



# 2023

SUSTAINABILITY  
REPORT



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# About this Report

Foxtron Vehicle Technologies Co., Ltd. (below, "Foxtron", "the Company", or "Us") issued our first Sustainability Report in 2024. As a leading company in the electric vehicle industry, we are committed to promoting sustainable development and disclosing sustainability information to all stakeholders. By doing this, we help realize the Company's vision of "Accelerated adaptation of electric vehicles through the Open EV Platform". Foxtron will continue to publish a sustainability report annually in the future to strengthen our information disclosure in the areas of governance, environment, and society.

## Reporting Scope

The reporting period for Foxtron's 2023 Sustainability Report is from January 1, 2023, to December 31, 2023. Unless otherwise specified in this Report, the scope of disclosure only includes the Company itself, and excludes any entities, businesses, or organizations directly or indirectly controlled by the Company (i.e., affiliated companies). The total revenue data for 2023 in this Report is consistent with the scope of the 2023 Financial Report. As this is the first issuance of the sustainability report, there is no comparison for major changes in the Company's information with previous years.

## Management Approach and External Assurance

The Foxtron Sustainable Development Promotion Office compiles a variety of data that has been reviewed at multiple levels by departmental supervisors and approved by senior management. Finally, the Board of Directors confirms the disclosed sustainability-related information. The Sustainable Development Promotion Office is responsible for drafting this Report. The Company has engaged PwC Taiwan to conduct an independent limited assurance on the specific indicators and text in this Report, in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. Please refer to this Report's Appendices for the assurance report.

## Reporting Guidelines

The information disclosed in this Report is compiled based on the latest GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI). A Global Reporting Initiative Index is attached at the end of this Report for stakeholder cross-reference. This Report's statistical data and information are derived from Foxtron's own investigations and statistics from daily operational management across all departments. They are expressed in accordance with local regulatory requirements, international common indicators, industry standards, and industry practices.

## Issuance of the Report

Foxtron publishes a sustainability report annually, with this year being the first issuance. To support paperless operations, this Report is disclosed electronically on the Company's website for stakeholders to view.

Current issue: Published in August 2024 | Next issue: Expected to be published in August 2025

## Feedback

If you have any comments or suggestions regarding this Report, we welcome you to share your valuable feedback with us. Contact details are as follows:

Foxtron Sustainable Development Promotion Office  
 Address: 7F., No. 26, Baogao Rd., Xindian District, New Taipei City  
 Phone: (02) 5590-6168 ext.1051  
 Email: [Hsuan.TH.Lin@foxtronev.com](mailto:Hsuan.TH.Lin@foxtronev.com)

# Letter from the Chairman

Since Foxtron's establishment in 2020, and through the teamwork and efforts of all our employees, we have independently developed and mass-produced several electric vehicle models. For this, we have gained attention from various sectors of society and support from our clients. In 2023, Foxtron was listed on the Taiwan Innovation Board (TIB), marking a major milestone in the Company's development. As Foxtron continues to grow, we deeply understand that, in addition to investing in operations and technological research and development (R&D), it is also crucial that we fulfill our role as a corporate citizen and shoulder our corporate social responsibilities. Therefore, with a spirit of gratitude and giving back, we follow Hon Hai Technology Group's philosophy of "Sustainable Operations = EPS + ESG" to formulate our sustainable development policy. We aim to fulfill our corporate social responsibilities and obligations, thereby achieving sustainable corporate operations.

Foxtron continues to take actions across the three dimensions of ESG: Environmental, Social, and Governance. In the Environmental aspect, we uphold the vision of "Accelerated adaptation of electric vehicles through the Open EV Platform". Based in Taiwan with a global vision, we collaborate with industry partners to continuously introduce zero-emission electric vehicles to the market. We have formulated the Social and Environmental Sustainability Commitment and our Supply Chain Management Policy to clarify the sustainable direction of promoting zero-emission with our partners. In 2023, Foxtron adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework, carried out the greenhouse gas (GHG) emissions inventories for Scope 1 and Scope 2, and obtained third party assurance. We have also set short-, mid-, and long-term carbon reduction targets, aiming to realize the 2030 and 2050 Net Zero Emissions goals for our office, service, and production site. In terms of the Social aspect, We firmly believe that the health and safety of all employees form a keystone for Foxtron development. Through measures such as the guarantees offered by our Foxtron Human Rights Policy and by our Occupational Safety and Health Policy; talent referral and employee performance incentive programs; annual health checkup; and our welfare committee system, we aim to create a safe environment where all employees can work with peace of mind. In the Governance aspect, we have identified our first material annual sustainability topics and formulated corresponding management approaches, in accordance with GRI standards. We have also incorporated sustainability-related indicators into managers' annual performance evaluations.

Looking ahead, Foxtron will continue to promote sustainable operations, adhering to the business philosophy of "Integrity, Professional, and Openness". We aim to infuse positive energy into society, actively respond to the demands and expectations of all stakeholders, and build competitiveness in sustainability for the Company.

Foxtron Vehicle Technologies Co., Ltd.

Chairman

*Young Liu*



# 2023 Highlights

## Environmental

# E

- **TCFD** implementation  
Conducted comprehensive assessment of climate-related risks and opportunities Identified **3** material climate issues
- **GHG Management**  
Implemented Scope **1 & 2** GHG inventories and obtained assurance
- **Generating Energy • Storing Energy • Saving Energy**  
Upgraded to **Energy-saving Equipment**  
Installed **Renewable Energy Devices**  
Total investment of **NTD 5,106,741**
- **Net Zero Emission** goals  
**Green Electricity** to constitute  $\geq 50\%$  by 2030  
Net Zero Emissions in all offices by **2030**  
Net Zero Emissions for all service and production sites by **2050**

## Social

# S

- **Foxtron Human Rights Policy** formulated  
**No Occurrence** of discrimination, use of child labor, or forced labor at any Foxtron operating site
- **Internal Employee Referral Program**  
40 employees recommended **45 Talents** to the Company  
Totaling **NTD 1,504,000** in referral bonuse
- **Outstanding Engineer Cultivation Program**  
Identified exceptional graduate students from universities  
Benefited 5 people with **NTD 174,667** in scholarships
- **Internal Performance Evaluations**  
738 employees evaluated, for performance evaluation rate of **94.25%**
- **Occupational Safety and Health Policy** formulated  
21 self-inspections for hidden hazards and 9 joint safety and health inspections with contractors; identified 29 hazards, all of which were improved, for a **100%** improvement rate
- **Accident-free Work Hours Record Competition**  
**1,352,744** accident-free work hours as of the end of December 2023
- **Employee Health Check-up** that are **Superior to Regulation**  
584 participants, for a total examination rate of **96%**
- **Industry-Academia Collaboration**  
Collaborated with **NTU's System Optimization Laboratory**  
CarSim Vehicle Parameter Calibration Process Study  
Invested **NTD 750,000** and **20 person-months** of effort  
Interchange with **MCUT's Intelligent Vehicle Research and Development Center**  
"Opportunities and Challenges for the Electric Vehicle Industry in the Context of Global Net-Zero Emission Trends"

## Governance

# G

- **Sustainable Development Promotion Office** established
- **10 Material Sustainability Topics**  
In accordance with the GRI methodology, completed first material sustainability topics identification and formulated corresponding management approaches
- **Corporate Sustainability Development Indicators** incorporated into Company **Managers' Performance Evaluation**
- **Revenue Performance**  
In 2023, revenue growth reached **252.66%**
- **Corporate Governance** results  
**100%** Director attendance rates for the Board of Directors, Audit Committee, and Remuneration Committee  
Board of Directors' self-assessment averaged **4.60 Points**, with results rated **Excellent**
- Obtain **ISO Certification**  
**ISO 9001** Quality Management System certification  
**ISO 26262** Road Vehicle - Functional Safety Standard certification  
**No Violations** of health and safety regulations related to products/services
- **Information Security**  
**99%** Pass rate for online awareness course  
**No Occurrence** of information security incidents  
**No Occurrence** of unethical behavior or customer privacy breach incidents
- **Supply Chain Management** performance  
Formulated **Supply Chain Management Policy** & **Social and Environmental Sustainability Commitment**
- **Commercial Vehicle** performance  
Ministry of Economic Affairs 32nd Taiwan Excellence Gold Award  
**MODEL T** awarded 2024 Taiwan Excellence Gold Award
- **Passenger Vehicle** performance  
43rd Bangkok International Motor Show (BIMS)  
**Model C** awarded Best Energy-Saving SUV  
**Model E** awarded Best Concept Sedan
- **Zero-emission Electric Vehicle** development  
Obtained **78** patents in Taiwan, China, and the United States

# 01

## Sustainable Operations for a Shared Future

### Content /

1.1 Introduction

1.2 Sustainable Governance  
Structure

1.3 Stakeholder Communication and  
Material Topic Analysis

### 2023 HIGHLIGHTS /

- **Sustainable Development Promotion Office** established
- **10 Material Sustainability Topics**  
In accordance with the GRI methodology, completed first material sustainability topics identification and formulated corresponding management approaches



# 1.1 Introduction

Foxtron Vehicle Technologies Co., Ltd. (below, "Foxtron") was established in November 2020. The Company focuses on the research and development (R&D) of vehicles, management of vehicle and component manufacturing, and the platform of electric vehicle sales and services. Our core competitiveness lies in combining Hon Hai Technology Group's experience and technology in the information and communication technology (ICT) industry with Yulon Group's experience in automotive design, development, and production. We offer technical services for the electric vehicle industry, ranging from Key Vehicle Modules to Vehicle System Integration. Additionally, adopting the Contract Design and Manufacturing Services (CDMS) business model and an open platform operation model (Open EV Platform), we collaborate with the domestic ICT and automotive industries to meet international standards. We continually innovate in the electric vehicle field, promote the popularization of electric vehicles, build the next-generation electric vehicle industry ecosystem, and move toward a future of net-zero transportation.

Company Name	Foxtron Vehicle Technologies Co., Ltd.		
Industry	Automotive Industry	Stock Code	2258.TW
Date Established	November 2020	Headquarters	7F, No. 26, Baogao Rd., Xindian District, New Taipei City
Capital	NTD 17,413,140,000		
Main Business	The Company provide services for the electric vehicle industry, from Key Vehicle Modules to Vehicle System Integration, focusing on the R&D of electric vehicle technology, product design, manufacturing management, sales, and service while offering electric vehicle products, platforms, systems, and components and other products.		
Chairman	Young Liu	CEO	Andy Lee
Main Operating Regions	Taiwan	Main Markets	Taiwan; Southeast Asia; North America
2023 Revenue	NTD 1,043,992,000	Number of Employees	783 (Taiwan)

## Product Value Chain

The upstream of the Company's product supply chain consists of semiconductor and automotive electromechanical material suppliers, as well as process consumable suppliers. They provide semiconductor and automotive batteries, motors, automotive components R&D and production, and mold procurement. The midstream involves the Company conducting technology R&D, assembling and selling key components, and assembling test vehicles, after which the manufacturing and production of vehicles are commissioned to OEMs (such as Yulon and Shung Ye Motors). Once production is complete, we collaborate with downstream distributors and automotive-related entities to assist in the sale of vehicles, customer service, and the sale of components on automotive platforms. This also includes logistics, distribution, and after-sales service. For more information on the Company's product supply chain management, please refer to "[3-3 Sustainable Supply Chain Management](#)".

	Upstream	Midstream	Downstream
<b>Supply Chain</b>			
Supplier type	Semiconductor, battery, electric motor, and automotive component manufacturers and suppliers	The Company and OEM	Distributors / Customers
Supply chain activities	<ul style="list-style-type: none"> <li>Procurement of semiconductors, batteries, electric motors, automotive-related components, and molds</li> </ul>	<ul style="list-style-type: none"> <li>Vehicle design and technology R&amp;D</li> <li>Vehicle assembly</li> <li>Vehicle testing and verification</li> <li>Sales of after-sales service parts for vehicles</li> </ul>	<ul style="list-style-type: none"> <li>Sales of vehicles</li> <li>Sales of components</li> <li>Customer service</li> </ul>
Quantitative data	<b>177</b> suppliers	<b>2</b> suppliers	<b>6</b> suppliers

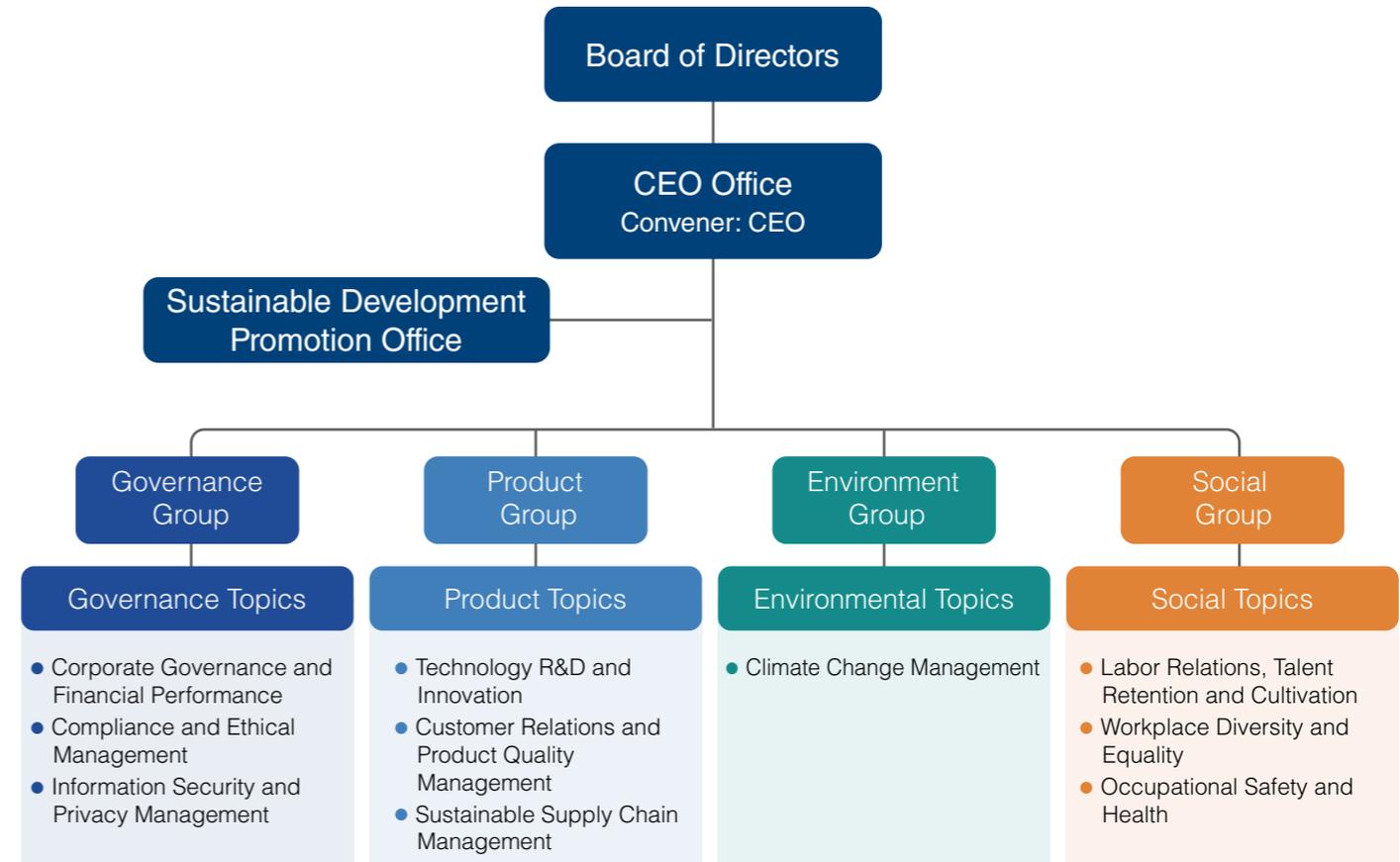
# 1.2 Sustainable Governance Structure

## 1.2.1 Sustainable Development Promotion Organization

Foxtron established the Sustainable Development Promotion Office (below "the Office") in 2023, with CEO Andy Lee serving as the convener. The CEO Office's Assistant Vice President and employees are core members of the Office. The Office is divided into four functional groups: the Governance Group, Product Group, Environment Group, and Social Group. The Office serve as a cross-departmental communication platform for vertical integration and horizontal coordination. Through meetings and issue-oriented discussions, the Office assists in identifying and collecting various sustainability issues within its functional groups.

As the core unit for promoting sustainable development within the Company, the Sustainable Development Promotion Office is responsible for planning and revising the Company's sustainability-related systems and policies, identifying and managing sustainability-related topics and their positive and negative impacts on organizational operations. The office also regularly tracks and evaluates the progress of sustainability-related projects and assists in supervising the project implementation and effectiveness of the four functional groups under its jurisdiction. The office ensures that the Company's sustainability performance is disclosed annually in the sustainability report to ensure that various sustainability strategies are fully implemented in the Company's daily operations. Since 2024, the Office will report (at least once a year) to the Board of Directors on the implementation results of the Company's sustainable development projects and ESG work progress. The Board of Directors will supervise the Company's sustainable management strategies while the Office will seek guidance from the Directors.

Sustainable Governance Structure



## 1.2.2 Corporate Spirit and Vision



### Business Philosophy and Corporate Culture

Integrity, Professional, and Openness



### Corporate Vision

Accelerated adaptation of electric vehicles through the Open EV Platform



### Core Corporate Values

Using Open Platforms to Enable Collaborations & Collective Wisdom, lowering down time to market and formulate the economy of scale



## 1.2.3 Responding to the United Nations Sustainable Development Goals (SDGs)

As a pioneer in Taiwan's electric vehicle industry, Foxtron actively responds to the United Nations Sustainable Development Goals (SDGs). We have identified 8 SDG goals and their specific targets that are most relevant to our business characteristics. Utilizing our core competencies and related resources, we undertake corresponding actions and responses.

SDGs	SDG Targets	Responses and Actions	Section on ESG Strategies (for details, refer to corresponding section)
	3.4 Reduce mortality from non-communicable diseases and promote mental health 3.6 Reduce road traffic accidents 3.9 Reduce diseases and deaths caused by hazardous chemicals and pollution	<ul style="list-style-type: none"> <li>Occupational injury and disease prevention</li> <li>Health promotion actions</li> </ul>	3.2 Customer Relations and Product Quality Management 4.4 Occupational Safety and Health
	4.3 Ensure equal access to affordable, vocational, and high-quality education 4.4 Increase the number of people with relevant financial success skills	<ul style="list-style-type: none"> <li>Scholarships</li> <li>Industry-Academia Collaboration</li> <li>Outstanding engineers</li> </ul>	4.1 Labor Relations and Talent Retention 4.3 Talent Cultivation and Development
	8.2 Diversify, innovate, and upgrade economic productivity 8.3 Promote policies that support job creation and enterprise growth 8.5 Achieve full employment and equal pay for equal work 8.6 Promote youth employment, education, and training 8.7 End modern slavery, trafficking, and child labor 8.8 Protect labor rights and promote safe working environments	<ul style="list-style-type: none"> <li>Business performance</li> <li>Remuneration policy</li> <li>Employee benefits</li> <li>Diverse talent recruitment channels</li> <li>Human rights policy</li> </ul>	2.1 Business Management 4.1 Labor Relations and Talent Retention 4.2 Workplace Diversity and Equality 4.4 Occupational Safety and Health

SDGs	SDG Targets	Responses and Actions	Section on ESG Strategies (for details, refer to corresponding section)
	9.5 Enhance research and improve industrial technology 9.B Support domestic technology development and industry diversification	<ul style="list-style-type: none"> <li>Innovation culture and R&amp;D policy</li> <li>Innovation and R&amp;D achievements</li> <li>Intellectual property rights</li> <li>Local procurement mechanism</li> </ul>	3.1 Technology R&D and Innovation 3.3 Sustainable Supply Chain Management
	10.2 Promote the social, economic and political inclusion of all 10.3 Ensure equal opportunities and eliminate discrimination 10.4 Adopt fiscal and social policies that promote equality	<ul style="list-style-type: none"> <li>Human rights policy</li> <li>Social and environmental sustainability commitment</li> </ul>	4.2 Workplace Diversity and Equality 3.3 Sustainable Supply Chain Management
	11.2 Provide affordable and sustainable transportation systems	<ul style="list-style-type: none"> <li>Innovation and R&amp;D achievements</li> </ul>	3.1 Technology R&D and Innovation
	13.1 Strengthen resilience and adaptive capacity to climate-related hazards 13.2 Integrate climate change measures into policies and planning 13.3 Build knowledge and capacity to respond to climate change	<ul style="list-style-type: none"> <li>Climate change risk Management</li> <li>GHG emissions</li> </ul>	5.1 Climate Change Management
	16.5 Substantially reduce corruption and bribery 16.7 Ensure responsive, inclusive, and representative decision-making 16.B Promote and enforce non-discriminatory laws and policies	<ul style="list-style-type: none"> <li>Board operations</li> <li>Ethical management and risk management</li> </ul>	2.1 Business Management 2.2 Legal Compliance and Ethical Management

# 1.3 Stakeholder Communication and Material Topic Analysis

## 1.3.1 Stakeholder Engagement

Foxtron follows the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES): Dependency, Responsibility, Tension/Attention, Influence, and Diverse Perspectives. We have identified and categorized the following seven types of stakeholders closely related to the Company's operations, including shareholders/investors, customers, employees, government agencies, suppliers/contractors, media, and society.

Stakeholder Type	Importance to Foxtron	Engagement Methods (Communication Channels and Frequency)	Point of Contact and Contact Information	Issues of Concern	Responses (implementation and results)
<p>Shareholders/ Investors</p>	<p>The Company values the transparent disclosure of financial and non-financial information and business decisions to effectively communicate with shareholders / investors, gaining their support for business expansion and development to create value together.</p>	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Occasional investor conferences throughout the year</li> <li>Annual disclosures on the Market Observation Post System (MOPS)</li> <li>Annual publication of the annual report and sustainability report</li> <li>Occasional updates on the Company's website (Investor Relations section)</li> <li>Occasional investor meetings / investor forums</li> </ul>	<p>Contact Person: Gino Wang Email: ir@foxtronev.com</p>	<ul style="list-style-type: none"> <li>Corporate governance and financial performance</li> <li>Legal Compliance and ethical management</li> <li>Information security and privacy management</li> <li>Technology R&amp;D and innovation</li> <li>Climate change management</li> </ul>	<ul style="list-style-type: none"> <li>Held two investor conferences in 2023 (pre-listing performance presentation, themed performance presentation on the Electric Vehicle Industry Chain) to explain the Company's sustainability vision, market positioning, and profitability to shareholders and investors.</li> <li>Held listing ceremony, November 20, 2023.</li> </ul>
<p>Customers</p>	<p>Customers directly impact the Company's market position. The Company continues to develop high-quality products and provide services that exceed customer satisfaction. Constant improvement in patented technology is crucial for the Company's sustainable operations.</p>	<ul style="list-style-type: none"> <li>Occasional ESG sharing sessions and other invited activities</li> <li>Occasional customer visits and external audits</li> </ul>	<p>Contact Person: Gino Wang Email: foxtronev.service@foxtronev.com</p>	<ul style="list-style-type: none"> <li>Corporate governance and financial performance</li> <li>Technology R&amp;D and innovation</li> <li>Information security and privacy management</li> </ul>	<ul style="list-style-type: none"> <li>Participated in 4 exhibitions in 2023:                             <ol style="list-style-type: none"> <li>2023 Autotronics Taipei</li> <li>2023 Tainan Green EXPO</li> <li>2023 SDGs Asia</li> <li>2023 Hon Hai Tech Day</li> </ol> </li> </ul>
<p>Employees</p>	<p>Employees are the key to the Company's performance growth.</p>	<ul style="list-style-type: none"> <li>Quarterly labor-management meetings</li> <li>Employee hotline and dedicated email</li> </ul>	<p>Contact Person: Amy Hsu Email: amy.hsu@foxtronev.com</p>	<ul style="list-style-type: none"> <li>Labor Relations, Talent Retention and Cultivation</li> <li>Workplace diversity and equality</li> <li>Occupational safety and health</li> </ul>	<ul style="list-style-type: none"> <li>Held four labor-management meetings in 2023.</li> <li>Participated in the Accident-free Work Hours Record Competition, accumulating 1,352,744 accident-free work hours by the end of December 2023.</li> <li>Formulated the Foxtron Human Rights Policy.</li> </ul>

Stakeholder Type	Importance to Foxtron	Engagement Methods (Communication Channels and Frequency)	Point of Contact and Contact Information	Issues of Concern	Responses (implementation and results)
 Government Agencies	Government agencies influence the Company's development and competitiveness. Maintaining good relationships with government agencies, complying with regulations, avoiding any form of illegal activities, and actively communicating with government agencies will ensure the Company's operating compliance and sustainability.	<ul style="list-style-type: none"> <li>Occasional official correspondence, emails, and phone communications</li> <li>Occasional participation in automotive policy seminars and regulatory forums</li> </ul>	Contact Person: Cliff Chen Email: cliff.chen@foxtronev.com	<ul style="list-style-type: none"> <li>Corporate governance and financial performance</li> <li>Workplace diversity and equality</li> <li>Compliance and ethical management</li> <li>Labor Relations, Talent Retention and Cultivation</li> <li>Occupational safety and health</li> <li>Climate change management</li> </ul>	<ul style="list-style-type: none"> <li>Government cooperation:                             <ol style="list-style-type: none"> <li>Signed a Letter of Intent with Kaohsiung City Government to establish a branch in Qiaotou Science Park.</li> <li>In support of the government's goal for urban bus electrification by 2030, collaborated with the governments of Kaohsiung, Tainan, Chiayi, Changhua, Taichung, Hsinchu, New Taipei, Taipei, Taitung, and Kinmen to provide 120 Model T electric buses for demonstration projects.</li> </ol> </li> <li>Invited to attend two seminars / forums:                             <ol style="list-style-type: none"> <li>Taipei AMPA 2023 International Smart Vehicle Industry Business Opportunity Exchange Forum.</li> <li>ITRI Generative AI (GenAI) Forum.</li> </ol> </li> </ul>
 Suppliers / Contractors	Suppliers/contractors play a key role in providing the essential raw materials and components for the Company's product and service development. Through supplier / contractor management, we maintain a mutually trusting and cooperative relationship to ensure stable supply quality.	<ul style="list-style-type: none"> <li>Regular business interactions</li> <li>Occasional email and phone communications</li> <li>Occasional supplier quality management (QCDD and SCM) audits / meetings and ESG audits</li> </ul>	Point of contact: Supply Chain Management Department Email: foxtronev.service@foxtronev.com	<ul style="list-style-type: none"> <li>Legal Compliance and ethical management</li> <li>Corporate governance and financial performance</li> <li>Customer relations and product quality management</li> <li>Sustainable supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Formulated the Foxtron Supply Chain Management Policy to ensure stable supply and quality control from suppliers.</li> <li>Developed the Social and Environmental Sustainability Commitment and required both existing and new suppliers to sign it.</li> <li>In 2023, identified 29 hidden hazards (conducted 21 self-inspections for hidden hazards and 9 joint safety and health inspections with contractors).</li> </ul>
 Media	The media serves as a communication bridge between the Company and the public, shaping the public's brand image of the Company, which indirectly affects the Company's sales and market value. Through occasional media exposure, the Company's achievements are publicly disclosed, increasing public trust in the Company.	<ul style="list-style-type: none"> <li>Occasional real-time press releases</li> <li>Occasional latest news updates on the Company's website</li> <li>Occasional media interviews / press conferences / test drive events</li> </ul>	Contact Person: Stanley Chen Email: stanley.yj.chen@foxtronev.com	<ul style="list-style-type: none"> <li>Occupational safety and health</li> <li>Corporate governance and financial performance</li> <li>Customer relations and product quality management</li> <li>Climate change management</li> </ul>	<ul style="list-style-type: none"> <li>Published 9 media communication press releases in 2023, showcasing the Company's operations and future development.</li> <li>Held product launch events, such as for Model C.</li> </ul>
 Society	The Company establishes partnerships with universities, leveraging our expertise to address environmental and social issues. This collaboration aims to inspire students' passion and interest in the electric vehicle industry, nurturing future industry talent while enhancing sustainability awareness on campus, thereby contributing to environmental sustainability.	<ul style="list-style-type: none"> <li>Occasional industry-university collaborations</li> <li>Occasional lectures and recruitment activities on campus</li> </ul>	Contact Person: Cliff Chen Email: cliff.chen@foxtronev.com	<ul style="list-style-type: none"> <li>Technology R&amp;D and innovation</li> <li>Social inclusion</li> </ul>	<ul style="list-style-type: none"> <li>Participated in two industry-university collaboration projects:                             <ol style="list-style-type: none"> <li>Collaborated with the System Optimization Laboratory of the NTU on the CarSim vehicle parameter calibration process research.</li> <li>Invited to the Intelligent Vehicle Research and Development Center at MCUT to share a lecture on "Opportunities and Challenges in the Electric Vehicle Industry Based on Global Net Zero Emissions".</li> </ol> </li> <li>Campus recruitment:</li> <li>Identified outstanding talents from campuses and provided scholarships to master's and doctoral students, benefiting five students in 2023 with scholarships amounting to NTD 174,667.</li> </ul>

## 1.3.2 Material Sustainability Topic Identification Process

The steps for identifying Foxtron's material sustainability topics in 2023 are as follows:

**Step 1:  
Identification**

Following the GRI Universal Standards 2021, material topics are identified based on the principles of inclusivity, materiality, responsiveness, and impact. This involves analyzing environmental and industry trends and considering the latest regulations from regulatory authorities and the material sustainability topics of global automotive peers. Through this process, 13 sustainability issues relevant to the Company's concerns were selected and identified.

**Step 2:  
Impact Assessment**

Identify and analyze the positive and negative impacts of each sustainability topic across four dimensions: governance/economy, product, environment, and society. Design and distribute a material topic survey questionnaire to assess the likelihood and level of the positive and negative impacts of each sustainability issue. Based on the responses from stakeholders, calculate the overall impact scores and rank the sustainability issues in accordance with their impact levels.

**Step 3:  
Confirmation**

Based on the ranking results from the survey, the Company's 10 material sustainability topics for the year were identified. The Sustainable Development Promotion Office reports these topics to the CEO for final confirmation. In addition, the impact boundaries for each material sustainability topic were defined and the corresponding management approach was established.

**Step 4:  
Continuous Review**

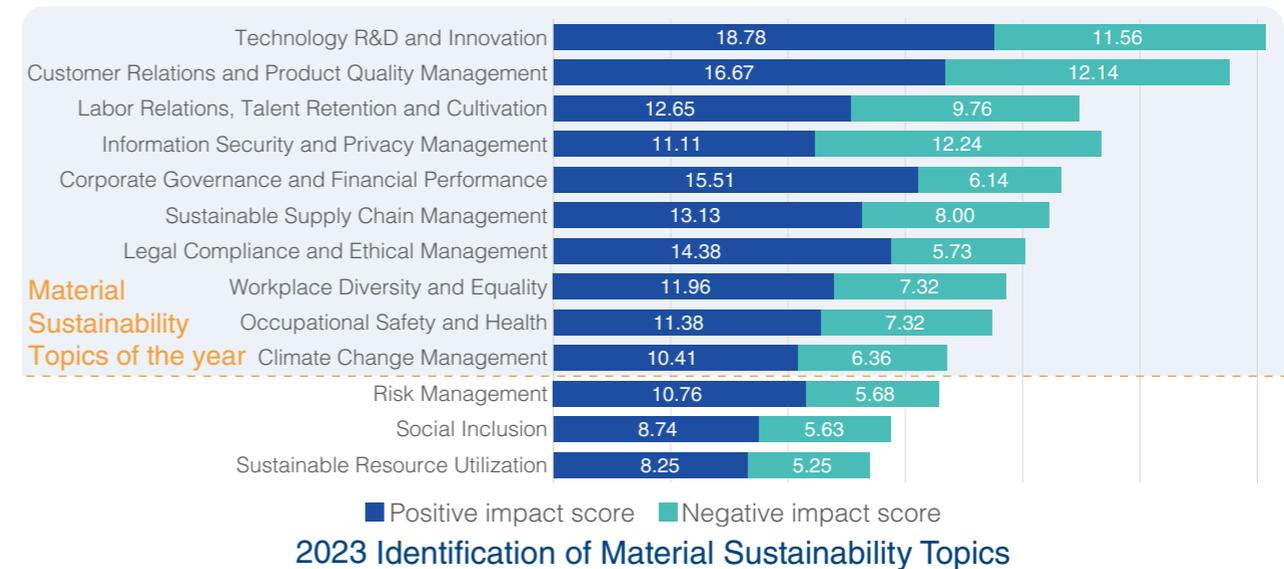
Regularly review the management status and performance of material sustainability topics, and continuously collect feedback from stakeholders on the Company's performance regarding these material sustainability topics. This feedback serves as the basis for improving the Company's sustainability actions in the following year.

## Sustainability Issues of Concern

Governance/ Economic Aspect (G)	Product Aspect (P)	Environmental Aspect (E)	Social Aspect (S)
<ul style="list-style-type: none"> <li>Information Security and Privacy Management</li> <li>Corporate Governance and Financial Performance</li> <li>Legal Compliance and Ethical Management</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Technology R&amp;D and Innovation</li> <li>Customer Relations and Product Quality Management</li> <li>Sustainable Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Climate Change Management</li> <li>Sustainable Resource Utilization</li> </ul>	<ul style="list-style-type: none"> <li>Labor Relations, Talent Retention and Cultivation</li> <li>Workplace Diversity and Equality</li> <li>Occupational Safety and Health</li> <li>Social Inclusion</li> </ul>

## Material Sustainability Topics

Referring to the GRI Universal Standards 2021, Foxtron has identified 13 sustainability issues. Based on the likelihood and level of positive/negative impact on Foxtron in terms of economics, products, environment, and society (including human rights), a chart showing the identified material sustainability topics for 2023 has been created. The ranking of these material sustainability topics is as follows:



## Impact Boundaries of Material Sustainability Topics

Foxtron has analyzed the potential impacts of the 10 material sustainability topics identified for 2023 on both internal and external stakeholders. Referencing the GRI Standards' requirements for specific topics, the corresponding actions and performance are disclosed in the respective sections of the sustainability report. This ensures the Company effectively manages the actual or potential impacts of each sustainability issue.

Rank	ESG Aspect	Material Sustainability Topic	Stakeholders							Specific GRI Standards Topics	Corresponding Section in Report	
			Internal	External								
			Employees	Shareholders/Investors	Clients	Government Agencies	Suppliers/Contractors	Media	Society			
1	P	Technology R&D and Innovation	●	●	●		●			●	Customized topic	CH.3 Open EV Platform and Partner Collaboration
2	P	Customer Relations and Product Quality Management	●		●		●	●			GRI 416-1 GRI 416-2	CH.3 Open EV Platform and Partner Collaboration
3	S	Labor Relations, Talent Retention and Cultivation	●				●				GRI 401-1	CH.4 People-centric, Inclusive and Sharing
4	G	Information Security and Privacy Management	●	●	●						GRI 418	CH.2 Management and Governance
5	G	Corporate Governance and Financial Performance	●	●	●	●	●	●	●		GRI 201-1	CH.2 Management and Governance
6	P	Sustainable Supply Chain Management	●					●			GRI 204-1 GRI 308-1 GRI 308-2 GRI 414-1 GRI 414-2	CH.3 Open EV Platform and Partner Collaboration

Rank	ESG Aspect	Material Sustainability Topic	Stakeholders							Specific GRI Standards Topics	Corresponding Section in Report
			Internal	External							
			Employees	Shareholders/Investors	Clients	Government Agencies	Suppliers/Contractors	Media	Society		
7	G	Legal Compliance and Ethical Management	●	●	●	●	●	●	●	GRI 205-1	CH.2 Management and Governance
8	S	Workplace Diversity and Equality	●			●				GRI 405-1 GRI 405-2	CH.4 People-centric, Inclusive and Sharing
9	S	Occupational Safety and Health	●			●			●	GRI 403	CH.4 People-centric, Inclusive and Sharing
10	E	Climate Change Management	●	●	●	●			●	GRI 201-2 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-6	CH.5 Environment and Green Policy



### 1.3.3 Material Sustainability Topic Management Approach

After reviewing the evaluation and results of material sustainability topics, Foxtron has formulated its sustainability framework and management approach. These include the positive and negative impacts of each topic, commitments and policy advancement, action plans, targets, and effectiveness assessments. The goal is to promote Foxtron's sustainability efforts and related measures to meet stakeholder expectations. By regularly reviewing sustainability performance and reporting on work progress, the Company fulfills its responsibilities in corporate governance, environmental sustainability, and social inclusion. This ensures the alignment of each material sustainability topic with the Company's policies, management, and evaluation, serving as a basis for future improvements. The detailed management approach for Foxtron's 2023 material sustainability topics is as follows:

Material Sustainability Topic	Positive & Negative Impacts	Commitments / Policies	Actions	Targets & Assessments
 Corporate Governance and Financial Performance	The Company must establish a robust and sound governance structure and internal control mechanism to ensure effective supervision of strategy implementation and safeguard the interests of all relevant stakeholders, thereby attracting investors. Conversely, poor governance can affect operating efficiency and increase operating risks.	Foxtron upholds the business philosophy of integrity, professional, and openness. Through information disclosure, transparent control mechanisms, and board supervision of overall operations, the Company implements and strengthens a culture of corporate sustainability governance.  Policies Established by Foxtron: 1. Sustainable Development Best Practice Principles 2. Internal Control System 3. Corporate Governance Best Practice Principles 4. Director and Manager Remuneration Regulations 5. Board and Manager Performance Evaluation Regulations 6. Director Election Rules	1. Implement corporate governance policies, establish comprehensive whistleblowing channels, conduct internal audits, and follow up on findings. 2. Regularly conduct performance evaluations for Directors. 3. Incorporate corporate sustainable development indicators into manager performance evaluations. 4. Increase sales of electric passenger vehicles and electric buses.	<b>Short-term</b> 1. Annually execute an audit plan to assess corporate governance status and performance. 2. Establish a Sustainable Development Promotion Office to regularly report ESG work progress and implementation results to the Board of Directors. 3. Continuously launch new electric vehicle products. 4. Expand the market to achieve stable growth in operations and profitability. <b>Mid- to long-term</b> Enhance communication with external stakeholders and seek diverse investment channels.
 Legal Compliance and Ethical Management	The Company must establish a comprehensive regulatory system for all employees to follow and identify potential negative impact compliance issues early to ensure the sustainable development of the organization. On the other hand, if the Company fails to properly handle violations and penalties, it may incur potential fines, affecting financial performance and even impacting market competitiveness.	Foxtron embeds the philosophy of ethical management into organizational operations and corporate culture to reduce the risk of unethical behavior, enhance corporate reputation, and pursue sustainable business operations.  Policies Established by Foxtron: 1. Ethical Corporate Management Best Practice Principles 2. Procedures for Ethical Management and Guidelines for Conduct 3. Procedures for Handling Material Inside Information 4. Guard Against Insider Trading Operation Procedures 5. Code of Ethical Conduct	1. Establish a dedicated unit for promoting ethics; regularly assess the organization's performance in ethical management; promote educational outreach on ethical management. 2. Include suppliers within the ethical management boundaries to create consistent internal and external ethical values. 3. Establish specific grievance channels (mailbox, hotline) on the Company's website and internal website, and set up a reward and punishment system. In cases of major violations, the dedicated unit should report the details of the violations, handling methods, and subsequent review and improvement measures to the Board of Directors.	<b>Short-term</b> 1. Formulate an ethical management educational training plan each year, incorporating it into the annual in-service and new employee training curriculum. 2. Execute an annual audit plan to regularly review the Company's compliance within the business scope, cooperate with the formulation of anti-corruption measures, and produce reports to monitor and track implementation. <b>Mid- to long-term</b> Zero major violation incidents.

Material Sustainability Topic	Positive & Negative Impacts	Commitments / Policies	Actions	Targets & Assessments
<p>Information Security and Privacy Management</p>	<p>The Company must enhance its information and communication security systems and strengthen customer privacy protection measures to gain stakeholder trust. Conversely, increasing the likelihood of confidential property leaks can cause organizational property losses or legal lawsuits.</p>	<p>Foxtron actively promotes information security policies and management actions to prevent information security incidents and customer privacy breaches, protecting customer rights and ensuring uninterrupted operations for the Company.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>1. Risk and Opportunity Assessment Procedures</li> <li>2. Personal Data Protection Regulations</li> <li>3. Customer Property Management Regulations</li> <li>4. Information Security Manual</li> </ol>	<ol style="list-style-type: none"> <li>1. Employees sign a Confidentiality Agreement, and the Company arranges annual information security training.</li> <li>2. Establish various information security-related policies, such as Information System Security Incident Reporting Procedures, Information Security Manual, and Personal Data Protection Regulations, and regulate that all information disclosed on the Company's external website must be approved by authorized supervisors.</li> <li>3. Promote network security risk management programs, conduct annual internal audits and risk assessments of information security policies, and regularly submit information security reports to the management.</li> </ol>	<p><b>Short-term</b></p> <ol style="list-style-type: none"> <li>1. Promote and implement ISO 27001 Information Security Management System and other risk management mechanisms.</li> <li>2. Ensure information system downtime is less than 1%.</li> <li>3. Hold regular annual information security education and training.</li> </ol> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>1. Regularly review various information security protection policies and measures to ensure they align with changes in the operating environment and adjust as needed.</li> <li>2. Obtain third-party certification for ISO 27001 Information Security Management System.</li> </ol>
<p>Technology R&amp;D and Innovation</p>	<p>The Company should provide diverse low-carbon products and services, expand business scope to meet customer needs, and grow the electric vehicle market. Conversely, failing to continuously develop new products and services will lead to decreased industry competitiveness.</p>	<p>Foxtron is committed to providing low-pollution, long-range, and intelligent electric vehicles, increasing opportunities for collaboration with innovative technology industries, and striving to offer affordable electric vehicles for everyone. Additionally, the Company actively implements patent management to protect intellectual capital and enhance industry competitive advantages.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>1. Organizational Knowledge Management Regulations</li> <li>2. Confidential Drawing Application Procedures</li> </ol>	<ol style="list-style-type: none"> <li>1. Actively develop modular platforms to shorten development timelines. In 2023, the Company launched the Pure Electric SUV (Luxgen n7) .</li> <li>2. Independently develop electric motors to master core electric vehicle technologies.</li> <li>3. In 2023, investment in innovative research and development accounted for 198% of the annual revenue.</li> <li>4. The Company has obtained 78 patents: 35 in Taiwan, 38 in China, and 5. in the United States.</li> </ol>	<p><b>Short to mid- term</b></p> <p>Continue mass production of pure BEVs, aiming to develop one new vehicle model each year, expand market share, and enter international markets.</p> <p><b>Long-term</b></p> <p>Continue to promote technological innovation in Taiwan's electric vehicle industry and create forward-looking products.</p>
<p>Customer Relations and Product Quality Management</p>	<p>By enhancing product and service quality, providing product design support and solutions, the Company can strengthen customer experience and increase customer trust. However, if product quality is poor or major accidents occur, it will impact future sales and overall brand image.</p>	<p>Foxtron values customer relations and product quality. By understanding customer needs and setting high-standard product verification benchmarks, the Company develops quality control policies and measures to pool collective wisdom and provide customized products and services that exceed customer expectations.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>1. Customer Communication Management Regulations</li> <li>2. Customer Satisfaction Management Regulations</li> <li>3. Quality Manual</li> <li>4. Functional Safety Manual</li> <li>5. Prototype Vehicle Operation Procedures for New Model Development</li> <li>6. Vehicle Testing Procedures</li> <li>7. Market Quality Improvement Procedures</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company controls the quality of design, parts, and vehicles and has obtained ISO 9001 Quality Management System and ISO 26262 Road Vehicle Functional Safety certifications.</li> <li>2. Following development and management procedures, the Company ensures quality control in product design, development, and prototyping, and prepares test reports based on issues, holding monthly quality management meetings to ensure internal vehicle testing quality control.</li> <li>3. Conduct annual customer satisfaction surveys, with evaluation items including professional quality, service attitude, speed/timing, etc. The Company will continue to track related performance to improve overall service quality.</li> </ol>	<p><b>Short-term</b></p> <p>Annually conduct surveys in accordance with the Customer Satisfaction Management Regulations, with a target of achieving average customer satisfaction scores of 80% or more.</p> <p><b>Mid- to long-term</b></p> <p>Adhere to the quality policy of Customer Satisfaction, Continuous Improvement, Employee Engagement, continuously improve quality management and vehicle verification technologies, and meet quality evaluation standards.</p>

Material Sustainability Topic	Positive & Negative Impacts	Commitments / Policies	Actions	Targets & Assessments
<p>Sustainable Supply Chain Management</p>	<p>The Company should enhance supply chain resilience through strategies such as supplier diversification, risk management, and ESG integration, thereby reducing potential risks such as supply chain disruptions and delivery delays, and achieving sustainable business operations. Otherwise, it could impact company operations and damage the Company's brand image.</p>	<p>Foxtron commits that suppliers and contractors should comply with local laws and regulations, sign the Social and Environmental Sustainability Commitment, and prioritize purchasing eco-friendly products and services to balance economic and environmental benefits.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>Supply Chain Management Policy</li> <li>Supplier Parts Advanced Quality Planning Management Procedures</li> <li>Supplier Quality Assurance Manual</li> <li>Social and Environmental Sustainability Commitment</li> </ol>	<ol style="list-style-type: none"> <li>Formulate the Supply Chain Management Policy and the Social and Environmental Sustainability Commitment, and require both existing and new suppliers to comply and sign.</li> <li>To meet vehicle quality and health safety standards, the Company adopts ISO 12219-1 Vehicle Interior Air Quality and Restriction of the use of Hazardous Substance, requiring suppliers to commit to using eco-friendly materials and products.</li> </ol>	<p><b>Short-term</b> Continuously promote and implement the signing of the Social and Environmental Sustainability Commitment for suppliers, increasing the signing rate.</p> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>Gradually include corporate social responsibility clauses in supplier contracts.</li> <li>Implement the Supply Chain Management Policy, practice the declarations in the Social and Environmental Sustainability Commitment, and establish an ESG risk assessment mechanism to enhance the overall ESG level of the supply chain.</li> </ol>
<p>Labor Relations, Talent Retention and Cultivation</p>	<p>The Company should establish comprehensive employee career development plans, create objective and fair evaluation mechanisms, and conduct regular employee satisfaction surveys to cultivate high-quality talent, understand employee needs, and enhance employee recognition of the Company. This, in turn, increases employee retention rates and ensures the continuous development of the organization. Conversely, failure to do so will directly impact operating efficiency, operating costs, and industry competitiveness.</p>	<p>Foxtron values technological talent, as well as fair and just hiring practices, providing employees with professional training and development opportunities, along with competitive compensation and benefits to meet employee expectations.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>Employee Stock Option Issuance and Subscription Regulations</li> <li>Internal Talent Referral Bonus Regulations</li> <li>Improvement Proposal Regulations</li> <li>Outstanding Engineer Cultivation Regulations</li> <li>New Employee Orientation Handbook</li> <li>Employee Performance Evaluation Regulations</li> </ol>	<ol style="list-style-type: none"> <li>Establish regular communication channels with employees.</li> <li>Implement an internal employee referral program to encourage employees to introduce outstanding talent.</li> <li>Issuance of employee stock options.</li> <li>Provide training courses for new and current employees.</li> <li>Implement an annual performance evaluation system.</li> </ol>	<p><b>Short-term</b> Hold annual talent review meetings to discuss, track, and review goal achievement; set targets for employee retention rates and reducing turnover rates.</p> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>Cultivate industry talent, such as establishing professional training programs for internal instructors, internal rotation mechanisms, or management associate mechanisms.</li> <li>Continue to offer compensation or incentive mechanisms superior to industry standards.</li> </ol>
<p>Workplace Diversity and Equality</p>	<p>The Company should foster a fair, just, and inclusive corporate culture to enhance employee loyalty and promote business growth. Otherwise, company will not be able to recruit or retain talented individuals, which will reduce the Company's competitiveness, even affect the company's reputation.</p>	<p>Foxtron provides employees with dignified job opportunities, ensures internal fairness and reasonableness of salary structures, strictly prohibits any form of discrimination, workplace harassment, and illegal activities, and establishes diverse and smooth communication channels to create a diverse, friendly, and inclusive workplace.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>Foxtron Human Rights Policy</li> <li>Sustainable Development Best Practice Principles</li> <li>Proposal Improvement Regulations</li> <li>Regulations for Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace</li> </ol>	<ol style="list-style-type: none"> <li>Set up a 24/7 anonymous hotline and complaint mailbox; formulate complaint and disciplinary regulations, and establish a Complaint Handling Committee to address employee complaints.</li> <li>Formulate and issue the Foxtron Human Rights Policy, strengthening policies and welfare measures for diversity, equality, and inclusion.</li> <li>Comply with regulations by employing seven physically and mentally disabled employees.</li> <li>Respect employee privacy and protect the privacy and security of disclosed employee information in accordance with the Company's Code of Ethical Conduct.</li> </ol>	<p><b>Short-term</b> Prevent risks at each site to avoid incidents that violate the human rights policy, such as discrimination, child labor, forced labor, and any sexual harassment-related events.</p> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>Conduct employee satisfaction surveys to understand employees' perspectives and use their feedback as future improvement actions.</li> <li>Implement plans to create a diverse, equal, and inclusive workplace and talent development programs, and increase the percentage of female employees.</li> </ol>

Material Sustainability Topic	Positive & Negative Impacts	Commitments / Policies	Actions	Targets & Assessments
<p>Occupational Safety and Health</p>	<p>The Company should prioritize and ensure the physical and mental health of employees by strengthening health and safety awareness, implementing occupational safety and health management mechanisms, optimizing the existing workplace safety culture promotion, and managing related risks. This is to protect the safety and health of employees, contractors / suppliers, and enhance corporate social responsibility. Conversely, if occupational accidents occur, the Company may face compensation liabilities, and employee morale may be affected, impacting work efficiency, organizational atmosphere, and increasing operating pressure or even leading to operating interruptions.</p>	<p>Foxtron values workplace safety and is committed to "Zero Injuries, Zero Accidents". The Company has established safety control mechanisms, and actively improves and implements relevant measures to create a safe and healthy workplace environment and corporate culture.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>Occupational Safety and Health Policy</li> <li>Occupational Safety and Health Management Plan</li> <li>Rules for Labor Safety and Health</li> <li>Prevention Plan for Unlawful Infringement in the workplace</li> </ol>	<ol style="list-style-type: none"> <li>Formulate the Foxtron Occupational Safety and Health Policy, conduct internal occupational accident statistics for the concerned department and Human Resources department, and regularly hold safety and health agreement meetings with contractors, execute contractor safety and health inspections, and follow up on improvement performance.</li> <li>In 2023, 772 new and current employees completed general safety and health educational training on the Intelligent Cloud platform and passed the tests.</li> <li>In 2023, 28 employees participated in safety and health, firefighting specialized certifications, and retraining.</li> <li>To promote employee health, the Company organized stress-relief massages, fatigue relief sessions, and workplace cancer screenings to reduce work injuries and prevent occupational diseases.</li> <li>Held two online health seminars in March and October 2023.</li> <li>Participated in the Accident-free Work Hours Record Competition, achieving 1,352,744 accident-free work hours by the end of December 2023.</li> </ol>	<p><b>Short-term</b> Promote and implement ISO 45001 Occupational Health and Safety Management System, aiming for zero injuries and zero accidents, and establish a safe and healthy working environment.</p> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>Monitor and manage through comprehensive occupational safety and health policies and related measures, regularly hold management review meetings to discuss and review how to continuously enhance occupational health and safety performance, aiming to achieve zero major occupational accidents.</li> <li>Obtain third-party certification for ISO 45001 Occupational Health and Safety Management System.</li> </ol>
<p>Climate Change Management</p>	<p>The Company should enhance its climate resilience and adaptation capabilities to reduce financial impacts and meet stakeholder expectations. Additionally, the Company should develop low-carbon products to respond to climate change and create business opportunities. If the Company fails to actively manage climate change transition issues, it will not only exacerbate climate change impacts but may also face penalties from regulatory authorities, affecting investor willingness to invest and reducing the Company's revenue.</p>	<p>Foxtron is committed to mitigating climate change, assessing the impact of climate change on operations, and formulating related climate strategies to improve carbon reduction performance. The Company also actively develops low-carbon and high-efficiency products to promote the popularization of electric vehicles.</p> <p>Policies Established by Foxtron:</p> <ol style="list-style-type: none"> <li>Sustainable Development Best Practice Principles</li> <li>Social and Environmental Sustainability Commitment</li> </ol>	<ol style="list-style-type: none"> <li>Introduce a climate risk and opportunity identification mechanism.</li> <li>Conduct an inventory of the organization's GHG emissions and obtain a third-party GHG assurance report.</li> <li>Gradually phase out gasoline company cars and start registering new electric vehicles since October 2023.</li> <li>Installing energy storage and energy-saving equipment: Install LED lights at the Xindian headquarters and build solar power generation devices on the rooftop.</li> </ol>	<p><b>Short-term</b></p> <ol style="list-style-type: none"> <li>Sell low-carbon, high-efficiency products, with the goal of reducing carbon emissions by approximately 20,000 tons in 2024.</li> <li>Transition company cars from gasoline to electric vehicles.</li> </ol> <p><b>Mid- to long-term</b></p> <ol style="list-style-type: none"> <li>Install energy storage equipment in existing office and operating sites, increase the procurement of green electricity, and plan to introduce management systems such as ISO 50001 Energy Management System.</li> <li>Plan to obtain Green Building Label for new construction sites.</li> <li>Achieve Net Zero Emissions for all offices by 2030; achieve Net Zero GHG Emissions for all service and production sites by 2050.</li> </ol>

\* No activities or business practices involving negative impacts have occurred for any material sustainability topics this year.

# 02

## Management and Governance

### Content /

- 2.1 Business Management
- 2.2 Legal Compliance and Ethical Management
- 2.3 Information Security and Privacy Management

### Material Sustainability Topics /

- Corporate Governance and Financial Performance
- Legal Compliance and Ethical Management
- Information Security and Privacy Management

Corresponding  
SDGs /



# 2023 HIGHLIGHTS

## Revenue Performance

In 2023, revenue growth reached **252.66%**

## Corporate Sustainability Development Indicators incorporated into Company **Managers' Performance Evaluations**

## Corporate Governance results

**100%** Director attendance rates for the Board of Directors,  
Audit Committee, and Remuneration Committee  
Board of Directors' self-assessment averaged **4.60 points**,  
with results rated **Excellent**

## Information Security

**99%** Pass rate for online awareness course  
**No Occurrence** of information security incidents  
**No Occurrence** of unethical behavior or customer privacy  
breach incidents

# 2.1 Business Management

GRI 201

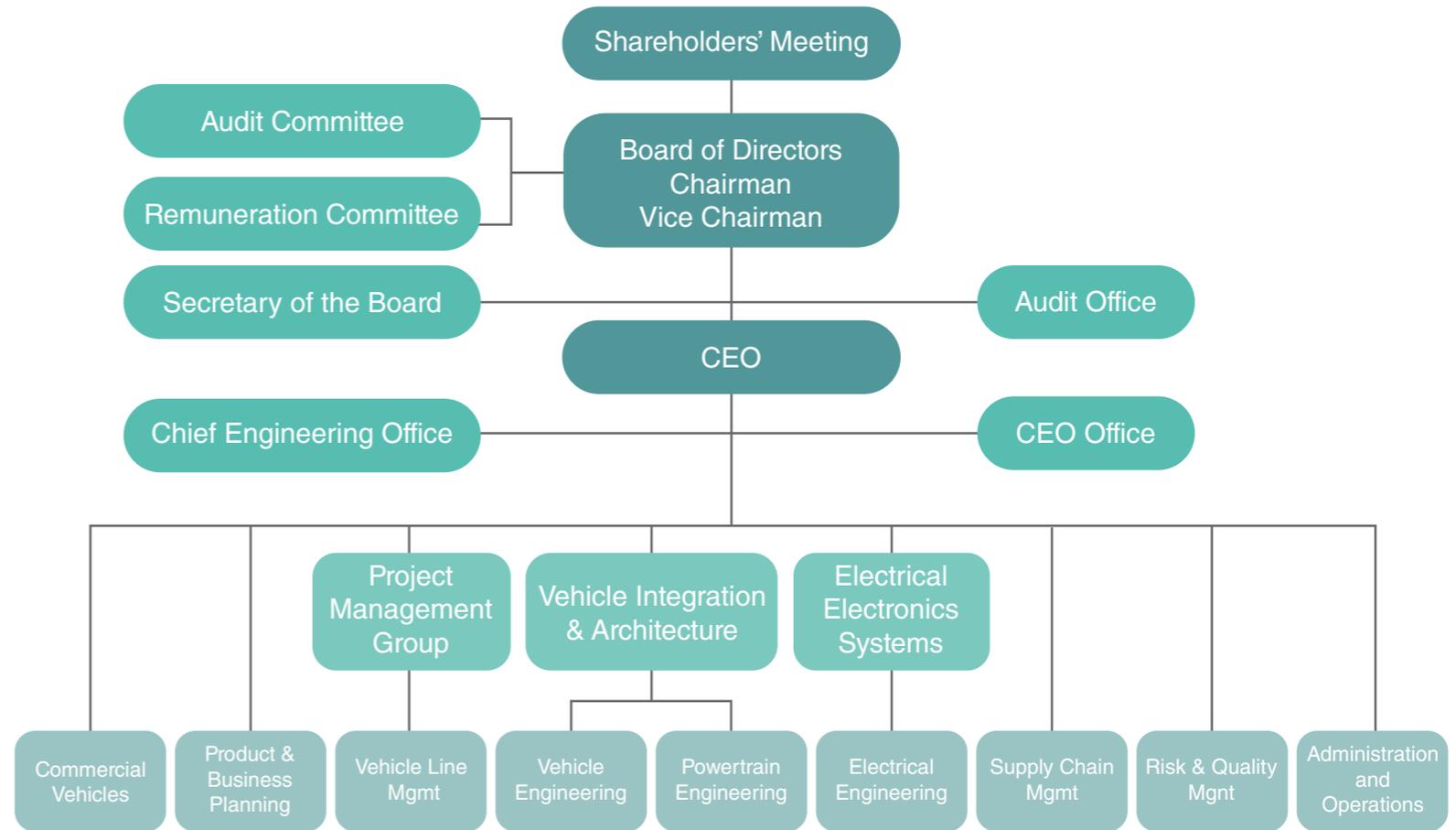


Foxtron upholds the principles of ethics and professionalism in our operations, continuously establishing sound corporate governance policies and integrating them into daily risk management systems. **Since the Company's establishment and up to the publishing date of this Report, no negative incidents have occurred that would impact the Company's corporate image.**

## 2.1.1 Organizational Structure of the Company

Foxtron has established a comprehensive organizational structure. The Company's overall business plan is overseen by the Board of Directors, which also implements shareholder meeting resolutions. To ensure the efficiency and soundness of the Board's operations, the Company has established an independent Audit Committee and a Remuneration Committee to enhance the Board's effective functioning. In addition, the Audit Office is responsible for executing internal control audits, providing improvement recommendations, and tracking suggestions to the Board of Directors to mitigate actual and potential risks while maintaining the daily operations of the organization.

Daily business management is handled by the CEO of the Company, who reports directly to the Board of Directors. Under the CEO, there are two main offices: the CEO Office and the Chief Engineering Office, responsible for new businesses development, future policy development, and research on advanced technologies. The operations of the Company's business divisions are carried out soundly under the leadership of the CEO. The three major business groups (Project Management Office, Vehicle Integration & Architecture, and Electrical Electronics Systems) demonstrate that the Company possesses adequate R&D capabilities and human resource allocation, ensuring the quality of product delivery and agility in timely adjustments.



## 2.1.2 Board Operations

The highest governance body of Foxtron is the Board of Directors. To enhance the effectiveness of Board operations, the Board has established two functional committees, the Audit Committee and the Remuneration Committee, to ensure the effectiveness of policy formulation and implementation regarding compensation and internal controls. On October 17, 2023, Foxtron completed election of our second-term Board of Directors. During 2023, a total of nine Board meetings were held (six meetings of the first-term Board of Directors and three meetings of the second-term Board of Directors), with an overall attendance rate of 100%.

### Board Composition and Expert Knowledge

The second-term Board of Directors of Foxtron consists of nine Directors, who assumed office on October 17, 2023, for a three-year term. The Company adheres to the principle of appointing Board members based on their expertise. In accordance with the Director Election Rules and the Corporate Governance Best Practice Principles, the composition of the Board must consider the diversity of its members (such as gender, age, nationality, and culture) and their interdisciplinary professional backgrounds. In response to gender equality trends, three out of the nine Board members are women. Detailed information on the diverse industry backgrounds and professional expertise of the Board members can be found in the [Director profiles](#) on the Company's website.

In 2023, the Board members participated in training courses covering topics such as global political and economic strategies, sustainability risk trends and response strategies, strengthening information security governance strategies, and practical regulations on insider trading. Each member completed at least three hours of training, fully complying with the Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.

Foxtron's  
Director  
profiles



### Specific Management Objectives of Foxtron's Board Diversity Policy

The members of the Company's Board of Directors must possess the required abilities (see right column):

- ✓ Individual Directors must possess at least **5** of the above ability.
- ✓ At least **3** Directors among all Board members must possess any one of the abilities.

1. Operating judgement ability
2. Accounting and financial analysis ability
3. Operating and management ability
4. Crisis management ability
5. Industrial knowledge
6. International market perspective
7. Leadership
8. Decision-making ability

### Board Independence

Foxtron values the ability of Board members to make independent judgments free from external conflicts of interest. Among the nine Board members, there are four Independent Directors, accounting for 44%. In addition, the Company has a policy that requires more than half of the Board members shall not have spousal or second-degree kinship relationships. The Company also strictly adheres to the regulations on independence outlined in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The Company has also established conflict of interest avoidance clauses in the Rules of Procedure for Board of Directors Meetings. When a Director encounters a conflict of interest, they are prohibited from participating in the discussion and voting on the proposal and cannot exercise voting rights on behalf of other Directors. **Foxtron's Directors adhere strictly to these avoidance principles, and no lawsuits or illegal incidents occurred during 2023.**

### Board Member Gender Distribution

Gender	Male	Female	Total
Number of People	6	3	9
Percentage	67%	33%	100%

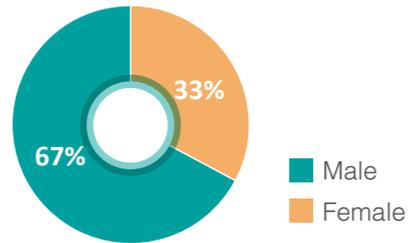
### Board Member Age Distribution

Age Group	41-50	51-60	61-70	71-80	Total
Number of People	1	2	5	1	9
Percentage	11%	22%	56%	11%	100%

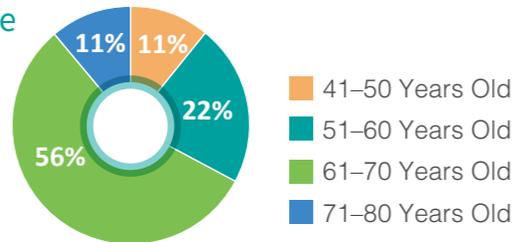
### Board Member Independence

Independence	Independent Directors	Non-Independent Directors	Total
Number of People	4	5	9
Percentage	44%	56%	100%

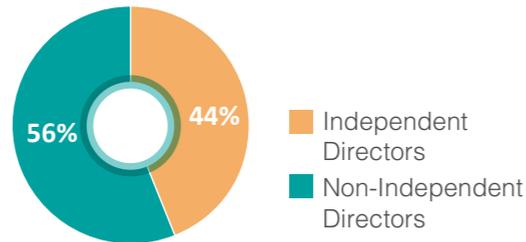
### Board Member Gender Distribution



### Board Member Age Distribution



### Board Member Independence



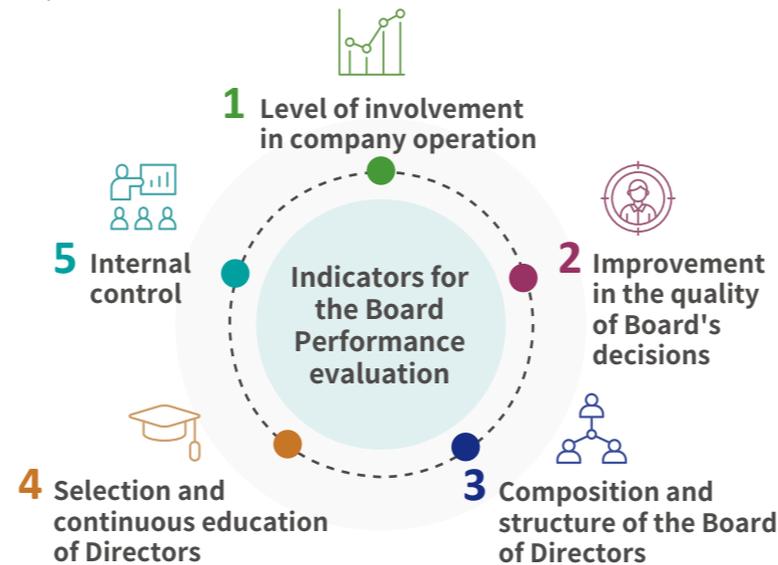
### Board Nomination and Selection

The election of the Company's Directors follows the Director Election Rules approved by the shareholders' meeting, adopting a candidate nomination system and cumulative voting system. The establishment and selection process of Independent Directors also comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Additionally, the selection and evaluation criteria for all Board members must adhere to the Company's internal independence and diversity policies. Furthermore, none of Foxtron's Directors hold employee status within the Company, and Chairman Young Liu did not concurrently hold any senior management positions in the Company during 2023.

### Board Performance Evaluation

Foxtron has established the Board and Manager Performance Evaluation Regulations to assess the performance of Directors and managers. The evaluation scope includes the overall Board of Directors (including individual Directors and the performance of each functional committee). The evaluation regulations specify that performance evaluations must be conducted at least once a year and that the evaluation results must be reported to the Board of Directors before the end of the first quarter of the following year.

Indicators for the Board performance evaluation include the following five aspects:



In 2023, Foxtron's internal evaluation of the Board of Directors included a total of 45 indicators. The overall average score for the Board performance self-assessment was 4.60 (out of 5), with the results rated as excellent. The overall average score for individual Directors' self-assessment was 4.77 (out of 5). The Audit Committee and the Remuneration Committee both had an overall average self-assessment score of 4.81 (out of 5). The overall performance evaluation results indicate that the Board of Directors is operating effectively.

### 2.1.3 Functional Committees

#### Audit Committee

Held 2 meetings, with a **100%** attendance rate by committee members and an overall average performance self-assessment score of **4.81**

Foxtron's Audit Committee is composed of four Independent Directors, and at least one of the Independent Directors has financial and accounting expertise. The Audit Committee Charter stipulates that meetings must be held at least once per quarter. The committee is responsible for supervising the fair presentation of the Company's financial statements, compliance with laws and regulations, the effectiveness of internal control and risk management systems, and other significant matters specified by other company or regulatory authorities. In 2023, the Independent Directors maintained good communication with the chief audit executive and external auditors, and regularly reviewed (at least once per quarter) the implementation of the Company's annual audit plan, as well as the monitoring and improvement of internal control deficiencies. As a result, **no anomalies were reported in 2023**.

#### Remuneration Committee

Held 2 meetings, with a **100%** attendance rate by committee members and an overall average performance self-assessment score of **4.81**

Foxtron's Remuneration Committee is also composed of the Company's four Independent Directors and is appointed by the Board of Directors. The Remuneration Committee formulates its organizational charter in accordance with the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Remuneration Committee Charter stipulates that meetings must be held at least twice a year. The committee is responsible for regularly evaluating and reviewing the Company's compensation system and the performance of Directors and managers, and providing professional and objective recommendations to the Board of Directors. For details on functional committee self-assessment items, can be found in the [2023 Annual Report, P.31](#).

Functional Committee Self-assessment Items



## 2.1.4 Remuneration Policy

The remuneration of the Company's Directors and senior management team is handled in accordance with the Director and Manager Remuneration Regulations and is supervised by the Remuneration Committee. The committee regularly evaluates the performance of Directors and managers in achieving their performance goals and determines their compensation.

According to Article 26 of the Company's Articles of Incorporation, the annual remuneration for the Company's Directors is zero. Therefore, during 2023, they only received expenses related to business implementation. Independent Directors receive fixed remuneration and business-related expenses paid by the Company in accordance with the Director and Manager Remuneration Regulations for their duties and do not participate in the annual distribution of Directors' remuneration. Managers receive fixed and variable compensation based on their performance, which may include cash compensation, stock options, profit-sharing, retirement benefits or severance pay, allowances, and other substantial incentives. Linking company performance with employee benefits helps motivate employees and ensures the maximization of shareholder interests. For this reason, Foxtron's Articles of Incorporation stipulate that if there is a profit after deducting accumulated losses for the year, 5% to 7% of the remaining profit must be allocated as employee compensation. In 2023, the Company was still in the R&D phase and had not yet turned a profit; therefore, no employee compensation was allocated.

The remuneration policy for the Company's senior management is highly correlated with the Company's operating performance. Linking the remuneration structure of senior management with the Company's ESG performance also helps the Company implement our ESG policies. Foxtron has included two indicators in the managers' ESG performance metrics: the Company's Corporate Governance Evaluation score conducted by the Taiwan Stock Exchange (TWSE) and the completion of the Company's first sustainability report. This links the Company's long-term performance with the interests of shareholders.

Foxtron's Total Remuneration Ratios for 2023	
Ratio of annual total remuneration for highest-paid individual to median annual total remuneration for other employees	16.18: 1
Percentage increase in annual total remuneration for highest-paid individual to median percentage increase in average annual total remuneration for other employees	3.2: 1

## 2.1.5 Business Performance

In 2023, driven by the increasing trend toward electric vehicle popularization both domestically and internationally, the electric buses and passenger vehicles mass-produced and sold by Foxtron performed remarkably well. In 2023, Foxtron sold a total of 162 zero-emission vehicles, including 103 electric buses and 59 electric passenger vehicles, leading to a 252.66% increase in operating revenue compared to the previous year. Furthermore, as a crucial part of implementing the national net zero strategy, the electric vehicle industry benefited from government subsidies. Foxtron received nearly NTD 140 million in subsidies from the Taiwan Industry Innovation Platform (TIIP) Program of the Ministry of Economic Affairs (MOEA) in 2023, highlighting the significance of the Company's technological development in upgrading domestic industries and creating economic value.

Note: Foxtron defines zero-emission vehicles (ZEVs) in accordance with the Sustainability Accounting Standards Board (SASB) Automotive Industry Standard TR-AU-410a.2 as vehicles powered by electric motors and advanced technology batteries or hydrogen fuel cells that do not produce exhaust emissions throughout their entire lifecycle.

### Total Monetary Value of Government Subsidies Received in the Past Two Years

Unit: NTD 1,000

Financial Support Provided by the Government	2022	2023
Technology R&D Project Supporting Program, MOEA	54,420	-
Taiwan Industry Innovation Platform Program, MOEA	-	134,827

## Generation, Distribution, and Retention of Economic Value

Unit: NTD 1,000

Direct Economic Value Generated	Account	2022	2023
Revenue	Operating Revenue	296,033	1,043,992
	Interest Revenue	6,473	27,298
	Other Revenue	55,575	144,339
Total Economic Value Generated (A)		358,081	1,215,629
Direct Economic Value Distributed	Account	2022	2023
Operating Costs	Operating Costs	206,475	886,894
Employee Salaries and Benefits	Employee Benefits Expenses	927,008	1,144,616
Community Investments	Donations	-	20
Payments to Government	Income Tax Expenses	223,323	265,473
	Taxation	5,501	6,814
	Fines	-	60
Total Economic Value Distributed (B)		915,661	1,772,931
Retained Economic Value (A) - (B)		(557,580)	(557,302)

Note 1: Information for 2022 is based on individual financial statements audited by certified public accountants; information for 2023 is based on consolidated financial statements audited by certified public accountants.

Note 2: Foxtron did not have any profit allocations or distributions for 2022 or 2023.

## 2.1.6 Participation in Industry Associations and External Organizations

To ensure that the Company's products and advanced technologies are in sync with industry standards, Foxtron participates in Semiconductor Equipment and Materials International (SEMI), continually acquiring cutting-edge technological information. By integrating the latest semiconductor technologies, the Company can effectively enhance the performance of electric vehicle components. In addition to joining international industry associations, Foxtron also collaborates with the Taiwan Automotive Research Consortium (TARC) formed by the Ministry of Economic Affairs, promoting industry-university-institute collaboration. This includes organizing joint meetings, exhibitions, and other activities to drive the development of the domestic vehicle industry and enhance the international competitiveness of Taiwan's automotive industry.

Cybersecurity and information property are crucial assets for Foxtron. We formulate policies and take actions to promote the maintenance of the Company's cybersecurity by all employees. Moreover, Foxtron has joined the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) to acquire the latest domestic and international cybersecurity intelligence and form an information analysis and exchange platform with its members.

### List of Industry Association Participation

Name of Association/Organization	Membership Status
Semiconductor Equipment and Materials International (SEMI)	Member
Taiwan Automotive Research Consortium (TARC)	Member
Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC)	Member



# 2.2 Legal Compliance and Ethical Management



## 2.2.1 Ethical Management Policy and Commitment

Foxtron values ethics, and has established the Ethical Corporate Management Best Practice Principles, the Code of Ethical Conduct, and the Procedures for Ethical Management and Guidelines for Conduct. In particular, the Procedures for Ethical Management and Guidelines for Conduct have been approved by the Board of Directors. All employees must strictly adhere to these guidelines, fulfill their duties, ensure that the Company's operations comply with all regulatory requirements in the business environment, and integrate the culture of ethical management into the Company's daily operations. In 2023, the Audit Office temporarily served as the dedicated department for implementing ethical corporate management. However, the Company plans to reassign this responsibility to the Administration and Operations Office in 2024. In accordance with the plan, audit reports will be written regularly (at least once a year) and submitted to the Board of Directors for review. The first audit report was submitted to the Board of Directors on May 8, 2024. The audit covered three items, with one item requiring improvement and tracking (a non-major deficiency). In alignment with the internal control revision schedule, the improvement and implementation effectiveness will be tracked and reported in the third quarter of 2024.

The Company implements our commitment to ethical corporate management policies internally and values the principles of ethics in external business conduct. We uphold the principles of fairness and transparency in all interactions with business partners and proactively avoid engaging in business with individuals or entities involved in unethical behavior. In addition, we place equal importance on human rights issues in the work environment, strictly adhering to labor laws in all operating locations, and supporting internationally recognized fundamental labor rights principles. In accordance with our Sustainable Development Best Practice Principles, our human resources policies must follow international fundamental labor rights protection principles, and provide employees with channels to understand labor laws related to their rights. In external business activities, we also consider corporate social responsibility aspects, such as suppliers' compliance with human rights issues.

## 2.2.2 Ethical Corporate Management and Risk Management

### Ethical Corporate Management

To implement ethical corporate management policies and communicate standards of integrity and ethical behavior to employees, all employees at Foxtron's operating sites are required to sign behavior guideline documents upon joining the Company. These include the Employee Self-Discipline Agreement, Service Agreement, Commitment to Comply with Personal Data Protection Laws and Other Relevant Regulations, Confidentiality Agreement, and Integrity and Intellectual Property Rights Agreement. The clauses explicitly stipulate that Foxtron prohibits employees from actively or passively accepting any improper benefits in the course of their duties. Additionally, through non-compete clauses, employees are restricted from engaging in any competitive activities related to their duties in any form during their employment.

The Company's Procedures for Ethical Management and Guidelines for Conduct establish an effective system for rewards, punishments, and grievances related to ethical management, incorporating these into employee performance evaluations and human resources policies. We have set up clear reporting channels both internally and externally, helping all stakeholders to promptly report any violations of the Company's ethics and ethical principles. In addition, the Company prioritizes the protection of whistleblowers' rights. The identities of whistleblowers and the details of their reports are kept strictly confidential by the Company, which also commits to protecting whistleblowers from any unjust treatment as a result of their reporting actions.

### Foxtron Complaint Channels:

#### Internal Channels:

To ensure the implementation of the Company's Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, the Auditing Office is responsible for handling complaints related to misconduct, fraud, actions harmful to the Company's interests, and violations of the Company's regulations.

Complaint email: [Audit@foxtronev.com](mailto:Audit@foxtronev.com)

#### External Channels:

Complaint email: [foxtronev.service@foxtronev.com](mailto:foxtronev.service@foxtronev.com)

Feedback channels for all stakeholders can be found on the [Company's website](#)

The Company has also established the Guard Against Insider Trading Operation Procedures, which prohibit insiders and their related parties from using their positions to gain access to significant information of the Company and engage in any insider trading activities that violate the Securities and Exchange Act. In addition, the Company conducts at least one educational session on regulations each year for all Directors, managers, and employees to protect the interests of investors and safeguard the Company's rights. Through a comprehensive management mechanism and smooth complaint channels, **no incidents of unethical behavior occurred at Foxtron in 2023.**



## Risk Management

Foxtron has established a comprehensive risk management mechanism. The CEO as the chief coordinator, responsible for allocating necessary resources such as personnel and training. The Administration and Operations Department oversees all risk-related issues within the Company to mitigate both actual and potential risks, including ethical management. The Company adopts a Three-Lines-of-Defense framework for Internal Control as our risk management mechanism. The first line of defense consists of each business department, which assumes responsibility for the risks arising from their respective daily operations and conducts information security risk assessments for core business activities. The second line of defense falls primarily under the responsibility of the Administration and Operations Department, which assists and supervises the first line of defense in risk identification and management. The third line of defense is the independent internal Audit Office, which acts as the final checkpoint, inspecting, supervising, and tracking the progress of improvements for the first two lines of defense. The internal Audit Office reports comprehensively and regularly to the Board of Directors to ensure the effective implementation of the Company's risk management system.

On the other hand, to effectively reduce the impact and frequency of risks on the Company's operations and optimize the allocation of corporate resources, the Company follows the Risk and Opportunity Assessment Procedures to regularly (at least once a year) evaluate internal and external risk and opportunity factors. This results in the preparation of a Risk and Opportunity Assessment Analysis Report. If there are significant organizational adjustments or changes in laws and regulations related to the quality control system during the year, the risk management departments will increase the number of risk and opportunity assessments for that year as needed.

## Strengthening the Company's Three-Lines-of-Defense for Internal Control

### First Line of Defense

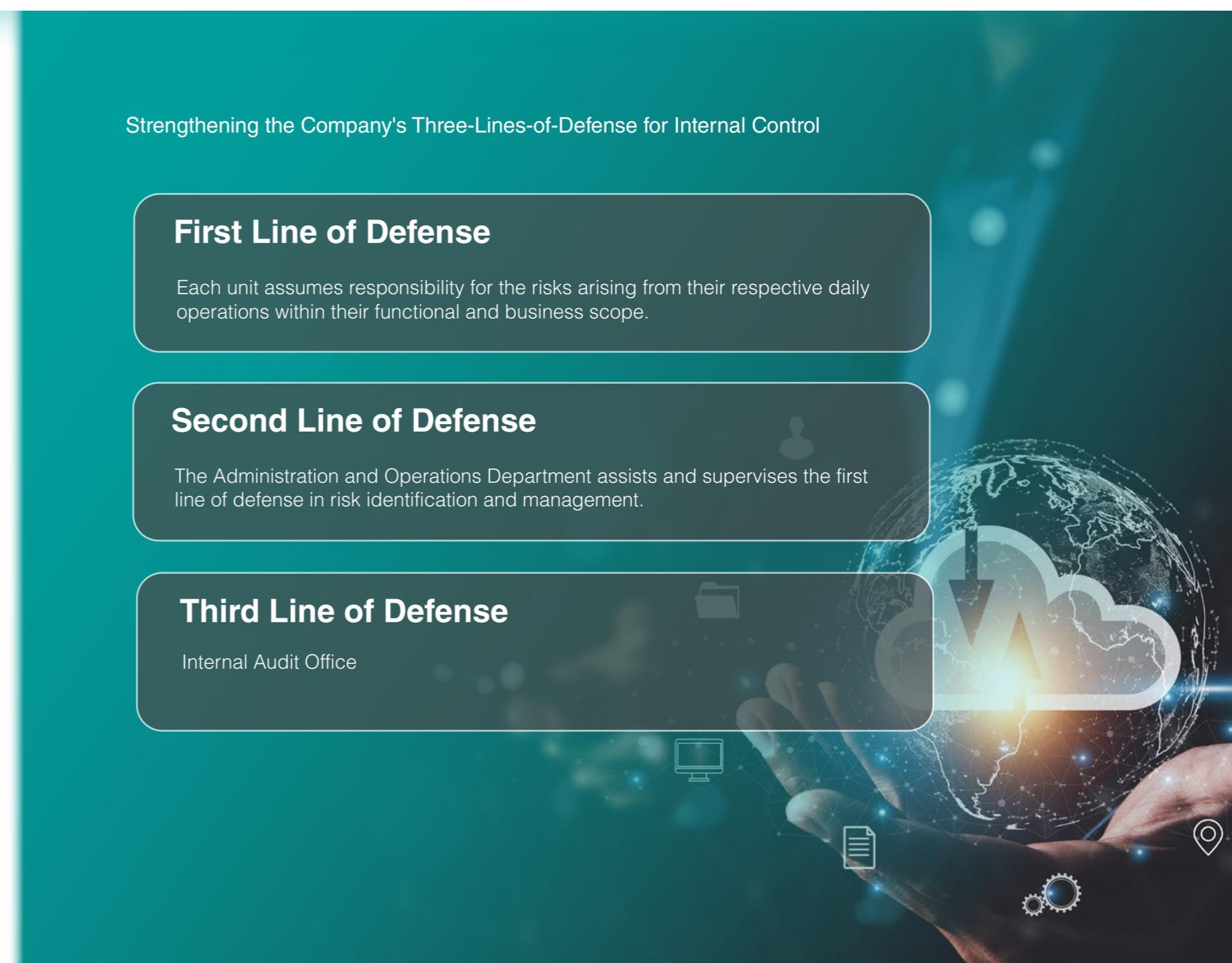
Each unit assumes responsibility for the risks arising from their respective daily operations within their functional and business scope.

### Second Line of Defense

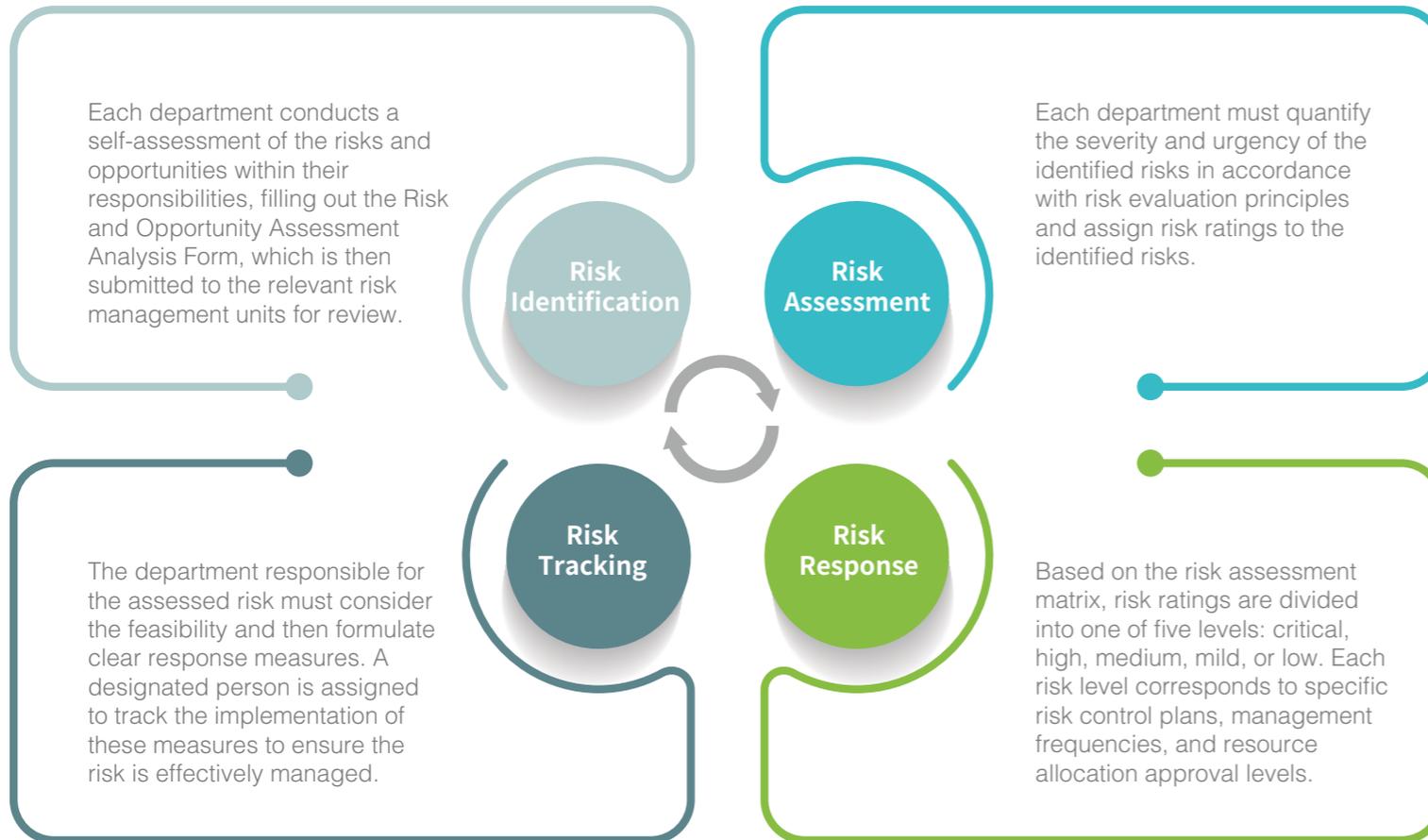
The Administration and Operations Department assists and supervises the first line of defense in risk identification and management.

### Third Line of Defense

Internal Audit Office



## Risk Management Process



## 2.2.3 Compliance

Foxtron ensures that the provision of our products and services complies with applicable laws and international standards. The Administration and Operations Office is responsible for the Company's compliance, contract review, and handling of related litigation cases. The department also continuously establishes a comprehensive compliance mechanism to ensure that the Company meets the regulatory requirements of our operating locations and business environment. Additionally, the CEO Office is responsible for the managing material inside information and ensuring the consistency and accuracy of external information disclosures. According to the Procedures for Handling Material Inside Information, department heads must notify relevant departments and submit the information to the CEO within three hours of becoming aware of material information (no later than the end of the business day) at the latest. The CEO Office assists in convening discussion meetings and deciding the material information that needs to be released on the Market Observation Post System. Through timely responses to stakeholder demands, we aim to mitigate the impact of negative events on the Company and reduce stakeholder concerns.

The Company standard for determining major violations is based on Article 4 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, which specifies the matters requiring the release of material information. If the Company experiences a disaster, collective protest, strike, environmental pollution, cybersecurity incident, or other significant event that causes substantial damage or impact to the Company, or if the cumulative fines for such an event reach NTD 1 million, the event is considered a major violation by the Company. **Foxtron did not experience any significant events with negative impacts in 2023, nor did we encounter any major violations that met the above criteria.**

Note 1: During the risk assessment phase, the criteria for determining the severity of a risk may include: (1) legal and regulatory requirements, product and customer requirements, (2) the extent of personal injury caused when the risk occurs, (3) the degree of property loss, (4) whether it leads to operating interruptions, and (5) the extent of damage to the corporate image.

Note 2: During the risk assessment phase, the urgency of a risk is categorized based on its frequency of occurrence into five levels: negligible, preventive, general, urgent, and very urgent.

# 2.3 Information Security and Privacy Management



Foxtron's information and communication systems and information assets are vital capital for the Company's development and operations. Maintaining the confidentiality, integrity, and availability of these systems is the primary task of our cybersecurity management. Therefore, the Company has designated personnel for cybersecurity management. The Assistant Vice President of the CEO Office serves as the Chief Information Security Officer (CISO), responsible for implementing information security policy and coordinating related resources. This individual also leads the IT department in planning, executing, auditing, and coordinating management-related matters. The cybersecurity department must also regularly report the status of cybersecurity implementation to the Board of Directors or the management. To ensure that all employees possess a comprehensive understanding of information security, the Company conducts cybersecurity-related education and awareness activities, enabling employees to preemptively address information security risks in the operating environment. **Since the Company inception, Foxtron has not incurred any losses due to information security issues. The Company will continue to implement cybersecurity management policies and objectives to ensure stable and uninterrupted operations.**

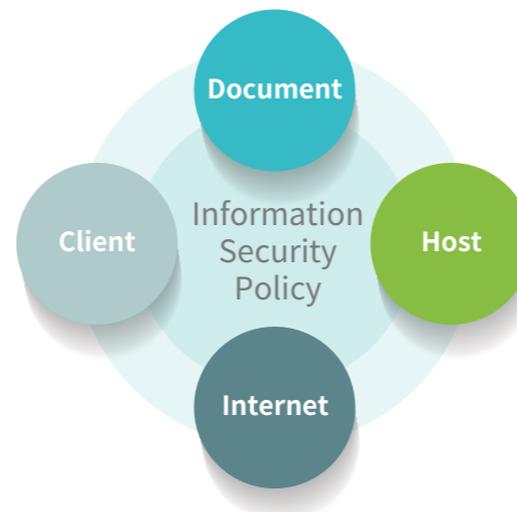
## 2.3.1 Information Security Policy

Foxtron uses our Information Security Manual as the fundamental policy for cybersecurity issues and has established the Information System Security Incident Reporting Procedures to handle incidents when they occur. In addition, the Company has implemented the Information Business Outsourcing Security Management Regulations. When information-related business needs to be outsourced for efficiency purposes, these regulations regulate the behavior and responsibilities of the outsourcing vendors. Outsourcing vendors must sign cybersecurity-related clauses with the Company in accordance with these regulations. When external vendors need to access the Company's network or systems, they must first apply through the responsible personnel of the Company, and their access will be restricted. Furthermore, following the Company's Cybersecurity Operation Procedures, internal educational outreach must be conducted annually. The Company must also promote our information security policy and goals to external stakeholders related to information security issues (such as IT service providers and organizations whose operations are connected with the Company).

Information Security Management



Foxtron has established Information Security Policy for the following four major aspects of cybersecurity. For details on each policy, please refer to P.124 of the 2023 Annual Report, "[Information Security Management](#)".



## 2.3.2 Information Security Management

### Information Security Management Goals and Measures

In addition to joining the Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC) and collaborating with private sectors on joint defense against information security issues, Foxtron continuously allocates resources internally to manage the Company's information security risks. The Company regularly performs disaster recovery management in accordance with system backup cycles, including local backups, off-site backups, and remote backups. Annual data verification and actual operating drills for host backup file restoration are also conducted.

The Chief Information Security Officer periodically sets quantitative and qualitative goals for managing cybersecurity issues and policy implementation. These approved policy goals are communicated internally:

#### Quantitative Goals for Cybersecurity Management

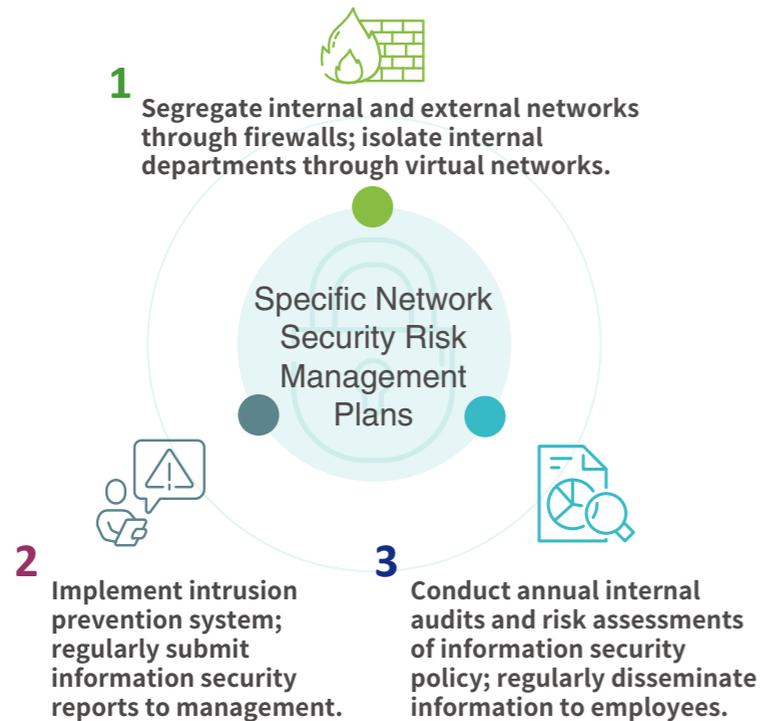
Ensure the availability of core information and communication systems is 99% or higher. (Downtime/total operating time less than 1%)

#### Qualitative Goals for Information Cybersecurity Management

1. Annually review information security policy and goals to ensure they align with changes in the operating environment, and make timely adjustments as needed, subject to approval by the Chief Information Security Officer.
2. Annually promote information security policy and goals to all personnel through educational training, internal meetings, and posted announcements.

In addition to encrypting important software and files, Foxtron regularly implements the following measures in our daily operations to prevent information security risks:

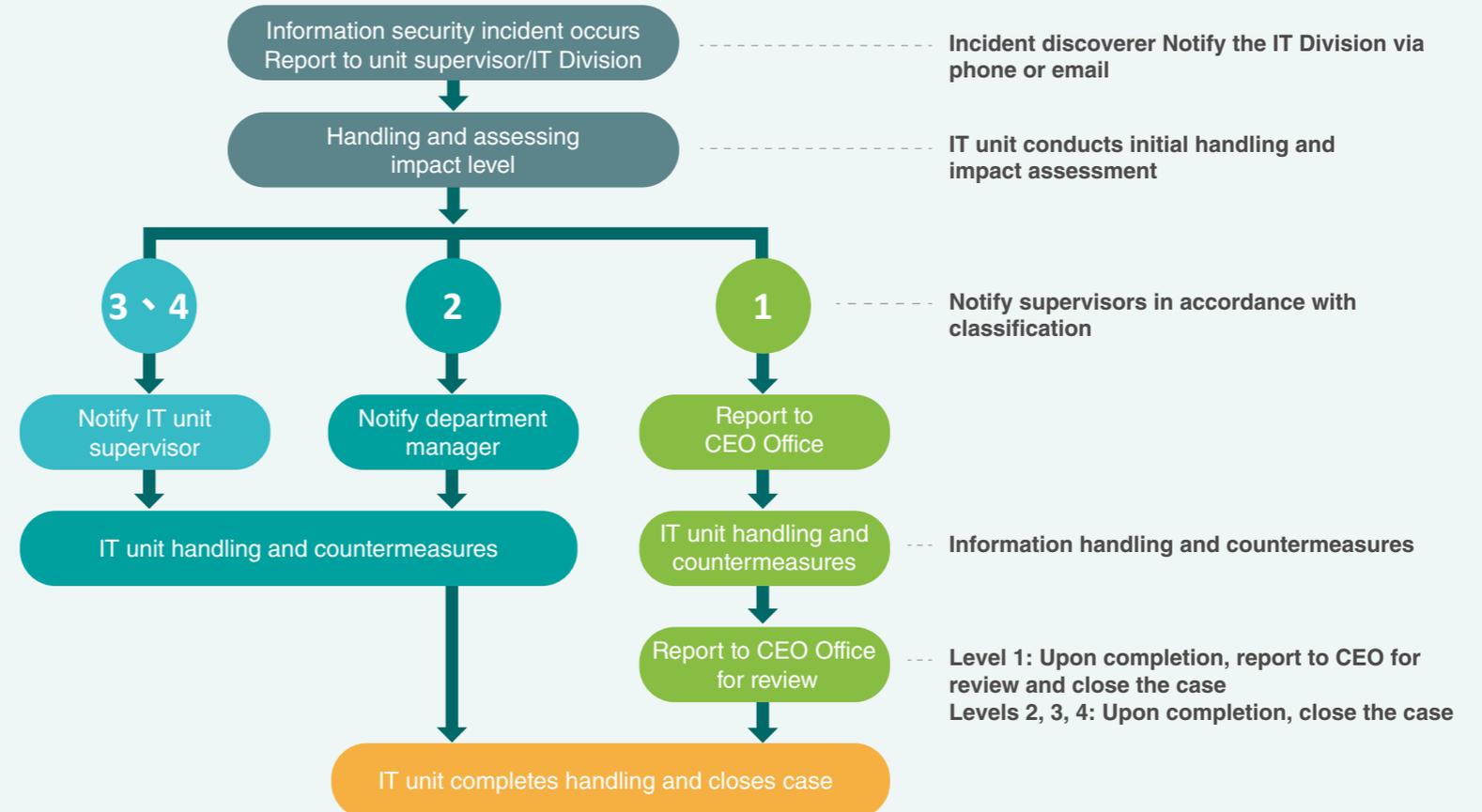
1. Inspect the security of the network operating environment.
2. Implement disaster recovery (data backup) planning operations.
3. Perform virus scanning operations on computer systems and data storage media.
4. Review the allocation of human resources for cybersecurity and recruit dedicated personnel based on actual needs.



## Reporting Process and Handling Procedures for Information Security Incidents

In accordance with Foxtron's Information System Security Incident Reporting Procedures, when an information security incident occurs, the person who discovers the incident must immediately notify the IT department. The IT department will conduct a preliminary assessment of the severity of the incident and notify/report to different supervisory levels based on the severity of the incident. If the information security incident has severely disrupted the Company's systems and affected business operations, it will be reported to the CEO Office. After the IT department has addressed the incident, it must be reviewed by the CEO Office before the incident can be closed.

### Information Security Incident Workflow



Foxtron has established the Major Information Disaster Incident Reporting and System Reconstruction Procedures to address situations where the operation of data centers is interrupted by serious disaster events (such as water/fire damage, extended power outages, etc.). Personnel follow these procedures to make appropriate emergency responses and notifications in the event of a disaster, minimizing the impact and loss on data center equipment and operations of the Company. If the disaster has caused severe damage to the data center facilities and operations, the Company will immediately form a disaster recovery team. The Chief Information Security Officer will act as the convener of the recovery plan and coordinate with competent departments to execute the tasks specified in the Major Information Disaster Incident Reporting and System Reconstruction Procedures for response and recovery measures.

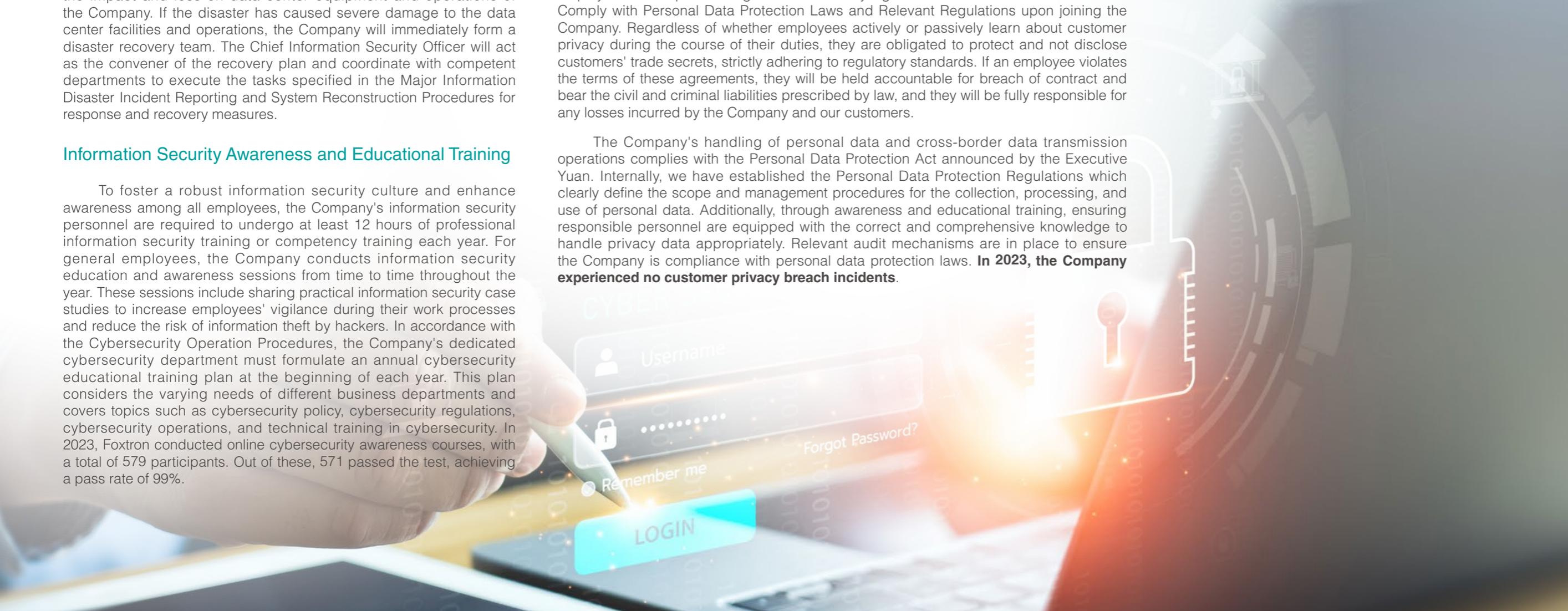
### Information Security Awareness and Educational Training

To foster a robust information security culture and enhance awareness among all employees, the Company's information security personnel are required to undergo at least 12 hours of professional information security training or competency training each year. For general employees, the Company conducts information security education and awareness sessions from time to time throughout the year. These sessions include sharing practical information security case studies to increase employees' vigilance during their work processes and reduce the risk of information theft by hackers. In accordance with the Cybersecurity Operation Procedures, the Company's dedicated cybersecurity department must formulate an annual cybersecurity educational training plan at the beginning of each year. This plan considers the varying needs of different business departments and covers topics such as cybersecurity policy, cybersecurity regulations, cybersecurity operations, and technical training in cybersecurity. In 2023, Foxtron conducted online cybersecurity awareness courses, with a total of 579 participants. Out of these, 571 passed the test, achieving a pass rate of 99%.

## 2.3.3 Customer Privacy Policy and Management

Foxtron not only manage cybersecurity risks and incidents related to our own operation, but also respects the privacy of our customers' information. To this end, we have established the Customer Property Management Regulations. Furthermore, all employees are required to sign a Confidentiality Agreement as well as a Commitment to Comply with Personal Data Protection Laws and Relevant Regulations upon joining the Company. Regardless of whether employees actively or passively learn about customer privacy during the course of their duties, they are obligated to protect and not disclose customers' trade secrets, strictly adhering to regulatory standards. If an employee violates the terms of these agreements, they will be held accountable for breach of contract and bear the civil and criminal liabilities prescribed by law, and they will be fully responsible for any losses incurred by the Company and our customers.

The Company's handling of personal data and cross-border data transmission operations complies with the Personal Data Protection Act announced by the Executive Yuan. Internally, we have established the Personal Data Protection Regulations which clearly define the scope and management procedures for the collection, processing, and use of personal data. Additionally, through awareness and educational training, ensuring responsible personnel are equipped with the correct and comprehensive knowledge to handle privacy data appropriately. Relevant audit mechanisms are in place to ensure the Company is compliance with personal data protection laws. **In 2023, the Company experienced no customer privacy breach incidents.**



# 03

## Open EV Platform and Partner Collaboration

### Content /

- 3.1 Technology R&D and Innovation
- 3.2 Customer Relations and Product Quality Management
- 3.3 Sustainable Supply Chain Management

### Material Sustainability Topics /

- Technology R&D and Innovation
- Customer Relations and Product Quality Management
- Sustainable Supply Chain Management

### Corresponding SDGs /



# 2023 HIGHLIGHTS

**Zero-emission Electric Vehicle** development  
 Obtained **78** patents in Taiwan, China, and the United States

## ISO Certification

Obtained **ISO 9001** Quality Management System certification  
 Obtained **ISO 26262** Road Vehicle - Functional Safety Standard certification

**No Violation** of health and safety regulations related to products / services

## Supply Chain Management performance

Formulated **Supply Chain Management Policy & Social and Environmental Sustainability Commitment**

**Passenger Vehicle** performance  
 43rd Bangkok International Motor Show (BIMS)  
**Model C** awarded Best Energy-Saving SUV  
**Model E** awarded Best Concept Sedan

**Commercial Vehicle** performance  
 Ministry of Economic Affairs  
 32nd Taiwan Excellence Gold Award  
**Model T** awarded 2024 Taiwan Excellence Gold Award

# 3.1 Technology R&D and Innovation

GRI 417



Foxtron's business development focuses on three main categories: passenger vehicle, commercial vehicle, and technical service. Committed to "Accelerated adaptation of electric vehicles through the Open EV Platform", Foxtron aims to use Open EV Platforms to enable collaborations and collective wisdom, lowering down time to market and formulate the economy of scale ultimately realizing the goal of cross-customer shared platforms through the Company's specialized technology. Under Foxtron's Contract Design and Manufacturing Service (CDMS) development strategy, the Company provides design and modular management services, helping partners to focus on product planning and brand operations. Through vertical industry integration and specialized division of labor, Foxtron assists partners in enhancing technical capabilities, improving R&D efficiency, reducing costs, and expanding markets.

Gas emissions from traditional transportation are one of the main sources of greenhouse gases, which not only have a direct impact on the environment but also potentially have negative effects on human health. Driven by government policies, technological innovation, and consumer choices, the low-carbon transportation transformation has become a key sustainability issue for car manufacturers in recent years. New energy vehicles, as green products, are seen as a crucial solution to environmental pollution. Compared to traditional fuel vehicles, electric vehicles have zero emissions of harmful gases and chemicals that affect human health, and their quiet power systems also reduce noise pollution. Therefore, Foxtron is committed to promoting the popularization of electric vehicles, continuously developing passenger vehicles to meet general consumer needs, and commercial vehicles to transform public transportation. By expanding green products, Foxtron aims to advance carbon reduction and sustainability.

## 3.1.1 Innovation Culture and R&D Policy

Foxtron understands that innovation is the key to progress in the electric vehicle industry. Therefore, we invest in R&D resources and cultivate expert talent, continuously introducing new technologies and innovations to meet diverse customer needs and market challenges. Through the dedication of our R&D team, specialized training, and technical exchanges with partners, we have successfully designed a series of products, including the Model C, Model E, Model B, and Model T. These products have won numerous awards domestically and internationally, reflecting our stringent requirements for design, quality, and performance. We emphasize practicing the concept of sustainable development in product design and manufacturing processes, continuously exploring the application of green technologies and eco-friendly materials to reduce environmental impact. We believe that innovative design and sustainability are key factors in achieving long-term performance of the Company. In the future, we will continue to develop low-carbon green products and promote sustainable business opportunities.

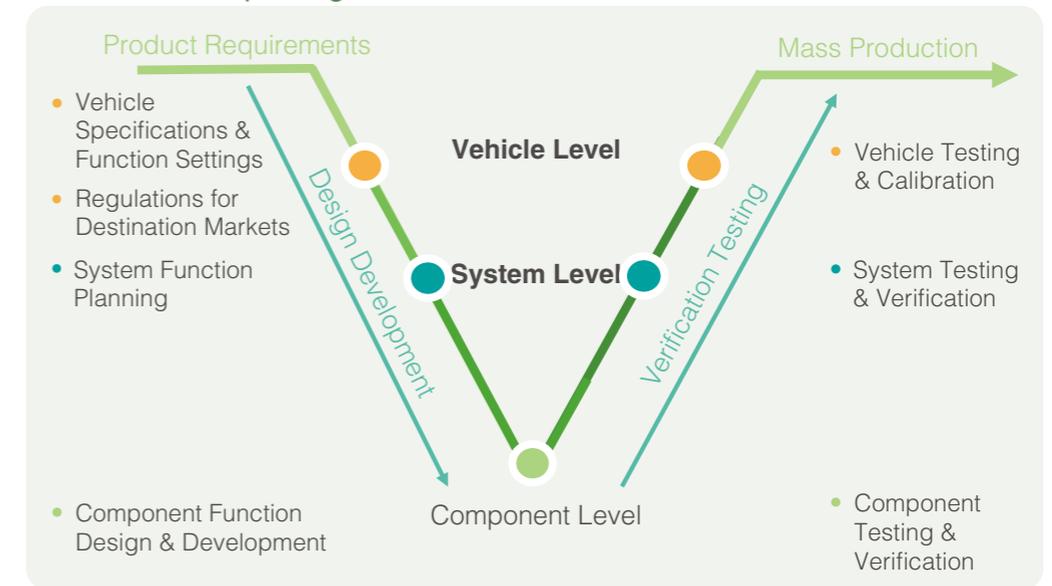
### Innovative R&D System

As the first domestic electric vehicle design and manufacturing company with independent R&D, Foxtron employs core strategies in the electric vehicle field, focusing on vertical integration, platform application, customized development, and key component development.

We follow the V-Model concept to establish a rigorous product development model. Each vehicle model is comprehensively developed from market and customer needs, completing design, development, verification, and

testing independently. In the vehicle design phase, we use a top-down development process, comprehensively considering vehicle specifications and complying with sales market regulations, gradually refining the design and development of system functions and components. During the verification and testing phase after confirming the product prototype, we adopt a bottom-up approach, starting with component testing, then proceeding to system testing and vehicle testing, ensuring that our new products meet design specifications at the component, system, and vehicle levels. Throughout the development process, we also adhere to the Advanced Product Quality Planning (APQP) Principles, implementing strict quality control at each stage of product development to ensure that new vehicle models meet or even exceed regulatory quality standards and customer expectations.

### V-Model Concept Diagram



## 3.1.2 Innovative R&D Achievements

### Innovative R&D Resource Investment

Foxtron is positioning ourselves for the future new energy vehicle market. Through collaboration with local car manufacturers, we aim to design new energy vehicles that better meet the needs of the automotive market in Taiwan, supporting promotion of a sustainable, net-zero carbon lifestyle. In 2023, the Company invested NTD 2.07 billion in R&D expenses to strengthen the development of electric vehicle models, software development, and technology integration, driving the progress of product mass production.

### Innovative R&D Resource Investment/Outcomes in the Past Two Years:

Year	R&D personnel (ppl)	R&D expenses (NTD billion)	R&D expenses as proportion of annual revenue (%)
2023	579	2,070	198%
2022	507	1,382	467%

### New Product Development Goals

Foxtron is dedicated to the development of electric vehicle products and cutting-edge technologies. We have set an ambitious goal of developing one new vehicle model each year. Through the CDMS collaboration model, we aim to work closely with customers to enhance the growth of the electric vehicle market. Looking ahead, we will continue to provide diverse customers with more innovative and high-quality electric vehicle products to meet the rising market demand and expectations in the global net-zero trend. Additionally, we are expanding into the global market, planning to enter foreign markets starting in 2025. We will leverage the advantages of vehicle modularization to increase our market share.



▲ Foxtron unveils a new vehicle model at Hon Hai Tech Day (HHTD)

### Technical and Innovative Achievements

Foxtron has developed our patent portfolio in core markets. As of this report's date of issuance, we have obtained 78 patents in Taiwan, China, and the United States as of this report's date of issuance. The patented technologies cover vehicle models, interior and component design, and a variety of automotive systems. We continue to develop diverse vehicle models through innovative technologies to meet customer needs, thereby maintaining our competitive edge in the market.

As of 2023, the Company has successfully developed four electric vehicle models: the electric bus -Model T, and the electric vehicle models -Model C, Model B, and Model E. These eco-friendly electric vehicles have been promoted in Taiwan and Southeast Asian markets. To maintain production capacity, the electric bus -Model T is currently sold in Taiwan and Indonesia. By the end of 2023, 120 units had been delivered in Taiwan, achieving a 13% market share for the year. The Pure Electric SUV -Luxgen n<sup>7</sup> (Model C), launched in 2023, has received nearly 10,000 pre-orders, and began mass production and delivery in the second half of the year. Our self-developed electric vehicle models have received numerous domestic and international awards. The electric vehicles-Model C and Model E unveiled in 2021 Bangkok International Motor Show (BIMS) in Thailand, was awarded the Best Energy-Saving SUV Award and the Best Concept Sedan respectively. The electric bus-Model T has won the Good Design Award in Japan in 2022 and the 2024 Taiwan Excellence Gold from the Ministry of Economic Affairs in 2023. Model T was also showcased as a shuttle bus at the G20 summit, gaining international recognition. Looking forward, we plan to build a new commercial vehicle factory in the Kaohsiung Qiaotou Science Park to increase the Company's production capacity and achieve our goal of popularizing electric vehicles.

# HHTD 23

### 43rd Bangkok International Motor Show (BIMS)



▲ Model E was awarded the Best Concept Sedan for technological innovation



▲ Model C was awarded the Best Energy-Saving SUV for outstanding performance

### Taiwan Excellence Gold Award



▲ Model T has won the 2024 Taiwan Excellence Gold Award from the Ministry of Economic Affairs



▲ Model T has won the 2024 Taiwan Excellence Gold Award from the Ministry of Economic Affairs

### Japan Good Design Award



▲ Model T received the Good Design Award in Japan

## Representative Products



### Model C Pure Electric SUV (Luxgen n<sup>7</sup>)

Model C is the first model built on the Foxtron open EV platform and is positioned as the intrinsically optimized electric SUV with pure electric nature. The Model C's four core features are: shape, space, power and energy consumption. Its design does not only have a minimalist appearance, but it has also significantly minimized the spaces used for mechanical components, while maximizing seating space.

The Model C, with a low 0.27 drag coefficient, accelerates from 0 to 100 kph in 3.8 seconds and delivers an extended range of 700 km.



### Model B Intelligent Sporty Crossover

The brand-new concept prototype Model B crossover is the mainstream for the younger generation. It is based on the Foxtron open EV platform, but with changes to the platform size and a new body design. Its S-duct design, streamlined roof, and innovative air curtain on the D-pillar greatly reduces air turbulence. This helps the Model B to achieve an excellent drag coefficient of 0.26. As a personalized urban car, the compact 4.3-meter Model B has a cruising range of 450 km and uses a 2.8-meter wheelbase to create a comfortable, roomy cockpit.



### Model T Smart Fashion Metropolitan Transport

Model T is a stylish urban bus. Its high rigid body design and protection meets the Federal Transit Administration (FTA) regulations and standards. In addition, the Model T has equipped with multiple safety assistance systems such as inner wheel differential warning system, blind spot detection, electronic rearview mirror, and also completed acceleration endurance test and rigid strength test, ensuring the safety of drivers and passengers alike.

The Model T can be equipped with up to 400 kWh in batteries, giving it a range of more than 400 km. Under full load conditions, the maximum climbing capacity can reach 25%, and the maximum speed can reach 120 km per hour.



### Model E Technologically Innovative & Business Luxury Sedan

Model E, jointly developed by Foxtron and Italian design firm Pininfarina, is a technologically innovative luxury flagship sedan that can meet the needs of middle and high-end consumers. At the same time, it is also the first choice in quality for businesses. The rear seat space can transform into a dedicated mobile office, with personal mobile devices seamlessly connected to the passenger car, enabling a series of smart applications such as face recognition for door opening, smart windows and vehicle and environment interfaces.

Model E, with high performance and advanced dynamic control technology, delivers a power output of about 750 hp and achieves 0 to 100 kph acceleration in a staggering 2.8 seconds.

## 3.1.3 Intellectual Property Management

To ensure the comprehensive management and protection of the Company's intellectual assets, Foxtron has established the Organizational Knowledge Management Regulations for knowledge management processes. Organizational information is classified based on its importance and confidentiality, with defined access and editing permissions, and outdated information is regularly updated and eliminated to effectively control the Company's intangible assets. When external organizations need to view knowledge-documents controlled by other department for business purposes, the requesting department must fill out a Document and Data Authorization Application Form and submit it to the department responsible for managing the knowledge document. The supervisor of the office receiving the application will then review and decide whether to approve the request, before sharing the knowledge documents in accordance with the corresponding confidentiality management procedures. We have also formulated the Confidential Drawing Application Procedures; these ensure that confidential drawings, such as vehicle design sketches produced during the R&D stage, are used correctly and under the premise that they must be used via an anti-leakage protection mechanism. Through internal standardized operating management guidelines, the Company strengthens employees' awareness of protecting intangible corporate assets, effectively controlling key organizational knowledge assets, and preventing the loss of organizational experience and value due to personnel turnover or retirement.

# 3.2 Customer Relations and Product Quality Management



Foxtron understands that the performance of electric vehicles is crucial to user safety. By establishing a robust quality management system, we continuously improve our electric vehicle products and services. We expand our customer base and maintain close interactions with customers to better understand their needs and concerns. This ensures that our products and service models provide customers with the best driving experience, thereby maintaining long-term cooperative relationships with our customers.

## 3.2.1 Product Quality Management

Through multiple internal and external product management policies and mechanisms, we strictly control product quality at every stage to ensure that our products and services meet market and regulatory standards. This also ensures that vehicle users' needs for automotive safety, health, and comfort are met. **In 2023, the Company did not experience any incidents of violations related to health and safety regulations concerning products and services.**

### Product Quality Management Mechanism

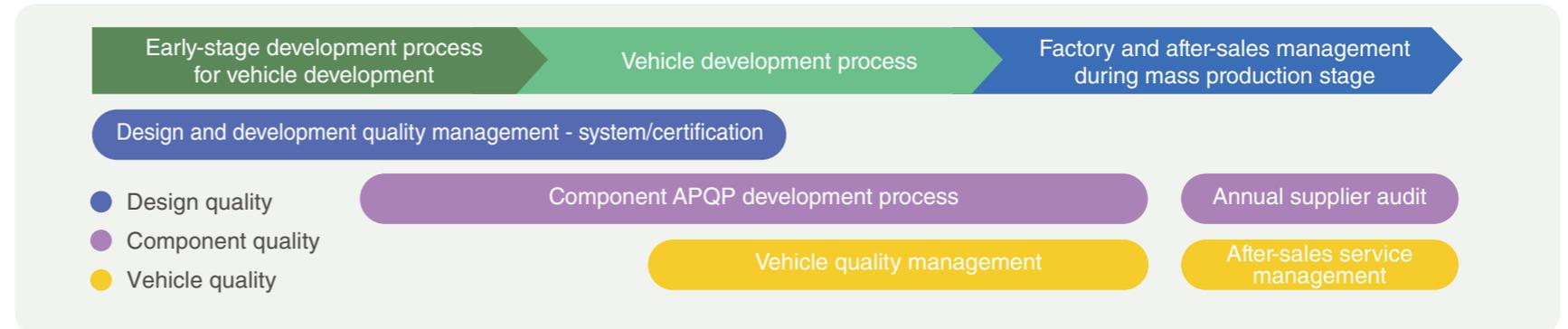
Foxtron has established management policies and methods for vehicle development and testing. Our Functional Safety Manual serves as the guiding principle for overall functional safety management of automotive electronic products, product project development

management, and production and after-sales management. To ensure consistent high standards in contract manufacturing services, we follow the internal Prototype Vehicle Operation Procedures for New Model Development. We can thus maintain product quality at a stable level while flexibly adjusting the development process. Additionally, our operating personnel adhere to the Vehicle Testing Procedures during the vehicle design, development, and testing phases. For product improvements, we have established the Market Quality Improvement Procedures as an internal control process for vehicle quality improvement. This helps us monitor the quality information of products on the market and promptly address any issues that arise during product use.

During the vehicle production process, we have established a rigorous product quality management mechanism, controlling through three main aspects: Design Quality, Component Quality, and Vehicle Quality. The manufacturing development and verification process of vehicle components strictly follow the APQP (Advanced Product Quality Planning) mechanism, ensuring quality control at each production stage. Continuous feedback, evaluation, and correction are conducted throughout the product development stages to ensure the product



quality meets customer requirements. The Company has obtained ISO 9001 Quality Management System (QMS) certification to maintain consistency in product quality through standardized processes. Moreover, ten of our employees have acquired ISO 26262 Road Vehicles-Functional Safety (FS) certification, ensuring that the vehicles we produce meet international safety standards.



In addition to the quality management mechanism, we also enhance our internal personnel's understanding of quality management concepts and skills required for the development process through educational training and related courses. In 2023, a total of 167 participants attended our quality management-related training sessions, accumulating 7,504 training hours.

Quality Management Training Course	Number of participants	Total training hours
ISO 9001 Quality Management System - Clauses/Internal Audit Course	74	3,552
IATF 16949 Automotive Quality Management System - Clauses/Internal Audit Course	29	1,392
Application of the 5 Major Tools - (APQP/FMEA/MSA/SPC/PPAP)	31	1,240
VDA 6.3 Automotive Supply Chain Quality Management System - Clauses/Process Audit Course	33	1,320

### Customer Health and Safety

Foxtron places great importance on the impact of electric vehicle products on user health and safety. Our product safety initiatives focus on three major aspects: Active Safety, Passive Safety, and Battery Safety. In addition to continuously researching the latest autonomous driving technologies and vehicle structural safety, we adopt highly safe lithium iron phosphate (LFP) battery technology to reduce the risk of spontaneous vehicle combustion. For the vehicle interior, we have established standards for the use of Hazardous Substance from the manufacturing design stage to standardize regulating automotive materials, electric vehicle components, and materials. These standards must comply with international regulations on hazardous substances (such as lead, mercury, cadmium, and hexavalent chromium) to ensure that the internal air quality of vehicles meets ISO 12219-1 testing standards. These standards are incorporated into the Supplier Quality Assurance Manual, applying the same rigorous control standards to our supplier partners. We have also established Green Product and Material Commitment, requiring suppliers to sign and commit to complying with green product standards. In the future, Foxtron's self-developed vehicles will also undergo evaluation in accordance with the Taiwan New Car Assessment Program (TNCAP) announced by the Ministry of Transportation and Communications to demonstrate their active and passive safety performance, thereby enhancing overall road safety levels.

## 3.2.2 Customer Relationship Management

Foxtron upholds quality policy as the highest principle for function and safety management. Our ultimate goal in maintaining customer relationships is based on three major strategies: Customer Satisfaction, Continuous Improvement, and Employee Engagement. Through close communication and discussion with customers during the design, development, and production stages of our products, we promptly revise and adjust plans to provide customized products that meet customer needs.



**Customer Satisfaction**

Actively expand our customer base by providing products that exceed customer expectations.



**Continuous Improvement**

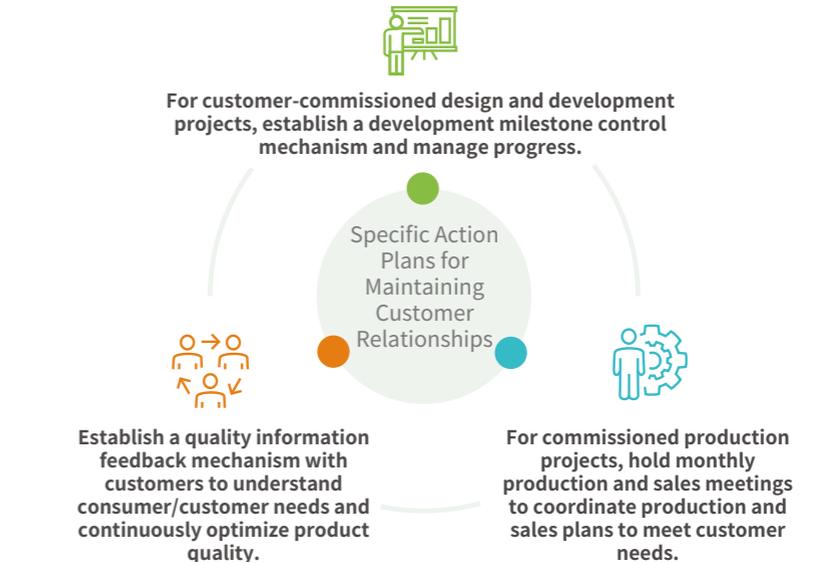
Prevent recurrence and pursue excellence, aiming for zero defects.



**Employee Engagement**

Harness the collective wisdom of all employees, continuously innovate and develop to meet diverse customer needs and achieve quality goals.

To continuously understand customer expectations and promptly adjust and optimize our technology and services, Foxtron has established the Customer Satisfaction Management Regulations. Through annual surveys, we gather customer satisfaction data on quality, delivery, service, and technology. Based on the survey results, we produce the Customer Satisfaction Trend Analysis Report. Each responsible department formulates improvement measures for criteria that did not meet the targets, then regularly tracks and manages these measures to ensure customer satisfaction remains at a consistent level, with a target average satisfaction rate of 80% or higher.



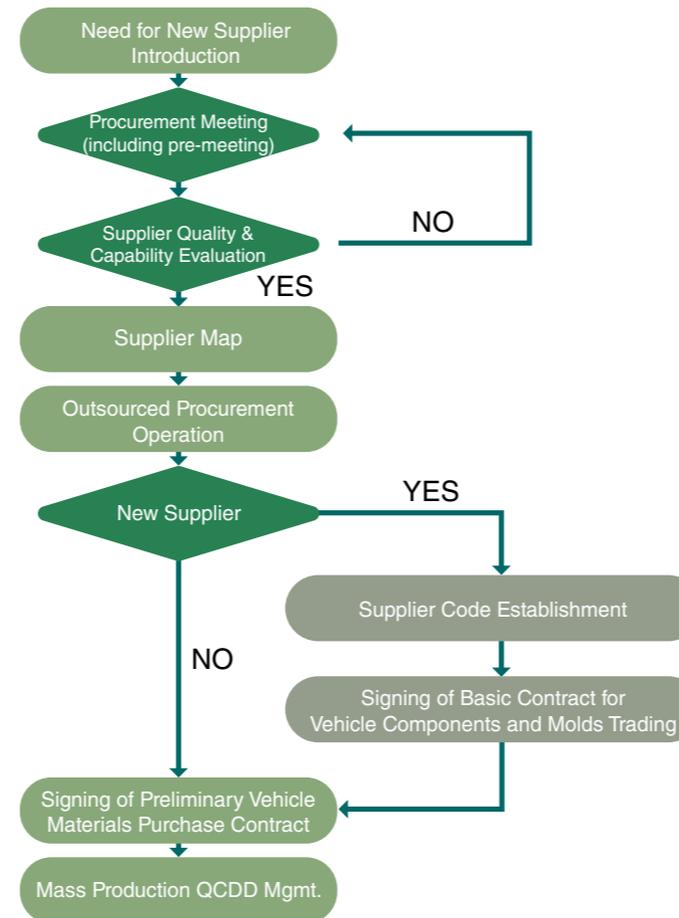
For our after-sales service, Foxtron has established a comprehensive after-sales service warehouse and inventory of spare parts. This helps customers and partners to easily check parts availability, place orders quickly, and reduce communication wait times, aiming to promptly meet customer repair needs. Furthermore, we provide sales service personnel with product usage and repair manuals, diagnostic tools, and parts catalogs. We also conduct maintenance educational training for internal employee to ensure that sales service personnel have the professional skills to respond to customer needs.

# 3.3 Sustainable Supply Chain Management



To build a more resilient and responsible supply chain system, Foxtron promotes sustainable supply chain management. Through our sustainable supply chain policy and evaluation/selection mechanism, we integrate the principles of sustainable operations throughout the entire value chain, thereby fulfilling Foxtron's corporate social responsibility. We are also committed to maintaining good cooperative relationships with local suppliers and partners, jointly promoting the development of local green industries.

## Supplier Procurement Management Process



## 3.3.1 Supply Chain Management

Suppliers are important partners in Foxtron's implementation of sustainable development. By fostering cooperative relationships with suppliers, we aim to convey sustainable concepts and incorporate sustainability indicators into the supplier selection and evaluation mechanism. This amplifies our sustainable influence and create positive social value together with our supply chain partners.

### Supply Chain Management Mechanism

Foxtron has established the Supply Chain Management Policy as the guiding principles for cooperation with suppliers. Through close interaction and effective communication, we aim to further enhance the overall sustainability performance of the supply chain. We have gradually incorporated corporate social responsibility clauses into supplier contracts, requiring all suppliers to comply with labor conditions (including human rights), occupational safety, and environmental protection laws and regulations. Furthermore, through internal procedures such as the Supplier Procurement Management Procedures and the Procurement Operation Management Procedures, we standardize outsourcing procurement operations and processes, establishing consistent management standards for supplier quality to effectively control the quality and delivery time of supplier goods.

## Supplier Selection and Evaluation

Foxtron aims to establish a transparent, responsible, and sustainable supply chain system, laying a solid foundation for long-term business development and bringing more positive impacts to society and the environment. The Company has therefore established a supplier selection and evaluation mechanism, through which we conduct annual evaluations and communication guidance operations with our partner manufacturers.

Foxtron has established the Social and Environmental Sustainability Commitment, which includes the Company's ESG-related regulations. All new suppliers are required to sign this commitment as an initial evaluation of their ESG performance. Furthermore, existing qualified suppliers are assessed based on the four aspects of Quality, Cost, Delivery, and Development (QCDD). Suppliers are rated from A to E; A to C-grade suppliers will continue to be used, D-grade suppliers will not be allowed to undertake new vehicle model projects, while E-grade suppliers will have their existing production transferred, and they will not be allowed to undertake new vehicle model projects. Moreover, suppliers that cause significant negative social or environmental impacts will be added to the non-renewal list. In 2024, we plan to add several environmental and social evaluations to the supplier assessment mechanism. These new evaluations will cover environmental protection, resource management, energy saving, emission reduction, and social responsibility. Through continuous improvement and transformation, we aim to ensure that new suppliers adhere to the highest standards of corporate social responsibility and environmental protection, highlighting Foxtron's sustainable brand value.

Additionally, to assess suppliers' risks and competitiveness, we have established an audit system. Each year, cross-departmental procurement, quality, and engineering personnel conduct evaluations of suppliers and contractors. If a supplier is found to be non-compliant with evaluation criteria, they will be required to submit a corrective action schedule to the Company for review.

## Supplier Sustainability Commitment

Foxtron has established the Social and Environmental Sustainability Commitment to outline the corporate social responsibilities that supplier partners must uphold. Suppliers are required to adhere to the Company's behavioral guidelines and ESG-related regulations. This commitment covers six main aspects: Labor and Human Rights; Personnel Health and Safety; Product Safety; Business Ethics; Environmental Protection; and Policy and Compliance Requirements. If a supplier violates Foxtron's code of conduct, laws, or any commitment criteria, resulting in significant environmental or social impacts or involving dishonest behavior, the Company reserves the right to terminate or rescind the contract at any time.

The Company requires suppliers to sign and adhere to the Social and Environmental Sustainability Commitment. In 2023, out of 147 qualified suppliers of Foxtron, 112 suppliers have signed the commitment. We expect to achieve a 100% signing rate by 2025. To collaborate with the supply chain in achieving sustainable development goals, we commit to the following actions:

## Specification for the Social and Environmental Sustainability Commitment

### E - Environmental Aspect

1. Establish environmental protection and energy-saving management procedures.
2. Promote a sustainable supply chain.
3. Implement pollution prevention for water, air, and waste.

### S - Social Aspect

1. Comply with labor standards.
2. Uphold human rights protection.
3. Prohibit child labor.
4. Oppose forced labor.
5. Eliminate discrimination.
6. Ensure health and safety.
7. Ensure freedom of association and collective bargaining mechanisms.

### G - Governance Aspect

1. Adhere to business ethics and the highest standards of integrity, anti-corruption and anti-bribery.
2. Antitrust & Competition.
3. Anti-money laundering.
4. Countering-financing of terrorism.
5. Ensure information security protection.
6. Liability for breach of contract.

We hope to safeguard the labor rights of all workers within Foxtron's value chain, and to establish an equal and inclusive workplace. Together with our supply chain partners, we aim to fulfill our corporate social responsibility.

## 3.3.2 Local Procurement

As a Taiwanese electric vehicle brand, Foxtron supports local manufacturers and implements local procurement. We believe that by purchasing locally-produced parts and materials in Taiwan, we can reduce carbon emissions generated during transportation of components and materials, decrease our products' carbon footprints, and support local economic development, thereby driving the growth of related industries.

### Local Procurement Implementation Mechanism

Foxtron believes that local procurement is a win-win strategy that helps us achieve our environmental goals while promoting local industrial development, thus bringing more positive impacts to society. Currently, due to the nature of the industry's raw materials, apart from certain raw materials (such as batteries) that cannot yet be provided domestically with stable quality and at economic scale, we prioritize domestic suppliers for other raw materials. Foxtron's current local procurements include primarily electronic control components, sheet metal for vehicle bodies, resistor controllers, capacitor controllers, and interior/exterior trim systems. To avoid the risk of material shortages or anomalies from a single supplier, we collaborate with at least two qualified suppliers for each type of material. This approach aims to reduce the risk of production interruptions due to physical risks or geopolitical issues.

Currently, 71% of Foxtron's suppliers are domestic. We aim to promote the transformation and sustainable development of the local automotive supply chain through continued investment in local procurement and the implementation of the Company's sustainable supplier regulations, encouraging local partners to pay more attention to social responsibility and environmental protection in their production processes.

Year	Number of domestic suppliers	Number of international suppliers	Proportion of domestic suppliers
2023	125	52	71%
2022	107	19	76%

# 04

## People-centric, Inclusive and Sharing

### Content /

- 4.1 Labor Relations and Talent Retention
- 4.2 Workplace Diversity and Equality
- 4.3 Talent Cultivation and Development
- 4.4 Occupational Safety and Health
- 4.5 Social Inclusion

### Material Sustainability Topics /

- Labor Relations, Talent Retention and Cultivation
- Workplace Diversity and Equality
- Occupational Safety and Health

### Corresponding SDGs /



# 2023 HIGHLIGHTS

**Foxtron Human Rights Policy** formulated  
**No Occurrence** of discrimination, use of child labor, or forced labor at any Foxtron operating site  
**No Occurrence** of sexual harassment since the Company's inception

**Internal Employee Referral Program**  
 40 employees recommended **45 talents** to the Company  
 Totaling NTD 1,504,000 in referral bonuses.

**Outstanding Engineer Cultivation Program**  
 Identified exceptional graduate students from universities  
 Benefited 5 people with NTD 174,667 in scholarships

**Internal Performance Evaluations**  
 738 employees evaluated, for performance evaluation rate of **94.25%**

**Employee Health Check-up** that are **Superior to Regulation**  
 584 participants, for a total examination rate of **96%**

**Occupational Safety and Health Policy** formulated  
 21 self-inspections for hidden hazards and 9 joint safety and health inspections with contractors; identified 29 hazards, all of which were improved, for a **100%** improvement rate

**Accident-free Work Hours Record Competition**  
**1,352,744** accident-free work hours as of the end of December 2023

**Industry-Academia Collaboration**  
 Collaborated with **NTU's System Optimization Laboratory**  
 CarSim Vehicle Parameter Calibration Process Study  
 Invested **NTD 750,000** and **20 person-months** of effort  
 Interchange with **MCUT's Intelligent Vehicle Research and Development Center** "Opportunities and Challenges for the Electric Vehicle Industry in the Context of Global Net-Zero Emission Trends"

# 4.1 Labor Relations and Talent Retention

GRI 401



## 4.1.1 Employee Overview

Foxtron has 783 employees, including 7 individuals with disabilities and 4 foreign employees. The Company's management team is divided into middle-to-senior management and junior management, totaling 145 people, an approximately 19% of the workforce. In addition, there are 3 outsourced cleaning workers from contractors who are not employees of the Company.

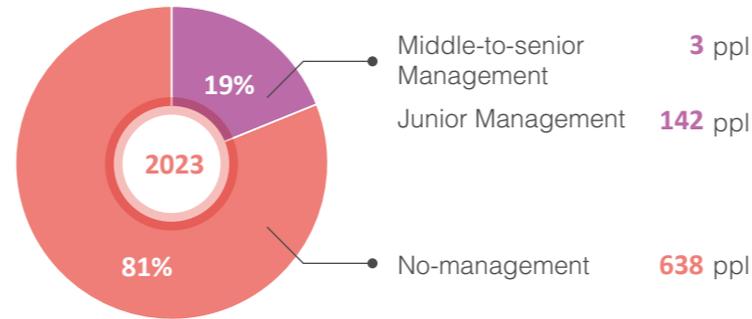
### Employee Type

Gender	2023	
	Full-time Employees (persons)	Total (persons)
Male	663	663
Female	120	120
Total	783	783

Note 1: Calculation Basis - As of December 31, 2023, there are no Temporary Employees, Employees With No Guaranteed Hours, or Part-Time Employees.

Note 2: In the above table, the definition of full-time employees refers to the Company's full-time staff.

### Employee Position Types

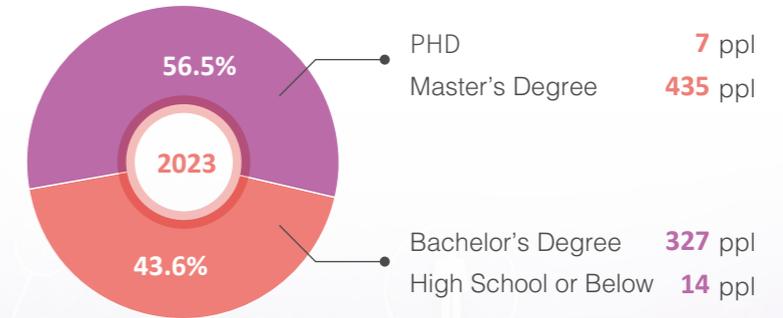


Note 1: Middle-to-senior management refers to managers.

Note 2: Junior management refers to section supervisors and above, but below the managerial level.

Regarding the educational background of employees, there are 7 with doctoral degrees, 435 with master's degrees, 327 with bachelor's degrees, and 14 with high school education or below. Employees with master's and doctoral degrees account for 56.5% of the workforce, demonstrating the Company's emphasis on professionals and active appointment.

### Employee Distribution by Education



Note 1: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.

Note 2: The data is calculated based on the number of employees.

## Distribution of New and Departing Employees

As an R&D-oriented company that places a strong emphasis on people, Foxtron highly values talent attraction and retention. We recruit talent through multiple internal and external channels. Externally, we collaborate with HR recruitment platforms and headhunting companies. Furthermore, the Company has established the Outstanding Engineer Cultivation Program, offering scholarships to graduate students to identify and recruit promising young talents from universities. In 2023, a total of 5 people benefited from this program, with scholarships amounting to NTD 174,667. Internally, the Company has implemented the Internal Talent Referral Bonus Regulations, encouraging employees to recommend qualified candidates. In 2023, 40 employees recommended 45 candidates to the Company, and NTD 1,504,000 was awarded in referral bonuses. In 2023, the Company hired 180 new employees, for a new hire rate of 22.99%.

On the other hand, to ensure a stable and healthy employee retention rate, Foxtron offers competitive salaries, with an annual salary equivalent to 14 months' pay for employees who have completed one year of service, and performance bonuses are awarded based on individual performance (excluding contract and special project hires). To encourage all employees to reach their full potential, the Company has implemented the Improvement Proposal Regulations, which rewards employees who propose concrete improvement plans that enhance the Company's competitiveness. This initiative aims to increase employees' sense of organizational involvement and belonging, thereby boosting morale and improving work efficiency. For employees considering a career change, the Company conducts exit interviews to understand their reasons for leaving, using the feedback to inform ongoing improvements in sustainable operations. In 2023, a total of 72 employees left the Company, resulting in a turnover rate of 9.20%.

## Number and Percentage of New Employees

Gender	Age	Total New Employees	Total Employees	New Employee Percentage
Female	<30 Years Old	11	120	24.17%
	31–50 Years Old	17		
	>51 Years Old	1		
Male	<30 Years Old	58	663	22.78%
	31–50 Years Old	88		
	>51 Years Old	5		
Total		180	783	22.99%

Note: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.

## Number and Percentage of Departing Employees

Gender	Age	Total Departing Employees	Total Employees	Turnover Rate
Female	<30 Years Old	1	120	7.50%
	31–50 Years Old	7		
	>51 Years Old	1		
Male	<30 Years Old	22	663	9.50%
	31–50 Years Old	32		
	>51 Years Old	9		
Total		72	783	9.20%

Note: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.

## 4.1.2 Employee Benefits

### Welfare Measures

The Company provides a comprehensive range of employee benefits, including group insurance, life insurance, medical insurance (such as cancer treatment, overseas disease treatment, injury treatment, and hospitalization), accident insurance, birthday and holiday gift vouchers, flexible welfare funds, and marriage, bereavement, and maternity allowances. Moreover, we have established an Employee Welfare Committee to coordinate welfare activities, organizing employee events and travel activities on an irregular basis to enrich employees' leisure time and enhance camaraderie. All leave policies are in accordance with the Labor Standards Act, the Regulations of Leave-Taking of Workers, and other laws and regulations set by regulatory authorities, encouraging employees to take adequate rest and maintain a healthy work-life balance.

In addition, the Company has established an employee stock option mechanism in reference to Article 167-2 of the Company Act. Internally, we have formulated the Employee Stock Option Issuance and Subscription Regulations. The conditions for employee stock options are based on factors such as job performance, overall contribution, special achievements, position level, or years of service, to calculate the number of shares an employee can subscribe to. This mechanism is designed to attract and retain the expert talent needed by the Company and to enhance employee loyalty.

### Retirement System

To ensure a stable post-retirement life for employees and enhance their work spirit during their employment, Foxtron administers a retirement pension system in accordance with the Labor Standards Act and the Labor Pension Act. The Company allocates 6% of our employees' monthly salaries as a contribution to their individual retirement pension accounts. Employees of the Company are subject to the retirement pension standards under the Labor Standards Act, with calculations based on the laws in force at the time. In the absence of applicable laws, calculations are based on the Company's regulations

or through negotiation. In addition, the Company has established a retirement benefits plan applicable to employees who meet retirement conditions after November 6, 2020. At the end of each year, the Company estimates the balance in the retirement fund account, and if it is insufficient to cover the estimated retirement pensions, the Company will make up the shortfall by the end of March of the following year.

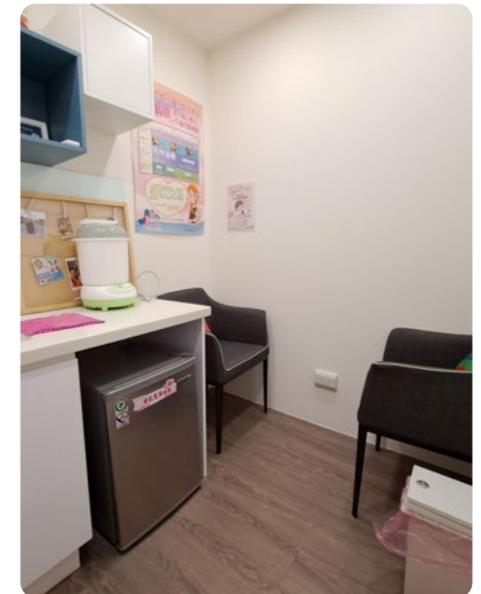
### Maternity Benefits

Foxtron provides employees with maternity leave, flexible working hours, and family care leave in accordance with the Gender Equality in Employment Act. Through appropriate parental leave without pay and attendance management systems, the Company enables employees to more flexibly manage childcare and balance work with family responsibilities. Female employees can take 8 weeks of maternity leave before and after childbirth, and male employees are entitled to 5 days of paternity leave. Both parents can apply for parental leave without pay until their child reaches the age of 3. The Company also provides a friendly and accommodating lactation room in the workplace to meet the needs of female employees for breastfeeding. Furthermore, for female employees who are pregnant or within one year postpartum, the Company offers physician consultations, work suitability assessments, and hazard control recommendations. In 2023, the Company's post-parental leave reinstatement rate was 83%, with a retention rate of 100% for those who remained employed one year after returning.

### Parental Leave Statistics

Criterion	Number of Male Employees	Number of Female Employees	Total
Employees eligible for parental leave this year (A)	76	7	83
Employees who took parental leave this year (B)	6	0	6
Employees expected to return to work after parental leave this year (C)	6	0	6
Employees who returned to work after parental leave this year (D)	5	0	5
Employees who returned to work after parental leave in the previous year (E)	1	3	4
Employees who were still employed twelve months after returning from parental leave in the previous year (F)	1	3	4
Application rate of parental leave without pay (B/A)	8%	N/A	7%
Reinstatement rate (D/C)	83%	N/A	83%
Retention rate (F/E)	100%	N/A	100%

Note: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.



▲ Lactation room

# 4.2 Workplace Diversity and Equality

GRI 405



## 4.2.1 Human Rights Policy

### Foxtron Human Rights Policy

Foxtron supports and references the labor standards set forth in the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labour Organization Conventions in formulating the Foxtron Human Rights Policy, which is signed by the CEO and announced publicly. The Company is committed to creating a dignified work environment, ensuring that the human rights of all stakeholders, including but not limited to full-time employees and contract workers, are treated with equality and dignity. The Company is dedicated to addressing key human rights issues, including Fairness & Non-Discrimination, Respect for the Right to Free Labor and Prohibition of Forced Labor, Fostering Good Labor Relations, Providing a Safe & Healthy Work Environment, and Information Security. These issues are addressed through the implementation of stakeholder engagement, the establishment of appropriate management policies and corresponding measures, and regular review and evaluation of the potential impacts of human rights issues on the Company. For more information, please refer to the [Foxtron Human Rights Policy](#).

### Implementation of the Human Rights Policy

To uphold the corporate commitment to respecting human rights, Foxtron has established specific regulations for the five key human rights issues the Company focuses on. The Human Rights Policy clearly defines the behaviors that are expected and those that are prohibited regarding these issues, serving as a guide for the Company's human rights initiatives. Through these plans and their implementation, we aim to protect the human rights of employees and stakeholders, demonstrating a responsible corporate attitude. **In 2023, there were no reported instances of discrimination, child labor, or forced labor at any of Foxtron's operating sites.**

Human Rights Issues	Regulations
Fairness and Non-discrimination	The Company strictly prohibits any form of harassment and discrimination in the workplace, ensuring equal employment opportunities and a fair compensation system.
Respect for Free Labor Rights, Prohibition of Forced Labor	The Company respects the free labor rights of all workers, strictly prohibiting the employment of workers under any form of coercion. The Company has zero tolerance for any form of forced or inhumane treatment of employees and prohibits the employment of child labor.
Fostering Good Labor Relations	The Company provides diverse and open communication channels, striving to promote harmonious labor relations. We also respect employees' rights to association and collective bargaining to foster positive labor relations.
Providing a Safe and Healthy Work Environment	The Company is committed to workplace health and safety, focusing on the physical and mental well-being of employees and work-life balance. We work to reduce the risk of occupational accidents to provide a healthy and sound work environment.
Information Security	The Company respects the data privacy of employees and customers, ensuring that data collection and use comply with legal requirements. The Company has established information security mechanisms to protect both commercial and personal information.


[Foxtron Human Rights Policy](#)

### Human Rights Issues Complaint Channels

Foxtron provides complaint channels, including the Internal Employee Complaint Mailbox and the Sexual Harassment Prevention Hotline and Complaint Mailbox. Upon receiving a complaint, the Company will conduct an investigation in accordance with regulations. If the investigation confirms the complaint, necessary remedial actions and responses will be taken. The Company regularly assesses human rights risks in its operations and develops mitigation and remedial measures.

Regarding gender equality and the prevention of sexual harassment, if employees or job applicants encounter sexual harassment in the workplace, they can file a complaint with the HR supervisor of their respective department. In accordance with Article 13 of the Gender Equality in Employment Act, in addition to establishing a sexual harassment complaint channel, Foxtron has also planned to arrange courses related to the prevention of sexual harassment (e.g., sharing laws and practices regarding workplace misconduct). Furthermore, in response to the amendment of the Gender Equality in Employment Act on March 8, 2024, the Company has planned to include Sexual Harassment Prevention Education and Training as part of the occupational safety and health education for new employees. This helps employees to have a clearer understanding of boundaries and appropriate interactions with employees. **Since the establishment of Foxtron, no incidents related to sexual harassment have occurred.**

To protect the rights of the complainant, the complaint received will be handled confidentially. The Company promises not to disclose the name of the complainant or any other information that could identify the complainant's identity.

Complaint hotline: (02) 5590-6168, ext. 2223  
 Complaint fax: (02) 5590-0505  
 Complaint email: amy.hsu@foxtronev.com

## 4.2.2 Equality and Non-discrimination

### Gender Equality

Foxtron upholds the principles of fairness, justice, and equality, striving to create a diverse and inclusive friendly work environment. Due to the nature of the industry, the percentage of male employees is higher; however, we will continue to recruit outstanding female talents in the future, providing a supportive and welcoming work environment for female employees to increase their representation. In 2023, out of 783 employees, there were 663 male employees, with the age distribution as follows: 99 people under 30 years old, 464 people who were 31–50 years old, and 100 people who were 51 or older. The total number of female employees was 120, with an age distribution of 22 people under 30 years old, 82 people who were 31–50 years old, and 16 people who were 51 or older.

### Employee Structure - Employee Age Distribution

Age Gender	Number of Employees			
	< 30 Years Old	31–50 Years Old	> 51 Years Old	Total
Number of Male Employees	99	464	100	663
Percentage of Male Employees	12.64%	59.26%	12.77%	84.67%
Number of Female Employees	22	82	16	120
Percentage of Female Employees	2.81%	10.47%	2.05%	15.33%
Total Employees	121	546	116	783
Total Percentage	15.45%	69.73%	14.82%	100.00%

### Equal Pay for Equal Work

Employee rights and diversity equality are among the key sustainability issues that Foxtron is committed to. In compliance with Taiwan's Gender Equality in Employment Act, we strictly adhere to the Fairness and Non-discrimination principles outlined in the Foxtron Human Rights Policy. We implement an equal pay for equal work mechanism, ensuring that no discriminatory treatment is given based on an employee's gender or sexual orientation.

Employee Category	Female-to-Male Salary Ratio
Management	0.18
R&D Personnel	0.81
General Employees	0.76

Note 1: The above salary calculation includes basic salary and remuneration.

Note 2: The calculation method assumes the average salary for male R&D personnel is A, and the average salary for female R&D personnel is B. The female-to-male salary ratio for R&D personnel is calculated as B/A.

### Diverse Workforce

Regarding workforce diversity, we strictly adhere to the Fairness and Non-discrimination principle outlined in the Foxtron Human Rights Policy, integrating Foxtron's commitment to equal employment, human rights values, employee diversity, prohibition of child labor, and prohibition of forced labor into our talent recruitment principles and daily operations. In 2023, the Company employed seven individuals with disabilities, in compliance with legal requirements, and also hired four foreign employees.

### Diverse Workforce Distribution

	2023	
	Number of Employees with Disabilities	Number of Foreign Employees
Legally Required Number of Employees	7	0
Actual Number of Employees	Male	2
	Female	2
Total	7	4

# 4.3 Talent Cultivation and Development

GRI 404



## 4.3.1 Talent Training and Competency Development

Foxtron provides comprehensive competency training for both new employees and existing employees. For new employees, Foxtron offers orientation courses on their first day, covering topics such as the Company's corporate culture, organizational history, work rules, employee benefits, key points to note, and an introduction to the environment, helping new employees gain a basic understanding of the Company. We require new employees to complete the training outlined in the New Employee Orientation Handbook within three months of joining and track their training progress using the New Employee Training Schedule. This approach assists new employees in quickly understanding the Company's policies and regulations, familiarizing themselves with their job responsibilities, and reducing work-related obstacles. Internally, we have established a mentorship system where suitable supervisors or senior employees are selected to support new employees after they join, achieving a Teaching & Learning effect and implementing the concept of On-the-Job Training. Furthermore, we monitor the progress of new employees through the New Employee Weekly Training Reports - On-the-Job Training and Monthly Meetings with Supervisors, demonstrating our care for new employees and effectively reducing turnover rates among them.

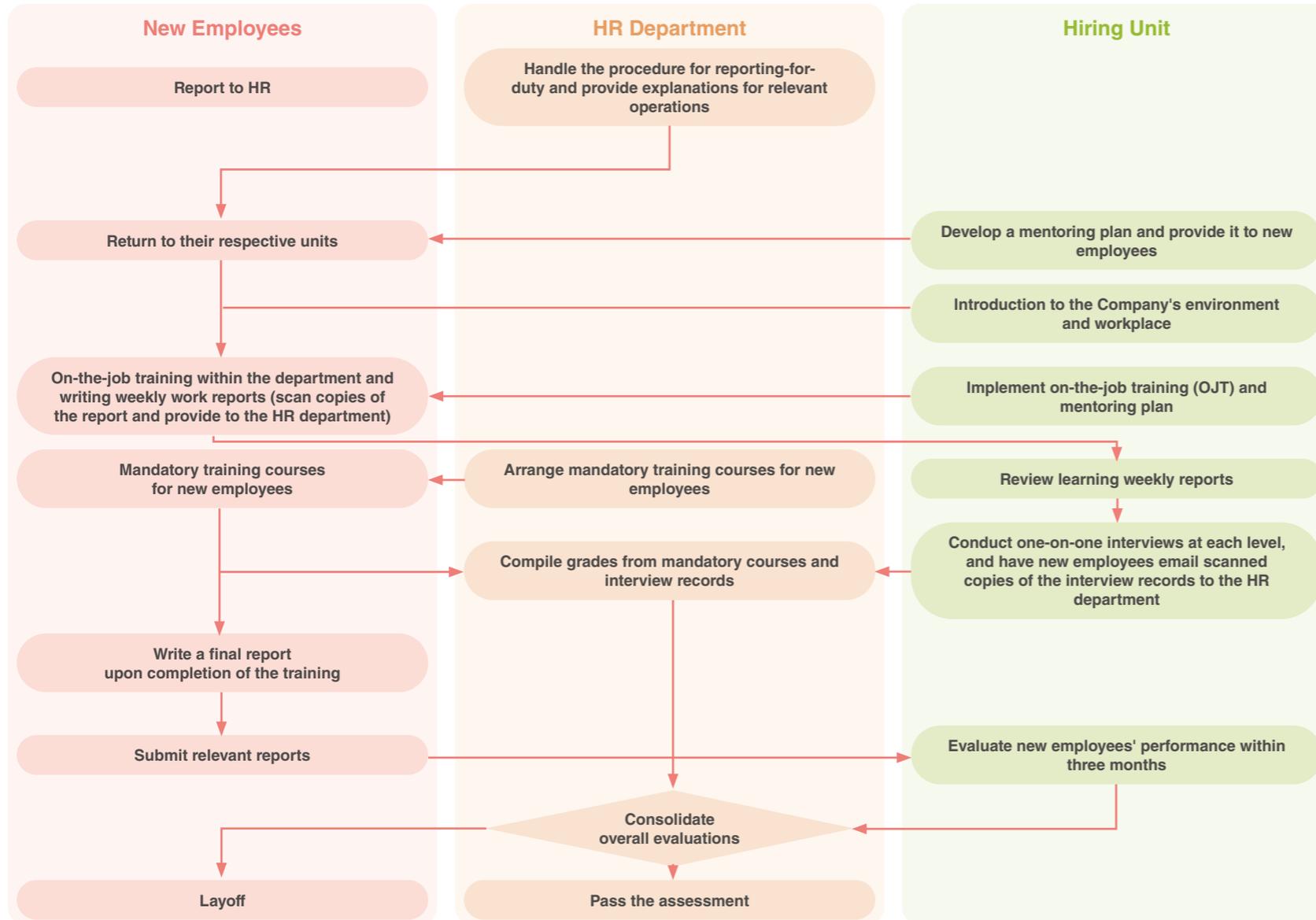
For existing employees, we arrange internal and external training to enhance employees' expert abilities in a wide variety of areas. This training aims to develop their specialized skills, knowledge, and management capabilities, while also improving their work efficiency and emphasizing the importance of product quality. In 2023, the total number of employee training hours reached 20,174.

Total Education and Training Hours

Employee Category/ Training Hours	Male			Female			Total		
	Total Training Hours	Total Male Employees	Average Training Hours Per Employee	Total Training Hours	Total Female Employees	Average Training Hours Per Employee	Total Training Hours	Total Employees	Average Training Hours Per Employee
Management	3	3	1.00	33	3	11.00	36	6	6.00
R&D Personnel	12,993	515	25.23	3,907	58	67.36	16,900	573	29.49
General Employees	1,996	145	13.77	1,242	59	21.05	3,238	204	15.87
<b>Total</b>	<b>14,992</b>	<b>663</b>	<b>22.61</b>	<b>5,182</b>	<b>120</b>	<b>43.18</b>	<b>20,174</b>	<b>783</b>	<b>25.77</b>

Note: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.

## Foxtron New Employee Orientation Process Flowchart



▲ Sustainability issues educational training



▲ TCFD educational training

### 4.3.2 Performance Management System

The Company conducts annual performance evaluations for employees based on the actual business conditions, reviewing their work performance and competency. Based on the evaluation results, adjustments are made to salaries, bonuses, and promotions. This approach encourages employees to engage in their work, fostering a win-win where both personal compensation growth and the Company's operating performance are enhanced.

The company has established the Employee Performance Evaluation Regulations, conducting an annual evaluation process that includes job assignment, job improvement, job coaching, educational training, and salary adjustments to effectively enhance overall workforce quality. To promote positive communication between supervisors and employees, we encourage supervisors to regularly provide feedback on employees' work progress and task completion. If employees have objections to the approved evaluation ratings, they can appeal through the Company's grievance mechanism. In 2023, Foxtron conducted performance evaluations for 738 employees, with 94.25% of employees undergoing performance evaluations.



#### Percentage of Employees Evaluated

Employee Performance Evaluation	Male			Female			All Staff		
	Number of Employees Evaluated	Total Employees	Percentage of Employees Evaluated	Number of Employees Evaluated	Total Employees	Percentage of Employees Evaluated	Number of Employees Evaluated	Total Employees	Percentage of Employees Evaluated
Management	3	3	100.00%	3	3	100.00%	6	6	100.00%
R&D Personnel	489	515	94.95%	55	58	94.83%	544	573	94.94%
General Employees	135	145	93.10%	53	59	89.83%	188	204	92.16%
<b>Total</b>	<b>627</b>	<b>663</b>	<b>94.57%</b>	<b>111</b>	<b>120</b>	<b>92.50%</b>	<b>738</b>	<b>783</b>	<b>94.25%</b>

Note: The statistics cover the period from January 1, 2023, to December 31, 2023, for employees currently in service.

# 4.4 Occupational Safety and Health




Employees are a vital asset to the Company. In addition to establishing comprehensive salary policies and benefits, the Company also creates a friendly and safe working environment to support employees' ongoing development without concerns. Foxtron, from the perspective of its employees, has established a sound occupational safety and health management system, providing a safe, hygienic, and comfortable work environment. The Company also focuses on the physical and mental health of each employee to ensure the development of a healthy workforce, thereby maintaining the Company's sustainable competitiveness.

## 4.4.1 Implementation of Occupational Safety and Health Policies & Management

Foxtron is committed not only to creating a safe, healthy, and comfortable working environment but also to continuously reducing the rate of occupational accidents. The Company, following the Rules of Occupational Safety and Health Management (hereinafter referred to as "the Act"), has established an Occupational Safety and Health Policy as the highest guiding principle for the organization's safety and health management. Upholding the belief in Respecting Life & Caring for Health, Foxtron strives to achieve the goal of Preventing Occupational Accidents & Creating a Healthy Workplace. We focus on five key areas – Regulatory Compliance, Prevention, Full Participation, Continuous Improvement, and an Eco-Friendly – to reduce potential hazards and safety risks in the workplace, enhance employee safety awareness, and create a safe and healthy working environment for all Foxtron employees.

As a publicly listed company, Foxtron is committed to ensuring the health and safety rights of its employees and promoting health and safety management across all its facilities. In line with the industry's specific characteristics, the Company has formulated an Occupational Safety and Health Management Plan, which is implemented after the general manager's approval. The key points of the plan include conducting workplace environment monitoring every six months, assessing operating safety risks, managing machinery and equipment, controlling chemicals and hazardous substances, procurement and contractor management, providing educational training for new and current employees, and requiring specific operations personnel to be certified before taking on their roles. The plan also includes an annual inspection of fire safety equipment, biannual fire drill training for the fire safety team, and monthly reporting of occupational accident statistics.

Additionally, we have established the Prevention Plan for Unlawful Infringement in the workplace, which includes the Human Hazard Prevention Plan, the Maternal Health Protection Plan, and the Plan for Preventing Diseases Triggered by Abnormal Workload. In 2023, we implemented one Maternal Health Protection Plan, which included consultations with a physician and a job suitability assessment. The job suitability assessment was conducted in February 2023, covering physical, chemical, biological, human-induced hazards, and work stress, with the evaluation results indicating no hazards. The physician consultation took place in March 2023, assessing the types and levels of risks within the workplace, with the results showing no risks and no immediate improvement recommendations.

To enhance the safety and health of the working environment for our employees, the Company has also established the Labor Safety and Health Work Rules for employees to follow. Through these measures, we aim to protect the safety and health of all workers (including employees and related operating staff) and to achieve the ultimate goal of Zero Injuries, Zero Accidents.

## 4.4.2 Occupational Accident and Occupational Disease Prevention Management

To enable Foxtron to identify occupational accident risks early and respond effectively, the Company has established a process for identifying and assessing occupational accident risks. This process focuses on the proactive control and prevention of potential accidents, occupational injuries, and risks to financial assets and facilities during operations and work processes, ensuring that employees can work in a safe and secure environment.

### Hazard Identification and Risk Assessment

Foxtron's management principles and mechanisms for hazard identification and risk assessment are as follows:

- 1 Assign a number and name to each operation.
- 2 Identify hazards and consequences: Manage each operation based on principles such as operation cycle, working environment, machinery and equipment, energy/chemical substances, operation qualifications, types of hazards, and the consequences of those hazards.
- 3 Plan existing protective measures: Engineering controls, administrative controls, personal protective equipment.
- 4 Assess the risk and level of each operation.
- 5 Implement control measures to reduce the risks associated with each operation.
- 6 Evaluate the estimated risk level after implementing control measures for each operation.

Foxtron conducted 21 self-inspections for hidden hazards and 9 joint safety and health inspections with contractors, identifying 29 hazards, all of which were improved, achieving a 100% improvement rate. The identified occupational health and safety risks were categorized into three main areas: Noisy Environments, Overworked Personnel, and Fire & Building Safety. Based on these identified risks, corresponding measures were established, and services were provided to reduce the risks for employees. The details are as follows:

Risk Item	Risk Description	Response Measures	Services Provided to Workers to Reduce Risk
<p>Noisy Environment</p>	Employees working in high-noise environment may experience hearing loss.	<ol style="list-style-type: none"> <li>Post warnings in high-noise environments.</li> <li>Implement engineering controls, such as using soundproof walls (partition walls) to reduce noise.</li> <li>Restrict access to high-noise areas.</li> </ol>	<ol style="list-style-type: none"> <li>Confirm whether employees are regularly exposed to such environment and plan for occupational environment monitoring.</li> <li>Provide noise protection equipment.</li> <li>Offer special health examinations for employees working in high-noise areas for extended periods.</li> </ol>
<p>Overworked Personnel</p>	Employees who work 45 hours or more of overtime per month are considered overworked.	<ol style="list-style-type: none"> <li>Conduct workplace surveys and interviews.</li> <li>Arrange on-site visits and health assessments by a physician.</li> <li>Implement administrative control measures.</li> </ol>	<ol style="list-style-type: none"> <li>Monitor and control the working hours of overworked personnel.</li> <li>Expand headcount.</li> <li>Reallocate tasks to distribute the workload more evenly.</li> </ol>
<p>Fire and Building Safety</p>	The safety assessment of the plant building reveals that its facilities do not meet fire resistance requirements.	<ol style="list-style-type: none"> <li>Hire a building safety inspection company to evaluate the plant's safety and provide improvement guidance.</li> <li>Arrange for contractors to carry out fire safety improvements.</li> </ol>	<ol style="list-style-type: none"> <li>Improve the work environment by installing fire doors and fire windows, increasing fire resistance.</li> <li>Increase the time available for workers to evacuate safely.</li> </ol>

## Occupational Safety Risk Reporting Process

The Company has established comprehensive occupational accident prevention and reporting mechanisms. For instance, in the case of summer high-temperature hazards, we have implemented a heat hazard prevention mechanism for workers. In accordance with Article 6, Paragraph 8 of the Occupational Safety and Health Act, employers must prevent hazards related to extreme temperatures and must have appropriate safety and health facilities in place, with employees required to comply with related measures. Some outdoor testing tasks at the Company require long periods of testing inside vehicles without air conditioning. To address this, we refer to the Ministry of Labor's Guidelines for Preventing Heat Hazards for Outdoor Workers in High Temperatures and thoroughly plan and prepare before and during the implementation of testing operations. We provide items or equipment such as insulated water containers, ice, drinking water or sports drinks, salt water, cooling towels, ice packs, baby powder, and thermometers. A designated person is responsible for regularly inspecting the implementation of hazard prevention and management measures, constantly monitoring workers' health conditions, and maintaining open communication for discussions and adjustments to the implementation process. If an employee raises concerns about heat hazards while performing work, the Company will handle it in accordance with the Guidelines for Preventing Workplace Misconduct and will not impose any adverse actions against workers who cease operations or retreat to a safe place due to the perceived risk of bodily harm or life-threatening situations encountered during the performance of their duties.

## Accident Investigation and Emergency Response Procedure

When an emergency incident occurs, the Company not only identifies all possible emergency situations, the nature of damages, and the severity of the consequences but also categorizes the types of emergencies into different levels. We then respond and report in accordance with the emergency response procedures, enabling departments to promptly assess the situation and plan and implement appropriate follow-up measures. The Company's emergency situation classification and response procedures are as follows:

**Level 1**

Confined small-scale accident. This type of accident affects only a specific area within the Company and can be resolved using the Company's internal response capabilities.

**Level 2**

A large-scale accident occurring within the Company that does not extend beyond the Company's premises. Requires the emergency response team's capabilities or even external assistance to resolve the accident.

**Level 3**

An accident occurring within the Company's premises that may spread and affect areas outside the Company or an accident occurring outside the Company's premises (e.g., an accident involving a tanker outside the Company's premises). Such accidents often pose a threat to external personnel and property and typically require external assistance.

## Emergency Incident Response Procedure

<p><b>Incident Occurrence</b></p>	<p>The witness must immediately report to the on-site supervisor. Injured personnel must proceed to a hospital for diagnosis and obtain a diagnosis certificate. The department involved in the incident must promptly notify the occupational safety personnel. If the incident occurs during nighttime, the security guard on duty must be notified.</p>
<p><b>Incident Scene Handling</b></p>	<p>Apart from necessary rescue operations, the incident scene must be preserved intact to help investigators to collect evidence.</p>
<p><b>Incident Cause Reconstruction</b></p>	<p>Upon receiving the report/notification, occupational safety personnel must inspect the site immediately during work hours, understand the preliminary cause of the accident, and assess emergency preventive measures. For any incident categorized as a major accident, the occupational safety personnel must report it to the inspection authority within eight hours.</p>
<p><b>Notification of Related Departments</b></p>	<ol style="list-style-type: none"> <li>In accordance with Article 37, Paragraph 2 of "the Act", major fatal occupational accidents must be reported online.</li> <li>If the incident is not one of the major occupational accidents listed under Article 37, Paragraph 2 of "the Act", it must be reported via the occupational injury and disease reporting system established under Article 73 of the Labor Occupational Accident Insurance and Protection Act.</li> </ol>
<p><b>Investigation &amp; Judgment</b></p>	<p>After the initial investigation, the investigation team must determine whether the incident qualifies as a work-related injury. If it is a work-related injury, it must be handled in accordance with the personnel management regulations.</p>
<p><b>Reporting &amp; Improvement</b></p>	<p>After completing the investigation, the department involved in the incident must fill out the incident investigation report. The occupational safety personnel must then issue an environmental/occupational health and safety abnormality handling form to the related departments based on the investigation report, requesting improvement actions and conducting monitoring and verification. If the department's improvement measures are inadequate or ineffective, the occupational safety personnel may require a revision and re-implementation. The occupational safety personnel must also collect and submit the improvement measures data to the departmental supervisor and CEO for case closure.</p>
<p><b>Post-Incident Closure Operations</b></p>	<p>The HR department, in collaboration with the insurance company, handles compensation procedures based on the incident investigation report.</p>

## Occupational Safety Risk Mitigation Measures

In accordance with the regulations, the Company engages doctors, nurses, occupational safety and health management personnel, and fire prevention management personnel to ensure the safety and health of employees in the workplace. The primary measures implemented are as follows:

### Environmental Safety Measures

- Conduct public safety inspections and maintenance reports for buildings (every 2 years for the Baogao office/every 4 years for the Taoyuan office).
- Install access control systems with card swiping and coordinate with the science and Intellectual park's security management. In case of abnormal alarms, the science and Intellectual park's security personnel will promptly contact the emergency contact person to address the issue and ensure the safety of the Company's personnel and property.
- Every 6 months, conduct workplace environment monitoring in offices equipped with central air conditioning systems.
- Annually arrange for the detection of Legionella in central air conditioning systems to prevent bacterial infections among employees.
- At the beginning of each month, perform routine checks on fire sources, fire evacuation facilities, and fire safety equipment.
- Implement biannual self-defense firefighting team training and conduct annual inspections and reports on fire safety equipment to reduce the risk of employee and property hazards.
- Install automated external defibrillators (AEDs) in the workplace to deal with accidents.
- Conduct maintenance or repairs on all electrical and fire safety equipment at least once a year.

### Employee Safety Measures

- Appoint first aid personnel as required and arrange regular training sessions.
- To effectively reduce the risk of employees being exposed to hazards and contracting occupational diseases, the Company has established plans in four areas: ergonomics and unlawful harm, overwork, and maternity protection. Employees are also surveyed to aid in subsequent health risk assessments and improvement measures.
- Occupational safety personnel conduct inspections of work areas in an irregular basis to prevent on-site hazards.
- The Company provides car insurance for company cars used by employees and schedules regular maintenance to prevent accidents.
- First aid kit contents are updated every 6 months in all facilities.
- An accident handling procedure has been established as the basis for implementing accident reporting and handling operations. When an employee experiences an accident, the Company's occupational safety personnel or occupational health nurses will provide health care and assistance. For accidents within the facilities, occupational safety personnel and department supervisors will initiate an accident investigation and propose improvement measures to prevent similar accidents from recurring.

## Occupational Safety Management for Suppliers and Contractors

Foxtron's primary suppliers are companies that provide goods or services. Currently, only construction work and service contractors are subject to pre-operation audits and controls over the qualifications of personnel entering the site. The Company conducts contractor reviews in accordance with the Contractor Management Technical Guidelines, with the following review items:

1. Establishment of risk identification and contractor system management.
2. Pre-construction meeting with contractors.
3. Contract awarding and signing.
4. Safety and health agreement meetings.
5. Entry management.
6. Management during and after construction.
7. Monitoring of safety and health performance.

## Occupational Injuries and Occupational Diseases

In 2023, Foxtron recorded 7 occupational injuries (including 3 traffic-related incidents and 4 general workplace accidents) and 4 instances of occupational diseases. **There were no major occupational injuries or diseases reported.**

Furthermore, the Company participated in the Accident-free Work Hours Record Competition. In accordance with the competition rules, after excluding traffic incidents, we accumulated 1,352,744 accident-free work hours from February 2023 to the end of December 2023. Foxtron will continue to promote occupational safety activities, striving to ensure that employees work in a safe and hazard-free environment.

Regarding the occupational injuries and occupational disease instances that occurred in 2023, we conducted return-to-work and occupational injury assessments through medical evaluations and provided insurance benefits as appropriate. To prevent similar incidents from happening again, we have implemented the following improvements to our operation procedures:

1. Traffic Accidents: Conducted awareness campaigns and organized traffic safety educational training.
2. Slip and Fall Incidents: Improved site lighting and workflow layout at the worksite, and enhanced educational training and awareness campaigns.
3. Bee Stings: Referenced the guidelines for preventing hornet stings for outdoor work and jointly inspected the site with the Automotive Research & Testing Center (ARTC) to confirm the absence of beehives.
4. Cuts While Working: Promoted the use of cut-resistant gloves and related protective equipment.

		All Employees	Non-employee Workers
Occupational Injuries	Main Types of Injuries	1. Traffic accidents (3 cases) 2. Commuter injury (1 cases) 3. Falls while working (1 cases) 4. Bee stings at work (1 cases) 5. Cuts while working (1 cases)	As of the end of 2023, neither occupational injuries nor occupational diseases have occurred in the operation of Baogao project contractors.
Occupational Diseases		Working hours exceeding 45 hours, 10-year cardiovascular assessment, ergonomic assessment.	
Total Work Hours		1,438,096	16,384
Number of General Occupational Injuries	Occupational Injuries	7	0
	Occupational Diseases	4	0
Number of Severe Occupational Injuries	Occupational Injuries	0	0
	Occupational Diseases	0	0
Number of Fatalities	Occupational Injuries	0	0
	Occupational Diseases	0	0
Severe Occupational Injury Rate	Occupational Injuries	-	-
	Occupational Diseases	-	-
Fatality Rate from Occupational Injuries	Occupational Injuries	-	-
	Occupational Diseases	-	-
Recordable Occupational Injury Cases	Occupational Injuries	7	0
	Occupational Diseases	4	0
Recordable Occupational Injury Rate	Occupational Injuries	4.87	0

Note 1: Recordable Injury Frequency Rate = (Number of Recordable Occupational Injuries × 10<sup>6</sup>) ÷ Total Work Hours.

Note 2: Severe Occupational Injury Rate = (Number of Severe Occupational Injuries × 10<sup>6</sup>) ÷ Total Work Hours.

Note 3: Fatality Rate from Occupational Injuries = (Number of Fatalities from Occupational Injuries × 10<sup>6</sup>) ÷ Total Work Hours.

Note 4: Total Work Hours: The sum of actual work hours experienced by all employees/workers, as defined by the Ministry of Labor.

Note 5: Non-employee Workers: The scope is the same as described in section [4.1.1 Employee Overview](#).

## Fire Prevention and Statistics

The Company has implemented multiple fire prevention measures, planned across three main areas: Routine Fire Prevention, Fire Prevention Measures, and Self-Defense Firefighting Activities.

For Routine Fire Prevention, in compliance with fire safety regulations, we have installed the necessary fire safety equipment at our operating sites. Every November, we commission external expert institutions to inspect these systems, and within 15 days of the inspection, we report the results to the local fire department for record-keeping. The Fire Prevention Management Organization is responsible for routine fire prevention and preventing fires during earthquakes. Fire prevention management personnel are appointed for floors 2 to 8 of the Company, with designated responsibility areas and assigned fire source managers. Fire prevention management personnel and fire source managers are required to regularly inspect fire sources, electrical equipment, fire evacuation facilities, and fire safety equipment. Daily checks are conducted on fire sources, while fire evacuation facilities and fire safety equipment are inspected monthly.

In the area of Fire Prevention Measures, we strictly prohibit any fire sources at our operating sites unless approved. Smoking or using fire sources is not allowed except in designated areas. The installation or modification of electrical equipment, as well as the use of fire and electricity for festive purposes, must be approved in advance by the fire prevention management personnel. In terms of electrical management, any use of hazardous materials and electrical appliances requires prior approval from the fire prevention management personnel and must be inspected after use to ensure safety. Fire evacuation facilities, such as emergency exits, corridors, stairwells, and escape routes, must remain clear of any obstructions or stored items at all times to prevent slip or trip hazards. Emergency escape doors must be easy to open, and safety doors must remain closed with no flammable materials nearby. The layout of escape routes and fire safety equipment must be clearly posted in visible locations, and all relevant personnel must be informed and familiarized with the locations of these facilities and escape routes.

In the area of Self-Defense Firefighting Activities, we have divided the activities into six categories namely command, communication and reporting, firefighting, evacuation guidance, first aid, and safety protection. When a fire incident occurs, we will establish a command center and appoint a commander responsible for directing the self-defense firefighting team in carrying out their tasks and monitoring the progress of firefighting activities. Notifier will contact external fire departments to report the details of the incident, notify internal departments, and keep the fire prevention management personnel and team leader updated on the latest situation.

Initial firefighting efforts will focus on using indoor fire hydrants and extinguishers to prevent the fire from spreading. Evacuation guidance personnel will direct evacuees to use emergency exits in the opposite direction of the fire, with regular drills and countermeasures in place for higher floors. The command center will set up a first aid team to provide emergency medical treatment to the injured. If necessary, the team will contact emergency medical services to transport the injured and keep a record of the casualties. Safety protection measures include closing fire doors, ensuring emergency power is available, and designating restricted areas for safety.

Through the activities mentioned above, we reduce the likelihood of fire incidents and ensure an effective response in the event of an emergency. This approach safeguards the safety of our employees and minimizes the potential losses during a disaster. **In 2023, Foxtron reported zero fire incidents and zero employee injuries or fatalities related to fire hazards.**



### 4.4.3 Occupational Safety Training and Drills

In accordance with Article 32 of the Regulations of Occupational Safety and Health Act, Foxtron has established a comprehensive program to provide all employees with necessary safety and health education, as well as accident prevention training within the scope of operations. This includes specific safety and health training for employees operating hazardous machinery or equipment. We have arranged multiple occupational safety education courses, requiring regular refresher training for employees. The effectiveness of the training is evaluated through tests, practical drills, and the implementation of job duties. In 2023, the total number of training hours related to occupational safety and health at Foxtron reached 1,625 hours. Moreover, through external training courses, we assist occupational safety and health personnel and supervisors in obtaining certifications. In 2023, a total of 13 certifications were obtained, enhancing employees' knowledge and skills in safety and health, and preventing occupational hazards.

Occupational Safety Training Programs	Course Content Overview	Training Hours	Number of Participants
General Safety and Health Educational Training for New and Current Employees	Overview and concepts of "the Act", safety and health work rules, and knowledge related to self-inspection	772	772
AED+CPR	AED operation, practical training in external chest compressions, and emergency first aid knowledge	57	19
Occupational Safety and Health Affair Manager Refresher Training	6-hour refresher course every 2 years, covering new occupational safety and health regulations and related course content	12	2
Occupational Safety and Health Management Personnel Refresher Training	12-hour refresher course every 2 years, covering new occupational safety and health regulations and related course content	12	1
Occupational Health Nurse	12-hour refresher course every 3 years for health nurses, covering new regulations and related course content	3	1
Overhead Crane Operation Refresher Training	3-hour refresher course every 3 years, covering crane operation, new regulations, and related course content	6	2
Forklift Operation Training for Vehicles Over One Ton	3-hour refresher course every 3 years, covering forklift operation, new regulations, and related course content	6	2
Fire Prevention Management Personnel Initial and Refresher Training	In response to the fire safety reporting system, a 6-hour refresher course every 3 years for fire prevention management personnel	12	2
AED Manager	3-hour refresher course every 2 years, covering AED operation	9	3
Self-Defense Fire Drill	Biannual evacuation and escape drill every 6 months	736	184



▲ AED+CPR Training Course



▲ Occupational Safety and Health Training



▲ Automated Guided Vehicle (AGV) Training

#### Occupational Safety Certifications for Employees

Professional Occupational Safety Personnel Certification	Certification Overview	Number of Certifications
Occupational Safety and Health Affair Manager	Courses on occupational safety and health regulations and occupational accident case studies	6
Occupational Safety and Health Management Personnel	Courses on occupational safety and health regulations and occupational accident case studies	1
Occupational Health Nurse	Courses on labor health protection regulations, occupational injury and disease compensation regulations, Introduction to Occupational Safety and Health, workplace inspection visits, and Introduction to Occupational Medicine	1
Forklift Operation Over One Ton	Courses on forklift operation regulations and occupational accident case studies	2
Crane Operation	Courses on crane operation regulations and occupational accident case studies	3

## 4.4.4 Health Promotion Actions

Employee Health is a vital asset for the continuous operation of a business. Besides the legally mandated health insurance system, Foxtron provides additional group insurance for employees, which includes medical and accident insurance, covering not only the employees themselves but also their spouses and children, with the Company covering the premiums. We also offered COVID-19 vaccinations to ensure a safe and secure working environment for our employees. In addition, the Company provides health check-up for employees that are Superior to Regulation. By analyzing the results of these checkups, we offer employees concrete health improvement measures such as physician consultations, health guidance, and health promotion activities. To enhance employees' understanding of their health status, we also provide One-on-One detailed explanations of individual health check reports, explaining the significance of each index in relation to their health. In 2023, a total of 43 employees used this service.

The Company's health promotion and employee care activities in 2023 are as follows:

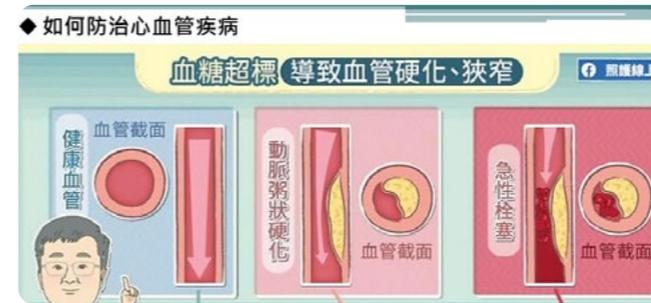
- Held a health aerobic stretching activity.
- Provided stress-relief massage sessions were offered every Thursday, with 440 participants.
- Held 2 online health seminars: Cardiovascular Disease Prevention with 35 participants and Healthy Eating Out Tips with 37 participants.
- Held a rice dumpling-making competition for Dragon Boat Festival.
- Conducted cervical screening tests and screening mammography with 45 participants.
- Conducted the annual health checkup with 584 participants and a participation rate of 96%.
- Provided on-site health services by medical staff every three months, benefiting 28 employees in total.
- Provided COVID-19 XBB vaccine administration service.



▲ Annual health check-up



▲ Health aerobic stretching activity



▲ Cardiovascular Disease Prevention seminar



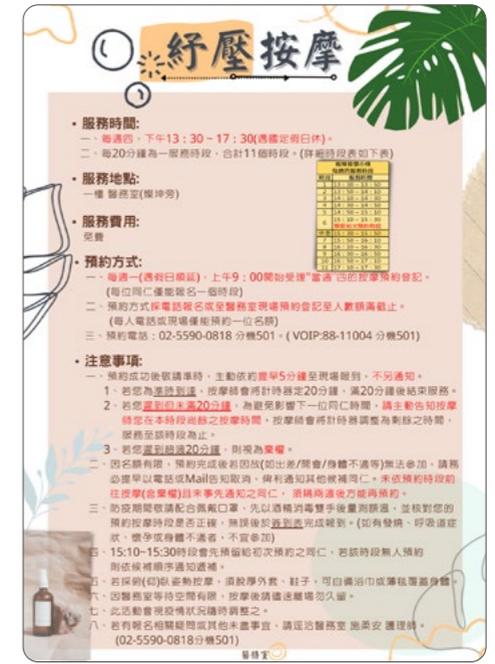
▲ Healthy Eating Out Tips seminar



▲ Dragon Boat Festival - Rice dumpling-making competition



▲ Vaccine administration service



▲ Stress-relief massage service

# 4.5 Social Inclusion

GRI 413



## 4.5.1 Community Participation

Although Foxtron is still in its early stages, we are committed to participating in social welfare and giving back to the community, demonstrating our corporate social responsibility alongside our business operations. We leverage our expertise in vehicle development and apply our skills to contribute to society.

Between January 3, 2022, and March 31, 2023, Foxtron collaborated with the System Optimization Laboratory at National Taiwan University on a the Study on CarSim Vehicle Model Parameter Calibration Process. This industry- academia cooperation aimed to establish a standard process for calibrating vehicle parameters based on CarSim. Through CarSim, we created a vehicle dynamics testing model and used simulation results along with data from real vehicle experiments to calibrate vehicle parameters and estimate parameters that are difficult to measure during real vehicle testing. The calibration and estimation results were then reintroduced into the model to compare the simulation results with the real vehicle test results using a composite similarity index, thereby validating the reliability of the parameter calibration and estimation results. Through the collaborative efforts of both parties, this parameter calibration and validation process has successfully applied academic research outcomes to industry practices, enhancing the reliability and efficiency of parameter calibration. In addition, it has improved simulation accuracy, enabling more effective prediction of the dynamic response and output of products during the development stage. This project involved a total investment of NTD 750,000 and 20 person-months of effort.

Furthermore, Foxtron was invited to the Intelligent Vehicle Research and Development Center at Ming Chi University of Technology to deliver a lecture on the opportunities and challenges faced by the electric vehicle industry in the context of global net-zero emission trends. This lecture aimed to help students learn about the latest industry knowledge, enhance their practical skills, and understand the future development trends of the electric vehicle industry.



▲ Foxtron Assistant Vice President Cliff Chen with staff from the Intelligent Vehicle Research and Development Center



▲ Foxtron Assistant Vice President Cliff Chen gives a lecture at the Intelligent Vehicle Research and Development Center

# 05

## Environment and Green Policy

### Content /

5.1 Climate Change Management

5.2 Energy and Resource Management

Corresponding  
SDGs /



### Material Sustainability Topics /

Climate Change Management



# 2023 HIGHLIGHTS

## TCFD implementation

Conducted comprehensive assessment of climate-related risks and opportunities Identified **3** major climate issues

## Generating Energy · Storing Energy · Saving Energy

Upgraded to **Energy-saving Equipment**

Installed **Renewable Energy Devices**

Total investment of **NTD 5,106,741**

## GHG Management

Implemented **Scope 1 & 2**

GHG inventories and obtained assurance

## Net Zero Emission goals

**Green Electricity** to constitute  $\geq 50\%$  by 2030

Net Zero Emissions in all offices by **2030**

Net Zero Emissions for all service and production sites by **2050**

# 5.1 Climate Change Management



## 5.1.1 Climate Change Risk Management

In the World Economic Forum's Global Risks Report 2024, five of the top ten global risks are related to the Environment, with extreme weather events ranking first. This highlights the urgency of the global climate crisis. In response, governments worldwide have introduced mandatory regulations requiring companies to assess the financial impacts of climate issues. Taiwan's Financial Supervisory Commission has also followed international trends, referencing the Task Force on Climate-related Financial Disclosures (TCFD) to amend regulations. These changes require listed companies to analyze the impacts of climate risks and opportunities, develop response strategies, and disclose climate-related information. As a listed company in Taiwan, Foxtron is committed to addressing international trends in corporate sustainability, complying with government regulations, and meeting stakeholder expectations. In 2023, we followed the TCFD framework, focusing on four core elements, namely Governance, Strategy, Risk Management, and Metrics and Targets. We conducted an analysis of climate-related risks and opportunities, identifying key climate risks and opportunities based on internationally recognized climate issues. We also analyzed the financial impacts of past and potential future events, setting corresponding strategies and management goals to mitigate the negative effects of climate issues on our operations. This approach aims to enhance our operating resilience and climate governance, creating sustainable opportunities for a net zero future.

### I. Governance

Foxtron's climate governance is primarily coordinated and managed by the Sustainable Development Promotion Office, with the Board of Directors serving as the highest supervisory body for the Company's climate change management. The Sustainable Development Promotion Office is led by CEO Andy Lee, who acts as the convener. The Office is responsible for gathering different departments within the Company to identify climate-related risks and opportunities, develop response strategies, set management goals, and ensure the implementation of corporate goals. The Office reports the implementation results to the Board of Directors annually; the Board then oversees and reviews the risk management strategies and decision-making processes.

### Foxtron's Climate Governance Organizational Structure



## II. Strategy and Risk Management

The Company adopts a Three-Lines-of-Defense framework for Internal Control as our risk management mechanism. The first line of defense consists of each business department, which assumes responsibility for the risks arising from their respective daily operations and conducts information security risk assessments for core business implementation. The second line of defense is primarily the responsibility of the Administration and Operations Department, which assists and supervises the first line of defense in risk identification and management. The third line of defense is the independent internal Audit Office, which acts as the final checkpoint, inspecting, supervising, and tracking the progress of improvements for the first two lines of defense. The internal Audit Office reports comprehensively and regularly to the Board of Directors to ensure the effective implementation of the Company's risk management system.

Foxtron's major climate risks issues are integrated into its' risk management mechanism to ensure climate risks are effectively monitored and response.



### 5-1-1-2-1 Foxtron's Significant Climate Risk and Opportunity Assessment Process

- The Sustainable Development Promotion Office convenes departments within the Company to discuss climate issues related to Company operations, and to inventory risks and opportunities. The Office also studies and explores domestic and international regulations, market trends, and technological developments.
- Each climate issue is analyzed by assessing factors such as its likelihood of impact, severity of impact, and time of occurrence, to understand the potential impact and influence of climate issues on Foxtron.
- Based on Foxtron's overall business operations, development status, and strategic planning, management strategies are formulated to address significant risks and opportunities.



- Based on Foxtron industry's characteristics, we study and compile publicly disclosed information from domestic and international benchmark companies. Through third-party research reports such as the CDP questionnaire, the Company consolidates related regulations and climate trends in our operating locations.
- Screening and listing of climate risks and opportunities relevant to Foxtron.
- Risk values are evaluated value based on the likelihood of impact and the severity of impact, discussions are held to summarize the Significant climate risks and opportunities identified by the Company.
- Implementing an inventory of climate-related risks and opportunities information, as well as management strategies.
- Climate risks and opportunities are then ranked in order of significant.

## 2. Identification of Significant Climate Risks and Opportunities

In 2023, Foxtron introduced a climate risk and opportunity identification mechanism. This involved conducting a preliminary evaluation based on the Company's current development strategy, industry characteristics, market trends, and the local regulations at the Company's locations, combined with objective factors such as potential trends and geographical climate characteristics. Through climate issue workshops held across different departments, the Company assessed the current operating status, identified, and evaluated the impact severity of each climate risk and opportunity, estimated the impact timeline, and determined the scope of the affected value chain. Ultimately, 6 transition risks, 2 physical risks, and 4 opportunity topics relevant to Foxtron were selected, as detailed in the table below:

### Evaluation of Foxtron's Significant Climate Risks and Opportunities

Climate Risk			Risk Description	Impact Timeframe	Scope of Affected Value Chain
Transition Risk	Policies & Regulation	Cap/ carbon tax/ carbon fee regulation	Currently, Taiwan government is planning to impose a carbon fee on certain industries while Foxtron's electric vehicles are not yet included. However, in response to global climate change, the government's Net-Zero Targets, greenhouse gas (GHG) reduction requirements, and increasingly stringent energy-saving policies and regulations, operating costs may rise in the future. This could include potential carbon fees that may increase Taiwan Power Company's (Taipower) electricity generation costs, which could be indirectly passed on to users, leading to electricity price fluctuations and higher energy procurement costs for the Company. In addition, upstream metal raw material suppliers may also be affected, resulting in increased raw material costs. The Company will continue to monitor new regulations such as the EU's Carbon Border Adjustment Mechanism (CBAM).	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>Own Operations</li> <li>Upstream suppliers</li> </ul>
		Product and service mandatory regulations	Foxtron's main products include electric vehicle technology R&D, vehicle and component manufacturing management, and the platform of electric vehicle sales and services. While some countries are setting laws to encourage or mandate the use of electric vehicles, which can expand the market and increase sales opportunities, the popularization of electric vehicles also presents challenges. These challenges include the gradual reduction of government incentives (super credits) for electric vehicles, the phasing out of tax reductions for new energy vehicles (e.g., halving of the fixed commodity tax on electric vehicles and full exemption of license taxes in Taiwan). Furthermore, regulatory requirements such as the obligation for manufacturers to recycle batteries, increase handling fees, extend battery warranty periods, and maintain production records could all potentially increase operating costs and risks for the organization.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>Own operations</li> <li>Upstream suppliers</li> <li>Downstream customers</li> </ul>
	Technology	Cost of transition to low-carbon technology	Foxtron is a startup focused on the design and development of electric vehicles, components, and the platform of electric vehicle sales and services. If the products do not achieve a certain market share, the high upfront investment in new technology development could lead to reduced returns, extended payback periods, and ultimately impact the Company's profitability, potentially resulting in loss risks.	Long-term (5+ years)	<ul style="list-style-type: none"> <li>Own operations</li> <li>Downstream customers</li> </ul>
	Market	Changes in customer behavior	In the early stages of electric vehicle development, consumers may hesitate to purchase due to the high price of Battery Electric Vehicles (BEVs) and insufficient charging infrastructure, opting instead to continue buying gasoline vehicles or hybrid models. This could prolong the shift in purchasing intentions until electric vehicle supply becomes sufficient and the charging environment becomes more user-friendly, at which point electric vehicles might become the preferred choice for consumers. During this transition period, the Company's sales growth may slow down due to consumer indecision, posing a potential risk to business development. Foxtron will continue to monitor market trends to maintain competitiveness.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>Own operations</li> <li>Downstream customers</li> </ul>
		Increase in raw material and energy resource costs	In the competitive landscape of the automotive industry, the prices of key raw materials, such as rare metals like lithium, cobalt, and nickel used in batteries, may rise due to market supply and demand, potentially increasing purchasing costs. The Company may also need to initiate alternative parts or seek other suppliers if the supplier's location is affected by extreme weather events like floods, heavy rain, or snowstorms. In urgent situations, switching from sea freight to air freight to meet delivery deadlines may increase transportation costs, and delays may result in penalties. Regarding energy & resources, the implementation of carbon fees and the transition to green energy policies may indirectly lead to higher energy purchasing costs, resulting in an overall increase in the Company's costs.	Short-term (0–3 years)	<ul style="list-style-type: none"> <li>Own operations</li> <li>Upstream suppliers</li> <li>Downstream customers</li> </ul>
	Reputation	Stakeholder concerns and negative feedback	If a company fails to effectively manage climate risks, it may result in significant losses due to the misses out on climate-related business opportunities. This may generate negative perception, harm the Company's brand image, reduce investors' willingness to invest in the Company, or weaken consumer brand preference, thereby affecting the Company's product sales.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>Own operations</li> </ul>

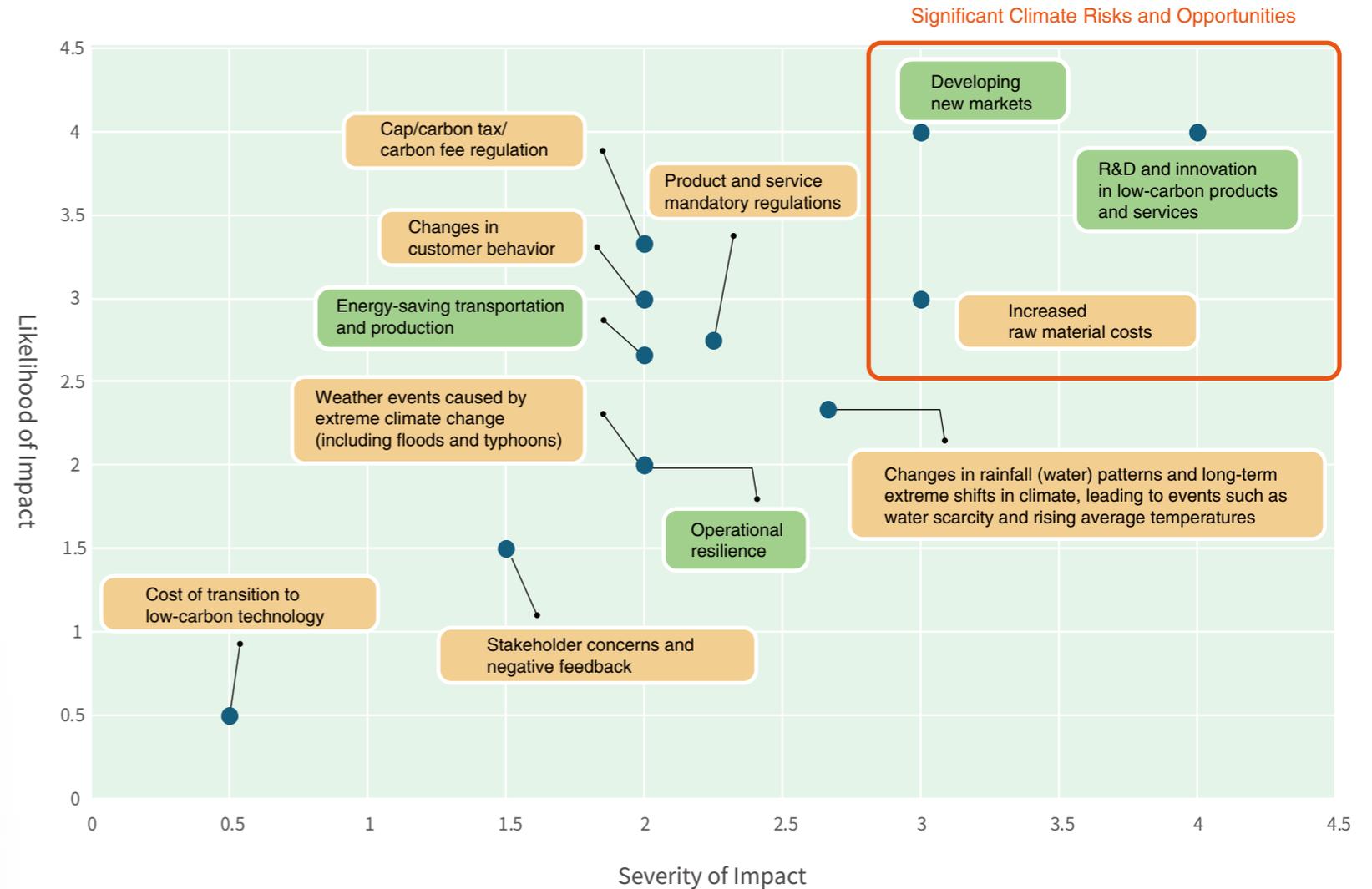
Climate Risk		Risk Description	Impact Timeframe	Scope of Affected Value Chain
Physical Risk	Extreme weather events caused by climate change (including floods and typhoons)	Disasters caused by extreme weather, such as typhoons and floods, may prevent employees from reporting to work, leading to workforce shortages that could delay project schedules and affect delivery timelines. Such disasters could also damage property and equipment, increasing repair and operating costs. Furthermore, these disasters might disrupt the stability of supply from upstream suppliers, hindering the production of contract manufacturers and subsequently impacting delivery schedules.	Short-term (0–3 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Upstream suppliers</li> </ul>
	Changes in rainfall (water) patterns and long-term extreme shifts in climate, leading to events such as water scarcity and rising average temperatures	Due to global warming causing a continuous temperature increases and instability, the design and specification standards for vehicle materials (e.g., heat or cold resistance) will need to be enhanced to adapt to climate changes, which will, in turn, leading to higher verification costs during the R&D process. As global warming worsens, leading to persistent temperature increases or instability, the costs of electricity, water, and gas are expected to rise, thereby increasing operating costs. In addition to delays in delivery caused by changes in shipping routes and supply instability, upstream suppliers may also face production disruptions due to water scarcity, particularly in the manufacturing of vehicle components (such as automotive computer system chips), which could, in turn, affect the assembly schedules of contract manufacturers.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Upstream suppliers</li> </ul>

Climate Risk		Risk Description	Impact Timeframe	Scope of Affected Value Chain
Market	Developing new markets	Foxtron is introducing low-carbon, high-performance, modular passenger vehicles (electric vehicles) as the main product for eco-friendly transportation. As public awareness of environmental issues increases, consumer behavior tends to favor transportation options that have a lower environmental impact and cause less pollution. Moreover, the rise of the sharing economy has made public transportation an increasingly important low-carbon travel option. Foxtron is developing commercial electric vehicles, such as electric buses, with the goal of leading in the electric vehicle market under the sustainability trend.	Short-term (0–3 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Downstream customers</li> </ul>
Innovative Products and Services	R&D and innovation in low-carbon products and services	In response to the growing market demand for low-emission transportation, Foxtron is developing zero-carbon emission electric vehicle products and continuously innovating and optimizing our product line (e.g., connectivity, intelligence, lightweight design) to meet consumer expectations and enhance the Company's performance. Significant R&D investment is also directed toward different types of vehicles to ensure ongoing technological innovation and competitiveness, enabling consumers to choose vehicle models with varying power capacities in accordance with their needs, thereby optimizing resource utilization.	Short-term (0–3 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Downstream customers</li> </ul>
Resource Efficiency	Energy-saving transportation and production	By adopting low-energy consumption technologies, optimizing distribution systems, and prioritizing local procurement to enhance transportation efficiency, or using energy-saving/high-efficiency equipment and process improvements to boost production efficiency, the Company can achieve energy-saving and carbon reduction goals, thereby reducing operating costs.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Upstream suppliers and logistics</li> </ul>
Operational Flexibility	Operational resilience	Collaborating with suppliers to enhance climate change risk management measures improves resistance and recovery capabilities when faced with uncontrollable factors, ensuring smooth operations and uninterrupted supply chains. This strengthens Foxtron's overall operating resilience along with that of the supply chain.	Mid-term (3–5 years)	<ul style="list-style-type: none"> <li>• Own operations</li> <li>• Upstream suppliers</li> <li>• Downstream contract manufacturers</li> </ul>

### 3. Foxtron's Significant Climate Risks and Opportunities: Financial Impact and Response Measures

Foxtron has identified the top three climate risks and opportunities based on a comprehensive scoring system, designating them as the material climate risk and opportunity topics for the year. These are: R&D and Innovation in Low-Carbon Products and Services; Developing New Markets; and Increased Raw Material, Energy, and Resource Costs. Based on the dynamics of the electric vehicle market, international trends, external research reports, and the practical experience of department heads, we have conducted further analysis of these topics. This process includes a thorough evaluation of both the past and potential future impacts of climate change on the Company, leading to the formulation of response strategies and action plans.

### Foxtron TCFD Risk and Opportunity Matrix

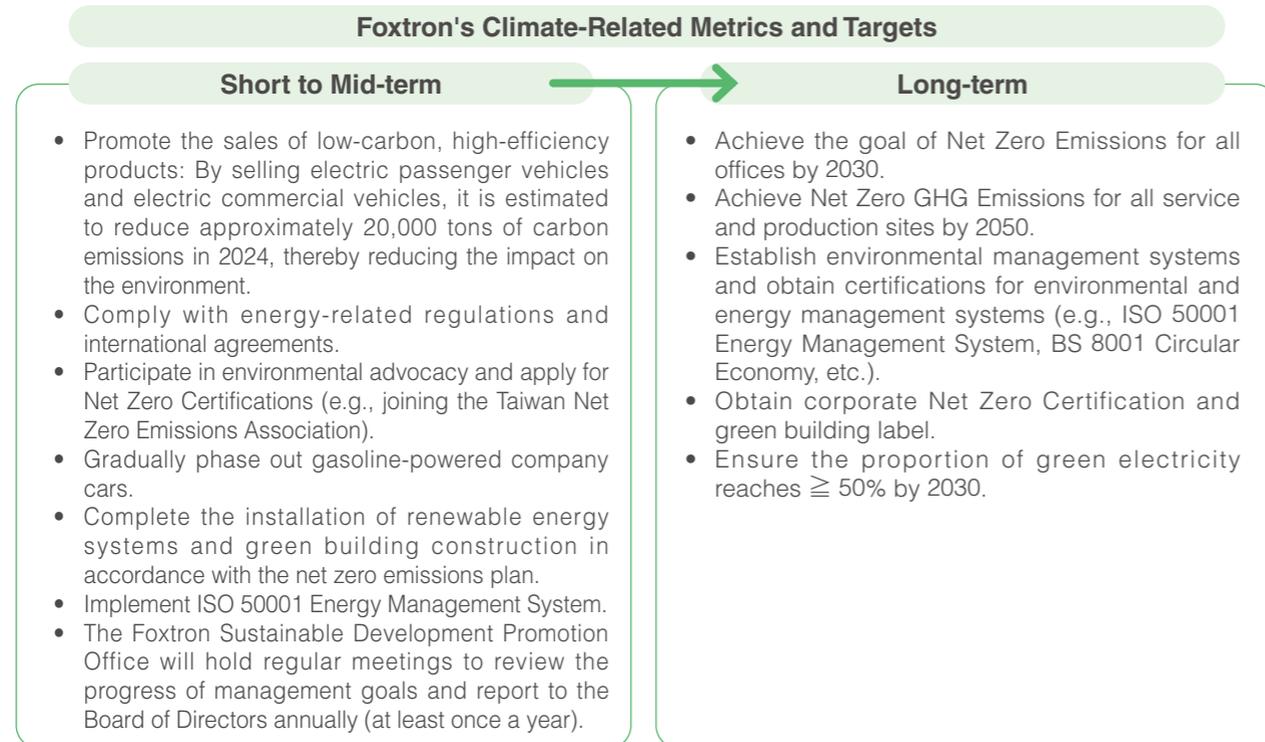


## Foxtron's Major Climate Topics and Financial Implications

Material Climate Risks and Opportunities		Climate-Related Financial Impact Assessment	Adaptation and Response Measures
Climate Opportunities	R&D and Innovation in Low-Carbon Products and Services	In response to the government's 2050 Net-Zero Emissions policy, Foxtron is launching low-carbon products. We are committed to "Promoting the popularization of electric vehicles with its Open EV Platform". By sharing a platform that is enabling the collective effort and wisdom from all the platform users, development costs can therefore be reduced, development time can be shortened, and the key economies of scale are easier achievable. Through the Company's expertise, we aim to create a cross-customer shared platform. Under the group's Contract Design and Manufacturing Service (CDMS) development strategy, Foxtron will play a key role in providing design and supply chain management services to multiple brand customers. With vertical industry integration and professional specialization, we anticipate improving technical capabilities, enhancing R&D efficiency, reducing costs, and expanding the market.	<ol style="list-style-type: none"> <li>Continuously refine connectivity, intelligence, and lightweight design to enhance the driving experience for customers.</li> <li>Improve aerodynamic design to reduce energy consumption, enhance vehicle power, and develop lightweight vehicle bodies, while upgrading systems to increase range.</li> <li>Strengthen the CDMS business model to improve technical capabilities, enhance R&amp;D efficiency, reduce costs, and expand the market.</li> </ol>
	Developing New Markets	In line with the trend toward net zero emissions, Foxtron is developing low-carbon passenger and commercial vehicles to meet the regulatory requirements of target markets and expand both domestic and international sales channels.	Besides the existing domestic market, we are also exploring international sales channels: <ol style="list-style-type: none"> <li>Passenger Vehicles                             <ul style="list-style-type: none"> <li>We are launching our first model in the C-range vehicles, which has the highest market demand, and will subsequently develop B-range vehicles to expand the market.</li> <li>Actively developing the Model B to target the B-range vehicles SUV market, with a modular platform design that reuses many components from the existing C-range vehicles to reduce development costs.</li> <li>Expanding into North America and Southeast Asian countries.</li> </ul> </li> <li>Commercial Vehicles                             <ul style="list-style-type: none"> <li>In line with the public transportation policies of the government, we are developing electric buses through partnerships with bus operators to obtain government procurement subsidies.</li> <li>To meet the goal of fully electrifying city buses by 2030 and address market demand, we are extending our existing electric bus product line and developing the mid-size bus market.</li> <li>Expanding into Southeast Asian countries (e.g., Thailand and Indonesia) and adapting to local needs by offering both left-hand and right-hand drive options to broaden the sales market.</li> </ul> </li> </ol>
Climate Risks	Increased Raw Material, Energy Resource Costs	<ol style="list-style-type: none"> <li>Rising Raw Material Costs: Market demand increases, scarcity of natural resources, and geopolitical instability are all contributing factors to cost increases. For example, in the second half of 2022, overall raw material prices were adjusted upward by 10% to 15%.                             <ul style="list-style-type: none"> <li>The growing trend toward green consumption has led to a sustained increase in consumer inclination to purchase electric vehicles. In a competitive environment, the prices of battery raw materials such as lithium, cobalt, and nickel have risen in accordance with market demand.</li> <li>The shortage of natural gas, logistical costs deriving from the Russia-Ukraine war, labor shortages due to the pandemic, and supply chain delays caused by piracy in the Red Sea (resulting in the switch from sea to air transport) can all lead to cost increases.</li> </ul> </li> <li>Rising Raw Material Transportation Costs: Natural disasters affect delivery schedules, leading to increased transportation costs.                             <ul style="list-style-type: none"> <li>Suppliers may face natural disasters due to extreme weather in their regions, causing delays in meeting delivery deadlines. This may necessitate the sudden replacement of suppliers or switching from sea to air transport, leading to overall cost increases. The change in transportation methods may also result in higher carbon emissions during the operation.</li> </ul> </li> <li>Increased Energy Usage:                             <ul style="list-style-type: none"> <li>Carbon fees and green energy transition strategies will lead to higher energy costs.</li> <li>Rising or unstable temperatures, such as extended air conditioning operation times, result in increased energy costs.</li> </ul> </li> </ol>	<ol style="list-style-type: none"> <li>Sign long-term purchase agreements with manufacturers and negotiate raw material price adjustment mechanisms with suppliers to avoid significant price increases due to market fluctuations.</li> <li>Increase the number of key component suppliers to stabilize raw material supply and promote standardization and modularization.</li> <li>Self-built factories to create an electric vehicle ecosystem and establish a complete battery production chain to expand production capacity and reduce costs.</li> <li>Continuously promote participation in energy-saving and carbon reduction plans across all departments, embedding these principles into the Company's corporate culture, and gradually upgrading lighting, air conditioning, and water systems at other locations to energy-efficient smart systems.</li> <li>Install solar panels on the rooftop of the Baogao office in Xindian.</li> </ol>

### III. Metrics and Targets

To fulfill corporate social responsibility and promote sustainable development, Foxtron has set the target of achieving Net Zero Emissions in all offices by 2030 and achieving Net Zero GHG Emissions across all service and production sites by 2050. This aligns with global trends and Taiwan's 2050 Net-Zero Emissions Target. To achieve the Company's net zero targets and effectively manage the Company's material climate risks and opportunities, specific metrics and targets have been established. The Sustainable Development Promotion Office regularly reviews and monitors the effectiveness of the related measures. The progress and results will be reported to the Board of Directors annually, with continuous improvements and optimizations made to turn the global climate crisis into sustainable business opportunities for the Company.



Note: In accordance with the Ministry of Transportation's presentation on "Carbon-free & Electric Vehicles", based on the Twelve Key Strategies and on Taiwan's Pathway to Net-Zero Emissions in 2050, the electrification of urban buses can reduce carbon emissions by 34.44 tons per bus per year; replacing a small passenger vehicle with an electric vehicle can reduce carbon emissions by 1.45 tons per vehicle per year.

### 5.1.2 GHG Management

To demonstrate Foxtron's commitment to carbon reduction goals, we implemented a climate risk and opportunity identification mechanism in 2023. This mechanism identifies key environmental issues, establishes environmental sustainability strategies and targets, and conducts GHG inventories in accordance with the GHG Protocol, which have been externally verified. After verification, Foxtron's total 2023 GHG Emissions for Scope 1 and Scope 2 amounted to 1,108.9559 tCO<sub>2</sub>e. Based on this inventory, we analyzed the Company's carbon emission hotspots and planned for a gradual annual reduction in carbon emissions to achieve the Company's targets of Net Zero Emissions for offices by 2030 and Net Zero Emissions for all sites by 2050. Since Foxtron was not yet listed in 2022, the carbon emission data for that year was only a preliminary estimate based on electricity consumption and gasoline usage at the old office, without a comprehensive inventory. In the spirit of transparency and openness, the Company also discloses the estimated 2022 GHG emissions in this section, with a total of approximately 828.3124 tCO<sub>2</sub>e for Scope 1 and Scope 2.

#### 2022 Total GHG Emissions

Category	Scope 1	Scope 2
Emission Equivalent (tCO <sub>2</sub> e)	55.4764	772.8359
Proportion	6.70%	93.30%
Total Emissions (tCO <sub>2</sub> e)	828.3124	
Total Revenue (NTD million)	296.0330	
Carbon Intensity (tCO <sub>2</sub> e/ NTD million)	2.7812	

Note: The Company was listed in November 2023. The 2022 carbon emission data was only preliminarily estimated based on office electricity consumption and gasoline usage, without a comprehensive inventory. Therefore, it is not recommended to make direct comparisons with the 2023 emission data.

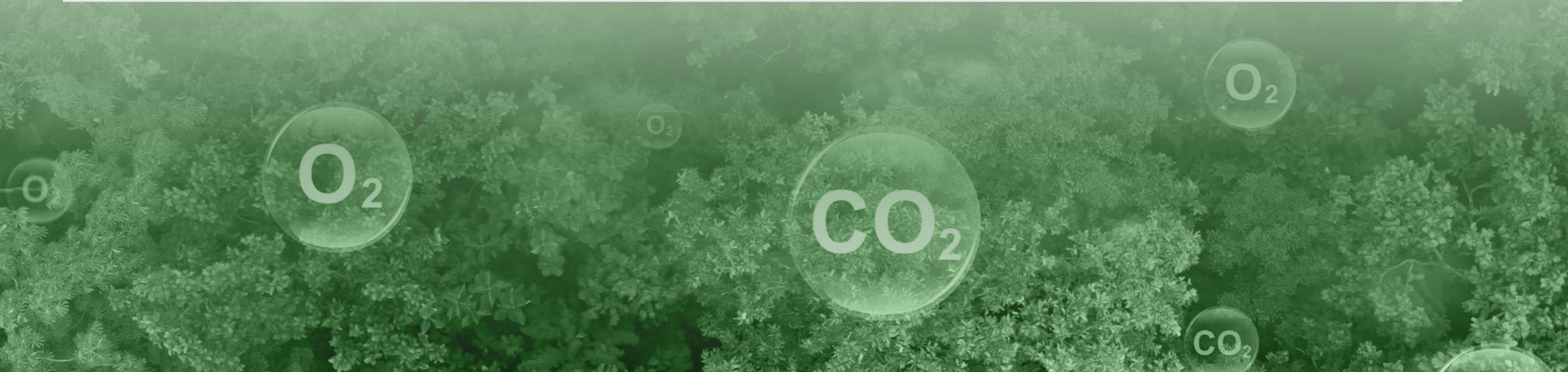
#### 2023 Total GHG Emissions

Category	Scope 1	Scope 2
Emission Equivalent (tCO <sub>2</sub> e)	170.5341	938.4218
Percentage	15.38%	84.62%
Total Emissions (tCO <sub>2</sub> e)	1,108.9559	
Total Revenue (NTD billion)	1,036.0840	
Carbon Intensity (tCO <sub>2</sub> e/ NTD million)	1.0703	

Note: Intensity is calculated based on current-year revenue, in terms of New Taiwan Dollars (NTD).

## Summary of Foxtron's GHG Emissions in 2023

Summary of GHG Emissions		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	NF <sub>3</sub>	Total
Scope 1	(tCO <sub>2</sub> e/year)	47.6701	8.6112	1.5023	112.7505	0.0000	0.0000	0.0000	170.5341
Scope 2	(tCO <sub>2</sub> e/year)	938.4218	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	938.4218
Total Emissions (Scope 1 + 2) (tCO <sub>2</sub> e/year)		986.0919	8.6112	1.5023	112.7505	0.0000	0.0000	0.0000	1,108.9559
Scope 1 as Proportion of Total Emissions (%)		4.30%	0.78%	0.14%	10.17%	0.00%	0.00%	0.00%	15.38%
Scope 2 as Proportion of Total Emissions (%)		84.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	84.62%
Scope 1 + Scope 2 as Proportion of Total Emissions (%)		88.92%	0.78%	0.14%	10.17%	0.00%	0.00%	0.00%	100.00%



# 5.2 Energy and Resource Management

GRI 302 - 303 - 306



To reduce environmental impact, Foxtron is optimizing energy and resource management within the organization. This allows for internal review, monitoring, and accurate allocation of resources required for different projects, aiming to minimize idle time and prevent overuse of resources. By using energy-saving equipment, developing efficiency optimization systems, and installing solar panels on the rooftops of operating sites, Foxtron ensures visibility and effective planning, organization, and management of resources. The Company will continue to work on reducing emissions at every stage of the product lifecycle while maximizing resource utilization to achieve our energy-saving and carbon reduction goals. Furthermore, Foxtron plans to promote and implement ISO 50001 Energy Management System, using internationally recognized management standards to enhance organizational energy management efficiency, fulfill our sustainable development goals, and strengthen our competitiveness in sustainability.

The new site at Kaohsiung Qiaotou Science Park, expected to be completed by 2025, will adhere to the concept of "Sustainable Operations = EPS + ESG", emphasizing sustainable industrial development. The construction will incorporate low-carbon green building practices and ecological greening. The aim is to create a Smart Technology and Sustainable Environment Industrial Park, promoting a green ecological cycle while managing risks and seizing opportunities.

## 5.2.1 Energy Management

Foxtron is implementing a variety of energy-saving and carbon reduction measures, aiming to reduce energy consumption from multiple perspectives, including equipment efficiency, daily energy savings, and the installation of renewable energy facilities. In 2023, the Company's total energy consumption amounted to 7,514.35 gigajoules (GJ), with an energy intensity of 7.25 GJ per NTD million.

### (1) Equipment Efficiency

Foxtron continues to invest in energy-saving and environmentally sustainable green energy equipment at our operating sites. When procuring and selecting equipment, products with Energy Label are prioritized. Energy-efficient equipment provides significant cost-saving potential and contributes to environmental sustainability. By understanding energy ratings, identifying suitable equipment, and evaluating costs and benefits, the Company can make optimal decisions which lead to long-term savings. In addition, the newly renovated office in the Baogao Science and Intellectual Park (Building A) has been equipped entirely with LED lighting, with a total investment of NTD 1,668,330. Starting in October 2023, the Company has also begun registering new electric vehicles and plans to gradually phase out gasoline-powered company cars, transitioning to electric vehicles by 2024.

### (2) Daily Energy Savings from Employees

The Company internally promotes the My Carbon Reduction Passport campaign organized by the Taipei, New Taipei, and Taoyuan governments. Employees are encouraged to register for the event through the Easy Wallet app, linking their registered EasyCards. By using their registered EasyCards for transportation, employees can accumulate Carbon Reduction Points. Through the electronic ticket carbon inventory system audited and verified by BSI, the carbon reduction from green transportation can be automatically calculated.

### (3) Installation of Renewable Energy Facilities

On the rooftop of Building A in the Baogao Science and Intellectual Park, the Company installed solar panels and related power distribution systems; a total of 28 solar panels cover 51 square meters in area and have a total installed capacity of 10.64 kW. The total investment amounted to NTD 3,438,411. In accordance with the 2023 data published by the Ministry of Economic Affairs' Energy Administration, the emission factor for solar power is 0.494 kgCO<sub>2</sub>/kWh. Each solar panel installed by Foxtron generates 342.18 kWh of electricity per year, which is equivalent to an annual reduction of approximately 169.04 kgCO<sub>2</sub> per panel. Based on this estimate, the solar panel system installed by the Company can reduce approximately 4,733.03 kgCO<sub>2</sub> emissions per year, providing significant carbon reduction benefits.

## Energy Consumption and Energy Intensity Over the Past Two Years

Energy Type		2022	2023
Non-renewable Energy	Gasoline (GJ)	774.3671	687.9133
	Gasoline (KL)	23,710.9710	21,063.7700
	Diesel (GJ)	0	0
	Diesel (L)	0	0
	Purchased Electricity (GJ)	1,211.1033	6,826.4400
	Purchased Electricity (kWh)	336,340.9608	1,895,801.5200
Renewable Energy	Solar Power (GJ)	0	0
	Solar Power (kWh)	0	0
	Other Renewable Energy (GJ)	0	0
	Other Renewable Energy (kWh)	0	0
Total Energy Consumption (GJ)		1,985.4704	7,514.3533
Total Revenue (NTD million)		\$296.03	\$1,036.08
Energy Intensity (GJ/NTD million)		6.71	7.25

Note 1: 2023 statistics cover the Taiwan headquarters (Baogao Science and Intellectual Park), the Xindian Yulon Building, the Miaoli Sanyi Lab, the Taoyuan Guanyin Lab, and the Changhua Vehicle Lab.

Note 2: Fuel heating values are referenced from the Energy Product Heating Value Table of the Ministry of Economic Affairs' Energy Administration, specifically: (1) Electricity: 860 kcal/kWh, (2) Gasoline: 7,800 kcal/L, (3) 1 kcal = 4.184 kJ.

Note 3: Purchased electricity is sourced from Taiwan Power Company (Taipower).

## 5.2.2 Water Resource Management

Taiwan ranks as the eighteenth most water-scarce country in the world, with per capita rainfall being only one-sixth of the global average. Understanding the importance of water resource management, the Company has implemented water-saving measures such as sensor-operated faucets and water-efficient toilets at our Xindian headquarters. Furthermore, we regularly promote water conservation awareness among employees to effectively manage water resources in our daily operations.

Foxtron's current water supply comes from municipal sources, and there have been no incidents of environmental damage to surrounding water resources. However, as we continue to expand new operating sites and scale, coupled with the demands of R&D scenario testing, significant water usage is inevitable. Therefore, we will continue to promote water conservation and assist each operating site in formulating water-saving plans. These plans will be evaluated for effectiveness with a focus on reducing water intensity, aiming to minimize the environmental impact during the production process. Total water withdrawal was 10,485 tons in 2023, with a water intensity of 10.12 (water consumption/total revenue).

### Water Resource Usage and Water Intensity Over the Past Two Years

Item		2022	2023
Water Withdrawal (tons)	Third-party Water-Tap Water	8,095	10,485
	Groundwater	-	-
	Total Water Withdrawal	8,095	10,485
Wastewater Discharge (tons)		0	0
Water Consumption (tons)		8,095	10,485
Revenue (NTD million)		\$296.03	\$1,036.08
Water Intensity (Water consumption/ Total revenue)		27.35	10.12

Note 1: Total water withdrawal for 2022 includes tap water from the Xindian Yulon Building, the Taoyuan Guanyin Lab, the Changhua Dormitory, and the Xindian Dormitory.

Note 2: Total water withdrawal for 2023 includes tap water from the Taiwan Headquarters (Baogao Science and Intellectual Park), New Taipei Yulon City, the Guanyin Laboratory in Taoyuan, and the Changhua Dormitory.

Note 3: The Sanyi Office in Miaoli and the Vehicle Laboratory in Changhua use groundwater. However, since water meters have not been installed, data has not yet been recorded.

## 5.2.3 Waste Management

Waste management is a crucial issue for environmental sustainability, with source reduction being a key factor in reducing the consumption of Earth's resources. The Company works to minimize the waste of raw materials and office supplies in daily operations. For business and office waste generated during operations, we have established comprehensive waste disposal procedures. All industrial waste disposal must be reported and approved by the responsible supervisor, and waste is collected and disposed of by contracted waste management companies. Valuable waste is sold to recyclers to promote resource recycling, thereby reducing potential environmental hazards from waste. In 2023, the Company processed 245 tons of non-hazardous waste through incineration, recycled two tons, and produced zero tons of hazardous waste, totaling 247 tons.

### Waste Data Over the Past Two Years

Waste Type	Disposal Method	2022	2023
Non-hazardous Waste	Incineration (tons)	143.94	245.00
	Landfill (tons)	0	0
	Recycling (tons)	0	2
	Total (tons)	143.94	247.00
Hazardous Waste	Incineration (tons)	0	0
	Landfill (tons)	0	0
	Total (tons)	0	0
Total (tons)		143.94	247.00
Revenue (NTD million)		\$296.03	\$1,036.08
Waste Intensity (Total of Waste Consumption/Total revenue )		0.49	0.24

# Appendix

Appendix 1: Global Reporting Initiative Index

Appendix 2: Climate-related Information of List Company

Appendix 3: Summary of Subject Matter Assured

Appendix 4: Independent Auditor's Limited Assurance Report

Appendix 5: Independent Auditor's Limited Assurance Report on Greenhouse Gas Inventory



# Appendix I: Global Reporting Initiative Index

GRI Content Index	
Statement of Use (SOU)	Foxtron has reported content for the period Jan. 1, 2023 to Dec. 31, 2023 in accordance with the GRI Standards.
GRI 1 applied	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	7	
	2-2 Entities included in the organization's sustainability reporting	3	
	2-3 Reporting period, frequency and contact point	3	
	2-4 Restatements of information	-	This was the Company's first year publishing a report, and thus there were no restatements.
	2-5 External assurance	3, 81	
	2-6 Activities, value chain and other business relationships	7	
	2-7 Employees	7, 45-46	
	2-8 Workers who are not employees	45	
	2-9 Governance structure and composition	22-24	
	2-10 Nomination and selection of the highest governance body	24	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	24	The Company's Chairman of the Board does not simultaneously serve within the highest governance body.
	2-12 Role of the highest governance body in overseeing the management of impacts	8-9	
	2-13 Delegation of responsibility for managing impacts	8	
	2-14 Role of the highest governance body in sustainability reporting	8	
	2-15 Conflicts of interest	23	
	2-16 Communication of critical concerns	29	No critical concerns have occurred.
	2-17 Collective knowledge of the highest governance body	23	
	2-18 Evaluation of the performance of the highest governance body	24	
	2-19 Remuneration policies	25	
	2-20 Process to determine remuneration	25	
	2-21 Annual total compensation ratio	25	
	2-22 Statement on sustainable development strategy	4	
	2-23 Policy commitments	27, 48	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
GRI 2: General Disclosures 2021	2-24 Embedding policy commitments	27-29 41-42 48-49	
	2-25 Processes to remediate negative impacts	27, 48	
	2-26 Mechanisms for seeking advice and raising concerns	27, 48	
	2-27 Compliance with laws and regulations	29	In 2023 there were no incidents of violations of laws or regulations.
	2-28 Membership associations	26	
	2-29 Approach to stakeholder engagement	11-12	
	2-30 Collective bargaining agreements	-	In 2023, there were no collective bargaining agreements.
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	13	
	3-2 List of material topics	13-15	
Corporate Governance and Financial Performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	25	
	201-4 Financial assistance received from government	25	
Legal Compliance and Ethical Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	16	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	27	
	205-3 Confirmed incidents of corruption and actions taken	27	In 2023, there were no incidents of anti-corruption behavior.
Information Security and Privacy Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	17	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	32	In 2023, there were no incidents of customer privacy leaks.
Technology R&D and Innovation			
GRI 3: Material Topics 2021	3-3 Management of material topics	17	
Customer Relations and Product Quality Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	17	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	39	In 2023, there were no incidents of non-compliance concerning the health and safety impacts of products and services.
Sustainable Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	18	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	42	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
Labor Relations and Talent Retention			
GRI 3: Material Topics 2021	3-3 Management of material topics	18	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	46	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	47	
	401-3 Parental leave	47	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	50	
	404-2 Programs for upgrading employee skills and transition assistance programs	47, 50-51	
	404-3 Percentage of employees receiving regular performance and career development reviews	52	
Workplace Diversity and Equality			
GRI 3: Material Topics 2021	3-3 Management of material topics	18	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	49	
	405-2 Ratio of basic salary and remuneration of women to men	49	
Occupational Safety and Health			
GRI 3: Material Topics 2021	3-3 Management of material topics	19	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	53	
	403-2 Hazard identification, risk assessment, and incident investigation	53-57	
	403-3 Occupational health services	55	
	403-4 Worker participation, consultation, and communication on occupational health and safety	53	
	403-5 Worker training on occupational health and safety	58	
	403-6 Promotion of worker health	59	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56	
	403-8 Workers covered by an occupational health and safety management system	53, 56	
	403-9 Work-related injuries	56	
	403-10 Work-related ill health	56	
Climate Change Management			
GRI 3: Material Topics 2021	3-3 Management of material topics	19	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	69-70	
	305-2 Energy indirect (Scope 2) GHG emissions	69-70	
	305-4 GHG emissions intensity	69	

GRI Standard Disclosure Topics			
GRI Standard	Disclosure topic	Page	Supplementary explanation
Other topics			
GRI 300: Environmental			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	71	
	302-3 Energy intensity	71	
	302-4 Reduction of energy consumption	71	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	72	
	303-3 Water withdrawal	72	
	303-4 Water discharge	72	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	72	
	306-3 Waste generated	72	
	306-5 Waste directed to disposal	72	

# Appendix 2: Climate-wrelated Information of Listed Company

	Items	Corresponding section	Page
1	Describe the board of director's and management's oversight and governance of climate-related risks and opportunities.	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Governance	63
2	Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short-, mid-, and long term).	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Strategy and Risk Management	65-66
3	Describe the financial impact of extreme weather events and transformative actions.	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Strategy and Risk Management	67-68
4	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Strategy and Risk Management	64
5	If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	Scenario analysis is not used for evaluation	-
6	If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Metrics and Targets	69
7	If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing tools are not used	-
8	If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	5.1 Climate Change Management – 5.1.1 Climate Change Risk Management – Metrics and Targets	69

Items		Corresponding section	
Greenhouse gas inventory, assurance status, reduction targets, strategies, and concrete action plans (separately fill out in points 1-1 and 1-2 below).		5.1 Climate Change Management – 5.1.2 GHG Management	
1.1 Company's greenhouse gas inventory and assurance status for the most recent two fiscal years			
1.1.1 Greenhouse gas inventory information			
Category	2022	2023	
Inventory boundaries	The Company's places of business (Yulon Motor City; Sanyi Laboratory; Guanyin Laboratory; Changhwa Dormitories; Vehicle Laboratory in Changhua)	The Company's places of business (Baogao Science Park; Yulon Motor City; Sanyi Laboratory; Guanyin Laboratory; Changhwa Dormitories; Vehicle Laboratory in Changhua)	
Scope 1 (CO <sub>2</sub> e, metric tons)	55.4764	170.5341	
Scope 2 (CO <sub>2</sub> e, metric tons)	772.8359	938.4218	
Sum of Scopes 1 and 2 (CO <sub>2</sub> e, metric tons)	828.3124	1,108.9559	
Intensity (CO <sub>2</sub> e, metric tons/total revenue)	2.7812	1.0703	
Note: The Company became listed in November 2023. Carbon emission data for 2022 is based solely on a preliminary estimate of office electricity and vehicle usage; this data does not include a comprehensive inventory. For this reason, we do not recommend making direct comparisons with 2023 emission data. For specific information, see <a href="#">Chapter 5, Environment and Green Policy</a> .			
Category	2023		
Assurance boundary	This Company (Taiwan)		
Assurance Institutes	PwC Taiwan		
Assurance standard	Assurance standard 3410 Greenhouse Gas Statement Assurance Engagement (TWSAE 3410) limited assurance		
Assurance opinion(s)	No conclusion reserved		
Comment(s)			
1.2 Greenhouse gas reduction targets, strategies, and concrete action plans			
Please see 5.1.2 Greenhouse Gas Management			

# Appendix 3: Summary of Subject Matter Assured

Number	Select Matter Information	Applicable Criteria	Page number
1	In 2023, Foxtron sold a total of 162 zero-emission vehicles, including 103 electric buses and 59 electric passenger vehicles.	Among the vehicle models sold by Foxtron, those classified as zero-emission vehicles (ZEVs) include the electric buses (Model T) and the electric passenger vehicles (Model C). The sales volume is calculated based on the sum of vehicles invoiced and delivered in 2023.	2.1.5 Business Performance P.25
2	In 2023, Foxtron invested a total of NTD 2.07 billion in innovative R&D, and employed a total of 579 personnel dedicated to innovative R&D.	In 2023, the total of personnel and the sum of expenses invested in innovative R&D on the definitions provided by Foxtron's internal management guidelines.	3.1.2 Innovative R&D Achievements P.36
3	Total water withdrawal was 8,095 tons in 2022. Total water withdrawal was 10,485 tons in 2023.	The water withdrawal data (measured in kiloliters) for Foxtron in 2022 and 2023 are based on the water bills from Taiwan Water Corporation, and the total water withdrawal allocated according to the leased floor area by landlords.	5.2.2 Water Resource Management P.72
4	In the "Employee Structure - Employee Age Distribution" table, the total number of employees is 783, with 663 males accounting for 84.67% and 120 females accounting for 15.33%.	As of December 31, 2023, Foxtron had a total number of employees, with the total number of employees by gender, and the number of employees by gender divided by the total number of employees.	4.2.2 Equality and Non-discrimination, P.49
5	In 2023, the number of employee fatalities as a result of occupational injuries was 0; the number of serious injuries was 0; the number of recordable occupational injuries was 7; the fatality rate as a result of occupational injuries was 0; the serious injuries rate (excluding fatalities) due to occupational injuries was 0; the recordable occupational injury rate was 4.87; and the total hours worked were 1,438,096. In 2023, for non-employee workers, the number of fatalities as a result of occupational injuries was 0, the number of serious occupational injuries was 0, the number of occupational injuries was 0, the fatality rate as a result of occupational injuries was 0, the serious injury rate due to occupational injuries (excluding fatalities) was 0, and rate of recordable occupational injury was 0; the total hours worked were 16,384.	For Foxtron's 2023 employees and non-employees, the total number of hours worked, the total number of fatalities as a result of occupational injuries, the total number of serious occupational injuries, the total number of recordable occupational injuries; and, in accordance with GRI 403: Occupational Health and Safety 2018, the rate of fatalities as a result of occupational injuries, the rate of serious occupational injuries (excluding fatalities), and the rate of recordable occupational injuries. Note: The employee occupational injury data is reported by Foxtron to the Occupational Safety and Health Administration (OSHA)'s Smart Cloud for Safety and Health Resume as part of "Monthly Occupational Accident Reporting" for 2023.	4.4.2 Occupational Accident and Occupational Disease Prevention Management P.56

# Appendix 4: Independent Auditor's Limited Assurance Report



## Independent Limited Assurance Report

PWCR 24000142

To Foxtron Vehicle Technologies Co., Ltd.

We have been engaged by Foxtron Vehicle Technologies Co., Ltd. (the "Company") to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2023 Sustainability Report (hereinafter referred to as the "Identified Key Performance Indicators") and have issued a limited assurance report based on the result of our work performed.

### Subject Matter Information and Applicable Criteria

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the "Summary of Subject Matter Assured" on page 80 of the Sustainability Report. The scope of the Identified Key Performance Indicators is set out in the "Reporting Scope" on page 3 of the Sustainability Report.

### Management's Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the Applicable Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

### Inherent Limitation

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial information. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

### Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, "Quality Management for Public Accounting Firms" of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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## Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information, to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, samples of the Identified Key Performance Indicators have been tested through inquiries, observations, inspections, and other procedures to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.



We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls.

### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the Applicable Criteria.

### Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the Applicable Criteria have been subsequently modified.

*Chao, Yung-Chieh*

CHAO, YUNG-CHIEH

Partner  
For and on behalf of PricewaterhouseCoopers, Taiwan  
November 15, 2024

# Appendix 5: Independent Auditor's Limited Assurance Report on Greenhouse Gas Inventory



## 會計師有限確信報告

資誠字第 23010610 號

鴻華先進科技股份有限公司 公鑒：

本會計師受託執行鴻華先進科技股份有限公司（以下簡稱「鴻華先進」）西元 2023 年 1 月 1 日至 12 月 31 日溫室氣體聲明之有限確信案件，該溫室氣體聲明包含溫室氣體盤查報告及解釋性附註。本案件係由具有多項專業之案件服務團隊執行，包括確信執業人員及環境專家。

### 管理階層對溫室氣體聲明之責任

鴻華先進之責任係依照溫室氣體盤查議定書 GHG protocol（請參見溫室氣體聲明第一章）及「公開發行公司年報應行記載事項準則」之上市上櫃公司氣候相關資訊（以下簡稱「上市上櫃公司氣候資訊」）編製溫室氣體聲明，且設計、付諸實行及維持與溫室氣體聲明編製有關之內部控制，以確保溫室氣體聲明未存有等因於舞弊或錯誤之重大不實表達。

溫室氣體之量化受先天不確定性之影響，此主要係因用以決定排放係數之科學知識並不完整，以及報導之數值須彙總不同氣體之排放。

### 會計師之獨立性及品質管理

本會計師及事務所已遵循會計師職業道德規範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、專業能力及專業上應有之注意、保密與專業行為。

本事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與選備職業道德規範、專業準則及所適用法令有關之政策或程序。

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## 會計師之責任

本會計師之責任係依照確信準則 3410 號「溫室氣體聲明之確信案件」及「上市上櫃公司永續報告書確信機構管理要點」規劃及執行有限確信案件，基於所執行之程序及所獲取之證據，對第一段所述 鴻華先進溫室氣體聲明是否未存有重大不實表達取得有限確信，並作成有限確信之結論。

依確信準則 3410 號之規定，本有限確信案件工作包括評估 鴻華先進採用溫室氣體盤查議定書 GHG protocol 及上市上櫃公司氣候資訊編製溫室氣體聲明之妥適性、評估溫室氣體聲明等因於舞弊或錯誤之重大不實表達風險、依情況對所評估風險作出必要之因應，以及評估溫室氣體聲明之整體表達。有關風險評估程序（包括對內部控制之瞭解）及因應所評估風險之程序，有限確信案件之範圍明顯小於合理確信案件。

本會計師對第一段所述 鴻華先進溫室氣體聲明所執行之程序係基於專業判斷，該等程序包括查詢、對流程之觀察、文件之檢查、對量化方法與報導政策是否適當之評估，以及與相關紀錄之核對或調節。

基於本案件情況，本會計師於執行上述程序時：

1. 已透過查詢，取得對 鴻華先進與排放量及報導相關之控制環境及資訊系統之瞭解，但並未評估特定控制作業之設計，取得該等控制作業付諸實行之證據或測試其執行有效性。
2. 已評估 鴻華先進建立估計方法之適當性及一致性，然而，所執行程序並未包含測試估計所依據之資料或單獨建立會計師之估計，以評估 鴻華先進所作之估計。
3. 已實地訪查 2 個據點，以評估排放源之完整性、資料蒐集方法、排放源資料及該等據點所適用之收關假設。對於執行實地訪查據點之選擇，已考量該等據點之排放對總排放之貢獻、排放源性質。所執行程序不包含測試該等據點用以蒐集及彙整設施資料之資訊系統或控制。

相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。



因此，本會計師不對 鴻華先進溫室氣體聲明在所有重大方面，是否依照溫室氣體盤查議定書 GHG protocol 及上市上櫃公司氣候資訊編製，表示合理確信之意見。

### 有限確信之結論

依據所執行之程序與所獲取之證據，本會計師並未發現第一段所述 鴻華先進西元 2023 年 1 月 1 日至 12 月 31 日溫室氣體聲明在所有重大方面未依照溫室氣體盤查議定書 GHG protocol 及上市上櫃公司氣候資訊編製之情事。

### 其他事項

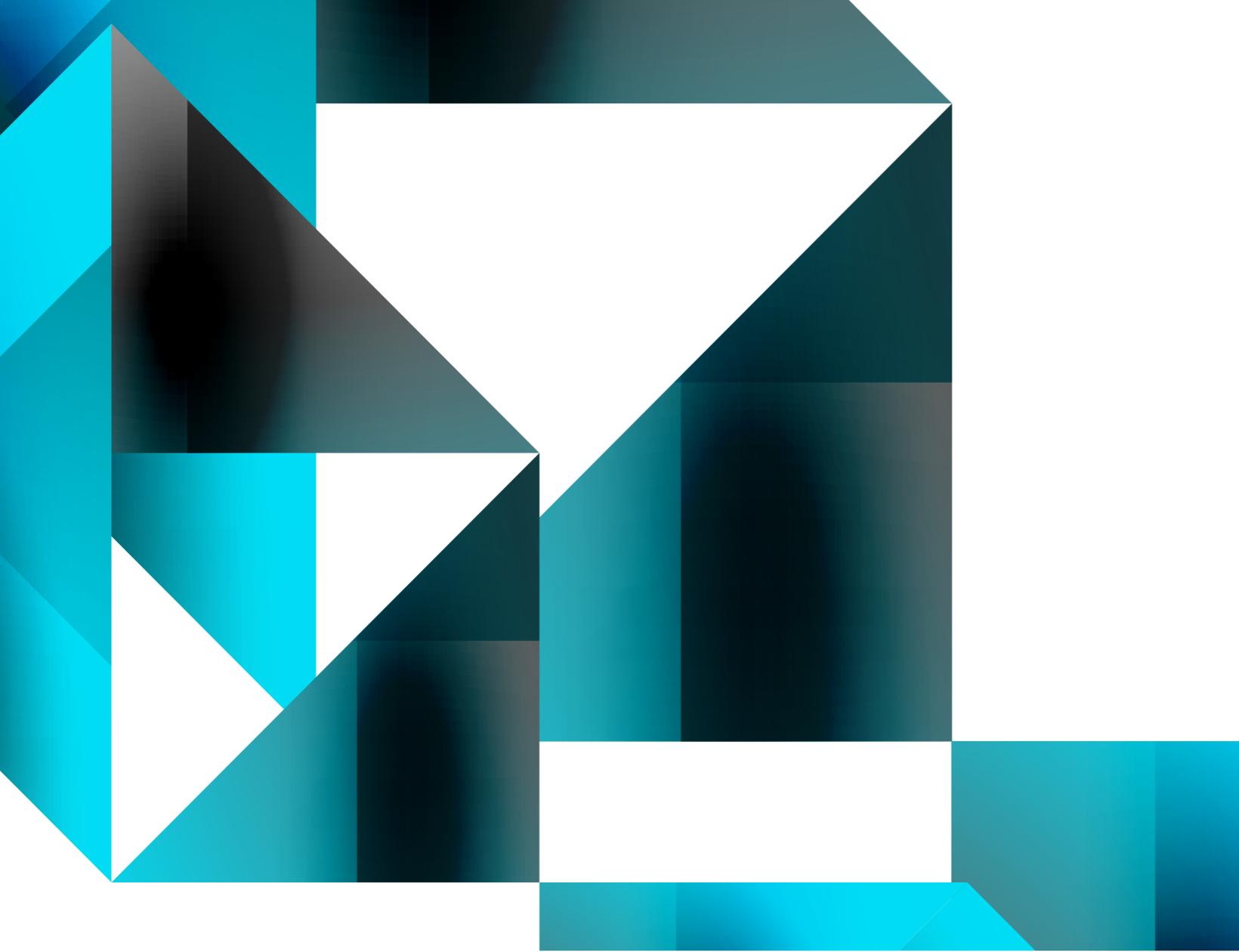
鴻華先進網站之維護係鴻華先進管理階層之責任，對於確信報告於鴻華先進網站公告後任何溫室氣體聲明之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

資誠聯合會計師事務所

會計師 趙永潔



西元 2024 年 4 月 17 日



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