2

Stakeholder Engagement and Materiality Analysis

2. Stakeholder Engagement and Materiality Analysis

GRI：2-29、3-1、3-2、3-3

2.1 Stakeholder Identification

2.1.1 Stakeholder Identification



To align organizational operations and strategic planning with stakeholder needs and expectations, the Bureau identified six key stakeholder groups with reference to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES 2015), Dependency, Responsibility, Tension, Influence, and Diverse Perspectives: fund beneficiaries, employees, news media, partners, government agencies, and investees. Through diverse communication channels, the Bureau identifies and responds to issues of stakeholder concern and report on relevant matters.

2.1.2 Stakeholder Engagement

Stakeholder	Key Relationship	Engagement Frequency and Channels
Fund Beneficiaries	Regularly disclose information on stewardship and investment activities to keep beneficiaries informed of fund utilization and operations	● Regularly publish fund utilization information on the official website (daily, monthly, semi-annually, and annually) ● Publish daily net asset values of domestic mandates ● Send monthly email updates on fund utilization status to labor unions ● Publish monthly fund infographics and release videos on financial investment and labor fund topics on the official YouTube channel ● Publish monthly statistical data covering domestic and international financial and economic conditions, fund operational overviews, fund income and expenditures, fund investment utilization status, and domestic equity investment categories ● Publish annual reports, stewardship reports, and budget and final accounts statements annually ● Regularly Publish Sustainability Reports
Employees	Listen to employees' feedback and needs, cultivate professional skills, and strengthen talent development and retention through	● Establish a "Sexual Harassment Complaint Evaluation Committee" ● Weekly executive meetings ● Formulate annual employee training plans, provide tuition subsidies, and encourage employees to pursue continuing education while employed ● Formulate annual employee assistance programs and organize health check-up activities.

Stakeholder	Key Relationship	Engagement Frequency and Channels
	active communication and support	● Convene the Performance Evaluation Committee annually ● Organize various activities on an ad hoc basis (birthday celebrations, environmental education, traditional folk celebrations). ● Review the performance bonus system on an ad hoc basis
News media	Establish effective communication channels to enable the media to report on the Fund's utilization status to the public.	● Regularly publish fund utilization information on the official website (daily, monthly, semi-annually, and annually) ● Establish a dedicated media liaison contact ● Hold at least two press conferences per quarter ● Accept media interviews, respond to inquiries, and issue press releases on an ad hoc basis
Partners	Execute domestic and foreign investment mandates and form partnerships to sustain long-term operations and growth	● Formulate the "Mandated Management Guidelines for the Labor Funds" and publish them on the official website ● Publish operational procedures for domestic and foreign mandated institutions ● Conduct public selections of domestic and foreign mandated institutions on an ad hoc basis ● Organize civil service ethics and integrity awareness seminars on an ad hoc basis ● Comply with the Government Procurement Act ● Announce procurement information and conduct open tendering on an ad hoc

Stakeholder	Key Relationship	Engagement Frequency and Channels
		basis
Government agencies	Cooperate with supervision and audits, and strictly comply with relevant laws and regulations	● Submit monthly reporting data on fund utilization and management ● Regularly attend the Labor Funds Supervisory Committee, Labor Insurance Supervisory Committee, Management Committee of the Arrear Wage Payment Fund, National Pension Supervisory Committee, and Supervisory Board for the Farmers' Pension System ● Submit annual administrative plans, annual asset allocation plans, budgets, and final accounts ● Undergo annual audits and supervision conducted by supervisory authorities, including the Ministry of Labor, the Ministry of Health and Welfare, and the Ministry of Agriculture ● Undergo unscheduled supervision and audits by the Legislative Yuan, the Control Yuan, and the National Audit Office
Investees	Encourage investees to implement sustainability practices, leverage the Bureau's influence as an investor, and	● Regularly publish fund utilization information on the official website (daily, monthly, semi-annually, and annually) ● Publish a stewardship report annually ● Regularly Publish Sustainability Reports ● Participate on an ad hoc basis in investee companies' investor conferences, shareholders' meetings, and extraordinary shareholders' meetings concerning major matters

Stakeholder	Key Relationship	Engagement Frequency and Channels
	promote their commitment to social responsibility and sustainable operations	● Engage via written or verbal inquiries on an ad hoc basis to understand the background and handling of material violations or material ESG controversies involving investee companies

Note: Given the similar nature of counterparties and suppliers, they have been consolidated into partners for this reporting period; competent authority has been renamed government agencies; considering that the operating conditions of investees directly impact the Bureau's investment returns, investees was added as a new category this period; additionally, based on interaction frequency, level of engagement, and impact on the Bureau's core policies, research institutions/academia and communities were removed in this period.

2.2 Materiality Analysis

2.2.1 Process for Determining Material Topics for Reporting

With reference to the *GRI 3: Material Topics 2021* guidance, the Bureau identifies material topics of concern to stakeholders and evaluates the level of their impacts. The reporting priorities for this report were finalized through the meeting of the Bureau's Sustainable Development Committee.

1 Understand the organization's context

As the competent authority responsible for the investment and utilization of labor funds, the Bureau's performance is crucial to workers' retirement security and attracts considerable public attention.

2 Identify impacts of sustainability issues

Through daily public opinion monitoring and ongoing engagement and communication with stakeholders, the Bureau identifies issues that are of significant concern to stakeholders and have significant impact

3 Assess the significance of the impacts

By consolidating feedback from various communication channels and the materiality analysis of sustainability issues from the previous report, a total of 15 sustainability issues were identified.

4 Prioritize and determine material topics for reporting

Following a decision by the Bureau's Sustainable Development Committee, 9 material topics were selected from the 15 sustainability issues as the reporting focus of this report.

2.2.2 List of Material Topics and Management Approach

During the planning and execution of daily operations, the Bureau continuously maintains close communication with stakeholders. Feedback collected through various communication channels is used to identify material topics, formulate corresponding management approaches, and provide relevant information in this report :

Material Topics	Impact Description	GRI Topic Standards	Management Approach
Investment Performance	Committed to generating stable investment returns to safeguard workers' retirement security.	GRI 201: Economic Performance	4.1 Diversified Investment and Utilization Performance
Integrity Management	Uphold the principles of integrity, strengthen fraud prevention measures, prudently manage and utilize funds, and safeguard fund interests.	GRI 2-15: Conflicts of interest GRI 205: Anti-corruption	3.4 Integrity Measures and Conflict of Interest Management
Internal Control	Effective implementation of internal controls enhances organizational management efficiency and helps	Custom Material Topics	1.2 About the Bureau of Labor Funds 3.2 Internal Control

Material Topics	Impact Description	GRI Topic Standards	Management Approach
Mechanism	maintain stable long-term fund performance.		3.6 Tax Policy
Information Disclosure	Regularly disclose fund utilization status and convene press conferences to strengthen policy promotion and communication.	Custom Material Topics	3.5 Information Disclosure
Risk Management	Implement investment risk management and enhance employees' awareness of information security risks to effectively mitigate investment and operational risks.	Custom Material Topics	4.2 Risk Management
Friendly Workplace	Foster a safe, healthy, and inclusive workplace, continuously enhance employees' physical and mental well-being and job satisfaction, and thereby strengthen talent retention and organizational cohesion.	GRI 2-7: Employees GRI 401: Employment GRI 405: Diversity and Equal Opportunity	6. Friendly Workplace
Professional Talent	Provide employee training and career development opportunities to enhance	GRI 401: Employment GRI 404: Training and Education	6. Friendly Workplace

Material Topics	Impact Description	GRI Topic Standards	Management Approach
	employees' competencies and support the Bureau's sustained performance.	GRI 405: Diversity and Equal Opportunity	
Sustainable Investment	Integrate sustainability considerations into the investment policies and decision-making processes for the labor funds, taking into account the sustainability performance of investee companies and working with stakeholders to promote environmental sustainability.	GRI 201: Economic Performance	4. Sustainable Investment
Green Operations	Promote energy conservation and carbon reduction initiatives, strengthen waste reduction and recycling, implement circular economy principles, and enhance employees' environmental awareness through training and education, thereby creating sustainable value for both the environment and society.	Custom Material Topics	5.2 Low-Carbon Operations 7.3 Environmental Education