FORMOSA

FORMOSA SOLAR RENEWABLE POWER GROUP

2022 Corporate Sustainability Report

The most reliable and leading partner in Taiwan's energy transition

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Foreword

Message from the Chief Executive Officer

Six years ago, I arrived in Taiwan with a goal to establish Formosa Solar Renewable Power (Formosa Solar) as a leading renewable energy platform. Since then, our team has made significant progress towards that goal. We have built projects across Taiwan that have generated more 700 GWh of electricity by end of 2022, providing renewable energy to over 60,000 Taiwanese households. I am proud of what we have achieved.

After a four-year hiatus, I'm thrilled to be back as CEO, eager to lead the company to new heights in the years to come by further developing and consolidating our strengths and capabilities. I want to extend my gratitude to every employee in the Formosa Solar family, past and present. Your contributions have been and are invaluable, and I am committed to supporting each of you to reach your potential.

Our stakeholders seek reliability amid the opportunities and challenges of renewable energy development in Taiwan. At Formosa Solar, our mission is to be a Reliable Partner to our stakeholders, including our landlords, business partners, local and central government entities, corporate clients, financing partners and shareholders. We strive to be the most reliable and leading partner in Taiwan's energy transition. This is our Corporate Culture.

Taiwan's renewable energy development has come a long way since we founded Formosa Solar in 2016. The National Development Council has announced 12 key strategic actions and plans for transitioning to net zero emissions by 2050, and Taiwan's carbon reduction goal for 2030 has been revised upward to 24±1%. As a renewable energy company, we see this as an opportunity to expand, but we also recognize the challenges that come with it.

We are committed to ensuring our business operation adheres to the standards required by our stakeholders as well as addressing their concerns relating to Environmental, Social, and Governance (ESG). This report details the work we are doing to improve ESG matters relevant to our business operation. Formosa Solar's Public Relation and ESG team is fundamental to this effort, and I would like to thank them for their dedication and contribution to a greener and more sustainable future.

Kok-Leong Toh

Chief Executive Officer

Message from the Director of Public Relation and ESG

This year marks a significant milestone for Formosa Solar as we embark on a mission to publish our first corporate sustainability report. I am both excited and thrilled about this crucial task. Since our company's inception, we have laid strong foundations in environmental protection, anti-corruption, and anti-bribery policies, along with a deep commitment to community welfare and local engagement.

Over the years, our collaboration with the Department of Life Sciences at Tunghai University has strengthened, especially concerning the ecological research reports for our Chiayi Salt Land project. Additionally, with the valuable guidance and support of our major investor, Partners Group, we have been diligently consolidating ESG-related data since 2019, forming a strong basis for our inaugural report. We hope this report is as transparent and complete as possible and that it provides an informative overview of Formosa Solar's operations over the past seven years in Taiwan, recognizing both our achievements and areas for further improvement in our ESG journey.

This report is the result of the concerted efforts of all departments within our company. I want to extend my heartfelt gratitude to the board of directors, the chairman, and the entire leadership team for their unwavering support in formulating Formosa Solar's first ESG policy. Equally, I express my appreciation to all my colleagues throughout the company who have contributed wholeheartedly to this endeavour.

In conclusion, this ESG report symbolizes our dedication to transparency, sustainability, and responsible business practices. We are excited to share our progress, milestones, and future aspirations with all stakeholders and look forward to the positive impact we can create together on our collective journey towards a greener tomorrow.

Renee Huang

Director of Public Relation and ESG

Executive Summary

In pursuit of sustainable business operations and continuous enhancing the transparency of information, Formosa Solar has published the first Corporate Sustainability Report (referred to as this report). This report has been prepared with reference to the 2021 edition of the Sustainability Reporting Guidelines (GRI Standards 2021) issued by the Global Reporting Initiative (GRI). The report aims to elucidate the company's actions and achievements in upholding integrity governance, implementing environmental protection and occupational safety measures, and enhancing employee compensation and welfare, all within the framework of sustainable business goals. Formosa Solar aspires for stakeholders to remain engaged and provide valuable insights, enabling the company to make significant progress in its journey towards sustainable business practices.

Our vision of sustainability

Being a reliable partner

Reinforcing resilience to improve energy security and reliability of solar energy supply in Taiwan.

Proponent of a better environment

We are contributed to achieving co-existence and co-prosperity between people and the land by reducing wastes and implementing ecological protection to conserve the environment that we operate in.

Happiest employee

Committed to keeping investing in talent development and creating a safe, diverse and inclusive working environment.

Sustainable enterprise

We always prioritize the public and community's interest and manage our business responsibly.

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About Formosa Solar

2.1 Company profile

Established in 2016, Formosa Solar is a leading renewable energy company, supported by Partners Group, a leading global private markets investment firm listed on the SIX Swiss Exchange (code: PGHN) with USD 142 billion in assets under management as of 30 June 2023.

Formosa Solar is committed to driving transition to a cleaner, more sustainable energy future in Taiwan. We are guided by our vision, to be the most reliable and leading partner in Taiwan's energy transition, driving sustainable growth through thought leadership, and innovation and collaboration.

Our core values are Integrity, Innovation, Collaborative, Care, Transparency. We adhere to these values in our daily work, whether in the office or at construction and operating project sites as well as when we interact and communicate with external stakeholders. We believe that by investing in the green energy industry, the earth will become cleaner, people can co-prosper with the land, and humans can live sustainably in harmony with the earth.

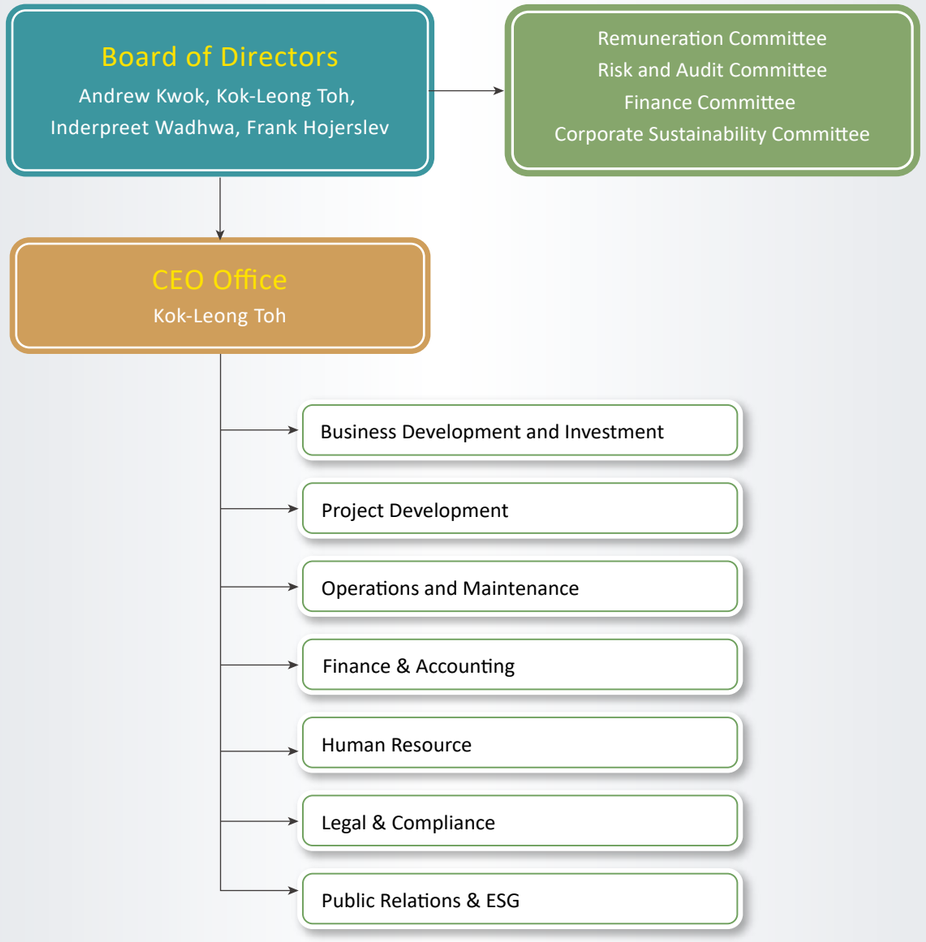
Company Name	Formosa Solar Renewable Power Co., Ltd.
Headquarter location	11th Floor, No. 136, Section 3, Ren 'ai Road, Da 'an District, Taipei
Paid-in capital	NTD 3,927.3 million
Number of employees	Number of people in Taiwan: 56 as of 31 December 2022
Operating locations	Taiwan
Industry	Green energy and environmental protection industry
Primary products/services	Solar power generation
Portfolio size	188MW
Revenue % by region	Taiwan (100.0%)

2.1.1 Formosa Solar's position within the overall industry value chain

Since our establishment in 2016, the company has been actively engaged in and demonstrated its capabilities in developing and operating solar power plants. Our processes involve sitespecific design, procurement of equipment such as solar modules from equipment suppliers, construction, and commissioning of solar projects. All of these steps are done towards successful implementation of a solar energy projects that will generate green energy over its useful life of up to 30 years.

	Upstream	Midstream	Downstream
Industry type	Manufacturer of solar cell materials such as monocrystalline and polycrystalline silicon and wafers.	Manufacturers for 1. Solar modules 2. Inverters	1. Developers and Operators for solar power plants (Formosa Solar) 2. Contractors for design and construction of solar power plants.
Geographical location or characteristics of the industry	Upstream manufacturers spread all over the world. The operation is influenced by the price of silicon materials and the production capacity of the industry.	1. Globally module production capacity is dominated by manufacturers in mainland China. 2. Solar modules used in Taiwan are mostly supplied by local production, and Taiwanese manufacturers have the capacity to meet Taiwan's demand. The same applies for Inverters.	The size of the Taiwanese solar market is influenced by government policies and end-users demand for renewable energy.

2.1.2 Organizational Structure (2023.09)



NOTE Formosa Solar underwent organizational restructuring in 2023, and the latest organizational chart is presented here for disclosure purposes.

2.2 Philosophy of operations

For the construction of solar photovoltaic power plants, Formosa Solar is dedicated primarily use non-arable land and to repurpose land less suitable for other purposes. Our aim is to ultimately achieve multiple land uses, where every unit of green electricity generated contributes to environmental co-existence and co-prosperity between land and solar photovoltaic power plants friendliness.

As we work towards the global goal of net-zero carbon emissions by 2050, environmental sustainability and corporate social responsibility remain at the core of our purpose and beliefs being a part of the renewable energy industry.

Important historical milestones of the company

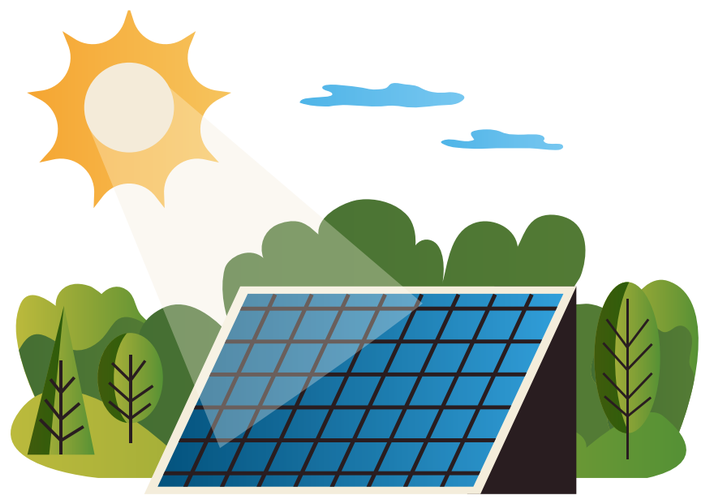
Period	Milestone
July 2016	The company was founded
March to September 2017	Awarded three government tenders with a target installed capacity of 62MW
February 2018	Awarded Ministry of Education project with a target installed capacity of 25MW
January 2019	Obtained NTD 2 billion bank syndicated loan
July 2019	Chiayi Salt Land project (20MW) achieved grid connection
September 2019	Total installed capacity exceeded 100MW
May 2020	Ministry of Education project (25MW) achieved grid connection
May 2020	Signed first Corporate PPA with a large local corporate (name withhold due to confidentiality clause under the agreement) with all power generation from Chiayi Salt Land sold under this Corporate PPA
November 2021	Pingtung Gaoshu project (39MW) achieved grid connection
December 2021	Total installed capacity exceeded 140MW
December 2022	Total installed capacity exceeded 188MW
Calendar Year 2022	Won five awards in 2022: the 15th Taiwan Best Foreign Corporate Sustainability Award (TCSA), the 2nd Taiwan Sustainability Action Award, the 19th National Brand Yushan Award, the 17th Golden Torch Award, Finalist for Better Business Awards for Green Energy from British Chamber of Commerce (BCC) in Taipei.

Throughout the development and construction process of our solar photovoltaic power plants, Formosa Solar adheres to all laws and regulations and are in compliance with good international industry practices in alignment with our ESG principles. We prioritize ecologically sustainable developments and we ensure that ecologically sensitive sites undergo specific and thorough investigations and continuous monitoring to ensure a harmonious co-existence between or solar photovoltaics projects and the surrounding environment.

2.3 Operational performance

Formosa Solar is dedicated to meeting customers' high-quality product and service requirements. With a comprehensive team and project sites throughout Taiwan, the company can swiftly address customer needs, solidifying its position as a key player in the development of clean and green energy and establishing itself as customers' trusted quality partner.

In pursuit of the vision to be "the most reliable and leading partner" in Taiwan's energy transition, the Group's power plants have contributed significantly by generating 700 million kWh of electricity in Taiwan by the end of 2022. The year 2022 marked a significant milestone for Formosa Solar, achieving an impressive full-year revenue with a 29% increase compared to 2021. The company's sustained operational growth and overall performance improvement demonstrate its commitment to advancing the renewable energy industry and reinforcing its market standing.



2.4 Honorable mention

Formosa Solar was awarded the following awards in 2022

2022 The 15th Taiwan Best Foreign Corporate Sustainability Award (TCSA)

Formosa Solar was recognized for its social impact and remarkable performance in corporate sustainability.

2022 The 2nd Taiwan Sustainability Action Award – Silver Award

Formosa Solar was recognized for its exceptional effort in SDG7 "Affordable and clean energy" through our Pingtung Gaoshu Project

The 19th National Brand Yushan Award

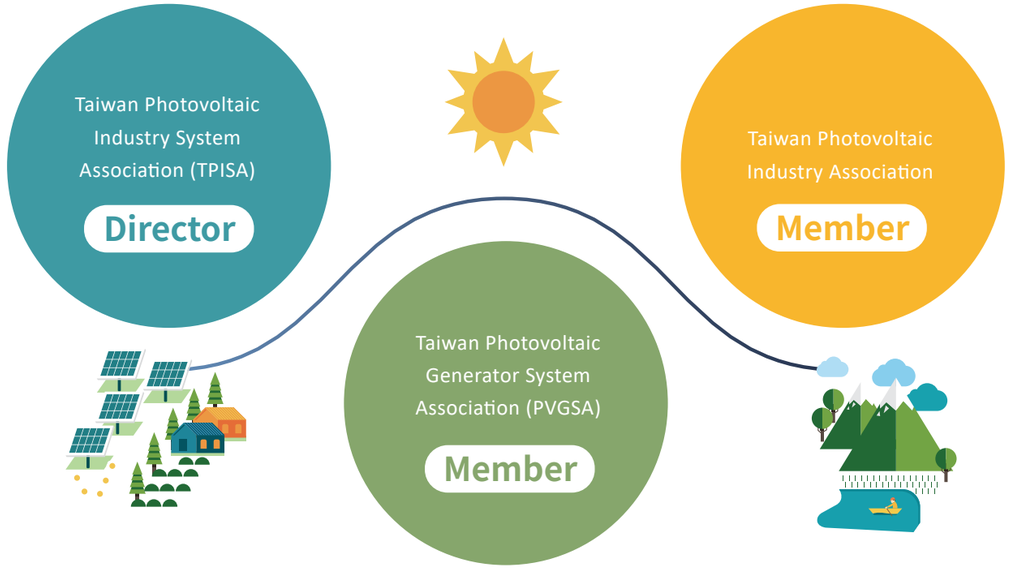
The National Brand Yushan Award is a recognition of Formosa Solar's outstanding performance in business operation and brand management.

The 17th Golden Torch Award

Formosa Solar received the 17th Golden Torch Award as of the "Top 10 High Potential Enterprises of the Year" for its professional management and strong business.

Better Business Award 2022- Green Energy Award Finalist

Formosa Solar was recognized for its admirable effort in development green energy in Taiwan by BCCT.



2.5 Participation in external organizations

Formosa Solar places great emphasis on fostering robust and open communication with our diverse set of stakeholders. We actively engage in industry-related associations, which allows us to establish meaningful interactions with fellow members, keeping abreast of the latest industry trends and developments. We are one of the founding members of Taiwan Solar Photovoltaic Industry Sustainability Development Association (TPISA), an association formed in 2022 to support Taiwan's sustainability and net zero carbon emission movement. In 2022, TPISA is devoted to advocating for the inclusion of green energy development zones in the National Comprehensive Development Plan, to increase the generation of renewable energy, and accelerate the realization of net-zero carbon emissions.

3 Governance framework

Sound corporate governance is essential for Formosa Solar. It encompasses a well-structured board of directors, stringent internal control systems, and robust financial management. This approach not only reduces operational risks but also enhances the company's competitiveness and brand value. It fosters a culture of integrity and responsibility, ensuring compliance with laws and regulations and implementing ethical management practices.

Formosa Solar prioritizes shareholder protection, strengthens the board's functions, and respects the rights and interests of stakeholders. Our Board of Directors are appointed by our major shareholder, Partners Group. Transparency is paramount, and the company is committed to correct, timely, and fair disclosure of information. A comprehensive system and communication channels for information disclosure are in place, and relevant information is readily available on the company's website.

3.1 Board of Directors

The board of directors plays a crucial role in Formosa Solar, responsible for formulating the company's business strategy and being accountable to investors and stakeholders. The directors diligently execute their responsibilities as good managers, exercising their functions with prudence.

As per the company's articles of association, directors are appointed by our shareholders based on merit-based employment principles. The board comprises four directors, two of whom represent Partners Group and possess over eight years of investment and development experience in infrastructure and renewable energy industries. They leverage resources from Partners Group to enhance the company's growth in Taiwan. The other two non-executive business directors have rich experience in the development, installation, and maintenance of the renewable energy industry in wind power and solar power. One of the directors founded the renewable energy company in India in 2008, and the company was listed on the New York Stock Exchange in October 2016. Another non-executive business director has more than 10 years of extensive experience in the development, construction, and maintenance of renewable energy sites in Asia (including the design and construction of 180MW solar sites), and all four directors have extensive experience in financing and executing renewable energy projects.

The board convenes once every 6 weeks, with a 100% average attendance rate across all the board meetings held in 2022. Their industry expertise, practical experience, and commitment ensure effective governance and strategic decision-making for Formosa Solar.

Board membership statistics:

Board of Directors				
Job Title	Name	Actual attendance	Industry, ESG-related background/experience	Shareholding in competitors, suppliers, and customers
Chairman	Andrew Kwok	100%	Industry Background	X
Director	Kok-Leong Toh	100%	Industry Background	X
Director	Inderpreet Wadhwa	100%	Industry Background	X
Director	Frank Hojerslev	100%	Industry Background	X

Diversity Statistics / Year			2020		2021		2022	
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Directors	Gender	Male	4	100%	4	100%	4	100%
		Female	0	0%	0	0%	0	0%
	Age Education	Less than 50	3	75%	3	75%	3	75%
		50 - 60	1	25%	1	25%	1	25%
		60 +	0	0%	0	0%	0	0%
	Education	Master's and above	1	25%	2	50%	2	50%
		Bachelor's	3	75%	2	50%	2	50%
		Others	0	0%	0	0%	0	0%

NOTE:

- Percentage of female directors = (Number of female directors at the end of the year / Number of directors at the end of the year) * 100%
- Percentage of male directors = (Number of male directors at the end of the year / Number of directors at the end of the year) *100%
- Percentage of Female Directors + Percentage of Male Directors should be 100%

Formosa Solar takes into considerations the various legal compliance and governance practices that directors may face in participating in the company's operation decisions, and actively encourages and arranges directors to take relevant professional courses. Currently, all directors collectively study for a total of 120 hours per year, and the company plans to increase the number of directors taking courses related to sustainable management in the future.

With a board of directors exhibiting integrity-based governance and rich industry experience, Formosa Solar is poised for vigorous operations and continued strides on the path of sustainable business practices. This commitment to continuous learning and ethical leadership strengthens the company's ability to navigate challenges and drive sustainable growth in the renewable energy sector.

Total Board training hours	120 hours
Proportion of ESG-related courses for directors (Note)	15.80%

NOTE: (Total hours related to ESG courses / Total hours of director training) *100%

3.2 Functional committees

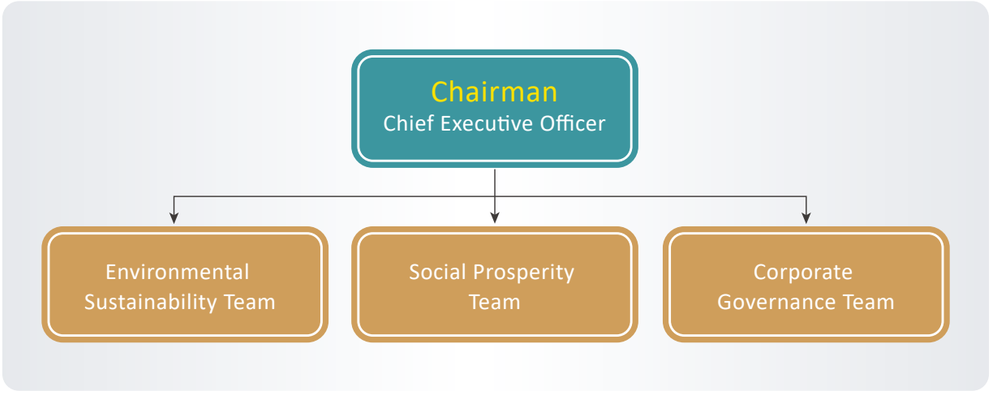
To enhance the supervisory function and reinforce management practices, all functional committees carry out their responsibilities independently according to relevant laws and regulations. They present tentative proposals to the board of directors for resolution, ensuring transparent decision-making and efficient oversight within the company.

Corporate Sustainability Committee

Formosa Solar has received authorization from the board of directors to establish a dedicated Corporate Sustainability Committee, referred to as the ESG Committee. Under the leadership of the CEO, who serves as the Chairman of the ESG Committee, the Committee plays a pivotal role in formulating the company's sustainability policy and overseeing its implementation. Our goal is to infuse a sustainable business philosophy into the very fabric of Formosa Solar's corporate culture.

To address the multi-faceted aspects of sustainable development encompassed by ESG, the ESG Committee has established a task force that will actively collects feedback from stakeholders on key concerns related to environmental protection, occupational health and safety, talent development, cybersecurity, and general corporate governance. Reporting on the company's ESG performance will take place regularly on a quarterly basis whereby fostering stronger overall ESG governance with all stakeholders.

By proactively engaging with stakeholders and considering their perspectives, we aim to ensure that Formosa Solar embraces sustainable practices across all dimensions of our business operations. The ESG Committee is committed to advancing our ESG journey towards optimum environmental responsibility, social inclusivity, and corporate governance, ultimately fostering a culture of sustainability that aligns with the values and objectives of our organization.



Audit Committee

In order to ensure the sound development of the business while concurrently addressing risk management, our company has established an Audit Committee responsible for formulating risk management policies and periodically reviewing the adequacy of these mechanisms. This is done to ensure capital adequacy and achieve a balance between risk control and business development.

Committee Member	Role	Qualifications of Remuneration Committee Memb
Inderpreet Wadhwa	Chairman	• Solar industry experience • Founded one of India's largest solar development and operations management companies
Andrew Kwok	Member	• Solar industry related experience • Finance and business management related experience
Kok Leong Toh	Member	• Solar industry related experience • Investment and business management related experience

Remuneration Committee

The remuneration committee at Formosa Solar plays a crucial role in establishing and periodically reviewing performance and remuneration systems for managers and employees. This includes regular evaluations of remuneration. When conducting evaluations, the committee considers several principles:

- Compliance with laws and regulations: The company's remuneration adheres to relevant laws and regulations and is attractive enough to attract exceptional talent.
- Industry benchmarking: Performance evaluations and remuneration align with industry norms, considering factors such as time invested, responsibilities, goal achievements, performance in other roles, value in company operations, and contributions.
- Fixed salary ceiling and guaranteed annual salary: The fixed salary ceiling may reach 150% of the industry standard, and the guaranteed annual salary consists of 14 months, along with an 8% retirement plan.

In fulfilling their duty of care as good managers, the remuneration committee diligently determines and regularly reviews policies, systems, standards, and structures for performance evaluation and remuneration of directors and managers. The committee periodically evaluates and determines the remuneration of directors and managers, submitting its recommendations for board discussion. This meticulous process ensures fair and competitive compensation, motivating excellence in performance and fostering sustainable growth for the company.

Remuneration Committee			
Committee Member	Role	Actual attendance	Qualifications of Remuneration Committee Members
Frank Hojerslev	Chairman	100%	• Relevant experience in the renewable energy industry • Relevant experience in finance and business management
Andrew Kwok	Member	100%	• Solar industry related experience • Finance and business management related experience
Kok Leong Toh	Member	100%	• Solar industry related experience • Investment and business management related experience

NOTE: This report is based on the information in 2022 as the disclosure and approval basis. In the first quarter of 2023, the board of directors had appointed Director Kok Leong Toh as the CEO. In accordance with the principles of conflicts of interest and considering the fairness of various decisions, director Toh will no longer serve as a member of the Remuneration Committee since taking on the role of CEO. Furthermore, according to the authorization policy of Formosa Solar, the director who serves as the director and CEO of Formosa Solar cannot simultaneously hold the roles of the final decision-maker and the initial approver for the same decision-making project to prevent conflicts of interest.

3.3 Business ethics

Formosa Solar firmly upholds the principles of legality and integrity as the cornerstone of its corporate values. The company's commitment to ethical business practices is engrained in its core philosophy to ensure the effective implementation of integrity in its operations. Emphasizing the significance of ethical conduct within the industry, Formosa Solar places a strong emphasis on maintaining the integrity of its workforce.

During the onboarding process of new employees, the human resources department takes proactive measures by organizing orientation sessions that emphasize the company's internal code of integrity. This approach aims to instill a sense of ethical responsibility among employees from the outset, fostering a culture of integrity within the company. In parallel, the management team leads by example, adhering to the highest standards of integrity and thereby subtly shaping the overall culture of the organization. Formosa Solar simultaneously enhances anti-corruption and anti-bribery advocacy in units requiring conflict of interest avoidance through the execution of company risk assessments.

Specific outcomes

Training course

Education and training for 100% (4 members) of the board of directors and 100% (26 colleagues) of units who need to avoid conflict of interests in the current year.

No complaints of violations in ethical integrity were received during the year.

The proportion of signatories to the Supplier Code of Conduct, the Prohibition of Forced Labour Declaration, and the Supplier Cleanliness Commitment was 100%, a total of 26.

Formosa Solar is committed to maintaining a strong internal framework of regulations to uphold ethical conduct. Internally, the company has formulated comprehensive "work rules" and "authorization policies," all of which are endorsed by the board of directors. Moreover, the company has established a dedicated external grievance channel in the form of an email address, allowing stakeholders to report concerns and complaints through the address provided on the official company website.

Upon receiving a report, the responsible personnel initiate thorough investigations. The reporting party is encouraged to provide specific details, including but not limited to the involved parties, incident timeline, location, and relevant circumstances. If the whistleblower opts to remain anonymous, relevant evidence is still taken into account for follow-up investigations. To ensure impartiality, designated personnel with any conflicts of interest recuse themselves, and all investigations are conducted confidentially, safeguarding the whistleblower's identity. Formosa Solar guarantees protection for whistleblowers against any form of mistreatment due to their reporting.

In commercial interactions, Formosa Solar adheres to its "Anti-Corruption and Anti-Bribery Policy." Employees are instructed to communicate the company's integrity management policy to counterparts and explicitly refrain from offering, soliciting, or accepting improper interests in any form or context. Vigilance is maintained to avoid engagement with business partners involved in dishonest practices. Suppliers align with the company's supplier code of conduct, committing to integrity and signing statements against forced labor. In 2022, all 26 suppliers adhered to this commitment.

In terms of overall operational practices, Formosa Solar has not been involved in any significant illegal incidents or reported any whistle-blowing incidents in recent years.

3.4 Risk management

Risk management is a critical element for Formosa Solar to achieve stable growth and sustainable operations. The company has established a robust risk management structure, with various authorized departments at its core. This structure conducts comprehensive risk assessment operations, defining and analyzing various risk factors using internal and external information. The probability of risk occurrence and its potential impact on the Group are thoroughly evaluated.

Based on these assessments, the company formulates appropriate management measures to mitigate risks effectively. This proactive approach ensures that Formosa Solar maintains its commitment to sustainable operations and achieves its long-term business objectives while safeguarding its stakeholders' interests.

Formosa solar risk management strategies

Risk category	Risk descriptions	Risk management responses
Sustainable environment	Increase in greenhouse gas emissions	1. Adopts renewable energy for our own operation (e.g., office electricity usage). 2. Inefficient energy-consuming equipment and gasoline vehicles continue to be replaced with the energy-saving one. 3. Implements green procurement, selecting manufacturers with strong green track records. Additionally, the company replaces office equipment with energy-saving alternatives to reduce its carbon footprint and enhance sustainability efforts.
	Unable to achieve effective energy saving	
	Improper waste disposal	To manage waste from the solar industry: 1. Collaborates with government policies and manufacturers to enhance recycling technology and continually improve waste management processes. 2. Ensures waste disposal adheres to national regulations and standards, minimizing the risk of environmental pollution.
	Typhoon, flooding	1. keeps track of weather forecast information and implements specific preventive measures for various natural disasters. 2. When choosing operation sites and equipment, the company avoids land below sea level and carefully evaluates flood and seismic conditions. 3. To ensure the safety of employees, buildings, and projects, Formosa Solar obtains group-based accident injury insurance, fire insurance, and transportation insurance to spread and diversify risks effectively.
	Violation of environmental regulations	1. Conducts regular assessments of environmental protection laws and regulations to ensure compliance. In cases of false alarm events or stakeholder concerns, the company performs ad-hoc assessments of the relevant laws and regulations and implements appropriate control measures to address the issues promptly and responsibly.
Employees	Occupational accidents (including COVID-19 impact)	1. Establishes regulatory identification procedures that align with risk assessment practices. 2. Implements incident reporting procedures to ensure timely identification and response to any potential issues. 3. In the event of a false alarm, the company re-evaluates the associated risks and updates the corresponding control measures. 4. Prioritizes providing a safe and healthy working environment for personnel to minimize workplace risks. 5. Adheres to the Occupational Safety Law, establishing an agreed-upon organization and procedures to ensure compliance.
	Overworking	To prevent overworking due to long hours, the company takes the following precautions and regulations: 1. Regular health checks are conducted to detect and address health issues early, promoting employees' physical well-being. 2. Formosa Solar encourages work-life balance and offers benefits such as remote work and welfare leave to support employees. 3. Overtime hours are regularly reviewed, and staffing discussions with supervisors help manage workloads effectively.
	Excessive turnover	1. Conducts exit interviews with departing employees to understand their reasons for leaving and collaborates with supervisors to enhance the working environment, promoting higher retention rates for valuable employees. 2. Regular employee satisfaction and engagement surveys are conducted to refocus organizational development goals for the upcoming year and to improve overall employee satisfaction. 3. Actively develops its employer brand to attract top talent and encourage them to join the organization.
Governance & operations	Legal risk	1. Formosa Solar has established a mechanism for confidentiality commitments, employees need to sign confidentiality agreements upon joining the company and signing integrity commitments with suppliers to ensure that all parties fulfill their duties impartially. 2. Regular legal awareness programs are conducted by the legal department to address relevant legal issues, to prevent employees from inadvertently violating laws during their tasks.
	Ethical integrity risk	1. Internally, Formosa Solar promotes anti-corruption, anti-bribery, and ethical behavior among employees, emphasizing integrity management. 2. Externally, the company conveys its commitment to integrity and ethical business practices to manufacturers, customers, and suppliers.
	Insufficient transparency in disclosure	Ensures compliance with government regulations by disclosing relevant financial information in its financial statements. Additionally, Formosa Solar updates this information on its website, making it easily accessible for stakeholders to review.
	Decreased market competitiveness	1. Maintains strong interaction with both upstream and downstream customers through regular visits, information exchange, and participation in seminars. This approach allows the company to stay informed about market trends and introduce competitive products and manufacturers promptly. 2. Actively develops new customer relationships to diversify risks and maintain a competitive edge in the market. 3. Updates investment models in accordance with newly announced policies and regulations at any time to maintain competitiveness in the industry.

Risk category	Risk descriptions	Risk management responses
Operational performance	Occurrence of information security incidences	1. Established its information security management system and conducted comprehensive risk assessments to identify and address potential vulnerabilities. 2. Integrated endpoint detection and response (EDR) solutions to detect and respond to any suspicious activities related to host and endpoint connections, ensuring proactive cybersecurity measures. 3. Regularly updates and enhances its information security management system to stay aligned with evolving threats and industry best practices. 4. Foster a security-conscious culture among its employees, the company conducts regular awareness programs on security risks and organizes annual public announcements on information security and social engineering exercises. These efforts strengthen the organization's overall security resilience and safeguard against potential cyber threats.
	Product liability	1. Safety Responsibility: The company prioritizes compliance with all relevant safety standards and regulations to guarantee the safety of users who utilize its solar modules. 2. Quality Responsibility: Formosa Solar ensures that its solar modules meet rigorous quality standards, ensuring their reliable and efficient operation throughout their expected lifespan. 3. Repair and Maintenance Responsibilities: The company provides comprehensive repair and maintenance services for its solar modules, ensuring their long-term effectiveness and performance. 4. After-sales Service Responsibility: Formosa Solar is committed to delivering exceptional after-sales service, actively resolving customer concerns, and addressing customer feedback to ensure customer satisfaction. 5. Environmental Responsibility: The company strictly adheres to environmental regulations during the production and handling of its solar modules, striving to minimize its environmental impact and contribute to sustainable practices.
	Supply chain interruptions	1. Maintains a vigilant approach towards raw materials and product information, ensuring timely access to relevant data and proactively mitigating the risk of material shortages. 2. Closely monitors market dynamics, enabling the establishment of multiple supply chains to diversify risks and maintain a stable and reliable supply of materials. This strategic approach enhances the company's resilience in the face of market fluctuations and fosters sustained growth and success in the renewable energy industry.

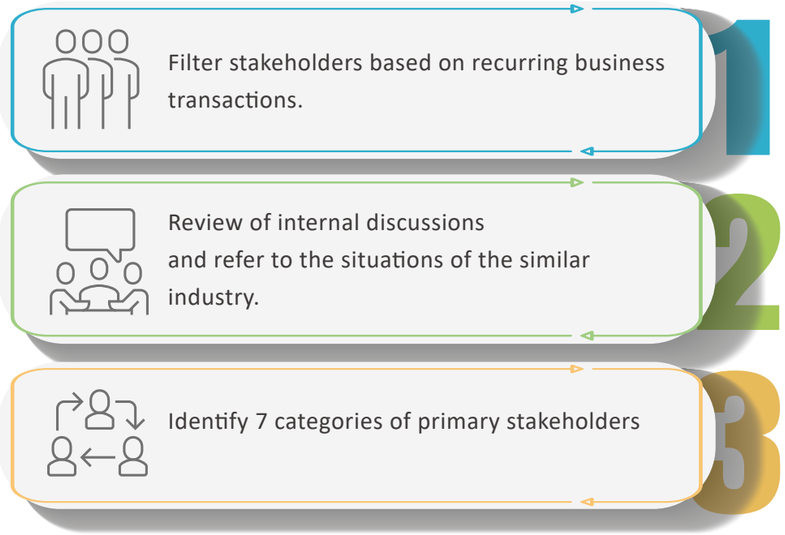
4

Sustainable business practices

Our Key Targets for ESG

2023	2025
Governance	
• No violation of any integrity and probity • 100% of major suppliers to sign up to the supplier code of conduct	• Implement ISO 27001 (ISMS)
Environmental	
• Expected increase of 49,839 MWh in generation of power and reduce 2.54 million metric tons of carbon emission compared to 2022 by 2023 • 30% of the company owned vehicles will be HEV	• Taipei office adopts 100% renewable energy
Social	
• 100% response to the site issues • Performance ratio power generation rate > 80%	• Implement ISO 45001 (OHSMS) • TRIR = 0, LTIR = 0, Fatality Rate = 0 • No NC in legal requirements and other requirements

Identification of key stakeholders



4.1 Identification of key stakeholders

Stakeholders are individuals or groups, businesses or organizations, that have an impact on, or are impacted by Formosa Solar. To manage these relationships and interactions effectively, each department within the Formosa Solar organization initiates a preliminary selection of stakeholders being involved in routine business transactions. Based on the frequency of the interactions or the materiality of any interaction combined with the level of mutual influence, and the significance of each stakeholder to Formosa Solar, our internal discussions and referencing to similar industries have lead to the identification of seven major stakeholder categories essential to Formosa Solar. These categories include employees, customers, shareholders, banks, insurance companies, suppliers, and non-profit organizations.

4.2 Stakeholder communication channels and issues of concerns

Due to the diverse background and interests of Formosa Solar's main stakeholders, their concerns may vary significantly. To bridge the gap and foster effective communication, the company's various departments actively engage with the stakeholders through multiple channels. This approach ensures that stakeholders stay informed about the company's operations, while also allowing Formosa Solar to understand their requirements and expectations, enabling timely responses. The company reports to its board of directors about our stakeholder communication on an annual basis.

To capture each stakeholder's idiosyncratic concerns, internal as well as external, Formosa Solar conducts a questionnaire survey gathering insights. The ESG Committee then consolidates this data and references the 2021 edition of the GRI sustainability reporting guidelines and other ESG reports published by our peers. This thorough process has resulted in the identification of ten sustainable issues spanning economic, environmental, and social dimensions, ensuring that the sustainable information disclosed by Formosa Solar meets the integrity and diversity required by the GRI Guidelines. By adhering to these practices, Formosa Solar proactively addresses stakeholders' concerns and maintains transparency and responsibility in our sustainability reporting.

Key stakeholder	Importance to the company	Issues of concerns	Communication channel / Frequency
Employees	Employees are an indispensable foundation for operating the company, and the company is committed to providing a healthy and diverse work environment for employees and one where they can work without worries.	• Talent development and overall employee benefits • Occupational health and safety • Service reliability and resilience	Communication channel: 1. email : HR@Formosasolar.com.tw 2. Tel: 02-7729-6700 # 162, 167 Ways and frequencies of communication: 1. Town hall meeting / Monthly 2. Labor conferences / Quarterly 3. Employee grievance procedure / Irregular
Customers	Through contact with customers, the company can understand the customer's concerns and expectations for our products and services, allowing us to provide products and services that better meet their requirements. The company regards quality, safety and after-sales service as the highest commitment to our customers, recognizing these as main considerations for maintaining customers' high satisfaction.	• Service reliability and resilience • Solar panel quality and structural safety • Occupational health and safety	Communication channel: 1. email: info@formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Business visits / Monthly 2. Telephone, E-mail / Irregular
Shareholders	The company shall protect the rights and interests of the shareholders and treat all shareholders fairly to ensure that the shareholders have the right to information, participate, and decide on major matters of the company.	• Occupational health and safety • Service reliability and resilience • Business ethics	Communication channel: 1. email: info@formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Annual general meeting of shareholders / Annually 2. Board of director meetings / Every 6 weeks 3. Advisory meeting/ Every 1-2 weeks 4. Periodic disclosure on public domain / As required
Banks	Banks provide loans, financing, and credit rating services to support the business development of the company; at the same time, banks are also important capital providers and financial supervisors of the company.	• Solar panel quality and structural safety • Waste management • Service reliability and resilience • Greenhouse gas (GHG) management	Communication channel: 1. email: info@formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Bank meetings / Monthly 2. Telephone, E-mail / As required
Insurance Companies	Insurance companies play a crucial role in ensuring the financial security of our company by providing risk assessments and risk transfer services. In the face of unpredictable risks, their support and expertise help us mitigate potential losses and maintain the stability of our operations.	• Solar panel quality and structural safety • Service reliability and resilience • Greenhouse gas (GHS) management	Communication channel: 1. email: kay.lu@formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Insurance Requirements / Quarterly and as required
Suppliers	The company maintains long-term healthy interaction with its suppliers, and our products and services rely on the stable supply of raw materials and components by many suppliers; in addition, we use the company's influence in the industry to work with suppliers to avoid pollution of the environment and violations of labor rights.	• Solar panel quality and structural safety • Greenhouse gas (GHS) management	Communication channel: 1. email: info@formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Project meetings / As required 2. Telephone, E-mail / As required
Nonprofits	Nonprofit organizations play a crucial role in representing the public interest, overseeing our social responsibility and environmental impact, and promoting our sustainable development goals. Through their valuable contributions, they enhance our interaction and trust with society, facilitating a deeper connection with the community and fostering a positive impact on the environment and society at large.	• Waste management • Greenhouse gas (GHG) management	Communication channel: 1. email: FS-PR@Formosasolar.com.tw 2. Phone: 02-7729-6700 Ways and frequencies of communication: 1. Project meetings / As required 2. Telephone, E-mail / As required

4.3 Identification of material topics

Step 1. Understanding critical issues and setting context

Refer to the Sustainability Industry Guidelines and review the organisation's operational activities, business relationships and stakeholder identification processes to understand the organisation's overall status and related impacts

Step 2. Identify actual and potential impacts

Sustainability-related concerns were selected from 14 issues based on the organization's overall profile and relevant impact information, as well as stakeholders' concerns

Step 3. Assess the severity of the impact

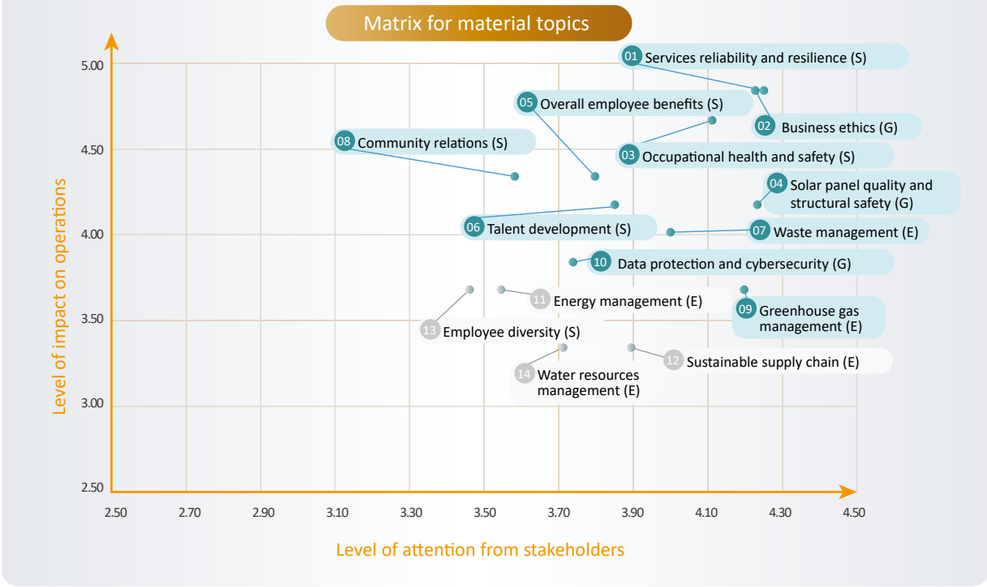
Significant analysis of “Stakeholder Impact” and “Economic, Environmental and Social Impact” scores obtained through internal and external stakeholder survey

Step 4. Prioritize reporting with the most significant impact

Sort identified concerns by its impact and select 10 key material isuues based on sustainability-related industry guidelines and custom topics

The Formosa Solar ESG Committee identified and selected an exhaustive list of sustainable issues, which were assessed through online questionnaires by internal and external stakeholders. A total of 48 valid responses were collected, representing 15 employees, 6 customers, 5 shareholders, 4 banks, 3 insurance companies, 5 suppliers, and 4 non-profit organizations. The stakeholders' feedback on the selected sustainability issues was scored.

Additionally, 6 management team members of the company filled in scores on the impact of each sustainability issue on the company. The scores were compiled to create a material topics matrix.



After thorough discussion and evaluation by the ESG committee, 10 material topics were prioritized for disclosure in the current year. These topics encompass environmental, social, economic, and governance dimensions:

ESG dimensions	Material topics (Positive/Negative)
Environmental	Greenhouse gas management (positive), Waste management (negative), Biodiversity and land use (negative)
Social	Occupational health and safety (positive), Talent development and overall employee benefits (positive), Community relations (positive), Service reliability and resilience(positive)
Governance and Economic	Business ethics (positive), Data protection and cybersecurity (positive), Solar panel quality and structural safety (positive)

This report will elaborate on the management policies and related disclosure items for these material topics. Additionally, the sustainability report will strive to maintain a balanced presentation of information and supplement the disclosure of the company's commitment to public welfare initiatives. This comprehensive approach reflects our dedication to transparency, accountability, and sustainable practices throughout our operations.

Identify material topics and boundaries

Dimensions	Material topics	Importance to Formosa Solar	Internal boundary	External boundary						Correspondence to GRI guidelines
			Company	Shareholders	Supplier	Customers	Insurance Company	Banks	Nonprofits	
Environmental	Greenhouse gas (GHG) management	The company is firmly committed to a continuous increase in renewable energy generation, actively contributing to Taiwan's transition to sustainable energy sources. Concurrently, we are dedicated to reducing our own carbon emissions, playing our part in mitigating global climate change and preserving the environment. Our efforts align with our vision for a cleaner and greener future, fostering a positive impact on both society and the planet.	●	●	○	☆		○		305 Emissions
Environmental	Waste management	During its operational processes, Formosa Solar is committed to contributing positively to the environment. We uphold stringent waste management practices to ensure that all waste is handled in accordance with legal and compliant disposal processes. This approach reflects our dedication to environmental responsibility and sustainability, minimizing our ecological footprint and safeguarding the well-being of the planet.	●	●	○	☆			○	306 Waste
Environmental	Biodiversity and land use	The company's steadfast commitment to environmental sustainability allows us to minimize our impact on the ecological environment. By adhering to responsible policies and practices, we strike a balance between profitability and environmental preservation. Through these efforts, we are proud to deliver steady and long-term returns to all stakeholders, ensuring a sustainable future for our business and the communities we serve.	●		○				☆	304 Biodiversity
Social	Occupational health and safety	Occupational health and safety are crucial for our human resources and operating costs. At Formosa Solar, we prioritize health and safety, providing our employees with a secure and healthy working environment.	●	●		○	●			403 Occupational Health and Safety
Social	Service reliability and resilience	Reliability and flexibility of services are vital factors in consistently delivering high-quality maintenance services. By ensuring the efficiency of power generation on our project sites, we build trust among stakeholders, leading to increased market share and maintaining a competitive edge in a challenging business landscape. Our commitment to providing stable power generation and responsive services enhances our reputation, fostering continued success in the renewable energy market.	●	●	●	●	●	○		Customized material topics from Formosa Solar
Social	Community relationships	Formosa Solar actively engages in the community, preserves the local environment, and supports the local population, fostering social progress and positive corporate influence.	●						●	413 Local Communities
Social	Talent development and overall employee benefits	Formosa Solar's competitive talent development, compensation system, and employee benefits attract top talent, fostering employee loyalty and growth, creating a win-win situation.	●	●			○			401 Employment 404 Training and Education
Governance & Economic	Solar panel quality and structural safety	High-quality modules not only ensure a stable power supply with lower failure rates but also reduce operational costs and maintain a positive brand image for Formosa Solar.	●	●	●	☆	●	○		Customized material topics from Formosa Solar
Governance & Economic	Business ethics	Formosa Solar and its employees are bound by a code of conduct that emphasizes integrity and legality in all business engagements and work tasks. This commitment ensures the sustainable development of the company's various businesses.	●	●	●	☆		●		205 Anti-corruption
Governance & Economic	Data protection and cybersecurity	Formosa Solar actively ensures the confidentiality, integrity, and availability of information to maintain a secure operating environment for its daily operations.	●	●	●	☆				Customized material topics from Formosa Solar

NOTE: ● Direct impacts; ○ Contributing impacts; ☆ Commercial impacts

4.4 Sustainable development goals

Formosa Solar aligns its business strategy with the United Nations Sustainable Development Goals (SDGs) issued in 2015. It proposes 17 sustainable development goals and 169 sub-goals as guiding principles for member states and global enterprises to practice sustainable development by 2030.

By integrating these goals into our operations, we prioritize environmental protection, compliance with regulations, and enhanced employee treatment to retain top talent and foster an inclusive workplace. We strive to reduce greenhouse gas emissions and collaborate with suppliers/ contractors to improve environmental and workplace conditions. Looking ahead, Formosa Solar remains dedicated to contributing to the SDGs and fulfilling our corporate social responsibilities,

SDGs	Itemized targets	Formosa Solar Response
	5.1 End all forms of gender discrimination. 5.4 Recognize and value unpaid care and domestic work through the provision of public services, infrastructure, and social protection policies.	• Gender is not used as a factor in the appointment and promotion of employees. • Provide both men and women the right to apply for parental leave.
	7.1 By 2030, ensure universal access to affordable, reliable and clean energy services.	• We continue to expand our operation, enabling more clean energy to be added to the grid.
	8.5 By 2030, achieve full and productive employment for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	• Adjust employees' salaries based on the company's, fostering stronger cohesiveness among colleagues and reinforcing their commitment to the company. • Uphold strict respect for labour rights, strictly prohibiting child labour and any form of discrimination in the workplace. • For maternity employees, we ensure appropriate job adjustments in accordance with the law, reducing workloads to provide substantial protection. We implement occupational health and safety management, prioritizing employees' safety in the workplace.
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities. 11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.	• Chiayi Salt Land Project is a transformation of an abandoned salt field into a unique solar photovoltaic project in South Taiwan. This initiative not only harnesses solar energy but also enhances the local economy by creating employment opportunities. It fosters positive connections among urban, suburban, and rural areas, contributing to sustainable regional development. • Pingtung Beishin photovoltaic sports park successfully repurposes cemetery land through the "one place, multi-use" concept. It combines the functionalities of a solar photovoltaic project and a community leisure area, integrating various sports facilities, fitness facilities, and parent-child communal spaces. This innovative approach creates a safe and inclusive public leisure space for the community, fostering a vibrant and sustainable neighborhood.
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	• Continue to increase the amount of renewable energy generation, help promote Taiwan's energy transition, and contribute to the mitigation of global climate change and environmental protection. • According to the carbon dioxide equivalent results of the company's greenhouse gas inventory, an energy-saving carbon reduction plan is expected to be formulated in the future, and at the same time, the awareness of energy conservation among colleagues is enhanced.
	15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species.	• Adopt environmentally friendly construction methods when building projects, aiming to minimize the impact on the environment. • In ecologically sensitive areas, we conduct ecological assessment and implement monitoring plans to ensure our business activities have minimal impact on local biodiversity.

4.5 ESG management strategy and goals

Material topics	Impact and significance to the company	Vision statement & commitment ambition level	Direction of implementation	Commitments and targets for 2023	Commitments and targets for 2025
Service reliability and flexibility	Reliability and flexibility of services are important issues for the company to continuously provide high-quality maintenance services to improve the efficiency of power generation on the project site and provide stable electricity from power generation to gain the trust of stakeholders, thereby increasing market share and maintaining a competitive advantage in a competitive environment.	The company is committed to providing high-quality on-site services to meet the changing needs of the market, and to improving the stability and efficiency of the solar site to establish a trust relationship with the owners, thereby enhancing the company's competitiveness.	1. Increase owner satisfaction. 2. Increase performance ratio of power generation rate.	1-1. 100% response to the site issues. 1-2. The progress of the entry for on-site repair is in line with the schedule set in the contract. 2-1. Establish a real-time monitoring system and Enhancing data integrity and continuity. 2-2. For ordinary emergencies, require engineering personnel to be on site on the same day.	1-1. Establish a complete and full case history through the PMS system. 1-2. Real-time notification of on-site personnel by analyzing the model to produce a site performance report. 2-1. Substantial increase after deduction of module declines from power generation rate.
Solar panel quality and structural safety	The better quality of the module can not only drop the failure rate to provide stable service of power supplying, but also reduce the cost of operation and create positive brand image for the company.	The company is committed to using international/ national certified modules to ensure the safety and stability of products and provide quality power supply services.	1. Ensure the quality of solar panel module to reduce failure rate.	1-1. Continuously learning the relevant knowledge of module technology, and new technologies or detection methods may be directly applied on the site. 1-2. Installers are continually required to install modules in accordance with the installation manual.	1-1. Continue to pay attention to the policies and directions of global and national governments for the development of the solar energy industry. 1-2. Maintain good relations with high-quality module suppliers and construction manufacturers.
Greenhouse gas management	We are committed to generate more clean renewable energy to enable the society and other companies to decarbonise and help Taiwan's transition to net-zero. In order to demonstrate Formosa's own commitment in decarbonisation, we will also set up relevant energy management policies and measures to reduce our carbon emission for mitigating global climate change and protecting the environment.	Aware of the impact of greenhouse gases on the environment and climate, we are committed to increasing generation of renewable energy and reducing our own emissions of greenhouse gas, while promoting the use of low-carbon clean energy and encouraging colleagues to participate in emission reduction actions.	1. Increase generation of renewable energy. 2. Develop emission reduction plans.	1-1. Expected increase of 49,839 MWh in generation of RE compared to 2022, and total would be 283,828 MWh in 2023. 1-2. Compared to 2022, carbon reduction will increase 25,400 tons, and total would be 144,500 tons in 2023. 2-1. The company's gasoline-using business vehicle assets continue to be replaced with hybrid gasoline and electricity business vehicles, estimated to reduce 8.7 tons carbon emissions. 2-2. Procure first-class or optimized energy-efficient appliances to reduce carbon emissions.	1-1. Keep increasing generation of renewable energy. 2-1. The company's gasoline-using business vehicle assets continue to be replaced with HEV business vehicles (Maintain a 30% ratio). 2-2. Taipei office adopts 100% renewable energy, it is expected to reduce about 76 tons carbon emissions per year.
Data protection and cybersecurity	Actively ensure the confidentiality, integrity, and availability of information in order to provide a normal operating environment for the company's daily operations.	Ensure the collection, processing, transmission, storage, and circulation of information to minimize the risk of personal data leaking.	1. Develop security management system.	1-1. Complete setup and risk assessment for the information security management system. 1-2. Introduce endpoint detection and response (E DR) to detect and respond to suspicious activities in host- endpoint connections by 2023. 1-3. In 2023, the account two-factor verification setting is completed. 1-5. Conduct social engineering drills twice a year.	1-1. Complete update and setup of information security management system. 1-2. Implement ISO 27001 (Information Security Management System, ISMS).

Material topics	Impact and significance to the company	Vision statement & commitment ambition level	Direction of implementation	Commitments and targets for 2023	Commitments and targets for 2025
Occupational health and safety	Occupational safety and health affects the company's human resources and related operating costs. The company has good safety and health management, so that employees have a safe and healthy working environment.	1. Compliance with regulations and other relevant requirements. 2. Provide a safe and healthy work environment, prevent disease and reduce the risk to personnel while performing their work in the workplace. 3. Continuous communicate with employees and outsourcers, and make commitment to policies for safety and health and their implementation.	1. Enforce determination of legal requirements and other requirements according to hazard assessment. 2. Zero work safety accidents. 3. Strengthen employee's and EPC's awareness.	1-1. Enforce determination of legal requirements according to hazard assessment at least once every quarter. 2-1. TRIR (Employee / EPC) 0 / 0.06、LTIR (Employee / EPC) 0 / 0.06 、fatality rate 0 (targets of TRIR and LTIR are based on the average of similar industry announced by the OSHA). 3-1. At least 2 Near Miss events to be reported per month per department. 3-2. Consultative meeting to be held with EPCs at least every quarter.	1-1. No non-conformity in legal requirements and other requirements. 2-1. TRIR (Employee / EPC) 0 / 0.03、LTIR (Employee / EPC) 0 / 0.03 、fatality rate 0 (targets of TRIR and LTIR are based on the average of similar industry announced by the OSHA). 2-2. ISO 45001 Certified. 3-1. Every EPC should raise at least one improvement for each project.
Talent development and overall employee benefits	Providing a competitive talent development, compensation system and perfect employee benefits can attract excellent talents; at the same time, improve the centripetal force of employees to the company, and grow with the company to create a win-win situation.	"People" is the most important asset of the company, how to let every employee work with peace of mind and willing to give full play, is the goal of the eternal endeavor.	1. Build up education and training system for talent development. 2. Enhance internal communication and encourage feedback for continuous improvements. 3. Establish Performance-linked rewarding mechanism.	1-1. Planning and execution of talent echelons and maps for learning and development. 1-2. Conduct workshop for leadership development and team building (twice a year). 2-1. Build up internal communication channels to ensure that the KPIs for employees are consistent with company's targets. 3-1. Establish competitive pay and benefits. 3-2. Develop long-term incentive program.	1-1. Establish a culture for sustainable development and become a training base for green energy talents. 2-1. Establish trackable mechanism of employee engagement and company reliability. 3-1. Become the industry's leading indicator of pay and benefits.
Waste management	Adhering to governmental regulations, specifically the Regulations for the Management of Setting up Renewable Energy Power Generation Equipment, we diligently oversee waste management to mitigate any adverse effects on the environment. This commitment not only upholds our corporate reputation but also bolsters our overall sustainability.	The company is committed to the practice of sustainable development. We are committed to the proper management of waste, reduce the impact on the environment, and is committed to promoting green production and operation.	1. Ensure that our industrial waste management policy meets the requirements of relevant laws and regulations, all the solar panels will be recycled by qualified modules recycling companies recognized by the Environmental Protection Agency, and execute recycling procedure as below: (1) remove PVDF plastic, EVA adhesive, the aluminum frame and junction box of the solar panel. (2) separate valuable substances with minimal environmental impact, such as glass panels, solar cells, copper ribbon, silicon...and so on. (3) sell valuable substances to metal industry and plastic companies for recycling.	1-1. Ensure that the company's performance in industrial waste management meets the requirements of relevant laws and regulations.	1-1. Continuously optimize industrial waste disposal management based on government policy and technological advancement.

Material topics	Impact and significance to the company	Vision statement & commitment ambition level	Direction of implementation	Commitments and targets for 2023	Commitments and targets for 2025
Biodiversity and land use	With the commitment and responsibility to environmental sustainability and through the implementation of appropriate ESG strategies, the company is able to reduce its damage to the ecological environment while delivering robust long-term returns to all stakeholders.	Reduce the impact on the environment with environmentally friendly work methods; implement operations that promote environmental protection and sustainable development, and improve social awareness of the environment.	1. Regularly biodiversity monitoring programs implemented for specific sites.	1-1. Biodiversity monitoring programs are regularly implemented for specific sites, and biannual surveys are issued to ensure that the impact of business activities on local biodiversity is minimized.	1-1. Establish pre-development ecological monitoring mechanisms to ensure that business activities have minimal impacts on local biodiversity. 1-2. Take steps to protect for business development practices and restore damaged ecosystems after decommissioning of equipment. 1-3. For specific sites, continue to conduct ecological surveys and publish reports to ensure the balance and development of local ecosystems.
Business ethics	The company and all employees should act with integrity and legality as a code of conduct when engaging in business behavior or performing work tasks to enable the sustainable development of the company's various businesses.	1. Develop a supplier code of conduct to ensure that the supplier's business ethics standards are consistent with those of the Company 2. Develop anti-corruption and anti-bribery policies to ensure employees conduct their business with integrity and legality.	1. Conduct annual education training courses. 2. Develop supply chain code of conduct based on International Labour Organization.	1-1. There is no violation of any integrity and probity. 2-1. Complete the signing of the supplier code of conduct by major suppliers.	1-1. Continuous and irregular updates of internal and external policies on integrity and probity. 2-1. Set up supplier screening and elimination mechanisms to ensure the quality of business ethics for cooperating suppliers.
Community relations	For the company, being actively involved in the community, preserving the local environment, and supporting the local population helps to promote social progress.	Establish a good image of corporate citizenship, support the development and prosperity of the local community, and actively participate in local community affairs to ensure harmonious and stable relations between the company and the local community.	1. Establish a long-term plan of public welfare to build and maintain local relations.	1-1. Develop a carbon reduction program with nonprofit organization in local community to ensure good interaction and communication between the company and the local community. 1-2. Organize energy education activities to encourage young students from all regions to participate in promoting awareness of environmental sustainability. 1-3. Leverage corporate resources to continue donating to communities or nonprofits.	1-1. Establish a continuous mechanism for promotion of public welfare to ensure long-term cooperation and joint development between the company and the local community. 1-2. Continue to promote energy education and support environmental sustainability. 1-3. Increase social investment in local communities to support their development in infrastructure, education, health care, and environmental protection.

5

Being a reliable partner

5.1 Clean energy provider

The increasing impact of global climate change has become a pressing environmental concern worldwide. Mitigating the effects of climate change, especially reducing greenhouse gas emissions, is a crucial goal for all nations. Formosa Solar is dedicated to contributing to this cause by continuously increasing renewable energy generation and supporting Taiwan's energy transition.

As part of the effort to promote a cleaner and more sustainable energy future, Formosa Solar actively assists the government in achieving its target of 20GW in solar photovoltaic installations by 2025. We are committed to developing and constructing various solar photovoltaic projects, including rooftop and ground-based installations. To date, we have connected approximately 188MW to the grid. When considering the average household electricity consumption in Taiwan in 2022, our solar installations can provide electricity to approximately 61,000 households each year.

Key results:

Year	Cumulative number of power plants (units)	Cumulative total power plant capacity (MWp)	Cumulative annual power generation (million kWh)	Cumulative carbon reduction (tons)
2020	424	139.70	205.65	103,236
2021	442	185.00	385.78	196,362
2022	447	188.36	637.40	315,513

5.2 Service reliability and resilience

Ensuring service reliability and resilience is a crucial priority for Formosa Solar as it strives to be a reliable and leading partner in Taiwan's energy transition. To achieve this, the company has undertaken several strategic initiatives.

Firstly, Formosa Solar has transitioned from outsourced maintenance to self-managed maintenance for its power plants since 2022. This approach allows for more detailed, flexible, and real-time monitoring of maintenance activities. Significant investments have been made in developing an in-house management information system and enhancing testing equipment. An internal professional team, proficient in data analysis, customer management, and case handling, has been established to ensure the effectiveness of maintenance operations.

Moreover, Formosa Solar is working towards ISO 9001 quality system management compliance, which includes implementing systematic workflows and efficient document management practices by 2023. Regular inspections and maintenance are carried out to minimize the risk of downtime and ensure the stability of solar photovoltaic plants. The company also employs advanced technology and testing equipment for accurate and swift system maintenance.

A professional monitoring system is utilized to collect power generation data, enabling the team to analyze operational performance through scientific modeling. This data-driven approach enhances maintenance operations, reduces downtime, and optimizes power generation efficiency, ultimately providing customers with the highest quality and most stable service possible.

(1) Daily management and maintenance

The maintenance technicians at Formosa Solar play a crucial role in ensuring the smooth and safe operation of the power generation system. Their responsibilities include:

1. Conducting daily inspections to check the normal operation of equipment and assess the need for replenishing or replacing consumables.
2. Carrying out regular inspections based on an annual plan, including monthly, quarterly, and high-stress annual inspections.
3. Implementing scheduled cleaning, both regular and temporary, to ensure optimal power generation performance. For projects located in ecological conservation areas, cleaning is done with clean water only, without the use of cleaning agents or chemical detergents, to minimize the impact on the environment.
4. Monitoring the power generation status of project sites in real-time through the monitoring system. If any abnormalities are detected, technicians are dispatched to the site within 24 hours to handle the situation and report it accordingly.
5. Conducting monthly maintenance management meetings to evaluate the efficiency of power generation for the case and nearby cases, and proposing performance improvement plans based on identified vulnerabilities.

The daily maintenance and operation schedule and items are carried out in accordance with the maintenance and management guidelines for solar equipment (as shown in the following table):

Regular maintenance, inspection, management guidelines		
Device Name	**Guidelines for work**	**Instructions**
1. Direct AC converter	1. Confirmation of normal operation and startup instructions. 2. Inlet and outlet filter cleaning and maintenance of cooling fan function. 3. Inspection of appearance of AC secondary side distribution board.	Once quarterly
2. High- and low-pressure equipment	1. Check on loosening of switch contacts. 2. Circuit breaker, switch function check. 3. Inspection of transformer appearance. 4. Inspection of each switch box surface indicator lamp. 5. Inspection of switch functions.	Once quarterly (Infrared thermal imaging, high-pressure device inspection, once per year)
3. Solar photovoltaic modules	1. Inspection on fragmentation for module integrity. 2. Template cleanliness check. 3. Firmness check. 4. Line appearance inspection.	Once quarterly
4. DC junction box (or DC Distribution Box)	1. Check the surface of the outer box for corrosion and rusting. 2. Check whether the wiring is damage and the terminal is loose. 3. Check whether the grounding wire is damage and the terminal is loose. 4. Check on loosening of switch contacts. 5. Appearance inspection for fuse and surge absorber.	Once quarterly
5. Brackets and grooves	1. Firmness check. 2. Check whether the fixing screw is loose. 3. Whether there is no corrosion rust.	Once quarterly
6. Surveillance System	1. Check the surface of the outer box for corrosion and rust. 2. Check the wiring is not damaged, and the connection terminal is loose.	Once quarterly
7. Other matters	1. General equipment failure overhaul. 2. Inspection for roof leakage and corrosion. 3. Emergency handling and reporting.	

▲Photo: Dust monitoring system to assist in optimizing module cleaning frequency

▲ Photo: Monitoring of the operation status of solar photovoltaic modules

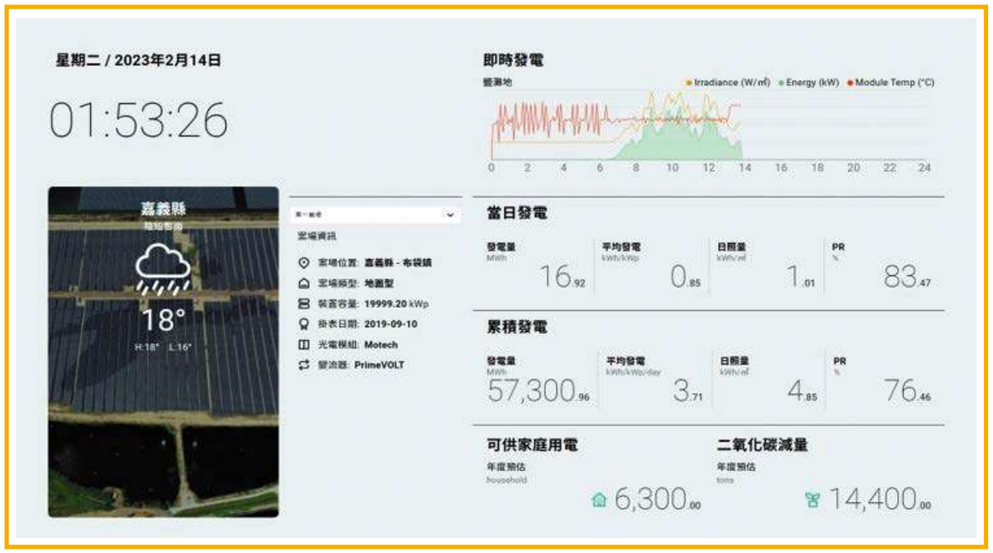
▲ Photo: Using of drone for module cleaning process for difficult to access sites

(2) Establishment of remote monitoring and dispatch system

Formosa Solar uses an industrial computer as a transfer host for its power stations, enabling the uploading of equipment status to a cloud platform. This feature empowers users to monitor and track the power generation status of relevant equipment at any time. Abnormal power generation equipment is automatically detected by the system or through personnel inspections, triggering immediate work dispatch through the system.

The maintenance team promptly responds to dispatched work, confirming and inspecting the site, and synchronously uploading the inspection results to the system after completing maintenance. Weekly review meetings are held by the maintenance team to discuss progress and status, ensuring coordinated use of maintenance resources and efficient work assignments.

On a monthly basis, the power generation status, efficiency, and vulnerabilities of each project site are thoroughly reviewed. Based on the review outcomes, relevant inspection, repair, or improvement plans are executed to continuously enhance the performance and reliability of the solar photovoltaic plants.



▲ Photo: Performance mangement system

Management indicators of Formosa Solar's field operations:

Statistics/Year	2020 年	2021 年	2022 年
Response rate for issues on the project site	--	--	95.4%
System availability rate	98.9%	99.1%	98.6%

NOTE: The data on response rate for the project-site issues has been calculated since 2022.

5.3 Solar panel quality and structural safety

Formosa Solar places great importance on module quality to ensure a stable and accident-free power supply, leading to reduced operating costs and maintaining a reputation for excellence in quality. To ensure the highest standards of module quality and safety, the company assigns experienced engineers to oversee the installation process. These engineers conduct regular and irregular inspections during module installation, enhancing the accuracy and yield of module construction, thus guaranteeing top-notch quality.

The requirements of Formosa Solar for module suppliers and construction vendors:

1. Module suppliers must meet national and international standards such as "PV TAIWAN Plus Technical Specification" and IEC standards (IEC 61215 and IEC 61730) to ensure module safety and reliability. Strict production process controls and material quality standards are enforced to maintain high module quality.
2. Selection of experienced and reputable module installation companies based on past project cases, industry evaluations, and customer satisfaction indicators to ensure the quality of construction.
3. Adherence to estimated project duration and budget requirements to ensure timely completion and cost-effectiveness.
4. Ensuring complete service and support options for after-sales, maintenance, and long-term stable operation of the solar systems.

Statistics/Year	2020	2021	2022
Yield rate of construction of the module at the project site	Uncounted data for the year		99.96%

5.4 Data protection and cybersecurity

Formosa Solar has implemented a comprehensive security management approach to protect its information systems and data. This includes rules for account creation and authorization, as well as regular discussions and adjustments to internal information system management measures. Colleagues are educated and trained on basic security protection and awareness, and regular information security reports are submitted to the management team and board of directors.

Data preservation is prioritized through daily backups using *NAS and *DMS, with intrusion detection and standby recovery measures to prevent security hazards. There were no major security incidents in 2022.

In 2023, Formosa Solar continues to update its information security management system and hardware, conduct security drills, education, and training, and implement two-factor authentication and professional security consulting to proactively watch for unknown risks.

	2020	2021	2022
Security breach	0 items	0 items	0 items
Number of successful cyber intrusions	0 times	0 times	0 times

NOTE:

- *NAS (Network Attached Storage): Networked storage servers allow employees to access files over the network.
- *DMS (Document Management System): A system digitalizes the document lifecycle from creation to archiving, providing employees with easier and safer way to share, manage, modify, and find documentation.
- *Two-Factor Authentication: A combination of two different identity verification methods that allow users to prove their identity to service providers.

6

Proponent of a better environment

6.1 Management of energy resources

6.2 Waste management

6.3 Biodiversity and land use

Formosa Solar's commitment to environmental protection is demonstrated through the formulation of an environmental protection policy. This policy emphasizes the importance of environmental sustainability and encourages collaboration among employees, developers, suppliers, and collaborators to put environmental protection into practice.

As a renewable energy industry operator, Formosa Solar takes its responsibility to protect the environment seriously. The company aims to reduce its environmental impact by expanding the development of clean energy, improving energy efficiency, and promoting the use of renewable energy to replace traditional power sources.

Furthermore, Formosa Solar is dedicated to complying with relevant laws and regulations on safety, environment, health, social responsibility, and labor, both in Taiwan and abroad. This includes adhering to international standards such as:

- The Equator Principle
- International Finance Corporation (IFC) Performance Standards (PSs), 2012
- World Bank Group's Environmental, Health, and Safety (EHS) Guidelines: General EHS Guidelines (2007)
- World Bank Group's EHS Guidelines: Sector-specific EHS Guidelines for Transmission and Distribution (2007)

Our Policies

Promotion of clean energy

Assist in Taiwan's energy transition and promoting environmental sustainability with core industries

Compliance with laws and regulations

Commitment to operate with Taiwan's relevant laws and regulations on safety, environment, health, society, and labor rights

Promotion of energy conservation and carbon reduction

Strengthen the reuse of resources, implement effective energy conservation, and carbon reduction, and reduce unnecessary waste

Implementation of the friendly construction method

Require contractors to employ environment-friendly construction method to reduce environmental pollution

Implementation of green procurement

Purchase equipment that meets environmental requirements to avoid becoming an accomplice in harming the environment

Creating awareness among all personnel

Strengthen employee training to increase employee awareness and commitment to environmental protection

Participation in environmental activities

Participate in environmental activities to promote environmental sustainability

Collaborative influence

Work with stakeholders to reduce factors of damage to the environment

6.1 Management of energy resources

Formosa Solar is committed to strengthening its energy management and environmental sustainability efforts. In 2021, the company introduced the GHG Protocol to monitor and track its greenhouse gas emissions. Building on this foundation, in 2022, Formosa Solar took an additional step by obtaining the ISAE 3410 assurance letter issued by an accounting firm. This assurance letter validates the accuracy and credibility of the company's energy and carbon reduction actions.

With a focus on major sources of emissions, Formosa Solar has formulated energy-saving and carbon reduction actions to improve energy efficiency and reduce its carbon footprint. The company is proactive in investing in measures aimed at carbon reduction to actively contribute to environmental sustainability.

Energy Resource Statistics:

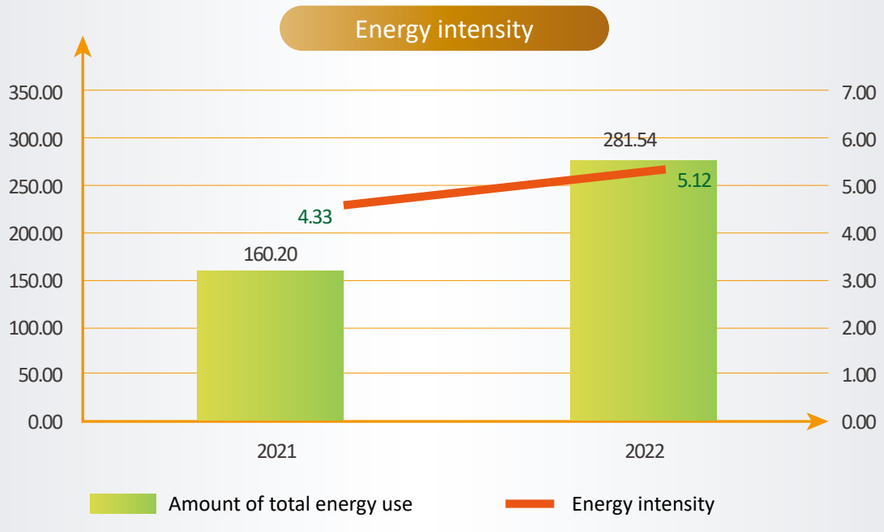
Fiscal year	Electricity (GJ)	Gasoline (GJ)	Total
2021	160.20	0	160.20
2022	231.59	51.58	281.54

- **Note1:** Referring to the Greenhouse Gas Emission Coefficient Management Table 6.0.4 version, the calorific value of gasoline is 7800 kcal per liter, 1 kcal = 4.187 kJ, 1 GJ = 1*109J.
- **Note2:** Referring to the Energy Bureau, the energy consumption for electricity is 860 kcal per kilowatt-hour (kWh) , 1 kcal = 4.187 kJ, 1 GJ = 1*109J.

Formosa Solar acknowledges the increase in electricity usage due to business expansion. The company plans to implement energy conservation measures to offset the impact and promote sustainable energy usage. Additionally, it will start recording fuel usage data for business vehicles to better assess and manage gasoline energy use in the future. Furthermore, the products or services provided by Formosa Solar do not have energy consumption, and therefore, the relevant data reporting under GRI 302-5 does not apply.

To implement energy conservation and carbon reduction, Formosa Solar has formulated relevant measures for energy conservation:

Business equipment	● Increasing the proportion of hybrid gasoline-electric vehicles to 30% by 2023.
Lighting equipment	● Full adoption of LED energy-saving lamps in the office. ● Maximizing natural light usage and encouraging colleagues to turn off lights when not needed. ● Adaptive lighting control based on actual usage in different office sections.
Air conditioning	● Setting indoor temperature reasonably to support energy-saving campaigns. ● Smart control of air conditioning in different office sections based on usage.
Living environmentally friendly	● Encouraging the use of eco-friendly tableware. ● Implementing garbage sorting and resource recycling for reuse.



NOTE Calculation of energy intensity = Amount of total energy use / Number of employees

6.1.1 Greenhouse gas management

The global impact of greenhouse gases on extreme climate events is a critical environmental concern that requires collective action. While Formosa Solar may not be a major energy user, the company recognizes its responsibility as a member of the global community to contribute to reducing greenhouse gas emissions.

In line with this commitment, Formosa Solar has taken proactive steps by partnering with Ernst & Young(EY) to conduct greenhouse gas inventory checks since 2021, adhering to the GHG (Greenhouse Gas) Protocol. These inventory checks have been performed for scopes 1 and 2 emissions consistently over two years. In 2022, the company obtained an ISAE 3410 independent verification report from KPMG, reinforcing its dedication to transparency and accountability in addressing its carbon footprint.

Through these inventory checks and external verification, Formosa Solar aims to gain insights into the current trends of greenhouse gas emissions resulting from its energy consumption. This information serves as a crucial reference for the company's ongoing efforts in energy conservation and carbon reduction, helping it develop effective strategies for a sustainable future.

Looking ahead, Formosa Solar is committed to expanding the scope of its greenhouse gas inventory implementation. By including scope 3 emissions in its assessments by 2024, the company seeks to gain a comprehensive understanding of all carbon emissions associated with its operations. Embracing a holistic approach to environmental stewardship, Formosa Solar aspires to be a catalyst for positive change in the renewable energy sector, fostering a greener and more resilient planet for generations to come. Additionally, there were no ozone-depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other significant gas emissions during the operations.

Direct greenhouse gas emissions (Scope 1)

Sources of emissions owned or controlled by the Company, mainly direct sources for gasoline consumption.

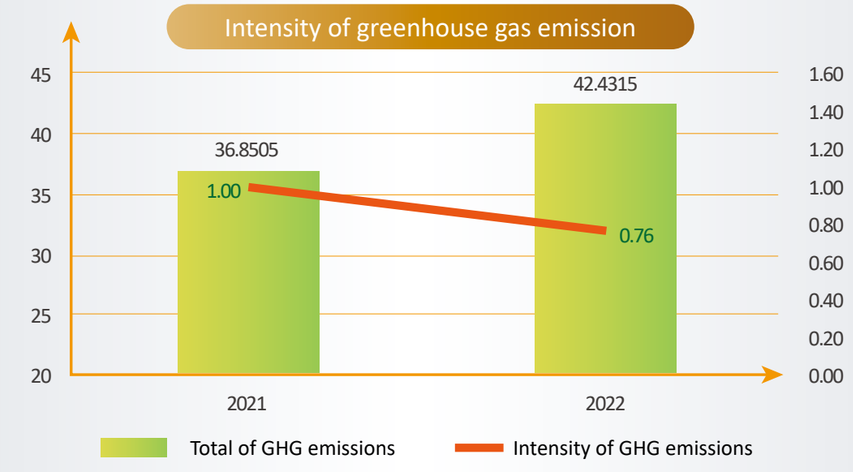
Energy indirect (Scope 2)

The Company's indirect emissions are mainly indirect greenhouse gas emissions generated by purchased electricity, and the scope of inventory check is office electricity.

Formosa Solar 2021-2022 greenhouse gas emissions statistics table:

Type of emission source		Scope 1	Scope 2
		Direct emissions	Energy indirect
2021	Emission equivalent (tonnes CO2e /year)	14.2000	22.6505
	Percentage of gas (%)	38.53%	61.47%
2022	Emission equivalent (tonnes CO2e /year)	9.6865	32.7445
	Percentage of gas (%)	22.83%	77.17%

Note: The emission factors used in the calculations are sourced from Emission Coefficient Management Table 6.0.4 version and the Global Warming Potential (GWP) AR6:2021.



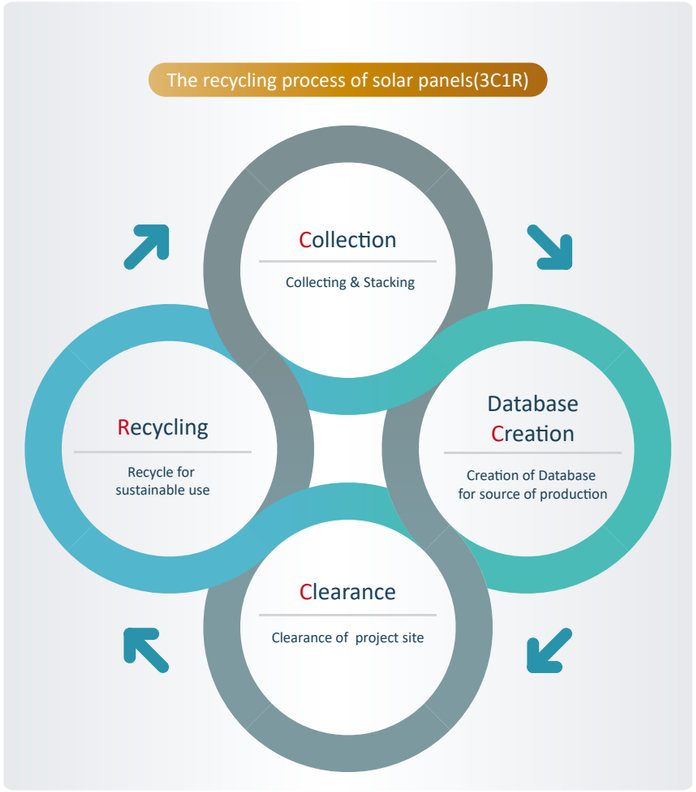
NOTE Intensity of GHG emissions = Total GHG emissions / Number of employees

6.2 Waste management

As the operating manager of solar power plants in Taiwan, waste generated in the process mainly comprises domestic waste from employees and waste from decommissioned solar photovoltaic panels, which are inherent to the solar business. The primary components of conventional silicon crystal solar panels include glass (74.2%), aluminum frames (10.3%), batteries (4%), along with materials like ethylene vinyl acetate (EVA), backplanes, and junction boxes. The encapsulated design of solar cells prevents the leakage of liquids or pollutants, classifying discarded panels as general business waste under Taiwan's waste management regulations. Formosa Solar did not meet the minimum quantity standards for the clearance and removal of waste solar panels generated at various project sites in 2022, and thus, there's no clearance operations or data were conducted. The accumulation will continue to be disclosed in the next year's report.

To ensure proper disposal and prevent improper handling of decommissioned solar panels, each panel is assigned a unique module serial number during production. When setting up a photovoltaic project site, the registration of each panel's serial number is mandatory. Should replacement be needed, Formosa Solar registers module serial numbers, types, and quantities with the Environmental Protection Administration's Waste Solar Photovoltaic Panels Recycling, Cleaning, and Disposal Information System (PVIS). This information is then handed over to authorized disposal agencies for proper management.

Formosa Solar adopts a systematic approach to recycling and removing waste solar panels, employing the 3C1R process: Collection from disassembly and stacking, Database Creation on source of production, Clearance of project site, and Recycling for sustainable use. Following safety regulations, the panels are safely disassembled, stored in designated zones, and properly covered. By registering the panels online, the company ensures the traceability and accountability of the waste. When removal is required, authorized disposal operators transport the panels to three certified "agencies for waste removal and disposal" in Taiwan, where they undergo recycling processes.



◀▲ **Photo: Storage area in Chiayi salt land project site for damaged solar panels**

6.3 Biodiversity and land use

For the construction of solar photovoltaic power plants. Our aim is to ultimately achieve multiple land uses, where every unit of green electricity generated contributes to environmental co-existence and co-prosperity between land and solar photovoltaic power plants friendliness.

The Chiayi Salt Land Power Plant is a signature project for Formosa Solar, encompassing a vast land area of approximately 226,766 square meters. Within this area, the actual solar photovoltaic system occupies about 109,915 square meters, with around 30% thoughtfully set aside as an ecological reserve, fostering a habitat for birds and other aquatic life forms.

The historical origin of this project site traces back to an abandoned salt field. Thanks to the ebb and flow of tides, this area has evolved into a thriving wetland environment, characterized by a diverse range of water depths that accommodates various bird species. Of particular significance, the site has become a favored winter sanctuary for the endangered black-faced spoonbill. Fostering rich ecological resources, it has become a crucial habitat for these birds during the colder months.

Embracing the coexistence of the green energy industry and sustainable ecology, Formosa Solar has woven the principles of economic, environmental, and ecological co-prosperity into the fabric of its development strategies. This ethos is reflected in the active implementation of ecological monitoring and restoration efforts. Since the company secured the tender for the Chiayi Salt Land Project in 2017 and subsequently initiated trial operations in 2019, we have steadfastly adhered to a comprehensive long-term ecological survey and monitoring plan spanning two decades.

While the establishment of solar photovoltaic plants inevitably intersects with ecological and community considerations, Formosa Solar is steadfast in its commitment to mitigating environmental disruption. In partnership with the Department of Life Sciences at Tunghai University, the company has embarked on a comprehensive and enduring ecological investigation. This endeavor encompasses the monitoring of both ecology and water quality, aiming to comprehend the potential positive impacts of the wetland's characteristics, while also addressing any possible detrimental effects from pollution.

The conscientious approach taken in every facet of this project, from initial assessment to construction methodology, ongoing maintenance, and beyond, speaks volumes. Throughout the development phase, meticulous efforts were undertaken to preserve the local landscape and topography, ensuring minimal disruption to the indigenous flora and fauna. Construction methodologies were devised with ecological preservation in mind, including the suspension of

▲ Chiayi Salt Land Project before construction

▶ Chiayi Salt Land Project after the construction. Solar panels are used to create a visual image of a black-faced spoonbill.

▲ Photo: Monitoring of the state of sediment

Note: Photo is from the final report on the progress for the ninth zone in 2021-22, P107

▲ Photo: Reserved areas within the project site, co-habiting with geese and ducks

Note: Photo is provided by photographer Lin Weiyan

▲ Photo: Reserved areas within the project site, co-habiting with black-faced spoonbill, geese and ducks

Note: Photo from 2021-2022 presentation of the Chiayi salt land project site by the team from Tunghai University, P4

construction activities during birds' breeding seasons. The harmonization of ecological well-being and green energy production was a paramount consideration. Notably, the construction team's considerations extended to the rescue and rehabilitation of an injured black-faced spoonbill discovered within the salt field during construction.

The Chiayi Salt Land Solar Photovoltaic Power Plant Project is a revitalization of abandoned salt fields, artfully fusing humanity, nature, land, migratory birds, and renewable energy technology. This synergy underscores the epitome of co-prosperity between the photovoltaic plant and the land it graces.

The Tunghai University team continue its diligent survey and ongoing monitoring, encompassing hydrology, water quality, aquatic life, benthic mollusks, avian species, and flora. Analysis of water quality from 2018 to 2022 using principal components demonstrates a steady and relatively favorable state over the years. The diverse array of aquatic life exhibits encouraging trends, with some areas showing an uptick in species post-construction. Bird populations have not only held steady but have augmented, recording 62,083 individuals spanning 92 species in 2022 alone. Interestingly, certain bird species have even found utility in the photovoltaic panels for perching and nesting. The plant ecosystem exhibits resilience, with minimal negative ecological impact attributed to the construction of solar photovoltaic facilities.

In terms of the plant ecosystem, comprehensive surveys are conducted biennially. The year 2021 marked a recording of 96 species belonging to 33 families and 87 genera. This diverse botanical landscape encompasses 1 endemic species, 59 native species, 24 naturalized species, and 12 cultivated species. The remarkable variety underscores the resilience and health of the habitat. Overall, under the active effort for maintenance of the original ecological environment, the project has not caused significant negative ecological impact.

However, a primary avian species under conservation focus at the project site is the black-faced spoonbill, a species categorized as endangered under the IUCN (International Union for Conservation of Nature) classification. The comprehensive investigation revealed that during the period from 2018 to 2022, the black-faced spoonbill predominantly inhabited and engaged in activities within the salt field area. Contrarily, the flood detention pond and the area designated for the project site do not align with its preferred habitat.

7

Happiest employee

Formosa Solar places significant emphasis on upholding the labor rights and well-being of its employees. The company endeavors to cultivate a workplace environment that is both joyful and secure, fostering equal opportunities for all staff members. Gender equality policies are actively implemented, fostering an atmosphere of mutual respect. We provide market-competitive salary levels, improves the cohesiveness of colleagues on the company, reduces the frequent turnover of personnel, and facilitate the sustainable progression of the company's operations. Through a comprehensive training and development training framework, the company conducts a mix of scheduled and ad hoc training courses, bolstering the professional competencies of employees and elevating workplace competitiveness.

The organization has established a transparent promotion pathway, instilling the potential for future career advancement among colleagues. An open dialogue is maintained with employees, encouraging them to voice their opinions freely during labor meetings and contribute to a collaborative environment. Formosa Solar consistently endeavors to attain consensus through constructive labor-management interactions. Furthermore, adherence to occupational health and safety regulations is steadfastly upheld, underpinning the company's dedication to promoting sound practices in health and safety management, thus effectively safeguarding the physical and psychological well-being of its workforce.

7.1 Employee profile

7.1.1 Human rights policy

Formosa Solar treats its employees equally and safeguards the basic human rights of employees and stakeholders through various affirmative measures. The Company recognizes and adheres to internationally recognized human rights standards such as the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and the International Labour Organization Declaration on Fundamental Principles and Rights at Work, and formulates its human rights policy in accordance with the guiding principles of the aforesaid norms.

The rights policy applies to all salaried colleagues of the Company, domestic and foreign subsidiaries and affiliated enterprises, including contractual personnel, interns, etc. The implementation policy is as follows:

I. Create a diverse, inclusive, and equal workplace
II. Provide a safe and healthy working environment
III. Respect for freedom of assembly and association of employees
IV. Assisting employees in maintaining their physical and mental well-being and achieving work-life balance.

7.1.2 Employee statistics

In recent years, Formosa Solar has witnessed robust growth in the green energy sector, propelling the expansion of its revenues. This surge in demand has also led to a notable increase in the need for skilled human resources. The company's competitive salary offerings have successfully drawn in exceptional talents, bolstering its workforce. Formosa Solar's dedication to the renewable energy field has prompted the employment of all staff under regular contracts, ensuring a stable and enduring work environment. This approach not only fosters employee dedication but also secures their economic well-being.

Furthermore, the company's gender balance has shown an upward trend, with a growing number of female employees resulting in a nearly equal male-to-female ratio. This balanced manpower structure signifies stability and minimizes the risk of personnel shortages.

Employee statistics

Statistics/Year		2020		2021		2022	
Total number of employees (Note 1)		28		37		56	
Employment contract (Note 2)		Not Fixed	Fixed	Not Fixed	Fixed	Not Fixed	Fixed
Gender	Male	13	0	20	0	27	0
	Female	15	0	17	0	29	0
Region	Taiwan	28	0	37	0	56	0
	Overseas	0	0	0	0	0	0
Type of employment (Note 3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Gender	Male	13	0	20	0	27	0
	Female	15	0	16	1	28	1
Region	Taiwan	28	0	36	1	55	1
	Overseas	0	0	0	0	0	0

- Note 1: The provided statistics are based on the data available as of the last day of each year.
- Note 2: The company's workforce is categorized into two main types of employment contracts – permanent employees (full-time) and fixed-term contract employees (including those employed for short-term, seasonal, and specific project periods). In cases of former employees taking maternity or childcare leave, the company arranges temporary replacements until the returning employees resume their duties.
- Note 3:The company classifies its labor force into two categories – full-time employees (those working weekly hours that meet or exceed statutory limits) and part-time employees (those working weekly hours below statutory limits). This includes personnel on partial work hours, such as working students and hourly-rated employees.

Formosa Solar's commitment to local talent is evident in its senior executive team, where over 80% of positions are occupied by individuals from the local community. This proactive engagement with local talent not only benefits the company but also fosters positive relations within the community, consequently enhancing the local economic landscape.

Statistics for non-employee workers

Statistics/Year		2020		2021		2022	
Total number of workers		0		2		3	
Type of contract		Dispatch	Other Types	Dispatch	Other Types	Dispatch	Other Types
Gender	Male	0	0	0	2	0	2
	Female	0	0	0	0	0	1
Region	Taiwan	0	0	0	2	0	3
	Overseas	0	0	0	0	0	0
Job Types		Technician/ Operator	Technician/ Operator	Technician/ Operator	Technician/ Operator	Technician/ Operator	Technician/ Operator
Gender	Male	0	0	0	2	0	2
	Female	0	0	0	0	0	1
Region	Taiwan	0	0	0	2	0	3
	Overseas	0	0	0	0	0	0

Note 1: The provided statistics are based on the data available as of the last day of each year.

New employee statistics

New Employee statistics / Year		2020		2021		2022	
		Totals	Proportion (Note 2)	Totals	Proportion (Note 2)	Totals	Proportion (Note 2)
Total number of employees in the current year (Note 1)		17	-	19	-	33	-
Age	Less than 30	0	-	3	15.79%	3	9.09%
	More than 30 and less than 50	10	58.82%	12	63.16%	27	81.82%
	50 +	7	41.18%	4	21.05%	3	9.09%
Gender	Male	11	64.71%	11	57.89%	15	45.45%
	Female	6	35.29%	8	42.11%	18	54.55%
Education	Laboratories	10	58.82%	10	52.63%	10	30.30%
	Colleges and Universities	5	29.41%	9	47.37%	21	63.64%
Others		2	11.76%	0	0%	2	6.06%

Statistics on departing employees

Statistics on departing employees / Year		2020		2021		2022	
		Totals	Proportion (Note 3)	Totals	Proportion (Note 3)	Totals	Proportion (Note 3)
Total number of employees in the current year (Note 1)		7	-	10	-	16	-
Age	Less than 30	0	-	1	10.00%	1	6.25%
	More than 30 and less than 50	3	42.86%	7	70.00%	11	68.75%
	50 +	4	57.14%	2	20.00%	4	25.00%
Gender	Male	6	85.71%	4	40.00%	8	50.00%
	Female	1	14.29%	6	60.00%	8	50.00%
Education	Laboratories	3	42.86%	4	40.00%	9	56.25%
	Colleges and Universities	4	57.14%	6	60.00%	6	37.50%
	Others	0	0%	0	-	1	6.25%

- **Note 1:** Total number of employees as of the end of the year (12/31).
- **Note 2:**Recruitment rate = (Total number of new employees in the specific category in the current year / Total number of employees in the specific category at the end of the year) * 100%, e.g. the female new employee rate = (Total number of female new employees in the current year / Total number of female employees at the end of the year) * 100%.
- **Note 3:**Separation rate = (Total number of employees leaving the specific category in the current year / Total number of employees in the specific category at the end of the year) * 100%, e.g. For employees under 30 years of age = (Total number of employees under 30 years of age in the current year / Total number of employees under 30 years of age at the end of the year) * 100%.

7.2 Talent development and retention

Effective human resources management is a cornerstone of Formosa Solar's sustainable operations. To attract top-tier talent, the company offers competitive compensation and benefits, recognizing and rewarding employees who demonstrate outstanding performance and contribute to long-term success. An ethos of equitable treatment prevails, characterized by transparent performance evaluation and incentive mechanisms, fostering healthy competition among colleagues. This culture fuels commitment to work, reinforces Formosa Solar's identity, and bolsters staff retention, bolstered by an engaging corporate culture.

Transparent promotion pathways ensure equitable advancement, with high performers ascending the ranks. This peer-driven learning culture facilitates continuous skills development, further nurturing a pool of exceptional talent. At the same time, the company schedules education and training, plans to arrange staff training, so that colleagues can continue to grow in their respective professional fields and realize self-worth.

Finally, Formosa Solar also has a variety of channels for communication and dialogue with colleagues, so that colleagues can reflect opinions in a timely manner, and the company also responds kindly. The labor and management maintain harmonious and trustful interaction.

▼ Photo: Company group photo

7.2.1 Remuneration and benefits

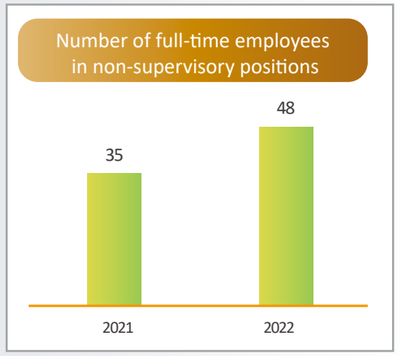
Formosa Solar meticulously establishes a remuneration structure that aligns with its commitment to fairness and performance-driven excellence. Employee compensation is intricately linked to the achievement of annual operational targets and the company's profitability. This proactive approach not only adheres to local laws and regulations but also ensures competitive remuneration that outpaces market norms. Reflecting performance in personal compensation is integral to the company's ethos, and regular performance and career development assessments underscore this dedication.

The assessment outcomes serve as crucial inputs for career progression and development considerations, providing a pathway for employees to evolve from technical experts to professionals or ascend into management roles. Formosa Solar values the principle that salary is determined by personal service years, academic qualifications, and professional prowess, eschewing differential treatment based on personal attributes. With seniority comes growing expertise, and the company shares its successes with employees, fostering loyalty and reinforcing a sense of belonging.

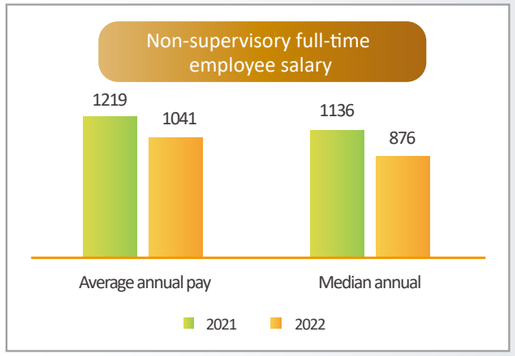
Formosa Solar actively embraces workplace diversity and equality, ensuring that gender disparities in both direct and indirect roles are addressed. Compared with the ratio of basic salary to overall salary, among the direct employees in Taiwan's operating bases, the basic salary of men and women is slightly equivalent, while the overall salary gap between men and women is narrowing year by year. As for indirect employees, the difference between men and women in basic salary and overall salary is due to the fact that men are more engaged in business development work and women are mainly engaged in administrative, transactional, and other positions, as well as seniority differences.

Formosa Solar is implementing the principles of workplace diversity and equality and will also work to improve the salary gap between the two sides. In addition, in terms of the salary of all personnel, the standard salary of the direct employees of Formosa Solar, regardless of gender, is higher than local minimum wage.

Furthermore, Formosa Solar is committed to elevating work efficiency and well-being among employees, offering a host of welfare initiatives and fostering a positive work environment. Through sporadically organized welfare activities, the company reduces work-related stress and fosters positive camaraderie among colleagues.



Unit: People



Unit: NTD thousands

Employee benefit items

Employee benefit items
Group insurance is fully covered by the company
Marriage/maternity/funeral benefits
Gifts for three major holidays
Guaranteed annual salary 14 months
Performance bonus
Regular health checks
Additional annual leave
Flexible commute/Work from home mechanism
Retirement pension 8%

Statistics on employee parental leave

statistics on employee childcare leave without pay / Year	Gender	Statistics		
		2020	2021	2022
Number of employees eligible for childcare leave without pay	Male	0	0	0
	Female	0	0	0
Number of employees applying for childcare leave without pay	Male	0	0	0
	Female	0	0	0
Number of employees who should be reinstated at the end of their childcare leave without pay (A)	Male	0	0	0
	Female	0	0	0
Number of employees actually returning to work after the expiry of the period of childcare leave without pay (B) (including early reinstatement)*	Male	0	0	0
	Female	0	0	0
Return rate (B/A) (Note 1)	Male	0	0	0
	Female	0	0	0
Number of employees who have completed their childcare leave in the previous year and are still employed 12 months after returning to work (C)	Male	0	0	0
	Female	0	0	0
Retention rate (C / Previous year B) (Note 2)	Male	0	0	0
	Female	0	0	0

- **Note1:** Return rate = (Actual total number of returning employees in the current year / Total number of returning employees in the current year) * 100%.
- **Note2:** Retention rate = (Total number of employees still on active duty 12 months after reinstatement / Actual number of reinstatements in the previous year) * 100%.

In order to ensure the financial planning of employees' retirement, Formosa Solar determined the appropriation plan (new retirement pension) as below.

Determination of appropriation plan (new pension system)

Since its establishment, Formosa Solar has allocated a pension of 6% of its monthly salary on a monthly basis in accordance with the provisions of the Labor Pension Act, which is stored in a labor pension account. And from November 1, 2022, pensions will be allocated at 8% of monthly wages

▲ Photo: Taipei headquarters' office reception

▲ Photo: Taipei headquarters' office area

▲ Photo: Taipei headquarters' office pantry area

▲ Photo: Pingtung office's reception area

▲ Photo: Pingtung office's exterior

7.2.2 Talent cultivation

For Formosa Solar, the key to sustainable business is that employees can continue to learn and grow. As education and training are important ways to ensure that human capital can continue to add value, Formosa Solar attached importance to the training of employees. The overall learning and development strategy is based on on-the-job training, with new personnel training, professional training, supervisor-level training as the backbone, along with annual goals and different business needs, to establish a sound education and training system.

In order to enhance the professional skills of colleagues, Formosa Solar annually formulates training plans and implements training goals according to the company's development needs, so that employees can go further in their careers, and then continuously passes on functions and experiences to relevant departments through internal training to assist colleagues in formulating learning development directions and serve as a basis for employees to plan for personal career plans.

Upon joining, new colleagues are introduced to internal rules, regulations, and occupational safety know-how through specialized training. Subsequently, department-specific training further equips them for their roles. Formosa Solar actively encourages employees to pursue professional courses within their specific fields, fostering continuous personal growth. This is facilitated through diverse learning channels that empower colleagues to excel in their respective domains.

Each department develops and implements education and training plans according to its own needs every year. Advanced study for the colleagues is categorized into internal and external trainings, and the internal training is arranged for on-site sessions by each department according to actual business needs. The external training is conducted via application by the department according to their business needs, and after being approved, special personnel are selected to participate in courses held by external institutions. After participating in training, other colleagues in the department share their training experiences with each other, so that relevant personnel can learn and use them. In response to the trend of diversification of education and training in recent years, in order to expose colleagues to more information of different perspectives, Formosa Solar encourages colleagues to participate in language courses and professional courses held by external institutions.

To expedite personnel development and organizational growth, a learning development module was introduced by the human resources team in 2022, integrating data management and performance tracking. This strategic integration further underscores the company's dedication to employee advancement and overall organizational success.

Statistics on Training Hours Per Employee

Statistics/Year		2022	Remarks
Average hours of training per employee (Note 1)		0.9	This year is the first issue of the report, and the previous training records are not fully retained
Average hours of employee training by gender (Note 2)	Female	1.1	
	Male	0.6	
Average hours of employee training by category (Note 3)	Project site	1.5	
	In-house	0.8	

- **Note1:** The average number of hours of training for all employees is (Total hours of training for all employees in the current year / Total number of employees at the end of the year).
- **Note2:** The average number of hours of training per female employee is (Total hours of training for female employees in the current year / Total number of female employees at the end of the year).
- **Note3:** The average number of hours of training for each category of employees is (Total hours of training for this category of employees). in the current year / Total number of employees in this category at the end of the year).

Employees who undergo regular performance and career development audits

Employees reviewed in 2022		Number of people to view	Total number of employees	Percentage
Gender	Male	20	27	74%
	Female	18	29	62%
Employee Categories	Project site	3	5	60%
	In-house	35	51	69%

- **Note:** Employee performance appraisal excludes probational employees.

7.2.3 Labor communication

Effective communication between labor and management is pivotal for fostering collaboration and understanding at Formosa Solar. By sharing production plans, business insights, and market conditions, employees gain insight into the company's direction. Likewise, management stays attuned to employees' needs, creating a harmonious workplace.

Formosa Solar operates in adherence to labor laws and regulations, ensuring proper internal personnel administration. Labor meeting convene at least quarterly, chaired by employer representatives, including the CEO and top-tier management. Through consistent communication, labor-management collaboration thrives. Regular dialogues empower employees to voice their views, collectively enhancing labor conditions and well-being.

Multiple communication channels enrich interaction. A two-way approach enables employees to express opinions while allowing the company to provide timely responses and enact meaningful policies. This collaborative feedback loop ensures employee input translates into actionable policies. In recent years, labor relations at Formosa Solar are in harmony, with no labor disputes taken place.

7.3 Occupational health and safety

7.3.1 Management of occupational health and safety

To effectively manage occupational health and safety risks in the workplace and enhance the working environment for employees' health and safety, Formosa Solar adopts the core value of "caring" as its guiding principle. Employee health and safety are the top priorities. In accordance with occupational health and safety regulations and their subsidiary regulations, relevant operations are carried out. Necessary preventive measures and equipment are actively taken within a reasonable scope during construction operations to comply with Article 5 of the Occupational Health and Safety Act and Article 8 of its implementing regulations.

Formosa Solar references domestic and international information and solar industry standards to introduce the concepts, measures, and equipment of occupational health and safety management. It also conducts risk identification, assessment, and control for equipment management and daily on-site operations to establish a safe workplace environment. In the event of significant incidents, except following the procedures outlined in Article 37 of the Occupational Health and Safety Act for necessary first aid and rescue, an investigation, analysis, and record-making process will also be carried out in collaboration with labor representatives. Formosa Solar plans to introduce ISO 45001:2018 certification by 2024. This comprehensive approach spans the entire organization, with the aim of reducing operational hazards and enhancing workplace safety.

7.3.2 Worker participation, consultation, and communication

According to Article 10 of the Occupational Health and Safety Management Measures, Formosa Solar does not need to set up such committee. Instead, we leveraged on existing meetings to hold discussions on occupational safety-related issues. In addition, since July 1, 2020, the monthly survey on workplace safety and health sensitivity has been implemented. For those who are "very dissatisfied" and "dissatisfied", the environmental health department will initiate proactive communications to discuss way for improvements.

Employee/Non-employee - Statistics on occupational injury and diseases

Statistics/Year		2020	2021	2022
Total hours worked (hr)		73,071	75,089	90,621
Deaths due to occupational injuries (Note 1)	Number of people	0	0	0
	Rate	0	0	0
Serious occupational injury (Note 2)	Number of people	0	0	0
	Rate	0	0	0
Documented occupational injuries (Note 3)	Number of people	0	0	0
	Rate	0	0	0
Occupational diseases	Number of people	0	0	0
	Rate	0	0	0
Documented occupational diseases (Note 3)	Number of people	0	0	0
	Rate	0	0	0

- **Note 1:** Rates are calculated per million working hours.
- **Note 2:** Serious occupational injuries: Occupational injuries resulting in death, or injuries that cause incapacity or difficulty for workers to return to their pre-injury health state within six months. The statistics should exclude the number of deaths.
- **Note 3:** Documented occupational injuries or occupational diseases: Occupational injuries or diseases caused by death, work absence, work restriction, job change, medical treatment beyond first aid, loss of consciousness, or major injuries or illnesses diagnosed by a physician or licensed healthcare professional. The statistics should include the number of deaths, excluding minor injuries treated on-site. The recorded occupational injury rate is calculated as follows: (Number of recordable occupational injuries x 200,000) / Total hours worked.

7.3.3 Promotion of healthy workplace

With evolving social and economic landscapes, the International Labour Organization (ILO) and the World Health Organization (WHO) advocate for workplace safety and health services as fundamental rights. Formosa Solar actively engages in planning, promoting, and executing health initiatives aligned with ILO and WHO principles, as well as adhering to legal regulations. These initiatives encompass four key areas: "physiological work environment," "psychosocial work environment," "personal health resources," and "corporate community participation."

Formosa Solar prioritizes the cultivation of correct health knowledge through a caring approach, aiming to establish a health-conscious, friendly, and vibrant work atmosphere. The company encourages employees to adopt positive health concepts, maintain well-being in body and mind, and seamlessly integrate workplace health into their daily lives to achieve a harmonious balance between family and work.

Health management

To bolster health awareness and monitor well-being, the company mandates health checks for employees every two years, excluding those who fail to meet the health criteria. In 2022, a total of 27 employees underwent occupational health assessments, with no cases of occupational diseases or suspected occurrences. Additionally, Formosa Solar plans to collaborate with the Northern District Worker Health Service Center in 2023 to provide on-site health services, thereby furthering workplace health enhancements based on their recommendations.

8

Sustainable enterprise

8.1 Business ethics

Specific outcomes

- Training Course: Education and training for 100% (4 members) of the board of directors and 100% (26 colleagues) of units who need to avoid interests in the current year.
- No complaints of violations in ethical integrity were received during the year.
- The proportion of signatories to the Supplier Code of Conduct, the Prohibition of Forced Labour Declaration, and the Supplier Cleanliness Commitment was 100%, a total of 26.

Please refer to Chapter 3.3 Business ethics for further information

8.2 Community relation and public participation

Formosa Solar recognizes its role as a vital participant in society, interconnected with investors, employees, local communities, and various stakeholders. Embracing this responsibility, the company actively engages in socially responsible actions that benefit both the organization and the wider community. Collaborating with local groups across its operational bases, Formosa Solar endeavors to contribute resources where they are most needed, maximizing their impact and contributing to the overall betterment of society. This commitment reflects the company's dedication to fostering positive change and leveraging its influence for the greater good.

8.2.1 Co-prosperity of community

Formosa Solar is committed to fostering local development and achieving seamless integration within communities as a central aspect of its vision. As part of this dedication, the company embarked on a groundbreaking project—the transformation of a disused cemetery into Taiwan's inaugural inclusive photovoltaic park, the "Beishin Photovoltaic Sports Park." This reimagined space, formerly known as Pingtung No. 15 Cemetery, represents not only the rejuvenation of public land but also the advancement of the green energy industry. Through a harmonious blend of solar photovoltaic installations and community-oriented recreational elements, the park has been meticulously planned to encompass diverse sports fields, fitness facilities, and areas for intergenerational interactions, fostering a safe, inclusive, and environmentally conscious public leisure space.

By ingeniously repurposing the park's infrastructure, including utilizing the park's roofs for solar power generation, approximately 1.6 million kilowatt-hours of electricity are produced annually. This translates to a significant reduction in carbon emissions—roughly 800 tons per year—when compared to conventional thermal power generation. Moreover, the park contributes to afforestation efforts equivalent to about 3.1 times the area of Da'an Forest Park, serving as a remarkable example of the concept of "one piece of land serving multiple purposes for societal well-being." This transformation serves as a prominent achievement in the activation of dormant land in the Pingtung region.

The meticulous design of the Beishin Photovoltaic Sports Park encapsulates a deliberate effort to transcend boundaries—both physical and temporal. Its configuration seeks to foster "cross-generational" interactions where people of all ages, from children to seniors, can engage and enjoy the space. Similarly, the park aims for "cross-time" utilization, catering to early morning fitness enthusiasts, midday gatherings of elders, and evening family activities. The park's adaptable nature encourages a variety of interactive experiences throughout different times of the day and days of the week.

Furthermore, the park emphasizes the "integration of community and culture," providing a platform for various cultural expressions and preserving the richness of local heritage. This ethos of equality and respect underpins the park's multifunctional appeal, encompassing sports, leisure, education, and communal bonding. Through its versatility and responsiveness to the diverse needs of urban life, the Beishin Photovoltaic Sports Park seamlessly intertwines with the lives of residents, effectively becoming a communal "living room." This innovative project stands as a testament to Formosa Solar's commitment to sustainable development and its harmonious coexistence with the community.

▲ **Photo: Beishin Photovoltaic Sports Park demonstrates the example of a project site being used for multipurpose and social inclusion.**




▲ **Photo: With the goal of social inclusion, Beishin Photovoltaic Sports Park creates a leisure place that is both equal and inclusive, starting from the basis of "people-oriented" and providing a "space for all".**

8.2.2 Education on energy and ecology

(1) Set up an ecological education center in the project site and practice ecological education

An ecological education center is set up in the Chiayi Salt Land project site to provide reservation-based tour guide services for educating about the base and surrounding ecology and introduction of solar photovoltaic power, so as to give back to the community and the environment, assist the development of local industries, and practice environmental ecological education. Among them, the outdoor viewing area is equipped with ecological surveillance cameras, which enables viewing of real-time images in the indoor education center, and the indoor education area is set up with ecological education boards and introduction of solar photovoltaic project sites.

(2) Conduct annually solar photovoltaic experience camp for high schools nationwide

We are actively involved in educational initiatives that aim to spread awareness about the coexistence of ecology and photovoltaic power. One such initiative involves inviting high school students to visit its best demonstration sites, where the principles of green energy and ecological balance are put into practice.

Through field trips to the solar photovoltaic plant area and guided tours, students are provided with a comprehensive understanding of various aspects, including the installation, operation, management, and maintenance of photovoltaic plants. The focus is on showcasing how these plants can effectively coexist with the surrounding ecological environment. The educational experience is enriched by practical activities and enjoyable competitions, enhancing the students' engagement and learning outcomes.

During these visits, students are exposed to practical experiences that help them grasp the principles and applications of solar power generation. In addition, they have the opportunity to observe and record bird ecology within the solar photovoltaic plant area. Through case explanations and demonstrations of the successful coexistence and co-prosperity of renewable energy development and ecological conservation, students gain a well-rounded perspective on sustainable practices.

The effectiveness of these educational efforts is evident in the high level of satisfaction among participants, with an overall course satisfaction rate of 88%. By nurturing the understanding and appreciation of the interplay between renewable energy and ecological preservation, Formosa Solar continues to contribute to the broader goal of building a greener and more sustainable future.

▲ Photo: Space planning features for ecological education explanation center

▲ Photo: Area for public bird watching, resting, and education activities

▲ Photo: Students visit the Chiayi Salt Land project to learn about the operation of the photovoltaic plant and how our project achieves balance with nature

▲ Photo: Students interacting with instructors during a camp lesson

▲ Photo: 2022 solar photovoltaic experience camp for high schools and vocational schools nationwide

8.2.3 Local care

Formosa Solar has been actively building community ties, supporting underprivileged families, and local agriculture since 2021. It annually donates NTD 200,000 to the Hsin-Kuo Community Development Association in Li-Gang Township, accumulating a total of NTD 400,000 by 2022. Additionally, Formosa Solar purchases Gaoshu rice gift boxes from the Gaoshu Township Farmers Association during the annual festival, contributing to local farmers.

▲ Photo: Providing support to local farming activities

Appendix I: About this Report

ESG information disclosure

Disclosure category	Coverage
Period	For the full year of 2022, in addition, in considering the integrity of the disclosure data, if there are some activities that span different years, they will be described separately in the content text of this report.
Operating locations	Taiwan factory area (Taipei City and all the project site throughout Taiwan)
Financial data	Consistent with Formosa Solar's public financial statements
Environmental safety and health data	Taiwan factory area (Taipei City, each project site)
Employee data	Taiwan factory area (Taipei City, each project site)

Basis of writing and method of information verification

1. This report has been prepared with reference to the 2021 edition of the Sustainability Reporting Guidelines (GRI Standards 2021) issued by the Global Reporting Initiative (GRI) and provides the GRI Standards content index in the appendix to this report for stakeholders to refer to.
2. The financial data disclosed in this report has been verified by KPMG Certified Public Accountants in accordance with the International Financial Reporting Standards (IFRS) and is calculated in NTD thousands; data such as environmental protection, employees, and occupational safety are compiled by the responsible department and confirmed by the department head and presented in the form of international common indicators for calculation.
3. In order to improve the quality of disclosure for this report, it was commissioned to Great International Certification Co., Ltd. to perform Type 1 Moderate Assurance Level verification in accordance with AA1000AS v3 to confirm compliance with GRI Code 2021 and to obtain a assurance statement, which is also provided in the Appendix to this report for reference.
4. This report is the inaugural issuance for Formosa Solar and does not involve information restatement.

Report writing principles

Formosa Solar adheres to the reporting principles of the GRI Guidelines when compiling its ESG reports. These principles ensure that our reporting is comprehensive, transparent, and accessible to stakeholders, providing them with valuable insights into our economic, environmental, and social performance.

1. Sustainability Context: We transparently disclose how we address the economic, environmental, and social realities of our operations and surrounding areas, aiming to improve and reduce negative impacts.
2. Integrity: The information in our reports accurately reflects the scope of our significant impact on the economy, environment, and society.
3. Accuracy: We provide detailed and precise information, enabling stakeholders to evaluate our ESG performance effectively.
4. Balance: Our reports present a fair representation of both positive and negative performance, allowing stakeholders to make well-informed assessments of Formosa Solar's ESG performance.
5. Clarity: We present information in a clear and easily understandable manner to ensure stakeholders can access and comprehend our reports easily.
6. Comparability: Our ESG information adheres to internationally accepted standards, enabling stakeholders to analyze our long-term performance.
7. Timeliness: Regular issuance of ESG reports ensures stakeholders receive timely and essential information to support their decision-making processes.
8. Verifiability: Our ESG reports are compiled in a manner that internal and external personnel can access and review, ensuring the accuracy and reliability of the disclosed information.

By following these principles, Formosa Solar demonstrates its commitment to responsible reporting, accountability, and sustainable practices, enhancing stakeholder engagement and trust in our business operations.

Frequency of Release

This is the first ESG report released voluntarily by Formosa Solar, and the report will be released annually in the future. In order to improve the transparency and accessibility of the report's information disclosure, the electronic file of the full report can be downloaded from the Formosa Solar official website.

1. Release Date: December 2023.
2. Next release: Septemper 2024.

Feedback

If you have any comments or suggestions concerning the content of this report, we encourage you to reach out to us. You can contact the Public Relations and ESG Department of Formosa Solar.

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Appendix II: GRI Sustainability Reporting Guidelines - Comparison Table

Appendix II: GRI Sustainability Reporting Guidelines - Comparison Table					
Statement of Use	Formosa Solar Renewable Power Co., Ltd. has reported the information covering the period from January 1 to December 31, 2022, with reference to the GRI (Global Reporting Initiative) guidelines.				
GRI 1 used	GRI 1: Foundation 2021				
Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational Details	2.1 Company profile	09	
	2-2	Entities included in the organization's sustainability reporting	Appendix I: About this Report	86	
	2-3	Reporting period, frequency and contact point	Appendix I: About this Report	86	
	2-4	Restatements of information	Appendix I: About this Report	86	No restatement of this report
	2-5	External assurance	Appendix I: About this Report	86	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Company profile	09	
	2-7	Employees	7.1.2 Employee statistics	66	
	2-8	Workers who are not employees	7.1.2 Employee statistics	66	
Governance	2-9	Governance structure and composition	3.1 Board of Directors	17	
	2-10	Nomination and selection of the highest governance body	3.1 Board of Directors	17	
	2-11	Chair of the highest governance body	3.1 Board of Directors	17	
	2-12	Role of the highest governance body in overseeing the management of impacts	3.1 Board of Directors	17	
	2-13	Delegation of responsibility for managing impacts	3.1 Board of Directors	17	
	2-14	Role of the highest governance body in sustainability reporting	3.2 Functional Committee	19	
	2-15	Conflicts of interest	3.1 Board of Directors	17	
	2-16	Communication of critical concerns	3.1 Board of Directors	17	
	2-17	Collective knowledge of the highest governance body	3.1 Board of Directors	17	

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Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
Governance	2-18	Evaluation of the performance of the highest governance body	3.1 Board of Directors	17	
	2-19	Remuneration policies	3.2 Functional committees	19	
	2-20	Process to determine remuneration	3.2 Functional committees	19	
	2-21	Annual total compensation ratio	--		The highest annual total compensation for individuals is company confidential information.
Strategy, policies & practices	2-22	Statement on sustainable development strategy	Foreword		
	2-23	Policy commitments	3.4 Risk management 7.1.1 Human rights policy	24 65	
	2-24	Embedding policy commitments	3.4 Risk management 7.1.1 Human rights policy	24 65	
	2-25	Processes to remediate negative impacts	3.3 Business ethics	22	
	2-26	Mechanisms for seeking advice and raising concerns	3.3 Business ethics	22	
	2-27	Compliance with laws and regulations	3.3 Business ethics	22	
	2-28	Membership associations	2.5 Participation in external organizations	15	
Stakeholder engagement	2-29	Approaches to stakeholder engagement	4.1 Identification of key stakeholders	29	
	2-30	Collective bargaining agreements	- -		The company did not sign a group agreement
GRI 3: Material Topics 2021					
Material topics	3-1	Process to determine material topics	4.3 Identification of material topics	32	
	3-2	List of material topics	4.5 ESG Management strategy and goals	38	
* Service reliability and flexibility					
GRI 3: Material topics 2021	3-3	Management of material topics	5.2 Service reliability and resilience	45	
* Solar panel quality/product safety					
GRI 3: Material topics 2021	3-3	Management of material topics	5.3 Solar panel quality and structural safety	50	
* Greenhouse gas (GHG) management					
GRI 3: Material topics 2021	3-3	Management of material topics	6.1.1 Greenhouse gas management	57	

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Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
* Security and trade secret protection					
GRI 3: Material Topics 2021	3-3	Management of material topics	5.4 Data protection and cybersecurity	51	
: Occupational safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	7.3 Occupational health and safety	76	
* Talent development and company welfare					
GRI 3: Material Topics 2021	3-3	Management of material topics	7.2.1 Remuneration and benefits	70	
: Waste management					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.2 Waste management	59	
: Biodiversity and land use					
GRI 3: Material Topics 2021	3-3	Management of material topics	6.3 Biodiversity and land use	61	
* Business ethics					
GRI 3: Material Topics 2021	3-3	Management of material topics	3.3 Business ethics	22	
* Community relations					
GRI 3: Material Topics 2021	3-3	Management of material topics	8.2 Community relation and public participation	80	
Economic dimension					
Financial Performance					
* GRI 201: Economic performance 2021	201-1	Direct economic value generated and distributed by the organization	2.3 Operational performance	13	
	201-3	Defined benefit plan obligations and other retirement plans	7.2.1 Remuneration and benefits	70	
: Anti-corruption					
GRI 205: Anti-corruption 2021	205-1	Operations assessed for risks related to corruption	3.3 Business ethics	22	
	205-2	Communication and training about anti-corruption policies and procedures	3.3 Business ethics	22	
	205-3	Confirmed incidents of corruption and actions taken	3.3 Business ethics	22	
* Security and trade secret protection					
Custom Topic			5.4 Data protection and cybersecurity	51	
* Solar panel quality/product safety					
Custom Topic			5.3 Solar panel quality and structural safety	50	

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Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
Environmental dimension					
: Energy management					
GRI 302: Energy 2021	302-1	Energy consumption within the organization	6.1 Management of energy resources	55	
	302-2	Energy consumption outside of the organization	6.1 Management of energy resources	55	
	302-3	Energy intensity	6.1 Management of energy resources	55	
	302-4	Reduction of energy consumption	6.1 Management of energy resources	55	
: Biodiversity					
GRI 304: Biodiversity 2021	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.3 Biodiversity and land use	61	
	304-2	Significant impacts of activities, products, and services on biodiversity	6.3 Biodiversity and land use	61	
	304-3	Habitats protected or restored	6.3 Biodiversity and land use	61	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.3 Biodiversity and land use	61	
*** GHG emissions**					
GRI 305: Emissions 2021	305-1	Direct (Scope 1) GHG emissions	6.1.1 Greenhouse gas management	57	
	305-2	Energy indirect (Scope 2) GHG emissions	6.1.1 Greenhouse gas management	57	
	305-3	Other indirect (Scope 3) GHG emissions	6.1.1 Greenhouse gas management	57	
	305-4	GHG emissions intensity	6.1.1 Greenhouse gas management	57	
	305-5	Reduction of GHG emissions	6.1.1 Greenhouse gas management	57	
Waste Management					
GRI 306: Waste 2021	306- 1	Waste generation and significant waste-related impacts	6.2 Waste management	59	
	306- 2	Management of significant waste-related impacts	6.2 Waste management	59	
	306-3	Waste generated	6.2 Waste management	59	
	306-4	Waste diverted from disposal	6.2 Waste management	59	

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Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
Social dimension					
*** Labor Relations**					
GRI 401: Employment 2021	401-1	New employee hires and employee turnover	7.1.2 Employee statistics	66	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2.1 Remuneration and benefits	70	
	401-3	Parental leave	7.2.1 Remuneration and benefits	70	
Labor/Management Relations					
GRI 402: Labor management relations 2021	402-1	Minimum notice periods regarding operational changes	7.2.1 Remuneration and benefits	70	
*** Occupational health and safety**					
GRI 403: Occupational health and safety 2018 management approach	403-1	Occupational health and safety management system	7.3 Occupational health and safety	76	
	403-2	Hazard identification, risk assessment, and incident investigation	7.3 Occupational health and safety	76	
	403-3	Occupational health services	7.3 Occupational health and safety	76	
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.3 Occupational health and safety	76	
	403-5	Worker training on occupational health and safety	7.3 Occupational health and safety	76	
	403-6	Promotion of worker health	7.3 Occupational health and safety	76	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.3 Occupational health and safety	76	
GRI 403: Occupational health and safety 2018	403-8	Workers covered by an occupational health and safety management system	7.3 Occupational health and safety	76	
	403-9	Work-related injuries	7.3 Occupational health and safety	76	
	403-10	Work-related ill health	7.3 Occupational health and safety	76	

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GRI 1 used	GRI 1: Foundation 2021				
Notes	Topics marked with * before are material topics				
Topic	Disclosure Items	Item Description	Chapters	Page No.	Omission/Note
* Training and education					
GRI 404: Training and education 2021	404-1	Average hours of training per year per employee	7.2.2 Talent cultivation	74	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.2.2 Talent cultivation	74	
Employee Diversity and Equal Opportunity					
GRI 405: Diversity and equal opportunity 2021	405-1	Diversity of governance bodies and employees	7.2.2 Talent cultivation	74	
Service Reliability and Resiliency					
Custom topic			5.2 Service reliability and resilience	45	

Appendix III: Third Party Verification Statement

格瑞國際驗證有限公司
GREAT International Certification Co., Ltd.

Independent Assurance Statement Based on 2022 Sustainability Report of FU-TAI ENGINEERING CO., LTD.

Statement No.:2309002

FU-TAI ENGINEERING CO., LTD. (hereinafter referred to as FU-TAI) and GREAT International Certification Co., Ltd. (hereinafter referred to as GREAT) are independent companies and organizations. Except for the evaluation and verification of the company's 2022 sustainability report, GREAT has no financial relationship with FU-TAI.

The purpose of this independent assurance statement (hereinafter referred to as the Statement) is only to serve as the conclusion of guaranteeing the relevant matters within the scope defined in the following relevant FU-TAI's Sustainability Report, and not for other purposes. Except for the independent assurance statement for fact verification, GREAT does not bear any relevant legal or other responsibilities for the use of other purposes, or anyone who reads this independent assurance statement.

This independent assurance statement is based on the conclusions made by the relevant information verification provided by FU-TAI to GREAT. Therefore, the scope of the review is based on and limited to the content of the information provided. GREAT believes that the information content is complete, accurate and precise. Any questions about the content of this independent assurance statement or related matters will be answered by FU-TAI.

The Scope of Assurance

The verification scope of FU-TAI and GREAT agreement includes:

- The contents of the entire sustainability report and all operating performance of FU-TAI from January 1, 2022 to December 31, 2022;
- According to the type 1 of AA1000 Assurance Standard v3, evaluate the nature and degree of FU-TAI's compliance with the AA1000 Accountability Principles (2018), excluding the verification of the reliability of the information/data disclosed in the report
- This Statement is made in Chinese and translated into English for reference.

Verification Opinion

We summarize the content of FU-TAI 's sustainability report, and provide a fair standpoint of FU-TAI 's related operations and performance. We believe that the specific performance indicators of FU-TAI in 2022, such as economy, society, environment and corporate governance, are presented correctly. The performance indicators disclosed in the report demonstrate FU-TAI 's expectations and efforts to identify and satisfy stakeholders.

Our verification work is carried out by a group of teams with verification capabilities according to the AA1000 Assurance Standard v3, as well as the planning and execution of this part of the work to obtain the necessary information data and instructions. We believe that the evidence provided by FU-TAI is sufficient to show that its reporting method and self-declaration in accordance with the AA1000 Assurance Standard v3 and its 2018 appendix are in line with the GRI Sustainability Reporting Guidelines.

Verification method

To gather the evidence relevant to the conclusions, we performed the following:

- To conduct a senior management review of issues from external parties related to FU-TAI 's corporate policies to confirm the appropriateness of the statement in this report;
- To discuss with the managers of FU-TAI about the way of stakeholder participations, and have no direct contact with external stakeholders;
- To interview with employees related to the preparation of the sustainability report and information provision;
- To audit the performance data of FU-TAI on a sampling basis;
- To evidence supporting the claims made in the review report;
- To Review the management process of the principles of inclusivity, materiality, responsiveness, and impact described in the company report and its related AA1000 Accountability Principles (2018).

Conclusion

The results of a detailed review of the AA1000 Accountability Principles (2018) including inclusivity, materiality, responsiveness, impact and GRI sustainability reporting standards are as follows:

- **Inclusivity**

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FU-TAI has established a process of cooperation with major stakeholders, including shareholders / investors, customers, suppliers/contractors, employees, public association, and neighborhood community, etc., and will launch a series of stakeholder activities in 2022, involving economy, society, environment, corporate governance and a series of major themes. In terms of our professional opinion, this report covers the inclusivity issues of FU-TAI.

- **Materiality**

  The report has stated that FU-TAI focuses on economy, society and environment topics, and identified 8 major topics including operational performance, talent education, customer relations, engineering quality, salary and benefits, risk management, supply chain sustainable management and occupational safety and health, etc. In terms of our professional opinion, this report appropriately covers the materiality issues of FU-TAI.

- **Responsiveness**

  FU-TAI responds to requests and opinions from stakeholders. Implementation methods include numerous internal and external stakeholder communication mechanisms, as an opportunity to provide further responses to stakeholders, and to promptly respond to stakeholder concerns. In terms of our professional opinion, this report covers the responsiveness issues of FU-TAI.

-Impact

FU-TAI has identified and fairly demonstrated its impact with balanced and effective measurement and disclosure. FU-TAI has established a process for monitoring, measuring, evaluating and managing impacts, which helps to achieve more effective decision-making and results management within the organization. In terms of our professional opinion, this report covers the impact issues of FU-TAI.

-GRI Guidelines

FU-TAI provides the self-declaration of compliance with the GRI Sustainability Reporting Standards and relevant information. Based on the results of the review, we confirm that the report refers to the social responsibility and sustainability of the GRI Sustainability Reporting Standards. Relevant disclosure items for developments have been disclosed, partially disclosed, or omitted. In terms of our professional opinion, this self-declaration covers FU-TAI 's social responsibility and sustainability themes.

Assurance level

According to the AA1000 Assurance Standard v3 and its 2018 Appendix, we have verified that this Statement is a moderate level of assurance, as described in the scope and methods of this Statement.

Responsibility

The responsibility of the sustainability report, as stated in this Statement, is owned by the person in charge of FU-TAI. The responsibility of GREAT is solely to provide professional opinions based on the scope and methods described, and to provide an independent assurance statement for the stakeholders.

Ability and Independence

GREAT is composed of experts in various management system fields. The verification team is composed of members with professional background, who have received training in a series of sustainable development, environmental and social management standards such as AA1000AS v3, ISO 9001, ISO 14001 and ISO 45001, and are qualified as lead auditors.

On behalf of the assurance team SEP 07, 2023
GREAT International Certification Co., Ltd.
Taiwan, Republic of China

Signed by General Manager
W. J. Chen

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2022 Corporate Sustainability Report

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