2023 CORPORATE SUSTAINABILITY REPORT

寶島陽光再生能源集團
FORMOSA SOLAR RENEWABLE POWER GROUP

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Chapter 1

Introduction

1.1 Message from CEO

The global desire for clean energy is growing by the day, and governments and businesses around the world are facing increasing pressure to reduce carbon emissions. In this moment full of challenges and opportunities, the mission of Formosa Solar as a solar energy producer is more important than ever. Climate change, energy needs and environmental protection have become the focus of global attention. In this context, solar is not only an energy source but also a power that drives us towards a sustainable future.

Looking back at 2023, the macro environment in Taiwan was relatively conservative amid uncertainties in external economic and trade situation. That said, Formosa Solar remained committed and optimistic in each of the steps we took towards its goals. We uphold the values of integrity, innovation, teamwork, caring and transparency by translating these into concrete actions and commitment to the development of green energy. From central and local governments, landowners and homeowners, contractors to green electricity trading customers and partner companies– we hope to convey to all stakeholders the idea that "Formosa Solar is the most reliable partner in the renewable industry". This trust goes beyond business cooperation. More importantly, we fulfill our corporate social responsibility and emphasize the inheritance of sustainable values.

Formosa Solar adheres to the philosophy of our major shareholder, Partners Group from Switzerland. We placed an emphasis on ESG and sustainable development. In 2023, we voluntarily published our first sustainability report in both Chinese and English languages. We continue to make progress in sustainability issues this year. We implement a people-oriented approach and we value the development and unique qualities of every employee by creating a diverse, equal and inclusive work environment. We are committed to promoting an ethical, transparent and friendly workplace, and in 2023 we were recognized for the first time with the receipt of the award "Best Companies to Work for in Asia" from HR Asia. Meanwhile, we continue to collaborate with charitable organizations, reach out to local communities, and continue to invest in energy education at the grassroots level. Formosa Solar is proactively working with local organizations and participating in public affairs to ensure that we bring positive impacts to the local economy and society. In the future, we will continue to make our greatest efforts towards sustainable development, by joining hands with all partners to embrace Taiwan's energy transition and create a more sustainable future!

寶島陽光 再生能源集團
FORMOSA SOLAR RENEWABLE POWER GROUP

CEO Kok-Leong Toh

1.2 Message from PR&ESG Director

Sustainable operation is a constant pursuit for all companies. After the publication of our first sustainability report certified by a third party last year, Formosa Solar's 2023 sustainability report introduces the TCFD and SASB frameworks, aligning with international initiatives. Yet I am looking forward to the daunting task of integrating the group's sustainability strategy blueprint, so that each department's daily work is aligned with sustainability goals. Meanwhile, we are conducting materiality assessment again to track and confirm the key concerns pertaining to various stakeholders. An encouraging piece of news to our sustainability team: As a result of years of ESG efforts, Formosa Solar was selected by Partners Group as the best case study in Asia. Our achievements have been included in Partner Group's global sustainability report.

At the end of 2023, Formosa Solar organized its first stakeholders' appreciation event. Tommy Chen, Taiwan's very own ultra-marathon runner, was invited as our guest to give an inspiring speech, making the appreciation luncheon an unforgettable event for networking and exchange. We continued with local donations and photovoltaic education initiatives. With concerns around end-of-life treatment of solar modules, we signed the MOU to be part of Circular Economy and Industry Alliance, a technical alliance established to accelerate and promote solar panel recycling and reuse technology. Internally, we made progress in employee relations by publishing a quarterly group e-newsletter with updates, organizing a teambuilding activity for all employees, and moving into a new employee-centric office environment. Formosa Solar has received Taiwan Corporate Sustainability Award (TCSA) for two consecutive years, a recognition of our ESG efforts on all fronts.

We have set for ourselves the target of 100% use of renewable energy at our offices by 2025. The experience to achieve this will be duplicable with customers also in need of green energy. We look forward to accomplishing RE 50 in 2024 and steering ahead towards RE 100 in 2025. Thank you to the Board of Directors, CEO, and all colleagues across departments for your full support to the vision of Formosa Solar: becoming the leading renewable company. We continue to deepen communication with all stakeholders, share our achievements in sustainable operations and serve as the most reliable company, partner, employer and solar power provider.

寶島陽光 再生能源集團
FORMOSA SOLAR RENEWABLE POWER GROUP

Director of Public Relation and ESG Renee Huang

1.3 About this report

As a solar power producer and clean energy solutions provider, Formosa Solar leads by example in supporting sustainable development. We are voluntarily publishing our sustainability report for the second consecutive year. We publish this report to explain to stakeholders Formosa Solar's measures and achievements in corporate governance, environmental protection, employee caring and social co-prosperity.

Disclosure Category	Coverage
Period	January 1, 2023 to December 31, 2023. Certain details are drawn from operating activities in different years to ensure the completeness of disclosed information. This will be separately explained in this report.
Operating locations	Taiwan (Taipei City, Pingtung County and various project sites)
Environmental, safety and health data	Taiwan (Taipei City, Pingtung County and various project sites)
Employee statistics	Taiwan (Taipei City, Pingtung County and various project sites)

Frequency of release

Formosa Solar publishes its Sustainability Report in both Chinese and English languages each year. The electronic files of complete reports can be downloaded in Formosa Solar's official website.

- Current release: September 2024
- Previous release: November 2023
- Next release: September 2025

Basis of writing and management of quality

- This report is prepared in accordance with the GRI Standards, TCFD (Climate-related Financial Disclosures) and SASB (Sustainability Accounting Standards Board) standards. The appendix of this report provides an index of the contents of GRI, TCFD, and SASB standards for the reference of stakeholders.
- This report was authorized to ANFOR Asia Ltd., part of ANFOR (Association Francaise de Normalisation) for Type 1 moderate assurance according to the AA1000 Assurance Standard (AA1000 AS v3) and verification for adherence to the GRI Standards:2021. The Statement is provided in the appendix as a reference.
- The financials disclosed in this report have been audited by KPMG Taiwan in accordance with the Business Entity Accounting Act and the Regulations on Business Entity Accounting Handlings and calculated in the unit of NTD thousands. Greenhouse gas inventory data was also assured by KPMG Taiwan in accordance with International Standard on Assurance Engagements (ISAE) 3410. Data related to employees and occupational safety are compiled by the responsible department, confirmed by department heads, then calculated and presented in internationally adopted metrics.

Feedback

If you have any comments or suggestions concerning the content of this report, please kindly get in touch with us.

Public Relations and ESG Department, Formosa Solar Renewable Power Co., Ltd.
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Telephone: 02-7729-6700
Email：info@formosasolar.com.tw

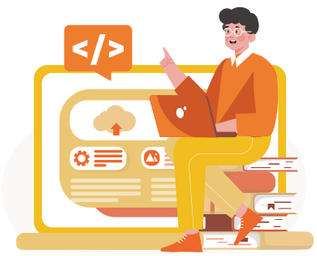
Company website

1.4 Performance highlights

Corporate governance

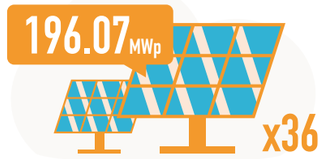
NT$1,106,066 thousand in revenue, an increase for 3 consecutive years

100% of main suppliers over the past three years signed to our required Code of Conduct for Supplier; Forced Labor Attestation; and Commitment of Supplier's Integrity

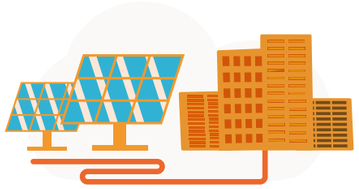


Zero incidents of information leakage

Innovation & operations



A total of 36 new project sites in 2023 to bring the installed base to 483 sites and a capacity of 196.07MWp



Millions of NT dollars spent on development and completion of the project site information management system since 2021

Completion of the 50 MW CPPA in partnership with Foxwell Power

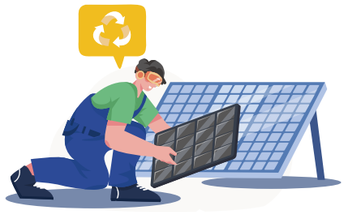
Introduction of ISO 9001 to systematize the operation and management of project sites

1.4 Performance highlights

Environmental sustainability

Accumulated electricity generation of 873,970,000 kWh and accumulated carbon reduction by 431,889 tons

Implementation of the ecosystem monitoring plan for six consecutive years and issuance of two eco-survey reports each year



Joined Circular Economy and Industry Alliance for Solar Cells to promote solar panel recycling and reuse technology

Note: Circular Economy and Industry Alliance for Solar Cells, previously known as Academia-Industry Technological Alliance Project under National Science and Technology Council, was renamed in 2024.

Social co-prosperity

Total spending of NT$3.3 million on social responsibility /public interests

Joint efforts with Fund for Children and Families in Pingtung to assisting vulnerable families in energy consumption reduction by approximately 15%

Support community residents in Pingtung for local employment by creating job opportunities of nearly 100 person-days per month

Creation of a happy workplace and awarded as “Best Companies to Work for in Asia” by HR Asia

1.5 Awards and recognition

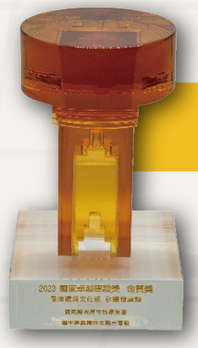
Awarded received by Formosa Solar in 2023:

2023 TCSA (Taiwan Corporate Sustainability Award) as Best Sustainable Foreign Company

Formosa Solar has won TCSA (Taiwan Corporate Sustainability Award) as Best Sustainable Foreign Company for two consecutive years. This award is seenas the Oscarfor sustainability for corporates in Taiwan.

2023 TSAA (Taiwan Sustainability Action Award) silver award

Formosa Solar seeks to achieve SDG 11- Make cities and human settlements inclusive, safe, resilient, and sustainable. We have won the silver medal of the 2023 Taiwan Sustainability Action Award for our Beishin Solar Sports Park - Revitalized Cemetery Land, Green Power and Social Inclusion.



2023 FIABCI-Taiwan Real Estate Excellence Awards

Upholding our original intent of eco-friendliness, Formosa Solar implements environmentally friendly construction methods in building a solar plant on the salt flats in Chiayi. We seek to revitalize the abandoned salt flats area and preserve the local environmental and cultural characteristics. We received the FIABCI-Taiwan Real Estate Excellence Awards in the Best Environmental & Culture Category.

2023 Best Companies to Work for in Asia

Formosa Solar was recognized by employees for nurtuing a happy workplace environment and was awarded “2023 Best Companies to Work for in Asia” by HR Asia, the authoritative human resources publication in Asia.

Chapter 2

About Formosa Solar

2.1 Company introduction

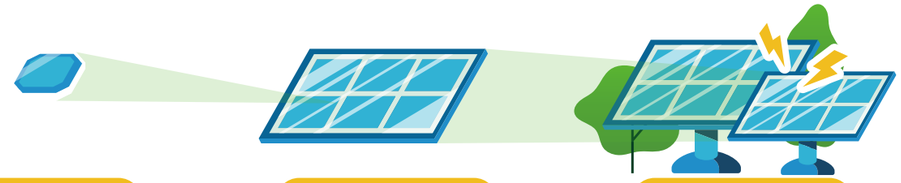
Established in 2016, Formosa Solar is a leading renewable energy company, with investment from Partners Group in Switzerland. Formosa Solar's core values are integrity, innovation, collaborative, care, and transparency, and we put these into all of our work. Our vision and mission is to be "the most reliable and leading partner" advancing Taiwan's energy transition. We aim to provide reliable renewable energy solutions according to the needs of our customers and partners. Through our involvement in the green energy industry, we hope to make the Earth cleaner, so that we can co-exist and co-prosper with the land and achieve sustainable development.

Company name	Formosa Solar Renewable Power Co., Ltd.
Headquarters	Room 1001, 10th Floor, No. 136, Section 3, Ren'ai Road, Daan District, Taipei City
Paid-in capital (unit:NT$1,000)	NT$1,820,001 thousand
No. of employees	Taiwan: 75 people
Operating locations	Taiwan
Industry	Green energy and environmental protection
Main products/ services	Solar energy generation, project development and management
Output volume	Ownership of project sites with a total capacity of 196.07MW
Revenue breakdown by region	Taiwan (100.0%)

Industry value chain

Amidst the global promotion of sustainable development and Taiwan's energy transition policies, Formosa Solar actively cooperates with industry chain partners to develop and construct solar power plants, providing clean and sustainable energy. We also sell our green energy to corporates throughout the grid to assist them in achieving their renewable energy targets in Taiwan's energy transition process.

Industry classification



Upstream

- Solar module manufacturers
- Inverter manufacturers
- Contractors for design and construction of solar power plants

Midstream

- Operators for solar power plants **(Formosa Solar)**

Downstream

- Taipower company
- Electricity end-users

Geographical location or characteristics of the industry

Upstream

- Globally module production capacities and prices are dominated by manufacturers in mainland China
- Modules are mostly supplied locally, and manufacturers in Taiwan can meet the domestic demand. Inverters come from suppliers in Taiwan or China

Midstream

- The size of the Taiwanese market is influenced by government support and policies for solar power

Downstream

- The global demand for green energy continues to grow

2.1 Company introduction

Organizational chart

Board of Directors

Andrew Kwok, Kok-Leong Toh, Inderpreet Wadhwa, Frank Hojerslev, and Andrew Wagner

- Remuneration Committee
- Risk and Audit Committee
- Finance Committee
- Corporate Sustainability Committee

CEO Office

Kok-Leong Toh

- Commercial Development
- Project Execution
- Strategy & Investment
- Operation & Maintenance
- Finance & Accounting
- Human Resource
- Information Technology
- Governance & Compliance
- Public Relation & ESG

2.2 Philosophy of operations

To become the most reliable and leading partner in Taiwan's energy transition

Each kilowatt-hour of green electricity is the achievement of the effort for energy transition. Formosa Solar continues to establish partnerships with suppliers, government agencies, local communities, customers and other stakeholders to drive the development of Taiwan's solar energy industry and achieve win-wins for all parties. We pursue excellence in quality and service by centering on customer needs. We continue to enhance our in-house maintenance, operational capabilities and comprehensive electricity-sale services, to meet customer expectations and provide most trustworthy renewable energy solutions.

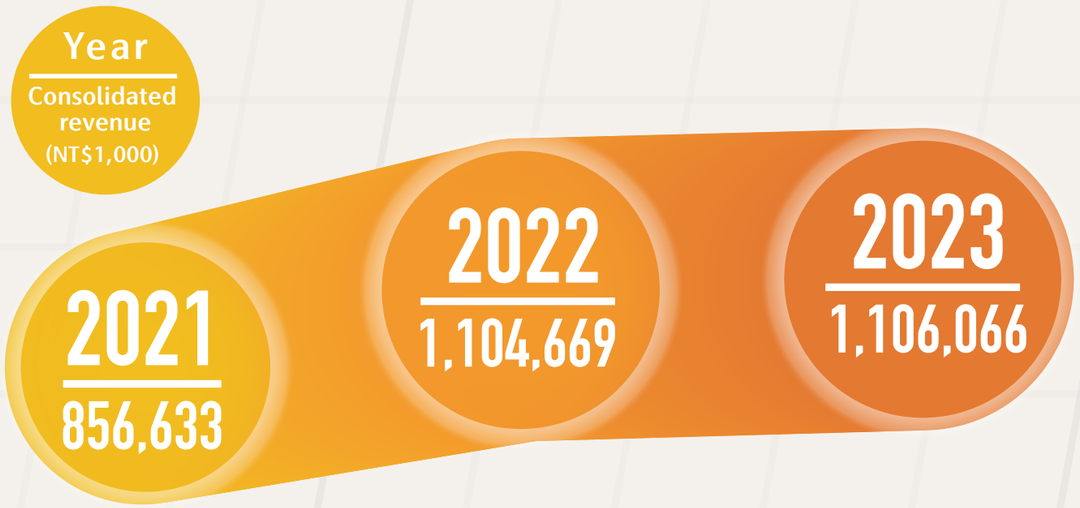
Co-existence and co-prosperity of solar, land and humanity

Formosa Solar is committed to environmental sustainability and social responsibility. We improve uncultivable land by deploying solar plants to achieve multi-purpose use of these land parcels. Every step is carefully implemented, conforming with laws and regulations from development assessment, construction, maintenance to operation. Formosa Solar places importance on local voices and local community needs. We are proactively involved in public interest campaigns. We care for the underprivileged groups and give back to local communities. Co-prosperity with the locals is the foundation of our growth.

2.3 Operational performance

Formosa Solar endeavors to become the most reliable and leading partner in Taiwan's energy transition. We have achieved steady growth for several years. As of the end of 2023, the asset value of our developed projects totaled NT$8.6 billion. Our power plants have generated close to 900 million kilowatt-hours of electricity in Taiwan.

Formosa Solar complies with tax regulations. All of our subsidiaries file and pay taxes in accordance with tax codes. We assume a reasonable tax burden in Taiwan and support the government in all tax policies, promoting the local economy and pursuing the vision of industrial innovation.



2.4 Participation in external organizations

Formosa Solar takes a proactive approach in communication with all stakeholders. We have joined various industry societies and associations since 2017 to promote the growth of the solar photovoltaic industry. In 2023, we joined the European Chamber of Commerce Taiwan (ECCT) and the Circular Economy and Industry Alliance for Solar Cells. Formosa Solar serves as a member of the ECCT's Energy and Environmental Committee, to strengthen information sharing with other companies and assist in the promotion of sustainable operations. In the Circular Economy and Industry Alliance for Solar Cells, we collaborate with Solar Cell Center, National University of Tainan in the advocacy of the solar panel recycling and reuse technology.

Organization	Role
Taiwan Photovoltaic Generator System Association (PVGSA)	Member
Taiwan Photovoltaic Industry Association	Member
Taiwan Solar Photovoltaic Industry Sustainability Development Association (TPISA)	Founding member/Director
European Chamber of Commerce Taiwan (ECCT)	Member of Energy and Environment Committee
Circular Economy and Industry Alliance for Solar Cells	Alliance member
Taiwan Association of Renewable Energy Industry	Founding member/Director
Taiwan Power and Energy Engineering Association	Member

Note: As of April 2024

Chapter 3

Practice of sustainable management

3.1 Identification and management of material topics

Steps to identify material topics

Formosa Solar follows the GRI Standards and the AA 1000 Accountability Principles in the identification of and engagements with stakeholders. Material issues in sustainability are identified with an impact assessment and response measures are established accordingly.

STEP 01 Confirmation of engagement parties

Each department conducted the initial screening of the types of stakeholders they interact with as part of routine business dealings. This was followed with internal discussions on the frequency of interactions between respective stakeholders and Formosa Solar, the degree of mutual influence and importance to each other and a reference to industry practices was made. Finally, nine major stakeholder groups were identified. Customers, shareholders/investors, employees, suppliers/contractors, non-profit organizations/community residents, banks, insurance companies, government agencies and media.

STEP 02 Survey on sustainability issues

A total of three categories (i.e., economic, environmental and social) and 15 sustainability issues are listed according to requirements from GRI standards, SDGs, SASB, TCFD, and in reference to trends and value chains of domestic and international peers as consolidated and summarized by Corporate Sustainability Committee.

STEP 03 Collection of stakeholders' opinions

A total of 104 questionnaires issued to identified stakeholders and the senior management team were sent back: from senior management team (9), customers (8), shareholders/investors (4), employees (41), suppliers/contractors (16), non-profit organizations/community residents (6), banks (7), insurance companies (2), government agencies (6) and media (5).

STEP 04 Analysis of operational impacts

The degree and the likelihood of impacts were calculated based on the results from Step 3 and the matrix of positive impacts and negative impacts was plotted accordingly to facilitate the identification of significant sustainability issues. After that, the degree of positive/negative impacts was assessed by the senior management.

STEP 05 Analysis based on the principle of double materiality

A total of 14 material topics were selected after a reference to peer status and experts' opinion and according to the assessment method based on double materiality.

STEP 06 Disclosure of material topics

Disclosure required for reporting of the 14 material topics selected.

The sustainability issues based on the preliminary survey were classified as follows:

Environmental

- Climate change
- Energy and greenhouse gas management
- Waste management
- Water resources management
- Biodiversity and land use

Social

- Overall employee benefits
- Employee diversity, equity and inclusion
- Talent cultivation
- Occupational health and safety
- Community relations and social care

Economy and corporate governance

- Business ethics
- Data protection and cybersecurity
- Solar panel quality and safety
- Service reliability and resilience
- Sustainable supply chains management

3.1 Identification and management of material topics

After the comprehensive consideration of both the substantive impacts and potential impacts of each material topic, an Impact Matrix for positive and negative impacts was plotted based on the extent of impact and the likelihood of occurrence:

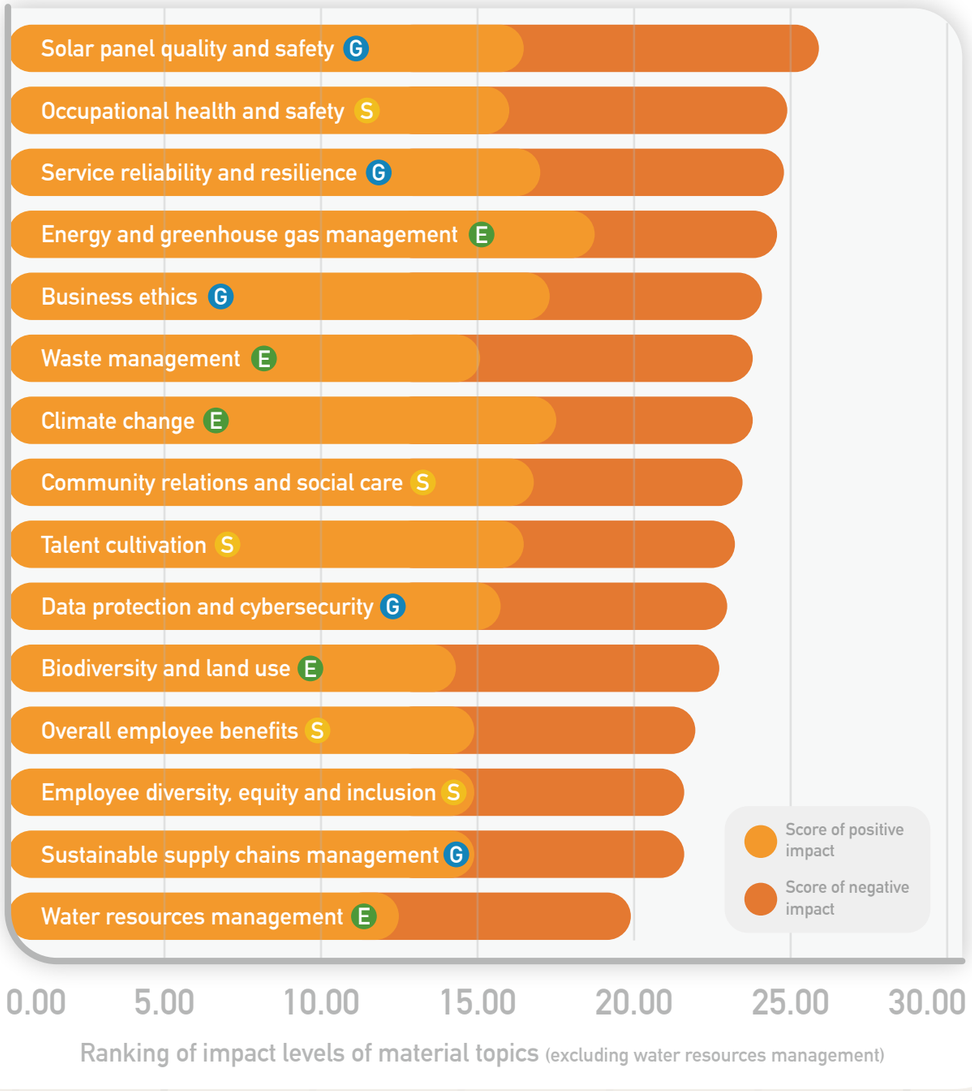
Positive Impact Matrix

Negative Impact Matrix

3.1 Identification and management of material topics

Results of material topics

Based on the above analysis and the aggregation of the degrees of positive and negative impacts, the levels of impacts were classified as follows. Water resources management was removed according to the level of significance. The other 14 sustainability issues were included as material topics. Compared to the list of material topics disclosed in the 2022 sustainability reports, climate change, sustainable supply chains management and employee diversity, equity and inclusion were newly added topics. The material analysis will be conducted every three years.



3.1 Identification and management of material topics

Identification of material topics

Direct impact | InDirect impact | Commercial impact

Dimensions	Material topics	Importance to Formosa Solar	Vision and commitment	Internal boundary	External boundary								Corresponding GRI Standards
				Company	Customers	Shareholders/ Investors	Suppliers/ Contractors	Banks	Insurance companies	Government	Media	NPO/community residents	
Economic	Solar panel quality and safety	Good quality of modules helps to reduce the likelihood of incidents and provides stable services in power supply	We promise to use modules that are internationally/nationally certified, to ensure the safety and reliability of products and provide quality services in power supply	●	◎	●	●	○	●	●	●	●	Material topics defined by Formosa Solar
Social	Occupational health and safety	Good management policies and regulations in occupational health and safety so that employees have a safe and healthy workplace and the Company's operational risks are mitigated	1. Compliance with laws and other relevant requirements 2. Offering a safe and healthy work environment by preventing diseases and reducing the risks to personnel when performing tasks at workplace 3. Continued communication and engagement with employees and contractors and commitment to safety and health policies and practices	●	○	○			●	●			403 Occupational safety and health
Economic	Service reliability and resilience	Service reliability and resilience enables the Company to continue offering high-quality maintenance and operational services, enhance the efficiency of electricity generation at project sites and maintain an advantage in the fierce competition	We strive to provide high-quality project site services, to meet the constantly changing demand in the market. We also seek to boost the reliability and electricity generation efficiency of solar systems, establish a trustworthy relationship with site owners and enhance our competitiveness	●	●	●	●	○	●				Material topics defined by Formosa Solar
Environmental	Energy and greenhouse gas management	The Company continues to increase the volume of renewable generation to assist Taiwan's energy transition. We also continue to reduce our own carbon emissions to contribute to environmental protection and the mitigation of global climate change	We are committed to increase of renewable energy generation. We also seek to lower our own greenhouse gas emissions, advocate the use of low-carbon clean energy and encourage our colleagues to join the action for carbon reduction	●	◎	●	○	○		●			305 Emissions
Economic	Business ethics	When engaging in business conduct or performing work tasks, the Company and all employees shall act with integrity, in accordance with the law and by following guidelines, so that the Company can achieve sustainable development of all businesses	1. Establishment of a corporate culture and healthy development based on integrity 2. Adherence to anti-corruption and anti-bribery policies to ensure that employees perform businesses with integrity and according to the law	●	◎	●	●	●		●	●		205 Anti-corruption
Environmental	Waste management	We are committed to sustainable development. We promise to handle waste properly in order to reduce the environmental impact. We also promote the green and environmentally friendly methods of production and operation	1. Assurance of industrial waste processing in conformity with policies and regulations and outsourcing to legitimate vendors for handling of solar waste 2. Cooperation with academia and professional organizations to assist in promotion of the solar waste recycling and reuse technologies	●	◎	●	○			●			306 Waste

3.1 Identification and management of material topics

Identification of material topics

● Direct impact ○ InDirect impact ◎ Commercial impact

Dimensions	Material topics	Importance to Formosa Solar	Vision and commitment	Internal boundary	External boundary								Corresponding GRI Standards
				Company	Customers	Shareholders/ Investors	Suppliers/ Contractors	Banks	Insurance companies	Government	Media	NPO/community residents	
E Environmental	Climate change	Climate change causes physical risks and transition risks. The Company responds to climate change by establishing mitigation and adaptation strategies, to mitigate operational impacts and identify new business opportunities	We continue to assess the risks and opportunities associated with climate change and formulate strategies for different scenarios	●	◎	●	●	○	●	●	○	●	201-2 Economic performance -(Financial implications and other risks and opportunities due to climate change)
S Social	Community relations and social care	Proactive involvement in community activities; protection of the local environment; providing support to local residents; assistance to the social progress and exercise of the corporate influence	Establishment of the image as a good corporate citizen; support of the development and prosperity of local communities; active participation in local community affairs to ensure a stable and harmonious relationship between the Company and local communities	●								●	413 Local communities
S Social	Talent cultivation	Offering abundant training, education and learning resources to employees; establishment of long-term talent development plans; and attraction and retention of high-caliber talent to enhance the stability and continued advancement of the Company's long-term development	We endeavor to ensure that all employees can work without worries, continue growing, and be willing to make full effort	●		●			○			○	404 Training and education
G Economic	Data protection and cybersecurity	Ensuring the confidentiality, integrity and availability of information, to support the Company's day-to-day operation	Ensuring the security of information collection, processing, transmission, storage and distribution, so as to minimize the risk of personal and company data leakages	●	◎	●	●						Material topics defined by Formosa Solar
E Environmental	Biodiversity and land use	We emphasize our commitment to and responsibility for environmental sustainability. We implement relevant ESG strategies to mitigate damages of the ecosystem and the environment and maintain our corporate sustainable development	Adoption of environmental-friendly construction methods to reduce the environmental impact; promotion and implementation of environmental protection and sustainable development; and enhancement of the society's understanding of environmental protection	●			○			●	○	●	304 Biodiversity
S Social	Overall employee benefits	Offering of competitive salaries and employee benefits; establishment of a robust organization and mechanism to protect employees' rights and enhance employees' cohesion to the Company	We endeavor to ensure that all employees can work without worries, continue growing, and be willing to make full effort	●		●		○					401 Employment
S Social	Employee diversity, equity and inclusion	Creation of a people-centric workplace and an atmosphere of fairness, openness, and inclusivity in order to enhance employees' sense of belonging and the stability of the corporate development	It is the Company's long-standing responsibility to ensure that all employees feel respected and trusted so that feel happy at work and in life	●	○								405 Diversity and equal opportunity
G Economic	Sustainable supply chains management	Robust supply chain management can enhance the Company's operational efficiency and efficacy. It also strengthens risk mitigation capabilities and encourages the supply chain to fulfill environmental and social responsibility	Joining forces with supply chain partners to ensure that they have a safe work environment, good labor relations, ethical and compliant operations and contribution to environmental sustainability	●		○	●			○		○	308 Supplier environmental assessment 414 Supplier social assessment

3.2 Stakeholder engagement

Stakeholders	Importance	Sustainability issues in focus	Communication channels and frequencies	2023 Communication results
Customers	The Company provides relevant solutions and high-quality products/services to meet customer needs	• Business ethics • Solar panel quality and safety • Energy and greenhouse gas management	• Business visits - each month • Telephones/emails - ad-hoc	• Customers invited to stakeholders' appreciation event to promote cooperation • Coordination of contract negotiations to protect the rights of stakeholders • Purchase of relevant equipment after discussion with customers to enhance operational safety of repair works
Shareholders/ Investors	The Company protects the interest of shareholders to ensure that shareholders have the right to be fully informed and to participate in and decide on matters of significance to the Company	• Business ethics • Service reliability and resilience • Talent cultivation	• Annual shareholders' meeting - each year • Board meetings - once every four to six weeks • Operational issues and consultant meetings - once every one to two weeks • Information sections on the company website - anytime	• Discussion with shareholders regarding strategic directions and development goals; follow-ups with progress of project implementations; and assessment of risk management and financial stability
Employees	The Company is committed to providing a work environment that is beneficial to employees' mental and physical health and the development of diversity so that employees can work without worries	• alent cultivation and overall benefits • Occupational safety • Service reliability and resilience	• Survey on satisfaction of joiners - assessment during the probation period • Townhall meeting - each month • Survey on employees' feedback - each month • Labor-Management Meeting - each quarter • Invitation for conversations with CEO - each quarter • Performance reviews and comments - every six months • Survey on engagement of employees - each year • Employee grievance channel - ad-hoc	• Optimization of onboarding procedures and surveys on satisfaction with onboarding experience • Meeting for all employees are convened monthly, to announce important matters • Regular surveys on employees' opinions • Labor-Management Meeting each quarter for both parties to discuss issues • Establishment of multiple communication and internal complaint channels, to provide employees with timely care and assistance • Invited conversations with CEO each quarter to listen to colleagues • Optimization of the performance management system and a significant improvement of employees' participation and completion of performance reviews from the prior year • The survey on engagement of employees in 2023 achieved 100% response rate from employees
Suppliers/ Contractors	The Company should maintain long-standing and positive interactions with supply partners and leverage industry influence by working with supply partners to achieve environmental and social responsibility	• Business ethics • Service reliability and resilience • Solar panel quality and safety	• Project meetings - ad-hoc • Telephones/emails - ad-hoc • Supplier gatherings - each year	• Joint formulation of the rulebook with other developers • Discussion with electricity resellers on how to ensure the rights of both parties given the currently evolving regulatory landscape • Clauses for Human Rights and Environmental Sustainability and Integrity Commitment signed with suppliers • Hosting of stakeholders' appreciation event with the participation of 36 companies
Non-profit organizations / Community residents	Non-profit organizations speak for the interest of the public, supervise corporate social responsibility and environmental impacts, urge the Company achieve sustainable development goals and enhance the interaction and trust between the Company and the society	• Solar panel quality and safety • Waste management • Climate change	• Project meetings - ad-hoc • Telephones/emails - ad-hoc	• Memorandum of cooperation signed with National University of Tainan to promote the solar panel recycling and reuse technology • Joint efforts with Fund for Children and Families in Pingtung to advocate a public campaign by assisting the vulnerable families in energy efficiency and carbon reduction • Organization of solar photovoltaic experience camps to promote energy education • Participation in the conservation initiative for Budai Wetland in Chiayi by working with the industry, academia and the government • Assistance to communities in deployment of road surveillance systems and donation for medical equipment • Sponsorship of community activities from time to time and support of products with local characteristics • Disaster relief donations to the local residents in need

3.2 Stakeholder engagement

Stakeholders	Importance	Sustainability issues in focus	Communication channels and frequencies	2023 Communication results
Banks	Banks offer financing and credit rating services, to support the Company's operation and development. Banks also serve as a financial advisor by providing consultation for capital and risk management	• Business ethics • Energy and greenhouse gas management • Sustainable supply chains management	• Bank meetings - each month • Telephones/emails - ad-hoc	• Participation in market trend seminars to discuss industry dynamics and deepen industry connections • Monthly updates of power generation status, development and financing plans, so that banks can stay on top of operational information and assess debt service capacity • Meetings from time to time to discuss the impact of new laws and regulations on financing structures and conditions and explore potential cooperation opportunities, in order to maintain the Company's financing flexibility
Insurance companies	Insurance companies provide the Company with risk assessment and protection of the Company's financial security against unpredictable risks	• Business ethics • Service reliability and resilience • Sustainable supply chains management	• Telephones/emails - ad-hoc	• Insurance claims for project sites and processing • Sharing about the insurance market trends
Government	The Company is committed to adherence to the regulatory requirements and supervision from the government	• Business ethics • Solar panel quality and safety • Community relations and social care	• Project meetings - ad-hoc • Telephones/emails - ad-hoc	• Discussion with Taipower about grid connection points and feeder line capacities, to ensure that there are feeder lines in corresponding capacity for projects in specific areas • Communication with the government to confirm the implementation direction of regional solar power development projects
Media	Maintenance of good interactions with media and enhancement of the image of the solar photovoltaic industry and the Company through positive publicity	• Business ethics • Sustainable supply chains management • Service reliability and resilience	• Press releases - ad-hoc • Interviews - ad-hoc • Press conferences - ad-hoc • Media luncheons/dinners - ad-hoc	• Interviews with CEO and senior executives • Interviews at Energy Taiwan (an exhibition) • New announcements from time to time to communicate about the Company's development updates, with a total of 78 press coverages throughout the year • Interviews at project sites and communities

3.3 Vision and strategy for sustainable development

RELIABLE PARTNER

Renewable Energy Leader
Ethical Governance
Low-Carbon Commitment
Innovative Mindset

Accountable Supply Chain
Biodiversity Stewardship
Local Community Prosperity
Employee Wellbeing

Suppliers/ Contractors
Customers
NPO/Community residents
Government
Employees
Media
Shareholders /Investors
Banks
Insurance Companies

Being a reliable partner

Continuously increase renewable energy generation, establish comprehensive O&M service, drive the value chain, and become an exemplary player and the most reliable partner in Taiwan's energy industry

- Solar panel quality and safety
- Data protection and cybersecurity
- Service reliability and resilience
- Sustainable supply chains management

Proponent of a better environment

Strive for co-existence and co-prosperity with the enviroment, adapt to climate change, support net-zero transition, reduce waste, and protect the ecological enviroment

- Energy and greenhouse gas management
- Climate change
- Biodiversity and land use
- Waste management and water resources management

Happiest Employees

Committrd and continued investment in employees' development and creation of a safe and inclusive workspace of diversity

- Employee diversity, equity and inclusion
- Overall employee benefits
- Talent cultivation
- Occupational health and safety

Sustainable Enterprise

Centered on business ethics and focused on sustainable governance, social development ahd human right

- Governance framework
- Operations and risk
- Business ethics
- Community relations and social care

3.3 Vision and strategy for sustainable development

Formosa Solar aims to be the most reliable and leading partner in Taiwan's energy transition. Anchored on the core spirit of reliability and partnership, we have incorporated many ESG issues within our core business. Our ESG Journey is orientated around four main goals: to be a reliable partner, to achieve a better environment, to become a more sustainable corporate, and to make our employees happier. Our short-term, mid-term and long-term targets are formulated accordingly in order to achieve our goal for sustainability on all fronts.

Being a reliable partner

Continuously increase renewable energy generation, establish comprehensive O&M services, drive the value chain, and become an exemplary player and the most reliable partner in Taiwan's energy industry.

Sustainability issues	Actions and directions	Short-term plan (2024-2025)	Mid/long-term plan (2026-2030)	Quantitative metrics
Solar panel quality and safety	1. Assurance of panel quality, strengthening of personnel's professionalism and skills, and offering of high-quality solar power systems to customers	1-1. Recruitment of quality assurance personnel or commissioning of third parties to conduct in-factory verification for production and before shipment 1-2. Continued improvement of knowledge related to panels and application of new technologies or inspection methods at project sites 1-3. Power generation loss <1% due to panel abnormality (during transportation and installation)	1-1. Establishment of Quality Assurance Department 1-2. Power generation loss <1% due to panel abnormality (during transportation and installation)	1-1. In-factory inspection records 1-2. Occurrence rate of panel abnormalities
Service reliability and resilience	1. Establishment of a vigorous monitoring and maintenance system 2. Enhancement of engineers' professional knowledge and response capabilities, in order to handle emergencies for users on a real-time basis and provide services	1-1. Establishment of comprehensive project site records by using PMS (performance management system) 1-2. Analysis of model-generated site performance reports and timely notification of onsite personnel 1-3. 99% deployment rate of site monitoring 1-4. Onsite maintenance conducted in accordance with ISO 9001 procedures 1-5. Establishment of a spare parts inventory management system 2-1. Handling of onsite emergency within 24 hours 2-2. Repair of faulty E&M equipment within 48 hours	1-1. Creation of an automatic dispatch system by using PMS (performance management system) 1-2. Certification of IEC system maintenance 1-3. Establishment of a spare parts incoming/outgoing management system by using PMS (performance management system) 2-1. Substantial improvement of power generation ratios 2-2. On call 24/7 for emergency	1-1. Availability of project site systems 1-2. Response rate for project site issues 1-3. Certification of IEC system maintenance
Data protection and cybersecurity	1. Deployment of cybersecurity management systems 2. Regular cybersecurity drills, education and advocacy to enhance all personnel's cybersecurity awareness	1-1. Completion of deployment/updating of cybersecurity management systems 1-2. Introduction of the ISO 27001 information security management system 1-3. Monthly statistics and analysis of breaches of mainframes and computers, and production of reports for follow-ups, assessments and reviews 1-4. Regular inspection of firewalls, Intrusion detection systems, and encryption systems to ensure network security 2-1. Regular social engineering drills and advocacy for cybersecurity 2-2. Client data confidentiality measures are in place, to ensure all employees understand and emphasize information security	1-1. Continued updating of cybersecurity systems to maintain zero cybersecurity incidents 2-1. Regular training and education on cybersecurity and ongoing enhanced advocacy for network security	1-1. To obtain ISO 27001 certification 1-2. Major cybersecurity incidents 2-1. No. of participants/hours for training and education
Sustainable supply chains management	1. Enhancement of suppliers' awareness for sustainability, optimization of the relevant assessment mechanism to boost the competitiveness of supply chains	1-1. Identification of major suppliers and risky suppliers 1-2. Maintenance of 100% major suppliers signing Supplier Code of Conduct 1-3. Regular advocacy to suppliers and communication about sustainability issues 1-4. Establishment of a supplier sustainability evaluation system by reference to RBA COC 8.0 1-5. A score of at least 70 required for suppliers' self-assessment reports 1-6. Suppliers required to accomplish at least three dimensions of Formosa Solar's five dimensions for supply chain sustainability	1-1. All suppliers signing Supplier Code of Conduct; Statement Against Forced Labor; and Supplier Integrity Commitment 1-2. Reward and phase-out mechanism for suppliers to enhance supply chain capabilities 1-3. Increase the frequency of advocacy to suppliers and communication about sustainability issues 1-4. A score of at least 80 required for suppliers' self-assessment reports 1-5. Suppliers required to accomplish Formosa Solar's five dimensions for supply chain sustainability and present the results	1-1. Percentage of suppliers signing the principles 1-2. Average score in suppliers' self-assessment reports 1-3. No. of suppliers rewarded/phased-out 1-4. Assessment of sustainable suppliers

3.3 Vision and strategy for sustainable development

Proponent of a better environment

Strive for co-existence and co-prosperity with the environment, adapt to climate change, support net-zero transition, reduce waste, and protect the ecological environment.

Sustainability issues	Actions and directions	Short-term plan (2024-2025)	Mid/long-term plan (2026-2030)	Quantitative metrics
Energy and greenhouse gas management	1. Formulation of path to carbon reduction 2. Increase of renewable energy generation to assist in the domestic energy transition	1-1. Formulation of carbon reduction guidelines and goals for offices 1-2. Use of 100% green electricity at offices 1-3. The Company continues to replace fossil-fuel vehicles with new energy vehicles for business 2-1. Continuous increase in the total installed capacity and power generation	1-1. Continued optimization of carbon reduction guidelines and goals for offices 1-2. Use of 100% new energy vehicles for business 2-1. Continuous increase in the total installed capacity and power generation	1-1. Volume of electricity consumption 1-2. Quantity of carbon emissions 1-3. Phase-in percentage of new energy vehicles 1-4. Increase in the percentage of renewable energy consumption in the Company and offices at different locations 2-1. Total installed capacity and power generation
Waste management and water resources management	1. Advocacy for waste reduction, recycling and reuse 2. Reasonable use of water resources and enhancement of utilization efficiency	1-1. Support of government policies by continuing to optimize waste management procedures 1-2. Memorandum of cooperation signed with academic institutions to promote the solar panel recycling and reuse technology 1-3. Continuing to promote to contractors that waste reduction, recycling and reuse should be adopted during the construction process 2-1. Gradual testing of water conservation measures such as water-saving faucets, water-free robots and rainwater recycling for cleaning of solar sites	1-1. Maintenance of zero violation of rules on waste processing 1-2. Continued assistance to academic institutions in development of solar panel recycling and reuse technologies 1-3. Us of recyclable and reconfigurable panels, to reduce the environmental impact of products at the end of lifecycle 2-1. Introduction of water efficiency equipment to reduce water consumption by 20% for module cleaning	1-1 Waste reduction/recycling rate 2-1 Quantity of transported and recycled rate of discarded panels 2-2 Water resources consumption reduction/recycling rate 2-3 Phase-in percentage of water-saving equipment
Climate change	1. Identification of potential operational risks that climate change may cause and planning of relevant management strategies	1-1. Assessment of material climate issues via TCFD assessment and formulation of response strategies 1-2. Establishment of SOPs (standard operating procedures) in response to extreme climate events or disasters in order to maintain the operations of the Company and project sites 1-3. Adoption of Solargis, the solar irradiance predictive tool, to improve site design and operation 1-4. Site design in reference to historical records of wind speeds, precipitation and flood elevation, to respond to extreme weather events and deploy site designs conforming to safety factors 1-5. Planning and implementation of basic protection mechanisms for outdoor work	1-1. Follow-up of metrics defined in response to climate change 1-2. Continued improvement of site design and operation based on predictive data from Solargis 1-3. Adoption of newest designs, standards and equipment for project sites construction 1-4. Establishment of a vigorous protection mechanism for outdoor work and periodic reviews of implementation results 1-5. Establishment of effective and long-term insurance partnerships to diversify the risks associated with natural disasters	1-1. Availability factor of systems at project sites 1-2. No. of occupational safety incidents 1-4. Robustness and coverage of insurance protection
Biodiversity and land use	1. Continued monitoring and assessment of how specific project sites affect and rely on biodiversity and implementation of response measures accordingly 2. Enhancement of stakeholders' understanding of environmental and ecological issues	1-1. Site development, deployment, maintenance and operation in adherence to environmental regulations 1-2. Implementation of a biodiversity monitoring program for environmentally sensitive project sites 2-1. Organization of employee activities or external campaigns by incorporating environmental education issues in order to enhance stakeholders' awareness in environmental protection	1-1. Maintenance of zero violation of environmental protection regulations 2-1. Attention to nature and biodiversity and participation in initiatives to collectively protect biodiversity	1-1. Periodic biodiversity monitoring and results reporting 1-2. No. of ecosystem monitoring activities each year 1-3. No. of regulatory violations each year 2-1. No. of sessions/participants for environmental education

3.3 Vision and strategy for sustainable development

Sustainable enterprise

centered on business ethics and focused on sustainable governance, social development and human rights.

Sustainability issues	Actions and directions	Short-term plan (2024-2025)	Mid/long-term plan (2026-2030)	Quantitative metrics
Governance framework	1. Definition of departmental duties and responsibilities; optimization of the internal control system; implementation of monitoring; and a corporate culture of accountability 2. Proactive implementation of the blueprint for sustainable development; strengthening of corporate governance; and promotion of the healthy development of the board composition and structure	1-1. Conducting of an organizational inventory and clear definition of the roles and responsibilities of each department, to establish a culture of autonomous decision-making 1-2. Robustness of corporate policies such as Practical Guidelines on Corporate Governance; Business Code of Conduct; and risk management 2-1. Establishment of sustainability metrics as the Company's key performance indicators 2-2. Identification of third parties to conduct corporate governance assessments	1-1. Continued optimization of the Company's internal audit system, internal control system, and policies 2-1. Continuous enhancement of the Company's corporate governance evaluation results	1-1. Optimized versions and record sheet of corporate policies 2-1. Inclusion of performance reviews into sustainability targets 2-2. Improvement ratio of corporate governance evaluation scores
Operations and risks	1. Staying on top of operational risks, formulation of response strategies and enhancement of the organization's awareness about internal risks 2. Gradual increase of the installed capacity of project sites year-on-year and enhancement of efficiency indicators of project sites in operation 3. Continued development of CPPA customers	1-1. Risk and Audit Committee identifies and assesses potential risks of all types and formulates corresponding risk management policies 2-1. Determination of efficiency indicators for improvement of operational project sites Including inspections and maintenance, system optimization and energy efficiency management. Proper audits are required 2-2. Proactive development of markets and participation in various tenders 3-1. Consultations to customers to meet their need for green energy	1-1. Establishment of a risk monitoring system and a follow-up mechanism for periodic tracking of risk changes through assessment meetings and hazardous event simulations 2-1. Continued optimization of efficiency indicators for project sites; and planning and innovation for technological upgrade to reduce costs and environmental impacts 2-2. Seeking of business partners and development of external resources to create new business models 3-1. Effective management of customers' demand for green energy and increase of volumes contracted by CPPA	1-1. Establishment of Risk Management Committee and formulation of relevant policies 1-2. Frequency of risk events 1-3. Scope of risk events 1-4. Losses to the Company caused by risk events 2-1. Performance ratio>80.3% for operational project sites 2-2. Increase in installed capacity of power plants 3-1. Volume contracted with CPPA
Business ethics	1. Formulation and implementation of "Business Code of Conduct" and "Operational Procedures and Behavioral Guidelines on Business Ethics" 2. Offering of relevant training, education and policy advocacy	1-1. No breach of business ethics 1-2. Formulation and implementation of "Business Code of Conduct" and "Operational Procedures and Behavioral Guidelines on Business Ethics" 2-1. Organization of business ethics related training, education and policy advocacy 2-2. Establishment of multiple complaint channels and a whistleblowing system	1-1. Implementation of "Business Code of Conduct" and "Operational Procedures and Behavioral Guidelines on Business Ethics" and annual reporting of results to the Board of Directors 2-1. Multiple channels to promote and internalize business code of conduct via training, education and policy advocacy to all personnel from top down	1-1. No. of internal reports by whistleblowers 1-2. No. of law violations and penalties 1-3. No. of corruption incidents 2-1. No. of training and education hours on business ethics
Community relations and social care	1. Development of continuous public interest plans aligned with our industry 2. Giving resources back to the local areas to enhance community relations	1-1. Development of carbon reduction plans and support for the vulnerable, and tracking of results 2-1. Offering of goods/materials or sponsorships from time to time to the local underprivileged	1-1. Development of public interest programs for carbon reduction and with a profit-sharing mechanism with communities to strengthen influence 2-1. Increase in social investments into local communities, to support community infrastructure and environmental protection	1-1. Plan performance 2-1. No. of beneficiaries

3.3 Vision and strategy for sustainable development

Happiest employees

Committed and continued investment in employees' development and creation of a safe and inclusive workplace of diversity.

Sustainability issues	Actions and directions	Short-term plan (2024-2025)	Mid/long-term plan (2026-2030)	Quantitative metrics
Occupational health and safety	1. Tracking of operational safety via the occupational safety and health management system and caring of employees' health and safety 2. Establishment of goals and awareness in occupational safety and health for the Company and its contractors	1-1. Introduction and operation of the ISO 45001 standard for health and safety management systems 1-2. Deployment of standardized occupational safety facilities 1-3. Total recordable injury rate (TRIR) (Employees/EPC) 0/0.03; Lost time injury rate (LTIR) (Employees/EPC) 0/0.03; and death rate 0 1-4. No. of internal near-miss events reported: 2 persons/year 1-5. Regular training and education to employees in occupational health and safety to protect employees' safety and health 2-1. Establishment of a feedback mechanism for improvement items. Contractors required to propose improvement items for special projects	1-1. Periodic review and improvement of operations and implementations in accordance with the ISO45001 and ISO14001 models 1-2. Establishment of standardized occupational health and safety facilities and supply chain networks 1-3. Total recordable injury rate (TRIR) (Employees/EPC) 0/0.01; Lost time injury rate (LTIR) (Employees/EPC) 0/0.01; and death rate 0 2-1. Selection of vendors who receive high scores in human rights and occupational safety issues in the supply chain assessment	1-1. ISO 45001 certification obtained 1-2. TRIR and LTIR 1-3. Number of standardized items/total item number of occupational health and safety facilities 2-1. Scores assigned to suppliers for human rights and occupational safety
Talent cultivation	1. Establishment of a training and development system to enhance employees' competences and performance 2. Integration of sources from the government and schools to enhance internal and external talent	1-1. Formulation of guidelines to enhance employees' engagement and creation of a dashboard for reliability and employees' engagement 1-2. Development of long-term employee incentive programs 1-3. An average of 30 training hours per employee 1-4. Increase of learning and development subsidies 2-1. Strengthening of cooperation and development with academia or public sectors 2-2. Promotion of industry-academia cooperation to provide students with internship opportunities and develop young and professional talent	1-1. Creation of a dashboard for reliability, engagement and autonomy 1-2. An average of 50 training hours per employee 1-3. To become the leading benchmark for salaries and benefits in the industry 2-1. Development of long-term projects with academia or public sectors 2-2. Planning of internal/external sustainability related curriculums to enhance a culture of sustainability	1-1. Score of employee's engagement 2-1. No. of internal/external training sessions
Overall employee benefits	1. Creation of a comprehensive welfare system to address employees' needs and achieve work-life balance	1-1. Periodic surveys on employees' satisfaction 1-2. Initiation of EAP (Employee Assistance Program) as a platform of professional resources for mental/physical health of employees 1-3. Assessments and surveys of employees' mental/physical health to ensure wellbeing of employees 1-4. Gradual implementation of a hybrid work model by reducing work hours to achieve work-life balance 1-5. Formulation of a subsidy program for hobbies and clubs	1-1. Reduction of work hours via automation 1-2. A well-designed hybrid work model	1-1. Surveys on employees' satisfaction 1-2. Overtime hours 1-3. Percentage of remote work hours
Employee diversity, equity and inclusion	1. Promotion of a culture of diversity, equity and inclusivity for members of different qualities. Focus on a work environment of diversity and inclusivity and a culture of trust	1-1. Establishment of an anti-discrimination system and offering of training and education programs 1-2. Development of multiple channels for employees to be heard and listening to employees' needs to ensure smooth communication at all hierarchical levels 1-3. Employment of a percentage of employees with mental/physical disabilities 1-4. Regular DEI seminars and training classes 1-5. Establishment of a fair remuneration system	1-1. Implementing anti-discrimination and curriculum optimization 1-2. Regular review of the fair remuneration system 1-3. Achieve a 1:1 gender ratio among all employees. 1-4. Third-party DEI assessment PR values (e.g., DEIIA) 1-5. Creation of multiple communication channels and a dashboard for data automation	1-1. Management gender ratio 1-2. DEI curriculum percentage 1-3. Turnover rate 1-4. Ratio of average gender salary to total average salary 1-5. Third-party DEI assessment PR values (e.g., DEIIA)

3.4 Sustainable Development Goals

SDG	Target	Dimensions of Formosa Solar's sustainability strategy	Actions by Formosa Solar
 SDG 4 Quality education	4.5 Elimination of gender inequalities in education by 2030 and ensuring that disadvantaged groups (including mental/physical disabled, indigenous peoples and underprivileged children) have the channels and access to education and vocational training at all levels 4.7 Ensuring by 2030 that all students can acquire necessary knowledge and skills to contribute to sustainable development, including education for sustainable development; sustainable ways of life; human rights; gender equality; peace and non-violence; global citizenship; appreciation of cultural differences; and cultural contributions to sustainable development	Sustainable enterprise	Incorporation of cultivation and development modules; implementation of employee training and education; data management, tracking and analysis of all learning channels; planning for Little Sun Summer Internship Program; cooperation with colleges and universities for scholarship schemes; organization of solar photovoltaic experience camps; nurturing of green energy talent; support of education to the disadvantaged; and promotion of green energy and concept of sustainability
 SDG 5 Gender equality	5.1 End all forms of discrimination against all women and girls everywhere 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life 5.c Adoption and strengthening of robust policies and practicable legislation to promote gender equity and enhance women's capabilities at all levels	Happiest employees	No differentiated treatment in salary ranges due to physical or psychological differences of individuals. Support of female talent development. Female executive directors and above accounting for 42.8%. Construction of a comprehensive unpaid parental leave system for both parents
 SDG 7 Affordable and clean energy	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	Being a reliable partner	Continued development of different types of solar projects; introduction of weather data and software to optimize project site designs; adoption of new modules and technologies to reduce annual degradation; selling of green electricity to corporate users and offering of consultation services
 SDG8 Decent work and economic growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 8.4 Improve progressively through 2030 global resource efficiency in consumption and production, and endeavor to decouple economic growth from environmental degradation in accordance with the 10-year framework of programs on sustainable consumption and production with developed countries taking the lead 8.5 By 2030 achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.8 Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment	Sustainable enterprise Happiest employees Being a reliable partner	Appropriate adjustment of salaries for employees according to profitability; emphasis of labor rights; adjustment of work details for pregnant workers and new mothers according to laws, to reduce physical burdens; focus on occupational safety and health; monthly surveys on the perceived safety and health of the work environment; offering of employment opportunities to local communities to promote community development
 SDG10 Reduced inequalities	10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status 10.3 Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and actions in this regard 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	Sustainable enterprise Happiest employees	Establishment of multiple communication channels to timely respond to employees; protection of employees rights according to laws; adherence to internationally recognized human rights; implementation of human resource policies without discrimination based on gender, race, socioeconomic status, age, marital and family situation, etc.; no labor disputes in recent years; cooperating with non-profit organizations to promote energy-saving programs to assist underprivileged communities and households by phasing out old and inefficient home appliances

3.4 Sustainable Development Goals

SDG	Target	Dimensions of Formosa Solar's sustainability strategy	Actions by Formosa Solar
 SDG11 Sustainable cities and communities	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	Sustainable enterprise	Beishin Solar Sports Park in Pingtung serves multiple purposes, including a solar power plant and community and leisure space. It also provides assistance and sponsorship for the deployment of road surveillance and medical equipment for remote and rural communities and offers employment opportunities to community residents to boost community development
 SDG12 Responsible consumption and production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Proponent of a better environment	Selection of vendors in compliance with laws for waste treatment; requirement for reuse of recyclable materials; joining of the Circular Economy and Industry Alliance for Solar Cells to promote the solar panel recycling and reuse technology
 SDG 13 Climate action	13.2 Integrate climate change measures into national policies, strategies and planning 13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	Proponent of a better environment	Increase the use of renewable energy and assistance to the transition to renewable energy; adoption of the TCFD framework to analyze climate risks and opportunities and to formulate relevant strategies; review of greenhouse gas inventory to understand the emission status and arrange emission reduction activities
 SDG 15 Life on land	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species	Proponent of a better environment	Formulation of an environmental assessment mechanism for project site development; rule-out of development in important ecological areas; site construction with friendly methods to reduce the ecological impact; ecosystem monitoring and regular reporting for sites in area of high ecological sensitivity
 SDG16 Peace, justice and strong institutions	16.5 Substantially reduce corruption and bribery 16.6 Develop effective, accountable and transparent institutions at all levels 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	Sustainable enterprise Being a reliable partner	Adhere to the avoidance of conflicts of interest and the anti-corruption principle; establishment of codes of integrity and anti-corruption policies; deployment of a dedicated email for external whistleblowing and complaints; requirement for suppliers to sign Supplier Code of Conduct; Statement Against Forced Labor; EPC (Engineering, Procurement, Construction) Contract Management Procedures, etc

Chapter 4

Governance framework

IV. Governance framework

Formosa Solar practices a culture of accountability and adheres to all laws and regulations. We have put in place a stringent internal control system and stable financial management, to mitigate operational risks and protect the interest of investors and other stakeholders. Formosa Solar has established its corporate governance system according to its internal regulations. Board members are appointed by the Formosa Solar's major shareholder, to protect the rights of shareholders and respect the interest of stakeholders and ensure the robustness of the corporate governance system. Furthermore, Formosa Solar discloses information in the principle of accuracy, timeliness and fairness. We have established a comprehensive information disclosure system and communication channels. All relevant information is available at our company website.

4.1 Board of Directors

A trustworthy governance team equipped with professional competences and practical experiences

The Board of Directors spearheads the Company’s business strategies, oversees the management for results and are accountable to investors and other stakeholders. Formosa Solar has a highly reliable board with strong governance capabilities. All the directors have extensive industry experience to support our mission to be the most reliable and leading partner in Taiwan’s energy transition.

Formosa Solar’s Articles of Association state that directors are appointed by institutional shareholders based on merits and suitability. Our directors are equipped with industry professionalism and extensive practical experience, familiar with the development of the solar energy industry. They also have a strong track record in the investment, development, construction, operation and maintenance of infrastructure and renewable projects. A total of 12 board meetings were convened in 2023, with a 100% attendance rate for all directors.

Formosa Solar avoids the conflicts of interest and follows the anti-corruption principle. The members of the functional committees under the Board of Directors may not be involved in businesses with conflicts of interest against the projects resolved by the respective functional committee. Meanwhile, the Company’s authorization policy stipulates the following: For projects whose final decision-making rests with the investor's director under the authorization policy, the same directors cannot sign off the preliminary approval of these projects in order to avoid conflicts of interest.

4.1 Board of Directors

Background of Board Members

Board Member		Core Competences					Core Competences				
Job Title	Name	Gender	Tenure	Attendance rate	Years of experience in the renewable energy industry		Years of service as the Company's director	Investment and management	Project development	Project construction	Project operation	Shares held in competitors, suppliers or customers
Chairman	Andrew Kwok	Male	3 years	100%	14		8	O	O	O		✖
Director	Kok-Leong Toh	Male	3 years	100%	12		8	O	O	O		✖
Director	Inderpreet Wadhwa	Male	3 years	100%	15		2		O	O	O	✖
Director	Frank Hojerslev	Male	3 years	100%	20		5		O	O	O	✖

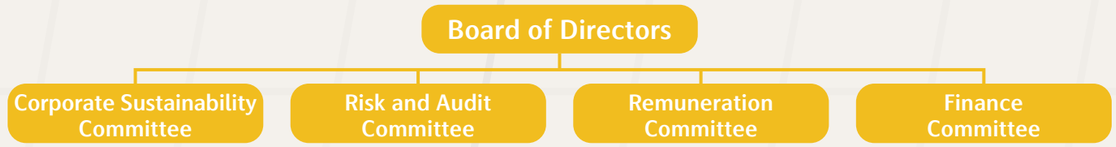
Board composition statistics

Diversity statistics/year			2021		2022		2023	
			No. of people	%	No. of people	%	No. of people	%
Director	Gender	Male	4	100%	4	100%	4	100%
		Female	0	0%	0	0%	0	0%
	Age	<50 years old	3	75%	3	75%	1	25%
		50-60 years old	1	25%	1	25%	3	75%
		≥ 60 years old	0	0%	0	0%	0	0%
	Education	Post-graduate institution	2	50%	2	50%	2	50%
		College	2	50%	2	50%	2	50%
		Others	0	0%	0	0%	0	0%

Note 1: Percentage of female directors = (No. of female directors at the year-end / No. of directors at the year-end)*100%
Note 2: Percentage of male directors = (No. of male directors at the year-end / No. of directors at the year-end)*100%
Note 3: Percentage of female directors and Percentage of male directors should add up to 100%

Formosa Solar takes into account all the potential compliance and governance issues that directors may encounter in the corporate operation decisions, and actively encourages and arranges directors to take relevant professional courses. All directors completed a total of 40 hours of training during the year, with 5% of the classes related to ESG.

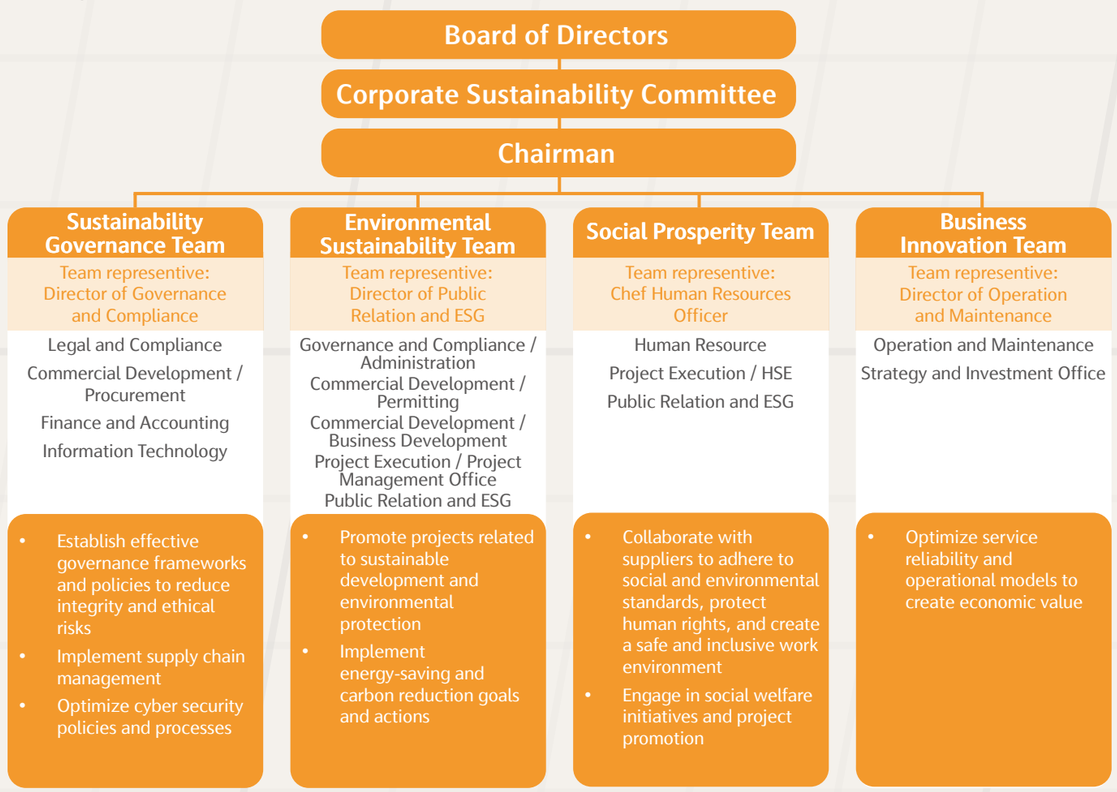
4.2 Functional committees



Corporate Sustainability Committee

Corporate Sustainability Committee was established under the authorization of the Board of Directors to fulfill corporate social responsibility, as well as manage and implement sustainable operations. CEO serves as Committee Chair. The Committee formulates and drives the annual ESG plans with corporate sustainability as the highest guiding principle. The results are reported to the Board of Directors by CEO every year. The Board of Directors acts in a supervisory and guiding role in promoting sustainability and reviewing the issuance of the sustainability report. A total of three meetings were convened in 2023, to discuss topics such as sustainability blueprint, sustainability issue management and goal setting.

Corporate Sustainability Committee consists of four functional teams: Sustainability Governance, Environmental Sustainability, Social Co-Prosperity, and Operational Innovation. The members come from relevant business units. Team representatives are served by executive directors or above. Representatives of each working group are responsible for managing the economic, environmental, and social impacts within their scope of duties.



Risk and Audit Committee

To ensure the health of business development while addressing risk management, we have established Risk and Audit Committee responsible for formulating risk management systems and policies and periodically reviewing the appropriateness of these mechanisms and the adequacy of capital. The purpose is to balance between risk control and business development. Risk and Audit Committee convenes at least one meeting each year. One meeting was held in 2023, with a 100% attendance rate.

Remuneration Committee

Remuneration Committee was established by the Board of Directors to strengthen the oversight functions and management mechanisms. Functional committees shall exercise powers and duties independently and according to laws. They should also be accountable to the Board of Directors and submit proposals to the Board of Directors for resolutions.

Remuneration Committee's main responsibility is to formulate and periodically review the performance and remuneration systems and standards for managers and employees. This includes regular evaluations of remuneration levels. When conducting evaluations, Remuneration Committee considers the following principles:

(1) The Company's remuneration adheres to relevant laws and is attractive enough to attract exceptional talent.

(2) Performance evaluation and remuneration of managers and employees align with industry norms and take into account the time invested, responsibilities and goal achievements of individuals, the involvement in corporate operations, and the value of contributions.

Moreover, we started in 2024 to encourage our colleagues to voluntarily include ESG initiatives and collaboration projects into annual targets, to enhance the awareness in sustainability and implement ESG actions at work.

Finance Committee

To strengthen the organization's finance functions, Finance Committee is accountable to the Board of Directors and responsible for budgeting, financial planning and reporting, hedging and investment in order to achieve the organization's strategic goals. By keeping a close eye on market changes, Finance Committee is always ready to provide advice to ensure the organization can adapt to changes and achieve long-term success. A total of seven Finance Committee meetings were convened in 2023, with 100% attendance rate of committee members.

4.3 Business ethics

2023 Achievements

Completed anti-corruption education and training for 4 board members and 53 colleagues by 2023; 100% of board members and 70.7% of colleagues have been trained, and it is expected that a 100% implementation rate among colleagues will be achieved by 2024

No complains were received during the year regarding breach of business ethics

A total of 42 major suppliers have signed Code of Conduct for Supplier, Forced Labor Attestation and Commitment of Supplier's Integrity at 100% implementation rate

Anti-corruption risk assessments had been conducted at 100% of the operating locations in Taipei and Pingtung

To ensure that business ethics is implemented throughout the company, Formosa Solar has always placed great importance on the moral character of its employees. Human Resource Department advocates the Company's ethical guidelines to new hires during the onboarding stage, to cultivate a sense of integrity among colleagues. Meanwhile, the management team is required to lead by example and strictly adhere to the principles of integrity. A total of 53 employees received anti-corruption and anti-bribery training and education as of 2023. Integrity is one of Formosa Solar's five core values. The promotion and practice of this value attracted the highest score in the 2024 questionnaire regarding dedication and professionalism of employees. Formosa Solar's efforts on this core value are highly recognized by our colleagues.

Within Formosa Solar, "Work Rule" and "Delegation of Authority" have been put in place by the resolution of the Board of Directors. Moreover, Formosa Solar has established a email account (info@formosasolar.com.tw) for external grievance, so that stakeholders can report concerns through the email address provided on the company website. After a stakeholder has raised concerns, the responsible personnel will initiate investigations. In principle, the reporting person must give his/her name and provide specific details, including but not limited to the names of the alleged parties, the timeline, the location, and relevant circumstances. If the whistleblower opts to remain anonymous but has provided relevant evidence, the responsible personnel may still conduct investigations. If the responsible personnel, the whistleblower or the alleged are related parties or there are relations that may affect the results of the case handling, the responsible personnel should recuse themselves, and other competent personnel shall carry out investigations. The investigation process should be impartial and confidential, and the whistleblower's identity must not be disclosed. Formosa Solar is committed to protection for whistleblowers against mistreatment due to reporting.

In terms of regular business activities, Formosa Solar has established Anti-Corruption and Bribery Policy; EPC (Engineering, Procurement, Construction) Contract Management Procedures, and other policies. When carrying out business operations, employees should follow the relevant contract management procedures and explain to counterparties about the Company's business ethics policies and relevant regulations. It is necessary to clearly refuse to directly or indirectly provide, demand, or accept any form or in substance of improper benefits. At the same time, it is required to avoid commercial transactions with agents, suppliers, customers, or other business counterparts involved in dishonest conduct. All suppliers cooperating with Formosa Solar need to comply with and sign Code of Conduct for Supplier, Forced Labor Attestation and Commitment of Supplier's Integrity. In 2023, the signing rate was 100% (42 major suppliers). Finally, when signing contracts with counterparties, Formosa Solar strives to fully understand the integrity management status of the counterparties and incorporates compliance with Formosa Solar's business ethics policy into the contract between the two parties by establishing relevant clauses in a timely manner.

As far as overall operations are concerned, Formosa Solar has not been involved in any significant violation of laws or been a target of allegation over recent years. All of our external policies are disclosed on the company website (https://www.formosasolar.com.tw/zh-tw/esg_integrity.php).

External policics of Formosa Solar

4.4 Risk management

Formosa Solar adopts a balanced strategy of risk management. We carefully consider the overall impact on corporate sustainability whilst creating business returns, in order to protect the sustainable value of the Company and stakeholders. Sitting at the center of Formosa Solar's risk governance, Risk and Audit Committee formulates risk management systems and policies, regularly reviews the appropriateness of the systems, implements risk assessment operations, works together with various responsible units to implement risk and crisis management, and report to the Board of Directors according to the risk management status. The purpose is to ensure that the Company achieves the goal of sustainable operation.

Board of Directors

Governance and supervision

- Monitoring of the risk management system
- Approval of risk management policies

Risk and Audit Committee

Decision-making

- Establishment of a risk control mechanism to implement risk identification, risk assessment and risk monitoring
- Implementation of the risk management policies set by the Board of Directors

Responsible units

Planning and execution

- Reporting and processing in accordance with authority and responsibility, and development of response strategies and management measures to mitigate the impact caused by risks
- Ensuring of effective implementation of risk management and relevant control measures of the unit, in accordance with risk management policies

Risk management process and operation

Risk identification

- Assessment of potential risks by considering the characteristics of the Company's business and the factors of the internal/external environment
- All operational units should identify risks regarding their duties and businesses, according to corporate strategies and targets and the risk management policies approved by the Board of Directors

Risk assessment

- Understanding of the nature and the characteristics of identified risk events, to analyze the likelihood of occurance the level of impact and to estimate the risk value accordingly
- Assessment of the impact of potential risks on the corporate operations and then formulation of the measurement method
- Proper recording of relevant risk analysis and estimate results, and reporting to Risk Management Committee

Risk control

- Adoption of appropriate responses to address risks
- Regular reporting to the Board of Directors about risk control status

Risk responses

- Formulation of a relevant management plan for risk responses and ensuring full understanding and implementation by relevant personnel
- Selection of risk response methods with the corporate strategic goals taken into consideration

The following describes the risks that Formosa Solar is more likely to encounter in its day-to-day operations, as well as the measures and risk management units that are in place to address these risks.

Formosa Solar's risk management strategy

Risk type	Risk description	Risk management and response measures	Units of risk management
Sustainable environment	Unable to effectively save energy	1. Office consumption of electricity from renewable sources 2. Gradual phaseout of old energy intensive equipment and fuel-powered business vehicles year on year, to reduce energy consumption 3. Planning for green procurement by prioritizing the vendors with excellent green trails; phase-in of energy efficient office equipment	Governance and Compliance / Administration

4.4 Risk management

Risk type	Risk description	Risk management and response measures	Units of risk management
Sustainable environment	Improper waste handling	Waste from the solar business: 1. Support of government policies, in alignment with vendors' improvement in recycling technology and continued optimization of business waste management process 2. Ensuring that waste treatment is in conformity with national laws and standards, to reduce pollution and risks to the environment	Project Execution / Project Management Office Operation and Maintenance
	Typhoons and floods	1. Staying on top of weather information and formulation of relevant preventive and response measures for different types of nature disasters 2. Seaside and low-lying land avoided in the selection of operational site and equipment installation locations. Conditions for flood prevention and earthquake resistance taken into consideration 3. Risk transfer and diversification by purchasing property insurance for assets and equipment (including coverage of nature disasters and third-party liability)	Operation and Maintenance
	Violation of environmental regulations	1. Periodic identification of relevant regulations is conducted. In case of near-miss events or incidents pertaining to stakeholders, ad-hoc identification of regulations is carried out and response measures are adopted subsequently	Governance and Compliance / Legal and Compliance
Employees	Occurrence of occupational disasters	1. Establishment of identification procedures for laws and regulations in line with risk assessment 2. Establishment of events reporting procedures 3. In case of near-miss event, it is necessary to re-assess risks and update the corresponding control measures 4. Offering a safe and healthy work environment by reducing the risks to personnel when performing tasks at workplace 5. Establishment of agreements, organization and procedures in accordance with the Occupational Safety and Health Act	Project Execution / HSE
	Overtime work	The following preventive measures and regulations are in place to avoid diseases triggered by long working hours: 1. Regular health examinations to discover problems so that treatments can start early and physical health can be protected 2. Employees encouraged to pursue work-life balance. Remote work and wellbeing leaves offered as employee benefits 3. Periodical review of overtime hours; and discussion with supervisors about manpower allocation	Human Resource
	Relatively high turnover rate	1. Conversations with leaving personnel; joint creation of a good workplace; and promote the retention rate of competent employees 2. Surveys on employees' satisfaction and engagement, to understand employees' needs. Timely adjustment of the targets and the progress of organizational development to enhance employees' satisfaction 3. Development of our brand as an employer to attract high-caliber talent	Human Resource
Governance and operation	Legal risks	1. Supplier Code of Conduct has been put in place. Suppliers are required to sign "Statement Against Forced Labor" and "Supplier Integrity Commitment" to ensure honest performance of duties by relevant personnel 2. Establishment of an EPC contract performance management process and formulation of an internal control mechanism for design, procurement and construction of renewable power plants 3. Regular advocacy of relevant legal issues by Legal Affairs, Compliance and Administration Department, to prevent employees from inadvertently violating relevant laws	Governance and Compliance / Legal and Compliance
Governance and operation	Business ethical risks	1. Internal - advocacy, training and education to employees regarding anti-corruption, anti-bribery, business ethics and code of conduct 2. External - Conveying to manufacturers, customers and suppliers of the Company's integrity, business ethics and philosophy	Governance and Compliance / Legal and Compliance
	Decline in market competitiveness	1. Regular visits to suppliers, customers and industry peers to exchange information and participation in seminars, to stay on top of market trends. Timely introduction of products and manufacturers with market competitiveness 2. Proactive development of new customers and products in new specifications and maintenance of competitiveness of development costs 3. Updating of investment models in line with the newest policies and regulatory updates, to maintain competitiveness in the industry	Commercial Development / Business Development
	Occurrence of cybersecurity incidents	1. Completion of deployment of cybersecurity management systems and risk assessments 2. Introduction of EDR (Endpoint Detection and Response) to detect suspicious activities in relation to connectivity with mainframes and computers 3. Completion of deployment/updating of cybersecurity management systems 4. Enhancement of awareness about cybersecurity risks with annual advocacy in cybersecurity and social engineering drills	Information Technology
	Products liability	1. Safety liability: to ensure solar modules compliant with all relevant safety standards and regulations so as to ascertain the safety of power generation equipment and surroundings 2. Quality liability: to ensure solar modules in conformity with relevant quality standards so as to ascertain normal operation in the expected service period 3. Maintenance liability: routine maintenance of solar power equipment to ensure long-term and effective operation 4. After-sales service liability: rendering of services to address the needs of electricity user customers. This includes problem solving and responses to customers' feedback 5. Environmental liability: to ensure the solar module disposal and recycling procedures in adherence to relevant regulations in environmental protection so as to mitigate the environmental impact	Project Execution / Project Management Office Operation and Maintenance
	Supply chain disruption	1. Keeping abreast of information related to raw materials and products, to prepare early for risk of materials shortage 2. Keeping a close eye on market changes and establishment of multiple supply chains for risk diversification	Commercial Development / Procurement
Pandemic	Employees infected	1. Establishment of a pandemic reporting system 2. Wearing masks as required by the government; social distancing; and distribution of test kits to employees 3. Establishment of a remote working mechanism to prevent the disease from spreading and affecting employees' health 4. Regular advocacy of the Company's anti-pandemic measures	Human Resource
	Unstable supply from the supply chain or disruption to construction progress onsite	1. Keeping track of shipments from suppliers, to immediately respond to engineering progress delays caused by abnormal supplies 2. Keeping informed of work dispatches from constructors onsite and implementation of anti-pandemic measures, to minimize the pandemic effects on construction progress	Commercial Development / Procurement Project Execution / Project Management Office

Chapter 5

Being a reliable partner

5.1 Provider of clean energy

Formosa Solar is committed to offer clean and sustainable energy to accelerate Taiwan's energy transition. We aim to proactively assist the government in driving the solar target of 20GW by 2025. We develop and construct different types of solar projects (including rooftops and ground mounts). Our cumulative grid-connected capacity was approximately 196.07MW at the end of 2023. This is equivalent to the electricity supply to 58,000 households in Taiwan each year based on the average of 339kWh electricity consumption per household in Taiwan in 2022. To continue to enhance electricity generation efficiency, Formosa Solar adopts the latest solar module models and technologies to reduce annual degradation. Optimization design is deployed for module layout and tilt angles. Shaded blocks are avoided in order to maximize electricity output. On-site pyranometer and reference datapoints from Solargis meteorological data is used for project site maintenance as well as precise and real-time monitoring of site operation in order to maintain output stability.

Key results

Year	No. of power plants	Total installed capacity (MWp)	Cumulative annual electricity generation (million kWh)	Cumulative carbon reduction (ton)
2021	442	185.00	385.78	196,362
2022	447	188.36	637.40	315,513
2023	483	196.07	874.27	431,889

Note: cumulative carbon reduction = (cumulative annual electricity generation)*(carbon emission factor of electricity in the current year)

Formosa Solar's distribution of installed capacities (as of December 2023)

City	Capacity of installation (MWp)
Taipei/ New Taipei/ Keelung	1.32
Taoyuan	6.54
Hsinchu	3.59
Miaoli	0.39

Northern Region 11.83 MWp

City	Capacity of installation (MWp)
Taichung	7.53
Changhua	16.66
Nantou	1.62
Yunlin	27.89

Central Region 53.69 MWp

Eastern Region 16.33 MWp

City	Capacity of installation (MWp)
Yilan	1.29
Hualien	10.62
Taitung	4.42

City	Capacity of installation (MWp)
Chiayi	34.28
Tainan	22.73
Kaohsiung	5.22
Pingtung	51.98

Southern Region 114.21 MWp

Total 196.07 MWp

5.1 Provider of clean energy

Electricity services

Selling of renewable energy

In 2018, Formosa Solar signed its first Corporate Power Purchase Agreement (CPPA) and has supplied over 100 million kWh of electricity in 2023.

Green electricity consultation

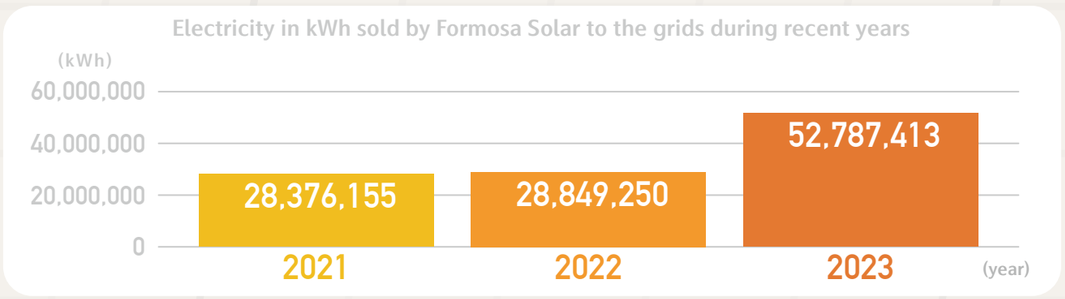
Electricity consumption assessment for different types of users and customization of green energy supply plans most suited to customers

Electricity analysis

Assistance to green energy users in real-time monitoring of electricity consumption and conducting analysis to optimize electricity consumption

Formosa Solar's process of selling green electricity

Formosa Solar's track record in selling green electricity to the grids



2023 Highlights

In addition to ongoing development and deployment of solar projects, Formosa Solar continues to assist companies in carbon reduction by providing power purchase agreements. After cooperation with several semiconductor companies and manufacturers, we signed a green power purchase agreement with Foxwell Power in 2023 for 50MW. The annual generation is anticipated to exceed 65 million kWh and reduce carbon emissions equivalent to 129 Daan Forest Parks p.a. This is also Formosa Solar's largest customer since we started selling green energy to the corporate users, which is a milestone for the group. As we aim to be the most reliable and leading partner, Formosa Solar will continue to increase the percentage of electricity sale directly to end users, so as to assist more users in accessing green energy market and collectively contribute to Taiwan's energy transition.

Picture: Cooperation between Formosa Solar and Foxwell Power for selling green energy.

5.2 Service reliability and resilience

2023 Achievements

100% response rate for project site issues

98.5% deployment rate of site monitoring

99.8% availability of project site systems

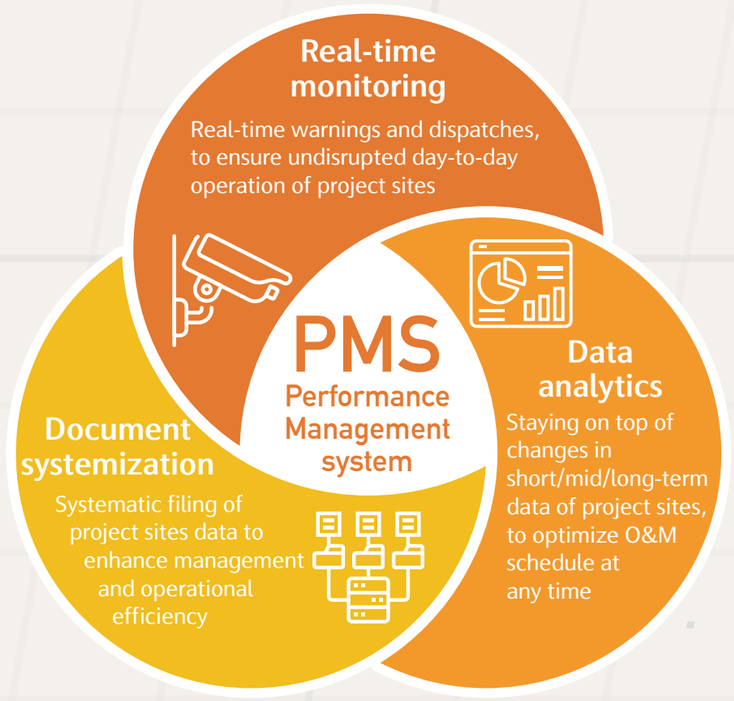
Creation of the standard operating procedures and arrival at site within 24 hours in event of general emergency

Note 1: Response rate for project site issues = (number of replies/number of questions received) *100%
Note 2: Deployment rate of site monitoring = (number of sites with monitoring system/total number of sites) *100%
Note 3: Availability of project site systems = [actual power generation / (loss of power generation + actual power generation)] *100%

Professional and real-time site maintenance, operation and management

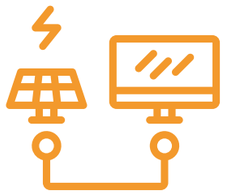
Formosa Solar has a professional operation & maintenance team, to provide comprehensive site management services and meet constantly changing market needs. We maintain the high reliability and generation efficiency of each solar system and practice high-quality site management to maintain a competitive edge. Starting from 2022, Formosa Solar has been gradually in-sourcing operation and maintenance of its power plants and increased the in-sourcing ratio to 75% by the end of 2023. This allows for more meticulous, flexible, and timely maintenance and operation. In 2023, we also completed the development of the PMS management information system and introduced the ISO 9001 quality management system for document management and to systematize workflow, significantly improving management and operational efficiency.

The PMS management information system gathers and consolidates comprehensive data and records from hundreds of project sites, providing real-time monitoring and data analytics. Users can view and track the power generation status of relevant equipment at any time. When any abnormality with power generation equipment is identified automatically by the system or by personnel, task dispatch orders can be issued through the system. Maintenance personnel can arrive on-site promptly to inspect and repair the equipment. After repairs are completed, the repair results can be simultaneously uploaded to the system. The O&M team can also use the PMS information management system to conduct monthly inspections of the power generation status and efficiency of each site. This also allows for detection of project site vulnerabilities so that inspection, repair, improvement or optimization can be performed.



5.2 Service reliability and resilience

To effectively enhance the reliability of utility solar projects, Formosa Solar seeks to mitigate risks by conducting routine patrol inspections and maintenance. Professional techniques and inspection equipment are utilized to perform system maintenance quickly and precisely. This is to minimize downtimes and risks for utility-scale solar plants.

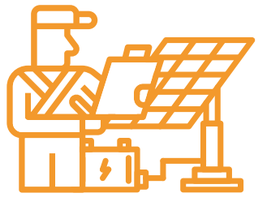


Real-time monitoring

Keeping an eye on the power generation status of project sites. Personnel dispatched to inspect and repair site within 24 hours in event of abnormality.

Daily patrol inspections

Weekly/monthly/quarterly inspections to check whether equipment operation is normal and whether consumables need to be replenished or replaced.



Periodical inspections

Regular inspections of power generation effectiveness of project sites and nearby sites. Proposals to address weaknesses and enhance effeciency.

Annual cleaning

Panel cleaning schedules based on assessment and estimates with the dust buildup modeling to ensure effective power generation.

Site Maintenance and Management Guidelines

Guidelines for Periodic Maintenance, Inspections and Management

Equipment name	Work criteria	Frequency of maintenance
I. DC/AC converter	1. Confirmation of normal operation and start instructions 2. Cleaning of air inlet/outlet filters and maintenance of cooling fan functions 3. Visual inspection of AC secondary distribution panels	Once per quarter
II. High/low-voltage equipment	1. Inspection for loose switch contacts 2. Functional checks of circuit breakers and switches 3. Visual inspection of transformers 4. Inspection/repair of indicator lights on switch boxes 5. Inspection of switch functions	Once per quarter (Inspections of infrared thermal imaging and high-voltage equipment, once a year)
III. Solar panels	1. Inspection for panel integrity and check for breakages 2. Inspection of panel cleanness 3. Check for sturdiness 4. Visual inspection of cables	Once per quarter
IV. DC junction boxes (or DC distribution boxes)	1. Check the enclosure surface for corrosion and rust 2. Inspect wires for damage and check terminals for looseness 3. Inspect earth wires for damage and check terminals for looseness 4. Inspection for loose switch contacts 5. Visual inspection of fuses and surge absorbers	Once per quarter
V. Mountings and cable ducts	1. Check for sturdiness 2. Check screws for looseness 3. Check for corrosion and rust	Once per quarter
VI. Monitoring system	1. Check the enclosure surface for corrosion and rust 2. Inspect wires for damage and check terminals for looseness	Once per quarter
VII. Miscellaneous	1. General inspection/repair of general equipment 2. Check for rooftop leakages, corrosion and rust 3. Emergency response and reporting	Once per quarter

5.3 Solar panel quality and safety

2023 Achievements

Inspection and acceptance rate at 100% in the early and late stage of project site construction

100% quality rate for panel installation at project sites

Note 1: Definition of early-stage acceptance: the output power of each module is ≥standard output power in the factory test report.
Note 2: Definition of post-stage acceptance: average 30-day performance ratio≥82.5.
Note 3: Quality rate for panel installation = (number of modules installed and not damaged during construction/total number of modules installed)*100%.

Safe and stable power supply services rely on good quality management of modules and site construction. To ensure that the completed project sites meet regulatory and internal requirements, Formosa Solar strictly screens solar panel suppliers and installation contractors. This ensures that products maintain high efficiency, reliability and compliance with standards throughout their entire lifecycle.

Requirements for panel suppliers

- Suppliers are required to provide high-efficiency solar modules, to ensure the maximum efficiency in converting sunlight into energy.
- Suppliers are required to conduct outgoing quality control tests and when necessary, collaborate with the personnel sent by our company to perform inspections prior to shipment.
- Offering of a reasonable and competitive product warranty, includes 25-year linear power guarantee and 12-year product warranty.
- Module suppliers must pass or obtain a voluntary product certification - “PV TAIWAN Plus Technical Specification” and “Specifications for Voluntary Product Certification of Solar PV Modules” published by the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs to ensure the safety and reliability of modules. Suppliers must use materials that meet the quality standards and exercise stringent control over the production process to ensure high quality of modules.
- Provision of serial numbers for the production process of each module to facilitate tracking and resolving of quality issues.
- Rendering of good technical and after-sales services, to address potential problems and maintenance requirements. Problems will be reply within 1 working day upon receiving customer’s requests and be solved within 7 working days.

Requirements to constructors

- Strong module installation experience and track record(An understanding of the construction quality and customer satisfaction is established via the past projects and industry references). Constructors are required to provide reference cases and explain results.
- Stringent safety standards: Compliance with regulatory requirements and construction safety standards. An occupational safety and health plan is required to ensure the onsite safety of workers during the construction process.
- Possession of relevant certificates: All construction site management personnel possess relevant certificates, such as occupational safety and health certificates.
- Quality management: Submission of a quality plan for the review by our company. Effective management of engineering quality during the construction process.
- Estimated construction period in line with our company’s requirements: Submission of a construction plan before commencement of construction. The plan should cover engineering management planning, progress, resource allocations and construction process to ensure that the engineering is conducted as planned.
- Systematic testing, inspection and acceptance procedures to ensure that solar systems meet the design and specification requirements.
- Comprehensive warranty and support: After-sales warranty services to ensure long-term and reliable functioning of the systems.

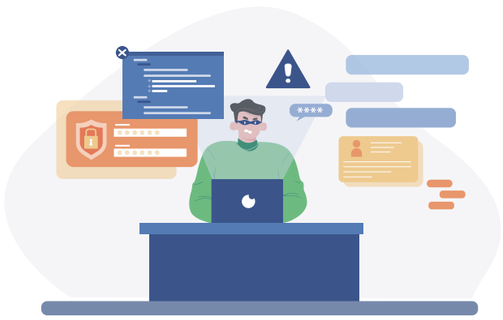
5.4 Data protection and cybersecurity

2023 Achievements

Planning deployment of cybersecurity management systems and risk assessments

Introduction of endpoint detection and response (*EDR)

Completion of two-factor authentication (*2FA) deployment for accounts



Regular social engineering drills

Information security management

Formosa Solar has incorporated a security control mechanism for relevant systems in the existing management regulations. Information systems are deployed, controlled and managed by dedicated personnel according to functions and job responsibilities. The management regulations on internal information systems are reviewed and adjusted each year. Cybersecurity reports are submitted to the management and the Board of Directors on a regular basis. No significant information leakage, cyber invasion or information service disruption was experienced in 2023.

Cybersecurity enhancements

- Strengthening of firewall and network settings
- Establishment of a regular backup process
- Regular social engineering drills
- Activation of multi-factor authentication
- Enhancement of security awareness among colleagues

Formosa Solar places a great emphasis on data security. We advocate to our colleagues the basics of security protection and knowledge. Data is backed up daily with Microsoft *NAS servers on the cloud and onto other cloud spaces simultaneously. Invasion detection is installed on the cloud to prevent potential cybersecurity threats. In terms of information and communications security protection, Formosa Solar continued to update and deploy its information software/hardware architecture in 2023, in order to construct server rooms and networking equipment that meet the ISO international standards. This is to avoid security incidents caused by outdated security equipment. An *EDR (Endpoint Detection and Response) mechanism was added, two-factor authentication was established, two social engineering drills were conducted and cybersecurity training and education was provided semi-annually. After the advocacy campaign, the phishing email click rate dropped significantly from 31.67% to 1.41%. Monthly analysis was conducted on data regarding breaches of mainframes and computers. Reports were produced for follow-ups, assessments and reviews. Formosa Solar plans to introduce the ISO 27001 information security management system in 2024 to systematically control and mitigate the threats and impacts of cybersecurity events.

Classification table for information security risks and events handling

Risk level	Event level	Affected scope/degree	Response timeliness
A	A	All colleagues	Completion of damage control or recovery within 2-4 hours upon receival of report
B	B	Number of people affected >50%	Completion of damage control or recovery within 6-8 hours upon receival of report
C	C	Number of people affected <50%	Completion of damage control or recovery within 24-48 hours upon receival of report

*NAS (Network Attached Storage): NAS servers to allow colleagues store and access files on networks.
*2FA (Two-factor authentication): Combination of two different authentication methods for users to prove identities to service providers.
*EDR (Endpoint Detection and Response): EDR mechanism includes real-time monitoring and endpoint security data collection, to detect unusual activities on endpoint systems and identify cybersecurity risks early.

5.5 Sustainable supply chains management

2023 Achievements

Hosting of stakeholders' appreciation event with 100% interactivity and satisfaction

A total of 42 major suppliers have signed Supplier Code of Conduct, Statement Against Forced Labor, and Supplier Integrity Commitment, at 100% implementation rate

Supplier management guidelines

Formosa Solar's major suppliers include (1) equipment vendors for solar photovoltaic plants, including solar modules, inverters, mounting structures, peripheral electrical gear and monitoring equipment, as well as other hardware; (2) engineering contractors and various types of technical consultants providing services such as design, supervision, and measurement. Formosa Solar complies with the procurement policy approved in 2023 by the Board of Directors and requires suppliers to conform to relevant regulations in occupational health and safety, labor and human rights. We avoid dealing with those in breach of corporate social responsibility policies. If a supplier violates the policy and causes significant environmental and social impacts on the communities where the supplies are sourced, the Company may terminate or cancel our contracts with these suppliers or contractors. Formosa Solar requires all of its suppliers to sign up to our "Supplier's Clauses for Human Rights and Environmental Sustainability and Integrity Commitment". In 2023, 100% of main suppliers had signed this. All suppliers are expected to commit to and practice good ethical standards, respect labor and human rights and achieve the goal for environmental sustainability. The regulations cover the dimensions of sustainability development including labor, environment, safety and health, anti-corruption, anti-bribery, ethics and management standards. Suppliers are required to adopt methods to reduce energy consumption, pollution and emissions in all procedures from production to construction, without compromising the quality of outputs.

Supplier selection and assessment

Formosa Solar continues to optimize its supply selection mechanism. We started at the end of 2023 to gradually establish an assessment standard to screen and choose suppliers according to the following dimensions and principles, in the future, the assessment standard will align with international sustainability standards and industry associations' guidelines, and will include thegovernance, social and environmental aspects of suppliers.:

Human rights and equality	• Internally, suppliers should treat all employees fairly and reasonably. Externally, they should ask their suppliers to adopt the same standards and regulations, in order to protect the equality of human rights and the fairness of wages and benefits.
Occupational safety requirements	• Suppliers must observe relevant government regulations in labor safety and establish a comprehensive reporting mechanism and measures responding to events. Process reviews and improvements are required ex-post. We hope suppliers meet the requirements and expectations under the aforesaid laws and regulations.
Business ethics	• Suppliers should uphold the highest business ethics , establish a comprehensive mechanism for business code of conduct and become a trustworthy partner in the same way as Formosa Solar. It is necessary to strictly demand employees to avoid conflicts of interest and improper benefits and to respect intellectual property. It is also necessary to establish a comprehensive internal mechanism to manage trade secrets and documents.
Social responsibility	• In addition to compliance with the laws and regulatory requirements set by local governments, suppliers should also fulfill social responsibility by giving back and helping society or local residents. • Suppliers should (1) provide a safe work environment for workers and respect the basic labor rights, (2) provide temparary or dispatched workers with reasonable wages and hourly rates, (3) the occupational safety and health practice is thorough at production or construction sites, (4) onsite personnel are appropriately and professionally trained, (5) apply and pay for national health insurance and labor insurance of workers and offer base benefits.
Environmental protection	• Suppliers should establish a pollution control system and energy-saving measures according to regulatory requirements, in order to manage hazardous substances, control waste water and waste and monitor air pollution. • The materials, energy and manufacturing processes used by equipment suppliers during production should meet environmental standards.

Supplier management measures

Standards and regulations

All suppliers are required to sign Formosa Solar's Supplier's Clauses for Human Rights and Environmental Sustainability and Integrity Commitment to adhere to the code of conduct and commitment herein.

Continued communication

regular hosting of supplier gatherings to advocate our sustainability policies. Two-way conversation time scheduled to gather suppliers' feedback and reach a consensus on sustainable operations.

Training and education

Training and education are offered to suppliers from time to time to enhance awareness for sustainable supply chains management. Case studies are shared and explained to help the establishment of correct concepts and practices.

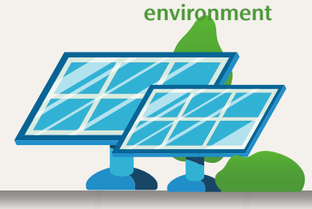
Self-assessment and improvement

Optimization of the self-assessment mechanism for suppliers. Suppliers are required to submit a self-assessment report starting in 2024, to enhance the understanding about supplier risks.

Chapter 6

Proponent of a better environment

VI. Proponent of a better environment



Formosa Solar's Chairman has signed and established an environmental protection policy, publicly pledging our commitment to environmental protection. We also encourage all employees, developers, suppliers, and partners to understand the importance of environmental protection and cooperate with each other to achieve environmental sustainability. As a renewable energy company, environmental protection is part of Formosa Solar's mission and responsibility. We are also committed to operating adherence to relevant domestic and overseas laws, regulations and standards in safety, environment, social and labor issues as follows:

- The Equator Principles
- Internal Finance Corporation Performance Standards
- World Bank Group's Environmental Health, and Safety (EHS) Guidelines: General EHS Guidelines
- World Bank Group's EHS Guidelines: Sector-specific EHS Guidelines for Transmission and Distribution

Formosa Solar's environmental policies

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

Collaborative influence
Work with stakeholders to reduce factors of damage to the environment

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

Participation in environmental protection campaigns
Participation in environmental protection activities to promote environmental sustainability

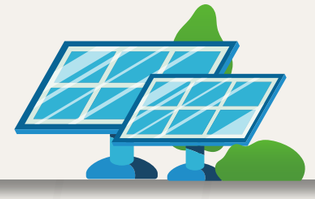
Promotion of energy conservation and carbon reduction
Strengthen the reuse of resources, implement effective energy conservation, and carbon reduction, and reduce unnecessary waste

Creating awareness among all personnel
Strengthen employee training to increase employee awareness and commitment to environmental protection

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

6.1 Climate change



According to the Sixth Assessment Report (AR6) by Working Group 1 of the Intergovernmental Panel on Climate Change (IPCC), the ten-year average global surface temperature in 2011-2020 increased by approximately 1.09°C compared to the first fifty years (1850-1900) of the Industrial Revolution. Formosa Solar endorses the pursuit of net zero, to curb the temperature increase to no more than 1.5°C.

To disclose the impact of climate change on the corporate operations, Formosa Solar has adopted the TCFD framework developed by the Financial Stability Board (FSB). The framework consists of four core elements: governance, strategy, risk management, metrics & targets. The risks and opportunities associated with climate change are analyzed to facilitate the formulation of response strategies.

Climate governance

Formosa Solar's Corporate Sustainability Committee steers the analysis of climate issues. Risk and Audit Committee formulates risk policies and assesses climate change risks. The Committees are in charge of identifying climate risks and assessing and responding to climate impacts within their respective scopes of responsibility. This is achieved through collecting sustainability trends, seeking advice from external consultants, participating in sustainability-related activities, and organizing cross-departmental workshops. Corporate Sustainability Committee, as the highest level governance unit for climate change risk management assists in the centralization of climate strategies and the tracking of results. The achievement of sustainable development and climate change issues are reported to the Board of Directors each year, for assessment of impacts and progress in sustainability targets. In 2023, the planning of sustainability strategies and details concerning climate change and greenhouse gases were included in discussions.

Identification and assessment of workflows

Formosa Solar adopts the following methods in the identification of climate risks and opportunities and incorporates analytical results into the overall risk management policy. Risk and Audit Committee reviews and tracks risk control issues of individual units on a regular basis.

1 Establishment of lists for climate risks and opportunities

The list of climate risks and opportunities is created according to the corporate operations and interaction with the environment and in reference to TCFD suggestions

2 Department meetings for issue identification

Corporate Sustainability Committee and risk management teams convene meetings and workshops for discussions and surveys, in order to identify short-term, medium-term and long-term impact associated with climate risks and opportunities. The impact score ranges from 1 (lowest) to 5 points (highest). The likelihood score ranges from 1 (the lowest) to 6 (the highest)

3 Identification and ranking of significant risks and opportunities

A risk score (i.e., multiplication of impact and likelihood) of 16 and above is identified as a high-impact and highly likely climate risk or opportunity Rankings are produced according to management discussions

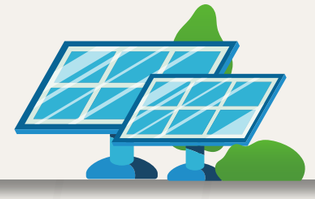
4 Risk measurement and strategy formulation

Corporate Sustainability Committee assesses how the identified risks result in changes to products/services or management workflows under different scenarios and hence the operational impacts. This is followed with assistance in the formulation of response strategies for climate issues. Follow-up is conducted with appropriate measurement methods and depending on circumstances with each department

5 Risk reports, disclosure and responses

Corporate Sustainability Committee tracks the sustainability results of each department related to climate issues from time to time and reports to the Board of Directors or management, when necessary, regarding relevant regulatory changes and implementation outcome of climate strategies

6.1 Climate change



Scenario analysis

Formosa Solar referred to the Sixth Assessment Report (AR6) by the Intergovernmental Panel on Climate Change (IPCC) and selected the next-best scenario (SSP1-2.6) and the worst scenario for global warming (SSP 5-8.5) to conduct the scenario analysis on climate change.

Scenario	SSP1-2.6	SSP5-8.5
Scenario description	The world places importance on global change and has established stringent regulations and measures. The global surface warming can be controlled at below 2°C by the end of the century.	In the fossil fuel-driven scenario, rapid technological progress and human capital development cause emissions to increase rapidly. Without effective measures to address climate change, disastrous impacts are inflicted on ecological and economic systems, resulting in a 3.4°C rise in temperature.
End of the century scenario in Taiwan	• Days with an extreme high temperature of over 36°C increased by 7 days • Torrential rains increased by 15.3% • Maximum consecutive dry days (without rainfall) increased by 0.4%	• Days with an extreme high temperature of over 36°C increased by 48 days • Total precipitation increased by over 31% • Torrential rains increased by 41.3% • Maximum consecutive dry days (without rainfall) increased by 12.4% • A lower number of typhoons but higher percentage of violent typhoons, with higher wind speeds and rainfalls
Risks to Formosa Solar	• Uncertainty associated with new regulations: If the government tightens up the regulations on carbon reduction or environmental protection, compliance costs may increase • Demand for low-carbon products and services: If the green electricity services fail to meet market expectations, business opportunities will be lost	• Extreme rainfalls and droughts: Extreme weather events may damage equipment and affect electricity generation and revenues. Droughts may also limit the water available for solar panel cleaning • Rising sea levels: possibly flooding of coastal project sites and causing equipment damage and operational disruptions • Change in average precipitation: Reduced rainfalls may increase cleaning frequencies and costs. Excess precipitation may reduce power generation efficiency
Strategy adopted	• Keeping a close eye on regulatory changes to ensure early preparedness • Proactive communication with the government for the industry • Continued to step up investment and development of innovative business models and technologies, to provide quality green electricity services at a high price/performance ratio	• Establishment of a response plan for extreme weathers and preparation of resources for emergency recovery • Assessment of flood risks for existing facilities and formulation of flood protection or relocation plans • Rising sea levels taken into account in site selection in the future • Assessment of the impact of precipitation change on cleaning frequency and power generation. R&D of anti-dust coatings and hydrophobic solar panels to reduce the reliance on cleaning • Assessment of the impact of precipitation change on cleaning frequency and power generation. R&D of anti-dust coatings and hydrophobic solar panels to reduce the reliance on cleaning

Formosa Solar analyzes flood disasters related to its operational sites in Taiwan by referring to Map of Flood Hazards Estimated for the Future published by the National Science and Technology Center for Disaster Reduction for all cities and counties in Taiwan. Flood risk levels are identified for each operational site based on location in the city/county. Flood risks are categorized into five levels, with Level 5 indicating the highest "relative" risk for a given region. Level 1 represents a lower relative risk, not zero risks or zero hazards per se. Under the 2℃ scenario, Formosa Solar's location in Taipei is classified at Level 5 and the site in Pingtung at Level 4 in terms of flood risks. These are the regions with relatively high flood risks. Hence, Formosa Solar needs to place greater important on flood issues.

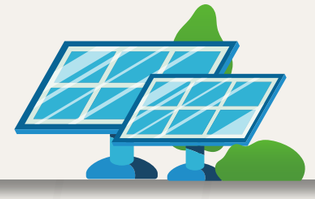
Climate risks and opportunities

Formosa Solar assesses the functioning of its businesses and evaluates the likelihood and the impact of climate issues. Likelihood is based on the consideration of regulatory and policy changes and the frequency of events. Impact is the assessed degree of effects on Formosa Solar after the event.

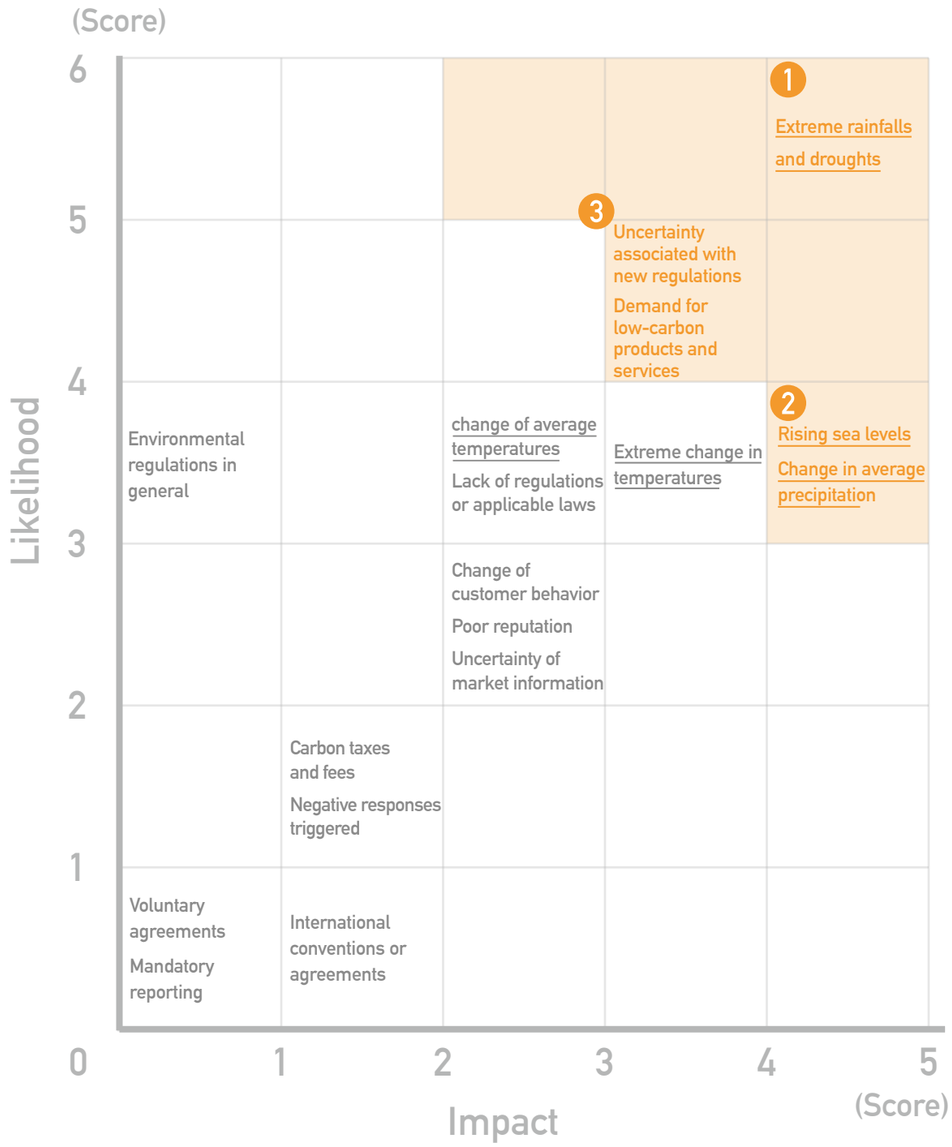
Formosa Solar assessed transition risks (policies and regulations, technology risks, market risks, reputational risks), physical risks (acute and chronic) and opportunities (energy utilization efficiency, energy sources, products/services, market and resilience) and identified a total of 17 climate risks and 8 climate opportunities. Among these are five critical climate risks and three critical climate opportunities. We evaluated the impact of critical risks and opportunities on operations and adopted response strategies accordingly.

Significant climate risks and opportunities are ranked according to likelihood and impact. Climate risks are ranked as follows: (1) extreme rainfalls and droughts;(2) rising sea levels and change in average precipitation;(3) uncertainty associated with new regulations and demand for low-carbon products and services. Significant climate opportunities are (1) supportive policies and incentives; (2) development or extension of low-carbon products/services; (3) partnerships in the new market.

6.1 Climate change

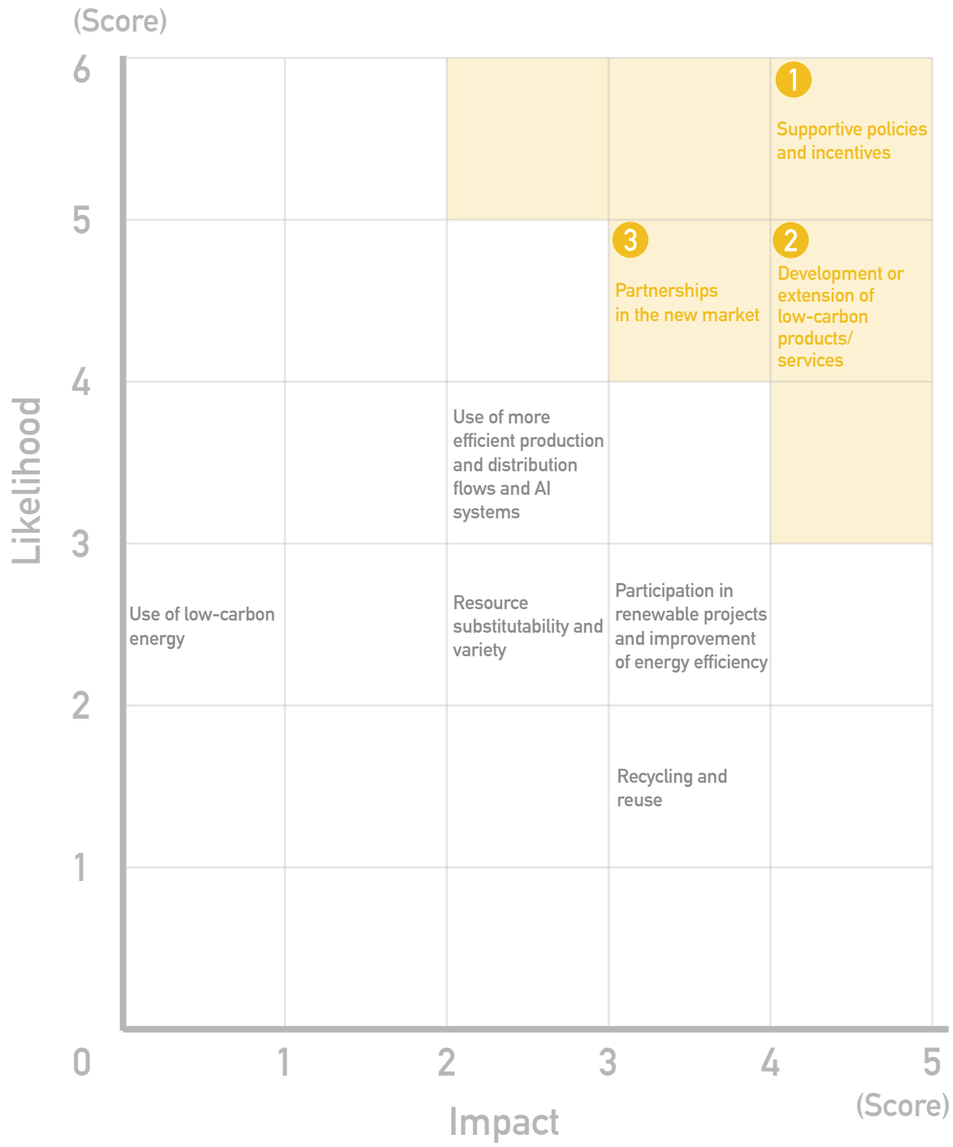


List of significant climate risks



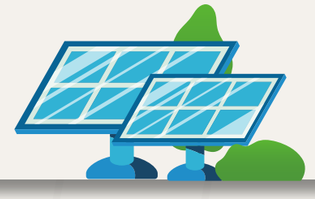
Note 1: Colored areas indicate significant climate risks.
Note 2: Numbers indicate the ranking of significance of climate risks.
Note 3: Physical risks are underlined; transition risks are not underlined.

List of significant climate opportunities



Note 1: Colored areas indicate significant climate opportunities.
Note 2: Numbers indicate the ranking of significance of climate opportunities.

6.1 Climate change



Impact of climate risks and opportunities and response measures

Climate risks	Type		Occurrence	Value chain		Operational or financial impacts of risks	Response measures and action plans
Extreme rainfalls and droughts Uncertainty associated with new regulations	Physical risks	Immediate	Short-term	Use and maintenance		• Electricity generation and system operation are highly dependent on weather conditions. Extreme weather events will reduce power generation or damage equipment of project sites • Droughts will limit the water available for solar panel cleaning	• A higher percentage of in-house maintenance and operation for project sites can increase power generation quality • Inspection on all sites to ensure safety before and after typhoons or other weather events • Establishment of an occupational safety and health team to protect the construction safety of operational and maintenance personnel • Use of solar irradiance predictive tools and weather forecasts to improve the design and operation of project sites
Rising sea levels	Physical risks	Long-term	Long-term	Production		• Rising sea levels may flood coastal project sites	• Coastal areas of overly low elevation avoided for site selection
Change in average precipitation	Physical risks	Long-term	Long-term	Production		• Reduced rainfalls may increase the cleaning frequency and cleaning cost of solar panels • Excess precipitation may reduce power generation efficiency	• Assessment of the impact of precipitation changes on cleaning frequency and electricity generation to make timely adjustment of management guidelines • Investment in anti-dust coatings and hydrophobic solar panels to reduce the reliance on cleaning
	Transition risks	Regulations	Short-term	Production		• The development of the solar photovoltaic industry is highly related to the government's energy policy. Policy changes will affect operational costs, market demand and development speeds	• Extra attention to regulatory changes to ensure early preparedness • Proactive connection, communication and cooperation with the government
Demand for low-carbon products and services	Transition risks	Market	Short-term	Marketing & distribution		• Despite the huge demand for renewable energy, the green electricity service failing to meet consumers' expectations will lose market shares	• Continued increase in investment and development of solar power plants • Investment in technology innovation to boost electricity

Climate opportunities	Type	Occurrence	Value chain		Operational or financial impacts of opportunities	Response measures and action plans
Supportive policies and incentives	Opportunity	Short-term	Marketing & distribution		• The policy target is set for a cumulative capacity of 20GW by 2025. There is still room for development given the installed capacity of approximately 12GW. • The government encourages solar companies to feed electricity to the grids for end users	• Supporting the government policy and obtain multiple government tenders • Active seeking of CPPA (corporate power purchase agreement) customers for green electricity and assistance to customers in understanding of the green power market information • Participation in societies and associations related to renewable energy and proactive collaboration with partners
Development or extension of low-carbon products/services	Opportunity	Medium term	Marketing & distribution		• Growing demand from companies for green electricity and low-carbon services. Ample room for market development	
Partnerships in the new market	Opportunity	Short-term	Marketing & distribution		• With extensive development experience, a strong operational track record, and a diverse and international talent pool, Formosa Solar is well-positioned to seek partners for technology integration and multi-purpose development	

* CPPA (Corporate Power Purchase Agreement): a procurement agreement for green electricity with solar energy offtakers and companies.

In terms of climate indicators and targets, Formosa Solar implements carbon management across the board and reviews its greenhouse gas inventory. Climate-related indicators e.g., current status of greenhouse gas emissions and energy consumption, are disclosed in the subsequent section of this chapter.

6.2 Greenhouse gas management and energy resource management

2023 Achievements

More than 30% of new additional business vehicles are hybrid vehicles

New office established in 2023 is equipped with electric appliances with at least Level 1 or optimized energy efficiency

Greenhouse gas management

Formosa Solar started in 2021 to inspect Scope 1 and Scope 2 of its greenhouse inventory and began in 2023 to cover Scope 3. Scope 1 and Scope 2 greenhouse gas inventory data was assured for two consecutive years by KPMG Taiwan in accordance with International Standard on Assurance Engagements (ISAE) 3410. Formosa Solar continues to increase the volume of renewable generation to assist Taiwan's energy transition. We also hope to contribute to environmental protection and the mitigation of global climate change by reducing our own carbon emissions. We plan to achieve 100% renewable energy consumption for our offices by 2025.

About GHG emissions

Scope1	Scope2	Scope3
Sources of emissions owned or controlled by the Company, with direct sources mainly for gasoline consumption	Primarily indirect greenhouse gas emissions generated by purchased electricity (for offices)	Business travels as the main source of emissions, followed by commuting of employees

Note: The reporting boundary for the greenhouse gas inventory does not include the SPV companies under the Formosa Solar.

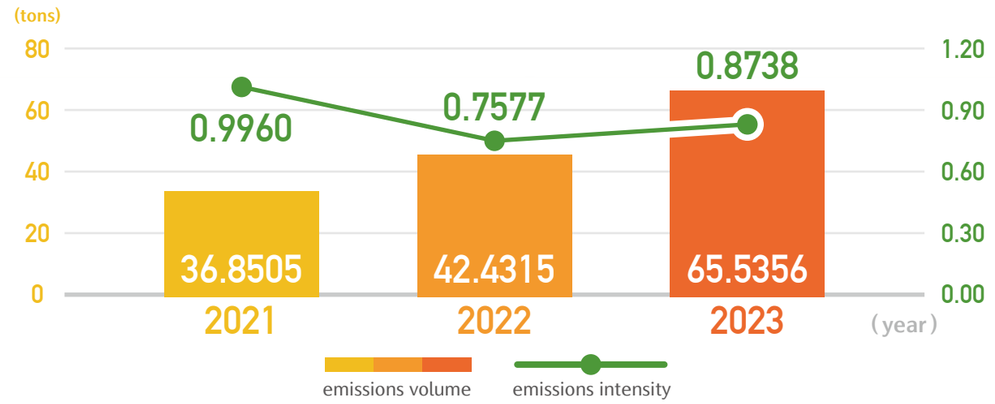
Formosa Solar's greenhouse gas emissions in 2021-2023

Type of emission sources		Scope 1	Scope 2	Scope 3
		Direct emissions	Indirect energy emissions	Indirect energy emissions
2021	Emission equivalent (CO_2e/yr)	14.2000	22.6505	No statistics
	Gas as %	38.53%	61.47%	No statistics
2022	Emission equivalent (CO_2e/yr)	9.6865	32.7445	No statistics
	Gas as %	22.83%	77.17%	No statistics
2023	Emission equivalent (CO_2e/yr)	14.1250	51.4106	191.9190
	Gas as %	5.49%	19.97%	74.54%

Note 1: The emission factors used for calculations are sourced from Greenhouse Gas Emission Factor Table V6.0.4 and the Global Warming Potential (GWP) Sixth Assessment Report (AR6:2021).

Note 2: The Company's operational process does not emit ozone depleting substances (ODS), nitrogen oxides (NOx), sulfur oxides (SOx), or other significant gaseous emissions.

Formosa Solar greenhouse gas emissions volume and intensity in 2021-2023 (Scope 1 and Scope 2)



Note: Intensity of GHG emissions = Total GHG emissions / Number of employees

6.2 Greenhouse gas management and energy resource management

Energy resources management

Electricity and gasoline are the main sources of the Company's energy consumption. In comparison with 2022 when work-from-home was implemented due to the pandemic, the year 2023 saw an increase in electricity consumption as the employees returned to the office. As far as gasoline usage is concerned, the mileage increased significantly in 2023 with vehicles traveling back and forth for site management because of a higher percentage of in-house operation and maintenance. To mitigate energy consumption, we started in 2023 to replace fuel-powered business vehicles with hybrid electric vehicles. The percentage of hybrid electric vehicles has increased to 37.5%. Moreover, the Company's products or services do not involve energy consumption, hence the statistics required by GRI 302-5 are not applicable.

Energy resource consumption

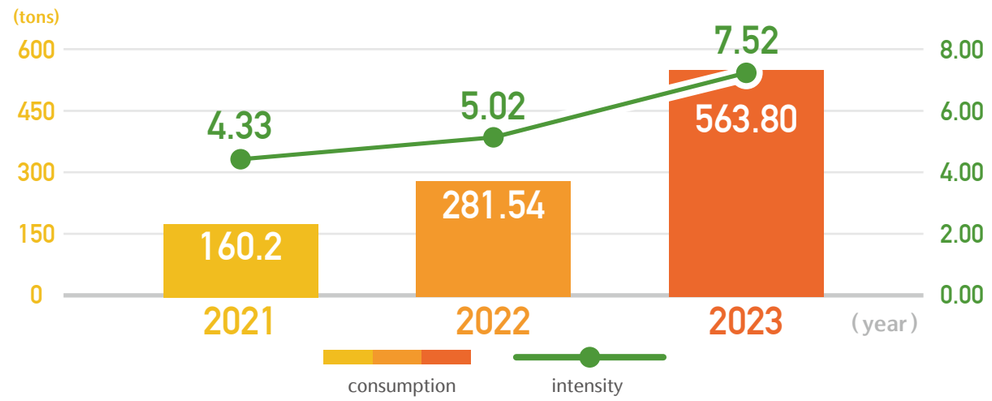
Year	Electricity (GJ)	Gasoline (GJ)	Total
2021	160.20	0	160.20
2022	231.59	51.58	281.54
2023	373.98	189.82	563.80

Note 1: Greenhouse Gas Emission Factor Table V6.0.4 - calorific value of gasoline is 7,800 kcal per liter, 1 kcal = 4.187 kJ, 1 GJ = 1*10*9〖10〗^9J.

Note 2: Based on references from the Energy Bureau - energy consumption for electricity is 860 kcal per kWh, 1 kcal = 4.187 kJ, 1 GJ = 1*10*9〖10〗^9J.

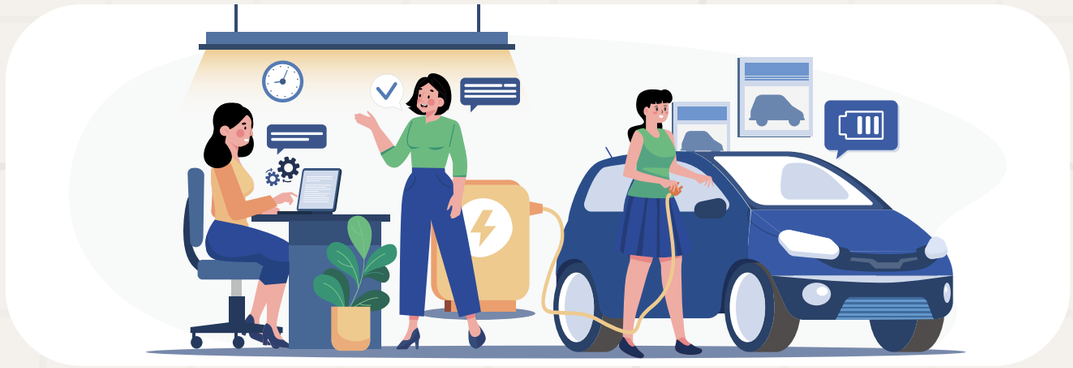
Note3: The reporting boundary for the greenhouse gas inventory does not include the SPV companies under the Formosa Solar.

Energy resource consumption and intensity



Note: Energy intensity = Total energy consumption/Number of employees

Formosa Solar's energy efficiency measures



Offices and business equipment

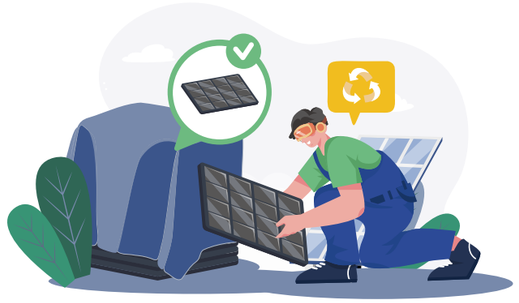
- Full adoption of LED energy-saving lamps in the office and procurement of high energy- efficient electric appliances meeting the government's requirements
- Continued replacement of fuel-powered business vehicles with new energy vehicles

Living environmentally friendly

- Colleagues encouraged to use eco-friendly utensils
- Garbage sorting and resource recycling for reuse
- Air conditioning switched off when leaving the meeting room

6.3 Waste management and water resources management

2023 Achievements



Decommissioned solar panels are stored and managed according to statutory requirements.

Joined Circular Economy and Industry Alliance for Solar Cells to promote the solar panel recycling and reuse technology

Waste management strategy

- **In accordance with laws: Formosa Solar observes the Waste Disposal Act and the Regulations for Installation and Management of Renewable Energy Generation Equipment for waste management. Waste clearance is handled by vendors in compliance with laws and according to the Ministry of Environment's regulations on management of waste clearance and handling organizations.**
- **Recycling and reuse: Waste is collected and categorized. Suppliers are required to manufacture reusable materials into recycled items.**

Processing of construction waste

Formosa Solar's waste primarily comes from the activities related to project sites construction, operation and maintenance.

Project construction stage

During the project site construction process, the main waste is excess soil and rocks from earthworks and construction (including concrete chunks, bricks, steel bars, bolts and other metal materials). To ensure that each engineering project adheres to local environmental laws and regulations, the following construction management regulations are established for contractors to comply and cooperate with:

1. Excess soil and rocks from construction should be sorted and transported to legal soil disposal sites to be used as backfill material in other engineering projects or processed into recycled materials.
2. Construction waste must be collected and processed at designated points, then transported to public or private recycling facilities for legal landfilling or processed into recycled materials for reuse.
3. Advocacy to contractors that they should adopt measures to reduce, recycle and reuse waste during the construction process, to mitigate the environmental impact.

Project operation & maintenance stage

The main waste from the operation and maintenance process is decommissioned solar panels. There is no hazardous waste. Formosa Solar follows the Regulations for Installation and Management of Renewable Energy Generation Equipment in the management of waste solar panels. We adopt the 3C1R process of dismantling and stacking (Collection), traceability (database Creation), site clearing (Clearance), and recycling for sustainable use (Recycling). In accordance with occupational safety regulations, the panels are safely dismantled, then stored and stacked in designated areas, cataloged and managed, covered with tarpaulins or sealed in polypropylene bags, and then cleared from the site and commissioned to a vendor with D-2528 certification to recycle waste and decommissioned solar photovoltaic panels. The waste solar panels from project sites totaled 8 tons in 2023.

Note: D-2528 is the recycling code that refers to "solar panels discarcled after use"

6.3 Waste management and water resources management

Processing of waste solar panels

Collection
Collection & stacking

Database Creation
Deployment of database for product sources

Clearance
Clearance of project sites

Recycling
Recycle for sustainable use

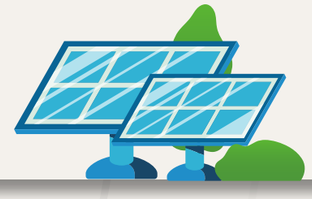
2023 Highlights

To enhance the sustainability of the solar energy industry, Formosa Solar and National University of Tainan signed a memorandum of cooperation with Academia-Industry Technological Alliance Project under the National Science and Technology Council to promote the solar panel recycling and reuse technology. It is hoped to enhance the materials recycling ratio, reduce resource waste and mitigate the impact on the environment.

Water resources management

The use of water to clean modules is important to the maintenance of electricity generation efficiency of solar systems. It is also Formosa Solar's most significant consumption of water. To reduce the unnecessary use of water, Formosa Solar adopts a flexible schedule in onsite cleaning and exercises strict control of water consumption per module. It is estimated 4.7 thousand cubic meters in 2023 for the amount of water withdrawn and consumption at all sites, based on the total number of solar modules, and the amount of water used per module. All the water came from running water taps or water trunks, 100% sourced from local water companies and none in the water stressed areas. No chemicals were used for cleaning, hence no likelihood of environmental hazards.

6.4 Biodiversity and land use



2023 Achievements

Continued monitoring and ecological surveys in ecologically sensitive areas and issuance of two eco-survey reports

There was no damage to the ecosystem due to new or existing project sites

Environmental assessment mechanism for project

Formosa Solar adheres to the principle of achieving multiple purposes on the same land and seeking co-existence and co-prosperity with land, for construction of solar photovoltaic power plants. We have established our own assessment mechanism for project site development, to mitigate and prevent potential negative effects on the ecosystem and the environment due to the construction process.

1 **Scope determination and preliminary exclusion**

By referencing the ecological survey database system, we exclude national parks, important habitats, wetlands of various importance levels, nature reserves, protected areas, and other sensitive areas to avoid any direct impact on important ecological regions

2 **Species sensitivity analysis**

Overlay analysis is conducted to identify sensitive species by referring to IUCN (International Union for Conservation of Nature) Red List Categories and Taiwan's Red Lists

3 **Impact assessment and mitigation measures**

Evaluation is conducted regarding the potential impacts of development activities on local species. Corresponding mitigation measures are formulated on the basis of assessment results

4 **Ecological survey**

If necessary, relevant ecological consultants are commissioned to conduct field surveys on species

5 **Continuous monitoring and management**

Environmental monitoring plans are implemented depending on the circumstances. Management strategies and mitigation measures are adjusted according to the monitoring results

6 **Communication with stakeholders**

Effective communication with local communities, environmental organizations and government agencies, to ensure transparency and gain support

7

Adjustment of survey scope (species, frequency and intensity) from time to time and depending on each site conditions

Friendly construction methods for project sites

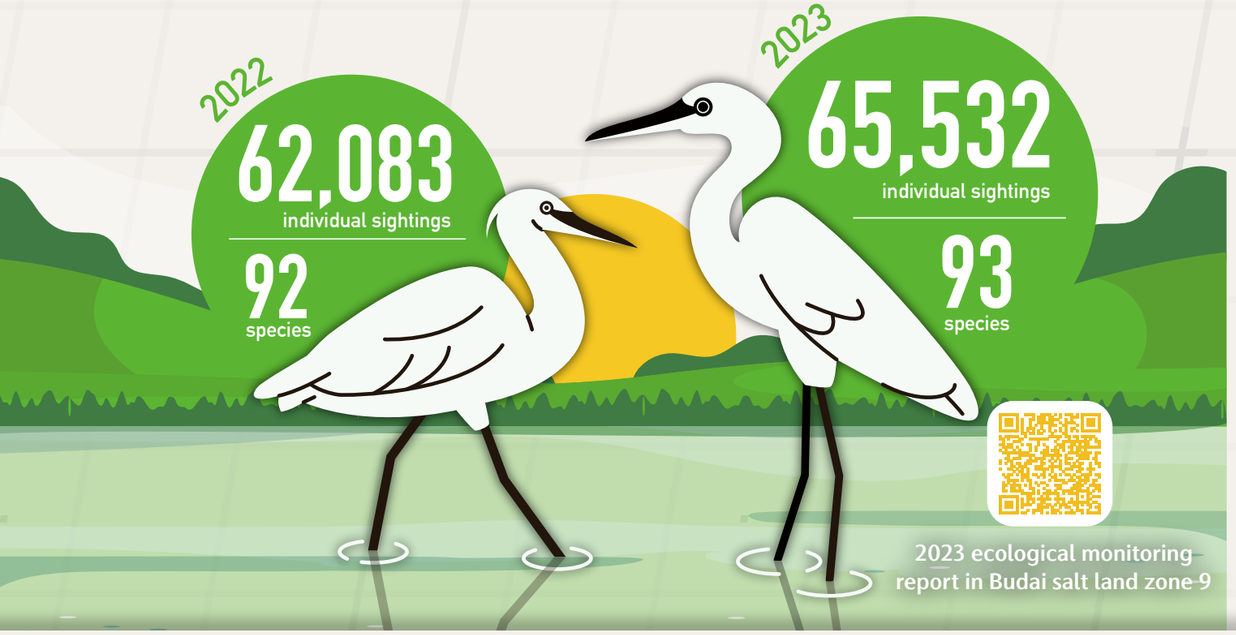
The coexistence of solar power plants and ecology has always been the goal of Formosa Solar. Take the solar power plant on salt flats in Chiayi for example, in the early stages of development, we actively interacted and communicated with local organizations and conservation groups, such as Taiwan Wild Bird Federation, Kaohsiung Wild Bird Society, and the Agriculture Department under Chiayi County Government. We organized multiple seminars and on-site inspections to discuss improvement strategies and reduce ecological impacts. After several open dialogues on public platforms, the site development plan gained support and entered the construction phase. In addition to 30% of the land reserved as an ecological conservation area within the site, all facility designs and construction methods took into account coexistence with the ecology and land restoration. For example, precast concrete piles were used instead of on-site grouting for the foundation, so that after the solar panels can be directly removed without causing permanent environmental damage when decommissioning in 20 years' time. No spike-shaped bars were used to support the solar panels; instead, slanted crossbars were used. Moreover, customized bird perches were installed between solar panels. Efforts were made during the development period to preserve the local topography as much as possible, and work was halted during the bird breeding season.

6.4 Biodiversity and land use

Friendly construction methods for project sites

Whilst it is impossible to completely eliminate the disturbances to the ecosystem and the communities caused by the construction of solar power plants, Formosa Solar promises to minimize environmental impacts. For sites with higher ecological sensitivity, such as the solar power plant on salt flats in Chiayi, baseline monitoring and surveys are conducted annually, including hydrology, water quality, aquatic organisms, benthic mollusks, birds, as well as a flora and vegetation survey once every two years. Based on the results, we publish two ecological reports per year. According to the 2023 survey, the overall water quality did not change significantly during the period from 2018 to 2023. Apart from eutrophication, the water quality at the site location was relatively good in other aspects. There has also been little change in aquatic species, including fish, shrimp, crabs, mollusks, etc. The difference in quantities each season was mainly due to rainfalls and water levels.

In general, the number of birds increased after the construction. In 2023, 93 species and 65,532 individual bird sightings were recorded, a significant increase from 92 species and 62,083 individual sightings in 2022. Black-faced spoonbill, a Level I protected and endangered species, is the most important bird of conservation concern in the survey area. In 2023, there were records of these birds inhabiting the salt pans, detention ponds, and ecological ponds within the site. Additionally, six Level II protected species and six Level III protected bird species were recorded. The survey on breeding of birds reports the activities of painted snipes under the solar panels from July to September, indicating that the solar panels do not hinder bird breeding. Overall, there has been no significantly negative ecological impact caused by the construction of the solar power plant given the active maintenance of the original ecological environment onsite.



Picture: black-faced spoonbills feeding at the eco-pond of the project site, along with great egrets, wild geese and ducks.
Picture source: page 44 of report for the ninth zone of Budai wetland in 2023.

Picture: Formosa Solar is a regular attendee of seminar for Budai salt land conservation platform, in order to jointly protect the local ecosystem and the environment.

Chapter 7

Happiest employees

7.1 Employee profile

2023 Achievements

Enhancement of employee salaries and benefits

Completion of talent inventory review and the learning & development framework

Organized outside training programs to develop leadership and teamwork

Enhancement of the performance management system

Establishment of multiple communication channels

Human rights policy

Formosa Solar believes that everybody should be treated with fairness and respect. We strive to ensure that all the internal and external stakeholders enjoy basic human rights and we adhere to all relevant labor laws. We never use child labor and prohibit forced labor. We respect freedom of association, oppose discrimination, and safeguard the rights of foreign nationals. We have established multiple communication and complaint channels, such as monthly surveys on trust from employees; employee assemblies; conversations with CEO and Labor-Management Meeting each quarter; sexual harassment policies and complaint channels. We encourage employees to reflect any potential violation of human rights and promise that CEO will conduct investigations to ensure quick and transparent responses.

We acknowledge and observe the international human rights endorsed in the United Nations Global Compact (UNGC), Universal Declaration of Human Rights (UDHR) and The International Labor Organization's Declaration on Fundamental Principles and Rights at Work. The Company's human rights policies have been formulated by following the guidance of the aforementioned regulations. The human rights policies are applicable to all the paid colleagues (including contractors and interns) of the Company, subsidiaries and affiliated enterprises. The implementation guidelines are as follows:

1. **Creation of a diverse, inclusive and equal workplace**
2. **Offering of a safe and healthy work environment**
3. **Respect the employees' freedom of association**
4. **Assistance to employees in maintaining mental/physical health and work-life balance**

7.1 Employee profile

Employee statistics

Formosa Solar operates in the renewable energy industry. The Company provides a stable and long-term work model so that employees can be fully involved in work without worries. This helps to protect the livelihood of employees. Formosa Solar continues to expand its workforce, with a 33.9% increase in the number of employees in 2023. Moreover, our human resource structure is stable.

Employee statistics

Statistics/year		2021		2022		2023	
Total No. of employees (Note 1)		37		56		75	
Employment contract (Note 2)		Indefinite	Fixed-term	Indefinite	Fixed-term	Indefinite	Fixed-term
Gender	Male	20	0	27	0	46	0
	Female	17	0	29	0	28	1
Region	Taiwan	37	0	56	0	74	1
Employment type (Note 3)		Full time	Part time	Full time	Part time	Full time	Part time
Gender	Male	20	0	27	0	46	0
	Female	16	1	28	0	29	1
Region	Taiwan	36	1	55	0	75	1

Note 1: As of the year end (December 31).

Note 2: There are two types of employment contracts: indefinite (permanent) contracts and fixed-term contracts (for short-term, seasonal, and specific project periods, as well as covers for maternity/paternity and unpaid parental leaves until the employees on maternity/paternity leaves and unpaid parental leaves return to work).

Note 3: The workforce consists of full-time employees (with weekly working hours up to the statutory limit) and part-time employees (with weekly working hours below the statutory limit and including personnel on partial work schedules, such as working students and hourly-rated workers).

Non-employee worker statistics

Statistics/year		2021		2022		2023	
No. of workers		2		3		2	
Contract type		Dispatch	Other types	Dispatch	Other types	Dispatch	Other types
Gender	Male	0	2	0	2	0	2
	Female	0	0	0	1	0	0
Region	Taiwan	0	2	0	3	0	2
Work type		Technician/ Operator	Technical consultant	Technician/ Operator	Technical consultant	Technician/ Operator	Technical consultant
Gender	Male	0	2	0	2	0	2
	Female	0	0	0	1	0	0
Region	Taiwan	0	2	0	3	0	2

Note 1: As of the year end (December 31).

New hire statistics

New Hire Statistics/Year		2021		2022		2023	
		Total No.	% (Note 2)	Total No.	% (Note 2)	Total No.	% (Note 2)
Total No. of new hire employees during the year (Note 1)		19	-	33	-	41	-
Age	<30 years old	3	50.00%	3	42.86%	10	76.92%
	≥ 30 and less than 50 years old	12	42.86%	27	62.79%	27	49.09%
	≥ 50 years old	4	57.14%	3	50.00%	4	57.14%
Gender	Male	11	50.00%	15	53.57%	29	63.04%
	Female	8	42.11%	18	62.07%	12	41.38%
Educa-tion	Post-graduate institution	10	45.45%	10	43.48%	16	53.33%
	College/university	9	50.00%	21	65.63%	24	60.00%
	Others	0	0.00%	2	100.00%	1	33.33%

Leaver statistics

Leaver Statistics/Year		2021		2022		2023	
		Total No.	% (Note 2)	Total No.	% (Note 2)	Total No.	% (Note 2)
Total No. of leaver employees during the year (Note 1)		10	-	16	-	22	-
Age	<30 years old	1	16.67%	1	14.29%	2	15.38%
	≥ 30 and less than 50 years old	7	25.00%	11	25.58%	15	27.27%
	≥ 50 years old	2	28.57%	4	66.67%	5	71.43%
Gender	Male	4	18.18%	8	28.57%	11	23.91%
	Female	6	31.58%	8	27.59%	11	37.93%
Educa-tion	Post-graduate institution	4	18.18%	9	39.13%	7	23.33%
	College/university	6	33.33%	6	18.75%	15	37.50%
	Others	0	-	1	50.00%	0	0.00%

Note 1: Total No. of employees as of the year end (December 31).

Note 2: New hire rate = (Total No. of new employees in a specific category during the year / Total No. of employees in the same category at the year-end) * 100% Example: New hire rate of female employees = (Total No. of newly hired female employees during the year / Total No. of female employees at the year-end) * 100%.

Note 3: Turnover rate = (Total No. of leavers in a specific category during the year / Total No. of employees in the same category at the year-end) * 100% Example: Turnover for employees below 30 years old =(No. of leavers below 30 years old during the year / Total No. of employees below 30 years old at the year-end) * 100% .

7.2 Talent attraction and retention

Comprehensive human resources are key to Formosa Solar's sustainable operations. To attract high-caliber talent, the Company offers market-competitive salaries and benefits and incentives to employees who create performances and make long-term contributions. We treat employees with fairness and formulate transparency in the review system, rewards and disciplinary actions. In terms of the promotion pathway, we provide transparent information about promotion opportunities. Top-performing employees are given opportunities for promotion so that we can foster an atmosphere of learning from the best examples and continue to cultivate outstanding talent. Meanwhile, we arrange train and educational programs so that employees can pursue further studies and growth in professional fields and realize self-worth. Finally, Formosa Solar provides multiple communication channels for dialogues with our colleagues. Employees can quickly and efficiently raise opinions, and the Company responds with goodwill, to maintain harmonious and trustful labor-management interactions.

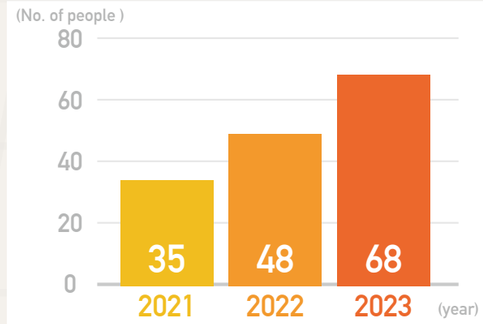
Salaries and benefits

Formosa Solar determines employee compensation based on the achievement ratio of annual operational targets and the Company's profitability. We provide employees with market-competitive packages. According to the salary survey report of 104 Human Resources Bank, the maximum fixed salary can reach up to 150% of the same industry standard level, with a guaranteed annual salary of 14 months.

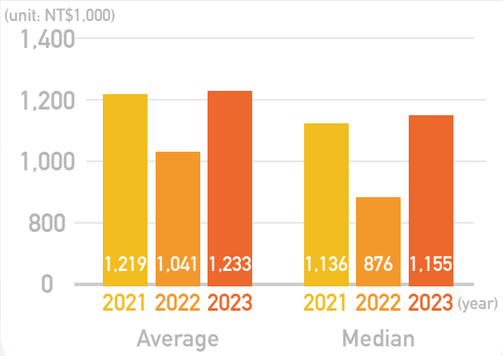
We also offers a contribution of 8% to retirement plans. Employee salary ranges are primarily determined on factors such as years of service, education and work experience, and professional abilities, without discrimination based on personal physical or psychological differences. In 2023, the average salary of non-executive positions increased by 18.44% and the median salary grew by 31.8% compared to the previous year. This demonstrates the Company's willingness to share its profits with employees, so that employees can contribute their strengths without worrying about livelihood. This enhances employees' cohesion and sense of belonging towards the Company. Moreover, Formosa Solar's standard salary for direct employees is higher than the minimum wage. The employment and dismissal of employees are conducted in accordance with the Labor Standards Act and specified in the Company's regulations.

Salaries of full-time employees in non- executive positions

Number of full-time employees in non-executive positions



Salaries of full-time employees in non-executive positions



Note: Non-executives are staff at grades 1-7.

Ratio of basic salary and annual pay of men to women

Salary	Category	Women	Men
Fixed salary	Executives	1	1.27
	Management	1	1.27
	Non-management	1	1.06

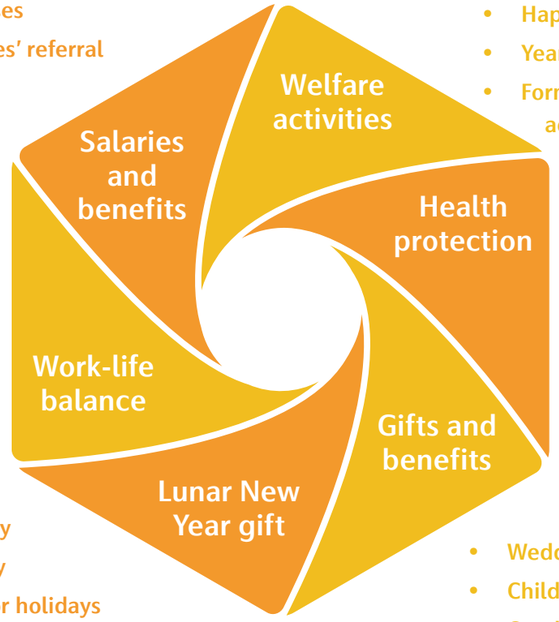
Salary	Category	Women	Men
Annual pay	Executives	1	1.02
	Management	1	1.25
	Non-management	1	0.98

Note 1: The annual salary includes the basic salary, allowances and bonuses of the employees for the whole year.
Note 2: Executives are staff at grade 8 and above of the director and function chief.
Note 3: Management are staff at grades 6-7.

7.2 Talent attraction and retention

Benefits above statutory requirements

Formosa Solar continues to enhance its employee benefit system. We care for and take care of mental/physical wellbeing of our employees. In addition to multiple benefits and a comfortable office, we organize wellness activities for employees from time to time so that colleagues alleviate work stress and engage in positive interactions with each other. Formosa Solar has created a work environment that satisfies the needs and fosters diversity and the development of colleagues.



- Guaranteed annual salary of 14 months
- Performance bonuses
- Bonus for employees' referral

- Flexible hours
- Home working
- 12+ days of paid annual leaves
- Employee wellness leaves
- Birthday leave
- Fully paid sick leave
- Family care leave

- New hire gift money
- Birthday gift money
- Gifts for three major holidays
- Festival gifts
- Childbirth gift money
- Awards for senior employees

- Family day
- Tea party/celebration from time to time
- Happy hour
- Year-end banquet
- Formosa Solar team building activities

- 8% contribution to pension
- Free group insurance for employees and their family members
- Health and wellness package
- Annual health examinations

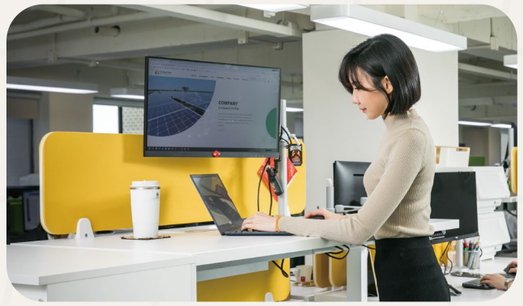
- Wedding gift money
- Childbirth gift money
- Condolence money
- Cash support for hospital stays
- Study subsidy

Retire planning and protection

To protect the financial planning for employees' retirement, Formosa Solar's defined contribution plan (the new pension system) previously contributed 6% of monthly wages to each employee's pension account, in accordance with the Labor Pension Act. The contribution was increased to 8% of the monthly wage starting on November 1, 2022.

A comfortable office

Formosa Solar continues to expand its workforce as the business grows. The total number of employees was 75 in 2023, an increase of 33.9% from 2022. To provide our colleagues with a more comfortable space, Formosa Solar established its office in Pingtung in early 2023 and relocated its Taipei headquarters at the end of 2023. The size of the new head office is 1.5x bigger, with thoughtfully designed spaces and facilities to increase the comfort of the office environment and enhance employees' sense of wellness.



Comfortable personal office spaces

All employees have electric height-adjustable desks so that they can either sit or stand at work, reducing stress on their lower back due to long period of sitting.

Shared space

Happier together! To encourage cross-departmental communication and provide colleagues with a variety of workspaces, we have designed a comfy sofa area, accounting for 15% of the office space.

Stress relief room

A stress-busting punching bag stand, the popular entertainment equipment, and a spectacular high-rise view provide colleagues a relaxing little space to unwind amid busy hours.

7.3 Talent development and cultivation

The key to sustainable business is that employees can continue to learn and grow. As education and training are an important means of ensuring continued value enhancement of human capital, Formosa Solar has always placed great emphasis on the development of employees. In order to establish a comprehensive training system and institution, Formosa Solar formulates annual training and cultivation plans and implements training targets according to its development needs and the current status of employees' competences, so that employees can go further in their career paths.

Formosa Solar's leadership model

Formosa Solar started a training and development module in 2023, to proactively establish a comprehensive training and development framework. Talent development initiatives are introduced on the foundation of leadership development. The Company's overall talent development model is defined by differentiating senior executives, entry-level and middle managers, and individual contributors. Formosa Solar's talent profile is defined through the talent development initiatives. By utilizing standardized assessment tools, we established an accurate inventory of the current leadership and capability of employees. Future training, cultivation strategies and plans were formulated with a focus on development of the overall competencies of the company's talent.

Leadership, learning and development

Managerial training programs were formulated to strengthen the leadership capabilities of managers at all levels, according to the assessment results of 41 entry-level and middle managers and by referring to the organizational development needs and the competency gaps of the employees.

Curriculum	Class hours	No. of participants	Curriculum objectives
Support for Performance Maximization	7 hours	31 supervisors	Effective instructions are one of the key drivers for team performances. Learning from the curriculum about how to coach subordinates to achieve the best performance and to build an outstanding team
Support for Performance Maximization: Refresher Training	4 hours	29 supervisors	As part of the course "Support for Performance Maximization", coaching exercise sessions were arranged for the supervisors to conduct on-site practice. Follow-up training was provided to deepen the learning and improve through practice

Training results

Formosa Solar focuses on continuous growth of colleagues and combines internal and external learning resources to provide diverse learning channels in accordance with the company's development goals, organizational needs, and individual development. This allows colleagues to showcase their professionalism and achieve self-realization. Human Resources Department incorporated a training and development module in 2023 and established a data management and tracking mechanism for various learning channels to understand and evaluate the implementation status of training programs.

Training hours of employees in 2023

Item/year		2023
Average training hours per employee (Note 1)		36
Average training hours per employee by gender(Note 2)	Female	40
	Male	34
Average training hours per employee by category(Note 3)	Project sites	37
	Office work	36

Note 1: Average training hours for all employees = (Total training hours for all employees during the year / Total number of employees at the year-end).

Note 2: Average training hours for female employees = (Total training hours for all female employees during the year / Total number of female employees at the year-end).

Note 3: Average training hours for employees by category = (Total training hours for employees of that category during the year / Total number of employees of that category at the year-end).

Survey and statistics of learning channels

Formosa Solar actively encourages colleagues to take professional courses related to their scope of work. Training resources are divided into internal and external. Internal training is arranged by each department based on actual business needs, with personnel assigned to conduct in-department training sessions. For external training, departments can submit applications according to business requirements. Once approved, designated personnel attend courses offered by external organizations. After the training, the participating colleagues share their learnings with other department members, so that the relevant personnel can apply the knowledge gained. In 2023, the total training hours for both internal and external training amounted to 2,737 hours, with an investment of 1.619 million.

7.3 Talent development and cultivation

Total training hours and expenses in 2023

Item/year		2023
Training hours	Total internal training hours	1,442
	Average hours for all employees	19
Training expenses	Total internal training expenses	974,451
	Average expenses for all employees	12,993

Note 1: Average internal training hours for all employees = (Total training hours for all employees during the year / Total number of employees at the year-end).

Note 2: Average internal training hours for each trained employee = (Total training hours for all trained employees during the year / Total number of trained employees at the year-end).

List of 2023 internal training programs

Target	Curriculum	No. of classes	No. of participants
New hires	Training and education for new hires	33	33
	General curriculum on occupational safety	24	24
	Anti-corruption and anti-bribery policy	2	39
All colleagues	External training and team building activities	1	64
General colleagues	Training and education on heat hazards prevention, safety and health	1	13
	Seminars on workplace unlawful infringement	1	45
	Training and education on greenhouse gas inventory	1	7
	Training and education on sustainability teams and TCFD	1	27
	Basic contract concepts and principles of official letters writing	1	30
Supervisor training and development	Formosa Solar's path to winning in 2023	1	20
	Training for competency-based interviews	1	19
	Support for Performance Maximization	1	31
	Support for Performance Maximization (Refresher Training)	1	29

2023 External training/hours and expenses spent on professional licenses

Item/year		2023
Training hours	Total external training hours	1,295
	Average hours for all employees	17
Training expenses	Total external training expenses	644,666
	Average expenses for all employees	8,596

Note 1: Average external training hours for all employees = (Total training hours for all employees during the year / Total number of employees at the year-end).

Note 2: Average external training hours for each trained employee = (Total training hours for all trained employees during the year / Total number of trained employees at the year-end).

Performance management and development

To ensure each employee's work performance is appropriately reflected in their compensation, all employees at Formosa Solar undergo regular performance coaching and evaluation twice a year. The year-end performance reviews are taken into account for promotion and career development of employees. This allows employees with specific technical strengths to grow into professionals in their respective fields and the employees with management capabilities and leadership qualities are groomed for managerial roles. Our colleagues are given ample space for career development.

Employees who received regular performance coaching and reviews

Item/year			No. of employees reviewed	Total No. of employees	%
2022年	Gender	Male	20	27	74%
		Female	18	29	62%
	Employee type	Project sites	3	5	60%
		Office work	35	51	69%
2023年	Gender	Male	42	46	91%
		Female	27	29	93%
	Employee type	Project sites	21	21	100%
		Office work	48	54	89%

Note: Employees under probation are not included for performance reviews.

7.3 Talent development and cultivation

2023 Highlights

Aiming for sustainable development of talent, Formosa Solar began in 2023 "Little Sun Summer Internship Program "and scholarship schemes by working with local colleges and universities. We hope the young talent of the future can learn and experience from the support of these initiatives, so that they can explore their own developments, gain an in-depth understanding of the opportunities in the renewables and green energy industry and continue to embrace environmental sustainability.

Little sun summer internship program

The students interested in renewable and green energy issues are identified by the internship program. The combination of the internship mechanism, training classes, mentoring system and regular re-visits allowed interns to establish an in-depth understanding of how the energy industry and companies function. After reviews, top-performing interns have the opportunity to become a member of the Formosa Solar.

Picture: Little sun summer internship program in 2023 and mentors.

Scholarships

We started in 2023 to work with National Pingtung University to offer scholarships based on continued learning and exploration of green energy activities. The scholarship program aims to encourage outstanding students to focus on academic pursuits and develop good characters, by assist in continuous learning and deeds of kindness.

Cooperating colleges	Department	Target	Requirements	Investment
National Pingtung University	• Department of Electrical Engineering; Department of Photonics • Department of Civil Engineering and Construction • Department of Occupational Safety and Health; Department of Green Energy	• Undergraduates • Postgraduates	• Learning achievements • Participation in green energy activities • Good character and behavior	NT$30,000 each qualified student. Five scholarships each semester.

7.4 Diversity, equity and inclusion

Formosa Solar endeavors to create a culture of diversity, equity and inclusion (DEI). It is the Company's long-standing responsibility to make all employees feel respected and trusted, so that they feel happy at work and in life.

Multiple communication channels

Employees are the essential cornerstones of our operations. The Company is committed to providing a work environment beneficial to the mental/physical health of employees and the development of diversity, so that employees can work without worries. Formosa Solar has established communication channels. Employees are able to fully express opinions via two-way communication. The Company can respond in a timely manner, conduct due diligence and ensure the protection of employees. Also, the suggestions are gradually translated into policies for implementation. Formosa Solar complies with laws and its human resource and administrative management are in adherence with labor laws where respective operations are located. Formosa Solar's labor relations have been harmonious over recent years, without any labor dispute.

Communication channels / employee feedback mechanism	Communication frequency	2023 implementations
Monthly meeting for all employees	Monthly	Meeting for all employees are convened monthly, to communicate internal information and announce important matters
Labor-management meeting	Quarterly	Labor-Management Meeting is convened each quarter for both parties to discuss issues. Employee benefits such as seven paid sick days and adjustments to employee activities have been passed in these meetings
Invitation for conversations with CEO	Quarterly	Invitation for conversations with CEO is extended each quarter, so that employees from different departments can speak with CEO directly to discuss and provide feedback on recent work matters
Performance reviews and comments	Every six months	Planning and implementation of the performance management system; execution of the feedback mechanism to continue the tracking of employees' status and to provide assistance and support
Internal complaint channels	From time to time	Employees present their status and problems via internal complaint channels (HR@formosasolar.con.tw). Timely caring and assistance in solutions are then provided
Survey on satisfaction of joiners	Assessment during probation stage	To enhance the joining experience for new hires, we have optimized the overall onboarding process, including new employee orientation materials, an onboarding map, and a buddy system. Survey on satisfaction of joiners to gather feedback and facilitate continued adjustments, in order to better a better experience in joining the company
Survey on trust from employees	Monthly	Monthly questionnaire survey on trust from employees to collate opinions, follow-up and make improvements
Survey on engagement of employees	Annually	The survey on engagement of employees in 2023 achieved 100% response rate from employees and received 96% effective questionnaires

Support to female employees in realizing potential

Formosa Solar strives to realize the value of diversity and inclusivity and to create a work environment that enables challenges, continuous learning and family friendliness. We support the career development of female talent by helping female colleagues to capitalize on their strengths. In 2023, the percentage of female executive directors and above reached 42.8% in Formosa Solar. A total of NT$1,619,000 was invested during the year on training and development for female employees.

Picture: Formosa Solar supports the career development of female talent.

Total spending on development of female colleagues

Item	Amount(NT$)	No. of hours
Total training and development expenses for female	696,971	1,153
% of training and development expenses for female	43%	-
% of training and development hours for female	-	42%

7.4 Diversity, equity and inclusion

A friendly and caring workplace

Formosa Solar encourages employees to get married and have children. We hope to boost the birth rate and promote work-life balance. In addition to the basic maternity leave, prenatal check-up leave for both parents-to-be and paternity leave, we have established a comprehensive parental leave system. Under no regulatory requirements, we took the initiative in 2024 to set up a nursing room, creating a safe, warm and relaxing space for female colleagues to breastfeed. We provide comprehensive employee care measures, so that our colleagues can balance between work and family responsibilities. We create a friendly work environment to uphold the spirit of gender equality in the workplace.

Statistics of maternity/paternity and parental leaves

Statistics of maternity/ paternity and parental leaves	Gender	2021	2022	2023
No. of employees eligible for unpaid parental leave	Male	0	0	2
	Female	0	0	1
No. of employees who applied for unpaid parental leaves	Male	0	0	0
	Female	0	0	1
No. of employees supposed to return to work at the end of unpaid parental leaves (A)	Male	0	0	0
	Female	0	0	0
No. of employees who returned to work at the end of unpaid parental leaves (B) (including those who returned early)	Male	0	0	0
	Female	0	0	0
Return rate (B/A) (note 1)	Male	0	0	0
	Female	0	0	0
No. of employees who returned to work at the end of unpaid parental leaves and stayed in service for 12 months (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

Note 1: Return rate = (No. of employees who returned to work during the year / No. of employees supposed to return to work during the year) * 100%.
Note 2: Retention rate = (No. of employees still in service 12 months after returning to work / No. of employees who returned to work during the previous year) * 100%.

Measures to prevent sexual harassment at workplace

We deeply understand that creating a safe, respectful, and trustworthy workplace is a long-term responsibility for companies. Therefore, we have taken measures starting in 2023 to address gender equality issues and we have put in place a complaint channel and advocacy to prevent sexual harassment. Through internal employee meetings, human resource systems, and company posters, we have disclosed these measures as our commitment to ensuring that every colleague receives substantive and equal respect and rights. We continue to strive for a more robust protection mechanism in the future.

7.5 Occupational safety and health

2023 Achievements

The accident rate, the lost day rate (LDR) and the death rate were all zero for employees and contractors

Periodical surveys on the perceived safety and health of the work environment

Regular investigations on near-miss events

Signing of Statement Against Workplace Unlawful Infringement

Organization of seminars on workplace unlawful infringement

7.5 Occupational safety and health

Occupational safety and health management

To effectively control the occupational health and safety risks of the operational environment and to enhance the workplace health and safety for workers, Formosa Solar focuses on its core value - caring, prioritizes the health and safety of workers and adheres to with occupational health and safety laws and relevant regulations. Proactive and necessary preventive measures and facilities have been put in place within the reasonable scope of construction and operation, in accordance with Article 5 of the Occupational Safety and Health Act and Article 8 of the Enforcement Rules of the Occupational Safety and Health Act.

Formosa Solar refers to domestic and foreign information and solar energy industry regulations; introduces the concepts, measures, and equipment of occupational safety and health management; implements regulatory compliance, full participation, and a zero-accident environment; and conducts risk identification, assessment, and control for equipment management and daily on-site operations. In 2023, a dedicated occupational safety and health department was established to incorporate occupational safety requirements into site planning to create a safe workplace. In the event of a major incident, in addition to carrying out necessary first aid and rescue procedures according to Article 37 of the Occupational Safety and Health Act, we will also perform investigations and analysis and produce records in collaboration with labor representatives. Formosa Solar plans to introduce the ISO 45001 certification in 2024 to reduce operational hazards and enhance workplace safety. In order to promote occupational safety and health management systems, Formosa Solar actively trains and develops internal auditors for hazard identification and risk assessment activities, and formulates the content of safety and health management plans.

Training and education in occupational safety and health measures

To enhance employees' awareness of safety and health, Formosa Solar strengthens colleagues' understanding through training and education in order to reduce the impact caused by an unsafe environment or behavior. In 2023, the total number of participants was 42 for training and education in occupational health and safety. The curriculum includes practical classes for onsite management and training on how to use an AED (automated external defibrillator). Regarding the management of on-site contractors, a pre-entry hazard briefing session was held for construction personnel, with one session attended by 20 participants. Formosa Solar also encourages its colleagues to enhance awareness about personal safety. A total of 16 people held licenses related to occupational safety management in 2023.

Class type	Fundamental knowledge	
Topic	Practical Management of Project Sites	
Curriculum	• Training and education in occupational safety and health • Daily Operations of Construction Industry	
	No. of training hours	Total No. of training hours
12 participants	3hr	36hr

Class type	Health and Emergency Response	
Topic	How to Use AED	
Curriculum	• Training and education in occupational safety and health • Daily Operations of Construction Industry	
No. of participants	No. of training hours	Total No. of training hours
30 participants	1hr	30hr

Name of license	No. of holders
Occupational safety management specialist - Level A	1
Occupational health management specialist - Level A	2
Occupational safety and health management specialist - Level B	2
Occupational safety and health affairs manager - Level A	7
Occupational safety and health affairs manager - Level C	2
General safety and health operations manager - Construction industry	2

Occupational disaster prevention and improvement

Formosa Solar conducts a monthly survey on perceived safety and health of the work environment. Department of Occupational Safety & Health would reach out to those who indicate dissatisfaction or strong dissatisfaction, communicate and inquire about how to improve, and follow up with the improvement results. As of the end of 2023, a total of 2 issues had been resolved. Formosa Solar reported no occupational injury, occupational disease or work-related fatality due to work in 2023.

7.5 Occupational safety and health

Regular surveys

Periodical and voluntary surveys on the perceived safety and health of the work environment to keep an eye on the workplace for colleagues

Optimization and improvement

Investigations into complaints, reviews and requirements to the responsible unit for improvement and prevention

Continued follow-ups

Tracking of improvement results to avoid repeat of similar circumstances

Employees/Non-employees - Occupational injuries and diseases

Statistics/year		2020	2021	2022	2023
Total work hours		73,071	75,089	90,621	97,828
Deaths caused by occupational injuries (Note 1)	No. of people	0	0	0	0
	%	0	0	0	0
Serious work-related injuries (Note 2)	No. of people	0	0	0	0
	%	0	0	0	0
Recordable occupational injuries (Note 2)	No. of people	0	0	0	0
	%	0	0	0	0
Work-related illness	No. of people	0	0	0	0
	%	0	0	0	0
Recordable occupational diseases (Note 3)	No. of people	0	0	0	0
	%	0	0	0	0

Note 1: Rates are calculated per million work 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: Recordable 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 but excludes minor injuries treated on-site. Recordable occupational injury rate: (Number of recordable occupational injuries x 200,000) / Total work hours.

Promotion of a healthy workplace

Formosa Solar adheres to the objectives set by the International Labor Organization (ILO) and the World Health Organization (WHO) and complies with legal regulations by proactively planning, promoting, and implementing health-related initiatives. We endeavor to take care of labor health at the workplace, so that our colleagues will not be adversely affected by health issues during work. Formosa Solar starts from a caring perspective in its proactive planning and advocacy for correct health knowledge, including physical health care and psychological health counseling, in order to construct a healthy, friendly and happy workplace.

Physical health care

- Perform semi-annual environmental measurements such as illuminance (LUX) and carbon dioxide (CO_2) levels
- Employees are provided with electric height-adjustable desks in the work environment, so that they can freely choose a comfortable working mode during office hours. They can adjust between standing and sitting, or leaning postures at any time. This effectively enables employees to autonomously stretch their skeletal muscles and reduces ergonomic hazards
- To enhance health awareness among colleagues and enable an understanding of their own health conditions, Formosa Solar arranges health examinations for employees every two years. The previous round was in 2022 and no occupational or suspected occupational diseases were identified. The next round will be held in 2024 and the results will be disclosed in the report for next year

Mental health care

- In 2023, Chief Executive Officer of Formosa Solar signed “Statement Against Workplace Unlawful Infringement”. We also organized seminars on unlawful infringement by inviting professional lectures, to prevent psychological hazards caused by social and environmental factors
- We plan to introduce Employee Assistance Program in 2024, to provide comprehensive counselling services and help employees resolve a variety of problems and difficulties at work and in life
  - Psychological counseling Career and work, emotional adjustment, family & marriage, and intimate relationships
  - Legal counseling, traffic accidents, transaction disputes, marital rights and wealth inheritance

Chapter 8

Sustainable enterprise

8.1 Community relations and public participation

2023 Achievements

Joint efforts with Fund for Children and Families in Pingtung to assisting vulnerable families in energy consumption reduction by approximately 15% year-on-year

Organized solar photovoltaic experience camps in Taipei and Pingtung to promote energy education

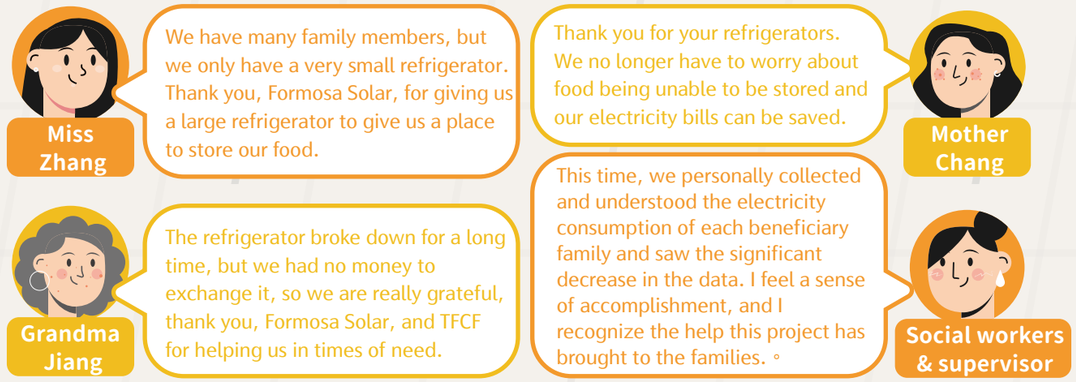
Total spending of NT$3.3 million on social responsibility/public interests

Formosa Solar upholds the philosophy of "taking from society and giving back to society" and engages in activities such as dissemination of optoelectronic knowledge and community and local care campaigns in order to lead by example, leverage its influence and fulfill corporate social responsibility. At each of its operating locations, Formosa Solar collaborates with local organizations to align with the United Nations Sustainable Development Goals (SDGs) and implement a diversity of ESG actions to assist remote area development and promote equal opportunities for disadvantaged groups in society. Most effective use of resources to contribute to a better society.

Energy efficiency and support program to the underprivileged

SDG 7-Affordable and Clean Energy

As the foreign company that invests the highest amount in Pingtung County, we care about local community engagements. Therefore, we worked with Fund for Children and Families in Pingtung in energy efficiency and supporting the vulnerable. We helped the disadvantaged families in the Pingtung area to replace old and energy-intensive home appliances, to reduce electricity bills and greenhouse gas emissions. A total of 8,829kWh of electricity was saved during the past six months. This lowered the electricity bills by approximately NT$35,000 and reduced carbon emissions by 4,370kg. The energy efficiency and support for the vulnerable program helps the disadvantaged families to reduce living costs and contributes to environmental protection.



Picture: Formosa Solar donated energy-efficient refrigerators worth NT$450,000 in total to help the disadvantaged families in reduction of electricity consumption, electricity bills and carbon emissions.

8.1 Community relations and public participation

Giving back to local developments

SDG 11-Sustainable Cities and Communities

Formosa Solar emphasizes the cooperation and involvement with local communities and endeavors to create positive influence for the local economy and society. Formosa Solar has sponsored Hsin-Kuo Community in the remote part of Pingtung for two consecutive years since 2021 to fund the development association's organization of neighborhood activities. In 2023, Formosa Solar gained a better understanding of local needs through outreach, interactions and close communication. We managed to convert donations into substantive development and helped the community in deployment of road surveillance and medical equipment. Moreover, Formosa Solar provides the local community with employment opportunities for about 100 person-days per month in the maintenance and operation of solar plants nearby. This allows community residents to work close to homes and take care of the elderly and children at the same time.

Picture: James Wu, Formosa Solar's General Manager of Pingtung Branch Office represents Yu Shu Power to receive letter of gratitude from Hsin-Kuo Community.

Solar PV experience camp

SDG 4-Quality Education

Formosa Solar as an energy company hopes to exercise its own social influence so that more people place importance on energy. To this end, we continue to organize solar photovoltaic experience camps each year, to promote sustainable energy through green energy education. We hope the education on photovoltaic takes root and plants the seed of green energy for future generations. Solar photovoltaic experience camps have received an enthusiastic response year after year and expanded in scale during 2023 in Taipei and Pingtung. Academics and industry experts were invited to share trends in energy transition. Hands-on sessions and site visits were also arranged, so that students could get a close look at solar power plants and enhanced their understanding about the renewable energy industry. It is hoped that through these camps, future talents in the energy sector can be nurtured.

Picture: 2023 solar photovoltaic experience camp in Taiwan. Students visited Formosa Solar's rooftop projects in National Taiwan University.

Appendix I:
Cross-reference table for GRI

Statement of Use	Formosa Solar Renewable Power Co., Ltd. has followed the GRI standards for reporting of the period from January 1 to December 31, 2023.

GRI 1	GRI 1: Foundation 2021
GRI Industry Standards	Not applicable

Note：*indicate a material topic

Topic	Disclosure item	Item description	Chapter	Page	Omission /Note
GRI 2: General Disclosures 2021					
Organization and its reporting practices	2-1	Organizational details	2.1 Company introduction	14	
	2-2	Entities included in the organization's sustainability reporting	1.3 About this report	8	
	2-3	Reporting period, frequency and contact point	1.3 About this report	8	
	2-4	Restatements of information	1.3 About this report	8	No Information Redacted
	2-5	External assurance	Appendix V: Indepent assurance statement of sustainability report	144	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1 Company introduction	14	
	2-7	Employees	7.1 Employee profile	106	
	2-8	Workers who are not employees	7.1 Employee profile	106	
Governance	2-9	Governance structure and composition	4.1 Board of Directors	53	
	2-10	Nomination and selection of the highest governance body	4.1 Board of Directors	53	
	2-11	Chair of the highest governance body	4.1 Board of Directors	53	
	2-12	Role of the highest governance body in overseeing the management of impacts	4.2 Functional committees	56	
	2-13	Delegation of responsibility for managing impacts	4.2 Functional committees	56	
	2-14	Role of the highest governance body in sustainability reporting	4.2 Functional committees	56	
	2-15	Conflicts of interest	4.1 Board of Directors	53	
	2-16	Communication of significant events	4.1 Board of Directors	53	
	2-17	Collective intelligence of the highest governance body	4.1 Board of Directors	53	
	2-18	Performance review of the highest governance body	4.1 Board of Directors	53	The information is not available, and there is no existing mechanism. It is planned to evaluate the feasibility of implementing the relevant mechanism in 2024.
	2-19	Remuneration policy	4.2 Functional committees	56	
	2-20	Remuneration decision flows	4.2 Functional committees	56	
	2-21	Annual total compensation ratio	-	-	The highest total of an individual's compensation is confidential information of the Company.
Governance	2-22	Statement on sustainable development strategy	1.1 Message from CEO	6	
	2-23	Policy commitments	1.3 About this report 4.4 Risk management 7.1 Employee profile	8/60/106	
	2-24	Embedding policy commitments	1.3 About this report 4.4 Risk management 7.1 Employee profile	8/60/106	
	2-25	Processes to remediate negative impacts	4.3 Business ethics 4.4 Risk management 7.4 Employee diversity, equity and inclusion 7.5. Occupational safety and health	58/60/120/123	
	2-26	Mechanisms for seeking advice and raising concerns	4.3 Business ethics 4.4 Risk management 7.4 Employee diversity, equity and inclusion 7.5. Occupational safety and health	58/60/120/123	
	2-27	Compliance	4.3 Business ethics	58	
	2-28	Membership associations	2.4 Participation in external organizations	19	
Stakeholder engagement	2-29	Approach to stakeholder engagement	3.2 Stakeholder engagement	32	
	2-30	Collective bargaining agreements	-	-	Not applicable, the Company has not entered into any collective bargaining agreements.
GRI 3: Material Topics 2021					
Material topics	3-1	Process to determine material topics	3.1 Identification and management of material topics	22	
	3-2	List of material topics	3.1 Identification and management of material topics	22	

Appendix I:
Cross-reference table for GRI

Topic	Disclosure item	Item description	Chapter	Page	Omission /Note
Economic					
Business ethics					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	4.3 Business ethics	58	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.3 Business ethics	58	
	205-2	Communication and training about anti-corruption policies and procedures	4.3 Business ethics	58	
	205-3	Confirmed incidents of corruption and actions taken	4.3 Business ethics	58	
Data protection and cybersecurity					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.4 Data protection and cybersecurity	76	
Self-defined topics			5.4 Data protection and cybersecurity	76	
Solar panel quality and safety					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.3 Solar panel quality and safety	74	
Self-defined topics			5.3 Solar panel quality and safety	74	
Service reliability and resilience					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.2 Service reliability and resilience	70	
Self-defined topics			5.2 Service reliability and resilience	70	
Sustainable supply chains management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	5.5 Sustainable supply chains management	78	
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	5.5 Sustainable supply chains management	78	Not applicable, no new major supplier in 2023
	308-2	Negative environmental impacts in the supply chain and actions taken	5.5 Sustainable supply chains management	78	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	5.5 Sustainable supply chains management	78	Not applicable, no new major supplier in 2023
	414-2	Negative social impacts in the supply chain and actions taken	5.5 Sustainable supply chains management	78	

Topic	Disclosure item	Item description	Chapter	Page	Omission /Note
Environmental					
*** Climate change**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.1 Climate change	84	
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	6.1 Climate change	84	
***Biodiversity and land use**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.4 Biodiversity and land use	100	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	6.4 Biodiversity and land use	100	
	304-2	Significant impacts of activities, products and services on biodiversity	6.4 Biodiversity and land use	100	
	304-3	Habitats protected or restored	6.4 Biodiversity and land use	100	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	6.4 Biodiversity and land use	100	
Greenhouse gas management and energy resource management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.2 Greenhouse gas management and energy resource management	92	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	6.2 Greenhouse gas management and energy resource management	92	
	305-2	Energy indirect (Scope 2) GHG emissions	6.2 Greenhouse gas management and energy resource management	92	
	305-3	Other indirect (Scope 3) GHG emissions	6.2 Greenhouse gas management and energy resource management	92	
	305-4	GHG emissions intensity	6.2 Greenhouse gas management and energy resource management	92	Not applicable, there was no waste removal or transfer in 2023.
	305-5	Reduction of GHG emissions	6.2 Greenhouse gas management and energy resource management	92	Not applicable
	305-6	Emissions of ozone-depleting substances (ODS)	6.2 Greenhouse gas management and energy resource management	92	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	6.2 Greenhouse gas management and energy resource management	92	

Appendix I:
Cross-reference table for GRI

Topic	Disclosure item	Item description	Chapter	Page	Omission /Note
Environmental					
Waste management					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	6.3 Waste management and water resources management	96	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	6.3 Waste management and water resources management	96	
	306-2	Management of significant waste related impacts	6.3 Waste management and water resources management	96	
	306-3	Waste generated	6.3 Waste management and water resources management	96	
	306-4	Waste diverted from disposal	6.3 Waste management and water resources management	96	
	306-5	Waste directed to disposal	6.3 Waste management and water resources management	96	
Social					
***Overall employee benefits**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.2 Talent attraction and retention	110	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	7.1 Employee profile	106	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Talent attraction and retention	110	
	401-3	Parental leave	7.4 Employee diversity, equity and inclusion	120	
***Employee diversity, equity and inclusion**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.4 Employee diversity, equity and inclusion	120	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Board of Directors 7.1 Employee profile	53/106	
	405-2	Ratio of basic salary and remuneration of women to men	7.2 Talent attraction and retention	110	
***Occupational health and safety**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.5 Occupational safety and health	123	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational safety and health management	7.5 Occupational safety and health	123	
	403-2	Hazard identification, risk assessment, and incident investigation	7.5 Occupational safety and health	123	
	403-3	Occupational health services	7.5 Occupational safety and health	123	
	403-4	Worker participation, consultation, and communication on occupational health and safety	7.5 Occupational safety and health	123	
	403-5	Worker training on occupational health and safety	7.5 Occupational safety and health	123	
	403-6	Promotion of worker health	7.5 Occupational safety and health	123	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.5 Occupational safety and health	123	
	403-8	Workers covered by an occupational health and safety management system	7.5 Occupational safety and health	123	Not applicable, the occupational safety and health management system had not yet been implemented in 2023.
	403-9	Work-related injuries	7.5 Occupational safety and health	123	
	403-10	Work-related illness	7.5 Occupational safety and health	123	
***Talent cultivation**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	7.3 Talent development and cultivation	114	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	7.3 Talent development and cultivation	114	
	404-2	Programs for upgrading employee skills and transition assistance programs	7.3 Talent development and cultivation	114	
	404-3	Percentage of employees receiving regular performance and career development reviews	7.3 Talent development and cultivation	114	
***Community relations and social care**					
GRI 3: Material Topics 2021	3-3	Management of Material Topics	8.1 Community relations and public participation	130	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	8.1 Community relations and public participation	130	
	413-2	Operations with significant actual and potential negative impacts on local communities	8.1 Community relations and public participation	130	

Appendix II:
Cross-reference table for SASB

Category	Indicator	Disclosure requirements	Explanation	Page
Energy Management	RR-ST-130a.1	Total energy consumed	563.8 trillion joules	94
	RR-ST-130a.1	Percentage grid electricity	100%	
	RR-ST-130a.1	Percentage renewable	0%	
Water resources management	RR-ST-140a.1	Total water withdrawn	4.7 thousand cubic meters	99
	RR-ST-140a.1	Total water consumption	4.7 thousand cubic meters	99
	RR-ST-140a.1	Percentage of each from regions with high or extremely high-water stress	0%	99
Hazardous waste management	RR-ST-150a.1	Amount of hazardous waste generated	No hazardous waste generated in 2023	
	RR-ST-150a.1	Percentage of hazardous waste recycled	No hazardous waste generated in 2023	
	TR-AP-150a.2	Number of incidents associated with leakage of hazardous materials	No incident associated with leakage in 2023	
	TR-AP-150a.2	Volume leaked and recovered of hazardous materials	No incident associated with leakage in 2023	
Ecological Impacts	RR-ST-160a.1	No. of projects delayed due to ecological impacts and time of delay	No delayed event in 2023	
	RR-ST-160a.2	Describe the efforts in communities and on ecology for development of solar projects	Please refer to “6.4 Biodiversity and land use”	100
Energy infrastructure integration and relevant laws and regulations	RR-ST-410a.1	Describe the risks of integrating solar power into existing energy infrastructure and explain the efforts in risk management	Please refer to “6.1 Climate change”	84
	RR-ST-410a.2	Describe the Company’s risks and opportunities due to energy policies and explain the impact of integrating solar into existing energy infrastructure	Please refer to “6.1 Climate change”	84
Management of product lifecycles	RR-ST-410b.1	% of sold products that can be recycled or reused	Not applicable as the Company’s product is electricity, which cannot be recycled or reused	
	RR-ST-410b.2	Weight of end-of-life materials recovered and percentage recycled	No end-of-life materials in 2023	
	RR-ST-410b.3	Percentage of products by revenue that contain IEC 62474 declarable substances, arsenic compounds, antimony compounds, or beryllium compounds	Not applicable	
	RR-ST-410b.4	Description of approach and strategies to design products for high-value recycling	Not applicable	
Raw materials risk management	RR-ST-410b.1	Description of the management of risks associated with the use of critical materials	Please refer to “4.4 Risk management” & “Table of risk management strategies”	61
	RR-ST-410b.1	Describe the environmental risk management of the polysilicon supply chain	Please refer to “5.5 Sustainable supply chains management: Supplier selection and assessment”	78
Activity metric	RR-ST-000.A	Total capacity of solar photovoltaic (PV) modules produced in megawatts (MW).	Not applicable as the Company is not a module supplier	
	RR-ST-000.B	Total capacity of completed solar photovoltaic (PV) energy systems in megawatts (MW)	196.07MW	14
	RR-ST-000.C	Total project development assets	NT$8.6 billion	18

Appendix III:
Cross-reference table for TCFD

Dimensions	TCFD disclosure item	Chapter	Page
Governance	a. Disclose the board’s oversight of climate related risks and opportunities b. Describe management’s role in assessing and managing climate related risks and opportunities	6.1 Climate change	84
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. Disclose specific influence on the organization’s actual financials and the information on the organization’s transition to a low-carbon economy. c. c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	3.3 Vision and strategy for sustainable development 6.1 Climate change	36/84
Risk management	a. Describe the organization’s processes for identifying and assessing climate-related risks b. Describe the organization’s processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	6.1 Climate change	84
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2, and,if appropriate, Scope 3 emissions, and the related risks c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. Disclose the targets for different stages (if the organization has set mid/long-term targets).	6.1 Climate change 6.2 Greenhouse gas management and energy resource management 6.3 Waste management and water resources management	84/92/96

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Independent Limited Assurance Report

To Formosa Solar Renewable Power Co., Ltd.:

We were engaged by Formosa Solar Renewable Power Co., Ltd. ("Formosa Solar") to provide limited assurance over the selected information attached as Appendix I ("the Underlying Subject Matter") on the 2023 ESG performance report of Formosa Solar ("the Report") for the year ended December 31, 2023.

Reporting Criteria of the Underlying Subject Matter

Formosa Solar shall prepare the Underlying Subject Matter in accordance with reporting criteria required by ESG Reporting Template of Partners Group as set forth in Appendix I.

Management's Responsibility for the Report

Formosa Solar is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the reporting criteria to fairly prepare and present the Underlying Subject Matter. Formosa Solar is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Underlying Subject Matter that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

We performed our work in accordance with International Standard on Assurance Engagements (ISAE) 3410: "Assurance Engagements on Greenhouse Gas Statements" and International Standard on Assurance Engagements (ISAE) 3000: "Assurance Engagement other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board and to issue a limited assurance conclusion on whether the Underlying Subject Matter is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence, Professional Standards and Quality Control

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In addition, we applied Statements of Auditing Standard "Quality Control for Public Accounting Firms" in the Republic of China. Accordingly, we maintained a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

KPMG

Summary of Work Performed

As stated in reporting criteria of the Underlying Subject Matter paragraph, our main work on the selected information included:

- Reading the Report of Formosa Solar;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Underlying Subject Matter.
- Evaluating the appropriateness of the quantification methods, reporting policies and procedures, and models used in the preparation of the GHG emissions and the reasonableness of estimates made by the Company, and evaluating the overall presentation of the GHG emissions of Formosa Solar.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Underlying Subject Matter and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Underlying Subject Matter, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained has a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2023 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Formosa Solar. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Underlying Subject Matter has not been properly prepared, in all material aspects, in accordance with the reporting criteria.

Other Matters

We Shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

Independent Assurance Statement

FORMOSA SOLAR RENEWABLE POWER CO., LTD. 2023 SUSTAINABLITY REPORT

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR GROUP and FORMOSA SOLAR RENEWABLE POWER CO., LTD. (hereinafter referred to as "Formosa Solar") are independent entities. AFNOR GROUP hereby provides a summary of FORMOSA SOLAR RENEWABLE POWER CO., LTD.'s Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.

SCOPE

FORMOSA SOLAR RENEWABLE POWER CO., LTD. is responsible for reporting fairly on the economic, environmental and social aspects of operating activities and performance of its various operating sites in Taiwan in sustainability reports in accordance with the declared sustainability reporting standards.

AFNOR ASIA LTD. is responsible for:

1. Evaluating the accordance of the Report with the Type 1 of AA1000 Assurance Standard (v3) based on the AA1000 Accountability Principles (2018). The reliability verification of the revealed sustainability performance information and data was not included. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the report compiled by Formosa Solar.

REFERENCES

The scope of the assurance includes an assessment of the source adequacy of specific performance information and an assessment of adherence to the following reporting criteria：

- AA1000 Accountability Principles (2018)
- GRI Standards

METHODOLOGY

- The inclusivity, materiality, responsiveness, and impact in the Report were assessed according to the principles of management process against AA1000 Assurance Standard (v3).
- The report is reported in accordance with the GRI Standards, and the content of the report is reviewed for general disclosures and specific topic disclosures that comply with the GRI Standards.
- The mechanism of communication and response to the interest of stakeholders was verified through discussion and interview with the management team, however, the assessment team did not make any direct contact with external stakeholders.
- The qualitative and quantitative information produced, collected, and disclosed by the Report was reviewed through a validated sampling plan.
- The documents, materials and information related to the report were examined and reviewed by interviewing the responsible persons of each group of Formosa Solar.
- Interviews with members of the organization related to sustainable development management and report writing, including representatives of all levels and departments.
- All documents, data and information related to the preparation of this report were checked by the verification team through interviews with relevant personnel.
- Check the sufficiency and completeness of supporting materials and evidence for the content of the report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

Formosa Solar has identified stakeholders and maintained communication channels for stakeholders to participate in different important topics to understand the important information that stakeholders are concerned about. The report has provided effective information to its stakeholders. In the future, a stakeholder identification and communication process can be implemented regularly to include all parties' perspectives on its sustainable development.

Materiality

Formosa Solar has established effective processes to identify issues of significance to stakeholders and operational performance. The decision-making mechanism implemented by the

organization can focus on materiality issues related to its sustainable development, and the report reflects the organization's priority in handling materiality issues. In the future, the organization can develop a sustainable assessment and decision-making process for materiality issues, and continue to develop management strategies and indicators for materiality issues.

Responsiveness

Formosa Solar has developed and implemented a stakeholder response mechanism, clearly announcing relevant policies and communicating with stakeholders, and providing specific responses to the expectations and opinions of stakeholders. In the future, the organization can continue to disclose information on the existing basis to provide operational transparency and feedback appropriate information on sustainability issues of concern to stakeholders.

Impact

Formosa Solar has understood the environmental impact of its operations and has developed processes to measure, assess and manage the organization's impact. The necessary capabilities and resources have been provided, and the organization is committed to making a comprehensive and balanced disclosure of the measurement and assessment of the impact of the organization on its stakeholders and itself. In the future, the organization can continue to provide resources to support the identification, measurement, evaluation and management of impacts, and continue to communicate with stakeholders about accountability and sustainable performance.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, we confirmed that the general disclosure and specific disclosure content of the report and the necessary management policy disclosure of major topics have complied with the requirements of GRI Standards. In the future, the organization can continue to comply with the requirements of the reporting standards, summarize the management content of major topics and the relevant performance of each operating base, and provide sufficient reporting content for the use of stakeholders.

ASSURANCE OPINION

AFNOR GROUP has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by Formosa Solar and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization.

In our opinion, the information and data presented in the Report by Formosa Solar provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in Formosa Solar in 2023 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

LIABILITY

This assurance statement is intended for the use of FORMOSA SOLAR RENEWABLE POWER CO., LTD. only. AFNOR is not responsible for any other uses. Our responsibility is only based on the scope and methodology described, and to provide stakeholders an independent assurance statement.

For and on behalf of AFNOR：

Patrick Ni
The Director for Certification and Assessment
Aug.12.2024

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