees can rest assured and see development prospects will help us nurture talent and help us stand out in the industry with the efforts of our colleagues.

Simultaneously, talent acquisition, development, and retention remain key priorities. We are committed to fostering a diverse workforce and improving employee benefits to create a secure and promising work environment. This will help us attract and retain top talent, allowing CHYUNN to excel in the industry.

ESG is not just a slogan; I firmly believe that sustained and long-term investment in sustainability can create a win-win-win scenario for society, employees, and the Company.

Chief Sustainability Officer and General
Manager

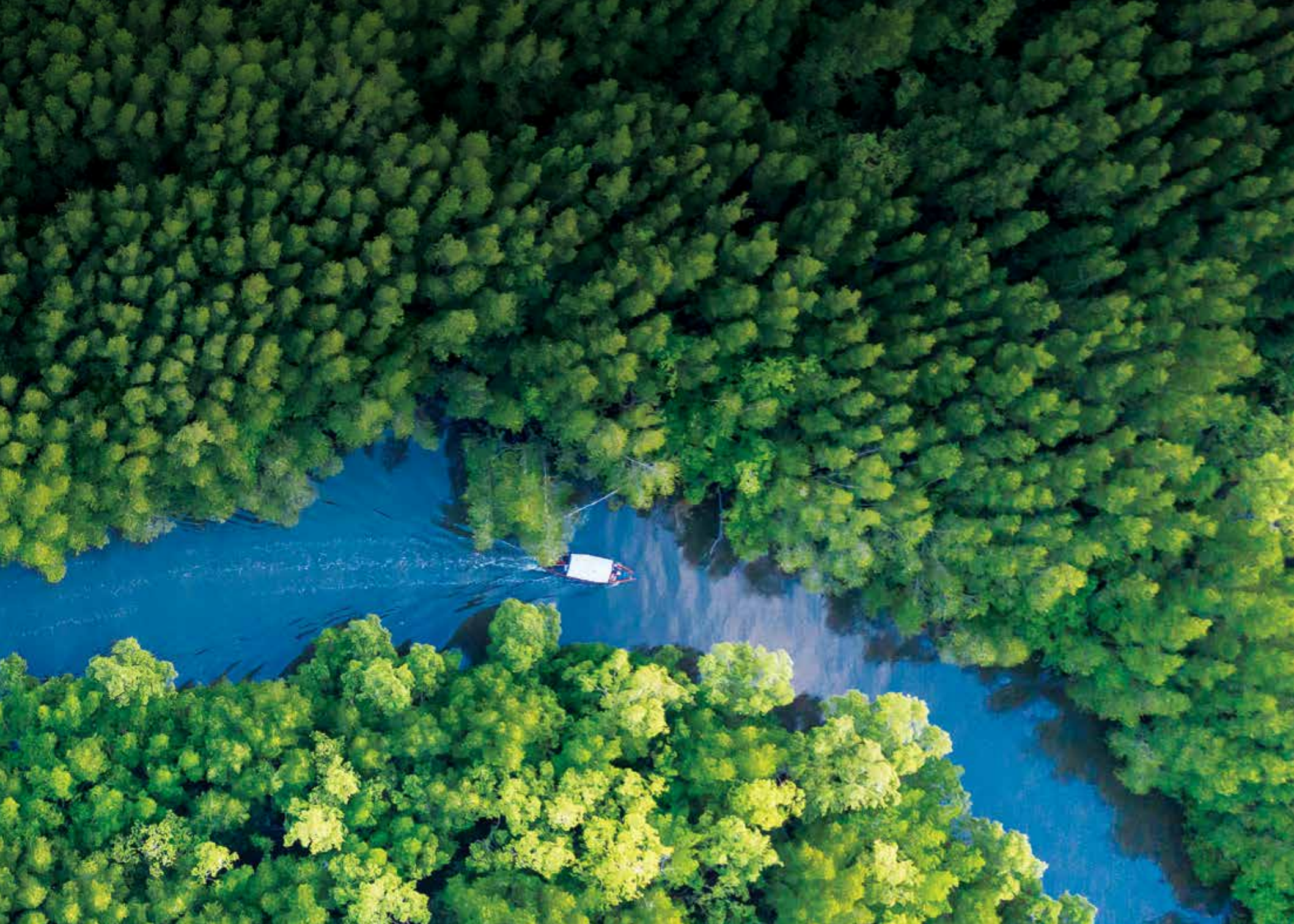
蔡文達



SUSTAINABILITY AND INNOVATION: OUR PATH TO LASTING SUCCESS.

Environmental protection and technological innovation may seem like two different endpoints. However, the demand for environmental protection can stimulate technological innovation, which, in turn, helps businesses implement environmental measures more efficiently.

CHYUNN bridges these two realms, acting not only as a compliant and high-standard pioneer in the waste clearance industry but also striving to contribute to sustainability through innovation and breakthroughs.



About This Report

In 2023, CHYUNN marks its 31st anniversary. Operating with legality, professionalism, and integrity, it has earned the trust of clients, investors, and the public. In response to global and domestic sustainability trends, it issued sustainability reports detailing its strategies, practices, and performance. This report is prepared with reference to the Global Reporting Initiative (GRI), the framework of the TCFD Recommendations, and the Sustainability Accounting Standards Board (SASB) standards. Through materiality surveys, CHYUNN refines its sustainability governance to meet international standards. This report is key for promoting ESG and partnering with stakeholders for a sustainable future.

Issue Status

▶ Information Restatement	There have been no significant operational changes, information revisions, or reporting changes during the reporting period.
▶ Previous Release Version	Issued in September 2023.
▶ Current Report Release Date	Issued in September 2024.
▶ Next Release Version	Scheduled for September 2025.

Report Scope

GRI 2-2、2-3、2-4、2-5

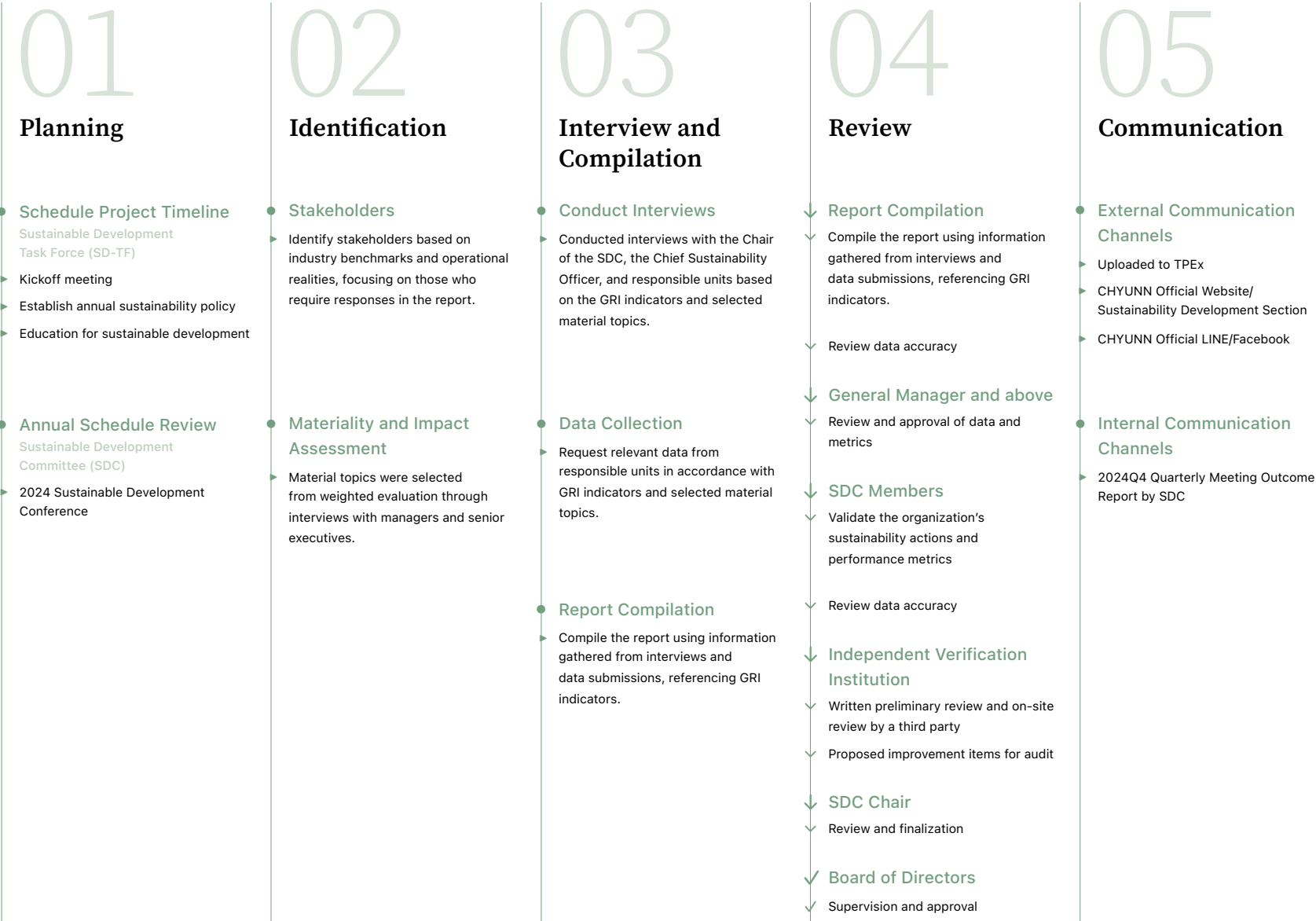
The reporting period is from January 1, 2023, to December 31, 2023. The Company will release the sustainability report in both Chinese and English on the ESG Dashboard in September 2024, covering all operational sites of CHYUNN.

Subsidiaries of CHYUNN's Consolidated Financial Statements				
Disclosed Sites of CHYUNN	Tainan Headquarters Binhai Plant <ul style="list-style-type: none"> ▶ No. 92 and 100, Sec. 4, Anming Road, Annan District, Tainan City ▶ Land No. 1044, Xuenan Section, Annan District, Tainan City ▶ Land No. 853-32, Chengxi Section, Annan District, Tainan City ▶ Land No. 0066-0000, Xiangong Section, Annan District, Tainan City 	Kaohsiung Branch <ul style="list-style-type: none"> ▶ No. 6, Guihua Street, Xiaogang District, Kaohsiung City ▶ Land No. 631, Liuhe Section, Daliao District, Kaohsiung City ▶ Land No. 629, Liuhe Section, Daliao District, Kaohsiung City 	Chiayi Office <ul style="list-style-type: none"> ▶ No. 104-4, Sanjiepu, Shuishang Township, Chiayi County 	Planning Office <ul style="list-style-type: none"> ▶ No. 13, Wenxian Road, West Central District, Tainan City
Sites Not Covered by This Report	Sites without operational activity: Tainan Anping Plant Subsidiaries: Tongshine Energy Co., Ltd., Tongmao Co., Ltd., Xiangmao Industrial Co., Ltd.			

Remarks:

1. The Tainan Anping Plant is registered but not operational and is thus excluded from the report.
2. Subsidiaries Tongshine, Tongmao, and Xiangmao are in the early stages of business, with revenue contributions less than 10%, and are thus excluded from the report.

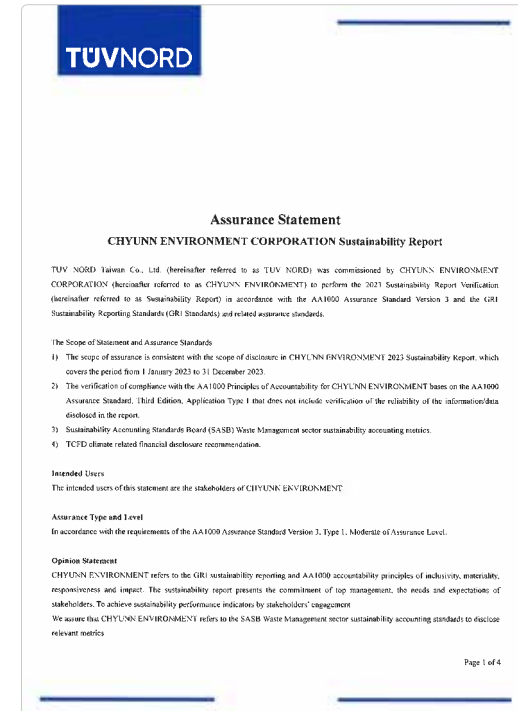
Report Preparation and Review Process



Independent Third Party Verification Statement

The 2023 sustainability report was verified by TUV NORD Taiwan Co., Ltd. (TUV NORD) in accordance with the AA1000 Assurance Standard 3rd edition, the GRI Sustainability Reporting Standards, the Sustainability Accounting Standards Board (SASB) Waste Management Industry Standards, and the Climate-related Financial Disclosures (TCFD) recommendations.

For full documentation, please see Appendix 4 Independent Third Party Verification Statement.



Contact Information

If you have any questions, guidance, or suggestions about this report, please contact us.

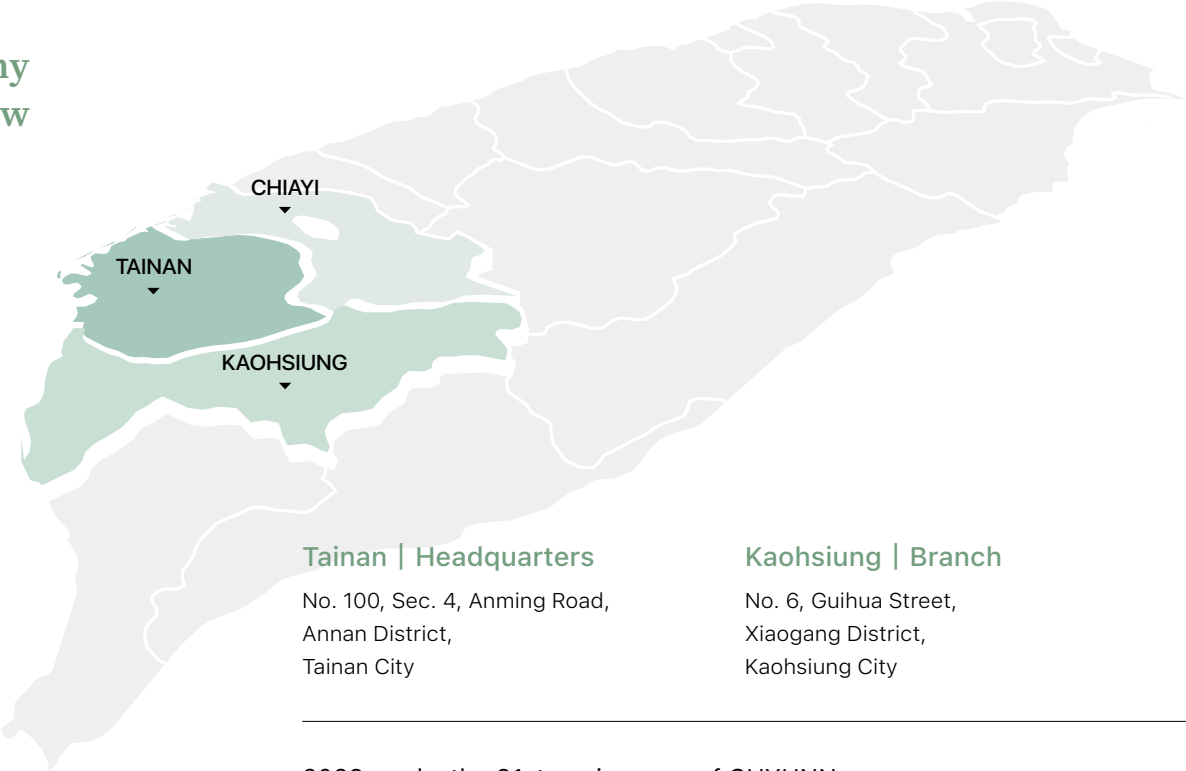
Contact: CHYUNN Environment Corporation (Planning Office: SD-TF) | TEL: 06-2965599/06-2225589

Address: No. 100, Anming Road, Annan District, Tainan City

E-mail: service@chyunn.com.tw | Sustainable Development Section: <https://reurl.cc/yYp2QD>



Company Overview



Tainan | Headquarters

No. 100, Sec. 4, Anming Road,
Annan District,
Tainan City

Kaohsiung | Branch

No. 6, Guihua Street,
Xiaogang District,
Kaohsiung City

Chiayi | Office

No. 104-4, Sanjiepu,
Shuishang Township,
Chiayi County

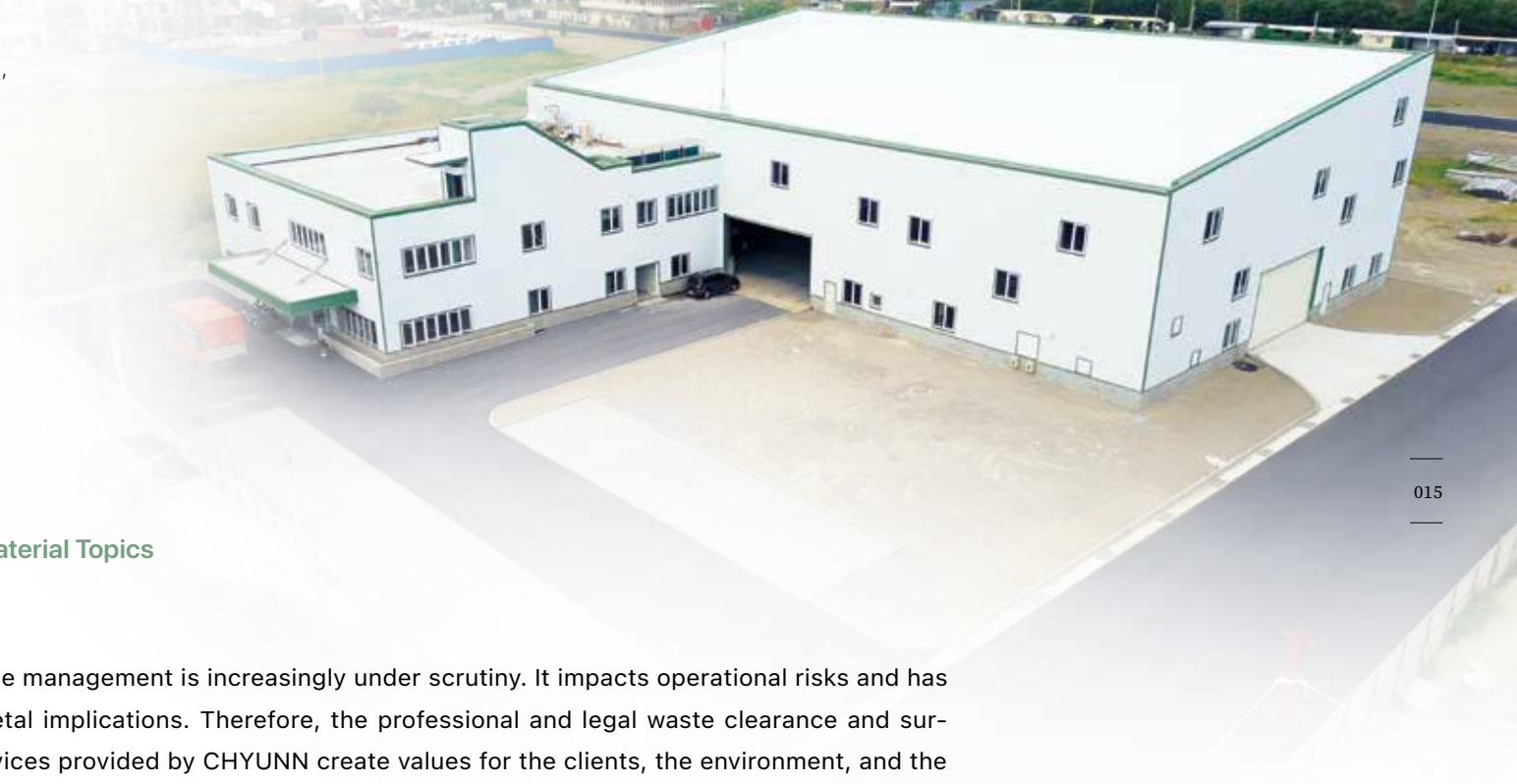
2023 marks the 31st anniversary of CHYUNN.

As extreme weather events and noticeable ecological changes become more frequent, the importance of sustainability is recognized globally and in Taiwan. As a professional clearance and transportation service provider, CHYUNN prioritizes integrity in its operations. By ensuring the proper clearance of waste, it guarantees that it reaches the appropriate facilities, effectively safeguarding the environment.

CHYUNN's 31 years of dedication and discipline have earned deep customer trust. Facing increasingly stringent regulations and customer requirements, the Company has embraced challenges with an open mind and innovative approaches, consistently achieving record revenue growth through continuous self-improvement.

CHYUNN embraces challenges with an open mindset and innovative approaches.

Pictured is the new plant (Angang Plant), completed in 2024.



Analysis and Identification of Material Topics

GRI 2-1、2-6

In today's world, end-of-life waste management is increasingly under scrutiny. It impacts operational risks and has broader environmental and societal implications. Therefore, the professional and legal waste clearance and surplus soil recycling and reuse services provided by CHYUNN create values for the clients, the environment, and the investors.


As a government-licensed Grade A waste clearance company, CHYUNN employs advanced technology to meet the needs of high-end clients, establishing itself as a trusted provider for major technology manufacturers. Additionally, as living patterns in southern Taiwan evolve, CHYUNN's professional and highly qualified waste clearance services are becoming the top choice for residential complexes.

Amid the rise of construction projects, the Company transforms construction surplus soil resources into reusable resources, promoting circular sustainability through innovation.

CHYUNN's Main Businesses

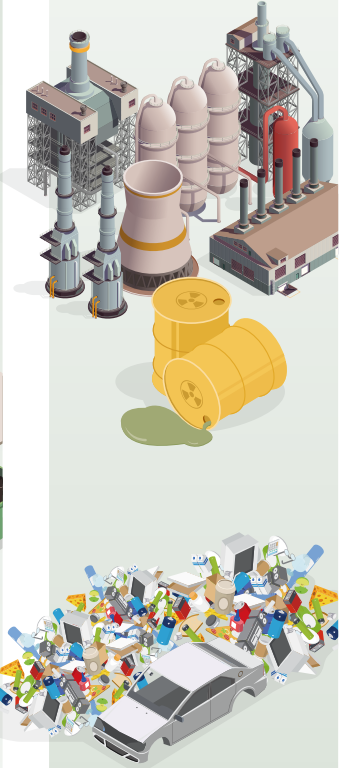
GENERAL INDUSTRIAL
WASTE CLEARANCE
AND TRANSPORT

01



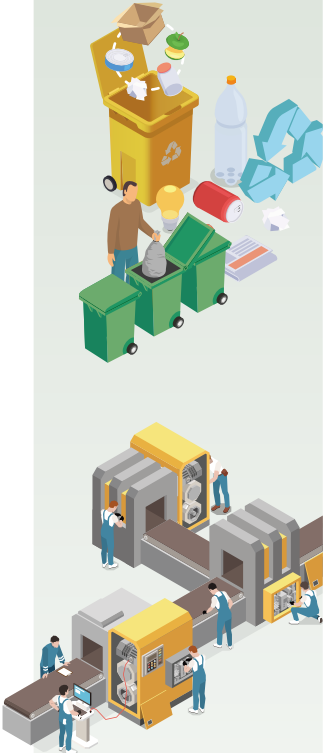
HAZARDOUS INDUSTRIAL
WASTE CLEARANCE
AND TRANSPORT

02




RESOURCE
RECYCLING

03



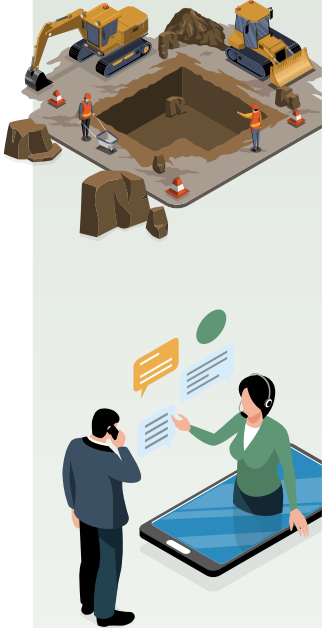
CONSTRUCTION
WASTE CLEARANCE
AND TRANSPORT

04




CONSTRUCTION
SURPLUS SOIL
RESOURCES

05




DUMPING
AND
DISPOSAL SITE

06




MACHINE
SCRAPPING

07




WATER TRUCK
SERVICES

08

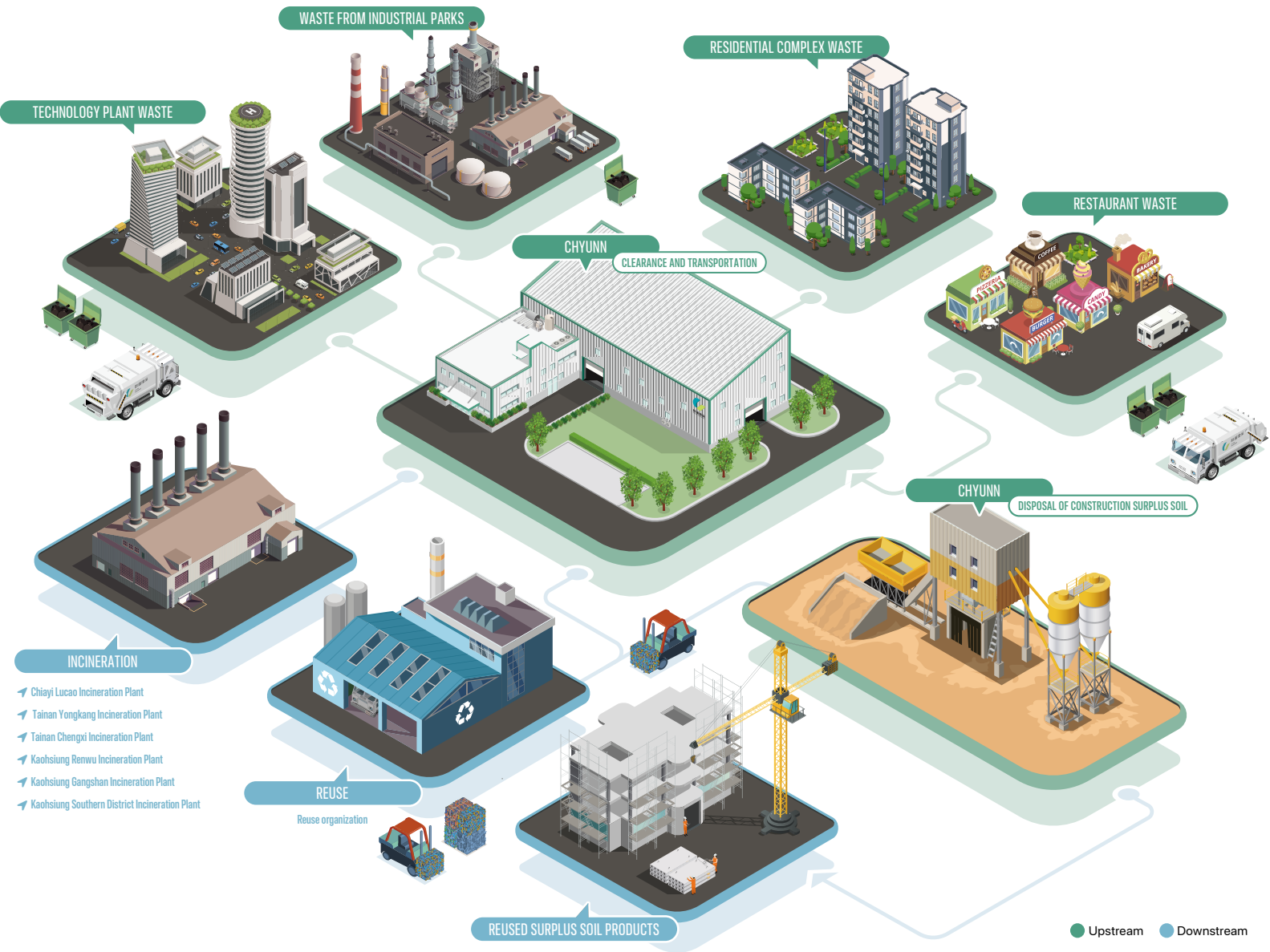


ENVIRONMENTAL
PROTECTION BUSINESS
CONSULTANCY

09



CHYUNN's Value Chain



Company Profile						
Company Name	Date of Establishment	Company Type	Stock Code	Paid-in Capital (NTD)	Chairman	General Manager
CHYUNN Environment Corporation	October 7, 1992	Emerging Stock	6911	200,000,000	Tien-yu Lee	Wen-ta Tsai

CHYUNN's Major Services				
Products or Services	Sales Area	Customer Type	Sales Volume	Unit
Construction surplus soil accepted	Southern Taiwan	Large/medium/small enterprises	12,370.28	Tons
Reused surplus soil products sold	Southern Taiwan	Large/medium/small enterprises	345,651.70	Cubic meter
Waste clearance and transportation services	Southern Taiwan	Large/medium/small enterprises	25,927.00	Tons

Memorabilia

1992

10/Oct.

The Company was incorporated and obtained a Grade B Waste Clearance Permit

2004

01/Jan.

Obtained a Grade A Waste Clearance Permit



2011

07/Jul.

Obtained reusing status



019

2002

09/Sep.

Obtained ISO 9001 quality certification



10/Oct.

Kaohsiung Branch obtained a Grade B Waste Clearance Permit



2008

01/Jan.

Established soil resource disposal site



2022

10/Oct.

CHYUNN officially listed as emerging stock at its 30th anniversary

CHYUNN Stock Code: 6911

Performance Highlights

E

nvironmental



SDG9

Industry, Innovation and Infrastructure

Obtaining of low-carbon subsidy

CHYUNN's main carbon emissions come from diesel vehicles. To reduce diesel use, it proposed refitting refuse compactor trucks with electric loading systems, funded by MOEA's CITD low-carbon subsidy. Launched in October 2023, trials are set for April 2024, with carbon reduction data forthcoming.

SDG9

Industry, Innovation and Infrastructure

Expansion of the reuse project

Transforming waste into reusable resources reduces waste and adds economic value. In 2023, CHYUNN expanded the reuse project by obtaining one more R-category waste code.

0 environmental penalties

CHYUNN prioritizes legality and compliance, meeting national environmental standards. In 2023, it implemented dust suppression and had no wastewater discharge, resulting in zero environmental penalties.

S

ocial

SDG10

Reduced Inequalities

Donations to family and children charities

The Company gives back to society through regular donations to six charities, including family and children centers, nursing homes, opportunity centers, and shelters.



Scholarships for employees' children

Supporting employees' families enhances their sense of identity and facilitates talent retention. CHYUNN provides scholarships each semester for employees' school-age children to ease parenting costs.

SDG17

Partnerships for the Goals

Sustainability actions

In Tainan's urban development vision, sustainability is a key focus. The Company is involved in the "Tainan ReDesign" initiative by the Tainan Enterprises Culture and Art Foundation. Since 2022, it has been connecting sustainable partnerships through activities promoting sustainability and quality education.

Support city fire drills

During the "Tainan City 2023 All-out Defense Mobilization and Disaster Prevention and Rescue (Min An NO.9) Exercise" from July 19 to 25, 2023, the Company provided two construction waste trucks to support rescue operations.

Governance



SDG16

Peace, Justice and Strong Institutions

Directors' performance exceeds standards

Establishment of the SDC

To facilitate corporate sustainability, the Company established the SDC on November 28, 2023, following Board approval, with participation from over two-thirds of independent directors to oversee its implementation.

The Company regularly self-assesses the Board of Directors' performance to ensure effective operation. In 2023, the assessment result was "Above the Standard," indicating strong performance.



Chapter1

Building Sustainability Through Transparent Governance



Building Sustainability Through Transparent Governance

1.1 Sustainability Commitment

According to Morningstar, a leading U.S. rating agency, the global sustainable fund market grew by 14% in 2023. In Taiwan, data from the Securities Investment Trust & Consulting Association (SIT-CA) shows 128 ESG funds valued at NTD 527.8 billion by December 2023, underscoring the rising importance of corporate sustainability metrics for investors globally and locally.

Since 2023, the Company has integrated sustainability into corporate decisions through a dedicated unit. It continuously reviews governance, environmental, and social performance, creating greater value for investors while fostering harmony with the environment and society.

- **Philosophy** — Profits through services, commitment to sustainability.

- **Vision** — A leading platform for green industry and innovative technology.

- **Support for SDGs** — Connect with local sustainability partners and join advocacy teams.

- **Strategy** — Strengthen processes with technology and data-driven management.

- **Our Priority** — Align with international sustainability trends, prioritizing material issues.

- **Goals** — Achieve sustainable management that benefits shareholders, the environment, and society.



1.2 Execution Structure

GRI 2-12、2-13、2-14

Effective ESG efforts need strong governance. CHYUNN's sustainability projects rely on an ESG framework, overseen by the Sustainability Development Committee, guided by the Chief Sustainability Officer, and executed by the Sustainability Development Task Force. This ensures positive stakeholder interactions and the achievement of sustainability goals.

Sustainability Governance
Structure of the Company



Vision and Mission

Thriving together with society, employees, and the environment.



Sustainable Development Committee

Supervises and reviews.

Chief Sustainability Officer

Guides policies.



Sustainable Development Task Force

Executes projects.

Relevant Departments

Collaborate on execution.



SDGs

9 Industry, Innovation and Infrastructure,
10 Reduced Inequalities,
16 Peace, Justice and Strong Institutions,
17 Partnerships for the Goals.



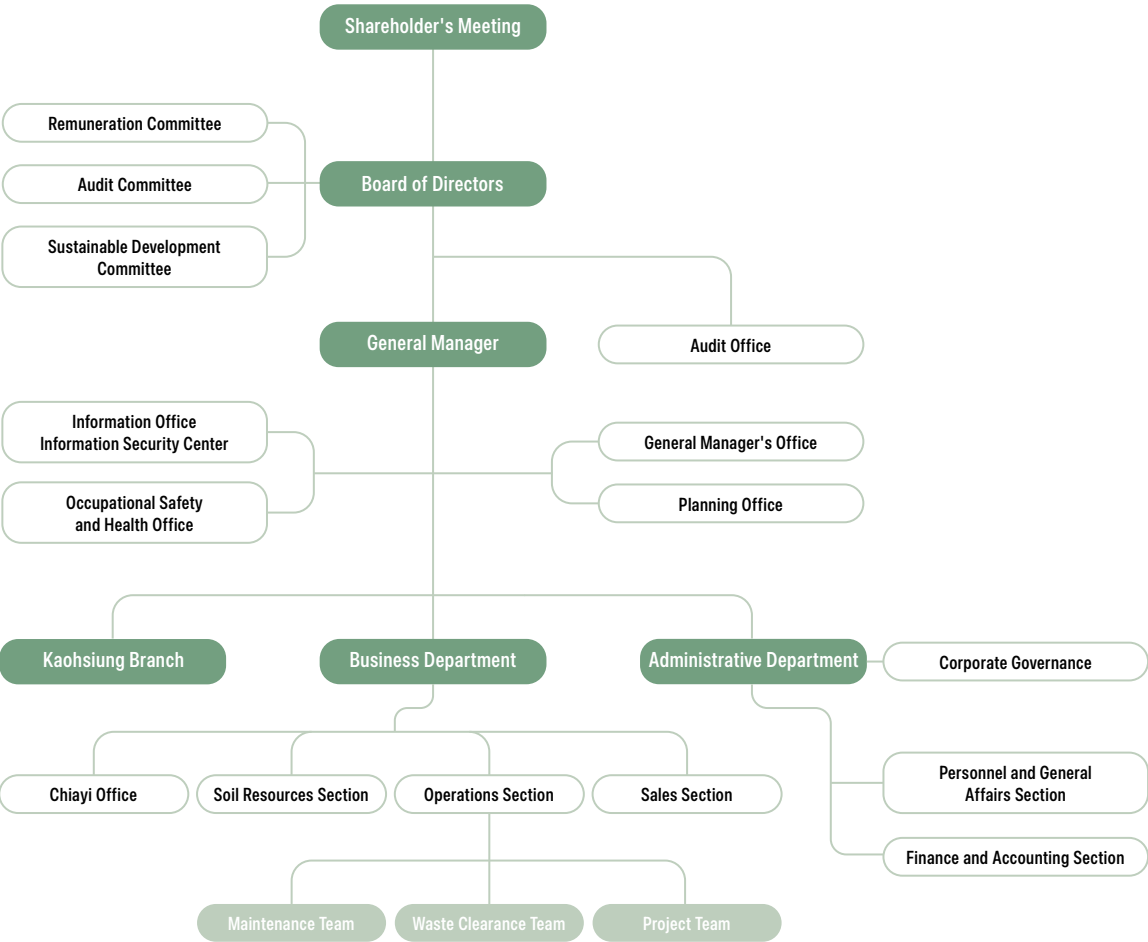
1.3 ESG Management Framework

GRI 2-1、2-13、2-14

CHYUNN adheres to the "Corporate Sustainable Development Committee Charter." Chairman Tien-yu Lee serves as the Chair of the SDC and has appointed Wen-ta Tsai as Chief Sustainability Officer. On November 28, 2023, following board approval, the committee comprising Lee, Independent Directors Wen-de Wang and Hsiao-mei Yen, was formed to review annual sustainability reports and oversee the implementation of ESG initiatives.

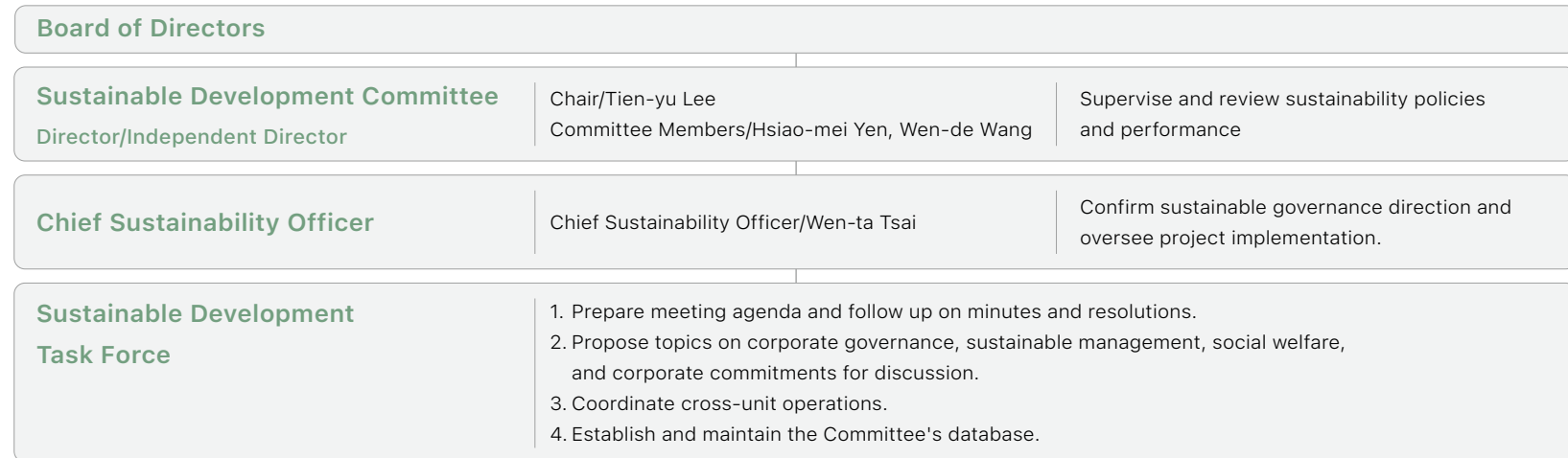
The Company's ESG projects are coordinated by the SD-TF, which collaborates across departments based on sustainability issues. If any matters arise that impact stakeholders, the responsible units will report to the board and propose solutions.

CHYUNN Organizational Chart



The SDC proposes development plans, vision, and goals. The SD-TF drafts actions reviewed by the Chief Sustainability Officer. Approved actions are then presented to the SDC and reported to the Board of Directors.

Corporate Sustainability Organizational Structure





CHYUNN operates under the principles of "legality, professionalism, and integrity" prioritizing trust and communication with stakeholders.



1.4

Analysis and Communication

This report serves as a channel to respond to stakeholders. Each year, prior to publication, CHYUNN identifies stakeholders based on industry trends and relevant issues, followed by a materiality analysis to determine the key topics to be reported.

Stakeholder Communication

GRI 2-1、2-13、2-14

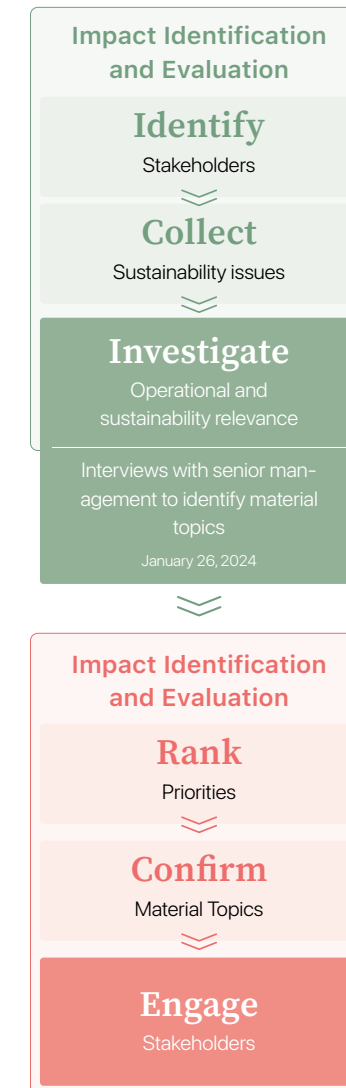
CHYUNN operates under the principles of "legality, professionalism, and integrity," prioritizing trust and communication with stakeholders. It aims to co-create and share maximum benefits with our stakeholders.

This report, guided by GRI standards, identifies stakeholders such as business partners, social welfare organizations, consumers, clients, employees,

government agencies, local communities, NGOs, shareholders, investors, suppliers, associations, and vulnerable groups. By benchmarking peers and gathering stakeholder feedback on sustainability issues, the Company, along with external experts and the management team, evaluates stakeholders based on actual and potential impacts. Those scoring over 10 points are identified as key stakeholders for 2023.

After confirmation with senior management, 8 key stakeholders for 2023 were identified: financial institutions, shareholders and other investors, Taipei Exchange, employees and other workers, government agencies (Bureau of Labor Insurance, National Health Insurance Administration, Environmental Protection Bureau), clients, suppliers (or contractors/contractors, incinerators, treatment plants) and local communities.

Material Topic Identification Process



Stakeholder Communication Channels and Effectiveness

Stakeholders	Significance	Communication Channel	Responsible Unit	Frequency	Communication Effectiveness
Financial Institutions	Communicate with financial institutions enhance operational capital, ensure financial stability, and support sustainable operations.	Letter / Phone	Finance and Accounting Section	From time to time	10 correspondences (bank confirmation, assessment notice)
		On-site visit		From time to time	20+ visits
Shareholders and Other Investors	Effective communication with investors ensures fair market value. The company must protect their rights and keep them informed and involved in key decisions.	Annual General Meeting	Finance and Accounting Section	Once a year	1 shareholders' meeting
		Phone inquiry to Company Spokesperson		From time to time	2-5 calls
		MOPS		From time to time	18 significant announcements
		Financial report		Annually	2 reports
		Monthly revenue announcement		Monthly	12 announcements
		Website, email		From time to time	0 letters
		Investor conference		From time to time	0 investor conferences
Taipei Exchange, TPEX	The TPEX regulates the Company's securities. CHYUNN complies with its legal requirements and is subject to its oversight and audits.	MOPS	Finance and Accounting Section	From time to time	18 significant announcements
		Official letter		From time to time	5 letters
		Phone / Email		From time to time	30+ calls/emails
Employees and Other Workers	Employees are vital to the Company's growth. A supportive, equitable, and diverse work environment attracts top talent and supports sustainable operation.	Email	Administrative Department	Immediately	30+ calls/emails
		Employee' Welfare Committee meeting		Quarterly	4 meetings
		Labor-management meeting		Quarterly	4 meetings
		Internal announcement		Quarterly	4 internal communication letters
		Departmental meetings and performance interviews		Periodically	12 monthly performance bonus assessments

Stakeholders	Significance	Communication Channel	Responsible Unit	Frequency	Communication Effectiveness
Government Agencies Bureau of Labor Insurance (BLI) National Health Insurance Administration (NHI) Environmental Protection Bureau (EPB)	BLI, NHI The company must adhere to regulatory guidelines to protect employee employment rights.	Official letter	Administrative Department	From time to time	50+ letters
		Employee welfare committee meeting		Quarterly	4 meetings
	EPB CHYUNN's marketing operations are audited and supervised by EPB. It adheres to environmental regulations and provides applications for on-site processing.	Waste management section and facility section of local EPB	Soil Resources Section	Anytime	All inquiries are promptly addressed
		Authority audit and review meeting		Monthly	12 letters
		Waste management association announcement		From time to time	16 announcements
		Official letter		From time to time	6 letters
		Designated officer hotline		From time to time	30+ calls
Clients	Clients are essential to business development and revenue. CHYUNN is committed to delivering high-quality waste clearance services and fostering strong partnerships.	Customer service hotline	Sales Department	Immediately	Chiayi: 100+ calls Tainan: 100+ calls
		LINE/Facebook messages		Immediately	Tainan: 350+ messages Kaohsiung: 50+ messages
		Email		Immediately	Chiayi: 50+ emails Tainan: 20+ emails Kaohsiung: 80+ emails
Suppliers (or Contractors/ Outsourcers) Incinerator Disposal Site	Incinerators and treatment facilities are vital partners. Effective communication ensures the Company to fulfill client commitments on time.	Official website announcement	Sales Department	Monthly notice	12 announcements
		Email		Monthly/ Immediately	Once or as needed in special situations
		Customer service hotline		Weekly	50+ calls
		Waste dispatching online platform		Monday to Friday	Daily entry confirmation
Local Community	As a local neighbor, CHYUNN aims to enhance the community through its environmental initiatives.	Customer service hotline	Soil Resources Section Administrative Department	Immediately	0 regular assessments
		Neighborhood representative announcement		Immediately	0 notifications

1.5 Materiality Analysis

GRI 3-1

CHYUNN’s sustainability goals and reporting are based on materiality analysis, aligned with *GRI 3: Material Topics 2021* and the EU’s double materiality concept, to continuously address evolving ESG concerns from stakeholders.

CHYUNN's Materiality Analysis Process



STEP.03

Preliminary Selection



STEP.03 | RESULT

Interviews with Senior Executives

Questionnaire for Executives



STEP.04

Double Materiality Score

Evaluation of materiality and impact breadth

Preliminary Selection

Classification	Impacts	Corresponding Material Issues
E Environmental	Energy	GRI 302 Energy, IF-WM-110b.1
	Water and Effluents	GRI 303 Water and Effluents
	Emissions	GRI 305 Emissions, IF-WM-110a.1, IF-WM-110a.3
	Waste	GRI 306 Waste, IF-WM-420a.1
	Supplier Environmental Assessment	GRI 308 Supplier Environmental Assessment
	Biodiversity	GRI 304 Biodiversity
S Social	Talent Recruitment and Retention	GRI 404 Training and Education
	Employment	GRI 401 Employment
	Occupational Health and Safety	GRI 403 Occupational Health and Safety, IF-WM-320a.1
	Employee Care	GRI 401 Employment
	Non-discrimination	GRI 406 Non-discrimination
	Local Community Care	GRI 413 Local Communities
	Human Rights Assessment	GRI 412 Human Rights Assessment
	Employee Diversity and Equal Opportunity	GRI 405 Diversity and Equal Opportunity
G Governance	Well-established Sustainable Development Strategies	GRI 201-1 Direct economic value generated and distributed
	Green Investment and Investment Transformation	GRI 201-1 Direct economic value generated and distributed
	Economic Performance	GRI 201 Economic Performance
	Information Security Risk	GRI 418 Customer Privacy
	Ethical Corporate Management	GRI 205 Anti-corruption, IF-WM-150a.3

Materiality

Likelihood of Occurrence

Very significant

Moderately significant

Slightly significant

Not significant

Impact

Breadth

Very broad

Moderately broad

Slightly broad

No impact

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1.6 2023 CHYUNN's Material Topics

GRI 3-2、3-3

After SD-TF's initial screening, the preliminary topics were evaluated by the Company's executives, rating materiality (impact on CHYUNN) and impact breadth (impact on environment, society, and people) from 4 to1 points. Since TPEx is a key stakeholder, topics identified in Corporate Governance Evaluations receive a weight of 1.1. "Occupational Health and Safety," recognized by the Sustainable Development Committee as significant, is included as a material issue, along with "Waste", which is closely related to the company's business model.

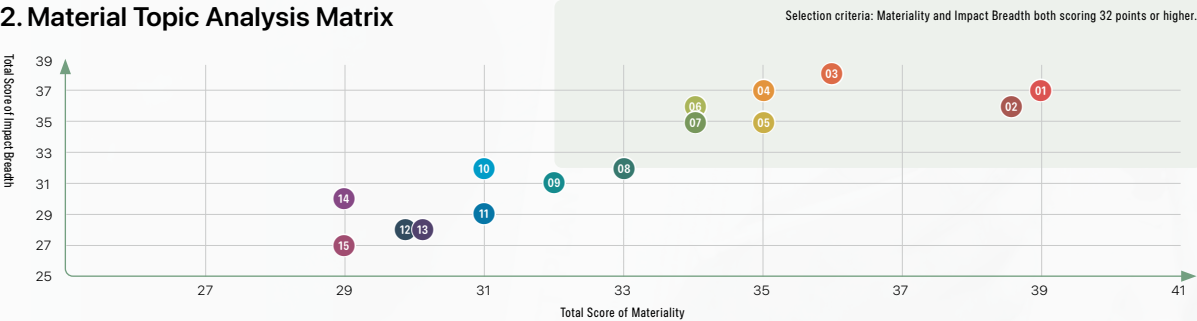
Final Selection of Material Topics

1. Evaluation Results of Executives

Impacts	Corresponding Material Issues	Total Score of Materiality	Total Score of Impact Breadth
00 Occupational Health and Safety	GRI 403 Occupational Health and Safety, IF-WM-302a.1	Approved by the SDC	
00 Waste	GRI 306 Waste, IF-WM-402a.1	Highly related to the industry	
01 Talent Recruitment and Retention	GRI 404 Training and Education	39	37
02 Emissions	GRI 305 Emissions, IF-WM-110a.1, IF-WM-110a.3	38.5	36.3
03 Employment	GRI 401 Employment	36	38
04 Economic Performance	GRI 201 Economic Performance	35	37
05 Ethical Corporate Management	GRI 205 Anti-corruption, IF-WM-150a.3	35	35
06 Energy	GRI 302 Energy, IF-WM-110b.1	34	36.3
07 Information Security Risk	GRI 418 Customer Privacy	34	36
08 Water and Effluents	GRI 303 Water and Effluents	33	32
09 Non-discrimination	GRI 406 Non-discrimination	32	31
10 Well-established Sustainable Development Strategies	GRI 201-1 Direct economic value generated and distributed	31	32
11 Employee Diversity and Equal Opportunity	GRI 405 Employee Diversity and Equal Opportunity	31	29
12 Biodiversity	GRI 304 Biodiversity	30	28
13 Human Rights Assessment (Working Hours, Freedom of Association)	GRI 412 Human Rights Assessment	30	28
14 Local Community Care	GRI 413 Local Communities	29	30
15 Supplier Environmental Assessment	GRI 308 Supplier Environmental Assessment	29	27

● Weighted 1.1 (Type A* Indicators of Corporate Governance Evaluation)

2. Material Topic Analysis Matrix



3. Elected Material Topics

Impacts	Corresponding Material Issues	Total Score of Materiality	Total Score of Impact Breadth
00 Occupational Health and Safety	GRI 403 Occupational Health and Safety, IF-WM-302a.1	Approved by the SDC	
00 Waste	GRI 306 Waste, IF-WM-402a.1	Highly related to the industry	
01 Talent Recruitment and Retention	GRI 404 Training and Education	39	37
02 Emissions	GRI 305 Emissions, IF-WM-110a.1, IF-WM-110a.3	38.5	36.3
03 Employment	GRI 401 Employment	36	38
04 Economic Performance	GRI 201 Economic Performance	35	37
05 Ethical Corporate Management	GRI 205 Anti-corruption, IF-WM-150a.3	35	35
06 Energy	GRI 302 Energy, IF-WM-110b.1	34	36.3
07 Information Security Risk	GRI 418 Customer Privacy	34	36
08 Water and Effluents	GRI 303 Water and Effluents	33	32

Compared to 2022, the newly added items for 2023 include "Ethical Corporate Management" and "Information Security Risk."

4. Material Topics Classified by ESG

Impacts	Corresponding Material Issues	Classification
02 Energy and Emissions	GRI 302 Energy, IF-WM-110b.1, GRI 305 Emissions, IF-WM-110a.1, IF-WM-110a.3	Environmental E
00 Waste	GRI 306 Waste, IF-WM-402a.1	
08 Water and Effluents	GRI 303 Water and Effluents	
00 Occupational Health and Safety	GRI 403 Occupational Health and Safety, IF-WM-302a.1	Social S
01 Talent Recruitment and Retention	GRI 404 Training and Education	
03 Employment	GRI 401 Employment	
04 Economic Performance	GRI 201 Economic Performance	Governance G
05 Ethical Corporate Management	GRI 205 Anti-corruption, IF-WM-150a.3	
07 Information Security Risk	GRI 418 Customer Privacy	

5. Table of Material Topics-1

Impacts on CHYUNN |
● Positive: Boost revenue and brand reputation / ○ Negative: Higher costs and brand damage

Positive / Negative	Material Topics	Policy / Commitment	Impact / Influence	Preventive / Remedial Measures	Goals and Targets	Corresponding Chapter
● ● ● ● ○ ● ● ● ● ○	Energy and Emissions	Reduce energy consumption and upgrade equipment to save energy.	<p>Economy: In line with the international trend of net zero emissions, CHYUNN is expected to improve its sustainable competitiveness in the industry.</p> <p>Environment: Reducing energy consumption improves air quality, helping to protect the environment.</p>	Annually review energy consumption and prioritize replacing inefficient machinery to avoid financial burdens from large-scale purchases.	<p>Short-term: Establish a machinery inventory and gradually replace machinery to reduce energy use and emissions, ensuring air quality.</p> <p>Medium- and long-term: Review energy consumption and carbon emission data through inventory checks to maintain reasonable GHG emission levels, such as gradually upgrading refuse compactor trucks with electric loading system.</p>	Chapter 4 Environmental Protection
● ● ● ● ○ ● ● ● ● ○	Waste	The Company specializes in transforming waste into reusable resources, reducing environmental pressure and boosting sustainability competitiveness.	<p>Economy: Improving resource reuse technology can minimize waste, reduce processing costs, and create added value, thereby enhancing competitiveness in the industry.</p> <p>Environment: Reducing waste lowers the incinerator's processing load, decreases carbon emissions from burning, and alleviates air pollution.</p>	Incinerators have a limited lifespan and require annual maintenance. Reducing their capacity could create waste management challenges. By maximizing resource circulation, it ensures waste is directed to appropriate reuse facilities, preventing disposal issues.	<p>Short-term: Revise the waste cleaning plan to expand reuse projects, maximizing resource circulation.</p> <p>Medium- and long-term: Upgrade technology to maintain or exceed reuse rates.</p>	Chapter 4 Environmental Protection
● ● ● ● ○ ● ● ● ● ○	Water and Effluents	Due to recent droughts and flooding in Taiwan, it has adopted a "precise usage and water waste reduction" policy to address stakeholder concerns about water resources.	<p>Environment: Taiwan experiences water scarcity in autumn and winter. Conserving water is a shared goal for everyone.</p>	Taiwan ranks 18th globally in water scarcity due to climate change. Effectively utilizing recycled water addresses the Company's water needs and positively impacts Taiwan's water environment.	<p>Short-term: Fog cannons are used to sprinkle water efficiently, for effective usage of water and air pollution control.</p> <p>Medium- and long-term: Implement smart monitoring systems to optimize water spraying based on air quality., ensuring precise water usage and minimizing waste.</p>	Chapter 4 Environmental Protection

Impacts on the environment, society, and people |

● Positive: Create positive external influence / ○ Negative: Externalities from illegal activities and conflicts due to economic incentives that neglect environmental, social, and human rights conflicts

Positive / Negative	Material Topics	Policy / Commitment	Impact / Influence	Preventive / Remedial Measures	Goals and Targets	Corresponding Chapter
<div> <div>●</div> <div>●</div> <div>●</div> <div>○</div> <div>○</div> </div> <div> <div>●</div> <div>●</div> <div>○</div> <div>○</div> <div>○</div> </div>	Employment	The Company complies with Taiwan's "Labor Standards Act", emphasizes human rights, and protects the labor rights of employees.	<p>Economy: A friendly work environment is related to employee stability. A secure work environment fosters talent retention and knowledge transfer, while insecurity leads to higher turnover and training costs.</p> <p>People/Human Rights: Prioritizing human rights and labor relations enhances company reputation and aids talent recruitment, while neglect can lead to high turnover and recruitment challenges.</p>	<p>The rights and benefits of employees are continuously reviewed through quarterly labor-management meetings.</p> <p>Employees may submit reports anonymously, and the Company is obliged to protect the employees who submit the report. The matter shall be reported at the labor-management meeting by the Labor-management Committee.</p>	<p>Short-term: Establish clear communication channels for employees to anonymously report issues related to human rights violations or labor relations negotiations.</p> <p>Medium- and long-term: Maintain zero human rights violations and zero labor-employer disputes.</p>	Chapter 5 Friendly Workplace
<div> <div>●</div> <div>●</div> <div>●</div> <div>●</div> <div>○</div> </div> <div> <div>●</div> <div>●</div> <div>○</div> <div>○</div> <div>○</div> </div>	Talent Recruitment and Retention	Appropriate training enhances talent, ensuring qualified professionals complete specialized tasks and improve the Company's competitiveness.	<p>Employees: An effective training system ensures knowledge transfer, helping new employees adapt quickly and allowing experienced staff to innovate.</p> <p>Economy: An effective training system cultivates and retains talent, contributing to the Company's strong economic performance.</p>	<p>The annual external training program is reviewed every year to see if it is consistent with the needs of the enterprise.</p> <p>A mentor-mentee evaluation form is utilized to assess the effectiveness of the mentoring program.</p>	<p>Short-term: Establish a mentorship program to help new employees acclimate and provide subsidies for employees to obtain professional certifications according to the Company's annual plan.</p> <p>Medium- and long-term: Conduct annual evaluations of employee performance goals and core competencies, allowing supervisors to discuss individual employee development.</p>	Chapter 5 Friendly Workplace

5. Table of Material Topics-2

Impacts on CHYUNN |
● Positive: Boost revenue and brand reputation / ○ Negative: Higher costs and brand damage

Positive / Negative	Material Topics	Policy / Commitment	Impact / Influence	Preventive / Remedial Measures	Goals and Targets	Corresponding Chapter
● ● ○ ○ ○ ○ ● ● ○ ○ ○ ○	Occupational Safety and Health	Providing a safe and healthy work environment is a tangible demonstration of CHYUNN's commitment to employee well-being and community care.	Employees: Actively promoting occupational safety and health knowledge to prevent workplace accidents and ensure employee safety.	New employees receive occupational safety and health training. CHYUNN also conducts annual safety training sessions and regular health checkups to monitor employees' health and detect any issues early.	Short-term: Regularly organize health checkups for employees, educate front-line workers on safety and health, and establish a reward and punishment system. Medium- and long-term: Implement employee health management, maintain no major labor disputes and major occupational accidents, and achieve "zero disasters", "zero accidents", and "zero injuries and illnesses".	Chapter 5 Friendly Workplace
● ● ○ ○ ○ ○ ● ● ○ ○ ○ ○	Information Security Risk	Strengthening cybersecurity to counter rising cybercrime ensures operational stability.	Clients: Protecting the integrity, confidentiality, and availability of customer and employee data is essential for safeguarding personal privacy and maintaining customer trust. A data breach caused by cyberattacks can create serious privacy and security concerns for clients. Economy: Cyberattacks on IT equipment can disrupt headquarters operations and escalate operational costs.	1. Conduct at least one cybersecurity training annually. 2. Hold quarterly security management review meetings to report on cybersecurity performance. 3. Implement and audit cybersecurity checks according to internal control systems.	Short-term: 1. Maintain zero breaches of customer privacy, no major internal cybersecurity issues, and no reported cybersecurity incidents. 2. Manage and maintain cybersecurity in accordance with the Cyber Security Management Act. Medium- and long-term: 1. Conduct regular cybersecurity drills and awareness programs to enhance overall cybersecurity consciousness. 2. Develop preventive measures for cybersecurity attacks to ensure swift response to threats.	Chapter 3 Win-win Cooperation

Impacts on the environment, society, and people |

● Positive: Create positive external influence / ○ Negative: Externalities from illegal activities and conflicts due to economic incentives that neglect environmental, social, and human rights conflicts

Positive / Negative	Material Topics	Policy / Commitment	Impact / Influence	Preventive / Remedial Measures	Goals and Targets	Corresponding Chapter
<div> <div>● ● ● ● ● ○</div> <div>● ● ● ● ● ○</div> </div>	Economic Performance	By meeting clients' diverse waste clearance needs, it achieves annual operational goals and aims to promote the sustainable development of both the Company and the environment.	<p>Economy: Share business achievements with investors for mutual economic growth.</p> <p>Environment: Assisting clients in complying with environmental regulations, fulfilling their responsibility for proper waste management, and upholding environmental protection duties.</p>	By setting annual business goals and addressing issues through management meetings, it drives effective communication and achieves operational performance.	<p>Short-term: Maintain a stable business foundation.</p> <p>Medium- and long-term: Expand new business and seek suitable M&A opportunities to achieve 10% annual revenue growth.</p>	Chapter 2 Ethical Corporate Management
<div> <div>● ● ● ● ● ○</div> <div>● ● ● ● ● ○</div> </div>	Ethical Corporate Management	Operating with integrity establishes solid governance and risk control, fostering sustainable business growth.	<p>Economy: Conducting business with integrity assist CHYUNN in making optimal business decisions.</p>	Violations of the integrity management policy will be addressed according to company regulations and the complaint procedure. Relevant details, including the violator's title, name, date of violation, nature of the violation, and the resolution, will be promptly disclosed on the Company's internal website.	<p>Short-term: Maintain no violation of ethical corporate management and anti-corruption regulations.</p> <p>Medium- and long-term: Incorporate ethical management into the corporate culture.</p>	Chapter 2 Ethical Corporate Management



Chapter2

Ethical Corporate Management: Pioneer of Compliance



Ethical Corporate Management: Pioneer of Compliance

2.1 Ethical Corporate Management

Corporate sustainability is founded on integrity. The Company prioritizes integrity, which shapes its value chain, impacting investors, government entities, and the community. This commitment enhances economic performance, fosters trust-based partnerships, and supports its long-term sustainability.

2.1.1

Management of Material Topic: Ethical Corporate Management

GRI 3-3, 102-16

Materiality of the Topic



Description

Operating with integrity establishes solid governance and risk control, fostering sustainable business growth.

Policy / Commitment



Description

Conduct business activities fairly and transparently in accordance with the "Ethical Corporate Management Best Practice Principles".

Goals and Targets



Description

Fostering a corporate culture of integrity and implementing ethical management policies ensures all employees adhere to ethical principles in business activities.

Management Evaluation Mechanism



Description

A whistleblower system has been established. Reports and appeals can be submitted via: carl@chyunn.com.tw.

Performance and Adjustment



Description

In 2023, no ethical violations or corruption reports were received.

Preventive / Remedial Measures



Description

The Company discloses integrity practices, results, and measures on its website, annual report, and prospectus, with related principles and grievance channels on MOPS.



2.1.2

Management of Material Topic: Economic Performance

GRI 3-3 · 201

Materiality of the Topic



Description

Short-term goals

1. Stable growth based on the existing business foundation.
2. Enhance professional processing capabilities and differentiated service value.
3. Continue to develop new businesses and look for appropriate M&A opportunities.

Medium- and long-term goals

1. Recruit and train professional talent to facilitate the sustainable development of the Company.
2. Develop the green energy business.
3. Explore new business territories, including recreation and tourism.

Policy / Commitment



Description

Differentiate from peers through service improvement and management system optimization.

Through horizontal and vertical integration, CHYUNN expands the target market and diversifies business sources.

By fully complying with the laws and regulations, it has maintained business quality and won the long-term trust of our clients, thereby generating a stable source of business.

Goals and Targets



Description

Corporate sustainability is the mission of CHYUNN. Stable profits and continuous growth are the key to sustainable corporate development.

Through professional management, it strives to become a benchmark in waste clearance, creating strong economic performance and sharing the results with shareholders and investors. This positive investment cycle drives sustainable corporate development.

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Management Evaluation Mechanism



Description

1. Conduct monthly business management meetings to review indicators.
2. Conduct quarterly board meetings to report operational performance.
3. In 2023, the Remuneration Committee held 3 meetings and the Audit Committee held 6 meetings to review management performance.
4. Convene at least one shareholders' meeting each year to report on operational performance.

Performance and Adjustment



Description

► Operational performance

The 2023 revenue and net profit targets were set at NTD 417,499 thousand and NTD 77,077 thousand, respectively. Actual results were NTD 454,895 thousand in revenue (108.96% of target) and NTD 57,069 thousand in net profit (74.04% of target). ^{Note 1}

► Adjustment mechanism

According to the business objectives, the annual budget is regularly prepared. The Chairman convenes the relevant departments to review the budget targets and achievements of each department to facilitate timely response to market conditions.

Preventive / Remedial Measures



Description

By setting annual business targets, addressing issues during management meetings, and maintaining close communication within the Company, it is able to control and drive the achievement of its operational performance.

Note 1: This report only covers CHYUNN Environment Corporation, while the revenue figures are consolidated, including subsidiaries Tongshine, Xiangmao, and Tongmao. However, the subsidiaries' revenue contribution is less than 10% and is therefore not considered materially significant.

2.2 Elimination of Corruption

GRI 205-1、205-2、205-3

The foundation of ethical corporate management is the elimination of corruption. CHYUNN complies with the Company Act, the Securities and Exchange Act, the Accounting Act, TWSE/TPEx listing regulations, and other applicable laws and regulations related to business conduct. It has also established the "Ethical Corporate Management Procedures and Code of Conduct," which governs the actions of directors, managers, and employees, including charitable donations, conflict of interest, and reporting channels. This

framework ensures its commitment to ethical corporate management while continually monitoring developments in relevant regulations to review and enhance its integrity policies and initiatives.

The Company's "Board Meeting Procedures" clearly state that directors with a vested interest in agenda items must abstain from discussion and voting, and cannot delegate their voting rights to others.

To prevent corruption, it has established "Procedures for Handling Material Inside In-

formation and Prevention of Insider Trading," which prohibit directors, managers, and employees from disclosing internal confidential information, soliciting or disclosing unpublished internal information unrelated to their roles. These guidelines are publicly available on the Company's website for all stakeholders, and included in new employee orientation.

In practice, CHYUNN has set up an internal control system, with the audit office conducting annual audits focused on major corruption risks to en-

sure adherence to its integrity operations. This covers 100% of its locations, including the Tainan headquarters, Kaohsiung branch, and Chiayi office, with all employees included in the audit scope.

Additionally, CHYUNN advocates anti-corruption during board meetings to safeguard shareholder rights, promote equality, and strengthen corporate governance for sustainable development.

In 2023, CHYUNN reported zero corruption incidents.



2.3 Corporate Governance

GRI 2-9、2-10

A sound and efficient Board of Directors is the foundation of corporate governance. CHYUNN is committed to transparent operations and safeguarding shareholder rights. The Company's operating results are reviewed through the shareholders' meeting. The Board members are selected by the shareholders to supervise the business activities of the Company. In addition, functional committees, including the "Remuneration Committee", "Audit Committee", and "Sustainable Development Committee", have been established.

2.3.1 Board of Directors and Committees

GRI 2-9、2-10、2-11、2-14、2-16、2-17、2-18、2-19、2-20

Our diverse board, with expertise from industry, government, and academia, ensures effective supervision and decision-making. Board members serve three-year terms as per company regulations. In 2021, the 11th Board was elected, comprising five directors, with an additional four directors added in 2022, including one executive and three independent directors to enhance management quality.

The board includes six men and one woman, with the Chairman also serving as CEO. In 2023, the board convened six times with an attendance rate over 95%. The establishment of the SDC in November 2023 marked a key step toward sustainable development.

Corporate Governance Framework



List of All Members of the Board of Directors in 2023

Job Title	Name	Gender	Age (years)	Initial Appointment (Election) Date	Main Education / Experience	Current Positions at the Company and Other Companies	Industry Experience				Professional Competence			Sustainable Expertise		
							Banking and finance	Business management	Marketing	R&D	Accounting and financial analysis	Information technology	Risk Management	Environmental	Social	Governance
Chairman	Tien-yu Lee	Male	50+	2016/02/22	Department of Electrical Engineering, National University of Tainan	CEO, CHYUNN Environment Co.		✓	✓				✓	✓		
Director	Wen-ta Tsai	Male	50+	2021/08/26 By appointment	Department of Business Administration, National Yunlin University of Science and Technology	General Manager, CHYUNN Environment Co.		✓					✓			✓
Director	Wei-tsung Lin	Male	30-50	2021/08/26 By appointment	Department of Banking and Insurance, Feng Chia University	General Manager, Weicheng Investment Co., Ltd.	✓	✓	✓				✓			✓
Director	Chun-tai Wu	Male	50+	2018/06/19	Ph.D. in Electrical Engineering, University of Pennsylvania	Chairman, Weicheng Investment Co., Ltd.		✓					✓			✓
Independent Director	Wen-de Wang	Male	50+	2022/09/23	Graduated from Chia Nan University of Pharmacy and Science and obtained pharmacist qualification	Retired No concurrent positions at the Company or in other companies		✓					✓			✓
Independent Director	Hsiao-mei Yen	Female	50+	2022/09/23	Master of Environmental Engineering, National Cheng Kung University	Chairman, Taiwan Filament Weaving Development Co., Ltd.		✓		✓			✓	✓		
Independent Director	Heng-hui Lin	Male	50+	2022/09/23	Master of Finance, National Taiwan University	Senior Manager, Financial Management Division, Taishin Bank	✓	✓			✓		✓		✓	

Remuneration Policy for Directors and Managers

Procedures for Determining Remuneration

- Remuneration procedures are set by the Company's independent directors per Article 7 of the "Remuneration Committee Charter." Director remuneration is based on their involvement in operational policies and company profitability, including cash compensation, stock options, stock dividends, retirement benefits, allowances, and other incentives.
- The General Manager and Deputy General Manager's remuneration consists of salary, bonuses, and employee benefits, determined according to the "Employee Salary and Welfare Management Guidelines," industry salary standards, their role responsibilities, and contributions to company goals.

Correlation Between Remuneration, Business Performance, and Future Risks

The remuneration policy for directors, the General Manager, and Deputy General Manager establishes a positive correlation between rewards (beyond base salary) and business performance, with disclosure of payment amounts as mandated by law. It considers overall company performance, industry risks, future trends, individual achievement rates, and contributions to company success. The Remuneration Committee and Board of Directors review performance evaluations and remuneration fairness, with ongoing adjustments based on actual operations and legal requirements to maintain a balance between sustainable operations and risk management.

Composition of the Functional Committees

Name	Audit Committee	Remuneration Committee	Sustainable Development Committee
Tien-yu Lee Chairman			<div>✓</div> <div>(Chair)</div>
Heng-hui Lin Independent Director	<div>✓</div> <div>(Chair)</div>	<div>✓</div>	
Wen-de Wang Independent Director	<div>✓</div>	<div>✓</div> <div>(Chair)</div>	<div>✓</div>
Hsiao-mei Yen Independent Director	<div>✓</div>	<div>✓</div>	<div>✓</div>

Category	Total No. of Major Incidents	Communication Method and Frequency	Communication Outcome
Environmental	0	Board meetings are held at least quarterly, totaling six board meetings in 2023.	The Chairman and department managers are authorized to handle major incidents, reporting to the Board as necessary. Resolutions are reported at the next meeting, with unresolved issues tracked and reported quarterly.
Social	2		
Governance	5		

Description





In 2023, CHYUNN had three independent directors, comprising 42.8% of the board, all meeting independence standards. One director also served as an executive, addressing operational needs. To support effective board operations, the Company has established the “Rules Governing the Scope of Powers of Independent Directors”. This regulation clearly defines the requirements for independent directors to express dissent or reservations in board meetings, prohibits any obstruction, refusal, or circumvention of their duties by the Company or the Board, and grants independent directors the right to request relevant personnel or hire experts for support when necessary.

1. Quarterly board meetings are scheduled with seven days' advance notice and an agenda.	9. Meetings are held at the company office during work hours, with flexibility for convenient alternatives.
2. Meetings may be convened at any time in emergencies or on matters that cannot be resolved at regular meetings, and notices may be sent electronically.	10. The chairperson convenes and presides over meetings; an acting chair is elected if unavailable.
3. Administrative staff handle meeting logistics and provide adequate materials.	11. Relevant personnel may attend for expert input but leave during discussions and voting.
4. Agenda items include reports, discussions, and any motions.	12. Voting requires the attendance and consent of more than half of the directors.
5. Material issues must be listed in the agenda and cannot be raised as extempore motions.	13. Minutes detail proposal summaries, voting methods, outcomes, and dissenting views.
6. Independent directors must attend in person or appoint a proxy, with opinions recorded in the minutes.	14. Minutes shall be sealed with the Company's seal and signed or stamped by the Chair and the minute taker, and distributed to the directors within 20 days after the meeting.
7. The Board may delegate certain powers to the chairperson.	15. Audio or video recordings are kept for at least five years.
8. Directors should attend personally; proxies can represent only one director.	16. The establishment and amendment of the Rules of Procedure shall be agreed by the Board of Directors and reported to the Shareholders' Meeting.

The Company's Board of Directors meets quarterly to review issues submitted by the management department. In 2023, six meetings were held with an average director attendance rate of 95.0%. The management department attends as needed to ensure thorough discussions. Economic, environmental, and social issues are managed by senior executives with board oversight. Unresolved issues are tracked and reported each quarter. Major proposals are communicated with directors by phone or in person, with site visits arranged when necessary for in-depth understanding. Additionally, the directors communicate adequately with each other to ensure that they have a thorough understanding of the issues.

Effective Board of Directors

GRI 2-18

<div>Rules for Performance Evaluation of Board of Directors</div> <div></div>	<p>The Rules for Performance Evaluation of the Board of Directors was formulated to implement corporate governance and enhance the functionality of the Board. It outlines the evaluation cycle, scope, methods, executing unit, procedures, and other compliance requirements.</p>
<div>Frequency of Board Performance Evaluation</div> <div></div>	<p>The Board’s performance is evaluated by an external professional independent agency or team of external experts every three years. Additionally, internal performance evaluations are conducted annually, with results finalized by the end of the first quarter of the following year.</p>
<div>Board Performance Evaluation Metrics</div> <div></div>	<p>Considering the company’s situation and needs, our Board performance evaluation shall include at least the following five major aspects:</p> <div><div>I. Participation in company operations.</div><div>II. Enhancement of decision-making quality.</div><div>III. Board composition and structure.</div><div>IV. Election and continuing education of directors.</div><div>V. Internal control.</div></div>
<div>Evaluation Method</div> <div></div>	<p>Evaluations are conducted via questionnaires, including internal Board self-evaluations and individual director self-evaluations. The 2023 Board performance self-evaluation results will be reported to the Board by March 31, 2024, and will be used as a reference for future director selection, nomination, and individual director remuneration.</p>

Board Self-Evaluation Results

(I) Director Self-evaluation: Above Standard

The Company has 7 directors (including independent directors). A performance self-evaluation questionnaire was sent out on March 12, 2024, with all 7 responses received. The average score across all areas was 4.81 out of 5, indicating performance "above standard."

Aspects of Self-evaluation	No. of Questions	Average Score
A. Knowledge of company goals and missions	3	4.76
B. Awareness of directors' responsibilities	3	4.81
C. Participation in company operations	8	4.71
D. Internal relationship management and communication	3	4.81
E. Professionalism and continuing education	3	4.86
F. Internal control	3	4.90
Total Questions / Average Score	23	4.81

(II) Functional Committee Self-evaluation: Above Standard

The Audit Committee and Remuneration Committee conducted self-evaluations by the committee chairs, both receiving "above standard" ratings. These results demonstrate effective operation and compliance with corporate governance requirements.

The Sustainability Development Committee was established on November 28, 2023, its self-evaluation will be included in the 2024 Sustainability Report, linking to ESG performance.

Aspects of Self-evaluation	Audit Committee		Remuneration Committee	
	No. of Questions	Average Score	No. of Questions	Average Score
A. Participation in company operations	4	5.00	4	5.00
B. Awareness of committee's responsibilities	5	4.40	5	4.80
C. Enhance decision-making quality	7	4.71	7	4.85
D. Composition and election of members	3	5.00	3	5.00
E. Internal control	3	4.66	-	-
Total Questions / Average Score	22	4.75	19	4.91

(III) Board Self-evaluation: Above Standard

The Board received scores indicating performance "above standard" across all areas. This reflects its effectiveness in guiding and supervising company strategies and establishing appropriate internal control systems, meeting regulatory governance requirements.

Aspects of Self-evaluation	No. of Questions	Average Score
A. Participation in company operations	12	4.00
B. Enhance decision-making quality	12	4.50
C. Composition and structure of the Board	7	4.57
D. Election and continuing education	7	4.00
E. Internal control	7	4.42
Total Questions / Average Score	45	4.29

2.3.2 Organizational Structure and Development of the Remuneration Committee

The Remuneration Committee, consisting of three independent directors, convenes at least two meetings a year. Their duties are as follows:

- I. Regularly reviewing remuneration committee charter and proposing amendments.
- II. Establishing and regularly reviewing performance evaluation criteria for directors and managers, along with annual and long-term performance goals, and the associated remuneration policies, standards, and structure. Evaluation criteria are disclosed in the annual report.
- III. Regularly assessing the achievement of performance goals for directors and managers, determining individual remuneration based on performance evaluation results.

The committee shall perform its duties according to the following principles:

- I. Ensure that the Company's remuneration structure aligns with relevant laws and effectively attracts top talent.
- II. Performance evaluations and remuneration for directors and managers should adhere to industry standards. Key considerations include individual performance, time invested, responsibilities undertaken, goal achievement, and alignment with the Company's short- and long-term objectives as well as financial health.
- III. Avoid incentivizing directors and managers to pursue remuneration at the expense of exceeding the company's risk appetite.
- IV. Determine the proportion of short-term performance remuneration and timing of variable pay for directors and senior managers based on industry characteristics and the nature of the business.
- V. Ensure that the content and amounts of remuneration for directors and managers are reasonable and correlate with financial performance. In cases of significant profit decline or sustained losses, remuneration should not exceed the previous year's amount; if it does, a rationale must be disclosed in the annual report and communicated at the shareholders' meeting.
- VI. Committee members must abstain from discussions and votes regarding their own remuneration decisions.

2023 Remuneration Committee Operations

- I. The Company's Remuneration Committee consists of three members.
- II. Term of office: From September 23, 2022 to August 25, 2024.
- III. Chaired by Mr. Wen-de Wang, the Remuneration Committee convened three times in 2023.

Member attendance details are as follows:

Convener Wen-de Wang	Member Heng-hui Lin	Member Hsiao-mei Yen
Actual Attendance 3 Times	Actual Attendance 3 Times	Actual Attendance 3 Times
Proxy Attendance 0 Times	Proxy Attendance 0 Times	Proxy Attendance 0 Times
Actual Attendance Rate 100 %	Actual Attendance Rate 100 %	Actual Attendance Rate 100 %



CHYUNN's directors actively pursue further education to maintain forward-looking management capabilities.

2.3.3 Organizational Structure and Development of the Audit Committee

To strengthen board oversight and enhance management mechanisms, the Audit Committee was established in September 2022, consisting of all independent directors. This committee assists the board in supervising the quality and integrity of the Company’s accounting, auditing, financial reporting processes, and financial controls, as well as risk management. In fulfilling its duties, the Audit Committee is authorized to conduct any necessary audits or investigations as outlined in its charter, maintaining direct communication channels with internal auditors and external accountants. Additionally, the committee conducts an annual self-assessment of its performance.

Matters Reviewed by the Audit Committee Mainly Include:

- ▶ Review of financial statements
- ▶ Audits and accounting policies and procedure
- ▶ Internal control system and related policies and procedures
- ▶ Significant asset transactions and derivative financial instruments
- ▶ Review major lending, endorsements, or guarantees
- ▶ Review matters involving the directors' conflicts of interest
- ▶ Evaluate external auditors’ qualifications, independence, and performance
- ▶ Approve the appointment, dismissal, or remuneration of external auditors
- ▶ Review the issuance, offering, or private placement of equity-like securities
- ▶ Approve appointments or dismissals of finance, accounting, or internal audit officers
- ▶ Addressing other major issues required by law, the committee’s charter, or regulatory mandates

2023 Audit Committee Operations

- I. Term of office: From September 23, 2022 to August 25, 2024.
- II. Chaired by Mr. Heng-hui Lin, the Audit Committee convened six times in 2023.

Member attendance details are as follows:

Convener	Member	Member
Heng-hui Lin	Wen-de Wang	Hsiao-meí Yen
Actual Attendance	Actual Attendance	Actual Attendance
6 Times	5 Times	6 Times
Proxy Attendance	Proxy Attendance	Proxy Attendance
0 Times	0 Times	0 Times
Actual Attendance Rate	Actual Attendance Rate	Actual Attendance Rate
100 %	83 %	100 %

2.3.4

Organizational Structure and Development of the Sustainable Development Committee (SDC)

The SDC, consisting of three independent directors, convenes at least one meeting a year. Their duties are as follows:

- I. Review the Company's sustainable development strategy and corporate sustainability report.
- II. Oversee and evaluate the results of Corporate Governance Evaluation.
- III. Address the concerns of various stakeholders, including shareholders, clients, suppliers, employees, government entities, NGOs, communities, and the media, and supervise communication plans.
- IV. Manage other major matters mandated by the Company or competent authorities.

The SD-TF is responsible for the following duties, with its structure adjustable as needed upon committee approval:

- I. Prepare meeting agendas, recording minutes, and tracking resolutions.
- II. Propose initiatives related to corporate governance, sustainable management, social responsibility, and corporate commitments, consolidating materials for committee discussion.
- III. Facilitate coordination and integration of tasks across relevant departments.
- IV. Establish and maintain the committee database.

The SD-TF may convene as necessary to review task progress and must submit an execution plan for the upcoming year by the end of each year, along with an annual performance report. These plans and reports are subject to committee review, with key points presented to the Board of Directors.

2023 Sustainable Development Committee Operations

- I. Term of office: Starting November 28, 2023.
- II. Chaired by Mr. Tien-yu Lee, the Sustainable Development Committee convened once in 2023.

Member attendance details are as follows:

Chair Tien-yu Lee	Member Wen-de Wang	Member Hsiao-meï Yen
Actual Attendance 1 Times	Actual Attendance 1 Times	Actual Attendance 1 Times
Proxy Attendance 0 Times	Proxy Attendance 0 Times	Proxy Attendance 0 Times
Actual Attendance Rate 100 %	Actual Attendance Rate 100 %	Actual Attendance Rate 100 %

2.3.5
Continuing Education of the Board of Directors

GRI 2-9

To ensure CHYUNN's management team maintains up-to-date corporate governance knowledge and stays responsive to shifts in the business environment, it requires each board member to complete a minimum of 3 hours of training at the start of each term.



Heng-hui LinIndependent Director

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisorsa under the Securities and Exchange Act	3	3.0

Wen-de WangIndependent Director

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.10.18-2023.10.18	Securities and Futures Institute	Post-pandemic Talent Sustainability Challenges	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

Tien-yu LeeDirector

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

Wei-Tsung Lin

Corporate Director Representative

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

Chun-tai Wu

Director

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

Hsiao-mei Yen

Independent Director

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

Wen-ta Tsai

Corporate Director Representative

Date (from/to)	Organizer	Course Title	Training Hours	Total Hours in the Year
2023.08.10-2023.08.10	Securities and Futures Institute	Responsibilities of Directors and Supervisors in M&A	3	6.0
2023.02.24-2023.02.24	Securities and Futures Institute	Leveraging Functional Committees within the Board	3	6.0
2022.09.23-2022.09.23	Taiwan Securities Association	Legal Liabilities and Risk Control of Directors and Supervisors under the Securities and Exchange Act	3	3.0

2.3.6
Avoidance of Conflict of Interest

GRI 2-11、2-15

In accordance with the Company's "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles", Directors must maintain self-discipline and disclose conflicts of interest, particularly those that may be detrimental to the Company's interests. They must abstain from discussion and voting and may not act as proxies.

The Chairman of the Board also serves as CEO to ensure effective policy implementation. However, if there is a risk of harming the Company's interests, the Chairman must abstain from discussions and votes.

In accordance with the Company's "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles," a director's spouse, blood relatives up to the second degree, or any company under the director's control have conflicts of interest with respect to matters discussed at the meeting. A director who violates the conflict of interest policy by participating in a vote has their vote invalidated. Unable directors' votes are not counted.

2023 Board of Directors Conflict of Interest Management

Date of Board Meeting	Conflict of Interest Motion		Recused Directors and Supervisors
02.24	Motion 12	Directors' non-compete clause waiver	Director: Chun-tai Wu
03.31	Motion 1	2022 Employee remuneration distribution plan	Chairman: Tien-yu Lee
	Motion 2	2022 Director remuneration distribution plan	Chairman: Tien-yu Lee Directors: Chun-tai Wu, Wei-tsung Lin
	Motion 6	Management contract with Tongshine Energy Co., Ltd.	Chairman: Tien-yu Lee Director: Wei-tsung Lin
	Motion 7	2022 Related party transactions ratification	Chairman: Tien-yu Lee
05.30	Motion 2	Appointment of CEO and General Manager, including remuneration plan	Chairman: Tien-yu Lee Director: Wen-ta Tsai
	Motion 5	Mid-year bonus distribution plan	Chairman: Tien-yu Lee
08.10	Motion 5	Ratification of transactions with related parties in the first half of 2023	Chairman: Tien-yu Lee Director: Wen-ta Tsai
	Motion 6	Non-Compete Clause Waiver for CEO Tien-yu Lee	Chairman: Tien-yu Lee
	Motion 7	Non-Compete Clause Waiver for General Manager Wen-ta Tsai	Director: Wen-ta Tsai
11.23	Motion 5	Directors' non-compete clause waiver	Chairman: Tien-yu Lee Director: Wen-ta Tsai
	Motion 12	Ratification of transactions with related parties in 2023Q3	Chairman: Tien-yu Lee Director: Wen-ta Tsai
	Motion 13	Performance evaluation of directors and managers	Chairman: Tien-yu Lee Director: Wen-ta Tsai
12.28	None		

2.3.7
Participation
in External Organizations

GRI 2-28

The influence of the business can be expanded through external participation. CHYUNN actively participates in industry-related associations to establish communication and cooperation.

Industry Associations, Other Member Associations,
and National or International Advocacy Organizations

Name of Organization	Membership Qualifications
WRTC	Director
Tainan City Building Materials Traders Association	Director
Waste Clearance and Disposal Business Association of Tainan City	Member
Waste Clearance and Disposal Business Association of Kaohsiung City	Member

2.4
Business Results

GRI 201-1

In 2023, CHTUNN achieved a net operating revenue of NTD \$454,895 thousand, which represents an increase of NTD \$82,936 thousand or 22.30% compared to the net operating revenue of NTD \$371,959 thousand in 2022.

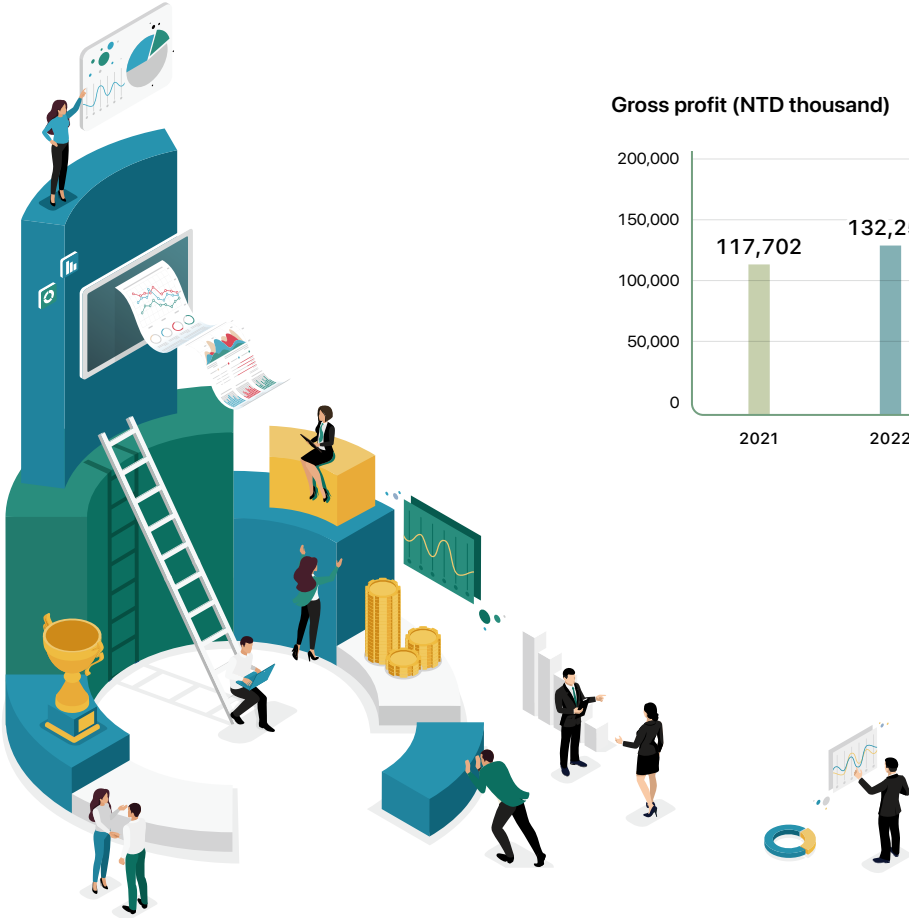
Remarks

- ① Payments to investors include dividends to shareholders and interest paid to lenders (including any form of debt and loan interest) as well as unpaid dividends to preferred shareholders.
- ② Payments to the government refer to all taxes (including sales tax, income tax, property tax) and fines.
- ③ "Employee salaries (including employee benefits)" encompass welfare benefits provided in monetary form, such as labor and health insurance premiums, pension costs, etc. This does not include costs directly related to employee job responsibilities such as education, training, or protective equipment. Another item, "Employee Benefit Amount", refers to the total cost of welfare benefits provided to employees by the Welfare Committee, such as employee trips, health checkups, and gift boxes for three major holidays, which are provided in non-monetary form.
- ④ Community investment refers to donations and contributions.
- ⑤ The currency is NTD.
- ⑥ Retained economic value: "Direct economic value generated" minus "Economic value distributed".

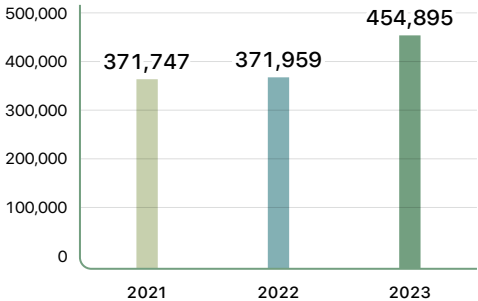
⚠ Direct economic value generated: Revenue.

⚠ Economic value distributed: Operating costs, employee salaries and benefits, payments to lenders, payments to the government by country and community investments.

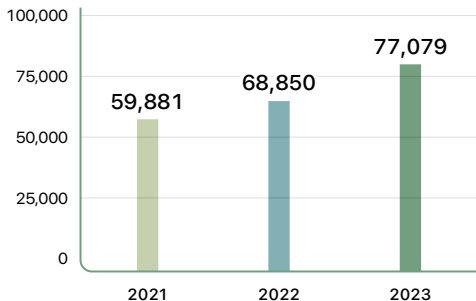
2021-2023
CHYUNN Business Results (Consol-
idated Statements)



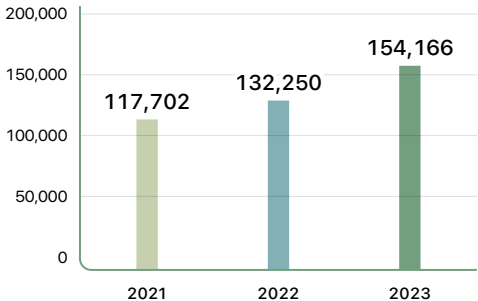
Operating revenue (NTD thousand)



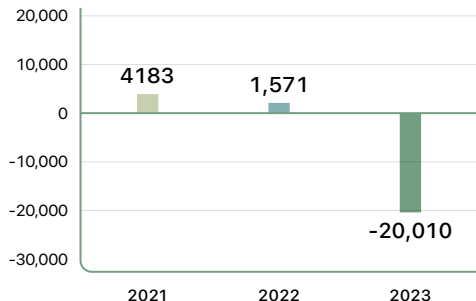
Operating profit and loss (NTD thousand)



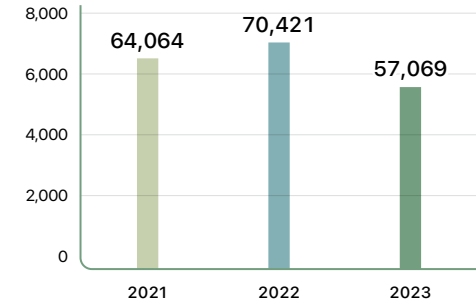
Gross profit (NTD thousand)



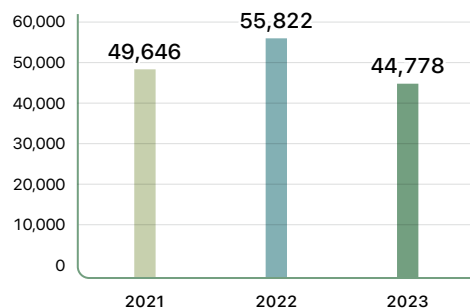
Non-operating income and expense (NTD thousand)



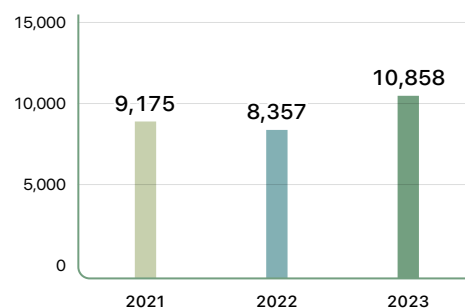
Pre-tax profit (NTD thousand)



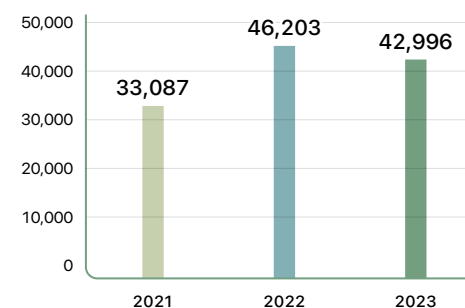
Net income after tax (NTD thousand)



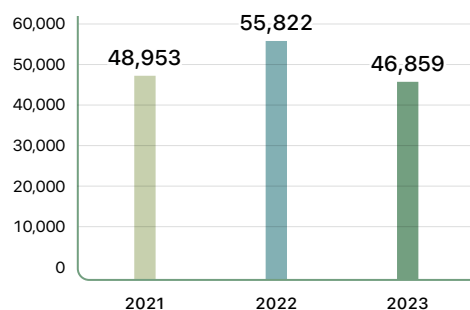
Employee benefit amount (NTD thousand)



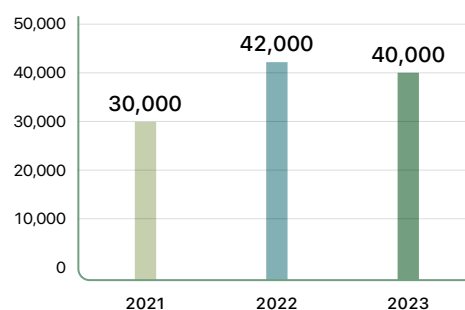
Payments to investors (NTD thousand)



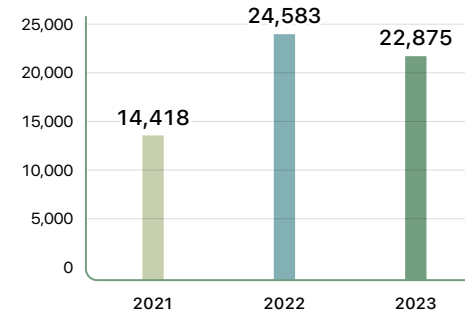
Total comprehensive income (NTD thousand)



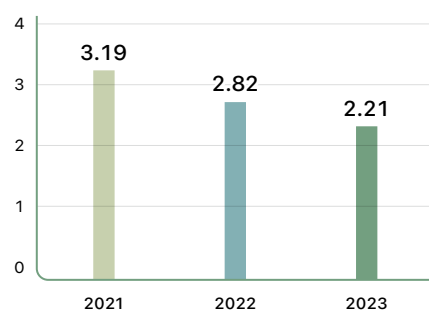
Dividends (NTD thousand)



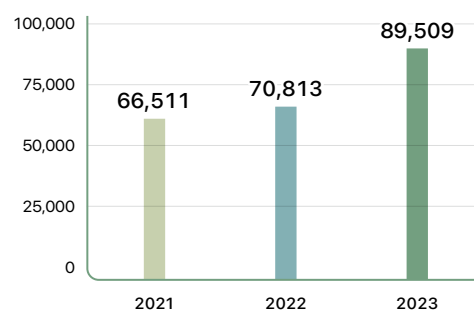
Payments to the government (NTD thousand)



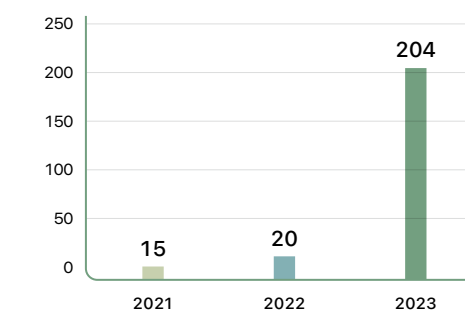
Earnings per share (NTD)



Employee salaries
(including employee benefits) (NTD thousand)



Community investment (NTD thousand)



Financial Assistance Received from the Government

GRI 201-4

The Company actively aligns with national development goals and has received related subsidies for national education training, technological upgrades, and transformation.

Item	Subsidized By	Subsidy amount (NTD)	100,000	200,000	300,000	400,000	500,000	600,000	700,000	800,000	900,000	1,000,000	1,100,000	1,200,000	1,300,000	1,400,000
On-site health service subsidy	Occupational Safety and Health Administration, MOL	3,840	<div></div>													
Elderly employment training subsidy	Yunlin-Chiayi-Tainan Regional Branch of Workforce Development Agency, MOL	83,048	<div></div>													
Enterprises Human Resource Upgrade Program	Yunlin-Chiayi-Tainan Regional Branch of Workforce Development Agency, MOL	372,000	<div></div>													
Purchase price for air pollution reduction benefits	MOENV	64,000	<div></div>													
CHYUNN's Refuse Compactor Truck Upgrade and Transformation Plan	China Productivity Center	1,300,000	<div></div>													
Purchase price for carbon reduction benefits	Hsinchu Science Park Bureau, NSTC	16,000	<div></div>													
Reduced/Refund Commodity Tax for Heavy-duty Vehicle Trade-in	National Taxation Bureau of the Southern Area	5,600	<div></div>													
Total		1,844,488	Remark: Government financial assistance includes tax reductions, subsidy programs, and pandemic relief support.													

2.4.2

Tax Policy

The Company strictly complies with the relevant tax laws, including securities transaction tax, business tax, and corporate income tax, and has formulated tax policies in accordance with the following principles.

Compliance

—
Follow tax laws, declare, pay taxes, and maintain documentation.



Comprehensive Decision-making

—
Stay updated on tax law changes and assess impacts fully.



Transparency

—
Disclose tax information regularly in financial and annual reports.



Proactive Communication

—
Maintain open communication with tax authorities.



Reasonable Tax Planning

—
Use legal incentives responsibly, avoiding evasive practices.



Structural Integrity

—
Ensure business structures meet economic substance.



Risk Control Principle

—
Assess and manage risks in tax decisions.



Commercial Substance

—
Ensure related-party transactions have economic substance and fair risk-reward distribution.



Arm's Length

—
Related-party transaction terms should mirror those of similar non-related transactions.



2.4.3 Tax Governance

GRI 2-26

Governing Unit Finance and Accounting Section

Financial Statements | <https://www.chyunn.com/financial-information/>
Grievance Email | service@chyunn.com.tw



2.5 Compliance

GRI 2-27、206-1、2-23、2-24、2-25

Compliance with regulations is a key governance policy for CHYUNN. The Company adheres to social, economic, and environmental laws, including the Company Act, Waste Disposal Act, Income Tax Act, and Labor Standards Act. It defines a major violation as any instance where fines exceed NTD 1 million for a single event. In 2023, no major violations were recorded.

Sustainability policies and commitments are shared annually through our Sustainability Report, facilitating open communication with stakeholders. Dedicated to ethical practices, the Company also maintains an anonymous reporting channel for employees and stakeholders to report any unlawful, fraudulent, or unethical behavior. Committed to legal and competitive integrity, it has not encountered any legal challenges related to anti-competition, anti-trust, or monopolistic conduct, thereby promoting fair competition and market transparency.

2.6 Due Diligence

GRI 2-23

CHYUNN supports the human rights principles outlined in the "Universal Declaration of Human Rights", "United Nations Global Compact", and "International Labor Conventions". Guided by its environmental vision and in line with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and OECD Principles of Corporate Governance, it strengthens corporate governance, protects the environment, promotes human rights, and fosters a sustainable supply chain that respects safety and health. It complies with national laws, upholds labor rights, and prioritizes shareholder interests, board functionality, stakeholder rights, and transparency.

The Company conducts due diligence on key suppliers to identify potential impacts, conducting assessments and site visits to manage sustainability risks. Its human rights policy, communicated to all new employees upon onboarding, is also publicly available on its website. Regular inspections ensure that suppliers uphold labor standards, including prohibitions on child labor, elimination of forced labor, and protection of workers' rights.

CHYUNN Corporate Governance Best Practice Principles:

www.chyun.com/operating-regulations/



Due Diligence Steps

STEP.01



Suppliers complete a self-assessment form on human rights, technical, and environmental issues.

STEP.02



For suppliers below standards, discuss possible improvements.

STEP.03



Continue partnerships with improved suppliers.

Grievance Channel

Acceptance Unit	Administrative Department (Tainan, Chiayi)
Address	No. 100, Sec. 4, Anming Road, Annan District, Tainan City
Hotline	06-2575589
Email	project@chyunn.com.tw <small>Automatically forwarded to the Administrative Director and Audit Director.</small>

Acceptance Unit	Audit Office
Address	No. 100, Sec. 4, Anming Road, Annan District, Tainan City
Hotline	06-2575589
Email	sandylee@chyunn.com.tw

Acceptance Unit	Kaohsiung Branch
Address	No. 6, Guihua Street, Xiaogang District, Kaohsiung City
Hotline	0918-113717
Email	sanlongwang@chyunn.com.tw

2.7 Risk Management

GRI 2-25、201-2

Global trends and rapidly changing environments may impact corporate profitability, but they also present potential opportunities. Timely response to risks and opportunities arising from internal and external factors makes effective risk management essential. The Company adopts a prudent approach to managing risks.

2.7.1 Organizational Structure and Operations

The Company has an internal control system to manage risks. Major policies, investments, and asset transactions are evaluated by relevant departments and approved by the Board. The internal audit unit conducts regular and ad-hoc audits, focusing on high-risk areas in the annual audit plan, and reports findings to the Audit Committee and the Board.

Scope of Risk Management

E Environmental		Risk Identification	Response Actions
	Environmental Pollution	<ul style="list-style-type: none">▶ Potential for pollutant leakage during clearance	<ul style="list-style-type: none">▶ Implement strict procedures and safety measures to ensure the correct handling and transport of hazardous materials.▶ Use proper protective measures and equipment, and perform regular inspection and maintenance to prevent contamination.
	Climate Change	<ul style="list-style-type: none">▶ Facility damage▶ Transportation interruption▶ Supply chain risks▶ Water resource risk	<ul style="list-style-type: none">▶ Assess and monitor climate risks and establish emergency measures (including climate-based water spraying).▶ Strengthen facility resilience with insurance and recovery plans.▶ Explore alternative energy sources for vehicles.▶ Diversify supply chains and establish stable partnerships.
	GHGs Emissions	<ul style="list-style-type: none">▶ Increased cost▶ Regulatory risks▶ Rising energy prices	<ul style="list-style-type: none">▶ Assess carbon emissions and adopt low-carbon technologies to reduce them.▶ Establish carbon monitoring and reporting systems to comply with emissions regulations.▶ Implement energy-saving measures to improve resource efficiency.
S Social		Risk Identification	Response Actions
	Health and Safety	<ul style="list-style-type: none">▶ Occupational injury▶ Virus transmission	<ul style="list-style-type: none">▶ Establish a safety management system, with regular safety audits and risk assessments.▶ Provide appropriate protective equipment, training, and education to ensure employee safety and health.▶ Arrange annual on-site health checks by occupational health physicians and nurses to ensure frontline employee health.▶ Promote self-protection measures, such as wearing masks and frequent disinfection.▶ Limit in-person meetings and encourage virtual meetings.

2.7.2 Risk Control Operations

To ensure the continuous effectiveness of its system, it conducts annual reviews and updates. This process supports strong corporate governance and risk management, serving as the basis for evaluating the overall effectiveness of internal controls and issuing an internal control statement.

G Governance	Risk Identification		Response Actions	
	Cybersecurity	Cyber risk	Security Awareness:	Regularly educate employees on information security to enhance cybersecurity awareness and strengthen defenses.
			Security Testing:	Conduct regular phishing simulations and reinforce training for affected employees.
		Host equipment risk	Endpoint Protection:	Install antivirus software, keep systems updated, and enforce regular password changes.
			External Central Control:	Establish advanced firewall and intelligent antivirus, anti-hacking, and intrusion prevention systems as a first line of defense against external threats.
			Data Protection:	Utilize a backup system for multi-layered, off-site storage of critical data.
	Financial Risk	<ul style="list-style-type: none"> Interest rate risk Credit risk Liquidity risk Price risk 	<ul style="list-style-type: none"> The Finance Department collaborates closely with all operational units to identify, assess, and mitigate financial risks. Increase banking relationships and credit facilities to reduce credit and liquidity risks. Regularly monitor interest rates for favorable terms and maintain optimal capital structure. Improve service quality, expand customer base, and select clients with favorable terms to maintain reasonable pricing. Arrange loan drawdowns before central bank meetings and use long-term, fixed-rate loan conditions. 	
	Compliance	Penalty risk	<ul style="list-style-type: none"> Ensure compliance with relevant environmental laws and regulations. Establish a sound compliance system and process, and conduct regular self-assessments. Continue education and training for employees to ensure regulatory understanding and adherence. 	
	Operational Risk	<ul style="list-style-type: none"> Market risk Supply chain risk Equipment risk 	<ul style="list-style-type: none"> Establish emergency response plans with backup suppliers, maintenance schedules, and contingency plans to ensure business continuity. Regularly inspect and maintain vehicles and equipment, implementing a renewal policy to minimize breakdown risks. Actively match additional treatment plants to expand treatment capacity. Promote corporate values (importance of legal clearance, safety, professional procedures) to avoid price competition. Conduct annual visits to treatment plants (privately-owned) to ensure that their operations comply with regulations. 	

A construction worker wearing a blue hard hat, safety glasses, and a green and yellow high-visibility vest is sitting on the arm of a red excavator. The excavator's arm has the number '0M95500' and a circular logo on it. The worker is positioned in front of a large, white, corrugated metal building that stretches across the frame. The sky is a clear, bright blue. The overall scene suggests a construction or maintenance project in progress.

Chapter3

Win-win Cooperation: Reassuring Clients and Suppliers



Win-win Cooperation: Reassuring Clients and Suppliers

3.1 Win-win Cooperation

CHYUNN maintains close ties across various sectors, including trust-based partnerships with the supply chain, cooperative relationships with clients, and supportive connections with local communities.

Recognizing the value of these connections for sustainable growth and risk prevention, the Company has prioritized information security and risk management in 2023, actively addressing stakeholder concerns. By fostering these relationships, it aims for shared success with all stakeholders.

3.1.1 Management of Material Topic: Information Security Risks

GRI 3-3、418

Materiality of the Topic



Description

With the rise in cybercrime and virus attacks, information capability is critical to overall operations, and information security is a key concern for stakeholders. In response, the Company has designated information security risk as a material topic.

Policy / Commitment



Description

- ▶ Develop and implement information security plans and policies
- ▶ Adopt the policy approach of "prevention, monitoring, and response."

Goals and Targets



Description

► Short-term goals

1. Maintain zero breaches of customer privacy, no major internal cybersecurity issues, and no reported cybersecurity incidents.
2. Manage and maintain cybersecurity in accordance with the Cyber Security Management Act.

► Medium- and long-term goals

1. Conduct regular cybersecurity drills and awareness programs to enhance overall cybersecurity consciousness.
2. Develop preventive measures for cybersecurity attacks to ensure swift response to threats.

Management Evaluation Mechanism



Description

1. Conduct at least one cybersecurity training annually.
2. Hold quarterly security management review meetings to report on cybersecurity performance.
3. Implement and audit cybersecurity checks according to internal control systems.

Performance and Adjustment



Description

► Operational performance

1. Zero customer data breaches in 2023.
2. No major internal cybersecurity issues in 2023.
3. No cybersecurity-related complaints from authorities in 2023.

Preventive / Remedial Measures



Description

Establish a Cybersecurity Committee as required by regulations; conduct regular awareness programs to strengthen the information security awareness of all employees; and use regular backups as a remedial measure for equipment attacks.

3.2 Sustainable Supply Chain

GRI 204-1

CHYUNN is committed to responsible environmental and social governance, aiming to create a sustainable impact through partnerships. As a company rooted in Tainan, it prioritizes local suppliers, with 100% suppliers in 2023 being from the local area.

Currently, the Company does not evaluate new suppliers based on environmental or social criteria, as its main sup-

pliers are incinerators, managed by local governments, and therefore not subject to these factors.

Other major suppliers are treatment plants. The Company assesses regulatory compliance during selection, and cooperation resumes only after addressing any issues. A three-step selection process is practiced as follow:

↓ STEP.01
Initial Contact

Call to confirm the plant visit schedule.

↓ STEP.02
Pre-contract

Visit the plant to ensure equipment, facilities, and environment meet legal standards.

↓ STEP.03
Post-contract

Conduct random annual plant visits after establishing the partnership.

3.3 Reliable Services

CHYUNN provides reliable services based on legal and compliant business practices. In 2023, there were no incidents of fines related to product or service safety labeling or marketing regulations.

To ensure consistent, high-quality service and products for its customers, the Company follows the ISO 9001 Quality Management System standards and are certified accordingly.

ISO 9001 Quality Management System Certification ▼



3.4
Assured Information Security

GRI 418-1

In today's digital age, customer information security is increasingly important. CYUNN is committed to protecting customer data. In 2023, there were no privacy complaints or data breaches. It follows strict privacy protection procedures and has established a cybersecurity structure to implement and promote security policies.

Management Review Meeting
Extended Explanation of the Information Security Organizational Chart

1. Management Review Meetings are held at least once a year, with additional meetings as necessary.

- ① Review audit results and improvement suggestions.
- ② Consider suggestions from higher-level units, internal colleagues, and external stakeholders.
- ③ Evaluate the introduction of new security products or technologies.
- ④ Review corrective and preventive measures.
- ⑤ Assess the appropriateness of risk evaluations.
- ⑥ Report on the implementation status of previous meeting decisions.
- ⑦ Discuss any changes affecting the security system.
- ⑧ Consider improvement suggestions from the security team members.
- ⑨ Report on the implementation of cybersecurity objectives.

2. Compliance:

- ① Identification of Applicable Laws and Regulations: The Information Security Team regularly identifies applicable laws and regulations, compiling and updating them in the "List of External Documents."
- ② Intellectual Property: Employees must comply with IP laws and software management policies, with audits on software use.
- ③ Personal Data Protection and Privacy: Employees are required to follow the relevant provisions of the Personal Data Protection Act.
- ④ Protection of Organizational Records: Records are categorized based on their type (e.g., change records, database records, error logs, audit logs, and operational procedures). Storage media types (e.g., paper, disks, tapes, hard drives, or CDs) and retention periods are defined. Records should be handled and protected according to their information classification level.



Information Security Organizational Chart ▲



保環運群 ICH CHYUNN



Chapter4

Environmental Protection: Promising a Clean and Beautiful Future

Environmental Protection, Promising a Clean and Beautiful Future

4.1 Environmental Protection

CHYUNN, as a professional waste clearance and treatment company, is fully aware of the critical role its business plays in environmental protection.

Waste must be cleared, transported, and handled in a legal and compliant manner to prevent environmental pollution. Additionally, by applying knowledge and technology to recycle waste, the Company can reduce greenhouse gas emissions from incineration and create new value, which has been a key focus for many years.

In the service of handling surplus soil resources, CHYUNN ensures the proper disposal of construction waste to meet the needs of construction companies. By doing so, it transforms waste into valuable, sellable resources, promoting the circular economy through its professional expertise.

4.1.1 Management of Material Topic: Energy and Emissions

GRI 3-3、302、305

Materiality of the Topic



Policy / Commitment



Description

In light of the global trend towards net-zero emissions, emission management is crucial for corporate operations. Responsible emission management not only helps in reducing the Company's cost risks but also enhances its competitiveness in sustainability issues.

Description

The Company's business includes waste clearance and the reuse of surplus soil resources. The former relies on vehicles powered by energy, while the latter involves heavy machinery for loading, vehicle transport, and powered screening equipment. To address energy policies for its main operations and emissions, the Company focuses on regular equipment maintenance to minimize exhaust emissions. Additionally, it conducts an annual greenhouse gas inventory and reviews its carbon reduction goals.

Goals and Targets



Description

CHYUNN has long been committed to energy conservation and reducing waste, lowering costs while contributing to environmental protection.

► Short-term goals

1. Regular maintenance to prevent energy waste and emissions from aging equipment.
2. Implement visual management to monitor energy use and emissions weekly.

► Medium- and long-term goals

Identify major emission sources and use data to drive improvements, minimizing environmental impact and achieving zero penalties for violations.

Management Evaluation Mechanism



Description

1. Starting with 2023 as the baseline year, the Company will use a form-based management approach to review energy consumption each quarter, prioritizing the replacement of high-energy equipment to reduce emissions.
2. In accordance with its internal management review process, the Company will evaluate the effectiveness of energy and emissions-related regulations quarterly through the PDCA cycle, reporting findings at the SDC to ensure policy implementation.

Performance and Adjustment



Description

- Establish a machine inventory checklist, prioritizing the replacement of energy-intensive machinery to improve efficiency.
- In 2023, older vehicles were replaced, ensuring that all vehicles in the soil resource disposal site met Stage V emission standards.

Preventive / Remedial Measures



Description

Each year, the Company will review energy use and prioritize replacing high-energy equipment. Aging machinery causing excess energy consumption and emissions will be replaced with alternative equipment through a procurement process.



4.1.2
Management of
Material Topic:
Waste

GRI 3-3、306



Materiality
of the Topic



Description

The soil resource disposal site receives construction waste and uses physical sorting to transform it into usable resources. By increasing the proportion of waste converted into resources, the Company aims to achieve the ultimate goal of resource circulation.

Policy /
Commitment



Description

The Company's policy is "Sustainable Development, Resource Circulation". Actively promotes waste reduction and recycling, it enhances waste sorting and recycling efforts, continuously improves recycling technology and complies with environmental regulations and customer standards related to its activities, products and services.

Goals
and Targets



Description

The primary goal is to reduce waste.

► Short-term goals

Revise the waste cleaning plan and convert reusable materials to R category.

► Medium- and long-term goals

Effectively implement the waste cleaning plan and increase the recycling rate, aiming for over 75% for construction mixtures and over 95% for construction surplus soil.

Management
Evaluation
Mechanism



Description

Through internal on-site control and inspection, the Company verifies whether the set targets can be effectively achieved every year.

Performance
and Adjustment



Description

In 2023, a reusable material was converted into R Category in the waste cleaning plan. In the medium-to-long term, CHYUNN will not only follow the actions outlined in the plan but also use technological advancements to maintain or even increase the recycling rate.

Preventive /
Remedial Measures



Description

The Company reviews recycling effectiveness annually and adjusts strategies if results do not meet expectations.

4.1.3 Management of Material Topic: Water and Effluents

GRI 3-3、303



Materiality of the Topic



Description

Taiwan faces water scarcity, particularly in the southern region, where uneven seasonal distribution and frequent droughts and floods exacerbate the situation. In response to concerns from stakeholders (FSC and EPB), the Company has identified this as a material topic.

Policy / Commitment



Description

The Company commits to precisising water usage and minimizing waste.

Goals and Targets



Description

► Short-term goals

Fog cannons are used to sprinkling water efficiently, for effective usage of water and air pollution control.

► Medium- and long-term goals

Implement smart monitoring systems to optimize water spraying based on air quality, ensuring precise water usage and minimizing waste.

Management Evaluation Mechanism



Description

Wastewater reports are submitted biannually to ensure no water quality pollution, with reviews by the Tainan EPB. Additionally, water usage is monitored weekly to promptly detect and address any anomalies.

Performance and Adjustment



Description

While not a major water user, the Company promotes efficient water use and aims to maintain water usage density around 0.1.

Preventive / Remedial Measures



Description

Water usage is monitored weekly, with any anomalies promptly addressed. Additionally, an automated sprinkler system is developed for more precise water control.

4.2 Recycled Products

GRI 2-6、301-1、301-2、301-3

CHYUNN's main business activities include "waste clearance" and "surplus soil resource recycling and reuse." Waste clearance services do not generate any byproducts. Surplus soil recycling, however, involves accepting construction waste, meeting the disposal needs of construction companies, and transforming it through specialized processing into marketable soil resources. The Company does not use recyclable products or packaging materials, and diesel is the only fuel used in the production process for large machinery, with a total diesel consumption of 31,495 liters in 2023.

CHYUNN

Environmental
Social
Governance

2023

Construction mixtures received

12,370.28 tons

Reusable soil resources | 9,591.48 tons

Recyclable waste plastics | 43.12 tons

Scrap iron | 143.3 tons

Reusable materials

79%

2023

Construction surplus soil received

346,445.74 cubic meters

Storage volume | 9,407 cubic meters

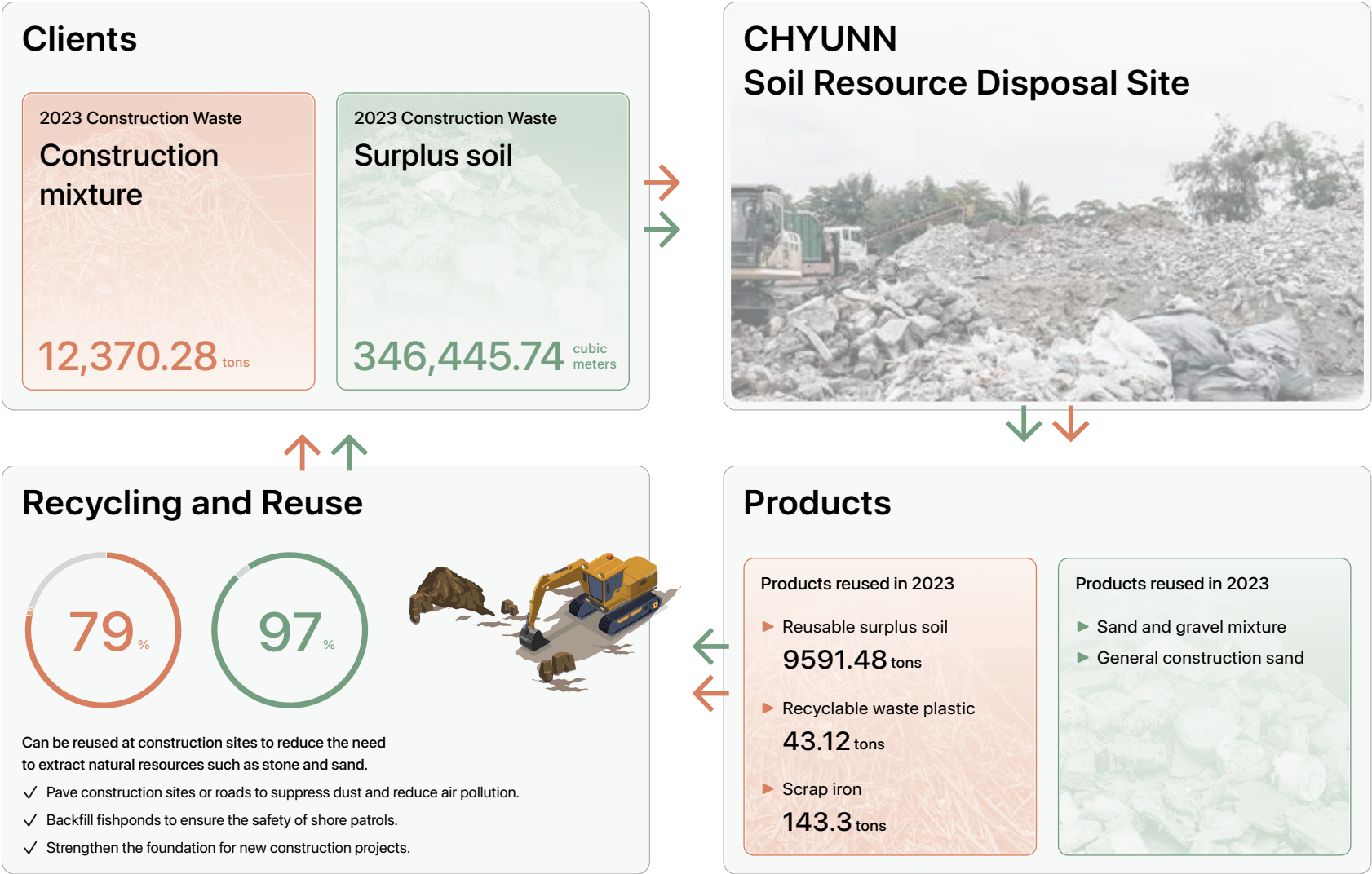
Reused volume

97%

Surplus Soil Resource Recycling and Reuse Process

Construction mixture

Construction surplus soil



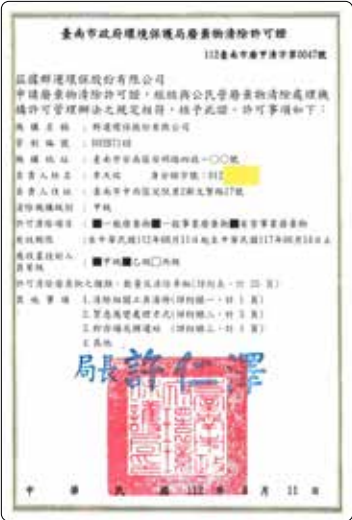
4.3 Waste Management

GRI 306-2

4.3.1 Waste Monitoring

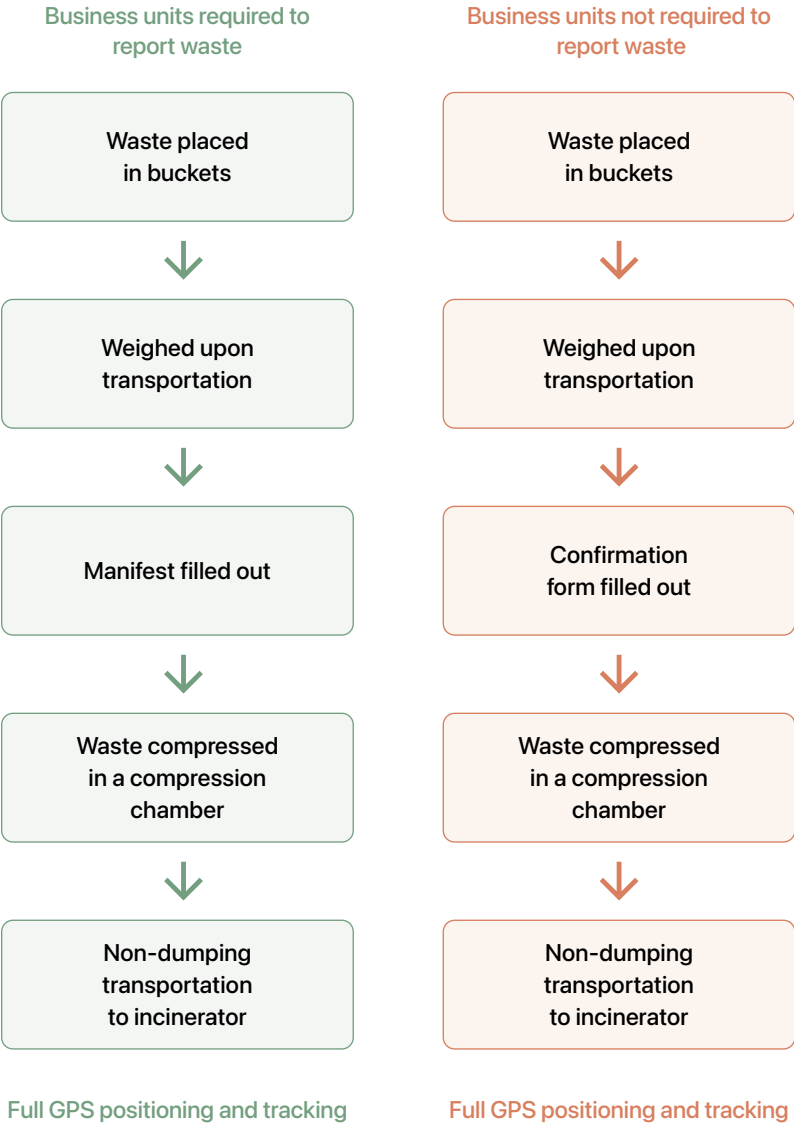
GRI 3-3、306

As a Grade-A waste clearance contractor, CHYUNN monitors the handling of waste from both clients and its own operations in a legal and compliant manner. All refuse compactor trucks are equipped with GPS tracking systems to monitor transportation, ensuring safe and accurate disposal.



Grade A Waste Clearance Permit

Waste Clearance and Transportation Process



4.3.2
Waste Generation

GRI 306-1、306-2、306-3、306-4、306-5

CHYUNN provides compliant waste clearance and soil resource recycling services. Employee-generated waste from clearance services is incinerated, totaling 16.82 tons in 2023. Soil recycling generates waste through ma-

terial processing, primarily during screening (95%), and is managed through recycling or incineration. All waste is reported on the MOENV's Industrial Waste Report and Management System.

The Company prioritizes recycling as its primary waste management strategy, as incineration generates greenhouse gasses. To minimize environmental impact, it collects and monitors waste data, with weigh-ins and an-

nual reporting to track waste types and amounts. Efforts focus on waste reduction, increased reuse, and identifying recycling solutions, supporting environmental protection and sustainable growth.

Waste Clearance and Transportation Process

Waste Composition	Hazardous / non-hazardous	On-site		Off-site	
Item		Waste generated (tons)	Treatment method	Waste generated (tons)	Treatment method
Waste plastic mixture	Non-hazardous	-	-	944.14	Incineration (including energy recovery)
Waste paper mixture	Non-hazardous	-	-	4.5	Incineration (including energy recovery)
Waste timber mixture	Non-hazardous			13.5	Incineration (including energy recovery)
Industrial general waste	Non-hazardous			684.51	Incineration (including energy recovery)
Domestic waste	Non-hazardous	-	-	16.82	Incineration (including energy recovery)
Waste timber	Non-hazardous	-	-	223.9	Recycling and reuse
Waste plastic	Non-hazardous	-	-	43.93	Recycling and reuse

4.4 Energy Management

GRI 302-1、302-3

To align with global trends and future regulations, CHYUNN adopts new technologies to reduce energy use and has implemented a greenhouse gas inventory (ISO 14064-1). This helps set future reduction targets based on key energy consumption. The 2023 energy consumption data is shown below:

Quantitative indicators	Unit	2023
Electricity	Degree / year	207,182.0893
	GJ	745.8555
Liquefied petroleum gas (LPG)	kg / year	180.0000
	GJ	9.0905
Gasoline	L / year	11,841.6680
	GJ	386.7138
Diesel (stationary source)	L / year	45.2000
	GJ	1.5896
Diesel (mobile source)	L / year	396,859.8490
	GJ	13,957.2117
Energy intensity	GJ /revenue (NTD thousand)	0.0332

Remarks:

1. Energy conversion factor: 1 kWh = 0.0036GJ.
2. Conversion Factors are based on MOENV's GHG Emission Factor Management Table Version 6.0.4 for fuel calorific values: Gasoline: 7,800 kcal/L, Diesel: 8,400 kcal/L, LPG: 6,635 kcal/L. 1 kcal = 4.184 KJ.
3. Diesel consumption: Includes fixed equipment (e.g., emergency generators) and mobile equipment (e.g., large engineering machinery, and refuse compactor trucks).
4. 2023 Fuel Consumption:
 - ① Unleaded 95 gasoline: 11,841.6680 liters, Diesel: 365,364.8490 liters
 - ② Natural Gas Consumption: 0%
 - ③ Renewable Energy Consumption: 0%

4.4.1 Energy Conservation and Carbon Reduction Measures Implemented

GRI 302-4、302-5

Although CYUNN is not a major carbon emitter, it has begun implementing carbon reduction measures in response to the national 2050 net-zero carbon policy. Carbon reduction efforts are divided into routine and innovative categories.

Routine Carbon Reduction: Office and Facility Energy Efficiency

Office LED lighting replacement	15 office and meeting room lights were upgraded to LEDs, saving an estimated 153 kWh annually.
Air conditioning efficiency	Advocating for a 26°C setting to save 4% energy per 1-degree increase.
Paper reuse	Each A4 sheet can be reused three times.

Innovative Carbon Reduction: Refuse Compactor Truck Upgrade (Supported by the MOEA's 2023 CITD low-carbon subsidy)

The waste clearance industry is critical to the overall shift towards a circular economy. In terms of waste recycling, CHYUNN has been collaborating with various treatment plants to ensure that waste is directed to appropriate treatment facilities, moving beyond the traditional incineration-only mindset.

Additionally, the focus of this project is to reduce direct emissions from mobile combustion, specifically from our fleet of refuse compactor trucks. As a major waste transporter in the southern regions (Chiayi, Tainan, Kaohsiung), serving renowned enterprises and tech industries, we are committed to low-carbon operations to enhance our competitiveness in light of future sustainability policies.

Stage	Period	Item	
1	2023.09.01-2024.03.31	Refitting refuse compactor trucks with electric loading systems	Diesel-powered compression chambers are upgraded to electric.
2	2024.04.01-2024.08.31	Effectiveness Verification	Compare fuel consumption with the same period last year and report carbon reduction results.

Expected Benefits

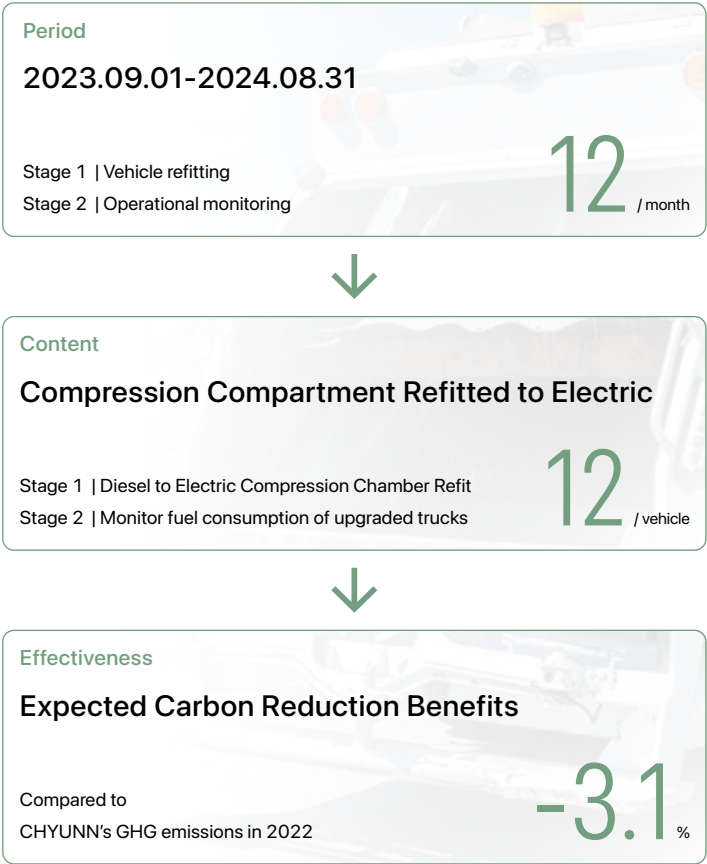
Converting 12 trucks to electric compression chambers is expected to reduce carbon emissions by 3.1%.



Innovative Carbon Reduction

Refuse Compactor Truck Upgrade and Transformation Plan

(Supported by the MOEA's 2023 CITD low-carbon subsidy)



4.4.2

Promote Low-carbon Services

GRI 301-2

In response to the 2050 net-zero carbon target, major clients must address national and international supply chain demands. CHYUNN offers low-emission vehicles and diverse waste clearance methods to reduce incineration and improve waste processing efficiency.

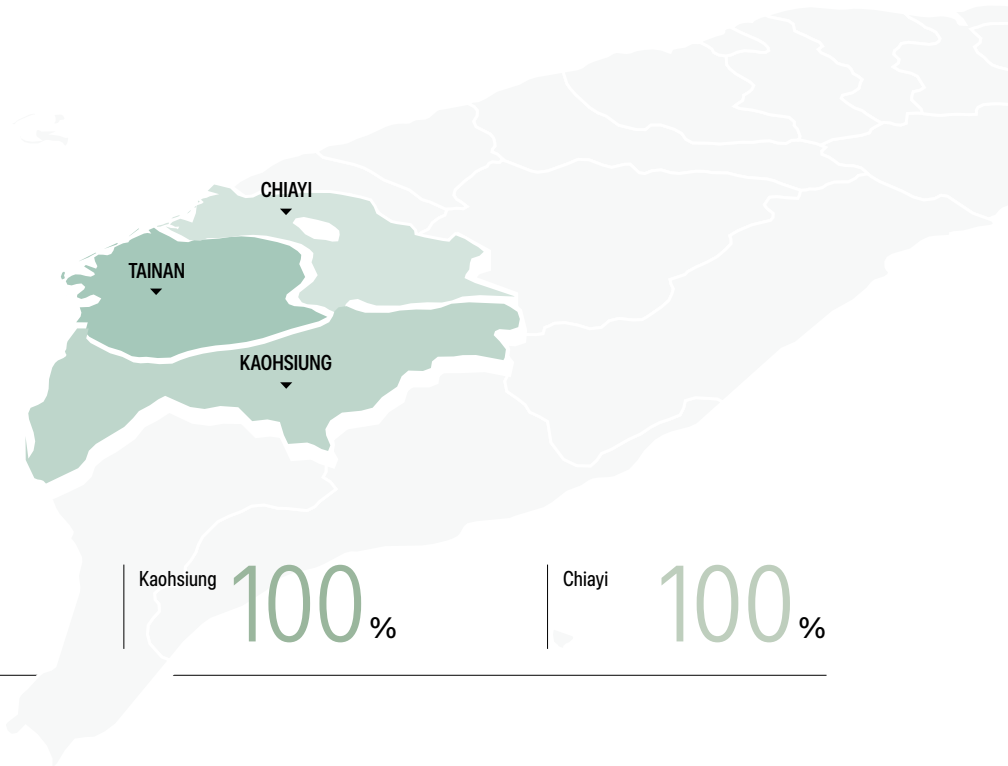
High-standard, Low-emission Vehicles

The Company uses low-emission vehicles for waste clearance, reducing carbon emissions. In 2023, all vehicles passed the diesel vehicle exhaust inspection and obtained the label of Superior, Newly Purchased V and Newly Purchased VI.

Diversified Waste Clearance

Mixed waste must undergo non-dumping transportation for incineration as required by environmental regulations. However, incinerators face capacity issues during maintenance. Effective sorting at the source can significantly reduce incineration volumes and associated carbon emissions.

CHYUNN optimizes waste clearance by analyzing waste types at the source, providing clients with tailored solutions to enhance processing efficiency.



CHYUNN

Environmental
Social
Governance

High-standard, low-emission vehicles

Diesel Vehicle Exhaust Inspection Pass Rate

Tainan

100%

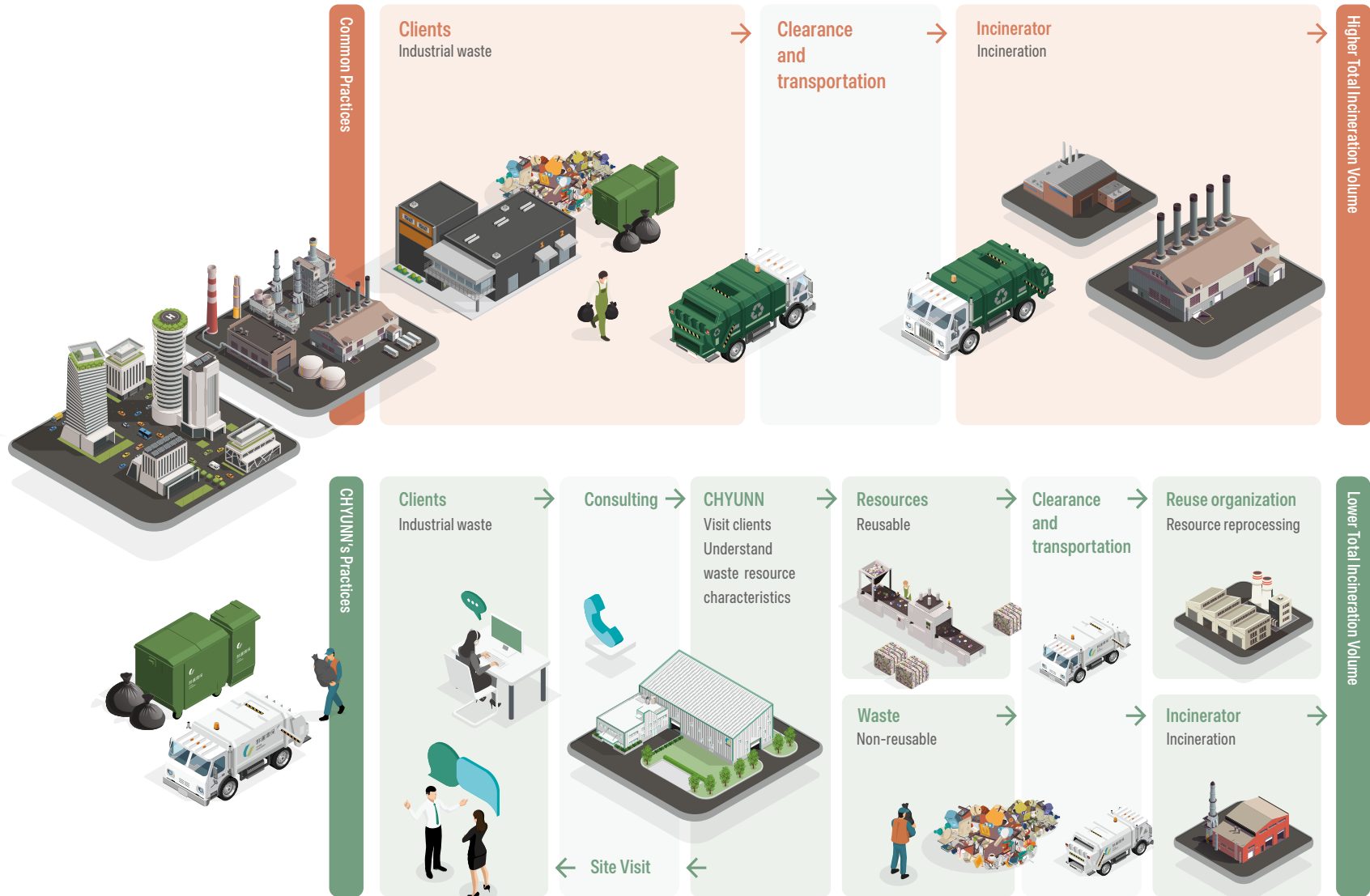
Kaohsiung

100%

Chiayi

100%

Professional Recommendations at the Source to Reduce Incineration Volume



4.5 GHG Emission Management

GRI 305-1、305-2、305-3、305-4、305-5

CHYUNN actively manages greenhouse gas emissions. In 2022, the Company implemented ISO 14064-1 to inventory greenhouse gas emissions from operations, aiming to identify major emission sources for setting reduction targets and equipment improvements. The base year for ISO 14064-1 verification is 2023.

Remarks:

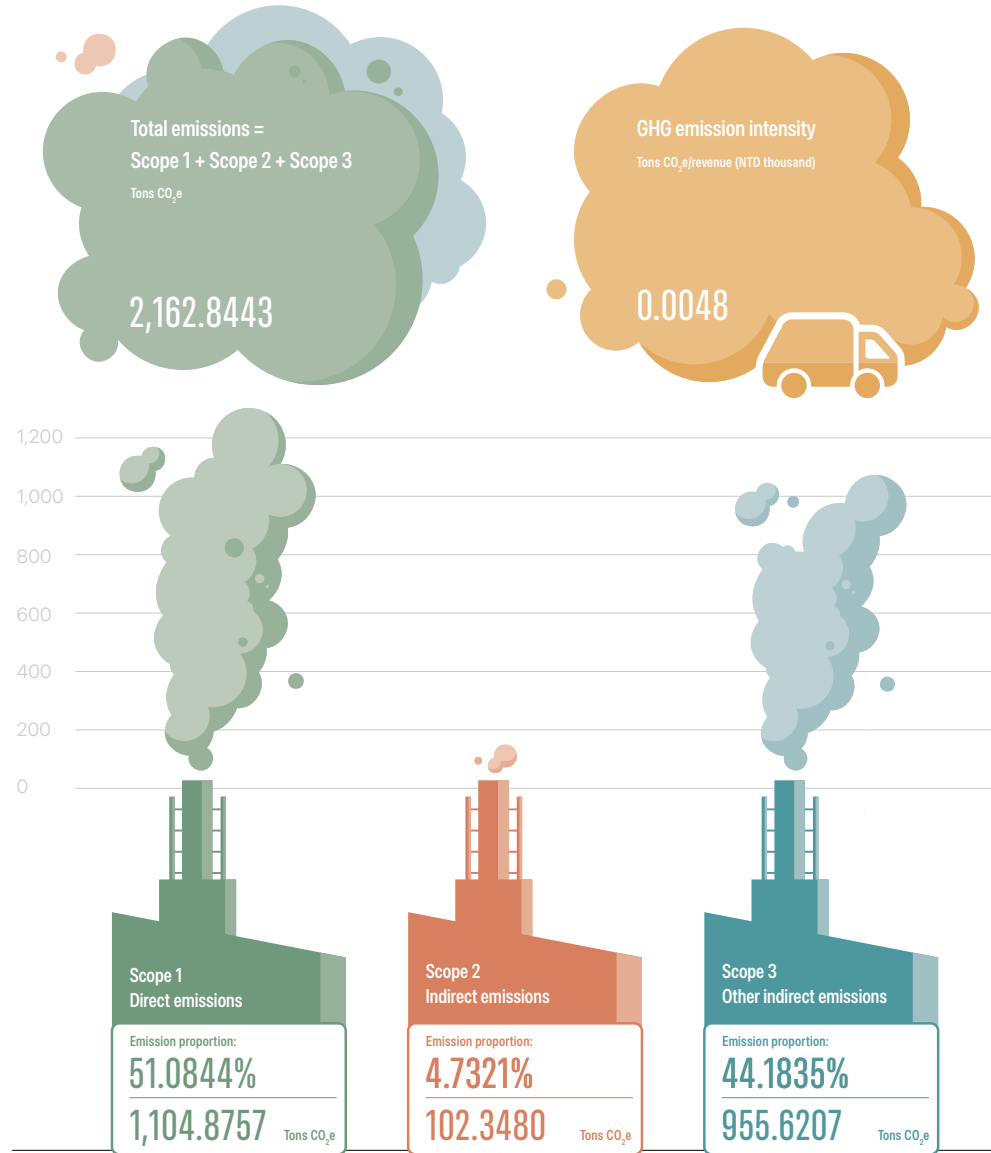
Scope 1: Direct emissions from company-owned or controlled sources, including fixed combustion, process emissions, transportation, and fugitive emissions. Emission factors are sourced from the MOENV's GHG Emission Factor Management Table Version 6.0.4 and IPCC's AR6.

Scope 2: Indirect emissions from purchased electricity and energy. Emission factors are based on the 2023 electricity emission factor by the MOE-AEA: 0.494 kg CO₂e/kWh.

Scope 3: Other indirect emissions, including upstream transportation and distribution, employee commuting, waste treatment, etc. Emission factors are sourced from the MOENV's Carbon Footprint Information Platform.

Greenhouse gasses: Include CO₂, CH₄, N₂O, and HFCs.

2023 GHG Emissions



4.6

Water Resource Management

GRI 303-1、303-2、303-3、303-4、303-5

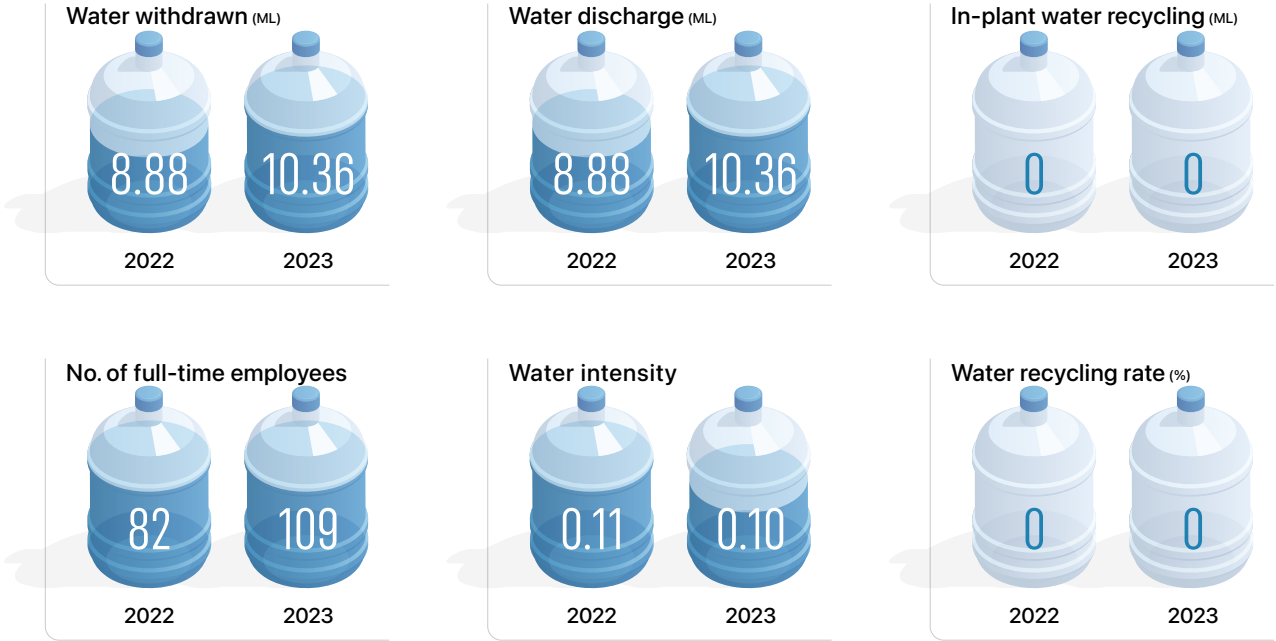
CHYUNN's headquarters is in Tainan, with branch offices in Kaohsiung and Chiayi. All locations primarily source water from the Zengwen Reservoir. According to the World Resources Institute's Aqueduct Water Risk Atlas, the Company's sites are classified as low to medium risk for water resources.

Despite this, water scarcity remains a concern, with Tainan facing multiple water shortages in 2023. The Zengwen and Nanhua reservoirs have seen significant reductions in capacity due to prolonged drought conditions. Additionally, the "National Climate Change Science Report 2024: Phenomena, Impacts, and Adaptation" predicts more frequent droughts and extreme rainfall, with fewer but more intense typhoons, causing increased soil erosion and challenges in replenishing reservoirs.

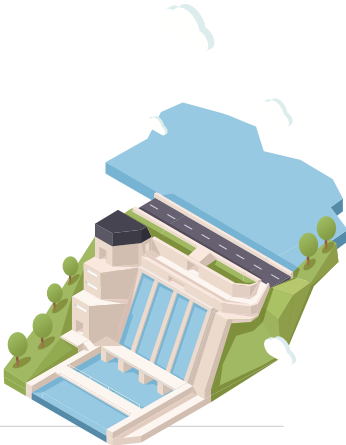
To manage water resources, CHYUNN implements water-saving measures, including regular pipe inspections and weekly monitoring of water usage. Water is mainly used for dust suppression (Tainan plant only), vehicle cleaning, and domestic purposes.



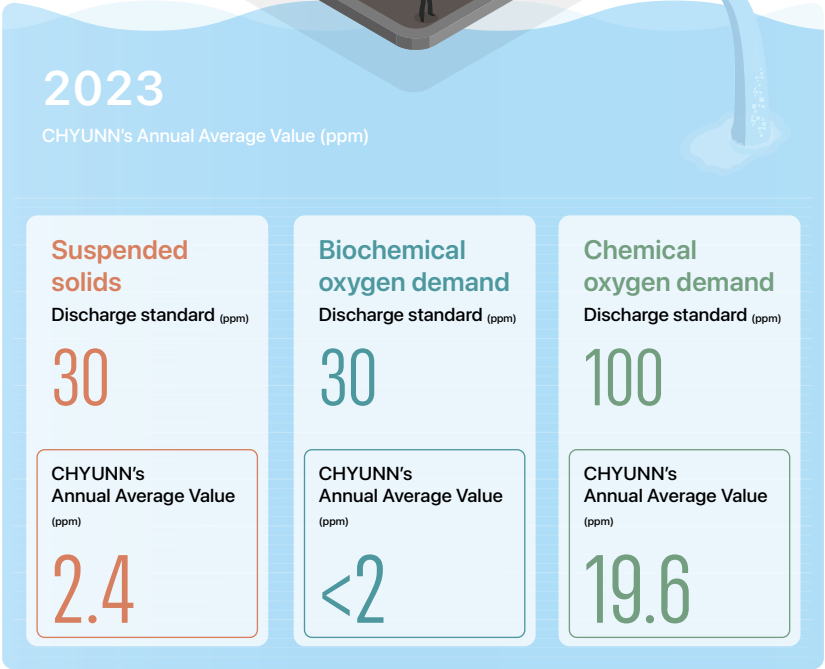
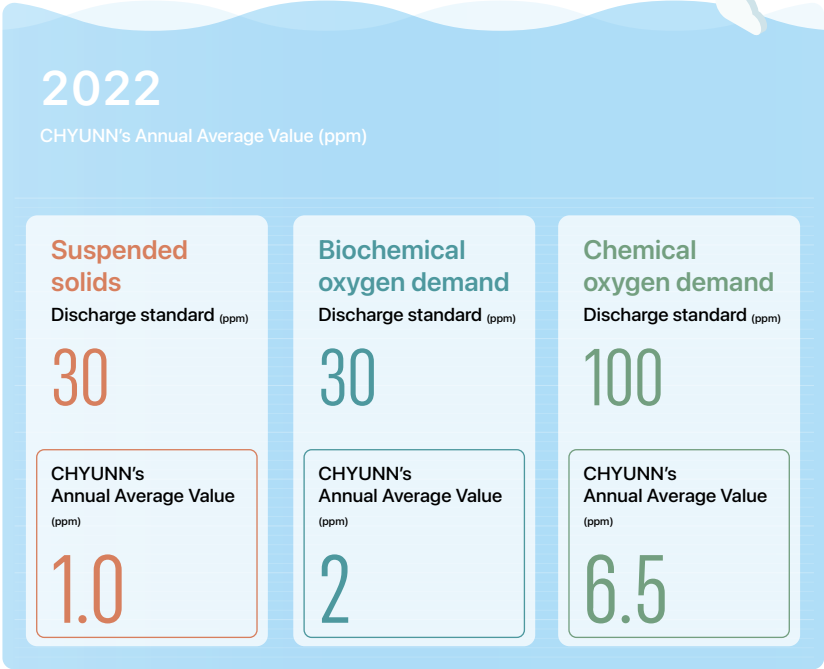
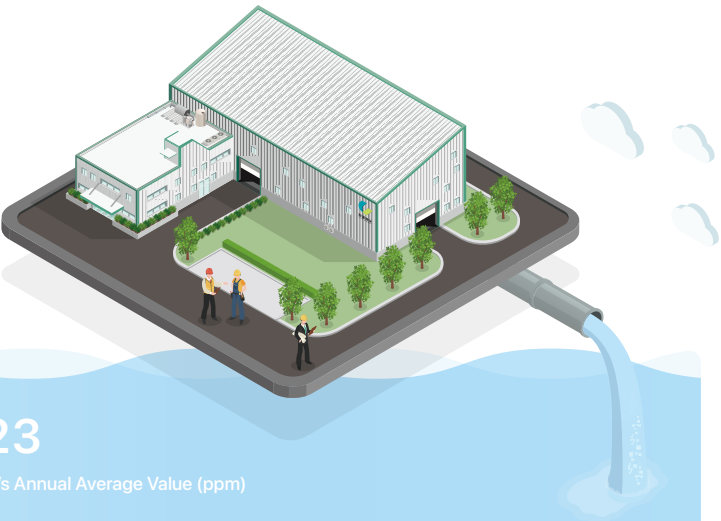
CHYUNN Environment Corporation
Water Consumption



- Remarks:**
- 1. The Company sources all water from municipal supply. Water intake equals discharge, and used water is legally released into the sewage system.
 - 2. Chiayi office with only five employees, has insignificant water usage and is excluded from the report.
 - 3. Water Recycling Rate = In-plant water recycling / (Water withdrawal + In-plant water recycling) × 100%.
 - 4. Water Intensity = Water withdrawal / Organizational Specific Metric, where the metric is the number of full-time employees.
 - 5. In 2023, full-time employees worked 249 days. The "Organizational Specific Metric" refers to full-time employees working at least 25% (62 days) of the year's working days.



Wastewater discharge status



Remarks:

1. The Tainan plant has obtained water pollution permits due to its soil resources reuse operations. Kaohsiung and Chiayi plants without relevant operations are exempt.
The Tainan plant conducts semi-annual water quality audits, with results available on the MOENV's EMS website.
2. In 2023, due to lower rainfall, average levels of "suspended solids" and "chemical oxygen demand" were slightly higher than last year.

4.7
Climate Change
Adaptation

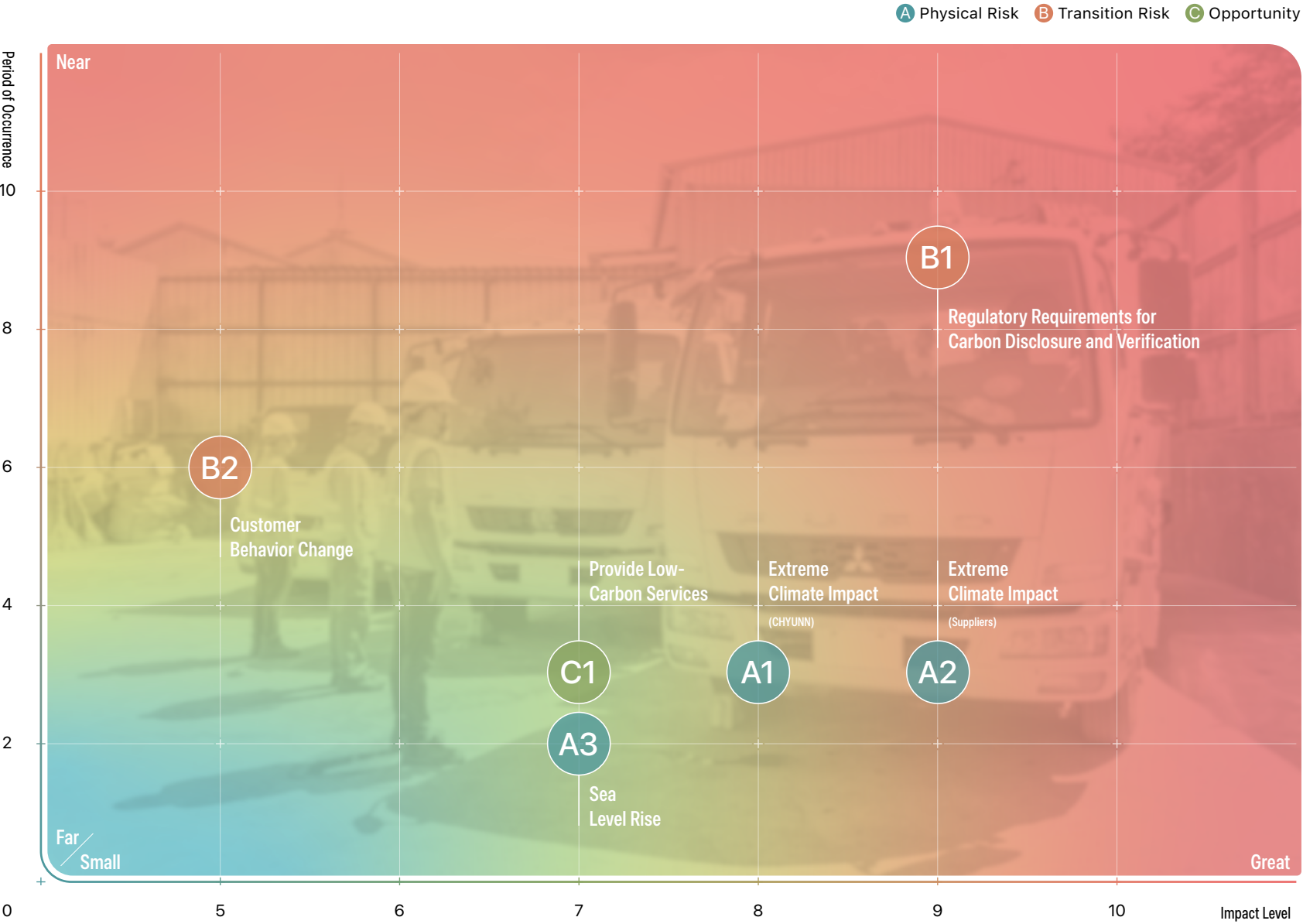
GRI 201-2

Climate change is a key challenge for sustainable business. The *Global Risks Report 2023* highlighted climate-related issues as the top four global risks, including climate mitigation failures, extreme weather, and biodiversity loss. With rising carbon taxes, emissions regulations, and consumer demand for eco-friendly products, CHYUNN refers to the TCFD framework to assess climate risks, adjust strategies, and identify new industry opportunities.

Climate Change Management Framework

Category	Management Strategies and Actions	2023 Execution Status
Governance	<p>CHYUNN continues to align with the Paris Agreement's climate action goals and incorporates them into its sustainability policy to comply with regulations from the FSC and MOENV. The Company is committed to adopting more energy-efficient and low-carbon methods to support the national net-zero emissions policy by 2050.</p> <p>Since 2022, sustainability has been integrated into management goals, with the General Manager overseeing climate change and sustainability management.</p>	<p>► The SDC was established on November 28, 2023. Quarterly meetings are held, during which the SD-TF reports on climate change strategies and goals.</p> <p>► The SD-TF holds weekly meetings to report on climate change issues, with urgent matters escalated for further review.</p>
Strategy	<p>The climate strategy is based on science-based reduction pathways:</p> <p>Short-term: Focus on implementing IoT technology to improve energy efficiency and expand the use of renewable energy.</p> <p>Mid-term: Identify major energy users and form teams to develop innovative projects for carbon reduction.</p> <p>Long-term: Implement carbon reduction technologies to achieve a net-zero value chain.</p>	<p>► With respect to "CHYUNN's Refuse Compactor Truck Upgrade and Transformation Plan", it is planned to introduce smart meters in 2024 to enhance energy monitoring and efficiency.</p>
Risk Management	<p>Starting in 2024, CHYUNN will adopt the TCFD framework to establish a climate risk identification process. Based on the results, the Company will set and implement response measures.</p>	<p>► For risk identification and countermeasures, see "2.6 Risk Management".</p>
Indicators and Targets	<p>It will also annually assess and disclose greenhouse gas emissions through ISO 14064-1:2018, evaluating risks and mitigation strategies for Scope 1, 2, and 3 emissions.</p>	<p>► According to the GHG inventory, the largest emissions come from Scope 1(fuel consumption by vehicles). In 2023, the Company initiated the "CHYUNN's Refuse Compactor Truck Upgrade and Transformation Plan" which aims to complete testing by August 31, 2024. The results are expected to be a key measure in reducing greenhouse gas emissions.</p>

CHYUNN's Transition Risks and Opportunities



A Physical Risk


Item	Risk Background and Assumptions	Financial Impact and Evaluation	Short-, Medium- and Long-term Approaches
Extreme Climate Impact (CHYUNN)	Extreme Weather Events such as strong typhoons can impact CHYUNN's operations, as it depends on clearance technicians. Heavy rain and typhoons make waste clearance difficult for technicians and increase the risk of injuries. Additionally, waste originally managed by CHYUNN might become "typhoon debris" handled by the government, affecting normal operations.	According to the "National Climate Change Science Report 2024," the frequency of typhoons affecting Taiwan is projected to decrease by about 10% by mid-century and 50% by the end of the century, while severe typhoon frequency will increase by approximately 105% and 60%, respectively. In a worst-case scenario (SSP5-8.5), by 2050, losses due to service suspension from severe typhoons are estimated to account for 1% of CHYUNN's 2023 total revenue.	In response to climate change, during a typhoon, vehicles will be adjusted as needed, prioritizing the safety of personnel.
Extreme Climate Impact (Suppliers)	Extreme weather such as strong rainfall and typhoons can also impact suppliers, such as incinerators. If their operations halt due to adverse conditions, it will subsequently affect CHYUNN's operations.	According to the "National Climate Change Science Report 2024," the frequency of typhoons affecting Taiwan is projected to decrease by about 10% by mid-century and 50% by the end of the century, while severe typhoon frequency will increase by approximately 105% and 60%, respectively. In a worst-case scenario (SSP5-8.5), by 2050, supplier service suspension due to severe typhoons is also estimated to cause losses amounting to 1% of CHYUNN's 2023 total revenue.	During a typhoon, the Company will closely monitor supplier activities. If a supplier halts operations, we will adjust vehicle schedules accordingly to align with their operational status.
Sea Level Rise	CHYUNN's plant in Annan District, Tainan, is in a low-lying area. Rising sea levels may flood existing roads used by company vehicles, necessitating new route planning.	According to the "National Climate Change Science Report 2024," Tainan City's flood-prone areas include coastal sandbars, fish ponds, and low-lying regions, with typical flood depths of 0.2m to 0.6m. In the worst-case scenario (SSP5-8.5), flooding could reach 1.0m to 2.0m. Rising sea levels may require short-term operational adjustments, with a financial impact estimated to be less than 0.01% of the Company's 2023 revenue.	<p>Short-term: Prioritize vehicle safety during typhoons by adjusting routes and schedules.</p> <p>Medium-term: Develop and gradually implement a smart route planning system to optimize routes during extreme weather.</p> <p>Long-term: Fully integrate the system across all compactor trucks to improve efficiency and minimize disruptions.</p>

B Transition Risk

Item	Risk Background and Assumptions	Financial Impact and Evaluation	Short-, Medium- and Long-term Approaches
Regulatory Requirements for Carbon Disclosure and Verification	Taiwan's 2050 net-zero emission goal mandates major emitters and publicly listed companies to disclose carbon emissions. While CHYUNN is not a major emitter, its upcoming listing in 2023 will require compliance with these regulations.	CHYUNN conducts ISO 14064:2018 GHG inventory annually and implements carbon disclosure with no foreseeable risks.	<p>Short-term: Continue to conduct ISO 14064-1:2018 GHG inventory every year and complete verification.</p> <p>Medium-term: Establish internal control systems to ensure compliance with sustainability regulations.</p> <p>Long-term: Continue to disclose and verify carbon inventory information every year.</p>
Customer Behavior Change	As industries demand professional and legally compliant waste services, customers are increasingly favoring low-carbon service providers.	In order to meet clients' low-carbon service needs, the Company is beginning to develop carbon reduction methods to address its largest source of GHG emissions.	<p>Short-term: Identify the largest emission sources and develop methods for "proactive carbon reduction", submitting them to the SDC for approval.</p> <p>Medium-term: Report carbon reduction progress at quarterly SDC meetings.</p> <p>Long-term: Expected to achieve targets of "proactive carbon reduction".</p>

C Opportunity

Item	Risk Background and Assumptions	Financial Impact and Evaluation	Short-, Medium- and Long-term Approaches
Provide Low-carbon Services	<p>CHYUNN offers low-carbon services through its recycling and reuse of surplus soil resources, with positive environmental impact.</p> <p>The company is highly competitive in the low-carbon market and plans to expand reuse services and sites, becoming a key carbon reduction partner for clients, boosting its green service revenue.</p>	The surplus soil resource recycling and reuse service is expected to grow steadily in 2025.	<p>Short-term: Expansion of the reuse project.</p> <p>Medium-term: Expand reuse facilities.</p> <p>Long-term: Achieve steady growth in reuse service volume.</p>



Chapter5

**Friendly Workplace:
Co-prosperity of Enterprises and Talent**



Friendly Workplace: Co-prosperity of Enterprises and Talent

5.1 Friendly Workplace

Global trends like declining birthrates, aging populations, the Great Resignation, and digital transformation have led to a critical talent shortage. The *2023 Global Talent Shortage Report* by ManpowerGroup highlights a 77% global talent gap, with Taiwan leading at 90% of employers struggling to fill roles.

CHYUNN focuses on aligning talent with roles, offering growth opportunities, training resources, and a supportive workplace. Through its Employee Welfare Committee and inclusive culture, CHYUNN ensures employee satisfaction and retention, driving innovation and sustainable operations.



5.1.1 Management of Material Topic: Employment

GRI 3-3, 401

Materiality of the Topic



Description

Employees form the foundation of a business. Promoting human rights, a supportive workplace, and fair compensation strengthens employee stability and relationships, driving sustainable growth.

Policy / Commitment



Description

The Company's human rights policy aligns with the *UN Universal Declaration of Human Rights* and the *UN Guiding Principles on Business and Human Rights*. Employment practices adhere to Taiwan's Labor Standards Act.

Goals and Targets



Description

► Short-term goals

Establish communication channels for reporting human rights or labor issues, with protection for those who raise concerns.

► Medium- and long-term goals

Maintain zero human rights violations and zero labor disputes.

Management Evaluation Mechanism



Description

The Company holds quarterly labor-management meetings to review irregularities and discuss corrective actions.

Performance and Adjustment



Description

In 2023, four labor-management meetings were held, with a total of 12 motions.

Preventive / Remedial Measures

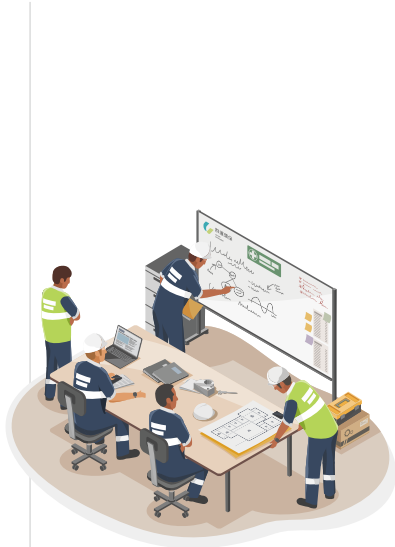


Description

The Company holds quarterly labor-management meetings to review employee rights and benefits. Reported issues are addressed, with protection for those who raise concerns, followed by case discussions and employee interviews.

5.1.2
Management of
Material Topic:
Talent Recruitment
and Retention

GRI 3-3、404



Materiality
of the Topic



Description

As the Company grows, the knowledge and skills required from talent also evolve. A strong training system ensures employees are equipped to meet evolving demands, enhancing the Company's competitiveness.

Policy /
Commitment



Description

Training is provided based on the specific job requirements.

Goals
and Targets



Description

- ▶ Short-term goals
Launch a mentorship program for new employees and provide subsidies for employees to obtain professional certifications.
- ▶ Medium- and long-term goals
Develop a comprehensive training system tailored to the Company's industry, incorporating national training subsidy resources.

Management
Evaluation
Mechanism



Description

Employees' performance and core competencies are evaluated annually, with supervisors discussing development needs and career planning to guide future training.

Performance
and Adjustment



Description

In 2023, a mentorship program for front-line new employees was launched, with senior employees providing guidance. NTD 340,861 was invested in employee training and education throughout the year.

Preventive /
Remedial Measures



Description

To ensure that training and education investments align with the Company's competitiveness, each program is evaluated based on project performance and outcomes.

5.1.3 Management of Material Topic: Occupational Safety and Health

GRI 3-3、404



Materiality of the Topic



Description

Creating a safe and healthy work environment is a key way that the Company cares about its employees and the community.

Policy / Commitment



Description

Safety is prioritized through proactive awareness campaigns, ongoing monitoring, and post-incident improvements.

Goals and Targets



Description

► Short-term goals

Regularly organize employee health checkups, provide front-line workers with safety and health knowledge, along with a reward and penalty system.

► Medium- and long-term goals

Implement employee health management, maintain no major labor disputes and major occupational accidents, and achieve goals of "zero disasters", "zero accidents", and "zero injuries and illnesses".

Management Evaluation Mechanism



Description

Weekly management meetings track occupational health and safety issues. Any abnormalities are promptly reported to supervisors, with solutions presented afterward.

Performance and Adjustment



Description

In 2023, over 50 weekly management meetings were held to review occupational health and safety conditions.

Preventive / Remedial Measures



Description

New employees receive occupational safety and health training upon starting. Annual safety training is provided, and regular health check-ups are conducted to monitor employees' health and detect any issues early.

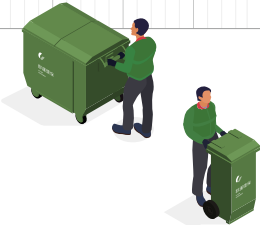
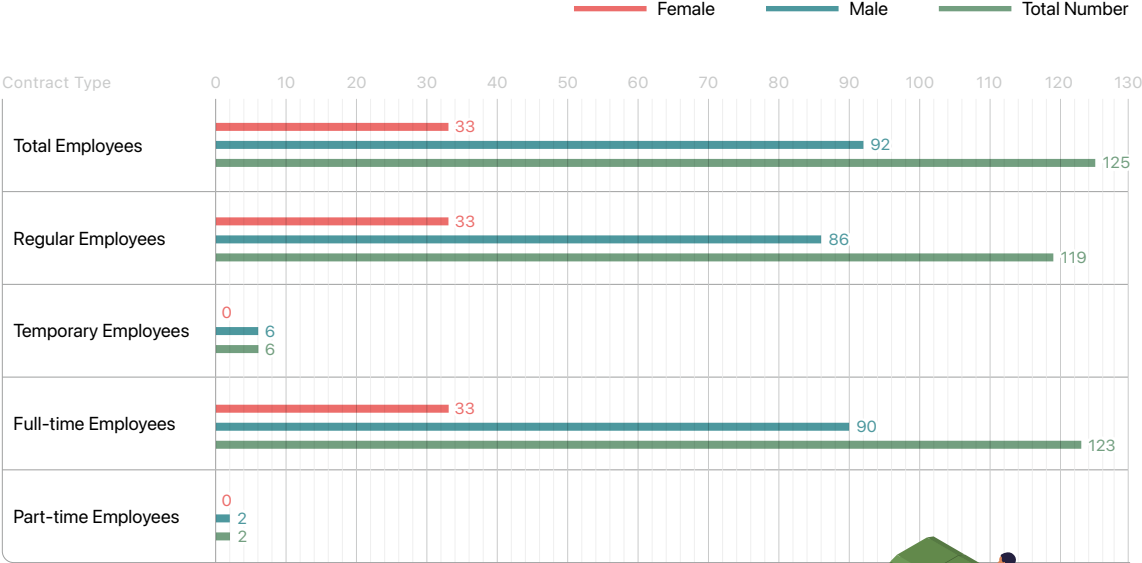
5.2 Employee Policy

GRI 2-7、2-8、202-2

In 2023, CHYUNN employed 125 staff across Tainan, Chiayi, and Kaohsiung, a 30% increase from 2022. The Company also had 1 commissioned worker, 3 subcontracted workers, and 3 security personnel, up from 2 in 2022. There were no employees with guaranteed hours.

The senior management team includes 8 members, 7 males and 1 female, all of whom are Taiwan residents.

Workforce Composition 2023



Remarks:

1. Employees self-identify their gender. Gender disclosure is optional.
2. Domestic refers to Taiwan; international refers to regions outside of Taiwan (e.g., the U.S., Vietnam).
3. Employee: An individual in a labor relationship with the organization according to applicable national laws (in Taiwan, employees covered by labor insurance).
4. Non-Employee: Individuals providing services at CHYUNN locations, excluding those with temporary stays, such as security, cleaning, and construction subcontractors.
5. Regular Employee: An individual with an indefinite contract.
6. Temporary Employee: An individual with a fixed-term contract.
7. Full-time Employee: An individual defined by the Labor Standards Act as working up to 8 hours per day and 40 hours per week in Taiwan.
8. Part-Time Employee: An individual who is not considered full-time.
9. Headcount: Refers to the number of employees as of the reporting period's end date.
10. No Guaranteed Hours: Employees who are not guaranteed a minimum number of working hours daily, weekly, or monthly but may be required to work as needed.

Total Number of Non-employee Workers 2023



5.3 Talent Recruitment

GRI 401-1、405-1

The infusion of new talent and a positive work environment help retain employees. While the hiring rate slightly decreased in 2023, the departure rate dropped significantly, showing improved employee retention. CHYUNN also promotes workforce diversity, hiring one person with a disability in 2023, as well as employees from various nationalities.



Rates of New Recruits and
Departures in the Past Two Years

Age of Male <30 30-50 >50

Age of Female <30 30-50 >50

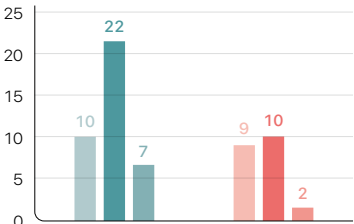
2022

New Recruits

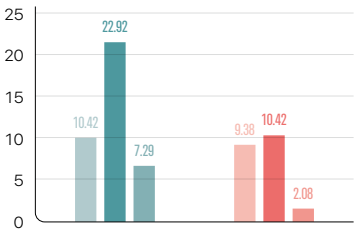
Description:

- ① New recruits include employees who left the Company halfway.
- ② New recruit rate by gender and age = New recruits in that group/total employees at year-end.
- ③ Overall new recruit rate = total new recruits/total employees at year-end.

No. of People



New Recruits Rate (%)



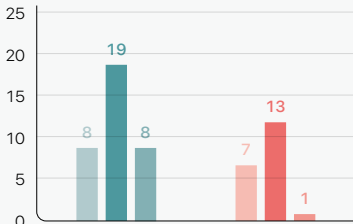
Total new recruits	Total employees	New recruits rate
60	96	62.5 %

Departures

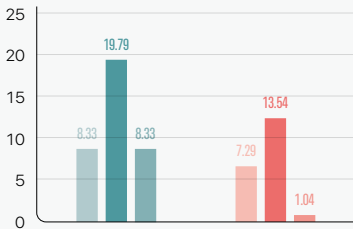
Description:

- ① Includes resignation, dismissal, retirement, or work-related death.
- ② Departure rate by gender and age = employee leaving in that group/total employees at year-end.
- ③ Overall departure rate = employees leaving/total employees at year-end.

No. of People



Departure Rate (%)



Total departures	Total employees	Departure rate
56	96	58.33 %

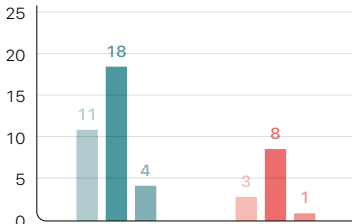
2023

New Recruits

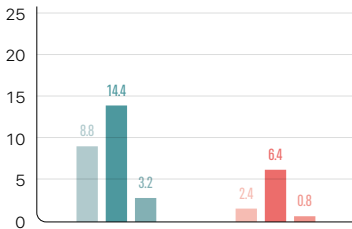
Description:

- ① New recruits include employees who left the Company halfway.
- ② New recruit rate by gender and age = New recruits in that group/total employees at year-end.
- ③ Overall new recruit rate = total new recruits/total employees at year-end.

No. of People



New Recruits Rate (%)



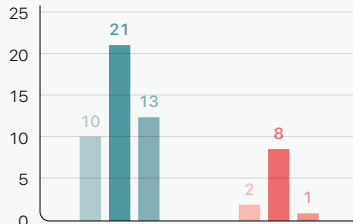
Total new recruits	Total employees	New recruits rate
45	125	36 %

Departures

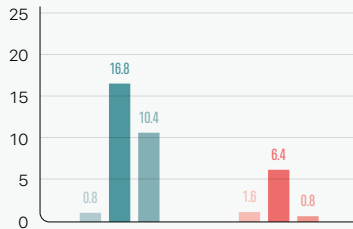
Description:

- ① Includes resignation, dismissal, retirement, or work-related death.
- ② Departure rate by gender and age = employee leaving in that group/total employees at year-end.
- ③ Overall departure rate = employees leaving/total employees at year-end.

No. of People



Departure Rate (%)



Total departures	Total employees	Departure rate
55	125	44 %

5.4

Talent Cultivation and Development

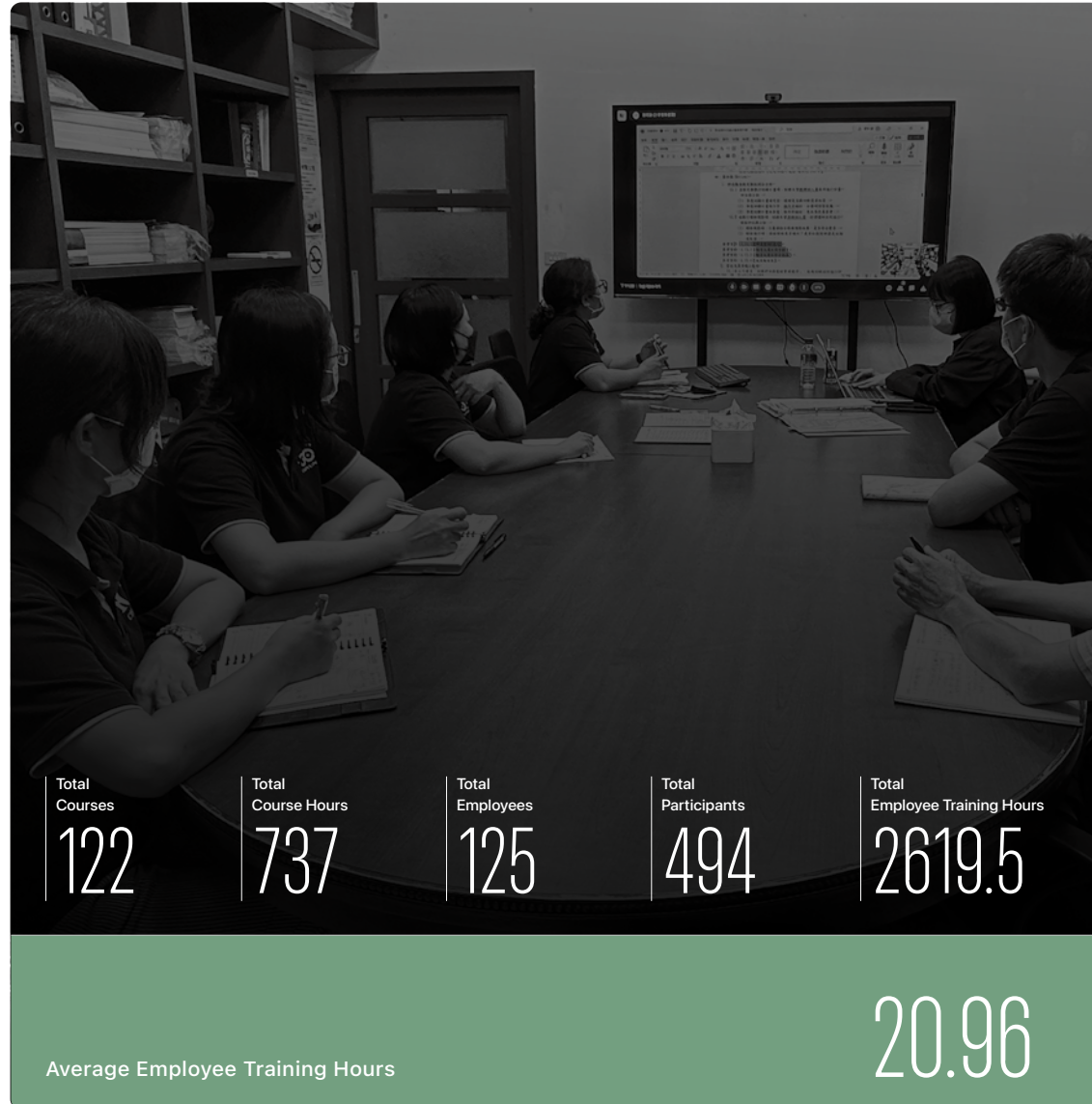
GRI 404-1、402-1、404-2

CHYUNN focuses on talent development to align employees with the Company's culture and enhance adaptability in a dynamic market. To address Taiwan's aging workforce, the Company participates in the Enterprises Human Resource Upgrade Program, encouraging experienced employees to continue learning and turn their expertise into valuable assets.

Training emphasizes corporate culture and professional skills, using internal programs for shared values and tailored resources for technical, developmental, and management needs.

In 2023, CHYUNN held 122 training sessions totaling 737 hours, with 494 participations and an average of 20.96 training hours per employee across its 125 staff members, demonstrating its commitment to growth.

2023 Training Overview



Corporate Culture and Professional Skill Training

Training Category	Corporate Culture	Professional Skills	
Content	Immediate feedback, mentorship programs, onboarding training.	Forward-looking development, technical expertise, management support.	
Purpose	To align employees with the Company's culture and core values.	To enhance the Company's operational capabilities to adapt to a dynamic market.	
Applicable Personnel	New recruits	General employee, based on role-specific needs.	Mid-to-senior-level employees, based on role-specific needs.
2023 Training Proportion	7%	83%	10%



Training Achievement 1:
Onboarding Training

In order to equip new employees with the consistent basic knowledge before starting work, the Company developed in-house onboarding training materials, supplemented with animations to facilitate a quicker learning process.

- ✔ Unified teaching to ensure standardized information.
- ✔ In-house materials designed for clarity and easy absorption.
- ✔ Organized content to facilitate team expansion.

Training Achievement 2:
Mentorship Program

To address the detailed front-line clearance procedures, CHYUNN selects outstanding employees as mentors for new recruits. Through a three-month program, mentors help new employees adapt quickly, understand the Company culture, and address issues in real-time.

- ✔ Selecting mentors to honor outstanding employees.
- ✔ Mentor assistance increases retention rate for new recruits.
- ✔ Hands-on training quickly enhances job readiness.

5.5

Personal Performance Management and Development

GRI 404-3

CHYUNN conducts annual performance evaluations for all employees, focusing on achievements and areas for improvement. Results inform promotions, development, and compensation decisions.

Employee bonuses are issued based on at least 1% of annual profits, as per company policy.

For underperforming employees, CHYUNN offers improvement plans with goal setting, feedback, and support. Job adjustments are made as needed, and if performance does not improve, personnel transition plans include severance, career counseling, and internal transfers.

! Temporary workers are not included in the evaluation.

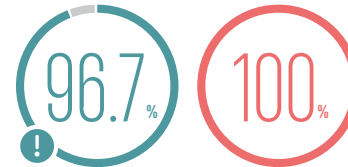
Proportion of Employees Evaluated

2023

Management Role



Non-management Role



Direct Employees



Indirect Employees



Male

Female

5.6

Remuneration Policy

GRI 2-21、202-1、401-3、405-2

CHYUNN's remuneration is based on individual experience, skills, education, and expertise, with no discrimination based on religion, gender, politics, or marital status. Salaries are reviewed annually and adjusted according to market trends and company needs.

In 2023, CHYUNN's entry-level male and female employees earned 1.08 times the local minimum wage. The gender pay ratio was 1:0.85 for general employees and 1:0.65 for management.

CHYUNN supports gender equality and family-friendly policies, with a 50% return-to-work rate and a 100% retention rate for employees on parental leave.

Median Ratio of Annual Total Remuneration 2023



Comparison of annual total remuneration between the highest-paid individual and all employees

Median Pay Ratio

8.11

Comparison of annual total remuneration between the highest-paid individual and all employees

Pay Increase Ratio

0.96

Remarks:

- 1. The Chairman is included as the highest-paid individual only if serving as CEO. In 2023, the Chairman also served as CEO.
- 2. Median Pay Ratio: Annual total remuneration for the highest paid-individual/Median annual total remuneration for all employees excluding the highest-paid individual.
- 3. Pay Increase Ratio: Percentage increase in annual total remuneration for the highest-paid individual/Median percentage increase in annual total remuneration for all employees excluding the highest-paid individual.

Ratio of Standard Entry-Level Wages by Gender

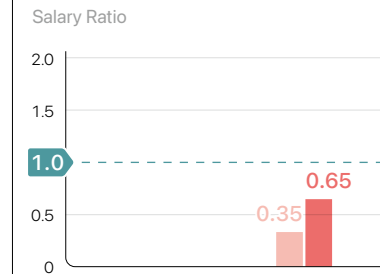
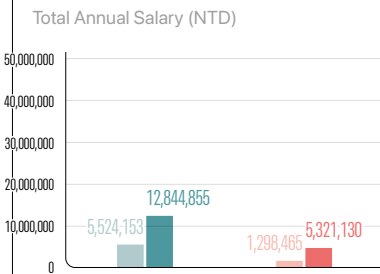
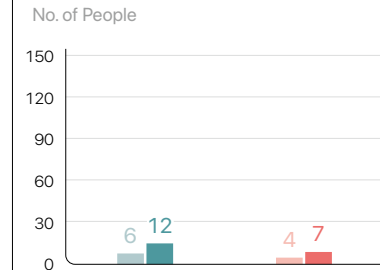
Topic	2022	2023
I. Country/Region of Operation	Taiwan	Taiwan
II. Ratio of Male Entry-Level Wages to Local Minimum Wages	The standard entry-level wage for male employees is 1.5 times the local minimum wage, based on market benchmarks and performance.	The standard entry-level wage for male employees is 1.08 times the local minimum wage, based on market benchmarks and performance.
III. Ratio of Female Entry-Level Wages to Local Minimum Wages	Employee base salaries are not influenced by gender, race, religion, political affiliation, marital status, or union membership. However, tenure and performance factors result in female entry-level wages being 1.2 times the local minimum wage.	The standard entry-level wage for female employees is 1.08 times the local minimum wage, based on market benchmarks and performance.
IV. Ratio of Entry-Level Wages for Other Genders to Local Minimum Wages	The Company does not have entry-level employees of other genders.	The Company does not have entry-level employees of other genders.
V. Ratio of Entry-Level Wages for Unspecified Genders to Local Minimum Wages	The Company does not have entry-level employees with undisclosed genders.	The Company does not have entry-level employees with undisclosed genders.

Salary Ratios by Job Category

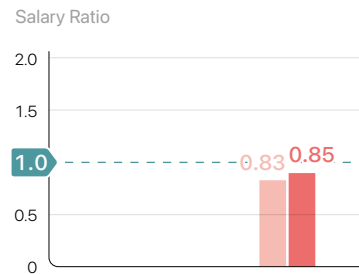
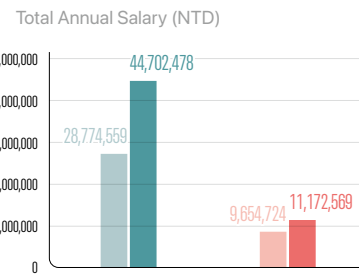
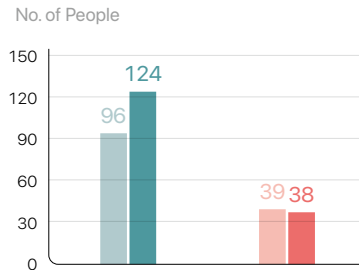
Male 2022 2023 Salary ratio is 1

Female 2022 2023

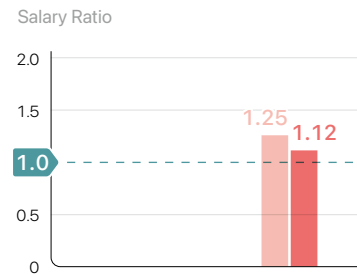
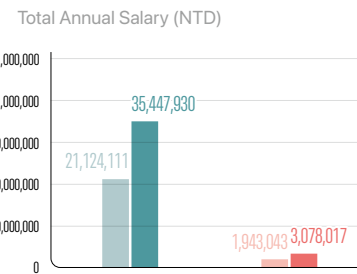
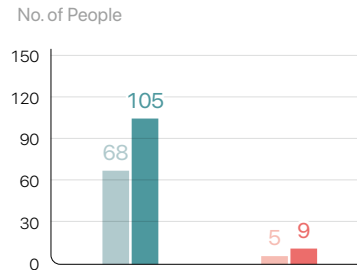
Management Role



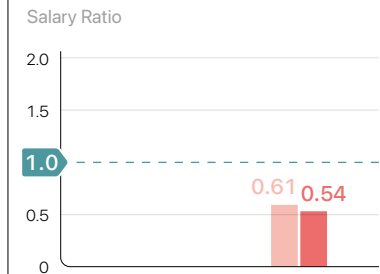
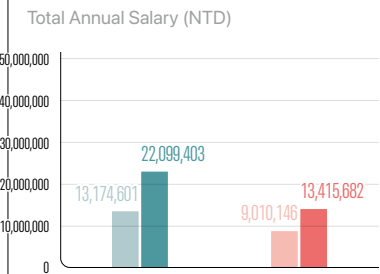
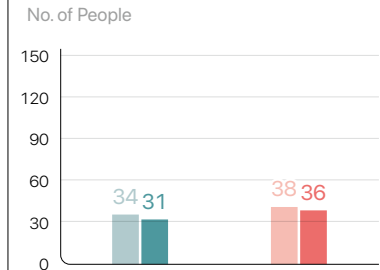
Non-management Role



Direct Employees



Indirect Employees



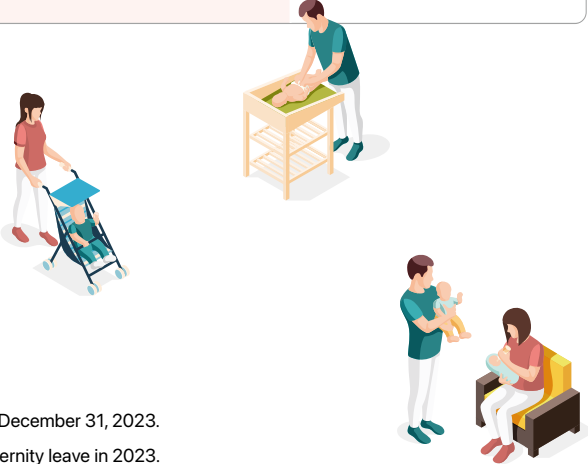
Remarks:

1. Female-to-Male Annual Salary Ratio: Average annual salary of females in the category/Average annual salary of males in the same category.
2. In cases where the ratio of female to male base salaries shows a large disparity, it is primarily because management roles, including the General Manager, are held by males, resulting in higher male salary figures.

Parental Leave

2023

Gender/Total	Male	Female	Total
Number of employees eligible for parental leave application (A)	1	1	2
Actual number of parental leave applications in the year (B)	1	0	1
Number of employees due to return from parental leave in the year (C)	1	0	1
Actual number of employees returning from parental leave in the year (D)	1	0	1
Actual number of employees returning from parental leave in the previous year (E)	0	1	1
Number of employees continuing to work one year after returning from parental leave in the previous year (F)	0	1	1
Parental leave return rate for the year (%) (D/C)	100	-	50
Parental leave retention rate for the year (%) (F/E)	-	100	100



Remarks:

- 1. Number of employees due to return from parental leave = The number of employees expected to return from parental leave in the year.
- 2. Retention number for 2023 = The number of employees who actually returned from parental leave in 2022 and were still employed as of December 31, 2023.
- 3. Number of employees eligible for parental leave application = The number of employees who actually applied for maternity leave and paternity leave in 2023.

5.7

Employee Care

Corporate development is closely tied to talent, and workers are not just "employees," but individuals with souls, thoughts, and personal passions. CHYUNN aims to support their career success by providing a secure and supportive work environment.

5.7.1

Secure Retirement

GRI 201-3

In accordance with the Labor Standards Act and Labor Pension Act, the Company contributes 6% of monthly salary to personal pension accounts and a retirement fund, managed by the Labor Pension Fund Supervisory Committee.

5.7.2

Thoughtful Benefits

GRI 201-3、401-2








CHYUNN offers diverse benefits to full-time employees, including contributions from the Company and additional welfare measures from the Employee Welfare Committee.

Welfare Measures

Benefits Offered by the Company

			
Labor and health insurance	Mid-year/year-end performance bonus	Group insurance	Health check-ups
			
Travel insurance	Education allowance for children	Labor Day cash gift	Employee meal allowance
			
Wedding cash gift	Birth cash gift	Funeral allowance	

Benefits Provided by the Employee Welfare Committee

			
Birthday cash gift	Festive cash gift Mid-Autumn Festival, Dragon Boat Festival, Spring Festival	Wedding cash gift	Birth cash gift
			
Funeral allowance	Employee travel	Family day events	

5.7.3
Workers' Rights

GRI 402-1、406-1、408-1、409-1

CHYUNN follows the UN Declaration of Human Rights to protect employee and worker rights, with commitments published on the Company website. No labor union was established in 2023.

Topic	Company Commitment
Minimum Notice Periods Regarding Operational Changes	<p>The Company's operations are stable, with no plans for major layoffs or changes in the next three years.</p> <p>To protect workers' rights, the Company adheres to the Labor Standards Act. In case of significant operational changes or termination of labor contracts, notice periods are as follows:</p> <p>For employees with 3 months to less than 1 year of service, a 10-day notice is required.</p> <p>For employees with 1 to less than 3 years of service, a 20-day notice is required.</p> <p>For employees with over 3 years of service, a 30-day notice is required.</p>
Emphasis on Human Rights	<ol style="list-style-type: none">1. No incidents of discrimination occurred in 2023.2. Workplace guidelines require employees to uphold the Company's human rights policy, ensuring fairness, respect, and avoiding complicity in abuses. Protections include no forced labor, non-discrimination in recruitment or promotion, and safeguards for employment freedom, humane treatment, and against harassment.3. Human rights policies for security personnel are included in contracts.4. Whistleblower system to be established in 2024 to protect reporting employees.
Prohibition of Child Labor	<ol style="list-style-type: none">1. The Company has never employed child labor.2. Neither the Company nor its suppliers engage young workers in hazardous tasks.
Rejection of Forced Labor	<p>Neither the Company nor its suppliers enforce excessive working hours or mandatory overtime.</p>

5.8

Occupational Health and Safety

GRI 403-3、403-5、403-7、403-8、403-9、403-10

CHYUNN values employee health and safety, implementing a core policy of "Prevention, Monitoring, and Improvement." The Occupational Health and Safety Guidelines establish a supportive environment for reporting concerns and include measures such as safety training, protective equipment, annual health checkups, and on-site medical visits.

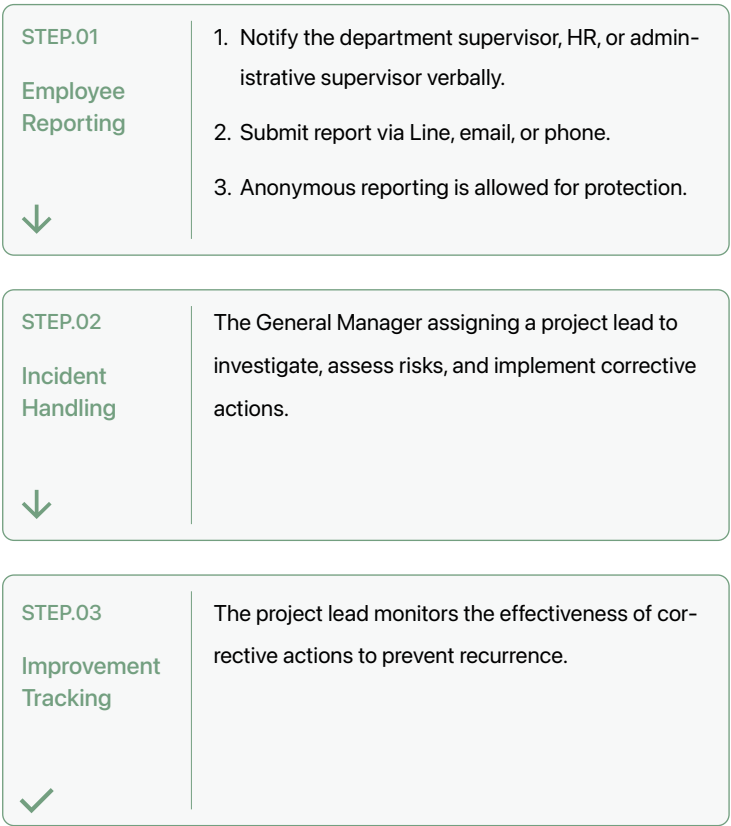
In 2023, no work-related ill health were reported, and one work-related injury case occurred. Support services such as medical consultations and massage services are offered for employee well-being. Safety officers oversee all safety management aspects and conduct regular fire safety inspections.

Security personnel are provided by an outsourced contractor, with operational guidelines specified in their contracts.

Occupational Safety and Health Hazard Reporting Process

Employees can stop or leave work if faced with immediate danger. Incidents must be reported, with details and improvement actions documented.

Hazard Reporting Process





To ensure employee health, CHYUNN arranges annual health check-ups.



2023 health check-up at CHYUNN.

CHYUNN

Environmental
Social
Governance

Work-related Ill Health

Employee Work-related Ill Health Statistics

Category	Item	2023
Fatalities	Female fatalities	0
	Male fatalities	0
	Total fatalities	0
Recordable cases	Female cases	0
	Male cases	0
	Total cases	0
Rate of work-related ill health fatality		0
Rate of recordable work-related ill health case		0

Non-employee Work-related Ill Health Statistics

Category	Item	2023
Fatalities	Female fatalities	0
	Male fatalities	0
	Total fatalities	0
Recordable cases	Female cases	0
	Male cases	0
	Total cases	0
Rate of work-related ill health fatality		0
Rate of recordable work-related ill health case		0

Remarks:

- 1. In 2023, 10 employees were classified as noise-exposed (Level 3) due to hearing abnormalities, but none were diagnosed with work-related ill health. Noise hazard prevention training was held in July 2023 for employees working with large machinery.
- 2. Work-related ill health rate
= (total work-related ill health / total hours worked) × 1,000,000.
- 3. Rate of work-related ill health fatality
= (fatalities / total hours worked) × 1,000,000.
- 4. Rate of recordable work-related ill health case
= (recordable cases / total hours worked) × 1,000,000.

Work-related Injury

Employee Work-related Injury Statistics

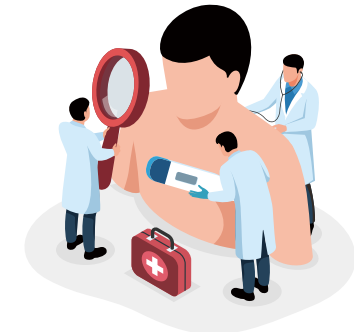
Category	Item	2023
Total Hours Worked	Female Total Hours Worked	5,2767.3
	Male Total Hours Worked	161,547.9
	Total Hours Worked	214,315.1
Fatalities	Female fatalities	0
	Male fatalities	1
	Total fatalities	1
Serious injuries excluding fatalities	Female serious injuries	0
	Male serious injuries	0
	Total serious injuries	0
Recordable injury cases including fatalities and serious injuries	Female cases	0
	Male cases	1
	Total cases	1
Rate of work-related injury fatalities rate (%)		4.67
Rate of work-related serious injury rate (%)		0
Rate of recordable work-related injury case (%)		4.67

Non-employee Work-related Injury Statistics

Category	Item	2023
Total Hours Worked	Female Total Hours Worked	0
	Male Total Hours Worked	7,020
	Total Hours Worked	7,020
Fatalities	Female fatalities	0
	Male fatalities	0
	Total fatalities	0
Serious injuries excluding fatalities	Female serious injuries	0
	Male serious injuries	0
	Total serious injuries	0
Recordable injury cases including fatalities and serious injuries	Female cases	0
	Male cases	0
	Total cases	0
Rate of work-related injury fatalities rate (%)		0
Rate of work-related serious injury rate (%)		0
Rate of recordable work-related injury case (%)		0

Remarks:

- Recordable injuries include traffic accidents, excluding those from commuting. In 2023, 1 case of work-related injury occurred due to fatigue driving.
A safety meeting was held in January to raise traffic safety awareness.
- Serious injury refers to injuries that cannot fully recover within 6 months.
- To ensure safety, basic checks for vehicles and machinery are in place as per Occupational Safety and Health Act.
- Rate of work-related injury fatalities rate = (fatalities / total hours worked) x 1,000,000.
- Rate of work-related serious injury rate = [serious injuries (excluding fatalities) / total hours worked] x 1,000,000.
- Rate of recordable work-related injury case = [recordable injury cases (including fatalities and serious injuries) / total hours worked] x 1,000,000.



Health Check-up Service

Category	Item	2023
General Health Check-up	Check-up items	General physical examination, urine examination, blood test, liver function test, kidney function test, metabolism test, blood lipid profile, X-ray, risk factor screening, gout screening, ultrasound test
	Number of people	56
	Cost (NTD thousand)	16.8
Special Health Check-up	Check-up items	Noise exposure, dust exposure, electrocardiogram (ECG)
	Number of people	39
	Cost (NTD thousand)	5.8

Worker Health Promotion

Health Promotion Program	Frequency	Duration
Health Consultation Services	<ul style="list-style-type: none">On-site monthly visit by occupational health nurse, 2 hours each. (Starting November 2023, 4 times a month, 2 hours each.)On-site annual visit by occupational health physicians, 2 hours each. (Starting November 2023, 4 times a year, 2 hours each.)	15-20 minutes per person.
Employee Massage Services	Professional masseuses provide on-site services twice a month, for 4 hours each time.	25 minutes per person.
Employee Gym	Open Monday to Friday starting August 2024.	2.5 hours per day.

Occupational Safety Training

2023		
Training Program	Training Hours	Number of Trainees
General Safety and Health Training	33	9
Mobile Crane Retraining	3	1
Hazardous Materials Transportation Retraining	36	3
Lifting Operations Training	3	1

Remarks:

- Includes all 125 employees of the Company (100%). In 2024, non-employees under the Company's control, including outsourced security personnel, will also be included.
- Occupational safety and health training includes both general training and training focused on specific hazards and hazardous conditions.
- General safety and health training includes training for safety and health management and general safety awareness.
- Employee health check reports and on-site nursing interview records are maintained by the administrative department, with access limited to relevant personnel to ensure confidentiality.



5.9

Fire Protection and Disaster Prevention

GRI 403-2、403-7

Effective disaster prevention ensures the Company's stable operations and the safety of its workers. In response to the National Fire Agency, Ministry of the Interior's call for companies to disclose fire safety in sustainability reports, this article serves as CHYUNN's voluntary response.

Fire Safety Management Policy and Regulations

CHYUNN's fire safety management policy focuses on "thorough preparation and regular drills."

The facilities are equipped with fire safety equipment such as extinguishers and alarms, which provide timely notifications to personnel for effective evacuation. Regular fire safety drills are conducted to ensure personnel can act swiftly and correctly in emergencies.

Disaster Prevention and Rescue Participation

During the "Tainan City 2023 All-out Defense Mobilization and Disaster Prevention and Rescue (Min An NO.9) Exercise" from July 19 to 25, 2023, the Company provided two construction waste trucks to support the rescue exercise.

Fire and Disaster Mitigation Management Measures

Measures	Description
Fire Safety Objectives	<ul style="list-style-type: none">● Protect life● Prevent disaster expansion● Safeguard property
Fire Risk Management	<ul style="list-style-type: none">● At least one employee qualified as fire protection manager.● Regular checks on fire safety equipment and immediate reporting of any issues.● Fire safety equipment must meet legal and suitability standards.● For hot work, submit permits, clear obstacles, prepare firefighting equipment, check VOC at "zero" PPM, and assign supervisor. After work, confirm no remaining embers and wet down the area.
Regular Fire Safety Inspections	<ul style="list-style-type: none">● Annual inspection of fire safety equipment to ensure functionality.● Annual fire safety seminars to raise awareness on fire and disaster safety.

Tainan ReAction:
The Little Tainaner Market ▶

5.10
Social Influence

GRI 203-1

Local Community Engagement

CHYUNN, with over 90% of its employees being local, is committed to giving back to the community. The Company regularly donates to organizations like the Taiwan Fund for Children and Families and shelter center. It also participates in local initiatives such as the "Tainan ReAction" project, supporting the UN's SDGs and fostering connections with the community and future generations.

Aligned with SDG 12—Responsible Consumption and Production—CHYUNN uses its expertise in waste management to transform waste into resources, ensuring proper processing and protecting the environment, while also creating local job opportunities.



Regular Donations

2023		
Donation Recipients	Amount (NTD)	Description
Taiwan Fund for Children and Families	24,000	2023 Local donation
Lauwulau Home for the Elderly	24,000	2023 Local donation
Roman Catholic Diocese of Taichung - NCP Account	24,000	2023 Overseas donation
St. Raphael Opportunity Center	24,000	2023 Local donation
Hong-Chia Shelter Center	24,000	2023 Local donation
House of the Little Angels Kaohsiung	24,000	2023 Local donation

Good Neighbor

CHYUNN actively engages with the local community, supporting environmental agencies in road cleaning, sanitation, and traffic management near work areas. Regular dust suppression at sites ensures air quality, enhancing the living environment for nearby residents.

In 2023, CHYUNN launched the column "Birds' Eyes on a Green City" on its website, featuring Independent Director Wen-de Wang's reflections on Taiwan's birdlife and ecology. This initiative underscores CHYUNN's belief that a successful business should benefit society, protect the environment, and show human care.

Marking its 31st year, CHYUNN remains dedicated to collaborating with partners and stakeholders to preserve a clean and sustainable environment.





Appendix ① | GRI Content Index

Appendix 1-1: GRI 1 Foundation 2021	
Statement of Use	CHYUNN has reported information referencing the GRI Standards for the period from January 1, 2023, to December 31, 2023, as outlined in the GRI Content Index.
Application of GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

Appendix 1-2: GRI 2 General Disclosures 2021				
Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
The Organization and Its Reporting Practices	2-1	Organizational details	About This Report	010
			1.3 ESG Management Framework	026
	2-2	Entities included in the organization's sustainability reporting	About This Report	010
	2-3	Reporting period, frequency and contact point	About This Report	010
	2-4	Restatements of information	About This Report	010
Activities and Workers	2-6	Activities, value chain and other business relationships	Company Overview	014
			4.2. Recycled Products	080
	2-7	Employees	5.2 Employee Policy	102
	2-8	Workers who are not employees	5.2 Employee Policy	102
Governance	2-9	Governance structure and composition	2.3 Corporate Governance	046
			2.3.1 Board of Directors and Committees	046
			2.3.5 Continuing Education of the Board of Directors	056
	2-10	Nomination and selection of the highest governance body	2.3 Corporate Governance	046
			2.3.1 Board of Directors and Committees	046
	2-11	Chair of the highest governance body	2.3.1 Board of Directors and Committees	046
			2.3.6 Avoidance of Conflict of Interest	058

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
Governance	2-12	Role of the highest governance body in overseeing impact management	1.2 Execution Structure	025
	2-13	Delegation of responsibility for managing impacts	1.2 Execution Structure	025
			1.3 ESG Management Framework	026
	2-14	Role of the highest governance body in sustainability reporting	1.2 Execution Structure	025
			1.3 ESG Management Framework	026
			2.3.1 Board of Directors and Committees	046
	2-15	Conflicts of Interest	2.3.6 Avoidance of Conflict of Interest	058
	2-16	Communication of critical concerns	2.3.1 Board of Directors and Committees	046
	2-17	Collective knowledge of the highest governance body	2.3.1 Board of Directors and Committees	046
	2-18	Evaluation of the performance of the highest governance body	2.3.1 Board of Directors and Committees	046
	2-19	Remuneration policies	2.3.1 Board of Directors and Committees	046
Strategy, Policies and Practices	2-22	Statement on sustainable development strategy	Message from the Chair of the SDC	004
			Message from the Chief Sustainability Officer	006
	2-23	Policy commitments	2.5 Legal Compliance	064
			2.6 Due Diligence	065
	2-24	Embedding policy commitments	1.1 Sustainability Commitment	024
	2-25	Processes to remediate negative impacts	2.7 Risk Management	066
	2-26	Mechanisms for seeking advice and raising concerns	2.4.3 Tax Governance	064
			2.6 Due Diligence	065
	2-27	Compliance with laws and regulations	2.5 Legal Compliance	064
	2-28	Membership associations	2.3.7 Participation in External Organizations	059
Stakeholder Engagement	2-29	Approach to stakeholder engagement	1.4 Analysis and Communication	029
	2-30	Collective bargaining agreements	Not applicable; CHYUNN has no collective agreements or labor unions.	-

Appendix 1-3: GRI Material Topics

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
GRI 3	3-1	Process to determine material topics	1.5 Materiality Analysis	032
	3-2	List of material topics	1.6 2023 CHYUNN' s Material Topics	034
	3-3	Management of material topics	1.6 2023 CHYUNN' s Material Topics	034

Ethical Corporate Management

	3-3	Management of Material Topics	2.1.1 Management of Material Topic: Ethical Corporate Management	042
GRI 205 Anti-corruption	205-1	Operations assessed for risks related to corruption	2.2 Elimination of Corruption	044
	205-2	Communication and training about anti-corruption policies and procedures	2.2 Elimination of Corruption	044
	205-3	Confirmed incidents of corruption and actions taken	2.2 Elimination of Corruption	044

Information Security Risk

	3-3	Management of Material Topics	3.1.1 Management of Material Topic: Information Security Risks	070
GRI 418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.4 Assured Information Security	073

Economic Performance

	3-3	Management of Material Topics	2.1.2 Management of Material Topic: Economic Performance	043
GRI 201 Economic Performance	201-1	Direct economic value generated and distributed	2.4 Business Results	059
			4.7 Climate Change Adaptation	092
	201-2	Financial implications and other risks and opportunities due to climate change	2.7 Risk Management	066
			5.7.1 Secure Retirement	111
	201-3	Defined benefit plan obligations and other retirement plans	5.7.2 Thoughtful Benefits	111
			2.4.1 Financial assistance received from the government	062
GRI 203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	5.10 Social Influence	118

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
Energy and Emissions				
	3-3	Management of Material Topics	4.1.1 Management of Material Topic: Energy and Emissions	076
GRI 302 Energy	302-1	Energy consumption within the organization	4.4 Energy Management	084
	302-2	Energy consumption outside of the organization	Not applicable, as CHYUNN currently lacks sufficient external organizational greenhouse gas inventory data.	-
	302-3	Energy intensity	4.4 Energy Management	084
	302-4	Reduction of energy consumption	4.4.1 Energy Conservation and Carbon Reduction Measures Implemented	084
	302-5	Reductions in energy requirements of products and services	4.4.1 Energy Conservation and Carbon Reduction Measures Implemented	084
GRI 305 Emissions	305-1	Direct (Scope 1) GHG emissions	4.5 GHG Emission Management	088
	305-2	Energy indirect (Scope 2) GHG emissions	4.5 GHG Emission Management	088
	305-3	Other indirect (Scope 3) GHG emissions	4.5 GHG Emission Management	088
	305-4	GHG emission intensity	4.5 GHG Emission Management	088
	305-5	Reduction of GHG emissions	4.4.1 Energy Conservation and Carbon Reduction Measures Implemented	084
			4.4.2 Promote Low-carbon Services	086
			4.5 GHG Emission Management	088
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable; CHYUNN does not use substances that deplete the ozone layer.	-
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	All CHYUNN vehicles comply with national emission testing standards.	-
Water and Effluents				
	3-3	Management of Material Topics	4.1.3 Management of Material Topic: Water and Effluents	079
GRI 303 Water and Effluents	303-1	Interactions with water as a shared resource	4.6 Water Resource Management	089
	303-2	Management of water discharge-related impacts	4.6 Water Resource Management	089
	303-3	Water withdrawal	4.6 Water Resource Management	089
	303-4	Water discharge	4.6 Water Resource Management	089
	303-5	Water consumption	4.6 Water Resource Management	089

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
Waste				
	3-3	Management of Material Topics	4.1.2 Management of Material Topic: Waste	078
GRI 301 Materials	301-1	Materials used by weight or volume	4.2. Recycled Products	080
	301-2	Recycled input materials used	4.2. Recycled Products	080
			4.4.2 Promote Low-carbon Services	086
	301-3	Reclaimed products and their packaging materials	4.2. Recycled Products	080
GRI 306 Waste	306-1	Waste generation and significant waste-related impacts	4.3.1 Waste Monitoring	082
	306-2	Management of significant waste- related impacts	4.3.1 Waste Monitoring	082
	306-3	Waste generated	4.3.2 Waste Generation	083
	306-4	Waste diverted from disposal	4.3.2 Waste Generation	083
	306-5	Waste directed to disposal	4.3.2 Waste Generation	083
Employment				
	3-3	Management of Material Topics	5.1.1 Management of Material Topic: Employment	099
GRI 401 Employment	401-1	New employee hires and employee turnover	5.3 Talent Recruitment	103
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.7.2 Thoughtful Benefits	111
	401-3	Parental leave	5.6 Remuneration Policy	107
GRI 402 Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	5.7.3 Workers' Rights	112

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
Occupational Health and Safety				
	3-3	Management of Material Topics	5.1.3 Management of Material Topic: Occupational Health and Safety	101
GRI 403 Occupational Health and Safety	403-1	Occupational health and safety management system	The Occupational Safety and Health Office was established on August 13, 2024, to implement the management system as required by the Occupational Safety and Health Act.	-
	403-2	Hazard identification, risk assessment, and incident investigation	The Occupational Safety and Health Office was established on August 13, 2024, to develop hazard identification, risk assessment, and incident investigations as required by the Occupational Safety and Health Act.	-
	403-3	Occupational health services	5.8 Occupational Health and Safety	113
	403-4	Worker participation, consultation, and communication on occupational health and safety	The Occupational Safety and Health Office was established on August 13, 2024, to develop worker participation, consultation, and communication methods as required by the Occupational Safety and Health Act.	-
	403-5	Worker training on occupational health and safety	5.8 Occupational Health and Safety	113
	403-6	Worker health promotion	The Occupational Safety and Health Office was established on August 13, 2024, to develop an annual health promotion plan in accordance with the Occupational Safety and Health Act.	-
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The Occupational Safety and Health Office was established on August 13, 2024, to develop methods for preventing and mitigating occupational health and safety impacts related to business operations in accordance with the Occupational Health and Safety Act., with some details available in "5.9 Fire Protection and Disaster Prevention."	-
	403-8	Workers covered by an occupational health and safety management system	5.8 Occupational Health and Safety	113
	403-9	Work-related injuries	5.8 Occupational Health and Safety	113
	403-10	Work-related ill health	5.8 Occupational Health and Safety	113

Topic	Index	Disclosure Content	Corresponding Chapter / Reason for Omission	Page
Talent Recruitment and Retention				
	3-3	Management of Material Topics	5.1.2 Management of Material Topic: Talent Recruitment and Retention	100
GRI 202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.6 Remuneration Policy	107
	202-2	Proportion of senior management hired from the local community	5.2 Employee Policy	102
GRI 404 Training and Education	404-1	Average hours of training per year per employee	5.4 Talent Cultivation and Development	105
	404-2	Programs for upgrading employee skills and transition assistance programs	5.4 Talent Cultivation and Development	105
	404-3	Percentage of employees receiving regular performance and career development reviews	5.5 Personal Performance Management and Development	107
GRI 405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	5.3 Talent Recruitment	103
	405-2	Ratio of basic salary and remuneration of women to men	5.6 Remuneration Policy	107
GRI 406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	5.7.3 Workers' Rights	112
GRI 408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	5.7.3 Workers' Rights	112
GRI 409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.7.3 Workers' Rights	112

Appendix ② | Sustainability Accounting Standards Board (SASB) Comparison Table

Appendix 2-1: Sustainability Disclosure Topics & Metrics

Sustainability Disclosure Metrics	Code	Disclosure Content	Category	Corresponding Chapter / Reason for Omission	Page
Greenhouse Gas Emissions	IF-WM-110a.1	Scope 1 emissions volume and percentage under emission restrictions and reporting regulations	Quantitative	4.5 GHG Emission Management	088
	IF-WM-110a.2	1. Total landfill gas generated 2. Percentage of landfill gas flared 3. Percentage of landfill gas used for energy	Quantitative	Not applicable, as there are no relevant processes.	-
	IF-WM-110a.3	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	4.4.1 Energy Conservation and Carbon Reduction Measures Implemented	084
Fleet Fuel Management	IF-WM-110b.1	1. Fleet fuel consumption 2. Percentage of natural gas consumption 3. Percentage of renewable energy consumption	Quantitative	4.4 Energy Management	084
	IF-WM-110b.2	Percentage of alternative fuel vehicles in fleet	Quantitative	Not applicable, as the Company does not use alternative fuels.	-
Air Quality	IF-WM-120a.1	Air emissions of the following pollutants: 1. NO _x (excluding N ₂ O) 2. SO _x 3. Volatile Organic Compounds (VOCs) 4. Hazardous Air pollutants (HAPs)	Quantitative	The engines of the Company's vehicles comply with national emission standards, and no emission-related fines were incurred during the year 2023.	-
	IF-WM-120a.2	Number of facilities in or near areas of dense population	Quantitative	Only the Kaohsiung branch and Planning Office are located in office spaces near dense populations, with no manufacturing or vehicle operations. Refer to the remarks for specific addresses.	-
	IF-WM-120a.3	Number of incidents of non-compliance associated with air quality permits, standards, and regulations	Quantitative	No incidents occurred during the reporting period.	-
Management of Leachate & Hazardous Waste	IF-WM-150a.1	1. Total Toxic Release Inventory (TRI) releases 2. Percentage of TRI released to water	Quantitative	Not applicable, as the Company does not generate leachate.	-
	IF-WM-150a.2	Number of corrective actions implemented for landfill releases	Quantitative	The Company does not engage in landfill operations.	-
	IF-WM-150a.3	Number of incidents of non-compliance associated with environmental impacts	Quantitative	2.5 Compliance	064

Sustainability Disclosure Metrics	Code	Disclosure Content	Category	Corresponding Chapter / Reason for Omission	Page
Labor Practices	IF-WM-310a.1	Percentage of active workforce employed under collective agreements	Quantitative	Not applicable, as no data was reported during the period.	-
	IF-WM-310a.2	1. Number of work stoppages 2. Number of total days idle	Quantitative	The Company had no work stoppages in 2023.	-
Workforce Health & Safety	IF-WM-320a.1	1. Total recordable incident rate (TRIR) 2. Fatality rate 3. Near miss frequency rate (NMFR) for direct employees and contract employees	Quantitative	5.8 Occupational Health and Safety	113
	IF-WM-320a.3	Number of road accidents and incidents	Quantitative	The quantity is less than 0.1% of total vehicle trips. (Due to commercial sensitivity of the trip data, only the proportion is provided.)	-
Recycling & Resource Recovery	IF-WM-420a.1	1. Amount of waste incinerated 2. Percentage of hazardous waste incinerated 3. Percentage of waste incinerated (including incineration for energy recovery)	Quantitative	4.3.2 Waste Generation	083
	IF-WM-420a.2	1. Percentage of customers receiving recycling services, by customer type 2. Percentage of customers receiving composting services, by customer type	Quantitative	Not applicable as the Company does not provide the according service.	-
	IF-WM-420a.3	1. Amount of material recycled 2. Amount of material composted 3. Amount of material processed as waste-to-energy	Quantitative	4.2. Recycled Products	080
	IF-WM-420a.4	1. Amount of electronic waste collected 2. Percentage of electronic waste recovered through recycling	Quantitative	Not applicable as the Company does not provide the according service.	-

Remarks	<p>The Company has 4 operating locations:</p> <ol style="list-style-type: none">Tainan Headquarters Binhai Plant (No. 100, Sec. 4, Anming Rd., Annan Dist., Tainan City; Land No. 1044, Xuenan Sec., Annan Dist., Tainan City; Land No. 853-32, Chengxi Sec., Annan Dist., Tainan City)Kaohsiung Branch (No. 6, Guihua St., Xiaogang Dist., Kaohsiung City)Chiayi Office (No. 104-4, Sanjiepu, Shuishang Township, Chiayi County)Planning Office (No. 13, Wenxian Rd., West Central Dist., Tainan City)	<p>The Company also leases 6 sites for vehicle parking:</p> <ol style="list-style-type: none">No. 104-4, Sanjiepu, Shuishang Township, Chiayi CountyLand No. 631, Liuhe Sec., Daliao Dist., Kaohsiung CityLand No. 1156, Liuhe Sec., Daliao Dist., Kaohsiung CityLand No. 629, Liuhe Sec., Daliao Dist., Kaohsiung CityLand No. 0066-0000, Xiangong Sec., Annan Dist., Tainan CityNo. 92 and 100, Sec. 4, Anming Rd., Annan Dist., Tainan City
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Appendix 2-2: Operating Activities

Activity Metrics	Code	Disclosure Content	Category	Corresponding Chapter / Reason for Omission	Page
	IF-WM-000.A	Number of customers by category: 1. municipal 2. commercial 3. industrial 4. residential 5. other	Quantitative	Information classified as commercially sensitive and not disclosed.	-
	IF-WM-000.B	Vehicle fleet size	Quantitative	Information classified as commercially sensitive and not disclosed.	-
	IF-WM-000.C	Number of: 1. Landfills 2. Transfer stations 3. Recycling centres 4. Composting centres 5. Incinerators 6. All other facilities	Quantitative	No corresponding section; additional information provided: 1. Landfills (0) 2. Transfer stations (0) 3. Recycling centers (0) 4. Composting centers (0) 5. Incinerators (0) 6. All other facilities (one soil resource disposal site)	-
	IF-WM-000.D	Total amount of materials managed, by customer category: 1. municipal 2. commercial 3. industrial 4. residential 5. other	Quantitative	Information classified as commercially sensitive and not disclosed.	-

Appendix ③ | Climate-Related Information of Listed Companies Index

Risks and opportunities posed by climate change to the Company and the relevant measures taken by the Company	Description
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To address climate uncertainties and market changes, CHYUNN regularly identifies climate risks and opportunities through senior executive meetings. Since 2022, the Chairman has tasked the General Manager with overseeing climate and sustainability management. On November 28, 2023, the Sustainability Development Committee was established to review and implement quarterly climate strategies.
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	<p>The identification of climate risks and opportunities is conducted annually by each department based on their operational characteristics. The Sustainability Development Task Force integrates these findings to create a comprehensive assessment.</p> <p>Key steps include analyzing risks and opportunities provided by each unit, creating a climate risk matrix to pinpoint high-risk areas, and conducting scenario analysis using the most adverse scenario (SSP5-5.8). Risk management measures are then developed based on quantitative results.</p> <p>In 2023, 3 physical risks, 2 transition risks, and 1 opportunity were identified:</p> <p>Physical Risks:</p> <ol style="list-style-type: none">1. Extreme weather causing operational shutdowns.2. Supply chain disruptions due to extreme weather.3. Rising sea levels increase operating costs (e.g., fuel consumption). <p>Transition Risks:</p> <ol style="list-style-type: none">1. Regulatory requirements for carbon inventory disclosure and verification.2. Shifts in customer behavior. <p>Opportunity:</p> <ol style="list-style-type: none">1. Provision of low-carbon services. <p>For details, see "4.7 Climate Change Adaptation".</p>

Risks and opportunities posed by climate change to the Company and the relevant measures taken by the Company	Description
Describe the financial impact of extreme weather events and transformative actions.	<p>The financial impact of extreme climate risks on CHYUNN has been assessed based on three physical risks. By 2050, extreme typhoons are expected to temporarily halt waste collection services, with a revenue loss of 1%. Similarly, disruptions in incineration services from suppliers could also result in a revenue loss of 1%. Rising sea levels may increase operational costs through higher fuel consumption, but the financial impact is minimal, under 0.01% of 2023 revenue.</p> <p>For transition risks, CHYUNN will comply with carbon disclosure regulations through annual greenhouse gas inventory verifications under ISO 14064-1:2018, with no significant financial risks. In response to shifting customer behavior, CHYUNN is developing carbon reduction methods for its major emissions sources, with NT\$8,376,000 allocated for the initial phase, supported by government subsidies.</p>
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Starting in 2024, CHYUNN will establish a climate risk identification process based on the TCFD framework. Relevant response plans will be set and executed based on the identification and prioritization of climate risks.
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.	For details, see "4.7 Climate Change Adaptation".
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.	To address climate-related transition risks, CHYUNN is implementing the "CHYUNN's Refuse Compactor Truck Upgrade and Transformation Plan." This involves converting compression chambers of refuse compactor trucks to electric, reducing fuel consumption. The modification is expected to reduce greenhouse gas emissions by 3.1% in 2024 compared to 2022.
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	No internal carbon pricing is currently used as a planning tool.

Risks and opportunities posed by climate change to the Company and the relevant measures taken by the Company	Description
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.	No climate-related targets have yet been set.
Greenhouse gas inventory and assurance status.	Refer to Note 1 of the table below.

Note 1. Greenhouse Gas Inventory and Assurance Status

Basic Information of The Company		Capital of NT\$10 billion or more, iron and steel industry, or cement industry
		Capital of NT\$5 billion or more but less than NT\$10 billion
	☑	Capital of less than NT\$5 billion
Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEx Listed Companies	The Company is not yet within the scope of the regulations	
Assurance Body	TÜV NORD Taiwan	
Description of Assurance Status	The Company's 2023 greenhouse gas inventory and verification cover its individual operations and branch offices but exclude subsidiaries.	
Scope	Emissions (tCO2e)	Emission Proportion (%)
Scope 1	1,104.8757	51.0844
Scope 2	102.3480	4.7321
Scope 3	955.6207	44.1835
Total GHG Emissions	2,162.8443	100.0000
GHG Emission Intensity	0.0048	tCO2e / Revenue (NTD thousand)

Independent Third Party Assurance Statement

TÜVNORD

Assurance Statement

CHYUNN ENVIRONMENT CORPORATION Sustainability Report

TUV NORD Taiwan Co., Ltd. (hereinafter referred to as TUV NORD) was commissioned by CHYUNN ENVIRONMENT CORPORATION (hereinafter referred to as CHYUNN ENVIRONMENT) to perform the 2023 Sustainability Report Verification (hereinafter referred to as Sustainability Report) in accordance with the AA1000 Assurance Standard Version 3 and the GRI Sustainability Reporting Standards (GRI Standards) and related assurance standards.

The Scope of Statement and Assurance Standards

- 1) The scope of assurance is consistent with the scope of disclosure in CHYUNN ENVIRONMENT 2023 Sustainability Report, which covers the period from 1 January 2023 to 31 December 2023.
- 2) The verification of compliance with the AA1000 Principles of Accountability for CHYUNN ENVIRONMENT bases on the AA1000 Assurance Standard, Third Edition, Application Type I that does not include verification of the reliability of the information/data disclosed in the report.
- 3) Sustainability Accounting Standards Board (SASB) Waste Management sector sustainability accounting metrics.
- 4) TCFD climate related financial disclosure recommendation.

Intended Users

The intended users of this statement are the stakeholders of CHYUNN ENVIRONMENT.

Assurance Type and Level

In accordance with the requirements of the AA1000 Assurance Standard Version 3, Type I, Moderate of Assurance Level.

Opinion Statement

CHYUNN ENVIRONMENT refers to the GRI sustainability reporting and AA1000 accountability principles of inclusivity, materiality, responsiveness and impact. The sustainability report presents the commitment of top management, the needs and expectations of stakeholders. To achieve sustainability performance indicators by stakeholders' engagement.

We assure that CHYUNN ENVIRONMENT refers to the SASB Waste Management sector sustainability accounting standards to disclose relevant metrics



We assure that CHYUNN ENVIRONMENT refers to TCFD's climate-related financial disclosure recommendations and discloses relevant metrics.

Methodology

The verification is in accordance with the above stated assurance standards and the TUV NORD Sustainability Report Verification Agreement.

Our verification includes the following activities:

- * Collect objective evidence of relevant performance metrics, as mentioned in the report.
- * Assurance of expectations of local or national regulations; international standards as set forth in public opinion and/or expert opinion are relevant to such general considerations.
- * Document review records and report content assessment in the context of GRI criteria application requirements.
- * Interviews with managers and related staff on issues of concern to the company's stakeholders.
- * Interviews with personnel involved in sustainability management, information gathering and report preparation.
- * Review significant organizational developments and review internal and external audit findings.
- * Review AA1000 (2018) Principles of Accountability and other compliance requirements.

Conclusion

The results of the AA1000 accountability standard for inclusivity, materiality, responsiveness and impact in the report are set out below.

Inclusivity

CHYUNN ENVIRONMENT identifies 8 stakeholders and their concerns via the xx method, and decides materiality through stakeholder discussions, sustainability committees and experts. There are 9 material topics determined among the 16 sustainability topics including economic, governance, social, human rights and climate impact.

Materiality

CHYUNN ENVIRONMENT refers to the GRI Guidelines, SASB Waste Management sector sustainability Indicators disclosure related metrics, and TCFD climate related financial disclosure proposed indicators to fully disclose the company's material risks and opportunities, taking into account the extent of impact on the company and prioritize the materiality of the report.

Responsiveness

CHYUNN ENVIRONMENT Sustainability Report clearly describes the relationship between sustainability and organizational strategy and the performance metrics corresponding to the materiality and their achievement status, and adequately addresses the main issues of concern to stakeholders.

Impact

The CHYUNN ENVIRONMENT sustainability report fully identifies materiality that reflect the significant economic, environmental, and social impacts on the organization. The company has established a robust process to monitor and measure the impact and establish short, medium, and long-term strategic planning through corporate governance.

GRI Sustainability Reporting Standards

CHYUNN ENVIRONMENT sustainability report refers to the GRI 1 to GRI 3 universal Standards and the GRI 200 Series, GRI 300 Series and GRI 400 Series topic standards, and meet the requirements for disclosure.

Limitations

The financial report of CHYUNN ENVIRONMENT was certified by PWC, the accounting firm appointed by the company.
The data of carbon emission verification was verified by the third party, TUV NORD.

Independent Statements and Competence

TUV NORD Group is a leader in the supervision, testing and certification. It operates businesses and provides services in more than 150 countries around the world. The services include management systems and product certification; quality, environmental safety, social and moral audits and training; corporate sustainability report assurance.

TUV NORD and CHYUNN ENVIRONMENT are mutually independent organizations, and there is no conflict of interest with CHYUNN ENVIRONMENT or any of its affiliates or interested parties when performing the verification of the sustainability report. Regarding the sustainability report of CHYUNN ENVIRONMENT, TUV NORD bases on the CHYUNN ENVIRONMENT verification agreement, and does not assume any legal or other responsibilities. CHYUNN ENVIRONMENT is responsible for responding to any questions that intended users concerned.

TUVNORD

The verification team is composed of experienced chief reviewers such as ISO 9001, ISO 14001, ISO 14064-1, ISO 14067, ISO 45001, SA 8000, ISO 50001, ISO 27001 etc., and has received the CSAP verification practice qualification certification of AA1000 AS v3 accountability training. The verification team bases on extensive knowledge and experience in the industry to provide professional advice in this assignment.

Jack Yeh
General Manager



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TUV NORD Taiwan Co., Ltd.
Room A1, 9F, No. 333, Sec. 2, Tun Hua S. Rd., Taipei 10669 Taiwan, R.O.C.



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Production Team

Publisher | Tien-yu Lee, Wen-ta Tsai

Editor/Lead Writer | Yen-yen Chen

Proofreader | Yi-kwan Ng, An-ting Shu, Po-chen Shen

Graphic Designer | Ji-Siang

Published by | CHYUNN Environment Corporation (Planning Office – Sustainable Development Task Force)

Tel / Fax | +886-6-2965599 / +886-6-2965580

Address | No.100, Sec. 3, Anming Rd., Annan Dist., Tainan City 709015, Taiwan (R.O.C.)

E-mail | service@chyunn.com.tw

Website | www.chyunn.com

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