



Message from the Founder 102-14

Sinyi Group has always been committed to its founding spirit of putting people first. Our goal is to adhere to corporate social responsibility and to provide world-class services. We hope to realize our ultimate vision of a harmonious symbiosis with the entire society.

Since the adoption of 17 Sustainable Development Goals (SDGs) by the United Nations, we have built on our long-term commitment to our role as a global citizen by actively focusing on both our major stakeholders and the SDGs. To this end, we have set out six major sustainability strategies, each aiming to reconcile the interests of our stakeholders with our goals toward sustainable development.

1. Reshaping Customer Service and Creating Happiness for Customers SDG 12

Sinyi = Talking the talk and walking the walk. Therefore, our long-standing pursuit of our mission has been about defining the “talk” and working on the “walk” to create a full range of happy lives. Following the reorganization of Sinyi Group in 2017, we decided to reshape the service appearance, to connect online and offline services (O2O), and to explore the scope of possible residential lifestyle services. In 2018, starting from the brokerage service, we actively expanded our services upstream and downstream, including the construction, home services, and leasing sectors. We continue to launch new projects such as the “Safe Rental Guarantee Project,” various community services, and the “Prevent Damage by Pests Guarantee Services.” This has increased customer satisfaction from 84.42% in 2017 to 87.37% in 2018.

2. Putting People First: Employees as Important Partners SDG 3 SDG 4 SDG 5 SDG 8

“Putting People First” has always been at the core of our business. Every member of our staff is a partner in serving our customers, and their relationship with the company goes far beyond a simple employment contract. To provide them with employment security and career development, for some 30 years (since 1988) we have regularly dedicated one-third of our after-tax operating revenues to providing end-of-year bonuses for our staff. We also implement the “three highs” policy – high salary, high development, and high care – to motivate our staff and to move into a virtuous cycle. In 2018, our non-managerial staff salary underwent an average of a 5.52% increase. In 2019, we invested more than 105 million to implement the “elastic welfare system” which allows our staff to take care of three major areas, namely learning, health, and family. Therefore, the average turnover rate has dropped from 34.26% in 2017 to 29.70% in 2018.

3. Corporate Governance = What Should be Done SDG 4 SDG 8 SDG 13

We strive to implement corporate governance for the sake of our shareholders. We established the Audit Committee in 2007 and the Remuneration Committee in 2010. We also increased the number of independent directors in 2013 such that they now account for more than half the total seats on the board.

In 2017, we began to arrange important matters to be communicated to the Board of Directors with accountants and auditors in advance and established a mechanism for the nomination of independent directors. In 2018, we also planned the selection of female independent directors, strengthened the diverse background of independent directors, professional knowledge, and resolution quality of the Board of Directors, and hired the first female independent director in 2019. This has helped us receive the highest recognition in the Taiwan Stock Exchange’s corporate governance evaluations for five consecutive years, where we rank among the top 5% of listed companies in Taiwan (only 13 companies have had this honor).

Sinyi Sustainability Management Structure

We insist on putting people first and considering our duties ahead of our profits. We also hope to spread the Sinyi spirit across the industry, the nation, and the globe. Following the Sinyi Sustainability Principles, we will continue to develop a more comprehensive business system that can fulfill the residential service needs of customers and ensure that customers, staff, and the company alike are satisfied. At the same time, our system will consider the long-term development strategies for the social, environmental, and vendor components to ensure that our business survives and thrives.

Sinyi Sustainability Principles

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|--|---|
| <p>1 Corporate Governance = What Should be Done</p> <p>2 Putting People First: Employees as Important Partners</p> <p>3 Reshaping Customer Service and Creating Happiness for Customers</p> | <p>4 Faithful People → Faithful Company → Faithful Society</p> <p>5 Pioneering Environmental Awareness in the Service Industry</p> <p>6 Building Sustainable and Ethical Supply Chains</p> |
|--|---|

4. Faithful People → Faithful Company → Faithful Society SDG 1 SDG 4 SDG 8 SDG 10 SDG 11 SDG 17

We are involved in systematic efforts toward social engagement, particularly community building, promotion of business ethics, improving developments in the real estate industry, and social philanthropy and donations. In 2004, we launched the “We are ONE Project.” In 2018, we received cumulative proposals from 364 townships across Taiwan (the total number is 368), and received a Presidential Cultural Award, which marks the first time that a corporate project has received the award. The “Business Ethics Education Foundation Plan” was also launched. Through the active promotion of the Chinese Business Ethics Education Association (CBEEA), the Ethics Lectures from Sinyi Lecture Hall, and the Sinyi School of NCCU, we have successfully promoted “Business Ethics” as a compulsory course. In the longer term, with the publication of the Taiwan Real Estate Almanac and the Housing Price Index for Major Cities in Taiwan, a detailed record of the housing market trajectory and key issues is being maintained, and will hopefully serve as a valuable reference for both policymaking and industrial development. The Sinyi Charity Foundation supports disadvantaged groups and cares for the physical and mental health of the elderly, complementing areas that the aforementioned enterprises and communities do not adequately care for.

5. Pioneering Environmental Awareness in the Service Industry SDG 6 SDG 12 SDG 13

With anthropogenic global warming being empirically proven, even members of the service industry with their relatively low per capita carbon emissions must uphold their duties and obligations as corporate citizens. To summarize the results of our efforts last year, whether in the context of our carbon footprint, water footprint, or carbon emissions of electricity consumption per person, we have achieved the 2025 goals well in advance. We also conducted carbon neutrality verification in selected demonstration branches to offset the total amount of GHG emissions by using offset credits, and were certified carbon neutrality in eight branches. In the future, we hope that through our ongoing efforts to create a low-carbon society will ultimately mitigate the impacts of climate change on humanity.

6. Building Sustainable and Ethical Supply Chains SDG 3 SDG 8 SDG 12 SDG 17

In order to implement business ethics in all aspects of our business, all suppliers have signed the “Human Rights Terms” and “Procurement Ethics Standards.” We added the “Supplier Corporate Social Responsibility Self-Assessment Form” in 2018 to enhance the depth of communication during our visits. We also updated the “Human Rights Terms” and now call them “Sustainable Terms” and have incorporated other aspects such as environmental protection and governance with its scope. We also established a follow-up counseling mechanism for sustainability and ethics to provide our suppliers with assistance and to share resources.

Putting business ethics at the heart of our strategy, we strive to lead the industry forward and to develop innovative ways to look after the interests of all our major stakeholders. In the short term, we hope to become the leading housing lifestyle industry brand in the Chinese-speaking world; and to work toward the shared growth of all humanity in the long run.

Founder, Sinyi Group



Message from the General Manager

The Impact of the Overall Environment on Sinyi's Operations, Challenges and Responses

With rapid developments and advancements, the market is becoming more and more difficult to define. Our target customer group demand centers on the "home," but in addition to housing sales, the "residential lifestyle" related to "home" has more space for imagination. Our service scope can also be extended to renovation, moving, cleaning, etc., to meet the needs of more customers.



Moderate Recovery in the Self-occupied Market: Launching Innovative Services that Enhance Value

After the housing transaction volume in 2016 hit a new low since 1991, several major housing brand companies changed in 2017 from a state of rapid reduction to a state of gradual expansion. Continuing the trend of bottoming out in 2017, the number of housing transactions in Taiwan was 278,000 in 2018, and the annual growth was about 4.5%. The growth in the trading volume over the past two years reflected that the overall housing market remained on track toward moderate recovery. The market is dominated by self-occupation and in addition to location considerations; home buyers are also concerned about whether construction equipment and community functions meet the needs of their family members.

Since its establishment, we have specialized in the direct chain stores system to expand, and to continue to develop innovative services, while also transforming its service process by engaging in customer-driven approaches in order to let customers get a caring and satisfactory service experience. We continue to innovate with our guarantee services. In addition to the existing guarantee services, namely "Guarantee Against High-Chloride Concrete," "Guarantee Against High Radioactive Exposure," "Existing Home Compliance Guarantee," "Water Leakage Guarantee System," and "Guarantee Service of Stigmatized House Compensation," we have developed the industry's first "Prevent Pests Damage Guarantee Services" and will be launching it in 2019 to protect the rights of consumers more comprehensively.

Responding to the Government's Rental Housing Policy: Providing "Safe Rental Guarantee"

Following the regulating policies related to housing justice, investment demand has dropped sharply. Currently, the transaction volume in the housing market is still at a long-term low, and is mainly based on demand for self-occupation. The government's housing policy currently focuses on the adjustment of the "supply side," including promoting social housing, improving the leasing industry chain, promoting urban renewal, and rebuilding old houses. The policy no longer interferes with the confidence of the housing market and transactions continue to return to the basics. To help the government develop the leasing industry further, we also actively participated in the promotion of the leasing business. In 2018, we cooperated with

life insurance companies to provide the "Safe Rental Guarantee Project" to compensate for the risk of the influences on housing prices caused by special events after the landlord rented the house, thus reducing the concerns and increasing the supply of rental housing. In 2019, we will work toward building the electronic "lease entrustment process" to improve the efficiency and effectiveness of our service.

Rapid Development of Technology: Optimizing Internal and External System Platforms to Enhance the Digital Service Experience

With the rapid development of network technology, real estate agency services have also attracted participation and competition from various other network platforms. However, as a result of the heterogeneity of housing and the complexity of the transaction process, the e-commerce mechanism is still difficult to replace. Upon observing the mature market and developed information network in the US and Japan, it is clear that the network information tools have not significantly replaced the role of a broker. Innovations in the e-commerce mechanism have not subverted the trading order of the housing market, but have enhanced the trading efficiency of the market. In the future, the innovative network technology will continue to be used in the housing market. We continuously apply the latest technology to our service processes. In 2018, we continuously optimized customers' digital service experience, integrated the services and information that consumers needed most, and launched the new version of the Sinyi Realty app, which enabled customers who seek to buy or sell homes to fully understand all the relevant information. Additionally, customers can communicate with their agent at any time through the Internet. These agents can also provide information on subscription services to open a new service model for the real estate agency business. Furthermore, the digital tool also strengthens the integration of agents into the post-operation system, optimizes internal electronic and mobile operations, and enables the store to adjust the service process to the optimal mode so that customers can feel that they are receiving the best service at any stage in the housing transaction.

General Manager, Sinyi Realty

Sinyi Realty by Numbers

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Profile

Sinyi Realty Inc. officially established in 1981.

We primarily provide real estate sales and rental agency services. Specific services include sales and leases for housing presales, surplus units, individual new units, used residential units, offices, plants, land, and parking spaces.

Sinyi Group's Global Headquarters is located at No. 100, Xinyi Road Section 5, Xinyi District, Taipei City 110, Taiwan.

Financial Highlights



Consolidated Revenue

12.903 billion NTD

Taiwan: 65% China: 33%
Japan: 2%



Sinyi Realty Revenue

7.881 billion NTD



536

Locations Worldwide

Taiwan: 435 branches Japan: 10 branches
China: 88 branches Malaysia: 3 branches

Non-Financial Highlights



Carbon Emissions

↓7.94% (Baseline Year: 2017)

Carbon Emissions of per
Real Estate Transaction



Electricity Consumption

↓0.27% (Baseline Year: 2017)

Electricity Consumption for a Year



Per-Capita Water Usage

↓13.96% (Baseline Year: 2017)

Per-Capita Water Consumption



Paper Usage

↓17.53% (Baseline Year: 2017)

Paper Usage of per Real Estate Transaction



Carbon Emissions of Electricity Consumption per Person

↓4.34% (Baseline Year: 2017)

Carbon Emissions of Electricity Consumption per Person



Sinyi Group Staff

5,967 people

Taiwan: 4,958 people*
China: 897 people
Japan: 112 people

* Taiwan staff figures include total
staff of both Sinyi Realty and the
Taiwan-related enterprise group



Sinyi Realty

Percentage of Female Staff **36.97** %

Percentage of Female Management **17.3** %

Turnover Rate **29.7** %

Average Training Hours **34.02** hours



Helped **14,852**
customers realize their
dreams of home ownership

Scope of the Report and Note on the Numerical Data

■ Organizations Covered: The Group's geographical distribution, consolidated revenue, number of stores, and number of employees include information on Sinyi Realty and its consolidated subsidiaries. The remaining non-financial figures (environmental data, turnover rate, etc.) only include data for Sinyi Realty.

■ Period Covered: Fiscal year ending December 31, 2018 (January 1 to December 31)

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Thank you for reading Sinyi Realty's 10th Corporate Sustainability Report. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Comprehensive Option.

We will continue to issue new editions of this report each year. The most recent previous report was issued in June 2018.

Reporting Period

The disclosures in this report are for the year 2018 (from 1/1/2018 through to 12/31/2018). The report presents our performance, responses, and actions concerning all material topics.

Report Content and Topic Boundaries

The information disclosed in this report is focused on Sinyi Realty, with the scope of information and data covering financial, environmental, and social aspects. Financial information is primarily focused on consolidated revenue which is consistent with the information in our financial statements.

Data Sources

The statistical data disclosed in this report are derived from our own statistics and the results of surveys we have conducted. If there are restatements of information, it will be explained in each chapter. Data relating to finance have undergone validation by our accountants prior to public disclosure and are presented in the usual form. Relevant information on carbon and water emissions has also been verified by third-party impartial units.

Standard in Accordance

This report has been prepared in accordance with the GRI Standards: Comprehensive Option, while the information disclosed is in keeping with the international standards including the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, the UN Global Compact, and ISO 26000 – Guidance on Social Responsibility.

External Assurance

We have commissioned BSI Taiwan to undertake assurance and have received a verification statement from them. After this assurance, this report was prepared in adherence to the GRI Comprehensive Option and AA 1000 AS:2008 standards with Addendum.

Report Quality

Internal Audit

- ✓ Total Ethical Management Committee (TEM committee) help verify data and ensure consistency over reporting.
- ✓ Environmental, Social, and Governance (ESG) performance and strategic goals have been reviewed by the Board of Directors.
- ✓ Audit supervisor audits the correctness of the content.

External Assurance

- ✓ Financial Data—Deloitte
- ✓ Environmental Data (ISO 14001, ISO 14046, ISO 14064-1, ISO 14067, ISO 50001, PAS 2060)—British Standards Institution (BSI) Taiwan
- ✓ Sustainability Data (AA1000 AS: 2008 with Addendum Type 1)—British Standards Institution (BSI) Taiwan

Contact Point

The contact point for questions regarding the report or its contents is:

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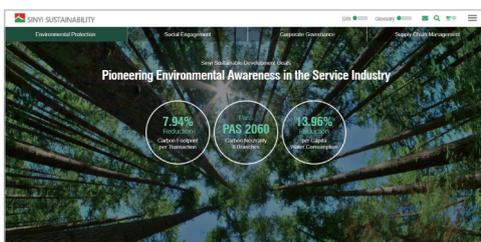
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Corporate Sustainability Website

<http://csr.sinyi.com.tw/en/>

We have set up a website on Corporate Social Responsibility in the hope that any interested stakeholders concerned with our performance can obtain further information on our efforts to implement strategies specific to our corporate social responsibility and on the results of such efforts.



Reports can be downloaded from

<http://csr.sinyi.com.tw/en/report/index.php>



2017



2016

Management Process of Sinyi's Sustainable Affairs

The Leadership of the Group Founder

The long-term sustainable development direction followed by the Board of Directors, as the Business Philosophy which set down by the Founder Mr. Chun-chi Chou at the company's founding, is not only to lead the vision of senior management, but also to grow with the company and evolve with the times. Each year, with an eye to sustainable management, the founder Mr. Chou and the Board of Directors sets out a grand strategy for the coordination of the various interests of our stakeholders, while the Total Ethical Management Committee (TEM committee) is tasked with providing crucial guidance on the various particulars of sustainable management.



Total Ethical Management Committee

The Total Ethical Management Committee (TEM committee), Sinyi Realty's highest unit for the handling of sustainability matters, is convened by the Directors and the Chairman, with the members drawn from senior management, including the general manager, the chiefs of staff, the VP of sales, and senior departmental managers. The Committee coordinates the company's CSR and sustainable development direction and set relevant goals, regularly review performance and goal achievement.

 For more information, please refer to the "[Total Ethical Management Committee](#)" p. 30.

TEM Committee Working Group

Under the TEM committee, we set up six functional working groups, namely Corporate Governance Group, Staff Care Group, Customer Care Group, Social Inclusion Group, Green Management Group, and Supply Chain Management Group. The manager of responsible departments takes up leader of each working group, and implements the sustainable projects approved by the TEM committee and the Board of Directors.

The Management Method of the Sustainability Report

The TEM committee coordinates the direction of the sustainability report, and the Chief Strategy Officer Office collects opinions from stakeholders, and compiles the relevant contents of the report and submits it to the Board of Directors for review and issuance.

The contents of each chapter of the report are reviewed by the heads of the six working groups to verify the correctness of the content and information, and the Board of Directors reviews the sustainability performance and strategic goals. In addition, the quality of the report has been improved through external independent third party verification.

An Overview of the History of Sinyi Realty

Sinyi Realty is Taiwan's only real estate agency to be listed on the stock exchange.

Since our founding in 1981, we have remained committed to putting people first and adheres to a vision of corporate social responsibility and world-class service. We have continued to pursue a vertical business strategy primarily situated within the real estate industry. After over 30 years of hard work, we have gradually developed a robust and fully self-reliant business structure. We continue to contribute to solving social issues in an innovative manner, and respond to the demands of our stakeholders by effectively using our strength and competence which we have gained through our long history.

Stage 1 Core Concept Management

- 1981 • Mr. Chun-chi Chou founded Sinyi Realty
- 2001 • Successful listing: the only stock listed real estate agency company

Stage 2 From Corporate Standards to National Standards

- 1989 • First introduced the "Instruction of Real Estate"
- 2007 • The "Four Guarantee Services" was launched to ensure the security of transactions, including those for sea sand houses, radiant houses, and leaking houses
- 2011 • The launch of the world's first "Guarantee Service of Stigmatized House Compensation"

Stage 3 From Agency Industry to Service Industry

- 2005 • Received the "16th National Quality Award - Enterprise Award"
- 1995-2019 • Awarded First Place in the "Best Consumer Brands Survey" in the real estate brokerage category, from Management Magazine, for 25 consecutive years
- 2008-2018 • Awarded First Place in the "Best Brand Award" in the real estate brokerage category from Business Today, for 11 consecutive years
- 2008-2018 • Received the Platinum Award in the "2018 Reader's Digest Trusted Brand Survey" in the real estate brokerage category from Reader's Digest, 11 times in a row. We have become the most trusted brand in the industry

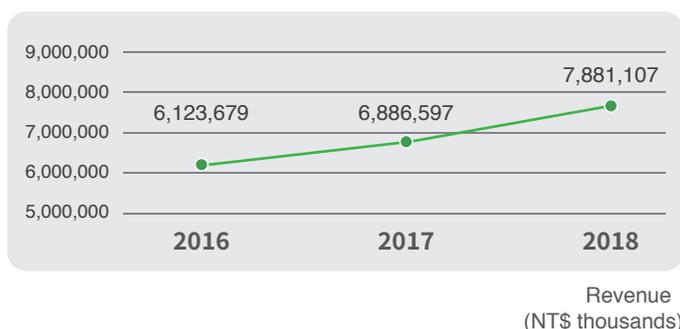
Stage 4 Leading CSR

- 2004 • Commencement of the Community Capacity Building Project "We are ONE"
- 2010 • First issue of Sustainability Report (2009 fiscal year)
- 2011 • Founded the "Sinyi Lecture Hall"
- 2012 • Took the lead in the industry in Taiwan to establish the office of the "Chief Ethics Officer"
- 2012 • Established the "Sinyi School at NCCU" with the NCCU College of Commerce
- 2016 • Formulated the world's first real estate operation product category rule (PCR)
- 2017 • "We are ONE" received the Presidential Culture Award

<http://www.sinyi.com.tw/about/stone.php>

Industry Leader: Market Positioning of Sinyi Realty

Individual Revenue Performance



Taiwan's only stock listed real estate brokerage company

Since establishment, we have been functioning in a fully-operated system. In 1999, we were listed on the counter. In 2001, we were listed on the market and became the only real estate brokerage company to be listed on the stock exchange.

Number 1 in Revenues for 25 Consecutive Years, a Steady Seat at the Top of the Industry

We adhere to the core values of integrity and ethics, actively establish brand divisions, continuously improve service quality, and develop steadily. Even after several changes in the housing market, we continue to sit firmly in the leading position in the industry

Influence of Sinyi: Leading the Industry, Inspiring the World

Overseas Awards

World's Most Ethical Companies

First Taiwanese company to be so named in the awards' 12-year history



For more information, please see <https://www.worldsmoethicalcompanies.com/past-honorees/>

2018 Asia Sustainability Reporting Award (ASRA): The "Asia's Report of the Year" Award, the highest recognition for sustainable companies in this field.



We also won four other awards, the highest this year, namely "Asia's Best Sustainability Report (Stand-alone)," "Asia's Best Online CSR Communication," "Asia's Best Workplace Reporting awards," and "Asia's Best Diversity Reporting."

For more information, please see <https://csrmmatters.com/winners-2018/>

Global Corporate Sustainability Awards (GCSA): GCSA-Reporting

[First held]

For more information, please see <https://www.globalcsforum.com/blog/gcsa-announcement>

Seminars / Forums

2018 4th CURA Alliance - Founder Chun-chi Chou's speech: "Talk to the future"

For more information, please see <http://www.cura.com.cn/lmdt115.html>

For a video of the full speech, please see <https://www.zhihu.com/org/shang-hai-xin-yi-fang-wu-71/activities>

2018 Cross-Strait New Economic Forum - Founder Chun-chi Chou's speech: "The core element of the new economy - Corporate Social Responsibility"

For a video of the full speech, please see <http://big5.news.cn/gate/big5/www.xinhuanet.com/tw/zhuanti/2018laxjlt/index.htm>

Sinyi Center for Culture Studies: Sinyi Lecture 3 -

"Confucian Tradition and the Spirit of Entrepreneurship"

For more information, please see <http://iahs.pku.edu.cn/subject/sinyi2018/>

For more information, please see <http://csr.sinyi.com.tw/en/society/world.php>

Domestic Awards

Environment

- Global Views Monthly: 14th "Corporate Social Responsibility Award" – "Environment Friendly Group Model Award"
- Received "2018 Low Carbon Product Award" Excellence Award from the Environmental Protection Administration, Executive Yuan, awarded NTD 100,000

Social

- Taiwan Academy of Corporate Sustainability (TCSA) "2018 Taiwan Corporate Sustainability Awards" by TAISE: **Most Prestigious Sustainability Awards—Top Ten Domestic Corporates, Corporate Sustainability Report Award (Real Estate and Construction), English Report Awards, Gender Equality Awards, and Social Inclusion Award** (Total of Five Awards)
- CommonWealth Magazine: **Fourth Place, Large Enterprises Category**, "Excellence in Corporate Social Responsibility" (12 consecutive years)
- Global Views Monthly Magazine: First Prize at the 14th "Corporate Social Responsibility Award" in the "CSR Grand Survey-Service Industry Group" (9 times)
- Small and Medium Enterprise Administration, Ministry of Economic Affairs: Third Prize, "Social Innovation Products and Services Purchasing Award" (2 consecutive years)
- Global Views Monthly: First Prize at 16th "Global Views Monthly Five Star Service Award" in real estate brokerage category

Social

- Reader's Digest: Platinum Award in "2018 Reader's Digest Trusted Brand Survey" in the real estate brokerage category (11 times in a row)
- Next Magazine: First Place in real estate brokerage category, at "Top Service Awards" (14 times)
- Management Magazine: First Place in real estate brokerage category, "Best Consumer Brands Survey" (25 consecutive years)
- Business Today: First Place, "Best Brand Award" (11 consecutive years)
- Sports Administration, Ministry of Education: "Taiwan iSports Label Certification" promotion partner
- Received "Healthy Workplace Certification" from Health Promotion Administration, Ministry of Health and Welfare
- Received "Excellent Breastfeeding Room Certification" from Department of Health, Taipei City Government

Governance

- Taiwan Stock Exchange's 5th Corporate Governance Evaluations: Top 5% of Listed Companies (5 Consecutive Years)
- Harvard Business Magazine: Founder Mr. Chou ranked 21 among the "Top 50 Taiwan CEOs of 2018"
- CommonWealth Magazine: First Place in the 2000 major enterprises survey in the list of the "Top 50 in operational performance"

For more other major events, please visit the official website <http://www.sinyi.com.tw/about/stone.php>

> Economic Performance

Sinyi Sustainable Development Goals and Business Policy

Through the implementation of transparent, integrity-based corporate governance, we will have become the leading brand in the Chinese-speaking housing industry by 2025

The Board of Directors, selected at our stockholder meetings, is responsible for supervising the execution of the company's various operations to protect the long-term interests of shareholders and to safeguard the interests of all stakeholders, including staff, customers, vendors, the environment, and society.

With integrity and ethics, they do what should be done for all of our stakeholders and actively work to implement corporate social responsibility.

Management Mechanism

 Corporate Governance chapter, p. 27-36

Long-term Strategic Goals

Sinyi Sustainability Principles

Corporate Governance =
What Should be Done

Mid-term Strategic Goal

2025 Goals

Become the leading brand in the Chinese-speaking housing industry

Short-term Strategic Goals

2019 Goals

- Selection of a female independent director
- Continuously enhance corporate governance, information disclosure, and effectiveness

2018 Goals and Achievements Set

Corporate Governance Evaluation

2018 Goal:
Top-level Corporate Governance Evaluation Rating (Top 5%)



TOP 5%

Listed Company Corporate Governance Evaluations Ranking

✔ Achieved

Since the TWSE Corporate Governance Evaluations began, we have received the highest recognition in them for five consecutive years, ranking among the top 5% of listed companies.

Our Actions

For several years, we have had independent directors account for over half the Board, a level that has rarely been seen in the industry. The members of the Board are professional and dedicated, and help develop the leadership and operations of the company further.

Highlights in 2018

The Nominating Committee Convener assisted the Company in finding appropriate senior managers in accordance with its authority and their recommendations were adopted by the Board of Directors as a resolution.

Profitability

2018 Goal: Continue to be profitable every year.



✔ Achieved

In 2018, we achieved an operating gain of NT\$1.323 billion and continued to make a profit.

Our Actions

Faced with a changing political and economic situation, we remain united and committed to excellence, working to strengthen our core services and investing in the cultivation of our talented staff.

Highlights in 2018

We deepened our roots in local business and improved the quality of our services, while also continuing our overseas expansion, further expanding into the Hong Kong and Japan markets.

> Social Performance(Internal)

Sinyi Sustainable Development Goals and Business Policy

Providing a diverse environment to ensure our staff enjoy job security and professional growth

Sinyi Realty believes firmly that our staff is also important partners. Beginning by putting people first, we strive to ensure that our staff enjoys a balance between physical health, mental health, and both financial and personal growth. By creating a happy workplace where all staff can strike a balance between work and life, we then enable them to help our customers and themselves create their own dream homes.

Management Mechanism

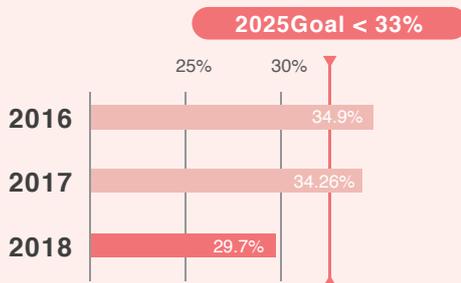
 [Caring for Staff chapter, p. 37-48](#)



2018 Goals and Achievements Set

Turnover Rate

2018 Goal: < 34%



✓ Achieved

We employed a policy of high salaries, high development, and high care to encourage our staff to pursue higher goals. When all the aspects became comprehensive such as benefits for staff, there was a virtuous circle realized in our business culture.

Our Actions

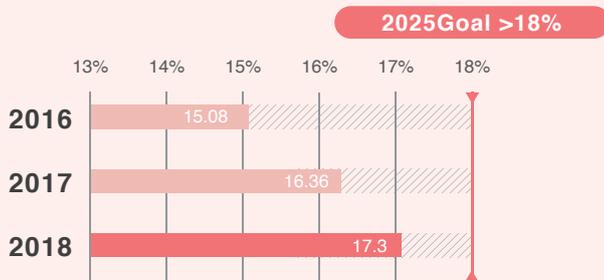
Faced with a changing political and economic situation, We conduct routine surveys every year, listen to the opinions of our staff regarding the organization.

Highlights in 2018

Support staff to serve customers wholeheartedly, Greatly improving salary level and also a standard of the real estate industry.

Percentage of Female Management

2018 Goal: >17%



 = Percentage of Female management
 = Distance to the goal for 2025

✓ Achieved

Due to the nature of the industry, our staff were primarily male; However, in recent years, through sound training and an objective evaluation system, we have been able to constantly increase the proportion of female staff in management roles. Our endeavor was proved by domestic and international awards (Gender Equality from TCSA, Asia's Best Diversity Reporting from ASRA, and Empowerment of women award from Global CSR)

Our Actions

Sinyi Realty places great importance on diversity in all aspects of hiring and development.

Highlights in 2018

Our staff has work-life balanced, as well as providing equal opportunities for both genders.

Policy of Flexible Benefit

Sinyi's first issued of the internal digital currency "Sinfu Coin" allows employees to choose their own welfare needs. At the same time, it also increases the welfare budget of each employee. In addition to the original items, the self-selected benefits are like learning growth, physical health, and family care. The policy invests NTD \$105 million.

➤ Social Performance(External)

Sinyi Sustainable Development Goals and Business Policy

Continuous pursuit of ethical innovation, achieving 90% customer satisfaction rate by 2025

Sinyi Realty has since our founding been committed to promoting safe, fast, and reasonable real estate transactions and to making the spirit of justice in word and deed a core part of the company, putting justice before profits. To us, the true key to sustainable development is developing innovative services that are in line with corporate ethics, and that a commitment to doing what's right and to ongoing innovation will bring us long-term profitability.

Management Mechanism

 Customer Care chapter, p. 49-52

Long-term Strategic Goals

Sinyi Sustainability Principles

Reshaping Customer Service and Creating Happiness for Customers

Mid-term Strategic Goal

2025 Goals

Continuing to pursue innovation in line with corporate ethics and creating new business models

Short-term Strategic Goals

2019 Goals

- Customer satisfaction rate >88%
- Innovative Service

2018 Goals and Achievements Set

Customer Satisfaction Rate

2018 Goal: > 85%



✔ Achieved

For striving to improve service quality and experience, we adjusted the method we rate from 2017 to pursue higher service quality. The new evaluation system can also reflect the improvement in service quality satisfaction for two consecutive years.

Our Actions

Innovative services have long been a major focus of Sinyi Realty, and in line with customer requirements, we continue to propose innovative services each year that are in line with corporate ethics.

Highlights in 2018

For providing better services and professional advice, Sinyi found out needs from communities by STM(Sinyi Touching Moment).

Safe Rental Guarantee Project

Sinyi upgraded our guarantees continuously. In terms of leasing, many landlords are worried about management, rent collection and residential repairs and even possible stigmatized house cases.

Sinyi 's "Safe Rental Guarantee Project" is aimed at differentiating the service and deal with the lessee and lessor's rights in a fair third-party perspective.

Local Bond APP

Combining online and offline resources, the Local Bond APP helped us to get closer to communities. Technology will inevitably change the household life pattern, and the promotion of Local Bond APP help would solve community pain points.

> Social Performance (External)

Sinyi Sustainable Development Goals and Business Policy

Create a happy Taiwan and achieve a cumulative coverage rate of 99% for Community Capacity Building Project proposals by 2025

The "community" that connects people and people to the environment, is not only the home, but also the field where many good things can happen. We hope to integrate like-minded partner group, begin with homes and bridge out into communities, and take an active role in public affairs, care for the communities we all share.

Management Mechanism

 Social Engagement chapter, p. 53-62



2018 Goals and Achievements Set

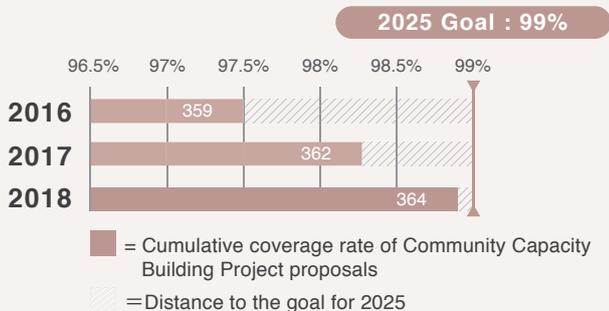
Cumulative coverage rate of Community Capacity Building Project proposals

2018 Goal : 98.5%

Total Townships Targeted by Proposals (Of 368 total nationwide)

✔ Achieved

Over the past 14 years, since 2004, this commitment has seen us involved in some 9,678 proposals reaching 2,179 communities. Our efforts were even recognized with a Presidential Cultural Award, the first time a private enterprise has been so honored.



Our Actions

Our community building projects are focused not on one-off activities, but rather on long-term and ongoing promotion of social philanthropy, expanding the concept of "home" outward to communities, cities, and the entirety of Taiwan.

Highlights in 2018

To continuously establish Taiwan community building photo database, preserve a historical audio-visual material of "We are One" project, leaving traces of Taiwan's community building history and producing five micro-documentaries and community related photos.

Social Investment as Percentage of Sinyi Realty Individual Operating Gain(%)

2018 Goal : 5%

2025 Goal : 5%

✔ Achieved

Sinyi Realty Social Investment amount in 2018 is NT\$ 87,923 thousands, which is 6.6% of Sinyi Realty individual operating gain.



	2016	2017	2018
Social Investment Value (NT\$ thousands)	61,784	61,864	87,923

Sinyi Realty Individual Operating Gain (NT\$ thousands)	837,764	1,082,720	1,323,532
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Our Actions

We achieve our social engagement core targets and vision through four major pillars: community building, promotion of business ethics, refining industrial development of the real estate industry, and social philanthropy and donations.

Highlights in 2018

In 2018, we expanded Industry-Academia Cooperation project, set up internship and scholarship programs to Inherit professional knowledge to promote industrial development, assist students to increase practical experience.

The calculation range for 2016 is the social input of Sinyi Group · In 2017, the LBG model was introduced and verified; the calculation scope only counts into the resources invested by Sinyi Realty.

> Environmental Performance

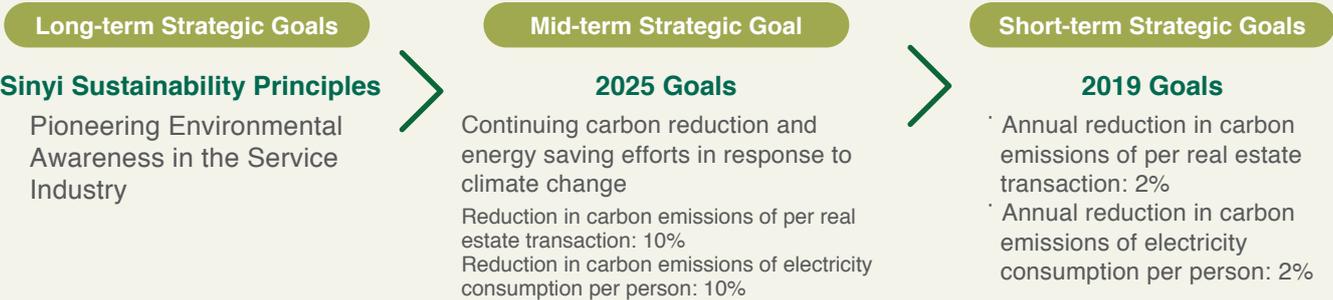
Sinyi Sustainable Development Goals and Business Policy

Letting green thinking take root and achieving our 2025 strategic goals

In the face of climate change and daily environmental deterioration, Sinyi Realty believes that the best response is to give back to society what we take from it. While simultaneously pursuing reasonable profits for our real estate brokerage services, we should also value the resources that the planet provides us with and do all that we can to promote climate action and innovative green services. In addition to raising awareness among consumers of carbon reduction and energy saving, such efforts can also help us reduce our operating costs and strengthen competitiveness, thus making a concrete contribution toward our sustainable development.

Management Mechanism

 [Environment Protection chapter, p. 63-68](#)



2018 Goals and Achievements Set

Carbon Footprint

Carbon Emissions per Real Estate Transaction, kgCO_{2e} (Baseline Year: 2017)
 2018 Goal: 2% reduction
 2025 Goal: 6% reduction

✓ Achieved

Sinyi has reduced emissions by 7.94%, thus achieving our 2025 goals earlier.



Our Actions

Our work uses a substantial quantity of paper for documentation and marketing. In 2018, we continually reduced our paper usage, resulting in a reduction in carbon emissions head 158.8kgCO_{2e} to 136.78kgCO_{2e}.

Highlights in 2018

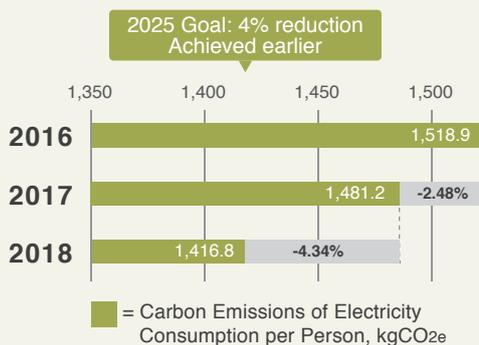
Sinyi Realty continually promotes paperless services by increasing use of digital tools in marketing, thus reducing our paper usage to make our efforts to protect the planet.

Greenhouse Gas Emissions

Carbon Emissions of Electricity Consumption per Person, kgCO_{2e} (Baseline Year: 2017)
 2018 Goal: 1% reduction
 2025 Goal: 4% reduction

✓ Achieved

Sinyi has reduced emissions of electricity consumption by 4.34%, thus achieving our 2025 goals earlier.



Our Actions

Sinyi Realty has always placed a great emphasis on sustainable business and development. In addition to ISO 50001 energy management, we have also applied for ISO 14064-1 systematic greenhouse gases management.

Highlights in 2018

Sinyi Realty has continually implemented carbon neutrality projects, extending to 8 branches, thus passing the PAS2060 verification to announce our successful achievement of 2018 carbon neutrality declaration.

➤ Supply Chain Management Performance

Sinyi Sustainable Development Goals and Business Policy

Promote sustainable supply chains and reach key suppliers inspection rate of 95% by 2025

Sinyi Realty considers our suppliers an extension of the company, extending our business philosophy to them and working with them to establish sustainability goals. We hope to cooperate with our suppliers to promote sustainable supply chains and coexistence with society and the environment.

Management Mechanism

 [Supply Chain Management chapter, p. 69-76](#)

Long-term Strategic Goals

Sinyi Sustainability Principles

Building Sustainable and Ethical Supply Chains

Mid-term Strategic Goal

2025 Goals

First in Community Living Services
Launch Sustainable Supply Chain
Key Suppliers Inspection Rate to 95%

Short-term Strategic Goals

2019 Goals

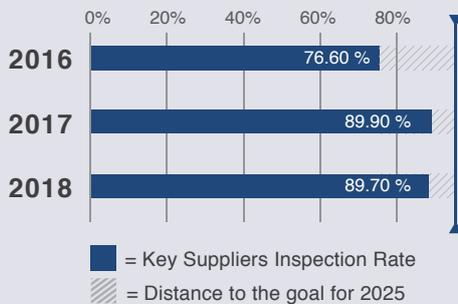
- Increase Key Suppliers Inspection Rate to Above 90%
- Develop “Gung Ho” Project with Suppliers

2018 Goals and Achievements Set

Key Suppliers Inspection Rate

2018 Goal :
Audit over 90% of total key suppliers

2025 Goal : 95%



	2016	2017	2018
Key Suppliers Checked	213	348	347
Total Key Suppliers	278	387	387

✔ Achieved

In 2018, our total key suppliers grew to 387, of which 347 were audited with a inspection rate of 89.7%, achieving our goal.

Our Actions

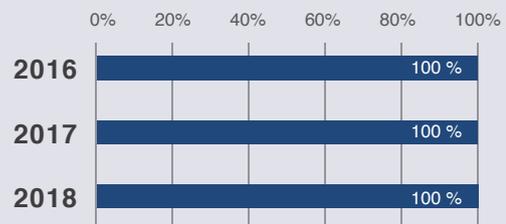
We added the Supplier CSR self-assessment form and invited suppliers to fill the forms before undertaking an on-site inspection to deepen the on-site inspection of key suppliers.

Highlights in 2018

We updated the human rights terms as sustainability terms and expand sustainability terms, including those pertaining to environmental, social, governance, and other aspects.

Supplier Inspection Pass Rate

2018 Goal :
Supplier Pass Rate of 100%



✔ Achieved

Since incorporating human rights terms in 2013, we have given at-risk suppliers relevant guidance and have thus far maintained a 100% pass rate.

Our Actions

Through the quarterly supplier meetings, we benchmark and award suppliers for their excellent service and encourage them to learn from each other.

Highlights in 2018

We share our learning resources with our supplier, deepen business philosophy from different perspectives, and innovate with suppliers to optimization service.

Sustainable Strategy and Development Goals

Core Philosophy

The company founder, Mr. Chun-chi Chou has decided on three core values for the business, drawn from Confucian thought: “**trustfulness, righteousness, and ethics**” as the core philosophy. “Righteousness (Yi)” is appropriateness of thought and action and “trustfulness (Sin)” is valuing one’s commitments and keeping one’s word. Ethical action is a means to both minimize expenses and increase efficiency and competitiveness.

Sustainable Vision

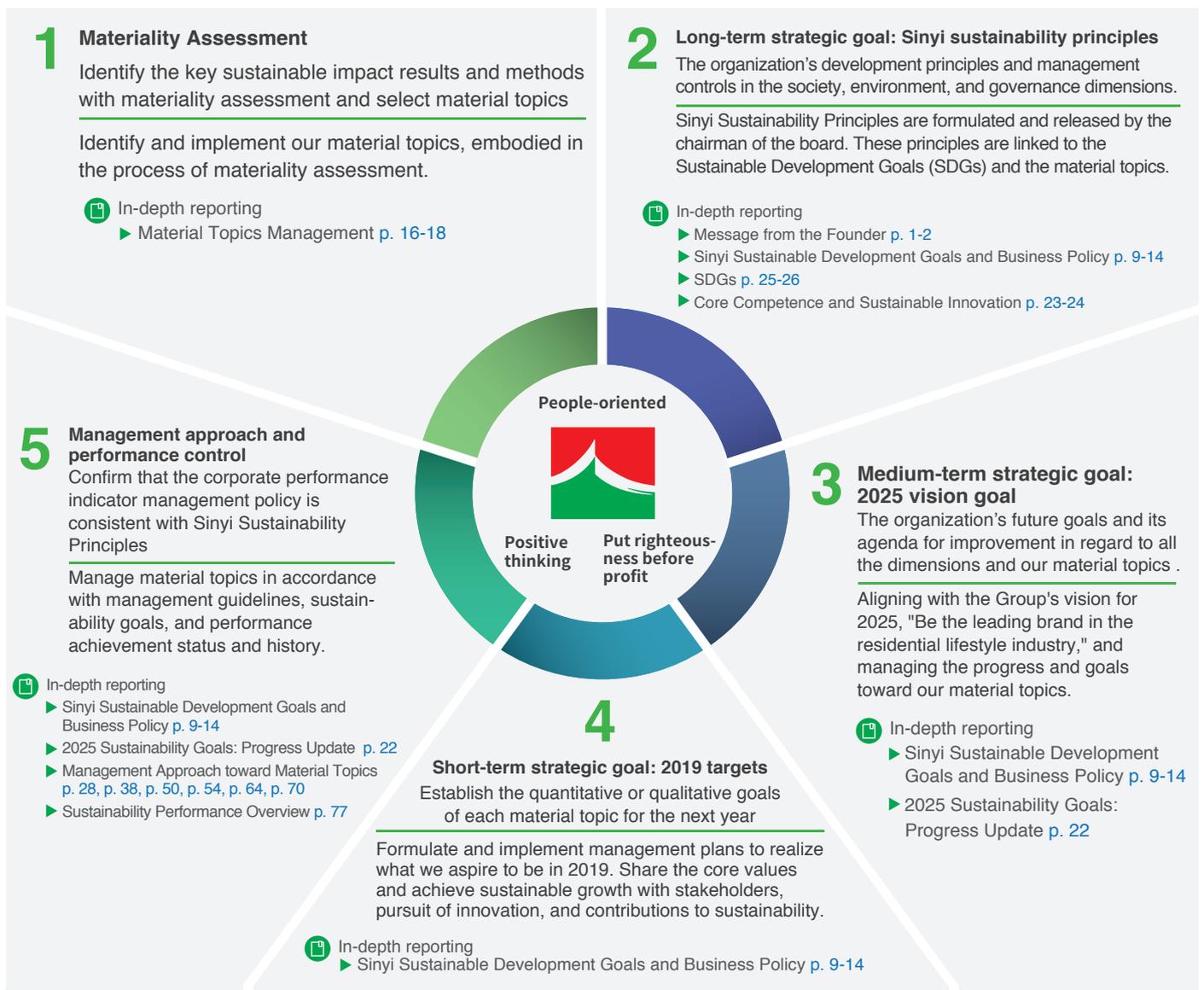
At Sinyi Realty, we are committed to exerting influence through its core values, concepts, and ethics, thus creating corporate opportunities and competitive advantages by constructing a positive environment of symbiosis and common prosperity with all stakeholders, while achieving sustainable development through value creation.

[102-23](#) | [102-32](#) Each year, the chairman sets out a grand strategy for the coordination of the various interests of our stakeholders, while the **Total Ethical Management Committee (TEM committee)** is tasked with providing crucial guidance on the various particulars of sustainable management.

[102-26](#) The long-term direction toward sustainable development pursued by this company, as set down by founder Mr. Chun-chi Chou at the time of the company’s founding, is not only to be communicated through the vision of the leadership, but should also strive to grow and evolve with the times. **Corporate Vision 2025: “Be the leading brand in the residential lifestyle industry.” Working with the chairman and the group’s general manager, the TEM Committee, comprising members drawn from senior management, has worked to transform this vision into three-year and annual plans, with short-term goals and directions being set out. These are then reviewed regularly to see if the goals have been achieved.**

 For more information on Sinyi Sustainability Principles, please refer to the section titled “**Message from the Founder.**”

Sustainable Strategy Management



Working with SDGs toward 2030: Contributing to the Achievement of the SDGs through Corporate Activities Based on Innovation

We support the SDGs, which have officially become the common language of sustainable development strategies, setting clear goals to move toward a sustainable planet. Businesses play an important role in the realization of the SDGs, and we continue to report on our specific contributions to the SDGs

Material Topics Management 102-42 102-44 102-47

By analyzing the global situation and conducting observations through social monitoring systems, Sinyi Realty collects information on sustainability issues of concern to stakeholders. Undertaking trends and impacts analysis with internal experts, the Total Ethical Management Committee identifies, prioritizes, verifies, and inspects issues in line with their sustainability context, materiality, thoroughness, and stakeholder tolerance. We communicated with stakeholders through various channels, receiving a total of **305,127** responses.

The Process of Materiality Analysis

First, we identify the major stakeholders. Through both internal and external channels including global and industry standards, social monitoring systems, and internal experts, we collect relevant information on issues of concern to them. Next, these issues are prioritized and analyzed for levels of concern and impact significance, evaluated in light of the principles of sustainable development, and then identified as material topics. After this, these issues are verified and categorized under the appropriate SDGs, defined through the value chain.

Step 1: Identification

01

Identifying Stakeholders

6 Stakeholders

In accordance with the 5 principles of the AA1000 SES-2011 Stakeholder Engagement Standard (SES), we identified a total of 6 stakeholders with whom we aimed to communicate in the 2018 Corporate Sustainability Report.

02

Identification of the Initial List of Issues 102-37 102-40 102-43 47 Issues of Concern

In line with global guidelines and standards, industrial guidelines and standards, benchmarks from within the industry and from other industries, and annual organization goals, we collected sustainability-related issues. The **United Nations SDGs** provide an in-depth analysis of 17 goals and 169 targets to understand the content of each goal, the benefits to the business, and the basic responsibilities that the company needs to meet. Through feedback collected via questionnaires distributed among internal experts on issues of concern, we conducted a **trends and impacts analysis**, while also collecting a broad range of opinions from stakeholders and information from media reports through **social monitoring systems**. We also used online, telephone, and in-person surveys, mail, and seminars to collect **stakeholder feedback** on sustainability issues.

Based on the information gathered through the aforementioned channels, we collected a total of **47 issues of concern**, as laid out below:

Corporate Governance

- | | | | | |
|--------------------------|-------------------------|---------------------|---------------------------|-------------------------|
| 1. Operating Performance | 2. Governance Structure | 3. Legal Compliance | 4. Corruption Prevention | 5. Ethics and Integrity |
| 6. Risk control | 7. Shareholder Equity | 8. Audit Mechanisms | 9. Financial Transparency | |

Caring for Staff

- | | | |
|---|--|--|
| 10. Stakeholder Engagement and Complaints Mechanism | 11. Labor Relations | 12. Talent Training and Development |
| 13. Organizational Climate | 14. Remuneration and Benefits | 15. Opportunities for Staff Diversity and Equality |
| 16. Forced Labor | 17. Freedom of Association and Collective Bargaining | |
| 18. Workplace Health and Safety | 19. Staff Identity and Retention | 20. Work-Life Balance |

Customer Care

- | | | |
|---|-----------------------------|--|
| 21. Customer Relations | 22. Service Innovation | 23. Protection of Personal Information and Trade Secrets |
| 24. Transaction Security | 25. Marketing Communication | 26. Quality of Service and Customer Rights |
| 27. Information Disclosure and Transparency | 28. Corporate Image | |

Social Engagement

- | | | | |
|---|---|-------------------------------------|-----------------------|
| 29. Housing Justice | 30. Community Building | 31. Employment Opportunities | 32. Lifelong Learning |
| 33. Anti-Competitive Behavior | 34. Social Philanthropy and Donations | 35. Changes in Population Structure | |
| 36. Promotion of Culture and Creativity | 37. Industrial Development and Policy Communication | | |

Environmental Protection

- | | | | |
|----------------------|-------------------------------|--------------------|------------------------------|
| 38. Green Purchasing | 39. Water Resource Management | 40. Biodiversity | 41. Greenhouse Gas Emissions |
| 42. Waste Management | 43. Ecological Protection | 44. Green Services | |

Supply Chain Management

- | | | |
|-----------------------------|---------------------|--|
| 45. Supply Chain Management | 46. Fair Purchasing | 47. Supplier Labor Conditions Assessment |
|-----------------------------|---------------------|--|

Step 2: Prioritization

For more information, please refer to Stakeholder Engagement p. 19

03

Impact Assessment

After listing out all issues of potential concern regarding disclosure in this report among our stakeholders and our business, we communicated with stakeholders through various channels on these areas of concern, and received a total of 305,127 responses. Surveys were then distributed to the senior managers of the Total Ethical Management Committee and staff involved in the promotion of corporate social responsibility, seeking opinions from 17 internal experts analyzing each issue for the level of significance of their economic, environmental, and social impacts.

Surveying Influence on Stakeholder Assessments and Decisions
Through the aforementioned approach, including questionnaires, Social Monitoring Systems, and other channels, we communicated with stakeholders to understand their level of concern regarding each of the sustainability issues and their impact on assessment and decision-making.

Analyzing the Significance of Economic, Environmental, and Social Impacts
Surveys were distributed to the senior managers of the Total Ethical Management Committee and the staff involved in the promotion of corporate social responsibility, seeking the opinions of internal experts analyzing each issue for the level of significance of their ESG impacts.

04

Analyzing Sustainable Development Goals (SDGs)

Primary screening of the SDGs and their relationship with us, along with a review of the value chain and the positive and negative impacts that our operations may have on the SDGs was conducted. our contributions and value creation in connection to the SDGs were also assessed. This resulted in a prioritization of the issues.

For more information:

[SDGs Report](#)

[SDGs brief \(p. 25\)](#)

05

Deciding on Issues of Concern

38 Issues of Concern

We convened a Material Issues Management Meeting, with senior management from the Total Ethical Management Committee analyzing each issue of concern for its impact on stakeholder assessments and decision-making, as well as the significance of its ESG impacts. From there, based on **Sinyi sustainability principles**, their materiality was analyzed.

After completing this, we defined **the lower threshold for materiality as 65 points (total of influence and impact)**, ultimately compiling a list of **38 issues of concern**. We drew the matrix of issues of concern according to the impact on stakeholder assessments and decision-making and significance of ESG impacts.

The Materiality Matrix



Ordinary: 64 or below

Not responded to specifically in this report

Medium: 65 to 90

Medium: Responses are included in the text of this report or on our sustainability website

High: 91 or above

Details of strategies and methods in response can be found in an independent section of this report

Step 3: Verification

06

Corresponding Material Topics

17 Material Topics

Based on the 38 issues of concern selected, the Total Ethical Management Committee determined 17 corresponding material topics (14 GRI and 3 other topics) relating to our industry.

07

Selecting Corresponding Sustainable Development Goals

11 SDGs

Among the 17 SDGs, we evaluated the material themes selected from the perspective of our value chain, reviewing our own operations and their potential positive and negative impacts on the SDGs, and prioritizing them accordingly. In evaluating our contribution to and creation of value for the SDGs, we proposed corresponding management measures. We have worked hard to respond to 11 goals:

community	colleagues suppliers	investors colleagues community	colleagues	environ- ment	investors colleagues community suppliers	community	community	customers environ- ment suppliers	investors environ- ment	community suppliers

08

Materiality Validation 102-46 102-47

Appearance in the Value Chain

We evaluated each of the 17 material topics and 11 SDGs in line with the value chain, identifying the scope of conflicts and impacts in terms of our participation therein.

For more information, please refer to Our Value Chain p. 21

Prioritization

In 2018, the core of our business, namely the values of ethics and integrity has remained the most material issue for us. We continue to operate with a focus on trust, working to protect security in real estate transactions and to promote ethical values through both internal and external units. Issues pertaining to corporate governance such as operating performance, corporate image, legal compliance, and the protection of personal information and trade secrets remain key priorities. Furthermore, customer-centric issues such as service quality, customer rights, transaction security, and the protection of personal information and trade secrets are also essential to our business performance and thus of great importance to our stakeholders. Based on the material issues of concern as identified in 2018 by our stakeholders, we identified corresponding material topics and SDGs as set out in the table below.

Stakeholders	Investors	Colleagues	Customers	Community	Environment	Suppliers
Issues of Concern	1 2 3 4 5 6 7 8 9 10	11 12 13 14 15 16 18 19 20	3 21 22 23 24 25 26 27 28	5 29 30 31 34 35 37	39 41 44	45 47
Material Topics (GRI)	201 205	401 403 404 405 409	416 417 418	203	303 305	414
Other Material Topics*				Industrial Residential Ethics		
SDGs	SDG 4 SDG 8 SDG 10	SDG 3 SDG 4 SDG 5 SDG 8	SDG 12	SDG 1 SDG 4 SDG 8 SDG 10 SDG 11 SDG 17	SDG 6 SDG 12 SDG 13	SDG 3 SDG 8 SDG 12 SDG 17
Our Responses	 p. 27-36	 p. 37-48	 p. 49-52	 p. 53-62	 p. 63-68	 p. 69-76

* Note:

Industrial - Industrial Development and Policy Communication/ Residential - Housing Justice/ Ethics - Promotion of Business Ethics

Stakeholder Engagement 102-37 102-40 102-43 102-44

The Categories and Significance of Stakeholders

Our stakeholders mainly include investors, colleagues, customers, society (including the media, government and the competent authorities, etc.), the environment and suppliers. We have considerable responsibility toward our stakeholders. Therefore, it is necessary to engage with them through various methods and channels to understand their needs and expectations. Their feedbacks are also used as a reference for the formulation of sustainability policies and related plans. The modes and channels of engagement with stakeholders are presented in the chart below. For related material topics, the responses and plans are detailed in subsequent chapters.

Investors

Regardless of the size of their capital contributions, all investors are funders of this company, and thus all deserve equal treatment so that the information collected from them is, as far as possible, consistent with that of the management.



Colleagues

Talent is the foundation of business. Staff are partners in business and not merely assets. A company must provide a safe employment environment that absolutely respects and cares about its employees, giving them the means to grow together with the company. We provide competitive levels of compensation and a comprehensive system of benefits, attracting outstanding talent and continuing in our efforts to achieve our goals.

Customers

Customers are a company's major source of revenue, and we strive to serve the public with strength, knowledge, and professionalism, thus promoting safe, fast, and reasonable real estate transactions while also maintaining a level of profit appropriate for the ongoing survival and development of the company.

Environment

Striving for carbon reduction and energy savings is the duty of all responsible corporate citizens. Businesses should operate from the perspective of treasuring the earth's resources and giving back to the community to create win-win situations.

Suppliers

Ensuring that all suppliers provide services in compliance with our commitment to good faith and that they satisfy customers is vital.

Community

As the main economic entities in society, companies are both economic and social citizens. Companies have no reason to divorce themselves from society as this would leave them with no room for development. In addition to creating profits, there is one other element of business that is indispensable—upholding social responsibility. Promoting corporate development with a focus on giving back to society and promoting a jointly beneficial relationship between corporate social responsibility and stakeholders can help further our positive influence on society.

Engagement Means and Methods, Results and Our Responses

 For more details on engagement methods, please refer to p. 3-35, 3-36, [2018 Annual Report](#)



Investors

Engagement Means and Methods

Shareholder's general meetings, online corporate presentations, company annual reports, telephone calls with spokespeople or acting spokespeople, mail or investor mailbox, investor information website, audit committee complaints mailbox, and stakeholder mailbox

Issues of Concern

1
2
3
4
5
6
7
8
9
10

Frequency

Immediate

Engagement Results

We communicate the current status of the company to investors through a variety of methods and also collect feedback from the investors at any time and using that information we aim to improve our corporate governance. We received a total of 1,830 responses from credit rating agencies and through investor engagement; stockholders put forward their hopes that we would expand beyond Taiwan and create even greater value.

Our Response

We responded to our commitments to our stakeholders and investors, receiving the best rating available in the Taiwan Stock Exchange's Corporate Governance Systems Evaluation System for the fifth consecutive year and ranking among the top 5% of listed companies in Taiwan with regard to corporate governance. In response to investors' proposals, we first set up operations in Hong Kong, and then expanded into Japan's local market through a new brand called "SJ Home" in 2018. We also arranged for independent directors to visit our projects that were under construction.

Responsive Method: Strategy and Action

 Corporate Governance chapter



Colleagues

Engagement Means and Methods

Various internal meetings, internal communications platform, staff communications mailbox, departmental service hotline, labor-management meetings, EAP staff assistance program, 1234 sexual harassment prevention hotline, course opinion surveys, internal questionnaires, and surveys

Issues of Concern

11
12
13
14
15
16
18
19
20

Frequency

Immediate

Engagement Results

Full communication with staff at any time, including collecting their feedback, enabling us to adjust policies and related guidelines/regulations. We collected 88,059 comments, most of which were recommendations for training and salary incentives.

Our Response

At the beginning of 2018, the annual salary adjustment was carried out, and the average adjustment was about 7.6%. We also looked into adjustments of the relevant regulations pertaining to salaries and benefits, and the "three high" policies such as high salary, high development, and high care were used to motivate staff. We have expanded our education and training so that staff at all levels have the opportunity to systematically improve their professional skills. We hope to reinforce corporate ethics further through intensive high-level training of middle and senior management in an effort to foster a corporate culture of "the wisdom and willingness of the collective."

Responsive Method: Strategy and Action

 Caring for Staff chapter



Customers

Engagement Means and Methods

Sinyi Realty/Sinyi Living/Sustainability websites, Sinyi Realty/Sinyi Living Facebook fan pages, community housing seminars/activities/fairs, Sinyi Bimonthly, outbound customer care, Social Monitoring Systems, and customer opinion channels

Issues of Concern

3 21 22 23 24 25 26 27 28

Frequency

Immediate

Engagement Results

Through online, face-to-face community work, and customer service surveys, we seek out customer feedback and expectations to continue refining and improving our customer service. We collected a total of 168,193 comments and found a trend toward increased demand for leasing and residential services.

Our Response

We continue to introduce innovative services that are ahead of the curve, as this is the key to improving customer satisfaction. In response to the increasing demand for residential, leasing, and community services, we continue to optimize mobile services and launched the "Guarantee Service of Safely Renting House" to ensure rental security.

Responsive Method: Strategy and Action

 Customer Care chapter



Community

Engagement Means and Methods

Corporate sustainability website, Community Capacity Building Project / Sinyi Lecture Hall websites, Facebook fan pages, corporate ethics teaching camp, Community Capacity Building Project, CSR reports, Taiwan Real Estate Almanac, industry-academia-government conferences, public hearings on regulations, conferences on real estate taxation, official Sinyi recruitment website/hotline and mailbox, press releases, press conferences

Issues of Concern

5 29 30 31 34 35 37

Frequency

Immediate

Engagement Results

Through the Community Capacity Building Project and by assisting government agencies with seminars and questionnaires, of which we collected a total of 40,646, we are able to learn about the issues that concern the public and determine appropriate responses and feedback methods.

Our Response

We continue to make use of our core competencies to solve social problems, further expanding our influence. Our community building efforts are entering their second stage. We are not only increasing our social media presence but are also expanding into new groups, including primary and tertiary education groups, thus engaging in wider and deeper communication with the community.

Responsive Method: Strategy and Action

 Social Engagement chapter



Environment

Engagement Means and Methods

Green purchasing, corporate sustainability mailbox and website, Sinyi Lecture Hall, Sinyi volunteers, carbon management disclosures, water management disclosures

Issues of Concern

39 41 44

Frequency

Immediate

Engagement Results

Every year, we carry out inventories of the carbon footprint and greenhouse gas emissions of our services, monitoring the effectiveness of our carbon reduction efforts, while also furthering awareness of environmental issues through Sinyi Lecture Hall's lectures. We collected 5,305 environmental responses. In addition to carbon and greenhouse gases, stakeholders also indicated a belief that we should expand our attention to a more diverse range of environmental issues.

Our Response

In order to reduce carbon emissions optimally, we have reduced our usage of paper-based direct-marketing materials, moving toward digital dispatches. The ISO20121 sustainable stores certification embeds sustainability concepts more deeply and concretely into over 400 of our stores around Taiwan and their surrounding communities. We apply for relevant certifications for water resources and environmental management issues in response to the concerns of our stakeholders.

Responsive Method: Strategy and Action

 Environment Protection chapter



Suppliers

Engagement Means and Methods

Supplier meetings, supplier risk assessment, supply chain management processes and forms, Sinyi Lecture Hall, Community Capacity Building Project

Issues of Concern

45 47

Frequency

Occasional

Engagement Results

In addition to implementing Sustainability Terms and Procurement Ethics Standards in our purchasing and supply chain management policies, we also continue to communicate with our suppliers to bring our operating philosophy to life.

We collected a total of 1,094 responses from our suppliers. We have always been active in bringing community awareness together through the holding of events and activities together with our suppliers, working to have a positive impact on society, the environment, and the economy.

Our Response

Our supply chain management efforts continue to involve sampling of nearly 90% of our suppliers, with our business philosophy securely at the heart of our supply chain management culture. We have introduced ISO 20121 and hope to establish a unified management mechanism and process for event sustainability that will provide a means to mitigate the negative impacts of such events and reinforce the positive ones with regard to long-term sustainability. Based on the principle of sustainable procurement, we strive for sustainable supply chain management and to provide mechanisms that are easy for suppliers to adhere to. We hope that more people will be willing to come together and commit themselves to our philosophy.

Responsive Method: Strategy and Action

 Supply Chain Management chapter



Analysis of Value Chain

The Important and Significance of Sustainability for Sinyi Realty 102-44 102-46 103-1

The nature of the real estate agency business is that it starts with people needing to sell or rent real estate and continues through to the final signing of a contract, covering all services in between, as well as the pre-commission and after-sales service, community management, and other similar services. Each stage in our services has an impact on the environment and on society, and these impacts can go far beyond the scope of our day-to-day business activities.

Reviewing our efforts toward sustainable development from the value chain perspective can not only help us understand the positive and negative impacts of our value chain, but can also enable us to focus on the elements that are most in need of strengthening. The key to sustainable development is making the most of every opportunity within the value chain to expand our positive influence and reduce our negative impact. Through the analysis of materiality, we have determined material topics and the boundaries of their impacts on different elements of the value chain. The icons are as follows:



Impact level : ■ Environment ■ Society ■ Governance ■ Supply Chain

Identification of Material Topics' Boundary

Material Topics	Value Chain				
	Raw Materials	Commission	Investigation, Pairing Up, House Touring, Negotiating	Signing Contracts	Community Service After-sales Service
201 Economic Performance				●	
203 Indirect Economic Impacts					●
205 Anti-Corruption	●	●	●	●	
303 Water and Effluents	●	●	●	●	
305 Emissions	●	●	●	●	●
401 Employment	●	●	●	●	●
403 Occupational Health and Safety	●	●	●	●	●
404 Training and Education	●	●	●	●	●
405 Diversity and Equal Opportunity	●	●	●	●	●
409 Forced or Compulsory Labor	●	●	●	●	●
414 Supplier Social Assessment	●				
416 Customer Health and Safety		●	●	●	●
417 Marketing and Labeling		●	●	●	●
418 Customer Privacy	●	●	●	●	●
Industrial Development and Policy Communication					●
Housing Justice					●
Promotion of Business Ethics	●				●

● = The organization has caused the impact ● = Contributed toward creating an impact ● = Directly linked to the impact through business relationships

2025 Sustainability Goals: Progress Update

Material Topics	Sinyi Sustainability Principles	2025 Goals	Management Progress		2018
			2017	2018	
GRI 201 205	Corporate Governance = What Should be Done SDG 4 SDG 8 SDG 13	Become the leading housing industry brand in the Chinese-speaking world	NT\$6.123 billion Revenue	NT\$6.886 billion Revenue	NT\$7.881 billion Revenue
GRI 401 403 404 405 409	Putting People First: Employees as Important Partners SDG 3 SDG 4 SDG 5 SDG 8	Attracting Talent and Establishing a Healthy and Safe Workplace > 18% Percentage of Female Management > 4.2 points Staff Satisfaction Surveys Average Score < 33% Turnover	15.08 % Female Management Annual Change by Company with respect to Survey Results 34.9% Turnover	16.36 % Female Management 4.05 points Staff Satisfaction Surveys Average Score 34.26 % Turnover	17.3 % Female Management 4.04 points Staff Satisfaction Surveys Average Score 29.7 % Turnover
GRI 416 417 418	Reshaping Customer Service and Creating Happiness for Customers SDG 12	Continuing to pursue innovation in line with corporate ethics and creating new business models > 90% Customer satisfaction surveys reporting full satisfaction	95.55 % Customer satisfaction	84.42 % Customer satisfaction surveys reporting full satisfaction ¹	87.37 % Customer satisfaction surveys reporting full satisfaction
GRI 203	Faithful People → Faithful Company → Faithful Society SDG 1 SDG 4 SDG 8 SDG 10 SDG 11 SDG 17	Creating a happy Taiwan 99% Cumulative coverage rate of Community Building proposals Have projects to participate in all 368 townships and districts in Taiwan	97.55 % Cumulative coverage rate of Community Building proposals Cumulative total of 359 township proposals	98.37 % Cumulative coverage rate of Community Building proposals Cumulative total of 362 township proposals	98.91 % Cumulative coverage rate of Community Building proposals Cumulative total of 364 township proposals
GRI 303 305	Pioneering Environmental Awareness in the Service Industry SDG 6 SDG 12 SDG 13	Continuing carbon reduction and energy saving efforts in response to climate change ² 10% Reducing carbon emissions per transaction (Baseline Year: 2017) 10% Reducing Carbon Emissions of Electricity Consumption Per Person (Baseline Period: 2017)	Carbon Emissions per Transaction 522.26 kgCO _{2e} 7.2% reduction by previous year Carbon Emissions of Electricity Consumption Per Person 1,518 kgCO _{2e}	Carbon Emissions per Transaction 428.46 kgCO _{2e} 17.96 % reduction by previous year Carbon Emissions of Electricity Consumption Per Person 1,481 kgCO _{2e} 2.49 % reduction by previous year	Carbon Emissions per Transaction 394.42 kgCO _{2e} 7.94% reduction by previous year Carbon Emissions of Electricity Consumption Per Person 1,416.8 kgCO _{2e} 4.34 % reduction by previous year
GRI 414	Building Sustainable and Ethical Supply Chains SDG 3 SDG 8 SDG 12 SDG 17	Strengthening the implementation of sustainability standards Implementing inspection mechanisms, expanding scope of checks Key Suppliers Check Rate 95%	Total Audits 213/278 (76.6%)	Total Audits 348/387 (89.9%)	Total Audits 347/387 (89.7%)

¹ Note: Satisfaction surveys changed in 2017, adjusting the definition of "full satisfaction" and accordingly adjusting target value

² Note: We have achieved our 2025 goals earlier in 2018, thus re-setting our new reduction goals.

Core Competencies and Sustainable Innovation

Service Design Thinking for Sustainable Development 102-15

Since our founding, we have taken our commitment to good faith in action as our operating philosophy in the hope of making good on our word and doing what should be done, in order to let all stakeholders can benefit. The core development of the enterprise must be based on adherence to business ethics to achieve sustainable management.

Analysis of Macro-Trends

Macro Trends Analysis

Sustainability trends in line with global guidelines and standards, the United Nations Sustainable Development Goals (SDGs), and industrial guidelines and standards

Main Global Risks

The WEF 2019 Global Risk Report, published by the World Economic Forum (WEF), divides risk into five categories: environmental, economic, technological, societal, and geopolitical. Environmental risks, which are related to climate change, are the highest in terms of “likelihood” and “impact.” Secondly, the importance of technological risk has also increased significantly.

Risks and Opportunities Analysis and Sustainable Strategies

Risks and Opportunities	Changes in 2018	Sustainable Strategies and Innovation
<ul style="list-style-type: none"> Interstate conflict Asset bubbles in a major economy Failure of financial mechanisms or institutions Housing market or financial policy Housing justice New market expansion 	<p>The global political and economic situation has led to an increase in the risk of cross-border business operations. The housing market policy is mainly to support the demand for self-occupation, and the transaction continues to return to the fundamentals</p>	<p>Richly cultivating localization while expanding new markets</p> 
<ul style="list-style-type: none"> Unemployed or underemployed Difficulty in recruiting and developing multi-lingual talent Cross-generational conflict Employment Diversity and equal opportunities Employee recognition and retention Health and safety 	<p>The way employees work and their relationships with the business becomes more flexible, and they expect more ways to collaborate across generations. In response the development of Sinyi Group, finding and attracting diverse talents will be an important issue.</p>	<p>Create jobs and cultivate talent teams</p> 
<ul style="list-style-type: none"> Failure of critical infrastructure Personal data and trade secret risk Data fraud or theft Cyber-attacks Information security risks Reputation (media) risk Technology advancement New technology to improve service efficiency New business models New value-added services Changes in customer behavior 	<p>Digital transformation of enterprises creates more new service opportunities; frequent and rapid cyber-attacks threats to information security; and the importance of security protection and compliance continue to increase.</p>	<p>Make good use of technology to build a community ecosystem</p> 
<ul style="list-style-type: none"> Profound social instability Failure of urban planning Demographic and social changes Corporate social responsibility in practice 	<p>Urbanization affects the type of residence; demographic structure has changed, and the trend of single and aging is increasing.</p>	<p>Long-term response to social needs</p> 
<ul style="list-style-type: none"> Extreme weather events Failure of climate change mitigation and adaptation Natural disasters Manmade environmental disasters Water crisis Low carbon innovation service Climate change response 	<p>The impact of extreme weather continues to be listed as the most important risk. Water scarcity and natural disaster risks continue to increase. Companies need to increase their resilience to the environment and integrate with low-carbon energy systems</p>	<p>Green service moves toward a low carbon economy</p> 
<ul style="list-style-type: none"> Procurement risk Supply chain management 	<p>The attention of sustainability issue in the supply chain has increased, and Sinyi continues to embed its sustainability responsibilities in the steps of procurement activities.</p>	<p>Enhance shared value and build a good community</p> 

It is through our focus on innovative ability based on business ethics that we have been able to maintain our place at the top of the industry and stand out among our peers. In the business process, we uphold “doing what should be done (righteousness), and keeping our word to them (trustfulness),” thus creating value for stakeholders, and jointly enhancing the sustainable value of the company. The core development of any business must be based on strong business ethics, as it is only then that it can achieve the goal of sustainability. We develop services in line with the six major principles of sustainability and strive to make integrity, righteousness, and ethicality our core competencies as we continue to innovate in line with our strategic goals. The SDGs are also a major influence on our actions as we integrate the identification of potential risks and impacts into our core business and seek to develop new business opportunities from the outside through our core values while also satisfying the needs of our stakeholders. From the standpoint of the company, we will continue to develop new business models, solve social problems, and seek to strike a balance among the economy, society, and the environment.



For more information, please see

“The Essence of Sinyi Realty’s Sustainable Development: Innovation with Business Ethics”
<http://csr.sinyi.com.tw/en/sd/business-philosophy.php>

Richly cultivating localization while expanding new markets

- Extension point Hong Kong
- Establish a new brand to operate the local market in Japan



2019 Goals

- Continue to expand overseas markets
- Selection of female independent directors

Long-term response to social needs

- Applying the spirit of ISO20121 to promote community service
- Quantify social participation performance with the London Benchmarking Group (LBG) framework



2019 Goals

- The elderly projects

Create jobs and cultivate talent teams

- Innovative talent recruitment project
- Flexible welfare program



2019 Goals

- Increase “Sinfu Coins” flexible benefit items

Green service moves toward a low carbon economy

- Passed carbon neutralization
- Paperless service, electronic contract



2019 Goals

- Energy-saving equipment replacement
- Increase carbon neutral stores

Make good use of technology to build a community ecosystem

- Launched the “Guarantee Service of Safely Renting House”
- Launched the "Local Bond" app



2019 Goals

- Launched "Prevent Pests Damage Guarantee Services"
- Widen the scope of community services

Enhance shared value and build a good community

- Establish a post-visit guidance mechanism for suppliers
- Update human rights clauses as perpetual terms



2019 Goals

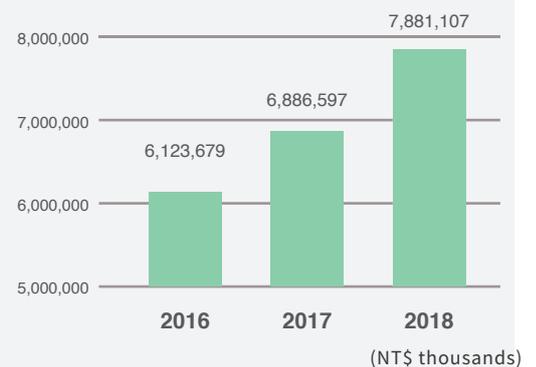
- Improve the inspection rate of key suppliers
- Develop “Gung Ho” Project with Suppliers

Driving Revenues to New Heights

In 2018, we continue to respond to the SDGs, create more employment opportunities, jointly promote business ethics, and make revenues grow year after year. The company has remained at the top of the real estate brokerage industry for 25 years now, highlighting that the group’s commitment to business ethics has been a key factor in our constant attainment of new heights. It is a key factor in ensuring the long-term success of the company.

Innovation with business ethics is the foundation of sustainable development. Sinyi Realty actively responds to the needs of stakeholders, our innovation not only creating the financial value, but also having positive impacts on the environment and society. We continue to promote various programs, and maintain the energy of innovation, bringing together the forces to drive the industry and the whole society to rise.

Individual Operating Revenue

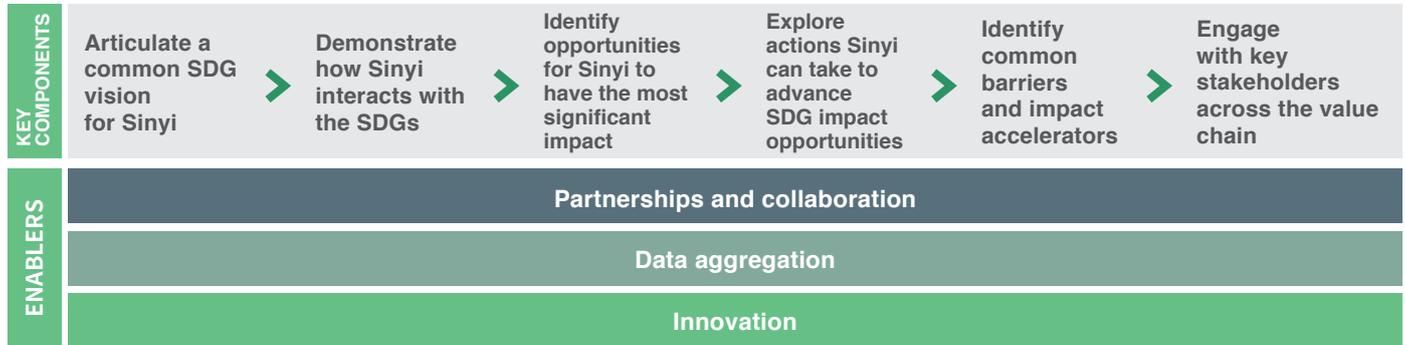


Sinyi's Business Policy and the SDGs

Sustainable Strategy Integration: Sinyi Sustainability Principles correspond to the UN SDGs¹

In order to create sustainable value and “innovation in line with business ethics,” we develop innovative services through our value chain. Our management takes the 17 SDGs and the opportunities and risks they bring into account, and identifies the SDGs that we can have the greatest impact on through our own sustainable strategy, thus enabling us to achieve the SDGs.

 For more information on Sinyi's response to the SDGs, please refer to [the Sinyi SDGs Report - The Road to Sustainable Development in 2030](#).



Sinyi's Major Contributions Toward the SDGs

In line with Sinyi Sustainability Principles, key stakeholders, and the SDGs, the sustainable development priorities we have been working on include goals 1, 3, 4, 5, 6, 8, 10, 11, 12, 13, and 17. In addition to issuing annual sustainability reports, we also communicate sustainable development strategies and performance through a variety of other channels such as our CSR website, social media, events, service announcements, and advertisements. We are thus able to better communicate our sustainability concepts to our stakeholders.

Corresponding to the Sinyi Sustainability Principles

Corporate Governance = What Should be Done	Putting People First: Employees as Important Partners	Reshaping Customer Service and Creating Happiness for Customers
SDG 4 SDG 8 SDG13	SDG 3 SDG 4 SDG 5 SDG 8	SDG 12
Faithful People→Faithful Company→Faithful Society	Pioneering Environmental Awareness in the Service Industry	Building Sustainable and Ethical Supply Chains
SDG 1 SDG 4 SDG 8 SDG10 SDG11 SDG17	SDG 6 SDG12 SDG13	SDG 3 SDG 8 SDG12 SDG17

Business Opportunities Created by Our Response to the SDGs²

<p>1 NO POVERTY</p> <p>Headline Goal: Helping eliminate poverty</p> <p>Specific Actions:</p> <ul style="list-style-type: none"> Learn the causes of poverty at home and abroad Share and donate what you can Buy from companies that pay people fairly Save, borrow, and invest responsibly Demand decent wages and opportunities for all <p>Business Opportunity:</p> <ul style="list-style-type: none"> Achieve poverty elimination Second-hand items and activities Reasonable salary, equal opportunity 	<p>3 GOOD HEALTH AND WELL-BEING</p> <p>Headline Goal: Staying healthy and happy</p> <p>Specific Actions:</p> <ul style="list-style-type: none"> Learn about and share ways to stay healthy Wash your hands and exercise regularly Stay safe on or near roads Value mental health and well-being Demand medical care and vaccinations for all <p>Business Opportunity:</p> <ul style="list-style-type: none"> Healthy employees create more value Systemic prevention of disease Reduce traffic accidents 	<p>4 QUALITY EDUCATION</p> <p>Headline Goal: Promoting learning and education on corporate ethics</p> <p>Specific Actions:</p> <ul style="list-style-type: none"> Keep learning throughout life Teach kids kindness Help girls and boys stay in school Support teachers and keep schools open Defend everyone's right to education <p>Business Opportunity:</p> <ul style="list-style-type: none"> Ethics, Sustainability education Sinyi Campus Seed Project - Future Potential Employees Sinyi Lecture Hall - Promotion of Social Education Sinyi School at NCCU - Sustainable Talent Cultivation
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¹ https://docs.wbcsd.org/2018/04/SDG_roadmap%20Guidelines.pdf
² https://docs.wbcsd.org/2018/09/Good_Life_Goals/Manual.pdf

5 GENDER EQUALITY



Headline Goal:
Eliminate discrimination and achieve gender

Specific Actions:

- Learn and share ways to end sexism
- Raise kids to expect equality
- Respect men and women who care for their families
- Defend women’s reproductive rights
- Oppose violence against women and girls

Business Opportunity:

- Diversified employment
- Diversify with staff to create a good workplace environment and employment opportunities
- High fertility rates

6 CLEAN WATER AND SANITATION



Headline Goal:
Save water and optimize water management

Specific Actions:

- Learn why clean water matters
- Do not flush any trash or toxic chemicals
- Report and fix leaks – big or small
- Save water while brushing your teeth, washing, and cleaning
- Defend people’s rights to clean water and toilets

Business Opportunity:

- Water saving measures
- Reduce per capita water use

8 DECENT WORK AND ECONOMIC GROWTH



Headline Goal:
Reverse employment relationships and increase employment growth

Specific Actions:

- Learn family finance skills
- Demand safe working conditions
- Check that no one was exploited to make what you buy
- Support local businesses at home and abroad
- Stand up for everyone’s rights at work

Business Opportunity:

- Create jobs and increase organizational capacity
- Diversified employment
- Equal pay

10 REDUCED INEQUALITIES



Headline Goal:
Ethnic group integration, eliminating inequality in access to opportunities

Specific Actions:

- Stay open-minded, listen, and learn from others
- Support leaders who reduce inequality
- Protect and welcome the vulnerable
- Buy from companies that pay tax and treat people fairly
- Stand up for your rights, and the rights of others

Business Opportunity:

- Eliminate unequal educational opportunities
- Provide scholarships to ensure access to education for rural and disadvantaged children
- Social integration
- Gung-Ho action

11 SUSTAINABLE CITIES AND COMMUNITIES



Headline Goal:
Community service shaping a beautiful home

Specific Actions:

- Learn about and take part in local decision-making
- Prepare for emergencies
- Get to know your neighbors and welcome new people
- Protect local communities and build a sustainable city
- Demand safe and good quality public transport

Business Opportunity:

- Assist in industrial development
- Industry policy recommendations and detailed records

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Headline Goal:
Responsible production and consumption cycle, promoting sustainability

Specific Actions:

- Learn about sustainable development
- Reuse, repair, recycle, share, and borrow
- Waste less food and use leftovers
- Collect friends and experiences, and not material things
- Demand that businesses respect people and planet

Business Opportunity:

- Promote awareness of sustainable development
- Enhance the sustainability of the public through the promotion of ISO20121 and Sinyi Lecture Hall

13 CLIMATE ACTION



Headline Goal:
Committed to energy saving and carbon reduction, and developing low carbon services

Specific Actions:

- Learn about climate solutions and promote green concepts
- Green procurement
- Responding to climate change

Business Opportunity:

- Low carbon service, Digital DM, Top EDM, etc.

17 PARTNERSHIPS FOR THE GOALS



Headline Goal:
Let the industry work together and revitalize partnerships

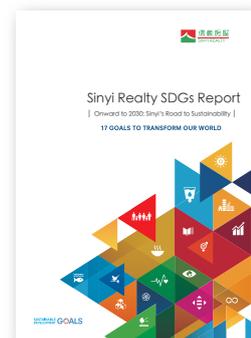
Specific Actions:

- Discover and share the SDGs
- Get involved and volunteer in your community
- Help make tomorrow better than today

Business Opportunity:

- Promote awareness of sustainable development
- Cooperate with suppliers and industry alliances to create value

SUSTAINABLE DEVELOPMENT GOALS



 **Download the SDGs Report**