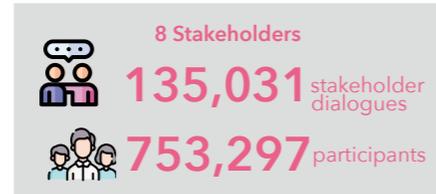


Content

- About This Report
- Message from the Chairman
- Sustainability Strategy Blueprint
- FENC's Contribution to UN SDGs
- Identification of Stakeholders and Material Topics
- Boosting Stakeholder Dialogue**
- ◆ Special Report
- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix

Boosting Stakeholder Dialogue

With integrity and transparency as the guiding principle, FENC utilizes multiple channels for information disclosure and stakeholder dialogue to strengthen the connection. Issues significant to stakeholders are documented and Company policies are modified accordingly to respond to stakeholder expectations. Status of stakeholder dialogue is reported to the Board on a regular basis.



Communication Channel

- | | |
|-------------------------------|----------------------------------|
| A External meeting | F Review/Evaluation/Audit |
| B Internal meeting | G Survey/Questionnaire |
| C Training/Trial/Drill | H Grievance/Comment Box |
| D Promotional campaign | I Company Website |
| E Visits/Exchange | J Other |

Communication Frequency

- | | |
|---------------------|-------------------------------|
| 365 Yearly | 7 Weekly |
| 90 Quarterly | - No regular intervals |
| 31 Monthly | X Other |



Industry Association

235 times
500 participants

Significance to FENC

FENC conducts exchange with industry associations to keep corporate development in line with market trends while determining development directions with industry associations and peers.

Issues of Concern

- Reinforce environmental safety and health management
- Instigate production and product innovation
- Implement sustainable development
- Prevent and control environment pollution
- Perfect risk management

Channel and Frequency



Reaching Zero Cancelled Bid with JCPRA During COVID-19 Pandemic

FIGP, which is FENC's rPET production site, is located in Ibaraki Prefecture, Japan, where the bidding of PET bales is coordinated by Japan Containers And Packaging Recycling Association (JCPRA). Due to COVID-19, the sale of food-grade rPET products dropped dramatically. A shortage of storage space for the bales led to cancelled bids.

As a result, waste PET bales quickly piled up. FIGP communicated with JCPRA to seek alternative storage options and reached zero cancelled bid. The approach was praised by JCPRA and local residents. By communicating with customers through sales channels, FIGP becomes the only rPET manufacturer in Japan to achieve zero cancelled bid, and sold its entire inventory of PET bales.



Local Residents and Organizations

142 times
9,841 participants

Significance to FENC

FENC maintains clear communication channels with local residents and organizations. The Company formulate and implement improvement measures based on public recommendations to minimize impacts on local residents from production activities.

Issues of Concern

- Cultivate compassionate bonds
- Prevent and control environment pollution
- Respond to climate change
- Boost stakeholder dialogue
- Elevate energy and resource efficiency

Channel and Frequency



Tatung University and East China University of Science and Technology Visiting FENC Petrochemical Plants

FENC's petrochemical plants have a long tradition of arranging site visits for local universities.

OPTC invited the students and faculty members from Tatung University for a site visit on November 18th, 2020. Speaking on the topic of Petrochemical Industry's Response to the Arrival of Digital Age, OPTC introduced the plant's incorporation of AI quality forecast and smart inspection into the production process to monitor product quality and improve equipment stability. The field trip made the students more confident about the future of the petrochemical industry.

On December 19th, OPSC invited students from School of Resources and Environmental Engineering of East China University of Science and Technology to visit the plant. OPSC has a long-term collaboration with East China University of Science and Technology, offering internship opportunities and industry-academia projects. During the visit, the students toured the wastewater treatment facility, learning more about wastewater treatment, the technology and industry applications.

Content

- About This Report
- Message from the Chairman
- Sustainability Strategy Blueprint
- FENC's Contribution to UN SDGs
- Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Special Report

- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix



Employees / Labor Union

9,614 times
375,319 participants

Significance to FENC

Employees are FENC's most valuable asset. The Company offers employee enhanced welfare and career development track to build solidarity and co-create a sustainable future.

Issues of Concern

- Construct happy workplace
- Foster employee career planning
- Reinforce environmental safety and health management
- Prevent and control environment pollution
- Refine operational performance and strategies

Channel and Frequency



Engaging Employee Dialogues with Monthly Magazine

Employee dialogue is a top priority for FENC. For 31 years since 1990, FENC publishes the monthly Far Eastern Magazine to communicate with employees. The magazine covers major corporate news as well as diverse content related to health, technology and travel. In 2001, the magazine began issuing the online edition to make it easier for employees to obtain first-hand information through online platforms. In 2019, the publication incorporated AI translation, allowing overseas employees to stay on top of Company updates. This approach has been very well received.

Business environment is evolving quickly in recent years. The age of new economy has arrived and smart manufacturing has transformed into another level. B. C. Chang, Chief Operation Officer of Polyester Business published the inaugural issue of Polyester Monthly in June 2019. December 2020 marks the publication of the 19th issue. Each month, the magazine conveys its priority tasks and implementation focus to the employees. Topics include smart manufacturing, occupational safety and health and labor conditions. The magazine also serves as a communication channel for employees, sharing tidbits of employee events, such as blood drive, hiking, travel and club activities. Employees get to enjoy work and life, building team spirit, developing competitive advantage and co-creating a better future.



Shareholders / Investors / Financial Institutions

587 times
18,985 participants

Significance to FENC

Shareholders, investors and financial institutions are significant sources of capital funding for FENC. Achieving excellence in corporate performance creates a virtuous cycle of securing stable funding by demonstrating corporate values.

Issues of Concern

- Perfect risk management
- Refine operational performance and strategies
- Govern with steady pace
- Implement sustainable development
- Prevent and control environment pollution

Channel and Frequency



First Online Course for Japanese Investors on the Future of Recycling Industry

In July 2020, the Department of Responsible Investment of a well-known Japanese bank mentioned a newspaper coverage on The Nihon Keizai Shimbun about FENC's chemical recycling technology, TopGreen® ChemCycle. The bank inquired about an investment course to shed light on FENC's rPET business.

Due to the impact of COVID-19, FENC held the investment course in an online format for the first time. The course, which offers insights into the rPET industry for Japanese investors, is taught by FENC executives in Japanese with English as an option. Livestreamed in Taipei, Tokyo and Hong Kong, it gives a clear overview of the global and Japanese rPET industries and explains the concept of chemical recycling using videos. Japanese investors inquired about the future vision of rPET and TopGreen® ChemCycle after the course concluded. FENC left a deep impression among the investors as Japan's no. 1 and world's no.2 rPET supplier.

Content

- About This Report
- Message from the Chairman
- Sustainability Strategy Blueprint
- FENC's Contribution to UN SDGs
- Identification of Stakeholders and Material Topics
- Boosting Stakeholder Dialogue**

Special Report

- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix



Direct Customers

114,217 times
291,155 participants

Significance to FENC

The trust of direct customers is the source of sales success. FENC must lead the way, advancing brand values for customers through innovative products.

Issues of Concern

- Build customer rapport
- Instigate production and product innovation
- Boost stakeholder dialogue
- Prevent and control environment pollution
- Promote product marketing

Channel and Frequency



Collaboration with PrAna Winning FTC USA

FEAV's customer, prAna is a subsidiary of Columbia. The brand has been promoting sustainable practices and holds its supply chain to a high standard. In 2009, prAna became the first apparel brand to be fair trade certified by Fair Trade USA. Being fair trade certified guarantees that corporations acquire products from suppliers at a fair price. Meanwhile, suppliers must abide by the standards set forth by International Labor Organization and Universal Declaration of Human Rights, ensure fair wage for employees, create safe workplace and balance business growth and environmental protection. prAna also urges its suppliers to be fair trade certified.

In 2020, FEAV became the second fair trade certified apparel manufacturer in Vietnam to partner with prAna. In the future, prAna will allocate 2% of sales proceeds from FEAV products to FEAV employees, who will form an independent organization to decide how the fund should be utilized. We also established Fair Trade Premium Management Team, which consists of 16 female and 3 male employees. The team assesses employee needs; implements labor condition advancement projects; provides assistance with annual audit. The team also provides assistance with annual audit. Being fair trade certified boosts the partnership between FEAV and prAna. It will also help FEAV form partnership with more brand customers.



Partners (Suppliers / Contractors)

9,421 times
18,071 participants

Significance to FENC

FENC's innovative products and services are built upon the raw materials and services provided by business partners. The Company creates win-win by achieving sustainable development through strong partnership.

Issues of Concern

- Perfect risk management
- Build customer rapport
- Boost stakeholder dialogue
- Implement sustainable development
- Refine operational performance and strategies

Channel and Frequency



OPTC's Transport Supplier Meeting

The main raw materials procured by OPTC are PX and AA. The risks involving the transport of petrochemical materials include traffic accidents and chemical leakage. Another safety concern is driver's use of telecommunication devices while operating the vehicle. OPTC holds quarterly supplier meetings to review the transport operation and conduct audit to ensure safety. In 2020, 54 participants from transport carriers attended the 4 supplier meetings. Aside from reviewing safety improvement, a PX spill drill was conducted to help the suppliers react swiftly during actual incidents to minimize damage. In 2020, all transport suppliers received the rating of A from the audit, an indication that the suppliers have greatly improved transport quality.

Content

- About This Report
- Message from the Chairman
- Sustainability Strategy Blueprint
- FENC's Contribution to UN SDGs
- Identification of Stakeholders and Material Topics
- Boosting Stakeholder Dialogue

◆ Special Report

- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix



Government

342 times
13,957 participants

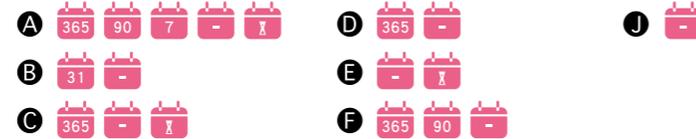
Significance to FENC

FENC maintains clear communication channels with the government to stay on top of regulatory development, avoid violations and ensure sound operation.

Issues of Concern

- Reinforce environmental safety and health management
- Implement sustainable development
- Prevent and control environment pollution
- Boost stakeholder dialogue
- Perfect risk management

Channel and Frequency



Improving Occupational Safety with the Guardians of Occupational Safety and Health

In 2020, Taoyuan City Government invited local suppliers to form Kuansin E Family. Kuanyin Chemical Fiber Plant showed its support by taking the leadership role in this big family and guiding Guanyin Industrial Park into a new level of safety. As a demonstration of the dedication to manage occupational safety and health, the scope of Kuansin E Family was expanded in January 2020. Additional businesses were invited to form the Guardians of Occupational Safety and Health. With mentorship program between the larger and smaller entities, all members work together to promote the culture and awareness of occupational safety and health.

In 2020, the Guardians of Occupational Safety and Health co-organized several programs with Taoyuan City Government, holding lectures, hands-on programs, as well as occupational safety and health week events at Chih Ping Senior High School, Nanya Institute of Technology, the Affiliated Taoyuan Agricultural & Industrial Senior High School of National Taipei University of Technology, Chung Yuan Elementary School and Taoyuan Municipal Qing-Xi Elementary School. Educating the younger generations about the importance of occupational safety and health.

Additionally, we help diagnose deficiencies for the partners in the Guardians of Occupational Safety and Health. By the end of 2020, we have presented 99 recommendations and helped complete 92 improvements. The improvement rate exceeds 90%. While working with the government, we offer alternative approaches to raise the awareness of occupational safety and health, and help industry peers to take the initiatives to effectively resolve deficiencies.



External Evaluation Agencies / Media

473 times
25,469 participants

Significance to FENC

FENC examines the adequacy of corporate policies through verifications conducted by external agencies, and presents corporate performance to the press.

Issues of Concern

- Prevent and control environment pollution
- Implement sustainable development
- Reinforce environmental safety and health management
- Perfect risk management
- Instigate production and product innovation
- Boost stakeholder dialogue

Channel and Frequency



SLCP Certification for Kuanyin Dyeing and Finishing Plant

Kuanyin Dyeing and Finishing Plant introduced Social & Labor Convergence Program (SLCP) in 2019, and for two executive years, the plant passed third-party verification conducted by TÜV Rheinland.

Sustainability mindset is on the rise around the globe, while brand customers, manufacturers and stakeholders have set a multitude of standards to ensure supply chain sustainability. However, undergoing multiple audits tend to cause fatigue. Therefore, dozens of brand customers and manufacturers co-created SLCP in 2015. SLCP is a fusion of several existing evaluation frameworks. It encourages more efficient use of resources and reduce fatigue on all sides. SLCP aims to verify occupational safety and health to improve labor conditions.

Kuanyin Dyeing and Finishing Plant has received third-party verification for two consecutive years since the plant incorporated SLCP in 2019. The program helps the plant comply with customer requirements and reduces the frequency of inspection. Meanwhile, the plant is able to share the outcome of SLCP audits to customers while focusing its resources on improvements.

- About This Report
- Message from the Chairman
- Sustainability Strategy Blueprint
- FENC's Contribution to UN SDGs
- Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Special Report

- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix

Contact List of FENC Stakeholders

Contact and Grievance Channel

Sustainability is a journey that requires constant improvements. We encourage all stakeholders to contact us or file for grievance regarding issues related to the customers, products, environment, regulatory compliance, anti-corruption, labor and human rights. Multiple communication channels and independent investigation process are also in place regarding each issue.

Grievance Channel and Process

<p>Process</p> <ul style="list-style-type: none"> Once the grievance claim is filed and deemed legitimate, the individual against whom the grievance claim is filed shall immediately cease performing the questionable conduct and be held accountable based on regulatory provisions and company policies. The acceptance, investigation and outcome of the grievance claim shall be filed and kept in written or electronic forms for 5 years. Once confirmed, applicable units shall review the internal control mechanism and operational procedure concerning the incidents reported. Improvements shall be proposed and implemented to prevent future occurrence. <p>Channel</p> <p>Audit Committee mail: auditcommittee@fenc.com</p> <p>Audit Department mail: feaedit@fenc.com</p> <p>Legal Compliance mail: legalcompliance@fenc.com</p> <p>Corresponding Material Topics</p> <ul style="list-style-type: none"> Implement sustainable development Boost stakeholder dialogue Refine operational performance and strategies Perfect risk management Govern with steady pace 	 <p>Regulatory Compliance and Anti-corruption</p>	<p>Process</p> <ul style="list-style-type: none"> Each grievance claim is thoroughly investigated and reported through the chain of command. The result of the investigation is provided to the individual filing the claim on a timely basis, and the entire record is properly filed and preserved. <p>Channel</p> <p>Employee comment box, Designated email (e.g., President's email, departmental email.), Confidential hotline, Employee representative meeting, Verbal claim, Written claim</p> <p>Corresponding Material Topics</p> <ul style="list-style-type: none"> Boost stakeholder dialogue Perfect risk management Coordinate sustainable supply chain development Reinforce environmental safety and health management Construct happy workplace Foster employee career planning 	 <p>Labor and Human Rights</p>	<p>Process</p> <ul style="list-style-type: none"> Once the grievance is filed, it is reported through the chain of command based on product, client manager and persons accountable. Response and outcome are reported back to the client on the real time basis. <p>Channel</p> <p>Designated email (e.g., Sales departmental email.), Verbal claim, Written claim</p> <p>Corresponding Material Topics</p> <ul style="list-style-type: none"> Instigate production and product innovation Build customer rapport Enhance corporate image Refine operational performance and strategies Promote product marketing 	 <p>Customers and Products</p>	<p>Process</p> <ul style="list-style-type: none"> Once the grievance is filed, applicable units at the plant are notified to address the matter, report to the management and respond to the individual filing the grievance with updates and outcomes of the investigation. <p>Channel</p> <p>Appointed units responsible for environmental grievances at all production sites, Labor Safety and Health Department, Security Guard Supervising Office</p> <p>Corresponding Material Topics</p> <ul style="list-style-type: none"> Boost stakeholder dialogue Perfect risk management Instigate production and product innovation Prevent and control environmental pollution Respond to climate change Elevate energy and resource efficiency Build sustainable community Reinforce environmental safety and health management 	 <p>Environment</p>
---	---	---	--	---	--	---	---

Results of 4 Complaints in 2020

Odor
2

Case A - OPTC

A complaint was filed by local residents against OPTC regarding odor near the plant. Staff from Department of Environmental Protection made an on-site inspection and confirmed OPTC's compliance in terms of operational procedure and emission. The authority determined that OPTC was not the source of the odor, and the case has been closed.

Case B - OPSC

A complaint was filed by local residents against OPSC for pungent odor that caused dizziness and nausea among local residents. The plant conducted inspection and testing, followed by confirmation from local authority that the odor was not produced by OPSC. The complaint has been closed.

Noise
2

Case A - Hsinpu Chemical Fiber Plant

When forklifts pass through uneven surface caused by potholes, they tend to create noises due to clashing with surrounding shelves. After filling the potholes, the clashing and noises are minimized, which addressed the complaint.

Case B - OPSC

A complaint was filed against OPSC regarding noises at the plant. OPSC conducted an investigation with the contractor and tested the noise level at night with local authority. It was confirmed OPTC was not responsible for the noise, and the case has been closed.