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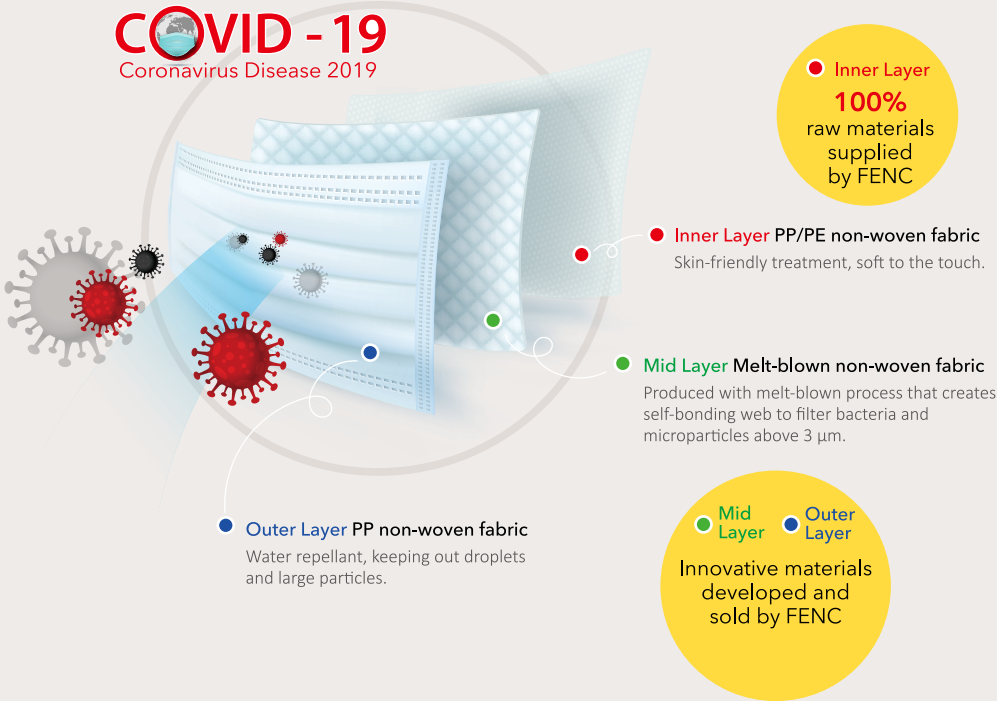


Fighting COVID-19 and Safeguarding National Health with Advanced Deployment

Since COVID-19 outbreaks began in December 2019, the virus quickly spread from its epicenter in Asia into a global pandemic. By May 2020, over 6 million people worldwide have been infected, with the death toll reaching 350,000. This black swan is impacting global economy at an astronomical scale. World Trade Organization (WTO) estimated in April that global trade will shrink by 13% in 2020, very possibly worse than the 2008-2009 financial crisis. International Labor Organization (ILO) estimates that approximately 2.7 billion workers, over 80% of the global workforce, are affected by the pandemic.

Support for Society: Fighting COVID-19 with Medical Grade Fiber

FENC is the largest supplier of medical-grade PE/PP and PE/PET composite fibers in the world, and the only company in Taiwan supplying materials that make up the skin-friendly inner layer of medical masks.



On March 31st, 2020, daily medical mask production in Taiwan surpassed 13 million, and FENC is the sole supplier of all skin-friendly medical-grade fiber that makes up the inner layer of these masks. National medical mask production will jump to 20 million per day for the next stage, and FENC is prepared to supply the medical-grade fiber needed.

Aside from stable supply of materials for the production of medical masks, FENC also produces PE/PET composite fiber for N95 masks. The government has demanded higher N95 production for the fight against COVID-19, and FENC is more than ready to satisfy this demand with ample supply of the raw materials needed.

FENC is also the leading global supplier of medical-grade non-woven fabric, supplying high-quality fiber to major brands worldwide. Our strategic research and development efforts have been channeled toward functional fibers such as medical-grade and anti-virus fibers, which propel us into the production of protective clothing, including medical and surgical gowns. Expanding from decades of development in Taiwan, our production bases have branched into Shanghai and Vietnam, supplying the world with the best medical and healthcare materials.

We take pride in our ability to protect the health of the nation and fulfill our corporate social responsibility. To safeguard the health of every medical worker fighting the war against COVID-19, we have made donations through our non-profit foundations:

NT\$ **6 million**
To Central Epidemic
Command Center

NT\$ **5 million**
worth of microfiber

Enough to produce over
30 million
face masks

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Protection for Employees: Safeguarding Employee Health with Advanced Deployment

FENC's products are sold worldwide. Our business locations are also distributed globally with a workforce of around 24,000 in Taiwan, China, Vietnam, Japan, Malaysia and the U.S. The COVID-19 pandemic poses not only substantial impacts on corporate operation, but also direct detriment to employee health. To fight against the virus, we activated advanced deployment at the earliest signs of the outbreak and monitor the spread to adjust anti-virus measures accordingly, ensuring corporate sustainability and employee health.

Measures Against COVID-19

Beginning on January 26th, 2020 : Comprehensive survey at all business sites in China to assess employee health and degree of infection.



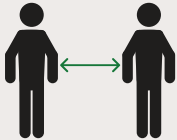
Beginning on January 30th, 2020 :

- ✓ Daily operational check at all business sites in China
- ✓ Daily inventory check at all business sites in China to ensure a minimum of one-month stockpile of personal protective equipment and anti-virus supplies, including



Beginning in February 2020 :

- ✓ Protecting employee health and implementing protective measures in accordance with regulatory requirements.
- ✓ No external personnel entering office or plant premises unless necessary.
- ✓ All persons entering office or plant premises must have temperature taken and be sanitized with alcohol or disinfectant.
- ✓ 10 employees maximum at one time in each conference room.
- ✓ Face masks required in office and plant premises at all times.
- ✓ Planning and implementing split work locations.
- ✓ Developing Employee Health and Care system, requiring staff to report online daily.
- ✓ Implementing split shifts to reduce infectious risk during commute.
- ✓ Ban on overseas business travel.



Following Anti-Virus Measures



Disinfecting Environment



Face Masks Required



Overseas Business Travel Ban



Employee Health and Care System

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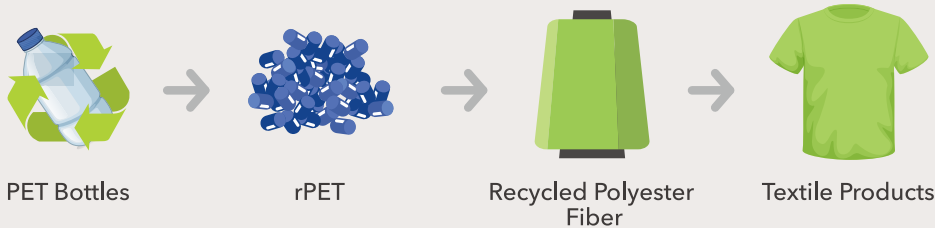
Creating Paradigm for Circular Economy

Environmental awareness is on the rise, prompting consumers and corporations to reflect on the environmental impact of their consumption patterns. As a result, circular economy is gaining traction.

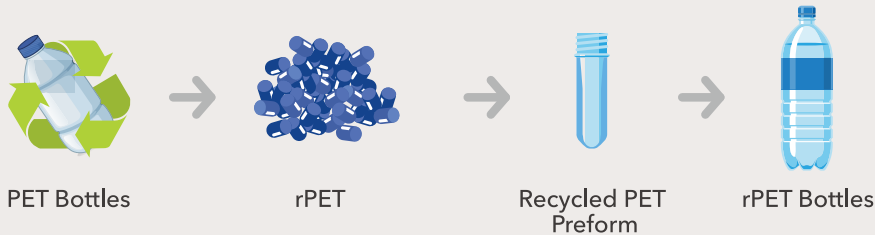
FENC is one of the top 3 PET suppliers in the world. PET is one of the few plastic materials that can be recycled and reused. In 1988, FENC established the first recycling and remanufacturing plant for PET bottles in Taiwan. With over 3 decades of research, development and innovation, FENC is reinventing waste PET bottles and bringing sustainability to the PET industry.

Product Applications

Bottle to Fiber
Remanufacture PET Bottles into Textile Products



Bottle to Bottle
Remanufacture PET Bottles into Food and Beverage Containers



Bottle to Other Applications
Continue Expanding Applications for Waste PET Bottles



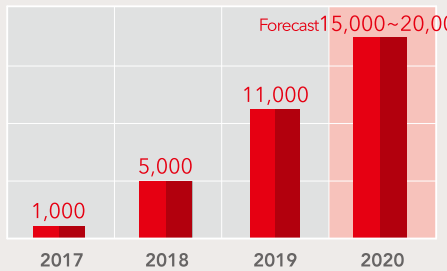
Ocean Plastic Series



Ocean plastic waste is threatening the conservation of marine habitat and becoming a difficult issue to tackle. Since 2016, FENC has served as the sole supplier of recycled ocean plastic for adidas and Parley for the Oceans. The Company's professional recycling and remanufacturing process transformed ocean plastic waste into sneakers, sports jerseys, credit cards, shopping bags and bottle sleeves. The technology successfully prevented plastic waste from polluting the ocean and the products are creating a sensation on the market, which helps raise public awareness toward protecting marine habitat.

Keeping 2,810 metric tons of plastic waste from polluting the ocean as of 2019.

Sales Volume of adidas Footwear Made of Ocean Plastic
Unit: 1,000 pairs



Source: adidas

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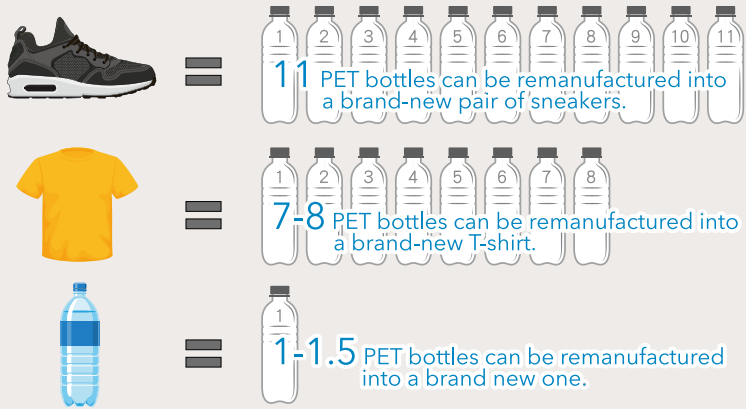
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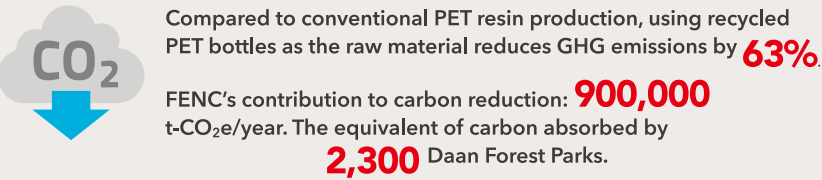
Environmental Benefits

Waste Reduction

FENC's contribution to waste reduction: **8,100,000,000** PET bottles/year
The bottles may circle the earth **46.5** times



GHG Emissions Reduction



Product Certification

Food-grade Approval



Recycled Content Certification



Green Mark



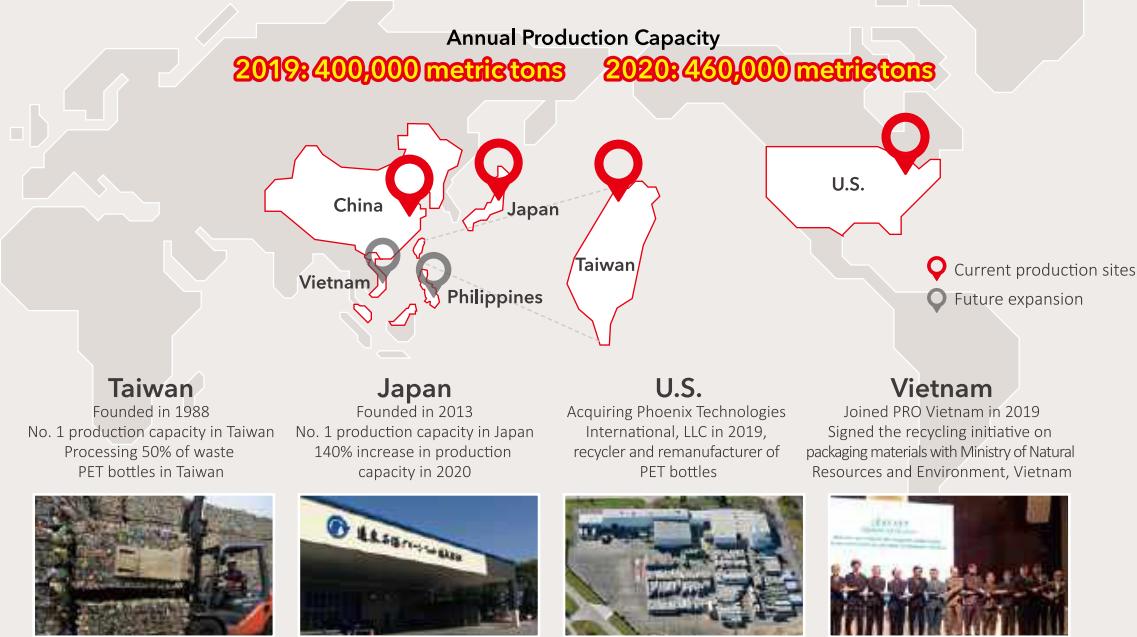
Product Traceability



FENC's rPET Industry Status



FENC's rPET Production Capacity and Production Sites



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2019 Engagement

Brand Collaboration

FENC Collaborates with 7-Eleven and Coca-Cola in Japan on Closed Loop Recycle Model

PET bottles recycled at 7-Eleven in Japan are processed by two FENC subsidiaries, Hsinpu Chemical Fiber Plant and FIGP, and remanufactured into food-grade rPET. The downstream manufacturers then make the rPET into Coca-Cola bottles, which completes the closed loop recycle model.

Sponsoring Runner's Outfit on World Earth Day Event

On April 28th, National Geographic Channel held the 7th Earth Day Run. FENC sponsored the event with 20,000 runner's T-shirts that are made of waste PET bottles. That is the equivalent of 150,000 waste PET bottles, which curbed nearly 6,000 kg of CO₂ emissions.



Video: Sponsoring Runner's Outfit on World Earth Day Event



2019 Recognitions

Only Winner in the World

GCSA

Outstanding Practice Award World Class

For 3 Consecutive Year

TCSA

Circular Economy Leadership Awards

Coca-Cola Greater China

2019 Best Sustainability Award

Coca-Cola Japan Domestic & Overseas

2019 Gold Medal Supplier

adidas World Supplier

Sustainability Award

Chinese Society for Management of Technology

Technology Management Award

Governmental Recognition for Circular Economy Model

MOU with Taoyuan City Government

On June 4th, 2019, FENC signed an MOU with Mayor Cheng Wen-Tsan of Taoyuan City Government to recycle and reuse ocean PET bottles. Since June, 11 volunteer groups from the Yongan, Zhuwei and CPC environmental protection fleets and the coastal guard launched the beach and ocean cleanup campaigns. All PET bottles recovered were delivered to FENC to be remanufactured into jogging outfits and other green products, which were later distributed as gifts to the volunteers and residents who took part in the campaigns. This is a perfect example of reducing plastic waste and saving the ocean.

Demonstration Plant Designation from Environmental Protection Administration

On July 19th, 2019, Minister Chang Tzi-Chin of Environmental Protection Administration led the staff from Department of Waste Management and Recycling Fund Management Board on a visit to FENC to be familiarized with the Company's remanufacturing technology and products. During the visit, the group discussed the development of the recycling industry, current status of recycled materials and regulatory confines in Taiwan.

Visits from Sustainability Delegation

On July 24th, FENC introduced the recycling technology and discussed the experience of working with recycling fund with a group of 30 visitors. Among them are Dr. Eugene Chien, Chairman of Taiwan Institute for Sustainable Energy as well as officials from National Audit Office and Environmental Protection Administration.



Promote Recycling to Students and the General Public

Mini Trashpresso

FENC joined hands with MINIWIZ and developed mini Trashpresso. The mobile recycling line is currently touring cities around Taiwan. With an interactive recycling process, the public is encouraged to supply recycling materials, giving new values to the discarded trash. It takes only 5 minutes for mini Trashpresso to process trash into useful resources. It processes over 50 kg of PET bottles within an hour, which streamlines the recycling process, making it fun and fast.



Speech at Taipei University of Science and Technology

FENC was invited to give a keynote speech on October 17th at Institute of Environmental Engineering and Management, National Taipei University of Technology to introduce recycling concepts and circular business model to graduate students.

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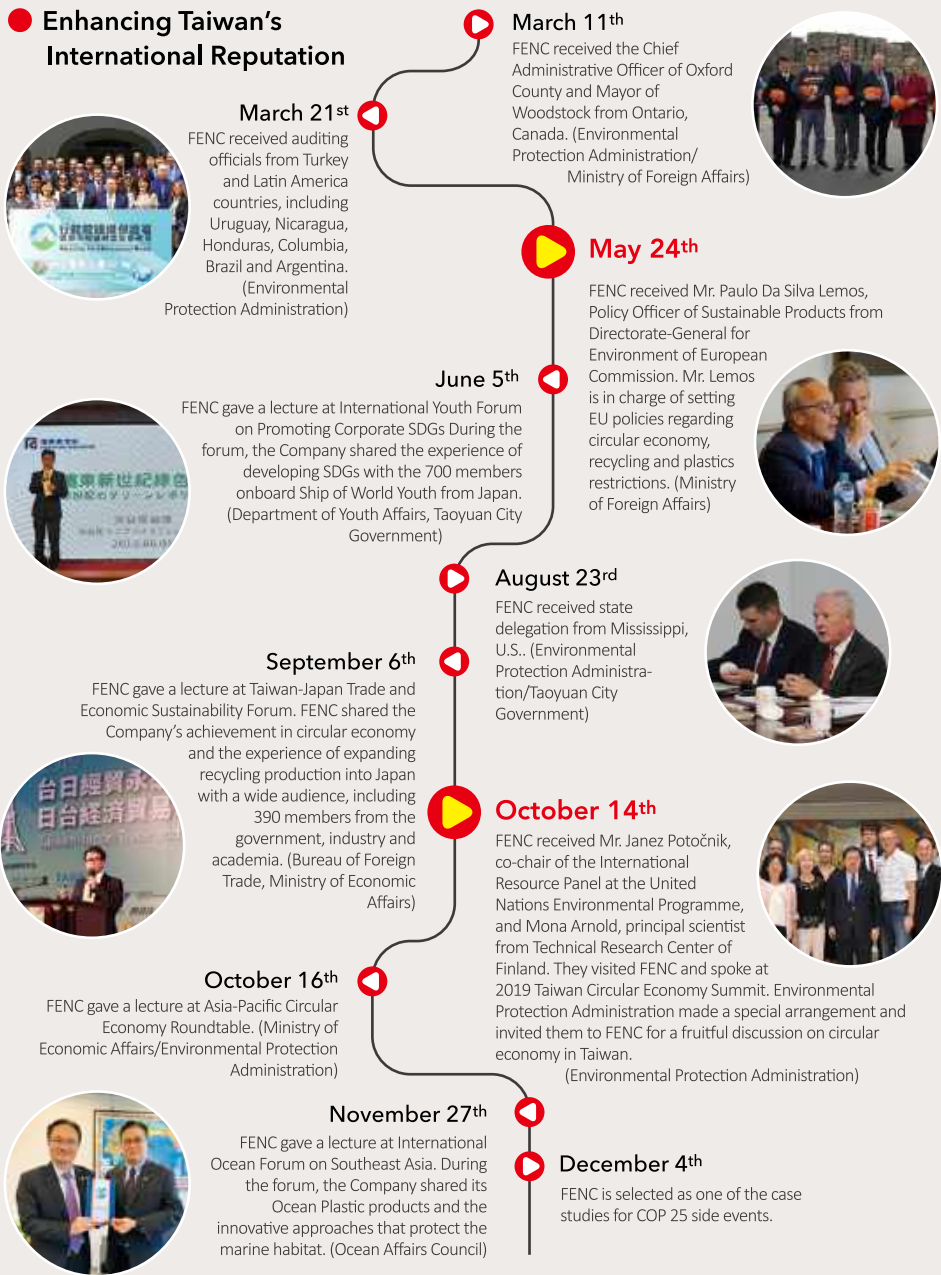
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● Future Development Plan

Expand Production Capacity
Our goal is to become the largest rPET manufacturer and a world-class leader in circular economy.

rPET Production Capacity



Make Textile Recycling and Remanufacturing a Reality



Merely 1/3 of the world PET production capacity is devoted to PET bottles. The technology that turns recycled PET bottles into new PET products has matured, and FENC is the leading pioneer in the world. The remaining 2/3, however, is for producing textile products such as clothing, which is often blended with other fibers. The complexity in fiber content adds to the difficulty of recycling and reusing textile products.

In 2019, FENC created spun yarn out of textile waste through physical recycling. The remanufactured materials are then transformed into high-value functional sportswear. That is the commemorative T-shirt for runners at FENC Classic Marathon.

The next quest for FENC is to launch TopGreen ChemCycle Process. The project aims to develop the chemical recycling and processing technology for textile waste. It expands beyond the chemical recycling technology currently available, which only focuses on textiles made of single polyester content. The ability to recycle and reuse textile waste will start a new chapter for the PET recycling industry.

Facts about PET:

Transparent PET bottles increase recycling efficiency and add value to the remanufactured products.

The Coca-Cola Company has replaced the green Sprite bottles with transparent ones. Among the preform markets of FENC, Hong Kong and Malaysia have switched to the transparent Sprite bottles.

PET is an eco-friendly plastic material that can be recycled and remanufactured.

Brands such as L'Oréal, P&G, Unilever, Hasbro and IKEA are transitioning to PET or even rPET packaging materials. FENC has long-term partnerships with these brands, helping them accomplish their green missions.

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70 Years of Love, FE HAPPY GO

In 2019, Far Eastern Group celebrated its 70th year in Taiwan. The parent company, FENC, and its affiliates arranged a series of non-profit and charitable campaigns, celebrating this milestone with "common good". By contributing to the common good, we embody the ultimate corporate value. FENC dedicates efforts and resources into FENC Classic Marathon for 11 consecutive years. The Company is inspired by this health-conscious event and extends the concept into the campaign, "7,000 Steps a Day". The campaign invites people of all ages to walk towards better health. When the event concludes, the accumulative steps taken by participants across Taiwan are converted into donations for charitable causes and educational resources. Donations are made to Junyi Academy and New Taipei City Government.


Campaign Detail

- Date: October 1st - 31st, 2019
- Daily Goal: 7,000 steps a day
- Daily Reward:
 - 1. 1 HAPPY GO point
 - 2. One chance to enter the drawing for NT\$1,000 gift certificate from Far Eastern Department Store
 - 3. One chance to enter the drawing for the grand prize



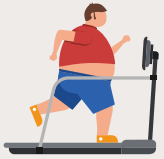
Campaign Feature

● Simplified Participation




Participants may record the 7,000-step challenge they complete each day through the mobile app, which is very user-friendly, free of any hurdles.

● Nationwide Participation



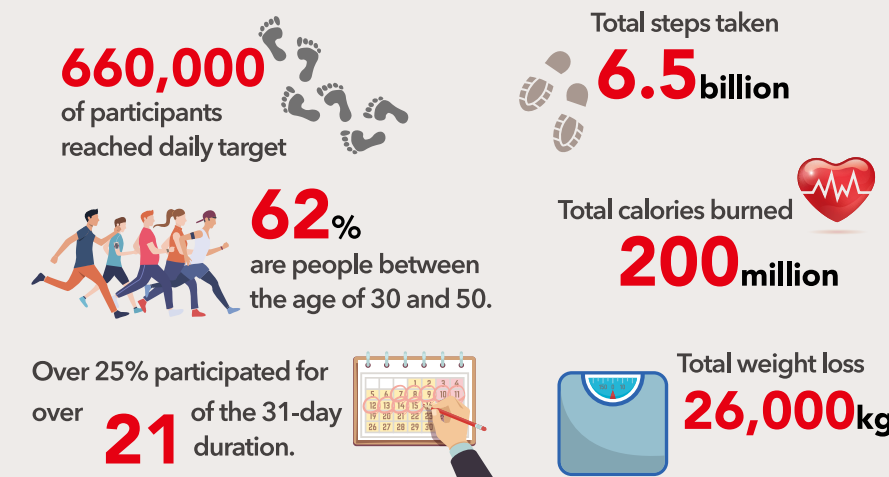
Appealing through celebrity spokesperson, social media, newspaper coverage and advertising in public transit, the campaign encourages the entire nation to exercise.

● Connecting Health and Education



The total number of steps taken by participants are converted into donations for educational institutions and non-profit organizations that focus on technology, digital development and helping remote villages. By pooling the good will around the nation and provide educational assistance, we include the remote villages as an integral part of the society, creating a circle of love.

Campaign Outcome



Co-sponsorship by Affiliates of Far Eastern Group

- 1 Encourage employees to exercise through internal competition.
- 2 Generate eager participation with corporate resources.



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Donation

Junyi Academy



Junyi Academy focuses on eliminating gaps between urban and rural education through the use of digital technology, giving each child the opportunity to become a lifelong learner. Since its inception 7 years ago, Junyi Academy has offered over 14,000 free online educational videos that correspond to the national school curriculum covering grades 1 through 12. The videos are updated consistently in accordance with the national curriculum. In addition, the platform offers 61,000 online exams that correspond to the educational videos and Comprehensive Assessment Program for Junior High School Students. Currently, the platform serves over 2.52 million users. The campaign donated NT\$2 million to Junyi Academy to help the organization upgrade and optimize its educational platform.

Education Department, New Taipei City Government

The Education Dpartment have the only organization in Taiwan that issues teacher’s certificate for technology-based learning assistance. The certification aims to implement the concept of smart city and allows teachers to tap into rich teaching and learning resources on the platform to help students self-learn and alleviate the pressure of class preparation. When the campaign concluded, FENC donated 300 tablet computers to Education Department, New Taipei City Government as a teaching tool for training on digital learning. Incorporating digital technology may enhance efficiency in both teaching and learning for teachers and students. It may also fulfill differentiated instruction and help students who are lagging behind so that each of them may learn at their own pace.

Reflections



Jien-Wu Lee
resident of
Taoyuan City

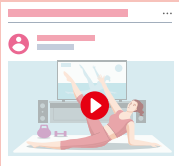
When I found out about “70 Years of Love, FE HAPPY GO”, a campaign that benefits common good and public health by encouraging participants to walk 7,000 steps every day, I found it to be quite meaningful. Without any hesitation, I downloaded the app immediately! I used to just eat dinner and watch TV after work, sitting there and doing nothing! Now, I would put on to sportswear and sneakers. Taking my wife’s hand in mine, we walk along the sidewalks in the community and try to reach 7,000 steps. It took some getting-used-to in the first couple days. However, as time goes on, I start to grow fond of walking. I would take different routes each day. Besides being able to walk, I am also getting to know my community, and gradually, I fall in love with walking! After participating in this program, my life started to change. I often choose walking instead of taking the elevator, which helps protect the environment by conserving energy. After a while, I could feel my legs getting stronger, and I am healthier! It is extremely meaningful for a corporation to plan for this campaign, which provides assistance to those in need and gives back to society. The campaign should be widely publicized. Beyond the pursuit of business goals, more corporate power and resources can be applied toward helping the underprivileged in the society so that as the corporation grows, our society also grows stronger.

Campaign

HAPPY GO App –
Getting the best of both
worlds – walk, draw and
donate.



Walk for common good.
Far Eastern Group promotes education
in Taiwan, converting steps into
nutrients for Taiwanese education.



Celebrities and influencers are
crazy about “7,000 steps a day”,
taking on the challenge for children’s education
and common good.



Welcome to 70 Years of Love,
FE HAPPY GO! Walk 7,000 steps and upload
your results for a chance to win prizes!



Really!? Walk for health,
prizes and common good?



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TCFD Climate-related Financial Risk Assessment



Establish List of Critical Risks and Opportunities

Assess and select 10 critical climate-related risks associated with FENC from the value chain perspective. Assess critical climate-related opportunities with FENC.



Identify Climate-Related Scenario



Establish the pathways of 10 critical climate-related risks under two different scenarios.



Quantify Climate-Related Financial Impact

Select the top 3 risks from 10 climate-related risks for quantitative analysis.



Average temperature and occurrences of natural disasters around the globe continue to rise in recent years. Climate change has become a major issue that catches the world's attention. In 2019, FENC implemented the project on TCFD Climate-related Financial Disclosure, using the Recommendations of the TCFD framework to evaluate financial impacts on the business and production sites due to climate change. TCFD stands for Task Force on Climate-related Financial Disclosures established by Financial Stability Board (FSB). The task force provides specific framework to help corporations disclose climate-related risks and quantified data.



Establish List of Critical Risks and Opportunities



FENC referenced the official list of risks from TCFD, risk sources suggested by TCFD and benchmark corporations from the industry to compile the 24 climate-related risks. Using 3 indexes – direct financial impact, indirect financial impact and brand image, the project assesses direct impacts the risks pose on corporate operation as well as indirect impacts on FENC from suppliers and customers. The list is finally reduced to 10 critical climate-related risks.

Critical Risks

L Low Impact M Medium Impact H High Impact X Irrelevant

Risk Type	Risk Aspect	Risk Content	Scope of Impact						Customer
			Supplier			Company Operation			
			Raw Material Supplier	Equipment Supplier	Logistics	Petrochemical	Polyester	Textile	
Transition Risk	Technology	Costs to transition to lower emissions technology	L	L	L	H	H	H	L
Transition Risk	Policy and legal	Increased cost of GHG emission due to GHG emission regulations	L	L	L	H	H	H	X
Physical Risk	Extremity	Typhoon (hurricane)	L	L	L	M	M	L	L
Transition Risk	Policy and legal	Renewable energy related regulations	L	L	X	H	H	H	X
Transition Risk	Reputation	Climate related reputation risk	L	X	X	M	M	L	M
Transition Risk	Market	Change in customer behaviors	L	L	X	L	M	L	L
Physical Risk	Chronic	Changes in precipitation patterns	L	X	X	M	M	M	X
Transition Risk	Technology	Substitution of existing products and services with lower emissions options	X	X	X	M	M	L	L
Physical Risk	Extremity	Heavy Downpours and Floods	X	X	L	L	L	L	L
Physical Risk	Chronic	Rising mean temperatures	L	X	X	L	L	L	L

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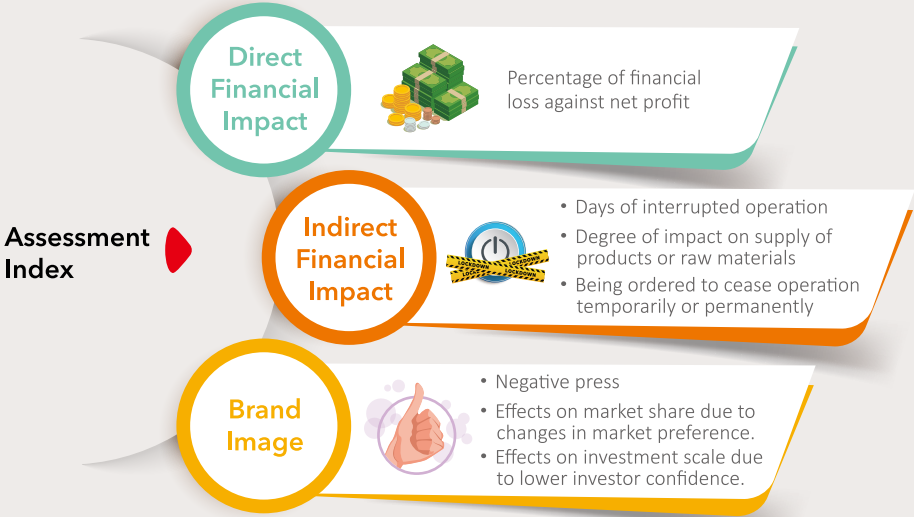
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FENC assesses critical climate-related opportunities, and takes on challenges posed by climate change.

Critical Opportunities

Opportunity Type	Detail	Management Approach	2019 Management Costs
Efficiency of Energy and Resource Use	Use of more efficient modes of transport	<ul style="list-style-type: none">Promote energy conservation and carbon reduction projects.Invest in solar energy.Introduce water-conserving production and projects.Research and develop green products.	NT\$2.88 billion
	More efficient production and distribution processes		
	Use of recycling		
	More efficient buildings		
	Reduced water usage and consumption		
Energy Source	Lower-emission sources of energy		
	Participating in carbon market		
Products and Services	Develop and/or expand low emission goods and services		
	Climate adaptation and insurance risk solutions		
	R&D and innovation		
	Shifting consumer preferences		
Markets	New markets		
Resilience	Participate in renewable energy programs and adopt energy-efficiency measures		



STEP 2 Identify Climate-related Scenario

Establish Temperature Rise Scenario

- I. Climate-related Scenario
 - 1. 2 Degree Scenario: The Paris Agreement calls for keeping global temperature rise this century below 2°C, hereinafter referred to as 2DS.
 - 2. Nationally Determined Contributions: With Nationally Determined Contributions, global temperature rise by the turn of the century will be 3°C, hereinafter referred to as NDC.
- II. Scope of Assessment
 - 1. 7 production sites in Taiwan
 - 2. 7 production sites in China
- III. Output
 - Impacts posed on FENC by the 10 critical climate-related risks and the corresponding financial categories.
- IV. Approach
 - CSR committee members from petrochemical, polyester and textile businesses as well as managers from production sites are invited to 3 meetings to discuss climate scenarios. A total of 70 participants are in attendance, including production sites in Taipei, Hsinchu, Taoyuan, Shanghai and Suzhou.

Note: References for this special report pathway settings are as follows:

- 1. International Institute for Applied Systems Analysis- 《Energy investment needs for fulfilling the Paris Agreement and achieving the Sustainable Development Goals》
- 2. World Bank- 《State and Trends of Carbon Pricing 2019》
- 3. International Energy Agency- 《Energy Technology Perspectives 2016, ETP2016》
- 4. International Energy Agency- 《Energy Technology Perspectives 2017, ETP2017》

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STEP 3 Quantify Climate-related Financial Impact

Typhoon

Costs to Transition to Lower Emissions Technology

Increased Cost of GHG Emission Due to GHG Emission Regulations

Data Collection

- 2DS: Each year, the world will see an increase of 1.2 category 4 hurricanes and 1.2 category 5 hurricanes.
- NDC: No significant evidence indicates that the increase of hurricane will be higher than the 2DS scenario. Therefore, the hypothesis is that the increase is identical to the previous scenario.

Based on the above scenario and research studies, Taiwan could be struck by 7.48 severe typhoons between 2019 and 2030; China would be struck by 4.78 typhoons during the same period.

2DS: Between now and 2050, the annual average global investment in energy efficiency will increase by 188% compared to 2015; investments in renewable energy will increase by 186% compared to 2015.

NDC: Between now and 2050, the annual average global investment in energy efficiency will increase by 59% compared to 2015; investments in renewable energy will increase by 99% compared to 2015.

For the pathways under the 2DS and NDC scenarios, renewable energy and energy efficiency are major contributors for carbon reduction.

2DS: Reduce 67.1% of global GHG emissions by 2050 compared to 2014.

NDC: Based on the NDC scenario for Taiwan, the emissions by 2050 must be 50% lower than the emissions in 2005. The NDC scenario for China indicates a reduction of 60-65% in CO2 emission per unit of GDP is necessary by 2030 compared to 2005.

FENC identifies top 3 risks from the 10 critical climate-related risks and conducts quantitative impact analysis based on the 2 scenarios (2DS and NDC).

Pathway Setting

- Flood: A minimum of 0.5 meter for 2 consecutive days
- Strong wind: Level 17 wind
- Water outage: Water supply interrupted for one day.
- Wastewater treatment: Heavy rain results in wastewater overload, and lowers production for one day.
- Power outage: One-hour power outage.
- Logistics interruption: Harbors close down for 4 days.

Carbon Reduction: The carbon reduction target for FENC by 2050 is estimated using the decrease from the carbon reduction pathway.

Average annual investments: Investments made by FENC in 2015 are estimated using the percentage of Company contribution to global carbon reduction.

Growth rate: Growth in investments by FENC is consistent with the global percentage.

2DS: FENC must reduce 3% carbon emissions annually.

NDC: Production sites in Taiwan must reduce carbon emissions by 1.5% annually; production sites in China must reduce the intensity of carbon emissions by 3.6% annually.

Quantified Results and Responses

- The quantified results indicate that loss due to flood accounts for 61% of total loss, which is the highest under the typhoon category.
- FENC will focus on flood prevention and reinforce preventive measures against typhoon damages at production sites.

Loss Amount

Flood	61%
Strong Wind	24%
Power Outage	6%
Wastewater Treatment	4%
Water Outage	4%
Logistics Interruption	1%

The quantified results show that increase in investments in energy efficiency are likely to be on par with the scenarios. Investments in renewable energy are confined by regulations and external environmental factors. Therefore, the Company contribution is slightly lower.

FENC plans to increase investments in energy efficiency to achieve the overall goal in carbon reduction and make up for the lower carbon reduction contribution rate in renewable energy.

The quantified results indicate that FENC should step up the reduction of GHG emissions to avoid future costs resulting from additional carbon emissions.

FENC anticipates ongoing efforts in energy conservation and carbon reduction projects, and will continue to refine the management of indirect GHG emissions to reduce overall emissions.

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Expansion of CSR Scope

The 2019 FENC CRS report added 6 production sites that are responsible for various products and industries in Taiwan, Vietnam, Japan and the U.S. Each production site is an embodiment of FENC's spirit of sustainable development. While corporate efforts focus on industry development, they are also channeled towards balancing social and environmental growth. The following is an overview of the 6 sites added this year.

Far Eastern Polytex (Vietnam) Ltd. (FEPV) (Polyester Plant and Textile Plant) ★

FENC has been investing and building plants in Binh Dương Province, Vietnam since 2006. In mid-2014, the country's healthy economic growth and international free trade agreements with multiple nations promoted the Company's decision to establish FEPV in Bàu Bàng Industrial Park in Bàu Bàng, Vietnam.

Phase 1 of FEPV has been completed and is fully operational, producing 400,000 metric tons of PET and 21,600 metric tons in knits as well as dyeing and finishing products annually with ongoing expansion for polyester filament, staple fiber and rPET.

In addition to business development, the company seeks constant improvement to connect with international standards. Being progressive with environmental protection, circular economy and non-profit causes, FEPV conducts various outreach and promotional campaigns. We work together for our long-term goals, promoting development, win-win, and harmony through reform, innovation and solidarity. We comply with regulatory requirements and build green enterprises to protect the habitat and civilization, which will lead the company and the society into a better future. FEPV is now one of the pioneers in production, management and sustainability in Vietnam.

To mitigate the effects of climate change and achieve the environmental targets for energy conservation and carbon reduction, we have been promoting environmental protection, increasingly working on energy conservation, carbon reduction, resource integration, waste reduction and recycling. By establishing SOPs and passing audits and verifications of ISO 14001 Environmental Management Systems, we ensure full implementation of pollution control and prevention, as well as reduction of industrial waste. Specific actions towards environmental protection include 100% compliance with governmental standards and winning recognitions of environmental protection authorities for providing comprehensive facilities and management. We satisfy customer requests on Zero Discharge of Hazardous Chemicals (ZDHC); invest in RO system for water recycling during production to protect water resources. The desulfurization tower for boilers is 100% in compliance with the exhaust standards and pollution control system to minimize environmental impacts. We also take advantage of natural lighting with the use of skylight, creating natural ventilation, reducing energy use and creating a workplace that offers comfort.

Employees are our most important asset. They are also the pillars on which we build sustainability. FEPV was named one of the corporations offering best employee care in Binh Dương Province in 2017. We offer superior wages and benefits; comprehensive training; promotional opportunities. We care about the health of our staff and their work environment. By providing occupational safety training, sound supervision and management, and passing OHSAS 18001 Occupational Health and Safety Assessment Series, employees' occupational and environmental safety is ensured

FEPV has taken the corporate philosophy of Far Eastern Group to heart. The company is passionate for contributing to the common good, striving to serve local communities and residents; dedicating resources for the society. The company works with local governments and Taiwanese Chambers of Commerce to provide aid and donation to underprivileged families and children. FEPV never hesitates to lend a helping hand to victims during natural disasters, donating ambulances to remote villages and demonstrating humanitarian spirit by treating those who are suffering as one of our own.

Sustainable development is a significant business philosophy for FEPV. We will continue to foster environmental sustainability and promote corporate governance with increasing participation in non-profit and charitable programs. Through interaction and continuous improvement, we will increasingly contribute to the environment and society. Together, we will build a green homeland.



General Plant Manager of Far Eastern Polytex (Vietnam) Ltd.

Ming-Yuh Yeh

Vice President of Far Eastern Polytex (Vietnam) Ltd.

Kuang-Yao He

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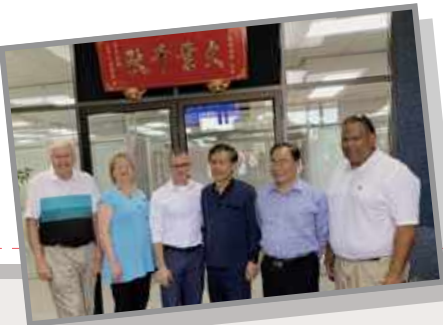
APG Polytech, LLC



APG Polytech, LLC is located in West Virginia, U.S. Separated from the state of Ohio by Ohio River, the plant enjoys beautiful mountain and river views. Initially built as a subsidiary of Goodyear in 1959, the ownership changed hands several times during its 6 decades of operation. In 2017, its parent company, M&G, declared bankruptcy. FENC then acquired APG Polytech in 2018, making it FENC's first production site in the U.S. APG Polytech has always been focusing on PET production. Applications include beverage and food packaging, containers and textile products. The company is reputed for excellent credit and quality. Its products are sold mainly in North America with exports across Europe. Its customers include major global beverage brands and their bottling plants.

APG Polytech is the first and a critical step of FENC's strategic deployment in the U.S. As the steady operation and sales growth continue, FENC is increasing investments in multiple projects to upgrade the software and hardware, and to plan for future expansion. Among them are warehouse expansion for added flexibility in product scheduling; introduction of new nitrogen technology and equipment to reduce consumption; reengineering the production process to increase the ratio of recycled materials. In 2019, FENC acquired Phoenix Technologies International, LLC in Ohio to synergize supply and production with APG Polytech. By supplying recycled materials as demand rises from customers, the Company is aligning with global trends and approaching the goal of becoming a green enterprise.

To fulfill corporate social responsibility, APG Polytech has a consistent record in treating employee and environmental health and safety as top priorities. The company set a 10-year low for OSHA recordable rate in 2019. While taking comfort in this track record, we will continue to maintain the impressive streak. Each year, APG Polytech devotes funding for local education, diversity development and an array of non-profit and charitable programs. In addition to consistently ensuring safe workplace, and promoting mutual prosperity for the company and local communities, APG Polytech will also focus on increasing the ratio of green products in the lineup and building a supply chain that is more eco-friendly.



President of APG Polytech, LLC
Chuck Tseng

Far Eastern New Apparel (Vietnam) Ltd. (FENV)



Sustainability, respect, lifelong learning and giving back to society.

FENV inherits the corporate philosophy, sincerity, diligence, thrift, prudence and innovation from the parent company and began production in March 2016 in Đồng Phú, Bình Phước Province, Vietnam. The plant offers quality production for major brands such as Nike, adidas, New Balance and Columbia. It also initiated a transition from agriculture-based economy that focused on products such as rubber, cashew, pepper and coffee beans. For the past 4 years, the low-rise buildings in the vicinity have been updated to multi-level dwellings, restaurants, or retail locations for electronics and motor vehicles. When the supermarket moves in, it signals rising demands derived from population growth. As the night falls, the stores lit up one by one. The darkness at night is now replaced by light and vitality. We created 5,000 employment opportunities, bringing vitality to Đồng Phú.

However, providing quality production and driving local economic growth are only meaningful when cultural, social and environmental sustainability are ensured. FENV offers competitive wages; the plant has received ISO 14001 and ISO 45001 certifications; water withdrawal and discharge comply with Vietnamese national standards, QCVN:01 2009/BYT and QCVN40:2011/BTNMT. The plant installed cooling towers and water recycling system for greening and irrigation; skylights and LED lighting in production areas for energy conservation; ventilation systems to increase air circulation. These are our pledge to build a healthy, safe and pleasant workplace and environment.

As production expands into Vietnam, recognizing cultural differences is the first order of business. We choose communication and respect as the best way to reduce cultural clash. Employees' perspectives are our best guide, teaching us how to give local culture the respect it deserves. We provide multiple channels to gather feedback and recommendations from local employees, including hotlines, social media, labor relation seminars and comment box. These channels are open both ways. We also hold events such as Far Eastern Soccer Tournament, arts and cultural activities, flower arrangement contests and banquets during traditional festivals, encouraging employees to develop hobbies aside from work.

Staff are able to showcase their talents not only through their hobbies, but also through the implementation of production improvements. We encourage employees to speak up, presenting their proposals for innovation and improvement, and we award them in public, giving them a sense of pride. Taking one solid step at a time amid the economy in transition, staff learn from and compete with their peers, generating creative sparks that are evident in the cohesive management of cultural diversity.

To create a win-win environment that nourishes corporate growth as well as sustainable environment, society and culture, we establish and maintain public relations with the government. Collaborating with industrial groups at the industrial park and from the provincial level, we provide medical and educational assistance for underprivileged children and their families. We also collaborate with brand customers to build water purification towers, supplying clean water for students and residents in remote areas. This gesture has improved the livelihood and environment for the surrounding communities. We have acquired a reputation in Bình Phước Province. In a survey completed by new employees in 2019, 74% chose to work for the company because of recommendations from current employees. As a world class corporate citizen, FENV be more diligent towards acquiring new knowledge, focus on respect and communication, give back to society, and take actions to build local sustainability.



President of Far Eastern New Apparel (Vietnam) Ltd.
Tony Liang

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Far Eastern Ishizuka Green PET Corporation (FIGP)

Far Eastern Ishizuka Green PET Corporation (FIGP), a joint venture between FENC and Ishizuka Glass Co., Ltd (IGC), was founded in May 2012. Located in Ibaraki prefecture, Japan, the company started its Bottle to Bottle operation in 2014, recycling PET bottles and manufacturing rPET for beverage and other businesses. With 35,000 metric tons of annual rPET production capacity, FIGP is the largest rPET plant in Japan. Additionally, FIGP and the preform manufacturer Nippon Parison Co., Ltd. (NPC), the joint venture of IGC and FENC, is conveniently located within the same plant. FIGP supplies the rPET to NPC, and NPC manufactures the preforms for PET beverage bottles. This unique business model has caught industry attentions. Currently, FIGP is expanding its production to meet the growing demand of rPET. The new production line is set to begin production in 2020, which makes the company the largest rPET plant in the world with 85,000 metric tons in annual production.

FIGP is known for producing rPET with consistently high quality. It is the chosen material for major beverage brands in Japan. In recent days, FIGP partners with Coca-Cola and 7-Eleven, the largest convenience store chain in Japan. FIGP turns waste PET bottles collected at 7-Eleven into rPET; NPC turns the rPET into preforms for Coca-Cola; the Coca-Cola Company fills the bottle with Coca-Cola to be sold at 7-Eleven, completing a closed-loop recycling model. FIGP is also invited to recycle the PET bottles from sports stadiums during Tokyo Olympics, and remanufacture raw materials for new PET bottles.

FIGP is recognized for providing quality rPET at a large scale and drawing attention as a domestic PET bottle recycler and remanufacturer in Japan. We will continue to produce quality rPET and live up to the expectations of the stakeholders, including the government, beverage brands, retailers and consumers.



President of Far Eastern Ishizuka Green PET Corporation
Yasuda Shinichi

Oriental Green Materials Limited (OGM)

PET bottles are lightweight, safe, clean and durable, making them the most popular form of packaging for beverage products. In 2018, over 5.4 billion PET bottles and 100,000 metric tons of PET were consumed in Taiwan. However, with 95.2% of PET bottles recycled, Taiwan is also home to the best recycling system for PET bottles in the world. The company working this green miracle is Oriental Green Materials Limited (OGM).

FENC is the parent company of OGM, and a significant player in the global PET industry. The corporate philosophy is developing industries in Taiwan and giving back to society. The Company has been aggressive in developing the green industry. In terms of recycling and reuse, FENC continues to expand the recycling of PET bottles and produce high-value food and textile-grade rPET to promote circular economy in Taiwan.

OGM insists on delivering the highest quality, applying the strictest standards when processing recycled PET bottles by tens of thousands of metric tons. The process entails separating the compressed PET bottle bales, rinsing, label removal, and finally shredding the bales into PET flakes less than 1 cm in diameter. After multiple rounds of rinsing, purifying and dehydrating, the materials undergo infrared optical screening to ensure purity. After the final step, which involves high-temperature and pressure decontamination, the high-end rPET resin is born.

OGM has been GRS certified. With carefully monitored production process and innovative technology, CO2 emissions during rPET production at OGM is 63% lower compared to the production of conventional petrochemical materials. The product, which has been approved by the FDAs from the U.S., Japan, Canada and European Union for food-grade approval, is now recognized and adopted by major beverage companies worldwide. The remanufactured yarn that the company produces from recycled PET has been recognized by international sports brands, and sports apparels made from it gained international fame during FIFA World Cup, making it the pride of Taiwan.

While increasing corporate competitiveness and producing diversified high-end products, OGM stands by its corporate social responsibilities, building business operation upon environmental sustainability. In 2017, the company invested in continuous production, reducing water consumption per unit of production from 11 kg to 4 kg. In 2018, the company constructed wastewater treatment facility with MBR technology, reducing water consumption per unit of production further to 2 kg. This performance measures up against the highest standards in the world. In 2020, the company is building boilers for solid waste treatment. This investment will help the company achieve zero solid waste discharge. In addition, steams from the boilers will satisfy the need of thermal energy for the entire plant.

To boost green energy production, reduce GHG emissions and mitigate environmental impacts, OGM is installing solar panels. The system has been completed in 2020, and operation began with the capacity to generate 400kW of electricity.

OGM has been working together for a promising future. Long-term efforts enable the company to win international certifications in quality, environmental protection and occupational safety. The company's remarkable accomplishments in recycled and remanufactured products is leading environmental and technological breakthrough in Taiwan. In the future, the company will continue to partner with international brands and establish green supply chain in Taiwan in hope of enriching brand values, protecting the natural environment and creating a new green century with innovation and sustainability.



President of Oriental Green Materials Limited
Chin-Tsu Peng