

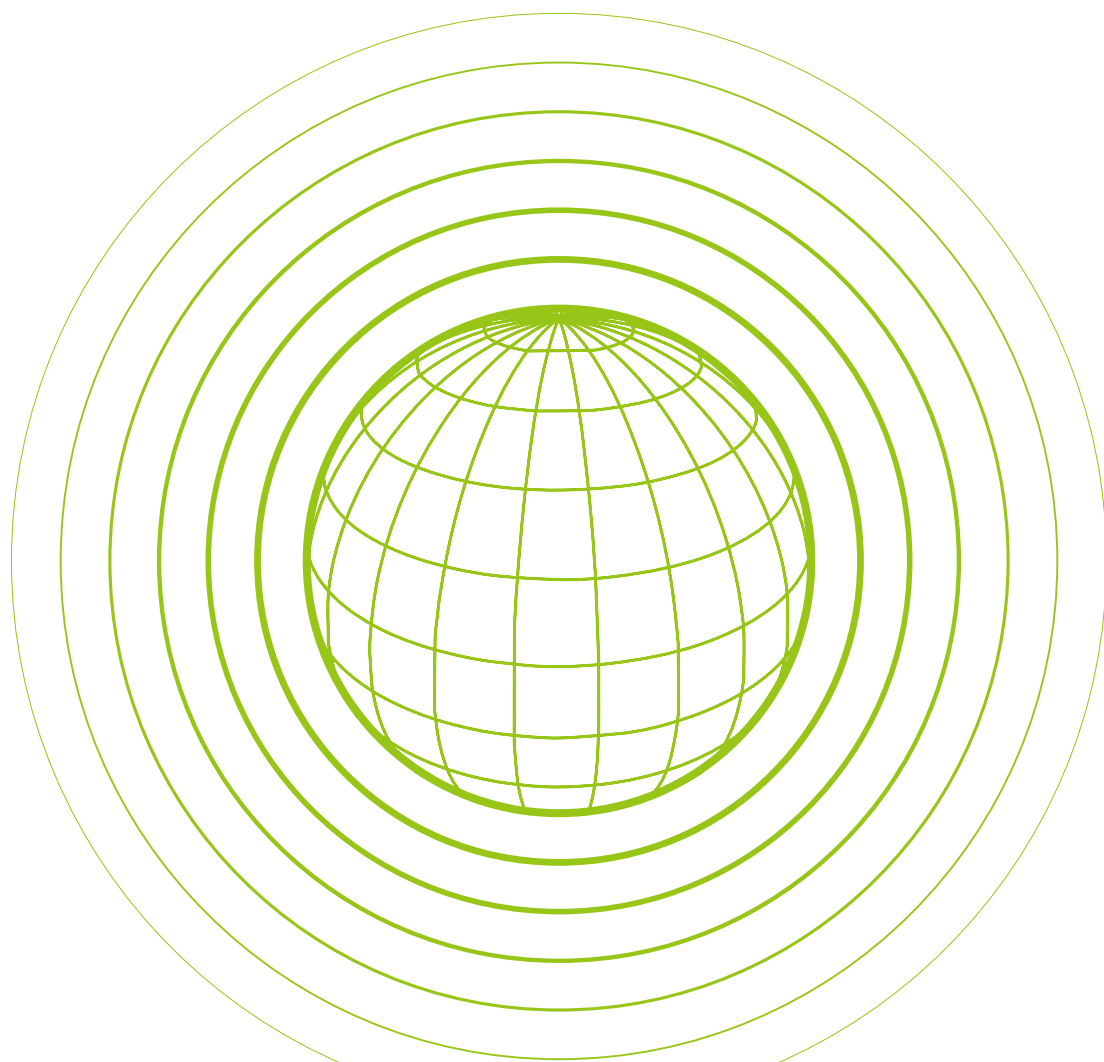
ENRESTEC 2023

ESG Report



ENRESTEC INC

2023



ESG Report



CONTENTS

Message from Top Management	01
Editing Guidelines of this Report	02
About ENRESTEC INC.	03
Sustainable Management	07
Framework of Sustainable Management	07
Stakeholder Communication	07
Identification of Material Topics	10

CH. 1 Operational Governance 13

1.1 Corporate Governance	16
1.2 Ethical Integrity	20
1.3 Operational Performance	23
1.4 Information Security Management	24



CH. 2 Innovative Research and Development 25

2.1 Product Introduction and Application	28
2.2 Product Technology and R&D	32
2.3 Circular Economy	33





CH. **3** Industrial Co-prosperity **34**

3.1 Industry Value Chain	35
3.2 Sustainable Supply Chain	36

CH. **4** Environmental Friendliness **38**

4.1 Climate Change Response	40
4.2 Energy and Greenhouse Gases	44
4.3 Raw Materials	47
4.4 Water Resources	49
4.5 Pollution Prevention and Control	51

CH. **5** A Sustainable Workplace **54**

5.1 Commitments to Human Rights	56
5.2 Employee Structure	58
5.3 Employee Benefits	63
5.4 Talent Development and Cultivation	67
5.5 Employee Workplace Safety	70
5.6 Community Contribution	81

Appendix **82**

Appendix I: GRI Content Index	83
Appendix II: The Climate-related Information Comparison Table for TWSE/TPEX Listed Companies	88



Message from Top Management

Founded in 2005, ENRESTEC INC. has now entered its 19th year. Throughout the journey, we have adhered to the guiding principles of “Integrity, Professionalism, Technology, and Excellence” in implementing our policies. We are committed to upholding “Integrity” as the fundamental principle, meeting our customers’ product needs with “Professional” technology, developing an eco-friendly “Technology” base to achieve sustainable development goals, and continually being innovative in pursuit of “Excellence” to benefit society.

In recent years, black swan events such as “climate change”, the “COVID-19 pandemic”, “interest rate hikes and inflation”, and “Russo-Ukrainian war” have posed significant challenge to test companies’ ability to respond to and grasp risks and opportunities. In terms of corporate governance, the Board of Directors at ENRESTEC actively promotes and improves related plans and processes, and has successively adopted the Corporate Governance Best Practice Principles, Sustainable Development Best Practice Principles, Risk Management Best Practice Principles, Risk Management Policy and Procedure, and Sustainability and Risk Management Committee Charter to ensure the implementation of effective internal mechanisms for corporate sustainability management.

When the world actively works towards net-zero carbon emissions by 2050, ENRESTEC is also taking actions to promote relevant certifications from the business and product perspectives, from the basic ISO 14001 quality system to the certifications such as ISO 14067 product carbon footprint assessment and ISCC PLUS. In addition, our low-carbon products have received the Ministry of Environment’s “Type II Environmental Labelling” certification, and we have issued a Product Environmental Declaration. We aim to proactively position ourselves and contribute our efforts as a responsible member of the planet.

The competitiveness of a company is grounded in a people-first approach. To ensure the physical and mental well-being of our employees, ENRESTEC not only conducts regular health check-ups for all employees but also hires professional medical personnel to provide on-site consultation and care. In terms of occupational safety, we conduct regular safety training for employees to improve their safety knowledge and awareness. The training is aimed at ensuring effective self-management of industrial safety and meeting social expectations. ENRESTEC has established an Employee Welfare Committee to progressively enhance employee benefits. We also hold regular labor-management meetings to integrate relevant horizontal and vertical resources, striving to create a better tomorrow in a harmonious working environment between labor and management to achieve the objective of sustainable business management.



Chairman, Lien-Wei Yuan



Editing Guidelines of this Report

● About this Report

ENRESTEC INC. (hereinafter referred to as ENRESTEC) is committed to enhancing Environmental, Social, and Governance (ESG) practices while continuously pursuing revenue growth to achieve sustainable management of the company. The 2023 ESG Report of ENRESTEC INC. is the company's firstly published ESG report edited by the Sustainability & Risk Management Unit under the Sustainability & Risk Management Committee of the board of directors.

ENRESTEC proactively communicates important sustainability issues, strategies, management approaches, results, and financial information in economic, social and environmental aspects through diverse and open communication channels to fulfill our commitment to stakeholder communication and meet their expectations. This is ENRESTEC's very first ESG Report. We will publish the ESG Report annually, with the next edition scheduled to be issued in August, 2025.

● Reporting Period and Scope of the Report

To allow the stakeholders to understand the actions and goals of ENRESTEC in the aspects of ESG, the scope of this report is ENRESTEC INC. in Taiwan. Except that the scope of financial information disclosure is consistent with the consolidated annual report audited by CPAs (including Upcycle Inc. and ENRESTEC International Holding Ltd.), the environmental and social performance was based on the Taiwan Head Office. The content of information of this Report covers ENRESTEC's sustainability efforts and performance from Jan. 1 to Dec. 31, 2023. Any additional information reported from other locations or some restated historical data will be explained in the relevant chapters. This is the company's very first public ESG Report, so there are currently no instances of data restatement.

● Guidelines and Management of Report Compilation

The compilation of this Report mainly referred to GRI Standards (2021) published by the Global Sustainability Standards Board (GSSB), the TCFD (Task Force on Climate-related Financial Disclosures) Framework, the guidelines listed in the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies for relevant information disclosure and reporting.

During the report preparation process, the Sustainability & Risk Management Unit convened an execution team (including the Environmental and Industrial Safety Team, the Social Responsibility Team, and the Business Analysis Team) to collect and consolidate data and information from various operational units. The information was reviewed by the respective unit managers first, and then submitted to the Sustainability & Risk Management Unit for confirmation, while an external advisory team also offered suggestions for enhancement. After all information and data were complete, the report was submitted to the Sustainability & Risk Management Committee for review and submitted to the board of directors for approval before publication.

The financial data in this Report were from the annual financial reports audited and verified by KPMG and were calculated in New Taiwan Dollars. In addition, our ISO 9001 (Quality Management System) and ISO 14001 (Environmental Management System) have both been verified by third-party impartial agencies and obtained certificates.

● Suggestions and Feedback

ENRESTEC INC. / Product R&D Dept.

Assistant Manager, Lin, Yen-Hsu

Address: No. 25, Yongxiang Rd., Fangleiao Township, Pingtung County 94001, Taiwan (R.O.C.)

Email: ESG@Enrestec.com.tw

Official website: <https://www.enrestec.com.tw/>



About ENRESTEC INC.

● Company Profile

With a core focus on pyrolysis technology, ENRESTEC upholds a philosophy of innovation, professionalism, and excellence, specializing in resource recovery and regeneration of organic waste, creating irreplaceable value through its technological advancement while promoting the development of a circular economy in the industry. In 2013, we established the world's first 24/7 commercial tire pyrolysis plant in Pingnan Industrial Park in Taiwan, accumulating extensive experience in tire pyrolysis technology and achieving breakthroughs in various applications for regenerated products. This facilitates a circular economy production model in the rubber industry and has attracted extensive attention from customers, making the company a leader in the global tire pyrolysis technology and equipment. The eco-friendly carbon black products produced in 2018 have been officially purchased and used by the world's top ten tire manufacturers, thereby initiating the export of the pyrolysis technology solutions to Thailand and setting up a joint venture, ECO Infinic Co., Ltd. in Thailand. In 2022, the joint venture, Upcycle Inc., was established, and the second pyrolysis plant was set up in Taiwan, accelerating the promotion of a circular economy production model for the rubber industry in Taiwan.

The Headquarters of ENRESTEC is in Pingnan Industrial Park in Taiwan. We specialize in the processing of waste tires in Taiwan, focusing on the sales and promotion of low-carbon products derived from pyrolysis and being dedicated to the output of complete pyrolysis technology solutions. Currently, we have two tire pyrolysis plants in Taiwan, both located in Pingnan Industrial Park. ENRESTEC uses continuous thermal pyrolysis technology and specializes in the resource recovery treatment of waste tires while Upcycle Inc. uses semi-continuous thermal pyrolysis technology and is capable of processing large waste tires and various types of waste rubber simultaneously, which effectively tackles the environmental challenges posed by large rubber waste in Taiwan, converting it into sustainable low-carbon materials. ENRESTEC stands out globally by simultaneously offering both continuous and semi-continuous thermal pyrolysis technologies, aiming to provide optimal solutions for the sustainable utilization of organic waste.

Company Profile	
Company Name	ENRESTEC INC.
Market Segment	TPEX Listed Companies
Stock Ticker Symbol	7507
Industry	Green Energy and Environmental Services
Established Date	2005/10/26
OCT Listing Date	2020/03/20
Chairman	Lien-Wei Yuan
President	Chun-Yao Wu
Paid-in Capital	NT\$ 102,100 thousand (as of 2023/12/31)
Number of Employees	106 (as of 2023/12/31)
Net Sales	NT\$ 381,605 thousand (as of 2023/12/31)
Products and Services	Turnkey-plant exports, core pyrolysis technology service, eco-friendly carbon black, regenerated oil products, steam, steel wire, waste tires, waste rubber processing
Market Served	Taiwan 37.16%; international markets 62.84%

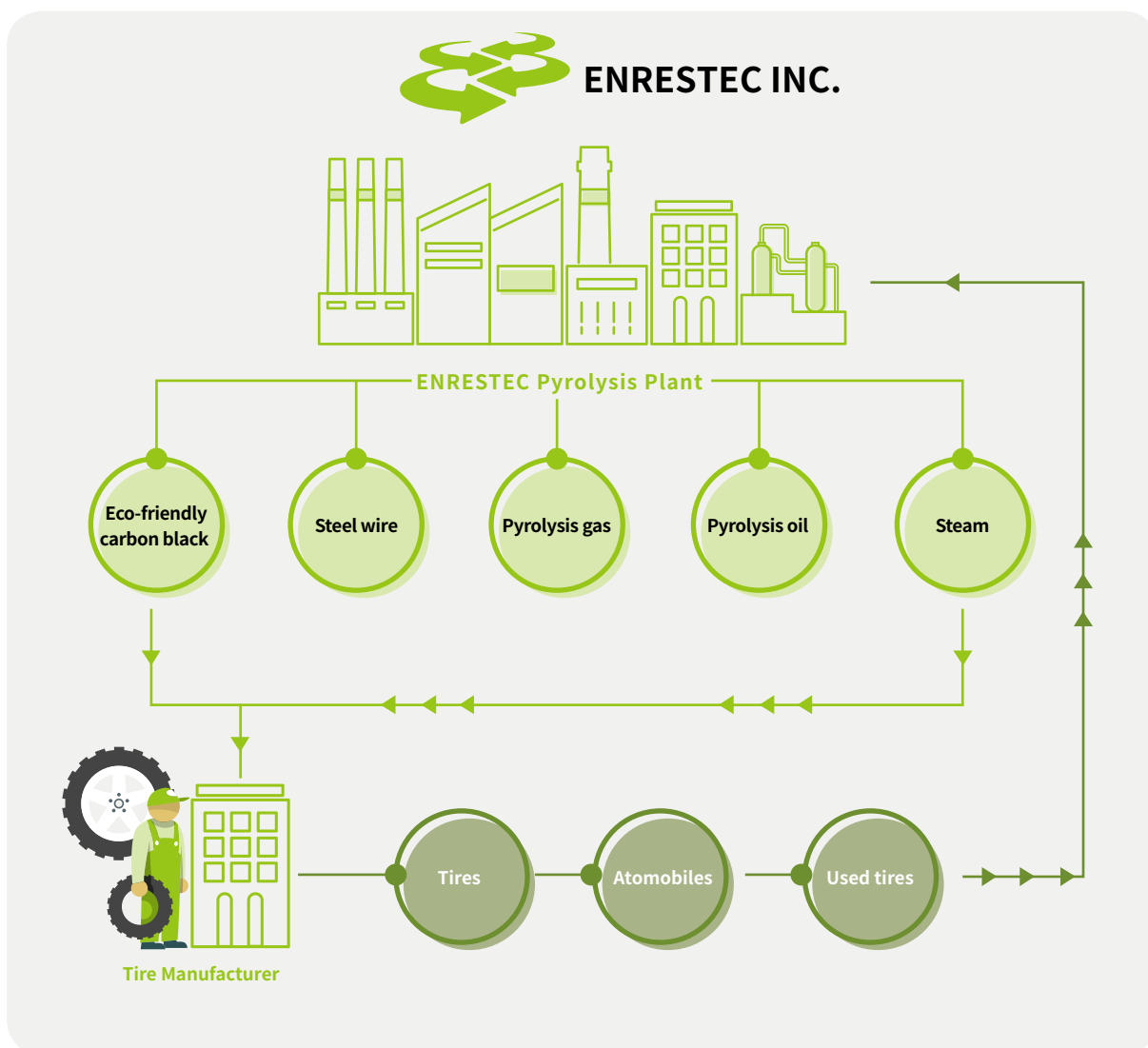


Headquarters: Taiwan
Operating base: No. 25, Yongxiang Rd., Fangliao Township, Pingtung County



•Business Model

ENRESTEC uses the patented waste tire pyrolysis technology to effectively process waste tires and recycles low-carbon eco-friendly carbon black, pyrolysis oil, and scrap steel to address the environmental impact caused by waste tires while getting commercial benefits. In response to the global challenges of wastes tire disposal and the efforts of leading tire manufacturers to carbon neutrality, ENRESTEC will promote and export patented waste tire pyrolysis equipment systems internationally. Meanwhile, we will expand domestic waste tire pyrolysis recycling capacity to provide low-carbon raw materials to assist rubber manufacturers in reducing caron emissions and achieving the maximum economic benefits for the company.



•Participation in Organizations

ENRESTEC actively participates in various public associations related to industrial development to strengthen exchanges with the industry and connecting with the latest technologies to not only improve our service competitiveness and industry influence, but also increase opportunities for strategic business alliances, creating changes for operational growth.

Title of Guild/ Association	Position
Association of Taiwan Waste Tire Recycling and Treatment Development	Member
Manufacturers Association of Pingnan Industrial Park	
Taiwan Rubber & Elastomer Industries Association	
Sustainable & Circular Economy Development Association	
Pingtung County Industrial Association	
Taiwan Bio-energy Technology Development Association	

• Honors and Awards

2017



**2017 Certificate of Appreciation
from Environmental Protection
Administration, MOEA**

Reason: Assistance in establishing a product carbon footprint emission factor database.



**2017 the 18th Gold Peak Award
Outstanding Enterprise/
Outstanding Innovation and R&D**

Reason: Continuous pyrolysis system and its applications.

2018



**2018 Taiwan Recycling Tour-
Recycling Fund 20th Anniversary
Exhibition**

Reason: Implement "circular regeneration by innovating and developing high-value-added technologies to integrate waste back into our daily life, such as food, clothing, housing and transportation.



**2018 Evaluation for Circular
Economy of Waste Resources-
Outstanding Enterprise**

Reason: In response to the international emphasis on the plastic waste issue, the company participated in the evaluation of enterprises engaged in resource recovery treatment in plastic waste category held by Environmental Protection Administration, MOEA.



● Important Milestones

Year	Important Events
2023	<ul style="list-style-type: none"> ● Signed a Memorandum of Understanding (MOU) for collaboration with Reviva, a subsidiary of Saudi Investment Recycling Co. ● Signed an engineering design service contract with Bridgestone Corporation.
2022	<ul style="list-style-type: none"> ● Signed the contract for the second phase of the project for the sale of waste tire pyrolysis equipment systems to Eco Infinic Co., Ltd. in Thailand. ● The company indirectly invested in Thailand's Eco Infinic Co., Ltd. and issued new shares to increase capital in cash.
2021	<ul style="list-style-type: none"> ● Obtained the international certification of Environmental Product Declaration (EPD) Life Cycle Assessment (LCA). ● Applied for the patent of cyclic heating oil sludge contaminated soil thermal desorption treatment system.
2020	<ul style="list-style-type: none"> ● Registered on Emerging Stock Board (ESB) on March 20. ● Signed the shareholders agreement with Cathay Private Equity Fund Limited Partnership. ● Obtained Cradle to Cradle Certified (C2C) bronze level certification. ● Signed an engineering service and equipment sales contract, technical service contract, and product sales contract with Upcycle Inc.
2019	<ul style="list-style-type: none"> ● Approved for public offering of shares on December, 31.
2018	<ul style="list-style-type: none"> ● Continued the equipment sales contract signed with Eco Infinic Co., Ltd. in Thailand in 2017 and sequentially export equipment for installation.
2017	<ul style="list-style-type: none"> ● Sales of waste tire pyrolysis systems officially enter the international market, and signed the equipment sales contract with Eco Infinic Co., Ltd. in Thailand in December.
2015	<ul style="list-style-type: none"> ● The pyrolysis products of Pingnan Plant obtained BSI carbon footprint certification.
2014	<ul style="list-style-type: none"> ● Obtained national certification for regenerated oil products, and was issued oil sales license. ● Applied for the patent of combined system of waste oil sludge pyrolysis and soil thermal desorption. ● Recognized as the demonstration plant of the Energy Resources Integration Center of the MOEA. ● Obtained the Green Mark Eco-label certification from MOEA. ● Invited by the Environmental Protection Administration to join the Cradle to Cradle (C2C) Strategic Alliance. ● Merged subsidiary, Lienchung Co., Ltd. for resource integration and improved operational performance and competitiveness.
2013	<ul style="list-style-type: none"> ● The Pingnan Standardized Plant was completed for operation in August.
2012	<ul style="list-style-type: none"> ● Obtained land in Pingnan Industrial Park and prepared to construct a new plant in Pingnan. ● The Pyrolysis products of Lienchung Plant obtained BSI carbon footprint certification. ● Completed the R&D of organic sludge carbonization treatment technology.
2011	<ul style="list-style-type: none"> ● Eco-friendly carbon black has been certified for use by the tire manufacturing industry.
2010	<ul style="list-style-type: none"> ● The waste tire pyrolysis plant passed the ISO 9001 certification.
2009	<ul style="list-style-type: none"> ● Established a QA Lab. ● The coffee carbon preparation testing and the development of fiber-grade PET masterbatch were completed.
2008	<ul style="list-style-type: none"> ● Commercialization of pyrolysis oil products.
2006	<ul style="list-style-type: none"> ● Invested in Lienchung Co., Ltd. and established the first waste tire pyrolysis plant.
2005	<ul style="list-style-type: none"> ● ENRESTEC INC. was established in Kaohsiung City.

Sustainable Management

• Framework of Sustainable Management

To effectively manage the risks associated with economic, environmental, and social impacts and fulfill our corporate social responsibility, ENRESTEC has established the Sustainable Development Best Practice Principles as the guiding framework for the company and the entire Group operations to facilitate the progress in these three areas to reach the goal of sustainable development. The Sustainability & Risk Management Committee has been established under the board of directors to be in charge of the matters related to the company's sustainable development and risk management.

The Sustainability & Risk Management Committee was established in March, 2024, and is composed of two independent directors, Ms. Ci-Ling Su and Mr. Chung Yu Hsueh and the director Chun Yao Wu, under which set the Environmental and Industrial Safety Team, the Social Responsibility Team, and the Business Analysis Team. Each team reports to the Management Committee on the information collected on various aspects and operational activities, as well as the strategies and objectives they have established from time to time. The Management Committee will then report to the board of directors on the execution results and future plans on a yearly basis.

Organizational Chart of Sustainability & Risk Management



• Stakeholder Communication

ENRESTEC attaches great importance to the needs and expectations of all stakeholders. In the process of implementing sustainable development, we proactively maintain effective and smooth communication with our stakeholders through diverse channels, allowing us to ensure that the sustainability topics of their concern can be presented in a timely, comprehensive, and transparent manner in the ESG Report.

To understand the stakeholders' expectations and issues of their concerns for the improvement and advancement of ENRESTEC, we made use of the quantitative method of the AA1000 SES (Account Ability 1000 Stakeholder Engagement Standard) and followed the five principles, namely dependency, responsibility, influence, diverse perspective and tension to evaluate the impact of stakeholders on the sustainable management of ENRESTEC. Finally, members from all departments collectively identified seven key stakeholders, including Shareholders/Investors, Customers, Suppliers/Contractors, Employees, Rating Agencies, Government Agencies, and Community Residents.

Stakeholder Communication and Interaction

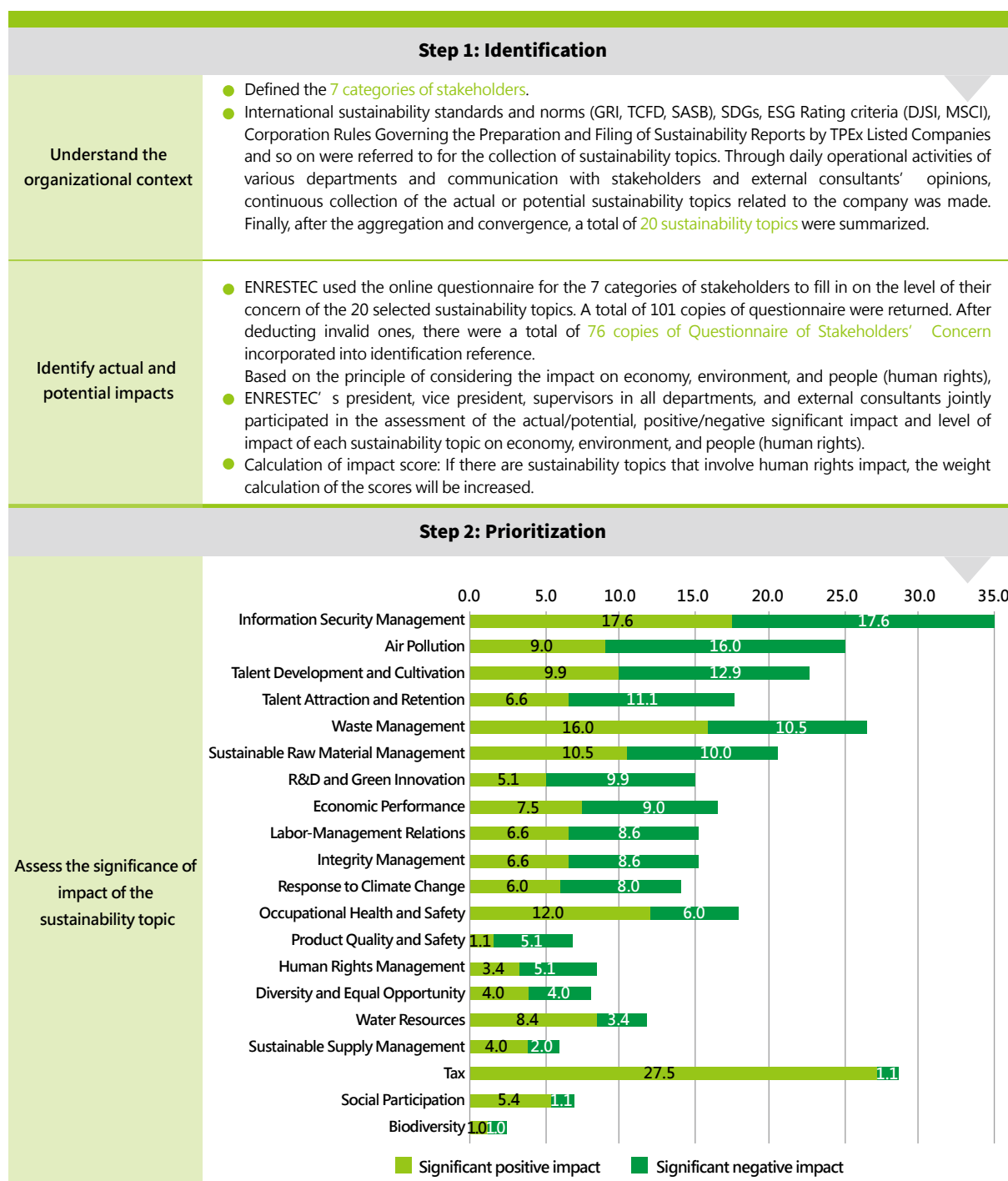
	Shareholders/Investors	Customers	Suppliers/Contractors
Importance	All the shareholders are the important assets of the company, and we continuously pursue excellence to create the maximum profits for the shareholders.	Customers are the main source of economic revenue for the company. Meanwhile, the company provides carbon-reducing, green, and sustainable products and high-quality after-sales services that meet our customers' needs.	The advanced technology and innovative solutions provided by suppliers can improve the quality of our products and services and assist the company in exploring new markets, especially in the expansion of international markets. Global influence and market knowledge are critical for ENRESTEC to enter new markets and identify business opportunities. In terms of environmental protection and sustainable development, the renewable materials and technical support from our suppliers enable us to achieve carbon reduction goals and improve resource utilization efficiency. Moreover, a diverse and reliable supplier network can reduce the risk of supply chain interruption to ensure business stability, thereby promoting ENRESTEC's technological innovation, cost control and sustainable development.
Issues of Concern	<ul style="list-style-type: none"> ● Corporate Operation and Development ● Corporate Governance and Risk Management ● Innovation in R&D and Low-Carbon Technologies ● Integrity Management and Compliance 	<ul style="list-style-type: none"> ● Green Low-Carbon Products ● Improvement of Product Quality and Innovation Capabilities 	<ul style="list-style-type: none"> ● Sustainable Supply Chain Management ● Ethics Code/ Compliance ● Product Quality and Safety
Communication method and frequency	<ul style="list-style-type: none"> ● Shareholders' Meeting (once a year) ● Extraordinary Shareholders' Meeting (as needed) ● Annual Reports and Financial Statements (Regularly) ● Major announcements on the official website and the Market Observation Post System (MOPS) (Immediate) 	<ul style="list-style-type: none"> ● Customer and distributor on-site meeting (once a quarter) ● Satisfaction Surveys (once a year) 	<ul style="list-style-type: none"> ● Personal visits (occasional) ● Mail correspondence and phone communication (Immediate)
Effectiveness of Communication	<ul style="list-style-type: none"> ● During the annual shareholders' meeting, the company explains its future prospects, market development trends, growth strategies, and profitability to the shareholders/investors. 	<ul style="list-style-type: none"> ● Customer complaints and feedback are provided to the technical department of the company for future improvement in products. ● For items with lower satisfaction ratings, internal reviews and customer communication are conducted. 	<ul style="list-style-type: none"> ● Conducted 3 inspections of raw material suppliers. ● Visited material suppliers 8 times in total. ● Attended 4 meetings of the Association of Taiwan Waste Tire Recycling and Treatment Development

	Employees	Rating Agencies	Government Agencies	Community Residents
Importance	ENRESTEC views its employees as partners in mutual growth and places significant emphasis on their diverse needs for physical and mental well-being. We not only offer competitive compensation but also strive to provide various opportunities for their personal and professional development.	The company actively makes improvements and achieves voluntary certifications in environmental and process aspects to ensure product transparency and strengthen the core competitiveness.	The company actively complies with the local government regulations in its operations and ensure that all forms of illegal activities are strictly prohibited.	Strengthen communication and interaction with community residents to foster friendly neighborhoods and promote community development and local economy.
Issues of Concern	<ul style="list-style-type: none"> ● Compensation and Benefits ● Labor-Management Relations ● Business Performance ● Talent Cultivation and Development ● Occupational Health and Safety 	<ul style="list-style-type: none"> ● Ecological Sustainability ● Social Sustainability ● Compliance with Laws and International Treaties ● Process Management Practices ● Supply Chain Traceability ● Process GHG Emissions ● Product Ingredients and Content 	<ul style="list-style-type: none"> ● Waste Management ● Climate Change Adaptation ● Air Pollution ● Compliance ● Product Health and Safety 	<ul style="list-style-type: none"> ● Environmental Issues ● Risk Management
Communication method and frequency	<ul style="list-style-type: none"> ● Labor-management meeting (once every quarter) ● Occupational Safety and Health Committee Meeting (Once every quarter) ● Employee Welfare Committee Meeting (4 times a year) ● Internal and external education and training (occasional) ● President/Employee email boxes (Immediate) ● Inter announcements of the company (Immediate) 	<ul style="list-style-type: none"> ● ISO Internal Audit (Once a year) ● ISO External Audit (Once a year) ● Carbon Footprint Internal Audit (Once a year) ● Carbon Footprint External Audit (Once every two years) ● ISCC Internal Audit (Once a year) ● ISCC External Audit (Once a year) ● On-site audit (Occasional) ● Project seminar (Occasional) 	<ul style="list-style-type: none"> ● Official correspondence (Occasional) ● On-site (Occasional) ● Project seminars (Occasional) 	<ul style="list-style-type: none"> ● Participate in community care activities (Occasional) ● Communication and interaction with neighboring plants (Occasional) ● Participate in industrial park safety and health family activities (Occasional)
Effectiveness of Communication	<ul style="list-style-type: none"> ● Problem-solving skills ● Social activities: Organize annual gatherings, team-building activities, etc. to enhance interaction and teamwork among employees. ● Convened 4 times of labor-management meetings. ● Convened 4 Occupational Safety and Health Committee meetings. ● Held 1 Personnel Evaluation Committee Meeting ● Held 4 Employee Welfare Committee Meetings. -Rapidly and effectively address issues the members face in relation to benefits to improve overall service quality, such as establishing emergency relief funds for the employees. -Organize annual gatherings, team-building activities, etc. to enhance interaction and teamwork among employees. 	<ul style="list-style-type: none"> ● Improve process deficiencies through reviews, improve product quality and safety while reducing risks to sustainable operations and establishing trust among customer partners. 	<ul style="list-style-type: none"> ● Adhere strict to government laws to reduce violations. ● Make continuous improvement to enhance the company's reputation and image. 	<ul style="list-style-type: none"> ● Increase understanding with neighboring plants through interaction and manage environmental risks. ● Enhance trust between local residents and competent agencies.

● Identification of Material Topics

ENRESTEC followed the GRI Standards 2021 GRI 3 to enhance our understanding of stakeholders' level of concerns regarding sustainability issues through inclusiveness, materiality, reliability, and the eight reporting principles (accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability). Through the four steps of identification, prioritization, validation, and review, we make systematic analysis of potential impacts from operational activities, including actual and potential negative impacts or positive impacts and identify material topics. In response to negative impacts, we conduct due diligence and implement remedial or corrective measures. The management approaches established will be the basis for the information disclosure in this Report to respond to the expectations of our stakeholders.

Material Topics Assessment Process



Step 3: Validation

Prioritize the topics from the one with the most significant impact

- In accordance with the impact scores of the 20 sustainability topics, scores of negative and positive impacts are used for prioritization. Those sustainability topics' scores of negative and positive impacts being 10 points and above were discussed by the president, vice president, supervisors of all departments, and external consultants. After validation, 8 material topics were determined to be prioritized disclosure items for 2023.

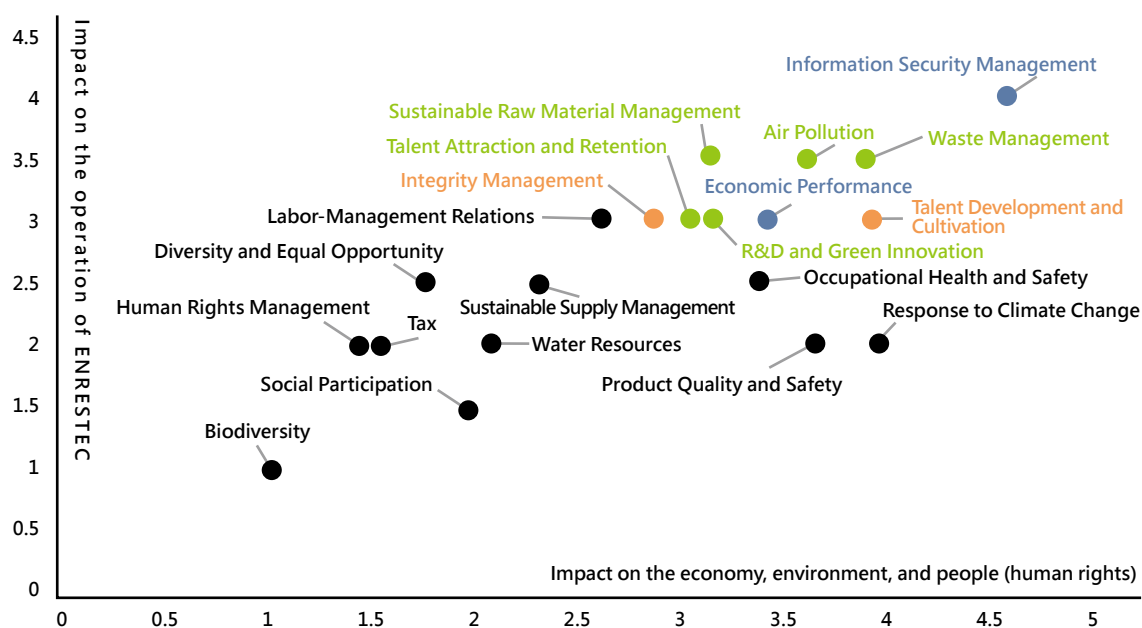
Step 4: Review

Response to and management of material topics

- Based on the selected material topics, relevant departments of the company provided corresponding information to organize the complied content, and then reviewed the difference between the overall current situation and management goals of the company for readjustment of the management approaches as well as full disclosure of information in this Report as a basis for ENRESTEC to make continuous improvement and promote sustainable development.

Results of Material Topics Assessment

Matrix of Materiality Analysis



Material topics (Prioritize the establishment of management approaches)

1. Information Security Management	2. Air Pollution	3. Talent Development and Cultivation	4. Talent Attraction and Retention
5. Waste Management	6. Sustainable Raw Material Management	7. R&D and Green Innovation	8. Economic Performance
Secondary topics (Continuous tracking and management)			
9. Labor-Management Relations	10. Integrity Management	11. Response to Climate Change	12. Occupational Health and Safety
13. Product Quality and Safety	14. Human Rights Management	15. Diversity and Equal Opportunity	16. Water Resources
17. Sustainable Supply Management	18. Tax	19. Social Participation	20. Biodiversity

List of Material Topics

Material Topics	Purpose of Management	Value Chain Impact			Corresponding Chapter
		Upstream	Enrestec	Downstream	
Governance					
Economic Performance	Focus on the core business and R&D capacity of ENRESTEC and maintain the optimal capital structure of the company to seek the maximum economic benefits for our shareholders and stakeholders.	▲	●	▲	1. Operational Governance
Information Security Management	Strengthen the company' s information security protection capabilities, improve the corporate information security rating, and meet customers' information security requirements to fulfill our information security commitments to customers, shareholders, and all stakeholders.		●	◆	1. Operational Governance
Environmental					
R&D and Green Innovation	With a focus on the recycling of waste tires, we conduct in-depth research into carbon black processing to develop high-value-added products that fulfill the market' s needs for low-carbon and high-quality products. Furthermore, our comprehensive control mechanisms for raw materials upon entry will also mitigate operational risks for the company.		●	▲	2. Innovative Research and Development
Sustainable Raw Material Management		▲	●		2. Innovative Research and Development
Air Pollution	To effectively implement the company' s environmental management and adhere to relevant domestic regulations to avoid operational risks through pollution prevention, regulatory compliance, and continuous improvement, pursuing environmental sustainability to fulfill our social responsibility.		●		4. Environmental Friendliness and Quietness
Waste Management		▲	●		4. Environmental Friendliness and Quietness
Social					
Talent Attraction and Retention	The establishment of a comprehensive talent development plan and benefits system, is crucial for the company. This allows systematic cultivation of outstanding reserve personnel but also provides relevant training that corresponds to employee' s career directions. In addition, our employees can enjoy equitable compensation and benefits in recognition of their efforts.		●		5. A Sustainable Workplace
Talent Development and Cultivation			●		5. A Sustainable Workplace

Note:

1. The upstream of the value chain are supplies/contractors while the downstream are customers.
2. The degree of involvement in the impact: "●" : direct impact; "▲" : contributing to the impact; "◆" : directly related to the business relationship.

CH. Operational Governance



1.1 Corporate Governance	16
1.2 Ethical Integrity	20
1.3 Operational Performance	23
1.4 Information Security Management	24

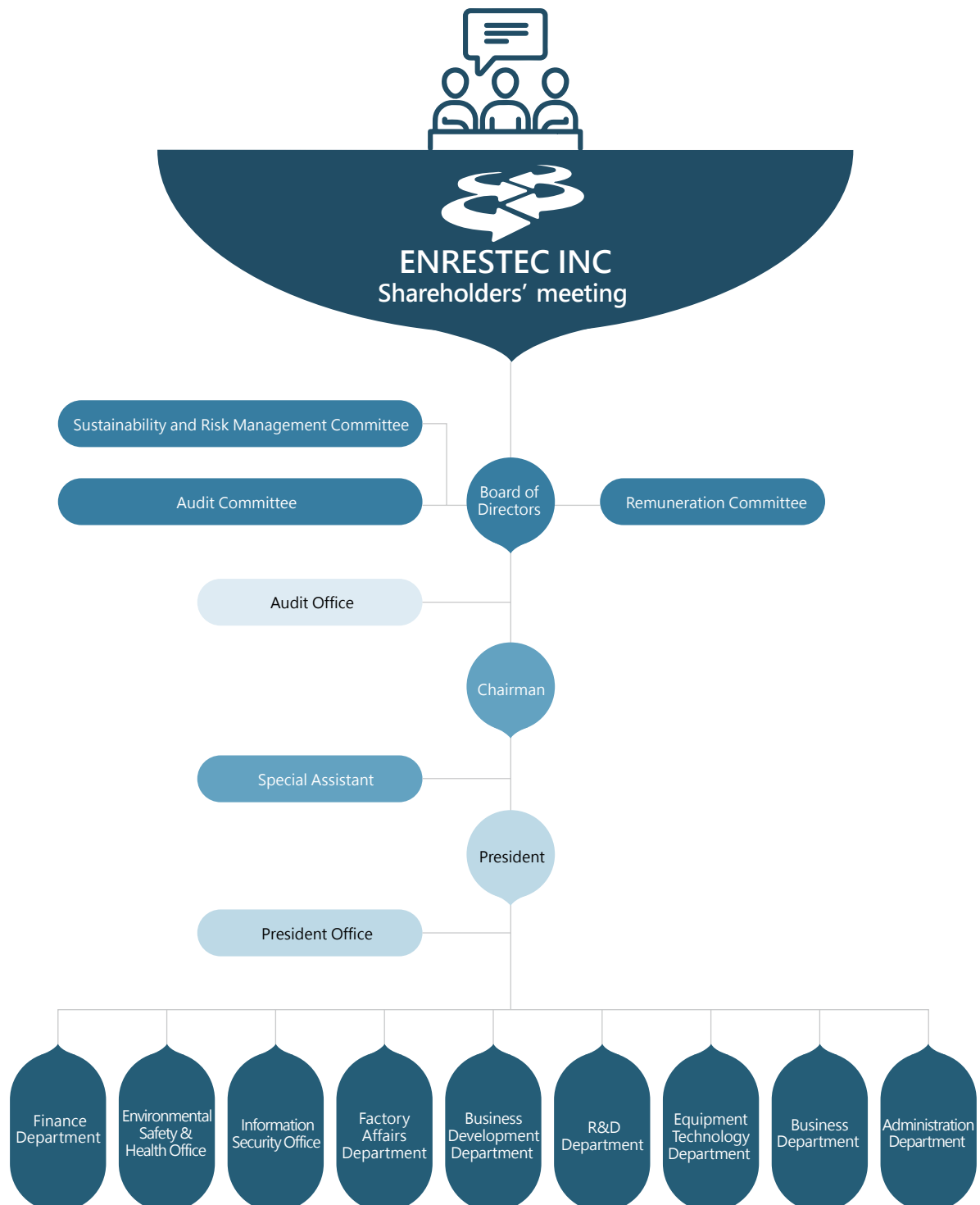


Material Topics	Business Performance
Description of Positive Impact	As the global awareness of net-zero emissions increases, the demand for eco-friendly carbon black and recycled oil products has also increased significantly. The establishment of international standards for the promotion of pyrolysis products is expected to greatly enhance the R&D of recycled product technologies and market expansion, which will boost the operational performance for the company.
Description of Negative Impact	The consolidated revenue of 2023 hit a record high at NT\$ 381,605 thousand, an increase of 8.15% compared with the previous year. No operational decline or slowdown occurred.
Remediation Mechanism/ Measures	In 2023, the company did not have any negative events in its operating performance. If an operational decline or slowdown occurs, the company will review and propose improvement plans through operating meetings.
Policies Commitments	To create maximum profits for our shareholders and stakeholders.
Responsible Department	President Office
Goals	
2023 Goals	<ul style="list-style-type: none"> ● Continue the raw material certification of eco-friendly carbon black products. ● Continue the stable production and improve the production technology efficiency. ● The second phase factory expansion plan for ECO Infinic in Thailand.
2023 Attainment Status	<ul style="list-style-type: none"> ✓ Passed the raw material certification of a world-class tire brand. ✓ The revenue hit the record high. ✓ The equipment installation of the second phase factory expansion project of ECO Infinic in Thailand was completed.
Short-term Goals	Accelerate the marketing of equipment technology and expanding into international markets.
Medium- and Long-term Goals	<ul style="list-style-type: none"> ● Continue to strengthen business operation and technology improvement, improve process techniques to lower energy consumption and waste generation, and research and development various product application technologies. ● Focus on high-quality specialty eco-friendly carbon black to promote the company's sustainable green products for the improvement of operational efficiency.
2023 Specific Actions	<ul style="list-style-type: none"> ● Signed a Memorandum of Understanding (MOU) for collaboration with Reviva, a subsidiary of Saudi Investment Recycling Co. ● Signed an engineering design service contract with Bridgestone Corporation.
Management Assessment Mechanism	Management Review Meeting
Performance and Outcomes	The consolidated revenue in 2023 increased by 8.15% compared with the previous year.

Material Topics	Information Security Management
Description of Positive Impact	Effective information security management can not only protect a company's core assets but also enhance its market competitiveness to ensure stable business operations, contributing to long-term development of an enterprise.
Description of Negative Impact	The company did not experience any actual negative impact during the reporting year. If any negative incident in relation to customer privacy and information security occurs, it would cause impact on the organization. ENRESTEC will establish remedial plans for individual incidents to minimize harm.
Remediation Mechanism/Measures	In an event of client-end cybersecurity, the company will report such incident in accordance with the Information Security Management Operating Procedures. The IT team will review and verify the incident, and based on the severity of the impact, it will follow the notification and follow-up procedures to resolve the incident and archive it for closure.
Policies Commitments	<p>To achieve the highest standards of information security, the company has set the following policy commitments.</p> <ul style="list-style-type: none"> ● Protection of Confidentiality: Prevent unauthorized access, disclosure, or alteration of information. ● Maintenance of Integrity: Ensure the accuracy and reliability of information. ● Assurance of Availability: Ensure information and information systems are accessible when needed.
Responsible Department	Information Security Office
Goals	
2023 Goals	<ol style="list-style-type: none"> 1. Digitalization trends, electronic forms 2. Enhancing SSL/TLS Decryption Protection for HTTPS and Conducting Cybersecurity 3. Establishing VPN to incorporate branch offices/subsidiaries into cybersecurity protection.
2023 Attainment Status	<ul style="list-style-type: none"> ✓ 1.Established an external HR system to simplify shift payroll processes; all HR-related forms have been digitalized. ✓ 2.A third-party information company conducts firewall assessment on a monthly basis. ✓ 3.Included the Kaohsiung Office into the IPSec VPN structure.
Short-term Goals	<ol style="list-style-type: none"> 1. Implement comprehensive vulnerability screening and penetration testing for 100% of the computers across the entire company. 2. Continue to perform cybersecurity health assessments, with 100% of branch offices and subsidiaries included in the scope of assessment.
Medium- and Long-term Goals	<ol style="list-style-type: none"> 1. To update the OS of the ERP system to cloud storage to ensure uninterrupted VPN architecture. 2. To implement 100% computer vulnerability scans and penetration testing company-wide. 3. To establish PLC cloud command center.
2023 Specific Actions	<ul style="list-style-type: none"> ● System backup: Established a cloud backup system with daily backup mechanisms. In addition to uploading a copy to cloud, both the computer room and the off-site location will each store an additional copy to guarantee complete safety. ● Disaster recovery drills: Conduct drills for each system on a year basis, and selected a restoration point as a reference date. After restoring data from backup media to the main server, the user unit will confirm in writing the accuracy of the recovered data to ensure the correctness and validity of the backup media. ● Use of VPN connections: Established a seamless connection between the Pingtung Office and the Kaohsiung Office via VPN. Through bandwidth management equipment, the two lines are connected in parallel for mutual redundancy, ensuring uninterrupted ERP services and related network communication.
Management Assessment Mechanism	Every year, the Audit Office and the CPAs conduct routine internal cybersecurity audits. If any deficiency is found, corrective measures will be requested, and the results of the improvements will be tracked.

1.1 Corporate Governance

The board of directors serves as the highest governance body and decision-making center of ENRESTEC, supervising the overall operation management of the company. To implement risk management in relation to environmental, social, and governance (ESG) issues, the company strengthens the functions and supervisory roles of the board of directors. It identifies potential impacts arising from operational activities, evaluates the likelihood and scale, and establishes response mechanism and monitoring processes to ensure the maximization of profitability while protecting the rights and interests of all stakeholders.



Governance Structure

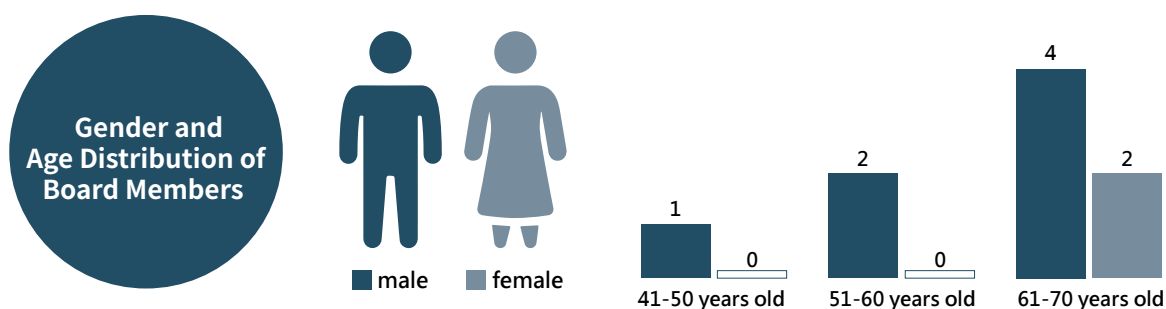
The Current board of directors of ENRESTEC consists 9 members (including 2 females and 7 males) elected in accordance with Article 12 of the Articles of Incorporation of ENRESTEC INC. for a term of 3 years (from June 29, 2023 to June 28, 2026), with Mr. Lien-Wei Yuan serving as the chairman of the board. The members of the current board of directors include 6 directors (2 of whom are employees) and 3 independent directors (accounting for 33.33% of the total board members), holding more than one-third seats of the board. As of the end of 2023, all independent directors meet the regulations regarding independent directors set by Securities and Futures Bureau of Financial Supervisory Commission, and neither the directors nor the independent directors are subject to the circumstances specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act. The company's board of directors meets at least once every quarter, convened by the chairman who presides over the meetings. The board has established functional committees, including the Remuneration Committee, Audit Committee, and Sustainability and Risk Management Committee. Each committee holds meetings in accordance with their respective authority, and after the meetings, the functional committees and the board secretariat prepare meeting minutes detailing the discussions and resolutions made during the meetings. In addition, the company's Finance Department has set up a "Shareholder Service Division" to serve as the operational unit of the board, responsible for planning and managing board meetings to enhance their efficiency and assist in the implementation of resolutions. The company implements a tiered management structure, and the chairman does not concurrently serve in any executive positions within the company. A total of 5 board meetings were convened during the reporting year. Please refer to Page 23-25 of the 2023 Annual Report of ENRESTEC INC. for detailed information concerning governance operations.

Board Proposal Discussion and Submission Process



Based on the diversification policy and the need to strengthen corporate governance for a sound board structure, the nomination of independent director candidates follows the procedures stipulated in the Articles of Incorporation of ENRESTEC INC. in the assessment of the candidates' educational and professional qualifications, professional background, integrity, and relevant qualifications. Following the board's resolution, the nominations are submitted to the shareholders' meeting for election. The composition of the board should ensure that the number of directors holding managerial positions in the company do not exceed one-third, and appropriate diversification policies are formulated based on the board's operations, business model, and development needs.

ENRESTEC has established the Corporate Code of Ethical Conduct, Ethical Corporate Management Best Practice Principles, and Procedures for Ethical Management and Guidelines for Conduct to avoid conflicts of interest among directors. In board meetings concerning matters involving interested parties, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of this Corporation, that director may not participate in discussion or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item and may not exercise voting rights as proxy for another director. For the independence of the company's board members, see the information disclosed on Page 15-17 of the 2023 Annual Report of ENRESTEC INC., and for the information of the academic background, gender, and work experience of each board member, see Page 12-13 of the Annual Report.





Functional Committees

	Audit Committee	Remuneration Committee	Sustainability and Risk Management Committee
Scope of Authority	Supervise the proper representation of the company's financial statements, the selection (dismissal) and independence of certified public accountants (CPAs), the effectiveness of the internal control, compliance with legal and regulatory requirements, and the management of existing or potential risks.	Evaluate the compensation and remuneration policies and systems for the company's directors and managers in a professional and impartial manner, and provide recommendations to the board of directors for their reference in decision-making.	Evaluate the sustainable development and risk management policies and systems in a professional and impartial manner, and provide recommendations to the board of directors for their reference in decision-making.
Composition of Members	Date of establishment: 2020/06/05 Term: 2023/6/29~2026/6/28 Convener: Ci-Ling Su Member: Shun-Tien Huang, Chung Yu Hsueh	Date of establishment: 2020/02/17 Term: 2023/07/11~2026/06/28 Convener: Shun-Tien Huang Member: Ci-Ling Su, Chung Yu Hsueh	Date of establishment: 2024/03/28 Term: 2024/03/28~2026/06/28 Convener: Not appointed yet Member: Chun Yao Wu, Ci-Ling Su, Chung Yu Hsueh
Number of Meetings	Number of meetings in 2023: 5 Attendance rate: 100%	Number of meetings in 2023: 3 Attendance rate: 100%	The Committee was established in March, 2023, and therefore, there has not been any meeting minutes during the reporting year.

Compensation and Remuneration Policy

According to the regulations of the company's Remuneration Committee Charter, the Remuneration Committee shall regularly review the policies, systems, standards, and structures related to performance appraisal and compensation and remuneration of directors and managers. To implement corporate governance and enhance the functions of the board of directors, the committee will consider the company's overall operational performance to set performance indicators and create a systematic and rational compensation policy along with performance appraisal process. The remunerations of the directors and managers are handled in accordance with the Articles of Incorporation and the Measures for the Management of Remuneration of Directors and Managers.

Directors	The remuneration of independent directors and directors includes compensation, profit-sharing compensation, and travel allowances for attending various meetings; retirement or pension benefits are only applicable to directors who hold employee status. Note: Director remunerations is not yet linked to ESG performance.
Managers	<ul style="list-style-type: none"> Regular Compensation: Salary Managerial salaries are determined based on a comprehensive assessment of Taiwan human resources market, industry standards, and the company's compensation and benefits policies. When determining the salary for prospective managers, factors to consider include the job title, position level, educational background, professional qualification and responsibilities. The approval process begins with the respective supervisor of the position, and the proposal is submitted through the established hierarchy to the chairman. After receiving the chairman's consent, it is then submitted to the Remuneration Committee for review and implemented upon board approval. Irregular Compensation: Year-end Bonus, Employee Dividends, Employee Stock Options Based on the annual performance evaluation results and relevant regulations, proposals are submitted by the HR Section of the Administration Department for the chairman's approval. After that, they are forwarded to the Remuneration Committee for review and executed upon board approval.
Employees	<ul style="list-style-type: none"> Employee compensation is determined based on the position held, their educational background, professional knowledge and techniques, seniority, and individual performance. The compensation levels are set in reference to market standards and regional considerations to ensure that employees receive fair remuneration for their contributions. We ensure that no differences in compensation arise from age, gender, race, religion, political affiliation, marital status, union membership, or other factors. In principle, salary adjustments are made on a yearly basis based on individual employee performance, considering the company's operational status and profitability. This approach aims to attract and retain outstanding talent and boost employee motivation and satisfaction.

Continuing Education for Directors

To enhance the professional competencies of the board members, the company provides information of relevant continuing education courses on a regular or ad-hoc basis, and assist them with enrollment in the courses. In 2023, the 9 directors and independent directors attended various external courses, including Insider Equity Promotion Seminar for OTC-listed and Emerging Stock Companies, Information Disclosure and Prevention of Insider Trading, KPMG Taiwan 2003 Business Leader Academy Forum: Business Opportunities and Challenges in the Net Zero Era, and Advanced Practical Seminars for Directors and Supervisors (Including Independent Directors) and Corporate Governance Officers (Concepts, Practices and Tools of Group Tax Governance, 2030/2050 Green Industrial Revolution, Analysis of Common Violations under the Securities and Exchange Act). All of them met the regulation of a minimum of 6 hours of training in accordance with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies. Please refer to the information disclosed on Market Observation Post System (MOPS) for detailed information of courses and hours at https://mops.twse.com.tw/mops/web/t93sc03_1.

Evaluation of the Board of Directors

To implement corporate governance and improve the functionality of the board of directors, ENRESTEC has established the performance objectives to strengthen the operational efficiency. In addition, the Rules for Performance Evaluation of Board of Directors have been formulated in accordance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the internal performance evaluation of the board is carried out at least once a year, covering the entire board, individual directors, and functional committees. In 2023, the board's external performance evaluation was entrusted to an independent professional organization, Taiwan Investor Relations Institute (TIRI).

Internal Performance Evaluation

Subject of Evaluation	Evaluation Indicators	Results of Self-Evaluation
Board of Directors	<ul style="list-style-type: none"> ✓ Participation in the operation of the company ✓ Improvement of the quality of the board of directors' decision making ✓ Composition and structure of the board of directors ✓ Election and continuing education of the directors ✓ Internal control 	The evaluation covered five major aspects, with a total of 45 indicators. The evaluation scores ranged from 4.05 to 4.41 points, indicating that the self-evaluation performance of the board is between "Excellent (5)" and "Very Good (4)". This reflects that the board's active participation in the company's operations, diligent guidance, continuous supervision, adherence to legal procedures for selection and composition, commitment to continuing education, and the effective introduction and execution of internal control management mechanisms to manage operational risks effectively.
Board Members	<ul style="list-style-type: none"> ✓ Alignment of the goals and missions of the company ✓ Awareness of the duties of a director ✓ Participation in the operation of the company ✓ Management of internal relationship and communication ✓ The director's professionalism and continuing education ✓ Internal control 	With six aspects and a total of 23 indicators, the assessment scores ranged from 4.22 to 4.74 points, indicating that the self-evaluation performance of the board members is between "Excellent (5)" and "Very Good (4)". This shows that all directors have a clear understanding of their responsibilities, actively participate in, grasp, and communicate the company's operational objectives and status, comply with continuing education requirements, and supervise the effectiveness of internal control procedures.
Functional Committee	<ul style="list-style-type: none"> ✓ Participation in the operation of the company ✓ Awareness of the duties of the functional committee ✓ Improvement of quality of decisions made by the functional committee ✓ Makeup of the functional committee and election of its members ✓ Internal control 	Covering a total of 5 aspects and a total of 26 indicators, the evaluation scores ranged from 4.00 to 4.33 points, indicating that the self-evaluation performance of the board members is between "Excellent (5)" and "Very Good (4)". This shows that the functional committees have a clear understanding of their responsibilities, actively participate in and grasp the company's operational goals and status, make decisions based on relevant information, and adhere to legal procedures for selection and composition. However, there is still room for improvement in the diversity of professional skills and the effectiveness of monitoring internal control procedures.

Note: Each indicator has the full score of 5 points.

External Performance Evaluation

Subject of Evaluation	Evaluation Indicators	Results of External Evaluation and Recommendations
Board of Directors	<ul style="list-style-type: none"> ✓ Board composition and professional development ✓ Quality of board decision-making ✓ Effectiveness of board operations ✓ Internal control and risk management ✓ Level of participation in corporate social responsibility 	<ol style="list-style-type: none"> 1. Establish a Sustainable Development Committee as a function committee. 2. Prepare an ESG Report based on the GRI Standards published by the Global Reporting Initiative (GRI). 3. Establish a Diversity Policy for board members. 4. Establish a Succession Plan for board members and key management personnel. 5. Establish Risk Management Policy and Procedure approved by the board of directors. 6. Establish an Intellectual Property Management Plan. 7. Appoint a dedicated Corporate Governance Officer. 8. Disclose the independent communication between independent directors and the internal audit supervisor and the CPAs on the company's official website. 9. Obtain the Audit Committee's approval for interim financial reports and submit them for discussion and resolution by the board of directors. 10. Hold at least two investor briefing sessions on a yearly basis.
Functional Committee	<ul style="list-style-type: none"> ✓ Participation in the operation of the company ✓ Awareness of the duties of the functional committee ✓ Improvement of quality of decisions made by the functional committee ✓ Makeup of the functional committee and election of its members ✓ Internal control 	

Note: Each indicator has the full score of 5 points.

1.2 Ethical Integrity

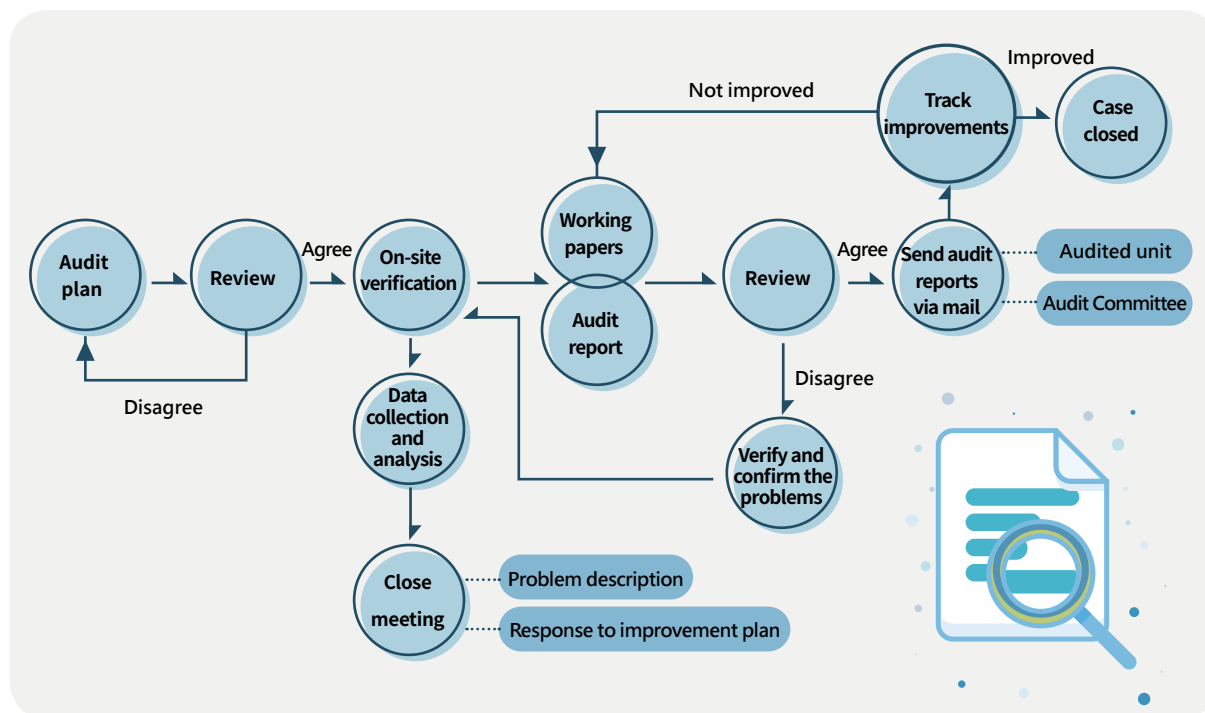
Integrity and Honesty

To make corporate governance open and transparent and to serve as a model for establishing a good reputation in business activities for the stakeholders to understand the company better, ENRESTEC is working on the establishment of a corporate culture of integrity management and code of conduct that meet ethical standards, aiming to establish a robust corporate governance system and good corporate reputation.

Subjects	Code of Conduct	Content of Implementation	Execution Results
Board Members	<ul style="list-style-type: none"> ● Ethical Corporate Management Best Practice Principles ● Code of Ethical Conduct ● Rules Governing the Scope of Powers of Independent Directors ● Sustainable Development Best Practice Principles ● Corporate Governance Best Practice Principles ● Procedures for Integrity Management and Guidelines ● Declaration of Compliance with Integrity Principles by Directors and Managers 	<ul style="list-style-type: none"> ☑ Directors and managers of the company have to sign Declaration of Compliance with Integrity Principles by Directors and Managers. ☑ Company directors will take continuing education courses on corporate governance on a yearly basis. ☑ The Audit Office will include the corporate integrity management in its annual audit plan, and will submit the Report on the Implementation Status of the company's Integrity Management to the board of directors based on the results. ☑ The agenda of the board meetings strictly adheres to the principle of avoidance of conflicts of interest. 	<ul style="list-style-type: none"> ☑ In 2023, the company held the election of board of directors, and has obtained the Declaration of Compliance with Integrity Principles signed by newly appointed directors and managers. ☑ All the company directors participated in the Information Disclosure and Prevention of Insider Trading course in October, 2023, and have completed their training. ☑ The Audit Office has conducted the audit of integrity management implementation status in October, 2023, and has issued an audit report. ☑ The report entitled Assessment of the Implementation Status of the company's Integrity Operations was submitted to the board of directors in March, 2023. ☑ In 2023, for any agenda items involving conflicts of interest for the board of directors, the relevant interested parties adhered to the principle of recusal.
ENRESTEC employees	<ul style="list-style-type: none"> ● Ethical Corporate Management Best Practice Principles ● Sustainable Development Best Practice Principles ● Whistleblower Reporting Management Regulations ● Workplace Sexual Harassment Prevention and Complaint and Disciplinary Measures 	<ul style="list-style-type: none"> ☑ The company conducts the training session on integrity management practices for all employees at least once a year to promote the importance of integrity within the company. ☑ The integrity management policy is included as a criterion in recruitment and evaluation processes. 	<ul style="list-style-type: none"> ☑ The revised Ethical Corporate Management Best Practice Principles came into effect on 2023/03/30 to eliminate irregular transactions and improper benefit transactions. ☑ There were no violations of integrity management or anti-corruption incidents. ☑ The company held a training session on integrity management practices in October, 2023, and the percentage of employees participating was approximately 93%.
Customers	<ul style="list-style-type: none"> ● Assessment Form for Integrity Management Practices of Trading Partners ● Integrity Commitment Statement 	<ul style="list-style-type: none"> ☑ New trading clients are asked to fill in the Assessment Form for Integrity Management Practices of Trading Partners for the evaluation of the integrity in their business operations. 	<ul style="list-style-type: none"> ☑ For trading clients in 2023, the assessment of their integrity management practices was conducted, and the Assessment Form for Integrity Management Practices of Trading Partners was also completed.
Suppliers/ Contractors	<ul style="list-style-type: none"> ● External Supplier Process Management Procedures ● Supplier Selection and Evaluation Management Regulations ● Procurement Operating Procedures ● Contractor Safety and Health Management Procedures ● Assessment Form for Integrity Management Practices of Trading Partners ● Integrity Commitment Statement 	<ul style="list-style-type: none"> ☑ Our suppliers are asked to sign the Integrity Commitment Statement when conducting transactions. 	<ul style="list-style-type: none"> ☑ For the suppliers in 2023, the signed Integrity Commitment Statements were obtained.

Internal Audit Mechanism

ENRESTEC has established an Audit Office subordinate to the board of directors which carries out audit operations based on the General Regulations of Internal Audits and Implementation Rules for Internal Audits established and approved by the company. Audit personnel conduct their work based on the annual audit plan set and approved every year. The audit procedures are detailed as follows.



The Audit Office submits its monthly audit reports to the chairman for review. After signed by the chairman, the reports are provided to all independent directors for their reference, and the audit findings are reported in each meeting of the Audit Committee and the board of directors.

The deficiencies found and the improvement suggestions listed in the audit report will be fully communicated and confirmed with the audited unit, and the report will be submitted to the chairman for review after obtaining the audited units' reply of the improvement plan. Audits will be conducted quarterly to track the progress of deficiency improvement as prescribed.

Whistleblower Reporting Mechanism and Channels

To establish a corporate culture of integrity and transparency, promote sound operations, and encourage reporting of any suspected criminal activities, fraud, or legal violations within the company, the Whistleblower Reporting Management Regulations have been established in accordance with relevant provisions of the Ethical Corporate Management Best Practice Principles for compliance.

Reporting Channels

Tel: 886-8-866-3546 Ext.:103
Email: inform@enrestec.com.tw
Mailing address:
No. 25, Yongxiang Rd., Fangliao Township, Pingtung County 94001 /Audit Office, Enrestec Inc.

Whistleblower Protection Mechanism

Personnel involved in the handling of whistleblower cases in the company are required to sign a written statement to maintain the confidentiality of the whistleblower's identity and the details of the report. They are prohibited from disclosing any information that could identify the whistleblower or the individual being reported, except with the whistleblower's consent or as required by law. The company shall not terminate, demote, reduce the salary of, or take any other unfavorable actions against the whistleblower as a result of the report. If the whistleblower experiences threats, intimidation, or other adverse actions, the company will provide assistance in reporting the issue to the police.



Investigation Process

1	Obligations of the whistleblower	Provide effective contact information and a detailed description of the reported behavior or incidents, including the location of the violation and any information or clues.
2	Procedures of the receiving unit	Upon receipt of the report, the unit must register the case, verify the information, and after confirming its validity, transfer it to the investigation unit for further investigation.
3	Investigation Timeline	The investigation unit must complete the investigation within three months after the case is forwarded. If necessary, an extension may be granted, not exceeding three additional months.
4	Notification to Whistleblower	The receiving unit should promptly notify the whistleblower in writing or through other means regarding the status of the case.
5	Investigation Report	After the completion of the investigation, the investigation unit shall provide a written report detailing the findings and suggestions for action. If the individual being reported is a regular employee, the report should be sent to the highest supervisor of his/her department or the president. If the individual being reported is a director or senior management personnel, the report must be submitted to the Audit Committee for review before being presented to the board of directors.
6	Handling Major Incidents	If significant incident or illegal activity is discovered, the company shall take disciplinary actions in accordance with internal regulations and proactively report or disclose the matter to the relevant authorities. Before any disciplinary action or reporting, the individual being reported should be given a change to present their opinions and appeal.
7	Handling and Improvement	If the report is substantiated, the individual being reported should be immediately asked to cease the relevant behavior, and preventive or remedial measures should be proposed. The relevant departments should submit a written assessment of the improvement measures, and the investigation unit will track the improvement process. In cases involving serious violations or could cause significant harm to the company, subsequent handling and improvement measures should be reported to the Audit Committee. If necessary, legal procedures may be initiated to seek damages to safeguard the company's reputation and interests.

Compliance

Regulatory compliance is a basic requirement for corporate governance. ENRESTEC strictly adheres to government regulations and prohibits any actions that violate human rights, product safety regulations, engage in fraud, corruption, bribery, anti-competitive practices, trust, or monopolies. In 2023, the company experienced two regulatory penalties, neither of which were considered major violations. The total fines amounted to NT\$ 39,000. We have instructed the relevant departments to promptly investigate the reasons for these violations and propose corrective measures to prevent similar incidents from reoccurrence in the future. Other than the two violations mentioned above, there were no other instances of legal violations related to human rights or business activities reported during the reporting year.

Items of Regulatory Violation	Amount of Fines	Description	Corrective Measures
Waste Disposal Act	NT\$ 24,000	The disposal and handling of business waste did not comply with regulations, and the flow was not reported as prescribed.	<ul style="list-style-type: none"> The waste material from the three space bags that did not comply with flow handling has been entrusted to a licensed removal vehicle (equipped with GPS) to be returned to the company for re-screening. They were then provided to the vendor for a case testing program.
Road Traffic Management and Penalty Act	NT\$ 15,000	Truck overloading	<ul style="list-style-type: none"> Strengthen Educational training: Provide regular safety education for drivers and logistics personnel, strengthening the hazards of overloading and legal responsibilities. Establish a reward and punishment system: Reward drivers who adhere to regulations over the long term during their annual evaluations.

Note: The major violation refers to cases exceeding NT\$ 100,000.

1.3 Operational Performance

2023 was a fruitful year for ENRESTEC, with the consolidated revenue hitting a record high at NT\$ 381,605 thousand, an increase of 8.15% or NT\$ 28,756 thousand compared with the consolidated revenue of NT\$352,849 thousand in 2022. This was mainly due to the strong sales of the company's eco-friendly carbon black and pyrolysis oil, as well as the robust performance of the Turnkey-plant exports.

The 2023 consolidated net profit before tax was NT\$ 68,399 thousand, an increase of NT\$ 54,249 thousand compared with the NT\$ 14,150 thousand in 2022, an increase of 383.39% compared with the previous year. This was mainly because of the relative growth of revenue and gross profit in 2023, leading to the increase in profits. The consolidated net profit attributed to the parent company (after tax) reached NT\$ 122,087 thousand and the net loss attributed to non-controlling interests was NT\$ 47,249 thousand. The earnings per share after tax was NT\$ 1.20, the best profit performance since its operation.

Unit: NT\$ thousand

Item	2021	2022	2023
Direct Economic Value Generated			
Operating income	229,106	352,849	381,605
Non-operating income	2,915	8,915	19,668
Distributed Economic Value			
Operating costs	10,566	7,757	4,766
Employee salaries and benefits	77,121	84,795	116,527
Payment to investors	0	0	0
Payment to the government ^{Note 1}	5,516	7,654	3,738
Payment to the government ^{Note 2}	355	66	1,926
Community investment	88	27	178
Retained Economic Value			
Retained economic value	138,375	261,465	274,138

Note:

1. Including business tax, income tax, property tax, etc.

2. Fines

Government Subsidies

In 2023, ENRESTEC received recognition and financial support from the government for its waste recycling and management and improvement of employee welfare systems. This support included subsidies for the recycling and disposal of waste materials, maternity check-up assistance for employees, on-site health service grants, and tax refunds for returned goods. Through these measures, ENRESTEC can not only improve its performance in environmental protection, employee health, and legal compliance, but also further facilitate the company's ESG development.

Subsidy Item	Subsidizing Unit	Amount of Subsidy (NT\$)
Recycling and disposal of waste materials	Environmental Protection Administration, Executive Yuan	50,433,988
Maternity check-up assistance for employees	Bureau of Labor Insurance, Ministry of Labor	2,761
On-site health service grants	Occupational Safety and Health Administration, Ministry of Labor	3,600
Tax refunds for returned goods	Taxation Bureau	11,200
Total		50,451,549



1.4 Information Security Management

Information Security Risk Management Framework

ENERSTEC has an independent Information Security Office, which is currently equipped with a dedicated engineer to be in charge of planning and executing information audit and management operations. The Information Security Office proposes internal audit plans to review various information security matters of the company on a regular basis, and requires the inspected units to make immediate corrective plans and reports to the information security supervisor (president).

In addition, the Audit Office serves as the regulatory unit for information security, and will immediately request the audited unit to submit a corrective action plan upon identifying any deficiencies. This will be reported to the board of directors, and regular follow-ups will be conducted to lower the internal information security risks. When the CPA finds deficiencies during their annual information operations audits, corrective actions and tracking of results will be immediately requested. There were no incidents related to violations of customer privacy complaints at ENERSTEC during the reporting year.

Information Security Management

The management team appoints the head of the information unit as the Personal Data Management Officer to be in charge of the establishment and promotion of this policy. An organization for personal data management will be set up to plan, implement, operate, supervise, audit, maintain, and improve the personal data management system. Management reviews of the personal data management system are carried out regularly or during significant changes to ensure the appropriateness and effectiveness.

To ensure the effective operation and continuous improvement of the information security management system, Enrestec will continue to strive for the protection of information assets. In the future, we will also assess the application for ISO 27001 certification for the information security management system and other international standard certifications to provide customers and partners with safe and reliable services.

Information Security Measures

The company adopts the following measures to achieve its information security management objectives.

- ▶ **Protection of Confidentiality:** Ensure that only authorized individuals or systems can access sensitive information to prevent unauthorized access, disclosure, or alteration of information.
- ▶ **Maintenance of Integrity:** Ensure the accuracy and reliability of information and prevent unauthorized modifications or destruction during transmission, storage, and processing.
- ▶ **Assurance of Availability:** Ensure information and information systems are accessible when needed and can provide required services within a reasonable timeframe to support business continuity.
- ▶ **Compliance:** Ensure compliance with applicable laws, regulations, standards, and policy requirements to prevent legal liabilities and penalties arising from violations.
- ▶ **Risk Management:** Identify, assess, and management risks associated with information security, establish and implement appropriate control measures to reduce the impacts of risks.
- ▶ **Protecting Company Reputation:** Prevent negative impacts caused by information security incidents, safeguard the company's reputation and credibility, and maintain the trust of customers and partners.
- ▶ **Enhance Employee Security Awareness:** Increase employees' information security awareness through training and education to enable them to identify and respond to potential security threats.
- ▶ **International Quality Management Verification:** Review the compliance of the company's standard operating procedures regarding information security practices in accordance with the ISO 9001 Quality Management System on a yearly basis.

CH. 2 Innovative Research and Development



2.1 Product Introduction and Application	28
2.2 Product Technology and R&D	32
2.3 Circular Economy	33

Material Topics	R&D and Green Innovation, Sustainable Raw Material Management
Description of Positive Impact	In response to the carbon reduction demands brought about by climate change, ENRESTEC continues the R&D of high value and low-carbon products to enhance our business profitability while also ensuring the sustainability of our operations. Raw materials are managed in accordance with the regulations of the factory upon entry to enhance the operational safety and provide a safe and stable work environment for our employees.
Description of Negative Impact	Failing to actively engage in R&D and green innovation may make us unable to meet future international carbon reduction demands and product specifications, which will ultimately compromise our competitive edge. In addition, poor control over raw material storage could result in significant negative impacts on the company, including substantial losses in personnel and finances. This could also provoke severe protests within the local community and lead to major environmental fines, which may potentially result in factory shutdowns.
Remediation Mechanism/Measures	In 2023, there were no major negative incidents related to R&D or raw materials. If such negative events arise, we will handle them in accordance with our emergency response procedures.
Policies Commitments	The ultimate goal is to promote the development of a circular economy in the industry while satisfying customer requirements for low-carbon and high-quality products.
Responsible Department	R&D Department, Factory Affairs Department
Goals	
2023 Goals	<ul style="list-style-type: none"> ● Eco-friendly carbon black with a fine particle size target of $D_{99} < 10 \mu\text{m}$ through mechanical grinding. ● Successful application of fine particle eco-friendly carbon black to ink and fiber testing. ● To achieve 100% processing capacity for tire chips, ensuring a high yield of produced carbon black in Plant I. ● To control the waste tire collection volume and set KPI for crushing capacity, achieving 100% of the target shredding capacity in Plant II.
2023 Attainment Status	<ul style="list-style-type: none"> ✓ Adjusted operational parameters through mechanical grinding to successfully control the particle size of eco-friendly carbon black to $D_{99} < 9 \mu\text{m}$. ✓ Successfully applied fine-particle eco-friendly carbon black to fibers, achieving successful yarn extraction using PET substrates. ✓ Successfully applied fine-particle eco-friendly carbon black to ink, with the assistance of dispersants, the color performance of the ink is comparable to the commercially available MA100, with great potential for commercialization. ✓ Plant I attained a 100% processing capacity for tire compounds, with a significant increase in carbon black yield compared with 2022. ✓ Plant II processed 15,675 tons of tire scrap in 2023, with 100% completion rate.
Short-term Goals	<ul style="list-style-type: none"> ● To establish an eco-friendly carbon black air flow grinding production line and pass large-scale validations for ink, fibers, tires, and conveyor belts. ● To promote the Industrial Development Bureau's R&D project for pilot production of high-value application for carbon black. ● To complete the installation and testing of a carbon black modification furnace to improve the quality of batch pyrolysis carbon black. ● To explore the methodology for bio-based components in pyrolysis oil to seek certification for a 50% bio-based content in pyrolysis oil. ● To regularly inspect the waste tire storage area to prevent water accumulation and smoldering incidents.
Medium- and Long-term Goals	<ul style="list-style-type: none"> ● Full commercialization of the 2nd generation eco-friendly carbon black, with applications and sales in the fields of tires, conveyor belts, industrial products, ink, fibers, and plastics. ● Development of carbon black purification technology. ● Development of pyrolysis oil purification technology that is divided into light and heavy oils, aiming at obtaining the carbon credit certification for pyrolysis oil. ● Implementation of classified management for various forms of waste tires, introducing image monitoring analysis and energy conversion statistics at the carbon black production stage. ● Adoption of an E-management technology system: Integrate real-time information from the production process, such as the images and environmental monitoring data of each plant area (dust particles, NO_x, SO_x, CO₂, etc.), warning/fault/emergency sound and light and signal return, temperature, pressure, current, voltage, etc.

Goals	<ul style="list-style-type: none"> Internal testing of mechanical grinding technology, trial production of fine-particle size carbon black with a particulate size of D99<10 μm. Cooperated with Industrial Technology Research Institute (ITRI) and related customers to develop high-value low-carbon product technologies, and applied for government programs for support subsidies.
2023 Specific Actions	<ul style="list-style-type: none"> Participated in Recovered Carbon Black, 2023. Conducted thermal imaging and photography twice a day for the materials coming into the plant to prevent materials from being mixed with flammable substances to reduce operational risks. Added five new heat sensors to the plant areas that are linked with the existing fire-fighting equipment.
Management Assessment Mechanism	<ul style="list-style-type: none"> Department heads assign subordinates to implement technology development and innovation in various fields and review progress in the monthly meetings to ensure the effectiveness management of product and process R&D. Hold weekly review meetings to ensure the achievement rates for shredding volume, input quantity, and finished product yield.
Performance and Outcomes	<ul style="list-style-type: none"> The R&D expenses for 2023 accounted for 3.7% of the net revenue. The input quantity of pyrolysis rubber sheets was 14,525 tons. The finished product yield was 97%.

ENRESTEC and its subsidiary Upcycle Inc. focus on the pyrolysis processing and resource recovery of waste tires and rubber, and are dedicated to the R&D and sales of eco-friendly carbon black, pyrolysis oil, and other products. Meanwhile, the company also actively promote the development of new technologies to provide diverse and high-quality environmental solutions to achieve efficient resource utilization and sustainable development.

Main Products and Sales Proportions

Product Item	2022		2023	
	Amount (NT\$ thousand)	Proportion (%)	Amount (NT\$ thousand)	Proportion (%)
Project income	105,645	29.94	181,103	47.46
Carbon black	103,778	29.41	122,088	31.99
Oil products	123,220	34.92	51,402	13.47
Steam	4,672	1.32	13,306	3.49
Steel wire	9,992	2.83	9,771	2.56
Others ^{Note}	5,542	1.57	3,935	1.03
Total	352,849	100.00	381,605	100.00





Note: Others include rubber chips, waste rubber treatment, etc.



2.1 Product Introduction and Application

Product Introduction

ENRESTEC has successfully developed the pyrolysis technology after years of R&D to convert waste tires into various usable materials and energy through a series of processes to achieve complete waste recovery. There are four major products at ENRESTEC.

Product	Important Uses and Functions	
Eco-friendly carbon black		Mainly used as an additive in tires, rubber and plastic products and ink pigments, possessing low carbon characteristics, reinforcement property, and dyeing capabilities.
Pyrolysis oil		Applied as fuel in industrial processes (e.g. fuel oil boilers), featuring high fluidity, high calorific value, and a high biomass content.
Waste steel wire		Provided for recycling use in steel mills.
Steam		Recovered waste heat is used to generate steam for energy supply to nearby factories, reducing energy consumption (currently the only steam supply center in the Pingnan Industrial Park).

In addition, the sales of turnkey-plant exports for pyrolysis equipment have become the major source of revenue for ENRESTEC in recent years, providing international solutions for processing waste tires and rubber.

At the end of 2019, ENRESTEC received guidance from EPEA (Environmental Protection Encouragement Agency) specializing in Cradle to Cradle design. In 2020, the company underwent an assessment in five major aspects, namely material safety, material recyclability, energy use and carbon management, water resource management, and corporate social responsibility. As a result, the company obtained the Cradle to Cradle Certified (C2C) bronze level certification, making it the first C2C-certified eco-friendly carbon black manufacturer in Asia.

In addition to passing the international ISO 9001 Quality Management System and ISO 14001 Environmental Management System in terms of the process management system, our products, including carbon black and pyrolysis oil have also passed product certifications such as carbon footprint, ISCC PLUS^{Note}, and so on.



ISCC PLUS (International Sustainability
and Carbon Certification)
Valid until: 2025/02/07

Note:

Introduction of ISCC PLUS Certification: ISCC stands for International Sustainability and Carbon Certification, a certification system that assess the sustainability of raw materials and products, the traceability in the supply chain, and the GHG emissions and reductions. It originated in the EU and has recently expanded to the Americas, Japan, and Australia. The certification covers various types of bioenergy, and can be applied for no matter the applicant is located within the EU or not.

Carbon black is the second-largest raw material in the rubber industry. Our eco-friendly carbon black is used to enhance the tear resistance, hardness, and wear resistance of rubber and has received recognition from various tire manufacturers at home and abroad. In addition to its application in the tire industry, eco-friendly carbon black can also be used as a raw material for manufacturing products such as wetsuits, conveyor belts, printing ink, and EVA foam. We have a long-term cooperation with Sheico Group, the world's largest wetsuit manufacturer, and jointly established the waste tire pyrolysis plant of ECO Infinic in Thailand in 2019. In 2022, we further promoted the expansion of the second phase of the pyrolysis system in Thailand. Such technology can reduce both the material costs and the product carbon footprint, allowing companies to share the innovative results with the environment, creating opportunities for mutual benefits.

Product Manufacturing

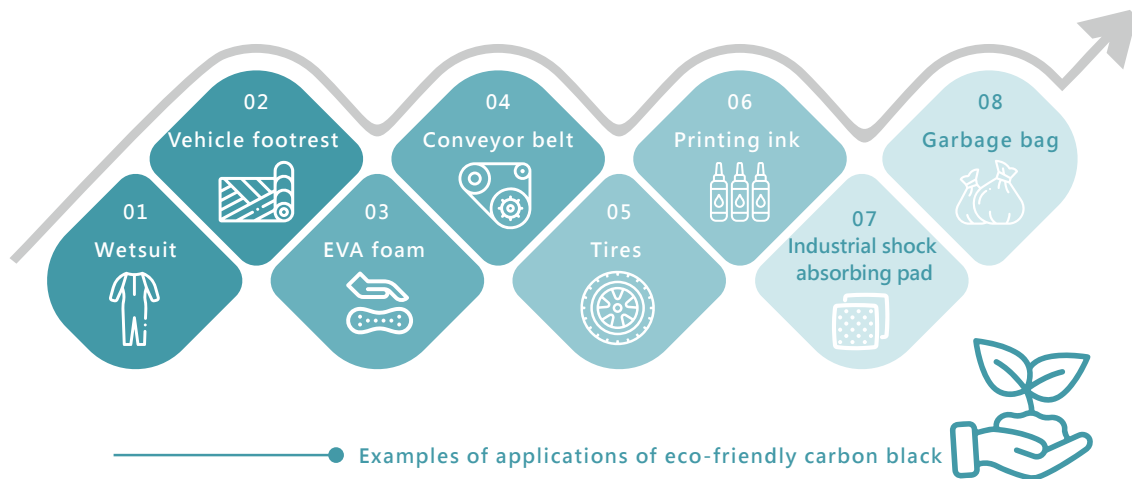
ENRESTEC's product manufacturing involves the following stages.

- **R&D** : Invest substantial resources in the R&D of new technologies and products to ensure the competitive edge of technologies and product innovation.
- **Procurement** : Source required raw materials and components from upstream suppliers to ensure supply chain stability and cost control.
- **Production and manufacturing** : Convert raw materials into high-quality final products through efficient production lines and advanced manufacturing techniques.
- **Quality assurance** : Implement stringent quality inspections and control during the production process to ensure the products meet standards and customer requirements.
- **Logistics and distribution** : Manage waste sources and the warehousing and distribution of products to ensure a stable supply of waste sources and timely and secure delivery of products.
- **Marketing and sales** : Enhance brand awareness and market share through marketing promotions and sales activities to attract more customers.
- **After-sales service** : Provide technical support and after-sales services to address customer issues and enhance customer satisfaction and loyalty.

Product Application and Development

According to global statistics, the carbon black used in the rubber industry accounts for over 90% of the total carbon black consumption in the world, and tires alone account for 67%. Therefore, the carbon black market is primarily focused on tires and other rubber products. In the future, demands in both pyrolysis and carbon black are expected to keep growing, providing great development opportunities for carbon black manufacturers. ENRESTEC has planned a professional and comprehensive waste tire resource integration system that allows proper management of energy and reduction of carbon footprint, targeting at creating the maximum economic benefits by using the least amount of energy resources.

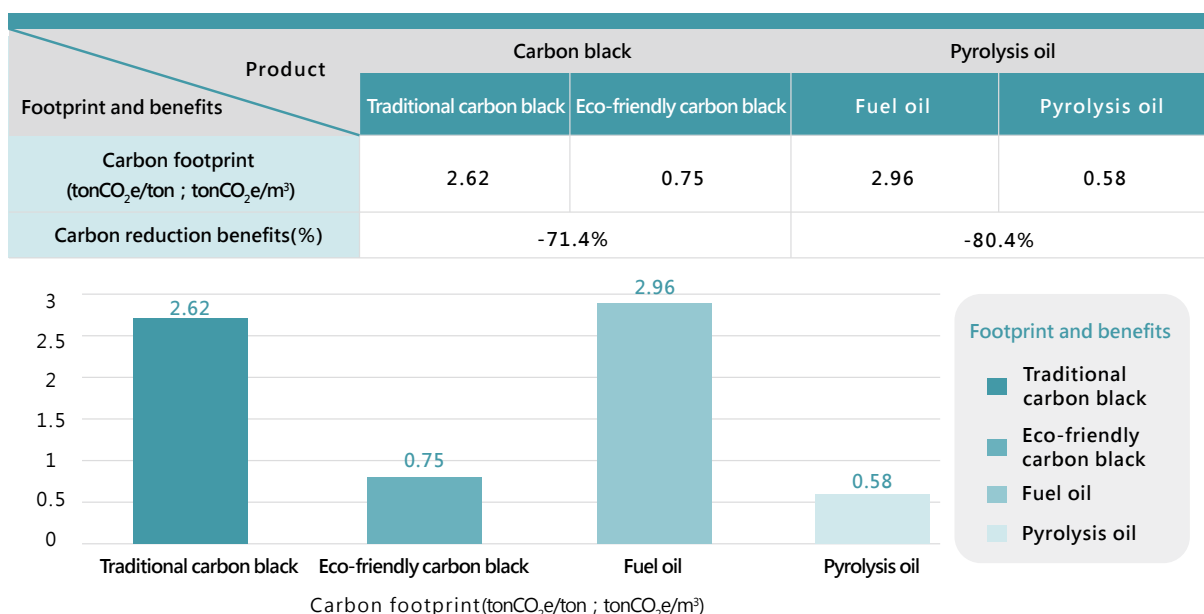
ENRESTEC is dedicated to the development of pyrolysis technology. Through the recycling of waste tires, we use pyrolysis to completely break down waste tires into high-value added products such as pyrolysis oil and regenerated carbon black. The technology features large processing volumes, high efficiency, no secondary pollution, and low carbon emissions from the products.



- There are two main applications of pyrolysis oil. First, it can be directly used as a replacement for fuel oil in industrial processes or boiler heating, such as in cement plants, steel mills and glass factories. Secondly, it can be refined into diesel for use in diesel engines, power plants, and agricultural machinery.
- Eco-carbon black is widely used in tires and non-tire rubber and plastic products as a sustainable and eco-friendly reinforcing filler. Applications include shock-absorbing pads, rubber conveyor belts, wetsuits, footrest, EVA foams, plastic color masterbatches, and printing ink.

ENRESTEC boasts an outstanding technical team composed of core members from the carbon black industry who are familiar with application directions key technologies of carbon black. They are skilled in producing high-quality eco-friendly carbon black and promoting the sales of it. Different from most companies that focus on high-output, low-value carbon black, we target at meeting the demands of tire customers, and collaborate with the tire and carbon black industries and relevant academic institutions for rubber processing experiments, ensuring that eco-friendly carbon black can find application markets, usage characteristics, and product positioning in various industries at home and abroad.

Our products not only possess adequate physical properties but also offer greater environmental benefits for eco-carbon black and pyrolysis oil because of their low carbon footprint from low-carbon production. The 2023 carbon footprint certification (ISO 14067-2018) data shows that the carbon footprint of our product is lower than that of traditional carbon black of fuel oils by more than 60%. This indicates that the more eco-friendly carbon black or pyrolysis oil our customers use, the more the benefits in terms of reductions in carbon emissions.



Note: Sources of data: (1)IPCC-Emission Factor database (2)Carbon Independent.org (3) Carbon Footprint Report of ENRESTEC INC. (2023/10)

Product Safety

ENRESTEC conducts strict evaluation and control from raw material (waste tires) to products (eco-friendly carbon black, pyrolysis) to ensure that every step from product transportation to the customers meets the safety standards. The management process includes the followings.

► Quality and environmental management

We conduct product production process management and verification in accordance with international standards such as ISO 9001 quality management and ISO 14001 environmental management, which are implemented through quality management testing procedures developed internally in the company. Every year, we send samples to SGS for testing of polycyclic aromatic hydrocarbons (PAHs), RoHs compliance, sulfur content, viscosity, and heavy metal content in carbon black, ensuring the safety of the finished products and their compliance with environmental and quality management standards.

► Hazardous substance management

In accordance with Occupational Safety and Health Act, we conduct management and prevention of substances that may pose safety and health hazards during the manufacturing process. We have established a list of hazardous substances and Safety Data Sheets (SDS) and a Hazard Communication Program, clearly labeled containers with hazard symbols and texts, and conducted 3-hour training sessions on hazard awareness on a regular basis for our employees. At the process level, we implement safety operating procedures and guidelines for hazardous substances, conduct regular training sessions, ensure proper ventilation in the working environment, and require operators to wear chemical protective gloves, safety goggles, and face shields to prevent health and safety risks from hazardous substances.

► Product safety analysis

We conduct comprehensive analysis and tracking of the carcinogenicity and safety of our products, including assessments for RoHS, PAHs, EN71-3, REACH-SVHC and PCBs to ensure the materials are safe for human use and comply with safety standards.

► Product labeling

In addition to product inspections carried out according to our internal quality management procedures, we also periodically take samples and send them to SGS for testing of sulfur content, flash point, viscosity, and other factors to ensure product safety. All finished products delivered to customers meet both company and regulatory requirements. The details of product packaging and labeling are detailed below.

1. Carbon black: Products are shipped into two packaging options: 20 kg paper bags and ton bags. All products shipped meet customer quality standards and come with a Certificate of Analysis (COA) for the current samples.
2. Oil products: Moisture content <0.2% , specific gravity between 0.940 and 0.980, and sulfur content (compliant with regulatory requirements <0.5%).
3. Tire chips: In accordance with customer specifications.
4. Steam: Pressure gauge calibrations are performed on a regular basis both inhouse and at customer locations.

Through the aforementioned measures, ENRESTEC ensures that every step from raw materials to finished products meets high quality and environmental standards, providing customers with safe and reliable products.

Business Development

ENRESTEC successfully completed its first turnkey-plant export in Thailand in 2019, making a significant step toward entering the international market. The plant is now operating smoothly, and there are plans for a second phase of construction in Thailand to further expand capacity and market presence. The turnkey-plant export services primarily target international customers who are concerned with circular economy issues. They are dedicated to resource recycling and environmental protection, and our efficient waste rubber processing solutions are essential for them to achieve their goals. ENRESTEC's turnkey-plant export services are not only limited to Thailand, we plan to promote this circular economy model in the middle East, the Americas, and Northeast Asia. The company is proactively participating in the international market and has engaged in discussions with multiple potential clients, hoping to establish waste rubber processing facilities in more countries in the future.



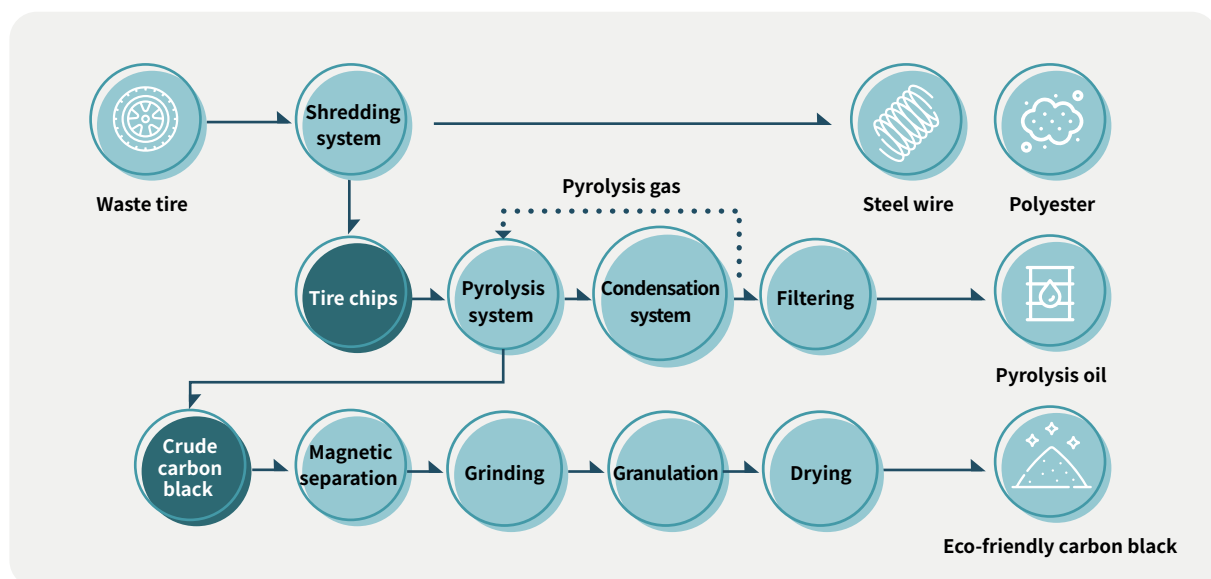
2.2 Product Technology and R&D

ENRESTEC features innovative and patented tire pyrolysis technology that uses a self-developed continuous pyrolysis system. The entire system includes waste tire shredding, pyrolysis, eco-friendly carbon black processing, pyrolysis oil treatment, and utility systems. After shredding, waste tires are continuously and stably processed through the pyrolysis system, yielding crude pyrolysis oil and crude carbon black. After undergoing a series of treatment process under stringent quality control, we reliably produce different grades of eco-friendly carbon black and pyrolysis fuel for industrial use.

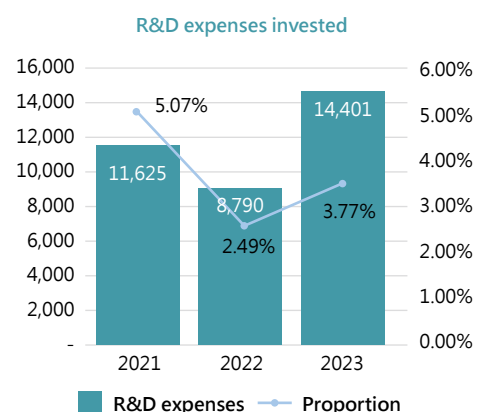
In terms of promotion of product application, we work closely with various manufacturers to adjust formulations and actively apply for environmental certifications. We have obtained ISCC PLUS certification for carbon black and oil products. In addition, in the tests for biomass content in the oil, it has demonstrated that the pyrolysis oil contains approximately 44-66% of biomass components. This will facilitate future applications for biomass certification and offer quantifiable benefits for environmental protection and carbon reduction.

Furthermore, we also actively participate in the annual Recovered Carbon Black (2023) to engage in discussions with global tire companies and waste tire recycling companies about the latest research and technological advancements in eco-friendly carbon black to learn from R&D and application experience in other industries. From the post-treatment and surface modification technologies for carbon black to improvements in pyrolysis oil properties, we constantly adjust the direction of R&D, optimize quality, and further develop high-quality eco-friendly products that meet market demand.

Pyrolysis Process of the Main Product, Waste Tire



Item \ Year	Year		
	2021	2022	2023
R&D expenses (NT\$ thousand)	11,625	8,790	14,401
Net revenue (NT\$ thousand)	229,106	352,849	381,605
Proportion (%)	5.07	2.49	3.77



2.3 Circular Economy

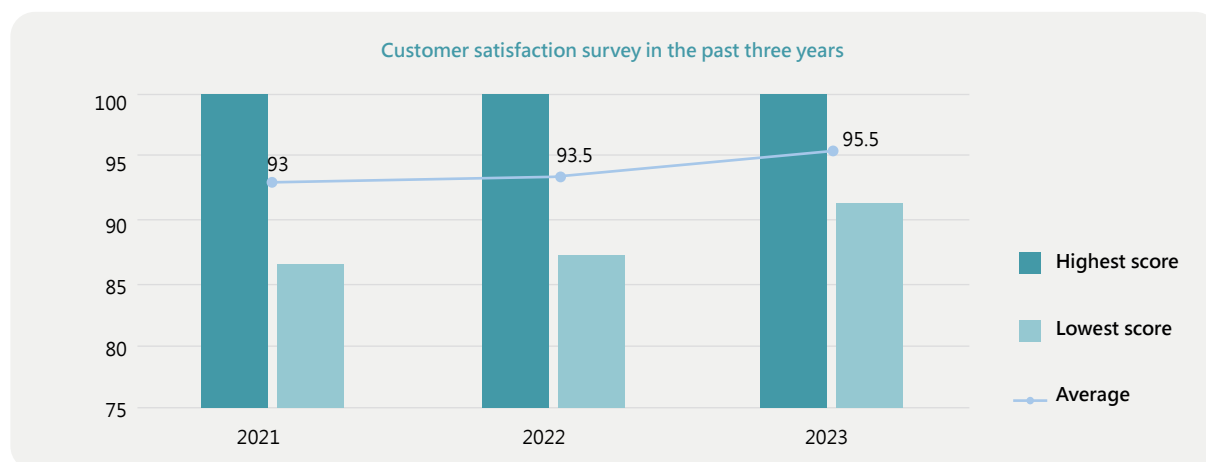
In the past, tires followed a linear economic approach throughout their lifecycle (including manufacturing, usage, and disposal stages). The disposal methods for waste tires are typically divided into two major categories, including energy recovery and material recovery. Energy recovery takes advantage of the high calorific value of tires. After shredding the waste tire into small rubber chips, they are used as supplemented fuel in paper mills, cement factories, or cogeneration plants. The disadvantages of this approach are the air pollution issues generated and the inability to reuse resources. The second category is the recovery of materials. A small portion of waste tire can be used as artificial reefs or prototypes for tunnel construction, the majority are processed into small chips, and some are directly used in rubber manufacturing as fillers for construction materials or floor tiles (downgraded recycling).

With the concept of resource recycling and reuse, ENRESTEC adopts pyrolysis technology to convert waste tires in a high-temperature, anaerobic environment, which allows the separate extraction of steel wires, reclaimed carbon black, pyrolysis oil, and pyrolysis gas, which can be reprocessed into usable products. For eco-friendly carbon black, it has been added to a wide range of rubber and plastic products, such as tires, sealants, conveyor belts, shock-absorbing pads, masterbatch, and printing ink. Pyrolysis oil is used as fuel in the facility's steam boilers, generating stable steam for thermal energy in the nearby plants. Reclaimed steel wires are provided to steel mills as raw materials for smelting, and the pyrolysis gas generated during the process is returned to the system for heat recovery. In addition, we even worked with Linyuan Advanced Materials Technology Co., Ltd. in 2022 to research and develop technology to improve the quality of rCB and use TPO as raw oil for carbon black production. It is aimed to successfully develop pyrolysis oil as an oil for carbon black production to produce higher-quality and eco-friendly carbon black, enabling carbon black to be effectively added to the tire industry to initiate a new circulation to achieve actual product circular economy.

Customer Service

We are well aware of the importance of maintaining and enhancing customer satisfaction and trust in today's sustainability-driven business environment. Customers not only attach great importance to achieve net-zero emissions, but also focus more on the promotion of human rights, which have become crucial parts of our business strategy. To address this global demand, we are actively improving the operational efficiency, strengthening environmental protection and fulfilling our social responsibility. We also keep close contact with customers through regular customer satisfaction survey. We have set a customer satisfaction standard of over 80 points as a key indicator of service quality, this demonstrates our commitment to excellent quality and continuous improvement, as well as our determination to build long-lasting customer relationships.

Through in-depth interaction and feedback mechanisms, we keep improving the service levels, striving to create value that exceeds customer expectations, and jointly work together toward a more eco-friendly and sustainable future. ENRESTEC conducts a satisfaction survey on the top ten revenue-generating customers in Q4 every year. The highest scores in the past years all reached 100 points, with the average scores exceeding 90 points. Customer feedback primarily focuses on the desire for more competitive product pricing.



CH. 3 Industrial Co-prosperity



3.1 Industry Value Chain	35
3.2 Sustainable Supply Chain	36

3.1 Industry Value Chain

ENRESTEC aims for sustainable resource recycling and reuse, positioning itself in waste treatment, reuse, as well as petroleum products manufacturing industries. We mainly focus on the processing of waste tires and waste plastics and provide turnkey-plant export solutions for pyrolysis technology. The scope of our products includes steam, carbon black, steel wire, oil products, and the export and sale of waste rubber pyrolysis system equipment. Our technology can convert waste tires into valuable resources, which are widely applied in different industrial fields to make the recycling and repurposing of resources and materials the most critical core of the material circulation in the industry chain.



The Relationship between Upstream and Downstream Industries

ENRESTEC focuses on the development of pyrolysis technology and applies such technology to convert waste tires into high-value recycled materials such as regenerated oil and eco-friendly carbon black, and we sell these products to downstream customers. Through the material formulation and technological development, we enable our downstream clients to partially or fully use these recycled materials, facilitating their return to the tire or other rubber sectors, aligning with our vision for a circular economy and creating an industrial closed loop.

Note: A closed loop is different from the linear model of resource extraction-manufacturing-use-disposal by allowing resources to be recycled and transformed to re-enter the manufacturing process. This applies to steel wire, carbon black, pyrolysis oil, pyrolysis gas and other energy resources in our case.

► Upstream industry chain

- **Waste tire and rubber collection industry:** The upstream industry includes collectors and recyclers of waste tires and rubber who are responsible for gathering these materials from various sources, including auto repair shops and waste disposal sites. These materials serve as the primary raw materials for our pyrolysis processing.
- **Rubber products manufacturing industry:** The industry manufactures various rubber products, such as tires, seals, and gaskets. Waste materials and discarded products generated during the manufacturing process also enter the waste rubber treatment supply chain, serving as a source of raw materials for ENRESTEC.
- **Waste treatment and recycling industry:** The collected waste and waste rubber undergo classification, cleaning, and preliminary processing before provided to specialized companies for waste rubber pyrolysis treatment.

► Downstream industry chain

- **Rubber product manufacturing industry:** Carbon black produced by ENRESTEC is widely used in the rubber product manufacturing industry. These manufacturers use carbon black as a reinforced agent to enhance the strength and wear resistance of rubber, producing various types of tires, seals, and industrial rubber products.
- **Oil processing and fuel industry:** Regenerated oil products can be used as fuel or further processed into various petrochemical products. These regenerated oil products are often supplied to oil processing plants and fuel suppliers for the production of fuel oil, lubricating oil, and other petrochemical products.
- **Turnkey-plant export service:** ENRESTEC's turnkey-plant export service (Total Solution) includes a complete set of waste rubber processing equipment, technical support, and related training to assist customers in establishing their own waste rubber treatment facilities. Our services cover all stages, including the collection and shredding of waste rubber, pyrolysis treatment, and product recovery.

3.2 Sustainable Supply Chain

Supplier Procurement

Supplier procurement is a crucial component of sustainable management of an enterprise that cannot be ignored. ENRESTEC uses various measures to ensure a stable supply chain. First, we prioritize suppliers with ISO 9001 and ISO 14001 certifications through supplier assessment forms and on-site audits, ensuring that quality and environmental standards are met while preventing supply shortages. Secondly, we implement green procurement strategies to effectively prevent environmental pollution and resource waste and maintain long-term collaboration with suppliers to reduce costs in response to market and environmental changes. Moreover, ENRESTEC is dedicated to strengthening the concept of a circular economy among our suppliers, working together with upstream and downstream partners to promote environmental protection and build a green supply chain. These measures ensure our competitiveness in enhancing efficiency, reducing costs, and promoting sustainable development.

The amount of foreign procurement has shown a slight increase for two consecutive years due to the fact that there were items needed to be purchased from foreign manufacturers in the 2022 foreign equipment export projects. In 2023, improvements for the ozone exhaust system in our plant required us to purchase a batch of molecular sieves and discharge tubes from the original manufacturer, resulting in a slight decline in domestic procurement amounts.

Supply Chain Material Procurement in 2023

Category of material	Description	Domestic	Foreign
Main raw material	Waste tires, rubber, etc.	12%	–
Materials	Space bags, pallets, paper bags, chemicals, etc.	67%	8%
Assets	Machinery, factory buildings, process equipment, etc.	13%	0%
Others	Outsourcing and contracting (engineering and labor services)		

Note: The Basel Convention prohibits the transboundary movement of hazardous waste.

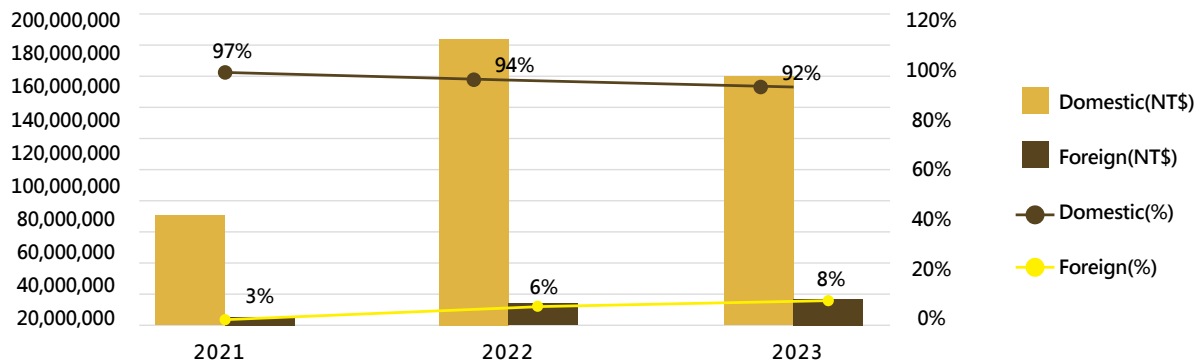
Procurement Overview in the Past Three Years

Year	2021		2022		2023	
Procurement area	Number of suppliers	Procurement amount (NT\$)	Number of suppliers	Procurement amount (NT\$)	Number of suppliers	Procurement amount (NT\$)
Domestic	275	67,872,229	268	183,403,972	240	158,123,172
Foreign	4	2,033,943	4	11,360,560	4	13,518,400
Total	279	69,960,172	272	194,764,532	244	171,641,572

Note:

- Domestic area refers to Taiwan, while foreign area refers to areas outside Taiwan (such as China, USA, Thailand, etc.)
- Reginal distinction is based on the location of the invoice.

Proportion of purchase in the past three years



Supplier Management

To reduce the overall supply chain risk for the company, we conduct regular visits to new suppliers and actively support them in implementing business continuity plans that comply with quality, environmental protection, and product safety requirements. At the same time, we also carry out origin investigations and perform regular reviews to constantly enhance our risk management capabilities and supply chain value while fulfilling our corporate social responsibility.

Supplier Selection and Evaluation

ENRESTEC has not yet implemented a strategy for selecting new suppliers based on environmental standards, but we fully understand the importance of this measure in protecting the environment and promoting sustainability development. Therefore, we intend to gradually implement this strategy in the near future to ensure that our supply chain complies with environmental requirements and aligns with ESG objectives.

The following measures will be taken in 2024 to further evaluate new suppliers.

Environmental aspect	In the supplier social risk assessment stage, the Supplier Qualification and Evaluation Procedures have been established. This policy is currently included in our procurement contracts, and we expect to complete the supplier evaluations by 2024. Subsequently, we will carry out supplier risk assessment and contract revisions every two years.
Social aspect	In the supplier environmental risk assessment stage, our company will require new suppliers to fill out a Supplier Survey Form in 2024 as requested by procurement personnel to gain an initial overview of the supplier's operational scale, production testing equipment, and certifications related to quality, environmental protection and safety and health. An evaluation team composed of personnel from procurement, R&D, quality control and other relevant departments will conduct on-site assessment based on the circumstances. If there are any changes with the supplier, the information on the Supplier Survey Form will be re-checked, following the principle of review and revision every three years.

In 2024, a new Supplier Social Responsibility Commitment Letter will be added. To encourage agreement signing, new suppliers added after 2024 must sign this commitment letter to be listed as qualified vendors. In addition, to strengthen the supplier management mechanism, the company has planned to begin conducting on-site audits of suppliers from 2024 and provide a supplier code of conduct and self-assessment form for quality requirements. The initial target will be the top ten suppliers based on domestic transaction amounts to assess risks associated with negative environmental and social impacts.

CH. 4 Environmental Friendliness



4.1 Climate Change Response	40
4.2 Energy and Greenhouse Gases	44
4.3 Raw Materials	47
4.4 Water Resources	49
4.5 Pollution Prevention and Control	51

Material Topics	Air Pollution, Waste Management
Description of Positive Impact	ENRESTEC is committed to the development of waste tire pyrolysis technology and product application techniques. The production process will generate general industrial waste and air pollutants. The company has developed relevant internal regulations to ensure that waste and pollutants comply with regulatory discharge requirements to meet the stakeholder and public expectations while enhancing our brand image.
Description of Negative Impact	Due to the industry characteristics, any abnormalities that occur during the operation of processing equipment may result in the generation of dense smoke, potentially leading to a negative impression among nearby community residents if the emissions are excessive. In addition, if the dust generated is not actively managed, its dispersion may impact the environment of the neighboring sites, raising concerns about potential environmental pollution.
Remediation Mechanism/ Measures	In 2023, there was one incident of regulatory violation related to waste disposal, but it did not constitute a major violation associated with environmental pollution. If there are any regulatory violations, corrective measures will be carried out in accordance with environmental management operations and emergency response procedures.
Policies Commitments	Adhere to regulations, Reduce pollution, Comply with legal requirements, Continue improvement
Responsible Department	Environmental Safety & Health Office
Goals	<ul style="list-style-type: none"> ● Entrust a government-approved inspection agency to sample nitrogen oxide (NOx) from chimney emissions. If the result exceeds the permitted air pollution discharge standards, develop engineering projects to improve the efficiency of the pollution control equipment. ● Carry out drills to respond to air quality deterioration on a yearly basis.
2023 Goals	
2023 Attainment Status	<ul style="list-style-type: none"> ✓ Purchased liquid pure oxygen to enhance the stability of ozone, resulting in a more efficient reduction of nitrogen oxide emission levels. ✓ Conducted a self-drill in accordance with the air quality deterioration response and control plan.
Short-term Goals	<ul style="list-style-type: none"> ● To install a bag filter dust collection system and chimney, purchase GORE-TEX filter bags from the U.S. and incorporate dust collection hoods to efficiently capture emissions from the carbon black magnetic separator, thereby reducing dust escape. ● To replace the chamber of the electrostatic bag filter (EBF) and change to new GORE-TEX filter bags from the U.S. to meet operational discharge standards.
Medium- and Long-term Goals	<ul style="list-style-type: none"> ● To continue the improvement of dust collection facilities to reduce pollution caused by dust escape. ● Maintain stable operation of ozone (O₃) air pollution control system and ensure that emissions from discharge pipes meet pollution discharge standards. ● Continue the internal recycling and reuse of waste materials to reduce costs associated with outsourced waste treatment.
2023 Specific Actions	<ul style="list-style-type: none"> ● Purchased high-efficiency GORE-TEX filter bags from the U.S. to optimize the dust collection efficiency of the electrostatic bag filter (EBF) and reduce fugitive emissions. ● Conducted regular sampling from stationary pollution sources in accordance with the testing plan. ● Implemented regular inspections and maintenance to ensure the air pollution control equipment can operate at optimal efficiency. ● Entrusted an EPA-recognized organization to perform gaseous pollutant testing to ensure the effectiveness of pollution control. ● Conducted regular sampling and testing of emissions from discharge pipelines to ensure compliance with environmental discharge standards. ● Industrial waste is managed by qualified domestic disposal contractors, and processing is entrusted to certified waste treatment facilities. Documentation is also provided to ensure clear waste flow. ● Continued to conduct total waste volume statistics to effectively promote waste reduction measures through data tracking. ● Introduced ISO 14001 environmental management system and conduct annual audits by a third-party verification organization.

Management Assessment Mechanism	<ul style="list-style-type: none"> ● Conduct the PDCA (Plan-Do-Check-Act) effectiveness evaluation on the ISO 14001 environmental management system every year, which is audited by a third-party verification agency. ● Continue to conduct statistics on the total amount of various types of waste to manage and track the tonnage of waste disposal effectively. ● Continue to handle air pollution operating permit modifications to ensure compliance with Air Pollution Control Act.
Performance and Outcomes	<ul style="list-style-type: none"> ● There were no violations of Air Pollution Control Act in 2023.

4.1 Climate Change Response

● Governance

ENRESTEC introduced the ISO 14001 Environmental Management System in 2016 and established an internal environmental management framework based on the industry characteristics. Moreover, in 2015, the GHG reduction was incorporated into the company's internal risk management procedures for the assessment of product carbon footprints, and energy efficiency and carbon reduction programs were actively promoted to phase out old and energy-consuming equipment.

To strengthen corporate governance and risk management mechanisms, the company established the Sustainability and Risk Management Committee in March, 2024, and the organization charter of this Committee was enacted upon approval by the board of directors. The Committee holds an open, professional and objective position, incorporates matters related to sustainable development into the company's operational activities and development direction, and approves specific implementation plans. The Committee meets at least once a year, with additional meetings convened as necessary.

ENRESTEC is an OTC Company, and therefore is not subject to the regulations for TWSE/TPEX Listed Companies of the Financial Supervisory Commission (FSC) and Taiwan Stock Exchange (TWSE). However, we adhere to high standards in managing out internal operations and assessing potential risks to our business. In 2024, we referred to the Task Force on Climate-Related Financial Disclosures (TCFD) published by International Sustainability Standards Board (ISSB) and conducted the first assessment and identification of climate change-related risks and opportunities collaboratively by the president, the special assistant to the chairman, and other senior executives.

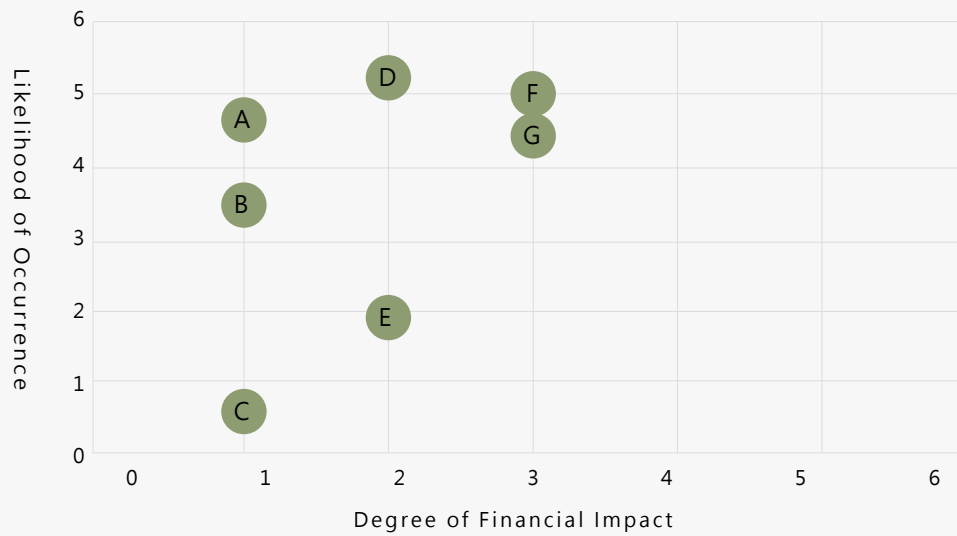
● Strategies and Risk Management

We referred to the climate risk and opportunity issues recommended by TCFD and the issues listed by well-known domestic companies in similar industries and assessed the potential risks and opportunities our Company may face during operations. There are 14 risk topics, including flooding, water scarcity, power outages/rationing, customer behavior changes, requirements for large energy consumers, etc. Meanwhile, the 10 opportunity topics include using low-carbon energy, participating in carbon trading markets, low-carbon or high-efficiency products and services, making the most of public sector incentive programs, stakeholder trust, etc.

In the meetings, the company scored the likelihood (timing and frequency of occurrence) and impact of each operational risk and opportunity and ranked the topics based on the scoring results to prioritize the topics for attention. In 2024, we identified 2 transition risks ^{Note} and 2 potential opportunities, and relevant departments in charge discussed internal response strategies for the risk and opportunity topics identified.

Note: The assessment of physical risks showed that there was no significant impact on ENRESTEC.

Climate change risk matrix



- A** Sustainable competitiveness- sustainable management and communication costs
- B** Carbon tariffs 、Mandatory reporting requirements and carbon fees 、
Requirements for major energy users (reporting requirements for chiller groups and compressed air machines)
- C** Requirements for major energy users (10% renewable energy) 、Water consumption levy 、Flooding 、Water rationing 、
Extreme temperature changes 、Sea level rise
- D** Green transportation costs
- E** Power outages/rationing
- F** Transition to low-carbon technology and high-efficiency technology improvement and innovations
- G** Customer behavior changes- demands for low-carbon products and services transition

Climate change opportunity matrix



- A** Make good use of public sector incentives 、Utilize more efficient production 、Stakeholder trust
- B** Enter new markets 、Supply chain procurement resilience 、Construction of green plants (green buildings) 、
Use low-carbon energy 、Participate in the carbon trading market
- C** Low-carbon or high-efficiency products and services
- D** Increase recycling rates

●Coping Strategies

Countermeasures for Climate Change Risks and Opportunities

Type of Risk	Item	Description of Risk/ Opportunity	Expected Timeframe	Countermeasures and Potential Financial Impact
Transition risk	Transition to low-carbon technology and high-efficiency technology improvement and innovations	Under the Climate Change Response Act, the imposition of carbon fees is expected to start in 2026, the demand for low-carbon products is expected to increase, too. If the R&D and upgrades of technologies are insufficient, we risk losing customer orders and collaborations related to carbon reduction, resulting in a gradual loss of our competitive edge.	Short-term	<ul style="list-style-type: none"> ● Short-term (Eco-friendly carbon black) Use mechanical grinding to improve the performance of eco-friendly carbon black. (Oil products) Seek oil distillation OEM suppliers. ● Medium-term and long-term (Eco-friendly carbon black) Purchase new grinding equipment to improve performance and quality. (Oil products) Carry out large-scale distillation OEM production. <p>→Invest in relevant equipment costs. It is expected to invest approximately NT\$ 100 million in new grinding equipment in 2025.</p>
	Customer behavior changes- demands for low-carbon products and services transition	In response to the issue of net-zero emissions, it is expected that customers will use 40% of sustainable materials in their products by 2030, and 100% by 2050. Meanwhile, the quality requirements for sustainable products will be further increased to meet the needs for high proportion of sustainable materials.	Short-term	<ul style="list-style-type: none"> ● Short-term <ol style="list-style-type: none"> 1. Invest 3% of the company's operating costs as the R&D funds every year to increase the capacity of technology development. 2. Develop the second-generation eco-friendly carbon black technology to increase product quality. 3. Methodological research on pyrolysis oil biomass to enhance the value of it. ● Medium-term and long-term <ol style="list-style-type: none"> 1. Implement high-quality eco-friendly carbon black projects, purchase new model of equipment and perform transformation of the production lines. 2. Comprehensive commercialization and purification development of the second-generation eco-friendly carbon black. 3. Pyrolysis oil purification development and carbon rights certification. 4. Improvement of energy conservation and carbon reduction in the process of the plant. <p>→The investment in R&D costs is approximately NT\$ 2.5 million and that in equipment purchase is about NT\$ 200 million. It is expected to increase the market price of carbon black and pyrolysis oil by about 200%, and may exceed the sales volume of previous specifications.</p>
Opportunity	Low-carbon or high-efficiency products and services	In response to the demand for the reduction of GHG emissions, the tire industry is enhancing the use of recycled materials and establishing standards. Brand manufacturers in the industry are seeing a substantial rise in the demand for products using low-carbon technologies. ENRESTEC produces approximately 5,000 metric tons of eco-friendly carbon black every year, making it one of the highest-output and quality factories internationally.	Medium- and long-term	<ul style="list-style-type: none"> ● Short-term: We invest Upcycle Inc. and start production, and will gradually apply for certification as a waste treatment facility to expand the profitability. ● Medium-term and long-term <ol style="list-style-type: none"> 1. Invest in the construction of an eco-friendly carbon black investment system, promote the high-quality production of eco-friendly carbon black, expand its application areas, and increase the recycling and reuse rate. 2. The investment in an eco-friendly carbon black modification heating system and additional installation of a fine-grinding processing system will greatly increase both sales volume and revenue of eco-friendly carbon black. <p>→The investment in relevant equipment and R&D is approximately NT\$ 100 million.</p>
	Increase recycling rates	Looking at the domestic tire recycling direction, up to 62.16% is used for cogeneration, 13.06% is used for material reuse, and 24.78% is used for other uses. ENRESTEC recycles waste tires and undergoes a pyrolysis process to produce rubber chips and steel wire, which belong to the category of other uses. To respond to international demand, we continue to expand our facilities and increase the process capacity.	Short-term	<ul style="list-style-type: none"> ● Short-term: We invest Upcycle Inc. and start production, and will gradually apply for certification as a waste treatment facility to expand the profitability. ● Medium-term and long-term <ol style="list-style-type: none"> 1. Invest in the construction of an eco-friendly carbon black investment system, promote the high-quality production of eco-friendly carbon black, expand its application areas, and increase the recycling and reuse rate. 2. The investment in an eco-friendly carbon black modification heating system and additional installation of a fine-grinding processing system will greatly increase both sales volume and revenue of eco-friendly carbon black. <p>→The investment in relevant equipment and R&D is approximately NT\$ 100 million.</p>

● Indicator Targets

Based on the prioritized risks and opportunities identified above, ENRESTEC has set up relevant indicator targets^{Note}, as detailed in the following table.

Note:

This is the first year for ENRESTEC to implement TCFD identification and set its indicator targets for the first time. Therefore, there is no status of target achievement.

Type of Risk	Indicator Targets
Transition to low-carbon technology and high-efficiency technology improvement and innovations	<ul style="list-style-type: none"> ● Short-term: Send samples for verification to meet the customer requirements for testing formulation design and development. ● Medium- and long-term (Eco-friendly carbon black): Set up new grinding equipment and start supplying 400 tons every month. (Oil products): Contract distillation of 400 tons every month.
Customer behavior changes- demands for low-carbon products and services transition	<ul style="list-style-type: none"> ● Short-term <ol style="list-style-type: none"> 1. Build an eco-friendly carbon black airflow mill production line with a production capacity of fine particle size second-generation eco-friendly carbon black of more than 1,000 kg/hr. 2. Apply for Industrial Development Administration's R&D project on pilot production of high-value application for carbon black, with a funding of NT\$ 200 million for a period of 2 years. 3. Complete the installation and testing of a carbon black modification furnace to improve the quality of batch pyrolysis carbon black. 4. Explore the methodology for bio-based components in pyrolysis oil to seek certification for a 50% bio-based content in pyrolysis oil. ● Medium- and long-term <ol style="list-style-type: none"> 1. Full commercialization of the 2nd generation eco-friendly carbon black, with applications and sales in the fields of tires, conveyor belts, industrial products, ink, and fibers. 2. Development of carbon black purification technology, with the goal of reducing the ash content to 5% and lower. 3. Pyrolysis oil purification technology is divided into light and heavy oils, increasing the product value by over 50%. Strive for the carbon credit certification for pyrolysis oil. 4. Carry out carbon reduction improvements in the factory processes.
Low-carbon or high-efficiency products and services	
Increase recycling rates	<ul style="list-style-type: none"> ● Short-term: Expand the network of local tire operators and establish appropriate transportation vehicles to enhance the quantity of waste tires transported back to the processing plant. ● Medium- and long-term: <ol style="list-style-type: none"> 1. Expand collaboration with local government agencies to assist in overall tire disposal and processing and work with environmental protection bureaus in various townships for waste tire collection points. Currently, partnerships have been established with the Environmental Protection Bureaus of Chiayi, Kaohsiung, and Taitung, and it is planned to gradually expand the partnerships in the future to increase the annual collection volume of waste tires. 2. Enhance pyrolysis technology to address waste tire processing and various types of waste rubber processing domestically. This dual approach aims at increasing the processing volume from the current annual capacity of 16,000 tons to 25,000 tons.
GHG inventory	<ul style="list-style-type: none"> ● Short-term: Implement in-plant ISO 14064-1: 2018 GHG inventory operations and pass an external third-party verification. ● Medium- and long-term: <ol style="list-style-type: none"> 1. Establish a data collection system to ensure continuous collection of various emission data. 2. Regularly monitor emissions and make continuous improvements based on the results.



4.2 Energy and Greenhouse Gases

•Energy Use

The scope of energy use in ENRESTEC includes Pingnan Plant I and Pingnan Plant II, and the energy used includes purchased diesel fuel, liquefied petroleum gas (LPG), and electricity. The energy use in 2023 was 36,954.56 GJ and the purchased electricity 33,063.18 GJ, accounting for 89.47% of the total energy, with the energy intensity of 96.84 GJ/revenue (NT\$ million). There was not much difference in total energy consumption in 2023 compared with 2022.

Statistics on energy consumption in the past three years

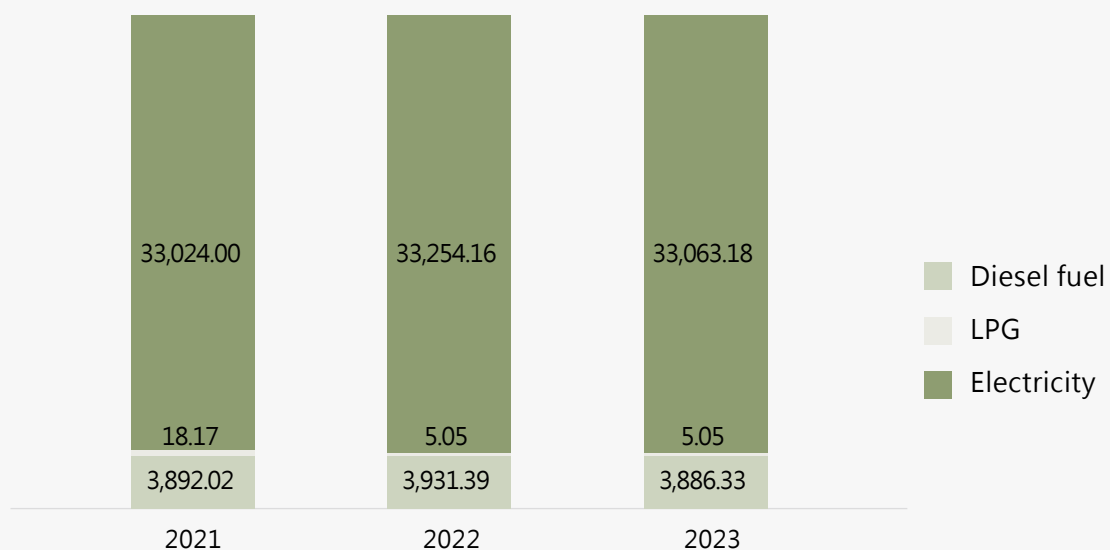
Unit: GJ

Item	Source	2021	2022	2023
Diesel fuel	CPC Corporation, Taiwan	3,892.02	3,931.39	3,886.33
LPG	SP GAS Co., Ltd.	18.17	5.05	5.05
Electricity	Taiwan Power Company	33,024.00	33,254.16	33,063.18
Total		36,934.19	37,190.60	36,954.56

Note:

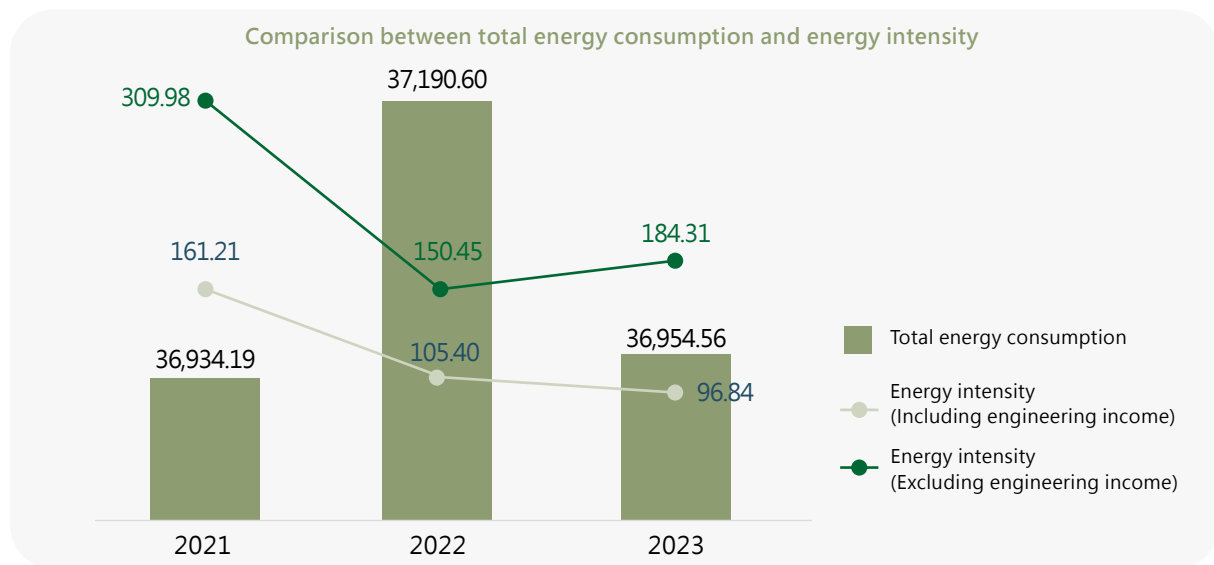
1. One gigajoule (GJ) = 10⁹ joules (J).2. Energy conversion value: purchased electricity=3,600kJ, diesel fuel=8,400kcal/L, liquefied petroleum gas (LPG) =33,472kJ/M³.

Statistics on energy consumption in the past three years



Statistics on energy intensity in the past three years

Category	Unit	2021	2022	2023
Total energy consumption	One gigajoule(GJ)	36,934.19	37,190.60	36,954.56
Revenue(Including engineering income)	NT\$ million	229.11	352.85	381.61
Energy intensity(Including engineering income)	One gigajoule(GJ)/revenue(NT\$ million)	161.21	105.40	96.84
Revenue(Excluding engineering income)	NT\$ million	119.15	247.20	200.50
Energy intensity(Excluding engineering income)	One gigajoule(GJ)/revenue(NT\$ million)	309.98	150.45	184.31



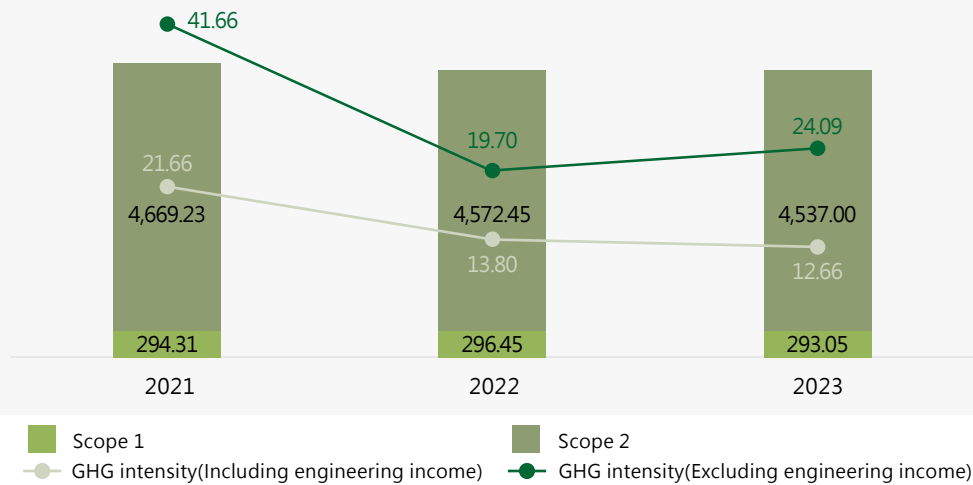
Organizational GHG Inventory

In 2023, ENRESTEC entrusted Taiwan Green Productivity Foundation to conduct an in-plant ISO 14064-1: 2018 GHG inventory, and the boundary included Pingnan Plant I and Pingnan Plant II while the inventory scope included Scope 1 and Scope 2. In 2023, the total emissions (Scope 1 + Scope 2) amounted to 4,830.05 mtCO₂e, and the GHG intensity was 12.66 mtCO₂e/NT\$ million in revenue. It is expected to conduct a third-party external verification of the 2023 GHG inventory in 2025, which will be carried out on an annual basis in the future to understand the current status of emissions of the factory for the formulation of relevant carbon reduction targets.

Statistics on GHG emissions in the past three years

Item	Year	Unit	2021	2022	2023
Scope 1		mtCO ₂ e	294.31	296.45	293.05
Scope 2		mtCO ₂ e	4,669.23	4,572.45	4,537.00
Total emissions (Scope 1 + Scope 2)		mtCO ₂ e	4,963.54	4,868.89	4,830.05
Revenue(Including engineering income)		NT\$ million	229.11	352.85	381.61
GHG intensity(Including engineering income)		mtCO ₂ e/ revenue (NT\$ million)	21.66	13.80	12.66
Revenue(Excluding engineering income)		NT\$ million	119.15	247.20	200.50
GHG intensity(Excluding engineering income)		mtCO ₂ e/ revenue (NT\$ million)	41.66	19.70	24.09

Statistics on GHG emissions in the past three years



Note:

1. Relevant GHG emissions data disclosed in 2023 was from the independent GHG inventory carried out by Taiwan Green Productivity Foundation entrusted by the company. The data has not been verified by a third party and is expected to be verified in 2025.
2. Relevant GHG emissions data disclosed in 2022 and 2021 were from the company's internal independent inventory.
3. The types of GHG emissions at ENRESTEC include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs).
4. The organizational boundary of GHG adopted the operational control approach.
5. The standards used were based on ISO 14064-1: 2018.
6. The Global Warming Potential (GWP) used was from IPCC Sixth Assessment Report: Climate Change 2021 (AR6) and calculated with Emission Factor Method and Mass Balance Method.
7. The calculation tools based on included the GHG inventory registry form 3.0.0 (Revised).
8. Source of conversion factor used: The latest table of GHG emission coefficient management v. 6.0.4 released by Ministry of Environment, Executive Yuan.
9. Scope 2 includes purchased electricity, and the electricity emission coefficient was the one announced by Bureau of Energy, Ministry of Economic Affairs. The 2023 electricity emission coefficient=0.494 kg/CO₂e; 2022 electricity emission coefficient=0.495/CO₂e; 2021 electricity emission coefficient=0.509 kg/CO₂e.

Energy Conservation Measures and Effectiveness

ENRESTEC is well aware of the impact of climate change on the global environment. Therefore, we actively promote energy conservation and carbon reduction plans from the living and working environments. In the future, we will also continue to replace high-energy consuming equipment in the factory to fulfill our social responsibility. In 2023, the company replaced the in-plant lighting equipment, saving a total of 292 kWh/year of energy, and the carbon reduction after conversation was approximately 0.1442 mtCO₂e /year^{Note}.

Note: The conversation of GHG emission reduction (mtCO₂e/year)= electricity saved (kWh/year) *0.494kgCO₂e/kWh*1÷1,000.



4.3 Raw Materials

Use of Raw Materials

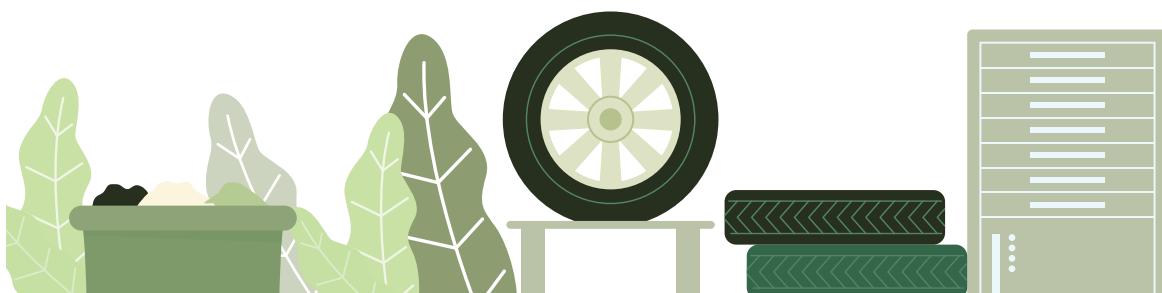
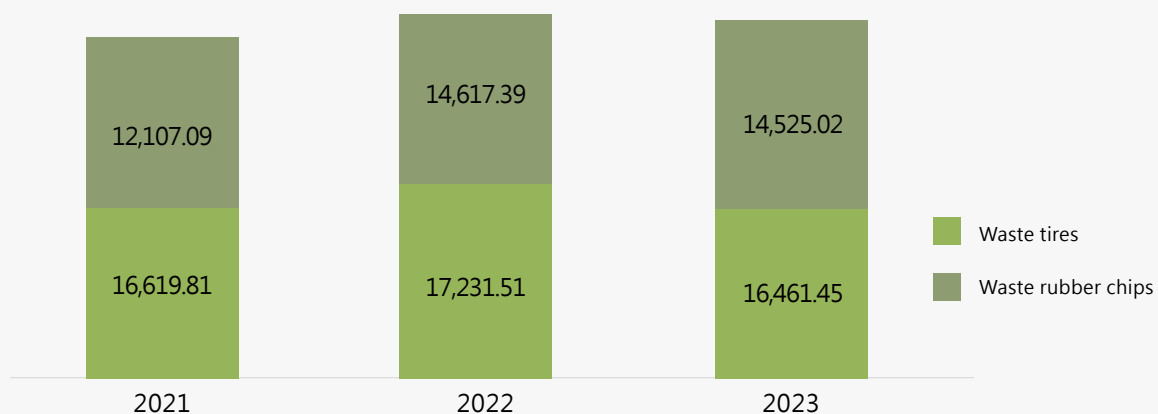
In 2023, the usage of waste tires was approximately 16,461.45 metric tons, with around 14,525.05 metric tons of waste rubber chips produced after shredding. The statistics of raw material usage in the past three years are shown in the following table.

Statistics on raw material usage in the past three years

Unit: Metric ton(s)

Material type	2021	2022	2023
Waste tires (Shredding plant)	16,619.81	17,231.51	16,461.45
Waste rubber chips (Pyrolysis plant)	12,107.09	14,617.39	14,525.02

Statistics on raw material usage in the past three years



Recycling of Packaging Materials

Carbon black and pyrolysis oil produced by ENRESTEC are packed in space bags and shipped to our clients on pallets. To respond to corporate social responsibility and recycling for reuse, the company recycles the packaging materials shipped to the client ends back to the plant and decide whether to continue using these packaging materials depending on their quality conditions. In 2023, the statistics only included space bags sold and recycled, so the recycling rate of space bags is presented. The recycling rate of ton space bags was 19.44%, and that of half-ton space bags was 20.40%.

Statistics on packaging materials in the past three years

Item	Unit	2021	2022	2023
Wooden pallets	Piece	600	604	671
Plastic pallets	Piece	300	320	410
Ton space bags	Bag	500	500	570
Half-ton space bags	Bag	-	-	210

Note: The data above are estimates.



4.4 Water Resources

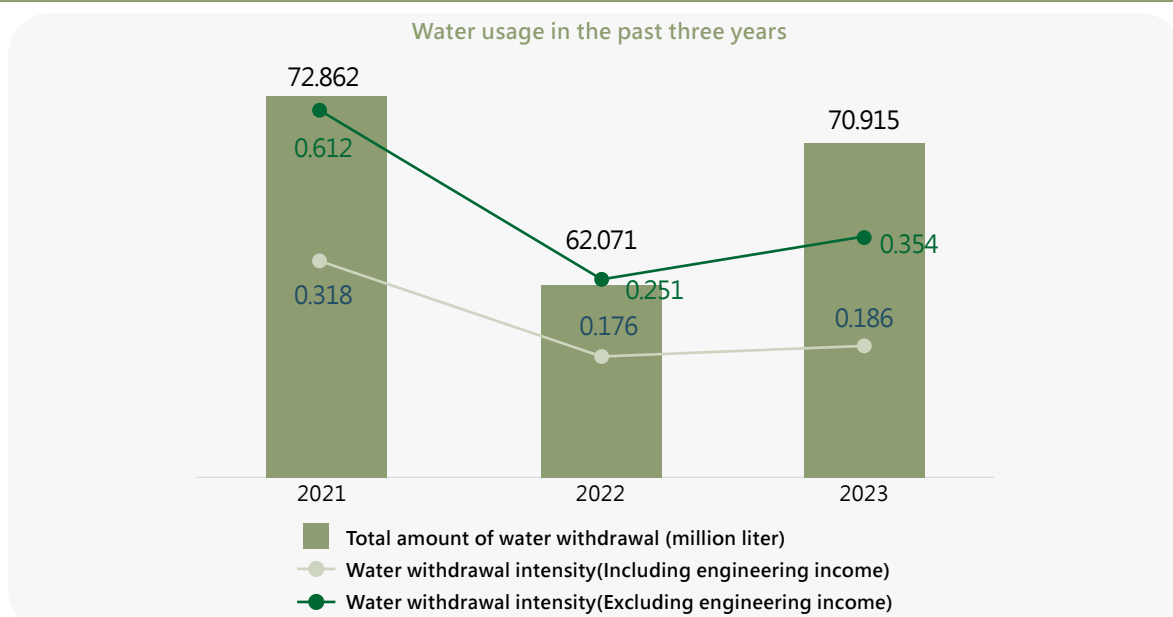
Water Sources Overview

ENRESTEC is located in Pingnan Industrial Park, and the source for the industrial water for processing and domestic water is from Mudan Reservoir. To further understand whether the water intake of the plant has a significant impact on local water sources, we referred to the World Resource Institute's (WRI) Aqueduct Water Risk Atlas to assess the level of water stress of the water source for ENRESTEC's plant. The result showed Low - Medium risk (1-2), indicating that the water withdrawal did not have significant impact on local water sources.

In 2023, the total water consumption of ENRESTEC was 70.915 million liters, the total water displacement was 29.072 million liters, and the total water consumption was 41.843 million liters. The total water consumption increased by 14.25% compared with 2022, which was because of the increased production capacity compared with last year. The water usage status of ENRESTEC in the past three years is shown in the following table.

Water usage in the past three years

Item	Unit	2021	2022	2023
Total amount of water withdrawal	million liter	72.862	62.071	70.915
Total displacement	million liter	30.842	23.885	29.072
Total water consumption	million liter	42.020	38.186	41.843
Revenue(Including engineering income)	NT\$ million	229.110	352.850	381.610
Water withdrawal intensity(Including engineering income)	water withdrawal in million liters/ revenue(NT\$ million)	0.318	0.176	0.186
Revenue(Excluding engineering income)	NT\$ million	119.150	247.200	200.500
Water withdrawal intensity(Excluding engineering income)	water withdrawal in million liters/ revenue(NT\$ million)	0.612	0.251	0.354



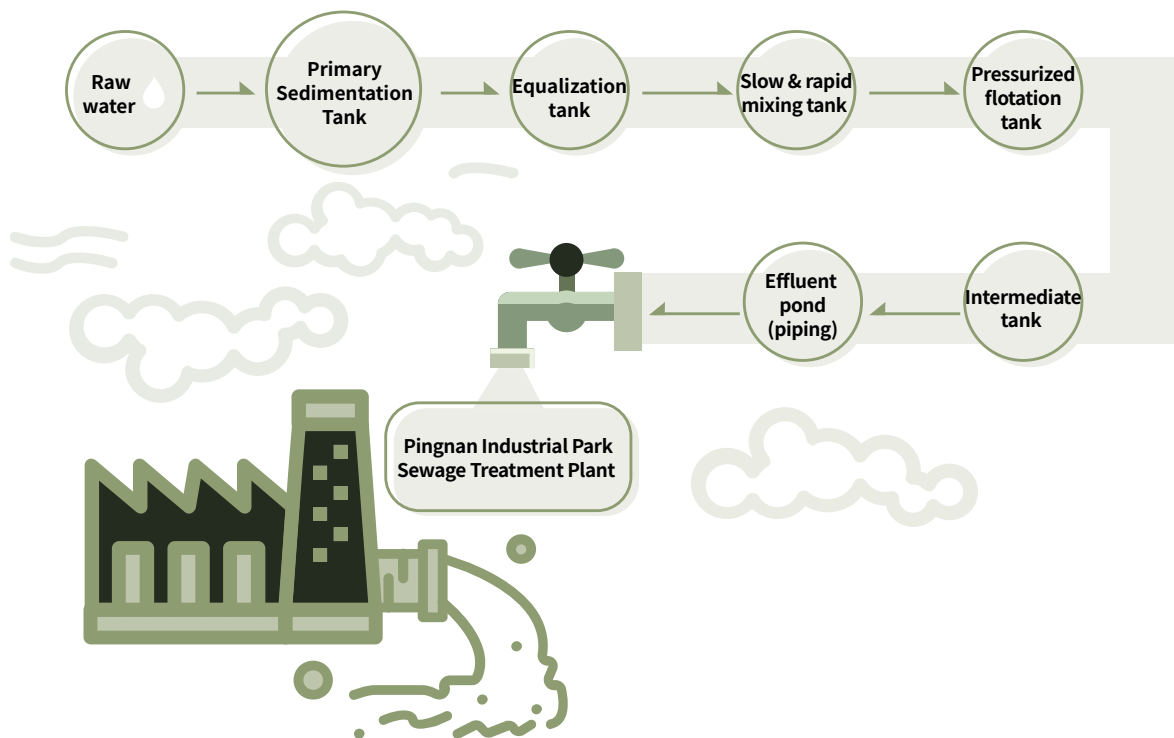
Note:

1. Total water consumption= Total water withdrawal – total displacement
2. The data in this table is the total sum of Pingnan Plant I and Pingnan Plant II. The factory data came from Taiwan Water Corporation's water bill documents and the wastewater treatment documents from sewage treatment plants.

Effluent Control

ENRESTEC is located in Pingnan Industrial Park. To ensure the wastewater generated in the plants can comply with the discharge standards set by the Industrial Park and Ministry of Environment, we have established standard procedures for the wastewater plant, namely the Wastewater System Standard Operation Instructions. After being treated in the in-plant wastewater treatment plant, the wastewater generated in the plant is then discharged to the sewage treatment plant in Pingnan Industrial Park. The wastewater in the plants meets the effluent discharge standards after being treated, and there were no incidents of discharged wastewater exceeding the standards during the reporting period.

Wastewater treatment procedures at ENRESTEC INC.



Water quality control of sewage discharge in the past three years

Water pollution testing item	Pingnan Plant I			Pingnan Plant II		
	2021	2022	2023	2021	2022	2023
Chemical Oxygen Demand COD	3.649	2.276	3.303	0.612	0.171	0.083
Suspended solids SS	1.126	0.799	1.430	0.051	0.034	0.069

Note:

The testing items are recorded on a monthly basis, and the amount of wastewater discharged is closely related to the company's production capacity. According to the wastewater treatment fee for Pingnan Industrial Park, the unit price for treating suspended solids is NT\$ 80.4/kg, and that for chemical oxygen demand (COD) is NT\$ 41.02/kg.

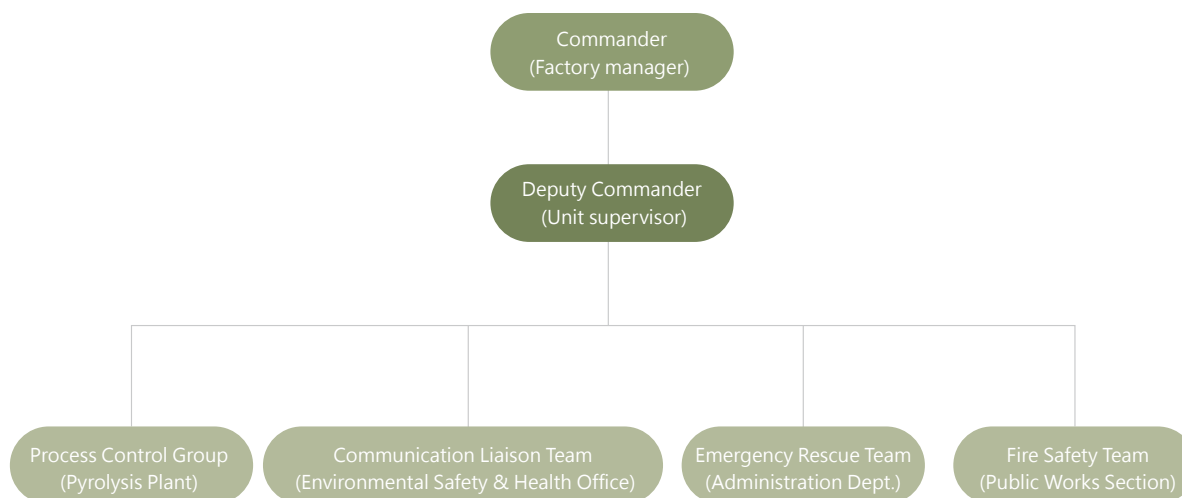
4.5 Pollution Prevention and Control

Air Pollution Prevention and Control

ENRESTEC is a petroleum and coal products manufacturer located in Pintnan Industrial Park in Pingtung County, and the main air pollutants include particulate pollutants (Par), nitrogen oxides (NOx), sulfur dioxide (SO₂) and Nonmethane hydrocarbon (NMHC). In 2023, nitrogen oxides (NOx) emissions accounted for the vast majority of all emissions.

When the Environmental Protection Bureau of Pingtung County Government issues an air quality early warning or serious deterioration warning for this region, our Pingnan Plant I will immediately handle the situation in accordance with the Air Quality Deterioration Response and Control Plan for Different Levels. The Air Quality Deterioration Emergency Response Organization is then established, with the factory manager serving as the commander to execute the command and supervise the matters that need to be coordinated in the air quality deterioration response and prevention plan, including confirming whether the prevention and control equipment is functioning normally, reduction in the amount of production operations, etc. For the reduction and control of the in-plant production process, the air pollutant prevention and control facilities of relevant departments and units will be monitored to confirm that the implementation of contingency measure achieves the actual reduction targets. Air quality deterioration contingency drill will be carried out by our plant in accordance with the air quality deterioration contingency and prevention plan. There was only 1 drill in 2023 that stimulated the impact of haze from mainland China, and the Environmental Protection Bureau of Pingtung County issued an emergency first-level alert control measure (AQI > 150), with a total of 21 participants.

Emergency Response Organizational Structure for Air Quality Deterioration



ENRESTEC's plants do not have any processes classified as stationary sources of pollution designated by the central authority. However, the carbon black manufacturing process is included in the response plan. The company has also established the Air Pollutant Emission Testing Plan for Stationary Pollution Source Operation Permit (Carbon Black Manufacturing Process M01), which was submitted to Pingtung County Government's Environmental Protection Bureau for review and was deemed compliant with regulations after the review. The emissions from the carbon black manufacturing process include particulate pollutants (Par), sulfur oxides (SOx), nitrogen oxides (NOx), and non-methane hydrocarbons (NMHC). To address air quality deterioration, the reduction action involves decreasing the daily raw materials usage, thereby achieving reduction through process minimization. The pollutants that the facility needs to reduce include Par, SOx, and NOx. In 2023, a total investment of NT\$2,601,045 was made in air pollution control equipment, including upgrading the molecular sieves for ozone equipment, oxygen flow meters for liquid oxygen delivery, and piping works. Some of the air conditioners in the company's plants and offices still use R22 refrigerant, a controlled substance under the Montreal Protocol. We will gradually replace it with eco-friendly refrigerant by phasing out old air conditioning equipment.

Statistics on air pollutant emissions in the past three years

Unit: tons/year

Category of air pollutant emission	2021	2022	2023
Volatile organic compounds (VOCs)	0.22	0.24	0.22
Total suspended particles (TSP)	2.29	2.22	2.13
Sulfur oxides (SOx)	2.43	19.79	21.54
Nitrogen oxides (NOx)	0.24	9.48	9.66

Note:

The emission statistics for the past three years are based on air pollution fees and reported emission data.

Waste Management

To effectively manage the waste generated during the company's manufacturing processes and comply with Waste Disposal Act and other relevant regulations, ENRESTEC has established the Waste Management Operating Procedures, and the scope covers all the industrial waste produced by the company. The procedures strictly stipulate the storage methods for waste, and the Environmental Safety Unit is required to confirm the waste disposal services handle the waste in accordance with the law. If the waste declaration data is different from the actual transportation data, the declaration must be corrected online within one day after the waste is removed from the plants. The company entrusts the disposal of waste to qualified treatment facilities and licensed transporters. For the in-plant waste storage, the Environmental Safety and Health Office performs mobile inspections within the plants to ensure the temporary waste storage complies with environmental regulations. If any disposal activities are found to be non-compliant, corrective actions should be made in accordance with the Corrective and Preventive Measures Control Procedures.

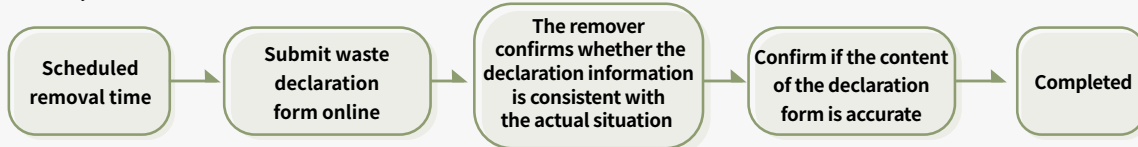
To reduce the processing fee and the amount of waste removal, the non-hazardous sludge produced after filtration in the waste oil treatment area will be put into the raw material end for mixing before removal and transportation for the reuse of the non-hazardous sludge in the factory, which can reduce the non-hazardous sludge removal volume by 108.5 metric tons every year. The general fly ash or bottom ash mixture generated by the processing equipment is returned to the plant for reuse, which can reduce the transportation volume of general fly ash or bottom ash by approximately 288.333 metric tons every year.

In 2023, there was one incident of a violation related to waste disposal, but it was not classified as a significant environmental pollution event. To ensure that regulatory violations do not occur, the Environmental Safety & Health Office adhere to several steps, including checking the legal licenses of waste disposal vendors, reviewing the disposal methods specified in the signed contracts, tracking the declaration records for waste transportation and processing, and participating in regulatory briefings organized by the Environmental Protection Bureau to enhance regulatory awareness.

ENRESTEC does not produce hazardous waste. The general industrial waste includes inorganic sludge, non-hazardous oil sludge, general fly ash bottom mixture, etc., and the total weight of waste generated in 2023 totaled 570.82 tons, of which the total amount of transferred waste during disposal was 448.74 tons, and the that of direct disposal waste was 122.08 tons.

Procedure for submitting online triplicate form of waste declaration

The industrial waste generated by ENRESTEC is handled in accordance with the relevant laws and regulations related to waste management established by the Environmental Protection Agency. We are also assisted by private waste removal and disposal agencies to prevent possible harm to the environment caused by the waste. The disposal records are kept for three years for reference and review.



Waste Flow Tracking
and Monitoring

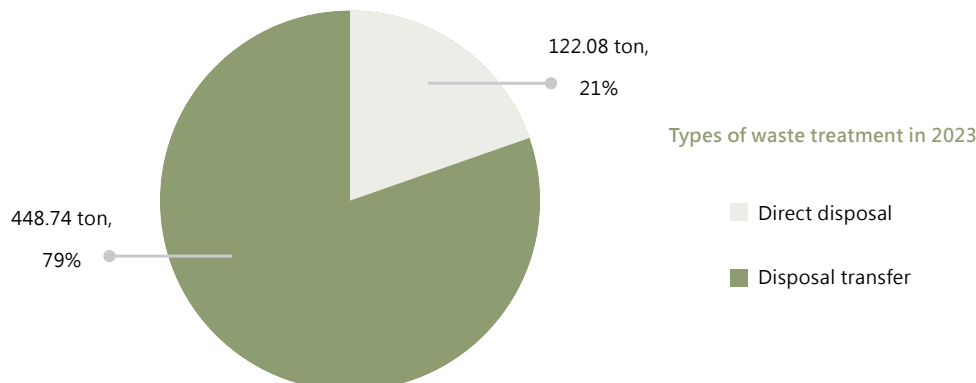
To ensure that all waste is properly handled, ENRESTEC will follow the following measures for monitoring and controlling waste disposal:

1. An online confirmation of receipt for the waste declaration form must be completed within 4 days after the waste is removed outside the plant.
2. Go online to check if the processing of the waste is completed within 35 days after the treatment plant completes the reception.
3. After the waste is processed, the disposal service providers must provide the online triplicate and proper disposal documents (public institutions are exempted from this process) to the waste generating unit for archiving and reference.
4. Work with the waste generating units to track and check the flow of waste according to waste items, plants, and frequencies.

Overview of waste disposal methods in 2023

Unit: metric ton(s)

Composition of waste Item	Waste generation (ton)	Type of treatment	Method of treatment
General waste	1.56	Direct disposal	Incineration
Waste wooden pallets	6.15		
Waste fibers or other mixtures	1.82		
Waste cotton lint	12.90		
Inorganic sludge	18.98		
General fly ash and bottom ash mixture	80.67	Disposal transfer	Thermal treatment excluding incineration
	51.91		Physical treatment
	288.33		Thermal treatment excluding incineration (case by case reuse)
Non-hazardous oily sludge	108.50		On-site reuse (reprocessing in the production process)



CH. 5 A Sustainable Workplace



5.1 Commitments to Human Rights	56
5.2 Employee Structure	58
5.3 Employee Benefits	63
5.4 Talent Development and Cultivation	67
5.5 Employee Workplace Safety	70
5.6 Community Contribution	81

Material Topics	Talent Development and Cultivation, Talent Attraction and Retention
Description of Positive Impact	By providing comprehensive employee benefits and work systems, ENRESTEC improves employees' job satisfaction and their trust in the company to achieve sustainable management and development.
Description of Negative Impact	ENRESTEC is located in Pingnan Industrial Park. In addition to the long-term labor shortages due to geographical factors, shifts in work styles and employee values in recent years have hindered the company's ability to recruit sufficient manpower, leading to talent attrition and other challenges.
Remediation Mechanism/Measures	In 2023, ENRESTEC did not encounter negative labor-related incidents. However, due to the talent attrition problem, we applied for consultancy services from the Talent Development Center of the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of Workplace Development Agency, Ministry of Labor for guidance on optimizing the compensation structure.
Policies Commitments	<ul style="list-style-type: none"> ● Strive for the harmonious labor relations in the workplace, create a friendly and healthy work environment, regularly review various welfare systems, and ensure competitive compensation. ● Work in line with the company's management policies, departmental performance goals, and employee's career development needs, establish a diverse education and training mechanism, and provide comprehensive training courses needed for talent development.
Responsible Department	Human Resources Section of the Administration Department
Goals	<ul style="list-style-type: none"> ● No incidents of human rights violation such as discrimination, sexual harassment, child labor, infringement of freedom of assembly and association, or violations of indigenous rights. ● No labor-related grievances to be filed nor penalties to be imposed. ● To hold four labor-management meetings. ● To Hold four Employee Welfare Committee meetings.
2023 Goals	
2023 Attainment Status	<ul style="list-style-type: none"> ☑ There were no incidents of human rights violation such as discrimination, sexual harassment, child labor, infringement of freedom of assembly and association, or violations of indigenous rights. ☑ No labor-related grievances were filed, nor were penalties imposed. ☑ Four labor-management meetings were held. ☑ Four Employee Welfare Committee meetings were held.
Short-term Goals	<ul style="list-style-type: none"> ● No incidents of human rights violation such as discrimination, sexual harassment, child labor, infringement of freedom of assembly and association, or violations of indigenous rights. ● Provide diverse learning resources, make use of on-line learning platforms, workshops, and professional lectures to meet the learning needs of different employees.
Medium- and Long-term Goals	<ul style="list-style-type: none"> ● Continue to improve and optimize the performance evaluation indicators and assessment mechanisms based on the actual implementation of the compensation optimization framework. ● Mentorship program: Launch the mentorship program to allow experienced employees to guide and support new employees.
2023 Specific Actions	<ul style="list-style-type: none"> ● Participated in Taiwan Experience Education Program (TEEP) organized by the Ministry of Education/National Sun Yat-sen University to attract foreign talents as a pool of candidates for the company's future international expansion and factory development. ● Provided monthly follow-up consultation with professional medical staff in the factory to promote self-health management among employees. ● Participated in the 2023 On-site Talent Recruitment and Matchmaking in Jiadong and Fangliao Aras, Pingtung County organized by Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of Workplace Development Agency, Ministry of Labor. ● Participated in the 2023 Pingnan Industrial Park Model Labor event organized by Manufacturers Association of Pingnan Industrial Park. ● Participated in the 2022 Subsidy to Colleges and Universities for Employment Programs: Industry Linking Course and Job Matching Activities organized by National Kaohsiung University of Science and Technology.

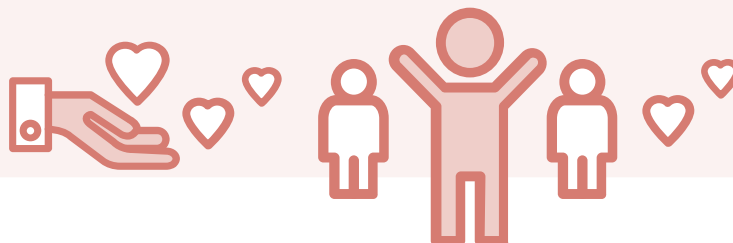
Management Assessment Mechanism	<ul style="list-style-type: none"> ● Conduct the annual performance appraisal in accordance with the Performance Appraisal Management Guidelines for all employees, regardless of gender, age, or job category. ● Establish open and diverse communication channels, hold labor-management meetings and Employee Welfare Committee meetings on a regular basis. ● Understand how employees feel about the company's current status through the employee satisfaction survey and review various matters accordingly.
Performance and Outcomes	<ul style="list-style-type: none"> ● No incidents of discrimination, sexual harassment, child labor, infringement of freedom of assembly and association, or violations of indigenous rights. ● No labor-related grievances were filed and no penalties were imposed. ● The actual proportions of men and women taking the appraisal in 2023 were 98.8% and 100% respectively. ● The full score of the employee satisfaction survey and employee work environment quality survey was 50 points each. The average score of the former in 2023 was 35.56 points, ranging from 31-40 points, and the results were mostly satisfied, while that of the latter was 36.39 points, ranging from 31-40 points, and the results were mostly satisfied.

5.1 Commitments to Human Rights

ENRESTEC strives to promote the human rights of all employees and related stakeholders and is committed to compliance with Universal Declaration of Human Rights, United Nations Guiding Principles on Business and Human Rights, and other international human rights conventions. In addition, we have also established human rights policies to ensure human rights are not violated within the scope of business operations. The company provides a transparent and confidential grievance mechanism allowing employees and other stakeholders to report any potential human rights violations and guarantees that there will be no retaliation against the whistleblower. We will conduct investigations and take proper corrective actions, including but not limited to disciplinary and legal actions. There were no incidents of human rights violation such as discrimination, sexual harassment, child labor, infringement of freedom of assembly and association, or violations of indigenous rights during the reporting period.

Human Rights Policy

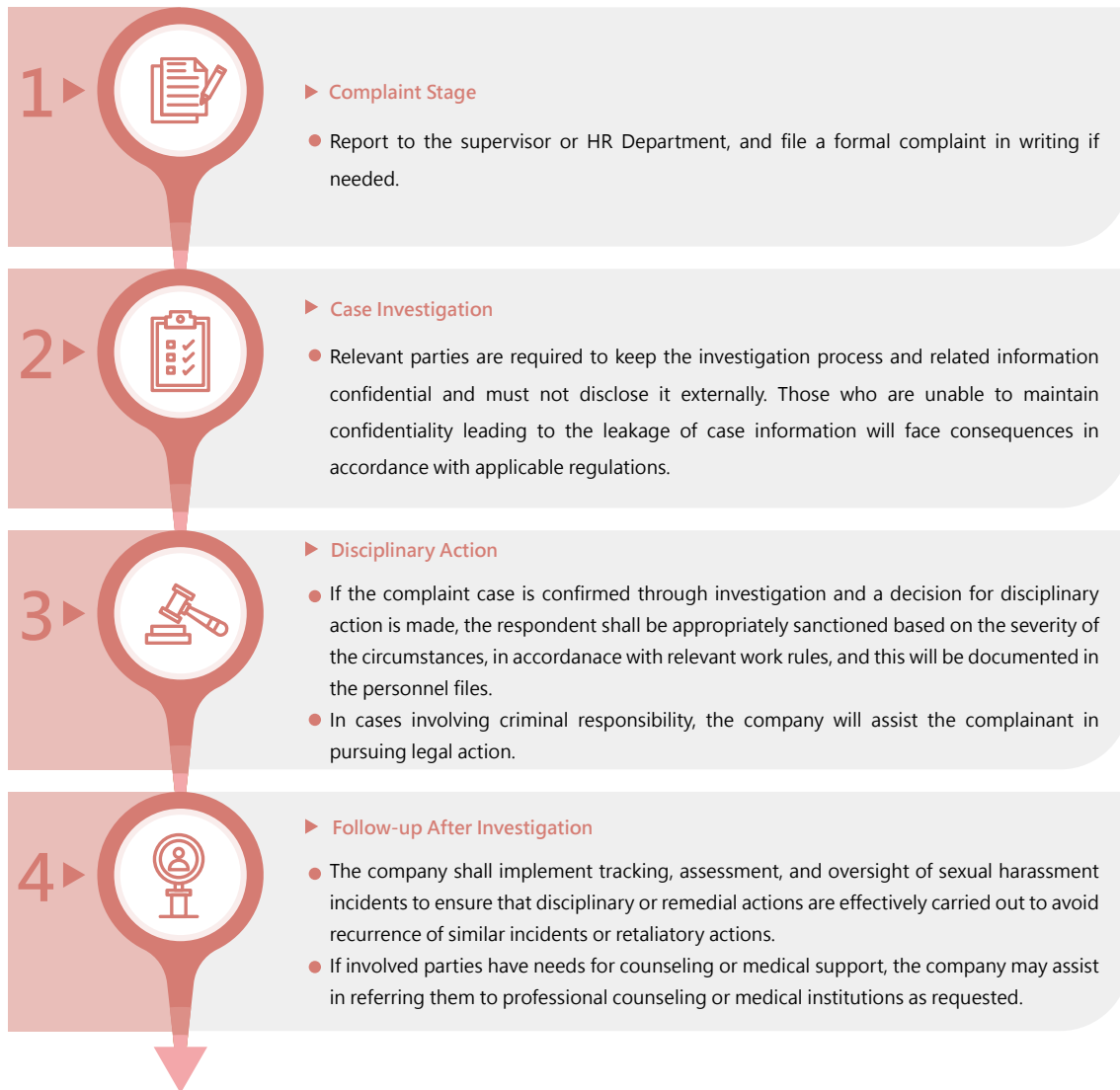
- ▶ **Respect and Dignity:** We respect the dignity and rights of every individual and are dedicated to eliminating any form of discrimination, harassment, and violence in the workplace.
- ▶ **Fairness and Non-discrimination:** We offer fair employment opportunities and ensure that there is no discrimination in recruitment, promotion, compensation, or other employment conditions based on gender, race, religion, age, sexual orientation, disability and other factors.
- ▶ **Working Conditions:** We strive to provide a safe, healthy and hygienic working environment and comply with all applicable labor laws and standards.
- ▶ **Freedom of Association and Collective Bargaining:** We respect employee's rights to freedom of association and collective bargaining and support their right to organize and participate in union activities.
- ▶ **Prohibition of Child Labor and Forced Labor:** We strictly prohibit the use of child labor and forced labor and ensure that our supply chain is free from such practices.
- ▶ **Privacy and Data Security:** We respect the privacy rights of both employees and customers, and are dedicated to safeguarding their personal data from unauthorized access and use.



Preventive Measures for Workplace Sexual Harassment

To protect employees' rights and create a workplace free from sexual harassment as well as to effectively maintain the privacy of the parties involved, ENRESTEC has established the Workplace Sexual Harassment Prevention and Complaint and Disciplinary Measures in accordance with relevant provisions of the Gender Equality in Employment Act, which has been applicable to all employees upon approval from the chairman. In 2023, there were no reported incidents of sexual harassment.

Sexual Harassment Compliant Procedure



Sexual Harassment Reporting Section

- Complaint hotline: (08)8663546
- Complaint email: metoo@enrestec.com.tw



5.2 Employee Structure

As of the end of 2023, the number of employees at ENRESTEC totaled 106 (88 males and 18 females), including 20 male foreign contract employees, and the rest are all full-time employees of local nationality. Among them, there are a total of 10 senior executives^{Note} (9 males and 1 female), accounting for 9.43% of the total number of employees, all of whom are of Taiwanese nationality. The company has a total of 4 non-employee workers in 2023, including 3 male security guards and 1 female cleaning staff.

Note: Senior executives are defined as supervisors at the level of associate vice managers and higher.

To safeguard the rights of disadvantaged and relevant groups and guarantee equal job opportunities, the company adheres to the regulations set forth in the People with Disabilities Rights Protection Act and Indigenous Peoples Employment Rights Protection Act in the hiring of individuals with disabilities and indigenous peoples.

2023 Statistics on staff composition

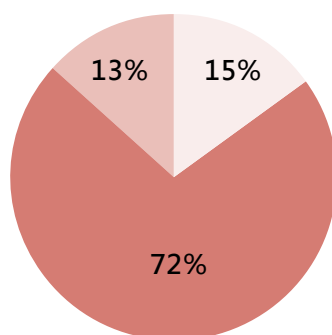
Unit: Number of people

Item	Age Group	Fixed-term Contract	Indefinite Contract
Male	Not yet 30	4	9
	30-50 years old	16	47
	51 and above	-	12
Female	Not yet 30	-	3
	30-50 years old	-	13
	51 and above	-	2
Total		20	86

Note:

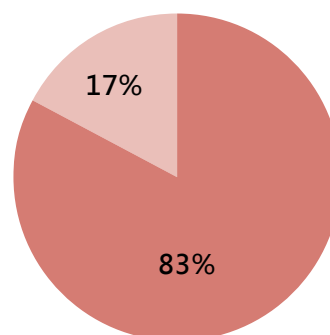
- The employee data statistics mentioned above are based on the company's human resources system, showing the number of people employed as of the last day of the reporting period.
- The fixed-term contract refers to temporary employees, mainly foreign employees.

Employee age distribution



Not yet 30 30-50 years old 51 and above

Employee gender distribution



Male Female

2023 Statistics on employee diversity

Unit: Number of people

Item	Age Group	Foreign employees	Employee with disabilities	Indigenous people/Minorities
Male	Not yet 30	4	1	-
	30-50 years old	16	-	3
	51 and above	-	-	-
Female	Not yet 30	-	-	-
	30-50 years old	-	-	1
	51 and above	-	-	-
Total		20	1	4

Employee position distribution in the past three years

Item 、 Age Group / Year			2021	2022	2023
Senior executives ^{Note 1}	Male	Not yet 30	-	-	-
		30-50 years old	-	-	3
		51 and above	4	4	6
	Female	Not yet 30	-	-	-
		30-50 years old	-	-	-
		51 and above	-	-	1
Subtotal		4	4	10	
Mid-level and grassroots supervisors ^{Note 2}	Male	Not yet 30	-	-	1
		30-50 years old	11	19	20
		51 and above	3	3	2
	Female	Not yet 30	-	-	-
		30-50 years old	5	4	4
		51 and above	2	2	1
Subtotal		21	28	28	
General employees	Male	Not yet 30	14	11	12
		30-50 years old	51	43	40
		51 and above	5	5	4
	Female	Not yet 30	4	4	3
		30-50 years old	3	6	9
		51 and above	-	-	-
Subtotal		77	69	68	
			102	101	106

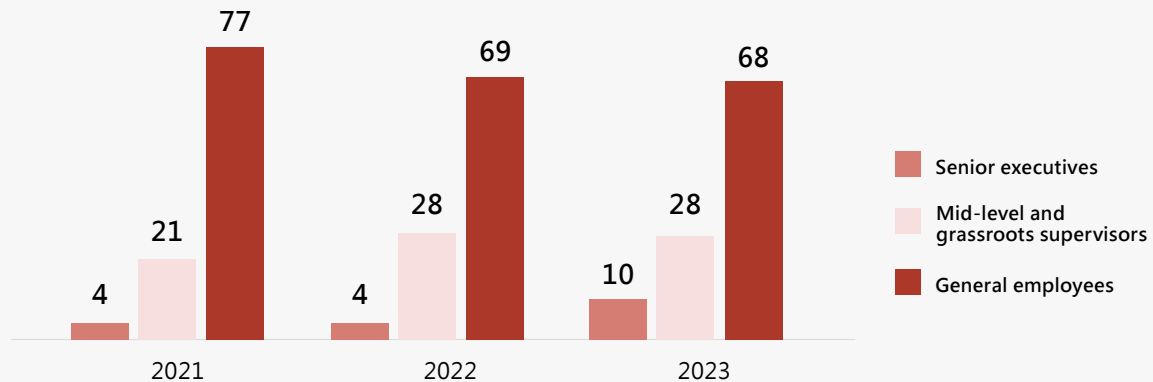
Note:

1. Senior executives are defined as supervisors at the level of associate vice managers and higher.

2. Mid-level supervisors are defined as those at manager level (assistant manager included), factory manager (deputy factory manager included); grassroots supervisors are defined as division-level supervisors (deputy section chief included), and team leader.



Employee position distribution in the past three years



Talent Retention

In 2023, ENRESTEC recruited a total of 29 new employees, with males accounting for 72.41% and females 27.59%, and the total employment rate was 27.36%, an increase of 10.53% compared with the previous year. The turnover rate was 22.64%, with turnover rates of 75% and 25% for male and female employees respectively, an increase of 12.05% compared with the previous year. To explore the reasons for turnover, the company conducted interviews with departing employees, and confirmed that the primary issue was the lack of a robust system connecting performance assessments to compensation and bonuses. We applied for a consultant from the Talent Development Center of the Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of Workplace Development Agency, Ministry of Labor to assist with the optimization of the compensation structure. In addition, the company is located in Pingnan Industrial Park, and the long-term geographic labor shortage is also one of the reasons for employee turnover. The company has made various attempts through multiple recruitment channels in an attempt to alleviate the problem of labor shortage.

ENRESTEC's employment rates in the past three years

Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Item\Age	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)
Not yet 30	14	100%	3	75%	5	45.45%	5	125%	10	76.92%	3	100%
30-50 years old	4	6.45%	1	12.50%	11	17.74%	3	30%	11	17.46%	5	38.46%
51 and above	0	0%	0	0%	1	8.33%	0	0%	0	0%	0	0%
Total number of new employees	22				25				29			
Total number of employees	102				101				106			
Total employment rate (%)	21.57%				24.75%				27.36%			

Note:

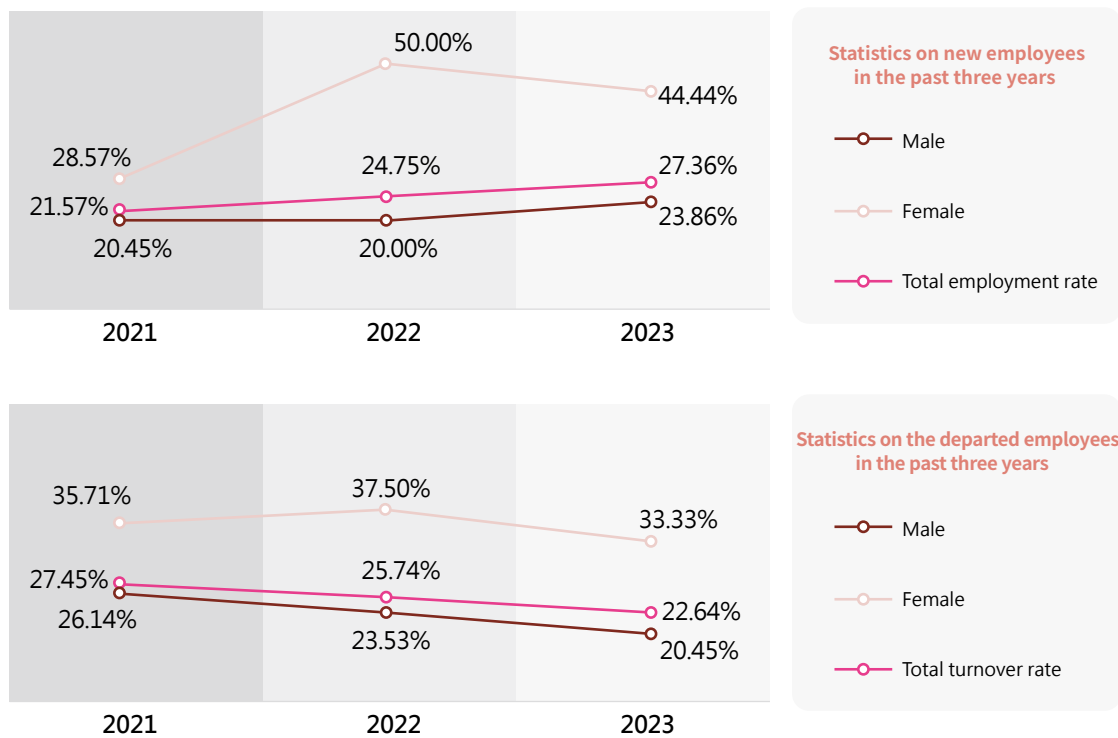
1. Employment rate (%) = The number of new employees of the category (gender, age) in the current year/ the total number of employees of the category at the end of the current year.
2. Total employment rate (%) = Total number of new employees in the current year/ total number of employees at the end of the current year.
3. The number of those who left the company midway was not deducted from the number of new employees.

ENRESTEC's turnover rates in the past three years

Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Item\Age	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)	No. of people	Employment rate (%)
Not yet 30	12	85.71%	3	75%	4	36.36%	4	100%	6	46.15%	4	133%
30-50 years old	10	16.13%	1	12.50%	15	24.19%	2	20%	11	17.46%	2	15.38%
51 and above	1	8.33%	1	50%	1	8.33%	0	0%	1	8.33%	0	0%
Total number of new employees	28				26				24			
Total number of employees	102				101				106			
Total employment rate (%)	27.45%				25.74%				22.64%			

Note:

1. Turnover rate (%) = The number of departed employees of the category (gender, age) in the current year/ the total number of employees of the category at the end of the current year.
2. Total turnover rate (%) = Total number of departed employees in the current year/ total number of employees at the end of the current year.
3. The number of departed employees included voluntarily resigned, dismissed, retired employees and those who died in line of duty.



To attract outstanding local talents, the company participated in the 2023 On-site Talent Recruitment and Matchmaking in Jiadong and Fangliao Aras, Pingtung County organized by Kaohsiung-Pingtung-Penghu-Taitung Regional Branch of Workplace Development Agency, Ministry of Labor, in November. Although we did not find suitable talents at this event, we will continue to participate in local matchmaking activities in the future.



Fair Performance Management System

To understand the working status of the employees in the company and to review the results of employee's work performance in a timely manner, ENRESTEC conducts the annual performance appraisal in accordance with the Performance Appraisal Management Guidelines for all employees, regardless of gender, age, or job category. The evaluation results serve as an objective reference for matters such as salary adjustments, bonus issuance, and job reassignment or promotion.

Except for new employees whose seniority is less than three months in the current year, all other employees are subject to performance evaluation. In 2023, the actual evaluation rates were 98.8% for males and 100% for females.

Results of 2023 performance appraisal

Gender	Number of people receiving the evaluation	Total number of categories	Percentage
Male	85 ^{Note}	86	98.8%
Female	18	18	100%

Note: Since one male employee worked in the company for less than three months in the current year, he was not included in the appraisal.



5.3 Employee Benefits

Employee Compensation

The compensation design of full-time employees of ENRESTEC is based on the company's position category, the employees' academic experience, seniority and work performance, etc. The compensation structure includes base salary, supervisory bonuses, and meal allowances, which can be adjusted with job changes, without any differentiation based on gender or age. We abide by the Gender Equality in Employment Act, Employment Service Act, and other laws and regulations to implement equal pay for men and women and create a friendly and fair work environment. The minimum wage for our contractor employees also meets the requirements set by Labor Standards Act. The ratio of standard salaries for our grassroots employees, categorized by gender, compared to Taiwan's 2023 statutory minimum wage (NT\$26,400) are as follows.

Ratio of our compensation to local minimum wage

Gender	Male	Female
Permanent employment (grassroots employees) ^{Note 2}	1.06	1.06
Temporary employment	1.05	-

Note:

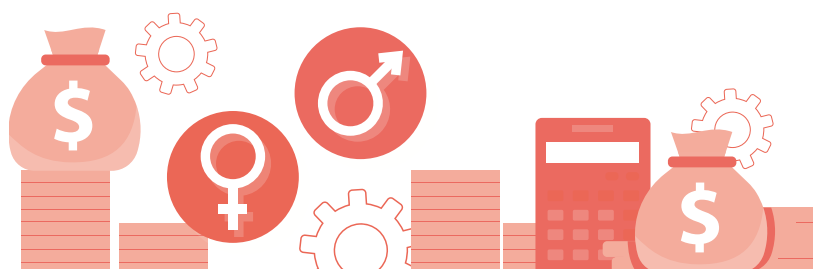
1. Standard compensation refers to the regular salary paid every month, including base salary, supervisory bonuses, and meal allowances.
2. Male grassroots personnel are operators; female grassroots personnel are administrative staff.

2023 Gender pay ratio by job category

Gender	Standard pay ratio		Annual pay ratio	
	Male	Female	Male	Female
Senior executives	1	0.77	1	0.69
Mid-level and grassroots supervisors	1	1.06	1	0.96
General employees	1	0.86	1	0.71

Note:

1. Standard compensation refers to the regular salary paid every month, including base salary, supervisory bonuses, and meal allowances.
2. Annual remuneration includes monthly salary, other allowances, annual cash gift and bonuses.
3. The above employee categories do not include foreign blue-collar employees.



Employee Welfare Measures

ENRESTEC has set up an Employee Welfare Committee. We regard our employees as the most important partners and create a high-quality working environment with Integrity, Professionalism, Technology, and Excellence for our employees. We have formulated relevant employee welfare measures, including compensation, leave, and other benefits. Adjustments in pay, bonus allocations, and remuneration are based on the performance evaluation results, and the company's operational performance is appropriately reflected in employee compensation. In 2023, a total of 4 regular meetings of the Employee Welfare Committee were held, mainly focusing on the election and succession of new committee members, holiday cash gift distribution, budget discussion, etc.

Welfare measures

 1	<h4>Statutory items</h4> <p>Health insurance, labor insurance, employment insurance, occupational accident insurance, labor pension contributions, overtime pay, weekend off (two days off), special leave, menstrual leave, family care leave, maternity check-up leave, accompanying maternity check-up leave and maternity leave, prenatal leave, parental leave, nursing room, employee health check-up</p>
 2	<h4>Compensation and benefits</h4> <ul style="list-style-type: none"> ● Regular annual salary increases depending on the company' s operating conditions ● Good promotion system ● On-the-job education and training for employees ● Employee group insurance and employee pension ● Year-end bonus, festival bonus (gift), birthday cash gift ● Spring banquet and raffle activities ● Subsidies for employee weddings, childbirth, and children' s education ● Employee and dependent funeral subsidies ● Referral bonus for in-service employees
 3	<h4>Facility subsidies</h4> <ul style="list-style-type: none"> ● Breastfeeding room ● Free employee dormitory ● Commuter shuttle bus (round trip from Kaohsiung to ENRESTEC Pingnan Plant) ● Employee parking lot for cars and motorcycles ● Employee lounge ● Employee uniforms ● Employee welfare network (partner stores & shopping discounts)
 4	<h4>Employee well-being support</h4> <ul style="list-style-type: none"> ● Regular health check-ups ● On-site health services by professional physicians and nurses, providing professional consultation ● Injury and hospitalization consolation payment & emergency relief payment

Note: The above salary, bonus, welfare, and allowance matters shall be handled in accordance with relevant regulations of the company.

Implementation Status of Parental Leave

In accordance with the legal basis of Article 15 of the Gender Equality in Employment Act, ENRESTEC provides female employees with 7 prenatal check-up leave and maternity protection leave during pregnancy, 56 days of maternity leave, and 1 flexible work hour adjustment for childcare per day (without pay), and parental leave. Male employees are given 7 days of paternity check-up and paternity leave when their spouses have a pregnancy check-up or give birth, so that they can have no worries when they need family care. In addition, the company and the Employee Welfare Committee provide maternity cash gift, education subsidies for children under 12 years old, breastfeeding room in the office, and regular on-site consultation services provided by physicians, so that our employees can have more resources at their disposal when raising their children. In 2023, a total of 16 employees applied for the children's education subsidies, and the accumulated amount of the subsidies reached NT\$ 252,000 as of 2023.

Statistics on applications for parental leave without pay, reinstatement and retention rates of in 2023

Item	Male	Female	Total
A: Number of employees meeting the qualification to apply for parental leave without pay	7	7	14
B: Number of employees who actually applied for parental leave without pay of the year	0	0	0
C: Number of employees who should be reinstated after the parental leave without pay of the year	0	2	2
D: Number of employees who were actually reinstated after the parental leave without pay of the year	0	1	1
E: Number of employees who were actually reinstated after the parental leave without pay in the previous year	0	0	0
F: Number of employees who were reinstated for one year after the parental leave without pay in the previous year	0	0	0
Application rate of parental leave without pay of the current year (%) (B/A)	-	-	-
Reinstatement rate of parental leave with pay of the current year (%) (D/C)	-	50%	50%
Retention rate of the parental leave without pay of the current year (%) (F/E)	-	-	-

Note:

The number of people who are eligible to apply for the parental pay without pay (A) is calculated based on the number of employees who have applied for maternity leave and paternity leave within three years of the current year. For example, 2023 is calculated from 2020/1/1~2023/12/31.

Retirement System

To protect the retirement life of our employees, ENRESTEC handles the matter in accordance with the provisions of the Labor Standards Act and Labor Pension Act, and in accordance with relevant regulations, contributions to retirement funds are reported and deposited into the employees' individual retirement accounts at the Labor Insurance Bureau. As of the end of 2023, approximately 2.83% of the employees are eligible for the old system of labor pension system and 97.17% are eligible for the new labor pension system. ENRESTEC is scheduled to formulate the Employee Retirement Measures in 2025 to clearly standardize retirement conditions and related measures to complete the retirement system.



Classification	Regulatory basis	Execution content	Implementation performance
Old labor retirement system	Labor Pension Act	Eligible employees will have 2% of their total monthly salary contributed by the company to a designated account at Bank of Taiwan.	The contribution amount for 2023 was NT\$ 15,071.
New labor retirement system	Labor Standards Act	Eligible employees will have 6% of their insured salary contributed by the company to their individual labor accounts.	The contribution amount for 2023 was NT\$ 3,380,242.

Labor-Management Agreement

While ENRESTEC has not established a labor union or signed collective agreements, to protect the rights of both labor and management and to promote a harmonious and united relationship, we hold 4 labor-management meetings on a yearly basis to discuss various labor negotiation issues. There are a total of 10 labor-management representatives, 5 management representatives appointed by the president and 5 labor representatives elected by a vote held among employees subject to Labor Standards Act within the company. A total of 4 labor-management meetings were held in 2023.

The Minimum Period of Advance Notice

In accordance with the provisions of Article 16, Paragraph 11 or 13 of the Labor Standards Act regarding the termination of employment contracts, the notice of termination will be conducted as follows.

1. Where an employee has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
2. Where an employee has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
3. Where an employee has worked continuously for more than three years, the notice shall be given thirty days in advance.
4. After receiving the advance notice referred to in the proceeding paragraph, a worker may, during hours of work, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.
5. Where an employer terminates the contract without serving an advance notice within the time limit prescribed in the first paragraph of this article, he/she shall pay the worker wages for the advance notice period.



5.4 Talent Development and Cultivation

In response to the regulatory requirements of the government, ENRESTEC plans relevant training courses for company development and annual plans to enhance the employees' knowledge, skills, and abilities from three aspects of professional training, education and development, thereby improving the work performance of individuals and teams and achieving the goal of sustainable management of the corporation. Every new employee will receive 3-4 hours of orientation training on their first day, covering topics such as introduction to the company, work rules, work standards (including internal information processing procedures and human rights-related content), a brief introduction on the environmental safety and health policies and safety regulations. The training is designed to help new employees get familiar with company regulations and policies. To improve employees' professional capabilities, we arrange training based on the requirements of each role and function, covering areas such as business management, professional competencies, industrial safety and health, and certification renewal, aiming to develop the competencies required for them to perform their duties.

Training category	Description of Content
Professional and technical training	<p>The training is focused on knowledge, skills, or experience required for new employees or processing clerks.</p> <ul style="list-style-type: none"> Each department head plans training programs according to the needs of work assignments, mainly using internal instructors, supplemented by externally hired instructors or external training. The HR Department coordinates the internal education and training courses for all departments. In addition to designated participants, the training courses are announced publicly and open for all employees to sign up freely.
Reserve and advanced training	<p>For the employee career planning, training on competencies required for job rotation or promotion is provided.</p> <ul style="list-style-type: none"> The department heads should proactively arrange training based on employees' backgrounds, performance, and future development potentials, or employees can also apply for training through the "Education and Training Application Form" . When external seminars are required, a thorough evaluation of the organizer, instructors, content, schedule, transportation, and costs should be made to avoid uniform participation in rotation. After the completion of external training, participants should submit a reflection report within 7 days.
Common education training	<p>Education and training is organized with an aim to enhance employee management consensus and quality of life.</p> <ul style="list-style-type: none"> This training is co-organized by the HR Department and the Administration Department based on the collective needs of employees. The subjects are not restricted to those directly related to work, but primarily aim to enhance quality of life and strengthen management consensus.

To reward the employees of member companies in the industrial park and facilitate harmonious relationship between labor and management, Manufacturers Association of Pingnan Industrial Park organized the 2023 Pingnan Industrial Park Model Labor Awarding event. There were 2 award recipients from our Company, acknowledging their commitment, responsibility, and proactive involvement in their work.





In terms of industry-academia cooperation, in response to industry demands and government key industry policies to strengthen the technical and practical skills of young talents to align with industry development and youth development, ENRESTEC participated in the 2022 Subsidy to Colleges and Universities for Employment Programs: Industry Linking Course and Job Matching Activities organized by National Kaohsiung University of Science and Technology. This event allows companies to find suitable talents while students also gain insights into the workplace and employment environment, thereby enhancing their competencies and making suitable career decisions.

On the other hand, the company also participated in Taiwan Experience Education Program (TEEP) organized by the Ministry of Education/National Sun Yat-sen University to attract foreign talents as a pool of candidates for the company's future international expansion and factory development. The program aims to attract foreign students to Taiwan. The foreign students will work as a team (in groups of four or five people) to conduct counseling activities based on specific problems or requirements of local companies through the guidance and leadership of local professional consultants. At the end of the program, the participants will propose solutions and submit reports. The purpose of the program is to facilitate a deeper understanding of Taiwanese companies among international students and at the same time use the diverse thinking and professional knowledge of the teams to provide local companies with practical and effective solutions. On the other hand, it also allows local companies to understand the professionalism and abilities of the foreign students, consider the potential contributions and impacts these students can have on the corporate operations, and ultimately result in opportunities for foreign students to join the companies, so as to strengthen the human resources in international marketing, thereby enhancing the level of internationalization of the companies.



Overview of Education and Training

The total number of employee education and training hours in 2023 amounted to 281.5 hours, and the total training cost was approximately NT\$ 89,199 thousand. The average training hour was 2.66 per employee, with an average training cost of NT\$841.5 thousand per person. In 2022, due to the implementation of a specialized workplace communication course designated for newly appointed mid-level and grassroots supervisors, the training hours as well as the costs were higher than the previous two years.

Statistics on employee education and training in the past three years

Item	2021	2022	2023
Number of employees	102	101	106
Training cost (NT\$ thousand)	78,969	381,182	89,199
Total training hours (hours)	307	1,016	281.5
Average training hours (hours)	3	10.05	2.66
Average training cost (NT\$ thousand)	774.21	3,774.08	841.5

Note:

1. The number of employees is the total number at the end of the year, not the number of trainees.
2. Average training hours= Total training hours/ total number of employees at the end of the current year.
3. Average training cost= Training cost/ total number of employees at the end of the current year.

2023 Statistics on the number of trainees and hours of education training by job positions

Item	Gender	Total number of trainees	Total training hours	Average training hours
Senior executives	Male	9	18	2
	Female	1	18	18
Mid-level and grassroots supervisors	Male	23	111	4.8
	Female	5	23	4.6
General employees	Male	56	63	1.1
	Female	12	48.5	4
Total		106	277.5	281.5

Education and Training for Security Personnel

Security personnel at ENRESTEC are outsourced by Vanguard Security Group to be in charge of stationed security services. The security personnel have received basic and professional education and training, covering topics on human rights, occupational safety and health, Personal Data Protection Act, prevention of unlawful infringement in the workplace, emergency response, Stalking and Harassment Prevention Act, and Sexual Harassment Prevention Act, as well as the promotion measures to prevent reoccurrence, so as to ensure that the security personnel do not infringe on basic human rights while on duty and are required to comply with relevant social behavior norms.



5.5 Employee Workplace Safety

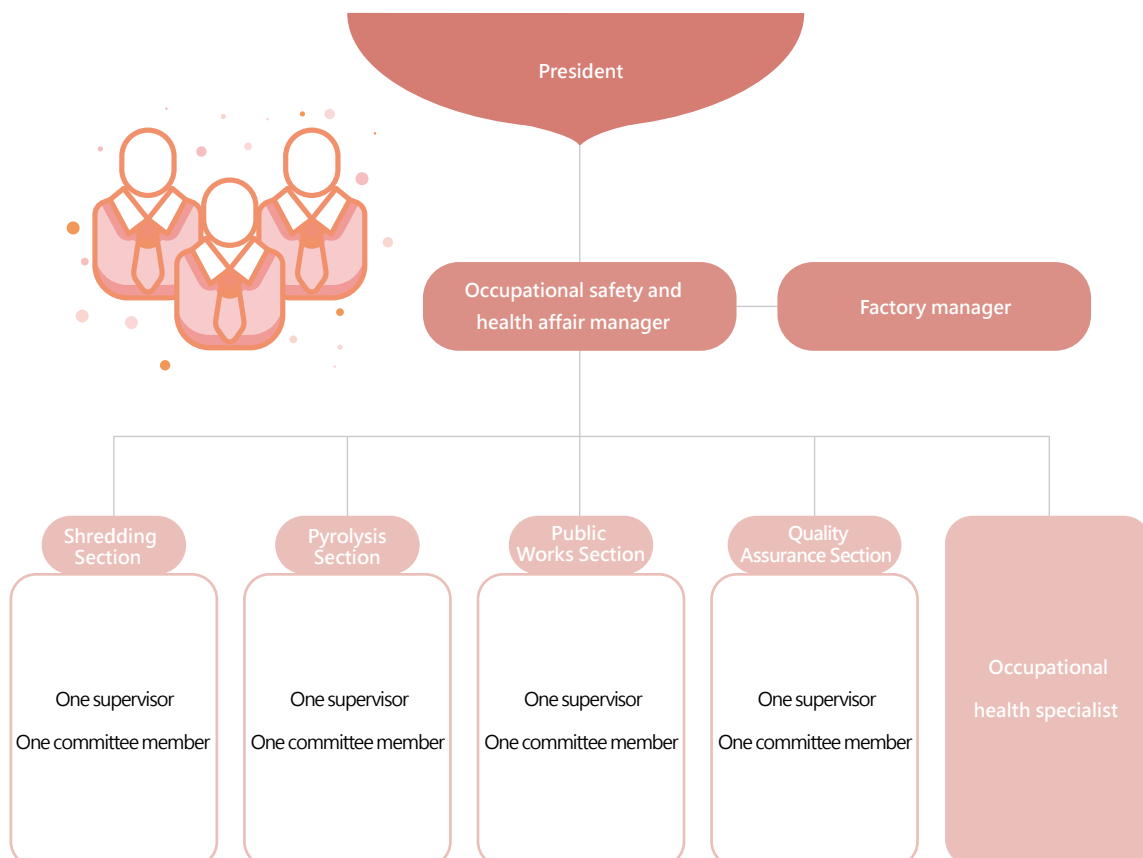
Occupational Safety and Health Management Regulations

To protect the safety and health of our employees in the working environment and prevent occupational disasters and accidents, ENRESTEC has established the Occupational Safety and Health Management Regulations in accordance with the provisions in the Occupational Safety and Health Act, which is applicable to all employees, non-employee workers, and contractors operating on-site in all the workplaces within the company's plants (including Pingnan Plant I and Pingnan Plant II), with an aim to ensure effective control of occupational safety, striving to create a work environment free from occupational accidents.

Worker Participation, Consultation, and Communication

► Occupational Safety and Health Committee

To create a safe and healthy workplace and continue to maintain the applicability, adequacy, and effectiveness of the occupational safety and health management system, ENRESTEC has set up the Occupational Safety and Health Committee as prescribed in Article 23 of the Occupational Safety and Health Act, with the president serving as the committee chair. There are a total of 10 committee members, with two labor representatives and one occupational health service nurse. The committee convenes on a quarterly basis to ensure the health and safety of all employees and to create a zero-accident work environment. The committee convened four times in 2023, covering the review and approval of performance evaluation reports for the management system, the discussion on occupational accident reports, proposals for occupational safety and health and relevant matters.

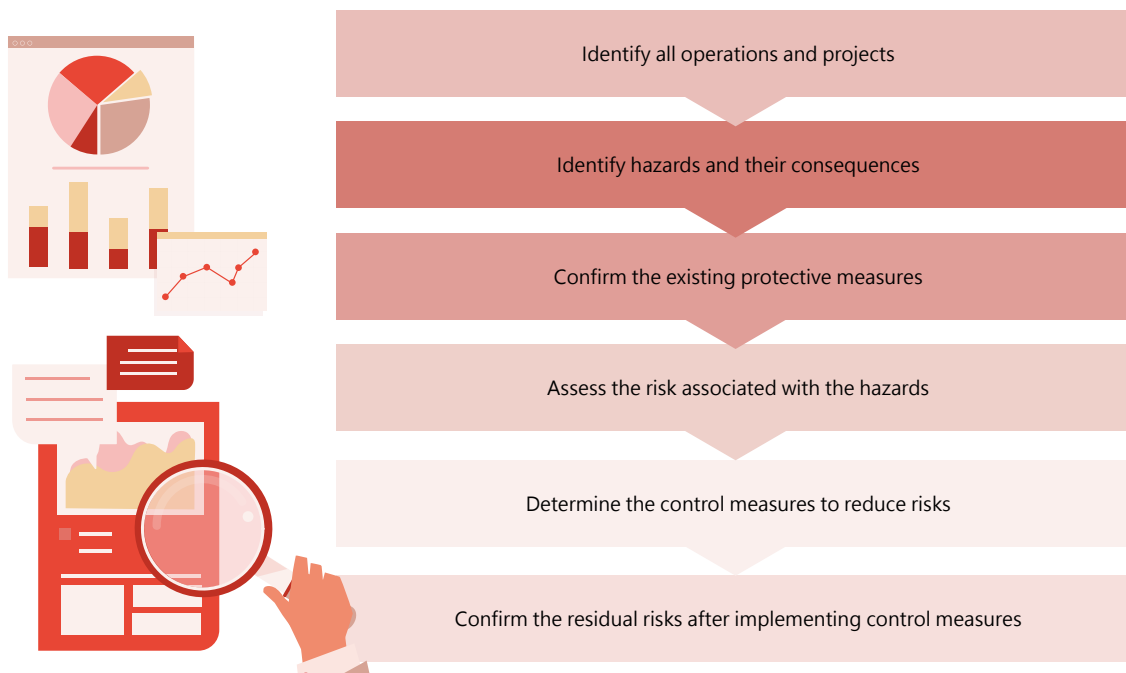


Hazard Identification and Risk Assessment

► Hazard and Risk Identification

Although ENRESTEC did not introduce ISO 45001 Occupational Safety and Health Management System, it is still dedicated to practicing workplace safety and avoiding hazards affecting the health of the employees. The company identifies potential direct or indirect hazards associated with the execution of tasks in accordance with the Hazard Identification and Risk Assessment Form from time to time every year. In 2023, hazard identification and assessment were conducted for the Public Works Section, Quality Assurance Section, and the contractors separately. When identifying risks, each unit head or their designated personnel must have a thorough understanding of the scale and characteristics of their work environment or operations (including processes, activities, or services). They should identify potential hazards and their consequences, as well as considering the history of hazardous events. The company classifies hazardous into 23 categories, simulating the potential consequences of each hazard to confirm the existing protective measures for employees and assess risk levels based on severity, likelihood, and risk levels. In addition, the criteria for determining unacceptable risks are established to serve as the basis for the prioritization of risk mitigation strategies. In 2023, the company identified a total of 13 hazards risks, all classified as mild and low risks, which are considered acceptable. It is necessary to actively implement or strengthen the maintenance, supervision, and training of existing protective measures. In the future, annual risk identification will continue, along with the establishment of corresponding response strategies and improvement plans to reduce the potential negative impacts of potential incidents.

Hazard Identification Process

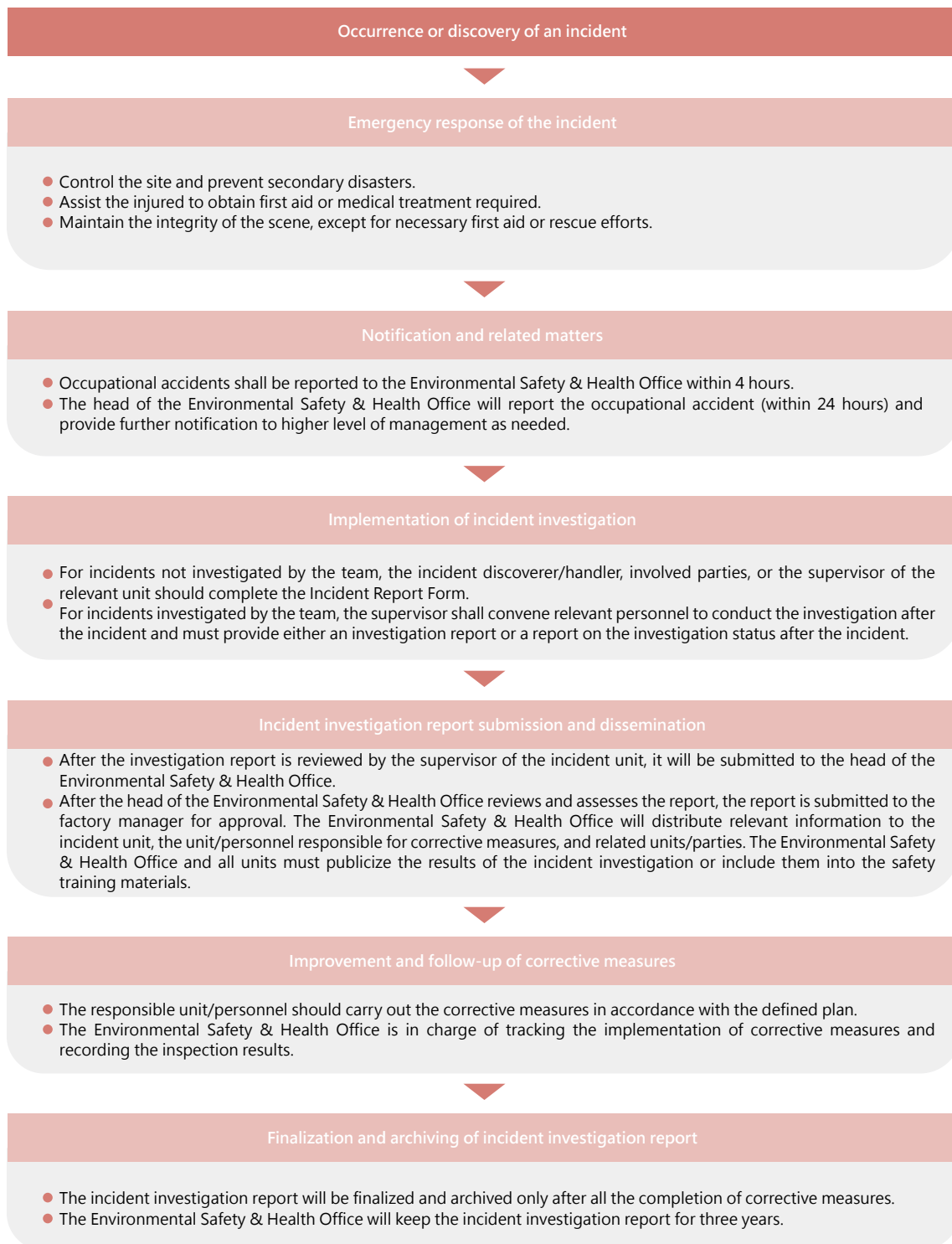


► Accident Investigation Management

ENRESTEC has established the Accident Management Procedure in its Occupational Safety and Health Management Regulations, aiming to improve the efficiency of accident investigations through a comprehensive investigation process. The investigation involves the confirmation of the incident circumstances, identification of causes, and the development of improvement proposals and preventive corrective measures to avoid similar incidents from happening again. The procedure is applicable to the management and investigation of occupational safety and health incidents in all the plants of the company. The Environmental Safety & Health Office supervises the investigation and statistical analysis of occupational accidents, including employee injuries, disabilities, and fatalities. The Administration Department is in charge of assisting affected employees with insurance compensation and related affairs. All departments support the accident investigation process and prepare accident prevention reports. The company's policies regarding relevant retreat rights are handled in accordance with the provisions of Article 18 of the Occupational Safety and Health Act.



Occupational Emergency Response Procedure



Contractor Safety Management

We believe that no matter it is the company employees or the contractors, all workers should enjoy a safe and healthy work environment. Therefore, we have established the Contractor Safety and Health Management Procedure to regulate the safety, health, and environmental management of contractors entering the company's construction sites to ensure the safety of the workers, resources and contractor employees.

Before the signing of contracts, ENRESTEC requires the contractors to sign the Safety, Health, and Environmental Commitment Letter. When entering the factory, contractors must sign various documents, including Hot Work Permit, Notification of Workplace Hazards, and Labor Entry Notification Form. For contractors engaged in in-plant work for more than one day or those regularly access the plants, the Environmental Safety & Health Office will provide in-plant safety training and environmental regulations briefings to ensure that all our employees and contractors can work under safe conditions. In 2023, safety education and training for contractors were provided to a total of 96 trainees, with 288 training hours in total.

The company entrusts the Vanguard Security Group to perform access control management and safety maintenance operations to implement the emphasis on labor safety and health and contractor construction management. By implementing the following measures, we can ensure effective health and safety management of outsourced personnel, guaranteeing that the employees of contracted companies can work in a safe and healthy working environment.

1. Ensure that contracted company employees have adequate health and safety training and resources, including emergency response and risk identification.
2. Regularly review the health and safety policies and procedures of the contracted companies to ensure compliance and execution.
3. Arrange regular health and safety inspections and assessments to ensure that the workplace complies with regulatory standards.
4. Establish clear communication channels with the contracted companies to stay informed of any health and safety concerns and take necessary corrective measures.
5. Define health and safety indicators and requirements in contracts, and carry out supervision and assessments.

Occupational Accident Statistics

In 2023, a total of 6 recordable occupational injuries occurred in ENRESTEC, with injury types of falling objects, burns, and others. Subsequent countermeasures include enhancing safety awareness among on-site personnel, increasing the visibility of hazard warning signs, putting up failure signs or other obvious warning facilities at appropriate distances to avoid personnel injuries. The total working hours lost amounted to 6 days. All the improvement measures for the deficiencies identified in the on-site incidents have been carried out to address both system equipment errors and behavioral issues so as to prevent recurrence of similar events.

Item	2023
Total experience hours	201,344
Occupational injury deaths	0
Occupational injury death rate	0
Severe occupational injuries (excluding deaths)	0
Severe occupational injury rate (excluding deaths)	0
Recordable occupational injuries	6
Recordable occupational injury rate	29.80

Note:

1. The occupational safety statistics data above did not include traffic accidents commuting to and from work.
2. The total experience hours are based on actual reported hours.
3. Death rate caused by occupational injury = number of deaths caused by occupational injury/working hours* 1,000,000.
4. Severe Occupational Injury Rate = Number of severe occupational injuries (excluding deaths)/ working hours* 1,000,000. Severe occupational injuries refer to injuries that result in disability or inability to return to pre-injury health status within six months.
5. Recordable Occupational Injury Rate = recordable occupational injury number (including death and severe occupational injuries)/ working hours* 1,000,000.
6. The company has not collected data on non-employee workers, so relevant data cannot be disclosed this year. We plan to establish relevant data collection process in the future.



Occupational Health Services

► Health Checkups

To ensure the safety and health of employees in the working environment, ENRESTEC has set up a dedicated Environmental Safety & Health Office to be in charge of the implementation and update of the Environmental Safety and Health Work Rules. Health checkups and management are carried out annually for employees in general operations and have been insured for more than one year. In addition, for employees involved in specialized tasks (such as high temperature, noise, and dust exposure), special health checkups targeting at major health hazards identified through hazard identification and risk assessment are carried out. Health management measures are provided for workers subjected to abnormal workloads, such as shift work, night shifts, and long hours, to prevent the brain and cardiovascular diseases caused by excessive fatigue. Employees with abnormal health check results or those whose risk of cardiovascular disease within ten years exceeds 20% will receive medical assistance and regular checkup reminders from the factory nurse to ensure care services are implemented. In addition, special consultations are also available for individuals with health concerns. Nursing services are offered four times a month, while medical services provided by the factory physician are provided four times a year, to offer our employees professional consultation channels. The company actively manages and develops plans for education, training, counseling, prevention/risk monitoring, and medical assistance concerning individual health abnormalities. Personal health service records and information for all employees are only used to evaluate their safety within the workplace, and will not be used for any other purposes. Such information is securely maintained by the Environmental Safety & Health Office and will not be disclosed.

In 2023, a total of 38 employees of the company underwent general health checkups while 44 underwent special health checkups. The results of the special health checkups showed that 19 of the employees were graded Level 3 health managers, and the company has hired occupational medicine specialists from E-Da Hospital to conduct follow-up checkups (4 times/year). When necessary, on-site assessment of suspected work-related illnesses should be conducted, and reclassification should follow the assessment findings. The results of the classification and any actions taken should be reported within 30 days after the assessment as prescribed by the central competent authority. The purpose is to enforce graded management of workplace health, enhance occupational disease prevention, and protect labor rights. Health follow-up checks for Level 3 managers can be carried out by occupational medicine specialists, not limited to medical facilities only. Employees may request their employed or contracted occupational medicine specialists to provide on-site services for reclassification. Furthermore, there is no specified deadline for health follow-up checks. The examining physician can offer recommendations based on individual cases, allowing workers to undergo follow-up checks within the suggested timeframe and complete the reported as required. Additionally, there were no reported cases of occupational diseases in 2023. We will continue to enhance tracking and management of the aforementioned employee conditions and mandate that employees properly wear personal protective equipment.



2023 Statistics on employee health checkups: Number of employees and costs

	General health check-up	Special health check-up
Examination items	General checkup, urine test, routine blood test, liver function test, hepatitis B screening, biliary function test, renal function test, glomerular filtration rate, gout test, lipid profile, hyperlipidemia, risk factor test, heart function test, blood sugar test, tissue inflammation test, cancer screening, colorectal cancer fecal screening, abdominal ultrasound, gynecological ultrasound, prostate ultrasound, lung functional examination, bone density examination, X-ray examination, electrocardiogram examination, hearing examination, epithelial cell carcinoma.	Noise (hearing), dust (lung function), high temperature
Frequency	<ul style="list-style-type: none"> Insured workers under labor insurance who have completed a continuous coverage of one year can apply to the Bureau of Labor Insurance for a preventive occupational disease health checkup. General employees with at least one year of insurance must undergo health checkups on a yearly basis. 	Once a year
Number of people	38	44
Cost	NT\$ 4,200 thousand	Bureau of Labor Insurance payment ^{Note}

Note: The Labor Affairs Bureau subsidized NT\$ 1,100, and the rest of the expenses were covered by the company.

► Health Promotion

ENRESTEC is dedicated to promoting the four major plans for labor health protection, including Prevention of abnormal workload-induced diseases, Maternal health protection, Prevention of human induced musculoskeletal harm, and Prevention of unlawful infringement in the workplace and take corresponding countermeasures based on the actual implementation status in the plants.

► Prevention of Abnormal Workload-induced Diseases

In view of the cerebral and cardiovascular diseases caused by long-term abnormal workload, ENRESTEC has formulated Prevention Plans of Abnormal Workload-induced Diseases in accordance with Article 6 of Occupational Safety and Health Act and Article 324-2 of Occupational Safety and Health Facilities Regulations to develop assessment processes and corrective measures. First, based on the employees' previous medical history of heart disease or stroke and their annual health checkup records, the risk of developing cardiovascular diseases within the next ten years will be calculated. For employees considered at higher risk will undergo a work hazard risk assessment. The assessment will take into account the average overtime hours reported by the Human Resources Department over the last six months, along with employees' self-assessment of personal and work-related fatigue. The results will be submitted to occupational health specialists to calculate fatigue scores, and together with physicians, a comprehensive evaluation of the risk of illness related to excessive workload will be carried out, providing employees with medical and work suitability recommendations. In 2023, a risk assessment for abnormal workload-induced diseases was carried out for 30 employees, and among them, 2 were determined to be at high risk for abnormal workload-induced diseases, and both of them received health guidance and follow-up work suitability adjustments from a physician. The rest employees receiving the assessment were classified as low-risk.

► Maternal Health Protection

To prevent physical, chemical, biological, human factors, and psychosocial hazards in the workplace from affecting the maternal and fetal health of female employees during pregnancy and childbirth as well as the reproductive health during childbearing period, ENRESTEC has formulated the Maternal Health Protection Plan in accordance with the Labor Standards Act and Occupational Safety and Health Act, and the occupational safety and health personnel and medical personnel will regularly use the Maternal Health Workplace Hazard Assessment and Protection Measure Form to evaluate the level of maternal health management in the workplace. If there are pregnant employees in their unit, corresponding maternal health protection measures should be carried out. Female employees who are pregnant or less than one year after giving birth will complete a self-assessment of their health by referring to the mother's handbook and prenatal checkup results. For employees at high risk or have significant health problems, we will arrange interviews and consultations with a physician for our employees, and the maternal health protection measures actually adopted by the employees are also put into consideration for a comprehensive assessment of the employees' personal maternal health management level, and medical as well as work suitability suggestions are also provided. In 2023, the maternal health protection plan assessment was carried out under first-level management, and there were no major risk concerns.

► Prevention of Human Induced Musculoskeletal Harm

To prevent the employees from long-term exposure to human factor-related musculoskeletal hazards that can lead to discomfort or pain in muscles or affected areas, the company has established the Plan for Preventing Human Factor-Related Musculoskeletal Hazard. The risk assessment includes individual health evaluation and work hazard assessments, and suitable checklists are provided for employees to assess tasks such as lifting heavy objects, pushing and pulling loads, repetitive gripping, and computer-based office work. In 2023, a risk assessment for human factor-related musculoskeletal hazards was carried out. A total of two employees used the on-site consultation service provided by the physician, and follow-up independent health management and continuous monitoring will be conducted.





► Prevention of Unlawful Infringement In the Workplace

When an employee suffers unlawful infringement, mental harm, or stalking and harassment due to performing duties in the workplace, the Workplace Unlawful Infringement Prevention Plan will be immediately initiated. If the Human Resources Department receives a report of a suspected unlawful incident in the workplace, it must convene an incident investigation committee within 24 hours. The committee must keep thorough and accurate records of both the investigation process and the findings. In the cases where the incident involves outside parties or significant unlawful circumstances, relevant personnel must collaborate with law enforcement authorities during the investigation. There were no reported incidents of unlawful behavior in the workplace in 2023.

► Six Major Health Protection Plans

ENRESTEC actively promotes health services and preventive measures so as to help improve the employees' work performance. The current employee health protection practices, Six Major Health Protection Plans, are detailed in the following table. In 2023, two sessions of health promotion workshops were held, covering topics such as smoking cessation education and the promotion of noise protection measures- tips on earplug usage, etc., with a total of 20 participants.



▲ Smoking cessation education service



▲ Promotion of noise protection measures- tips on earplug usage

Maintenance of Health	Regular Health and Hygiene Education	Health Risk Management
Medical professionals specializing in labor health services carry out on-site health services, conduct physical examination and health screenings for employees, and analyze, evaluate, manage, and preserve special health examinations. Prevention and treatment, health consultations, first aid, and emergency interventions of both occupational and general injuries and illnesses are also provided.	<ul style="list-style-type: none"> ● Provide sufficient qualified first aid personnel ● To implement on-the-job education and training on occupational safety and health, the company regularly holds one-hour safety and health education training every year (compliant with the regulatory 3 years/ 3 hours regulations). 	Regularly conduct health risk management and work suitability assessment for employees who work shifts, long hours, and middle-aged and elderly employees.
Cancer Screening	Health Promotion Services	Badge of Accredited Healthy Workplace
Medical professionals specializing in labor health services promote the 5 evidence-based cancer screening provided by Health Promotion Administration, Ministry of Health and Welfare, providing information brochures and health education targeted at employees, focusing on factors such as smoking habits, age eligibility, and family medical history.	To establish healthy lifestyles among employees and enhance their physical and mental well-being, we conduct regular seminars on smoking cessation, noise protection programs, and dengue fever prevention.	ENRESTEC is dedicated to promoting the health promotion and tobacco control policy, and has been proved to be qualified for accreditation-badge for a preliminary healthy workplace.



Accreditation- Badge for a Preliminary Healthy Workplace

ENRESTEC is aware that our employees work long hours in the plants. To establish a healthy lifestyle within the workplace through a systematic model of self-management. We strive to improve workplace health and promote the physical and mental well-being of our employees while fulfilling our corporate social responsibilities. Since 2021, we have participated in the Accreditation- Badge for a Preliminary Healthy Workplace organized by the Health Promotion Administration, Ministry of Health and Welfare. In addition to complying with regulatory requirements for tobacco harm prevention, we also actively organize health promotion activities and provide a healthy working environment and encourage physical activities. Consequently, it has been proved that ENRESTEC is qualified for accreditation- badge for a preliminary healthy workplace.

Note: This badge is valid from January 1, 2024 to December 31, 2026.



Occupational Safety and Health Education and Training



▲ AED education and training



▲ General education training of chemical hazards

To improve employees' awareness of occupational safety, ENRESTEC implements various educational training courses on a yearly basis as required by regulations for our employees and in-plant non-employee workers. These courses include general safety education training, occupational safety and health education, safety and health training for supervisory personnel, training for supervisors handling organic solvents, anoxic operation supervisors, specific chemical substance operation supervisors, dust operation supervisors, stationary crane, forklifts, boiler operator training, contractor safety and health education training, first aid training, etc. Our personnel operating specific types of mechanical equipment have obtained the required operating licenses. In 2023, we completed training for acetylene operators, forklift operators, and personnel responsible for specific chemicals and fire management, with a total of 7 trainees and 15 training hours.

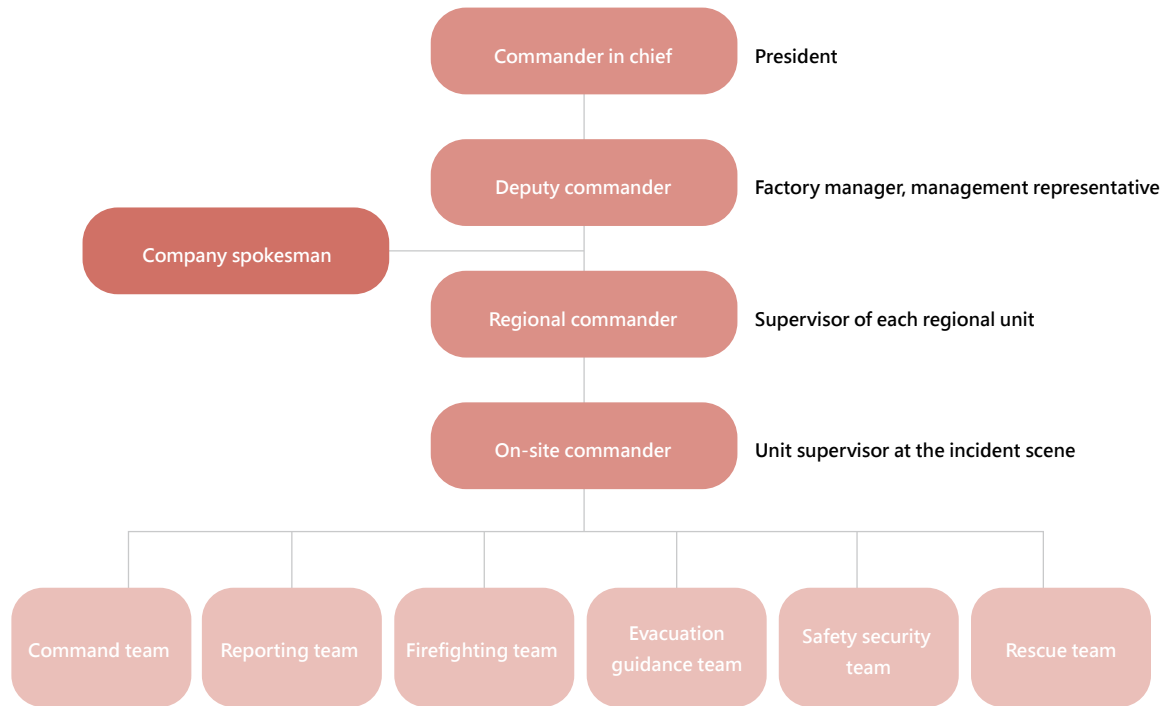
▼ Fire drill



Emergency Response Management

To implement the concept of fire disaster prevention and response management and improve our employees' knowledge, attitudes, and response capabilities, we follow the principles set forth in the Enforcement Rules of the Occupational Safety and Health Act and have established the emergency response flowcharts and the four phases of emergency management (Mitigation, Preparedness, Response, and Recovery) of fire, along with a disaster response command system. This framework enables us to effectively respond to fire incidents, reduce property loss, and safeguard the safety and life of our employees.

In-plant Emergency Response Organizational Chart

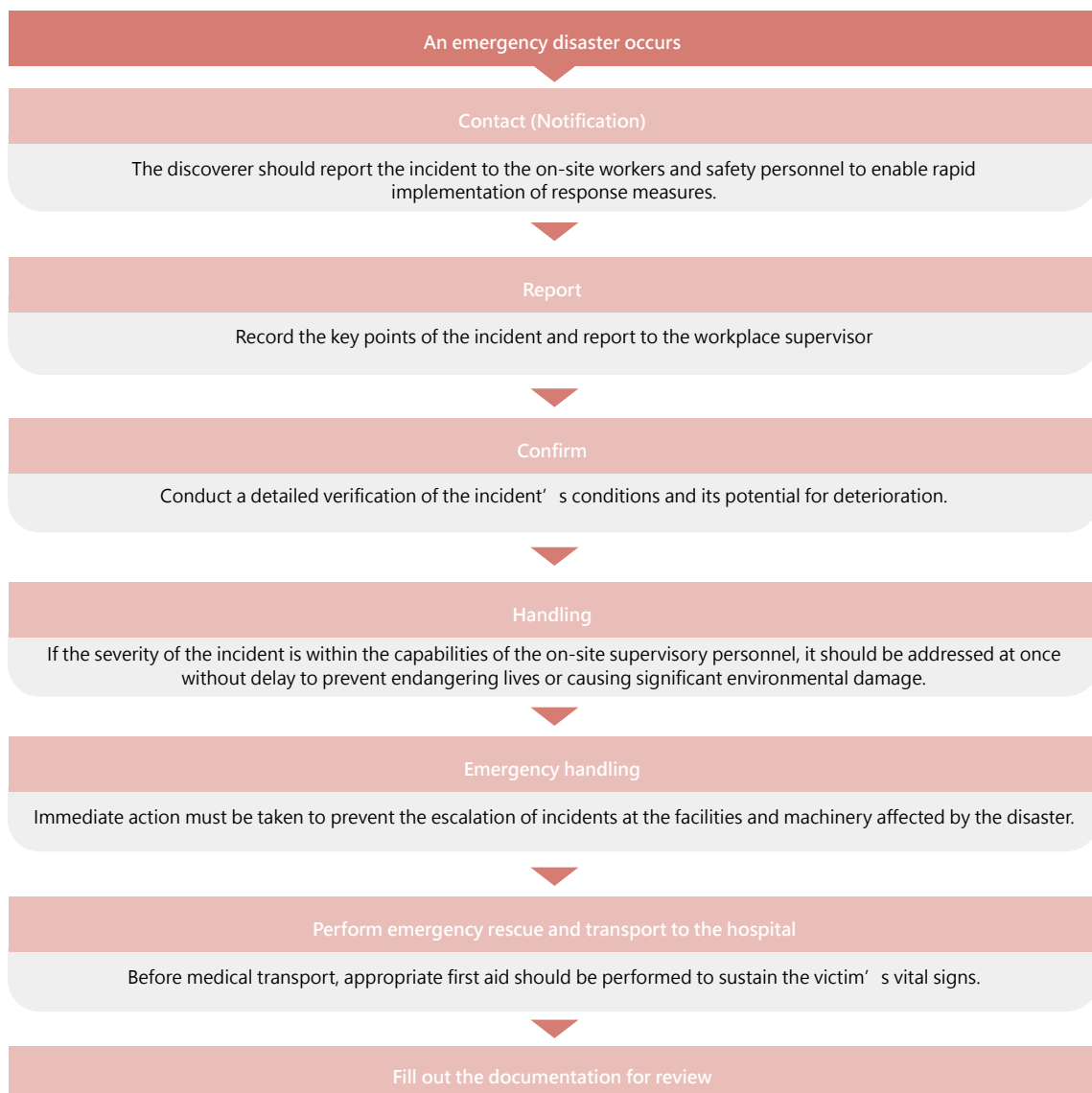


Roles and responsibilities of personnel in the in-plant emergency response organization

Contingency Grouping	Roles and Responsibilities
Response commander	<ul style="list-style-type: none"> Responsible for overseeing the operation of the emergency response organization and understanding the development of the disaster situation Coordinate and command disaster relief work and report the situation to the supervisory authority Authorize the company spokesperson to release information about the disaster to the media
Company spokesman	<ul style="list-style-type: none"> Gain a thorough understanding of the disaster situation and be in charge of directing all departments to respond to emergencies Report details to the commander and be responsible for releasing information to the press
Regional on-site command	<ul style="list-style-type: none"> Command of subordinates to carry out emergency repair of equipment Maintenance operations and technical assistance Emergency repair and maintenance of mechanical equipment and civil construction Emergency repair and maintenance of instrument and electrical equipment Technical and human assistance for equipment repair and maintenance operations
Person in charge	Command, direct, and supervise the self-defend firefighting team
Security supervisor	Assist the self-defense firefighting captain and act on his/her behalf in his/her absence.

Contingency Grouping	Roles and Responsibilities
Command team	Assist the self-defense firefighting captain, deputy captain (when both the captain and deputy captain are absent, the squad leader shall act on their behalf) in conducting necessary command tasks, and provide disaster response information and equipment or request support. (If this team is not organized, the Reporting Team should assume the responsibilities.)
Reporting team	Oversee the self-defense firefighting operations and the status of the disaster, and timely issue emergency broadcast and notifications to individuals within the building and relevant authorities, including fire departments.
Firefighting team	Use fire extinguishers, indoor fire hydrants, and other fire safety equipment for initial fire suppression.
Evacuation guidance team	When a fire occurs, control the elevator access and use auxiliary tools such as portable loudspeakers, flashlights, and whistles, focusing on the safety exists to effectively guide individuals to evacuate.
Safety security team	Operate safety doors and fire shutters, turn off air conditioning units, take safety measures for hazardous materials, gas, and electrical equipment, and prevent water damage and remove obstacles to firefighting activities.
Rescue team	Provide first aid and transportation for the injured, and set up an emergency medical station.

In-plant Emergency Response Flowchart



External Support Methods

Unit	Support Items
Resource Recycling Fund Management Board, Environmental Protection Administration, Executive Yuan	Notification to the competent authority
Southern Region Inspection Office, Council of Labor Affairs(CLA), Executive Yuan	Occupational disaster notification
Environmental Protection Bureau, Pingtung County Government	Notification
Pingnan Industrial Park Service Center, MOEA	Emergency response
Pingnan Industrial Park Wastewater Treatment Plant	Wastewater treatment
Fangliao Township Fire Brigade	Emergency response
Fangliao Township Disaster Response Center	Emergency response
SING UANG ENVIRONMENT CO.	Waste management
Fangliao Township Office	Notification
Donghai Police Station, Fangliao Precinct, Pingtung County Police Bureau	Notification
Fangliao General Hospital	Comprehensive medical care
Pingtung Hospital	Comprehensive medical care
Pingtung Christian Hospital	Comprehensive medical care

To improve the disaster response capabilities of the plants, ENRESTEC participated in a joint fire drill co-organized by the Third Brigade of the Bureau of Fire and Emergency Services of Pingtung County Government and Hershey Environmental Technology Co., Ltd. in 2023, simulating an earthquake causing the leakage of flammable liquids and chemical substances that triggered a fire alarm. The plants immediately activated the emergency response mechanism and also trained employees in self-defense firefighting skills. This also allows firefighters to enhance their skills in chemical disaster rescue and understand the characteristics and hazards of chemical plant hazards and risk factors.

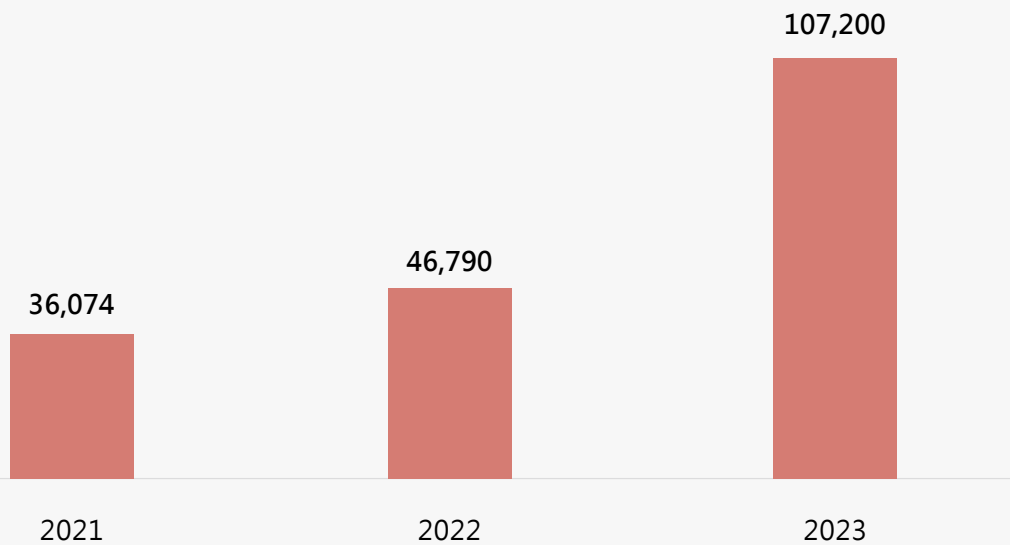
The drill included individual drills on multiple disaster relief skills, such as high-altitude rescue with a ladder truck, rope descent, and self-rescue practices for firefighters. A lively and creative skit demonstrated CPR procedures. Following this was a comprehensive simulation of a fire triggered by a leak in the processing area conduits of Hershey Environmental Technology Co., Ltd. The factory initiated its self-defense firefighting mechanism to carry out notification, initial fire suppression, and evacuation procedures. After receiving the report, the Bureau of Fire and Emergency Services immediately dispatched personnel and vehicles to the scene. At the same time, the emergency response team of Pingnan Industrial Park Service Center was notified, along with Taiwan Water Company, Taiwan Power Company, the police and other relevant agencies to cooperate in disaster relief work. When Fangliao Brigade arrived and confirmed the situation of the plant, they immediately adopted water mist protection and installed a tracked remote-controlled turret and high-expansion smoke exhaust fan as a part of the advanced disaster response technology. In addition, the Key Points for Fire Scene Command and Rescue Operations were put into practice, and the Third Brigade staff conducted relevant safety controls and collected information at the fire scene, aiming to enhance the firefighting command capability, strengthen fire rescue efficiency and safety, and optimize overall firefighting effectiveness to ensure the safety of people's lives and property.



5.6 Community Contribution

ENRESTEC is dedicated to participating in charity and various community activities, and considers these actions as an essential part of its sustainable development. In recent years, it has consistently sponsored local temples, meals and events for volunteer firefighters, band performances, and high school badminton clubs in Fangliao Area. In 2023, the total amount donated to charity activities reached NT\$ 107,200, and the cumulative donation to charity activities in the past three years amounted to NT\$190,064. In the future, the company will continue to support social welfare activities while maintaining corporate profitability, thereby demonstrating its corporate responsibility.

Cumulative donation to charity activities in the past three years



▲ Donation of Lunar New Year relief funds to Fangliao Precinct



▲ Certificate of appreciation for donation to Fangliao High School Badminton Club

Appendix



Appendix I. GRI Content Index	83
Appendix II. The Climate-related Information Comparison Table for TWSE/TPEX Listed Companies	88

Appendix I. GRI Content Index

Statement of Use	Accordance with the GRI Standards for the period 2023/1/1-2023/12/31
GRI 1 Used	GRI 1 : Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI 2 : General Disclosures 2021

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
The organization and its reporting practices				
2-1	Organizational details	About ENRESTEC INC.	03	
2-2	Entities included in the organization' s sustainability reporting	Editing Guidelines of this Report	02	
2-3	Reporting period, frequency and contact point	Editing Guidelines of this Report	02	
2-4	Restatements of information	Editing Guidelines of this Report	02	
2-5	External assurance	—	—	N/A
Activities and workers				
2-6	Activities, value chain and other business relationships	About ENRESTEC INC. 2.1 Product Introduction and Application 3.1 Industry Value Chain	03 28 35	
2-7	Employees	5.2 Employee Structure	58	
2-8	Workers who are not employees	5.2 Employee Structure	58	
Governance				
2-9	Governance structure and composition	1.1 Corporate Governance	16	
2-10	Nomination and selection of the highest governance body	1.1 Corporate Governance	16	
2-11	Chair of the highest governance body	1.1 Corporate Governance	16	
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Management 4.1 Climate Change Response	07 40	
2-13	Delegation of responsibility for managing impacts	Sustainable Management	07	
2-14	Role of the highest governance body in sustainability reporting	Editing Guidelines of this Report	02	
2-15	Conflicts of interest	1.1 Corporate Governance	16	
2-16	Communication of critical concerns	Sustainable Management	07	

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
Governance				
2-17	Collective knowledge of the highest governance body	1.1 Corporate Governance	16	
2-18	Evaluation of the performance of the highest governance body	1.1 Corporate Governance	16	
2-19	Remuneration policies	1.1 Corporate Governance	16	
2-20	Process to determine remuneration	1.1 Corporate Governance	16	
2-21	Annual total compensation ratio	5.3 Employee Benefits	63	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from Top Management	01	
2-23	Policy commitments	5.1 Commitments to Human Rights	56	
2-24	Embedding policy commitments	5.1 Commitments to Human Rights	56	
2-25	Processes to remediate negative impacts	5.1 Commitments to Human Rights	56	
2-26	Mechanisms for seeking advice and raising concerns	1.2 Ethical Integrity 5.3 Employee Benefits	20 63	
2-27	Compliance with laws and regulations	1.2 Ethical Integrity	20	
2-28	Membership associations	About ENRESTEC INC.	03	
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Stakeholder Communication	07	
2-30	Collective bargaining agreements	5.3 Employee Benefits	63	

Material Topics Disclosures 「★」 indicates a self-owned topic.

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
3-1	Process to determine material topics	Identification of Material Topics	10	
3-2	List of material topics	Identification of Material Topics	10	
Economic Performance				
3-3	Management of material topics	1 Operational Governance	14	
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	1.3 Operational Performance	23	
Information Security Management				
3-3	Management of material topics	1 Operational Governance	15	
3-3 GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.4 Information Security Management	24	

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
★ R&D and Green Innovation				
3-3	Management of material topics	2 Innovative Research and Development	26	
Sustainable Raw Material Management				
3-3	Management of material topics	2 Innovative Research and Development	26	
GRI 301 : Materials 2016	301-1 Materials used by weight or volume	4.3 Raw Materials	47	
	301-2 Recycled input materials used	4.3 Raw Materials	47	
	301-3 Reclaimed products and their packaging materials	4.3 Raw Materials	47	
Air Pollution				
3-3	Management of material topics	4 Environmental Friendliness	39	
GRI 305 : Emissions 2016	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emission	4.5 Pollution Prevention and Control	51	
Waste Management				
3-3	Management of material topics	4 Environmental Friendliness	39	
GRI 306 : Waste 2020	306-2 Management of significant wasterelated impacts	4.5 Pollution Prevention and Control	51	
	306-3 Waste generated	4.5 Pollution Prevention and Control	51	
Talent Attraction and Retention				
3-3	Management of material topics	5 A Sustainable Workplace	55	
GRI 201 : Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	5.3 Employee Benefits	63	
GRI 401 : Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	5.3 Employee Benefits	63	
	401-3 Parental leave	5.3 Employee Benefits	63	
GRI 402 : Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5.3 Employee Benefits	63	
Talent Development and Cultivation				
3-3	Management of material topics	5 A Sustainable Workplace	55	
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	5.4 Talent Development and Cultivation	67	
	404-2 Programs for upgrading employee skills and transition assistance programs	5.4 Talent Development and Cultivation	67	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.2 Employee Structure	58	



The topic-specific GRI Standards

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
GRI 200 Series (Economic)				
GRI 201 : Economic Performance 2016	201-4 Financial assistance received from government	1.3 Operational Performance	23	
GRI 202 : Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Benefits	63	
	202-2 Proportion of senior management hired from the local community	5.2 Employee Structure	58	
GRI 203 : Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	5.6 Community Contribution	81	
	203-2 Significant indirect economic impacts	5.2 Employee Structure	58	
GRI 204 : Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.2 Sustainable Supply Chain	36	
GRI 205 : Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	1.2 Ethical Integrity	20	
	205-2 Communication and training about anti-corruption policies and procedures	1.2 Ethical Integrity	20	
	205-3 Confirmed incidents of corruption and actions taken	1.2 Ethical Integrity	20	
GRI 206 : Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2 Ethical Integrity	20	
GRI 300 Series (Environmental)				
GRI 301 : Materials 2016	301-1 Materials used by weight or volume	4.3 Raw Materials	47	
	301-2 Recycled input materials used	4.3 Raw Materials	47	
	301-3 Reclaimed products and their packaging materials	4.3 Raw Materials	47	
GRI 302 : Energy 2016	302-1 Energy consumption within the organization	4.2 Energy and Greenhouse Gases	44	
	302-3 Energy consumption outside of the organization	4.2 Energy and Greenhouse Gases	44	
	302-4 Reduction of energy consumption	4.2 Energy and Greenhouse Gases	44	
GRI 303 : Water and Effluents 2018	303-1 Interactions with water as a shared resource	4.4 Water Resources	49	
	303-2 Management of water discharge related impacts	4.4 Water Resources	49	
	303-3 Water withdrawal	4.4 Water Resources	49	
	303-4 Water discharge	4.4 Water Resources	49	
	303-5 Water consumption	4.4 Water Resources	49	
GRI 305 : Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4.2 Energy and Greenhouse Gases	44	
	305-2 Energy indirect (Scope 2) GHG emissions	4.2 Energy and Greenhouse Gases	44	
	305-3 Other indirect (Scope 3) GHG emissions	4.2 Energy and Greenhouse Gases	44	
	305-4 GHG emissions intensity	4.2 Energy and Greenhouse Gases	44	

GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
GRI 300 Series (Environmental)				
GRI 305 : Emissions 2016	305-5 Reduction of GHG emissions	4.2 Energy and Greenhouse Gases	44	
	305-6 Emissions of ozone-depleting substances (ODS)	4.5 Pollution Prevention and Control	51	
GRI 400 Series (Social)				
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	5.2 Employee Structure	58	
GRI 403 : Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.5 Employee Workplace Safety	70	
	403-2 Hazard identification, risk assessment, and incident investigation	5.5 Employee Workplace Safety	70	
	403-3 Occupational health services	5.5 Employee Workplace Safety	70	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.5 Employee Workplace Safety	70	
	403-5 Worker training on occupational health and safety	5.5 Employee Workplace Safety	70	
	403-6 Promotion of worker health	5.5 Employee Workplace Safety	70	
	403-7 Occupational health and safety management system	5.5 Employee Workplace Safety	70	
	403-8 Hazard identification, risk assessment, and incident investigation	5.5 Employee Workplace Safety	70	
	403-9 Occupational health services	5.5 Employee Workplace Safety	70	
	403-10 Work-related ill health	5.5 Employee Workplace Safety	70	
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	5.5 Employee Workplace Safety	58	
	405-2 Ratio of basic salary and remuneration of women to men	5.2 Employee Structure	63	
GRI 406 : Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.3 Employee Benefits	20	
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	1.2 Ethical Integrity	20	
GRI 408 : Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	1.2 Ethical Integrity	20	
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	1.2 Ethical Integrity	20	
GRI 410 : Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	5.4 Talent Development and Cultivation	67	
GRI 411 : Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	1.2 Ethical Integrity	20	
GRI 413 : Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5.6 Community Contribution	81	
	413-2 Operations with significant actual and potential negative impacts on local communities	5.5 Employee Workplace Safety	70	



GRI Topics	Expose the Project	Corresponding Chapter	Page	Note
GRI 415 : Public Policy 2016	415-1 Political contributions	–	–	ENRESTEC INC. didn't have the situation in 2023.
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	2.1 Product Introduction and Application	28	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	1.2 Ethical Integrity	20	

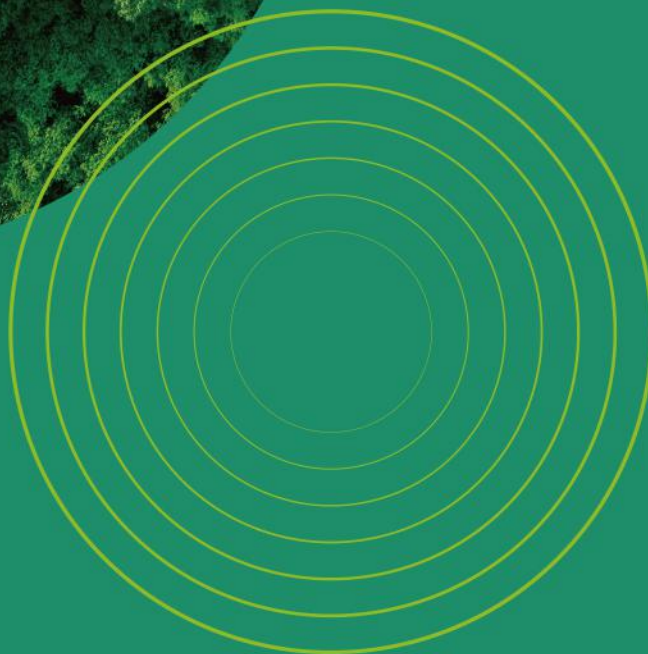
Appendix II. The Climate-related Information Comparison Table for TWSE/TPEX Listed Companies

Item	Disclosure content of 2022
1. Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.	4.1 Climate Change Response
2. Describe how the climate risks and opportunities identified affect the company's business, strategies, and financial position (short-term, mid-term, long term).	
3. Describe the impact of extreme weather events and transition actions on the company's financial position.	
4. Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.	
5. If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	N/A
6. If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	
7. If internal carbon pricing is used as a planning tool, describe the basis for pricing	
8. If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	ENRESTEC is an OTC Company, and therefore is not subject to the provisions of Preparation and Filing of Sustainability Reports by TPEX-listed Companies. However, the company still reviews the reporting requirements for TPEX-listed companies and discloses information based on its actual implementation status.
9. GHG inventory and assurance, reduction targets, strategies, and specific action plans.	



2023

ESG Report



ENRESTEC