

- Table of Contents
- About Sinyi Realty
- Sustainable Development
- Environment
- Social – Internal Stakeholders
- Social – External Stakeholders
- Corporate Governance
- Supply Chain Management**
- Appendix



Supply Chain Management



A sustainable and ethical supply chain management means to take innovation, economic and social development, and responsible governance into account. Through resource sharing, be a good partner of suppliers, coexist and prosper with society and the environment, we can move towards an inclusive growth together.

Material Topic >>>

GRI 414 Supplier Social Assessment

In This Section >>>

- Sustainability Strategies and Goals 66
- Supply Chain System 67
- Strategy and ESG Guidelines 67
- Management Process and Risk Assessment 67
- Goals and Sustainable Actions 68
- Performance and Achievement 70

Table of Contents

About Sinyi Realty

Sustainable Development

Environment

Social –
Internal Stakeholders

Social –
External Stakeholders

Corporate Governance

Supply Chain Management

Sustainability Strategies and
Goals

Supply Chain System

Strategy and ESG Guidelines

Management Process and Risk
Assessment

Goals and Sustainable Actions

Performance and Achievement

Appendix

Core Target and Vision

Taking "business ethics" as the core, with the interests of major stakeholders in mind, we aim to create an innovative life service model. And through building a sustainable and ethical supply chain together with suppliers, we will create, protect and promote sustainable economic, social, and environmental development.



Corresponding to the Sustainable Development Goals (SDGs)

Sinyi supports the SDGs. These SDGs in particular are relevant to our work with Supply Chain Management:



8.8

Contents

- S - focus on human rights and health/safety compliance of our suppliers.

Action Plans

- Conduct ESG risks audit

p. 69



13.3

- E – to raise awareness and work together with our suppliers to achieve a low-carbon supply chain.

- GHG emissions of energy survey to key suppliers

p. 69



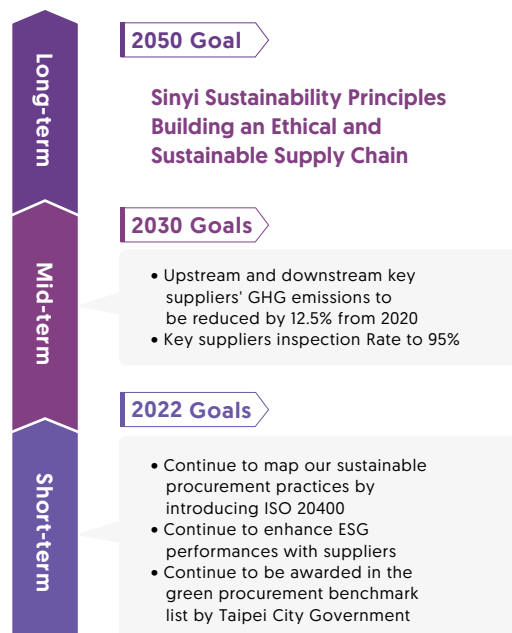
17.17

- G – to improve customer satisfaction and corporate governance through innovation with suppliers.

- Innovate with partner suppliers to promote a sustainable and better life for all

p. 69

Strategic Goals



2021 Performance Overview

Sinyi Realty incorporates sustainability into the norms and processes of supply chain management, and invite suppliers to make positive contributions to society, the economy, and the environment, and reduce negative impacts.

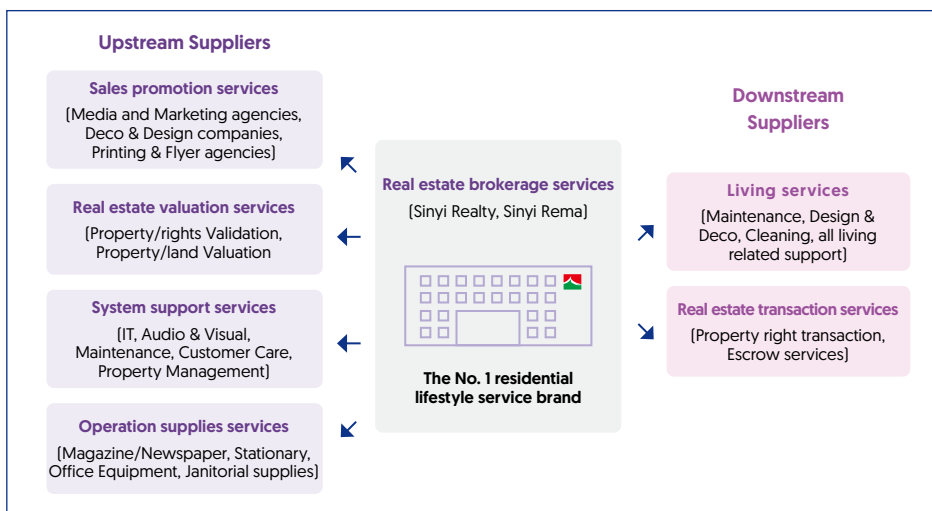
✔ Achieved ⚙️ Ongoing ✖️ Not Achieved

2021 Goals	2021 Performance	Achieved
• To introduce ISO 20400 and obtain verification	• ISO 20400 Verification obtained	✔
• 100% Signed the Sustainability Terms All key suppliers signed the Sustainability Terms	• 100% Signed Including new and existing suppliers	✔
• 90% Key Suppliers Inspection Rate Percentage of key suppliers inspected	• 95.6% Inspected Including document and on site inspection	✔
• Invite key suppliers to ESG training session	• 1 ESG training session completed	✔
• Green Procurement Award in Private Sector-Enterprise for 14 consecutive years		

Supply Chain System of Sinyi

2-6

Sinyi Realty's upstream and downstream suppliers can be categorized as showed:



Management Strategy and ESG Guidelines

Our management strategy

is to start from our core value, and through innovative service model, taking into account the interests of stakeholders, we want to operate a company with sustainability. Therefore, our supply chain management strategy is to develop sustainability with suppliers, from traditional view of "seeing profits only" to "seeing people and planet", too. We need to integrate online and offline technology, and to manage product cost, quality, etc. More important, we need to work with suppliers to enhance resilience and to create sustainable value.

Our guidelines

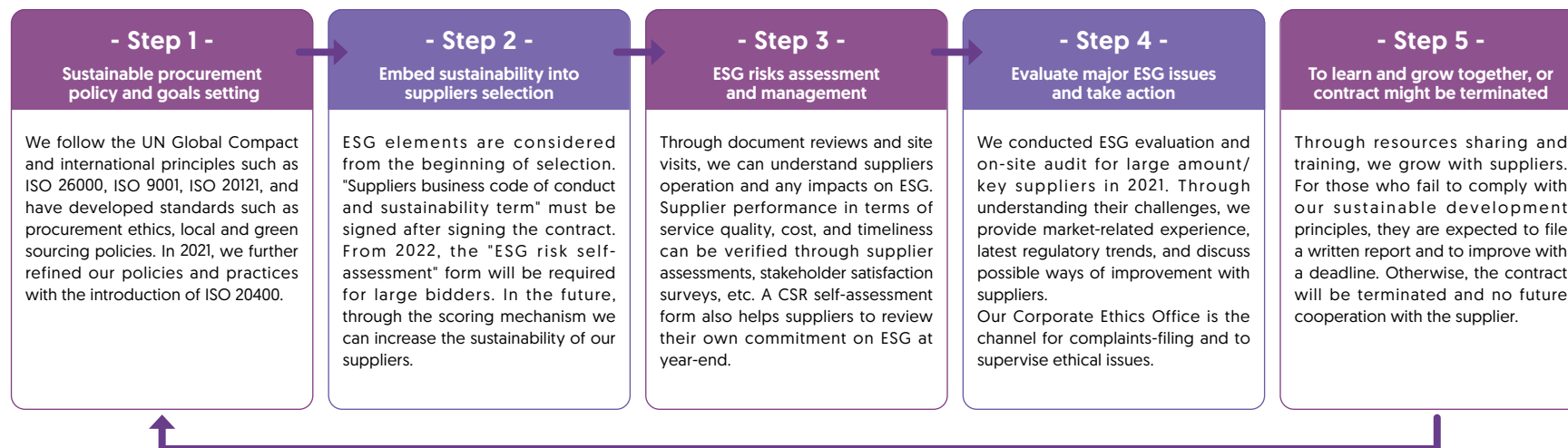
are to integrate ESG related risks and impacts into consideration :

- E** - to promote a low-carbon environment with suppliers.
- S** - to enhance a society that values human rights and occupational safety with suppliers.
- G** - to uphold corporate governance and to create sustainable value with suppliers.

Management Process and Risks Assessment

409-1

More than ever, the world requires supply chains to be more sustainable and help achieve the UN Sustainable Development Goals by 2030. Sinyi Realty cannot stay out of the way. We first introduced ISO 20400 Sustainable Procurement, hoping to incorporate sustainable development into management practices and processes. We invite key suppliers to make positive impacts and reduce negative environmental, social, and governance impacts while making decisions.



Goals and Sustainable Actions

414-2

To build upon our existing supply chain management, we introduced ISO 20400 Sustainable Procurement in 2021. In addition to GRI414 – supplier social assessment, we identify key suppliers who fall in high ESG risks, and need to improve through our management mechanism. Our goal is to increase the proportion of sustainable suppliers, jointly enhance ESG performance, and move towards a sustainable supply chain.

Action Plan – Identify key sustainable issues

ISO 20400 identified the scope of sustainable procurement, which is aligned with the 7 core subjects and 37 issues identified in ISO 26000 [Social Responsibility-Guidance]. And with ESG impacts in mind, we identified the major issues faced by real estate service supply chain.

Impacts on		Sustainable issues
E	Environmental protection Waste management	Although we are not energy-intensive or manufacturing kind, we still have waste management issue, and need to face the journey to Net Zero. We have to work together with our suppliers to achieve a low-carbon supply chain.
S	Human rights Occupational safety and health	Under the threat of Covid-19, in addition to avoiding forced interruption of daily operations of suppliers, the human rights, working safety and health conditions of supply chain employees may be easily ignored. We put more focus on human rights and health/safety compliance of our suppliers.
G	Fair trade and anti-corruption	Corporate sustainability depends on good governance – with ethics and anti-corruption governance. New operation models may bring new risks. For example, IT security/fraud risks posed by digital services.

Action Plan – Increase the proportion of sustainable suppliers

In 2022, we will invite key suppliers [annual spending with NTD\$3M and above] to fill out an ESG quick scan form, before they attend the bidding. We start from checking suppliers' sustainability, and to build a scoring database later. Conducting an ESG risk audit prior to project closure will help us enhance the sustainability of our supply chain.

◦ Before bidding

Suppliers (new and existing) to submit: company information, goods/services data(cost, quality, schedule), and ESG quick scan form.

Due diligence of procurement staff: Performance evaluation(existing suppliers), legal compliance on ESG - check within past 2 years (new and existing)

Pass ESG quick scan: enter the bidding process and suppliers database

Not recommend if ESG quick scan shows high risks

◦ After bidding

The winning bidder becomes our supplier and is required to sign the "Sinyi Suppliers Business Code of Conduct and Sustainability" while signing the contract.

Fall into Sinyi's suppliers management process. Suppliers are required to assist our annual ESG audit, on-site visit, and CSR self-evaluation, etc.

Feedback and suggestions will be given after audit/visit. Suppliers need to submit report or way of improvement in due date. Sustainable procurement indicators as well as the focus of management for next year will be reviewed.

Sustainable Supply Chain

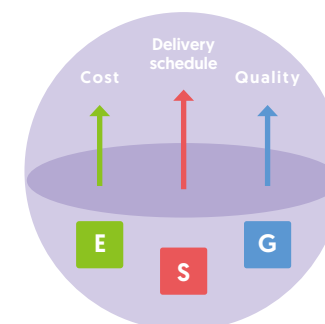


Table of Contents

About Sinyi Realty

Sustainable Development

Environment

Social –
Internal Stakeholders

Social –
External Stakeholders

Corporate Governance

Supply Chain Management

Sustainability Strategies and Goals

Supply Chain System

Strategy and ESG Guidelines

Management Process and Risk Assessment

Goals and Sustainable Actions

Performance and Achievement

Appendix

Action Plan – Focus on enhancing supply chain ESG performance



GHG emissions of energy survey to key suppliers

Sinyi Realty joined in the Net Zero 2030/2050 Initiative, and all of our suppliers are invited to begin the journey with awareness, then commitment.

We invite them to join in carbon reduction path with Sinyi together.



In 2021, we conducted a GHG emissions of energy survey to our upstream and downstream key suppliers, and results compared with 2020 showed:

Key suppliers	Energy Consumption MWh	GHG Emissions of Energy Consumption (category 2) Tons CO ₂ e
2020	1773.164	902.540
2021	1711.946	859.396

4.78% ↓
decrease successfully in 1 year time



Conduct ESG risks audit to confirm suppliers compliance with human rights



Key suppliers	Turnover Rate	% Checked on Work Injury
2020	20.31%	100%
2021	16.73%	100%

We visited suppliers with higher risks on human rights. People who work at sign-posting agency, security, and construction factory are more vulnerable: easy to work over-time, in hazardous environment, without proper insurance. (some workers don't even care until they get injured.)



We ask our suppliers to review their insurance policy, specially attend to new insurance law posted by government in 2022.



Innovate with partner suppliers to promote a sustainable and better life for all

Key suppliers	Revenue [in NTD]
2020	671,990,611
2021	717,356,060

6% ↑
revenue growth

"People-oriented innovation" is the core value which led Sinyi to lead the industry for 40 years.

We promote a better and sustainable life in local communities, embedding ESG goals in our operation. Our key suppliers also demonstrated good corporate governance through revenue growth from last year when Covid-19 was raging. "Sinyiliving" works with many life service providers, who recognize sustainable value and have qualified certifications. Through coaching and on-site supervision, we differentiate the business strategy with our partner suppliers. Match the digital strength, service strength, team strength with indicators of each partner while ensuring quality is met.

In 2021, the total number in the list of qualified partner suppliers is 86. We formulated new service SOP and operation, start digital transformation, customer satisfaction rate has been slightly up.

Year	2019	2020	2021
Customers Satisfaction %	89.8	88.8	91

Those who pass year-end evaluation will be recognized and eligible for contract renewal for the next year.



Table of Contents

About Sinyi Realty

Sustainable Development

Environment

Social –
Internal Stakeholders

Social –
External Stakeholders

Corporate Governance

Supply Chain Management

Sustainability Strategies and Goals

Supply Chain System

Strategy and ESG Guidelines

Management Process and Risk Assessment

Goals and Sustainable Actions

Performance and Achievement

Appendix

Performance and Achievement

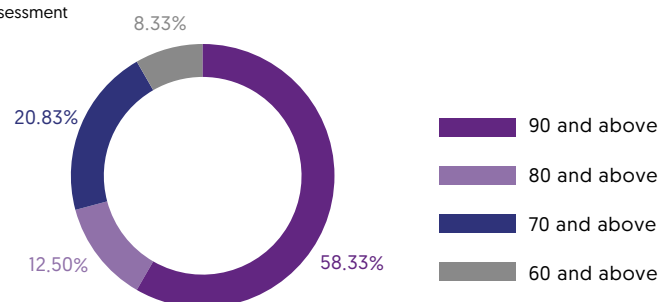
414-2

● ESG risk and impact assessment on key suppliers

We conducted the first ESG risk and impact assessment on key suppliers after the introduction of ISO 20400. Key suppliers who were still in partnership with us in 2021, and our annual spending on each of them exceeding NTD 5 million, were requested to participate in this assessment. Total 32 ESG risk self-assessment surveys sent out with 24 collected back (75% recovery rate).

The proportion of questionnaire scores is 15% on environment, 60% on social(human rights, occupational safety and health), and 25% on corporate governance.

Suppliers ESG risk assessment



We picked 4 out of 7 suppliers whose total score were under 80. Three different types of suppliers: "woodwork and maintenance", "advertising", and "security" were visited to check their practices and impacts on ESG.

Key suppliers		Negative impact	Positive impact
No. evaluated		4	
Assessments on ESG	Security staff worked on holidays/overtime without proper pay.	Partner with Sinyi and is willing to offer more than the basic labor law to take care of employees.	
	Construction workers did not have adequate safety protection and insufficient compensation for injuries.	Have learned new concepts through this ESG self-assessment - thankful for sharing the up-to-date trends.	
	The sign-holders illegally posted the advertisement were fined.	Support anti-corruption with Sinyi.	

Required improvements completion rate: 100%.

Non-compliance requires termination of contract: none.

● Management and key suppliers' achievement

With the implementation of ISO 20400 and the adjustment of organizational structure, we define our key suppliers as "annual spending exceeding NTD 1 million" in 2021. A total of 159 key suppliers accepted our regular inspections and irregular visits.

Items		Description	Goals and Performance			
			2019	2020	2021	2022
1	Sign "Sinyi Suppliers Business Code of Conduct and Sustainability"	• In 2021, all key suppliers signed this as an attachment to business contract.				100%
2	Sign "Procurement Ethics Standards"	• All procurement staff signed this document. In 2021, we used popup window for the first time, to ensure the required staff read before they sign.				100%
3	Key Suppliers Inspection Rate	• Suppliers inspection rate (including new and existing suppliers).	90.3%	93.55%	95.6%	90%
4	New Suppliers Inspection Rate	• New suppliers passed through our suppliers management mechanism.				100%
5	Existing Suppliers Inspection Rate	• Existing suppliers complied with the ESG risk assessment, on-site checks, action and deadline for improvement.	89.8%	92.86%	95.21%	90%
6	Key Suppliers Work Injury Rate Check	• Conducted employees' work injury rate survey on key suppliers within the scope of Sinyi physical's management.				100%
7	Key Suppliers ESG risk assessment	• Conduct ESG risk assessment on key suppliers whose 2021 annual expenditure exceeds NTS5 million, after the introduction of ISO 20400	There were 7 suppliers scored under 80. And we selected 4 of them to conduct on site audit. Methods of how to improve were discussed and suppliers agreed to follow accordingly.			

● Create new service value and a carbon-reducing world through digital transformation and green procurement

We consider our suppliers' ESG performance at the very beginning, and request the products or material have eco-friendly labeling, incorporating green procurement principle into our policy.

The epidemic has accelerated the digital transformation in 2021. Electronic signature system, video conference system, etc. were adopted to reduce the need for customers and staff to travel. Banks who cooperated in the process have launched digital loan services. The new model has not only provided a better experience, but also reduced carbon emission.



Table of Contents

About Sinyi Realty

Sustainable Development

Environment

Social – Internal Stakeholders

Social – External Stakeholders

Corporate Governance

Supply Chain Management

Sustainability Strategies and Goals

Supply Chain System

Strategy and ESG Guidelines

Management Process and Risk Assessment

Goals and Sustainable Actions

Performance and Achievement

Appendix