

2021

HD Renewable Energy Co.,Ltd.

Sustainability Report / ESG Report





ESG Business Strategy

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About This Report

Principles in Preparation of this Report GRI 102-54

This report discloses the management policy and execution performance of HD Renewable Energy Co., Ltd. (referred to as "HDRE") in the three main aspects of economy, society and environment. The disclosure of this report is made in accordance with international standards and guidelines and with reference to the GRI Standards announced by The Global Reporting Initiative (GRI) in 2016.

Report Period and Scope GRI 102-45, 102-50

• Information Disclosure Period

This report covers the performances and actions of HDRE with respect to all ESG major topics during the period from 1 January 2021, to 31 December 2021.

• Scope of Information Content

HDRE is the main subject [Note] for the disclosure of all indicator information in this report. The scope of the information and data disclosed in this report covers the performs in the aspects of environment, society, and finance. In view of the industrial correlation and financial materiality, matters involving subsidiaries will be indicated specifically in the report. In addition, the content of future directives, objectives, and plans, etc. will be further described in the content of the report. Furthermore, the financial information is primarily consolidated revenue, which is consistent with the financial report.

Note: The scopes of fishery and electricity symbiosis and wind power have relatively smaller impact on the overall operation; therefore, they are not included in the disclosure scope of this report.

Report Management Method and Quality GRI 102-56

• Internal Review

The data or information disclosed in this report is provided by various responsible units under HDRE, and after the data and information is summarized and verified by the Sustainable Development Office, it is submitted to the Chairman for review and approval for disclosure. In addition, all stakeholders are ensured to obtain correct information and to receive quality report.

• External Assurance

Ernst & Young (EY) Taiwan, an independent firm with creditability, is retained by HDRE to conduct limited assurance on this report in accordance with the provision of "Assurance Case of Non-historical Financial Information Audited or Reviewed" of Assurance Standards Gazette No. 1, to ensure that the 2021 Corporate Sustainability Report disclosure content complies with the core items of GRI Standards. Relevant results after the completion of assurance have been communicated with the governance unit. Please refer to the Independent Assurance Report of Appendix of this report (P.99) for details of the assurance scope and conclusion.

• Data Quality Management

Financial data disclosed in this report: All the ISO quality, information security, occupational safety and health, environment and energy management greenhouse gas emissions data are qualified through certification, or verification by an independent third party.

| | |
|--|------|
| Financial Data | KPMG |
| Occupational Safety and Health Management System ISO 45001 | BSI |
| Greenhouse Gases ISO 14064-1 | BSI |

Edition Release History GRI 102-51, 102-52

The Chinese report and English summary report are released annually and are available through enquiring from and download from the ESG website of the Company. The release date is:

| | |
|-------------------------|----------------|
| First edition published | September 2022 |
| Next edition | September 2023 |

Contact Information GRI 102-1, 102-53

Shall you have any suggestions or feedback on this report, please contact us:

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| Company Website | https://www.hdrenewables.com/ |



Message from the Management

Message from the Chairman GRI 102-14

In 2021, due to the COVID-19 pandemic, the environment, economy, and society were significantly affected. In Taiwan, despite the children were able the relatively small impact caused by the pandemic in comparison to other countries, we still experienced changes in all aspects of our lives. In addition to the impact from the pandemic, climate change in recent years has also become more extreme. To mitigate the effects of worsening global climate changes, HDRE has decided to take actions from within the company and continue to uphold the core philosophy of professionalism, innovation, passion and integrity as it dedicates itself to the provision of sustainable and clean energy. We are committed to the development of green technologies in power stations, EPC engineering, operation maintenance, research and development of smart monitoring systems so that ecological damage can be reduced, and environmental safety and health can be implemented in the process of creating economic value. This hence exerts a positive effort in the sustainable development of the corporate, environment and society jointly.

In addition to assisting in the construction of solar photovoltaic (PV) project sites, we also provide diverse green power utilization methods to our corporate partners which include green power wheeling and energy storage applications. We actively assist needy corporations to keep up with world trends so that they will not lose their important positions in the industrial market due to lack of green power or failure to purchase sufficient green power. HDRE aims to assist corporate partners by providing professional green power and energy related services to our corporate partners, hence allowing them to focus on their core businesses without any energy concerns.

Based on the philosophy of achieving social co-prosperity, we have established our three main objectives for 2021, which are namely:

1. Sound Governance

We are dedicated to implementing integrity and transparency, so as to establish a flat working environment with diverse channels for communication.

2. Environmentally-friendly

We embrace innovation and actively provide energy sources which are both low-carbon and clean.

3. Social co-prosperity

In addition to improving people-centric management and establishing a friendly working environment, we further demonstrate care

and implement education to bring about sustainable co-prosperity.

In 2021, Chuan-Li Chu, Director of Formosa 3D Association, and HDRE developed the first mobile 3D solar power movie vehicle in Taiwan. Since 2013, Director Chu and the 3D movie vehicle have traveled to 22 counties and cities over numerous trips in Taiwan, and over 230 thousand people have watched their movies. They have thus conveyed Taiwan's beauty and experts' efforts in different fields to all parts of Taiwan. Through the movie vehicle's advanced technology, children in remote areas are also able to enjoy great movies. Since power supply in remote and rural areas can be unstable sometimes and old socket issue often occurs, we discussed with Director Chu to develop feasible strategy and installed solar panels on the vehicle roof in order to implement additional energy storage equipment. Once the energy storage equipment is fully charged, it is able to play at least two movies in one day, thus overcoming the electricity problem faced by Director Chu and his team. It is worth noting that as charging can be made simultaneously with power consumption, small micro-grids can be achieved. When the Formosa Team is on its school campus tour, the children were able to intuitively understand the application of solar panels and the concept of how power generation equipment can be both close to us and applicable in our daily lives. In the future, we will continue to increase our efforts in lowering the green power consumption barrier to establish a Smarter Energy and Accessible Green world.

Chairman

謝源一



Message from the Management

Message from the President

GRI 102-14

HDRE's vision is to become a smart green power company. We focus on the golden triangle of power generation, energy storage, and sale of electricity in conjunction with the most optimal smart management systems to achieve a comprehensive green power demand supply, hence accelerating the future goal realization of green power for daily life and net zero carbon emissions. "Smarter Energy and Accessible Green" can thus be accordingly implemented in our daily lives.

In addition to the construction of power generation sites following our obtaining of an electricity sales license in 2021, we have supplied over 7.5 million kWh of electricity through power wheeling for numerous domestic leading business operations in the financial and telecommunication industries which include E.SUN Commercial Bank and Taiwan Mobile. To help corporate partners use green electricity more effectively and to save energy, we also implemented power consumption monitoring methods to analyze the source of power consumption so that efficient electricity consumption can achieve greater results than buying green electricity in large quantities.

We, in response to the World Commission on Environment and Development (WCED) concept of sustainability: "development that meets the needs of the present generation without compromising the ability of future generations to meet their needs", particularly emphasize the promotion of energy education. To quote the author of "The Little Prince", Antoine de Saint-Exupéry: "We do not inherit the earth from our parents; we borrow it from our children". This phrase echoes the notion that we must live within nature's capital limits and carrying capacity as to protect both the Earth and our future generations.

Therefore, since 2021, HDRE has assisted Pantau Elementary School in Miaoli County to construct a solar photovoltaic stadium such that the project is not only a response to the government's green energy policy, but also overcomes the problem of insufficient indoor sporting space. Furthermore, the importance of green energy and merits of solar power are also shared with and introduced to the children when the project is completed, which allows children to develop a concept of green at a young age!

In addition, the symbiosis between fisheries and electrical generation - a uniquely Taiwan solar power generation characteristic, is our next key development goal. "Sustainable Operation of Fisheries" remain our first priority, and we value the environmental conditions such as the local water quality, climate and ecology, as well as the economic value of species whilst satisfying both fishery production/sales demands and the practical needs of solar power operation maintenance. These allow us to design and plan appropriate projects according to different site requirements. Moreover, both capital and technology are also introduced to promote the upgrading of the fishery industry and hence enhance the collaboration between existing fisheries and channel sales partners, thereby establishing a sustainable fishery and electricity symbiosis economic ecosystem. While promoting the goal of net zero carbon emissions, we also look forward to assist the fishery industry in Taiwan to overcome difficulties in employment, aging populations, gaps in experience inheritance, and interferent investment in infrastructure, thereby achieving sustainable development.

President

周仕昌



Overview of Sustainability Performance

E

Green Energy

- We constructed grid-connected installation capacity of **63.44 MW** in 2021, equivalent to supplying approximately **81,720 MWh** of green electricity for Taiwan annually.
- Field accumulated installation capacity of field operation management in 2021 reached **21.18MW**, providing approximately **27,000 MWh** of green electricity.
- Green power wheeling in 2021 reached **659 MWh**, and we became the first private green electricity trading operator in Taiwan with a wheeling volume in excess of **1 MW**.
- We successfully provided assistance in the area of green power wheeling and allowed companies to reduce **33 tons** of carbon emissions. Our cooperating business partners continued to purchase over **10,000 MWh** of green electricity from us.
- We collaborated with over **60%** of charging point manufacturers in Taiwan and actively developed the electric vehicle charging market as a charging service operator.

Energy Savings

- Completed the introduction of **ISO 14064 - 1: 2018** Greenhouse gas inspection for the office in 2021.
- Replaced old and obsolete power consuming equipment with **2** new energy-saving air conditioners.
- Used fully used LED energy-saving lighting fixtures in our new office.
- Waste disposal contractor compliance review and contract signing completion rate reached **100%**.
- We reduced waste from construction activity, replaced reusable construction materials for new projects, and achieved a steel mold base utilization rate of **100%**.
- Continued to develop the Yunlin Gukeng "Net Zero Carbon Emissions Demonstrative Area" in 2021 to realize land sustainable development.



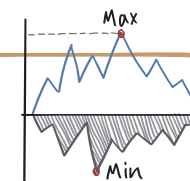
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Internal

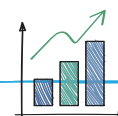
- The number of employees increases each year. In 2021, the employee growth rate was **21%**.
- Compared to last year, the employment rate in 2021 increased by **88%**.
- The total employee welfare fund in 2021 was **NT\$1,327,844**.
- Annual occupational safety, health education, and training programs are in place. In 2021, investment in education and training reached **NT\$273,000**.
- In 2021, accident-free working hours reached **125,617 hours**.

External

- In 2021, contributions to social welfare exceeded **NT\$3,460,000**.
- We collaborated with Formosa to deploy the 3D solar power movie vehicle tour and implemented energy education for approximately **80,000 people** annually.
- Executed energy education project at Pantau Elementary School, and reached more than **200 students**.
- Constructed solar power stadium to allow local residents and students to enjoy comfortable activity space, and the accumulated power generated by the solar power stadium reached **589,779 KWh** of electricity.



G



- We established comprehensive internal control systems and management regulations, and also achieved the goal to list on the emerging stock market in December 2021, becoming one of many green energy concept stocks.
- The 2021 EPS was **NT\$3.02**, and the operating income was **NT\$2,680,010** thousand. This was the highest operating income reached since the establishment of the Company.
- The Board of Directors approved the establishment of the Sustainable Development Office in 2021 to enhance the structure of the Company and to realize sustainable development.
- In 2021, the procurement amount from suppliers complying with **ISO 9001** reached **NT\$1.928 billion**.
- In 2021, the local procurement percentage reached **94.27 %**.

01

Sustainable Communication Listening and Engagement

1.1 About HD Renewable Energy (HDRE)

1.2 Stakeholder Engagement

1.3 Material Topic Analysis



1.1

About HD Renewable Energy (HDRE)

Since 2016, HDRE has started to provide integrated solar photovoltaic services, covering the fields of power generation, electricity sales, and energy storage. With the vision of "Utilizing green electricity in our daily living - accelerating the arrival of a future of net zero carbon emissions", we have become suppliers of solutions for net-zero carbon emissions and provide one-stop services ranging from the development of green energy sites, operation, and maintenance management, to green electricity sales, in conjunction with optimizing intelligent management systems which coordinate green power supply and demand, thus lowering the threshold of utilization of green electricity. To satisfy increasing green power demand in the market, we expand our electricity sales business and charging points operation service. HDRE will expand the possibly of various types of power applications to promote the popularization of green electricity under the objective of "HDRE Energy, Accessibly Green", in order to achieve the goal of becoming a world-class "Smart Green Power Company".

1.1.1 Introduction of HDRE

• Development History

To cope with climate change in recent years, greater number of international giant leading brands have announced to enroll in RE100 and are committed to achieve carbon neutrality by 2030. In addition, since Taiwan is the main high-tech manufacturing industry center in the world, many enterprises are key suppliers for the global market. The use of green power to achieve net zero carbon emissions is essential to enterprises. In the future, HDRE will integrate the information technologies of Cloud and AI to establish the "TITAN Smart Green Power System" where through centralized management and active prediction of demand and supply, power generation efficiency and maintenance management can be effectively increased. In addition, HDRE, a pioneer in the energy industry, established the "Intelligence Center" as the key to smart electricity dispatch, thereby jointly contributing to sustainable development.

Company Profile

Full Name of Company
HD Renewable Energy Co., Ltd.

Stock Code
6873

Number of Official Employees
146 people

Date of Establishment
16 May 2016

Chairman
Yuan-Yi Hsieh

President
Shih-Chang Chou

Services
Development and construction of electrical power, power station
asset management, smart power services

Headquarter Location
28F-2 and -3, No. 213, Chaofu Rd., Xitun Dist., Taichung City

Company Website



HDRE's Key Milestones

2016

- HD Renewable Energy Co., Ltd. was established

2018

- First water surface-based solar photovoltaic system construction (4MW) was completed
- MOU was signed with Shin Kong Chao Feng Co., Ltd. to obtain the development right for 375ha of land of the Chao Feng Ranch and Resort, and constructed the largest single solar photovoltaic project (400 MW) in Taiwan
- Hongbo Technology and Energy Co., Ltd. was established for the expansion of solar photovoltaic maintenance and operation services

2019

- Established a fishery company as a first move in fishery and electricity symbiosis

2020

- Established Star Power Energy Corporation together with Taiwan Life Insurance, TransGlobe Life Insurance, and AcBel Polytech to jointly develop power stations
- Established Star Exchange Co., Ltd., a subsidiary.

2021

- Subsidiary Star Exchange Co., Ltd. obtained the electricity sales license issued by the Ministry of Economic Affairs
- Contracts were signed with Taiwan Mobile and E.SUN Bank for the sale of electricity through a power wheeling arrangement
- Subsidiary Star-EV-Charge was established to start the electric vehicle charging business
- Public offering and listing at the emerging stock market for trading was approved by Taipei Exchange (TPEX)

2022

- Established Aquastar Energy Corporation with Taiwan Life Insurance, TransGlobe Life Insurance, and Fubon Life to jointly develop fishery and electricity symbiosis
- Established the Intelligence Center for smart electricity dispatching and initiated facelift for new power company
- The Board of Directors passed resolutions on the application for public listing of the company stock
- Expanded the operating scale of the Company by a capital increase of cash infusion on 15,000,000 shares
- First edition of Sustainability Report was published



• Philosophy and Vision

As we face climate change, energy transformation has become the most essential and urgent issue around the world, Taiwan included. Fortunately, renewable energies provide us a solution to zero carbon emissions for our future, and people also prefer green operations and corporations with low carbon footprint. Despite the many obstacles in the energy transformation journey, HDRE is committed to its mission of maximizing green energy utilization rates with AI green power system, thus allowing green power to be used in our daily lives. In addition, customized and integrated services are also provided so that green power is accessible everywhere, thereby creating a green living circle jointly and facilitating energy transformation.

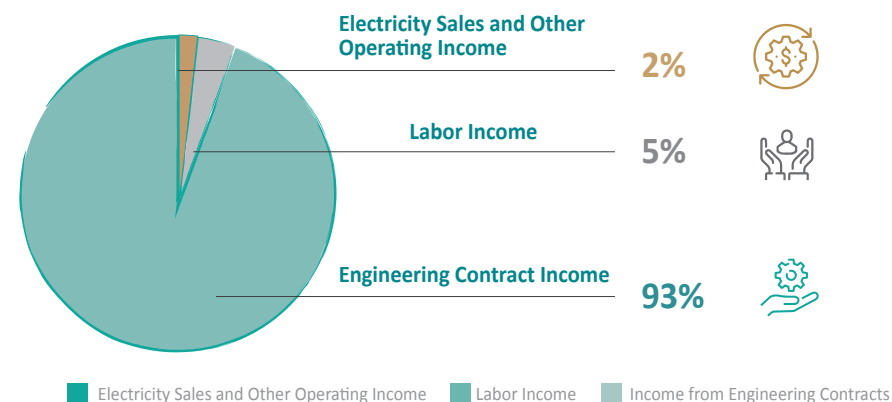
• Core Philosophy of HDRE



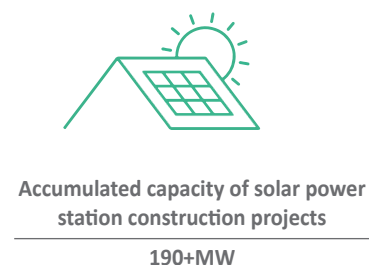
• Introduction of Three Main Business Units

Presently, the main services of HDRE are electric power development and construction, asset management service and smart power service. In addition, we also actively invest in energy storage equipment and installation. Through participation in the Taipower grid ancillary service tendering, we have established the foundation for subsequent virtual power plant operation models. Furthermore, we also invested in the development of operation services for electric vehicle charging points such that through intelligent system and data use, we are able to further assist customers in their green energy management. In view of the great potential in fishery and electricity symbiosis, HDRE has entered the field as a pioneer several years ago. Recently, we are focused on providing fishery aquaculture management services and linking these services to project design, cultivation, processing, sales, channel management and various other functions. As government policies have been significantly relaxed in recent years, we believe that the fishery and electricity symbiosis will become one of our main businesses.

Main Product Business Ratio



1. Electric Power Development and Construction



HDRE provides services based on project development and Engineering Procurement Construction (EPC), and we have developed our own projects with team members of different professional backgrounds to design and customize exclusive plan for different types of fields. As ecological environment in Taiwan is complicated and diverse, in addition to the conventional roof and ground type projects, our engineering team is also equipped with exclusive and special techniques and technologies for special terrains, such as land subsidence areas, salt pans, floating platforms on water surfaces etc. In addition, we also have expertise in the construction of ultra-high voltage systems which comprehensively consider various aspects of design, construction, civil works, machinery, electrical and mechanical systems, etc. in relevant fields, hence reducing risks and costs.

- Roof Type

Solar photovoltaic (PV) modules are constructed on the roof of existing building, and solar panels can be directly installed on the roof or shed frame which can be constructed before the installation of solar panels, which is the construction method adopted by fishery and electricity symbiosis facilities. The roof-type installation is mainly for government agencies, school buildings, and dormitory roofs. Private enterprises with large power consumption needs and RE100 with green power demands are also key business development targets.

- Ground Type

Solar PV modules and steel points are installed on the floor (including sun tracking type) or on the ground. The system is typically installed in farmlands, parking lots, and all-weather open-top stadiums. From the early days, ground-type was mainly for fields with areas under 2ha. It has now become suitable for large PV area developments areas above 30h. Through active participation in the government agency tender projects and state-owned land development, we aim to assist in the achievement of the 2025 green energy goal set out by the government.

- Water Surface Type

Solar PV modules are installed on the water surface, and typically on the water surface of reservoir and detention basin. The structure contains no steel points, and water resistant and weather resistant buoys made of special material are used to install solar PV modules on the water surface, followed by the anchoring and securement to prevent movement of the solar panel modules. HDRE has been actively tendering detection basin tender projects of government agencies and also participated in the construction of water surface type of EPC projects.

- Ultra High Voltage

For power transmission systems with voltages exceeding 25,000V, i.e., above 20MW, "Ultra High Voltage (UHV) Power Stations" are required. In 2020, there were a total of five private UHV projects in Taiwan, and HDRE constructed two of these UHV projects which are located in Xuejia District, Tainan City, and Yizhu Village, Chiayi County. In 2021, HDRE constructed two UHV projects which were located at Erlin Township, Changhua County, Beimen District, Tainan City.

- Fishery and electricity symbiosis

HDRE responses to the "Green Power Added Value for Fishery" initiative actively promoted by the government in recent years. From the development stage, fishery operations are considered and included in various management regulations and integrated with solar PV technologies and maintenance plan to achieve balanced development in both solar power and fishery industries, thus promoting local symbiosis and co-prosperity.



Ground type + UHA field at Beimen District, Tainan City



Ground type field at Fangliao Township, Pingtung County

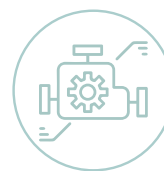
2. Power Station Asset Management

Different from most of the asset management companies in the market, the asset management consulting service provided by HDRE focuses on the financial and legal related consulting service. With HDRE's extensive experience project development, assessment, solar power station system construction and maintenance management capability, we aim to provide professional and comprehensive services to customers for the period from their early development stage to the in-service operation of twenty years, in order to maximize the asset value.



Fishery Management

- We focus on the ecological diversity and natural water circulation cultivation technique, and adhere to the low density cultivation principle, along with the implementation of biological techniques and probiotics to maintain a safe and eco-friendly cultivation environment.
- With the integration of AI and fish pond management, along with the use of sensors, computer/smartphone, cloud, and big data, a smart cultivation trend is established.



Power Station Operation and Maintenance

- We provide the services of solar power station maintenance, including periodic module cleaning, inspection, repair and troubleshooting of accidental failure, etc.
- With the use of AI smart software monitoring and big data analysis, we provide customized maintenance services for power plants.

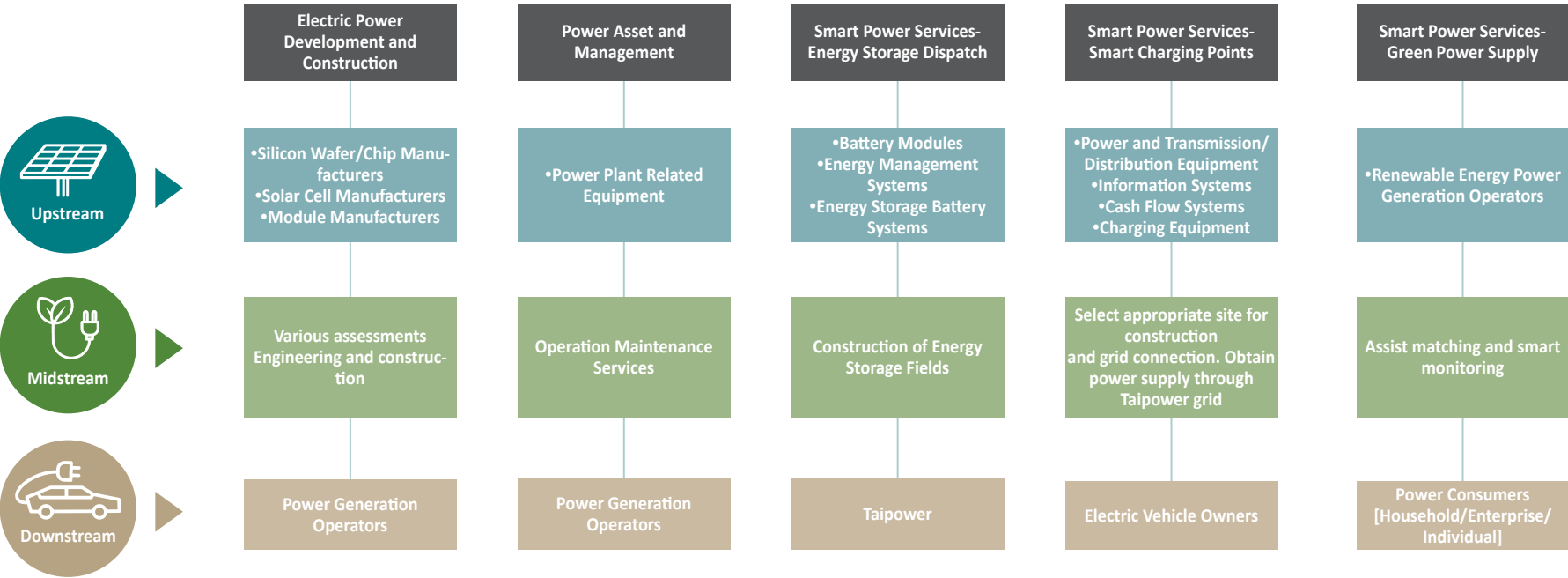
1.1.2 Industry Value Chain

As countries around the globe face the issue of global climate change, they have also started a new wave of green energy revolution. Taiwan also follows this new wave, and the government has set the carbon neutrality goal by 2050 and established the 2025 energy transformation key indicators. In addition, the development of renewable energies and a non-nuclear home have been decided as key policy goals.

HDRE, being a green energy integrator, has different value chains for its the three main business areas. For example, with regard to the electric power development and construction business, the upstream includes silicon wafer and silicon chip manufacturers, solar module manufacturers, power generation equipment and system manufacturers, etc. HDRE assesses construction feasibility, power generation benefit, environment and social impact as well as

investment benefit for field development projects. In addition, we also engage in investing in co-owned fields with joint venture partners to break into subsequent engineering and construction works. With regard to the electric vehicle charging point business, the structure is relatively more complicated. Upstream vendors, in addition to the power and transmission/distribution operators, also include vendors of charging equipment we cooperate with, information and cash flow services for joint collaborations to provide charging service to electric vehicle owners. HDRE is committed to assist all industries to use clean and green energy in their operations. We also look forward to encourage all business partners in the value chain to contribute both in sustainable development and carbon reduction.

HDRE Value Chain

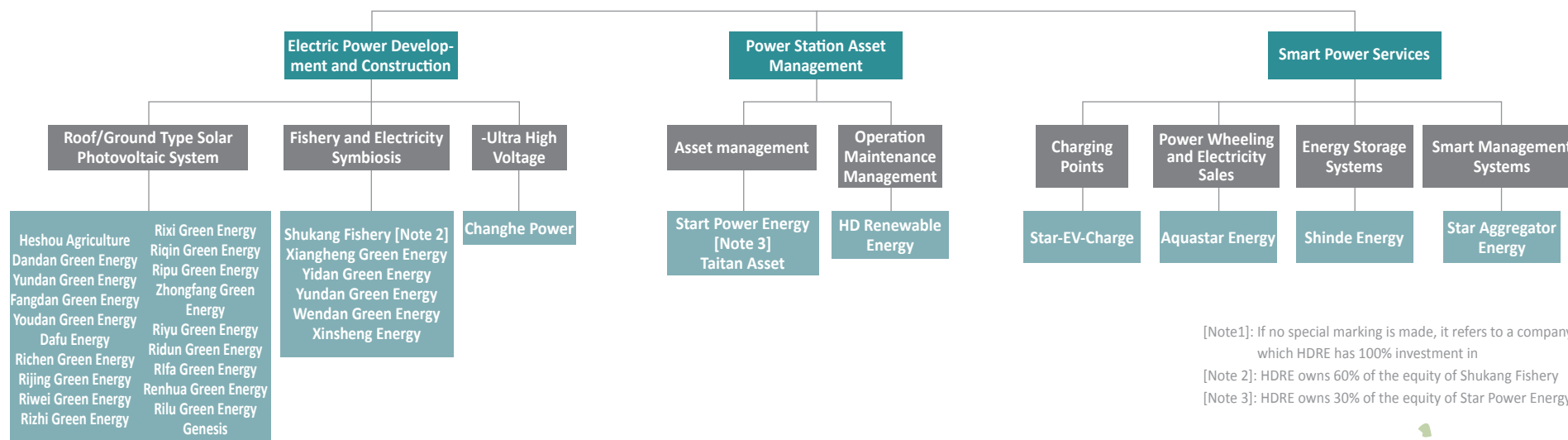


1.1.3 Business Development Group (Subsidiaries and Investees)

HDRE engages in investment for the purpose of green power business development needs, and the financial business management policy of investees mainly refers to relevant internal management regulations. Nevertheless, we have established the “Procedures for Subsidiary Supervision and Management” as a guideline for investees’ investing in the subsidiary.



HD Renewable Energy
Co., Ltd. [Note1]



[Note1]: If no special marking is made, it refers to a company which HDRE has 100% investment in

[Note 2]: HDRE owns 60% of the equity of Shukang Fishery

[Note 3]: HDRE owns 30% of the equity of Star Power Energy

1.2

Stakeholder Engagement

1.2.1 Stakeholder Identification (and material topic analysis process)

GRI 102-40, 102-42, 102-43, 102-44

According to the international AA1000 Stakeholder Engagement Standard (SES) and the principles of five main aspects: responsibility, influence, tension, diverse perspectives and dependency, HDRE considers domestic and foreign sustainability issue development trends and operation status in order to define eight categories of main stakeholders.

HDRE particularly values stakeholder communication and upholds open and transparent principles to provide diverse channels to facilitate the establishment of proper two-way communication, disclosure of information and collection of feedback. In addition, the Company also actively obtains feedbacks and suggestions pertaining to operations from stakeholders, hence allowing the Company to make timely corrections and adjustments with respect to sustainable development and respond to the expectations of the general public.

HDRE communicates with stakeholders via diverse channels and - integrating material topic analysis, identifies important issues related to both stakeholders and HDRE. As this year is the first year HDRE releases its Sustainability Report, HDRE will, in addition to enhancement on information disclosures, continue to improve on all shortcomings in the future so as to demonstrate our commitment to establishing a cornerstone for sustainable corporate operations.



1.2.2 Key Stakeholders

HDRE has established diverse communication channels for stakeholders to actively understand the attitudes, thoughts and concerns of stakeholders. In addition, the Company's business strategy is also adjusted on a timely and dynamic basis, thus achieving a win-win situation in both sustainable corporate operations and with stakeholders.

| Stakeholders | Importance | Issues of Concern | Communication Channel | Communication Frequency | Communication Key Results for 2021 |
|--|--|---|---|-------------------------|--|
| Employees | We value our employees' opinions and feedbacks, and see our employees as important assets. By establishing a "Diverse Culture Inclusion and Happy Workplace" in conjunction with our employees, we implement employee care thoroughly and provide a safe and secure workplace. | Occupational Safety and Health Talent Attraction and Retention Talent Attraction and Retention Labor-Management Relations Workplace Diversity and Inclusion | Organize periodic labor-management meetings Establish diverse channels for communications and grievances | Once/quarterly | <ul style="list-style-type: none"> In 2021, a total of four labor and management meetings were convened. The Safety and Health Committee consists of 13 members who are first-class supervisors and 5 labor representatives. This ratio is superior to the regulatory requirements by over 1/3 of the required ratio. |
| Suppliers and Contractors | For suppliers and contractors, in addition to continuous compliance with occupational safety and human rights related regulations, we also specified environmental safety and health requirements and actively guide environment, safety and health establishment to continue jointly striving for the sustainable development of environment and society. | Supplier Management Occupational Safety and Health Legal Compliance Corporate Risk Management | Establish supplier and contractor management procedures | Pre-operation/annually | <ul style="list-style-type: none"> The total number of contractor safety, health education, and training hours organized reached 5568 hours, with a total of 930+ participants. Thoroughly conducted supplier/contractor safety and health assessments and surveys. |
| Customers | We are committed to providing quality services to our customers, and we also strive to ensure both high quality and customer satisfaction as we implement customer privacy protection and information security management. | Information Security Ethical Management | Establish business, assets, electricity sales, and management procedures Conduct customer satisfaction questionnaire | Once annually | <ul style="list-style-type: none"> Performed satisfaction survey in project planning, service, and construction. The satisfaction survey over a total of 6 customers were completed to use it as the basis for future improvements and adjustments. |
| Government Agencies | We guarantee to comply with the government's regulatory requirements and local laws and regulations. We actively adjust management operations according to government policies and disclose material financial business information. In addition, all products and services are required to comply with the laws and oversight by the competent authorities. | Corporate governance Legal Compliance Information Security | Participate in government open information activities and review update information of laws and regulations | Monthly~quarterly | <ul style="list-style-type: none"> In terms of the update of laws and regulations, there are a total of 92 occupational safety provisions, among which 47 provisions are considered applicable and are periodically inspected. In the last three years, there have been no incidents related to social and environmental laws and penalties. |
| Shareholders/Investors | Achieving best construction quality and generating maximum profits are the goals of the company. These goals can increase the trust and cohesion of both shareholders and employees, who are also considered as key matters to sustainable development and business operation. | Green Energy and Energy Storage Innovation and Intelligence Optimization Risk Management Operational Performance | Shareholders' Meeting Minutes | Once annually | <ul style="list-style-type: none"> Periodically convene shareholders' meetings and provided business report and explanations on progress of execution of various policies. Protect all rights and interests of shareholders, to increase their confidence in the company. |
| Communities/Nonprofit Organizations/Non-Governmental Organizations | We uphold the principles of contribution and giving back to the society through core technologies and capabilities, so as to prevent the impact on the local ecology and achieve the goal of a better life with green power and innovation. We also promote awareness of green power and organize various public welfare events to convey our passion and inspire positive energy. | Environmental and Social Inspections Energy Education and Promotion | Organize public welfare events | Once annually | <ul style="list-style-type: none"> In 2021, the all-weather stadium of Pantau Elementary School was constructed, and energy education was promoted. The project contacted over 200 students. Collaborated with Formosa to implement the annual energy education for approximately 80,000 people. |
| Industrial Unions/Associations | In addition to participating in the open events of government agencies, we also actively participate in events announced by the unions, including courses and field on-site visits to achieve operation safety management exchange, and also promote industrial safety and development of maturity in health management. | Occupational Safety and Health Environmental and Social Inspections | Participate in periodical events of the government agencies | Monthly~quarterly | <ul style="list-style-type: none"> In 2021, we participated in a total of 3 government open courses and events. |
| Media | Through media exposure, press conferences, brand activities and media gathering events, we hope that important information on HDRE can be conveyed to all stakeholders by using media as an important channel for our communications with the general public. | Innovation and Intelligence Optimization Supplier Management Brand Image Energy Management | Newsletters, press conferences, interviews, e-mails, telephone interviews | Any time | <ul style="list-style-type: none"> In 2021, a total of 2 media conferences and interviews were organized. |

Stakeholder Contact Window and Communication Channels



1.3 Analysis of Material Topics

1.3.1 Material Topic Analysis, Material Topic Matrix GRI 102-46, 102-47

STEP 1



Identify internal and external groups or individuals significantly affected by the Company's activities, products, and services in accordance to the AA1000 Stakeholder Engagement Standards (SES): Employees, shareholders/investors, customers, suppliers, media, communities/nonprofit organizations/non-government organizations, government agencies, industrial unions/associations.

8

Categories of Stakeholders

STEP 2



Summarize 24 sustainability topics according to the GRI Standards, domestic and foreign ESG trends, regulations and sustainability rules, market environments, corporate management strategies, customer demands, etc.

24

Topics

24 Topics

7

Environmental Aspect Topics

- Green Energy and Energy Storage
- Environmental and Social Inspections
- Climate Change Response
- Energy Management
- Greenhouse Gas Management
- Waste Management
- Water Resource Management

7

Social Aspect Topics

- Occupational Safety and Health
- Talent Attraction and Retention
- Energy Education and Promotion
- Talent Attraction and Retention
- Labor Relations
- Talent Cultivation and Educational Training
- Workplace Diversity and Inclusion

10

Economic Aspect Topics

- Innovation, Research and Development
- Product Quality and Responsibility
- Operational Performance
- Legal Compliance
- Corporate Risk Management
- Ethical Management
- Supplier Management
- Business Continuity Management
- Information Security Management
- Corporate governance

STEP 3

Survey of Issues of Concern

The stakeholder survey questionnaire is prepared according to the 24 Topics of Concern and the “Topic of Concern Topic Evaluation Questionnaire” is distributed to all stakeholders. In addition, “Impact Topic Evaluation Questionnaire” is distributed to internal senior managers of the Company. A total of 129 copies of valid questionnaires have been collected, including 109 copies of concern level questionnaires and 20 copies of impact level questionnaires.

129

copies of valid questionnaires

STEP 4

Determine Material Topics

According to the two dimensions of the concern level of stakeholders and the impact level on the operation of the Company, the sustainable topic is analyzed to determine whether it is material, and the materiality matrix is drafted. In the management directives of each chapter, 10 material topics are selected at the end for disclosure.

STEP 5

Discussion and Improvement

In the future, HDRE will continue to manage material topics identified and will also disclose relevant information in both the Sustainability Report and the Company’s website.

10

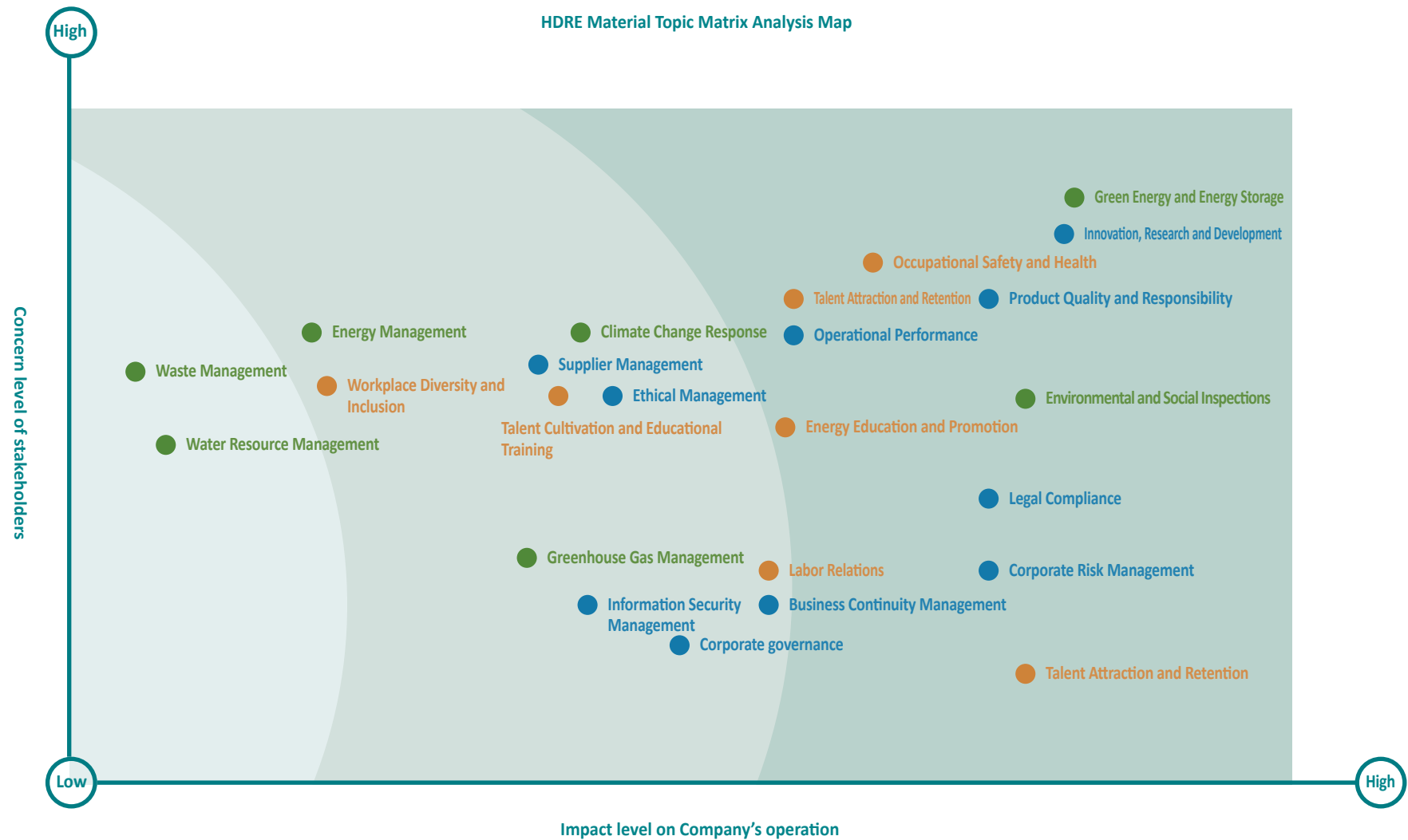
Main Topics

First

Edition of Report

Material Topic Matrix

HDRE performs stakeholder materiality analysis based on the 24 sustainability topics and prepares the HDRE material topic matrix as shown in the graph below. The X-axis refers to the “Impact level on the Company’s operation, and the Y-axis refers to the “Concern level of stakeholders”. According to the score of each item, the 10 material topics identified are: (1) Green Energy and Energy Storage, (2) Innovation, Research and Development, (3) Product Quality and Responsibility, (4) Occupational Safety and Health, (5) Environmental and Social Inspection, (6) Talent Attraction and Retention, (7) Operational Performance, (8) Legal Compliance, (9) Energy Education and Promotion, (10) Corporate Risk Management.



● Environmental Aspect
 ● Social Aspect
 ● Corporate Governance Aspect

1.3.2 Disclosure of Management Directives

HDRE has established management directives for the 10 material topics, and respectively explains the short/medium/long-term goals and implemented actions in each chapter.

2021 Value Chain Impact Scope

| Category | HDRE Material Topic | Impact Description • Meaning for HDRE | Impact Boundary ● Directly Related ○ Indirectly Related ☆ Directly related to such impact through business relationship | | | | | | | |
|-------------|--|---|---|-----------|-----------|---------------------|------------------------|--|------------------------------|-------|
| | | | Internal | External | | | | | | |
| | | | HDRE | Suppliers | Customers | Government Agencies | Shareholders/Investors | Communities/Nonprofit Organizations/Non-Governmental Organizations | Industrial Union/Association | Media |
| Governance | Innovation and Intelligence Optimization | HDRE invests in diverse innovation, research and development, and strengthens the core competitiveness by providing point products and service models satisfying market demands. | ● | ● | | ● | ● | | ☆ | ● |
| | Product Quality and Responsibilities | For raw material and labor procurement, project maintenance quality affecting project construction and completion, we value suppliers as partners and ensure their compliance with health and safety regulations as we continue to cooperate with the entire value chain (upstream/midstream/downstream) to create a responsible value chain. | ● | ● | ☆ | ○ | ○ | | | ○ |
| | Operational Performance | We are committed to establishing thorough strategies and management actions to improve business performance and to achieve continuous and stable corporate growth. | ● | ● | ☆ | ○ | ○ | ○ | ○ | ○ |
| | Legal Compliance | Cooperate comply with government regulations and establish relevant policies and procedures in each compliance area to prevent illegal incidents which may affect business continuity and the Company's financial aspects. | ● | ☆ | ☆ | | ○ | | | |
| | Corporate Risk Management | To reduce the impact and influence from both internal and external risks, we continue to identify risks, plan and respond to regulatory changes from competent authorities, and also identify extreme climate risks which may result in interruption of operations, reputational damage, or financial loss. | ● | ○ | ● | ○ | ● | ○ | ● | ○ |
| Environment | Green Energy and Energy Storage | In view of Taipower's structure transformation, electricity prices are expected to progressively increase in the future. HDRE is dedicated to strengthening its core competitiveness and drive the upgrading of the industry as it heads toward net zero carbon emissions goal. | ● | ● | ☆ | ☆ | ● | ● | | ○ |
| | Environmental and Social Inspections | From site selection, facility planning, construction, and in-service operations, we analyze benefits and impacts through environmental and social inspections to achieve green energy ecological co-prosperity, respect the willingness of the general public, and to protect the rights and interests of fishermen at the same time. | ● | ○ | | ● | | | ○ | ○ |
| Society | Occupational Safety and Health | To improve the safety and health of all employees, comprehensive occupational safety and health management measures and policies are implemented. | ● | ● | ○ | ● | | ○ | ○ | ○ |
| | Talent Attraction and Retention | The green energy industry development advances rapidly with great diversity. Insufficient professional talent cultivation and transformation will hence affect the business development and profitability of the Company. | ● | | | ☆ | | ☆ | | |
| | Energy Education and Promotion | Improve employees' environmental awareness and integration with corporate core competencies, promoting green power and energy education to implement the Company's philosophy in the development of sustainable environment and promotion of sustainability policies. | ● | ○ | | | ☆ | | ☆ | |

02

Sustainable Governance Integrity and Transparency

- 2.1 Sound Corporate Governance
- 2.2 Enhancing Business Performance
- 2.3 Implementing Ethical Management
- 2.4 Establishing Risk Management



2.1 Sound Corporate Governance

HDRE upholds the vision of “Utilizing green electricity in our daily living - accelerating the arrival of a future of net zero carbon emissions” by investing in the renewable energy industry and valuing the principle of sustainable care. We have demonstrated long-term core competency in Engineering Procurement Construction (EPC) and have preemptively planned to enter the green energy transformation field. We vertically integrate our supply chains, and our business entities include power generation, electricity sales, energy storage fields. In conjunction with the most optimal smart management system, we are able to meet green power demands.

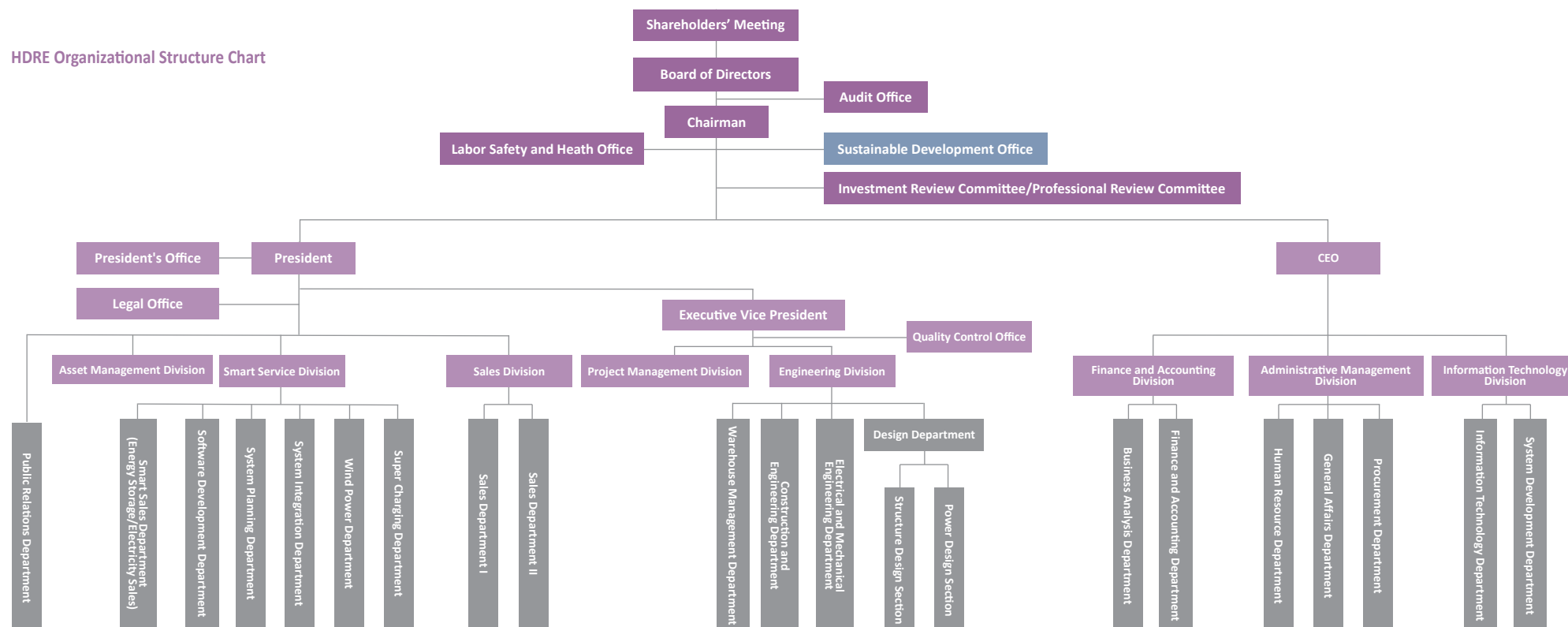
Through horizontal project vendor professional assessment, we have become a net-zero carbon emissions solution provider capable of providing one-stop service ranging from the development of green energy sites, maintenance and management of green electricity sales, thus lowering the threshold of utilization of green electricity.

2.1.1 Governance Structure

• Corporate Governance Oriented from Promotion of Sustainable Development

HDRE expands its corporate planning each year and adjusts its corporate governance structure in a timely manner according to the Company's business development status. From electric power development and construction to power station asset management, we expect to deploy smart power business in 2022 in a demonstration of HDRE's commitment to expanding its corporate planning. While coping with the continuously changing domestic market, we expect to realize the vision of electricity liberalization. Through strengthening the sustainable governance of the Company, we will gain greater business collaboration opportunities. With the implementation of corporate sustainability responsibility, we look forward to contribute efforts towards both society and environment.

HDRE Organizational Structure Chart

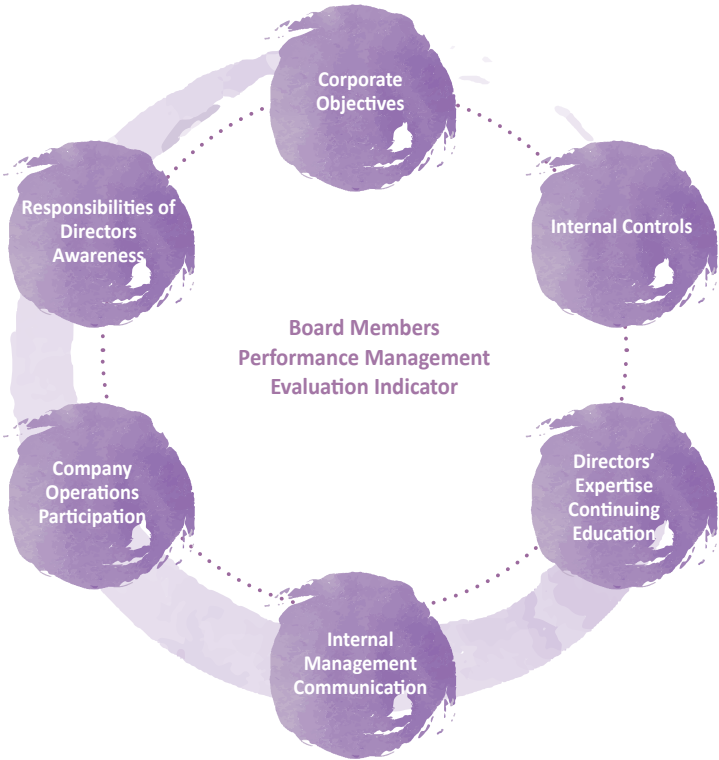
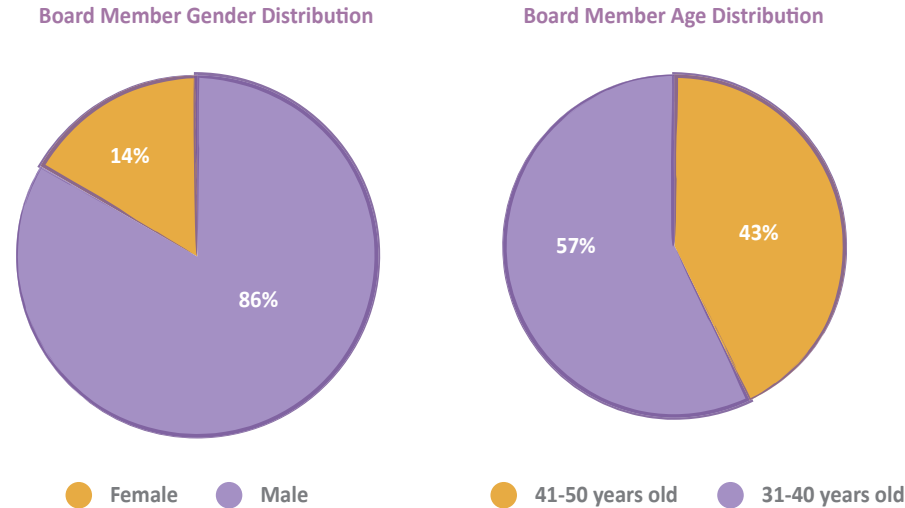


2.1.2 Board of Directors Operation

- Young Directors with Vitality in Governance

HDRE follows the ethical governance principle and is committed to establishing an ethical and transparent corporate culture to implement comprehensive corporate governance and continuously strengthen corporate governance effect. The Board of Directors of HDRE is the Company’s highest decision making and governance team. It is responsible for both the supervision of overall operation responsibility and the outcomes of policies jointly executed with the Company’s operations team. The board members of the Company are nominated and elected according to the Articles of Incorporation, thereby achieving sound board function and operation. In addition, we also comply with the “Corporate Governance Best Practice Principles” to ensure the diversity and independence of board members. Furthermore, the “Procedures for Evaluation of Board of Directors Performance” is implemented to review and evaluate the performance of the board. All resolutions made by the Board of Directors are recorded in detail, and the resolution methods are also indicated to protect the rights and interests of shareholders.

In 2021, the Board of Directors of HDRE consisted of 7 directors which included 3 independent directors, 1 female director and 2 directors who are employees of the company. 3 directors are between 41~50 years old, 4 directors are between 31~40 years old, a demonstration of young directors with corporate governance vitality. In addition, with the goal of ratio of female directors reaching 25%, the Company emphasizes gender equality of the Board.



HDRE has specified the board member diversity policy in Article 23 of the “Corporate Governance Best Practice Principles”, and in the planning of the board composition, it is necessary to consider the appropriateness and diversity of the professional backgrounds of broad members. The board members are equipped with the professional knowledge, experience, and qualities necessary for their exercise of duties and authorities, and their professional fields include finance, accounting, and securities, etc. In addition, board members are also equipped with extensive industry experience, international perspectives, decision making, leadership and crisis handling abilities, to help them best respond to various changes in the economic, environment and social aspects. In 2021, a total of 16 Board of Directors’ meetings were convened in 2021, with the average attendance rate.

HDRE Board Member Diversity Policy Implementation Status

| Director Name | Gender | Age | Seniority of Independent Directors | Industry Experience | | | | Professional Competencies | |
|-----------------|--------|-----------------|------------------------------------|---------------------|-----------------|---|--------------------------|---------------------------|--------------------|
| | | | Less than 3 years | Business Management | Venture Capital | Green Energy Application and Registration | Construction Development | Finance and Accounting | Securities Finance |
| Yuan-Yi Hsieh | Male | 41-50 years old | | • | • | • | • | | |
| Shih-Chang Chou | Male | 41-50 years old | | • | • | • | • | | |
| Yi-Neng Hsu | Male | 41-50 years old | | • | • | | • | | |
| Han Cheng | Female | 31-40 years old | | • | | | | • | |
| Liang-Yu Chang | Male | 31-40 years old | • | • | • | | | | • |
| Hsiao-Tsun Chen | Male | 31-40 years old | • | • | • | | | • | |
| Ting-Yang Huang | Male | 31-40 years old | • | • | | • | | • | |

To allow the Board of Directors to implement supervision, audit and management functions more effectively whilst also establishing sound corporate governance culture, HDRE has set up both the Audit Committee and Remuneration Committee under the Board of Directors to assist the Board of Directors in exercising their supervision responsibilities and authority, thereby achieving the goal of corporate sustainable governance. Each functional committee is mainly comprised of independent directors, with an independent director elected to act as the convener to assist the Board of Directors in both maintaining high corporate governance quality standards and to protecting the rights and interests of stakeholders.

Audit Committee Members

Main Duties and Responsibilities

Their purpose is to assist the Board of Directors in carrying out supervision of the quality and integrity of the company in terms of the execution of works related to accounting, auditing, financial reports, and financial control.



Hsiao-Tsun Chen (Convener)
Independent Director

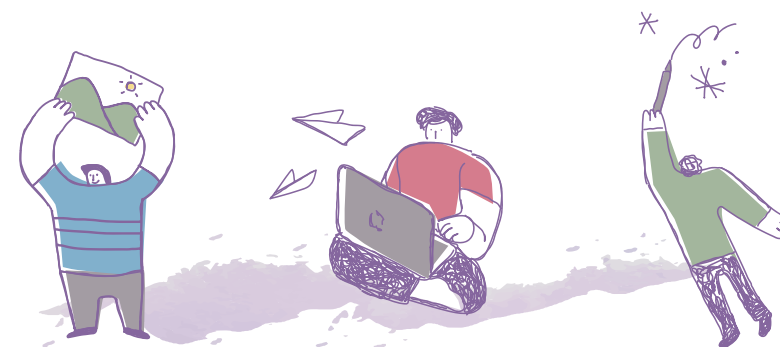
Liang-Yu Chang
Independent Director

Ting-Yang Huang
Independent Director

Members of the Remuneration Committee

Main Duties and Responsibilities

- (1) Conduct preliminary review of Board of Directors' proposals on the policies, systems, standards and structure pertaining to directors and managers performance evaluation.
- (2) Conduct preliminary review of Board of Directors' proposals on matters relevant to the remunerations of both directors and managers.



Liang-Yu Chang (Convener)
Independent Director

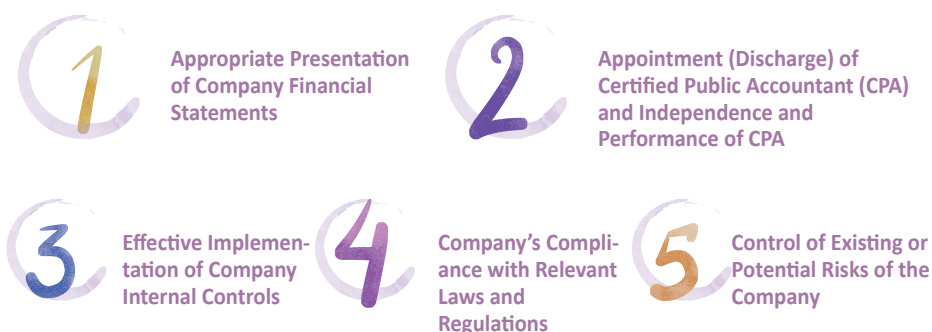
Hsiao-Tsun Chen
Independent Director

Ting-Yang Huang
Independent Director

• Reliable Governance Supervision: Audit Committee

To improve the Board of Directors' supervisory duties and authorities and to increase the corporate governance transparency, the "Audit Committee" supervises the quality and integrity of the Company in its execution of accounting, auditing, financial reporting and financial control-related works to continue to both strengthen the operational efficiency of the Board and establish sound corporate governance culture. The Audit Committee of the Company is wholly made up of all independent directors, and the annual key items and operational status of the Audit Committee will be disclosed on both the Company's website and annual report.

Supervisory Authorities



For the Audit Committee's present term, the Committee's term of office is from 22 November 2021 to 30 June 2022. In 2022, a total of 2 meetings were convened, and the average attendance of all Remuneration Committee members was 100%. According to relevant laws and regulations, proposals are first reviewed by the Audit Committee, then reported to the Board of Directors for approval. Relevant information is also disclosed in the Company's annual report.

Attendance Status of HDRE Audit Committee Members

| Title | Name | Actual Attendance | Attendance by Proxy | Actual Attendance (%) |
|------------------|-----------------|-------------------|---------------------|-----------------------|
| Convener | Hsiao-Tsun Chen | 2 | - | 100% |
| Committee member | Liang-Yu Chang | 2 | - | 100% |
| Committee member | Ting-Yang Huang | 2 | - | 100% |

• Sound Remuneration System: Remuneration Committee

The Company has established the "Remuneration Committee" to strengthen the board's supervisory responsibility, improve the Board management mechanism, and establish a sound remuneration regime for directors, supervisors and managers of the Company. In the present term of the Committee, the Committee consists of three members, all whom are independent directors. These independent directors allow the Board of Directors to achieve the most efficient outcomes. In addition, the performance evaluation and remuneration of both directors and managers are closely linked to the Company's implementation of business strategies and outcomes of corporate sustainability responsibility execution, which allows the improvement of the overall business performance of the Company while demonstrating the Company's commitment to sustainable development.

For the Company's Remuneration Committee's first term, their term of office is from 22 November 2021 to 11 September 2022. In 2021, a total of 2 meetings were convened, with the average attendance of all Remuneration Committee members at 100%. According to relevant laws and regulations, proposals are first reviewed by the Remuneration Committee, then reported to the Board of Directors for approval. Relevant information is also disclosed in the Company's annual report.

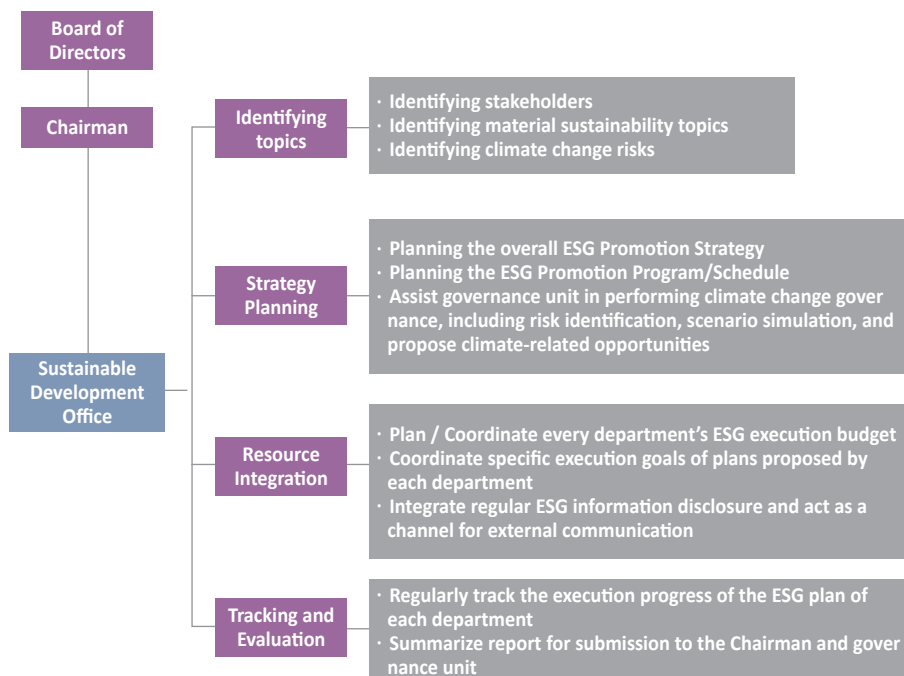
Attendance Status of HDRE Audit Committee Members

| Title | Name | Actual Attendance | Attendance by Proxy | Actual Attendance (%) |
|------------------|-----------------|-------------------|---------------------|-----------------------|
| Convener | Liang-Yu Chang | 2 | - | 100% |
| Committee member | Hsiao-Tsun Chen | 2 | - | 100% |
| Committee member | Ting-Yang Huang | 2 | - | 100% |

• Implementation of Sustainability Vision: Establishing the Sustainable Development Office

In 2021, the Board of Directors of HDRE passed a resolution on the establishment of Sustainable Development Office under the Chairman. Its duties and authorities include identifying issues, strategic planning, resource integration, and evaluation tracking. The Office, through its duties, assists the Board of Directors in continuously implementing and promoting sustainable corporate operations and corporate management.

HDRE's Current ESG Promotion Mechanism



For the purpose of enhancing the corporate governance system, environmental protection execution and achieving sustainable development, the Company's Sustainable Development Office has integrated the company's development goal with the vision of the United Nations (UN) "Sustainable Development Goals (SDGs)" in the environmental, social and governance aspects. Accordingly, main thrusts and relevant plans are established for short, medium and long term goals, this achieving HDRE's vision of sustainability one goal at a time. In addition, we have also stipulated that the "Sustainable Development Policies" cover seven main policies to advance towards low-carbon operations and implement corporate sustainable development.

HDRE Sustainable Development Blueprint



To improve employees' understanding on the Company's sustainability policy, we have prepared the HDRE Energy Sustainable Development Policy Card which is to be issued to internal employees to enhance employees' awareness on ESG.



- 提供客戶優質與滿意之服務
- 減少生態破壞，落實環境及安全衛生
- 提供永續的潔淨能源
- 專業、創新、熱情與誠實透明
- 研發智能監控綠色科技
- 為企業、環境與社會永續發展努力

HDRE 永續發展政策

- 訂定企業永續發展目標，並落實執行及定期檢討成效；
- 遵守政府相關法令規章及國際人權規範及其他事項要求；
- 提供必要之資源與訓練，以維持公司制度及各項管理系統有效運作；
- 推動循環經濟，提升環境能源績效，有效降低環境衝擊；
- 建立安全無虞的工作場所，加強預防危害，促進員工身心健康；
- 透過多元協商管道與公開透明相關資訊，確保與利害關係人之溝通無障礙；
- 促進全員參與品質管制、環境與安全衛生、健康促進及提升能源效率相關活動，並持續改善之。

職場暴力及性騷擾諮詢、申訴管道

沿循所有員工均有責任協助確保免於職場暴力及性騷擾之工作環境，任何人皆可撥打申訴專線，接獲申訴後會採取保密的方式進行調查。

申訴電話：04-22558858#301 (人資行政單位)
04-22558858#220 (稽核單位)
申訴電子郵件：hd.salary@hdrenewables.com





HDRE's Seven Main Sustainable Development Policies

HDRE upholds the core philosophies of professionalism, innovation, passion and integrity, and is dedicated to the provision of sustainable clean energies. In addition, we are also committed to reduce ecological damage and to implement environmental safety and health during the green technology development of power station, EPC engineering, maintenance, research and development of smart monitoring systems, and the process of creating economic values, in order to provide quality and satisfactory services to customers. Accordingly, we are able to exert effort in the sustainable development of the corporate, environment and society jointly, and to become an outstanding enterprise in the industrial supply chain.

HDRE commits to and implements the following sustainable development policies:

1. Establish corporate sustainable development goal, and implement execution and periodic review of outcome;
2. Comply with relevant government laws and regulations, international human rights standards and other requirements;
3. Provide necessary resources and trainings, in order to maintain the Company's system and effective operation of various management systems;
4. Promote circular economy, improve environmental energy performance, and effectively reduce environmental impact;
5. Establish safe and secure workplace, enhance prevention of hazards, and promote employee physical and mental health;
6. Implement diverse negotiation channels and provide open and transparent relevant information, ensure proper communication with stakeholders;
7. Encourage all employees to participate in quality control, environmental safety and health, health promotion and energy efficiency related activities, and improve continuously.

HDRE Chairman:

Signature Date 5/4/2022

謝源一

2.2

Enhance Business Performance

Operational Performance | Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

The Company's operational strategies is to invest resources continuously based on the smart green energy concept, and to enhance all aspects of solar photovoltaic, engineering, maintenance, green electricity sales and energy storage, such that as the government's energy policy improves and the knowledge and technologies of electric power and environmental protection continue to advance in the future, we are able to deploy preemptively in order to reduce future risk and to continue to strengthen the Company's leading position in the industry, thus developing the great potential markets of renewable energies.

Our Commitment

"Smarter Energy, Accessible Green" is the goal of HDRE. With solid experience, we have entered the markets of solar power, fishery and electricity symbiosis, wind power and electric vehicle super charging. In addition, through the three main businesses of electric power development and construction, asset management and smart power service, we have transformed from a solar photovoltaic business operator to "Smart Green Power Company".

Core Objectives and Vision

Short-term Goal

Diverse development, establish solid foundation for electric power development and construction, and enhance asset management.

Medium-term Goal

Improve energy supply and power network, provide smart power service, introduce information technologies of cloud and big data, in order to construct smart green power and energy management system.

Long-term Goal

Continue to invest in resource based on the smart green energy concept, and enhance popularity of renewable energies and use benefits.

Management Method



Manpower Investment

In 2021, the Company employed numerous managers and assistant managers in order to assist the overall operations of the Company.



Capital Investment

To enhance the operational performance, we have continued to increase the professional manpower of financial and accounting and have implemented the information system of ERP in the last three years, in order to improve the financial functions and complete output of information of the Company.



System Management

Implement electronic form approval system, increase administrative process efficiency, in order to cope with the expansion of the scale and business plan of the Company.



Equipment Upgrade

- Construct the largest single-area composite fishery and electricity symbiosis in Taiwan.
- Develop the largest single energy storage capacity field in Taiwan.

Management Mechanism

The Audit Office plans annual audit operation annually, and according to the resolution of the Board of Directors, during the routine audit plan, interview method will be adopted to understand the operation status of each unit, and the audit result will be reported to the board members for understanding periodically.

Key Outcomes

- Achieved the goal of emerging stock market listing in December 2021, becoming one of the green energy concept stocks.
- Entered the markets of solar power, wind power and electric vehicle. In addition, through the preemptive planning in the three main businesses of electric power development and construction, asset management and smart power service, we have transformed from a solar photovoltaic business operator to "Smart Green Power Company".

2.2.1 Operational Performance



• In addition to solar photovoltaic business, the energy storage business also grows rapidly

Presently, the business of HDRE is divided into three main business groups of electric power development and construction, asset management and smart power service. The revenue contribution of the electric power development and construction business accounts for nearly 90% of the total revenue, and well-known customers include AUO, AcBel Polytech and Gigastorage. In 2021, the solar power system engineering procurement construction (EPC) project capacity reached 50MW, and the accumulated grid-connection construction reached more than 150MW.

Nevertheless, numerous power outage events have occurred in Taiwan recently, which indicates the importance of stable power grid. Accordingly, the use of energy storage system to assist the power reserve and regulation is expected to be an inevitable development trend. HDRE actively plans and seizes energy storage business opportunities and collaborates with partners in the industry. We have developed an energy storage field of 200MW capacity in Liuying District of Tainan City. By providing automatic frequency control (AFC) auxiliary service, we expect to contribute effort in improving the stability of the power grid in Taiwan. The single energy storage capacity of 200MW of such field project has also set the record in the large energy storage investment application in Taiwan, and serves as a benchmark. Presently, we have obtained the Taipower grid-connection review opinion, and its in-service operation is expected to start in 2023.

HDRE is an enterprise equipped with full development criteria for green power and provides comprehensive power generation and energy storage services. In addition, we also actively invest in the business of regulation reserve, energy transfer and etc. In addition, as the government has enforced the regulatory policy on large power consumption companies and users in 2021 and as the ratio of renewable energies to the overall power market increases, the energy storage business is expected to expand rapidly.

• Expand Revenue, Strong Collaboration

In 2021, we have started collaboration with eTreego Co., Ltd. having more than 60% of market share in Taiwan, in order to implement the electric vehicle charging market plan. In the future, we will complete the installation of 200 charging points in Taiwan, which will also be included in the revenue of smart power service business.

| Month | 2021 Milestones |
|------------|---|
| Sep-tember | <ul style="list-style-type: none"> • Executed capital increase by cash of NT\$160,000 thousand and employee stock option certificates of NT\$20,000 thousand. • Paid-in capital of 680,000 thousand. |
| Novem-ber | <ul style="list-style-type: none"> • Executed capital increase by cash of NT\$20,000 thousand, and paid-in capital of NT\$700,000 thousand. • Registered capital of NT\$1,000,000 thousand. |
| Decem-ber | <ul style="list-style-type: none"> • Public offering and listing at the emerging stock market for trading approved by Taipei Exchange (TPEX) • Established Star-EV-Charge Co., Ltd. to develop electric vehicle charging service. |

2.2.2 Financial Performance GRI 201-1

• Financial Performance of Stable Growth

With regard to the financial performance, under the support of policies and international trend, according to the 2021 consolidated financial statements of HDRE, the EPS was NT\$3.02 and the operating income was NT\$2,680,010 thousand, reaching the highest record since the establishment of the Company. With support of the policies, the power plant full installation capacity has been continued to first quarter of 2022. In addition, as the government continues to promote the 2025 carbon reduction goal, HDRE has implemented preemptive deployment of the green power field, and the goal of EPC installation capacity in 2022 has been increased to 90MW~120MW from the installation capacity of 50MW in 2021.

• 2021 Business Result

(1) Business Plan Implementation Outcome (Consolidated)

Unit: NT\$1,000

| Composition | 2021 | 2020 | Increase (Decrease) Change Ratio |
|---|-----------|-----------|-------------------------------------|
| Operating income | 2,680,010 | 2,298,059 | 16.62 |
| Operating costs | 2,304,004 | 1,946,767 | 18.35 |
| Gross profit | 376,006 | 351,292 | 7.04 |
| Operating expenses | 153,306 | 106,515 | 43.93 |
| Non-operating income and expenses | (3,969) | (1,987) | 99.75 |
| Net income before tax | 218,731 | 242,790 | (9.91) |
| Net income after tax | 166,481 | 189,913 | (12.34) |
| Net income after tax (excluding non-controlling interests) | 165,283 | 191,340 | (13.62) |

(2) Budget Implementation Status: Since the Company has not stipulated the 2021 financial forecast, this is not applicable.

(3) Financial Income and Expenditures

Unit: NT\$1,000

| Composition | 2021 | 2020 | Rate of Change (%) |
|---|-----------|-----------|--------------------|
| Net cash provided by (used in) operating activities | (206,961) | 418,158 | (149.49%) |
| Net cash inflow (outflow) from investing activities | (190,994) | (378,503) | 49.54% |
| Net cash inflow (outflow) from financing activities | 900,038 | 129,119 | 597.06% |

(4) Profitability Analysis

| Composition | 2021 | 2020 |
|--|-------|-------|
| Return on asset (%) | 6.77 | 12.98 |
| Return on shareholders' equity (%) | 14.01 | 28.50 |
| Net income before tax to paid-in capital ratio (%) | 31.25 | 48.56 |
| Net profit margin (%) | 6.17 | 8.33 |
| Basic earnings per share | 3.02 | 3.83 |
| Diluted earnings per share | 2.99 | 3.74 |

(5) Business Performance

Unit: NT\$1,000

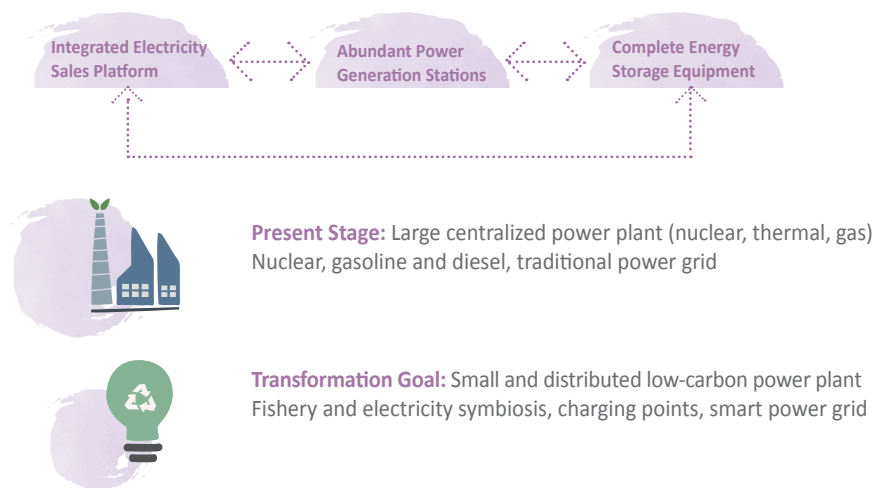
| Composition | Basic Element | 2021 |
|---------------------------------|---|-----------|
| Direct economic value generated | Income (including net sales, income from financial investments, income from sale of assets) | 2,680,010 |
| Economic value distributed | Operating costs | 2,304,004 |
| | Employee salary and welfare | 155,350 |
| | Dividend (government dividend) bonuses (distribution of shares and dividends of the current year) | 100,000 |
| | Payment of government fees (taxes) | 52,250 |
| | Community investment | 1,693 |
| Economic value preserved | "Direct economic value generated" less "Economic value distributed" | 66,713 |

2.2.3 Commitment to Become "Small Taipower"

• HDRE Business Development Plan

HDRE provided the solar photovoltaic integration service at early stage, and after business restructuring, the Company decided to head toward the direction of a publicly listing company. Accordingly, HDRE now officially moves forward and toward the "Net Zero Carbon Emissions Solution Provider". With regard to the asset management business, HDRE provides assistance in customized field. Through management, power plant operation maintenance, we aim to develop 1.5GW as the long-term goal. Presently, leading companies of AcBel Polytech and domestic large life insurance companies of Taiwan Life Insurance and TransGlobe Life Insurance have jointed our investment team.

- Businesses include power generation, energy storage, electricity sales, in conjunction with optimized smart management system, in order to complete the green power supply
- Focus on fishery and electricity symbiosis, electric vehicle charging points and smart power grid as the medium-term of core business development, and implement the business philosophy of "Smarter Energy, Accessible Green".



In view of the global energy transformation trend, due to the factors of global warming and the continuous industrial development with increasing power demand, renewable energy is expected to become one of the solutions to the power supply. Presently, the main power generation system in Taiwan is thermal power. As nuclear power will be retired, energy transformation is inevitable for future development. With regard to the smart power service business, to overcome the limitation of renewable energy intermittence, HDRE has self-planned and developed the smart green power system TITAN, capable of managing power wheeling and electricity sales, energy storage system, charging points, etc. In addition, the subsidiary Star Exchange has assisted benchmark companies of Taiwan Mobile group and E.SUN Bank, etc. to complete the matching and wheeling of green power in 2021.

2.2.4 External Organization Participation GRI 102-13

• HDRE External Exchange

HDRE looks forward to move forward with external organization partners jointly and to establish cooperation relationship. Through topic promotion and exchange, we aim to guide the industry to upgrade and to develop further. We actively participate in domestic industrial unions and associations, and through industry exchange, we expect to obtain the latest industry information and the research and development status of diverse innovative technologies, in order to enhance the industry competitiveness and to revise the sustainable strategy continuously.

Organization Name

- TANZE (Taiwan Alliance for Net Zero Emission) net zero emissions logo (enrollment application in process)
- Taiwan Photovoltaic Industry Sustainable Development Association
- SEMI
- Taiwan Electrical Contractors Association
- PVGSA

2.3 Implement Ethical Management

2.3.1 Ethical Management GRI 102-16

• Ethical Corporate Management Best Practice Principles

To establish the corporate culture of ethical management and sound development, the Company has constructed an infrastructure for proper business operation and has stipulated the "Ethical Corporate Management Best Practice Principles". When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of the Company or persons having substantial control over such companies ("substantial controllers") shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

• HDRE Ethical Conduct Risk Assessment Mechanism

The company has established an ethical behaviour risk assessment mechanism, and regularly analyzes and evaluates business activities involving high risks of unethical behavior within its business scope to formulate prevention plans and review their appropriateness and effectiveness.

1. Prohibited to engage in offering and receipt bribes.
2. Prohibited to provide illegal political donations.
3. Prohibited to provide improper charity donation or sponsorship.
4. Prohibited to provide or accept improper gifts, treatment or other illegal benefits.
5. Prohibited to engage in misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights.
6. Prohibited to engage in unfair competitive practices.
7. Prohibited to cause direct or indirect damage of the rights or interests of consumers in the course of research and development, procurement, manufacture, provision, or sale of products and services.

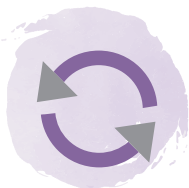
Interests, Health and Safety of Other Stakeholders

The Company has established policy for preventing conflict of interest, in order to identify, supervise and manage the risk of unethical conduct that may occur due to conflict of interests. In addition, appropriate channels are also provided to directors, managers and other stakeholders attending or invited to attend the board meetings in order to actively explain whether they have potential conflict of interests with the Company.

When a proposal at a given board of directors' meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the Company's directors, managers, and other stakeholders attending or present at board meetings, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner. The Company's directors, managers, employees, mandatories, and substantial controllers shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person.

Complaint and Handling

- The Company has adopted and announced a well-defined disciplinary and complaint system for handling violations of the ethical corporate management rules, and shall make immediate disclosure on the Company's internal website of the title and name of the violator, the date and details of the violation, and the actions taken in response.
- Complaint Channel: Complaint mailbox has been set up
- Subsequent mechanism: When a complaint letter is received, an investigation committee is established to conduct anonymous investigation.



Educational Training and Promotion

- The ethical management requirements for employees, customers, suppliers and contractors have been established in the corresponding management regulations.
- The Company's policies on ethical management anti-corruption are conveyed through intranet and e-mails. The management level staff above the rank of manager are required to sign the declaration for compliance with ethical management policy. In addition, the employment contract also specifies provisions related to compliance with the ethical management best practice principles.

2.3.2 Legal Compliance

Legal Compliance | Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

The Company is committed to become the leading brand for smart green power in Taiwan. Accordingly, we have established legal compliance system for the Company according to the characteristics of the green energy industry, such that legal compliance has been defined as a material topic to the Company. A set of appropriate legal compliance system is able to not only strengthen employees' awareness in legal compliance during execution of their jobs but also prevent fraud, thus reducing possible judicial investigation, fines or lawsuits that the Company may face. In addition, the external reputation of the Company can be further enhanced, thereby achieving the objective of management risk control and corporate image protection.

Our Commitment

Strengthen legal compliance, develop proper corporate governance culture, fulfill corporate social responsibility, and gain proper balance among the interests of shareholders, employees, customers and stakeholders, in order to achieve solid business development and sustainable operation.

Core Objectives and Vision

Short-term Goal

Ensure internal operations and management procedures comply with the latest laws and regulations.

Medium-term Goal

Establish clear legal compliance awareness of employees through education and training courses, and stipulate self-examination evaluation procedure for legal compliance, in order to supervise each unit to self-evaluate its execution status periodically.

Long-term Goal

Establish clear and appropriate legal convey, consultation, coordination and communication system, in order to transform the business-oriented corporate culture into compliance-oriented risk control.

Management Method



Manpower Investment

In 2021, professional talents with legal compliance expertise were employed in order to assist the promotion of legal compliance related policies.



Capital Investment

Department staff apply for relevant courses, and purchase electronic journals, in order to improve legal compliance knowledge.



System Management

Rigorous accounting system and internal control system are established. Staff of the Audit Office also monitor any updates of the domestic laws and periodically updates regulations and rules of the Company. In addition, regulatory information necessary for directors and managers is also provided at all time.



Equipment Upgrade

There were no direct hardware investments in 2021.

Management Mechanism

Participate in government open information activities and review update information of laws and regulations

Key Outcomes

- In 2021, there were no occurrences of any major sanctions or violations.
- Monitor the renewable energy wholesale electricity rate of the Bureau of Energy, MOEA annually, and deploy various financial sensitive calculation.
- Under the current fee rate and future expected fee rate, we look forward to self-develop power plant, and implement optimized power plant design, along with the selection of components and relevant products of high cost-performance ratio, in order to reduce cost and to maintain profit growth.

Social and Economic Regulatory Compliance

GRI 419-1

Amendments and changes of the government laws and regulations are reviewed periodically and tracked actively, in order to perform internal assessment and correction for the Company. All employees are required to comply with relevant applicable laws. In 2021, compliance measures were adjusted continuously according to the regulatory changes. In addition through the methods of correction of relevant documents, implementation of education and training, announcement of legal compliance, all employees are informed of and required to comply with all operation-related laws. In addition, reporting and complaint channels are provided on the Company's website.

For the domestic and foreign important policies and regulatory changes, including consultations with consultants, attorneys and accountants, etc. are retained for assessment, recommendation and planning of response measures, in order to comply with the law and to reduce adverse impacts on the financial business. In addition, our medium and long term goal is to not engage in any major violation of relevant social and economic regulations.

To effectively implement the corporate culture of ethical management, we implement rigorous control on daily operation. In addition, we actively promote and educate the ethical management work concepts and attitude of integrity, fairness, transparency, self-discipline and responsibility for all employees during various occupations and events. In 2021, there were no corruption incidents or violations against social and economic laws and regulations. In addition, there were no practices related to anti-competition, anti-trust and monopoly.

Environmental Protection Regulatory Compliance

GRI 307-1

HDRE rigorously complies with environmental protection policy, government regulations and other relevant requirements, in order to control and reduce impact on the environment. We establish numerous management procedures to ensure that the entire facility site satisfies the regulatory requirements. In 2021, the Company received a total of one violation penalty imposed by the Environmental Protection Administration, due to the contamination of the road during the transportation of materials by our contractor, and the penalty fine was NT\$1,200. On the incident day, we dispatched water truck to perform ground cleaning and vehicle cleaning immediately, and also installed washing at the entrance and exit in order to regulate vehicles for completion of cleaning before leaving the site. Subsequently, there has been no occurrence of relevant events.

2.4

Establish Risk Management

Corporate Risk Management | Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

The Company establishes the corporate risk early warning principles and directives according to the “Regulations Governing Establishment of Internal Control Systems by Public Companies” announced by the Financial Supervisory Commission (FSC), and eight internal control operation cycles and management systems are integrated, in order to establish a sound and efficient internal control system. One of the key factors for corporates to seek stable growth and sustainable operation is risk control. Through collection of internal and external data and information, the Company analyzes risk factors that may be encountered in individual business and investment, in order to define various risks and to propose corresponding management measures.

Our Commitment

Our corporate risk management policy and commitment is to comply with all relevant laws of the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Anti-Corruption Act and other business conduct related laws and regulations, thus implementing the basics of ethical management and achieve the goal of corporate sustainable development. In addition, we also comply with the principle of risk management, in order to improve operation performance and to increase the shareholders’ interests.

Core Objectives and Vision

Short-term Goal

Set up monthly operation meeting and investment review meeting system, in order to review the management risk and response plans for various businesses. In addition, continue to review the effectiveness of the design and execution aspects of the internal control system and management rules.

Medium-term Goal

Continue to improve knowledge related to the Company Act, Securities and Exchange Act and corporate risk management, and share relevant information to all operating units during routine internal audit operation.

Long-term Goal

Enhance the internal control concept of each unit, implement the basics of ethical management, in order to achieve the goal of corporate sustainable development

Management Method



Manpower Investment

- All senior management staff convene operation review meeting periodically, and also convene investment review meeting irregularly.
- The ethical management policy and plan for prevention of unethical conducts as well as supervision execution status are reported to the Board of Directors periodically, including whether each department has fulfill the corporate social responsibilities according to their job duties.



Capital Investment

In 2021, there were no capital investment directly related to corporate risk management.



System Management

- To implement ethical management, effective accounting system and internal control system have been established, and the internal audit unit stipulates relevant audit plan according to the assessment result of unethical conduct risk, in order to audit and prevent unethical conducts.
- Operation review committee has been established to review various risks and promotion progress of business operation.
- The operation mechanism of investment review meeting has been established in order to perform pre-investment risk analysis for each investment project, and the analysis includes all major aspects of development, legal, finance and environment.



Equipment Upgrade

The Company has established communication channels, including sexual harassment complaint mailbox, corporate governance mailbox, employee comment mailbox, etc., and dedicated personnel are assigned to handle the report and complaint cases.

Management Mechanism

The Audit Office plans audit operation annually, and according to the resolution of the Board of Directors, during the routine audit plan, interview method is adopted to understand the operation status of each unit, and operation review meeting and investment review meeting are convened to understand the operation current status. In addition, the audit result is also reported to the board members for understanding periodically.

Key Outcomes

- In 2021, a total of more than 10 investment review meetings and operation review meetings were convened.
- Established comprehensive internal control system and management regulations, and achieved the emerging stock market listing goal in December 2021.

2.4.1 Internal Control and Risk Management GRI 102-11

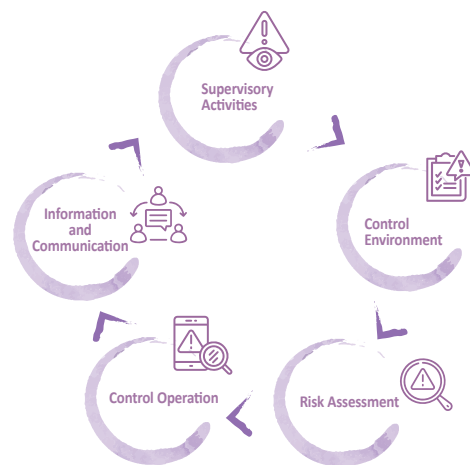
Internal Control System

1. HDRE understands that the establishment, implementation and maintenance of internal control system are responsibilities of the Board of Directors and managers of the Company. The purpose is to achieve the effect and efficiency of operation (including profit, performance and protection of asset security, etc.), reliability of financial report and compliance of relevant laws, in order to provide reasonable assurance.

2. The internal control system has its limitation, and regardless the comprehensiveness of its design, an effective internal control system can only provide reasonable assurance on the achievement of the aforementioned three goals only. In addition, due to the change of environment and condition, the effectiveness of an internal control system may also be changed. Nevertheless, the internal control system of the Company is equipped with self-monitoring mechanism, such that once deficiency is identified, the Company is able to adopt corrective actions immediately.

3. The Company determines whether the design and execution of its internal control system are effective based on the determination items for internal control system effectiveness specified in the “Regulations Governing Establishment of Internal Control Systems by Public Companies”.

The internal control system determination items adopted in the aforementioned “Regulations” is to classify the internal control system into the following five composition elements according to the management control process:



• Risk Management

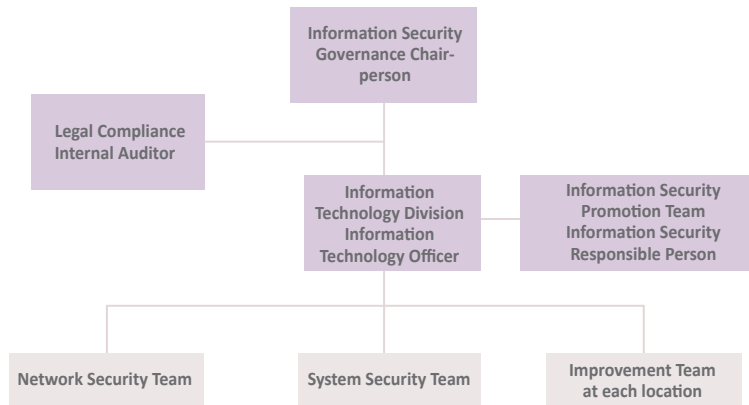
The risk response organization of the Company refers to the Board of Directors, serving as the highest risk management unit. In addition, based on the goal of legal compliance, promotion and implementation of overall risk management of the Company, the risk response organization clearly understands the risk associated with the operation of the Company, in order to ensure the effectiveness of management. Through collection of internal and external data and information, we identify the risk factors that may be encountered by each department periodically, in order to define various types of risks and to propose corresponding management measures according to the “Occurrence Probability” and “Impact Level on the Corporate”.

To improve the operation efficiency and risk management, senior officers convene operation review meetings periodically, to perform cross-department discussion for various aspects of finance, sales, project, procurement, engineering and legal, thereby identifying the operation risk and project progress readily. In addition, the Company has established the investment review meeting system, such that before the investment of any type of project, senior officers are required to conduct investment review meeting in order to include important risk factors, including development, engineering, finance, legal and environment, into evaluation.

With regard to the internal audit mechanism, we conduct audit at least once annually and report the audit result to the board members for understanding, in order to allow the board members to understand the overall risks and to reduce the adverse impact of potential risks on the organization.

| Responsible Unit | Business Risk Management |
|-----------------------------|---|
| Board of Directors | Review and approve overall risk management policy and major decisions. |
| Audit Committee | 1. Proper presentation of the financial statements of the Company. 2. Effective implementation of internal control of the Company. 3. Company's compliance with relevant laws and regulations. 4. Control of existing or potential risks of the Company. |
| Audit Office | 1. Ensure internal control system to be effectively and continuously implemented, and assist the management staff to fulfill their responsibilities. 2. Assist the Board of Directors and management staff to establish management directives and to achieve management objectives. |
| Operation Review Committee | It is formed by all department heads, and cross-department discussion for operation process is performed, in order to detect risk early and to negotiate response plans. |
| Investment Review Committee | It is formed by senior staff above the rank of Vice Assistant President in principle, and to perform comprehensive assessment on the project development, technique, schedule, estimated cost and financial model. For each risk factor, the committee members can express their concerns and engage in discussion for response plans. The resolution of a proposal requires the consents of a majority of committee members. |

2.4.2 Promote Information Security Information Security Infrastructure



• Digital Transformation Under Pandemic

To cope with the elevated COVID-19 pandemic, zero contact and work from home model have accelerated the digital transformation, and HDRE also actively invests in information system upgrade and enhancement of security level. We break the physical face-to-face communication barrier by providing various types of online communication channel to maintain proper relationships with employees, and to facilitate the works of employees. We have established cooperative partnership with suppliers, in order to achieve relevant information hardware upgrade and successful in-service operation of systems.

For example, in 2021, we constructed the operation report platform and successfully integrated heterogeneous systems, and the power generation data available for inquiry was approximately 200 MW in total, such that the grid-connected power plant complied with Taipower's management requirements for power plants.

With regard to the information security, we listen to customers and adopt customers' demands for system, in order to implement optimization and adjustment continuously. Our system is able to ensure the safe operation of power plants, and the routine power plant management data is systematically processed, in order to increase the management effect. Accordingly, it can also be used as the basis for report and communication with the Bureau of Energy and Taipower periodically.

• Privacy Policy

To reduce network security risk and to protect the Company and customer data security, HDRE has consecutively adopted relevant information security management mechanisms, and information security responsible unit is requested to establish cyber security policy; therefore, through the continuous cross-department collaborative assistance, the information security policy of the Company can be implemented thoroughly, and ISO documents can also be protected and processed. In 2021, there was no occurrence of major cyber security incidents. We promote and educate internal staff to prevent installation of unauthorized software through e-mails, and we also enhance staff's information security concept. In the future, we have planned education and training in conjunction with drills, such that staff are able to prevent disclosure of sensitive data thoroughly and properly.

HDRE Objectives for Enhancement of Information Security



Prevent intrusion and damage by hacker and various virus



Prevent accident due to human errors



Protect Physical Environment Security



Prevent Disclosure of Sensitive Data



Maintain Continuous Operation of Information System



Information Security Protection Process

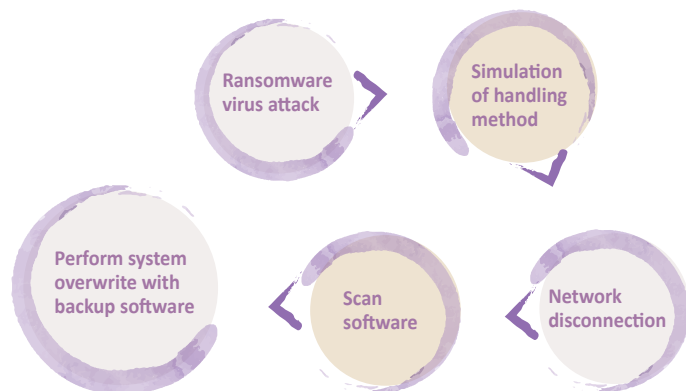


Educational Training and Promotion



Prevent Intentional Improper and Illegal Use

HDRE Prevention Mechanism SOP During Virus Attack



• Information Security Control

To implement information security management, in terms of the policy aspect, we perform relevant protection control measures according to the Company's internal control cyber security inspection, and we also introduce the encryption system for confidential documents completely, in order to reduce confidential information disclosure risk. In terms of the technical aspect, we enhance the use of information technology and implement technological and organizational protection measures, in order to manage trade secrets and confidential data. Its scope covers the core technologies, trade secrets and personal data customers, etc. Furthermore, we also set up network firewall, e-mail security system and virus protection system, etc., in order to promote information security management in various aspects. Moreover, our internal auditors and independent audit unit also conduct assessment on the information security policy at least once annually. In the future, we will actively recruit information talents and increase the information security budget, in order to enhance HDRE's information security risk control and protection.

HDRE Information Security Reporting Process



Information Security Management Specific Plan

Internal Control

- System user authority classification
- Mail backup, and data remote backup mechanism
- Perform periodic backup of important data, and upload staff work data onto cloud and implement version control
- Perform information security education once annually and new employee orientation, in order to increase the information security awareness of employees

External Defense

- Anti-virus software protection
- Construct firewall and anti-virus wall
- Update virus code periodically to reduce system vulnerabilities

03

Sustainable Innovation Green Intelligence

3.1 Green Energy Integrator

3.2 Sustainable Innovation Management

3.3 Customer Relationship Management

3.4 Strengthen Sustainable Value Chain



Green Energy and Energy Storage | Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

We have accumulated extensive experience in the solar photovoltaic system field for a long period of time and continue to develop and construct various types of fields. Through the field monitoring system, we are able to understand the field power generation status in real time and to provide professional green power consulting service, thus assisting users to obtain the most suitable and stable green power. Under the trend of rapid development of electric vehicles, the power consumption market for electric vehicle is optimistic, and charging points become the necessary electricity sales channel. Furthermore, due to the intermittence characteristic of renewable energies, the demand for stability of power grid is further increased. Accordingly, to assist customers to reach RE100 swiftly, HDRE has also included the investment in energy storage as a key item for the business operation planning.

Our Commitment

Provide sustainable products and services to customers. While increasing the product value, we also consider the reduction of environmental impact and prevention, in order to continue to achieve and optimize green product manufacturing and management.

Core Objectives and Vision

| | Short-term Goal | Medium-term Goal | Long-term Goal |
|---------------------------------|---|--|--|
| Solar power system construction | Accumulated installation capacity of 300MW | Accumulated installation capacity of 500MW | Accumulated installation capacity of 1 GW |
| Solar power system maintenance | Own project total management installation capacity reaching 200 MW | Total management installation capacity reaching 700 MW | |
| Green power wheeling | Provide 125 GWH of green electricity to green power users | Provide 500 GWH of green electricity to green power users | Green power market share reaching 30% |
| Charging Points | Construct 120 units of charging points | Construct 500 units of charging points | Energy sustainability, charging eco-friendly and environmental mutual benefits |
| Energy Storage Dispatch | Accumulated energy storage field development of 500MW system capacity | Accumulated energy storage field development of 1 GW system capacity | |

Management Method



Manpower Investment

- In 2021, a total of 8 employees obtained the Taipower electricity trader examination qualification.
- In 2021, The Sales Department promoted staff to act as the department level of supervisor for land change type of cases. In addition, for fishery and electricity symbiosis, additional specialists were employed. Furthermore, to achieve the business development objectives of energy storage of the Company, employees have also participated in the energy storage field land development in order to accelerate the promotion and development of energy storage business.
- In 2021, Smart Power Service Department was established, and the department staff includes software professionals, electricity sales specialists, energy storage planning engineers, super charging planning engineers and project management personnel.

Capital Investment

- Continue to construct solar photovoltaic system stably, and adjust resource investments, increase the budget ratio for smart power business, and enhance the smart green energy market planning.
- Invested in solar photovoltaic joint venture platform for NT\$50,000 thousand in 2021.
- Invested in electricity sales equipment for NT\$19,439 thousand in 2021.
- Expected to invest in fishery and electricity symbiosis joint venture platform for 59,900 thousand during the first half of 2022 and completed the investment budget.
- Expected to invest in charging point equipment for 47,258 thousand during the first half of 2022 and completed the investment budget.
- Expected to invest in energy storage related equipment for 50,403 thousand during the first half of 2022 and completed the investment budget.



System Management

- Plan and develop green power matching algorithm, and optimize TITAN smart green power system.

Equipment Upgrade

- Plan and construct the Intelligence Center, integrate TITAN system with smart energy management systems of photovoltaic, fisher, energy storage, electricity sales and super charging, etc., in order to provide comprehensive smart power service to internal management personnel and external customers and users.
- Install super-charging points for display and testing.



Management Mechanism

- Risk management mechanism is established for all stages of field development from construction to completion and maintenance, in order to ensure field quality, control of construction progress and normal operation of equipment, thus providing stable green power.
- Smart power services uses the tracking management mechanism, project progress management system and business opportunity tracking management system.

Key Outcomes

- Constructed solar photovoltaic field in 2021, and the installation capacity of new grid-connected meters was 63.44 MW, equivalent to supplying approximately 81,720 MWH of green electricity for Taiwan annually.
- Field accumulated installation capacity of operation management in 2021 reached 21.18 MW, providing approximately 27,000 MWH of green electricity.
- Obtained the electricity sales license from the Bureau of Energy in August 2021, and completed the green power matching for benchmark business operators in the telecommunication and financial sectors. Power wheeling of green electricity reached 659 MWH, and diverse green power selection and customized electricity purchase agreements were provided to electricity users, and we also assisted customer to obtain green power certificates.
- Signed collaboration contract with charging points equipment vendor in 2021, and planned the construction of electric vehicle charging points for the living circles in six major cities.

3.1 Green Energy Integrator

HDRE started its business from the construction development and engineering procurement construction (EPC), and the total installation capacity has reached the standard of a large one-stop shop type of photovoltaic business operator. We are equipped with complete development and engineering teams, and effectively control the field investment costs while providing customized fields and assistance in the field management. Our field locations already constructed and expected to be invested are distributed throughout Taiwan and offshore islands. Accordingly, we have established solid foundation for distributed grid and future energy dispatch integrated services.

3.1.1 Solar Power System Strategic Integration Operation Expert



High Development Capability

Business expands to reach all areas of the solar photovoltaic system sector, and equipped with technologies for construction various types of fields



Solid Engineering Foundation

Engineering procurement construction capacity reaches 50MW, and up to the present day, the Company's grid-connected installation capacity has exceeded 150MW



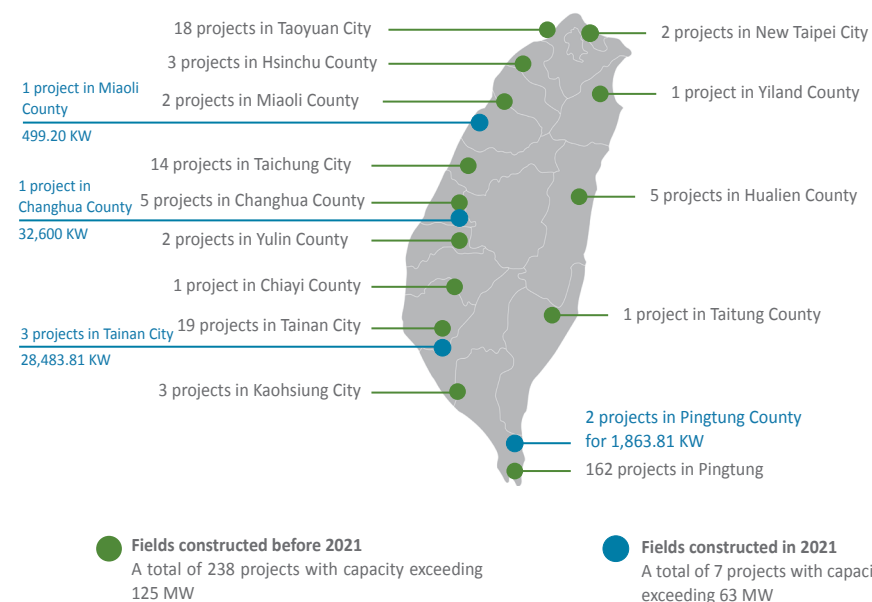
Practical Target

The target for development and accumulated installation capacity by 2025 has reached 700+MW

The total grid-connected installation capacity constructed by HDRE in 2021 is equivalent to providing approximately 81,720 MWH of green electricity for Taiwan annually. Based on the calculation of average household power consumption of 352KWH per month in 2021 in Taiwan, our installation capacity is able to supply electricity for 19,000 households for entire year.

We actively assist the government to promote the solar photovoltaic installation capacity of 20GW by 2025. With our extensive experience in the solar photovoltaic system field for a long period of time, and through collaboration with professional teams in different fields, we have developed and constructed various types of fields, including general roof type, ground type and water surface type of fields, thus cultivating the solar photovoltaic market in a stable and solid manner continuously.

Grid-connected solar photovoltaic fields constructed by HDRE — Taiwan main island



In 2021, the solar photovoltaic field grid-connected new meter installation capacity of HDRE was 63.44 MW, accounted for 3.37% of the total new photovoltaic field capacity for entire area of Taiwan in 2021, which is equivalent to supplying 81,720 MWH of green electricity for Taiwan annually [Note 1], with the reduction of carbon emissions of 41,026 tons [註 2] and increase of forest carbon reduction of 4,144 hectares, and the carbon absorption volume is equivalent to approximately 105 Taipei Daan Parks for the entire year [Note 3]. Presently, the ground type solar photovoltaic field of 75MW at Fenglin Township of Hualien County is currently under construction, and we also handle geotechnical engineering related constructions. Looking into the future, we will continue to cooperate with the government's solar photovoltaic policy, and our goal is to exceed 1.5 GW for the solar photovoltaic field accumulated development installation capacity by 2025.

[Note 1]: According to the 2021 solar photovoltaic capacity factors for counties and cities announced by Taipower, the installation capacity is converted into equivalent power generation (KWH), and the power generation for each region vary due to difference in sunlight condition.

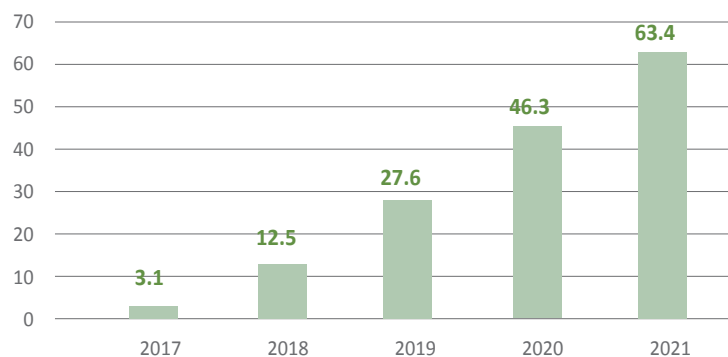
[Note 2]: According to the 2020 power generation carbon emission coefficient announced by the Bureau of Energy in 2021: the carbon emission per KWH of electricity is approximately 0.502kg of CO₂/KWH.

[Note 3]: The forestation benefit refers to the research result of forestation effect announced by the Forestry Bureau, Council of Agriculture, and the carbon dioxide fixed volume for each hectare of woodland is approximately 9.9 tons per year. In addition according to the data provided by the Bureau of Energy, MOEA, based on the area of 26 hectares of Daan Part in Taipei, the carbon absorption of one Daan Park is 389 tons per year.

HDRE Solar Photovoltaic Field Development and Construction

| Field Type | Fields constructed before 2021 | New construction in 2021 |
|---|---------------------------------------|---------------------------------------|
| Ground type solar photovoltaic field | Accumulated capacity of 80,830.36 KW | Accumulated capacity of 30,846.82 KW |
| Roof type solar photovoltaic field | Accumulated capacity of 17,932.89 KW | Accumulated capacity of 0 KW |
| Water-surface type solar photovoltaic field | Accumulated capacity of 27,131.88 KW | Accumulated capacity of 32,600 KW |
| Total photovoltaic fields | Accumulated capacity of 125,895.13 KW | Accumulated capacity of 63,446.815 KW |

• HDRE solar photovoltaic field installation capacity in last five years EPC and own field installation capacity in the past five years (MW)



2021 Key Field Projects

Developed and Completed Construction of Tainan Beimen Maohong Energy of 21,167.9 KW (including UHV)

For the Beimen District and Xuejia District of Tainan City, due to the industrial development at early days of the city, the ground water was extracted extensively, leading to severe land subsidence in such areas. Despite that the government has implemented protection control in the last decade and the subsidence has been improved significantly, the industrial decline and transformation trend continues in these areas. The land owner of this project is of similar background, and his family fish farm had been abandoned for decades due to land subsidence and soil salinization, and there was no solution to his problem. It was until four or five years ago when the government started to actively promote solar power, after HDRE's communication with the land owner, the re-development opportunity was found for his ancestral land.



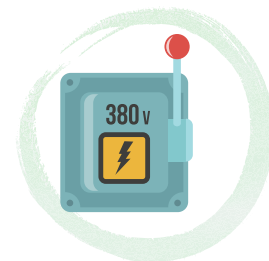
Developed and Completed Construction of Tainan Yanshui Landfill project for 6,497.51 KW

This project is located at Tainan Yanshui. The original site was for garbage landfill, and the land fill was an abomination facility. In addition, once the purpose of use of the site is complete, it is difficult to use the land for other purposes. HDRE assists the owner to integrate green power with the land use, in order to transform the landfill site facing difficulty in finding other ways of usage into a useful site, thereby achieving the green energy development objective of one land with dual purpose of use promoted by the government.



Completed Construction of Changhua Erlin Detention Basin Project of 32,600 KW (including UHV)

Similarly, this case is also an example of one land for dual purpose of use under the government policy. To improve the local hydrological environment, the government installs the landscape detention basin, and photovoltaic business operator then plans the water-surface type of solar power, such that the original detection function can be maintained while increasing the green power capacity, achieving dual purpose of use for one land. In addition, HDRE also contracts UHV booster station related construction works, to accumulate the UHV engineering experience and achievement records.

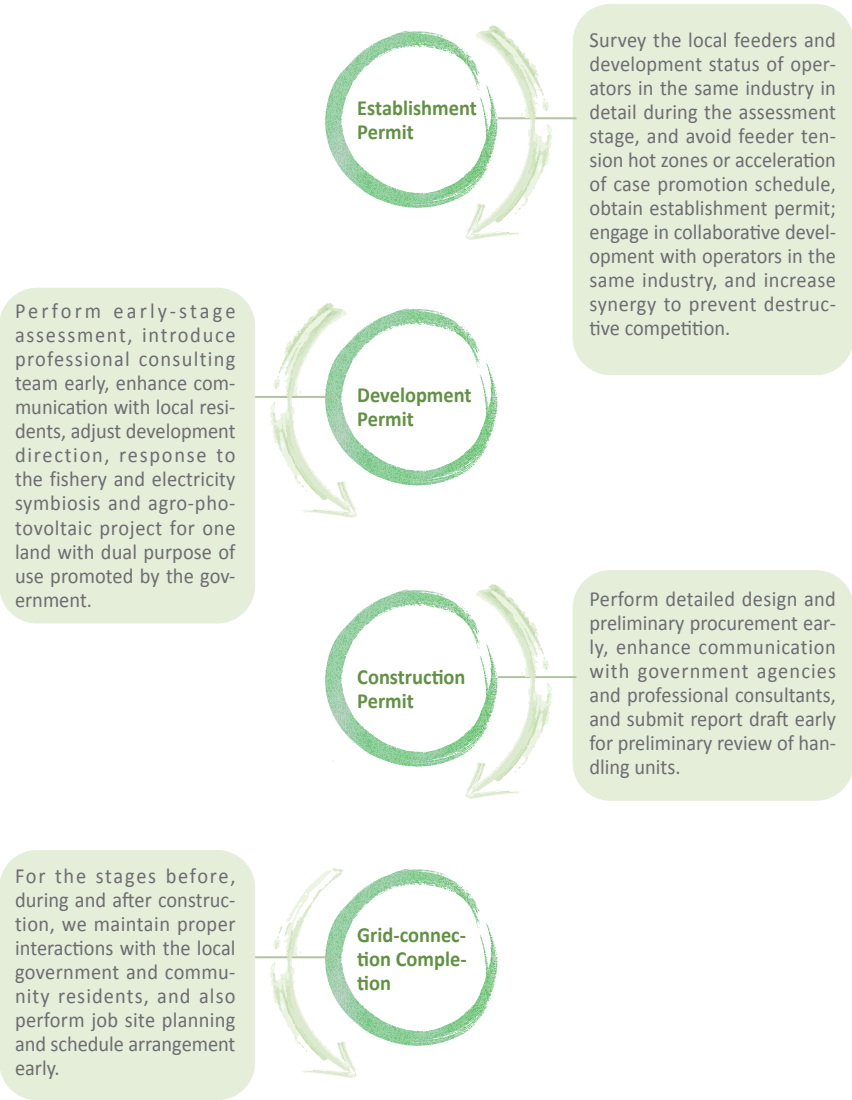


• Solar Photovoltaic Field Introduction
Solar Photovoltaic Field Life Cycle



| |  Case assessment and investment review |  Land development |  Planning, design and field construction |  Maintenance management |
|---------------------|---|---|---|---|
| Key job description | Land related laws and regulations Construction execution Financial calculation Grid-connection feasibility Land sensitive area Survey of | Obtain consent of land owner Obtain power feeder from Taipower Apply for electricity enterprise registration Obtain development plan or use permit approval Obtain construction permit Obtain electricity enterprise license | Geotechnical engineering Module stands Electrical and mechanical works External cable construction Completion test | Routine checking Annual inspection Abnormality monitoring Troubleshooting Improvement proposal |
| Responsible Unit | Sales Division Project Management Division Design Department Financial Division Investment Review Committee members | Sales Division Design Department Financial Division | Design Department Procurement Department Construction and Engineering Department Electrical and Mechanical Engineering Department Project Management Department Labor Safety and Health Office | Engineering Division Maintenance Department Asset Management Division |

HDRE is equipped with the field development and engineering procurement construction (EPC) professional capability in the solar photovoltaic sector, and our team is equipped with diverse professional backgrounds, in order to construct fields exclusive for our customers. In addition, we provide solar photovoltaic fields of outstanding and stable quality and is able to provide comprehensive cross-sector professional services, in order to reduce risks generated from the field development and engineering and construction process along with cost reduction. Furthermore, to greatly promote the construction of solar photovoltaic fields, we engage in collaborative development with operators in the same industry, in order to establish, work allocation, mutual cooperation and support system jointly. To facilitate the successful promotion process during different stages of the operation, we understand customer demands in depth and continue to maintain proper interaction and communication with government agencies and local residents, in order to reduce the risk of construction delay.

Field development risk response measures



Risk Response Measures for Field Construction and Installation

| | Difficulties Faced | Response Method and Action |
|--|---|---|
|  Manpower Management | Labor shortage, suspension of work, insufficient dispatch of manpower can affect the construction completion schedule | <ul style="list-style-type: none"> Prepare multiple number of backup contractors in advance, and subcontract and outsource to different contractors during the early outsourcing stage according to relevant construction works. During the selection of contractors, assess the manpower capacity of the contractors, in order to plan manpower in advance and to prevent subsequent labor shortage situation. |
|  Progress Management | The factors of field construction progress and poor weather condition, etc. can affect the construction completion schedule | <ul style="list-style-type: none"> Construction progress management mechanism is established, such that the construction items and progress can be controlled via the construction daily report. In case of construction abnormality or delay of schedule, contractor is requested to submit corrective measure demand form, and perform cause analysis and subsequent corrective/preventive actions. The auditors and Labor Safety and Health Office are responsible for subsequent follow-up. Engineering Division head periodically coordinates all field construction progress and execution status, in order to manage the progress properly. |

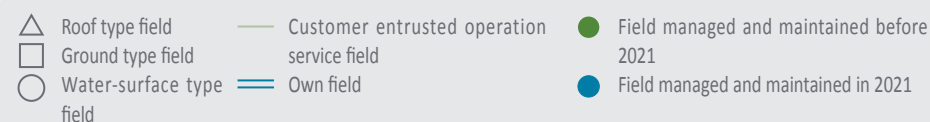
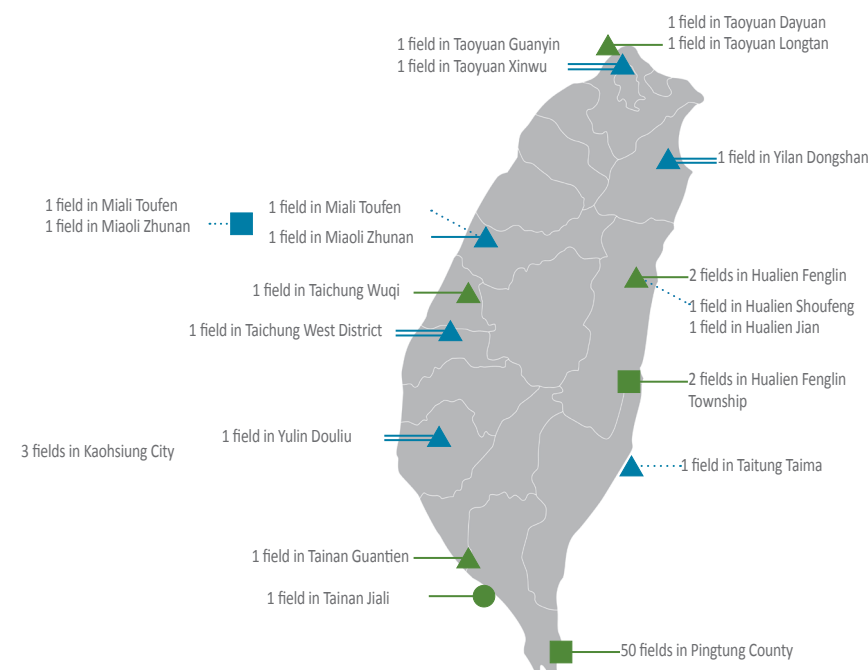
3.1.2 Solar Power System Management and Maintenance Operator

The fields managed and maintained by the HDRE team include roof type, ground type and water-surface type fields. While facing diverse and complicated problems for different types of fields, we utilize field monitoring system constructed via communication technology in order to understand the power generation status in real time. We also perform rigorous periodic inspection and preventive actions routinely, and assign personnel to perform inspection and troubleshooting via mobile phone APP timely. The service subjects include internally owned assets and fields entrusted by customers (including non-consolidated affiliate enterprises) for maintenance, and official maintenance report is provided at least quarterly to communicate with the proprietors.

In addition, we also provide customer operation management consulting service. In addition to professional contractors capable of managing the substantial field maintenance and project progress management, HDRE's team is also equipped with financial, accounting and legal expertise. Furthermore, with abundant photovoltaic industrial materials, the asset values of investors can be maximize, such that we are able to head toward proper responsible investment and green finance initiative.

Furthermore, we are equipped with extensive experience in the photovoltaic industry and large manufacturing industry sustainability topic management. For example, we are able to assist customers to perform financial, accounting and taxation planning, such that the asset value of investors is maximized, and we are able to head toward proper responsible investment and green finance initiative.

HDRE Managed and Maintained Solar Photovoltaic Fields - Taiwan Main Island



HDRE handled the operation management of a total of 22 fields in 2021, and the total installation capacity was 21.18 MW, with the annual power generation of approximately 27,000 MW of green electricity, equivalent to the reduction of 13,531 tons of CO₂e emissions, and the benefit of approximately 1,366 hectares of forestation. In addition, we have also established the joint venture platform including own assets and investments. The number of new fields with meter installation in 2022 is erected to be 10 fields, and the installation capacity is estimated to reach 110 MW. For the short-term goal, the total management capacity of own assets is 200 MW. For the long-term goal, the installation capacity of service management is planned to exceed 700 MW.

HDRE Solar Photovoltaic Field Operation Management

| Customers | Number of Fields | Accumulated Installation Capacity in 2021 | Accumulated Power Generation in 2021 |
|---|------------------|---|--------------------------------------|
| Internal (own fields) | 11 fields | 5,125.30 KW | 6,490 MWH |
| External (including non-consolidated affiliate enterprises) | 11 fields | 16,058.91 KW | 20,460 MWH |

•2021 Field Operation Management Spotlights



Provided routine operation management to external customers for a total capacity of 16,058 KW, achievement rates of **160%** and **210%** respectively.



Provided taxation planning complying with the laws, and the amount of tax saved for investors reached **5%** of net profit after tax in 2020.





Convened a total of 5 times of investment review meetings of the investment platform in 2021, approved photovoltaic investment projects with a total investment of **NT\$3.22 billion**.

• Field Maintenance Management

Power station maintenance management is an important post-construction service item after the completion of the construction of solar power generation systems. If solar power generation system is not maintained periodically, equipment circuit failure may occur due to environmental changes, such as: wind, sand, quano, dust oil stain, etc. leading to reduction of power generation rate. HDRE maintenance team is equipped with extensive experience in field maintenance, and personnel are able to pre-determine and identity risks that may cause unstable power supply and propose countermeasures, in order to mitigate hazards caused by the risk.

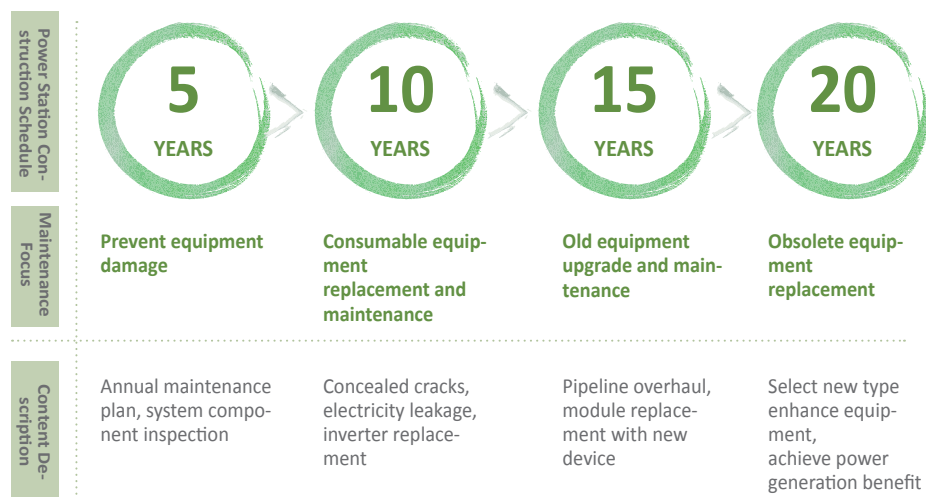
Field Maintenance Risk Management Measures

| Identify Risk | Risk Description | Mitigation Measures/Countermeasures |
|---|---|---|
|  Natural disaster risk | Flooding caused by typhoon and heavy rainfall, operation interruption and equipment loss caused by earthquake, power generation efficiency affected by high temperature and monsoons and dust | <ul style="list-style-type: none"> Ensure normal power generation of fields according to real-time monitoring and routine maintenance. In case of typhoon or heavy rainfall announced by the weather forecast, water drainage and pump equipment is ensured to function normally in advance, in order to reduce the chance of flooding. In case of large scale of loss due to natural disaster, all fields are under the machinery insurance and operation interruption insurance, in order to reduce the level of loss. |
|  Improper field construction risk | Equipment improper power generation, failure, base damage, improper drainage design, etc. | <ul style="list-style-type: none"> Acceptance period: Acceptance is performed by an independent third party institution and report is submitted. In addition, the Engineering Division or contractor provides assistance to improve deficiencies. In-service operation period: Deficiencies in layout design, civil or drainage construction can be found, typically, one to two years after the grid-connection of a photovoltaic field. If it is determined to the construction defect, negotiation is engaged with the proprietor, and the contractor will perform warranty improvement. |

To maintain the highly efficient operation of the power stations, to ensure continuous and stable power generation of power stations and to resolve abnormal conditions, HDRE implements routine inspection daily, and performs data analysis monthly and quarterly, along with the implementation of different maintenance management during each period:

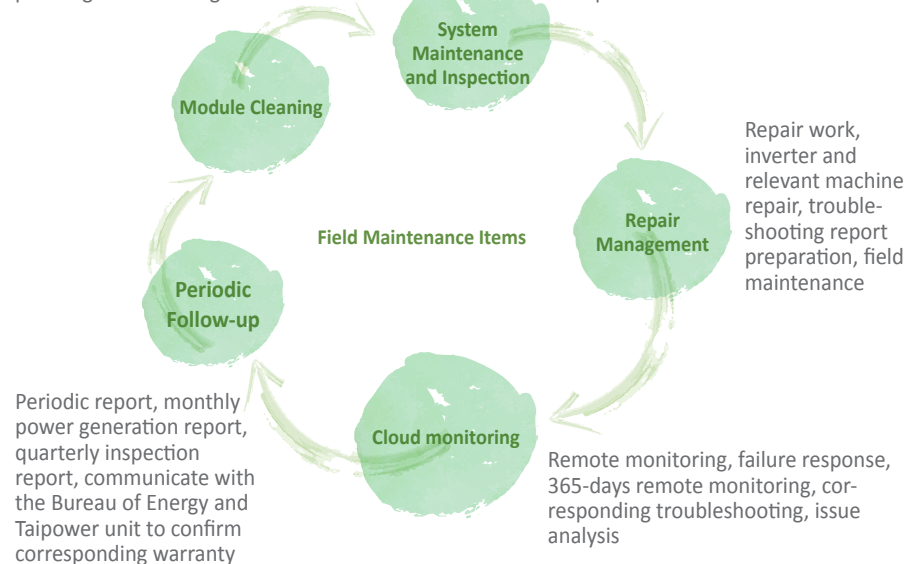
- Daily:** Verify the field status via monitoring system daily. In case of any abnormality of equipment under warranty, the equipment warranty contractor is contacted to proceed to the site for determination and clarification of liability.
- Monthly:** Monthly power generation status is compared and analyzed with the status of the same period, in order to determine whether there is any deficiency or abnormality in the maintenance schedule.
- Quarterly:** Checking, power testing and field environment inspection are arranged quarterly, and work arrangement is adjusted timely or optimization recommendation is provided to customers.

Field Maintenance Risk Management Measures



Value-added service, anti-burglar security system construction, module cleaning, environment and sound-proofing area cleaning

Power station preventive maintenance, solar module inspection, solar inverter inspection, relevant machine inspection and calibration



HDRE has completed the development of field monitoring system in 2020, and the system is able to monitor the operation status, sunlight, environmental temperature, power generation capacity, voltage and current of each node, equipment stability of the photovoltaic station, and performance calculation can be performed according to the information collected, in order to monitor whether there is any performance abnormality in real-time. Furthermore, for self-developed system, greater flexibility in electricity, manpower dispatch and data simulation, etc. can be achieved via information links. Presently, this set of monitoring system has been applied to own field cases and fields of most of our customers.

Up to 2021, the total capacity of fields contracted to HDRE for maintenance was approximately 18 MW. As the quality of our service is recognized by customers, we expect that the total capacity of service in 2022 will increase by 6.2 times to reach 130 MW. Furthermore, based on the calculation of medium and large fields exceeding 5 MW, the monthly average Performance Ratio (PR) in 2021 was 84.97%, and it was between the interval of 81.22% and 90.49%. Accordingly, the overall maintenance quality is stable and reliable.

Field Monitoring System

Main Functions

- Provide field power generation information and equipment running status information in real-time, ensure power plant generates power continuously and stably and resolve abnormalities swiftly, assist the team to management solar power station.
- Link to job dispatch system, such that when the system detects abnormality, it is able to inform the job dispatch system timely and use APP to transmit information.



Future Planning

- Weather data has been planned to be further included, and power generation prediction function simulation is performed. By the first half of 2021, preliminary prediction information can be generated.
- Optimize the maintenance job dispatch schedule, and integrate with the staged early warning mechanism, in order to achieve the planning objective of AI smart automatic job dispatch.



Field Monitoring System



3.2 Sustainable Innovation Management

Innovation and Intelligence Optimization

Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

- HDRE expects to reduce the green power use difficulty and to construct a power company adopting the virtual power plant operation model.
- We plan to use AI to provide smart power service, including smart management and green power dispatch, in order to provide diverse power consumption choices to corporates and consumers, and we have also entered the field of electric vehicle charging points, such that a comprehensive energy power grid can be provided to corporate users and general public, thereby achieving the goal of "Smarter Energy, Accessible Green".

Our Commitment

HDRE actively expands the power generation, electricity storage, electricity sales and power consumption services in conjunction with optimized smart management system, and also plans the investment in the research and development of energy visualization, integration and dispatch services, thereby heading toward the goal of a green energy integrator.

Core Objectives and Vision

Short-term Goal

Commitment in the collection, analysis and visualization of power generation, electricity storage, electricity sales and charging information, and establish Intelligence Center to perform full-zone field monitoring and maintenance.

Medium-term Goal

Investment in the energy integration platform construction for power generation (before meter installation), electricity storage (before + after meter installation), electricity sales and charging (after meter installation), and partition in electricity trading platform, energy storage management, charging points operation management and post-meter installation energy management.

Long-term Goal

Investment in the energy integration and energy transfer among power generation, storage, electricity sales and charging, thus realizing the vision of virtual power plant.

Our Commitment

HDRE actively expands the power generation, electricity storage, electricity sales and power consumption services in conjunction with optimized smart management system, and also plans the investment in the research and development of energy visualization, integration and dispatch services, thereby heading toward the goal of a green energy integrator.

Management Method



Manpower Investment

In 2021, the department was established, and 16 employees were employed for the department, including 4 software professionals, 2 electricity sales specialists, 1 energy storage planning engineer, 3 super charging planning engineers and 1 project management personnel.



Capital Investment

The research and development expenditure in 2021 was NT\$4.748 million.



System Management

Plan and develop green power matching algorithm, and optimize TITAN smart green power system.



Equipment Upgrade

Plan the construction of Intelligence Center as the integrated platform for monitoring maintenance and energy applications..

Management Mechanism

Use project progress management system and business opportunity tracking management system to perform routine management, and convene operation review meeting periodically.

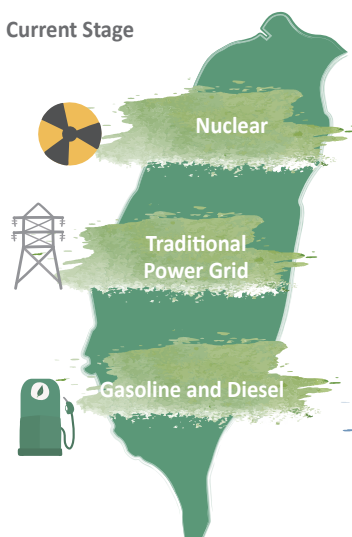
Key Outcomes

Continue to develop and optimize TITAN smart green power system five clouds, construct system platform, and perform data and algorithm centralized management.

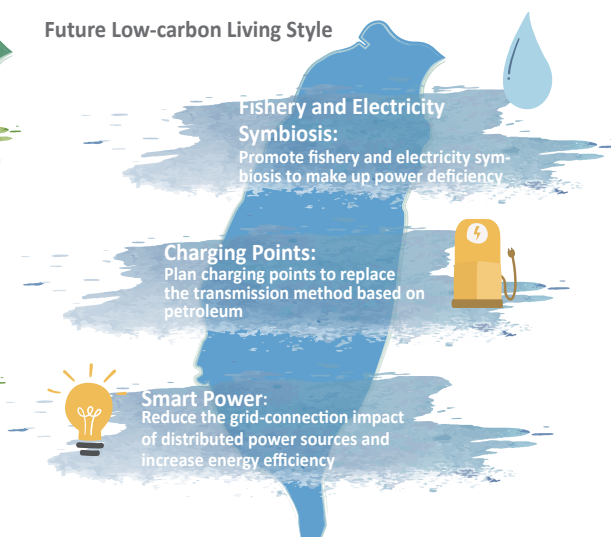
Construct the “Green Power Golden Triangle” of power generation, energy storage and electricity sales, in order to advance towards the goal of smart green power company

HDRE provides diverse services, including green power consulting, charging points and smart power system, etc. We establish solid foundation to construct the AI smart power system in order to provide the services of fishery management, power station asset management, green power matching and charging points, etc. thus achieving the Group’s goal step by step. Through simple and convenient use of green power, we expect to implement the business philosophy of “Smarter Energy, Accessible Green”.

Current Stage

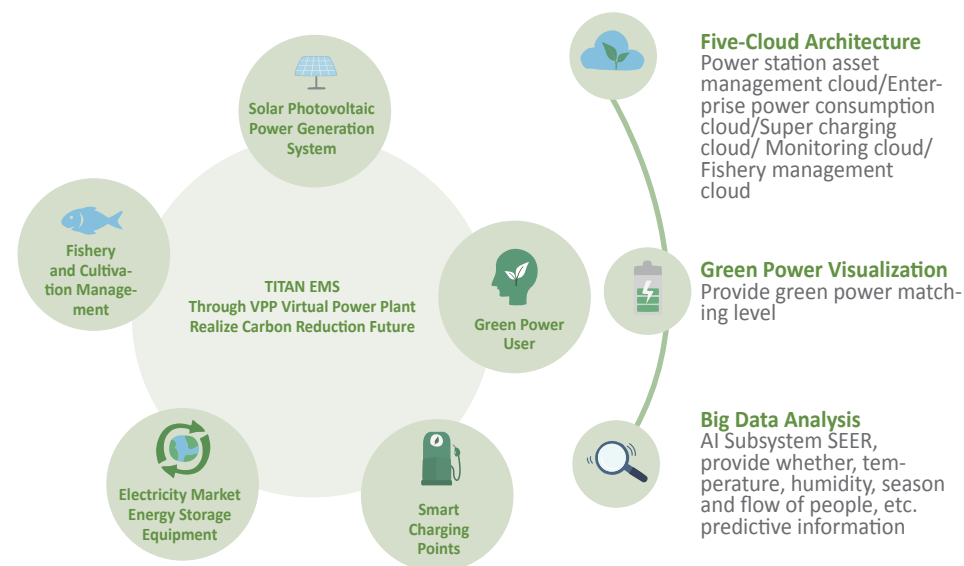


Future Low-carbon Living Style



3.2.1 Product Technology and Innovation

• Smart Green Power System



As a green energy integrator, HDRE's business include infrastructure construction, power station management, green power consumption, certification and charging point installation. To assist corporate customers to achieve their net zero carbon emissions goal, HDRE launches the TITAN Energy Management System, including the “Five-Cloud” infrastructure of power station asset management cloud, enterprise energy management cloud, super charging cloud, energy storage cloud, and fishery management cloud. To further stabilize and optimize system use, the information of the current system, field equipment and electric meter records are transmitted and fed back via the communication network. The data is used for illustrating the management status on the maintenance system and management platform, and warning is displayed in case of error. In addition, commands can be made via remote control, in order to monitor and resolve abnormal conditions.

Presently, HDRE is planning and developing integration and processing via system platform centralized data and algorithm centralized management, in order to allow all teams to manage the operation of the five main assets of the Group synchronously while understanding the operation status of power generation, power consumption, charging and energy storage.

•Smart Power Service Green Power Wheeling Service

HDRE provides the green power consulting service to inspect the power consumption status of users, and to understand power consumption demand. Through data collection and analysis, most suitable green power can be matched and purchased for users. In addition, we also assist green power users to obtain the one sheet of “Renewable Energy Certificate T-REC” for use of every 1,000 KWH of green electricity, in order to prove that they have obtained electricity via renewable energies. Accordingly, the demands for carbon reduction and sustainability of users and supply chain can be satisfied.



Renewable Energy Certificate

In view of the significant increase of enterprises' demand for green energy, the question on whether an enterprise truly uses green power depends on the power generated by the power plant and the power consumption status of the user. Accordingly, simple one-to-one green power wheeling is able to ensure the green energy matching for large power plants and large power consumers. However, for small and medium enterprises of different power consumption

time and small power plants that are insufficient to satisfy large power consumption customers, failure of matching and trading may occur. To improve the matching between power plant and power consumption user for the use of green power, HDRE provides four types of one-to-one, one-to-many, many-to-one and many-to-many for the green power wheeling. Accordingly, with the advantages of the energy integrator of HDRE, sufficient and stable green energy can be provided.


In future, we will continue to develop the green power wheeling model of “many-to-many” in order to match multiple number of power plants with multiple number of customers for trading, thereby peptizing and solving the match failure due to difficulty in power generation and power consumption time. In addition, through the Taipower's distribution system, power can be supplied to customers, companies or factories. To match the “power generation capacity” of green power generated by the field and the “power consumption” of user, HDRE is able to assist customers t install data collector in order to obtain the power consumption statistical data, followed by using AI algorithm to analyze the power consumption habit of the user and to predict the power consumption demand, thus increasing the green power use ratio while reducing the residual electricity issue.

User's Green Power Purchase Process



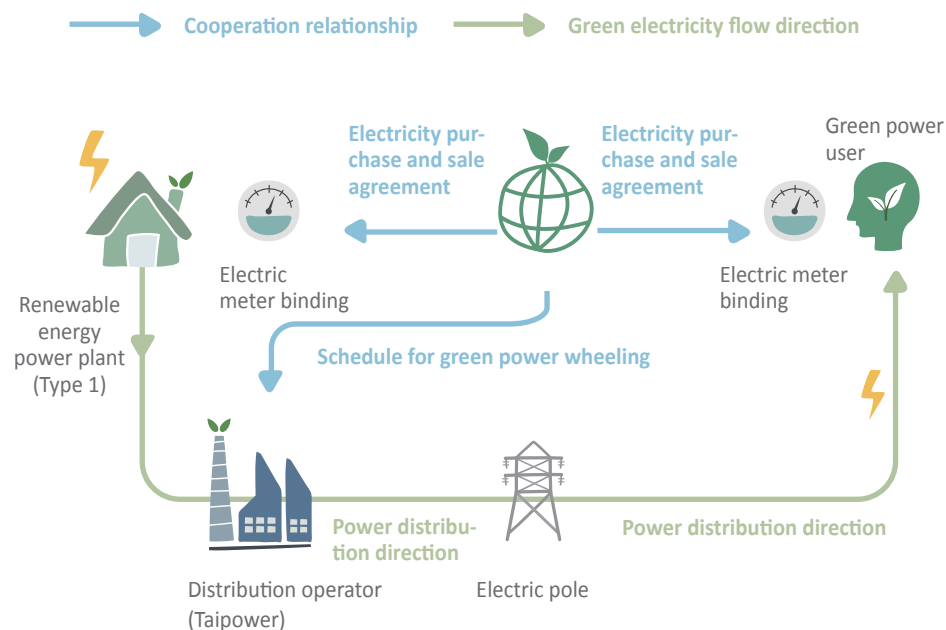
After obtaining the electricity sales license in August 2021, to overcome the urgent demand for green power of the domestic industries, we have assisted users to sign 1,650 MWH of renewable energy electricity and certificates as well as purchase and sale agreements in 2021, and we have also completed the green power wheeling of 659 MWH for telecommunication and financial industries in practice, which is equivalent to the reduction of 33 tons of carbon dioxide emissions. HDRE has signed the additional purchase of green power agreement with cooperating partners. In the future, we will provide 10,650 MWH of green electricity in order to assist enterprises to accelerate the achievement of their future goal of net zero carbon emissions.

2021 Green Power Wheeling Performance

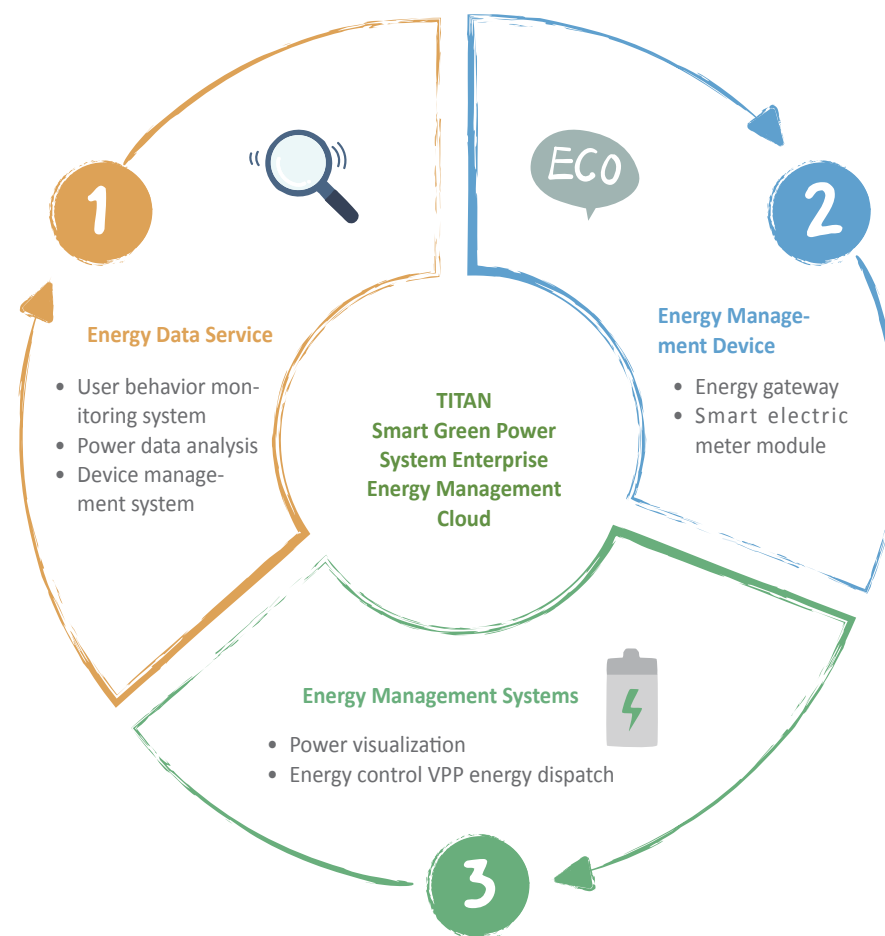
| Green Power Wheeling | 2021 Actual green power wheeling | 2021 Wheeling contract already signed | 2022 Additional purchase of green power wheeling |
|---|----------------------------------|---------------------------------------|--|
|  | 659,000 KWH of green electricity | 1,650,000 KWH of green electricity | 10,650,000 KWH of green electricity |

For the green power wheeling service of HDRE, the key investment outcomes in 2021 are as follows:

- Accumulated green power wheeling at the end of 2021 reached 659 MWH, allowing enterprises to reduce 33 tons of carbon emissions.
- HDRE became the first green power trading company with power wheeling of proof type of solar photovoltaic capacity exceeding 1MW
- Completed energy visualization BETA



TITAN Smart Green Power System — Enterprise Energy Management Cloud



TITAN smart green power system is utilized to assist customers to understand the power consumption status of their equipment, in order to plan for the most optimal power consumption schedule achieving energy saving and carbon reduction. In addition, customers are also granted with the authority to use the system, allowing users to obtain their own power information at any time via mobile device or website. In addition, the smart monitoring function also provides all-weather energy management service, in order to control energy use.

TITAN Smart Green Power System — Enterprise Energy Management Cloud

| Software online time | Expected plan for software online in 2022 |
|-------------------------|--|
| User | Provide green power consulting service and sell electricity green power user |
| Software Main Functions | <ul style="list-style-type: none">Through power consumption visualization, green power and fossil fuel power can be presented, and provided for customer report analysis system and trend comparison.Through multi-dimensional analysis, customized energy management interface can be provided to customers, in order to achieve the “Equipment Energy Saving” and the goal of Smarter Energy. |
| Use Benefit | Use visualization method manage the power consumption status of users, review power consumption status to analyze unreasonable power consumption, in order to achieve equipment energy saving and to optimize power consumption status. |

Enterprise Energy Management Cloud



• Charging Points

HDRE signed the electric vehicle charging points collaboration agreement with eTreego in 2021 and purchased charging points of proper safety from eTreego, including charging points of 17 KW to 120 KW, and also integrated with the construction of operation management system. The first stage of development mainly focuses on the living circle of the six major cities, and the construction of charging points at public area is promoted. Presently, the construction of electric vehicle charging zones at convenient stores, supermarkets and department stores have been planned. In addition, charging stations for customers of different needs are also provided, in order to satisfy the charging demands of different brands of electric vehicles.

In addition to the provision of charging point power supply service, HDRE plans to integrate LINE official account and provides charging points application program to users, including charging point station address search, charging and payment function, etc. We also plan to integrate the super charging in the TITAN smart green power system in order to assist the maintenance team to manage charging station timely.

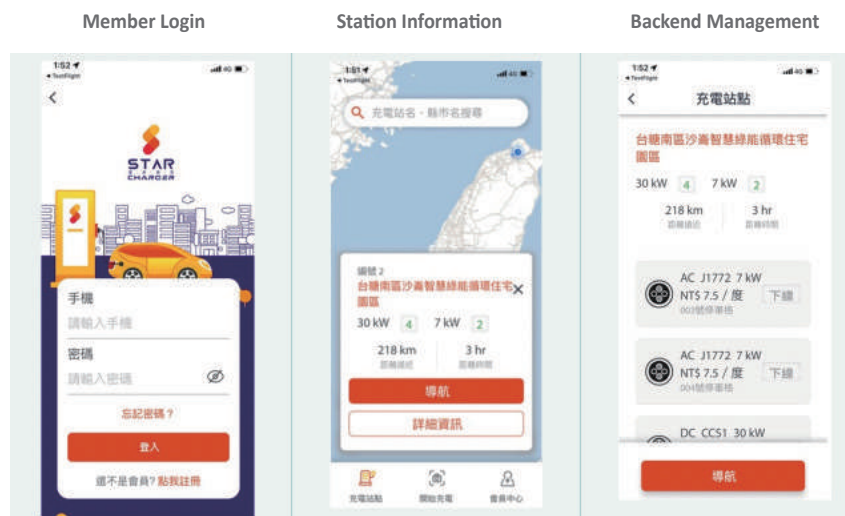
Engaged in Collaboration with eTreego



TITAN Smart Green Power System — Super Charging Cloud

| Software online time | Expected plan for software online in 2022 |
|-------------------------|---|
| User | Provide charging point service to users and assist maintenance team to manage charging station |
| Software Main Functions | User Interface APP Function <ul style="list-style-type: none">Station searchQR code scanning to start chargingBill payment Backend management <ul style="list-style-type: none">Manage charging points, power station asset operation status, subsequent maintenance and account management.Understand time, location and number of user of the charging status, in order to analyze the user behavior and to optimize system operation. |
| Use Benefit | <ul style="list-style-type: none">Understand the onsite charging point use status, in order to ensure stable power supply of the charging points.Maintain charging station, and resolve equipment abnormal conditions. |

Super Charging Cloud — Mobile Phone APP



•Energy Storage System

Due to the inherent limitation of power generation time and weather condition factor, the power generation of green energy is unstable, and presently, companies cannot 100% rely on the green power as their sources of energy; however, in the future, as the energy storage equipment is constructed completely with improvement, such issue will be resolved. As a practitioner of Accessible Green, HDRE plans to participate in the energy storage Automatic Frequency Control (AFC) auxiliary trading market at the end of 2022, and expects to complete energy storage resource above 500 MW for in-service operation. Through direct participation in the Taipower auxiliary service trading market, or assisting customers to participate in the Taipower auxiliary service trading market, the electricity supply of the power system can be stably maintained.

The energy storage cloud in the TITAN smart green power system planned and developed by HDRE is able to assist the energy storage field maintenance personnel to monitor the field operation status and to optimize the system operation based on the data collected.

TITAN Smart Green Power System — Energy Storage Cloud

| Software online time | Expected plan for software online in 2022 |
|-------------------------|--|
| User | Personnel assisting the maintenance of energy storage fields |
| Software Main Functions | <ul style="list-style-type: none"> Monitor the energy storage field operation status, charging and discharging capacity, input and output electricity to Taipower, voltage and current of each node, and equipment stability. Conduct performance calculation according to the information collected, in order to monitor whether there is any performance abnormality of the system and to maintain asset normal operation. |
| Use Benefit | Monitoring of operation status, participation in electricity trading market, and communicate the dispatch information with Taipower in real-time. |

Energy Storage Cloud — Energy Storage System Illustration

Introduce small energy storage to achieve field capacity demand management, and off-peak/peak electricity adjustment

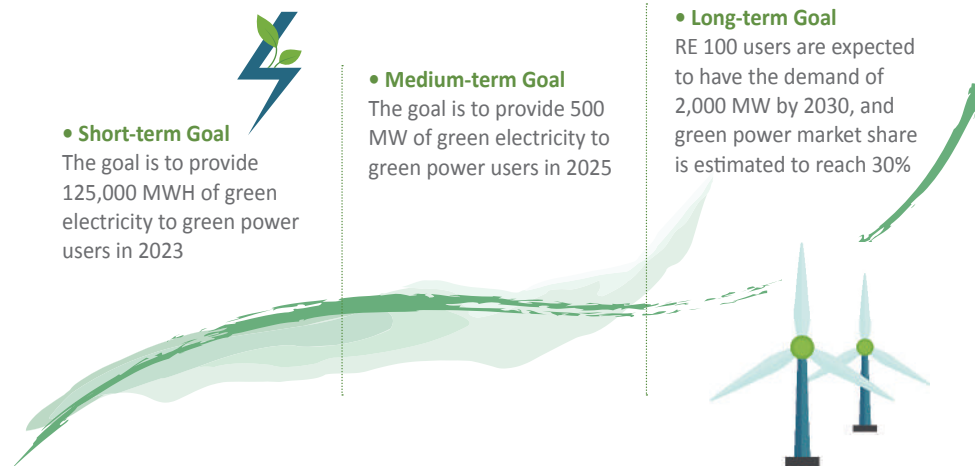


3.2.2 Drive Industrial Upgrade

• Establish City of Smarter Energy and Accessible Green

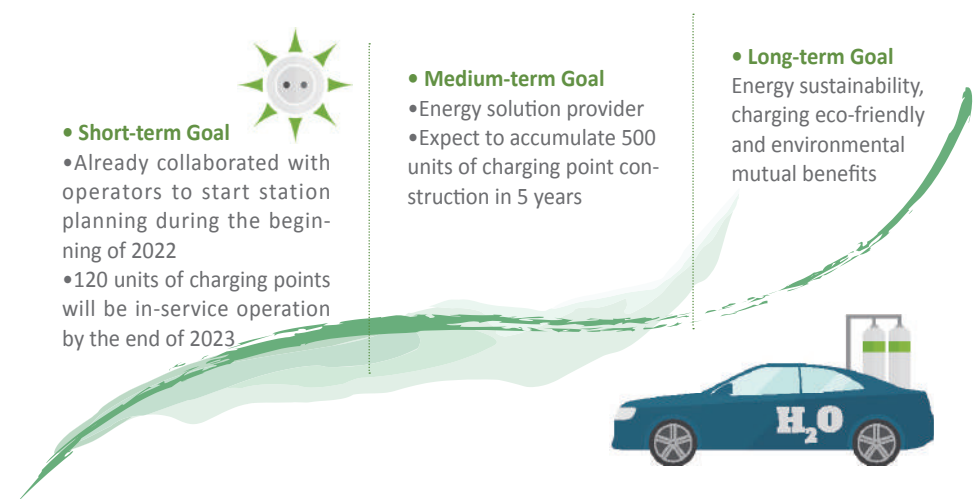
Green Power Wheeling and Electricity Sales

As global warming has caused the climate to become more extreme continuously, to prevent continuous increase of temperature of the Earth, a lot of domestic enterprises have declared to reach the goal of net zero carbon emissions by 2050. In addition, as Taiwan is also part of the international industry supply chain, the supply chain's demand for green power has also driven greater number of enterprises to purchase green power, and the demand for green power is expected to increase. To assist customers to obtain green energy and to accelerate the planning for the RE 100 goal, we are committed to satisfying the electricity consumer demands for green energy. In addition to the current green power wheeling model of one-to-one, one-to-many and many-to-one, we plan develop the green power wheeling supply model of "many-to-many" that is more suitable to the market" in the future, in order to perform match trading among multiple number of power plants and multiple number of customers, thus overcoming the match failure between power generation and power consumption time, and assisting users to match and purchase the most suitable green power.



Charging Points

The initial goal of customers focuses on the people in the living circles of the six major cities, and the product strategy of Business to Business to Consumer (B2B2C) is adopted. We collaborate with parking lot owners of convenient stores, super markets, hotels and department stores, and conduct field assessment on the vehicle traffic volume, customer group pattern and business model, and we also optimize the charging installation process, in order to provide the charging point services for slow charging of 7 KW / 17 KW and fast charging of 30 KW / 60 KW / 120 KW, thus satisfying the flexible charging demands of electric vehicles of the general public. Furthermore, we also follow the market trend. In view of the government's policy and electric vehicle development trend, we plan to develop the Business to Business (B2B) charging point market.



Energy Storage Systems

We are committed to provide Taipower auxiliary service in order to stable the power grid and to maintain the safe and stable operation of the power system. When power system is subject to accident, we are able to assist the power system to resume to normal power supply swiftly. With regard to the energy storage business, we will actively participate in the Taipower electricity trading platform, and our goal is to complete the construction of energy storage system above 500 MW in 2024, such that the overall energy planning covers the energy production, transmission, storage and management aspects. For the long term, we expect to satisfy the Taipower trading market frequency modulation auxiliary service equipment — E-dReg equipment system in principle.

• Smart Green Power System Innovative Research and Development

To reduce the intermittence limitation of renewable energies, in 2021, we have launched 7 projects, including algorithm for matching with green electricity sales to increase supply-demand match level, energy integration platform, energy storage management, system, power station asset management cloud, enterprise energy management cloud, super charging cloud, energy storage cloud, etc. We also provide smart green power system management system, and have developed the AI smart green power system TITAN, in order to include the maintenance, green electricity sales, electric vehicle fast charging, energy storage service and fishery cultivation in the scope of management and dispatch. Furthermore, to achieve centralized management of field equipment, data transmitted by users and common algorithms and database, based on the present plan, we continue to develop overall functions and subsystems for the TITAN smart green power system, thus allowing the power generation, power consumption, charging and energy storage operations to achieve higher efficiency.

HDRE is committed to the innovative research and development and to engage in strategic collaboration in order to increase the company value and to pursuit growth. In addition to continuous innovation, research and development of own products and services, we also perform technology transfer and product collaborative technology development through strategy collaboration with the government, external companies or research teams, thus integrating internal and external perspectives on the industry and achieving fast planning of renewable energy trend to seize business opportunities.



HDRE Energy Cloud System Integration and Development Strategy

| | |
|------------------------------|--|
| Operation Management Service | <ul style="list-style-type: none"> Improve the TITAN power station asset management cloud, ensure power plant's continuous and stable power generation and capable of resolve abnormal conditions swiftly, understand power consumption abnormal changes and implement response timely in order to ensure stable power supply. Optimize maintenance job dispatch schedule, and enhance safety protection management. |
| Green Power Wheeling Service | <ul style="list-style-type: none"> Assist users to perform load prediction, optimize green power distribution ratio; assist users to perform green energy dispatch, and perform peak/off-peak electricity dispatch through energy management system. Invest in technology development of algorithms, including how to match green electricity sales, increase supply-demand match level, and perform matching and computation to find the most optimal green power wheeling distribution ratio according to the power generation curve of power plants and power consumption curve of customers. |
| Super Charging Points | <ul style="list-style-type: none"> Expand charging station locations, understand onsite charging points use status. Ensure stable operation of charging points, and resolve equipment abnormal conditions. Integrate backend management maintenance job dispatch and schedule, improve operation and sales function, and implement operator connection. |
| Energy Storage Systems | <ul style="list-style-type: none"> Integrate multiple users' energy storage equipment to participate in Taipower electricity trading marking, and perform energy regulation. For energy storage management system, develop energy management mechanism satisfying the Taipower electricity trading market, provide frequency regulation control, and energy storage application control. Plan and develop light-preservation application control system in the future. |

3.3 Customer Relationship Management

3.3.1 Customer Satisfaction GRI 418-1

Customer satisfaction is an important basis for effective and continuous improvement of products and services. Regardless whether it is to provide solar power field operation management service or to provide smart electricity service, HDRE values the feeling of customers towards our service, and is committed to establishing trust in relationship with customers. Through two-way communication, we respond to the customer demands and also issue satisfaction questionnaire to customers periodically. According to the comments on the aspects of custom-

er service, professional competence, quality, delivery and comprehensive feedbacks, we conduct survey on customer satisfaction with respect to the service experience. After the survey questionnaire results are summarized and analyzed, we also respond to customers in order to improve service quality with best effort. For the data collected and sent back from the customer end, we also value the protection of their privacy rights and personal information by performing collection, preservation and processing according to the law. In 2021, there were no complaints related to the infringement of customer privacy rights or loss of customer data.

•Asset Operation Management and Post-Investment Management

The operation of assets can affect the overall performance; therefore, equipment operation management and financial analysis are key objectives of the Asset Management Division. The platform customer financial model is used as the field performance target, and the management asset status and capital activities and reports are tracked according to the internal field management regulations and on a daily, weekly and monthly basis, along with the submission of operation report to track major matters quarterly, in order to increase the customer satisfaction.



Composition

Asset operation management and post-investment management

Survey Method and Frequency

Perform paper questionnaire survey, and conduct one time of satisfaction questionnaire survey on shareholders of HDRE's joint venture platform annually.

Customer Satisfaction Evaluation Items

| | |
|------------------|-------------------------------------|
| Customer Service | Personnel response is made promptly |
| | Problem solving skill is adequate |
| | Response attitude is proper |

| | |
|---------------------------------|---|
| Professional Competencies | Professionalism of administrative management is adequate |
| | Professionalism for financial/taxation management is adequate |
| Management Quality | Professionalism is adequate |
| | Administrative management service is good |
| | Meeting schedule and proposal content is proper |
| Operational Performance Quality | Post-investment management overall performance is good |
| | Provide account settlement report complying with time-limit specified |
| Overall Evaluation | Provide management performance report within predefined time-limit |
| | Provide prompt response to relevant management questions |
| | Satisfaction on the asset management service of current year |

Smart Power Service

Establish the green electricity sales management process of the Company, match the green power supply and customer demands, provide excellent service to green power customers. Customer satisfaction surveys are issued to current customers purchasing green power annually, and the questionnaire type of survey is adopted to collect feedbacks. After the surveys are collected, the quality management unit then statistically analyzes the green power service and reports during the management review meeting. In addition, the power consumption status of all customers for the last month is statically analyzed on a monthly basis. In addition, for customers with difference between the actual power consumption and the expected power consumption exceeding more than 20%, power consumption status report is prepared in order to analyze the power consumption difference cause and to propose improvement recommendations. The performance is tracked in the following month to determine whether improvement has been made, in order to satisfy the power consumption demands of customers timely.



Composition

Green Power
Wheeling Service

Survey Method and Frequency

Perform paper questionnaire survey, and conduct one time of satisfaction questionnaire survey on current customers purchasing green power annually.

| | |
|---------------------------|---|
| Customer Service | Response of salesperson is made promptly |
| | Problem solving skill is adequate |
| | Response attitude of salesperson is proper |
| Professional Competencies | Professionalism for inquiries on renewable energy sales is adequate |
| | Professionalism of power analysis is adequate |
| Quality | Power wheeling quality is stable |
| | Overall functionality is good |
| Delivery | Satisfy the predefined power wheeling date |
| Comprehensive Comments | Overall satisfaction on the present order |
| | Overall satisfaction on the service |

3.4

Strengthen Sustainable Value Chain

Product Quality and Responsibility

Meaning of Material Topic to HDRE

GRI 103-1, 103-2, 103-3

The Company's quality responsibility philosophy is: The quality control from the upstream raw materials and supplier procurement, fields in construction process and construction period of the midstream contractors, to the construction completion and field maintenance at the later stage, is ensured to comply with the following:

- Cooperatively promote ISO 45001, synchronously request suppliers and contractors to satisfy the HDRE's quality management policy and operation procedure, and ensure that their performance complies with the health and safety regulations
- Ensure that HDRE's product performance, safety and delivery satisfies customer demands
- Ensure that customers receive products and services of the highest quality

Our Commitment

We uphold the commitment of “promoting all employees’ participation in activities related to quality control for energy efficiency improvement and continuous improvement”. We also clearly specify pre-construction planning, design and contractor quality and safety requirements in the construction contract, and provide various construction regulations and maintenance outsourcing operation procedures, in order to ensure the construction quality and operation safety, thus satisfying customer demands and ensuring customers receive products and services of the highest quality.

Core Objectives and Vision

Short-term Goal

- Complete the supplier and contractor management procedure and contractor and outsourced vendor safety and health management procedure, assist and guide suppliers and contractors to comply with relevant procedural requirements.
- Plan and establish quality management procedure documents, and implement personnel education and training.

Medium-term Goal

- According to relevant operation procedures, execute evaluation and annual re-evaluation operations on suppliers and contractors.
- Actively guide suppliers and contractors to comply with the quality policy goals of HDRE.
- Establish management system architecture and introduce system verification, in order to enhance safety, health and quality control capability.

Long-term Goal

- Promote and response to important sustainability topics, and include sustainability performance as the evaluation indicator for the suppliers of main equipment procurement.

Management Method



Manpower Investment

- Dedicated personnel are assigned by the department to promote and execute supplier and contractor evaluation operation.
- Engineers performing field construction operation supervision are treated as part of the quality management manpower, and a third party is entrusted to perform supervision and guidance.



Capital Investment

In 2021, we focused on the establishment and implementation of the supplier and contractor management system, and there were no specific relevant capital investments. In the future, we plan to increase the contract performance capability of suppliers according to the outsourcing type and amount difference.



System Management

To ensure the operation stability of the field power generation during the construction period and after construction completion, the control is divided into two parts for implementation:

- **Construction period:** During the construction period of the contractor, measurement instruments are used to perform monitoring on the operation quality. Monitoring engineers also use internal instrument of the Company to perform monitoring measurements and to calibrate instruments periodically, in order to ensure the stability of the monitored values.
- **After construction completion:** To ensure the stable operation of the power generation, real-time monitoring system is installed and real-time failure notification mechanism is implemented. In addition, the engineering and maintenance units perform summarization and review periodically.



Equipment Upgrade

In 2022, we have established the “Intelligence Center” and developed “TITAN Smart Green Power System” in order to implement centralized management of owe power plant and green power dispatch as well as to further increase the power generation efficiency and to monitor the maintenance management, thus achieving enhanced management on the supply chain service quality.

Management Mechanism

Through supply chain management, we request cooperating suppliers and contractors to comply with the environmental safety regulations and management procedural requirements. In addition, two-level quality control system is implemented according to the quality management guidelines along with autonomous inspection and random inspection, in order to ensure that material quality and service can be completed to satisfy the expected quality and schedule.

Key Outcomes

- In 2021, the supplier evaluation was conducted on 22 suppliers.
- Established the contractor evaluation system, and adopted the annual re-evaluation model. Through evaluation operation, suppliers qualified for priority procurement and disqualified suppliers are classified. In addition, guidance and improvement operations are adopted for disqualified suppliers, in order to establish two-way communication model.

3.4.1 Source Tracking Management and Procurement Policy GRI 204-1

• Procurement Management

During the purchase of raw materials, HDRE ensures that all construction materials comply with the material related test requirements, and a fixed quantity of samples are randomly selected for submission to the ISO certified laboratory for quality inspection. To prevent the risk of material supply interruption due to raw material shortage and overly centralized purchase from one single supplier, we adopt common specifications for raw materials as much as possible in order to increase the replaceability of raw materials. Purchase of raw materials and equipment overseas may be subject to port congestion such that the product supply stability can be affected. Accordingly, we plan the temporary storage area to allow suppliers to deliver materials early. As for the purchase price, due to the demand over supply of materials, the risks of raw material price increase and potential material shortage exist. Accordingly, we use common materials and order materials early, in order to achieve price targeting and to reduce the impact of price fluctuation.

Risk Identification and Execution Outcome



Material Supply Interruption Risk

For modules, the dimension purchase strategy was specified in 2021, and the solar module of M6 72 cell 445 W/450 W has been selected. Accordingly, all domestic and foreign suppliers can provide the module, in order to increase the its replaceability.



Port Congestion Risk

Since the end of 2021, we have planned the material temporary storage areas for each field, in order to allow early material incoming and to reduce the impact of logistics port congestion.



Price Risk

For cables and modules, orders are placed early, in order to reduce the impact of price increase in the market.

During the purchase of each raw material, we assess the purchase strategy according to the material characteristics. For materials of high cost ratio, well-known domestic suppliers and foreign first-class suppliers are evaluated. After the quality, performance and service aspects of suppliers are considered, the most competitive supplier is selected for cooperation.

- For inverters as the core of the field electrical and mechanical equipment, the equipment model from giant manufacturer of stable quality is selected as the cooperating partner in priority.
- For other equipment, domestic suppliers of outstanding quality, stable delivery and service excellence are selected.

2021 Procurement Item and Amount

| Type | Solar modules | Field peripherals and other relevant materials and equipment | Construction labor |
|---|-----------------------------|--|------------------------------|
| Detailed Procurement Items | Solar modules | Transformers, cables, panels, UHV equipment and relevant equipment | Field related construction |
| Procurement Amount (NT\$100 million) | 3.611 | 6.216 | 9.858 |
| Procurement Ratio and Number of Suppliers | 18.34% 3 suppliers | 31.58% 20 suppliers | 50.08% 20 suppliers |

• Local Procurement and Green Procurement

To implement local and green procurement, we include product production or service in the environmental consideration. Under the condition where the quality and price of different suppliers are relatively the same, in principle, we choose Taiwanese suppliers and implement local procurement in priority. In addition, we also support eco-friendly design products and green procurement. For field procurement, we use eco-friendly materials. To achieve repetitive use of raw materials, the mold plates of building materials used at the field have been changed to steel mold plates for repetitive use in order to replace wooden mold plates of lower durability. In addition, when a supplier has been evaluated to qualify the ISO 9001 quality management system, ISO 14001 environmental management system or ISO 45001 occupational safety and health management system certification, it will receive higher evaluation rating.

Local Procurement Amount and Ratio in Last Three Years

| | Local Procurement [Note 1] | Total Procurement Amount | Local Procurement Ratio |
|------|----------------------------|--------------------------|-------------------------|
| 2019 | 1.8436 billion | 1.8474 billion | 99.79% |
| 2020 | 2.0274 billion | 2.0510 billion | 98.85% |
| 2021 | 1.8182 billion | 1.9288 billion | 94.27% |

[Note 1]: The local procurement refers to that the material or equipment purchased is designed, manufactured and assembled by Taiwanese companies, or the parts of the aforementioned process is performed by Taiwanese companies, excluding suppliers that act as agencies in Taiwan for distribution and sale of products only.

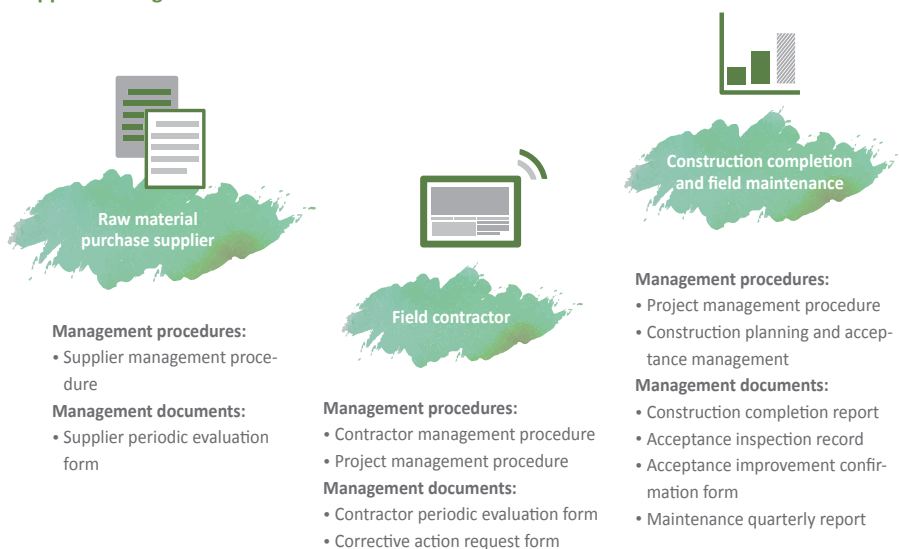
Procurement Amount and Ratio with ISO Certification in Last Three Years

| Certification Type | 2019 | 2020 | 2021 |
|---|---------------|---------------|---------------|
| Procurement amount of suppliers comply with ISO 9001 | 151.8 million | 814.8 million | 520.3 million |
| Procurement amount of suppliers comply with ISO 14001 | 93.2 million | 648.7 million | 382 million |
| Procurement amount of suppliers comply with ISO 45001 | 101.9 million | 614.8 million | 382 million |

3.4.2 Enhance Supplier Management GRI 102-9, GRI 414-2

HDRE evaluates and selects quality cooperating partners based on the breadth of international supply chain. Through periodic evaluation system and continuous communication and cooperation, we establish long-term cooperating partnership with suppliers. In addition, suppliers provide products and services of high quality to HDRE based on the stable supply chain cooperation. In addition to the establishment of a sustainable supply chain with resilience, to cope with the low-carbon supply chain trend in the future, we plan to include the sustainability topic factor in relevant procurement consideration, and request suppliers to actively adopt carbon reduction strategies, in order to achieve supply chain carbon neutrality.

Supplier Management and Evaluation Mechanism



•Supplier and Contractor Selection

For the supplier and contractor selection, we adopt the specification and price screening methods in principle. As for the evaluation process, HDRE selects the most suitable specification first, and under the condition of the same specification, the most competitive price is selected in order to choose the preferred supplier, and preliminary assessment is also implemented. In addition, after the requesting unit stipulates the specification requirements, relevant units are invited to discuss with suppliers, and the supplier with outstanding quality and performance is selected. When a supplier qualifies the screening and selection, procurement may then be implemented. Evaluation is performed annually in order to ensure the material supply quality and the ethics of the suppliers, thus promoting continuous improvement of suppliers.

Supplier and Contractor Selection Determination Criteria



•Supplier's Internal Management:

For suppliers and contractors, it is necessary to perform supplier evaluation during the first time of cooperation. After the evaluation is qualified, re-evaluation is performed again annually or during specific period, in order to ensure that suppliers and contractors continue or improve the overall quality standard.

•Environmental Safety and Health Compliance Status:

For cooperating contractors, the following documents are signed first, and irregular audit is performed during the construction period, in order to ensure the environment safety and health performance of contractors.




- (1) Contractor safety and health undertaking
- (2) Notification for contractor violating safety and health regulations
- (3) Notice for joint prevention of occupational accidents

•Quality Management:

The quality management of suppliers and contractors are verified according to the delivery quality abnormality handling of the actual field and the periodic evaluation of suppliers and contractors. In case where the evaluation is disqualified, and no improvement is made after communication and guidance, such supplier is classified as disqualified supplier, and cooperation is terminated.

In addition, HDRE also values the suppliers' impact on the environment and society. In addition to the evaluation standard on the economic aspect, we also perform environmental and social evaluation on the suppliers, and the evaluation items are as follows:

Environmental Aspect Evaluation

-  Suppliers shall comply with all relevant domestic environmental laws and regulations
-  Suppliers shall manage and reduce impacts of operation and manufacturing process on the environment. The key points include greenhouse gas emissions, waste emissions, recycle and management, water resource use, biodiversity, etc.
-  Relevant raw materials of suppliers shall be traceable materials, and certification and inspection shall be performed periodically to ensure that they are legal without violating the HDRE's energy regulations and management objectives.



Suppliers shall be equipped with environmental permit and facilities necessary for water and waste treatment



Determine whether any supplier is subject to the record of nonconforming with inspection of environmental protection competent authority and its subsequent response method

Social Aspect Evaluation



Basic ethics:

Suppliers are expected to comply with the Ethical Corporate Management Best Practice Principles established by HDRE and to promote sustainable operation jointly



Human rights:

- (1) Suppliers shall not use any child labor or involuntary labor
- (2) Suppliers shall ensure that the employee wage complies with the minimum wage specified in the law



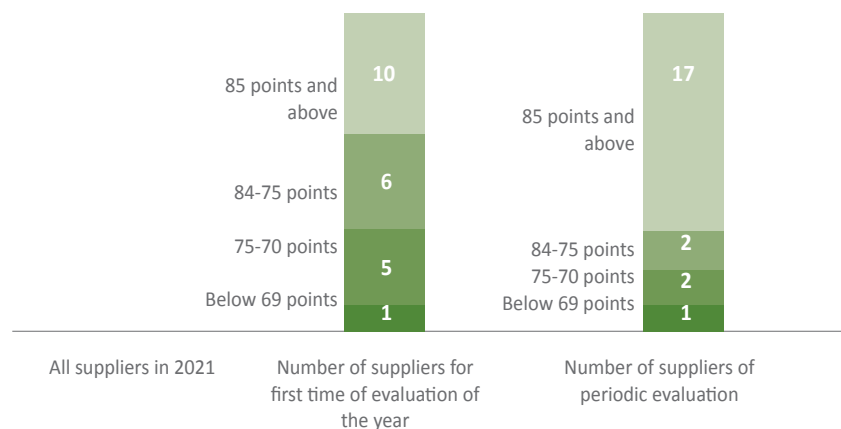
Working environment:

- (1) Suppliers shall comply with all domestic and labor safety, health related laws and regulations
- (2) Suppliers shall provide employees education, training and guidance related to their jobs, and shall establish appropriate preventive measures and accident handling regulations

To effectively manage and timely understand the supply chain status, we categorize and classify suppliers. According to the evaluation result, we expand the cooperation opportunity with quality suppliers. For suppliers of poor evaluation result and having deficiencies, we request such suppliers to improve, and evaluate whether cooperation is to be continued according to the improvement result.

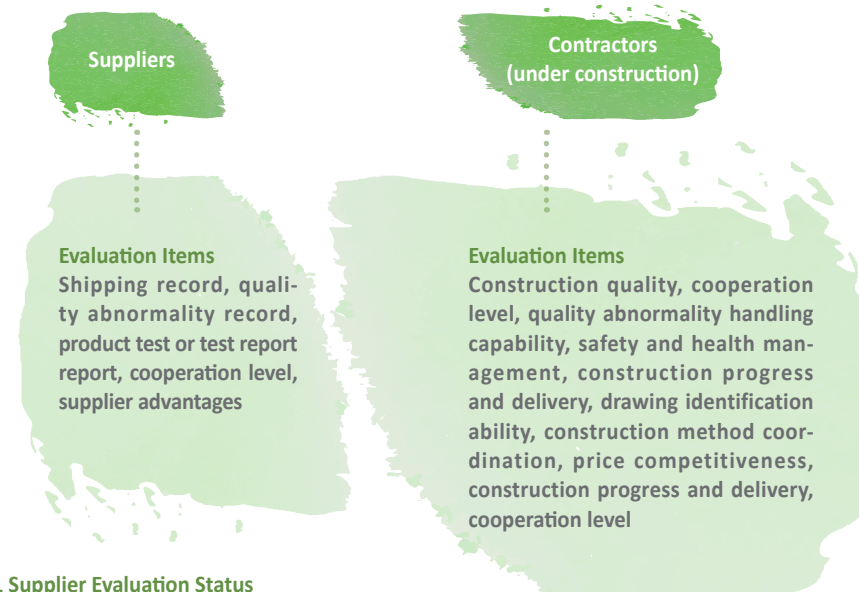
In 2021, HDRE stipulated a new screening and selection basis. For existing and new suppliers, 22 suppliers were evaluated according to the new screening and selection standard, and only 1 supplier failed to qualified the procurement standard basis of HDRE, and the rest of 22 suppliers qualified the evaluation with excellent performance in terms of the three main evaluation aspects (supplier's internal management, environmental safety and health compliance status, quality management), and no major disqualification event was found. For the existing suppliers in 2020, long-term cooperating partnership was established with a total of 13 suppliers via the continuous cooperation and evaluation system. Moreover, there were 8 new suppliers in 2021. As the business scale of HDRE continues to expand, we will continue to evaluate partners of excellent quality and competitiveness to joint the supplier partnership. Furthermore, the labor contractor evaluation standard is under planning, and it is expected to implement a complete system evaluation on contractors in 2022.

2021 Supplier Evaluation Status



[Note]: A supplier receiving a total score less than 69 points, except for special reasons, is not recommended to be listed as a cooperating supplier.

•Supplier and Contractor Evaluation



2021 Supplier Evaluation Status

| Existing suppliers | Suppliers accepting evaluation | Evaluated to be of high risk | Evaluated to be disqualified |
|--------------------------------|---|------------------------------|---|
| 190 suppliers | 22 suppliers | None | 1 supplier |
| Number of suppliers guided | Number of qualified suppliers after guidance | | Number of suppliers with cooperation terminated |
| 1 supplier | None | | 1 supplier |
| Cooperation termination status | In 2021, the disqualified supplier was subject to serious product supply delay issue during the delivery period, and quality defect was found after delivery. In addition after continuous communication, improvement was not completely on time. Accordingly, such supplier was listed as a rejected supplier. | | |

3.4.3 Field Construction Quality Management

To ensure that each field satisfies the customer and government requirements, HDRE completes construction service timely and achieves the field quality requirements. During each stage, dedicated department and professional personnel are assigned, and standard documents are implemented to control the construction progress and quality.

First



Construction Planning

Verify drawings, materials and plan

- After the field plan is finalized, the Project Division then submits relevant plan documents of each construction to the Engineering Department. The Engineering Department head then assigns job site responsible person for the field as well as quality and environmental safety and health responsible persons.
- The Project Division shall specify the quality standard during the pre-construction meeting, and shall also request the Engineering Division to fill out the "Construction Safety and Quality Management Plan" and to output the "Construction Quality Key Point Checklist" for submission to the field supervisor.

2

Construction Execution and Autonomous Inspection

Drawing review, material management and construction doubt and uncertainty handling

- During the execution of works of a project, the contractor must fill out construction logbook daily and submit to the dedicated personnel for handling, in order to control the construction progress and quality. If there is any major abnormality during the execution process, the corrective action request form shall be filled out, and relevant handling report and documents must be preserved.
- The field responsible person shall assign quality control or supervision personnel, and the contractor is requested to perform inspection according to the "Sub-item Construction Autonomous inspection Form". After the completion of each work, quality acceptance shall be performed respectively.



3

Construction Acceptance and Abnormality Handling

Acceptance, construction completion drawings correction and deficiency improvement

- **Customer and contractor acceptance**
After the construction is complete, acceptance is performed according to the customer's request, and "Acceptance Record Form" is issued, following which the field responsible person assigns supervision personnel to perform coordination and follow-up. After acceptance is complete, it is recorded in the acceptance record form or acceptance record is issued by a third party. In addition, dedicate personnel will summarize and confirm the documents in order to close the case. In case where there is any issue in the acceptance, assistance is provided after discussion with the customer, in order to ensure that all issues have been resolved and customer's requests are satisfied.
- **Review by government agency**
In addition to the acceptance by the contractor and customer, after a solar photovoltaic field construction is complete, grid-connection trial operation is applied with Taipower, and electricity quality measurement is performed, in order to ensure that the power supply quality satisfies the requirements. After the review and test are qualified, grid-connection can then be made.



4

Construction Execution Identification and Tracking

Preserve documents and provide to relevant personnel for subsequent identification, and track project management

After a project is closed, documents generated during the construction project process are summarized. All documents of survey reports, records, test reports and contracts, used must be preserved as electronic files and paper format in order to be used as the basis for identifying and tracking the construction execution and service process. In addition, the following documents are submitted to the Asset Management Division:

- Construction completion drawings
- Equipment catalogue
- Operation manual
- Subcontractor (labor) contract
- Approval documents of each stage
- Acceptance record





04

Sustainable Environment Clean Energy

4.1 Eco-friendly Energy Policy

4.2 Energy Policy and Management

4.3 Protection of Ecological Diversity



4.1

Environmental Protection and Energy Policy

As the global climate change and extreme weather events becomes more frequent and intense, during the continuous development of the Company, we deeply understand the importance between energy management and sustainable development. We look forward to improve energy efficiency and to use renewable energies in order to accelerate the clean energy planning. In response to the environmental related policies of our nation and the concept of sustainability of the World Commission on Environment and Development (WCED): "Development that meets the needs of the present generation without compromising the ability of future generations to meet their needs", we consider various aspects of the impact of climate change on the business operation. Accordingly, we focus on "HDRE Sustainable Development Policy" to establish eco-friendly energy policy in terms of the environmental aspect, thus achieving the goal of "promoting circular economy, improving environmental energy performance, and reducing environmental impact effectively". We are committed to head toward the low-carbon operation direction and to implement corporate sustainable development.

Suppliers and contractors also serve as one of the key factors for our company to provide service of excellent quality. Accordingly, for all aspects of business management, manufacturing and service, HDRE looks forward to jointly promote the value chain sustainable development with cooperating partners, and to fulfill the environmental protection responsibility during the service process. Under the promotion of the policy, we provide relevant environmental safety and health education and training to suppliers and contractors. In addition, we also promote the eco-friendly energy policy, such that cooperating suppliers are able to further understand the sustainability concept of HDRE and to protect the environment jointly.

Environmental Protection and Energy Policy

1. Establish corporate sustainable development goal, and implement execution and periodic review of performance
2. Promote circular economy, provide sustainable and clean energies, improve environmental performance effectively, and reduce environmental impact
3. Promote all employees to participate in quality control, environmental safety and health, health promotion and improve energy efficiency related activities, and continue optimization
4. Support eco-friendly design products, and green procurement
5. Research and develop smart monitoring green technology
6. Reduce ecological damage, implement environmental safety and health
7. Contribute effort in the sustainable development of corporate, environment and society

4.1.1 Energy Saving and Carbon Reduction Measures

• Energy Saving and Carbon Reduction Measures

In 2021, HDRE completed the office greenhouse gas inspection operation, and through the data management, we are able to understand the Company's internal carbon emission status. To implement the environmental energy policy, we focus on the three main execution plans of "Replacement of old power consumption equipment", "Good habits for living and environment protection", "Reduce waste, save energy, interferent recycle and reuse". In addition, we continue to set up different energy saving and carbon reduction goals for each department, and the specific actions include: selection of low-carbon and eco-friendly equipment, encourage employees to prepare their own eco-friendly tableware to reduce disposal tableware, waste recycle and reuse plans, etc. Accordingly, through active implementation of carbon reduction measures, energy saving efficiency can be increased in order to achieve the objective of environmental sustainability.

Since the operation of the Company, we have carefully reviewed and seized opportunities that may reduce carbon emissions, improve greening of environment and prevent negative impacts in all aspects. We continue to invest in the environmental protection and use eco-friendly products in priority. In addition, we also plan to include the environmental education in the required course of education and training of HDRE. Accordingly, we plan the minimum over-emotional training hours for employees annually and encourage employees to implement knowledge learned in practice. In 2021, HDRE was not subject to any penalty imposed by the government agency due to major violations.

2021 HDRE energy saving and carbon reduction measures were as follows:

| 2021 Performance and Actions | |
|--|---|
| Execution Plan | Description |
| Old power consuming equipment replacement | <p>Selected highly efficient and eco-friendly machine model compliant with the government regulations</p> <ul style="list-style-type: none"> • Installed smart electric meters at Taipei and Taichung offices, and green power is expected to be used in 2022 • Purchased two new energy-saving air conditioners • Promoted company electric vehicles policy, and started to purchase electric passenger cars in 2022 • Used LED lighting fixtures for new offices completely • Gradually replaced existing lighting fixtures with light decays, and replaced LED lighting fixtures for the conference rooms and offices |
| Living environmental protection and good habit | <ul style="list-style-type: none"> • Promoted all employees' spontaneous use of eco-friendly tableware • Installed heating equipment of microwave and electric pot to facilitate employees bringing their own lunch boxes for meal heating, in order to increase employees' will to use eco-friendly tableware |

| | | |
|---|-------------------------|--|
| Reduce waste and save energy, implement recycle and reuse | Field construction | <ul style="list-style-type: none"> Changed to use steel molds for repetitive use for the construction, in order to reduce material purchase and waste. Adjusted equipment of container office, toilet installation, safety fence and pallets, etc. for next field's recycled use |
| | Internal of the Company | Implemented paperless and electronic administrative operation |

4.2 Energy Policy and Management

4.2.1 Energy Resource Use Overview GRI 302-1

• Energy Policy

The “Sustainable Development Office” of HDRE is the leading department for the energy policy, and it uses the energy management laws and the sustainable policy of “Improvement of Environmental Energy Performance” established by the Company as the highest directives for the energy management. In addition, meetings are convened periodically to review the energy achievement status, in order to achieve:

- Improve company internal energy management and energy use efficiency
- Comply with energy management related regulatory requirements
- Invest in energy resources properly, and prevent waste of energy
- Plan energy resource use efficiency, and realize low carbon operation
- Ensure thorough completion of energy saving indicators

In addition, presently, the Company also expects to implement ISO 50001 energy management system within five years, in order to establish systems and processes necessary for the organization, thus improving the energy performance.

| Company Internal Energy Consumption | | | |
|---|-------------------------------|--------------------------|------------------------|
| Scope | Electricity Consumption (KWH) | Gasoline Consumption (L) | Diesel Consumption (L) |
| Energy Consumption | 220,991.00 | 26,352.99 | 27,194.16 |
| Heat Value (GJ) | 795.75 | 860.65 | 956.44 |
| Total Heat Value (GJ) | 2612.84 | | |
| Electricity delivery network percentage | 30.46% | | |
| Energy intensity | 0.97 | | |

Note 1: Electricity delivery network percentage = Electricity consumption (GJ) / Total heat value (GJ).

Note 2: Energy intensity = Total heat value (GJ) / Operating income (NT\$1 million).

Note 3: Energy product unit heat table announced by the Bureau of Energy, MOEA in 2019.

Note 4: The Company's internal boundary scope covers:

(1) Offices: Taichung headquarter, Taipei, Hsinchu, Xuechia, Kaohsiung, Hualien

(2) Warehouse: Daya, Jiali

(3) Dormitories: Jiali, Hualien, Penghu, and all operation related facilities in their geographic locations.

• 2021 Electricity Consumption Status

In 2021, the total electricity consumption of HDRE was 220,991 KWH. To promote energy saving and carbon reduction, and to head toward the net zero carbon emissions, ISO 14064 — 1: 2018 greenhouse gas inspection has been implemented for the office for the first time in this year. Through the inspection, the Company's internal electricity consumption can be further understood. Furthermore, to understand the condition in detail, we have strengthened the power monitoring, and smart electric meters have been installed at main fixed operation locations of Taipei and Taichung offices. Specific energy saving goals are set according to the condition of use, and the replacement and upgrade of equipment with high power consumption are implemented progressively. For example, old and power consuming light tubes are replaced to energy saving LED light tubes, etc., in order to implement energy management thoroughly.

| Electricity Consumption of HDRE in 2021 | |
|---|---------|
| Total Electricity Consumption (KWH) | 220,991 |
| Total Electricity Consumption (GJ) | 795.75 |
| Intensity | 0.3 |

Note 1: Electricity consumption intensity = Total electricity consumption (GJ) / Operating income (NT\$ 1 million)

• Future Energy Saving Goal

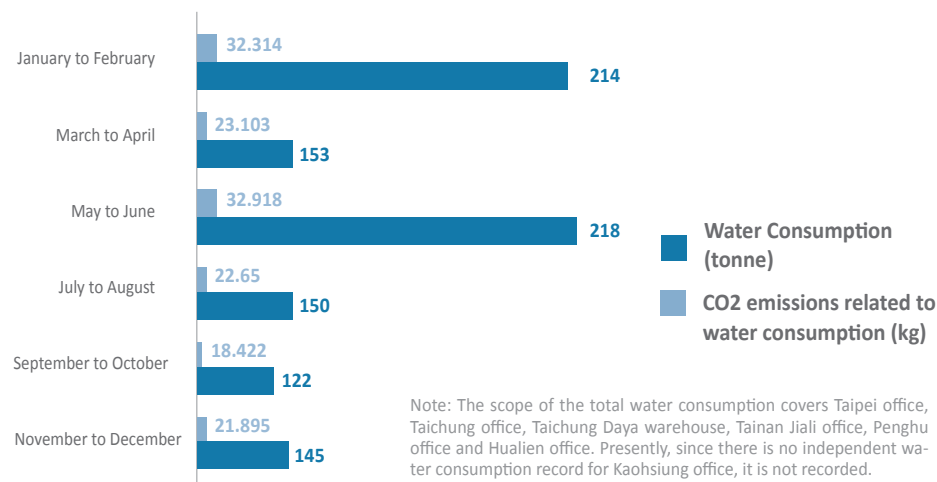
To implement energy saving and carbon reduction measures, HDRE has established relevant energy saving goals

- According to the plan of “replacement of old and power consuming equipment”, we progressively plan to replace old lighting fixtures with LED lighting fixtures. In the future, all offices will use LED lighting fixtures completely.
- It is expected that the Taipei office will be using green power generated by HDRE for own use completely during July or August of 2022.

• Water Consumption Status

The water consumption status of HDRE can be divided into water consumed by the company internal office operation and external fields. The internal of the Company refer to office related general living water, and the external of the Company refers to the water consumed by the photovoltaic fields. We have completed the water resource data statistics for all offices and the warehouse in 2021. According to the summarized data, the water resource consumption of the offices and warehouse is relatively low; however, due to the limitation on the acquisition of available data at the present time, the water resource data statistics does not include the water consumption of field construction and maintenance. In the future, we will continue to expand the data statistics to all fields. For statistics, we use static diagrams to allow us to understand the current status, and the water consumption data is used in conjunction to establish relevant water consumption targets. We promote water saving and enhance water resource recycle and reuse daily, in order to achieve the objectives of carbon emission reduction and energy saving. Solar panels are advantageous to the renewable energy development and water saving. However, during the subsequent maintenance stage, water resource is required to be used to clean solar panels, and the cleaning method will be adjusted according to different types of fields. Presently, the solar panel cleaning mainly adopts the manual cleaning method, and we are planning to introduce the automatic cleaning equipment, in order to reduce human resource while achieving the effect of water saving at the same time.

2021 HDRE Total Water Consumption



| HDRE Energy Field Water Consumption Status | | |
|---|------------------------|--|
| Water Consumption Item | Water Consumption Type | Remarks |
| Clean solar panels (ground type, roof type) | Clean water | For each field, clean water and tools are used to clean the modules depending upon the weather condition. The main purpose of cleaning is to physically remove dust, such that water stain or dirt problem can be eliminated. After cleaning is complete, it is drained off directly. |
| Fishery and electricity symbiosis field | Planning in process | Construction was not yet completed in 2021. Presently, there is no water consumption. To prevent impacts on the cultivation, the cleaning water of fishery and electricity symbiosis field will undergo special treatment before drainage, in order to prevent impacts on the local environment. |

• Water Resource Utilization Policy

In recent years, disasters caused by extreme climate occur more frequently, and the region of Taiwan has also experienced the “Hundred-Year Drought” due to overly long period of drought without rainfall. Under the condition where the water resource supply was significantly reduced, areas nationwide were in water shortage. The insufficient water resource condition during that time severely affected a lot of people in Taiwan. Presently, the operation scope of HDRE continues to expand, we have completed the establishment of the following water resource utilization policy. In addition, for each operation scope, we are also in the process of planning more specific water saving targets:

- Enhance water resource recycle and reuse, and use equipment adopting water saving design for photovoltaic fields
- Introduce the water resource recycling system for fishery and electricity symbiosis fields, and install rainwater collection and module cleaning waste water reuse
- Continue to implement new technologies for fishery cultivation water resource recycle and reuse
- Implement automatic water-saving cleaning equipment for water consumption of fields in the future

4.2.2 Greenhouse Gas Inspection

• Office Greenhouse Gas Total Emissions Estimation (2021)

Through inspection of the own greenhouse gas emissions, enterprises are able to understand the current emissions from their own institutions, in order to implement improvement from the source and to head toward the goal of net zero carbon emissions. In 2021, HDRE implemented the greenhouse gas inspection for all office locations, and through the third party certification of British Standards Institution (BSI), the ISO 14064 — 1: 2018 standard is adopted for execution. Presently, the greenhouse gas emissions of all offices of HDRE mainly refer to Scope 1: Direct greenhouse gas emissions and removal, accounted for 41% of the total emissions. The secondary greenhouse gas emissions refer to Scope 2: Indirect greenhouse gas emissions generated from energy input, accounted for 31% of total emissions. The other indirect emissions refer to Scope 3 Indirect greenhouse gas emission generated from transportation, accounted for 27%.

The greenhouse gas inspection is still in the stage of implementation progressively. Currently, we also plan to introduce the greenhouse gas inspection to the fields, and will also obtain relevant ISO certificates.

| | Direct emissions | Indirect emissions | Other indirect emissions | Total | Emission intensity |
|--|------------------|--------------------|--------------------------|----------|--------------------|
| Greenhouse gas emissions (tons of CO ₂ e) | 147.4101 | 110.9375 | 97.6581 | 356.0057 | 0.133 |
| Percentage of total emissions (%) | 41% | 31% | 27% | 100% | |

Note 1: Source of emission data is Bureau of Energy, MOEA. Global Warming Potential (GWP) version refers to: IPCC fourth assessment report (2007).

Note 2: Greenhouse gas emission intensity = Greenhouse gas total emissions (ton) / Operating income (NT\$1 million)

• Main Emission Sources for Each Scope

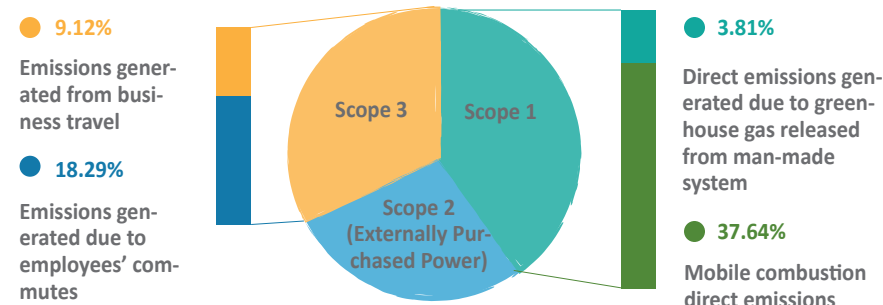
After greenhouse gas inspection is performed, main emission sources are then classified according to the scope. For Scope 1, the emission source mainly refers to company cars. For Scope 2, the emission source refers to the air conditioners and refrigerators used in offices. For Scope 3, emissions determined to be included in the inspection include emissions generated from employees' commutes and business travel.

Based on such opportunity of inspection, we are able to further understand the internal carbon emission sources of the Company, in order to establish carbon reduction plan for the entire Company properly according to relevant data. Our carbon reduction plan includes the "Paperless" policy already implemented, and replacement of power consuming equipment, installation of energy saving air conditioners and purchase of electric vehicles, as well as promoting employees of the Company to take public transportation vehicles for work, etc. With regard to Scope 2: For the indirect greenhouse gas generated from energy input, presently, some of the offices have installed the smart electric meters in order to enhance the power monitoring and management. In addition, it is expected that offices will start to use green power in 2022, thus achieving effective management and the objective of emission reduction.

Scope 1 (Direct greenhouse gas emissions): refers to direct emission from manufacturing process or facilities

Scope 2: (Indirect greenhouse gas emissions generated from energy input): refers to emissions generated due to purchase from other institutions and used for own consumption of electricity, heating, cooling and steam.

Scope 3 (Indirect greenhouse gas emission generated from transportation): refers to emissions generated from emission sources that not owned or controllable by the Company, such as emissions due to lease, outsourcing business, employees' commutes, etc.





4.2.3 Pollution Control Management

GRI 306-2

• Waste Management

The scope of wastes generated by HDRE mainly refers to the activities associated with the Company headquarter operation, construction of photovoltaic fields and field maintenance. We perform waste management according to the waste management related regulatory requirements completely and implement three main strategies: reduction of waste, proper treatment, and recycle and reuse. In addition, we also consider the characteristics and output volume of different types of wastes in order to adopt different actions or treatment methods, thereby reducing impact of operation on the environment.

| Waste Management Strategy | Description of Action |
|--|--|
|  Reduce waste | <ul style="list-style-type: none"> During the procurement process, select reusable and eco-friendly materials (for example: reusable steel molds can be used for fields, and eco-friendly LED light tubes can be used for office areas). Implement "Paperless" policy for the office areas, and change to use electronic approval system, in order to reduce waste due to use of papers. |
|  Proper treatment | <ul style="list-style-type: none"> Identify the field waste type, and entrust qualified waste disposal contractor to perform most suitable recycle method. Offices are installed with resource recycle zone, and general living wastes are classified properly. |
|  Recycle and reuse | <ul style="list-style-type: none"> Wastes are classified, and if there are reusable materials, they are uniformly placed at the warehouse for repetitive use. Once their life cycle ends, disposal contractor then performs proper treatment. |

• Waste Treatment Process

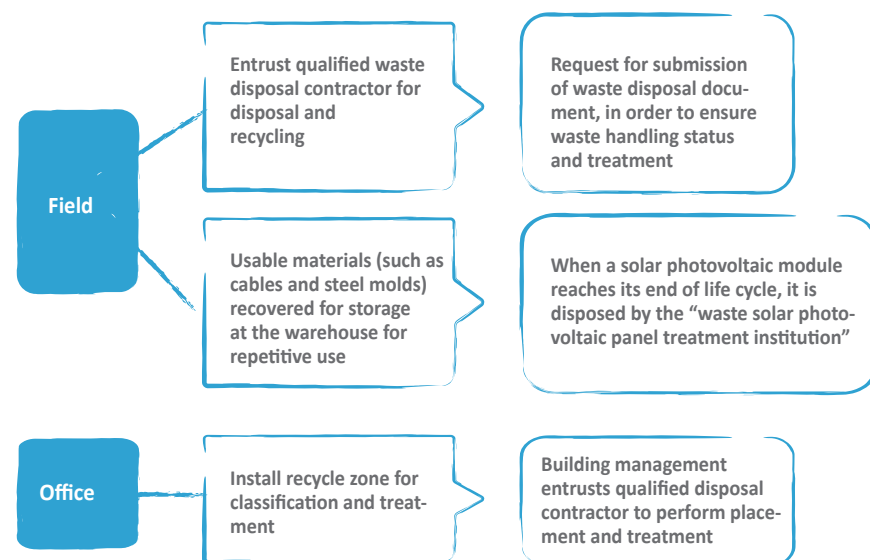
Current wastes, according to the scope of business, can be divided into: photovoltaic field wastes and living waste of office areas. The treatment methods of such wastes comply with the Waste Disposal Act, and the most appropriate recycle method is adopted for each type of waste. The non-recyclable wastes generated by HDRE in 2021, according to their compositions, were classified into sub-categories of living wastes and wooden pallets for the volumes of 197.5 tons and 4 tons respectively. The treatment method is to entrust qualified disposal contractor or supplier for recovery, followed by incineration. The recyclable wastes mainly refer to bottles and cans, and the total volume was 16 tons. The treatment method is to be recycled by suppliers for reuse process.

Field Wastes

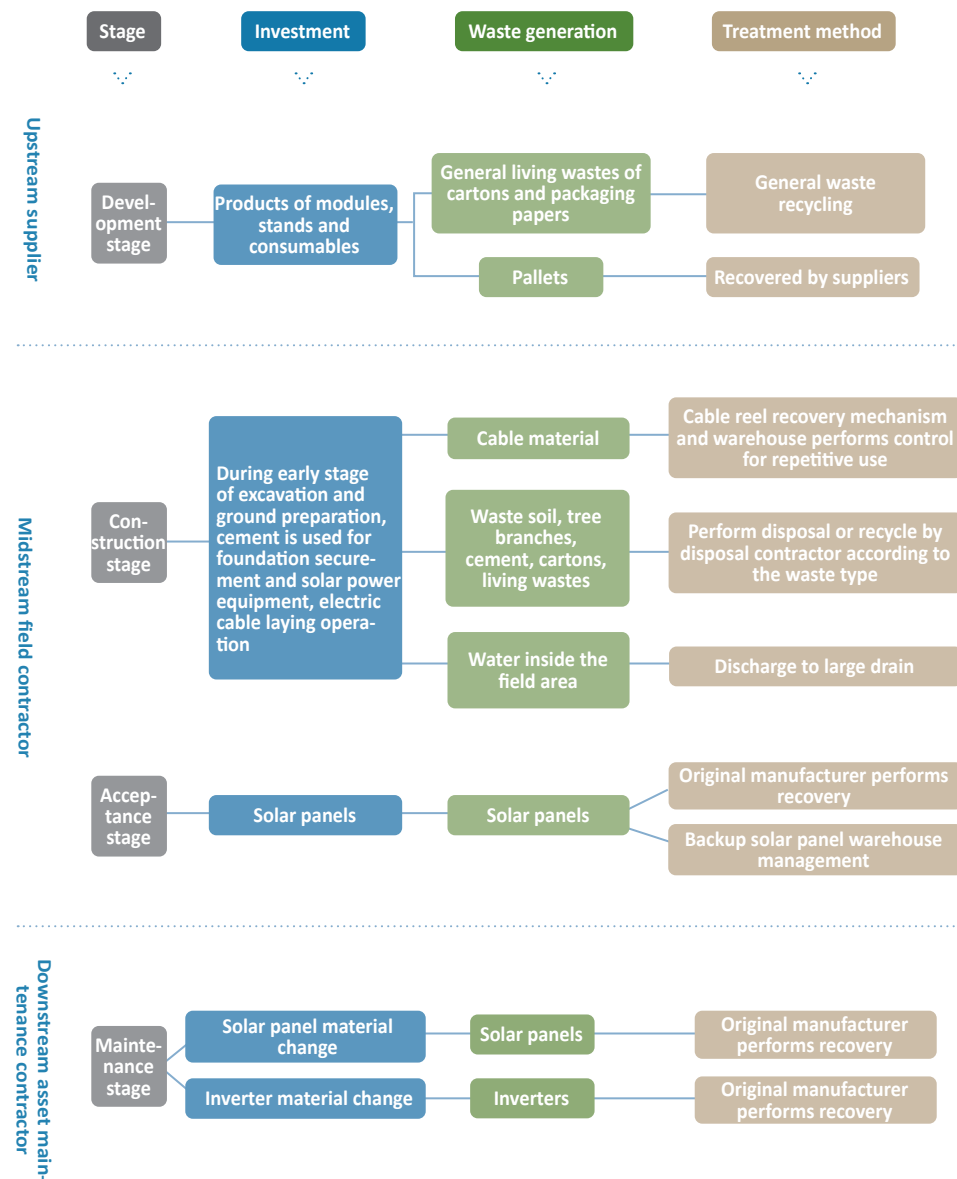
The main treatment process can be divided into disposal and waste reuse. For waste disposal, the evaluation, assessment and review of suppliers are performed according to the government laws and regulations, and qualified waste disposal contractor is entrusted and requested to provide the waste disposal documents, in order to ensure the status and treatment adopted for the wastes. For reuse of wastes, reusable steel molds and cable reels are used during the purchase of raw materials, in order to reduce generation of wastes. When a solar photovoltaic module reaches its end of life cycle, it is disposed by the "Waste solar photovoltaic panel treatment institution".

Living Wastes of Office Buildings

Relevant recycle areas are installed and wastes are subsequently placed at the building recycle zone. Wastes are classified for placement and treatment, following which the building management then entrusts qualified disposal contractors for treatment.



HDRE's operation waste treatment process flow chart is as shown in the following:



2021 Waste Management Goal and Achievement Status



Confirm legal compliance of waste disposal contractor

Complete waste disposal contractor compliance review and contract signing



Replace LED lighting fixture to increase life cycle and reduce waste generation




Promote office LED lighting fixture replacement, and current lighting fixtures of insufficient illumination are replaced first



Construction activity with waste reduction, and use of steel molds

Increase reuse rate of construction materials and steel molds

Waste Treatment Short/Medium/Long Term Plan

| Category | Short/Medium Term | Long Term |
|--|---|---------------------------|
|  Agricultural waste resourceization | Initiate biochar test plan | Biochar commercialization |
|  Construction activity with waste reduction | Change molds to steel molds, fence, pallet recovery and reuse | Continue implementation |
|  Operation management informatization | Implement electronic administrative operation | Continue implementation |

4.3 Ecological Diversity Protection

Environmental and Social Inspections | Meaning of Material Topic to HDRE

GRI 103-1, 103-2, 103-3

For HDRE, photovoltaic field installation is one of the core businesses of the Company. During the process of participation in sustainability actions, we understand the charm of natural ecosystem and social morality intangible values, and we also deeply realize the meaning of environmental sustainability. Accordingly, during the development process, we consider the overall ecosystem and local community environment. We hope to achieve the co-existence and co-prosperity of photovoltaics with the society and natural ecosystem based on the respect of original use of land and living style of local residents.

Our Commitment

Regardless of the type of environment, HDRE is committed to reduce the environment impact to the minimum, and perform long-term ecosystem and water monitoring in order to provide report and conclusion according to the environmental and social inspections, thus protecting the ecosystem inside the field.

Core Objectives and Vision

Short-term Goal

Reduce disturbance to the community and environment as much as possible during construction process, and design the service operation model causing less impact on the environment

Medium-term Goal

Complete the field construction and ecosystem commitments, protect wild animal activity areas and native plants.

Long-term Goal

Participate and invest in subsequent ecological recovery and protection, and achieving co-prosperity of photovoltaics with local and natural ecosystems.

Management Method



Manpower Investment

Establish cross-department team consisting of development, cultivation and engineering design professional personnel, and plan the photovoltaic field development project based on the principles of policy, community commitment and environmental friendliness.



Capital Investment

Plan budget according to relevant commitments, including communication with environmental protection groups and entrusting environmental protection groups to conduct relevant issue review.



System Management

Integrate cultivation and engineering design for cross-department communication, and introduce full-zone cultivation profile according to the plan.



Equipment Upgrade

Introduce water quality monitoring equipment for fishery and electricity symbiosis fields, and summarize data at the Intelligence Center system.

Management Mechanism

Development window continues to communicate with the government and planning unit, local community and environmental protection groups irregularly, in order to ensure proper execution of projects

Key Outcomes

- Completed the self-proposed environmental and social inspection plan as a the first domestic operator to the Fisheries Agency for approval: Daily operation of fishery and electricity symbiosis project.
- Implemented periodic water and soil testing and evaluation four times annually in 2021.
- Guaranteed local employment opportunity to employ more than 60% of local people in priority to perform system construction, module cleaning and maintenance operations during the solar photovoltaic system construction period and maintenance period after construction completion.
- Maintained proper local operation relationship, communicated with local residents in advance, and planned the construction route according to the communication result.

4.3.1 Environmental and Social Assessment GRI 413-1

Assessment Mechanism

Most of the domestic fishery and electricity symbiosis type of solar photovoltaic field developments are located at the southwest coastal areas. Since such areas have rich aquatic birds and ecological resources, it is necessary to consider ecological balance during the field development. All stages of the field development from site selection, planning and construction operation can bring benefits and cause impacts on the environment. Accordingly, it is necessary to determine possible aspects and impact level during the installation of the photovoltaic equipment, and plan early with response strategies in order to prevent possible impacts.

To achieve the goal of ecological balance, we act on our own initiative to entrust environmental experts to perform in-depth assessments of environmental and social inspections, water and social assessment and ecological investigation, etc. before the development of each field.



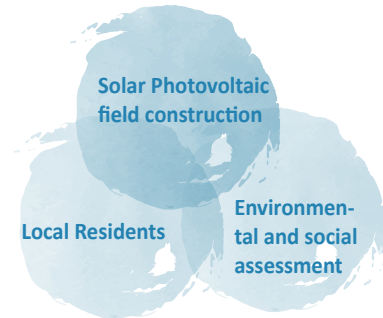
| | |
|---------------------------|--|
| Environmental Inspection | For different conditions, such as sunlight exposure / tree shielding / low ground with typhoon flooding, etc., simulation software is used to perform simulation assessment, in order to achieve precise assessment result |
| Water and Soil Assessment | Perform periodic testing once quarterly |
| Ecological Investigation | External ecology consultants are hired to perform investigation and monitoring |

• Execution Outcome

The installation of solar photovoltaic equipment cannot prevent disturbance to the ecosystem and community completely. Accordingly, how to achieve green energy ecological co-prosperity, respect people’s opinions and protect the interests of fishermen are subjects valued by HDRE significantly. For such situation, we have entrusted environmental protection groups to engage in coordination, and the environmental and social inspections serves as a starting point for the first line of communication, thus allowing HDRE to further understand the surrounding communities’ opinions and concerns on solar photovoltaics. During the early stage of planning, possible future local risks are negotiated and resolved, and the field is planned according to the communication result, in order to facilitate the construction work progress and to maintain proper local relationship.

For example: During the planning of the construction route, the local traffic and religious culture (such as temple activities) are considered. After discussion and negotiation with the local residents, the construction route impact is understood, following which the field design is outputted according to the communication result. In addition, during the development period, we also attend temple activities and provide donation of relief supplies and goods in order maintain proper relationship with the local community. In addition, since 2018, we have

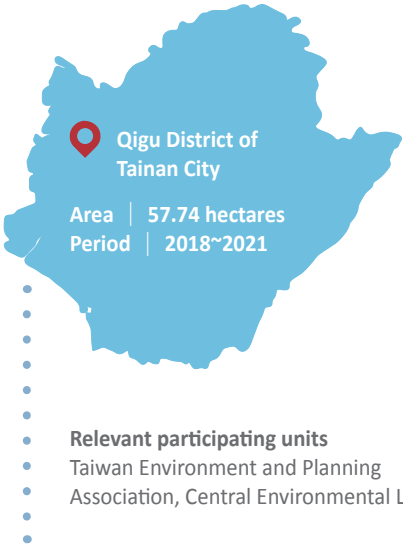
also reserved the “Wild Goose and Duct Ecological Protection Zone” at Tainan Qigu field during the installation of the photovoltaic field, and constructed the “Net Zero Carbon Emissions Demonstrative Zone” at Yulin Gukeng. In the future, we will continue to promote field protection and geological recovery, and engage with relevant organizations to implement land sustainable development through joint efforts.



| Tainan Qigu Fishery and Electricity Symbiosis Wild Goose and Duck Ecological Protection Zone |
|---|
| ✓ First project with “Operator’s self-submission of environmental and social inspections response solution mechanism” in Taiwan |
| ✓ Fishery and electricity symbiosis field approved by the Council of Agriculture, fishery photovoltaic zone |
| Yulin Gukeng Net Zero Carbon Emissions Demonstrative Zone Waste bamboo recycle |
| Approval of the Council of Agriculture was obtained in 2022 |
| ✓ First photovoltaic project responding to the government’s net zero carbon emissions path |
| ✓ First solar power project combined with biofuel |

| Solar Photovoltaic Field Development Land Local Co-prosperity |
|--|
| ✓ Field construction route not affecting religious and folk activities |
| ✓ Donate local agricultural special products, attend religious and folk activities or donate relief supplies |
| ✓ Ensure each local development project employing a certain percentage of local residents |

• Wild Goose and Duck Ecological Protection Zone | Qigu field with 60 hectares of waste fish farm reserved for wild goose and duck ecological protection zone



Execution Description

This case is located in Tainan Qigu. During the development, fish farm abandoned or occupied by others for cultivation for a long period of time was found to have reuse value. Environmental monitoring was performed during the early stage to determine the local ecosystem and species, in order to assess whether the land was suitable for development. For the fish farm, it was found that goose and duck ecosystem and native mangrove zone had been developed at the abandoned area. To protect the existing environmental ecology, we decided to reserve the area without development, and discussed possible ecological disturbances with environmental consultants for strategies.



• Waste Bamboo Recycle | Yulin Gukeng Net Zero Carbon Emissions Demonstrative Zone: Waste bamboo recycling



Relevant participating units

- Taiwan Sugar Corporation, Sinotech
- Engineering Consultants, Ltd.,
- Citizen Assistance Association

Execution Description

Yulin Gukeng is a place of rich natural landscape and agricultural development, and it is also one of the key organic agricultural development cities. Through public tender, HDRE obtained the an abandoned cultivation farm released by Taiwan Sugar Corporation at Gukeng. Through geological drilling and soil test, we further determined that the field was a gravel land not suitable for cultivation. Based on the consideration that a lot of farmers were concerned about the development of this project, it was important for us to find the balance between the green energy policy and the agricultural development. We convened several local explanatory seminars and entrusted public group to organize community workshop, in order to understand the expectation and worries of the neighborhood community residents.

We also continued to correct the field design during the development process, in order to additionally install recreational space, green energy environmental education site, ecological detention basin, environmental facility walkway and bicycle lane in order to satisfy the community needs and to reach consensus with local farmers. In view of the global emphasis on climate change, this project responses to the government policy vision of 2050 Net Zero Carbon Emissions, and we have actively included a net zero carbon emissions demonstrative zone in the project, thus establishing a demonstrative project for photovoltaic and agricultural material reuse.

Agricultural Materials | Recycle and Reuse

- One land with multiple purpose of use
- Multi-objective planning
- Agricultural residual material reuse
- Agricultural recycle technology application

Renewable Energy | Net Zero Transformation

- Gukeng photovoltaic net zero cycle demonstration park
- Activation of abandoned cultivation land of Taiwan Sugar Corporation
- Net zero carbon emissions implementation

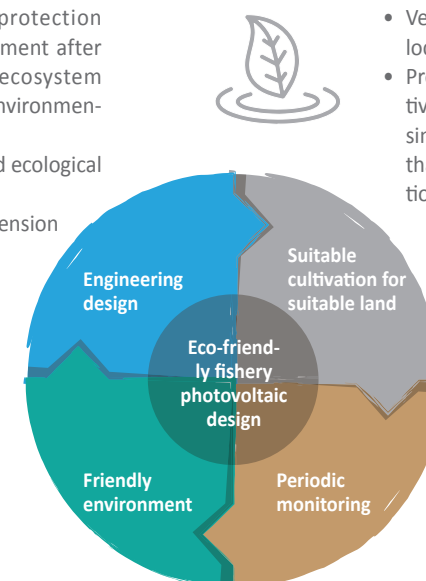
Landscape Recreation | Education Demonstration

- Composite use of land for multiple values
- Green energy/organic/low carbon promotion
- Neighborhood community recreation space establishment

• Eco-friendly Fishery Photovoltaic Field

HDRE is committed to the construction of eco-friendly fields based on the philosophy of “Green Energy Ecosystem Co-existence and Co-prosperity”, and the development considers environmental ecology and reduction of environmental impact as the priority. For the future construction of fields, we look forward to implement the concept of sustainable environment in each photovoltaic field during the operation process. To implement such philosophy, presently, we are actively planning the “Eco-friendly Design” and environmental and social inspections is assessed in depth for each fishery and electricity symbiosis project, in order to plan appropriate cultivation field type according to the water area, fish farm terrain, etc., thereby identifying different photovoltaic field environment condition and demands. Accordingly, corresponding eco-friendly design can be adopted, such as: installation of migrating bird eco-protection zone, reserved fishery suspension period, prohibition of use of chemical agents for module cleaning operation, etc. In the future, we will continue to strengthen biodiversity protection actions, in order to preserve original ecosystem as much as possible, thus heading toward 100% green energy ecosphere and implementing ecological and environmental protection.

- Establish ecological protection zone without development after observation of field ecosystem and discussion with environmental protection group
- Establish migrating bird ecological protection zone
- Preserved fishery suspension period



- Verified appropriate species with local cultivation farmers
- Prevent damage of current cultivation ecosystem and prevent single species of large quantity that may lead to soil degeneration



- Prohibit use of chemical agents for module cleaning operation
- Engineering vehicles access causing residual sand, stone and dirt to the environment. To prevent pollution to the environment, all engineering vehicles are cleaned completely, and



- Ecological monitoring is performed periodically during the environmental operation period
- Environmental inspection, ecological investigation, water and soil assessment four times annually

05

Sustainable Talent Fortune Workplace

5.1 Human Resource Management

5.2 Deep-rooted Talent Cultivation

5.3 Realizing Friendly Workplaces



Talent Attraction and Retention | Meaning of Material Topic to HDRE GRI 103-1, 103-2, 103-3

HDRE is committed to establish "Horizontal Organization with Multi-culture Inclusion and Fortune Workplace" for all employees. We provide health working environment and care physical and mental health of employees. We value employees' opinions and see employees as important assets. We periodically review the professional competence of current talents, and design job duties for employees of different expertise and multi-cultural background, and emphasize the unique value of all employees. During the recruitment, we actively recruit personnel of different expertise and cultural background, and provides competitive remuneration along with timely correction of remuneration and welfare system. Through the internal management system and incentive program, we aim to develop long-term human capital.

Our Commitment

Implement employee training, welfare, human rights, safety and health, allowing employees to exploit their talents at a safe working environment, thus improving corporate human resource and strengthening corporate competitiveness.

Core Objectives and Vision

Short-term Goal

Establish friendly workplace, train new employees, strengthen employee welfare, and establish diverse communication platform.

Medium-term Goal

Enhance remuneration system and strengthen market competitiveness, improve employee professional competence.

Long-term Goal

Enhance employees' recognition of the company, and reduce turnover rate.

Management Method

Manpower Investment

- Implement evaluation system, and employ professional talents.
- Invest in manpower to provide training courses necessary for comprehensive talents, and the type of training courses include professional skill training, management type of training, occupational safety, new employee orientation, etc. Design various experience type of activities, case study, team discussion and film presentation according to different course attributes, making learning more diverse and interactive.



Capital Investment

- Annual salary adjustment: Salary of market competitiveness.
- Employee remuneration: Provide return to employees for their effort and contribution.
- Implement employee education and training allowance.



System Management

- Introduce e-approval ERP system: Approval process can be made timely and complete records can be preserved, thus reducing paper use and increasing management efficiency.



Equipment Upgrade

- Provide diverse physical and mental balance resources, install comprehensive recreation space.
- Use idle space planning for employee stress relief zone and breastfeeding room.

Management Mechanism

Labor-management meeting, comment and complaint mailbox, company website, HDRE work rules.

Key Outcomes

- Employment rate in 2021 increased by 88% from 2020.
- In 2021, a total of four labor and management meetings were convened.
- Expect to implement new office relocation in 2022, providing office environment of greater comfort to employees.
- Provide competitive salary and welfare superior to business operators in the same industry.
- Encourage employees to participate in continuing education and obtain professional licenses. Up to 2021, a total of 8 employees have obtained the Taipower electricity trader examination qualification.

5.1

Human Resource Management

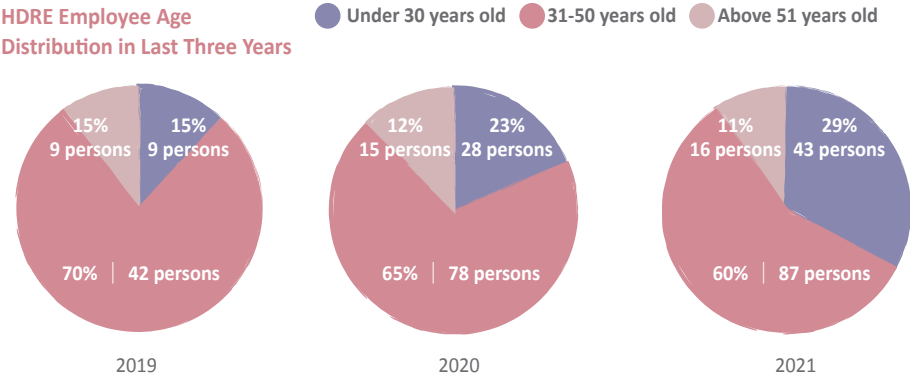
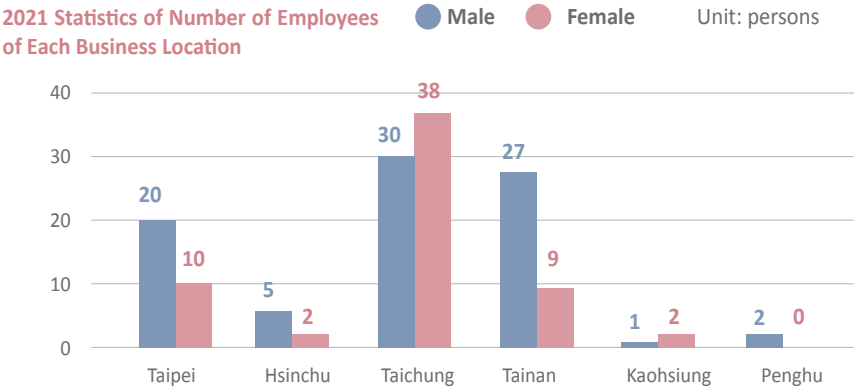
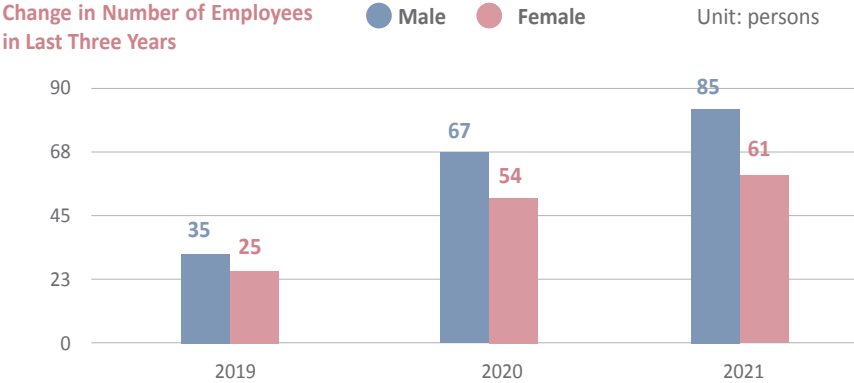
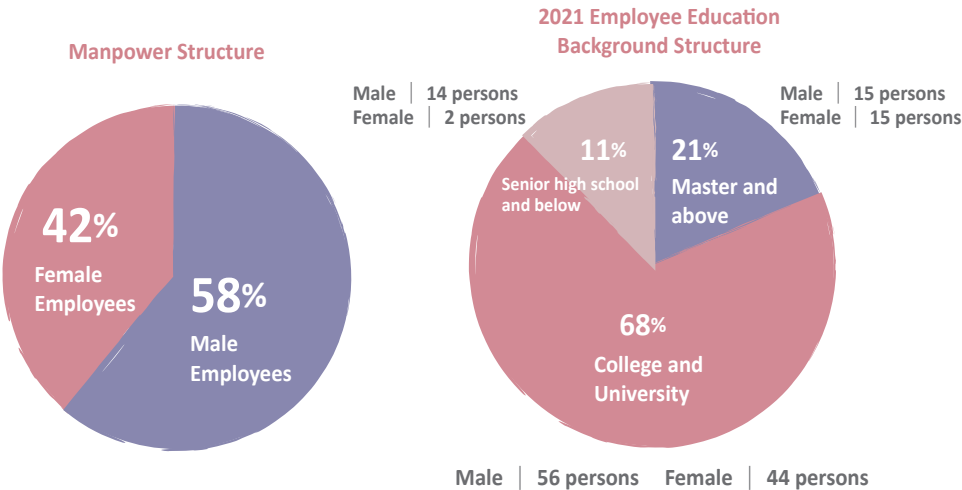
HDRE considers employees as the most important asset of the Company. We are committed to construct transparent and diverse corporate culture, and actively enhance and optimize the

working conditions and environment for employees. In addition, we also integrate the talent development core philosophy with the development strategy of the Company, thus ensuring the job security and development of employees. We communicate with employees from the viewpoint of employees and engage in demand negotiation, and protect the labor rights and interests of all employees fairly with priority. Furthermore, we also fulfill the obligation of maintain neutral position according to the law by providing consistent respect and equal resources to all employees.

5.1.1 Employee Overview and Talent Management Policy GRI 102-8, 405-1
 • Manpower Structure Overview

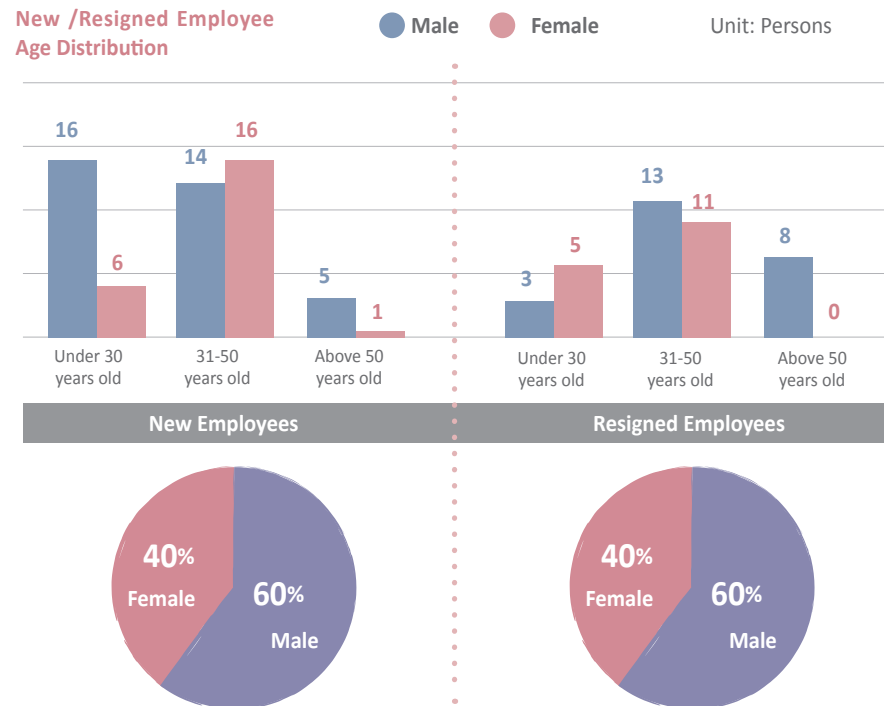
We value the unique value of all employees and also believe that respect of the difference of each individual employee is the basis for corporate competitiveness. In addition, we treat employees fairly without difference due to gender, race, age, marriage and family status, etc. In addition, HDRE also promotes the gender-friendliness mechanism, and establishes gender-friendly workplace through various measures and management mechanisms superior to the regulatory requirements.

Up to the end of 2021, the total number of official employees of HDRE is 146 people, which are all full-time employees. There are 61 female employees, 85 male employees, and the female to male employee ratio is 42:58. In addition, there are a total of 54 employees above the rank of deputy manager, and the female to male employee ratio is 24: 76. For the whole year, the number of female employees account for 37% of the total employees, and the ratio of female senior managers above the rank of Assistant Vice President is 27%. Both of these ratios are higher than the average female employee ratio of 12% in the construction industry and 17% in the electricity and gas supply industry in Taiwan in 2021. We promote employee to have balanced development and provide a workplace of fair competition. We prevent different treatment for the same job position due to gender difference, in order to implement gender equality thoroughly.



•Talent Attraction and Retention

In the last three years (2019 to 2021), we continue to introduce professional talents in various fields, and continue to promote industry and academic collaboration with universities and colleges, in order to satisfy the business growth demand. In 2021, HDRE recruited a total of 58 new employees, accounted for 40% of the overall manpower, and the average turnover rate in the last three years was 8%. All employees are protected by the labor contract. With regard to the employee resignation rules, the requirements for the number of days of advance resignation notice also comply with the Labor Standards Act. For any employee planning to resign from the job, his/her direct supervisor conducts interview in person in order to understand his/her reason of resignation. In addition, we also revise the salary and welfare system, and continue to implement internal management and incentive systems in order to reduce the turnover rate. Furthermore, to guarantee local employment opportunities, we also employee local residents prior to performing solar photovoltaic system construction, module cleaning and maintenance operations during the solar photovoltaic system construction period and maintenance period after construction completion. In 2021, the new employment rate of HDRE was 88% higher than the rate in 2020, indicating outstanding result in talent attraction. In the future, we will improve the sustainability brand visibility of HDRE and implement diverse recruitment channels, in order to actively recruit and attract personnel with green energy related expertise and to reserve quality talents, thus increasing the competitiveness of the company and employees.



Note 1. The calculation equation for the percentage of number of new employee is the number of new employees of each category / total number of employees

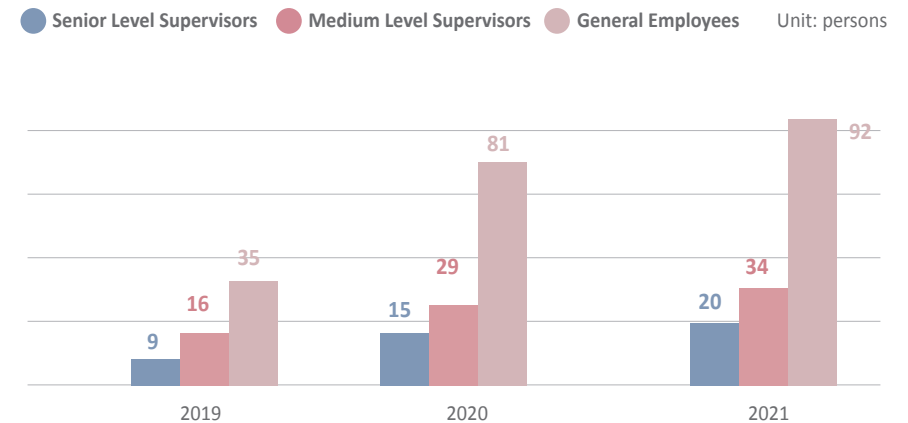
Note 2. The calculation equation for the percentage of number of resigned employee is the number of resigned employees of each category / total number of employees

5.1.2 Salary, Welfare and Care

• Competitive Salary and Welfare

To attract and retain best talents and to provide reward to employees with outstanding performance, HDRE has established competitive remuneration structure to retain talents. We provide year-end bonus, three-holiday gift money (gifts), festival and special event gift moneys, and birthday gift money (issuance of cash of NT\$1,000 per employee) depending upon the business performance annually, and we also implement health examination on an annual basis. We prevent any discrimination and differential treatment of employees due to the factors of age, gender and race.

HDRE General Employees and Medium and Senior Level Supervisors Structure In Last Three Years



| Mean salary of non-supervisor in the last two years (NT\$1,000) | | | |
|---|--|--|---|
| Year | [A] Total salary of non-supervisor full-time employees (NT\$1,000) | [B] Number of non-supervisor full-time employees (persons) | "Mean Salary" of non-supervisor full-time employees (A / B) |
| 2021 | 30,873,783 | 92 | 335,585 |
| 2020 | 24,036,486 | 93 | 258,457 |

| Median salary of non-supervisors in last two years (NT\$) | |
|---|---|
| Year | Median salary of non-supervisor full-time employees |
| 2021 | 38,062 |
| 2020 | 38,074 |

• Welfare Policy Superior to Regulatory Requirements

To promote harmonic labor-management relationship and to promote employee cohesiveness, HDRE plans divers employee welfare activities to satisfy employees' needs based on the care of employees' physical and mental health and sound development. Accordingly, the labor-management relationship can be enhanced, and the employee satisfaction and retention rate are also increased. In addition to emphasis on the employee welfare system, HDRE further ensures the physical and mental health of employees. For employees of the Company to which the new retirement system is applicable, 6% of the employee monthly salary is appropriated for depositing into the personal account of the Bureau of Labor Insurance according to the Labor Pension Act. We are committed to provide diverse and complete welfare, in order to satisfy the needs of employees for different stage of lives.

HDRE Employee Welfare

- The total employee welfare fund in 2021 was NT\$1,327,844.



Economy

- Birthday gift money
- Meal allowance
- Meal subsidy
- Marriage and funeral subsidy
- New recreation fund appropriation



Facility

- Breastfeeding room
- Employee recreation zone
- Multifunction office and environment beneficial to physical and mental health



Security

- Annual health examination and labor insurance
- Group insurance



Entertainment

- Employee travel
- Festival and holiday activities
- Year-end party
- Department employee gathering



Development

- External training fee NT\$2,000 per time annual training fee subsidy

•Employee Care and Communication Channel

We adopt the positive and open labor-management communication principle, and implement two-way communicator, in order to protect the rights and interests of employees while achieving workplace transparency. We have set up friendly and diverse communication channels, including organization of labor-management meetings and welfare committee meetings, employee representative seminars periodically and employee feedback mailbox, etc. in order to maintain harmonic labor-management relationship. In 2021, a total of four labor-management meetings were convened. Through communication and interviews, we listen to the opinions of employees and care their feelings. Both parties of the labor and management assign representatives jointly in order to focus on labor-management major issues and engage in discussion and opinion exchange, thus achieving proper improvement and execution. Furthermore, we handle complaints carefully and confidentially and adopt relevant improvement measures timely. In 2021, there were no major labor-management dispute cases. If there is any dispute in the future, it will be handled properly according to relevant regulations.

5.1.3 Respect of Human Rights of Employees and Treatment

• Diverse Workplace and Inclusion

HDRE periodically inspects the professional competence of current talents, and design job duties for employees of different expertises and diverse cultural backgrounds, allowing employees to achieve balanced development. In addition, for same positions, we prevent any differential treatment due to gender or ethnicity. We actively care different ethnic groups and working partners of different employment needs. In 2021, we employed one staff with physical and mental disability. In the future, we expect to recruit more employees with disabilities or from the economically disadvantaged group and to enhance the accessible facilities of the working environment, in order to promote the manpower diversity of HDRE.




Furthermore, for the job content of employees of different professional backgrounds, we adopt the job duty re-design and focus on the working environment improvement, working condition and development adjustment. In addition, we also provide periodic health examination to employees with needs. In 2021, health examination was arranged for all employees, and a subsidy of NT\$1,500 was provided to each employee, for a total amount reaching NT\$219,000.

•Workplace Violence and Sexual Harassment Complaint

We are committed to implementing the principle of respecting human rights. In addition to the stipulation of human rights policy, we also include the principles and measures of equality, anti-discrimination and communication channels in the management regulations related to the employee management system. Furthermore, we also organize education and training periodically. In 2021, the content of the course provided to new employees included the sexual harassment prevention, and the course was 1.5 hours, with approximately 101 employees participated in the course.

We guarantee to establish a workplace with zero bullying and zero harassment, and we have included sexual harassment prevention in the new employee orientation material. In addition,

new employee orientation and on-job employee educational training are implemented annually, and knowledge related to sexual harassment, type of sexual harassment and complaint channels are also conveyed through meeting and mail announcements irregularly. In case of any sexual harassment incident, employees may file compliant via the two channels of sexual harassment complaint direct line or designated e-mail. Moreover, sexual harassment incidents and complaint cases submitted are statically analyzed in a report at the end of each year to facilitate the tracking and control of such cases.

| HDRE Workplace Violence and Sexual Harassment Consultation and Complaint Channel | |
|---|---|
|  | All employees of HDRE are required to bear the responsibility to provide assistance in ensuring a working environment without workplace violence and sexual harassment. Any one may call the complaint direct line. Once a complaint is received, investigation will be conducted in a confidential manner. |
| Complaint Telephone | |
|  | [Human Resource Administrative Department] +886-4-2255-8858 # 301 [Audit Department] +886-4-2255-8858 # 220 |
| Complain E-mail | |
|  | hd.salary@hdrenewables.com |

• Promote Maternity Workplace Care GRI 401-3

To assist employees' parental needs and to promote balance between work and family life, we construct a pregnancy and parental friendly environment for employees. HDRE responses to the government policy to promote comprehensive parental leave without pay system. Female employees under pregnancy are entitled to maternity leave, paternity leave, family care leave and prenatal leave. In addition, we have also established the parental leave without pay system. In 2021, employees applying for parental leave without pay were all female employees, for a total of two employees. The job resumption rate after parental leave without pay reached 67%, and the rate of parental leave without pay was 100%. To create a parental friendly working environment, HDRE has installed breastfeeding room exclusively for employees at the office area, and the breastfeeding room includes: high-back chair, table, shield curtain, power socket, refrigerator for breast milk storage, hand washing cream, garbage bin with cap, telephone, storage cabinet, etc., and the breast feeding (collecting) device is also available for female employees' use.

| Parental leave status | Male | Female | Total |
|--|------|--------|-------|
| Number of employees qualifying for the parental leave application in 2021 (A) | 0 | 2 | 2 |
| Actual number of employees applying for parental leave in 2021 (B) | 0 | 2 | 2 |
| Number of employees expected to resume to work after paternity leave in 2021 (C) | 0 | 2 | 2 |
| Actual number of employees resumed to work after applying for parental leave in 2021 (D) | 0 | 2 | 2 |
| Number of employees resumed to work in 2020 (E) | 1 | 0 | 1 |
| Number of employees resumed to work and continued to work for one full year in 2020 (F) | 1 | 0 | 1 |
| Resumption rate (D / C) | | 100% | 100% |
| Parental leave rate (F / E) | 100% | | 100% |

• HDRE Human Rights Promotion and Outcome

We implement enhancement on the four aspects of "Diverse Workplace Inclusion", "Gender Equality", "Maternal Health" and "Workplace Safety", in order to eliminate any actions infringing and violating human rights. We respect all employees, and through new employee orientation and daily education, we convey the importance of respecting human rights. In addition, we also request suppliers and cooperating partners to ensure that their direct and indirect uprating activities shall not infringe the basic human rights, and all labor service providers are able to receive fair treatment with dignity. HDRE had no major complaint events in 2021.



Diverse Workplace Inclusion

Inspect professional competence of current talents, and recruit employees of different expertises and diverse cultural backgrounds



Gender Equality

Implement education on sexual harassment prevention for new employees

| Actual Action | Execution Result | Actual Action | Execution Result |
|--|---|--|---|
| Actively recruit employees of different expertises and cultural backgrounds during recruitment | Employed one employee with disability in 2021 | Set up sexual harassment consultation and complaint channels | There were no sexual harassment incidents in 2021 |



Maternal Health and Protection

Establish safe and secure workplace, enhance prevention of hazards, and promote employee physical and mental health



Workplace Safety

Promote all employees to participate in quality control, environmental safety and health, health promotion and improve energy efficiency related activities, and continue improvement

| Actual Action | Execution Result | Actual Action | Execution Result |
|---|---|---|--|
| <ul style="list-style-type: none"> • Include in the management plan and execute planning • Conduct maternal Health risk assessment and plan and install breast-feeding room • Conduct field nurse interview assessment | <ul style="list-style-type: none"> • Completed regulatory maternal health risk assessment • Completed installation of appropriate breastfeeding room • Expect to implement and execute four main plans implementation compliance in 2022 | <ul style="list-style-type: none"> • Assessment on introduction of occupational safety and health management system • Establish personnel educational training and procedural documents • Execute record management and verification of external institution | <ul style="list-style-type: none"> • Completed the establishment of 130 sets of documents and relevant execution records • Completed verification and obtained management system certificate • Inspected and reviewed the effectiveness of the management system periodically |

5.2 Deep-rooted Talent Cultivation

HDRE establishes sound and complete training system and structure in order to cultivate diverse professional talents. Through the use of different learning resources and tools, we aim to improve employees' awareness on self-learning. In addition, we also stipulate training program according to the demands of each unit and personal performance needs continuously, thereby improving knowledge and work efficiency of employees, enhancing understanding among employees of different expertises, and promoting cross- department cooperation benefits.

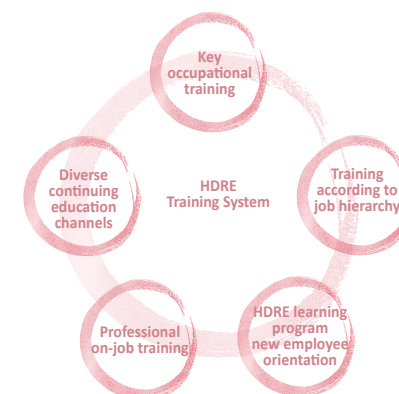
We value the cultivation of industrial talents significantly and aim to develop talents with outstanding academic background and practical experience. In the future, we will continue to strengthen the industry and academic collaboration, and provide green energy professional knowledge learning opportunities to young scholars. In addition to assisting their future career planning, we also seek to recruit outstanding talents with potentials, in order to expand the innovation energy of the Company and to strengthen the professional competence.

5.2.1 Diverse Educational Training and Employee Growth

GRI 404-1

• Complete Education and Training System

We continue to encourage employees to participate in any form of learning activities according to the Company's development direction, organization needs and personal performance requirements, in order to continue to improve work efficiency. In addition, greater positive energy driving the Company's growth and social improvement can be obtained and achieved. Furthermore, we implement employee education and training subsidy, and specify the minimum number of environmental training hours and number of courses required for employees annually. In addition we also provide training courses necessary for comprehensive talents, and the type of training courses include professional skill training, management type of training, occupational safety, new employee orientation, etc. Design various experience type of activities, case study, team discussion and film presentation according to different course attributes, making learning more diverse and interactive.



| Internal Training | | | |
|---|--|---|---|
| New Employee Orientation | New Employee Safety and Health Education and Training | Understand occupational safety and health related laws and work rules, emergency accident response measures, fire and first aid general knowledge | Number of trainees: 84 persons Number of course hours: 3 hours Total: 252 hours |
| | Accident investigation and correction and prevention management | Understand purpose of accident investigation and preventive actions | Number of trainees: 28 persons Number of course hours: 1 hour Total: 28 hours |
| Regular Employee Education and Training | On-job safety and health education and training | Change content according to the trend, and understand the latest information through the course training | Number of trainees: 10 persons Number of course hours: 3 hours Total: 30 hours |
| | ISO 45001 article content introduction and hazard identification | Risk control and compliance obligation management principle | Number of trainees: 6 persons Number of course hours: 2 hours Total: 12 hours |
| | ISO 45001 internal audit training | Audit skills, pre-audit planning and preparation; audit execution focus, corrective action follow-up | Number of trainees: 6 persons Number of course hours: 2 hours Total: 12 hours |
| | Introduction on human rights declaration of corporate social responsibility best practice principles | Labor rights and human rights declaration; workplace safety and healthy environment; code of ethics and sustainable procurement; allowing all employees to understand and agree with the philosophy | Number of trainees: 40 persons Number of course hours: 1 hour Total: 40 hours |

| External Training | | | |
|--|---|---|---|
| External Course Education and Training | Excavator training course | Capable of operating excavator properly, learn basic operation skills and apply such skills to work | Number of trainees: 1 person Number of course hours: 32 hours Total: 32 hours |
| | Practice and application of Company Act | Apply practice of the Company Act at work | Number of trainees: 1 person Number of course hours: 7 hours Total: 7 hours |

| External Training | | | |
|-------------------|------------------------------------|---|---|
| | Remote unmanned drone subject test | Remote unmanned drone management regulations and operation; Civil Aviation Act and work application | Number of trainees: 5 persons Number of course hours: 4 hours Total: 20 hours |

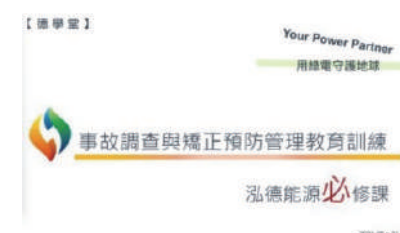
HDRE Learning Program New Employee Orientation



HDRE Diverse Learning







Professional On-job Training



• Education and Training Outcome

HDRE has always been active in the investment of talent development with best effort, and we are committed to create a continuous and diverse learning environment. Through the five main training systems, we strengthen the talent quality progressively, including: key competence training, new employee orientation, training according to job hierarchy, professional training and project training, in order to closely link the employee development to the Company's growth. We implement the philosophy of "Learning By Doing" and adopt diverse and rich teaching models. Various experience type of activities, case study, team discussion and film presentation are designed according to different course attributes. In 2021, the total education and training investment amount was NT\$182,900, and the total training hours was more than 55 hours. Accumulated number of trainees reached 489 person-times for the training courses, and the average number of training hours of each regular staff was 2.2 hours. The 2021 training outcome is statistically presented in the following:

2021 HDRE Employee Education and Training Summary Table

| 2021 HDRE Employee Education and Training Summary Table | | | | | |
|---|---|---|---|---|---|
| Persons-time and number of hours |  |  |  |  | Average hours of training received by each employee |
| Regular employees | 54 | 151 | 73 | 147 | 4.38 |
| Entry level supervisors | 6 | 12 | 1 | 1 | 1.44 |
| Medium level supervisors | 36 | 107 | 20 | 57 | 7.13 |
| Senior level supervisors | 5 | 13 | 1 | 3 | 2.67 |

Note: The average number of hours is calculated based on the total number of employees of each category on December 31, 2021

• Performance Evaluation and Development

HDRE establishes the annual work objectives according to the management strategy and sustainable development goal of the Company. With the performance management mechanism, including the setting of goal, improvement follow-up and performance evaluation during end of period, the execution outcomes of employees are evaluated. The year-end bonus and performance bonus of the Company are determined by the Chairman and the Board of Directors according to the annual business operation status and personal work performance respectively. The performance evaluation is conducted once during the first and second half of the year respectively, and the scope of evaluation includes knowledge and skills related to the job. We link the performance evaluation result to the bonus issuance and also conduct performance evaluation on employees of different hierarchy. For employees of outstanding performance, adoptive development is provided according to their expertise and career planning, and opportunities for job promotion and transfer are also provided timely in order to encourage employees to grow continuously along with the development of the Company.

5.3

Friendly Workplace Realization

Occupational Safety and Health | Meaning of Material Topic to HDRE

The safety philosophy of the Company is "Implement Employee Care", and we are committed to establish a safe workplace. Based on such commitment, we must ensure the safety of all employees and stakeholders during the time from visiting and leaving the Company and within

their scope of work. We have set up the Labor Safety and Health Office and dedicated safety and health personnel. In addition, the senior supervisor also authorizes safety and health personnel to stipulate applicable safety and health management procedures and implement management, thus ensuring the safety and compliance of workplace. With regard to the employee care, we organize health consultation, maternity, ergonomic hazard assessment and illegal infringement for health management and monitoring, in order to ensure the physical health condition of employees.

Our Commitment

Establish sustainable development policy, provide safe and secure workplace, enhance prevention of hazards, and promote employee physical and mental health.

Core Objectives and Vision

Short-term Goal

Plan and establish safety, health and quality management procedure documents, and implement personnel education and training.

Medium-term Goal

Establish management system architecture and introduce system verification, in order to enhance safety, health and quality control capability.

Long-term Goal

Promote safety and quality management culture according to management system maturity development.

Management Method

Manpower Investment



- In 2021, the labor safety and health dedicated unit was established in order to be responsible for the safety and health management, management system construction and promotion of safety culture of the Company.
- Arrange personnel education and training, and implement the Company's commitment and philosophy on occupational safety and health, thus achieving the goal of a safe workplace.



Capital Investment

- In 2021, the investment amount for safety and health management plan was NT\$273,000.
- In 2021, all employees were arranged to receive health examination, and the total subsidy amount reached NT\$219,000.



System Management

- Since 2021, we have planned and assessed the occupational safety and health certificate online management system, and this system will be able to effectively manage the periodic notice and management of the education and training. It is expected to be online for official use in 2023.



Equipment Upgrade

- We plan to implement the establishment of electronic internal and external education and training database by the end of 2022, in order to improve the completeness and management of education and training of employees.

Management Mechanism

Occupational Safety and Health Committee, monthly contractor safety and health performance, periodic management system improvement progress follow-up, procedural document execution and management

Key Outcomes

(1) ISO 45001 management system certification:

Introduced ISO 45001 occupational safety and health management system in 2021. Implemented occupational safety and health management sequentially in 2022. Expect to expand the implementation to all fields in 2023.

(2) Workplace contractor management:

To ensure the safety and health competence of suppliers and contractors, we have established the "Supplier and Contractor Management Procedure" and "Contracting and Outsourcing Safety and Health Management Procedure", in order to conduct investigation and evaluation on the suppliers in terms of the environment, safety and health aspects at the beginning. In addition, supplier performance evaluation is also conducted annually in order to use the evaluation result as a basis for supplier selection, thereby ensuring their environmental safety and health competence and the commitment of joint protection of environment, safety and health.

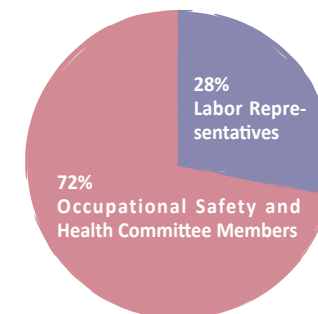
To provide a quality, safe and stable working environment, HDRE establishes professional safety and health organization and safety and health audit system, and promotes the safety and health awareness of all employees. Based on the three main management aspects of legal compliance, employee participation and zero accident environment, we aim to improve the occupational safety and health management performance systematically. We will actively implement occupational safety and health management certifications for all offices and fields, and will continue to organize various environment, safety and health activities, thus encouraging employees to participate in such activities and further conveying the concept of occupational accident prevention and its importance.

5.3.1 Occupational Safety and Health Management Measures

GRI 403-1

• Establish Occupational Safety and Health Committee

To enhance the occupational safety and health management capability and to promote operation safety, HDRE has established the labor safety and health responsible unit in 2021, and set up the "Occupational Safety and Health Committee", consisting of 13 members, including 5 labor representatives accounted for 28% of the total number of members. The committee is responsible for the planning and organizing safety and health related affairs, in order to ensure occupational health and safety. In addition to compliance with relevant labor laws and regulations, we also set up the objectives for protecting employee labor rights and interests, ensuring the health and safety of workplace and improving safety and health awareness of employees. Accordingly, we implement accident statistics, survey and event analysis periodically, in order to perform effective management of occupational health and safety, thus heading toward the safety and health goal of accident reduction, elimination or even zero accident occurrence.



To bear the responsibility of promoting labor safety and health in action, HDRE adopts the following relevant measures:

- Establishment of work safety and health standards.
- Maintenance and autonomous inspection of all equipment, and protective equipment use management.
- Safety inspection and autonomous inspection plan establishment for working environment of employees.
- Organization of occupational safety and health education and training.
- Periodic convention of "Occupational Safety and Health Committee" meetings in order to propose review and improvement for implementation status.
- Occupational accident education.

Occupational Safety and Health Work Rules

- Convene one meeting of Occupational Safety and Health Committee quarterly.
- First-Level supervisor assumes the position of chairperson.
- The occupational safety and health of employees require joint effort of all employees. During each time of occupational safety and health meeting, problems encountered by specific type of employees during the process of work are recorded in detail. In addition, since medical personnel also attend the occupational safety and health meeting, professional advices and improvement measures provided by the field physicians for each problem are also recorded in detail during the meeting.
- In addition to the internal safety and health matters of the Company, before the start of operation of contractor, safety meeting is also convened, in order to provide operational safety guidance and coordination.

2021 Key Discussion Items

- Number of workers, worker change status and execution explanation, discussion of other matters
- Environmental safety and health management execution report (including epidemic management)
- Management system execution report

Occupational Safety and Health Management Mechanism

Occupational Safety and Health Committee

- Safety and health committee meetings are convened quarterly.
- Review occupational safety and health management and management system execution outcome as the basis for subsequent follow-up and management.
- Attending labor representatives reaching more than 1/3.

Monthly Contractor Safety and Health Performance

- Summarize the contractor operation management performance of each field and management system execution progress follow-up monthly.
- Ensure operation safety of contractor and inform relevant supervisors and perform follow-ups on improvements made by the contractor.

Periodic Management System Improvement Progress Follow-up

- To ensure the execution outcome of occupational safety and health management system, the management plan, compliance review, execution record, evidence and verification are performed periodically in order to ensure the system execution outcome.

Establishment and Execution of Occupational Safety and Health Organization, Management Regulations and Management Plan

Prepare a total of 18 copies of management procedures according to the laws and occupational safety and health management system:

- Level 10 "Occupational Safety and Health Management Handbook".
- Level 20 "Management Review Procedure", "Participation, Consultation and Communication Management Procedure", "Safety and Health Regulations and Other Requirements Management Procedure", "Safety and Health Hazard Identification, Risk and Opportunity Assessment Management Procedure", "Goal and management Plan Management Procedure", "Safety and Health Operation Control Procedure", "Occupational Sanitation and Health Management Procedure", "Safety and Health Change Management Procedure", "Contracting and Outsourcing Safety and Health Management Procedure", "Safety and Health Emergency Response Management Procedure"

"Emergency Response Management Procedure", "Accident, Nonconformity and Corrective Action Management Procedure", "Safety and Health Autonomous Inspection Management Procedure", "Internal Audit Management Procedure", "Document Coding and Record Management Procedure", "Documented Information Management Procedure", "Supplier and Contractor Management Procedure", "Procurement Management Procedure", and "Education, Training and Knowledge Management Procedure".

Stipulation according to laws and regulations:

- Level 30 "Safety and health Management Regulations", "Occupational Safety and Health Management Plan", "Safety and Health Work Rules", "Ergonomics, Maternity, Prevention of Illegal Infringement, Abnormal Work Load Prevention Plan", for a total of 22 copies.
- The execution of relevant procedure documents and plans are implemented in the Level 40 execution record for the internal and fields, such as "Occupational Safety, Health and Working Environment Hazard Notice", "Vehicle and Construction Machinery Daily Pre-operation Checklist", "Construction Machinery and Hazardous Machine Entry Application Form", "Supplier Safety and Health Assessment Form", for a total of 85 copies of execution records, in order to ensure the safety of personnel operation and stakeholders.

• Occupational Safety and Health Education and Training

To enhance and ensure personnel operation safety, HDRE actively cultivate and train the unit risk assessment seeds in order to perform risk hazard level assessment operation, and establish safety and health management plan and budget estimation accordingly: such as machine and equipment protection improvement, safety protection equipment purchase assessment, periodic safety inspection of machines and equipment, personnel operation safety and health education and training execution, etc. In addition, to improve the safety and health professional knowledge and skills of employees, for employees and contractors, we have also organized general labor safety and health on-job education and training, special hazard operation training, etc. for a total 8 types of courses, including 11 topics, and a total of 507 person-times have participated in the training. Furthermore, we also establish the occupational safety and health education training plan annually. The training fee in 2021 was NT\$273,000.

To enhance the management capability of the occupational safety and health management system, we have planned the occupational safety and health certificate online management assessment in 2021. The system will be able to effectively manage the periodic notice and management of education and training, and it is expected to be completed for official online use in 2023. Due to the pandemic, a lot of courses cannot be performed. Accordingly, to improve courses as well as safety and health management, we have also developed various e-training courses for occupational safety and health management. Competence test is conducted for safety and health management (survey questionnaires for ergonomics, excessive load, health promotion), in order to ensure that personnel are equipped with required abilities and to ensure compliance and operation safety.

General Knowledge Course

Relevant education material and training material contents are provided to new employees during their report to work, and the contents mainly refer to basic occupational safety knowledge for regulatory compliance

| Course Type | Topic Name | Course Content | Actual Outcome |
|--------------------|--|---|--|
| Basic knowledge | General safety and health education and training | <ul style="list-style-type: none"> Occupational safety and health education and training Management system basic knowledge Fire and emergency response | ✓ Number of trainees: 101 persons ✓ Number of training hours: 3 hours ✓ Total: 303 hours |
| Basic knowledge | Regular employee safety and health on-job education and training (for employees after service of 3 full years) | <ul style="list-style-type: none"> Policy and safety and health KPI Safety and health trend Occupational safety and health management system Health, safety and epidemic management Occupational accident and rights | ✓ Number of trainees: 9 persons ✓ Number of training hours: 3 hours ✓ Total: 27 hours |
| Health management | Health food and diet | <ul style="list-style-type: none"> Citizen health condition change survey New version of dietary guideline We need carbohydrate but we do not need sugar Understand “sugar” and “carbohydrate” Possible damage caused by sugar World Health Organization (WHO)'s recommendation on sugar My healthy meal | ✓ Number of trainees: 107 persons ✓ Number of training hours: 1 hour ✓ Total: 107 hours |
| Emergency response | Field emergency evacuation explanation and drill | <ul style="list-style-type: none"> Fire control and response AED operation demonstration and drill Escape and evaluation explanation | ✓ Number of trainees: 50 persons ✓ Number of training hours: 0.5 hour (participated by staff of response team) ✓ Total: 25 hours |



| Course Type | Topic Name | Course Content | Actual Outcome |
|------------------------|---|---|--|
| Accident investigation | Accident investigation and correction and prevention management | <ul style="list-style-type: none"> Policy and KPI Purpose of accident investigation Relevant procedure documents | ✓ Number of trainees: 110 persons ✓ Number of training hours: 1 hour ✓ Total: 110 hours |
| Fire drill | Cooperate to participate in building fire drill course | <ul style="list-style-type: none"> Fire control and response AED operation demonstration and drill Escape and evaluation explanation | ✓ Number of trainees: 6 persons ✓ Number of training hours: 2 hours (participated by staff of response team) ✓ Total: 12 hours |

Professional Courses

For staff of the Engineering Department and quality control field personnel, special corresponding courses are organized, and staff are required to complete the course within the time-limit

| Course Type | Topic Name | Course Content | Actual Outcome |
|-------------------|--|--|---|
| Special operation | Contracting and outsourcing management procedure | <ul style="list-style-type: none"> Department responsibility Construction permit application Operation management and other matter management | ✓ Number of trainees: 50 persons ✓ Number of training hours: 1 hour ✓ Total: 50 hours |
| | Confined space, hot work, electrical and overhead operation management procedure | <ul style="list-style-type: none"> Accident case introduction Safety and health regulation explanation Hazard prevention strategy and other matter management | ✓ Number of trainees: 8 persons ✓ Number of training hours: 1 hour ✓ Total: 8 hours |
| Management system | ISO 45001 article content introduction and hazard identification | <ul style="list-style-type: none"> Article content introduction Regulatory identification and risk assessment Team discussion and drill | ✓ Number of trainees: 60 persons ✓ Number of training hours: 6 hours ✓ Total: 360 hours |
| | ISO 45001 Internal Auditor Training | <ul style="list-style-type: none"> Internal audit method Team discussion and drill | ✓ Number of trainees: 6 persons ✓ Number of training hours: 6 hours ✓ Total: 36 hours |

5.3.2 Improve Safety and Health Environment, Prevent Occupational Accident GRI 403-2

• Accident Prevention Management Measures

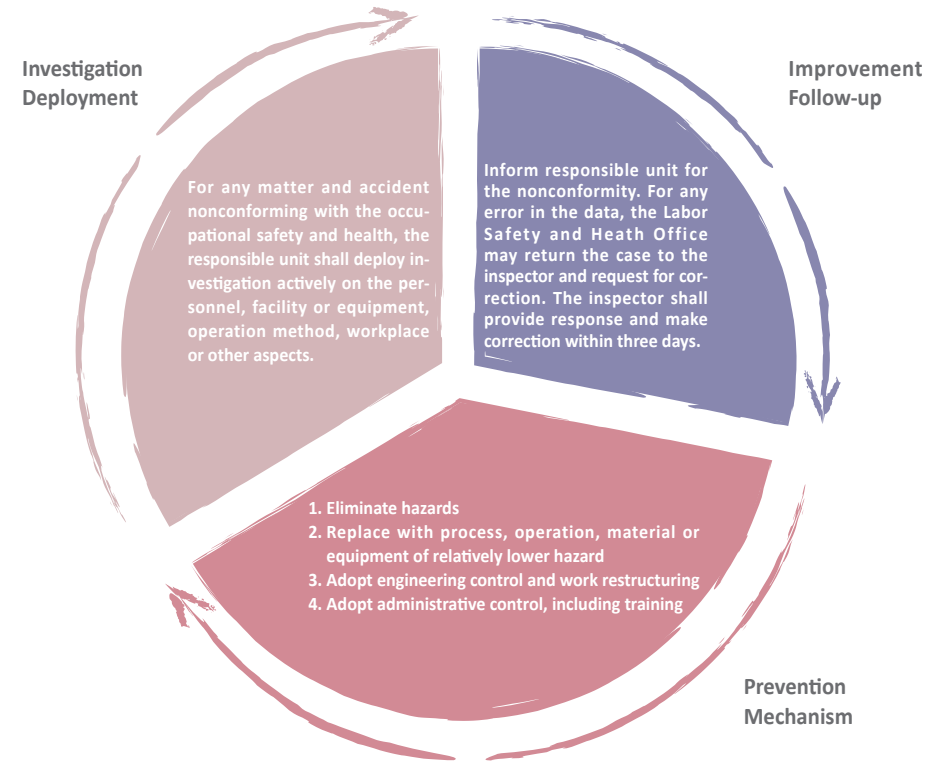
To implement occupational safety and health policy, and to effectively achieve the working environment of “Zero Accident”, we have established the annual occupational safety and health management plan and occupational safety and health management regulations, and we also review each plan item in order to perform comprehensive occupational safety and health management measures. In addition to the periodic update of digital monitoring equipment system, the Engineering Department also enhance the hardware safety protective measures at the fields, thus further improving the field safety protection. In 2021, there were no occurrences of occupational injuries or diseases and death due to job performance. The accident-free working hours in 2021 reached 125,617 hours.

2021 Attendance and Absence Statistics



• Work Improvement Measures

To enhance the occupational safety and health management of the workplace, we have upheld the rigorous attitude to control the safety and health management procedure of each event. In case of encountering matters nonconforming with the occupational safety and health, we request relevant department staff to describe the cause on the “Corrective Action Request Form”. In case of occurrence of accident, the cause is required to be indicated on the “Accident Investigation Form”. Both the accident occurrence unit and the responsible unit are required to fill out the accident investigation form. The accident occurrence unit shall conduct cause investigation within one week of the accident occurrence, and shall also review and propose improvement strategy and handling method, as well as correct nonconforming situation and prevent re-occurrence of such issue. In 2021, there was a public complaint on the insufficient workplace safety protection at a field of solar power engineering and construction operation in 2021. After investigation, it was found that during the early stage of the construction of the field, the transportation and construction vehicles accessed the area frequently, but fences and warning signs were not completed timely. After we received relevant complaint, we completed the improvement immediately according to the law. After such incident, we have not yet received any relevant complaint up to the present day.



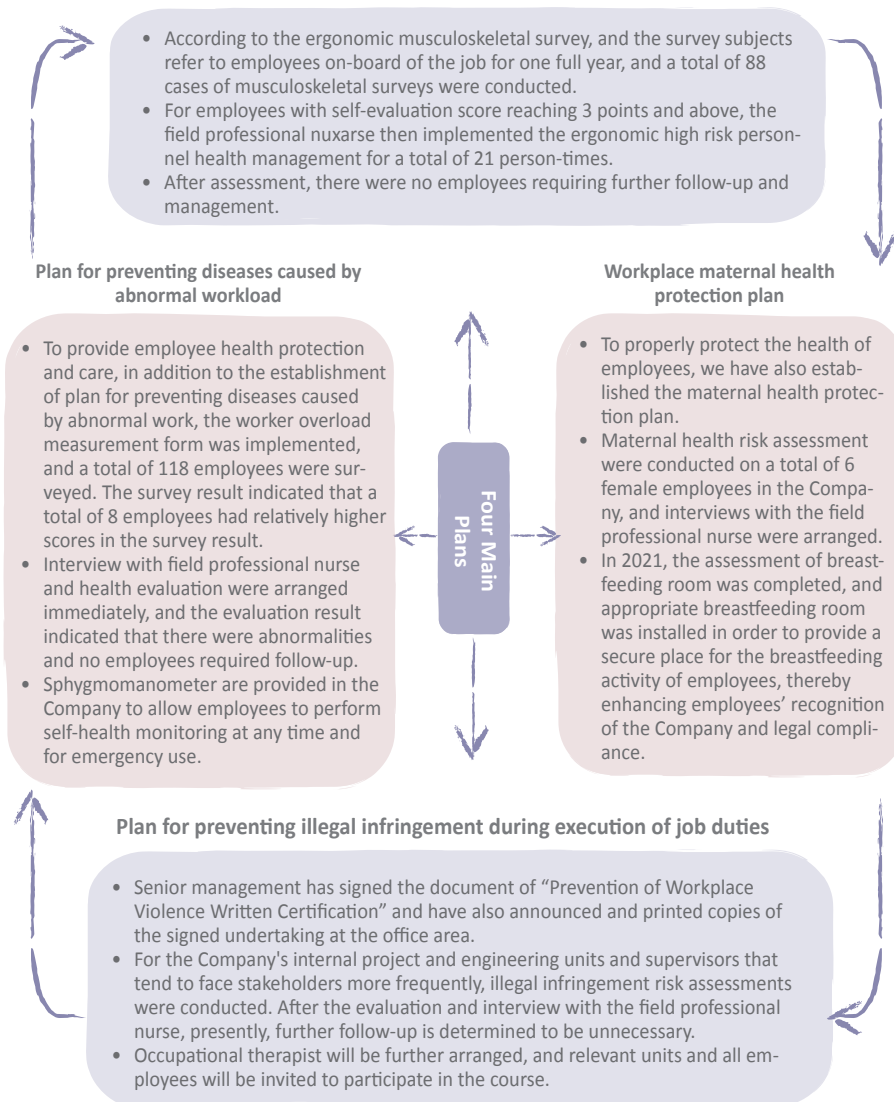
5.3.3 Health Promotion and Employee Care GRI 403-3, 403-4

• Employee Health Protection

To properly care the health of employees, in addition to providing health examination (once annually) superior to the regulatory requirements, we also perform outpatient and interview management for the health examination result, and full-time nursing staff is also arranged to perform individual health improvement follow-up. In 2021, due to the COVID-19 pandemic, we established the emergency response team consisting of department supervisors, and meeting is convened daily to understand the epidemic change, in order to achieve comprehensive health protection for employees. Health risk assessment is also performed on the health examination result, and health monitoring and management are also performed on personnel of high risk. The physician specialized in the occupational medicine conducts assessment on whether re-assignment of job is necessary, and the Safety and Health Office provides assistance on assignment of job according to the assessment result. In 2021, we arranged all employees to receive health examination, and a subsidy of NT\$1,500 was provided to each employee. In addition, four main management items for the employee health monitoring, including employee general health care, occupational disease prevention management and

health promotion executed by professional nurse, were performed. Furthermore, to reduce the possible health hazards in the working environment, we have arranged contracted physician specialized in occupational medicine to provide field health service, and operation field inspection is performed by the safety and health personnel and nursing personnel jointly, in order to identify and eliminate occupational health hazards.

Ergonomic Hazard Prevention Plan



Occupational Health Service Plan

In 2021, we arranged occupational therapist to organize the "Workplace Illegal Infringement Prevention" seminar, and a total of 23 employees participated in the event. When an employee feels physical or mental discomfort or experiences excessive work pressure such that his/her life is affected, we will assist the employee to fill out the "Employee Overwork Measurement Form". For employees of relatively higher overwork factor, we will arrange health service for these employees and to have interviews with the professional nurse, in order to understand the hazardous factor level and to provide recommendations along with the preservation of records for subsequent health follow-up. Moreover, in case where an employee feels depressed or is in bad mood, we will also arrange interview with the professional nurse to provide health service and care. Furthermore, we also provide the resources of psychotherapy and government platforms, and implements subsequent follow-up.



Professional nurse | Field stationing frequency: 4 times per month

Execution Outcome

- Health examination/physical examination abnormality follow-up management: 54 person-times
- Maternal health care: 8 person-times
- Ergonomic musculoskeletal survey for employees on-board for one full year: 88 people; ergonomic high risk health management: 21 people-time
- Overload annual survey: 118 persons; overload high risk health management: 9 person-times
- Illegal infringement risk assessment: 8 person-times
- Covid-19 confirmed individual post-job resumption health care: 9 persons-time
- Medium and high age group health care: 3 person-times
- High health risk personnel notification: 10 persons
- Provided a total of 10 health care education presentations irregularly in order to increase the health management awareness of employees

Employees' Opinion and Feedback

- Interview outcome is high, and it is able to assist employees to understand the health examination report and how to perform further follow-up.
- Employees are actively in the booking of monthly field health service and have also indicated their positive feedbacks on the health care information provided by the professional nurse and medical resources, and they also feel the Company's care on employees' health.

Professional physician | Field stationing frequency: Once per quarter

Execution Outcome

- Through the examination form, assistance is provided to improve the living habits of personnel of high ergonomic risk, and health education is implemented, in order to effectively reduce the musculoskeletal discomfort score of employees.
- For employees of high overload risk, psychological support, clinical health education, job corresponding consultation are provided, and referral resources are also provided.



Kick-off Meeting

Taipei Field Service

Taichung Field Service

Tainan Field Service

Self-Health Monitoring | Installation of first aid kit and sphygmomanometer

Execution Outcome

- Preliminary evaluation was provided to employees for self-health monitoring and emergency condition, and employees indicated that such assessment could be used for health follow-up and management



Taipei Office

Taichung Office

Tainan Office

Occupational Safety and Health Risk and Opportunity Topic Control Measures

| Impact | Health Risk Issue | Control Measures | Actual Outcome |
|-------------|--|---|--|
| High Risk | Disease Control Covid-19 (Severe Pneumonia with Novel Pathogens) | <ul style="list-style-type: none"> Establish major disaster and epidemic control response management regulations Include in the occupational safety and health management plan and implement epidemic monitoring management Adopt the method of work divergence and work from home | <ul style="list-style-type: none"> Handled emergency condition according to the procedure, and reduce employee anxiety and tension. Management plan execution personnel performed temperature measurement and monitoring, and the result was used for personnel health condition follow-up and statistics. Reduced personnel contact risk, and reduced office operation risk. Provided flexible and healthy working environment. |
| | Office operation environmental monitoring | <ul style="list-style-type: none"> Include in the management plan for execution, and implement office carbon dioxide and illumination inspection planning Monitoring performed by qualified monitoring institution Improvement and follow-up of nonconforming areas | <ul style="list-style-type: none"> Completed legal compliance monitoring. Provided workplace of appropriate illumination, comfort and safety. Implemented periodic monitoring and follow-up to prevent occurrence of nonconforming incidents. |
| Medium Risk | Maternal Health and Protection | <ul style="list-style-type: none"> Include in the management plan and execute planning Conduct maternal Health risk assessment and plan and install breastfeeding room Conduct field nurse interview assessment | <ul style="list-style-type: none"> Completed regulatory maternal health risk assessment. Completed installation of appropriate breastfeeding room. Implemented trial operation of field health service provided by professional nurse, and focused on health examination result assessment and record preservation, in order to be used as the basis for subsequent health follow-up and annual health examination item evaluation. |

| Impact | Health Risk Issue | Control Measures | Actual Outcome |
|-------------|--|--|---|
| Medium Risk | Ergonomic hazard prevention | <ul style="list-style-type: none"> Establish relevant management procedures Perform ergonomic hazard investigation Install appropriate improvement tools | <ul style="list-style-type: none"> Completed the establishment of ergonomic hazard prevention plan. Completed employee ergonomic hazard survey, and included in the 2022 field professional nurse interview arrangement. Provided computer stands to employees in order to mitigate the shoulder and neck pain of employees during computer operation. |
| | Workplace health and safety | <ul style="list-style-type: none"> Install safety and health dedicated personnel to perform occupational safety and health management Assess the arrangement of field health professional nurse to implement employee health management and monitoring Organize employee annual health examination Implement contractor safety and health management | <ul style="list-style-type: none"> Completed the establishment of safety and health dedicated unit and the reporting of installation of government agency personnel. Executed employee health examination and provided subsidy to a total of 119 employees. Executed the field contractor operation safety management at two areas, and a total of 530 contractors complied with the requirements accordingly. |
| Opportunity | Occupational Safety and Health management system planning and implementation | <ul style="list-style-type: none"> Assessment of management system implementation Establish personnel educational training and procedural documents Execute record management and verification of external institution | <ul style="list-style-type: none"> Completed the establishment of 130 sets of documents and relevant execution records. Completed verification and obtained management system certificate. Inspected and reviewed the effectiveness of the management system periodically. |



06

Sustainable Feedback Common Prosperity and Growth

6.1 Developing Social Inclusion

6.2 Promoting Energy Education

Appendix

Appendix 1: Global Reporting Initiative Standards (GRI Standards) Index

Appendix 2: Assurance Report of Independent Auditors



6.1

Social Inclusion

We uphold the philosophy of “obtain from the society, and return to the society”, and implement social care from the knowledge aspect to the social participation aspect. In 2021, industries worldwide faced the impact of the COVID-19 pandemic. During such period, we cooperated with the rigorous epidemic control regulations of the central government and also continued to pay attention to the local and communication development and demands. HDRE upholds the principle of “achieve sustainability co-prosperity, and implement care and education in depth”, and we also focus on the four main topics of “energy education, public welfare return, local co-existence, ecological protection” and link to the UN’s Sustainable Development Goals (SDGs) in order to implement ESG diverse actions, assist remote area development and to promote care of disadvantaged groups for receiving equal opportunities in society.



We expect to appropriate annual photovoltaic profit for the public welfare expenditure budget in order to use the budget for village and community return service. In addition, we will link all subsidiaries throughout Taiwan and call employees to participate in relevant activities. In addition, we also actively responded to various social participation activities and provide internal and external volunteers to implement social care thoroughly. Furthermore, through diverse aspects, such as: educational promotion, local cooperation and health promotion, we look forward to returning to society and to achieve sustainable operation jointly.



6.1.1 Social Inclusion Outcome GRI 203-1 • Social Co-prosperity Development Blueprint

| Strategy Focus | Social Sustainable Development Strategy | | Action Plan |
|---|--|--|---|
| Increase HDRE's sustainability brand visibility, and achieve sustainability common growth | Promote green energy education with best effort | Improve energy awareness of the general public, and provide appropriate energy education according to different education levels | <ul style="list-style-type: none"> Participated in the 3D movie vehicle for remote area tour Constructed all-weather stadium at Pan-tau Elementary School, and promoted energy education at the school campus |
| | Participate in public welfare activity and continue to return to the society | Obtain from the society and return to the society: donate epidemic supplies and goods, promote the care of disadvantaged group to receive social equality, and support sports activities | <ul style="list-style-type: none"> Donation of epidemic supplies and goods to fire department and disadvantaged group institution Organized HDRE Cup tennis contest Sponsored elementary development fund budget Sponsored local temple budget Supported remote farmers with purchase of tea |
| | Friendly local residents with promotion of local co-existence | Protect local employment opportunities, understand local community needs, and achieve common growth jointly | <ul style="list-style-type: none"> Promoted Pingtung farmer land lease mutual assistance Implemented communication and exchange with Tainan fish farm cultivation |
| | Commit to environmental protection and maintenance of biodiversity | Perform environmental and social assessment before field development to ensure ecological protection | <ul style="list-style-type: none"> Established Qigu wild goose and duck ecological protection zone Established Yulin Gukeng net zero carbon emissions demonstrative zone |

• Promote Energy Education

HDRE is committed to sustainability education and the promotion of life education, in order to convey positive value. Through the sponsorship and participation in the Formosa 3D association public welfare collaboration project and active investment of manpower to support solar power 3D movie environmental education plan, we led the team to travel to remote areas for environmental education and promotion of energy sustainability and social awareness. In addition, we also assisted the construction of an all-weather stadium, allowing local students and residents to have a safe recreation place with the environmental protection meaning. Please refer to “6.2 Energy Promotion Education” for detailed information.

• Public Welfare Activity Participation

In addition to the pursuit of corporate business growth, HDRE also emphasizes public welfare and sees corporate sustainable development as the core value of the Company. We actively promote mutual benefit and co-prosperity with the local community. From the diverse aspects of disadvantaged group care, support of small farmers, sports promotion and energy education, we encourage employees to participate and care for the issues related to disadvantaged groups, environmental protection and social development via the design of numerous activities, in order to expand our influence outward and to contribute effort in the positive and balanced development of the society.



| Category | Donation Item and Activity Description | Donation Recipient | Donation Amount |
|--|---|---------------------------------------|-----------------|
| Epidemic supplies and disadvantaged care | Donated supplies to Taipei City Fire Department [Joint donation with Imperial Hotel Taipei] | Taipei City Fire Department | 1,270,000 |
| | Donated supplies to Taipei City Fire Department | Taipei City Fire Department | 472,500 |
| | Donated epidemic supplies to Beimen District Office, Tainan City | Beimen District Office, Tainan City | 20,000 |
| | Organized Tainan City Beimen year-end winter care for disadvantaged group event | Beimen District Office, Tainan City | 80,000 |
| Scholarship and sports support | Donated school affairs development fund to Xuejia Elementary School | Xuejia Elementary School, Tainan City | 100,000 |
| | Sponsored Chinese Taipei Tennis Association | Chinese Taipei Tennis Association | 1,000,000 |
| Energy education promotion | 3D Association field sponsorship program | Formosa 3D Association | 168,000 |
| Sponsored temple for event organization | Sponsored lantern festival and temple affairs budget | Penghu Hsianji Temple | 200,000 |
| Contractor activity sponsorship | Sponsored contractor to organize activities | | 150,000 |



HDRE Supports Public Welfare and Promotes Joint Epidemic Control

HDRE continues to participate in various public welfare activities and support different charity organizations, and is also committed to the return to society, thereby fulfilling corporate social responsibility. With regard to the care for disadvantaged group, we continue to pay attention to the digital gap issue faced by children of remote areas and the implementation of energy education promotion. In addition, we also provide necessary supplies, goods and equipment to disadvantaged institutions and groups. In 2021, to cope with the impact of the COVID-19 pandemic, we donated epidemic supplies and goods to the Taipei City Fire Department and the Beimen District Office of Tainan City, and the donated materials include epidemic supplies, more than two thousand sets of delicate snack gift boxes and energy drinks, for a total donation amount of N 1,762,500. In addition, we also sponsored the Tainan Beimen year-end winter care for a disadvantaged group event for NT\$80,000. Through continuous public welfare return, we look forward to assisting disadvantaged groups in order to allow them to obtain equal social opportunities under the severe pandemic impact.



Support Farmers in Production and Sales Activities

HDRE supports remote village community development and looks forward to supporting the production and sales activities of small farmers through a positive promotion cycle of production and sales. We purchase tea from Shan-Ru Tea located at high altitude of Aliashan annually. In 2021, the purchased quantity reached 100 sets at a total value of approximately NT\$300 thousand. We look forward to assisting tea growers to maintain basic profit with our humble effort. In the future, we also expect to expand the production and sales cooperation, in order to continue to provide stable production and sales channel to small farmers in remote areas for the long term, thereby promoting local agricultural development.



HDRE Cup Promoting Sports Development

To support the sports environment in Taiwan, in 2021, HDRE and the Chinese Taipei Tennis Association (CTTA) jointly organized the "HDRE Cup" tennis contest activity, in order to promote sports to a greater range of age groups. We sponsored NT\$1,000,000 in the promotion of entry tennis sports to encourage young players to improve further in the field, thus increasing the sports competence and tennis players' skills in Taiwan. We will continue to encourage young players to develop their interests and improve competence through participation in domestic contests, in order to head toward international competition.

Donation of Epidemic Supplies



Donation to Disadvantaged Group



HDRE Cup



Local Co-existence Pingtung Farmer Land Lease Mutual Assistance

We have observed that due to climate abnormality in recent years, the harvest was poor. As cultivation depends on the weather condition significantly, we have communicated and interacted closely with village and neighborhood chiefs to demonstrate our care and to provide cooperation opportunities with farmers through leasing a portion of their land to HDRE for the construction of solar power fields. Consequently, through the cooperation method, farmers will have a fixed income from the rent such that income can be secured regardless of the harvest result. Co-existence is one of the important core values of HDRE, and we look forward to achieving prosperity together with the local community and the industry through joint cooperation.

Local Story

There was an old landowner living in Neipu Village of Pingtung County, and he relied on the growing of areca palm in the past and owned a large areca palm farmland next to his house, and he also grew guava. However, as the areca industry declined, the second generation of his family was not willing to participate in farming and moved to a large city for development. With large area of farmland left in the field, the old landowner felt helpless as there was no one in the family to continue farming and his aged body was unable to perform farming for a living.

Subsequently, the old land owner learned from others that HDRE provided the electricity-related service and it could bring stable income to his retirement life or even save money for the next generation. Accordingly, he decided to lease his land to HDRE for the construction of a solar photovoltaic field. Presently, every time when HDRD visits the field for maintenance, the old land owner always shows his hospitality and offers self-grew guava as gifts to our staff. During the field development process, HDRD also looks forward to assisting the local residents by providing new development opportunities and promoting the local economy. We have always valued the relationship with the old land owner and the passion for the land, thereby establishing an excellent mutual trust relationship.



Cooperation with Tainan Fishery Cultivation Industry

In the Beimen District of Tainan City, there was a land of the abandoned fish farm due to severe land subsidence in the area, and the land owner was of old age without the capacity to perform fishery cultivation. Accordingly, HDRE directed the integration work and communicated with the original culturists by providing rent to the culturists in order to assist them to overcome difficulties in their lives without fishery cultivation. In addition, we also organized an exchange activity to share knowledge on technology integration with the culturists in order to maximize the experience of fishery cultivation and to achieve mutual benefits and cooperative relationships with the local community.

Local Story

There was landlord in the Tainan coastal area and fishery cultivation had been his family business for generations. However, due to environmental change and land subsidence in recent years, his family business on this land with great efforts and rich memory in the past was interrupted.

After the landlord contacted HDRE, he then realized the possibility of integration between the fishery cultivation and photovoltaic industry, such that an opportunity for rebirth was provided to this ancestral land while driving the energy transformation in Taiwan at the same time.

HDRE actively engages in cooperation with the local industry and land lords in order to drive re-use of land and energy transformation. Presently, there are two fields under construction in Tainan, and during the construction process, the embankment is elevated and the drainage system is also improved, in order to prevent seawater intrusion in the future. We look forward to develop a friendly living environment and achieving sustainability and mutual benefits in the future.



• Protect and Maintain Biodiversity

From site selection, facility planning, construction and in-service operation, in addition to the consideration of the financial aspect, HDRE reviews the environmental aspect and the social aspect and carefully assesses the benefits and impacts associated with the development. Furthermore, we also consider how to achieve green energy ecological co-prosperity, respect the will of the general public and protect the rights and interests of fishermen at the same time. During the development of solar photovoltaic fields, we maintain the original purpose of use of the land as much as possible and we also respect the opinions of local community and environmental protection groups, in order to achieve the co-existence of photovoltaics and ecosystem. If the environmental social inspection report indicates that the ecological zone in the field needs to be preserved, we will respect the result without further development of the field. Please refer to “4.3 Ecological Diversity Protection” for details.

6.2

Promote Energy Education

Energy Education and Promotion |

Meaning of Material Topic to HDRE **GRI 103-1, 103-2, 103-3**

HDRE upholds the philosophy of “obtain from the society, return to the society”, and is committed to the promotion of ESG energy education. We contribute efforts to the society return without our core technologies and capabilities. In addition to preventing impacts on the local ecological environment, we also look forward to achieving the objective of great living with green power and energy with stakeholders jointly. To promote green power and to convey the awareness, we implement energy education and actively participate in various energy education activities and public welfare events. Accordingly, through appropriate energy education for different education levels, we expect to convey passion and positive energy to the general public.

Our Commitment

Based on the core of sustainability along with the expertise of HDRE, energy education is implemented to improve the knowledge of community residents and students on renewable energy and the energy development policy goals, etc.

Core Objectives and Vision

Short-term Goal

- Convey the importance of energy topic and relationship with our daily lives, and provide appropriate energy education according to different educational levels

Medium-term Goal

- Convey the impact of energy on the environment, and understand the trend of energy development

Long-term Goal

- Develop proper energy value, and increase energy use efficiency

Management Method



Manpower Investment

- Encourage internal employees of the Company to use their free time to participate in voluntary service activities.
- Assign internal employees to enter school campus and to act as the energy education instructions.



Capital Investment

- Provide HDRE solar power engineering technologies, and invested an amount exceeding NT\$167,000 in the Formosa public welfare collaboration plan in 2021.



Solar Panel Application

- Modify the Formosa 3D mobile movie vehicle with the integration of the concepts of environmental protection and sustainability. Install mobile solar power equipment on the vehicle roof to achieve moving playing with own power generation, thus achieving the objectives of environmental protection and green energy while also overcoming the issues of incomplete infrastructure, electricity tripping, unstable power supply and insufficient cable length faced by rural and remote areas.
- During the implementation of energy education, we use small solar panels for power generation in practice, thus teaching the actual energy use method in real life.

Management Mechanism

Establish public welfare project management regulations

Key Outcomes

- Collaborated with Formosa to deploy the 3D solar power movie vehicle tour, and implemented energy education for approximately 80,000 people annually. Up to the present day, 223,790 people have watched the 3D movie.
- Constructed solar power photovoltaic stadium (all-weather stadium) at Pantau Elementary School, and promoted energy education to students. In addition, provided comfortable activity space to local residents and students, thereby integrating the environment protection concept with the recreation space. The accumulated electricity generated by the solar power stadium reached 589,779 KWH of electricity in 2021.

6.2.1 Focus on Energy Education

- **Formosa 3D movie vehicle traveled to all regions in Taiwan, and encouraged more than 20,000 students at remote areas**

Formosa 3D movie vehicle traveled to all regions in Taiwan, and encouraged more than 20,000 students at remote areas

During the promotion of energy education, HDRE had the opportunity to meet the Formosa 3D Association, and its philosophy of promoting energy education at remote areas was consistent with HDRE. Accordingly, we started our first public welfare collaboration plan in 2021 - Formosa 3D solar power movie vehicle.

HDRE and Formosa 3D Movie Vehicle

Since February 2014, up to the present day, Formosa 3D movie vehicle has continued to promote education for remote areas with positive energy to allow children to understand the beauty of Taiwan. Over the past nine years, Director Chuan-Li Chu has constructed the 3D mobile movie vehicle and traveled to 2170 schools and 199 disadvantaged institutions nationwide, allowing more than 230,000 people and children to enjoy great movies with a passion.

Nevertheless, the organization of each movie tour was not easy, and the infrastructure in remote areas was not complete most of the time. Consequently, the team faced numerous obstacles during the process, such as issues of: electricity tripping, unstable power supply, and insufficient cable length, etc. Accordingly, HDRE implemented its professional core technologies and experience in daily maintenance to assist in the installation of mobile solar power equipment of the vehicle roof. Consequently, the 3D mobile movie vehicle is able to perform operation with its self-generated power for movie playing, thereby achieving the integration of the energy sustainability concept and the objectives of environmental protection and green energy.





HDRE sufficiently utilized its solar power engineering technology to promote and construct the "3D Mobile Energy Vehicle" with Formosa Association. After the engineering unit's discussion with the Formosa team several times, actual participation in school campus moving playing events and monitoring of the power consumption method, we proposed the concept of installation of solar panels on the 3D movie vehicle roof in conjunction with an energy storage system, in order to overcome the problem of mobile power source, and to achieve greater convenience and safety for actual power consumption. In the future, we will continue to extend our services to all remote areas in Taiwan, allowing schools and disadvantaged institutions in remote areas are able to enjoy movies played by 3D mobile movie vehicles with it their self-generated power, thus contributing a humble effort of the Company.

Through the public welfare model of environmental sustainability and social participation, the mobile solar photovoltaic energy storage system is used to provide self-generated power for movie playing. In addition, the solar power mobile movie vehicle equipment can also be used to allow students of remote areas to under the technology of solar photovoltaic in a positive manner. We extend the technology to the video application, and through the 3D mobile movie vehicle tour, more than 80,000 students are able to access the technology and receive relevant information annually. We look forward to expanding the corporate philosophy via public welfare-related cooperation, thus turning sunlight into hope.



• **Construct all-weather stadium at remote area of Miaoli County and promote student energy education**

The baseball court of Pantau Elementary School at Miaoli County was old and obsolete without rain shield such that recreation sports of the general public and students could not be performed during rainy days, such that activities were often affected. To provide an improved basketball court and in response to the government's green energy policy, HDRE invested in the construction of a solar photovoltaic stadium. During the construction, we encountered the elevated pandemic situation along with design change issues and obstacles. Nevertheless, through communication, coordination and proper construction quality monitoring, we were able to construct an indoor activity place with the benefits of generation of green energy and promotion of energy education, in order to overcome the problem of insufficient sports space.

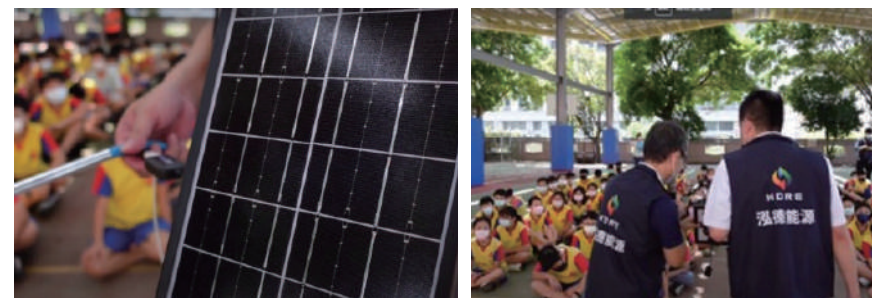
| Total Installation Capacity at Pantau Elementary School 794.31KW | |
|---|--|
| Roof  | 420.09 KW |
| Stadium  | 320.76 KW |
| Parking Lot  | 53.46 KW |
| Total Power Generation Capacity  | Accumulated power generation of 589,779 KWH of electricity in 2021 |

Solar Photovoltaic Stadium of Pantau Elementary School, Miaoli County



In addition, we also encourage internal employees to enter the school campus and act as energy education instructors, thus conveying energy knowledge to local students. In 2021, we convened a total of two energy education courses for approximately two hundred students. Through the demonstration for the actual energy use method with small solar panels, we are able to allow students to understand the relation between energy and our living, and also inspire students to consider the possibilities between living, environmental protection and energy. Students are guided to understand and to become aware of the question of how to increase energy efficient with the reduction of unnecessary waste during the pursuit of economic development. In the future, we will continue to promote energy education and aim to establish suitable energy education topics according to different education levels, thereby guiding students to understand renewable energy and to convey positive values that may be started from an individual's lifestyle.

Promote energy education to students, and teach students the actual energy use method



Appendix 1: Global Reporting Initiative Standards (GRI Standards) Index

| General Disclosures GRI 102: General Disclosures 2016 | | | |
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| GRI Standards | Disclosure Item | Corresponding Chapter/Section | Page No. |
| Organizational Profile | | | |
| 102-1 | Organization name | About This Report | P.4 |
| 102-2 | Activities, brands, products, and services | 1.1 About HD Renewable Energy (HDRE) | P.9 |
| 102-3 | Headquarter Location | 1.1 About HD Renewable Energy (HDRE) | P.9 |
| 102-4 | Location of operations | 1.1 About HD Renewable Energy (HDRE) | P.9 |
| 102-5 | Ownership and legal form | Please refer to 2021 Annual Report for details | |
| 102-6 | Markets served | 1.1 About HD Renewable Energy (HDRE) | P.9 |
| 102-7 | Scale of the organization | 1.1 About HD Renewable Energy (HDRE) | P.9 |
| 102-8 | Information on employees and other workers | 5.1.1 Employee Overview and Talent Management Policy | P.74 |
| 102-9 | Supply chain | 3.4.2 Enhance Supplier Management | P.57 |
| 102-10 | Significant changes to the organization and its supply chain | No relevant events in 2021 | |
| 102-11 | Precautionary principle or approach | 2.4.1 Internal Control and Risk Management | P.26 |
| 102-12 | External initiatives | No relevant events in 2021 | P.35 |
| 102-13 | Membership of associations | 2.2.1 External Organization Participation | P.29 |
| Strategy | | | |
| 102-14 | Statement from senior decision-maker | Message from the Management | P.5-6 |
| Ethics and integrity | | | |
| 102-16 | Values, principles, standards, and norms of behavior | 2.3.1 Ethical Management | P.31 |

| Governance | | | |
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| Stakeholder Communication | | | |
| 102-40 | List of stakeholder groups | 1.2 Stakeholder Engagement | P.16 |
| 102-41 | Collective bargaining agreements | No collective bargaining agreements have been signed | |
| 102-42 | Identifying and selecting stakeholders | 1.2 Stakeholder Engagement | P.16 |
| 102-43 | Approach to stakeholder engagement | 1.2 Stakeholder Engagement | P.16 |
| 102-44 | Key topics and concerns raised | 1.2 Stakeholder Engagement | P.16 |
| Reporting Practice | | | |
| 102-45 | Entities included in the consolidated financial statements | Please refer to 2021 Annual Report for details | |
| 102-46 | Defining report content and topic boundaries | 1.3 Material Topic Analysis | P.18 |
| 102-47 | List of material topics | 1.3 Material Topic Analysis | P.18 |
| 102-48 | Restatements of information | No relevant events in 2021 | |
| 102-49 | Changes in reporting | No relevant events in 2021 | |
| 102-50 | Reporting period | About This Report | P.4 |
| 102-51 | Date of most recent report | First publication of the report | |
| 102-52 | Reporting cycle | About This Report | P.4 |
| 102-53 | Contact point for questions regarding the report | About This Report | P.4 |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About This Report | P.4 |

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| 102-55 | GRI content index | Appendix 1 | P.95 |
| 102-56 | External assurance | About This Report, Appendix 2 | P.4 P.98 |
| Material Topic Disclosure | | | |
| Operational Performance | | | |
| 103-1 | Explanation of the material topic and its boundary | 2.2 Enhance Business Performance | P.28 |
| 103-2 | The management approach and its components | 2.2 Enhance Business Performance | P.28 |
| 103-3 | Evaluation of the management approach | 2.2 Enhance Business Performance | P.28 |
| 201-1 | Direct economic value generated and distributed | 2.2.2 Financial Performance | P.30 |
| Legal Compliance | | | |
| 103-1 | Explanation of the material topic and its boundary | 2.3.2 Legal Compliance | P.32 |
| 103-2 | The management approach and its components | 2.3.2 Legal Compliance | P.32 |
| 103-3 | Evaluation of the management approach | 2.3.2 Legal Compliance | P.32 |
| 307-1 | Non-compliance with environmental laws and regulations | Environmental Protection Regulatory Compliance | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | Social and Economic Regulatory Compliance | |
| Corporate Risk Management | Self-specified Topic | | |
| 103-1 | Explanation of the material topic and its boundary | 2.4 Risk Management | P.34 |
| 103-2 | The management approach and its components | 2.4 Risk Management | P.34 |
| 103-3 | Evaluation of the management approach | 2.4 Risk Management | P.34 |
| | No applicable GRI material topics | | |
| Green Energy and Energy Storage | Self-specified Topic | | |

| | | | |
|--|--|---|------|
| 103-1 | Explanation of the material topic and its boundary | CH3 Sustainable Innovation Green Intelligence | P.38 |
| 103-2 | The management approach and its components | CH3 Sustainable Innovation Green Intelligence | P.38 |
| 103-3 | Evaluation of the management approach | CH3 Sustainable Innovation Green Intelligence | P.38 |
| Self-specified Indicator | Corporate renewable energy installation capacity and wheeling of electricity | 2021 renewable energy installation capacity was 63.44 MW Actual wheeling of electricity was 659 KWH of green electricity | |
| Innovation and Intelligence Optimization | Self-specified Topic | | |
| 103-1 | Explanation of the material topic and its boundary | 3.2 Sustainable Innovation Management | P.46 |
| 103-2 | The management approach and its components | 3.2 Sustainable Innovation Management | P.46 |
| 103-3 | Evaluation of the management approach | 3.2 Sustainable Innovation Management | P.46 |
| Self-specified Indicator | Corporate research and development expenditure | Research and development expenditure in 2021 was NT\$4.748 million. | |
| Product Quality and Responsibility | Self-specified Topic | | |
| 103-1 | Explanation of the material topic and its boundary | 3.4 Strengthen Sustainable Supply Chain | P.54 |
| 103-2 | The management approach and its components | 3.4 Strengthen Sustainable Supply Chain | P.54 |
| 103-3 | Evaluation of the management approach | 3.4 Strengthen Sustainable Supply Chain | P.54 |
| GRI 204 | Procurement practices | 3.4.1 Source Tracking Management and Procurement Policy | P.55 |
| GRI 414-2 | Negative social impacts in the supply chain and actions taken | 3.4.2 Enhance Supplier Management | P.57 |
| Environmental and Social Inspections | Self-specified Topic | | |
| 103-1 | Explanation of the material topic and its boundary | 4.3 Ecological Diversity Protection | P.68 |
| 103-2 | The management approach and its components | 4.3 Ecological Diversity Protection | P.68 |
| 103-3 | Evaluation of the management approach | 4.3 Ecological Diversity Protection | P.68 |

| | | | |
|---------------------------------|--|--|------|
| 413-1 | Local communities | 4.3.1 Environmental and Social Assessment | P.69 |
| Talent Attraction and Retention | | | |
| 103-1 | Explanation of the material topic and its boundary | CH5 Sustainable Talent Fortune Workplace | P.72 |
| 103-2 | The management approach and its components | CH5 Sustainable Talent Fortune Workplace | P.72 |
| 103-3 | Evaluation of the management approach | CH5 Sustainable Talent Fortune Workplace | P.72 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | 5.1.2 Salary, Welfare and Care | P.75 |
| 401-3 | Parental leave | 5.1.3 Respect of Human Rights of Employees and Treatment | P.76 |
| 405-1 | Diversity of governance bodies and employees | 5.1.1 Employee Overview and Talent Management Policy | P.74 |
| 404-1 | Average hours of training per year per employee | 5.2.1 Diverse Educational Training and Employee Growth | P.78 |
| Occupational Safety and Health | | | |
| 103-1 | Explanation of the material topic and its boundary | 5.3 Realizing Friendly Workplaces | P.80 |
| 103-2 | The management approach and its components | 5.3 Realizing Friendly Workplaces | P.80 |
| 103-3 | Evaluation of the management approach | 5.3 Realizing Friendly Workplaces | P.80 |
| 403-1 | Management system for occupational health and safety | 5.3.1 Occupational Safety and Health Management Measures | P.81 |
| 403-2 | Identification of hazards, risk assessment and investigation of incidents | 5.3.2 Improve Safety and Health Environment, Prevent Occupational Accident | P.84 |
| 403-3 | Occupational health services | 5.3.3 Health Promotion and Employee Care | P.84 |
| 403-4 | Employee participation, consultation and communication on occupational health and safety | 5.3.3 Health Promotion and Employee Care | P.84 |

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|--|--|------------------------------------|------|
| Energy education promotion | Self-specified Topic | | |
| 103-1 | Explanation of the material topic and its boundary | 6.2 Promoting Energy Education | P.92 |
| 103-2 | The management approach and its components | 6.2 Promoting Energy Education | P.92 |
| 103-3 | Evaluation of the management approach | 6.2 Promoting Energy Education | P.92 |
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會計師獨立確信報告

泓德能源科技股份有限公司 公鑒

本事務所接受泓德能源科技股份有限公司（以下簡稱泓德能源）之委任，對 2021 年度永續報告書中所選定之標的資訊執行有限確信程序並出具有限確信報告。

本次執行確信程序之標的資訊請詳附件一。

管理階層責任

泓德能源管理階層應依照全球永續性報告協會(Global Reporting Initiatives, GRI)所發布之GRI準則(GRI Standards)編製永續報告書，並維持與編製永續報告書有關必要控制，以確保永續報告書所列標的資訊未存有重大不實表達。

本事務所責任

本事務所係依照財團法人中華民國會計研究發展基金會所發布之確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行有限確信工作。

確信工作

有限確信案件中執行情序之性質及時間與適用於合理確信案件不同，其範圍亦較小，所取得之確信程度明顯低於合理確信案件。為取得有限確信，本事務所於決定確信程序之性質及範圍時曾考量泓德能源內部控制之有效性，但目的並非對泓德能源內部控制之有效性表示意見。

為作成有限確信之結論，本事務所已執行下列工作：

- 取得及閱讀之 2021 年度永續報告書
- 對參與提供永續績效資訊的相關部門進行訪談，以瞭解並評估編製前述資訊之流程、內部控制與資訊系統
- 基於對上述事項所取得之瞭解，就報告書揭露之特定資訊執行分析性程序，或於必要時抽樣核對相關文件，以獲取足夠及適切之有限確信證據；

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先天限制

由於諸多確信項目設計非財務資訊，相較於財務資訊之確信受有更多先天性之限制，對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設及判斷。

品質管制與獨立性

本事務所遵循審計準則公報第四十六號會計師事務所之品質管制之規範，建立並維護完備之品質管制制度，包含遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。本所亦遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

結論

依據本事務所執行之程序及所獲取之證據，未發現泓德能源所選定之永續績效資訊有未依照適用基準編製而須作重大修正之情事。

其他事項

本確信報告出具後，泓德能源對任何確信標的或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

安永聯合會計師事務所

會計師：呂倩雯

呂倩雯



民國一一年九月二十三日

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附件一：

| 編號 | 章節標題 | 內文標題 | 標的資訊 | 適用基準 |
|----|--------------------------|----------------------|--|---|
| 1 | CH2 永續治理 · 誠信透明 | 2.3.2 法規遵循 | 本公司 2021 年共計 1 例經環境保護局開立因承包商運送材料出場時路面污染事件新臺幣 1,200 元整罰鍰項目。 | GRI 307: 有關環境保護的法規遵循 a. 就以下各項，說明因違反環境法律及/或法規而遭受重大罰款和非金錢的處罰： i. 重大罰款的總金額； ii. 非金錢的處罰次數； iii. 透過爭議解決機制提起的訴訟。 b. 如無違反環境法律及/或法規之情事，簡要陳述此一事實即可。 |
| 2 | CH5 永續人才 · 幸福職場 | 5.1.1 員工概況與人才管理政策 | <p>新進 / 離職員工年齡分布 ●男 ●女 單位：人</p> <p>新進：30 歲以下 16 (男), 6 (女); 31-50 歲 14 (男), 16 (女); 50 歲以上 5 (男), 1 (女)</p> <p>離職：30 歲以下 3 (男), 5 (女); 31-50 歲 13 (男), 11 (女); 50 歲以上 8 (男), 0 (女)</p> <p>性別分布：新進 40% 女, 60% 男; 離職 40% 女, 60% 男</p> <p>註 1. 新進員工人數百分比計算公式為各類別新進員工人數 / 員工總數 註 2. 離職員工人數百分比計算公式為各類別離職員工人數 / 員工總數</p> | GRI 401: 勞雇關係 a. 在報導期間內，按年齡層、性別及地區劃分新進員工的總數及比例。 b. 在報導期間內，按年齡層、性別及地區劃分離職員工的總數及比例。 |

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| 編號 | 章節標題 | 內文標題 | 標的資訊 | 適用基準 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|--------------------------|----------------------|--|---|------|------|---------------|------------------------|----|-----|----|----------------------|------|------|---|----------------------|---|---|------|------------------------|----|-----|----|------------------|------|------|---|----------------------------|---|---|------|--|--|------|------|-------------|------|--|------|---|
| 3 | CH5 永續人才 · 幸福職場 | 5.1.3 員工人權尊重與對待 | <table><tr><th>育嬰留停情形</th><th>男</th><th>女</th><th>總計</th></tr><tr><td>2021 年具有育嬰留停申請資格人數 (A)</td><td>0</td><td>2</td><td>2</td></tr><tr><td>2021 年實際申請育嬰留停人數 (B)</td><td>0</td><td>2</td><td>2</td></tr><tr><td>2021 年預計育嬰留停回任人數 (C)</td><td>0</td><td>2</td><td>2</td></tr><tr><td>2021 年實際申請育嬰留停回任人數 (D)</td><td>0</td><td>2</td><td>2</td></tr><tr><td>2020 年育嬰回任人數 (E)</td><td>1</td><td>0</td><td>1</td></tr><tr><td>2020 年育嬰回任後持續工作满 1 年人數 (F)</td><td>1</td><td>0</td><td>1</td></tr><tr><td>回任率 (D / C)</td><td></td><td>100%</td><td>100%</td></tr><tr><td>留停率 (F / E)</td><td>100%</td><td></td><td>100%</td></tr></table> | 育嬰留停情形 | 男 | 女 | 總計 | 2021 年具有育嬰留停申請資格人數 (A) | 0 | 2 | 2 | 2021 年實際申請育嬰留停人數 (B) | 0 | 2 | 2 | 2021 年預計育嬰留停回任人數 (C) | 0 | 2 | 2 | 2021 年實際申請育嬰留停回任人數 (D) | 0 | 2 | 2 | 2020 年育嬰回任人數 (E) | 1 | 0 | 1 | 2020 年育嬰回任後持續工作满 1 年人數 (F) | 1 | 0 | 1 | 回任率 (D / C) | | 100% | 100% | 留停率 (F / E) | 100% | | 100% | GRI 401-3 育嬰假 a. 按性別劃分，享有育嬰假的員工總數。 b. 按性別劃分，實際使用育嬰假的員工總數。 c. 按性別劃分，休完育嬰假後，在報導期間復職的員工總數。 d. 按性別劃分，休完育嬰假且復職後十二個月仍在職的員工總數。 e. 按性別劃分，休完育嬰假後復職和留任的員工比例。 |
| 育嬰留停情形 | 男 | 女 | 總計 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 年具有育嬰留停申請資格人數 (A) | 0 | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 年實際申請育嬰留停人數 (B) | 0 | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 年預計育嬰留停回任人數 (C) | 0 | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2021 年實際申請育嬰留停回任人數 (D) | 0 | 2 | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 年育嬰回任人數 (E) | 1 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2020 年育嬰回任後持續工作满 1 年人數 (F) | 1 | 0 | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 回任率 (D / C) | | 100% | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 留停率 (F / E) | 100% | | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | CH5 永續人才 · 幸福職場 | 5.2.1 多元教育訓練與全員成長 | <table><tr><th>人次與時數</th><th>男-時數</th><th>女-時數</th><th>每名員工接受訓練的平均時數</th></tr><tr><td>一般同仁</td><td>54</td><td>151</td><td>73</td><td>147</td><td>4.38</td></tr><tr><td>基層主管</td><td>6</td><td>12</td><td>1</td><td>1</td><td>1.44</td></tr><tr><td>中階主管</td><td>36</td><td>107</td><td>20</td><td>57</td><td>7.13</td></tr><tr><td>高階主管</td><td>5</td><td>13</td><td>1</td><td>3</td><td>2.67</td></tr></table> <p>註：平均時數以 2021 年 12 月 31 日各類別員工總數計算</p> | 人次與時數 | 男-時數 | 女-時數 | 每名員工接受訓練的平均時數 | 一般同仁 | 54 | 151 | 73 | 147 | 4.38 | 基層主管 | 6 | 12 | 1 | 1 | 1.44 | 中階主管 | 36 | 107 | 20 | 57 | 7.13 | 高階主管 | 5 | 13 | 1 | 3 | 2.67 | GRI 404: 訓練與教育 報導組織應報告以下資訊： a. 就下列劃分，組織員工在報導期間內接受訓練的平均時數： i. 性別； ii. 員工類別。 | | | | | | | | |
| 人次與時數 | 男-時數 | 女-時數 | 每名員工接受訓練的平均時數 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 一般同仁 | 54 | 151 | 73 | 147 | 4.38 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 基層主管 | 6 | 12 | 1 | 1 | 1.44 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 中階主管 | 36 | 107 | 20 | 57 | 7.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 高階主管 | 5 | 13 | 1 | 3 | 2.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | CH3 永續創新 · 綠色智能 | 3.3.1 客戶滿意度 | 於 2021 年未有侵犯客戶隱私權或遺失客戶資料有關的投訴。 | GRI 418: 客戶隱私 報導組織應報告以下資訊： a. 按以下分類，說明已證實之投訴屬於侵犯客戶隱私的總數： i. 來自外部各方並經由組織已證實的投訴； ii. 來自監管機關的投訴。 b. 經證實之資訊洩露、失竊或遺失客戶資料事件的總數。 c. 如果組織未認定任何的投訴，簡要陳述此一事實即可。 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |



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