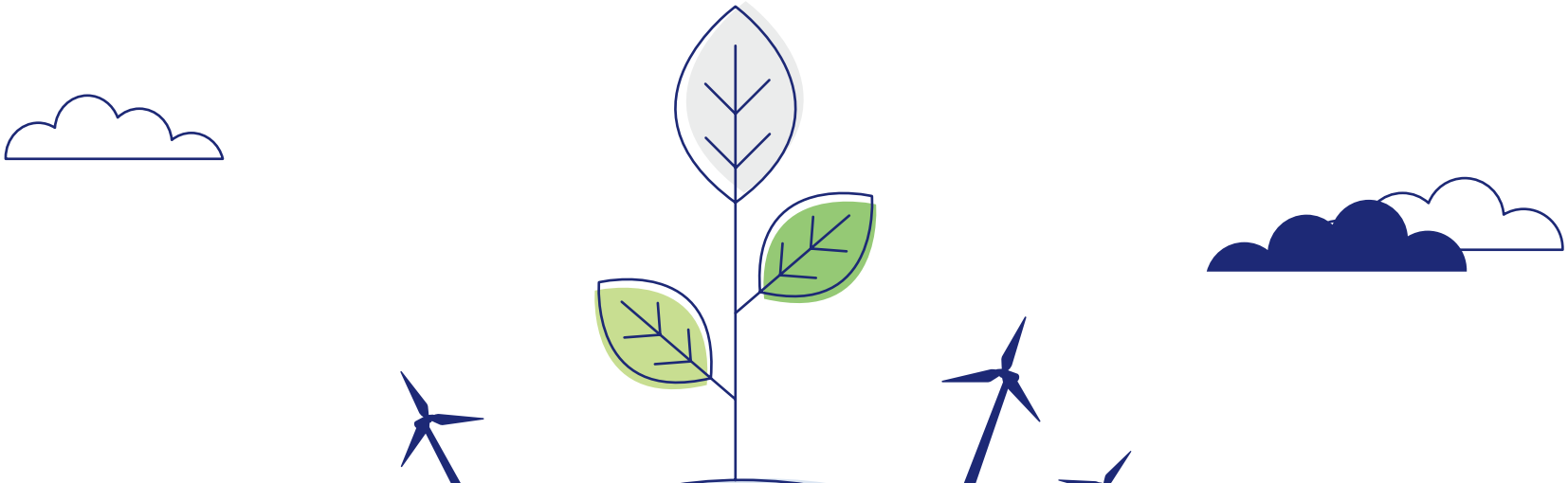
森崴能源
SHINFOX ENERGY

SHINFOX

永續報告書
Sustainability Report



森崴能源 SHINFOX ENERGY | 正崴集團

Shinfox Energy's Official Website

2023 Sustainability Report

Contents

About the Report

This report is the 2023 sustainability report ("the Report") of Shinfox Energy Co., Ltd. ("Shinfox Energy"). In line with the principles of transparency, honesty and sustainability, we faithfully present the communication between Shinfox Energy and all its stakeholders. Moreover, Shinfox Energy's sustainability-oriented goals and achievements are fully disclosed, and we aim to be constant in our professionalism, ethical management, and the fulfillment of our social responsibility as we move forward toward sustainable management.

Reporting Period

This Report discloses information on Shinfox Energy's activities and performance for 2023 (January 1 to December 31, 2023) on a variety of material topics, which include corporate governance, environmental sustainability, and social commitment. It is also available in the "ESG Sustainable Development section" of Shinfox Energy's website.

- **Release date of this report: August 2024.**
- Release date of the next report: August 2025.

Scope of Report

The information disclosed in this Report is about Shinfox Energy and excludes that of its subsidiaries. Financial statements are consolidated and include information about Shinfox Energy and all of its subsidiaries. This report is prepared in accordance with the 2021 edition of the GRI Standards published by the Global Reporting Initiative (GRI), and follows standards used in Taiwan and across the world, such as the Code of Practice for Listed Companies Preparing and Filing Sustainability Reports, the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-Related Financial Disclosures (TCFD) framework, and the Sustainability Accounting Standards (SASB). The financial information is based on the consolidated revenue, which is consistent with the financial statements, and the financial data is disclosed in accordance with the International Financial Reporting Standards (IFRSs). The amounts disclosed in the financial statements are all in New Taiwan Dollars, and PwC Taiwan has issued an audit report for them.

Management Approach

All information in the Report has been compiled and provided by the respective departments of Shinfox Energy and its subsidiaries. In addition, the contents of the Report are reviewed by department heads to ensure the truthfulness and completeness of the information. Subsequently, the editorial team of the Sustainable Development Committee has edited and compiled the information before submitting it to the Sustainable Development Committee. The Report is published after receiving third-party assurance, the President's authorization and approval of The Board of Directors.

External Assurance

We have engaged a third party, AFNOR Asia Ltd., to ensure that this report meets the requirements of the Type I "Moderate" level of assurance of AA1000AS v3, the results of which are described in the Independent Assurance Statement attached to the appendix of the Report.

Contact Information

To continuously improve the quality and content of our sustainability reports and to enhance communication with our stakeholders, please feel free to contact us should you have any feedback or comments:

No. 49, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City
Company website: www.shinfox.com.tw
ESG section: www.shinfox.com.tw/esg.html
Contact person: Sustainability Officer, Sustainable Development Office
Contact person Email: ESG@shinfox.com.tw
Tel: 02-2269-9888 ext.26033

Chairman's Message

Shinfox Energy is a comprehensive professional energy service company specializing in energy development engineering, power plant maintenance, solar power plants, energy conservation, and energy storage engineering. Its business covers solar energy, offshore wind power, and green energy sales.

Focusing in the areas of "clean energy" and "energy saving and carbon reduction", Shinfox Energy has formulated an operation strategy based on "Solar Power, Wind Power, Hydropower, LNG and Green Energy Trading Platform" to create a comprehensive integrated turnkey service. Shinfox Energy's subsidiaries include Foxwell Energy, which focuses on investment and operation of wind and solar power plants; Shinfox Natural Gas, which obtains licenses to import liquefied natural gas (LNG), provides clean energy and helps to mitigate air pollution; Foxwell Power, which secured a license for the sale of renewable energy and is now providing electricity services such as green power trading, the promotion of smart energy saving systems and the construction of energy storage systems, while using its e-commerce linkage to form a Green Energy Trading Platform with a comprehensive suite of energy services.

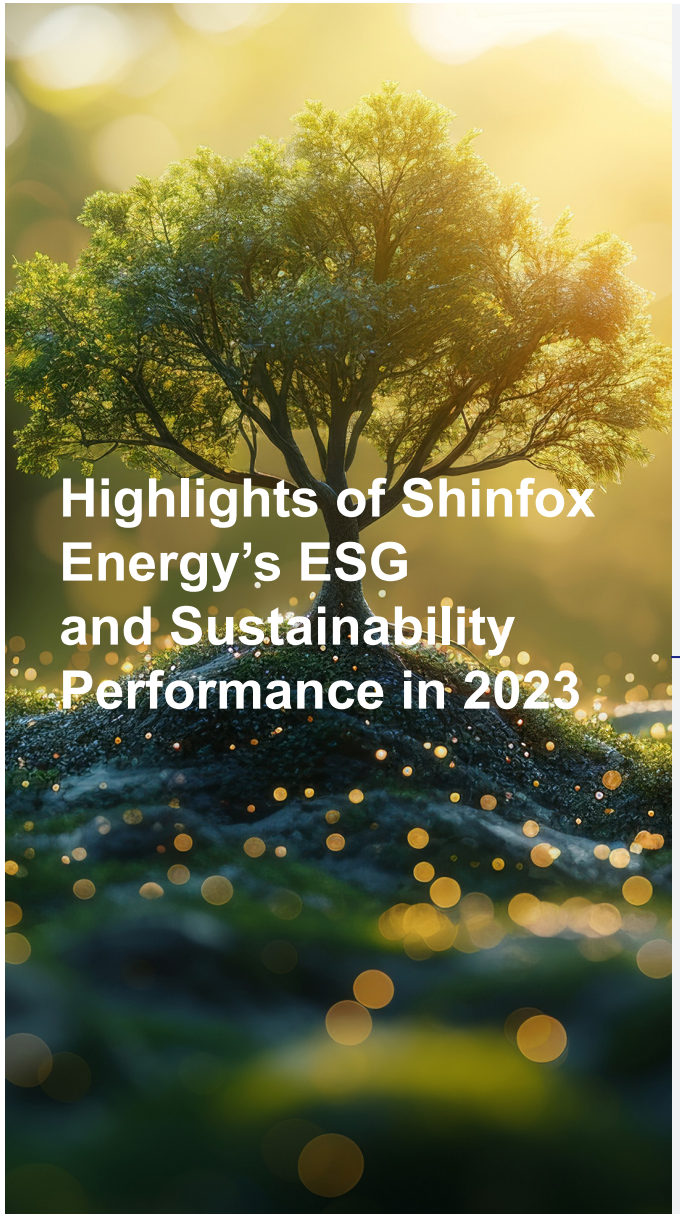
Since its application for public listing, Shinfox Energy has been actively developing its corporate governance, striving to protect shareholders' rights, implementing sustainable development, strengthening the operation of the Board of Directors, and enhancing the transparency of its corporate information. Shinfox Energy expects to remain in the top 6%–20% of listed companies in the corporate governance evaluation conducted by TWSE within two years.

In recent years, with the global environment affected by climate change, there has been an urgency to promote energy transition and renewable energy development. In line with the government's "532 New Energy Proportion" by 2025, Shinfox Energy is actively developing its renewable energy business. For solar power, Shinfox Energy has a full range of investment developments including roof-type, water-type and ground-type projects. After the contract for the 77MW photovoltaic project Qigu District of Tainan in 2022, the total installed capacity of the power station reached 110.73MW. In terms of wind power generation, in addition to the 28.8MW of Changhua Onshore Wind Power Plant, the subsidiary Foxwell Energy won the tender to contract Taiwan Power Company's second-phase wind farm property procurement and installation project in 2020. The offshore wind power plant with a total installed capacity of 294.5MW is planned to be connected to the grid in 2025 with a 5-year maintenance contract. Shinfox Energy expects to reach the goal of 1GW total installed capacity of renewable energy power stations by 2025 and has became a company with a stellar track record in renewable energy investment and development, project contracting, and operation and maintenance, as well as providing a full range of services relating to electricity sales.

With our core values of protecting the Earth, sustainable development, green energy, carbon reduction and clean energy, Shinfox Energy arranges annual events with the Group's employees and organizations to participate in beach and river clean-ups so that Shinfox Energy and the people who share the same philosophy as the Company can do their part for the global environment together. We have participated in the beach adoption program promoted by the government since the second half of 2022.

As the government has set a target of having 20% of power generated from green energy by 2025, green energy is now undergoing rapid development. Looking forward to the huge demand for global carbon neutrality and net-zero emission energy transformation in the next decade, Shinfox will build an ESG industrial ecosystem with integrated energy (wind power, solar power, and energy storage) and complementary applicative energy management systems.

In future, Shinfox Energy will continue to strengthen regulatory compliance, cultivate a good corporate governance culture, fulfill corporate social responsibility, and achieve a good balance between the interests of our shareholders, employees, customers and stakeholders, thus enabling our business to thrive and operate sustainable.



Highlights of Shinfox Energy's ESG and Sustainability Performance in 2023

Economic aspect

Total annual revenue of approximately TWD

TWD 11.2 billion

Annual increase of

161.55%

compared to 2022

Environmental aspect

The amount of household waste per capita in 2023 was

about **49.21%**

lower than that of 2022

Environmental aspect

Carbon emissions per capita were

15.7526 metric tons

of carbon dioxide equivalent in 2023

Environmental aspect

Water use in 2023 totaled

2.628 million liters

Decrease by

6.94%

compared to 2022

Environmental aspect

Purchased renewable energy certificates reached

40,000 kWh

in 2023

Social aspect

Our donation to public welfare reached

TWD 2.12 million

Award Recognition

In order to improve the quality of urban engineering and the living environment of the people, the three major engineers' associations in Kaohsiung organized the “Urban Engineering Golden Quality Award”, which is now in its ninth year of being awarded in 2023. The “ Second Phase of the South Terminal of Taipei Port Plant Rooftop Solar Power Project of Century Offshore Wind Power” contracted by Diwei, subsidiary of Shinfox Energy, was recognized with the Golden Quality Award, demonstrating the outstanding engineering strengths of the turnkey contractor, Shinfox Energy, and the contractor, Eco Glisten, Engineering Team.

Shinfox Energy is responsible for the engineering design, supervision, and project management of the entire second phase of the South Terminal of Taipei Port of Century Offshore Wind Power, which is being constructed by Eco Glisten. We work together to build the second phase of the South Terminal of Taipei Port Plant Rooftop Solar Power Project. With excellent engineering quality and innovative technical design, the project showcases modern high-quality and safe international engineering and construction.

◄ Shinfox and Diwei Industrial collaborated to build the photovoltaic project of the second phase of the south terminal of Taipei Port.

1

Corporate Governance

1-1 Organizational Profile

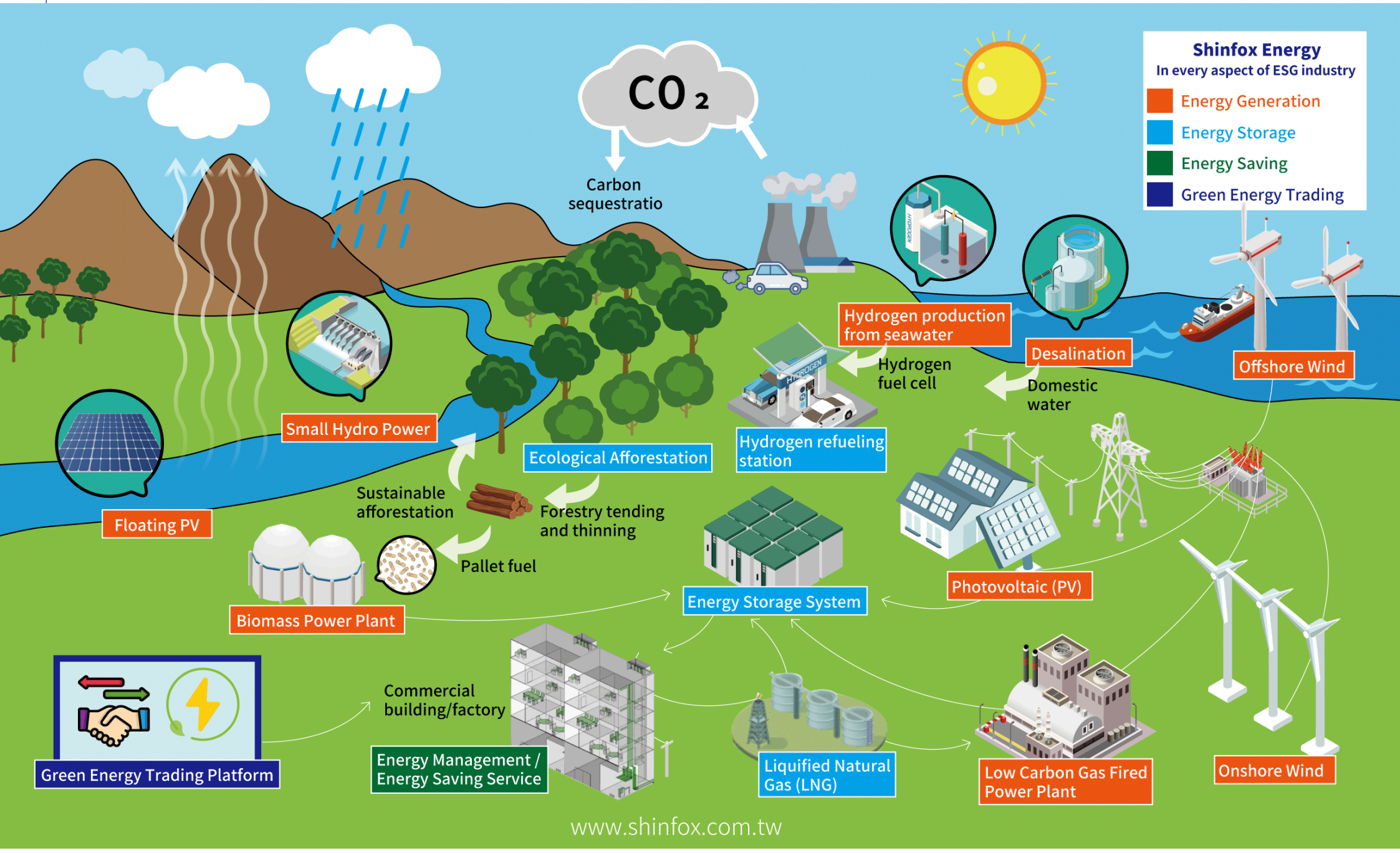
1.1.1 About Shinfox Energy

Company Profile

Company Name	Shinfox Energy Co., Ltd.
Establishment Date	April 27, 2007
Company Address	No. 49, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City
Chairman	Tai-Chiang Guo
General Manager	Hui-Sen Hu
Paid-up capital	TWD 2,161,500,000
Number of employees	116 persons (as of December 31, 2023)
Main Products and Services	A full range of professional energy services are provided, including development, construction, operation, maintenance, energy saving, and energy storage. Fields in which development is conducted include solar power, onshore and offshore wind power, small-scale hydropower, gas-fired power plants, etc.
Main location of operations	Tucheng Headquarters, Office in Guiren Tainan Office
2023 Turnover	TWD 11,249,582,000

As a subsidiary of Foxlink Group, Shinfox Energy Co., Ltd. was established on April 27, 2007. With the core value and mission of protecting the earth, sustainable development, green energy, carbon reduction and clean energy, Shinfox Energy focuses on contracting renewable energy power plant construction, electrical and mechanical engineering, energy saving services, and equipment installation and other related turnkey projects. The team has nearly 20 years of experience in professional energy engineering technology integration, and it is committed to renewable energy, clean energy services, and technology development.

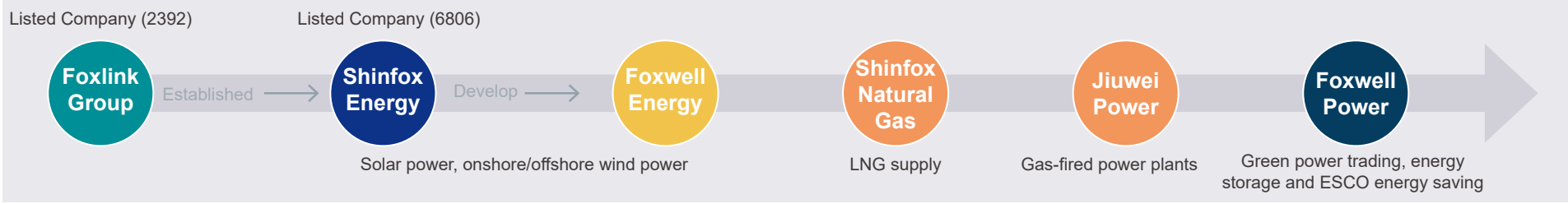
In the midst of the global trend of promoting sustainable development and Taiwan's energy transformation policy, Shinfox Energy has developed a strategy of creating an “ESG industry ecosystem” that provides solar power, offshore wind power, onshore wind power, hydroelectric power and other renewable energy plant construction and maintenance services, as well as a comprehensive range of ESG energy services such as liquefied natural gas (LNG) import, green power trading platforms, ESCO energy saving, energy storage technology, forest carbon sinks, and offshore construction projects. By making continuous efforts to achieve corporate sustainability, Shinfox Energy expects to be recognized by its stakeholders, including shareholders, vendors, and customers, on the three operational benchmarks of environment, social responsibility and corporate governance, and to establish competitiveness in the new energy industry and contribute to the Earth as a global citizen at the same time.


Shinfox Energy
In every aspect of ESG industry
Energy Generation
Energy Storage
Energy Saving
Green Energy Trading
CO 2
Carbon sequestratio
Hydrogen production from seawater
Desalination
Hydrogen fuel cell
Domestic water
Offshore Wind
Small Hydro Power
Ecological Afforestation
Hydrogen refueling station
Floating PV
Sustainable afforestation
Forestry tending and thinning
Pallet fuel
Biomass Power Plant
Energy Storage System
Photovoltaic (PV)
Green Energy Trading Platform
Commercial building/factory
Energy Management / Energy Saving Service
Liquified Natural Gas (LNG)
Low Carbon Gas Fired Power Plant
Onshore Wind

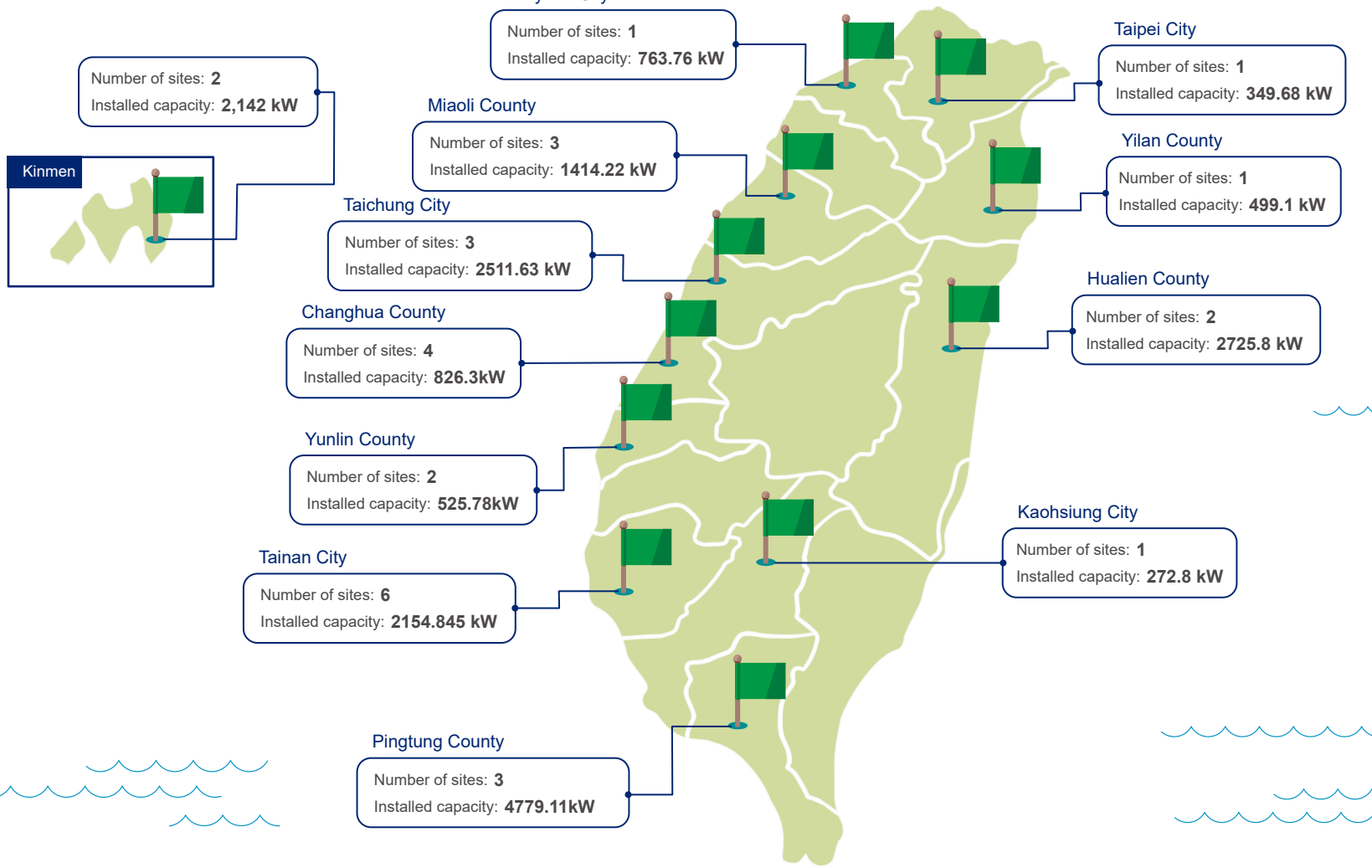
• Subsidiaries of Shinfox Energy

Shinfox Energy's main strategies will focus on "clean energy" and "energy saving and carbon reduction". The Company has developed a "Solar Power, Wind Power, Hydropower, LNG and Green Energy Trading Platform" operation strategy in order to position itself in the green energy and carbon reduction industry. Under this strategy, the Company is responsible for providing a turnkey solution, including the development of wind power and solar power plants, construction and maintenance services, thereby creating a comprehensive "one-stop integrated service" to our clients. The Company's subsidiary, Foxwell Energy Co., Ltd. (hereinafter referred to as Foxwell Energy), focuses on the investment and operation of wind power and solar power plants; Shinfox Natural Gas Co., Ltd. (hereinafter referred to as Shinfox Natural Gas) has obtained an import license for liquefied natural gas (LNG) to mitigate air pollution and provide a cleaner alternative fuel; the subsidiary, Foxwell Power Co., Ltd. (hereinafter referred to as Foxwell Power) has obtained a Renewable-Energy-Based Electricity Retailing Enterprise license to provide green power trading services, promote smart energy systems and build energy storage systems. We also use e-commerce to establish a large-scale platform to provide a comprehensive energy service. The Subsidiary, Kunshan Jiuwell, which is engaged in supply chain finance and technical consultation in the field of new energy projects; and the Subsidiary, Jiuwell Power, which is engaged in investments in gas-fired power plants.

Domain	Name of Subsidiary (representative subsidiary)	Main Business
Wind and solar power generation	Foxwell Energy	Solar power plant development, construction, and maintenance-the total capacity of the installations is 17.89MW. Offshore wind farm development, construction, and maintenance-the total capacity of the installations under construction is 300MW.
Liquefied natural gas	Shinfox Natural Gas	Import of liquefied natural gas, onshore transportation of gas
Green Power Trading, Esco Energy Saving, and Energy Storage System	Foxwell Power	Provides corporate green power trading services, and installation of energy-saving equipment and energy storage systems
New energy technology service consultation	Kunshan Jiuwell	Technical consultation for supply chain finance and new energy projects; the subsidiary provides localized services, including supply chain finance platforms, energy monitoring networks, and other technical services.
Gas-fired power plants	Jiuwei Power	Development, construction, and maintenance services for gas-fired power plants
Forest carbon sink	Yuanshan Forest	Planting trees in forests and applying for carbon credits for carbon trading
Green energy business consulting service	Elegant Energy	Use project management skills to manage green energy development/ planning/construction/operation administration and other related fields
Electric power supply	Guanwei Power	Manufacture of other electrical equipment and accessories
Electric power supply	Changpin Wind Power	Electricity and gas supply
Electric power supply	Chunwei Power	Manufacture of other electrical equipment and accessories
Green energy and environmental protection technology	Eastern Rainbow Green Energy Environmental Technology	Environmental protection and incinerator-related businesses
Marine engineering general contracting services	Shinfox Far East Company Pte Ltd.	Engaging in maritime engineering-related businesses

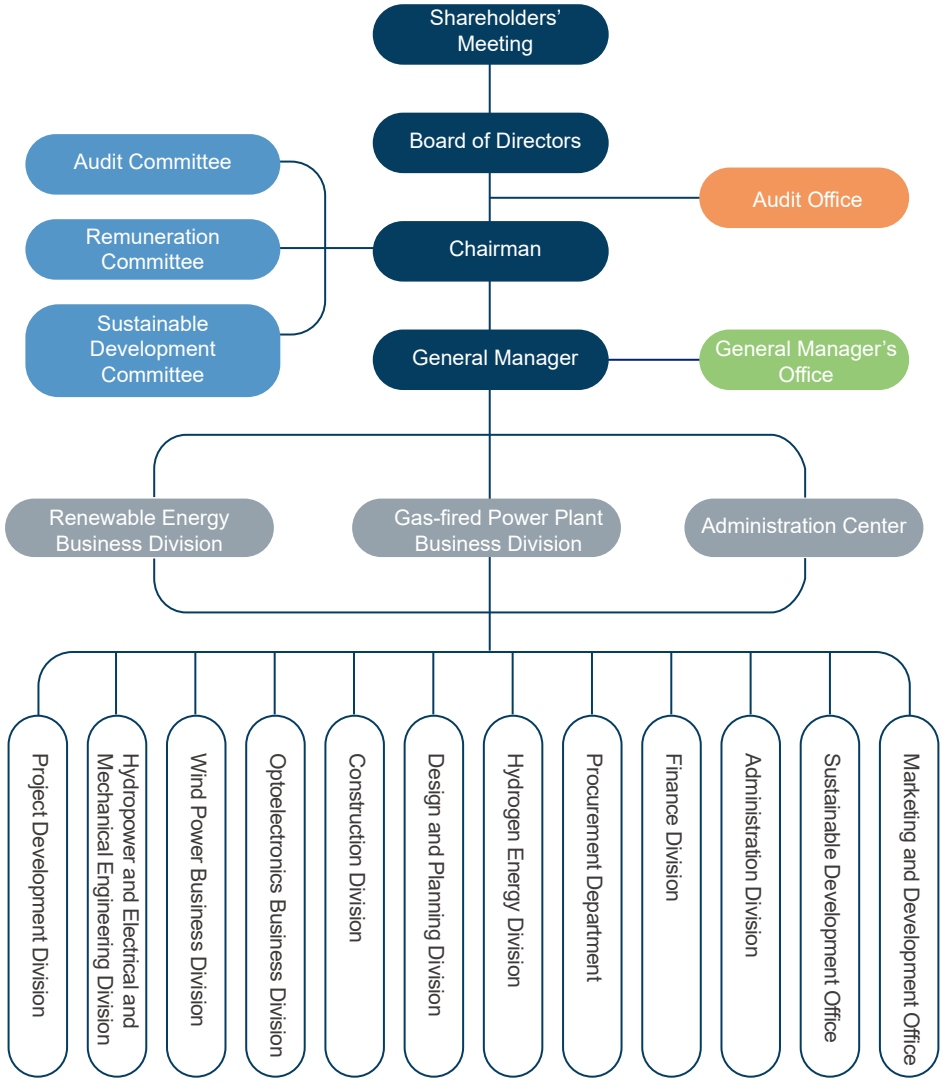


• Solar power plants owned by the Company



• Vision, Mission, Core Values, Business Philosophy

• Organization Chart (as of December December 31, 2023)



• Introduction of Department Responsibilities

Department	Responsibilities
Audit Office	Planning, execution and tracking of internal audit related matters, such as internal control system and irregularities; audits of various systems, measures, and operations.
General Manager's Office	Company marketing planning, business analysis, management system integration planning, performance management, investment analysis, and enterprise resource integration.
Project Development Division	Construction budget estimation, construction site supervision and management, construction evaluation and maintenance of solar power plants.
Hydropower and Electrical and Mechanical Engineering Division	Construction budget estimation, construction site supervision and management, construction evaluation and maintenance of hydroelectric power plants or electrical and mechanical engineering projects.
Wind Power Business Division	Construction budget estimation, construction site supervision and management, construction evaluation and maintenance of hydroelectric power plants or electrical and mechanical engineering projects.
Optoelectronics Business Division	Construction budget estimation, construction site supervision and management, construction evaluation and maintenance of optoelectronics projects.
Construction Division	Construction site supervision and management, construction evaluation and maintenance of gas-fired power plants.
Design and Planning Division	Construction budget estimation, and development and design of gas-fired power plants.
Hydrogen Energy Division	Construction budget estimation, construction site supervision and management, construction evaluation and maintenance of hydrogen energy projects.
Procurement Department	Construction project contracting and equipment procurement.
Finance Division	1. Planning the sourcing of capital and its utilization, annual budgeting, and operations related to stock affairs. 2. Bookkeeping, taxation, financial reporting, etc.
Administration Division	1. Administration and general affairs of the Company. 2. Maintenance and management of the information system. 3. Establishment of HR rules and regulations, employee evaluation, training, salary and benefits, and other related business.
Sustainable Development Office	We are committed to the environment, society, and corporate governance to strengthen our commitment to sustainable development, green energy, carbon reduction, and clean energy.
Marketing and Development Office	Planning and evaluation of the development of new businesses.

• History

2007 April — Shinfox Energy Co., Ltd. (formerly known as Starpro Technology Inc. and Longan Engineering Service Co., Ltd.) was established and engaged in engineering services and equipment maintenance business with a paid-up capital of TWD 2,000,000.

2009 August — Cash capital increase of TWD 8,000,000 was conducted, which brought the accumulated paid-up capital to TWD 10,000,000.

2011 February — Cash capital increase of TWD 5,500,000 was conducted, which brought the accumulated paid-up capital to TWD 15,500,000.

April — Cash capital increase of TWD 34,500,000 was conducted, which brought the accumulated paid-up capital to TWD 50,000,000.

July — The Company changed its name from Longan Engineering Service Co., Ltd. to Starpro Technology Inc.

2012 January — Launched a full range of professional energy services such as solar power plants, and energy-saving services and projects.

February — The Company added an investment of CAD 500,000 in Corvus Energy Ltd. (engaged in the production and sales of batteries) through World Wide Famous Corp. (a holding company established in Seychelles, with 100% shareholding).

2013 January — The Board of Directors of the Company resolved to make an additional investment of TWD 2,000,000 in Foxwell Energy. In October of the same year, another TWD 70,000,000 was invested due to the need for capital for plant construction.

August — Cash capital increase of TWD 133,660,000 was conducted, which brought the accumulated paid-up capital to TWD 183,660,000.

October — The Company was awarded the contract for the sporadic electric power transmission overhead line accumulation of the Pingtung Line Region in 2013 and 2014 by the Kaohsiung-Pingtung Power Supply District Operation Office of Taiwan Power.

2014 January — The Company was awarded the contract for the sporadic electric power transmission overhead line accumulation of the Chiayi Line Region in 2014 by the Chiayi-Tainan Power Supply District Operation Office of Taiwan Power.

February — The Board of Directors of the Company resolved to add a new investment of US$2,400,000 in Shinfox Energy International Inc. (engaged in the development of liquefied natural gas business and international oil trading) (actual capital investment of US$1,200,000), and another investment of US$350,000 through World Wide Famous Corp. to set up Kunshan Starpro Engineering Installation Co., Ltd. (with 100% shareholding and engaged in the sale of energy).

2014 February — The Company was awarded the contract for plumbing and electrical engineering works of the "renovation of the old school building and the construction of underground public parking lot" by Bihua Elementary School in Sanchong District, New Taipei City.

March — The Board of Directors of the Company resolved to add a new investment of TWD 5,000,000 in Kinmen Natural Gas Co., Ltd. (engaged in the business of natural gas trading, with 100% shareholding).

April — The Company was awarded the tender for the replacement of the optical fiber composite overhead ground wire (OPGW) for the Yuli-Dongcheng Line and the Dongcheng-Luye Line by the East Taiwan Power Supply District Operation Office of Taiwan Power Company.

May — The Company was awarded the tender for selective catalytic reduction blocks for the Turbine 8 and the scrap coal screening machine at the Taichung Power Plant.

June — The Company was awarded a contract by Chang Gung University of Science and Technology for a power management system project.

2017 February — The Company sold World Wide Famous Corp. (an investee company) and Kunshan Starpro Engineering Installation Co., Ltd.

May — The Board of Directors of the Company resolved to invest US$50,000 in Kunshan Jiuwell Information Technology Co., Ltd. (Engaged in supply chain financial energy service management, etc., 100% shareholding).

2019 May — The Board of Directors of the Company resolved to add a new investment of NT$10,000,000 in Foxwell Power Co., Ltd. (engaged in the business of renewable energy and certificate trading platform, with 100% shareholding).

June — The Company changed the name of its investee company, Kinmen Natural Gas Co., Ltd., to Shinfox Natural Gas Co., Ltd.

August — Shinfox Natural Gas Co., Ltd. obtained a letter of approval from the Ministry of Economic Affairs to import natural gas.

October — The Board of Directors of the Company resolved to dissolve and liquidate Shinfox Energy International Inc. - an investee company.

December — In order to integrate Foxlink Group's resources, Cheng Uei Precision Industry Co., Ltd. exchanged shares with Foxwell Energy Corporation Ltd. (hereafter referred to as "Foxwell Energy" for short), an affiliate of the Company, in December 2019. In accordance with the terms and conditions of the share exchange agreement, one newly issued common share of the Company was exchanged for one ordinary share of Foxwell Energy. Originally, 57.17% of the Company's shares were held by Foxwell International Investment Co. (hereinafter referred to as "Foxwell International" for short). After the completion of the share exchange, Power Quotient International Co., Ltd. (hereafter referred to as "Power Quotient" for short) and Foxwell Investment hold 76.56% and 13.40% of the Company's shares, respectively. The Company holds 100% of Foxwell Energy's shares. Foxwell Power Co., Ltd. obtained a license to sell electricity.

2019

December Foxwell Power Co., Ltd. obtained a license to sell electricity.

2020

March The Company acquired Foxwell Energy Corporation Ltd. with a share conversion of TWD 600,000,000, resulting in an accumulated paid-up capital of TWD 783,660,000.

June The Company changed its name from Starpro Co., Ltd. to Shinfox Energy Co., Ltd.

Foxwell Energy was awarded a contract for the second phase of Taiwan Power's offshore wind farm project and the first five years of maintenance and operation.

The Board of Directors of the Company resolved to add an investment of TWD 45,000,000 in Shinfox Electricity Inc., with 100% shareholding.

September Increased capital by TWD 216,340,000 in cash, making the accumulated paid-up capital TWD 1,000,000,000.

The public offering of the Company's shares was declared to be effective through TPEx.

The Board of Directors of Foxwell Energy Co., Ltd., a subsidiary of the Company, resolved to invest in Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd. for 100% of the companies' shares.

November The provisional Board of Directors of the Company resolved on November 10, 2020 to approve the appointment of the members of the first "Remuneration Committee". The members of the first Remuneration Committee are Ms. Shu-Fen Wang, Mr. Wen-Shuai Liu, and Mr. Chung-Hsiung Weng.

The Company re-elected its Directors (including the election of Independent Directors) at the provisional shareholders' meeting on November 10, 2020, and established the first Audit Committee, whose members are Ms. Shu-Fen Wang, Mr. Wen-Shuai Liu, and Mr. Chung-Hsiung Weng.

December The Board of Directors of the Company resolved to invest TWD 150,000,000 and hold 25% of the shares, in companies mainly engaged in the green energy industry.

The Company's shares were approved to be registered by the Taipei Exchange.

The Company obtained the contract for the solar power generation system turnkey project of Shinfox Electricity in Qigu and the warranty, maintenance and repair of its solar power equipment.

The Company obtained the contract for the warranty, maintenance and repair of wind power equipment at the wind power plants of Changyuan Wind Power Co., Ltd. and Beiyuan Wind Power Co., Ltd.

2021

January The Board of Directors of the Company resolved to invest TWD 134,000,000 in a company whose main business is related to dredging, waste treatment and cleanup (Junezhe Co., Ltd.).

May Cash capital increase of TWD 2,580,000,000 was processed, making the accumulated paid-up capital TWD 1,300,000,000.

August The Board of Directors of the Company resolved to add an investment of TWD 2,161,000,000 in Foxwell Energy Corporation Ltd.

The Board of Directors of the Company resolved to add an investment of TWD 180,000,000 in Chung Chia Power Co., Ltd.

November The Company's Board of Directors resolved on November 10, 2021 to increase the capital of Foxwell Power Co., Ltd., the Company's subsidiary, by TWD 637,500,000.

On November 10, 2021, the Company's Board of Directors approved the appointment of members of the first "Sustainable Development Committee". The members of the first Sustainable Development Committee are Ms. Wang, Shu-Fen, Mr. Liu, Wen-Shuai, Mr. Weng, Chung-Hsiung, Mr. Tu, Tzu-Chun and Mr. Hu, Hui-Sen.

The Company was officially listed on the Stock Exchange on November 15, 2021.

2022

March On March 7, 2022, the Board of Directors resolved to increase the Company's capital by an estimated TWD 4,200,000,000 in cash, resulting in an accumulated paid-up capital of TWD 1,965,000,000.

The Board of Directors resolved on March 7, 2022 to increase the capital of Jiuwei Power, a subsidiary of the Company, by TWD 500,000,000.

May The Company's Board of Directors resolved on May 4, 2022 to subscribe for the issuance of new shares in the amount of TWD 3,000,000,000 by its subsidiary, Foxwell Energy, to increase its cash capital.

The Board of Directors resolved to appoint Mr. Kun-Huang Lin as the Corporate Governance Officer on May 4, 2022.

November Awarded with the "2022 TCSA Taiwan Corporate Sustainability Award"-Energy Industry-Category 2 Platinum Award.

The Company's Board of Directors resolved on November 10, 2022 to increase the capital of Jiuwei Power, the Company's subsidiary, by TWD 1.05 billion.

On November 10, 2022, the Board of Directors resolved to invest in the establishment of "Shinfox Far East Company Pte Ltd.", a marine engineering company in Singapore, with an estimated total investment amount of USD 32,000,000.

2022 December

The Company's Board of Directors resolved on December 27, 2022 to increase the capital of Shinfox Natural Gas, the Company's subsidiary, by TWD 240 million.

2023 February

On February 24, 2023, the Board of Directors resolved to increase the capital of our subsidiary, Foxwell Energy, by TWD 1.2 billion.
On February 24, 2023, the Board of Directors of the Company resolved to issue Euro-Convertible Bonds (ECB).

April

On April 7, 2023, the Board of Directors resolved to sign the turnkey construction and operation and maintenance contract for the wind power plant with the related party, Changpin Wind Power Co., Ltd.

August

On August 8, 2023, the Board of Directors resolved to issue the first domestic secured convertible corporate bonds.

The Company cooperated with National Chin-Yi University of Technology to promote PLC intelligent automatic monitoring.

September

On September 25, 2023, the Board of Directors resolved to hold 67% of the equity of Shinfox Far East Company Pte Ltd. in Singapore, which is an overseas investee company.

On September 25, 2023, the Company's Board of Directors resolved to invest in a renewable energy power plant in Vietnam.

October

The Company was ranked in the top 6% to 20% of the listed companies in the 9th Corporate Governance Evaluation.

November

The Company was awarded with the "2023 TCSA Taiwan Corporate Sustainability Award"- Energy Industry- Platinum Award.

The Company signed a global strategic cooperation memorandum with Chugoku Electric Power, Japan to join hands in exploring overseas clean energy projects and initiate an all-round strategic alliance for global strategic deployment.

December

On December 28, 2023, the Board of Directors resolved to increase the capital of our subsidiary, Foxwell Energy, by TWD 1.2 billion.

• Services

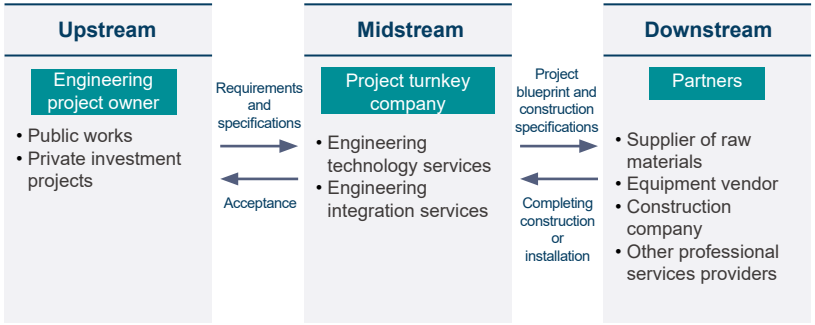
Shinfox Energy (including its subsidiaries' businesses) currently provides services in three main categories:

A Engineering Business

1. Engineering Services
Power plant engineering, electrical and mechanical engineering, mechanical room construction, and project engineering are the main business activities.

2. Mechanical Room Construction
Providing dedicated and backup mechanical rooms for the purposes of quality improvement, system integration and professional management, and providing clients with a comprehensive "Information Management Center" service plan, which includes a complete electrical system, air conditioning system, fire protection system and environmental monitoring system equipment.

3. Solar, Wind, and Hydroelectric Power Plant Construction
Solar, wind and hydropower plant site development, power plant contracting construction, including site survey and evaluation, planning and design, document application, installation, engineering certification, project control, grid connection, and meter installation.

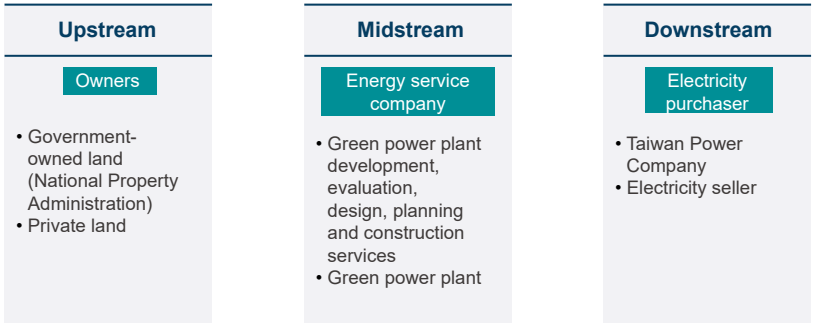


B Service Business

1. Energy Saving Service
To address power shortage problems in Taiwan, the Company provides a full range of energy saving services. These services, depending on their purpose, can be divided into five categories: energy-efficient hot water systems, energy efficient climate control systems, lighting systems, energy-efficient inverters, and intelligent monitoring. By optimizing the management of energy through smart energy-saving systems, energy savings will become more effective than electricity generating.

2. Maintenance of Mechanical Rooms and Power Plants
We provide maintenance, warranty, long-term maintenance and management of mechanical room and power plant projects.

3. Design and Development of Solar, Wind and Hydro Farms
Solar, wind and hydropower plant site planning and assessment, environmental impact assessment, integrated design for engineering details, equipment procurement, supervision and management, and document application services.

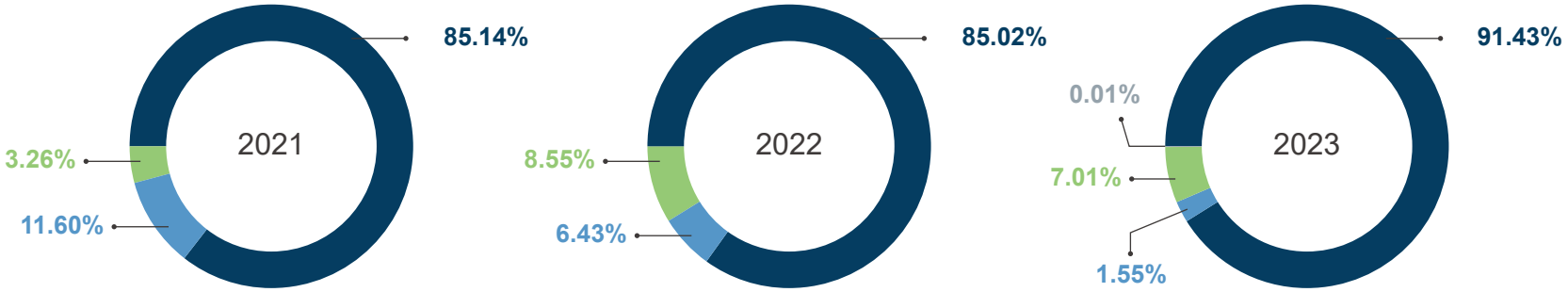


C Electricity Sales

Revenue from the sale of electricity generated by green energy.

• Market Analysis

Unit: TWD thousand %



Net operating revenues>>>

Engineering Business	3,690,460	3,656,716	10,285,643
Service Business	502,922	276,429	173,628
Electricity Sales	141,031	368,047	789,152
Other	-	-	1,159
Total	4,334,413	4,301,192	11,249,582

• Participation in Associations

By joining various associations, Shinfox Energy can communicate with relevant industries, thereby keeping abreast of the latest developments and future trends in the industry.

Name of organizations participated	Names of associations
Shinfox Energy	Taiwan Electrical Contractors Association
Shinfox Energy	Taiwan Water Pipe Engineering Industries Association
Shinfox Energy	Taiwan Refrigeration & Air-conditioning Engineering Association
Shinfox Energy	Taiwan Energy Service Association
Shinfox Energy	Taiwan Photovoltaic Industry System Association
Shinfox Energy	Taiwan Electric Power Association
Shinfox Energy	Taiwan SHP Industries Alliance
Shinfox Energy	Taiwan Hydrogen and Fuel Cell Partnership
Shinfox Energy	Taiwan Association for Hydrogen Energy and Fuel Cell
Shinfox Energy	Taiwan Carbon Capture Storage and Utilization Association
Shinfox Energy	Taiwan Power and Energy Engineering Association
Shinfox Energy	Taiwan Wind Power Industries Development Association
Shinfox Energy	Taiwan Electric Power Development Association
Foxwell Energy	SEMI Taiwan
Foxwell Energy	Taiwan Wind Energy Association
Foxwell Energy	PVGSA
Foxwell Energy	Chinese Association for Energy Economics
Foxwell Power	Taiwan Renewable Energy Association (green power industry)
Shinfox Natural Gas	Gas Association of the Republic of China
Shinfox Natural Gas	Chinese Boiler Association
Shinfox Natural Gas	Taiwan Electric Power Development Association

• External Advocacy

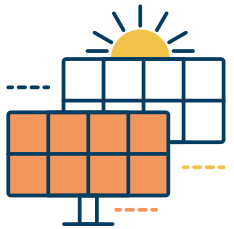
Shinfox Energy supports and follows the ten principles of the UN Global Compact in the areas of human rights, labor, environment, and anti-corruption to ensure the rights of employees, customers, suppliers, and other stakeholders related to Shinfox Energy. Furthermore, human rights, labor rights, freedom of association, ban on forced labor, ban on child labor, ban on discrimination, environmental protection, and anti-corruption issues are all included in the Company's corporate policies. Shinfox Energy had no human rights violations in 2023, including cases of discrimination, violation of the freedom of association, child labor, forced labor, or corruption.

Shinfox Energy is working in the green energy industry and understands the benefits of green energy development for entire Taiwan and global village; therefore, Shinfox Energy particularly supports Greenpeace's environmental philosophy. For our better lives in the future, as a member of the green energy industry, Shinfox Energy takes part in the RE10x10 climate declaration and will continue to work toward to reducing energy consumption and greenhouse gas emissions, thus reaching the goal of 10% green power by 2025 and 100% green power by 2050.

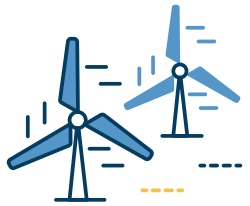
1.1.2 Development of Renewable Energy

Renewable energy is an important part of global sustainable development. Energy saving and carbon reduction are no longer just matters of advocacy, but key actions to be implemented internationally. In Taiwan, renewable energy development is proceeding at full speed with the government's support. Shinfox Energy continues to develop renewable energy for the sake of protecting the earth, fulfilling its social responsibility, and corporate governance. Furthermore, with our comprehensive track record and expertise in renewable energy investment and development, project contracting, operational maintenance, we can provide turnkey services in electricity sales and energy storage. In terms of investment and development, we have not only invested in the development of solar and wind power generation, but also actively assessed the feasibility of developing hydrogen power generation. In terms of operational maintenance, we have continued to develop in the field of renewable energy operational maintenance. In 2019, our subsidiary, Foxwell Power, obtained a renewable energy sales license, thus making its formal entrance into the field of renewable energy supply and sales. At the end of 2023, we have transferred more than 230 million kWh of green power.

Table of statistics on renewable energy services provided to clients



Solar Energy



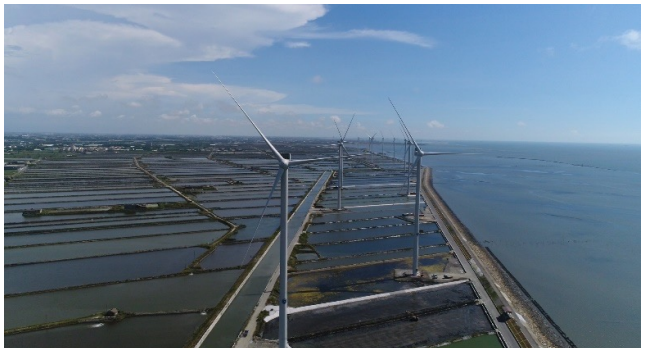
Fan Maintenance Service

Total kWh generated in 2023 **170** million kWh **68.35** million kWh

Wind Power Generation

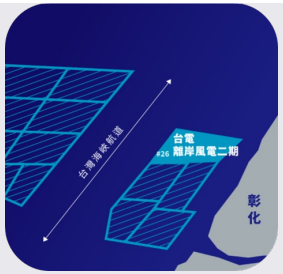
In terms of onshore wind power, Shinfox Energy is currently contracted to operate and maintain 8 wind power plants for Beiyuan Wind Power Co., Ltd. and Changyuan Wind Power Co., Ltd. for 20 years. In addition, in terms of onshore wind power development business, Shinfox Energy obtained planning permits for the entire 13 wind turbines that can generate 52.2 MW in central Taiwan by the end of 2024; development projects that can generate more than 400 MW are in the process of applying for planning permits.

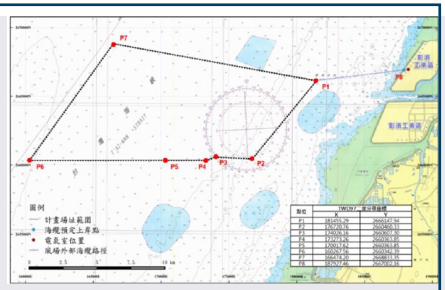
In terms of offshore wind power, Shinfox Energy has been proactively participating in offshore wind power development. On April 10, 2024, Shinfox Energy submitted the tender to the Ministry of Economic Affairs for the second phase of offshore wind power development, and conducted preliminary wind farm assessment and planning off the coast of Miaoli, and obtained the approval from the Ministry of the Environment for the third phase of offshore wind power development application on June 26, 2024.



Changyuan and Beiyuan Power Plant—onshore wind power operational maintenance services:

Achievement		
	• Total installed capacity **28.8MW**	• Annual carbon reduction **33,833.25 tonnes**
	• Annual electricity generation capacity: **68.35 million kWh**	• Equivalent to planting 37592.5 trees



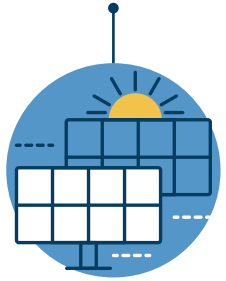


Foxwell Energy-Offshore Wind Power Generation

- Project: Taipower Offshore Wind Power Phase II Project - Wind Farm Property Procurement and Installation
- Achievements: Offshore field of Changhua #26
- Contract Capacity: **300 MW**
- Installed Capacity: **294.5 MW** (installed unit: 9.5MW x 31units) Offshore Substation 1 set

Note: Based on the disclosure related to forest carbon sinks in September 2023 by APh ePower, one tree can absorb 900 kilograms of carbon dioxide weight. Website of the data source: https://www.aph-epower.com/post/carbonsink

Solar Power



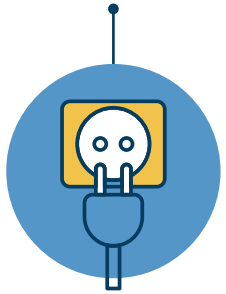
In terms of solar power investment and development, Shinfox has the expertise to vertically integrate all stages from preparation and planning, outsourcing and procurement, construction, and installation management, to 20 years of operational maintenance after the completion of construction. At present, the types of power plants under development include roof type, onshore type, and offshore type. The accumulated generated power of solar power plants built and held by the Company is about 170 million kWh as of the end of 2023.

Solar Power: Construction and possession of onshore, offshore, rooftop, fishery and electricity symbiosis and photovoltaics project, with service available to all of Taiwan





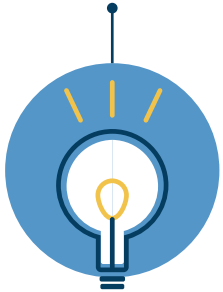
Renewable Energy Trade



In 2019, Foxwell Power obtained a renewable energy sales license and entered the field of renewable energy supply and sales. In 2023, 59 green power transactions were completed, with a contract size of 127,617.44 kW of transferable photovoltaic energy. The scope of the contracts includes several listed enterprises, and some of the contracts have a length of 20 years, which can ensure the Company's long-term profitability.

In recent years, Shinfox Energy has been actively engaged in the development, operation, and maintenance of renewable energy such as solar and wind power generation. Its subsidiary, Foxwell Power, was established in 2019, and it obtained a renewable energy trading license in December of the same year. In 2020, the first batch of renewable energy was transferred, thus the Company made its formal entrance into the green power trading market. The first phase of the green power platform was completed in 2022, and the Company will collaborate with green power sales to provide services in the form of e-commerce, reduce labor costs, enhance information monitoring and aggregation, and improve operational efficiency. Our electricity sales include solar and wind power. Having stable sources of renewable energy, we use this as the basis for the introduction of various digital technologies to provide customers with a turnkey green power trading procedure. To date, we have sold over 203.27 million kWh of renewable energy and helped numerous companies achieve their sustainability goals. We have a wide range of customers, whose needs pertain to RE100, autonomous procurement, regulatory requirements, and international supply chains. By providing reliable renewable energy sales services, we are fulfilling our mission of energy integration and the promise of a sustainable planet, thus working towards the world's common goal of “net-zero emissions”.

Energy Saving Service

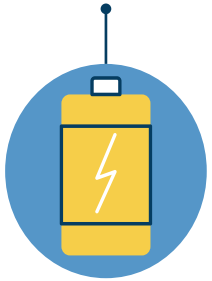


With the market trend moving towards net-zero emissions, electricity prices have increased in response. Taking the maturity of our air-conditioning system, energy-saving engineering and planning capabilities into account, in response to the market trend of energy saving and emission reduction, our energy saving division is considering innovative business models to gradually expand its business scope to other areas of energy saving for air pressure and boiler systems and equipment as well as the development of low carbon technologies to provide more diversified services to our customers.

In 2023, the main source of revenue for our energy saving services come from long-term energy technology services, such as the replacement of old air-conditioning and lighting systems with new ones (ESCO-Energy Services Company), in the public and private universities and colleges and the photovoltaic industry. To reduce financial risks and increase profit margins, we are gradually shifting our business expansion to Energy Saving Performance Contracts (ESPC) and energy diagnostic consulting services with short-term acceptance and closing. We have also conducted more business with industrial clients and developed industrial boiler systems and air compressor heat recovery systems to save energy. Furthermore, we also plan to introduce biomass gasification and small-scale steam power generation equipment to provide owners with multiple options for green energy, carbon reduction, efficiency, and consumption reduction, leading the department towards a full range of ESG one-stop services!

In 2023, we completed the signing of 4 energy-saving air conditioning and energy-saving heat pump system performance assurance projects (ESCOs). We assisted 2 schools, 1 regional medical center, and 1 company in the photovoltaic industry. The average electricity saving amounted to 1.064 million kWh with an average energy saving ratio of 45.8% or more. The average annual carbon emissions reduction also reached 526.5 tonnes. The energy savings department also continues to develop and introduce new energy-saving and carbon-reducing technologies to increase our service capacity, which effectively enhances our competitiveness in the industry.

Energy Storage Service



In response to the launch of Taipower's power trading platform, we provide auxiliary services with diversified and low-carbon non-traditional equipment resources, of which the energy storage system is an advantageous auxiliary service resource due to its relatively quick installation period and zero-carbon emission characteristics. In order to accumulate the capacity of the Company's energy storage system, the Company's energy storage department completed the 7MW d-Reg energy storage demonstration project in 2022. Based on this experience, the Company has started to build a 50MW E-dReg energy storage site, which is expected to be commercially operational in the first quarter of 2024, and at the same time a turnkey project for the construction of the energy storage system is also developing.

Tucheng 7MW d-Reg energy storage demonstration site

Su'ao 50MW E-dReg energy storage site

1.1.3 Financial Performance

Maintaining a stable business strategy, revenue in 2023 (for Shinfox Energy and its subsidiaries) was higher than that of 2022 due to the year-end peak in construction income and progress. Revenues in 2024 are expected to grow steadily in the new energy market at 2023 levels. For more financial information, please refer to the annual report.

Unit: TWD thousand

Item/Year	2022	2023
Operating revenue	4,301,192	11,249,582
Operating gross profit	547,993	1,167,518
Operating profit	252,387	789,378
Net profit after tax	242,532	623,578
EPS (TWD)	1.14	2.94

Annual report QR Code

• Economic value distributed to stakeholders

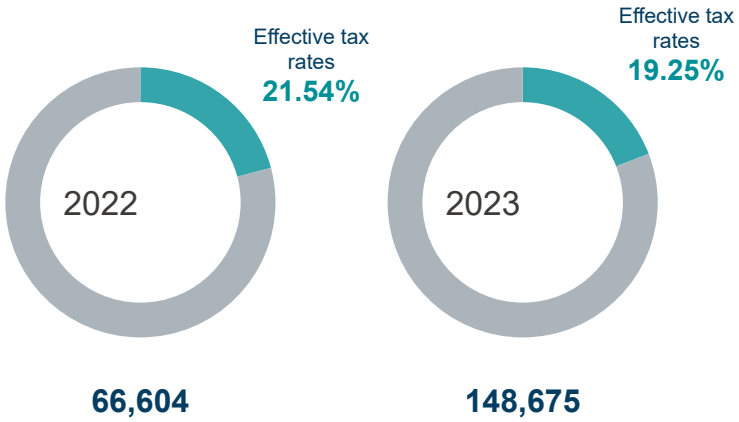
Unit: TWD thousand

Subject	Item	2022	2023
Generated direct economic value	Operating revenue (Note 1)	4,301,192	11,249,582
Distributed economic value	Operating cost (Note 2)	4,048,785	10,460,204
	Employee remuneration and benefits (Note 3)	211,651	341,892
	Payments to investors (Note 4)	108,075	324,225
	Payments to government (Note 5)	75,250	168,239
	Community investment (Note 6)	5,979	1,725
Retained economic value (Note 7)		**63,103**	**295,189**

Note 1: Operating revenues include net sales plus revenues from financial investments and asset sales.
Note 2: Operating costs are defined as cost of goods sold + operating expenses.
Note 3: Employees' salaries (including employees' salaries and payments to the government in lieu of employees) + total benefits (excluding education and training, protective equipment costs, or other costs directly related to employees' job duties).
Note 4: Cash dividends (2021 earnings to be distributed in 2022, 2022 earnings to be distributed in 2023, and 2023 earnings to be distributed in 2024).
Note 5: Refers to taxes (including taxes and income tax expenses) paid to the government.
Note 6: The actual amount spent in the reporting period, and not the amount promised to be paid. This may include:
- Donations to charitable organizations, non-governmental organizations, research units (not related to the organization's own commercial R&D);
- Funds to support community infrastructure, e.g. recreational facilities;
- Direct costs of social events, including arts and education activities.

Note 7: "Generated direct economic value" minus "distributed economic value". Employee salaries and benefits are usually included in the calculation of operating costs. Therefore, the economic value retained is excluded from the calculation of employee salaries and benefits to avoid double counting.

Tax Performance



	2022	2023
Income tax expenses	66,604	148,675

Unit: TWD thousand

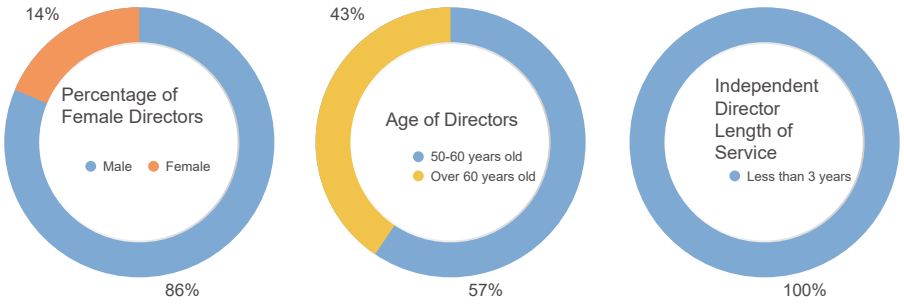
1.1.4 Autonomy of the Board of Directors

"The Board of Directors" is the supreme governing unit of the Company. The Board of Directors directs the Company's strategy, supervises the management, and is responsible to the Company and its shareholders. In all operations and arrangements of the corporate governance system, the Board of Directors exercises its authority in accordance with the law, the articles of incorporation, and resolutions of shareholders' meetings.

The Board of Directors meets at least once a quarter to review corporate business performance and discuss key ESG issues, strategies, and significant events, including economic, environmental, and social impacts as well as risks and opportunities. Through these meetings, the Board of Directors identifies the units responsible for follow-up, which makes an annual report on the status of implementation. The Board of Directors has a procedural unit, which provides information on various motions and reports to the members of the Board of Directors, reviews in advance whether the content of the reports is relevant to stakeholders and whether Board members should recuse themselves and gives a reminder before the meeting. In 2022, the Board of Directors approved the establishment of a Director of Corporate Governance, who is responsible for scheduling Board meetings and agendas, planning for Directors' continuing education, providing information during and outside of Board meetings, and notifying Directors of information from time to time. The Director of Corporate Governance can handle the operation of the Board of Directors and issues related to corporate governance.

Regarding the Board of Directors of the Company, independent operation and transparency are emphasized. The Directors and Independent Directors are all independent entities who exercise their duties independently. The election of the Board of Directors is carried out in accordance with the election system for Directors established by the Company. The election of Directors and Independent Directors is based on a cumulative voting system and a candidate nomination system. The election process of all Directors is open, fair, and in compliance with the Company's "Articles of Incorporation", the "Regulations Governing the Election of Directors", and the "Code of Corporate Governance Practices".

Diversity is emphasized for the members of the Company's Board of Directors, who also possess diverse knowledge, skills and professional backgrounds required by their positions. The Company values the extensive knowledge, personal insight and business judgment of the Directors. The average number of hours of training per director in 2023 was 7.71 hours, which is better than the 6 hours required by law. The current Board of Directors consists of 7 directors, of whom 14% are employees, 14% are female, and 43% are Independent Directors. Three of the independent directors have less than three years of service; four Board members are between the ages of 50-60, and three are over 60. The Company places emphasis on gender equality in the composition of the board of directors. In the future, the Company will continue to reduce the gender disparity in the Board of Directors, thus striving for the target of 25% or more female directors. In 2023, the board of directors' meetings were held 8 times; the expected attendance of all the directors was 56 times, and the actual attendance was 54 times, which represents an attendance rate of 96%. For the Board of Directors' motions, please refer to the annual report.



Board of Directors Performance Evaluation

For the performance evaluation of functional committees, the methods of evaluation include internal self-evaluation by the Board of Directors, self-evaluation by Board members, and performance evaluation by appointed external professional organizations, experts or other appropriate means; the performance evaluation of the Board of Directors includes the following five major aspects:

I. Participation in the operation of the Company.	II. Improvement in the quality of the Board of Directors' decision-making.	III. Composition and structure of the Board of Directors.	IV. Election and continuing education of the Directors.	V. Internal control.

On May 11, 2023, the Board of Directors resolved to revise the "Board of Directors Performance Evaluation Regulations", requiring that the external performance evaluation of Board of Directors shall be conducted at least once every three years. In May 2023, the Company appointed the Taiwan Institute of Ethical Business to conduct an external Board of Directors' effectiveness evaluation (the evaluation period is 2022). The organization and the executive expert have no business dealings with the Company and are independent. The Board of Directors was evaluated by means of questionnaires and interviews on seven major aspects, including the composition and structure of the Board of Directors, election and training, level of participation in operations, enhancement of the quality of decision-making, internal control, ESG and CSR. On July 28, 2023, an evaluation report on the effectiveness of the Board of Directors was issued, and the effectiveness of the Board of Directors was assessed to be good, and the above recommendations and projected improvement plans were presented to the Board of Directors on August 8, 2023.

• Board Members and Background

Board Member

Title	Representative	Gender	Age	Length of Service	Institutional Director	Comprehensive Core Competency			
						Management	Leadership Skills and Decision-Making	Industry Knowledge	Finance and Accounting
Chairman	Tai-Chiang Guo	Male	61~70	2023~2026	Power Quotient International Co., Ltd.	✓	✓		
Director	Kun-Huang Lin	Male	51~60	2023~2026	Power Quotient International Co., Ltd.	✓	✓		✓
Director	Hui-Sen Hu	Male	51~60	2023~2026	Power Quotient International Co., Ltd.	✓	✓	✓	
Director	Chia-Jui Ou	Male	61~70	2023~2026		✓	✓	✓	
Independent Director	Chung-Hsiung Weng	Male	61~70	2023~2026		✓		✓	
Independent Director	Shu-Fen Wang	Female	51~60	2023~2026				✓	✓
Independent Director	Wen-Shuai Liu	Male	51~60	2023~2026		✓	✓	✓	

• Audit Committee

The Company has established an "Audit Committee", which consists of three members who are all Independent Directors. The objectives of the committee are to oversee the proper presentation of the Company's financial statements, the appointment and dismissal of attesting CPAs, the independence and performance of the Company, the effective implementation of the Company's internal controls, the Company's compliance with relevant laws and regulations, and the control of potential risks. The Audit Committee was held 7 times in 2023; the attendance rate of members was 90%.

• Remuneration Committee

The "Remuneration Committee" of the Company has three members, and the convener is an Independent Director, who assists the Board of Directors in formulating policies, systems, standards and structures for the performance evaluation and remuneration of Directors, supervisors and managers, together with relevant remuneration policies, such as performance evaluation, salaries, bonuses, employee bonuses, incentive systems and remuneration methods for Directors and supervisors, and submits recommendations to the Board of Directors for discussion. A total of 3 meetings were held in 2023; the attendance rate of members was 100%.

The function of the Remuneration Committee is to evaluate the remuneration policies and systems of the Directors and managers of the Company in a professional and objective manner. The Remuneration Committee meets at least twice a year and may meet as often as necessary to make recommendations to the Board of Directors for their reference in making decisions.

1 The main duties of the Remuneration Committee of the Company

(1) To regularly review the Company's remuneration policy and propose amendments.
(2) To establish and regularly review the policies, systems, standards and structures for the performance and remuneration of Directors and managers of the Company.
(3) To regularly review the Company's remuneration policy and propose amendments.

2 The salary for new employees is determined by the employer and the employee according to the new employees' positions, academic background and experience, and in accordance with the Company's salary scale for each level. The salary adjustment for general employees is proposed by the Human Resources Department during the annual salary adjustment. The Remuneration Committee assists the Board of Directors in evaluating and monitoring the Company's overall remuneration policy, and may invite other people (including Directors or external advisors) to attend meetings to evaluate the remuneration level of Directors and senior managers, and make recommendations to the Board of Directors. Every year, we arrange for the HR department to report to the Remuneration Committee on the implementation of remuneration-related matters.

• Remuneration for Directors and Senior Managers

1 In accordance with the Company's Articles of Incorporation, the remuneration of the Directors must be determined by the Board of Directors with reference to the industry norm in accordance with the degree of participation and value of contribution of individual Directors. In addition, if the Company makes a profit in the current year, no more than 3% of the remuneration of the Directors must be allocated in accordance with the provisions of the Company's Articles of Incorporation. The Company periodically evaluates the remuneration of Directors in accordance with the "Regulations for the Board of Directors' Performance Evaluation", and the related performance evaluation and reasonableness of remuneration are reviewed by the Remuneration Committee and the Board of Directors.

2 The remuneration of the Company's managers is based on regulations concerning salary management, which provides for various allowances and bonuses to be compassionate with employees and provide them with rewards for their efforts in their work. The relevant bonuses are also granted according to the Company's annual operating performance, financial status, operational status, and individual performance. In addition, if the Company makes a profit in a certain year, no less than 6% of the profit must be set aside as employee remuneration in accordance with the Company's Articles of Incorporation. The performance evaluation for the manager's bonus is as follows: I. Financial indicators: Allocated according to the achievement rate of each department for KPIs set by the Company; II. Non-financial indicators: The leadership and communication ability of the manager are considered as two major components to calculate his or her remuneration for operating performance. The remuneration system is reviewed from time to time according to actual operating conditions as well as relevant laws and regulations.

3 The remuneration of Directors and managers is evaluated regularly based on the performance evaluation method of the Company's Board of Directors and the performance management method applicable to managers and employees, respectively. In addition, the remuneration of the Chairman and the General Manager is based on the operating performance indicators set by the Company and submitted to the Board of Directors for approval, and the performance indicators are based on operational performance and corporate governance; the performance indicators for the managers are based on the execution of annual operation plans, the achievement rate of KPIs of each department, and related sustainable development goals.

1.2 Ethical Management

The Company has established its "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" as well as an ethical management promotion unit; the administration department is responsible for formulating and supervising the implementation of ethical corporate management policies and preventive programs. The performance is reported to the board of directors annually and relevant information is announced and updated on the Market Observation Post System in a timely manner in accordance with the laws. In 2023, we conducted a corruption risk assessment of our head office and verified that no risk of corruption was identified. The results were reported to the Board of Directors on on the status of implementation on November 9, 2023.

The core values of Shinfox Energy are protecting the Earth, sustainable development, green energy and carbon reduction, and clean energy. We have made it our mission to promote global connection through innovation and care. Under the management of corporate ethics and ethical norms, Directors, managers and all the employees are committed to maintaining a high level of professional ethics, and the Company has established various internal rules to ensure the implementation of ethical management and compliance with laws and regulations; also, the related rules and regulations have been posted on the Company's website for employees to consult at any time.

The Company's management values ethical management, and focuses on fraud prevention in the design of internal management system. Through the systematic planning, unethical behaviors can be prevented, and the risk of unethical behaviors can be reduced. The Company's directors, officers, employees, appointees, or persons with substantial control over the Company shall not engage in any unethical behavior, such as breach of good faith, wrongdoing, or breach of fiduciary duty, to obtain or maintain benefits. In the event of any decision or transaction involving a conflict of interest, directors and managers shall not participate in voting due to the principle of avoidance of conflict of interest. In addition, any Director, manager, or employee who is involved in unlawful acts such as violation of the Company's "Ethical Corporate Management Best Practice Principles" must be reported. The Company also provides internal and external complaint channels on its website. Moreover, the Company has established procedures for receiving reports and a related confidentiality mechanism to protect the identity of reporters and prevent them from being improperly punished or threatened for whistleblowing. If employees or other stakeholders discover any unlawful activity, they may report it through the following means.

To effectively realize the corporate culture of ethical management, Shinfox Energy strictly controls the daily operation and actively promotes ethical management and attitudes, including integrity, fairness, transparency, self-discipline and responsibility, to employees on various occasions. In 2023, there were no incidents of corruption, violations of social or economic laws and regulations, nor did we have any anti-competition, anti-trust, or monopolistic practices.

In May 2023, we invited external lecturers to our company to teach courses on ethical management. **92** employees attended the course, with **138** man-hours.

Email: suggest@shinfox.com.tw
Whistle-blowing Hotline: 02-2269-9888 Ext:26080
Director Lin of the Audit Office

Ethical Management Practices and Operating Procedures:

The Company has established appropriate risk control mechanisms and firewalls through internal regulations such as the "Procedures for Associate Company Transactions", "Procedures for Endorsement and Guarantee", "Procedures for Lending Funds to Others", and "Procedures for Handling the Acquisition or Disposal of Assets".

The Company strictly prohibits insiders from trading marketable securities by taking advantage of undisclosed information in the market, and has established the "Procedures for Handling Material Inside Information" and "Procedures for the Prevention of Insider Trading". Furthermore, we also educate our insiders on the Securities and Exchange Act and related laws and regulations regarding insider compliance at least once a year.

1.3 Risk and Internal Control

1.3.1 Risk Management

One of the key factors for enterprises to pursue stable growth and sustainable operation is risk control; therefore, Shinfox Energy has established a risk response organization to control the internal and external risks of the Company. Through collecting internal and external data and information, analyzing the risk factors that each department may face, defining various types of risks, and proposing corresponding management measures to prevent potential losses, we are able to optimize the allocation of resources within the tolerable risk range, thereby reasonably ensuring the achievement of the Company's strategic objectives.

Shinfox Energy systematically tracks each risk item on a regular basis each year. Through each department, we summarize and analyze risk potential and hazards, identify significant risks, establish control measures for them, develop management strategies, and review and follow up on their efficacy regularly. Ensuring that the risk control mechanism operates effectively is one of the key responsibilities of the Company's internal management, and we expect to internalize risk control in the daily management of the department to ensure that the company can operate properly. Hence, we can create maximum value for our shareholders, employees, customers, and society, and continue to accomplish our goal of sustainable management.

• Risk Management Organization Structure and Responsibility

The Company's Risk Management Policy was adopted by the Board of Directors on August 10, 2022. The highest risk management unit of the Company's risk response organization is the Board of Directors. To comply with laws and regulations, promote and implement the overall risk management of the Company, it clearly understands the risks of the Company's operation to ensure the effectiveness of risk management. The general manager serves as the convener and is responsible for coordinating and directing the promotion and operation of the risk management plan. The heads of each department form a risk management team to participate in the promotion and implementation, and regularly report to the Board of Directors every year on the implementation of each risk management and implementation strategy for the current year.

Responsible Unit	Responsibilities of Risk Management
Board of Directors	The Board of Directors oversees the execution of the Company's overall risk management objectives; clearly understanding the risks faced by the Company's operations, it ensures the efficacy of risk management and takes ultimate responsibility for risk management.
Audit Office	1. The Audit Office assists the Board of Directors and the management in checking and reviewing deficiencies of the internal control system and measuring the efficacy and efficiency of operations, as well as provides timely suggestions for improvement. 2. The Audit Office evaluates whether each department is executing relevant risk management operations to ensure that the system is implemented and followed.
General Manager's Office	Risk assessment of business decisions and execution of response strategies.
Administration Division	1. Evaluation of network information security and operational risks, and implementation of response strategies. 2. Maintenance of employees' personal safety and working environment. 3. Supplier management and raw material procurement response strategy. 4. Allocation of human resources and contingency control measures.
Finance Division	1. Assessment of financial and tax risks. 2. Risk assessment of corporate legal risks, and execution of response strategies.

• Risk Identification and Evaluation Procedure

1 Risk Identification

The list of risks is determined annually, and each risk is defined by internal and external factors to delineate the risk factors of each year.

2 Risk Evaluation

Qualitative and quantitative risk assessments are conducted by professionals from each department.

3 Risk Response

Based on the identified risks and evaluation results, risk management strategies are developed and corresponding standard procedures are established.

4 Improvement Review

Management performance is tracked on a regular basis, and dedicated units are authorized to make adjustments to optimize it.

Response measures for each risk (please refer to the description of each chapter in this Report for actual actions that were taken):

Work Safety Risks

Execution Method

Before starting work at the sites, all construction plans should be completed, including work safety and hazard notifications. In addition, equipment and devices must be checked for completeness, and supervisors must be assigned.

| For details on the measures, please refer to 4.3 Labor Relations.

Procurement Risks

Execution Method

In addition to evaluating the qualifications of the subcontractors, the Procurement Department also looks for other qualified suppliers as a backup to prevent any shortage of supply.

| For details on the measures, please refer to 1.5 Sustainable Supply Chain.

Information System Risks

Execution Method

The Company has installed firewalls on all the computer servers, and we always monitor them to prevent hacking; moreover, we have a remote backup and recovery plan for all data.

| For details on the measures, please refer to 1.4 Information Security Management

Financial Risks

Execution Method

The Company's clients are mainly government agencies, public institutions, and well-known corporations. In terms of collection, the financial credit assessment shows that there are no bad debts. Moreover, the Company is a subsidiary of Foxlink Group and is a listed company. In addition to financing from banks, the Company can also raise capital publicly or issue corporate bonds. Therefore, there is no risk of capital shortage.

| For details on the measures, please refer to 4.3 Labor Relations.

Human Resource Risks

Execution Method

Development of talents is an important task for the Company's talent pool. By cultivating management personnel and strengthening professional knowledge training, we can ensure that there will be talent to succeed to posts, and at the same time, we can also ensure an even distribution among all age groups to avoid succession gaps.

| For details on the measures, please refer to 4.2 Talent Development.

Market Risks

Execution Method

Taiwan's renewable energy policy is favorable to the Company's business development. However, once the policy changes, the business may be impacted to a certain extent. Therefore, the Company uses carries out various renewable energy investment strategies in "solar power, wind power, hydropower, LNG, and green energy trading platforms" to achieve risk diversification.

| For details on the measures, please refer to 1.1.2 Development of Renewable Energy.

Environmental Protection Risks

Execution Method

When selecting a site, we conduct an environmental assessment, and avoid any place that would cause damage to the natural environment or the habitat of protected animals and plants. In the Company's philosophy, it is our primary goal to cherish the environment and protect the Earth.

| For details on the measures, please refer to 3.4 Environmental Friendliness.

Production and Cost Risks

Execution Method

As of now, the Company has the advantage of upstream, midstream, and downstream integration, and through outsourcing to experienced contractors, we are able to expand our raw material supply channels and establish a database for raw material procurement to effectively control production costs. We keep abreast of the development of engineering-related technologies and updates in laws and regulations, so that we can adjust our business operations to comply with the policies and regulations in a flexible manner.

| For details on the measures, please refer to 1.5 Sustainable Supply Chain and 1.1.2 Development of Renewable Energy.

Ecological Risks

Execution Method

All our onshore wind power projects are subject to the Electricity Act. The application form and related documents are submitted to the authority to which the project belongs for review in accordance with the regulations. If our wind power projects are located in special areas such as national parks, wildlife sanctuaries, wetlands or nature reserves, we always conduct environmental impact assessments and self-assessments.

| For details on the measures, please refer to 3.4 Environmental Friendliness.

1.3.2 Internal Audit

The Audit Office of the Company is subordinate to the Board of Directors and is responsible for the overall management of the Company's internal audit. It conducts audits and project audits within the Group on a regular or sporadic basis. The Audit Office is independent of the Company's management, and can implement and evaluate the completeness, efficacy and compliance of the Group's internal systems in a fair and objective manner. The results of the audits conducted by the Audit Office are reported to the Chairman of the Board of Directors on a regular basis (or when necessary) to assist the Board of Directors and management in examining and evaluating the efficacy of operation of the internal control system.

Shinfox Energy has established a rigorous accounting system and internal control system to ensure that the Group operates properly. The Audit Office also keeps abreast of changes in laws and regulations in Taiwan, regularly updates corporate regulations, and readily provides Directors and managers with information on regulations concerning the recusal of insiders, of which they should be aware.

The Audit Office formulates an internal audit plan every year, leads internal audit units in carrying out various auditing tasks according to the audit plan, and arranges project audits when special circumstances occur. The Company's management attaches great importance to its internal auditing units and their personnel, who have been given sufficient authority as well as encouraged them to accurately review and evaluate the deficiencies of internal control systems, and measure the efficiency of operations. In 2023, every department completed all of the internal audits for the year, totaling 40 items. Furthermore, deficiencies identified by the audits have been improved upon within the approved period; thus, the internal audits and optimizations are effective.

Audit Procedure

Violation of regulations in 2023

On November 7, 2022, Foxwell Energy, a subsidiary of Shinfox Energy, received a fine totaling TWD 2 million from the Ministry of Economic Affairs for failing to apply for the renewal of its electricity license within 30 days after applying for a change of capital during 2021 in accordance with Article 22, Paragraph 3 of the Electricity Act.

Improvement measures and progress of follow-up:

| On December 26, 2022, a petition was filed with the Ministry of Economic Affairs (MOEA) through an external law firm, and the MOEA applied for a review from the Executive Yuan. However, the petition was dismissed on March 23, 2023.

| On May 10, 2023, Foxwell Energy engaged H&W LAW to file an administrative lawsuit with Taipei High Administrative Court, requesting revocation of the penalty imposed by the Ministry of Economic Affairs and the appeal decision made by the Executive Yuan.

| The subsidiary has reviewed the relevant processes and strengthened its control mechanism to avoid similar situations in the future.

Due to non-compliance in it use of the land of Hualien County Metropolitan Plan, Foxwell Energy, a subsidiary of Shinfox Energy, was formally imposed a fine of TWD 60,000 in February 2024 after the Hualien County Government notified the company to provide its opinion in November 2023. In addition to paying the fine according to the administrative sanction, Foxwell Energy supplemented and corrected the procedures within the time limit.

Litigation cases in 2023

In March 2021, Shinfox Energy's subsidiary, Elegant Energy, entered into an entrustment contract with VAI Renewables, under which VAI Renewables entrusted Elegant Energy to develop the onshore wind farm in Miaoli County. In July 2023, VAI Renewables filed a lawsuit against Elegant Energy for non-performance damages, which is currently being heard in the first instance at the New Taipei District Court.

1.4 Information Security Management

The information office of the Company's Administration Division is responsible for planning, implementing, monitoring, and improving information security management. Management measures and procedures are set for the personnel to follow and apply. In addition, we have set up multiple levels of control and protection mechanisms for the system servers, operating systems, and network systems to prevent abnormal disasters, data damage, theft of confidential information, etc. In the event of any information security incident, the Company also has an information security incident contingency plan to ensure that normal operations can be quickly resumed after a malicious hacker attack. Therefore, through these various precautions, Shinfox Energy can effectively control risks to its corporate information system and maintain the normal operation of the Company. The Information Office of the Administration Division adjusts the information security policy according to real-life situations, and reports the policy's implementation status to the Board of Directors on a regular basis.

• Information Security Policy

The Company continues to strengthen its information security to ensure the confidentiality, integrity, and availability of information, and has established a comprehensive information security policy:

- **A** Establish a solid information security system
- **B** Enhance and strengthen information security environment
- **C** Develop team information security capabilities
- **D** Provide quality products and services

We aim to achieve 100% information security to protect the rights and interests of our customers, shareholders, employees, and suppliers, and to fulfill our social responsibilities.

• Information Security Risk Management Framework

The information office of the Company's Administration Division is responsible for planning, implementing, monitoring, and improving information security management. Management measures and procedures are set for the personnel to follow and apply. In addition, we have set up multiple levels of control and protection mechanisms for the system servers, operating systems, and network systems to prevent abnormal disasters, data damage, theft of confidential information, etc. By doing so, Shinfox Energy can effectively control risks to its corporate information system and maintain the sustainable operation of the Company. To ensure the security of the company's information usage and to establish a reliable information environment, the Company's information security implementation principles are as follows:

- **A** Complying with regulations, spreading information security awareness.
- **B** Focusing on risk management, protecting information security.
- **C** Requesting full participation, pursuing continuous improvement.

Regarding the above framework, the Information Office of the Administration Division adjusts the information security policy according to real-life situations, and reports the policy's implementation status to the Board of Directors annually.

• Resources Invested in Information Security Management

To ensure the security of Company's information and build a reliable information environment, Shinfox Energy invested TWD 1.06 million to strengthen its information security management system in 2023:

1. We completed the introduction of ISO 27001 to help the Company establish, implement, maintain, and continuously improve its Information Security Management System (ISMS). Management procedures in place include: Information security handbook, information security organization management procedure, information risk assessment management procedure, personnel security management procedure, information asset management procedure, information equipment maintenance and management procedure, account password and access control management procedure, information backup management procedure, information security manual security incident management procedure, software usage management procedure, network security management procedure, physical environment management procedure, information operation management procedure, business continuity management procedure, system development and maintenance management procedure, corrective and preventive measure handling procedure, legal compliance audit procedures, etc. In addition to enhancing the Company's system security, we also improve employees' awareness of information security.

2 Maintained the privileged access management system (CyberArk) to control and record system administrator behavior for all internal system servers, and automatically change system passwords daily. Improved upon the security of information privileges and passwords, reducing incidents of hacking and ransomware attacks to the system.

3 Maintained the implementation of the Company's data access audit system (NetWrix). The Company is now uploading all the important documents of all departments to the data server, allowing employees working in the office and those working remotely to both conduct audits and management of files using NetWrix, which enables convenience of access to company data as well as secure access and management of data.

In 2023, the Company further strengthened information security. In addition to the continuous implementation and maintenance of the information security system, the Company also completed the introduction of international information security standards and obtained ISO 27001 certification to ensure that the information security standards comply with regulatory requirements, enhance the Company's information security level, strengthen the trust of customers and business partners, and optimize the information security management process. During 2023, there were no complaints related to the violation of customer privacy or loss of customer information.

• Information Security Management Project

The Company continues to strengthen its information security to ensure the confidentiality, integrity, and availability of information, and has established a comprehensive information security policy:

A To protect endpoints and network gateways, a defense in depth architecture is adopted. With the network access control, file access management, computer hardware control mechanisms, intranet confidentiality are protected from external network attacks.

B We have established an access control mechanism for sensitive areas, system user identity verification, regular checks to review the privileges of personnel in major systems of the Company for accuracy, password control, access authorization, and regular system vulnerability scanning. Moreover, we have installed anti-virus software, updated factory security patches, and established a system redundancy mechanism to strengthen our endpoint protection.

C The Company has set up an information security system to prevent hackers, computer viruses or malware from affecting the information system services, snooping and stealing confidential information, or blackmail.

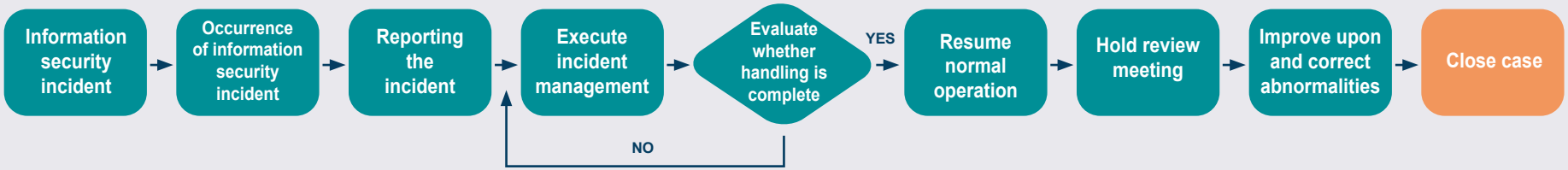
D From time to time each year, we conduct information security education training and tests, and e-mail social engineering drills for our employees to strengthen their awareness of information security risks.

E Paying attention to information security issues, we review our information security measures and regulations annually and prepare response plans to ensure their appropriateness and effectiveness.

F All of the Company's system servers are equipped with firewalls, coupled with an activated intrusion prevention system, illegal application locks, and risk coefficient analysis.

G All of our systems are installed with genuine eset anti-virus software. Furthermore, we have subscribed to Chunghwa Telecom's Enterprise Cyberthreat Gatekeeper service to block botnets, C2 servers, and ransomware, including different types of URL, domain, IP, etc. In addition, terminal suspicious program detection tools can help locate at-risk computers.

• Handling of Information Security Incidents Flow Chart



1.5 Sustainable Supply Chain

• Supplier Management

Nowadays, every company's operation may have an impact on the environment and society through its own activities or through collaborations with its business partners. Therefore, good supply chain management can effectively prevent and mitigate the negative impacts caused directly or indirectly by the company or its partners. Shinfox Energy currently has approximately 136 supplier partners (including equipment manufacturers and EPC). To pursue sustainable development, the Company will work together with its suppliers to implement corporate social responsibility and form an industrial chain that is friendly and beneficial to the society and environment.

• Evaluation of New Suppliers

Shinfox Energy's requirements for suppliers are not limited to quality, performance, and financial status. All of the suppliers have been required to sign the "Letter of Compliance with Corporate Social Responsibility". Since 2023, we have also required new suppliers to complete a "supplier social responsibility self-evaluation form". The responsibility contains more in-depth requirements on human rights, labor conditions, health and safety, environmental protection, business ethics, etc. By doing so, we expect that each supplier would be aware of them and join us in fulfilling corporate social responsibility.

• Letter of Compliance with Corporate Social Responsibility

Note: Major suppliers are those have an accumulated transaction amount of TWD 3 million or more with the Company.

Number and percentage of suppliers signing the "Letter of Compliance with Corporate Social Responsibility" in 2023

Total number of new suppliers	Number of signatories	Signing ratio
28	20	71.43%

Summary of the Letter of Compliance with Corporate Social Responsibility:

1.1

Respecting the human rights of workers, this pledge includes all regular, short-term, temporary, interns, and every other type of workers. We will ensure that the following standards are met: free choice of employment; no child labor; protection of the rights and health of female workers; no discrimination against workers; prohibition of any inhumane treatment; wages, benefits and working hours for workers are in accordance with local laws and regulations; and freedom of association for workers.

1.2

We provide a healthy and safe working environment for workers, including ensuring occupational safety, providing emergency preparedness programs, managing occupational injuries and illnesses, controlling sources of hazards, assessing, and controlling the impact of work with special physical requirements on workers, evaluating machinery for hazards, and maintaining public health.

1.3

To assume environmental responsibility, we do our best to minimize adverse impacts on society, the environment and natural resources during manufacturing processes while protecting public health and safety. We ensure compliance with the following standards: obtaining necessary environmental permits and reports; conducting pollution prevention and resource conservation measures; enacting chemicals and hazardous substances control and handling procedures, wastewater and solid waste control and handling procedures, air emissions control and handling procedures; and compliance with relevant laws and regulations for product content control.

1.4

We follow the highest standards of ethical requirements. These include operating with integrity, having no improper interests, disclosing information about our business and financial condition in accordance with applicable laws and regulations, complying with anti-corruption laws (such as FCPA) in the course of our dealings, respecting intellectual property rights, enforcing fair trade and competitive standards, acting responsibly in the procurement of minerals, protecting the personal information of all business contacts, complying with privacy and information security regulations, providing anonymous complaint procedures to protect the confidentiality of whistleblowers, and establishing protection procedures to prevent retaliation.

1.5

We established a management system related to the contents of this commitment, including commitment to a social and environmental responsibility policy, verifying management responsibilities and conducting regular reviews, monitoring and understanding applicable laws and regulations and customer requirements, establishing risk assessment and risk management processes, setting improvement goals and conducting regular evaluations, formulating training programs, and establishing communication procedures with workers.

• Supplier Evaluation

Our company holds regular supplier evaluations every year, and all the suppliers who have requested payment during the year are included in the evaluation. The evaluation covers quality, service, cooperation, and ability to fulfill the contract; this is done to ensure that the Company's needs are met in each aspect. Supplier evaluation classes were realigned in August 2023, and the new classes are divided into A, B, C, and D. Suppliers with 85 points or more are classified as Class A suppliers, 70 to 84 points are classified as Class B, 60 to 69 points are classified as Class C, and those with less than 60 points are classified as Class D suppliers. D-class suppliers are unqualified suppliers; they will be placed on the elimination list once their annual evaluation form is approved, and the Company will no longer collaborate with them. In 2023, 46 suppliers were evaluated, of which 10 were A-Class, 33 were B-Class, 3 were C-Class and 0 were D-Class.

• Local Procurement

Local procurement can foster the steady growth of local suppliers, shorten delivery time, improve service speed, and reduce time costs, as well as mitigate the environmental impact caused by air and sea transportation. Therefore, Shinfox Energy mostly purchases from local suppliers, and we hope that we can significantly increase job opportunities in Taiwan and create a win-win situation with our suppliers by working with local suppliers.

Unit: TWD thousand

	2022	2023
Expenditures for products procured from local suppliers (A)	88,988,720	1,413,108,066
Expenditures for services procured from local suppliers (B)	630,735,564	1,464,248,699
Expenditures for products and services procured from local suppliers (A+B)	719,724,284	2,877,356,765
Total expenditures on procured products and services	719,724,284	2,877,356,765
Percentage of expenditures for products and services procured from local suppliers	100.00%	100.00%

A. Explanation of local procurement percentage:
In 2023, the procurement expenditure is mainly for the procurement of services, including pre-construction technical services, contracting and maintenance of power plants, which account for more than 50% of the total procurement expenditure each year. The remaining procurement expenditure is for the procurement of equipment, mainly power generation equipment (solar panel modules, inverters, fans and cables) and other maintenance materials, which accounted for approximately 50% of the total procurement expenditure in each year. The contractors/suppliers of the above-mentioned services and equipment are all manufacturers in Taiwan.

1.6 Customer Value

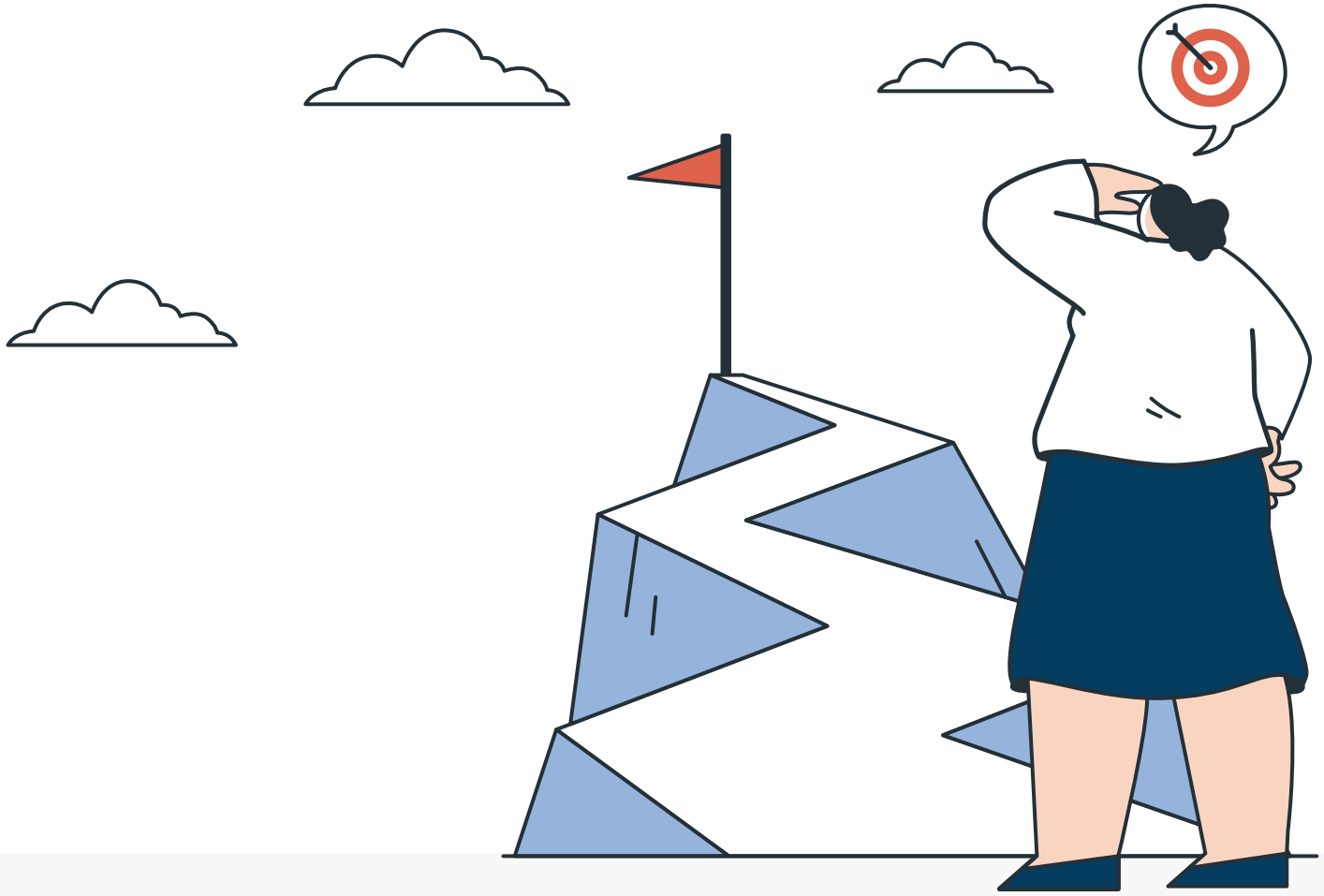
• Client Satisfaction

To ensure that all the clients' needs are fully satisfied, Shinfox Energy conducts annual client satisfaction surveys, which are planned by each business unit. Through collecting the clients' opinions with questionnaires, we hope to understand whether clients are satisfied with the company's overall services from an impartial and objective point of view. These surveys cover various aspects, such as “service quality during development”, “service quality during contracting”, “service quality during construction”, and “overall performance” of each site.

The average client satisfaction score for 2023 was 92, which is on par with the previous year. The results of each client's feedback are compiled by the relevant unit, which is responsible for proposing improvement plans for the items with lower satisfaction levels, and the improvement results are presented at internal meetings and made known to the clients. Each of our clients' suggestions for improvement are listed as a follow-up item and incorporated into our operational improvement plan. In addition, we will continue to improve the expertise and service quality of our staff to meet the expectations of our clients.

Client satisfaction score in the past three years

2021	2022	2023
94	92.7	92



2

Sustainable Development Blueprint

2.1 Stakeholder Engagement

2.2 Management of Material Topics

• Sustainable Development Committee

To realize our management vision and mission of "protecting the earth, sustainable development, green energy and carbon reduction, and clean energy", we established a "Sustainable Development Committee" on November 10, 2021, which is the supreme decision-making center for sustainable development in the Company. The committee is comprised of five directors (including three independent directors), and the convener is director Liu, Wen-Shuai; he works with numerous members from different fields to review the company's core operating capabilities and formulate medium- and long-term sustainable development plans. The Committee plans and implements sustainable development affairs in three major aspects: environment, society, and corporate governance, and it reports on their implementation to the Board of Directors on an annual basis.

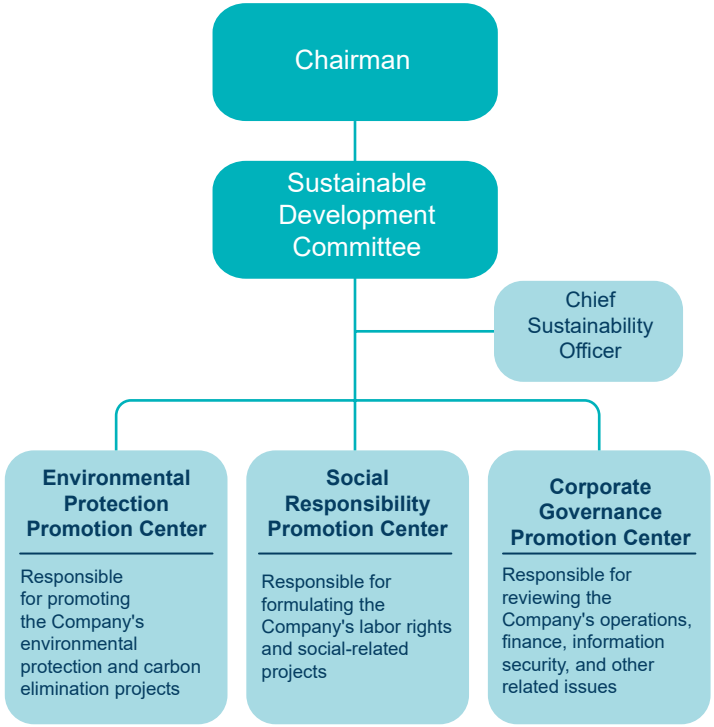
Under the Sustainable Development Committee, there are "Environmental Protection Promotion Center", the "Social Responsibility Promotion Center" and the "Corporate Governance Promotion Center". Each promotion center has a manager. Through monthly group meetings, they identify sustainability issues that are relevant to the Company's operations and stakeholders' concerns, formulate response strategies and work guidelines, prepare budgets related to sustainable development for each organization, design and implement annual plans, and follow up on the efficacy of implementation to ensure that sustainable development strategies are fully implemented in the Company's daily operations.

The "Sustainable Development Committee" reports the results of the implementation of sustainable development plans and future work plans to the Board of Directors regularly on an annual basis, which includes:

(1) Identifying sustainability issues that require attention and formulating solutions.
(2) Revising goals and policies on sustainability-related topics.
(3) Supervising the implementation of sustainable management.

Every year, the Directors provide professional advice to the management team when receiving the report, the Board of Directors reviews the possibilities of strategies based on the report, and provide timely recommendations to the management team.

Structure of the sustainable development committee:



2.1 Stakeholder Engagement

Shinfox Energy attaches great importance to stakeholder opinions and feedback, and acknowledges that stakeholders are critical to the Company's sustainable development. In order for the Company to respond to stakeholders' feedback in a timely manner and to ensure the smoothness of communication between the two parties, the Company engages stakeholders through various means and channels, and follows the criteria for stakeholder engagement, identifying seven types of stakeholder groups, namely **"shareholders and investors", "customers", "employees", "suppliers", "government institutions", "neighborhoods and communities", and "non-profit organizations"**.

The Company regularly collects stakeholder feedback, and the Sustainable Development Committee submits it to the units responsible for follow-up. The responses to stakeholders are also used as reference for future sustainable development plans. The Company hopes to thoroughly understand stakeholder expectations through multiple communication channels, and dedicate efforts in responding to the needs of various stakeholder groups to fulfill their expectations and keep in line with trends in sustainable development.

Stakeholder	Meaning to Shinfox Energy	Concerned Topic	Communication Type
Shareholder and Investor	The trust and support of shareholders and investors is the driving force behind the continued growth of Shinfox Energy, and in turn, Shinfox Energy is committed to maximizing the interests of our shareholders.	• Operating Performance • Shareholders' Participation	• General shareholders' meeting/1 time per year • Earnings call/yearly (sporadically) • Online earnings call for investors
Client	We aim to satisfy our clients' needs with first-class quality service; the suggestions and feedback from our clients make the Company stronger and urge us to move forward in a better direction.	• Schedule Control • Construction Quality • Investment Efficiency • Product Quality • Client Satisfaction • Green Product • Profitability • Sustainable Management • Environmental Protection	• Reviewing work progress regularly/ weekly (monthly) meeting • Conducting construction quality inspection and third-party verification according to the quality control plan/ sporadically • Providing professional evaluation presentations according to the needs of owners • Regular meeting/sporadically • Dedicated service mailbox and hotline/ sporadically • Collection and sharing of information • Regular/irregular communication

Stakeholder	Meaning to Shinfox Energy	Concerned Topic	Communication Type
Supplier	The stable quality of our service also depends on the participation and contribution of our supplier partners. Shinfox Energy regards each supplier partner as a member of our sustainable management and hopes that our collaboration can continue to create a win-win situation.	• Supplier Management • Compliance with Laws and Regulations • Ethical Management and Corporate Governance • Local Procurement	• Supplier evaluation/ once a year • Supplier meeting/sporadically • Two-way communication with suppliers by phone and email/sporadically
Government Agency	All of Shinfox Energy's business activities are conducted in accordance with the laws and regulations of the local government agencies, and we have made ethical management our highest guiding principle.	• Construction Projects • Deadline for Completion • Green Energy Development • Greenhouse Gas Emissions • Energy Management • Compliance with Regulations • Occupational Health and Safety • Wastewater Discharge and Control • Support for Government Policies • Environmental Protection	• Using communication software/ communicating from time to time • Bidding projects through the unit • We are exchanging correspondence and visiting/sporadically • Meetings (e.g., presentation, public hearing, symposium, seminar)/ sporadically • Email and phone communication/ sporadically • Data collection and explanation • Communication during application
Employee	Shinfox Energy has a team of outstanding employees, and they are the driving force behind the Company's continued innovation and growth. Therefore, the Company will also enhance compensation and benefits to ensure talent retention.	• Employee Benefits and Interests	• Internal company announcements/ sporadically • Employee welfare committee meeting/ quarterly
Non-Profit Organizations	Non-profit organizations are focused on a wide range of issues, and Shinfox Energy values the perspectives of different organizations and adopts their opinions as the direction for sustainable development.	• Research and Development of Small Hydropower and Other Green Energy • Wastewater Discharge and Control • Social Welfare and Community Engagement • Green Product	• Holding regular review meetings /once a month • Public meeting /sporadically • Correspondence/sporadically • Press releases/sporadically

Stakeholder	Meaning to Shinfox Energy	Concerned Topic	Communication Type
Neighborhoods and Communities	Shinfox Energy values the development of local communities, and hopes to maintain good relationships with them by helping communities through corporate power, thereby fulfilling our corporate social responsibility.	• Community Safety • Community Environmental Maintenance • Social Welfare • Employment Opportunities	• Media/sporadically • Official website/sporadically • Corporate image video/sporadically

2.2 Management of Material Topics

Seven types of stakeholders have been identified, and each have their own concerns. To meet the needs of each type of stakeholder, the Company adheres to the GRI Standards for sustainability reporting and the AA 1000SES Standards. Through the process of identifying material topics, the internal and external issues that have the most profound impact and are of the greatest concern to the Company and its stakeholders are identified to serve as an important basis for the establishment of the scope and the themes of disclosure in the Report as well as for the development of sustainability strategies.

In future, we will continue to analyze material topics every year to verify how concerned stakeholders are about them, with the hope to respond to stakeholder needs in a timely manner, and achieve effective management of internal and external challenges as Shinfox Energy moves towards sustainable development.

The identification process for material topics:

Step 1: Sustainability topics collection and aggregation

In accordance with the GRI Sustainability Reporting Guidelines, issues of concern for our industry peers in Taiwan, major sustainability guidelines such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Financial Disclosures (TCFD), the Company has integrated issues of concern for stakeholders in the past and has compiled 23 corporate sustainability issues related to the operations of the Company.

Step 2: Operational impact analysis and material topic ranking analysis

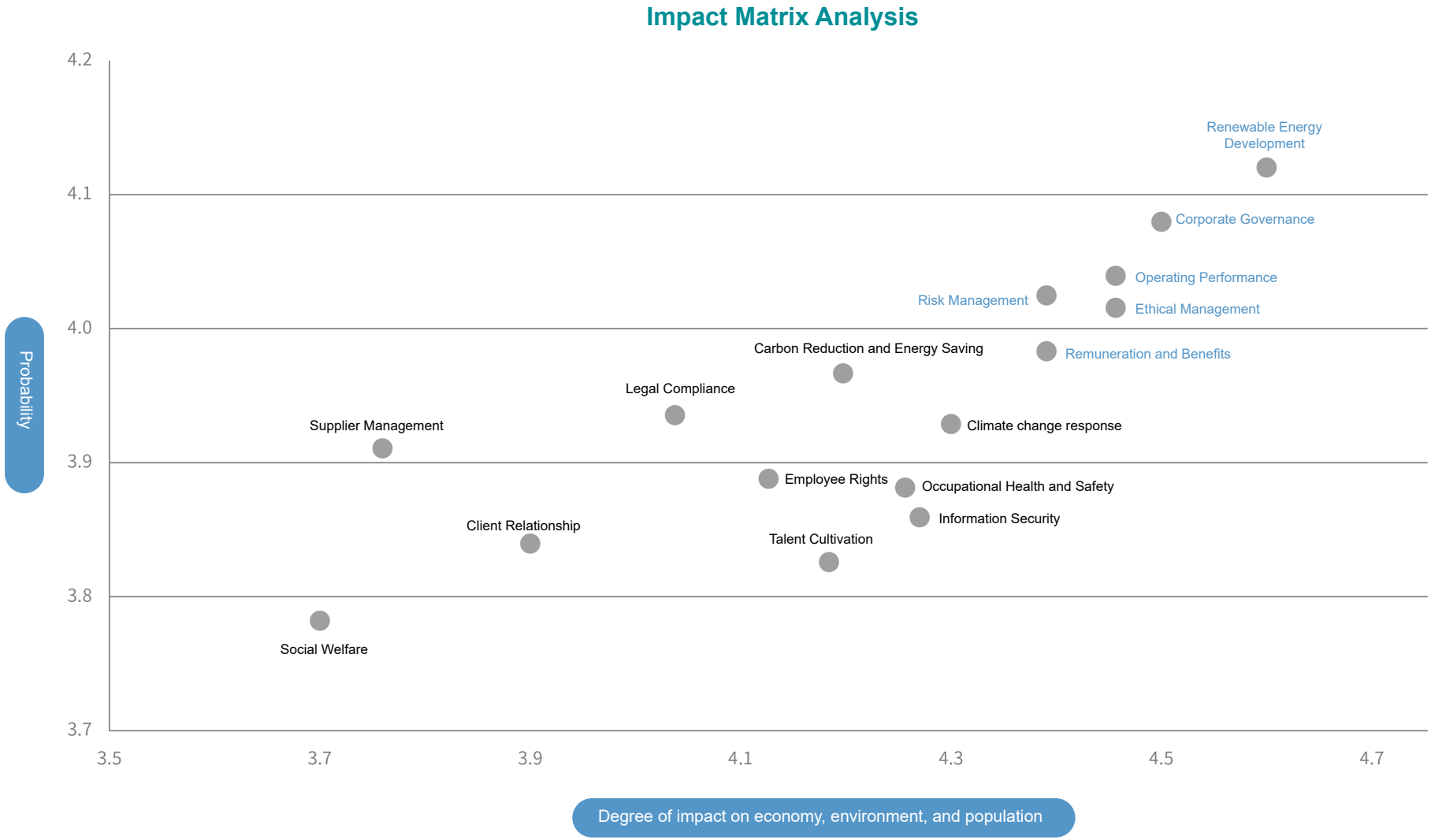
Through discussions among members of the Sustainability Development Committee and senior executives, we analyzed the degree of impact of each sustainability issue on the economic, environmental, and social (human) aspects of the Company. Each material topic's impact rating considers the level of the actual and potential positive and negative impact, and assigns a rating based on the "impact level" and the "likelihood of the impact's occurrence". The impact level considers the scale and scope of the impact, whether it is reversible, and whether it involves impact on human rights. The positive positive and negative impacts of each material topic are analyzed and the topics are then ranked according to the impact score. Furthermore, significance matrices are created.

Step 3: Review and discussion

In the end, the top 40% in terms of positive and negative impacts were used as the thresholds for the material topics, and the 11 material topics for 2023 were finalized after final confirmation by the members of the sustainability committee's subgroups as well as the senior executives and management representatives. They are, in order, ethical management, renewable energy development, corporate governance, business performance, energy saving and carbon reduction, risk management, climate change response, occupational safety and health, information security, employee rights and benefits, and remuneration and welfare. In future, we will continue to identify material topics every year to ensure that issues of stakeholder concern are truthfully presented in reports.

• Matrix of material topics

Positive impact



Negative Impact

Negative Impact Matrix

Differences between the material topics of the previous year and the following year:

In 2022, "Talent Cultivation" and "Social welfare" was less important than in 2021. The main reason for not including this issue as a material topic this year is that it has a smaller impact than other topics. However, this report still explains how the Company manages this issue and the efficacy of its measures.

• Corresponding Material Topics

●Positive physical impacts ◎ Positive potential impacts ⊙ Negative physical impacts ○ Negative potential impacts

Corresponding Chapter of This Report	Material Topic	Meaning to Shinfox Energy	Value Chain Impact Boundary			Impact Description	Corresponding SDGs	Corresponding GRI standard and topic
			Upstream	Shinfox Energy	Downstream			
1.1 Organizational Profile	Operating Performance	Operational performance is one of the most important issues for all stakeholders. To ensure that the Company's operational performance continues to grow steadily is an important goal for the Company's management, and therefore Shinfox Energy will continue to improve the quality of its services and secure the Company's growth.		● ○	○	1. Positive physical impact: If Taiwan's energy policy increases the proportion of renewable energy use, it will also provide an opportunity for the Company's business performance to grow. 2. Negative potential impact: If Taiwan's energy policy reduces the proportion of renewable energy use, demand will be reduced, and it will lead to a decline in operating performance. (1) Severity: Impact on company operations (financial performance, partners, customers, downstream vendors, employees, and investors). (2) Probability: At this stage, the government is supporting green energy to achieve its net-zero target, so it is unlikely to happen in the medium to long term (5~10 years).	SDGs 8	201: Economy
1.1 Organizational Profile	Corporate Governance	A well-developed and transparent Board of Directors' structure and operation can effectively enhance corporate governance, protect shareholders' rights and interests, and strengthen various economic, environmental, and social related measures and actions.		● ○		1. Positive physical impact: Good performance in corporate governance evaluations will help the Company enhance its image and obtain opportunities for foreign investment. 2. Negative potential impact: Underperformance in corporate governance may reduce investors' willingness to invest. (1) Severity: Impact on the Company's capital, decision-making and risk management, which may affect the Company's reputation and share price negatively. (2) Probability: Not likely to occur in the medium to long term (5-10 years).	SDGs 12 SDGs 13	Material Topics Set by the Company
1.2 Ethical Management	Ethical Management	Shinfox Energy is a law-abiding company, and all decisions and business practices are carried out in accordance with government regulations. We strictly prohibit any illegal or dishonest behaviors, and work in accordance with the principles of ethical management.	○	● ○	○	1. Positive physical impact: No negative news about the Company will help to present a good corporate image to the public. 2. Negative potential impact: Incidents that may damage the Company's reputation or image. (1) Severity: It may affect the integrity of the Company's corporate governance, resulting in a decline in reputation and share price, and the loss of upstream suppliers, potential customers, and investors. (2) Probability: Not likely to occur in the medium to long term (5-10 years).	SDGs 12	205 Anti-corruption

●Positive physical impacts ◎ Positive potential impacts ⊙ Negative physical impacts ○ Negative potential impacts

Corresponding Chapter of This Report	Material Topic	Meaning to Shinfox Energy	Value Chain Impact Boundary			Impact Description	Corresponding SDGs	Corresponding GRI Standard and Topic
			Upstream	Shinfox Energy	Downstream			
1.3 Internal Control of Risks	Risk Management	There are many unpredictable risks in the corporate operation process. To effectively reduce operational risks for the Company overall, we evaluate and identify various risks through a risk management framework, and establish countermeasures and solutions, thereby avoiding and responding to various risk hazards as early as possible.	○	● ○	○	1. Positive physical impact: Effective risk reduction may eliminate the uncertainty of project profitability, thereby meeting the overall budget requirements. 2. Negative potential impact: Failure to conduct a complete risk assessment may cause the Company to bear significant operational risks. (1) Severity: Impact on the Company's capital, decision-making, upstream suppliers, partners, customers, and investors' rights. (2) Probability: Not likely to occur in the medium to long term (5-10 years).		Material Topics Set by the Company
1.4 Information Security Management	Information Security	Information security has gradually become one of the key development topics of every major company. To avoid leakage of clients' private information or the theft or destruction of company secrets, which may cause damage to our business or goodwill, the Company has planned for the establishment of a mechanism to strengthen the control of information security, thus ensuring that there are no weaknesses in our information security.	○	● ○	○	1. Positive physical impact: The information firewall and the integration of information from every office of the Company not only enable the Company to store important business information properly, but also serve as the foundation of knowledge management, thus optimizing internal resource sharing. 2. Negative potential impact: Hackers may steal company data over the network or damage important databases of the Company, thus causing the Company to be unable to operate normally. (1) Severity: Impact to upstream, midstream, and downstream suppliers and partners. (2) Probability: In 2023, the company implemented ISO 27001 planning and obtained the certification, and continues to carry out information security management. Not likely to happen in the short-term (1-3 years).		418 Customer Privacy
3.2 Energy Resource Management	Carbon Reduction and Energy Saving	As a green energy company, we not only provide green power, but also focus on our own energy saving and carbon reduction management. Hence, Shinfox Energy will continue its efforts to reduce environmental impact, improve the efficiency of equipment, and maximize the benefits of environmental protection.	⊙	● ⊙	⊙	1. Positive physical impact: By moving toward net-zero emissions and becoming a benchmark for listed energy companies, we can attract business opportunities through other companies wanting to learn from Shinfox Energy. 2. Negative potential impact: Due to organizational growth, there is an increase in electricity consumption, which has led to higher costs and higher environmental emissions (but less per capita, see Section 3.2). (1) Severity: The impacts may affect the ecosystem ("overall") and the expectations of external stakeholders, which may make obtaining green-related funding support difficult. (2) Mitigation measures: To promote energy saving and carbon reduction internally, the Company has introduced ISO 50001 and obtained the certification in 2023 to calculate the level of energy usage and plan for improvement.	SDGs 6 SDGs 7 SDGs 12 SDGs 13 SDGs 14 SDGs 15	302: Energy

●Positive physical impacts ◎ Positive potential impacts ⊙ Negative physical impacts ○ Negative potential impacts

Corresponding Chapter of This Report	Material Topic	Meaning to Shinfox Energy	Value Chain Impact Boundary: Upstream	Value Chain Impact Boundary: Shinfox Energy	Value Chain Impact Boundary: Downstream	Impact Description	Corresponding SDGs	Corresponding GRI Standard and Topic
1.1.2 Renewable Energy Development	Renewable energy Develop	To achieve the sustainability goals of the government and the globe, Shinfox Energy will actively develop renewable energy to meet the Company's business vision of "protecting the Earth, sustainable development, green energy, carbon reduction, and clean energy".	○	● ○	○	1. Positive physical impact: If Taiwan's energy policy increases the proportion of renewable energy use, it will also provide the Company with an opportunity to grow in terms of installed capacity. 2. Negative potential impact: If Taiwan's energy policy reduces the proportion of renewable energy use, demand will be reduced, and it will lead to a reduction in installed capacity. (1) Severity: Impact on the Company's capital, decision-making, partners, customers, and investors. (2) Probability: At this stage, the government is supporting green energy to achieve its net-zero target, so it is unlikely to happen in the medium to long term (5~10 years).	SDGs 6 SDGs 7 SDGs 12 SDGs 13 SDGs 14 SDGs 15	Material Topics Set by the Company
3.1 Climate Change	Climate change response	Shinfox Energy must proactively seek innovative technologies and continuously improve its energy efficiency in order to reduce carbon emissions and cope with the challenge of increasing global greenhouse gases. In addition, by investing in renewable energy and implementing a more environmentally friendly operation model, we can not only cope with climate change, but also find new business opportunities in the transformation to enhance the corporate long-term sustainability.	○	● ○	○	1. Positive physical impact: A proactive response to climate change can motivate the Company to invest in innovative technologies, develop green markets, improve energy efficiency, enhance corporate image and market competitiveness, and gain the support of the government and society. 2. Negative potential impact: Climate change brings high adaptation costs. Strict environmental regulations may result in operational restrictions, physical risks, hazards, property damage, and casualties.	SDGs 13	Material topics set by the company 201-2 Operating Performance Financial impacts and risk opportunities arising from climate change
4.1 Friendly Workplace	Remuneration and Benefits	To retain talented employees, the Company has developed a diversified and equal benefits system. In addition, it is our hope that employees will receive rewards that equate to the amount of hard work they put in, so we make sure the compensation and incentives are in line with the industry standard.		● ○		1. Positive physical impact: Increasing employee remuneration will improve competitiveness in attracting talented people. 2. Negative potential impact: High payroll costs may hurt the Company's overall profitability. (1) Severity: Impact on the Company's capital, and possible impact on shareholders' interests. (2) Probability: Not likely to happen in the short, medium, or long term (1-10 years).		Material topics set by the company 202: Market Presence 401: Employment

●Positive physical impacts ◎ Positive potential impacts ⊙ Negative physical impacts ○ Negative potential impacts

Corresponding Chapter of This Report	Material Topic	Meaning to Shinfox Energy	Value Chain Impact Boundary			Impact Description	Corresponding SDGs	Corresponding GRI Standard and Topic
			Upstream	Shinfox Energy	Downstream			
4.3 Labor Relations	Employee Rights	Building a friendly workplace is a goal that Shinfox Energy continues to strive for. To ensure that the rights and interests of each employee are not infringed, the Company has established various work rules and practices to make sure that each employee is treated equally without any discrimination.		● ○		1. Positive physical impact: Through the implementation of human rights and gender equality, employees' rights are treated as important, thus enhancing the Company's image and creating a friendly workplace. 2. Negative potential impact: Inequality may cause physical and mental harm to employees. (1) Severity: Employees may file complaints to the relevant authorities, and retention rates may be reduced, resulting in a loss of talent for the Company. (2) Probability: Not likely to occur in the medium to long term (5-10 years).	SDGs 10	Material topics set by the company 405: Diversity and Equal Opportunity 406: Non-discrimination
4.4 Occupational Safety	Occupational Health and Safety	The Company attaches great importance to workplace safety and employee health. To ensure that our employees can work with peace of mind, we have established a work guideline that we require our employees to strictly follow, and our contractors must also cooperate with our company's requirements. The only way to have a safe and secure workplace is through strict enforcement.		● ○		1. Positive physical impact: Establishing a complete occupational safety mechanism and creating safe construction sites can further enhance employees' trust in the Company. 2. Negative potential impact: The possibility of occupational incidents on sites. (1) Severity: Impact on the operational safety of employees executing work tasks and the external stakeholders (government agencies and social groups)' requirements and expectations of work safety. (2) Probability: It is difficult to guarantee a 0% possibility of the occurrence of occupational accidents. We will consider introducing ISO 45001 in the future to avoid and reduce the chance of their occurrence as much as possible.	SDGs 8	403: Occupational Health and Safety

• Policy, Commitment, Goal, Management and Evaluation Mechanism

ESG aspect/governance

Material Topic	Policies/commitments	Goals and Objectives	Action Description	Performance and Result
Operating Performance	The Company shall contribute to the survival of humanity and the environment through sustainable development.	To grow revenue steadily by 20% per year	1. The construction of Shinfox Electricity 77 MW solar power plant in Qigu is recognized as construction revenue according to the progress of the construction. 2. Changyuan, Beiyuan and Shinfox Electricity are recognized as maintenance revenues based on contract amounts. 3. Offshore wind power projects are recognized as construction revenue according to the progress of the project. 4. Electricity sales revenue is recognized as electricity sales revenue at the agreed rates based on the actual number of kilowatt hours generated and the number of kilowatt hours purchased.	The Company's consolidated net operating income in 2023 was TWD 11,249,582,000, an increase of 161.55% from the consolidated net operating income of TWD 4,301,192,000 in 2022, and the net income after tax in 2023 was TWD 623,578,000, an increase of 157.11% from the net income after tax of TWD 242,532,000 in 2022.
Corporate Governance	Our TWSE Corporate Governance Evaluation score reached the top 5% of listed companies in 2023 (the 10th year that the evaluation was conducted).	Our TWSE Corporate Governance Evaluation score was 100 in the 10th year (2023)	The 10th TWSE Corporate Governance Evaluation (2022) targets were announced by the Center for Corporate Governance Promotion of the Taiwan Stock Exchange, according to which the Company plans monthly projects to be implemented with a target score of 90.	The 10th TWSE Corporate Governance Evaluation (2022) has been completed and our score of more than 90 points has been announced by the Taiwan Stock Exchange.
Ethical Management	In line with the Company's integrity policy, we do not accept gifts and maintain the fairness of our dealings. We comply with laws and regulations, and any changes made to them as time progresses. We are flexible in collaborating with new government policies and needs.	We shall keep our transactions fair, and not leak business secrets of business partners to build trust. We cooperate with government agencies and complete administrative tasks as soon as possible.	1. Regarding giving and accepting quotations, we are fair and open. In each meeting, staff from all departments discuss matters together. We listen to the opinions of all our staff, and the procurement department is responsible for negotiating and completing the procurement contract in the end. 2. When government agencies raise questions or announce new regulations, we are the first to respond, to update information and to undergo any necessary transformation.	Supplier evaluation are made, and a stable supplier cooperation is established.

Material Topic	Policies/commitments	Goals and Objectives	Action Description	Performance and Result
Risk Management	Control the budget and reduce risks	Risks are controlled within a range of no more than plus or minus 5%, and the quality must be in accordance with standards	1. Requests for procurement are made, and the budget is controlled regularly 2. Vendor evaluation is filled out 3. Project acceptance form is filled out	1. Monthly review on whether the original budget was met; controlled at negative 3%. 2. Review quality to see if it meets requirements to avoid future hazards.
Information Security	We shall uphold the Company's information security and data protection.	1. Enhance information security of the Company's servers 2. Enhance the security of the Company's important documents and data 3. Enhance information security measures for remote work	1. Complete the introduction of the privileged access management system (CyberArk), all system servers and major systems' privileged access (admin) are controlled, and the high-strength password is automatically changed on a regular basis every day to enhance the security of the Company's servers. 2. In collaboration with the manager of each unit in the Company, we have completed the review and reorganization of the privileges for servers housing files and folders, and have systematically filed important data and documents in the file servers. We also completed the introduction of the file audit and control system (NETWRIX), which can audit and manage data usage behavior and enhance the security of the Company's important documents. 3. Completed the setup of the VPN server and upgraded the Company's network speed for both software and hardware; remote offices can connect to the Company network through VPN to access data, enhancing the security and convenience of remote work.	1. Completed the introduction of the privileged account management system to enhance the security of the Company's servers. 2. Completed the file audit and control system to enhance the security of the Company's important documents and data. 3.Completed the installation of the VPN server and upgrades to the network hardware and software, to enhance the security and convenience of remote work.
Supplier Management	We shall conduct supplier evaluation and replacement process based on the factors of quality, delivery, capability and flexibility.	For suppliers who have requested payment for transactions in the previous year, we shall complete the supplier evaluation process by the end of January each year.	1. We conduct supplier evaluation management once a year. By auditing suppliers, we can accurately and carefully evaluate their supply services and improve the quality and service level of suppliers. 2. New suppliers included in the supply chain are required to sign the Letter of Compliance with Corporate Social Responsibility and complete a supplier social responsibility self-evaluation form. 3. For suppliers who have requested payment for transactions in the previous year, we shall complete the supplier evaluation process by the end of January each year and shall examine whether we should continue to work with the evaluated suppliers.	In 2023, 46 suppliers were evaluated, of which 10 were A-Class, 33 were B-Class, 3 were C-Class and 0 were D-Class.

ESG aspect/Environment aspect

Material Topic	Policies/commitments	Goals and Objectives	Action Description	Performance and Result
Carbon Reduction and Energy Saving	We expect to become a net-zero emission company by 2040	Carbon reduction goal 5% Water saving goal 5% Waste reduction goal 3%	Shinfox Energy is committed to becoming a benchmark for green companies. Internally, Shinfox Energy continues to promote energy management, energy saving, waste reduction, resource recycling and various environmental protection measures; through environmental protection training and energy saving, all of our employees can participate in the Company's energy saving program and develop environmental protection habits in their daily lives.	Total GHG emissions in 2023 were about 1,532.5822 metric tons of CO_2e. The significant increase in carbon emissions compared to last year is due to the full implementation of Scope 3 inventory in 2023 and the addition of inventory categories
Renewable Energy Development	We shall follow government policy to develop renewable energy for power generation to achieve the goal of being nuclear power-free by 2025.	For renewable energy development, our target is 1GW by 2025.	1. We have obtained establishment approval, construction approval, and electricity licenses for solar and wind power projects in accordance with regulations. 2. We obtain the allocated capacity in accordance with the Directions for Allocating Installed Capacity of Offshore Wind Potential Zones announced by the Ministry of Economic Affairs.	1. Obtained permit for the Changpin Wind Power Generation construction project. 2. We obtained the second phase of capacity allocation for offshore area wind power development. 3. Part of the construction of the Taitung solar power plant project has been completed.

ESG aspect/Society aspect

Material Topic	Policies/commitments	Goals and Objectives	Action Description	Performance and Result
Remuneration and Benefits	We offer attractive remuneration packages and diversified benefits.	Annual Salary Adjustment and Promotions	Each department head is asked to conduct a comprehensive review to ensure that employees' remuneration is commensurate with their performance.	All unit supervisors submitted promotion and salary adjustment applications for their top performers.
Employee Rights	We shall implement human rights and gender equality to protect the rights of our employees.	There must be no inequality or discrimination.	We will hold labor meetings regularly We will hold orientation for new employee	No unfair workplace complaints such as those for sexual harassment and discrimination occurred.
Occupational Health and Safety	We have implemented our motto, which is "Employees are the most valuable assets of the Company". We continuously strengthen safety awareness for our employees, and establish safe construction sites.	There were zero occupational accidents at our sites.	1. Training is held from time to time to strengthen our employees' safety awareness. 2. We allocate funds for employees who want to attend external training sessions. 3. We employ dedicated occupational health and safety personnel to create safe construction environments.	In 2023, no occupational accidents occurred at our sites.

Carbon Reduction and Energy Saving

3

3.1 Climate Change

In recent years, climate change has caused serious disasters all over the world, and it has even disrupted the operations of companies. Extreme climate is no longer a thing of the distant future; it is happening to you and me right now. In response to the drastic impact of climate change, Shinfox Energy has started to prepare for it proactively. The Company follows the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to develop relevant operational procedures. Through the four aspects of **"governance"**, **"strategy"** ,**"risk management"**, and **"indicators and targets",** we developed preliminary strategies and management measures to respond to climate change, and we hope that the impact of climate risk can be mitigated by these measures.

Governance

Board of Directors

(1) The Board of Directors is the highest supervisory unit over the corporate management of the climate change impacts of the Shinfox Energy. It is responsible for supervising the operation of the renewable energy industry in terms of climate risks and action plans for various climate opportunities, and to ensure that the relevant targets are achieved every year.
(2) Implementation frequency: A meeting is held to discuss climate issues at least once a year.

Sustainable Development Committee

(1) The Sustainable Development Committee, under the Board of Directors and convened by Mr. Wen-Shuai Liu, is Shinfox Energy's highest ESG decision-making center and the highest executive organization for the Company's climate change management. Furthermore, the Sustainable Development Committee's "Environmental Protection Promotion Center" is responsible for the development, promotion and tracking of various projects on climate topics, and reports on the results of climate action promotion at the regular board meetings every year.
(2) Frequency: The Committee reports to the Board of Directors at least once a year on the effectiveness and progress of the implementation of the corporate sustainability project (including the current status of risk response and action plans on climate topics).

TCFD Work Team

(1) The TCFD work team is a task force organized under the supervision of the Environmental Protection Promotion Center of the Sustainable Development Committee, and it combines relevant business units and auxiliary units, including the Sustainable Development Office, the Wind Power Division, the Photovoltaic Power Division, the Finance Division, the Procurement Department, the Planning and Development Office, the Administration Office, and the Audit Office, in accordance with the structure of the TCFD and relevant themes of studies.
(2) The main tasks of the TCFD work team are as follows:
- Evaluate risks and opportunities that climate change may bring, and identify short-, medium-, and long-term material climate topics based on the Company's operational characteristics and future development goals. The financial monetization factor was introduced to estimate the Company's future exposure to potential increases in operating costs.
- In view of the physical risks that may be brought about by global warming, including drought, flooding, temperature, insolation and wind speed changes, etc., assessments and climate scenario simulations are carried out for both operational sites and renewable energy sites to facilitate the early development of countermeasures.
- Being responsible for explaining and communicating with stakeholders on various climate-related topics, as well as regularly tracking and formulating work projects to comply with climate change-related laws and policies, and to improve the Company's annual climate-related financial disclosures.

(3) Execution frequency: TCFD-related risks and opportunities are identified and estimated at least annually to provide the Board of Directors and senior management with the level of climate risk threat as a reference for decision-making.

Strategy

In the face of the continuing global warming issue, carbon reduction by enterprises is a matter of great urgency. As a member of the low carbon society, Shinfox Energy not only provides clean energy services to help countries and enterprises to reduce greenhouse gas emissions, but also proactively promotes a number of action plans to mitigate greenhouse gas emissions by itself. In particular, by adopting the TCFD framework for assessing climate-related risks and opportunities, we have developed a net-zero transition strategy to strengthen the operational resilience of enterprises in future climate scenarios, so that they can not only achieve their carbon reduction targets, but also avoid losses from climate disasters and create higher profit opportunities.

Net Zero Transition Strategy - Three Directions for Action

Energy Saving Measures

To effectively achieve the goal of energy conservation and carbon reduction, Shinfox Energy has replaced all the lighting equipment in the building with LED energy-saving light tubes. In terms of our paperless policy, The Company continues to plan for the promotion of paperless and digital operations, such as electronic forms. Through making paper reports generated from administrative operations and routine meetings electronic, not only will it effectively reduce the use of paper, but also save electricity and even enhance work efficiency. In addition, management measures are in place to regulate power usage behavior, such as setting peak and off-peak operation modes for escalators, adjusting air-conditioning operation modes (adjustment in summer and winter), and lighting on/off modes, etc., in order to achieve energy savings.

Green Power Use

Shinfox Energy has participated in the “RE 10×10” climate declaration initiated by Greenpeace, and will continue to invest in diversified renewable energy introduction projects. In addition to the development and construction of renewable energy projects as its core business, the Company is also evaluating the procurement of renewable energy certificates, and is planning to continue to purchase T-RECs during the period of 2023-2025 in order to move towards the Company's net-zero goal.

In 2023, the Company purchased 40,000 kWh of renewable energy certificates (T-REC).

Environmental Care and Protection - Creation and Maintenance of Biodiversity

In evaluating renewable energy projects, the development unit will simultaneously incorporate the concept of environment and ecological conservation, and is committed to realizing the value of sustainable development and renewable energy. The development unit will insist on not targeting the fertile agricultural and forested land when choosing sites, will conduct a proper and complete assessment of the ecological environment prior to the development of the project, and will continue to pay attention to the various ecological indexes during the construction. In response to the needs of biodiversity, Shinfox Energy has developed a wide range of turnkey renewable energy services. Based on the surrounding environment of different sites and the characteristics of the landforms, we evaluate and plan the best site development mode. Take the Chishang solar photovoltaic project as an example. In addition to taking advantage of the original terrain to build a 4-hectare site, the Company also utilizes the original forest land under its Yuanshan Forest Natural Resource Company to plan a green forest corridor, creating a forest trail of phytoncide, a carbon footprint ecological park and other diversified renewable energy development and utilization, thus balancing the use of energy and the maintenance of biodiversity.

Risk Management

Shinfox Energy understands that the key to stable growth and sustainable operation lies in effective risk management. Therefore, a risk response management organization has been established, which includes the Board of Directors, Audit Office, General Manager's Office, Administrative Management Division, and Finance Division to monitor and control various operational risks. As the world pays attention to the topics of climate change, Shinfox Energy also regards climate risk as part of the Company's risk management. We have established a dedicated TCFD work team led by the Sustainable Development Office to focus on assessing the impacts and risks that may arise from climate change and formulate response strategies. We have set up a preventive mechanism to minimize the impact of climate change on the Company's finances, and further strengthened our risk management framework to facilitate the steady growth and sustainable development of Shinfox Energy.

Shinfox Energy Risk Control Duties and Responsibilities

Responsible Unit	Responsibilities of Risk Management
Board of Directors	1. The Board of Directors oversees the execution of the Company's overall risk management objectives; clearly understanding the risks faced by the Company's operations, it ensures the efficacy of risk management and takes ultimate responsibility for risk management.
Audit Office	1. The Audit Office assists the Board of Directors and the management in checking and reviewing deficiencies of the internal control system and measuring the efficacy and efficiency of operations, as well as provides timely suggestions for improvement. 2. The Audit Office evaluates whether each department is executing relevant risk management operations to ensure that the system is processed and followed.
General Manager's Office	Risk assessment of business decisions and execution of response strategies.
Administration Division	1. Evaluation of network information security and operational risks, and implementation of response strategies. 2. Maintenance of employees' personal safety and working environment. 3. Supplier management and raw material procurement response strategy. 4. Allocation of human resources and contingency control measures.
Finance Division	1. Assessment of financial and tax risks. 2. Risk assessment of corporate legal risks, and execution of response strategies.
Sustainable Development Office	1. Assist in the establishment of the Company's TCFD team. 2. Identify the impact and expected opportunities of climate change in the TCFD-related works. 3. Assess the impact of climate change on the Company's operations.

Climate Risk Identification and Evaluation Procedure

Risk Definition
Collect the climate topics that the renewable energy industry is likely to encounter, and identify climate-generated risk items to include in the risk list.

Risk Identification
The annual risk factors are determined by identifying the significance of each risk through internal and external factors.

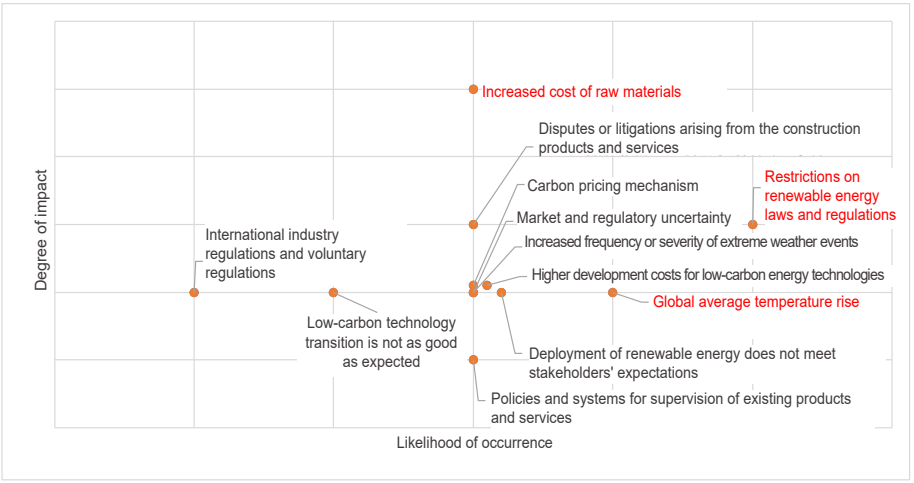
Risk Evaluation
The TCFD team conducts qualitative and quantitative risk assessments. The analysis items should focus on the financial and future development strategies of the Company's operations.

Risk Response
Risk management strategies are developed based on climate risk and evaluation results, and relevant departments are required to formulate corresponding tasks and projects to reduce risk hazards.

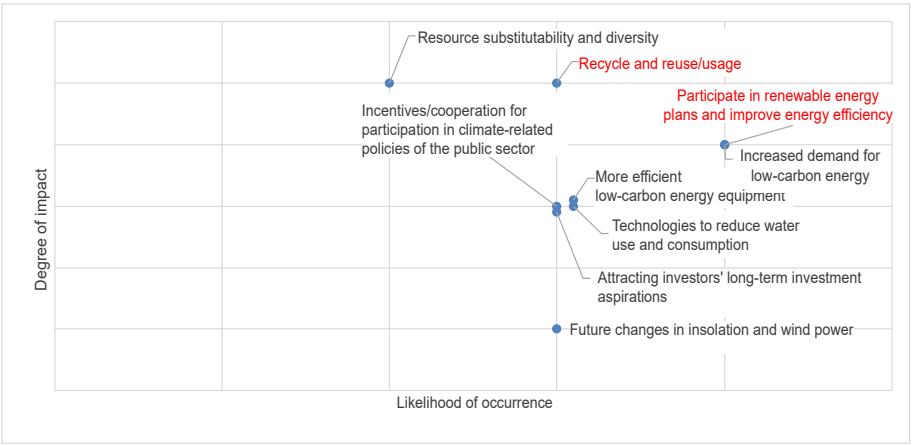
Monitoring and Improvement
Management performance is tracked on a regular basis, and dedicated units are authorized to make adjustments to optimize it.

Communication
Collect information from various meetings, sustainability reports, official website, etc.

Climate-related risk impact assessment



Climate-related opportunity impact assessment



Note: Considering that Shinfox Energy's business is in the renewable energy industry, it is an important player in low-carbon transition. To provide clean energy to help countries and enterprises to achieve carbon reduction targets, renewable energy demand and supply is one of Shinfox Energy's existing concerns. Therefore, the "increased demand for low-carbon energy" is not included as a material topic.

Climate-Related Risk Identification and Summary Table

Risk Ranking	Risk Type	Risk	Object of the Occurrence	Time	Probability	Degree of Impact
1	Transition Risks	Restrictions on renewable energy laws and regulations	Shinfox Energy	Short-term	Very high	Ordinary
2	Transition Risks	Increased cost of raw materials	Shinfox Energy	Mid-term	Ordinary	Very high
3	Transition Risks	Global average temperature rise	Customers of Shinfox Energy	Short-term	High	Low
4	Transition Risks	Disputes or litigations arising from the construction products and services	Shinfox Energy	Long-term	Ordinary	Ordinary
5	Transition Risks	Carbon pricing mechanism	Shinfox Energy	Long-term	Ordinary	Low
6	Transition Risks	Market and regulatory uncertainty	Shinfox Energy	Short-term	Ordinary	Low
7	Transition Risks	Higher development costs for low-carbon energy technologies	Shinfox Energy	Short-term	Ordinary	Low
8	Transition Risks	Deployment of renewable energy does not meet stakeholders' expectations	Shinfox Energy	Short-term	Ordinary	Low
9	Physical Risks	Increased frequency or severity of extreme weather events	Customers of Shinfox Energy	Short-term	Ordinary	Low
10	Transition Risks	Low-carbon technology transition is not as good as expected	Shinfox Energy	Mid-term	Low	Low
11	Transition Risks	Policies and systems for supervision of existing products and services	Shinfox Energy	Short-term	Ordinary	Very low
12	Transition Risks	International industry regulations and voluntary regulations	Shinfox Energy	Mid-term	Very low	Low

Climate-Related Opportunity Identification and Summary Table

Ranking of Opportunities	Type of Opportunity	Opportunity	Object of the Occurrence	Time	Probability	Degree of Impact
1	Energy	Increased demand for low-carbon energy	Customers of Shinfox Energy	Mid-term	Very high	High
2	Resilience	Participate in renewable energy plans and improve energy efficiency	Shinfox Energy	Short-term	Ordinary	High
3	Resource efficiency	Recycle and reuse/usage	Shinfox Energy	Long-term	High	Ordinary
4	Resilience	Resource substitutability and diversity	Shinfox Energy Supply Chain	Long-term	Ordinary	Low
5	Resource efficiency	Technologies to reduce water use and consumption	Shinfox Energy	Mid-term	Ordinary	Ordinary
6	Resource efficiency	More efficient low-carbon energy equipment	Shinfox Energy	Mid-term	Ordinary	Ordinary
7	Market	Incentives/cooperation for participation in climate-related policies of the public sector	Shinfox Energy	Mid-term	Ordinary	Ordinary
8	Market	Attracting investors' long-term investment aspirations	Shinfox Energy	Long-term	Ordinary	Ordinary
9	Resource efficiency	Future changes in insolation and wind power	Customers of Shinfox Energy	Long-term	Ordinary	Ordinary

In 2023, a total of 3 material climate-related risks and 2 material climate-related opportunities were identified. The material climate risks are "transition risk - renewable energy regulatory restrictions", "transition risk - increase in raw material costs", and "physical risk - global average temperature rise". There are two opportunity material risk items, namely "resilience - participate in renewable energy plans and improve energy efficiency" and "resource efficiency - recycle and reuse/usage".

Climate-Related Material Risk Item Impact

Number	Risk	Scenario	Impact Description	Existing Control Measures	Future Action Plans
1	Restrictions on renewable energy laws and regulations	**1. Photovoltaics:** Due to severe climate change, the number of renewable energy development projects has increased. The review of these projects is often prolonged due to the need to consider the social and site environments, and there may be new requirements and regulations in the application process, which may result in additional expenditures. **2. Wind power generation:** For the wind power business, the regulations on the development of onshore wind turbines (the environmental impact assessment distance of 500m and surrounding environmental facilities) have gradually become stricter, resulting in re-evaluation of project development locations and delay losses.	• Increase in operating costs • Loss of interrupted inputs to the project • Decrease in revenue Estimated total impact amount: TWD 50-57 million	1. Confirming with the competent authorities and the responsible units in each county and city on the methods of handling 2. Complying with the requirements of government and local laws and regulations 3. Proactively responding to the government to disclosure the truth that all products and services must comply with laws and regulations and be supervised by the competent authorities	1. To review the latest regulatory information 2. To conduct compliance audit 3. To receive and send inquiries on official documents 4. To participate in the Government's public information activities
2	Increased cost of raw materials	Climate change has led to carbon fees levied by governments around the world. This leads to increased raw material and labor costs, scarcity of natural resources, operation interruptions, or delays in shipments, resulting in losses and increased delivery prices. For example, the cost of wind power generation facilities increases due to rising exchange rates, shipping costs and material prices, rising project insurance, and the inability of foreign technicians to come to Taiwan due to a specific pandemic.	• Increase in cost of raw materials • Increase in operating costs Estimated total impact amount: TWD 50-57 million	1. Collect environmental information on products and suppliers 2. Performs research and surveys to analyze raw material price trends in the value chain and performs related market analyses 3. Continue to track the upstream supply chain and international metal price fluctuations.	1. Explore ways to reduce the risk of supplier disruptions, e.g., by seeking a second source 2. Improve supply chain stability, e.g. establish a long-term cooperation model 3. Invest in the supply chains of key materials to ensure smooth supply of materials

Number	Risk	Scenario	Impact Description	Existing Control Measures	Future Action Plans
3	Global average temperature rise	**1. Photovoltaics:** Excessive temperature will reduce the power conversion efficiency of the solar power system. According to research, for every 1°C increase in ambient temperature, the power generation efficiency of solar photovoltaic modules will decrease by 0.4%-0.5%. Excessive temperatures not only reduce the performance of the solar module, but also shorten its useful life. **2. Wind power:** In the next 5 to 20 years, global warming will continue, and the global annual average temperature will rise. According to research, wind speed will decrease year by year due to the impact of high temperatures, leading to a decrease in wind power generation efficiency, a decrease in power generation, and an operating loss.	• Decrease in revenue • Penalty for breach of contract Estimated total impact amount: TWD 13-14.5 million	1. Select modules and equipment with less impact on temperature for optoelectronic equipment 2. Evaluate the procurement of components for wind power equipment that can operate at low wind speeds	1. Continuously monitor the latest technology of modules and related equipment and evaluate the use of such technology

Impacts of Material Climate-Related Opportunities

Number	Opportunity	Scenario	Impact Description
1	Participate in renewable energy plans and improve energy efficiency	In line with the government's policy of encouraging renewable energy projects in specific regions, Shinfox Energy has the opportunity to pursue the development of photovoltaic projects to increase performance and thus improve revenue and profitability.	• Increase in revenue • Decrease in land acquisition costs Estimated total impact amount: TWD 100-150 million
2	Recycle and reuse/ usage	Due to the rapid rise of solar power generation, it is estimated that 100,000 metric tons of solar panels will be retired by 2035. Shinfox Energy is familiar with the equipment value chain of the solar energy industry and plans to invest in the solar photovoltaic panel recycling industry to increase investment income.	• Increase in revenue • To reduce waste disposal costs • To add new business models Estimated total impact amount: TWD 120-300 million

Scenario Analysis

Shinfox Energy proactively responds to the risks and opportunities brought about by climate change, regularly reviews the extreme climate variables under climate change, identifies physical climate risks that may have an impact on the Company's operations, and conducts materiality identification and analysis of climate risks. In 2023, Shinfox Energy divided the scope of climate change impact review into immediate and long-term climate risks and opportunities, and expanded the scope to include office, wind and solar farms, as well as quantitative analysis of scenarios.

Physical Risk Analysis Targets and Projects Under Climate Scenarios

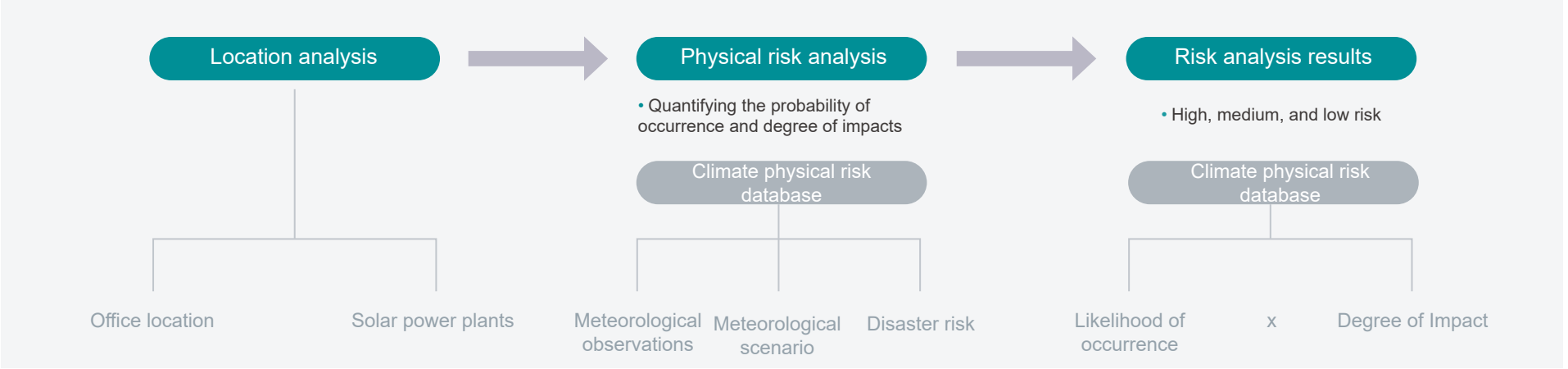
Climate Risk/Opportunity Items	Location and Scenario of Impact	Possible Loss/Opportunity	Risk/Opportunity Analysis Items
Increased frequency or severity of extreme weather events (immediacy)	**Office locations:** Extreme natural disasters such as flooding and drought may affect office operations.	Operational disruption risk	• Flooding • Drought
	Solar power plants: Extreme winds can cause structural damage to the solar facility's racking structure, which can result in the solar modules being blown away. The rising temperature will not only reduce the power generation efficiency of solar panels, but also bring safety risks to outdoor workers. **Offshore wind power generation facilities:** For the time being, our subsidiary, Foxwell Energy, is only responsible for the operation and maintenance of offshore projects. The strong gusts brought by typhoons may cause damage to the wind turbine blades. During the period when the Central Weather Administration announces strong waves or warnings, the Company prioritizes the safety of the maintenance personnel and will not send the maintenance vessels to the wind turbine facilities for maintenance, and during such times, repair parts from overseas manufacturers may not arrive as scheduled.	Increase in operating costs Operational disruption risk Increase in operation and maintenance risks	• Strong winds • High temperature
Global average temperature rise (Long-term)	**Office locations:** Extremely high temperatures may cause thermal injuries such as heat stroke and discomfort to employees, and increase the potential energy costs of the office environment.	Increase in operating costs	• High temperature
	Solar power plants: Excessive temperature will reduce the efficiency of power conversion and shorten the life of the solar power system.	Increase in operating costs	• High temperature
Future changes in insolation and wind power (Long-term)	**Solar power plants, onshore wind power plants:** Under climate change in the future, the isolation and wind conditions in various places will change, and the potential of power generation will change. **Offshore wind power generation facilities:** In the future, strong gusts of wind generated by extreme weather conditions may exceed the originally designed durability or safety thresholds of the wind turbine, which may result in damage and abrasion of the turbine blades. In general, offshore wind turbine installations are insured against natural disasters and other hazards.	Decrease/ increase in revenue	• Isolation • Wind speed

Physical Risk Scenario Analysis

Shinfox Energy uses climate scenario data to conduct scenario analysis on the risks of flooding, drought, and high temperature for office sites. For solar power plants, two physical risks were identified: strong winds and high temperatures, and quantitative scenario analysis was conducted to understand the extent of changes in physical risks in the future.

Through the establishment of the "Physical Risk Climate Database" with our cooperative partners, we integrate meteorological observation data and [1]climate scenario data, [2]collect and study date and research and potential disaster scenarios from domestic and foreign official organizations, and [3]at the same time consider the ability of each site to withstand disasters, to calculate the likelihood of occurrence and the extent of impacts by means of climatic data and scientific assessment, and to analyze the degree of disaster risks in the short-, mid-, and long-term by means of risk matrices[4].

For climate scenario modeling, Foxlink Energy has made reference to the combination of Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs) proposed in the IPCC-AR6 Climate Change Assessment Report. Different socio-economic assumptions and radiative forcing were used as the basis for warming severity. Shinfox Energy has selected the "moderate emissions scenario (SSP 2-4.5, hereinafter referred to as "4.5 Scenario")" and "extreme scenario (SSP 5-8.5, hereinafter referred to as "8.5 Scenario")" of greenhouse gas emissions as an analytical scenario for physical risk.



[1] Rainfall and observed data from Central Weather Administration.
[2] The plants in Taiwan use the TCCIP (Taiwan Climate Change Projection Information Platform) AR6 downscaled climate projections, and the plants in Mainland China use the IPCC AR6-CMIP6 climate modeling data.
[3] Definition by official institutions or literatures, such as drought risk in terms of maximum number of consecutive non-rainfall days, SPI rainfall index, etc.
[4] The short term is within 3 years, the mid-term is 3 to 5 years, and the long-term is 5 to 20 years. In the short term, since there are no significant differences in the scenario data, the results are analyzed regardless of the scenario and are used as the base period data for the risk analysis.

Shinfox energy's climate-related physical risk analysis process

(1)

Risk of Flooding

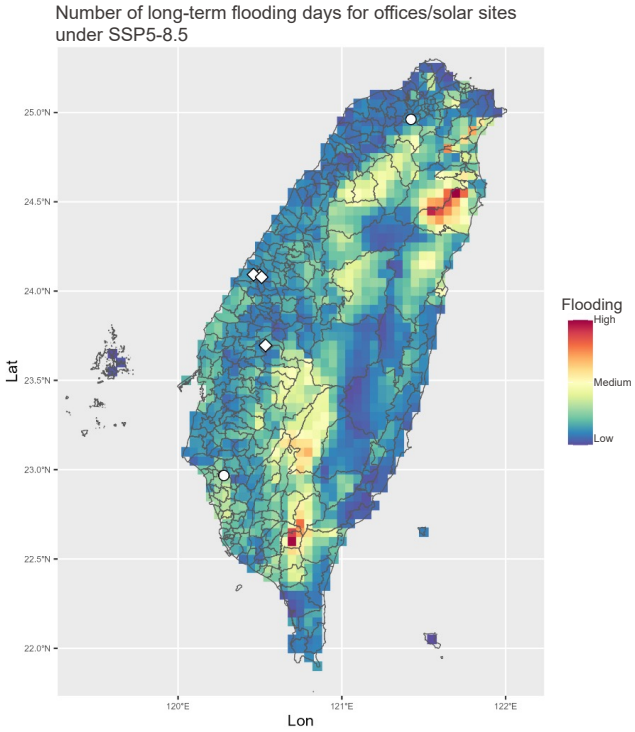
In recent years, frequent extreme weather and changes in rainfall intensity have made flooding a material natural disaster risk for business operations, which may not only cause direct damage to production facilities, but also lead to operational disruptions affecting revenues and incurring additional repair costs.

Based on the climate and flooding potential data, **Shinfox Energy's headquarters and solar plants are located in low flooding risk areas, while only the southern office is at higher risk of flooding in the mid to long term. Whether flooding occurs or not depends on the actual extreme weather and local drainage projects. Shinfox Energy will continue to review and strengthen the flood prevention measures in the southern office in order to maintain operational stability.**

Average annual flooding days under climate scenarios

Unit: day

Number	Location analysis	Type	Short-term	Mid-term_4.5	Mid-term__8.5	Long-term_4.5	Long-term_8.5
1	Headquarters	Office location	0.1	0.2	0.1	0.2	0.2
2	Southern office	Office location	0.3	0.4	0.4	0.4	0.4
3	Yunlin University of Science and Technology	Solar power plants	0.3	0.2	0.2	0.2	0.2
4	Changhua Daxia section	Solar power plants	0.2	0.2	0.2	0.2	0.2
5	Changhua Luming section	Solar power plants	0	0.1	0.1	0.2	0.2
6	Changhua Zhuanyao section	Solar power plants	0.2	0.2	0.2	0.2	0.2



Distribution of probability of occurrence of long-term flooding under SSP5-8.5 in Taiwan

(2)

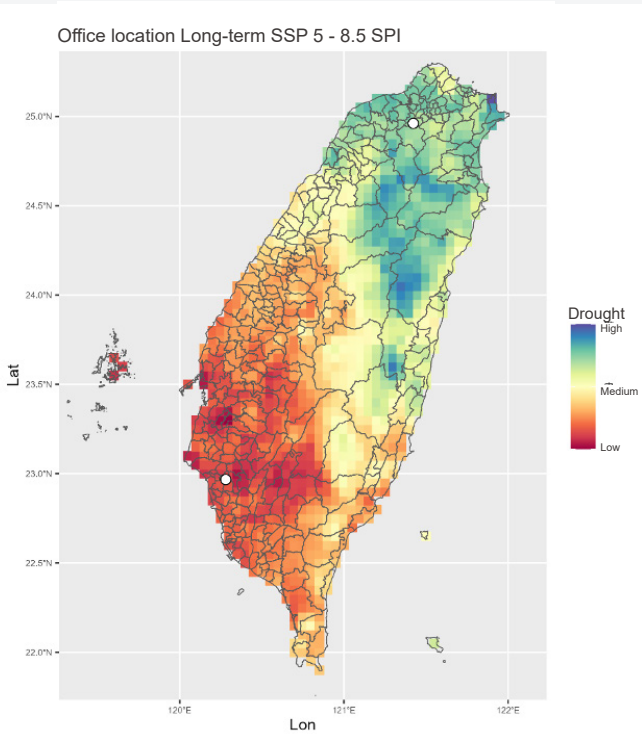
Drought Risk

After the 1-in-100-year level drought in 2021 and the drought in the south of Taiwan in 2023, drought events are occurring more frequently, and the lack of water resources will affect the stability of office operations. Shinfox Energy refers to the drought analysis method (SPI Index [5]) and uses climate scenario data to analyze the drought risk of Shinfox Energy office sites.

Based on the scenario analysis results, **the southern office faces a medium-to-high risk of drought in the mid-term. In order to ensure stable operations, Shinfox Energy will review the water use strategies of office locations and formulate measures to cope with drought risks.**

SPI index under climate scenarios

Number	Location analysis	Type	Short-term	Mid-term_4.5	Mid-term__8.5	Long-term_4.5	Long-term_8.5
1	Headquarters	Office location	-0.9	-0.9	-0.9	-0.9	-0.9
2	Southern office	Office location	-0.5	-1.2	-1.3	-1.2	-1.3



Distribution of Taiwan SSP5-8.5 long-term drought (SPI)

[5] The Standardized Precipitation Index (SPI) refers to the amount of rainfall in a short period of time compared to the overall rainfall. A positive value indicates more rainfall while a negative value indicates less rainfall. It is often used to assess the occurrence of meteorological droughts.

(3)

Risk of Strong Wind

Taiwan is located in the East Asian monsoon climate zone and is often subject to the northeastern monsoon in winter. At the same time, it is located in the hotspot of typhoons in the northwest Pacific Ocean, where strong winds are likely to cause structural damage to solar panels and racking.

Based on the climate scenario data and with reference to the definition of strong winds that may cause damage to solar panels, except for power plants located close to the coast, **the risk of strong winds for most solar power plants is not material, and there is a decreasing trend in the number of strong winds occurring in the mid- to long-term. Shinfox Energy will continue to improve the reinforcement of solar hardware facilities, review and maintain strategies, and stabilize the power generation of the power plants.**

Average number of days with "strong winds" in a year under climate scenarios

Unit: day

Number	Location analysis	Type	Short-term	Mid-term_4.5	Mid-term__8.5	Long-term_4.5	Long-term_8.5
1	Yunlin University of Science and Technology	Solar power plants	0.5	0.0	0.0	0.0	0.0
2	Changhua Daxia section	Solar power plants	3.1	1.1	1.2	1.0	1.3
3	Changhua Luming section	Solar power plants	19.3	11.9	12.3	11.9	12.3
4	Changhua Zhuanyao section	Solar power plants	3.1	1.1	1.2	1.0	1.3

(4)

High Temperature Risk

Climate change is increasing global temperatures. Rising heat days pose a safety risk to employees on the job. Outdoor workers will need to cut back on work hours to prevent heat-related injuries, while office locations will incur additional energy costs and risk operational disruption.

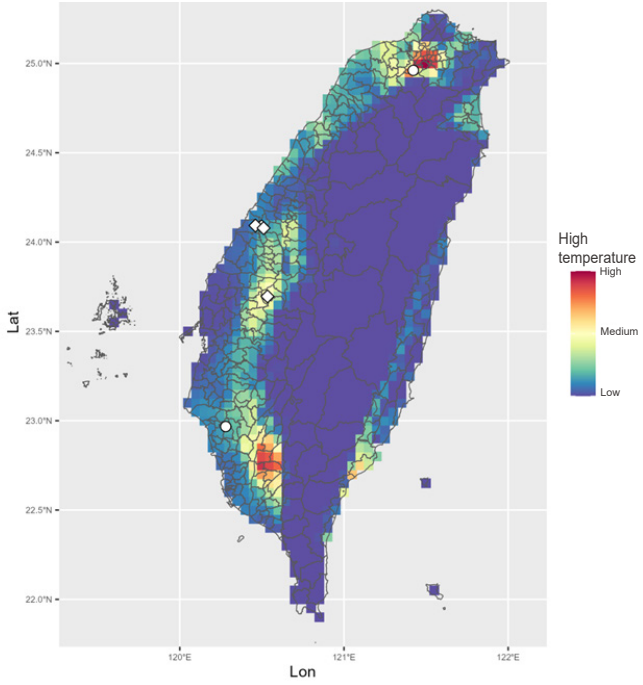
With reference to the Central Weather Administration's yellow light warning (36°C) as the threshold as well as climate data, Shinfox Energy analyzes the annual average number of high temperature days for offices and solar power plants that need to operate outdoors. The results show that the number of high-temperature days will continue to increase in various places, especially where headquarters and Yunlin University of Science and Technology are located. Shinfox Energy adjusts working hours in accordance with the relevant regulations of the competent authorities to avoid outdoor operations during high temperature periods, or to completely stop operations when the high temperature threshold is reached, in order to protect the safety of employees working outdoors. **In response to the increasing number of high-temperature days at headquarters, with temperatures even reaching 38°C, Shinfox Energy upholds its commitment to net zero and continues to promote optimized energy management to save electricity generated by air conditioning equipment.**

Annual average number of days reaching 36°C under climate scenarios

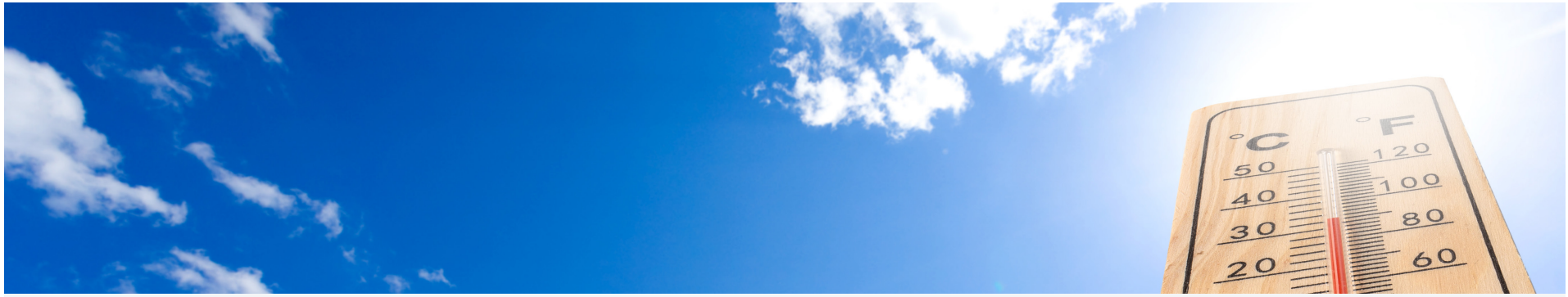
Unit: day

Number	Location analysis	Type	Short-term	Mid-term_4.5	Mid-term__8.5	Long-term_4.5	Long-term_8.5
1	Headquarters	Office location	29	85.3	85.2	125.1	143.1
2	Southern office	Office location	1	11.0	11.6	19.5	32.2
3	Yunlin University of Science and Technology	Solar power plants	0.5	0.0	0.0	0.0	0.0
4	Changhua Daxia section	Solar power plants	3.1	1.1	1.2	1.0	1.3
5	Changhua Luming section	Solar power plants	19.3	11.9	12.3	11.9	12.3
6	Changhua Zhuanyao section	Solar power plants	3.1	1.1	1.2	1.0	1.3

Number of long-term high temperature days for offices/solar sites under SSP5-8.5



Distribution of days above 36°C in Taiwan under SSP5-8.5

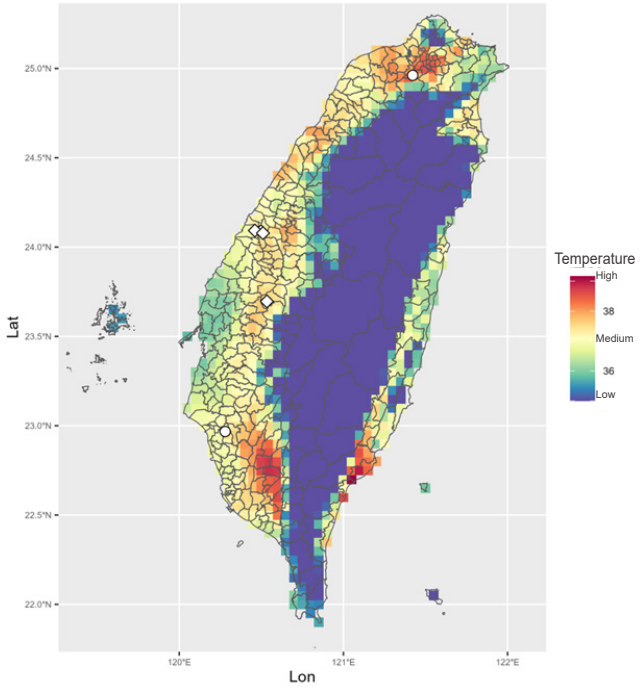


Maximum temperature in short, medium and long term under climate scenarios

Unit: Celsius

Number	Location analysis	Type	Short-term	Mid-term_4.5	Mid-term__8.5	Long-term_4.5	Long-term_8.5
1	Headquarters	Office location	37.3	38.0	38.0	38.4	38.4
2	Southern office	Office location	36.0	36.9	37.0	37.2	37.4
3	Yunlin University of Science and Technology	Solar power plants	36.9	37.2	37.3	37.5	37.6
4	Changhua Daxia section	Solar power plants	35.8	37.0	37.2	37.4	37.3
5	Changhua Luming section	Solar power plants	35.9	36.8	37.1	37.3	37.3
6	Changhua Zhuanyao section	Solar power plants	35.8	37.0	37.2	37.4	37.3

Daily maximum temperature of office/solar site under Long-term SSP5-8.5 scenario



Distribution of long-term maximum temperature in Taiwan under SSP5-8.5

Scenario Analysis of Renewable Energy

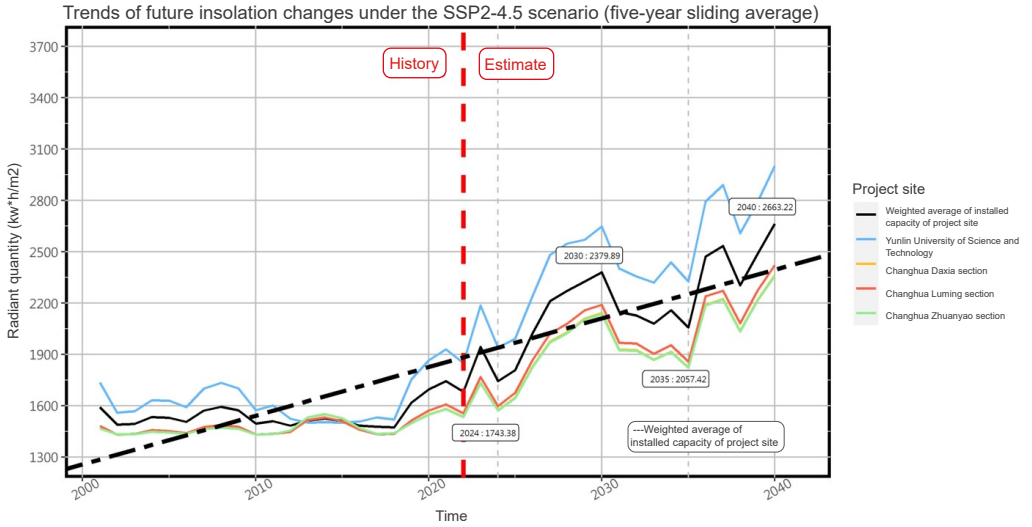
Shinfox Energy develops and operates domestic large-scale wind and solar power plants to assist the country in achieving the goal of energy transformation. As a result of climate change, not only will the frequency of extreme natural disasters increase in the future, but insolation and wind conditions are also likely to change, affecting the potential for renewable energy plants to generate electricity and revenue.

Shinfox Energy and its partners used on-site meteorological observation data of power plants, official meteorological observation data[6], and climate scenario data [7]to analyze the key meteorological variables for solar power generation (sunshine, temperature) and wind power generation (wind speed) in each power plant location and analyze the possible trend of changes in the future climate scenarios until 2040. The selection of scenarios is the same as that for physical risks. The medium emissions scenario and the extreme scenario (SSP 2-4.5, SSP 5-8.5, hereinafter referred to as "4.5, and 8.5 scenarios") are used as the analysis scenarios for the wind and solar energy trend.

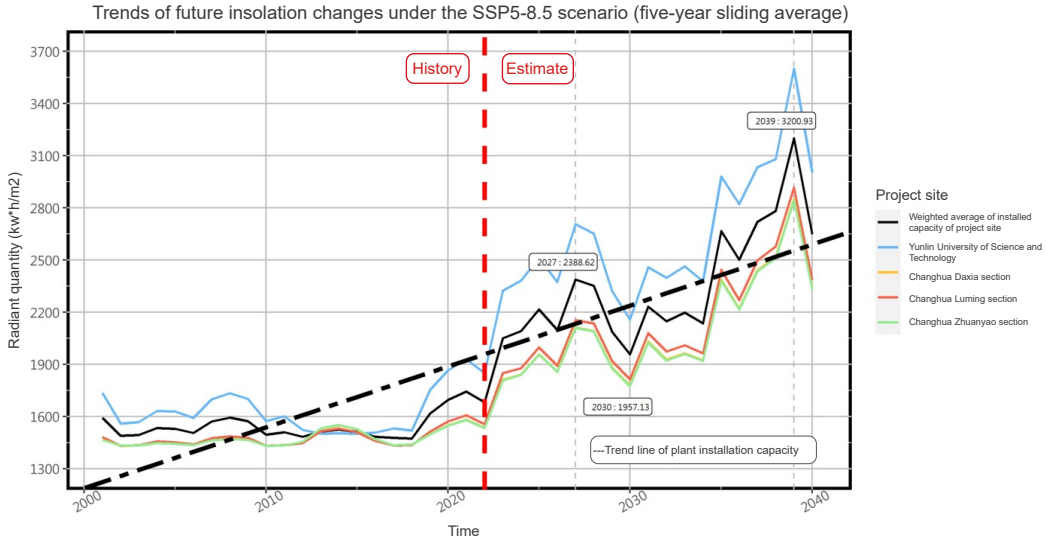
(1) Scenario analysis results of solar power plants (insolation and temperature)

Due to the topography and climate characteristics, sunshine in Taiwan is distributed from the northeast to the southwest in an increasing manner, and the flat coastal area in southwest Taiwan has also become the center of solar power concentration. Shinfox Energy selected four representative solar power plants, Changhua, Yunlin, etc. to analyze their annual average insolation changes in both past and future climate scenarios.

The analysis results demonstrate that the historical insolation and future insolation show a continuous growth trend regardless of the 4.5 or 8.5 scenarios, in particular, the insolation of Changhua and Yunlin will grow significantly after 2030. Using a weighted average of the installed capacity of the power plants and drawing a trend line for the analysis, in 2040, under the 4.5 scenario, the amount of insolation of the four solar power plants will increase by about 22% compared to the average of 2020-2022, while under the 8.5 scenario, it will increase by about 30%, indicating that the insolation factor will potentially contribute to the growth of the revenues of the Changhua and Yunlin solar power plants in the future.



Annual average insolation variation of the designated solar power plant under SSP-2-4.5 (until 2040, in kWh/m ^{2})



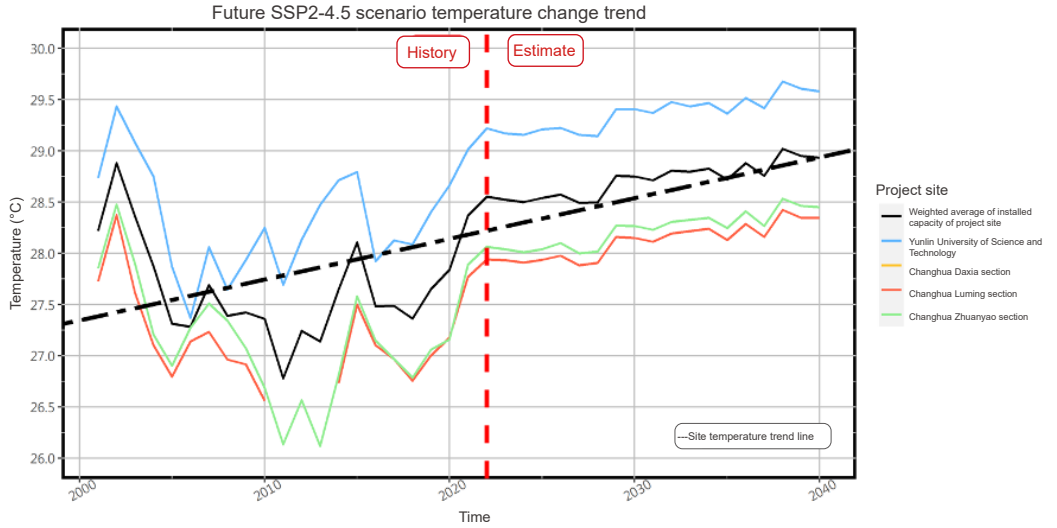
Annual average insolation variation of the designated solar power plant under SSP-5-8.5 (until 2040, in kWh/m ^{2})

[1] Isolation data and observation data from the wind speed station of Central Weather Administration.
[7] IPCC AR6-CMIP6 climate scenario simulation data.

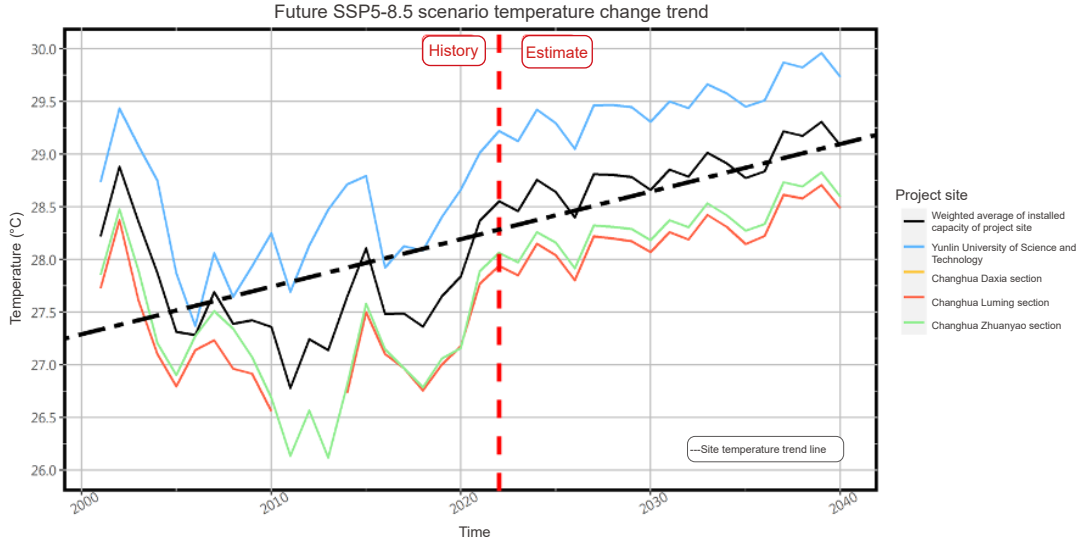
In addition to isolation, temperature affects the conversion efficiency of solar panels, which is also a meteorological variable that needs to be taken the scenario analysis of solar power generation into account. According to studies and practical experience in operation, the power generation efficiency will decrease by 0.4%-0.5% on average for every 1 degree increase in temperature. Shinfox Energy also conducts temperature scenario analysis for the Changhua and Yunlin solar power plants to understand the possible adverse impact of temperature changes on solar power generation.

The temperature analysis results show that the temperature of each solar power plant will continue to rise under the 4.5 and 8.5 scenarios, and the increase in the average annual temperature in the 8.5 scenario will be even more significant. Based on the trend line analysis, the average annual temperature of the four power plants in 2040 will increase by 0.7°C compared to 2022 under the 4.5 scenario, and will increase by 0.9°C under the 8.5 scenario, and the change in the climate scenario of temperature will be a disadvantage for solar power plants.

Based on the results of the integrated scenario analysis of insolation and temperature, since the quantified unfavorable factors of temperature are much less than the favorable factors brought about by changes in insolation, the solar power plants in the Changhua and Yunlin regions may have the opportunity to grow their investment returns under climate change in the future. Shinfox Energy will continue to focus on climate change and possible investment opportunities, while taking the core spirit of net-zero sustainability and shareholders' interests into account.



Annual average temperature variation of the designated solar power plant under SSP-2-4.5 (until 2040, in °C)

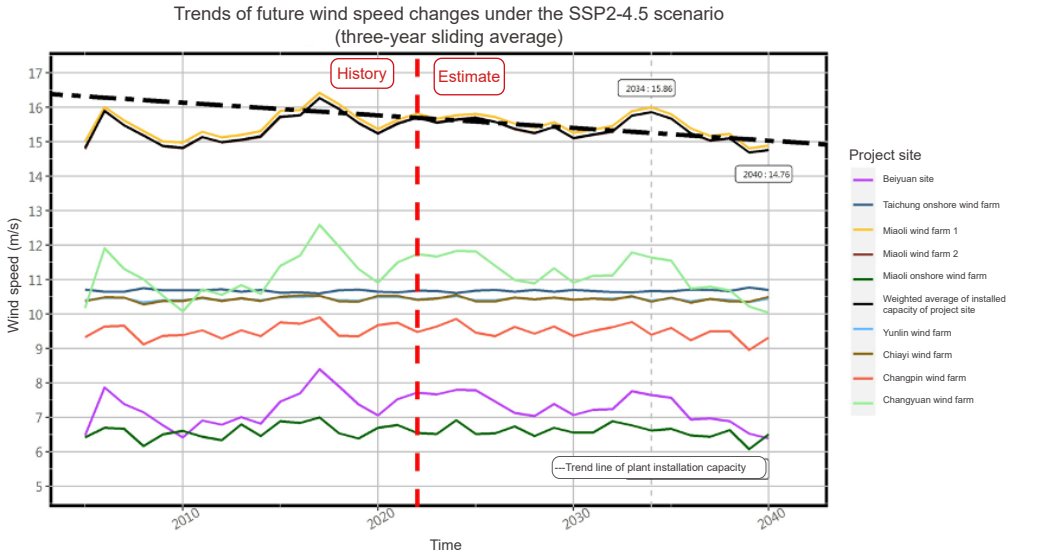


Annual average temperature variation of the designated solar power plant under SSP-5-8.5 (until 2040, in °C)

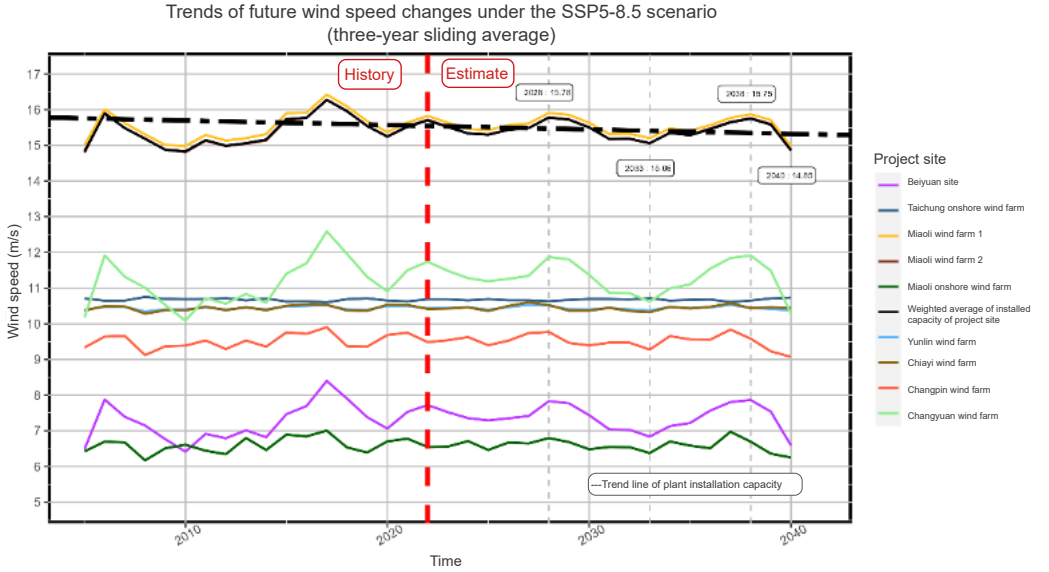
(2) Scenario analysis results of wind power plants (wind speed)

Due to the topography and climate characteristics, sunshine in Taiwan is distributed from the northeast to the southwest in an increasing manner, and the flat coastal area in southwest Taiwan has also become the center of solar power concentration. Shinfox Energy selected four representative solar power plants, Changhua, Yunlin, etc. to analyze their annual average insulation changes in both past and future climate scenarios.

The analysis results demonstrate that the historical insolation and future insolation show a continuous growth trend regardless of the 4.5 or 8.5 scenarios, in particular, the insolation of Changhua and Yunlin will grow significantly after 2030. Using a weighted average of the installed capacity of the power plants and drawing a trend line for the analysis, in 2040, under the 4.5 scenario, the amount of insolation of the four solar power plants will increase by about 22% compared to the average of 2020-2022, while under the 8.5 scenario, it will increase by about 30%, indicating that the insolation factor will potentially contribute to the growth of the revenues of the Changhua and Yunlin solar power plants in the future.



Annual average wind speed variation of the designated wind power plant under SSP-2-4.5 (until 2040, in °C)



Annual average wind speed variation of the designated wind power plant under SSP-5-8.5 (until 2040, in °C)

Indicators and Goals

In response to climate change and sustainability trends, Shinfox Energy has formulated a sustainability strategy blueprint and actively promoted the Company's carbon reduction projects to ensure the net zero goal can be achieved, and at the same time find innovative services and products under the impact of climate change to drive revenue. Shinfox Energy sets greenhouse gas emissions reduction, the introduction of multiple renewable energy solutions at operating sites, environmental management performance, renewable energy project development, and installed capacity as indicators for evaluation.

3.2 Energy Resource Management

• Energy Management Committee

In order to implement energy management, improve resource utilization efficiency, and reduce operating costs, we have established an Energy Management Committee. The committee is responsible for internal and external communication, promotion, and tracking of energy-related affairs. In order to implement energy awareness in our work and comply with the Company's energy savings and carbon reduction purpose, the Shinfox Energy has also formulated a series of energy management regulations and requirements, which apply to all departments and employees in the Company to effectively improve the overall energy management efficiency of the Company.

In December 2023, we successfully obtained ISO 50001 certification. Through the ISO systematic framework, we have established an effective energy management system to enhance energy efficiency and reduce environmental impact. At the same time, we have also enhanced the image and market competitiveness of Shinfox Energy, thereby, fulfilling the Company's commitment to sustainable development.

Energy Policy Advocacy

I. Create an energy-saving environment and build a green enterprise.	II. Comply with energy-related laws and regulations.	III. Continue to improve energy performance and the energy management system.

Energy Management Operation Requirements

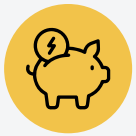
I. Electricity conservation control

Lighting Equipment

- All employees shall maintain sufficient illumination, switch off lights in non-essential areas, and turn off lights when leaving.
- We completely prohibit incandescent light tubes and use high-power energy-saving lamps, thereby enhancing energy savings and protecting the environment.
- In the office, the lighting is switched according to the actual use of zones.
- The lights of fire warning, evacuation and emergency exits of the building are replaced by high efficiency and energy saving LED lights.
- Turn off lights for 1 hour at noon to save electricity.

Lighting Equipment

- In response to the energy-saving and carbon-reduction policy of Bureau of Energy, Ministry of Economic Affairs, the indoor temperature of offices is kept at 26-28°C in the summer.
- The building's ice and water system make ice storage at night (off peak hours) to reduce electricity expenses.
- We overhaul the ice and water system twice a year to improve the efficiency, thus saving electricity and energy.
- Before 08:00 and after 18:30 every day, the air conditioner will be switched to fan mode to reduce the use of air conditioning.
- By rotation, only one air conditioner is operated in winter.



Other Equipment

- Energy-saving management for the work computers (employees are asked to turn off their computers and monitors after work; not mandatory).
- In winter, the ice water function of our water dispensers is turned off.
- When the temperature is below 15°C, the air conditioners in our restrooms are deactivated, and the restrooms are ventilated by external air instead.
- The number of elevators in operation differs during business hours, non-business hours, and peak and off-peak hours for energy conservation; only a few elevators are available on public holidays.

II. Fuel consumption saving control

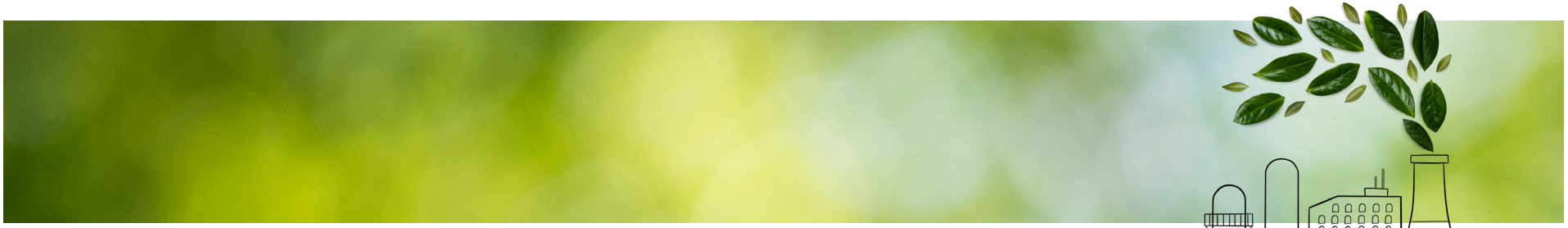
Transportation vehicle

- Vehicles should not be left idling for prolonged periods of time to minimize fuel consumption and air pollution.
- We encourage the pooling of company cars, and follow and maintain the principles of fuel-efficient driving.

III. Requirements for outsourcing and contracted operations

- We should use energy-saving equipment and turn off equipment when not in use to save energy.
- The persons in charge of energy management regularly inspect the energy use of the contractors, and correct any inappropriate use of energy.

Through specific management measures, we hope to establish a culture of energy conservation in which all employees participate, thereby achieving the goals of reducing energy consumption and improving energy efficiency, and further realizing the common commitment to effective energy control and environmental protection.



Energy Saving Results

In October 2022, we completed the lighting improvement project on the 8th floor of the headquarters building of Shinfox Energy. This project has effectively enhanced the lighting quality and energy efficiency of the office environment. Based on the energy saving results, a target of a 0.2% energy reduction for the whole year of 2023 has been set for the headquarters office of Shinfox Energy. After the optimization of the lighting system, the actual energy saved in 2023 reached 37,791.936 kWh, which is equivalent to an energy savings efficiency of 71.07%.

No.	Energy saving projects	Energy saving projects
1	Tingpu building in 2022 8th floor lighting improvement plan	Save about **71.07%** of electricity consumption
2	Office space on the 8th floor of Tingpu building (October 2023–October 2024)	Annual target of reducing electricity consumption by **0.2%**
3	Information Server Room on the 8th floor of Tingpu building (October 2023–October 2024)	Annual target of reducing electricity consumption by **0.05%**

To continue to drive energy savings, Shinfox plans to implement new power saving targets of 0.2% and 0.05% in 2024 for the 8th floor office and IT rooms in the same building. In 2024, the Company also plans to remove 22 6W low-efficiency lamps, which are expected to further reduce the annual energy consumption by 327 kWh.

Greenhouse Gas Emissions

How to effectively mitigate and adapt to the impact of climate change has been a crucial environmental issue that the world has to face together. Greenhouse gas emissions reduction is one of the primary goals of each country. In 2022, Taiwan's government has begun to implement greenhouse gas emissions inventory registration procedures, and we wish for transparency, accuracy and objectiveness in Taiwan's greenhouse gas emissions inventory. In response to the government's greenhouse gas emission reduction goals, Shinfox Energy has been gradually implementing emission reduction actions to effectively reduce greenhouse gas emissions and mitigate the impact on the globe.

To collaborate with the government's implementation of the "Roadmap for the Sustainable Development of Listed Companies", Shinfox Energy and its subsidiaries (Foxwell Power, Foxwell Energy, and Shinfox Natural Gas) began to carry out GHG inventory operations of its own accord by the end of 2022 and appointed an external third-party organization to provide guidance. We commissioned a third party to carry out the inventory operation in April 2024 and obtained the GHG inventory statement by August 2024. Our greenhouse gas inventory is mainly based on the ISO 14064-1:2018/CNS14064-1:2021 standards, and we also refer to the Greenhouse Gas Emission Inventory Registration and Management Procedures of the Environmental Protection Administration.

Shinfox Energy is primarily an energy service provider. In response to the global development trend, ESG action has become imperative. To plan for net-zero emissions, the Company has set up a Sustainable Development Committee. In the future, two major energy-saving principles will continue to be adopted: "green electricity use" and "energy conservation measures" in order to plan and carry out the related carbon reduction programs.

The majority of greenhouse gas emissions in 2023 came from raw material purchases and turnkey services, electricity and energy use, and employee travel. Total greenhouse gas emissions in 2023 were about 1,528.0025 metric tons of CO_2e. The significant increase in carbon emissions compared to last year is due to the full implementation of Scope 3 inventory in 2023 and the addition of inventory categories.

Greenhouse gas emissions in the recent two years (reporting boundary: Scope 1 - 3)

Amount of greenhouse gas emissions

Subject	2022	2023
Scope I: Emission equivalent (metric tons of CO_2e/year), same as Category 1	23.1062	62.0400
Scope II: Emission equivalent (metric tons of CO_2e/year), same as Category 2	177.3902	171.3562
Scope III: Emission equivalent (metric tons of CO_2e/year), same as Categories 3-6	141.2659	1,294.6063
Total annual emissions (metric tons of CO_2e/year)[8]	341.7623	1,528.0025
Carbon emission volume per capita (tonnes CO_2e)	3.3506	15.7526

Note:
1. The types of greenhouse gases that the Company inventories on its own include the seven greenhouse gases defined by ISO 14064, including carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3).
2. Category 1 sources include direct combustion sources (emergency generators in the Tingpu building and natural gas use in the restaurant), mobile combustion sources (company car), and source fugitive emissions (ice machines, air conditioners, drinking fountains, fire extinguishers, refrigeration equipment, and septic tanks in the building), etc; the sources of Category 2 emissions are the electrical equipment used in the floors and common areas of Shinfox Energy's Tingpu headquarters and Guiren office in Tainan; Category 3 sources include employee commuting and business travel, while Category 4 sources include the purchase of goods and services, waste disposal, and waste transportation.
3. Global Warming Potential (GWP) is based on the Global Warming Potential (GWP) of the IPCC's Sixth Assessment Report from 2021.
4. The reference coefficients for Category 2 electricity emissions are based on the 2023 coefficients published by the Bureau of Energy of the Ministry of Economic Affairs (MOEA) in 2024: 0.494 kilograms of carbon dioxide equivalent (kg CO2e).
5. Regarding the electricity statistics and the number of employees in the above table, the organizational boundary covers only the Shinfox Energy headquarters at Tingpu and its office in Guiren, Tainan.
6. The increase of 1186.2402 metric tons of CO_2e in Scope 3 in 2023 compared to 2022 is due to an increase in inventory items. In 2023, we conducted a full inventory with additional items, such as business travel in Category 3, procurement of raw materials (including turnkey services,) waste disposal, waste transportation, and tap water (including wastewater discharges) in Category 4.
7. Intensity is calculated using the number of employees on board at the end of the year. 102 employees were on board at the end of 2022, and 97 at the end of 2023.
8. The reason for the difference between the 2022 greenhouse gas emissions data in this table and the data disclosed in the 2022 Sustainability Report is that greenhouse gas emissions of the latter have not been verified by a third party, and the Company's total emissions of greenhouse gases in categories 1, 2, and 3 were slightly adjusted after the third-party verification on July 10, 2023. Therefore, the data were recompiled.

8

• Green Power Use

Shinfox Energy has already taken part in the RE10x10 Climate Declaration, and will continue to invest in the reduction of energy consumption and greenhouse gas emissions. At this stage, Shinfox Energy has been purchasing T-RECs since September 2023 and will continue to purchase T-RECs in the period from 2023 to 2025. 40 T-RECs were purchased in 2023 totaling 40,000 kWh. We expect to achieve 100% green electricity use by 2025 and net zero emissions by 2040.

• Water Resource Usage

Due to the nature of the industry, Shinfox Energy doesn't consume much water. The water consumption is mainly for employees' daily use (including drinking, washing, and environmental cleaning). All the water used comes from Taiwan Water Corporation, and the water withdrawal method does not affect the water source. Moreover, all of the Company's household wastewater is disposed of through the sewers, and there are no sewage discharge issues. The total volume of water used in 2023 was 2.6 million liters, a decrease of 6.87% from 2022.

In 2023, most of the existing water equipment in Shinfox Energy's Tingpu headquarters has been replaced with water-saving devices, and we will continue to promote water conservation. However, since the Company's water consumption is re-allocated from the total water consumption of the building, there is no independent water meter. In addition, there are no related factories, and the water is only used for general office business. With reference to the content of the GRI 303 index, and considering the necessity and appropriateness of disclosing the "average per capita usage", the previously set annual average per capita water consumption reduction target is no longer in place after internal discussion. In the future, if there is a change in the Company's business model that will result in an increase in water consumption, the Company will consider re-measuring and re-setting the target.

	2022	2023
Annual consumption (million liters/year)[9]	2.824	2.628

Note: The water use statistics in the above table cover only the headquarters of Shinfox Energy at Tingpu and Shinfox Energy's office in Guiren, Tainan.

[9] The data is derived from internal self-assessments and has not been verified by a third-party organization.

• Refinement of Waste Management Measurement

The Company is not a manufacturing company, and its solid waste is mainly produced by employees' daily services, and there is no toxic waste from the production process. The amount of waste generated per person in 2023 was 49.21% less than that of 2022, reaching and surpassing the original target of 3%. Furthermore, to implement the concept of sustainable development for the Earth and reuse of resources, we sort and recycle our recyclable waste. The Company continues to promote environmental protection education and training, teach employees to implement waste sorting, recycling and reusing and strive toward our goal of 3% reduction in the average amount of waste it produces each year.

Waste	2022	2023
Household waste (tonnes/year)[10]	3.853	1.870
Household waste generation per capita (tonnes/year)	0.0443	0.0225

Note:
1. The statistics include only the Tingpu building, Shinfox Energy headquarters, and are based on the total production of the whole building divided equally by the number of people.
   - At the end of 2022, the number of people in Shinfox Energy was 87, and per capita household waste was about 44.3 kilograms.
   - At the end of 2023, the number of people in Shinfox Energy was 83, and per capita household waste was about 22.5 kilograms.
   - Household waste per capita has decreased by about 49.21%.
2. The above table shows the reasons for the changes in the 2022 waste statistics and the data revealed in the 2022 sustainability report. The former uses a sample day in 2022 to estimate the actual weight of household waste disposed of by each employee (including Shinfox Energy, Foxwell Power, Jiuwell Power, and Shinfox Natural Gas) on the 8th floor of the Tingpu building during their working hours each day. Based on the number of employees at the end of the year, the amount of household waste generated and the average amount of household waste generated per employee in 2022 were extrapolated for Shinfox Energy's employees (tonnes/year). In the latter case, the weight of the waste on the 8th floor of the Tingpu building was calculated on a sampling day in 2022, and distributed equally to all the employees of Shinfox Energy on the 8th floor. Since the actual headcount distribution scenario of the 8th floor has been taken this calculation into account, the results of the 2023 data are closer to the actual weight generated.

In the future, we will consider estimating the amount of waste produced in an entire week or the amount of waste removed by dumpster trucks in order to refine the measurement methodology and data presentation.

[10] The data is derived from internal self-assessments and has not been verified by a third-party organization.

• Green Office

Shinfox Energy is committed to becoming a benchmark for green companies. Internally, Shinfox Energy continues to promote energy management, energy saving, waste reduction, resource recycling and various environmental protection measures; through environmental protection training and energy saving, all of our employees can participate in the Company's energy saving program and develop environmental protection habits in their daily lives.

In order to realize the concept of sustainable development for the earth and reuse of resources, Shinfox Energy continues to promote environmental protection training to educate our employees to implement waste separation and reuse of resources.

General business waste is incinerated by qualified waste clearance companies, and recyclable waste is processed by qualified cleaning companies.

We use reusable eating utensils in our employee restaurants to reduce waste generation.

In addition to using water saving taps, we also prepare water saving signs to remind our employees to conserve water at all times.

In terms of our paperless policy, the Company continues to plan for the promotion of paperless and digital operations, such as electronic forms. Through digitizing paper reports generated from administrative operations and routine meetings, the paper consumption is effectively reduced, which in turn can save electricity and even increase work efficiency.

Office greening operations help to establish a quality office environment.

3.3 Pollution Prevention

• Construction Pollution Prevention

Each site has the potential to cause environmental impacts during the construction period. To ensure that each project complies with the requirements of the competent authorities and regulations, we require contractors to comply with our construction supervision plan. For each type of pollution control, the measures are as follows:

1. Spoil Removal

We use enclosed dump trucks to transport soil banks generated by slurry walls. By doing so, we can effectively prevent soil spillage during the disposal process and avoid polluting roads and the environment.

For sludge removal and filtering facilities, we have specified that our construction sites must be equipped with dedicated washing trucks or with washing facilities of a size equivalent to 6m*3m*0.5m to remove dirt and rocks. For the sludge sedimentation and filtration processing facilities, the capacity must be 2m*1m*1m, and all of them must be used correctly according to the law.

2. Air Pollution Prevention and Control

(1) During construction process, dust and fumes from machines are inevitable, and, therefore, reducing relevant air pollution is an ongoing goal of Shinfox Energy.
(2) Dustfall (such as cement dust, grit, etc.): To reduce the impact of grit, cement dust, etc., which is continuously generated during the construction process, construction fences, and dust nets are required to be installed around the perimeter of construction sites to mitigate the impact of dustfall. In the interior of buildings, as many waste tubes are installed as possible within the permitted area of the project, which can effectively reduce the amount of dustfall. In addition, when workers dump the waste, the internal sprinklers are turned on simultaneously to prevent dust from flying and to avoid poor air quality.

Exhaust from machinery (e.g., exhaust from engines of excavators, cranes, tractors, etc.): It is difficult to avoid exhaust from machinery; nevertheless, the Company requires the construction machinery to be well maintained and use qualified gasoline and diesel, thus mitigating the intensity of exhaust significantly.

No nitrogen oxides, sulphur oxides, suspended particulates and related organic substances were generated during construction and the use of equipment.

3. Noise Control

(1) Time period for the use of power machinery: According to regulations of the competent authorities, except for operations that cannot be interrupted, such as underground structure construction, structural concrete pouring, etc., construction companies are not allowed to use motorized machinery from 10:00 p.m. to 7:00 a.m. of the next day, or from 12:00 noon to 2:00 p.m. on holidays, to protect the public from noise pollution.

(2) Safety fence height in construction sites: They are all in compliance with the requirements of the competent authorities and meet the specifications.

(3) Noise test: We conduct regular noise tests around our construction sites. Therefore, we are promptly alerted to any construction work that exceeds the volume standard, thereby ensuring quietness around our sites.

4. Environmental Hygiene

(1) Construction materials must be stacked neatly, and not be placed carelessly on roadsides.

(2) We set up waste sorting areas, require personnel to gather and dispose of waste and garbage generated during the construction process, and set up specific rest areas as centralized dining areas.

(3) We set up sedimentation systems at construction sites to avoid discharging wastewater directly into ditches, thereby eliminating this bad habit of the construction industry. In addition, to ensure environmental hygiene and prevent breeding of mosquitoes and flies, disinfection is arranged for the construction site and their surrounding ditches from time to time should the need arises. Portable toilets are set up to treat personnel domestic sewage.

5. Waste Handling

Waste Type	Handling	Upstream and Downstream
Small General Waste	Handled according to the Waste Disposal Act	We ask vendors to waste back to their company for treatment, and never leave it at the construction site to leave nature with a clean environment.
Small Recyclable Waste	Handled according to the Waste Disposal Act	We ask vendors to waste back to their company for treatment, and never leave it at the construction site to leave nature with a clean environment.

In 2023, the Company had not been penalized by the competent authorities for any of the above pollution incidents.

3.4 Environmental Friendliness

Affected Environmental Factors	Improvement Measures to Mitigate the Impacts	Contribution to the Conservation of Biodiversity	Biodiversity Indicators (Methods of surveying the local environment and monitoring the efficacy of these improvement measures)
Air	1. Ground surface is compacted and water is sprinkled on it at least twice a day, each time covering exposed areas. Dust nets are laid to minimize dust emissions. 2. Car wash stations are installed at the entrances and exits of the work area to minimize pollution on the surface of roads leading out of sites. 3. Installation of CCTV at the entrances and exits of the construction area and linkage with the Environmental Protection Bureau to jointly implement pollution prevention. 4. Maintenance of construction equipment to reduce emissions and comply with emission standards.	Preventing or minimizing the impact of air pollution and haze on the ecosystem, and reducing emissions and greenhouse gases through maintaining equipment at a good operational efficiency during construction.	Implementation of regular monitoring to effectively learn about changes to the environment before and after construction, and if there are any abnormalities, explore the causes and take appropriate mitigation actions.
Noise	1. Use low-noise construction equipment and low-noise work methods. 2. Reasonable planning of the use of construction sites, time, and allocation of maintenance for equipment to avoid causing a nuisance with noise. 3. Noise testing: We implement construction noise monitoring to comply with construction noise control standards and low-frequency noise control standards.	Avoid or reduce noise and vibration to minimize interference with the environment and the impact on the human body at the psychological and physiological levels.	1. Implement regular noise monitoring and establish noise control measures. 2. Conduct briefing sessions to explain the project to the nearby communities.
Waste	1. Requiring contractors to commission local waste removal units or government-approved professional waste treatment vendors to remove or recycle waste generated by the construction. 2. Continuously educate construction workers to implement waste sorting.	1. Preventing the arbitrary dumping of construction waste or household waste that may cause environmental pollution. 2. Recycling and reusing resources to minimize resource wastage.	1. Ask subcontractors to provide certificates of compliance from local waste removal units or government-approved professional waste treatment vendors. 2. Regular audits and inspections of waste sorting and cleanup operations to verify that they are being handled in accordance with standards.

Affected Environmental Factors	Improvement Measures to Mitigate the Impacts	Contribution to the Conservation of Biodiversity	Biodiversity Indicators (Methods of surveying the local environment and monitoring the efficacy of these improvement measures)
Vibration	1. Avoiding overloading large pieces of equipment, and strictly controlling the weight they carry. 2. Choosing low vibration construction methods and tools. 3. Regular monitoring.	Reducing vibration and minimizing disturbance to the local environment.	Implementing regular monitoring to check whether the soil near the construction area is affected by vibration. If there is any abnormality, investigate the cause and take appropriate mitigation actions.
Local flora and fauna	1. Utilizing existing roads for construction to effectively retain existing vegetation. 2. Limiting the speed of vehicles in the construction area to avoid affecting the safety of animals crossing the road. 3. Enhancing ecological education and training for construction personnel. 4. Conducting habitat restoration (planting) after construction.	Reducing disturbance to existing ecosystems (vegetation, habitat) and avoiding roadkill.	1. Planting green belts and plants suitable for local habitats to beautify the environment. 2. Conduct briefing sessions to explain the project to the nearby communities.
Oceans and rivers	1. The runoff wastewater generated by construction is intercepted and sand-settled, and then used to sprinkle the exposed surface of the construction area to reduce dust emissions. Therefore, it will not be discharged into the sea. 2. Mobile toilets are installed in the construction area. Household wastewater is collected and a qualified cleaning and treatment contractor is commissioned to remove and treat the wastewater.	Avoiding or minimizing the impact of sewage to avoid disturbing the original ecosystems of the neighboring areas.	Implementation of monitoring to effectively learn about changes to the environment before and after construction, and if there are any abnormalities, explore the causes and take appropriate mitigation actions.

Approaches that take the environment into consideration or create multiple uses of space

Shinfox Energy cares about the natural environment and ecological conservation, and is committed to achieving global sustainable development. We insist on not developing prime agricultural and forest land, and we have been paying long-term attention to the environment near project sites, not only to maintain the safety and quality of the construction, minimize pollution and waste, and avoid affecting the neighboring residents and environment, but also to cultivate the natural environment of the nearby eco-ponds, so that the site can still be used as a place for the public to enjoy the environment after construction is completed. After the completion of the photovoltaics project, the area around the solar farm can still allow fish to swim and live, birds to sing and dwell, and trees to prosper and grow.

Caption:
Tainan's Qigu photovoltaics project has considered the conservation of the eco-pond, where fish swim and birds sing.

4

Happy Workplace

4.1 Friendly Workplace

Excellent professional employees are the most important assets of the Company, and a harmonious labor relationship is the cornerstone of corporate development. The Company and its subsidiaries have harmonious and stable labor relations. In addition to improving employee welfare, remuneration and the working environment, the Company also maintains a smooth communication channel between employers and employees. Through the joint efforts of all our employees, we will bring our own expertise into play so that our employees and the Company can grow as one and create a bright future together.

4.1.1 Employee Structure

According to the internal statistics of Shinfox Energy at the end of 2023, the total number of employees of Shinfox Energy was 116 (all full-time employees; no temporary employees, employees without guaranteed hours, part-time employees, or non-employee workers); all of our employees are nationals of the Republic of China. 75 (64.66%) of them are male employees; 41 (35.34%) of them are female employees; 46 people are in managerial positions, and 70 people are in non-managerial positions. Most of the employees are 22-55 years old, accounting for over 50% of the total number of employees in the Company. The Company is committed to cultivating young professionals. As a result, there is a high percentage of young adults and no age gap among employees. The Company brings in a lot of energetic new talents, and encourages and provides room for the development of young adults. Out of respect for people with physical and mental disabilities, the Company also employs them to help them realize their right to work.

• Presentation of Employee Information by Gender and Region (and nationality)

>>> 2023

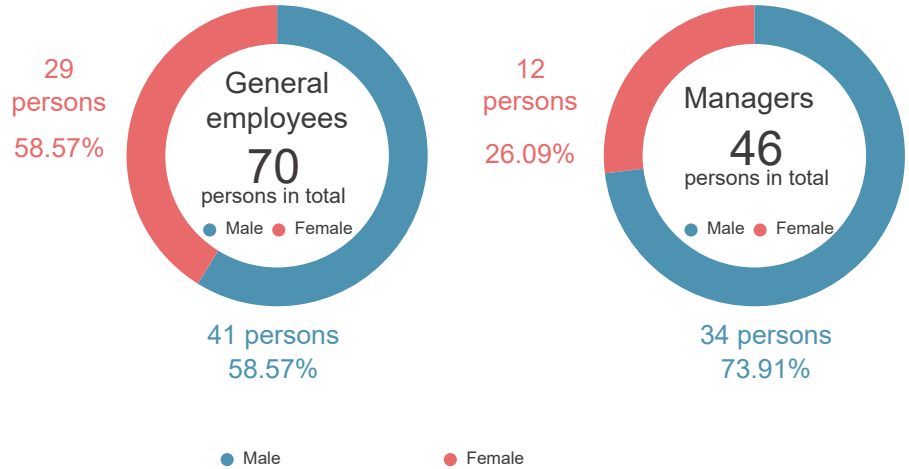
Category	Male	Female	Total
Number of employees	75	41	116
Permanent employees	0	0	0
Temporary employees	0	0	0
Employees without guaranteed hours	0	0	0
Full-time employees	75	41	116
Part-time employees	0	0	0
Possess the nationality of the Republic of China	**75**	**41**	**116**

• Gender, Position, Number of Persons, and Proportion

>>> 2023 (as of December 31, 2023)

Category	Age	Gender	Number of Persons	Proportion
Management level employees	Under 30 years old	Male	2	1.76%
		Female	0	0
		Subtotal	2	1.76%
	30-50 years old	Male	15	13.16%
		Female	7	6.14%
		Subtotal	22	19.3%
	Over 50 years old	Male	17	14.91%
		Female	5	4.39%
		Subtotal	22	19.3%
General employees	Under 30 years old	Male	10	8.77%
		Female	11	9.65%
		Subtotal	21	18.42%
	30-50 years old	Male	25	20.18%
		Female	18	15.78%
		Subtotal	40	35.96%
	Over 50 years old	Male	6	5.26%
		Female	0	0.00%
		Subtotal	6	5.26%

• Employee Category Statistics in 2023



	Male	Female	
Subtotal	75 persons	41 persons	116 persons in total

• Employee Diversity in 2023

Employment for People with Physical and Mental Disabilities	
Male	0
Female	1
Total	1

Employment of Expatriates	
Male	0
Female	0
Total	0

• New Employees and Departed Employees

In Shinfox Energy, there are two ways to recruit talents. On the one hand, we cultivate talents through internal promotion and rotation, and on the other hand, we recruit talents through external resources, including employee recommendation and advertisement for personnel demand. Recruitment is undertaken in accordance with the personnel needs of each department. Besides, salary is approved according to the indicators of academic background, years of experience, professional knowledge, and skills; other factors not related to job skills will not affect the qualifications for employment. For employee turnover, we analyze the factors that may cause turnover and develop improvement plans, so that we can use them as references when revising the management charter and benefits system in the future. In 2023, there were 26 new employees (employment rate **22.4%**) and 26 departing employees (including retirements) (turnover rate **22.4%**). New employees are provided with complete education and training, as well as retention benefits. In addition, the Company conducts interviews with departing employees to show care and find out about the reasons for their departure.

• Number and Proportion of New and Departed Employees in 2023

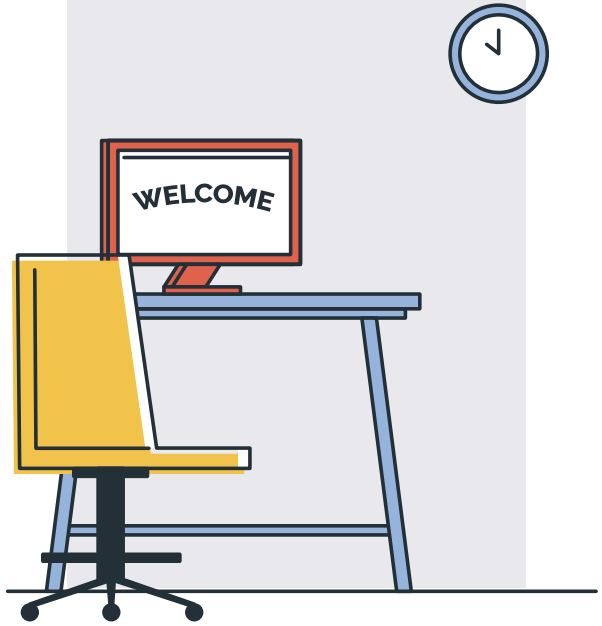
Up to December 31, 2023

Category	Age	Gender	Number of persons /116 (total persons)	Proportion
New Employees	Under 30 years old	Male	2	7.69%
		Female	6	23.08%
		Subtotal	8	30.77%
	30-50 years old	Male	5	19.23%
		Female	7	26.92%
		Subtotal	12	46.15%
	Over 50 years old	Male	5	19.23%
		Female	1	3.85%
		Subtotal	6	23.08%
Departed employees	Under 30 years old	Male	1	3.85%
		Female	3	11.54%
		Subtotal	4	15.39%
	30-50 years old	Male	9	34.62%
		Female	10	38.45%
		Subtotal	19	73.07%
	Over 50 years old	Male	3	11.54%
		Female	0	0.00%
		Subtotal	3	11.54%

• Percentage of Local Residents Hired as Senior Executives

2023 **100%**

1. Geographic definition of "local": Definition of local is based on nationality.
2. Definition of "senior executives": Managers.
3. In 2023, 5 local residents were employed as senior executives, accounting for 100% of the total.



4.1.2 Remuneration Package

To attract outstanding talents to join the Company, a comprehensive remuneration package is an important factor. Whether it's "salary" or "benefits", the Company's pay is better than the legal requirements. We also uphold the spirit of equal pay for equal work and gender equality, and do not treat people differently based on their gender, race, religion, political orientation, marital status, etc.

The salary standards for new employees are determined according to four major factors, including "academic background", "professional knowledge and skills", "professional qualifications" and "personal performance". After hiring, the Company also reviews the salary rates of employees at all levels regularly and will adjust and promote them year by year according to their work performance, thus rewarding our employees for their efforts in their duties and giving them a salary that is commensurate with their work performance. This variable remuneration system is based on individual and organizational performance and provides pay adjustments that are commensurate with performance; hence it is an incentive-based variable remuneration system.

The company offers equal pay for equal work and equal promotion opportunities for both men and women. The percentage of female employees is 41.43% and the percentage of female supervisors is 26.09% in 2023. Due to the special nature of our industry and the fact that most of the experienced employees are men, the percentage of female supervisors is not high; nevertheless, in the future, gender equality will be taken into account for the promotion of supervisors.

• Female to Male Remuneration Rate

>>> 2023

Position	Male	Female
General employees	1	0.90
Management positions	1	0.88

• Ratio of Local Minimum Wage Rate

>>> 2023

	Male	Female
Base pay of entry-level employees	44,442	40,237
Legal minimum wage	26,400	26,400
Times over the legal minimum wage	1.683	1.524

1. Year-end bonuses and employee bonuses.
2. In 2023, new female employees earned an average monthly salary of TWD 39,154, while new male employees earned TWD 45,400, which is better than what is stipulated by law. To expand our renewable energy business in 2023, the Company acquired experienced energy professionals, most of which were men. Thus, the salaries of new male employees in 2023 were slightly higher than those of female employees.

• Average and Median Annual Salaries of Employees in Non-Managerial Positions

Unit: $

Subject	2023
Total remuneration of full-time employees in non-managerial positions	116,162,493
Number of full-time employees in non-managerial positions	108
"Average salary" of full-time employees in non-managerial positions	1,075,579
"Median salary" of full-time employees in non-managerial positions	907,358

Note: The number of non-managerial employees is the number of employees employed in Taiwan (including domestic and foreign employees) after deducting the number of managers, part-time workers, and those who have been employed for less than 6 months. The calculation is based on the average number of employees.
Note: Total remuneration is calculated on an accrual basis and includes salaries, overtime, allowances, bonuses, and employee compensation; however, it does not include the estimated expense of share-based payments.

• Total Remuneration for the Year

The ratio of the annual total remuneration of the highest-paid individual in the organization to the median of the annual total remuneration of the rest of the organization's employees (excluding the highest-paid individual); the ratio of the Company's highest individual annual salary to the median annual salary of all employees is **3.15** times.

The ratio of the percentage increase in the annual total remuneration of the highest paid individual in the organization to the median of the percentage increase in the average annual total remuneration of the rest of the organization's employees (excluding the highest paid individual); the increase in the mean of the annual remuneration of all employees (excluding the highest individual annual earnings) was 20%. Therefore, the percentage of the highest individual's annual remuneration to the median annual remuneration of all employees (excluding the highest individual's annual remuneration) is positive **0.92** times.

4.1.3 Employee Benefits

With the philosophy of being a happy company where employees are partners rather than workers, Shinfox Energy has created a friendly workplace. We provide employee benefits that are better than the legal requirements, value employee care and health, strive to retain good employees, improve the welfare system, and regularly review the standards between ourselves and the rest of the industry to keep the welfare system up to date. The following is a report on the Company's current benefits system for full-time employees:

I. Statutory Benefit: All are handled in accordance with the Labor Standards Act and its related enforcement rules, which include:

1. Labor insurance, health insurance, and labor pension
2. Annual leave
3. Overtime and compensatory time off
4. Menstrual leave
5. Paternity checkups and paternity leave, tocolysis leave, pregnancy leave, maternity leave
6. Childcare leave/childcare leave without pay
7. Family care leave
8. Vaccination leave, unpaid family care leave, quarantine leave
9. Retirement system

II. Company benefits: The Company's benefits are better than the provisions of the Labor Standards Act, and are detailed as follows:

1. Group insurance: Employees who are injured in accidents can claim compensation.
2. Project bonus/performance bonus: Bonus are paid according to the project and the performance bonus amount determined by each department.
3. Dragon Boat Festival/Mid-Autumn Festival/Year-end bonus: Based on performance evaluation, 0.5 monthly salary is paid at Dragon Boat Festival and Mid-Autumn Festival; and year-end bonus is 1 month.
4. Employee stock subscription.
5. Birthday party/birthday bonus: A TWD 20,000 monthly subsidy is provided for birthday parties; the TWD 2,000 birthday bonus is provided to each full-time employee having a birthday in said month.
6. Free unlimited drinks/snacks.
7. Fitness equipment: Spinning bike
8. Employee cafeteria/meal allowance: We provide a hygienic and clean dining environment, which offers lunch and dinner. The allowance per lunch is TWD 45.
9. Employee health checkup: The biennial employee health checkup was last conducted in 2023.
10. Club activities: Badminton, basketball, yoga, and board game club.
11. Departmental dinners: Each person is subsidized with TWD 1,000 annually.

12. Holiday event:We organize events for holidays such as Father's Day, Mother's Day, Christmas, etc.
13. Designated stores/online shopping website discounts: There are 6 designated stores, and Cocoro Life gives discount for our employees.
14. Marriage/Birth/Funeral Subsidies: Marriage subsidy TWD 6,600; childbirth subsidy TWD 3,600; funeral subsidy TWD 5,100.
15. Employees' children's education subsidy: The Company's employees' children receive education subsidies; for children in kindergarten, the subsidy is TWD 2,000; elementary schoolchildren get TWD 500; and junior high school students get TWD 1,000.

• Employee Event and Club

Birthday Party

At the monthly meeting, we call out the names of employees for their birthdays. In addition to believing that everyone is unique, we also sing the Happy Birthday song together. We make wishes and cut cakes, because if we dare to make wishes, we will have a chance to fulfill them! At the same time, various kinds of afternoon refreshments are prepared, both sweet and savory, to celebrate good times together!

The Great Roots Forestry Family Day Event

Through the Family Day Event, employees and their families can spend quality time together in the natural scenery away from the daily work environment. It allows employees to relax physically and mentally, and can help achieve the cohesion of employees and deepen the understanding and emotion among them, thus enhancing the sense of belonging to and satisfaction with the Company.

Diversified Clubs

To provide our employees with diversified recreational opportunities, three clubs have been established, namely, Yoga Club, Badminton Club and Board Game Club, so that our employees can unwind physically and mentally after work and revitalize the relationship between employees in various departments. In addition, the Company also provides subsidies for clubs, so that employees can properly utilize resources to enhance the quality of club activities.

1. Yoga Club: 15 people/once per week/60-90 minutes/employees participating in the club.
2. Badminton Club: 12 people/once per week/2 hours/employees participating in the club.
3. Board Game Club: 16 people/once per week/2 hours/employees participating in the club.

Work Commencement Red Envelopes and Group Prayers

Unlike other companies, we are committed to providing our employees with a home-like environment—a place of love and warmth! Not only do we offer bonus for Chinese New Year, but we also give red envelopes on the first working day after the new year holidays. Through the General Manager's motivational speech and annual outlook, all blessings and expectations are injected into our red envelopes, so that our employees can continue to shine for the Company and celebrate themselves in the new year!

Beach Cleanup and Dinner

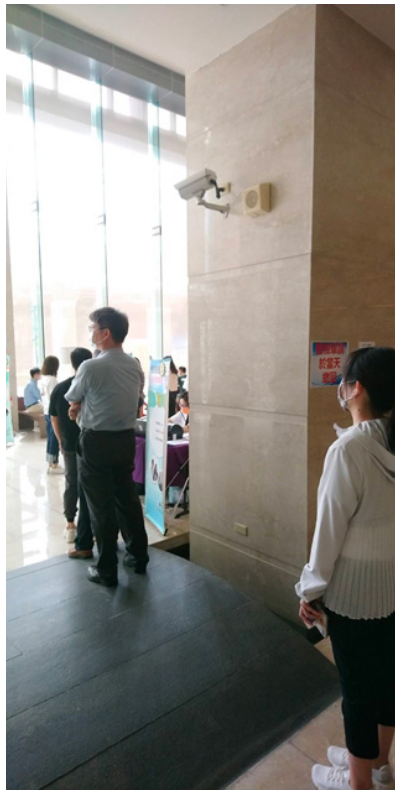
To fulfill our commitment to the Earth, society, and the environment, the Company organizes beach cleanups twice a year. After the beach cleanups, meals are provided to show gratitude to the employees who worked hard under the scorching sun to do their part for sustainability. We also organize a Q&A contest with prizes available for those with the right answers to encourage all the participants and their families to be knowledgeable about environmental protection of the seas, and to educate through a fun activity.

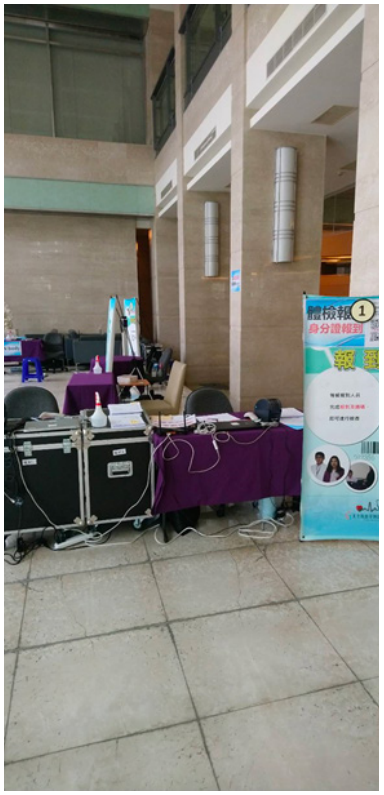
Flywheel Competition

In order to enhance employees' physical health and cultivate their regular exercise habits, in 2023, the Company organized a three-week indoor flywheel workout challenge, encouraging all employees to get active together, highlighting the importance of being in shape, reducing fat, and taking health as a priority! We have created a healthy fitness environment to enhance the physical wellbeing of employees, and have established a fitness-loving culture, promoting health and togetherness in the work force. Whether they win a prize or not, they'll know if they've made progress. We've come together to respond to this challenge, and we welcome everyone to take part.

Office Greening Activities

The office environment is the place where our employees spend the longest time besides home. We hope that the Company can create a comfortable working environment and help improve work efficiency. We hope that through office greening activities, we can develop creativity and green space concepts, cultivate group cooperation, and jointly promote the maintenance of indoor potted plants, so as to create a green aesthetic at Shinfox, thereby realizing carbon reduction and creating a sustainable environment.





Employee Health Check up

The employees are the most important assets of the Company, and we value the health of each employee. Every two years, we have free health checkups and invite our professional medical team from Far Eastern Memorial Hospital to visit the Company and provide the most comprehensive services for the employees. This way , we can not only keep an eye on the health of our employees, but also remind them to pay attention to their condition.

• Fertility Care

To assist our employees to balance career and family, we have established a sound parental leave system so that our employees do not have to worry about losing their jobs due to family care. Employees who have been employed at Shinfox Energy for one year can apply for unpaid parental leave before their children reach the age of three in accordance with the "Act of Gender Equality in Employment" and the "Regulations for Implementing Unpaid Parental Leave for Raising Children". After the expiration of the unpaid leave, the Company will assist employees to return to their department and position. Moreover, the Company will provide relevant training courses so that employees who have applied for parental leave do not have to worry about the job handover after resuming their duties. Furthermore, in addition to the parental leave stipulated by law, the Company also provides a TWD 3,600 childbirth bonus.

Subject	Gender	2021	2022	2023
Number of employees qualified for parental leave	Male	0	1	2
	Female	0	3	1
	Total	0	4	3
Number of employed who applied for parental leave	Male	0	0	0
	Female	0	0	1
	Total	0	0	1
Number of employees who should resume their positions	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Number of employees who actually resumed their positions	Male	0	0	0
	Female	0	0	0
	Total	0	0	0

Subject	Gender	2021	2022	2023
Reinstatement rate	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Number of employees reinstated for one year in the same year	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
Retention rate	Male	0	0	0
	Female	0	0	0
	Total	0	0	0

1. Reinstatement rate = number of employees who resumed their positions÷number of employees who shall resume their positions×100%
2. Retention rate = number of employees who have resumed their positions for one year in the current year ÷ number of employees who resumed their positions in the previous year×100%

• 2023 Statistics on Employee Family Care-Related Leave

1. Family care leave

A total of 4 persons applied

Application

Male employees who applied: 3 persons

Female employees who applied: 1 person

Total hours applied 63 hours

2. Maternity (Parental) Leave

A total of 3 persons applied

Application

Male employees who applied: 2 persons

Female employees who applied: 1 person

Total hours applied 596 hours

3. Menstrual leave

Application

Female employees who applied: 16 person

Total hours applied 319 hours

• Retirement Plan

To ensure long-term careers for our employees, Shinfox Energy has developed pension plans for our employees, including a benefit plan under the "Labor Standards Act" and a contribution plan under the "Labor Pension Act". Under the new labor retirement system in Taiwan, pension funds are appropriated at 6% of employees' monthly salaries. **The amount of pension appropriated was TWD 4,464,000 in 2023**, and was listed as an expense. Overseas subsidiaries are required to appropriate monthly retirement payments for various types of social security benefits, such as pension and medical care in accordance with their local competent authorities.

Retirement Plan	Plan description (regulations, systems, management guidelines)	Participation rate of employees
New System	Labor Pension Act	100%

4.2 Talent Development

4.2.1 Training & Heritage

Shinfox Energy values in-service training and supports employees to improve their expertise. We firmly believe that education and training are the driving force for companies to enhance themselves, and for the sustainable development and growth of employees and companies.

To enhance the professional and technical skills of our employees, and to strengthen the work efficiency and the product quality, we conduct education and training sessions according to the annual training program; in-house training and external training are conducted in parallel to strengthen the employees' expertise in each function. The Company's training courses are listed below:

1. On-the-job training (OJT):

The company conducts job-specific education and training for new employees or people who have changed jobs within the Company.

2. Internal functional education and training:

The Company provides a wide range of general education courses for its employees.

3. External education and training:

Focusing on the needs of the employees, we encourage them to take professional courses and subsidize the course fees so that they can enhance their professional abilities, which in turn increases the competitiveness of the Company within the industry.

Satisfaction Survey:

The Company conducts satisfaction surveys after the completion of internal education and training sessions to consolidate the opinions of the students and provide the contractors with suggestions to improve services and meet the needs of the students. Answers on the satisfaction survey are currently divided into five categories: "very satisfied, satisfied, average, dissatisfied, and very dissatisfied".

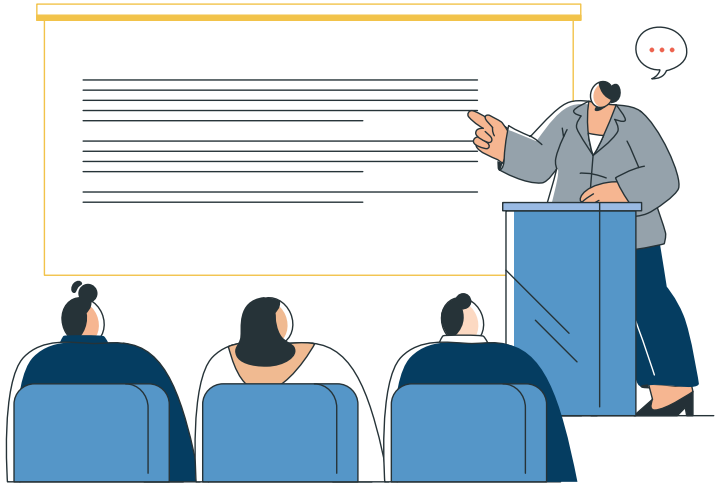
The Company's internal education and training satisfaction survey in 2023 showed a satisfaction rate of **95%**.

• Average number of hours of employee training in 2023 (including external training)

Position	Male	Female	Total Hours	Average Hours
Managerial Position	24	12	760.5	21.13
General employees	41	29	1,000.5	14.29
Total Hours	1,320	441	1,761	--
Average Hours	20.31	10.76	--	--

• Training hours and number of training sessions by category (including external training)

Position		2023
Induction training	Total Number of Persons	26
	Total hours	52
Specialized training (External education and training)	Total Number of Persons	36
	Total hours	673.5
General Employee—Functional Training	Total Number of Persons	113
	Total hours	970.5
Training for manager promotion (managerial position-functional training)	Total Number of Persons	39
	Total hours	117



• Employee training expenditure and hours (number of internal and external training)

Position	2023
Total cost of employee training (TWD)	510,595
Total hours of employee training (hour)	1,761
Employee training cost/total number of employees (TWD/person)	290

• Number of hours of training on human rights issues in 2023

Project: Love with the right approach_family-friendly workplace

Number of trainees	Number of course hours	Total number of training hours
45	1	45

4.2.2 Performance Evaluation

Shinfox Energy provides a stage for employees to realize their talents. We expect our team to fulfill their professional functions, implement the Company's strategic goals and influence other people, thus promoting social development for the common good. For this reason, Shinfox Energy adopted an "Employee Performance Evaluation Procedure". To regularly track employees' competence and performance, a performance evaluation is held twice a year. The evaluation process can be divided into two parts. The performance part is where employees objectively describe their performance results for the past six months, and supervisors evaluate their performance results. The other part is competence: Employees' competence is evaluated by themselves and reviewed by their supervisors, thus their performance is assessed from various perspectives. The 2023 Employee Performance Evaluation completion rate was **88.79%**.

Subject	Male			Female			Subtotal		
	Total number of employees	Number of persons evaluated	Proportion	Total number of employees	Number of persons evaluated	Proportion	Total number of employees	Number of persons evaluated	Proportion
Managerial Position	75	30	25.86%	41	12	10.35%	116	42	36.21%
Non-managerial position		35	30.17%		26	22.41%		61	52.58%
Subtotal		65	56.03%		38	32.76%		103	88.79%

1. The number of employees is calculated based data as of December 31, 2023. 2. Employees who have been on the job for less than 3 months are not included in the evaluation.

4.3 Labor Relation

To have a harmonious labor-management interaction, Shinfox Energy has set up a variety of accessible channels to ensure effective communication and coordination between the employers and the employees. The Company values the opinions and feedback of our employees; through quarterly labor meetings, welfare committees, various management meetings, suggestion boxes, etc., we collect the voices and suggestions from our employees. Any suggestion and discussion made by them are thoroughly discussed and communicated with management of the Company to reach a consensus. The Company also ensures that any employee's complaints and opinions are handled fairly and confidentially. Furthermore, employees will not be treated unfairly or retaliated against for their opinions, and the Company strives to make employees and employers communicate and interact on an equal footing. During the year 2023, there were no employee grievances and disputes. There is a deep trust, a tacit understanding and a smooth communication channel between the Company and our employees.

To promote positive interactions between the management and the employees, the Company has made the following efforts:

- The Company and all its employees sign a written labor contract to protect the rights of all employees. In accordance with the laws, we hold regular labor-management meetings, provide communication and complaint channels for all levels, value the opinions of the grassroots, and listen to all kinds of suggestions. In 2023, 4 labor-management meetings were held every quarter.
- Based on the Labor Standards Act, if any major change is expected to occur, we will further communicate and consult with employees at least two weeks in advance.

In accordance with the Labor Standards Act, the Company has specified the minimum notice period for labor changes in the work rules: (1) For those who have served for 3 months or more but less than 1 year, 10 days notice will be given in advance. (2) For those who have served for a full year but less than 3 years, 20 days' notice will be given in advance. (3) For those who have served for 3 years or more, 30 days' notice will be given in advance. On this basis, if we plan to make any major adjustments to the Company's structure or employees' duties, we will make an announcement at least two weeks in advance and communicate properly with employees to rigorously prevent any incident of forced labor, discrimination, or abuse.

Shinfox Energy respects multiculturalism and protects employee rights and privacy according to laws and regulations. Regarding the recruitment, appointment, training, remuneration and performance evaluation of employees, we never discriminate or treat employees differently due to race, class, language, ideology, religion, political affiliation, native place, place of birth, gender, sexual orientation, age, marriage status, appearance, facial features, physical and mental disabilities, or union membership. We uphold the principles of fairness, impartiality, and integrity.

Shinfox Energy respects all genders and cultures, and treats everyone equally. To provide our employees with a secure workplace and protect them from sexual harassment, we have established the “Sexual Harassment Prevention Regulations” to handle, prevent, correct, and punish sexual harassment. In addition, we have established comprehensive and private complaint channels (such as a “sexual harassment” reporting mailbox and a complaint hotline) to handle sexual harassment issues; once an incident of sexual harassment is found, it will be handled in accordance with the applicable regulations without any leniency.

• Human Rights Performance

In 2023, there were no incidents of discrimination, forced labor, obstruction of freedom of association and collective bargaining, employment of child labor, violation of minority rights, restriction of association activities, or violation of privacy. Valuing human rights and equality, the Company does not employ child labor and has measures to protect children. Moreover, we also respect employees' freedom to choose their occupation, promote the development of ethnic diversity, as well as encourage and protect the privacy of stakeholders. New employees are required to agree to abide by the “Ethical Corporate Management Best Practice Principles” upon arrival, and all the employees have signed up the agreement. The Company is politically neutral, and no political donations were made during the reporting period.

4.4 Workplace Safety

Dedicated to providing a safe, healthy and happy working environment for our employees and related personnel, Shinfox Energy strictly complies with the occupational safety and health act and related regulations, and has formulated and implemented a series of safety and health policies. The Company is committed to achieving a workplace with zero occupational hazards by focusing on legal compliance, safety awareness, prevention of injury and illness, and continuous performance improvement as its core objectives. Shinfox Energy introduced the ISO 45001 management system on September 1, 2023, to mitigate risks, prevent workplace fatalities, and reduce work-related injuries, as well as continue to promote occupational safety and health performance. In October 2023, Shinfox Energy passed an impartial third-party audit and obtained ISO 45001 certification. Through these efforts, Shinfox Energy has not only enhanced the safety of corporate operations, but also demonstrated our strong commitment to improving workplace safety standards.

• Construction Occupational Safety Control

The nature of the Company's work is mainly engineering turnkey and maintenance services, which only require on-site supervision or maintenance, and the level of risk is low to moderate. Before starting projects, we arrange for safety and health personnel, quality control personnel and engineering personnel with applicable licenses, and establish a health and safety management system (including hazard identification and risk assessment), which will be activated and implemented by occupational health and safety personnel once a project formally begins. Regarding the improvement measures developed by the system, the department heads should follow up on their implementation, and prepare supporting evidence to prove the improvements were completed on schedule. If implementation of the measures falls behind on progress or was not made, the reasons should be identified and reported to supervisors, and the progress should be revised. After completion of the control measures, the remaining risks should be reviewed to determine if they are acceptable, and if those risks are found to be unacceptable, a new plan should be developed to bring the remaining risks down to an acceptable level. We hold daily meetings before commencing construction and monthly consultative organization meetings for all contractors. Then, when conducting an overall site review, workers can describe the occupational hazards and risk conditions to protect their rights and interests.

• Physical and Mental Health Promotion Activities

We are committed to building a happy company. Therefore, we hold employee health checkups once every two years—above and beyond government regulations. In addition, we regularly organize 15-minute hand-waving exercises and stretching exercises for all employees after lunch break every day. Moreover, exercise equipment and club activities are available for employees, thereby improving their physical and mental health as well as reducing the possibility of occupational injuries.

• Occupational Health and Safety Organization

To further strengthen corporate occupational safety and health management, Shinfox Energy set up an Occupational Health and Safety Office and established the "Safety and Health Work Rules" in January 2024 so that employees have a set of guidelines to follow when working. Furthermore, occupational health and safety training is also arranged for employees upon arrival to enhance their knowledge and increase job safety. We comply with the Occupational Safety and Health regulations of the Ministry of Labor, and have completed a report to the New Taipei City Labor Inspection Office on the establishment of occupational safety and health management units (personnel). the Company's employees have implemented safety inspections at their workplaces. In 2023, no workplace accidents occurred to our employees or contractors.

• Core Functions of the Occupational Health and Safety Office

Strategic planning: Set clear occupational health and safety goals and develop strategies and plans to achieve these goals.

Policy implementation: Ensure that all occupational health and safety policies are effectively implemented and are consistent with the ISO 45001 management system standard.

Regular assessments: Conduct regular risk assessments and safety reviews to identify potential risks and implement preventive measures.

Continuous improvement: Adjust and improve safety and health measures based on the assessment results to ensure that these measures can adapt to the changing work environment and standards.

• Hazard Identification and Risk Assessment

The most important reason for not having any workplace disasters in 2023 is that we have done a proper inventory of the workplace and operational hazards before we start work. Heat cramps, heat syncope, heat exhaustion and heat stroke are the most common injuries found in our workplace. Therefore, before the daily toolbox talks, we check the weather forecast and tell our employees and subcontractors to drink water and take proper rest when the weather is hot. When there are strong winds, personnel are forbidden from ascending to the top of turbines to avoid physical discomfort and hazards. Global Wind Organization's (GWO) Basic Safety Training (BST) courses are arranged for maintenance personnel so that they can better understand possible hazards during the construction and maintenance of wind power facilities, how to deal with them, and how to protect themselves when if such hazards occur.

• Statistics on the Number of Hours of Safety Education Training by Category

Occupational health and safety training is included in the education and training for new employees, and the Company provides employee training funds to encourage employees to attend health and safety courses and obtain certificates. 24 training sessions were scheduled for 2023, with 57 participants and 228 hours of training.

• Health and Safety Education and Training

Classes	Number of Trainees	Training Hours	Total Training Hours
24	57	4	228

• Safety Measures

In terms of safety equipment, safety tools such as helmets, reflective vests, and safety harnesses for work-at-height arrangements are provided.
In addition, those who need to work at heights are required to take the Global Wind Organization's Basic Safety Training course to ensure their safety when working at heights. The content of the course includes:

1. First aid
2. Manual operations
3. High-altitude operations
4. Fire safety awareness
5. Survival at Sea

• Hazard Identification

The following table shows the hazard identification items for solar module installation and the response measures:

Serial Number	Construction Project	Hazard Project	Response
1	Installation of solar modules, and metal frames used during the installation process for safety.	1. Fall or injury caused by the failure to use a safety harness or the disconnection of safety harness hooks. 2. Fall or injury caused by absence of safety harnesses to keep personnel in place. 3. No facilities (equipment) that allow personnel to move up and down in the plant. 4. Personnel who are not mentally focused. 5. Slipping or falling caused by the lack of a wooden pallet walkway on the corrugated sheets of rooftops for personnel to walk on.	1. Fall arrest device and safety belt should be used throughout the whole process. 2. Operators must set up safety cables. 3. Facility (equipment) used for moving up and down must be equipped. 4. Construction workers are not allowed to work when they are physically or mentally unwell. 5. No one shall stand and walk on the corrugated sheets of rooftops until a qualified wooden pallet walkway has been laid. 6. Take alcohol test, blood pressure and temperature before construction.
2	Lifting and installation of solar modules, metal frames, materials (tubes) and machinery.	1. Insufficient lifting capacity may cause injury to personnel or damage to equipment. 2. Broken ropes and falling objects may cause crushing injuries or equipment damage. 3. Poor crane directing and shaking objects may cause injuries or equipment damage. 4. Drivers are not focused or do not have a qualified license. 5. Equipment has not passed inspection or their certification period has expired. 6. If the lifting operation area is not enclosed with warning, and people and vehicles nearby are not controlled, it may lead to crushing of personnel or damage of equipment if lifted objects fall. 7. Personnel may fall or be injured. 8. Personnel may be exposed to collision and pinching during manual operations. 9. If cutting is not done in accordance with standard operating procedures, personnel may get cut. 10. Personnel not using a safety harness or safety hooks falling off, causing personnel to fall or be injured. 11. Fall or injury caused by absence of safety harnesses to keep personnel in place. 12. Personnel's lack of concentration may cause accidents. 13. Branch circuits of distribution panels are not equipped with residual-current devices or voltage reducing devices, and they may not have earthing. 14. Leakage and electric shock hazards caused by not checking the construction equipment before operation.	1. Capacity of machines must be confirmed before working. 2. Operators shall check whether ropes are broken or deformed before working. 3. The directing personnel shall direct uniformly and be qualified. 4. Licenses and mental status must be checked before working. 5. Licenses and operational status must be checked before working. 6. Restricted areas for lifting operations must be enclosed to control the passage of people and vehicles. 7. Personnel must be fully equipped with safety gear; qualified safety nets and safety harness must be installed and hooked properly. 8. Safety shoes and non-slip gloves must be worn properly. 9. Equipment shall be inspected before use, and the operation shall be carried out in accordance with standard operating procedures. 10. Fall arrest device and safety belt should be used throughout the whole process. 11. Operators must set up safety cables. 12. Construction workers are not allowed to work when they are physically or mentally unwell. 13. Automatic shock prevention devices and correct grounding must be verified and tested thoroughly. 14. Construction machinery must be inspected before use and records must be kept. 15. Requirements must be confirmed and documents required for cranes must be checked (one machine, three certificates).

Serial Number	Construction Project	Hazard Project	Response
3	Solar module tests and inspections (cable/pull wire, sun photometer, inverter, solar module insulation resistance measurement, DC disconnect switch, DC and AC panels, DC voltage/short circuit current measurement, PV/RA value measurement)	1. Incorrectly installed meters/devices wiring may cause short circuits. 2. Installation/inspection are not carried out according to the installation standard, or instrument equipment is dropped and damaged when personnel touch it during testing. 3. Testers may inadvertently touch meters/devices directly.	1. Before testing, operators shall check wiring joints of each instrument/equipment according to the design drawings and keep records for future reference. 2. Instrumentation/equipment must be installed in accordance with the design drawings and records must be kept for reference. 3. Testers shall pay attention to the surrounding environment to avoid touching wiring joints and causing electrical induction. Testers shall work in groups of two for self-protection, mutual protection, and monitoring. 4. The tester shall wear insulated gloves and use an instrument to detect whether there is any power leakage on the surface of each metal box and equipment before the test is conducted.
4	Dismantlement of solar modules and metal frames used during the installation process for safety	1. Fall or injury caused by the failure to use a safety harness or the disconnection of safety harness hooks. 2. Fall or injury caused by absence of safety harnesses to keep personnel in place. 3. No facilities (equipment) that allow personnel to move up and down in the plant. 4. Personnel who are not mentally focused.	1. Fall arrest device and safety belt should be used throughout the whole process. 2. Operators must set up safety cables. 3. Facility (equipment) used for moving up and down must be equipped. 4. Construction workers are not allowed to work when they are physically or mentally unwell. 5. Take alcohol test, blood pressure and temperature before construction.
5	Construction site clean-up and debris removal	1. When removing debris and garbage by manpower and vehicles, the body is prone to encountering collision and getting stuck. 2. If gloves are not worn, the sharp edges of waste and garbage can cause cuts and scrapes.	1. To pay attention to surrounding environment, dedicated personnel shall be assigned to monitor the operation when removal is in progress. 2. Non-slip work gloves must be worn when clearing and removing objects.

• Number of injuries in past years

Subject	2022	2023
Working Hours	212,424	228,952
Number of Deaths Caused by Occupational Injuries	0	0
Death Rate from Occupational Injuries	--	--
Number of Serious Occupational Injuries	0	0
Rate of Serious Occupational Injuries	--	--

Subject	2022	2023
Number of Recordable Occupational Injuries	0	0
Rate of Recordable Occupational Injuries	--	--

Note: The number of deaths is excluded when calculating the number and rate of serious occupational injuries.
Note: When calculating the number and rate of recordable occupational injuries, the number of deaths caused by occupational injuries is included.
Note: An injury is considered a serious occupational injury if he patient cannot recover to their pre-injury health status within six months.
Note: Only injuries resulting from commuting accidents caused by transportation arranged by the Company are counted as occupational injuries; injuries occurring during employees' commute to and from work are not included.
Note: Calculation of total working hours: employee clock-in data (including overtime hours)

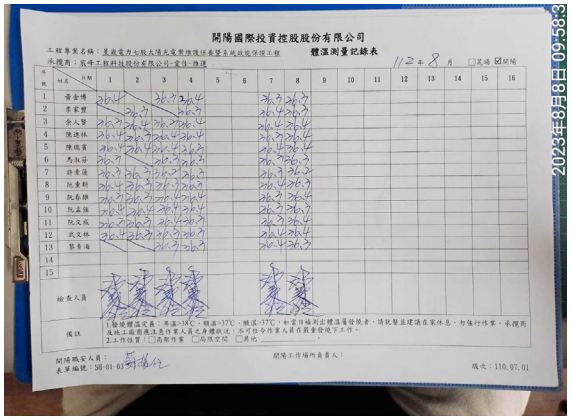
• Occupational Safety Management for Contractors

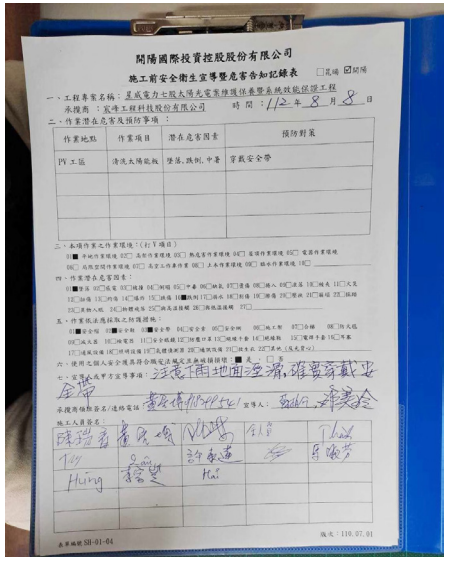
In 2023, there were no occupational accidents occurred by our contractors.

According to the Regulations for Occupational Health and Safety Management, contractors hold daily toolbox talks before construction and monthly consultative organization meetings; then, when conducting an overall site review, workers can describe occupational hazards and risk conditions to protect their rights and interests. Before starting projects, we arrange for safety and health personnel, quality control personnel and engineering personnel with applicable licenses, and establish a health and safety management system (including hazard identification and risk assessment), which will be activated and implemented by occupational health and safety personnel once the project officially begins. Regarding the improvement measures developed by the system, the department heads should follow up on their implementation, and prepare supporting evidence to prove the improvements were completed on schedule. If implementation of the measures falls behind on progress or was not made, the reasons should be identified and reported to supervisors, and the progress should be revised. After completion of the control measures, the remaining risks should be reviewed to determine if they are acceptable, and if those risks are found to be unacceptable, a new plan should be developed to bring the remaining risks down to an acceptable level. Autonomous inspection is conducted for each machine. For dangerous jobs, we will arrange a supervisor for on-site control, e.g., for confined space jobs, we will arrange a supervisor for oxygen deprivation related tasks on the sites. The Regulations for Occupational Health and Safety Management are followed at all construction sites. Moreover, we keep supervisory logs, hold on-site toolbox talks, and check lists for each machine to prevent occupational accidents.

Before the start of daily work, the personnel entering the site must take alcohol, temperature, and blood pressure tests according to the schedule to confirm their physical condition, and only then a toolbox meeting will be held. The contents of the meeting include projects to be executed on that day, notification of the hazards in the projects, and important protection measures. Regarding lifting operations, the three licenses for each machine must be inspected in the meeting for the day; regarding excavation projects, confined space and oxygen deprivation operation supervisor licenses must be provided, and the holder of the license shall announce the precautions at the meeting. During the construction, a Grade B supervisor and several Type A construction supervisors are assigned to inspect, supervise, advise, and penalize personnel on the site. Also, we provide health and safety training to new employees when they join the Company. The Company provides education and training funds to encourage employees to attend health and safety lectures and obtain certificates to achieve the requirement of zero workplace accidents during construction.

Moreover, we keep supervisory logs, hold on-site toolbox talks, and check lists for each machine to prevent occupational accidents.





- Toolbox meetings are held every day before construction for each contractor in accordance with the Regulations for Occupational Health and Safety Management.
- Autonomous inspection is conducted for each machine.
- For dangerous jobs, we will arrange a supervisor for on-site control, e.g., for confined space jobs, we will arrange a supervisor for oxygen deprivation related tasks on the sites.
- The Regulations for Occupational Health and Safety Management are followed at all construction sites.
- The Company provides safety helmets, reflective vests, safety harnesses and safety shoes for engineers to use at sites to ensure teir safety.
- Employee health checkups are arranged annually.
- If workers are not feeling well, they should not engage in any work.

Care for Society

5

Founded in Taiwan, Shinfox Energy grows stronger with the support from all walks of life. With the belief of taking from the society and giving back to the society, we hope that our humble efforts to care for the disadvantaged, contribute to society, and create an uplifting force for common good, may create a society of common good and fulfilling our corporate social responsibility.

• Beach Cleanups

April 22, 2023 (Saturday) is the Earth Day. Shinfox Energy implements the concept of "Earth Protection, Sustainable Development, Green Energy and Carbon Reduction, and Clean Energy". On that day, we invited FIT Holding, Foxlink Image Technology and subsidiaries, namely Foxwell Power, Foxwell Energy, and Shinfox Natural Gas and other affiliated companies to participate in the beach cleanup and plastic reduction; we committed to the development of renewable energy and clean energy in order to support the 53rd anniversary of the Earth Day theme, "Invest in Our Planet".

Shinfox Energy said that plastic waste has been called "the silent killer of marine life", and globally about 9 to 12 million tonnes of plastic waste flows into the sea every year, which means an average of one truckload of garbage is dumped into the sea every minute. According to a new study in the United States, the weight of plastic particles floating in the ocean before 2019 weighed 2.3 million tonnes. If countries do not cooperate in formulating regulations to limit plastic waste pollution, the amount of plastic waste in the ocean may nearly triple by 2040.

▲Beach cleanup at Jianzilu, Shimen District, New Taipei City on April 22, 2023

In view of the serious problem of marine debris pollution, Shinfox Energy registered with the New Taipei City Government to adopt the northeast coastline near Jianzilu Station, Shimen in August 2022. And we chose the beach next to the Deer Café for our bi-annual beach cleanup; as such, the Department of Environmental Protection issued a Certificate of Appreciation on April 25, 2023 to us. At the same time, in response to the importance of "Green Earth, eco-friendliness, Organic Living", the Organic Living Environment Education and Promotion Association will also focus on Shinfox's leading role in environmental protection, and will continue to promote beach cleanups by awarding the "Green Enterprise Eco Label", thereby conveying the concept of environmental protection and love for the Earth through practical actions.

• Beach cleanup at Jianzilu, Shimen District, New Taipei City on September 16, 2023

Shinfox Energy has long paid attention to the issue of marine plastic pollution. In response to the initiative of the Ocean Conservancy (TOC) of the U.S., the third weekend of September each year is designated as International Coastal Cleanup Day. On September 16, 2023, General Manager Hui-Sen Hu led a group of employees, including employees from Foxwell Power and Good Will Instrument, to clean the beach along the Northeast coastline adopted by Shinfox Energy, and we also invited people from all walks of life to join us in this great event, thus, “rolling up sleeves and doing our part to help clean up the oceans of the Earth”.

• The "2023 Taiwan from Above Road Race" is a reenactment of the moving moment in the movie "Beyond Beauty - Taiwan from Above" when 10,000 people ran together!

On the occasion of the 10th anniversary of "Beyond Beauty - Taiwan From Above", the "2023 Taiwan from Above Road Race" event was held in front of Taipei People's Square, attracting 5,000 runners to participate, thus recreating the touching scene of 10,000 people running together in the movie. The event was organized by the Chi Po-Lin Foundation with the support and participation of a wide range of people, including government officials, business leaders, and media professionals. The purpose of the event is not only to commemorate Chi Po-Lin's classic work, but also to call on the public to take action to care for the land, face the challenges of environmental change, and move towards environmental sustainability by reducing the use of waste.

Shinfox Energy recognizes the concept of environmental protection that director Chi Po-Lin has conveyed through his video, and therefore, further supports this road race. We believe that getting close to nature through practical actions can not only deepen our understanding of and care for this land, but also encourage all sectors of society to participate in environmental protection, thereby endeavoring to a sustainable future. By supporting this kind of event, Shinfox Energy is looking forward to working together with the public to realize the goals of environmental sustainability and green energy, and to continue director Chi Po-Lin's love and dream for this land.

• Apollo Solar Car Team heads to the World Challenge

Shinfox Energy is proud for supporting the "Apollo Solar Car Team". The team is led by Prof. Ai Han-Chang, pioneer of solar cars in Taiwan, and has a history of 25 years. The team's latest commercialized solar electric vehicle, Apollo IX, represented Taiwan in the World Solar Challenge in Australia in October 2023, demonstrating Taiwan's strength in the field of green energy technology. Among 38 teams from 22 countries, Team Apollo not only completed the 2,950km race from Darwin in the Northern Territory of Australia to Adelaide in South Australia, but also earned a number of awards, including the "Rinstrum Precision Weight Award Winner", second place for practicality, third place over the entire route, and fourth place for the overall Cruiser Class score. These honors are a testament to the innovative ability and perseverance of Taiwan's youth. By supporting such a passionate and innovative team, we hope to jointly promote the inheritance of knowledge and experience, and work together to realize the beautiful vision of symbiosis with the sun.

• Promotion and Education

The General Manager of Shinfox Energy, Hui-Sen Hu, is known not only for his leadership in the energy industry, but also for his profound influence in the field of education and training. General Manager, Mr. Hu's educational presentations are often practical and inspirational. He provides not only career planning guidance, but also in-depth discussions on the trends and challenges of the domestic and international energy transitions. General Manager Hu is keen on interacting with young people and actively participates in university education activities to inspire the next generation of leaders with his rich industry experience.

Seminars and courses attended in 2023:

- National Cheng Kung University's "Interdisciplinary Semiconductor Industry Forum": An in-depth discussion of the intersection of the semiconductor industry and energy transformation.
- "Climate change and sustainable energy development forum across the Taiwan strait", Taiwan Ocean University: Analysis of the impact of climate change on energy policies across the Taiwan Strait.
- The "Ask the Master: Career-Planning" program at National Taiwan University provides students with practical advice on future career planning.
- "Trend-Making" course, National Taiwan University College of Social Sciences: Discusses how global trends affect regional development and strategic planning.

• 2023 KidWind Competition Asia

Shinfox Energy and its subsidiary, Foxwell Energy, have been actively promoting green energy education. For three years in a row, they sponsored and participated in the "KidWind Challenge" in Asia 2021, 2022 and 2023, which were organized by the Green Energy Institute of the Industrial Technology Research Institute (ITRI) in Tainan and Chang Jung Christian University. More than one hundred junior high school and senior high school students from all over Taiwan teamed up to take part in the tournament. It is hoped that, through the tournament, the creativity of the students can be stimulated, and they will be able to explore the problem-solving process, learning to think about problems critically, allowing green energy education to take root at an early age and be promoted.

• Helping Small-Scale Farmers in Remote Areas to Sell Their Fruits

Shinfox Energy cares about the livelihood of seniors living alone and elderly farmers who lack resources in remote regions of Taiwan. In recent years, Shinfox Energy has been assisting farmers in remote parts of Hualien to sell tens of thousands of kilos of pomelos and mangos, and provided them with marketing resources like QR codes to help these elderly farmers break into the market.

• Charitable Donations

1. Since July 2022, the first floor of the Minquan Plant has been used by the Taiwan Azure Alliance to assemble Azure Alliance Boats.
2. In October 2023, we donated TWD 100,000 to the baseball team of Tainan City Shanhua High School.
3. In October 2023, we sponsored the 2023 Kidwind Asia Wind Tournament for Chang Jung Christian University with TWD 100,000.
4. In July 2023, we purchased 28,400 tkgs of pomelos from small farmers in a remote township in Hualien, and the purchase amount was TWD 1,275,800 (including the Group's).
5. In July 2023, we purchased 3,120 tkgs of mangoes from small farmers in a remote township in Hualien, and the purchase amount was TWD 652,250.

• Industry-Academia Collaborations

Shinfox Energy and Chin-Yi University of Technology have established an industry-academia partnership to jointly plan and build a monitoring system for energy sites. The rapid and highly accurate process solutions solve various control issues, automate alarms and notifications, and dramatically reduce power usage, space usage, and personnel costs, helping Shinfox Energy to build the first net-zero carbon site and achieve its energy saving and carbon reduction goals.

In order to build a comprehensive multi-functional smart monitoring system, it is necessary to collect data from various sensors (e.g., sun photometers, anemometers, temperature and humidity meters, etc.) and various inverters. Through the programmable logic controller (PLC) and data integration software, we can develop our own data collector to store power generation data and environmental data into the database, so that engineers can control and obtain real-time information on warnings, faults, errors, etc. of the equipment.

Appendix-Table of Corresponding GRI Standards

Statement of Use | Shinfox Energy has followed the GRI Standards for reporting on content for the period between January 1, 2023 and December 31, 2023

GRI 1 Used | GRI 1: Foundation 2021

Applicable GRI Standards | None

GRI 2: General Disclosures 2021

	Disclosure Item	Theme or Description of Chapter	Description Omitted	Page Number
2-1	Detailed Information on Organization	1.1 Organizational Profile		8
2-2	Entities Included in Organizational Sustainability Report	About the Report		3
2-3	Reporting Period, Frequency, and Contact Person	About the Report		3
2-4	Restatements of Information	If there is any re-editing of the information, please note the difference.		-
2-5	External Assurance	About the Report		3
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Organizational Profile		8
2-7	Employee	4.1.1 Employee Structure		85
2-8	Non-employee Worker	4.1.1 Employee Structure		85
2-9	Governance Structure and Composition	1.1.4 Autonomy of the Board of Directors		25
2-10	Nomination and Selection of the Highest Governance Body	1.1.4 Autonomy of the Board of Directors		25
2-11	Chairperson of the Highest Governance Body	1.1.4 Autonomy of the Board of Directors		25
2-12	Role of the Highest Governance Body in Supervising Impact Management	1.1.4 Autonomy of the Board of Directors		25
2-13	Person Responsible for Impact Management	1.1.4 Autonomy of the Board of Directors		25
2-14	Role of the Highest Governance Body in the Sustainability Report	1.1.4 Autonomy of the Board of Directors		25
2-15	Conflicts of Interest	1.2 Ethical Management		28
2-16	Communication for Events of Critical Importance	1.1.4 Autonomy of the Board of Directors		25
2-17	Collective Knowledge of the Highest Governance Body	1.1.4 Autonomy of the Board of Directors		25
2-18	Evaluation of the Performance of the Highest Governance Body	1.1.4 Autonomy of the Board of Directors		25
2-19	Remuneration Policy	1.1.4 Autonomy of the Board of Directors		25
2-20	Remuneration Determination Process	1.1.4 Autonomy of the Board of Directors		25
2-21	Ratio of Total Remuneration for the Year	4.1.2 Remuneration Package		88
2-22	Declaration of Sustainable Development Strategy	Message from the Chairperson/ General Manager		4

	Disclosure Item	Theme or Description of Chapter	Description Omitted	Page Number
2-23	Policies/Commitments	4.3 Labor Relations		97
2-24	Incorporation into Policies/ Commitments	4.3 Labor Relations		97
2-25	Procedures for Remedying Negative Impacts	4.3 Labor Relations		97
2-26	Mechanism for Seeking Recommendations and Raising Concerns	4.3 Labor Relations		97
2-27	Legal Compliance	1.3.2 Internal Audit		32
2-28	Membership in Associations	1.1 Organizational Profile		8
2-29	Stakeholder Engagement Guidelines	Stakeholder Engagement		41
2-30	Collective Bargaining Agreements	There are no collective bargaining agreements	Not applicable; the Company does not have a collective bargaining agreement with employees	-

GRI 3: Material Topics 2021

	Disclosure Item	Theme or Description of Chapter	Description Omitted	Page Number
3-1	Process for Determining Material Topics	2.2 Management of Material Topics		43
3-2	List of Material Topics	2.2 Management of Material Topics		43
3-3	Material Topic Management	2.2 Management of Material Topics		43

GRI Standards That Correspond to Material Topics

Material Topic: Operating Performance

GRI 3: Material Topics 2021		Chapter and Theme	Description Omitted	Page Number
3-3	Material Topic Management	2.2 Management of Material Topics		43
GRI 201: Economic Performance 2016		**Chapter and Theme**	**Description Omitted**	**Page Number**
201-1	Direct Economic Value Generated and Distributed by the Organization	1.1 Organizational Profile		8
201-2	Financial Impacts of Climate Change and Other Risks and Opportunities	3.1 Climate Change		54
201-3	Defined Benefit Plan Obligations and Other Retirement Plans	4.1 Friendly Workplace		85
201-4	Financial Assistance Received From Government	We receive no financial assistance from the government		-

Material Topics: Ethical Management

GRI 3: Material Topics 2021		Chapter and Theme	Description Omitted	Page Number
3-3	Material Topic Management	2.2 Management of Material Topics		43
GRI 201: Economic Performance 2016		**Chapter and Theme**	**Description Omitted**	**Page Number**
205-1	Location of operations where corruption risk evaluation has been conducted	1.2 Ethical Management		28
205-2	Communication and training on anti-corruption policies and procedures	1.2 Ethical Management		28
205-3	Confirmed incidents of corruption and actions taken	1.2 Ethical Management		28

Material Topic: Operating Performance

GRI 3: Material Topics 2021		Chapter and Theme	Description Omitted	Page Number
3-3	Material Topic Management	2.2 Management of Material Topics		43
GRI 201: Economic Performance 2016		Chapter and Theme	Description Omitted	Page Number
302-1	Energy consumption within the organization	3.2 Energy Resource Management		73
302-3	Energy intensity	3.2 Energy Resource Management		73
302-4	Reduction of energy consumption	3.2 Energy Resource Management		73

Material Topic: Occupational Health and Safety

GRI 3: Material Topics 2021		Chapter and Theme	Description Omitted	Page Number
3-3	Material Topic Management	2.2 Management of Material Topics		43
GRI 201: Economic Performance 2016		Chapter and Theme	Description Omitted	Page Number
403-1	Occupational Health and Safety Management System		Not applicable; Shinfox Energy does not have an occupational safety management system	-
403-2	Hazard identification, risk assessment, and incident investigation		Not applicable; Shinfox Energy does not have an occupational safety management system	-
403-3	Occupational health services	4.4 Workplace Safety		98
403-4	Worker training on occupational health and safety	4.4 Workplace Safety		98
403-5	Worker training on occupational health and safety	4.4 Workplace Safety		98
403-6	Promotion of worker health	4.4 Workplace Safety		98
403-7	Preventing and mitigating occupational health and safety impacts directly related to operations	4.4 Workplace Safety		98
GRI 201: Economic Performance 2016		Chapter and Theme	Description Omitted	Page Number
403-8	Workers covered by the occupational health and safety management system		Not applicable; Shinfox Energy does not have an occupational safety management system	-
403-9	Occupational injuries	4.1 Friendly Workplace		85
403-10	Occupational illnesses	4.4 Workplace Safety		98

Material Topic: Occupational Health and Safety

GRI 3: Material Topics 2021		Chapter and Theme	Description Omitted	Page Number
3-3	Material Topic Management	2.2 Management of Material Topics		43
418: Customer Privacy 2016		Chapter and Theme	Description Omitted	Page Number
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No relevant incidents occurred		-

Appendix - TCFD Recommendation Disclosure Comparison Table

Aspect	TCFD Recommendation Disclosure Items	Corresponding Chapter	Page Number
Governance	Describe the Board of Directors' oversight of climate-related risks and opportunities.	3.1 Climate Change	54
	Describe management's role in assessing and managing climate-related risks and opportunities.	3.1 Climate Change	54
Strategy	Describe management's role in assessing and managing short-, mid-, and long-term climate-related risks and opportunities.	3.1 Climate Change	54
	Describe the impact of climate-related risks and opportunities on an organization's business, strategy, and financial planning.	3.1 Climate Change	54
	Describe the organization's strategic resilience, taking into account different climate-related scenarios (including 2°C or harsher scenarios).	3.1 Climate Change	54
Risk Management	Describe the organization's process for identifying and assessing climate-related risks.	3.1 Climate Change	54
	Describe the organization's processes for managing climate-related risks.	3.1 Climate Change	54
	Describe how the process of identifying, assessing and managing climate-related risks is integrated into the organization's overall risk management system.	3.1 Climate Change	54
Indicators and Goals	Disclose the indicators that organizations use to assess climate-related risks and opportunities, following their strategy and risk management processes.	3.1 Climate Change	54
	Disclose Scope 1, Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and associated risks	3.2 Energy Resource Management	73
	Describe the goals used by the organization to manage climate-related risks and opportunities, and the performance against those goals.	3.1 Climate Change	54

Appendix - Sustainability Accounting Standards Board (SASB) Comparison Table

Shinfox Energy has selected applicable indicators from 11 sectors and 77 industries in the SASB Materiality Map of the SASB Standards for disclosure:

Sector: Renewable Resources & Alternative Energy

Industry: Solar Technology & Project Developers

Disclosure Topic: Energy Management During the Manufacturing Process

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-130a.1	(1) Total energy consumption	Total energy consumption in 2023 was 1,542.515 GJ
	(2) Percentage of grid electricity	88.46847%
	(3) Percentage of renewable energy	The percentage is approximately 11.53153%. Description: The Company does not directly use renewable energy, and all its electricity is supplied by Taiwan Power. In addition, the Company has purchased 40 2023 Green Power Certificates (T-REC), totaling 40,000 kWh of electricity.

Disclosure Topic: Water Management During the Manufacturing Process

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-140a.1	(1) Total amount of water withdrawn	The total amount of water withdrawn is 2.628 million liters
	(2) Percentage of total water consumption in regions with high or extremely high baseline water stress	1. The total water consumption is 2.628 million liters 2. Shinfox Energy's operating sites are not located in regions with high or extremely high baseline water stress
RR-ST-140a.2	Description of water management risks, and discussion of strategies and practices to mitigate those risks	3.2 Energy Resource Management

Disclosure Topic: Hazardous Waste Management

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-150a.1	Percentage of the total amount of hazardous waste generated and the waste that is recycled	None of the services that Shinfox Energy provides generates hazardous waste
RR-ST-150a.2	Number and aggregate quantity of leakages to be reported, the number of recoveries	No incidents of leakage occurred

Disclosure Topic: Environmental Impacts Caused by Project Development

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-160a.1	Number and duration of project delays due to ecological impacts	There was no project delay related to ecological impacts
RR-ST-160a.2	Description of efforts in solar energy system project development to address community and ecological impacts	Shinfox Energy's solar power systems are built over open areas, including ground-type, roof-type and water-type, so that birds, livestock and aquaculture animals can live nearby without their existing environment being impacted. Instead, the feces generated by the animals in the surrounding areas affects the efficiency of the solar panels and increases the frequency of maintenance and cleaning required.

Disclosure Topic: Management of Energy Infrastructure Integration & Related Regulations

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-410a.1	Description of risks associated with integration of solar energy into existing energy infrastructure and discussion of efforts to manage those risks.	Solar energy systems may be affected by natural disasters, such as typhoons and floods, which may cause damage to the equipment or lead to abnormal power generation. In response to these risks, the Company not only conducted safety inspections at all sites before the typhoon season, but also arranged site visits after typhoons. Moreover, our solar systems are insured against losses caused by natural disasters.
RR-ST-160a.2	Description of risks and opportunities associated with energy policy and its impact on the integration of solar energy into the existing energy infrastructure	Risk: If Taiwan's energy policy reduces the proportion of renewable energy use, the demand will be reduced, which will indirectly reduce the potential installed capacity of the Company. Opportunity: If Taiwan's energy policy increases the proportion of renewable energy use, it will also provide an opportunity for the Company to grow in terms of installed capacity. The existing energy infrastructure is a stable source of electricity supply, while solar energy is unstable due to the limitation of sunshine hours; therefore, in terms of power supply, it can only be used as an occasional power solution and cannot be deemed a main source of electricity.

Disclosure Topic: Management of Energy Infrastructure Integration & Related Regulations

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-410b.1	Percentage of products sold that are recyclable or reusable	Not applicable
RR-ST-410b.2	Weight of scrap materials and the percentage of those recycled	Not applicable
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

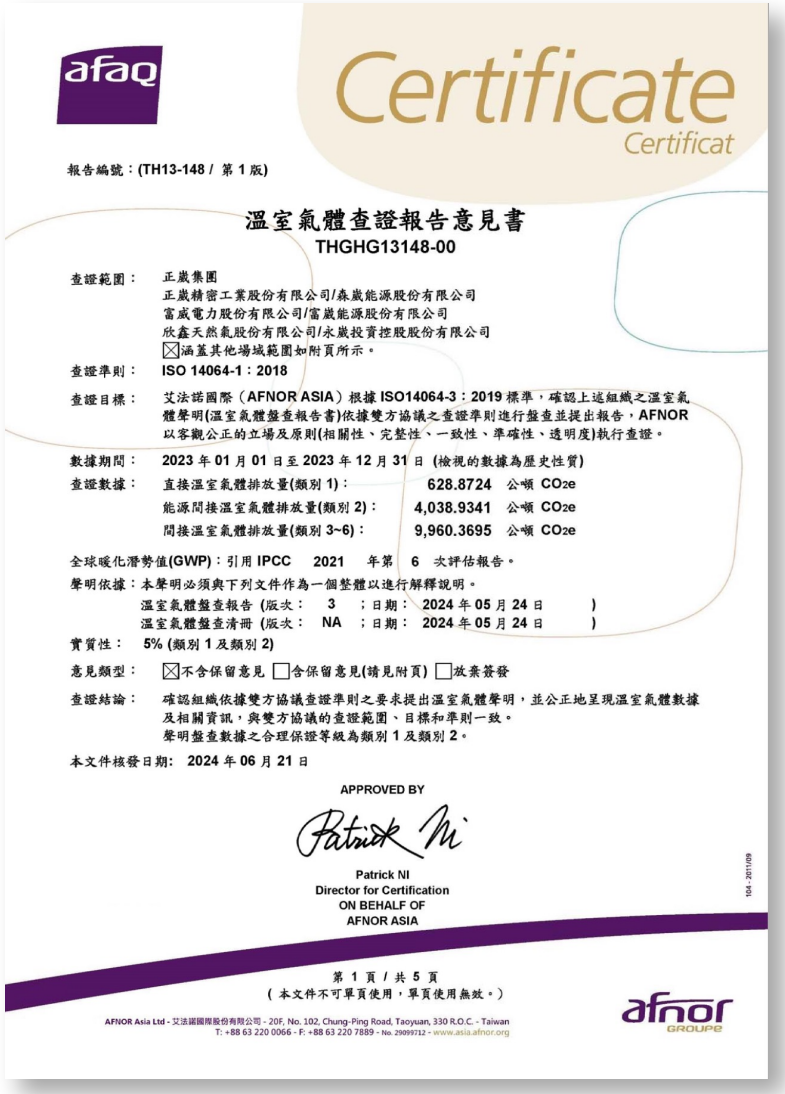
Disclosure Topic: Procurement of Materials

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-440a.1	Description of the management of risks associated with the use of critical materials	Our solar energy devices are mainly formed by PV modules and inverters. When inspecting incoming equipment, we check whether there is any damage to the material, and we will also ask suppliers to issue quality reports and warranty certificates to control the risk of possible damage or poor quality in equipment.
RR-ST-440a.2	Description of the management of environmental risks associated with the polysilicon supply chain	The polysilicon suppliers are in the upstream (material) of the industry, while the Company is located in the downstream of the entire industry (construction of power plants).The environmental risks arising from upstream suppliers are transferred from upstream suppliers to midstream suppliers when the Company procures materials. The Company only needs to manage the environmental risk for midstream suppliers. If the supply is abnormal due to force majeure factors, the Company will also arrange for a second supplier to prepare stock.

Disclosure Topic: Activity Metric

Metric Code	Metric	Corresponding Chapter/Description of Response
RR-ST-000.A	Total capacity of photovoltaic (PV) solar modules produced	The Company installs solar power systems but doesn't manufacture solar module parts.
RR-ST-000.B	Total capacity of completed solar energy systems	As of December 31, 2023, the Company had installed 18.35743 MW of solar energy system capacity.
RR-ST-000.C	Total project development assets	On May 31, 2022, Starpro Power's 77MW solar farm in Qigu, Tainan was completed and metered. The total project amount is TWD 4.2 billion. Another 100MW case site in the southern part of Taiwan in 2022 is not disclosed for the time being due to the need to re-submit the relevant plans and proposals as a result of changes in the central and local government ordinances, which are still in the process.

Appendix - ISO 14064-1 Verification Statement



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報告編號：(TH13-148 / 第 1 版)

溫室氣體查證報告意見書
THGHG13148-00

查證範圍： 正崴集團
正崴精密工業股份有限公司/森崴能源股份有限公司
富威電力股份有限公司/富崴能源股份有限公司
欣鑫天然氣股份有限公司/永崴投資控股股份有限公司
☒涵蓋其他場域範圍如附頁所示。

查證準則： ISO 14064-1：2018

查證目標： 艾法諾國際（AFNOR ASIA）根據 ISO14064-3：2019 標準，確認上述組織之溫室氣體聲明(溫室氣體盤查報告書)依據雙方協議之查證準則進行盤查並提出報告，AFNOR 以客觀公正的立場及原則(相關性、完整性、一致性、準確性、透明度)執行查證。

數據期間： 2023 年 01 月 01 日至 2023 年 12 月 31 日 (檢視的數據為歷史性質)

查證數據： 直接溫室氣體排放量(類別 1)： 628.8724 公噸 CO2e
能源間接溫室氣體排放量(類別 2)： 4,038.9341 公噸 CO2e
間接溫室氣體排放量(類別 3~6)： 9,960.3695 公噸 CO2e

全球暖化潛勢值(GWP)：引用 IPCC 2021 年第 6 次評估報告。

聲明依據：本聲明必須與下列文件作為一個整體以進行解釋說明。
溫室氣體盤查報告 (版次： 3 ；日期： 2024 年 05 月 24 日)
溫室氣體盤查清冊 (版次： NA ；日期： 2024 年 05 月 24 日)

實質性： 5% (類別 1 及類別 2)

意見類型： ☒不含保留意見 ☐含保留意見(請見附頁) ☐放棄簽發

查證結論： 確認組織依據雙方協議查證準則之要求提出溫室氣體聲明，並公正地呈現溫室氣體數據及相關資訊，與雙方協議的查證範圍、目標和準則一致。
聲明盤查數據之合理保證等級為類別 1 及類別 2。

本文件核發日期： 2024 年 06 月 21 日

APPROVED BY

Patrick NI
Director for Certification
ON BEHALF OF
AFNOR ASIA

104 - 2011/09

第 1 頁 / 共 5 頁
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Appendix - ISO 27001 Verification Statement

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AFNOR CERTIFICATION

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N° 2023/107178.1 Page 1 / 1

AFNOR Certification certifies that the management system implemented by:
AFNOR Certification certifie que le système de management mis en place par :

SHINFOX ENERGY CO., LTD.
森崴能源股份有限公司

for the following activities:
pour les activités suivantes :

THE COMPANY'S INFORMATION ROOM PROVIDES "ERP, BPM SYSTEM AND COMPUTER ROOM MAINTENANCE AND MANAGEMENT" ACTIVITIES, IN ACCORDANCE WITH THE ISO 27001 APPLICABILITY STATEMENT (VERSION 1.0 ISSUED ON 2023.7.3).
本公司資訊室提供「ERP、BPM 系統及機房維護與管理」活動，依據 ISO 27001 適用性聲明書（2023.7.3 發行之版次 1.0）。

has been assessed and found to meet the requirements of:
a été évalué et jugé conforme aux exigences requises par :

NF EN ISO/IEC 27001:2017 (Europe) - ISO/IEC 27001:2013 + COR 1:2014 + COR 2:2015 (International)

and is developed on the following locations:
et est déployé sur les sites suivants :

8F.,NO. 49, SEC. 4, ZHONGYANG RD., TUCHENG DIST., NEW TAIPEI CITY 236040, TAIWAN (R.O.C.)
236040 新北市土城區中央路四段 49 號 8 樓

This certificate is valid from (year/month/day) 2023-12-01 Until 2025-10-31
Ce certificat est valable à compter du (année/mois/jour) *jusqu'au*

cofrac
ACCREDITATION
CERTIFICATION DE SYSTEMES
ISO 27001

Julien NIZRI
Managing Director of AFNOR Certification
Directeur Général d'AFNOR Certification

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Appendix - ISO 45001 Verification Statement

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N° 2024/108068.1 **Page 1 / 1**

AFNOR Certification certifies that the management system implemented by:
AFNOR Certification certifie que le système de management mis en place par :

SHINFOX ENERGY CO.,LTD.
森崴能源股份有限公司

for the following activities:
pour les activités suivantes :

SUPERVISION OF CONSTRUCTION AND PROVIDING RELATED SERVICE OF RENEWABLE ENERGY, CLEAN ENERGY AND POLLUTION PREVENTION EQUIPMENT.
再生能源、潔淨能源、污染防治設備之監督建置和維運及提供相關服務。

has been assessed and found to meet the requirements of:
a été évalué et jugé conforme aux exigences requises par :

ISO 45001:2018

and is developed on the following locations:
et est déployé sur les sites suivants :

8F., NO. 49, SEC. 4, ZHONGYANG RD., TUCHENG DIST., NEW TAIPEI CITY 236040, TAIWAN (R.O.C.)
236040 新北市土城區中央路四段 49 號 8 樓

This certificate is valid from (year/month/day) *Ce certificat est valable à compter du (année/mois/jour)* **2024-02-05** Until *jusqu'au* **2027-02-04**

cofrac CERTIFICATION DE SYSTÈMES DE MANAGEMENT

SignatureFournisseur

Julien NIZRI
Managing Director of AFNOR Certification
Directeur Général d'AFNOR Certification

Scan this QR code to check the validity of the certificate.
Flashez ce QR Code pour vérifier la validité du certificat.

The electronic certificate only, available at www.afnor.org, attests in real-time that the company is certified. *Seul le certificat électronique, consultable sur www.afnor.org fait foi en temps réel de la certification de l'organisme.* COFRAC accreditation n° 4-0001, Management Systems Certification, Scope available on www.cofrac.fr *Accréditation COFRAC n° 4-0001, Certification de Systèmes de management. Portée disponible sur www.cofrac.fr*
AFAQ is a registered trademark. *AFAQ est une marque déposée.* CERTI P 0866.9 – EN 07/2020

Appendix - ISO 50001 Verification Statement

IMQ www.imq.it

CISQ is a member of IQNET The International Certification Network www.iqnet-certification.com

CERTIFICATO N.
CERTIFICATE N. **0007.2024**

SI CERTIFICA CHE IL SISTEMA DI GESTIONE DELL'ENERGIA DI
WE HEREBY CERTIFY THAT THE ENERGY MANAGEMENT SYSTEM OPERATED BY

SHINFOX ENERGY CO., LTD. (HQ Office Site)
森崴能源股份有限公司 (總部辦公室)
8F., No.49, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City 236040, Taiwan (R.O.C.)
新北市土城區中央路四段 49 號 8 樓

SITI / *SITES*

8F., No.49, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City 236040, Taiwan (R.O.C.)
新北市土城區中央路四段 49 號 8 樓

E' CONFORME ALLA NORMA / *IS IN COMPLIANCE WITH THE STANDARD*

ISO 50001:2018

PER LE SEGUENTI ATTIVITA' / *FOR THE FOLLOWING ACTIVITIES*

Headquarters operations management of Renewable energy and clean energy
再生能源與潔淨能源之總部營運管理。

IL PRESENTE CERTIFICATO E' SOGGETTO AL RISPETTO DEL REGOLAMENTO PER LA CERTIFICAZIONE DEI SISTEMI DI GESTIONE
THE USE AND THE VALIDITY OF THE CERTIFICATE SHALL SATISFY THE REQUIREMENTS OF THE RULES FOR CERTIFICATION OF MANAGEMENT SYSTEMS

DATE:	PRIMA CERTIFICAZIONE *FIRST CERTIFICATION*	EMISSIONE CORRENTE *CURRENT ISSUE*	SCADENZA *EXPIRY*
	2024-01-05	2024-01-05	2027-01-05

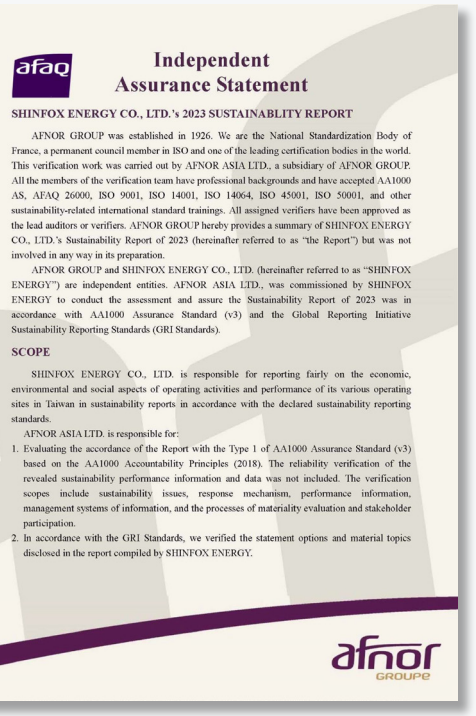
IMQ S.p.A. - VIA QUINTILIANO, 43 - 20138 MILANO ITALY
Management Systems Division - Flavio Ornago

ACCREDIA MS N° 0005MS
Membro degli Accordi di Mutuo Riconoscimento EA, IAF e ILAC
Signatory of EA, IAF and ILAC Mutual Recognition Agreements

La validità del certificato è subordinata a sorveglianza annuale e riesame completo del Sistema di Gestione con periodicità triennale
The validity of the certificate is submitted to annual audit and a reassessment of the entire management System within three years

CISQ www.cisq.com
CISQ è la Federazione Italiana di Organismi di Certificazione dei sistemi di gestione aziendale/ CISQ is the Italian Federation of management system Certification Bodies

Appendix - Sustainability Report Verification Statement



Independent Assurance Statement

SHINFOX ENERGY CO., LTD.'s 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 hereby provides a summary of SHINFOX ENERGY CO., LTD.'s Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.

AFNOR GROUP and SHINFOX ENERGY CO., LTD. (hereinafter referred to as "SHINFOX ENERGY") are independent entities. AFNOR ASIA LTD., was commissioned by SHINFOX ENERGY to conduct the assessment and assure the Sustainability Report of 2023 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

SCOPE

SHINFOX ENERGY 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 SHINFOX ENERGY.

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

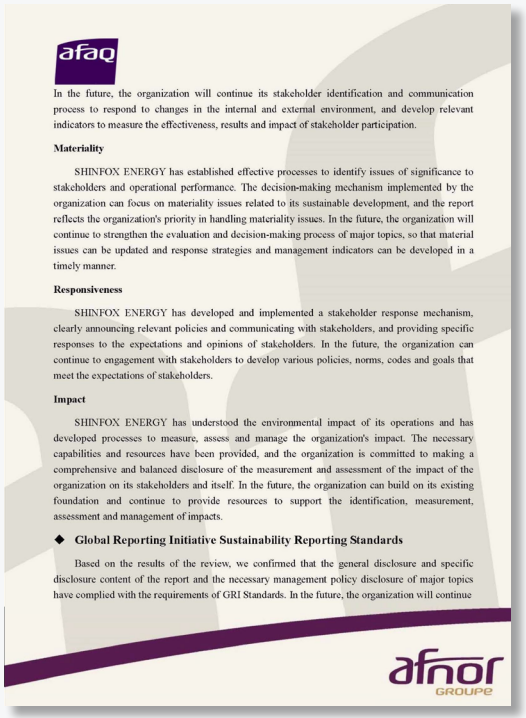
- The inclusivity, materiality, responsiveness, and impact in the Report were assessed according to the principles of management process against AA1000 Assurance Standard (v3).
- The report is reported in accordance with the GRI Standards, and the content of the report is reviewed for general disclosures 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 SHINFOX ENERGY.
- 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

SHINFOX ENERGY 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, the organization will continue its stakeholder identification and communication process to respond to changes in the internal and external environment, and develop relevant indicators to measure the effectiveness, results and impact of stakeholder participation.

Materiality

SHINFOX ENERGY 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 will continue to strengthen the evaluation and decision-making process of major topics, so that material issues can be updated and response strategies and management indicators can be developed in a timely manner.

Responsiveness

SHINFOX ENERGY 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 engagement with stakeholders to develop various policies, norms, codes and goals that meet the expectations of stakeholders.

Impact

SHINFOX ENERGY 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 build on its existing foundation and continue to provide resources to support the identification, measurement, assessment and management of impacts.

◆ **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 will continue

to comply with the requirements of reporting standards, compile major theme management content and relevant operational performance, and provide sufficient sustainable development reporting content.

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 SHINFOX ENERGY 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 SHINFOX ENERGY provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in SHINFOX ENERGY 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 SHINFOX ENERGY 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
Jun.26.2024

AA1000
Licensed Report
000-84/V3-VT6A1

AFNOR ASIA LTD.—20F, No. 102, Chung Ping Rd., Taoyuan, Taiwan
Tel：+886 3 2208080, Fax：+886 3 2204866, http://www.asia.afnor.org

Appendix-Letter of Compliance with Corporate Social Responsibility

The Company guarantees the following:

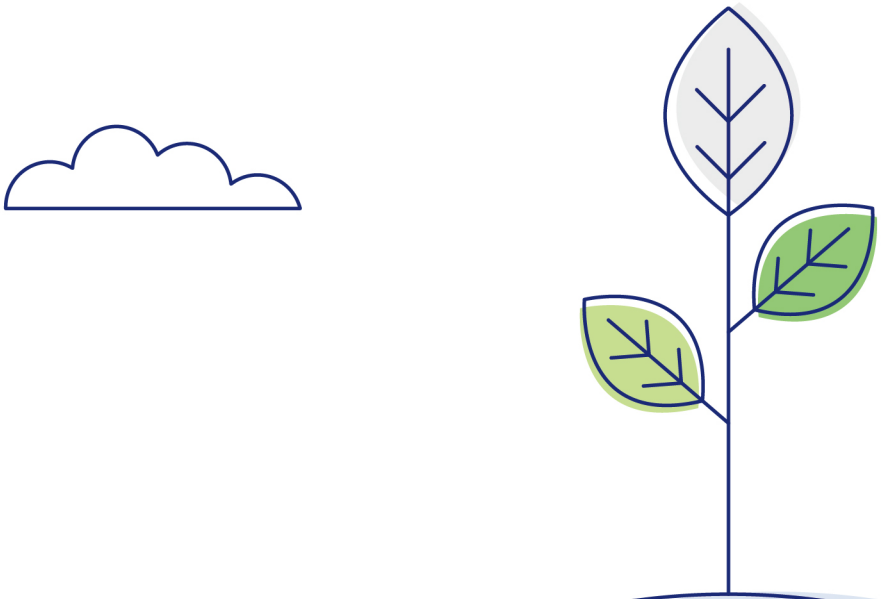
1.1 Respecting the human rights of workers, this pledge includes all regular, short-term, and temporary workers, interns, and all other types of workers. We will ensure that the following standards are met: free choice of employment; no child labor; protection of the rights and health of female workers; no discrimination against workers; prohibition of any inhumane treatment; wages, benefits and working hours for workers are in accordance with local laws and regulations; and freedom of association for workers.

1.2 We provide a healthy and safe working environment for workers, including ensuring occupational safety, providing emergency preparedness programs, managing occupational injuries and illnesses, controlling sources of hazards, assessing, and controlling the impact of work with special physical requirements on workers, evaluating machinery for hazards, and maintaining public health.

1.3 To assume environmental responsibility, we do our best to minimize adverse impacts on society, the environment and natural resources during manufacturing processes while protecting public health and safety. We ensure compliance with the following standards: obtaining necessary environmental permits and reports; conducting pollution prevention and resource conservation measures; enacting chemicals and hazardous substances control and handling procedures, wastewater and solid waste control and handling procedures, air emissions control and handling procedures; and compliance with relevant laws and regulations for product content control.

1.4 We follow the highest standards of ethical requirements. These include operating with integrity, having no improper interests, disclosing information about our business and financial condition in accordance with applicable laws and regulations, complying with anti-corruption laws (such as FCPA) in the course of our dealings, respecting intellectual property rights, enforcing fair trade and competitive standards, acting responsibly in the procurement of minerals, protecting the personal information of all business contacts, complying with privacy and information security regulations, providing anonymous complaint procedures to protect the confidentiality of whistleblowers, and establishing protection procedures to prevent retaliation.

1.5 We established a management system related to the contents of this commitment, including commitment to a social and environmental responsibility policy, verifying management responsibilities and conducting regular reviews, monitoring and understanding applicable laws and regulations and customer requirements, establishing risk assessment and risk management processes, setting improvement goals and conducting regular evaluations, formulating training programs, and establishing communication procedures with workers.



森崴能源
SHINFOX ENERGY

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