



About This Report

Message From the Chairman

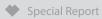
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



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

About This Report

Far Eastern New Century Corporation (FENC) issued its first Corporate Social Responsibility Report in July 2013, and beginning in 2015, the report became an annual publication issued in August. With the publication of the 8th issue, the report was renamed "Sustainability Report." The current issue marks the 12th edition, which discloses corporate sustainability performance from 2024.

Significance of Report Subjects to FENC

Innovation is the cornerstone that empowers sustainable growth at FENC. Entitled "Inventing New Century," the FENC Sustainability Report lays out the Company's visionary journey on the path towards net zero. With pioneering mindsets and concerted efforts, FENC fosters sustainability by developing low-carbon products and next-generation materials with the value chain while committing to inclusive development and environmental education out of the determination to expand its social influence. Working alongside its stakeholders, FENC is shaping a beautiful new century.

Reporting Period

This report was issued in June 2025 with the reporting period spanning from January 1, 2024 to December 31, 2024. The content encompasses specific actions and quantitative data on the sustainability performance at FENC regarding economics, governance, society and environment. For past sustainability performances, please refer to FENC's sustainability website.

FENC Corporate Sustainability Website



Reporting Guidelines

1. Corporate Sustainability Performance

The reporting is in accordance with the Global Reporting Initiative (GRI) Universal Standard 2021 and has been assessed by third-party verification as AA1000 Assurance Standard v3 Type 2 moderate level. For details, please refer to 7.5 Assurance Statement (). The reporting also referenced Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB) on Chemicals and Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

2. Corporate Financial Performance

Financial audits were conducted by Deloitte & Touche. The unit of calculation is New Taiwan Dollar (NT\$) unless otherwise noted

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Scope of Disclosure

FENC has diversified businesses ranging from production, property development and investment. The scope of the 2023 FENC Sustainability Report encompasses 26 FENC sites, which is identical to that from the previous year. The report discloses 96% of the revenues on the 2024 consolidated statement. The scope of the disclosure for each Business is described as follows:

1. Production Business:

With materiality in mind, subsidiaries of the Production Business covered within the report are those reaching NT\$2 billion in annual revenues (see note). The combined disclosure accounts for 98% of the 2023 revenues from the Production Business.

2. Property Development Business:

FERD, a subsidiary of FENC, develops and manages the Company's real estate for investment purposes. Please refer to Advocating Balanced Coexistence for details.

3. Investment Business:

The primary targets of investment at FENC are the listed companies under Far Eastern Group (FEG). These companies have published their own reports on sustainability performance. Please refer to the corresponding sustainability websites under FEG for details.

Note: To maintain consistency, once a business entity is included in FENC Sustainability Report, said entity will remain in the report even when its annual revenues fall below NT\$2 billion. Explanations will be provided in the report if the above condition applies





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

Enhancing Corporate Preface Sustainable Image



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

Scope of 2024 FENC Sustainability Report

Far Eastern New Century	Headquarters	• Far Eastern Group R&D Center	Hsinpu Chemical Fiber Plant		
Corporation (FENC)	Kuanyin Chemical Fiber Plant	 Kuanyin Dyeing and Finishing Plant 	• Hukou Mill		
Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)		Far Eastern Polytex (Vietnam) Ltd. (FEPV) • Polyester Plant • Knitting and Dyeing Plant			
Far Eastern Fibertech Co., Ltd. (FEFC)					
Oriental Green Materials Limited (OGM)		Far Eastern Apparel (Vietnam) Ltd. (FEAV)			
Far Eastern Industries (Shanghai) Ltd. (FEIS)		Far Eastern New Apparel (Vietnam) Ltd. (FENV)			
Wuhan Far Eastern New Material Ltd. (WHEF)		Far Eastern Ishizuka Green PET Corporation (FIGP)			
Oriental Industries (Suzhou) Ltd. (OTIZ		APG Polytech, LLC			
Far Eastern Industries (Wuxi) Ltd. (FEIW)		Far Eastern Resources Development Co., Ltd. (FERD)			
Far Eastern Dyeing & Finishing (Suzhou) Ltd. (FEDZ)		Far Eastern Memorial Foundation			
Far Eastern Apparel (Suzhou) Co., Ltd. (FEAZ)		Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation			

Sustainability Websites of Listed Companies Under Far Eastern Group in Taiwan







Asia Cement











U-Ming Marine Transport

Orientral Union Chemical











Everest Textile

Far Eastern

Far EasTone International Bank Telecommunications

Nextlink

Information for Readers

The chapters on Enabling Unlimited Innovation 🕟 , Navigating a Green Future 🕟 and Creating Inclusive Society © correspond to Production Business; Advocating Balanced Coexistence © corresponds to Property Development Business; the remaining chapters cover both Businesses.

Four years of quantified data is presented in this report. The specific data referenced in Navigating a Green Future R and Creating Inclusive Society R are included in 7.1 Environmental and Employee Data R.

FENC has prepared this report in a conscientious manner with utmost attention to detail. We continue to improve and refine the scope and process of data collection to elevate data quality. Discrepancies in historical data between the latest report and the previous version exist for the reasons stated below:

Chapter	Detail	
Fostering Robust Governance	Update historical data: • Financial Performance	
Enabling Unlimited Innovation	Update historical data: • Performance of Forward-Looking R&D and Innovation Activities	
Navigating a Green Future	Update historical data: Renewable energy generation and installed capacity, water withdrawal and consumption, volume and rate of water recycled and reused, effluent discharge, air pollutant emissions, total waste generated Carbon allowance and emission statistics of Far Eastern Industries (Shanghai) Ltd. (FEIS)	
Creating Inclusive Society	Update historical data: • human resource statistics, number and rate of new employee hires, number and rate of employee turnover, average number of training hours and training days of regions, average number of training hours of ranking and gender, the number and purchase amount percentage of suppliers signing "Supplier Corporate Social Responsibility Committee Statement"	

^{1.} The companies are listed in chronological order of their establishment. 2. The link to each company's sustainability website may change. Please use the link provided on the company's official website.





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

Enhancing Corporate Preface Sustainable Image

- Special Report
- **1** Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- Navigating a Green Future
- 4 Creating Inclusive Societ
- **5** Cultivating Compassionate Bonds
- Advocating Balanced Coexistence
- **7** Appendix

Message From the Chairman



Chairman of Far Eastern New Century Corporation

Douglas Tong Hsm 客地東

To the global community, the year 2024 was a year of navigating through the political and economic turbulence. It was a year where a pivotal presidential transition occurred in the U.S., and the war raged on between Ukraine and Russia; where sluggish economic growth continued in mainland China, and the negative interest rate ended in Japan. Amid the instability and uncertainty, FENC remained steadfast. By leveraging agility through strategic operations, the company achieved outstanding results. Revenue reached a record high, profit exceeded NT\$10 billion, and growth surged by over 20%. FENC's business and ESG performance caught the attention of DJSI, which has made FENC a constituent stock of the Emerging Markets Index, the first and only industrial conglomerate in Taiwan to be inducted.

As we head into the future, the course is charted with three focuses: establishing an international presence; promoting the application of innovative technologies; cultivating future talent. We are binding operational strategies closely to sustainable development as we march on towards net zero 2050.

1. Establishing an international presence:

FENC has a worldwide network of production, marketing and distribution. Spanning across Taiwan, mainland China, Japan, Vietnam, Malaysia, the U.S. and the Philippines, it gives us a superior advantage in building a regional supply chain system. In recent years, the growth of FENC's rPET production capacity has accelerated. In 2024, production operation began at FIGP-Himeji Plant in Kansai, Japan, and Phoenix Technologies International L.L.C. in the U.S expanded its capacity. In 2025, additional production will be put into action in Vietnam, mainland China and Malaysia, strengthening our international presence with value-added recycled products and cementing FENC's status as the leader in food-grade rPET.

2. Promoting the application of innovative technologies:

FENC is harnessing the power of innovation by focusing on green and digital technologies. Anchored by existing know-how in recycling, we continue to leap into technological frontiers with green innovations such as transforming recycled waste textiles, electronics and gas into new products, and advancing low-carbon fuel alternatives and carbon capture and utilization technologies. On the digital front, we have honed digital capabilities in AI, cloud computing, IoT and robotics, taking them beyond production and efficiency optimization and into the application of smart manufacturing, energy conservation and carbon reduction.

3. Cultivating future talent:

Employees are FENC's most prized asset, and efforts have been devoted to cultivating professional talent with internationalization skills, digital savviness and sustainable thinking as we prepare for market uncertainties and corporate transformation. We are offering systematic training instruments layered upon diverse learning infrastructure to sharpen the skills of key talent while building the global talent pool to galvanize the talent capital for the future.

To join the global net zero movement, we are determined to accelerate climate actions for carbon reduction to tame global warming. Following the 1.5°C pathway established in the Paris Agreement, FENC has set the targets for green transformation in 2024, aiming for 50% carbon reduction, 50% green raw materials and 50% green products by 2030. We are marching towards net zero 2050 with ambitious strides. FENC's circular economy practice and carbon reduction projects took the world stage at COP29 in November 2024, leading the transition to a low-carbon model in the industry. Through these efforts, FENC made the A List with its climate score for the first time in the latest CDP rating, putting FENC among the ranks of leading sustainable enterprises around the globe.

Sustainable development is a cause to which FENC has given its full dedication, and such devotion has brought us wide acclaims in 2024. FENC received its fifth consecutive Top Ten Taiwanese Companies Sustainability Model Award, the highest honor presented by TCSA In addition, FENC won two first prizes in the Global Views Monthly Annual ESG Awards for the second consecutive year, making it the only corporation in Taiwan to receive both top honors from Global Views Monthly two years in a row. Additional attention from international institutions include the induction of FENC as a component stock of the DJSI Emerging Markets Index for the first time, and the top 1.5% ranking in the global chemical sector in the Sustainalytics ESG risk rating. We also caught the attention of multiple international financial media, receiving awards from The Asset, Treasury Today and FinanceAsia for efforts in integrating sustainable finance with growth strategies. We have shown the world the fruit of our longstanding commitment to sustainable operation.

FENC is evolving with the tides of time. Its engine of innovation churns with the advancement of production deployment, technological application and talent development, bringing us closer to a total green transformation, the key for maintaining FENC's leading position amid global competition and materializing its sustainable blueprint.





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

Enhancing Corporate Preface Sustainable Image

- Special Report
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- **5** Cultivating Compassionate Bonds
- Advocating Balanced Coexistence
- **7** Appendix

Sustainability Strategy Blueprint

Inventing New Century



Fostering robust governance

Strive for honest and ethical conduct, establish management mechanism and reduce operational risks in pursuit of sustainable development.









Utilize R&D ability, transition into smart production, operation and product service to meet the needs of human development.





Navigating a green future

Implement net-zero transition, promote corporate resilience and adaption and expand green product lines to reach carbon neutrality and a sustainable future.







Creating inclusive society

Foster employee competitiveness, promote supply chain sustainability and improve public welfare to achieve the mission of inclusive growth.













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

Enhancing Corporate Preface Sustainable Image

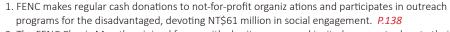


- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- Navigating a Green Future
- 4 Creating Inclusive Society
- **5** Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- **7** Appendix



FENC's Contribution to UN SDGs





- The FENC Classic Marathon joined forces with charity groups and invited runners to donate their
 race chips to raise funds for elderly care, such as gifts during traditional festivals and year-round
 home service. P.140
- 3. FENV donated daily supplies to ethnic minorities in Bình Phước Province, Vietnam. P.139



1. APG Polytech donated Thanksgiving feasts. P.139



QUALITY FDUCATION

5 GENDER EQUALITY

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- The Corporate Management launched a campaign to promote low-carbon living among all employees and reduced nearly 20,000 CO₂e in carbon emissions through collective efforts of incorporating walking and running in their lives. P.131
- 2. FEAV provided free vaccination for 4,000 employees and their families. P.131
- 3. FENC Classic Marathon drew over 3,300 runners. P.140



- 2. The 16th Taiwan Young Student Physicists' Tournament helps improve English debate and physics skills among youths in Taiwan. *P.142*
- 3. The Far Eastern Architectural Design Award–Rediscovering the Splendor of Ancient Temples in Wanhua drew an enthusiastic turnout with nearly 400 participants. *P.144*
- 1. FENC values gender equality with a 51% increase in female managers in the past decade. P.104
- 2. FENC engaged in sexual harassment prevention training with key case analysis. P.104



 FEAV provided financial sponsorship to install potable water purifiers at an elementary school in Bình Phước Province, Vietnam. P.139



- 1. FENC generated a total of 24.06 GWh of solar power for self-use and purchased about 200 GWh of renewable energy. P.27
- FENV installed the new N-type solar panels with double-sided output to improve power generation efficiency. P.83



- FENC has been listed on the Taiwan Stock Exchange for 57 years, with annual profits and dividends. P.36
- FENC issued nearly 40 sustainable financial products, raising almost NT\$80 billion in funds. P.54
- 3. Implementing an employee stock ownership plan, with the company providing more than 30% of the contribution. *P.116*



- 1. FENC received 929 patent approvals to date. P.60
- 2. FENC developed the 100% bio-based PEF fiber with carbon-reducing benefits. P.63
- 3. FENC developed the 100% chemically recycled polyester fiber for airbags. P.63
- FENC created the world's first shoe midsole made from recycled polyester to be commercially launched. P.64



 FENC was certified as a middle-aged and elderly friendly workplace by the Taipei City Government for the second consecutive year. P.107



- 1. FENC won the Platinum Design Award in the Performance Award category from 2024 TIBA Performance Award. *P.155*
- 2. Tpark promoted innovative technologies for intelligent building. *P.154*



- FENC applied the waste gas recycling technology the materials that gave way to the uniforms worn by team Chinese Taipei during the opening ceremony of the Paris Olympics. P.22
- 2. FENC utilized used coffee grounds for the production of facial masks and hygiene products. *P.64*



- FENC showcased its circular products, carbon reduction performance and the fruit of its innovative endeavors during COP29. P.19
- 2. FENC lowered its GHG emissions by 34% from the base year. P.26
- 3. FENC conducted the TCFD impact assessment, P.28



- 1. FENC's ocean recycled anti-bursting jerseys were chosen as the uniforms for multiple international football champions. *P.22*
- 2. OGM assisted with the implementation of the Taoyuan Blue Ocean Recycling Alliance. P.25
- 3. OPTC and Kuanyin Chemical Fiber Plant participated in the beach cleanup activities. P.140



- 1. FENC scaled the chemical recycling system for waste textiles. *P.22*
- 2. FIGP-Himeji Plant transformed recycled waste into refuse-derived paper and plastics densified fuel. *P.94*
- 3. FENV launched an environmental campaign, raise awareness by offering trees to local residents for recycling waste batteries. *P.140*



1. FENC established the Speak Up Policy with a 24-hour multilingual grievance channel. P.17



- 1. FENC partnered with BenQ Materials to convert recycle electronic waste into sustainable materials. *P.22*
- FENC provided assistance in sustainability promotion during the Puma Singapore Marathon. P.66
- 3. FEAV co-hosted the first Lean Learning Community with Nike. P.66





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

Enhancing Corporate Preface Sustainable Image

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

Identification of Stakeholders and Material Topics

Identification of Materiality

financial institution

Each year, the stakeholders and material topics are identified by the executive managers and Sustainability Implementation Committee, and the internal and external feedback is gauged through surveys to keep the sustainability management and reporting at FENC in alignment with the expectations of all stakeholders.

FENC follows the procedures for the identification of material topics in the 2021 version of the GRI Standards, developing the framework for materiality analysis based on the principles of identification, analysis

and verification. In 2022, surveys were administered to internal and external recipients with a total of 423 valid surveys collected. In 2023 and 2024, in light of the rapidly changing external environment and to increase stakeholder participation, another round of survey was administered to 204 stakeholders. The outcome was combined with that from the 2022 survey for analysis. External experts were consulted regarding the process and result of stakeholder and material topic identification, which were then presented to the executive managers for confirmation. The Sustainability Committee members, which consist of regular and independent Board members, gave the final approval.

Determine material topics for reporting Identify and assess impacts on an ongoing basis Understand the Identify actual and Assess the significance Prioritize the most significant Determine potential impacts of the impacts impacts for reporting organization's context material topics Stakeholder Identification: Based on the five principles laid Compile Conduct **Materiality** out in AA1000SES (2015) Stakeholder Engagement Standard. Sustainable Verify Analysis Analysis Issues **Analysis Process of Stakeholders** Source Source Material Topic Survey Prioritization of Assessment of Sustainability reports from Taiwanese Presentation to the Compile **Material Topics** Positive and corporations, global customers and Highest Governing Forty sources were referenced to Stakeholders Analysis of the impact level global peers, totaling 106 reports. **Negative Impacts** Entity compile the list, including industry Prepare the from sustainability issues on guidelines, standards and benchmaterial Executive managers The material topics corporate operation marks: stakeholder feedback: TCFD The stakeholders were topic matrix. and the Sustainabilwere presented to the Target: Sustainability Impleclimate risk and opportunity consolidated under 13 categories. ity Team assessed executive managers mentation Committee identification: human rights due the positive and for confirmation. The diligence; international guidelines, negative impacts of Sustainability Stakeholder Identification Survey standards and reports, such as the Analysis of the impact level Committee members, material topics. Materiality Global Risk Report and Measuring Target: The Sustainability from sustainability issues on which consist of Analysis Implementation Committee Stakeholder Capitalism by the World the economy, environment regular and indepen-Economic Forum (WEF), SDGs, GRI, and people, including human dent Board members, Sustainability Accounting Standards gave the final A total of 131 valid surveys Board (SASB) and Organization for Target:Six categories of key approval. were collected. Economic Co-operation and stakeholders Development (OECD) Due Diligence Guidance for Responsible Business Six categories of key stakeholders 14 Material Topics Conduct. 1. Direct customer 2. Government Conduct 3. Employee/Labor union A total of 514 sustainability A total of 496 valid surveys Analysis 4. External audit agency issues were compiled. were collected. 5. Business partner 6. Shareholder/investor/

The issues were consolidated

under 21 categories.





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

Enhancing Corporate Preface Sustainable Image

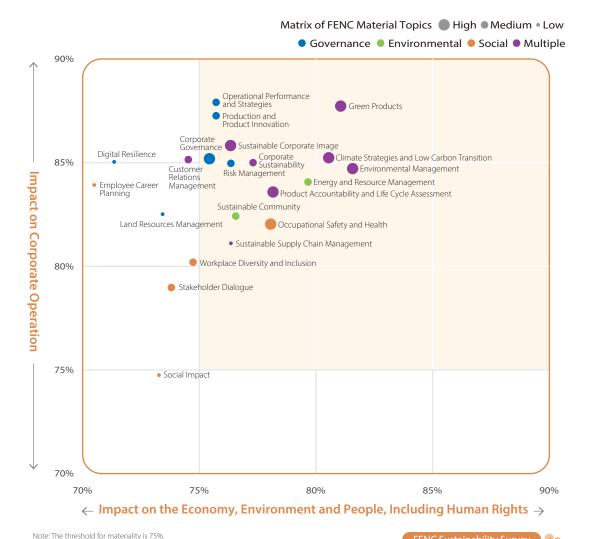
- Special Report

- Navigating a Green Future

- Advocating Balanced
- **7** Appendix

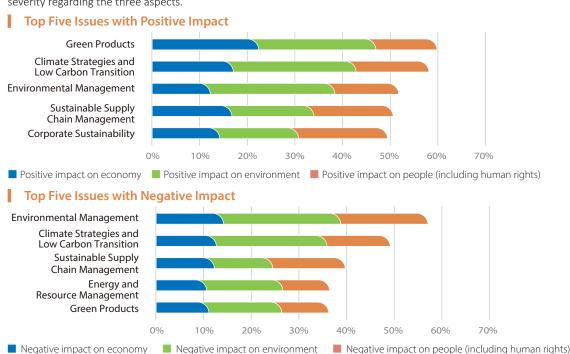
The Company adopts the Double Materiality principle proposed by the European Union to identify 14 material topics that have significant impacts both on the Company's operations and on external economic, environmental, and social (including human rights) aspects. The process and results of material topic identification form an integral part of the Company's risk management system, which includes established management approaches and effectiveness evaluation mechanisms for each material topic. The analysis results for 2024 remain consistent with the previous year, maintaining the same 14 material topics.

Matrix of FENC Material Topics



Positive and Negative Impact and Scope of Value Chain Impact

Refer to the material topics identified in 2022, executive managers and the Sustainability Team conducted impact analysis to assess their positive and negative impact as well as the scope of value chain impact. Each material topic was assessed against current corporate strategies and management guidelines to measure the positive impact and likelihood of occurrence regarding the aspects of economy, environment and people, including human rights. The assumption for the assessment of the negative impact, no action, would lead to the inability to prevent or mitigate the negative impact, and was used to assess the likelihood of occurrence and severity regarding the three aspects.



Linkage Between Executive Remuneration and Material Topics

Material Topics	Links to Changes in Executive Remuneration			
Business Performance and Strategy	Business performance and strategy are key indicators for the annual operational review, thus linked to changes in executive remuneration.			
Energy and Resource Management	Energy and resource management is a key indicator for the monthly operational review, and the monthly energy consumption rate is linked to changes in executive remuneration.			
Environmental Management	One of the main goals of environmental management is to reduce waste and increase the reuse of waste materials. The performance in waste reuse is linked to changes in executive remuneration.			
Green Product	The percentage of green product revenues is linked to changes in executive remuneration.			
Occupational Safety and Health	Occupational safety and health inspections are conducted monthly, and the results are linked to changes in executive remuneration.			





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

Enhancing Corporate Preface Sustainable Image

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

Linkage Between Executive Remuneration and Material Topics

Material Topics	Impacts on External Economy, Environment and People, Including Human Rights	Value Chain Impact Assessment					Management Methods	
			FENC				and Related Information	2024 Outcome Indicator
	mendang naman nigno		Production Business	FERD	Foundations	Customers	Corresponding to Chapters	
Green Product	The development of green products may fulfill FENC's green commitment to brand customers, promote economic growth and mitigate environmental impacts.	V	٧			V	Special Report 1 2.2 Developing Green Products	Green product revenues accounted for 33% of total revenues.
Environmental Management	Business operations may lead to air pollution, waste and impacts on biodiversity.	V	V	٧			3.4 Steering Environment Management	Waste materials, excluding reused and recycled materials, decreased by 41% from the base year Air pollutant emissions decreased by 21% from the base year
Climate Strategies and Low Carbon Transition	The inability to effectively control GHG emissions will lead to worsening climate conditions and business environments.	V	V	٧		V	Special Report 2 3.2 Marching Towards Net Zero	GHG emissions decreased by 34% from the base year
Energy and Resource Management	Environmental impacts may be reduced by monitoring the current energy and resource usage and adopting a host of conservation measures.		V	٧			3.3 Elevating Energy and Resource Efficiency	 Energy consumption per unit of production decreased by 9% from the base year. Water withdrawal per unit of production decreased be 30% from the base year.
Product Accountability and Life Cycle Assessment	Impacts on the environment and human health may be mitigated by gauging the scale and significance of potential environmental impacts with product life cycle assessments and improvements from the management and R&D perspectives.	V	V				2.3 Honing Product Management	FENC products met the latest international standards and obtained customer certification.
Occupational Safety and Health	Implementing occupational safety and health management may reduce occupational risks and improve the physical and mental health of the employees and contractors.	V	V	٧			4.3 Reinforcing Occupational Safety and Health Management	 Occupational disasters involving employees and contractors averaged two cases per FENC site, down to one case from 2023. There were no incidences of occupational diseases. There was one fire and chemical leakage incident.
Operational Performance and Strategies	With steady refinement of business strategies, FENC maintains the industry-leading status, drives industry evolution and promotes economic development.		V	V			Message from the Chairman 1.1 Refining Operational Performance and Strategies	Main products maintained the industry-leading status
Production and Product Innovation	Leveraging its R&D capabilities, FENC develops forward-looking products and transitions to smart production, operation and product services to promote industry growth.	V	V			V	Special Report 1 2.1 Instigating Production and Product Innovation	More than five innovative production processes were incorporated.
Corporate Sustainability	By establishing a comprehensive governance framework, FENC balances the sustainable development of the environment, society and corporate governance to create values for all stakeholders.		V	V	V		Message from the Chairman 1.5 Implementing Sustainable Development	More than three sustainability projects were implemented.
Sustainable Corporate Image	FENC may examine the direction of sustainable development and elevate stakeholders' willingness to invest in the Company by participating in global sustainability ratings, forums and conferences to engage and interact with stakeholders.		V	V	V		Enhancing Sustainable Corporate Image Special Report 5 Cultivating Compassionate Bonds	FENC participated in more than three corporate sustainability conferences or awards.
Risk Management	The establishment of a sound risk management mechanism may reduce the degree and likelihood of impacts from environmental and man-made factors.		V	V			1.3 Perfecting Risk Management	 More than three risk management projects were implemented.
Corporate Governance	With integrity as the highest guiding principle, FENC builds a robust governance system to facilitate corporate management and maximize the interests of all shareholders.		V	٧			1.2 Governing with Steady Pace	FENC ranked between 6% to 20% in the Corporate Governance Evaluation of companies listed on the Taiwan Stock Exchange and Taipei Exchange.
Sustainable Community	With environmental protection and low-carbon operation as the goal, FENC strikes a dynamic balance between the man-made and natural environment, building a smart industrial park through advanced technologies to foster a sustainable ecosystem.			V			6.2 Building Sustainable Community	Electricity consumption per unit of floor area decreased by 16% from the base year.
Sustainable Supply Chain Management	FENC ensures that goods and services provided by suppliers are in line with quality, economic, environmental and human rights requirements.	V	V	٧			4.4 Shaping Sustainable Supply Chain	 Percentage of suppliers signing the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement: 94% 100% of the significant suppliers passed the supplier ESG assessment.

Note: The significance of the material topics to FENC, specific management guidelines and short, medium and long term goals are provided in each chapter. Seven sustainability issues are not listed as material topics. They are "customer relations management," workplace diversity and inclusion," employee career planning, "digital resilience," stakeholder engagement, "and resources management" and "social impact." Details are provided in the ensuing chapters.

10



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

Enhancing Corporate Preface Sustainable Image

- Special Report
 - Robust Governance
- 2 Enabling Unlimited
- 3 Navigating a Green Future
- **5** Cultivating Compassionate Bonds
- Advocating Balanced Coexistence
- **7** Appendix

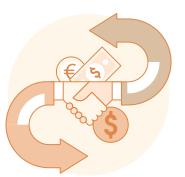
Boosting Stakeholder Dialogue



With integrity and transparency as the guiding principles, FENC utilizes multiple channels of disclosure and stakeholder engagement to strengthen the relationships. Throughout the process, issues significant to stakeholders are documented, and Company policies are modified accordingly to respond to their expectations. Progress of stakeholder engagement is reported to the Board periodically. The Sustainability Implementation Committee presented the 2024 stakeholder engagement to the Sustainability Committee and the Board on February 25 and March 12, 2025, respectively.

Six categories of key stakeholders

23,325 times 508,361 participants



Direct Customers

Significance to FENC

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

> **2,109** times **301,032** participants

Issues of Concern

- · Product Accountability and Life Cycle Assessment
- · Green Products
- Sustainable Corporate Image
- · Environmental Management
- Energy and Resource Management

Communication Channel and Frequency

- · External Meetings: Yearly, Quarterly, Monthly, Weekly, Irregular
- · Internal Meetings: Monthly, Weekly, Irregular
- · Training/Trial/Drill: Yearly, Other
- · Promotional Campaign: Irregular
- · Visits/Exchanges: Yearly, Quarterly, Monthly, Irregular
- · Review/Evaluation/Audit: Yearly, Irregular, Other
- · Survey/Questionnaire: Yearly, Quarterly, Monthly, Irregular
- · Other: Weekly

Winner of the 2024 L'Oréal Big Bang Beauty Tech Innovation Program

In 2024, L'Oréal Group, the multinational personal care corporation, launched the BIG BANG Beauty Tech Innovation Program in Taiwan. Companies were invited to participate in the competition by submitting sustainable beauty tech solutions. Nearly 600 Asian companies entered with innovative proposals. After intense competition, 16 companies were named as winners. Among them was FENC, one of only two from Taiwan. The award represented FENC's pursuit of excellence in sustainable innovation.

FENC is the world's largest supplier of food-grade rPET. With over three decades of recycling experience and know-how, the Company's proposal entails a trial closed-loop recycling program for the packaging of personal care products. FENC converts the recycled bottles into high-quality rPET chips, which will then transform to new personal care packaging, thus completing the closed-loop system. FENC's innovation was exhibited during the 2024 Annual Rendez-Vous at L'Oréal Taiwan, the final stage of the competition, which provided an opportunity for peer exchange. The Company was later announced as a winner.

FENC will engage L'Oréal Group further in the future by expanding the closed-loop recycling program to include additional personal care product packaging and turning them into quality rPET chips. This closed-loop model is a major step towards reducing resource waste and the carbon footprint, which advances the sustainability of the environment as well as L'Oréal Group as a new circular chapter begins in the beauty industry.





About This Report

Message From the Chairman

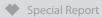
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



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



Government

Significance to FENC

FENC maintains clear communication channels with governmental entities to stay on top of regulatory development, prevent violations and ensure sound operation.

655 times **15,013** participants

Issues of Concern

- · Environmental Management
- · Occupational Safety and Health
- · Sustainable Corporate Image
- Corporate Sustainability
- · Climate Strategies and Low Carbon Transition

Communication Channel and Frequency

- · External Meetings: Yearly, Irregular
- · Training/Trial/Drill: Yearly, Irregular
- · Promotional Campaign: Yearly, Quarterly
- · Visits/Exchanges: Yearly, Quarterly, Monthly, Irregular
- · Review/Evaluation/Audit: Yearly, Quarterly, Irregular, Other
- Survey/Questionnaire: Yearly, Irregular
- Company Website: Quarterly, Monthly
- · Other: Irregular

The New Taipei Sustainability Workshop

As the world confronts the challenge of global warming, a consensus has been reached regarding the necessity to reach net zero emissions. FENC has also been contributing. To embody sustainable operation, FENC has dedicated itself to promoting the circular economy, taking action to decarbonize through partnerships established across wide disciplines. In September 2024, FENC was invited to participate in the New Taipei Sustainability Workshop, a net zero program held by the New Taipei City Government and organized by the Global Views Monthly. The workshop integrated resources and efforts from the industry, government and academia. Allen Sha, Executive Vice President of Corporate Staff Office, represented FENC and presented an industry perspective, offering analysis with case studies exemplifying the circular economy and green living. Representing the academic point of view was Dr. Kuei-Tien Chou, Director of the Risk Society and Policy Research Center of National Taiwan University, who shared his experience in connecting local governance with sustainable development on a global scale. Through peer sharing and exchange, FENC led the green-collar talent from the New Taipei City Government on an exploration of action plans for sustainable development and opportunities for public-private partnership in the promotion of the circular economy.

Representatives from 15 departments under the New Taipei City Government participated in the workshop, where they formed groups during the inter-departmental discussions to brainstorm for creative sustainable programs and collaborative opportunities. For instance, representatives from the Education Department, Youth Department and Sports Department developed the proposal of hosting a marathon to advocate sustainability and carbon reduction. They referred to the three core focuses of FENC's sustainable business model, the recycling technologies, low-carbon production and value chain collaboration. The value chain was identified as an appropriate starting point for the government to implement low-carbon strategies. Specific approaches included offering runners' jerseys made of recycled materials, digitizing the program booklet and offering discounts to those using the digital identity certificate, aiming to drive local consumption and promote sustainable development. The in-depth exchanges with the local government was an opportunity to not only share FENC's sustainable development philosophy, but provide assistance with the promotion of sustainable development goals, working together to realize the vision of a sustainable city.



12



About This Report

Message From the Chairman

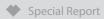
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



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



Employees / Labor Union

Significance to FENC

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

3,322 times **169,227** participants

Issues of Concern

- · Employee Career Planning
- · Occupational Safety and Health
- · Green Products
- Workplace Diversity and Inclusion
- · Sustainable Corporate Image
- Environmental Management

Communication Channel and Frequency

- · External Meetings: Yearly, Quarterly, Irregular
- · Internal Meetings: Yearly, Quarterly, Monthly, Weekly, Irregular, Other
- · Training/Trial/Drill: Yearly, Monthly, Irregular, Other
- · Promotional Campaign: Monthly, Irregular
- · Visits/Exchanges: Yearly, Monthly, Irregular
- · Review/Evaluation/Audit: Yearly, Weekly, Irregular, Other
- · Survey/Questionnaire: Yearly, Irregular
- · Grievance/Comment Box: Irregular
- · Other: Yearly, Weekly, Irregular, Other

Reducing Carbon Emissions in All Aspects in Life With the Carbon Reduction Passbook

FENC is committed to integrate carbon reduction and circularity into its operation and practices. In June 2024, the Company launched an energy and carbon reduction campaign at the Corporate Management, which motivated carbon-reducing actions with a competition and programs tailored for employees. The campaign also tapped into FENC's strength in recycling technologies, leading employees' to integrate environmental and sustainable practices into their lives. A total of 379 staff members took part in the campaign, and together, they reduced 120,754 kgCO2e of carbon emissions by the end of 2024, nearly twice as much as the annual carbon reduction target that was set for the year.

FENC also developed in-house applications to integrate commonly used functions and news announcements for employees. Among them, the Carbon Reduction Passbook and the application for meal box donation had been helpful assistants for facilitating a carbon-reducing lifestyle. The Carbon Reduction Passbook is where employees may check the carbon reduction targets and progress, which gave them a sense of accomplishment by working towards a common goal. The application quantified employees' monthly carbon-reducing contribution from activities such as the use of public transportation, walking and running based on their monthly uploads. Each quarter, the two departments with the highest carbon reduction per capita were presented with the title, Carbon Reduction Role Model, and the 15 employees with the highest carbon reduction contribution were awarded as the Carbon Reduction Leaders. These incentives boosted employees' willingness to participate.

The meal box donation program was established at the canteen. Employees could donate the meal boxes they had paid for to others through the application to reduce food waste while cutting the costs and carbon emissions derived out of food disposal. By the end of 2024, the program had kept a total of 996 meal boxes from going to waste.

Another environmental activity at FENC is the quarterly rTEX circular clothing program, through which employees are encouraged to bring used clothing containing more than 80% polyester to work for recycling. The clothes are then transformed by FENC into brand-new garments using its chemical textile recycling technology.

Additionally, gasoline-powered vehicles among FENC's fleet had been replaced with electric vehicles. The downtime for office lighting has been increased and the air-conditioning has been set at a higher temperature. These are FENC's efforts in building a workplace that reduces energy and carbon emissions.





About This Report

Message From the Chairman

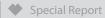
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



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



External Audit Agency

Significance to FENC

FENC examines the adequacy of corporate policies through verifications conducted by external agencies and proposes specific plans to enhance sustainable competitiveness.

230 times 2,767 participants

Issues of Concern

- · Green Products
- Climate Strategies and Low Carbon Transition
- · Environmental Management
- Energy and Resource
- · Management
- · Land Resources Management

Communication Channel and Frequency

- · External Meetings: Yearly, Irregular
- · Training/Trial/Drill: Yearly
- · Training/Trial/Dril: Irregular
- · Visits/Exchanges: Irregular
- · Review/Evaluation/Audit: Yearly, Irregular, Other
- · Other: Yearly, Other

Committing to Net Zero Emissions With SBTi-verified Carbon Reduction Targets

To support the global effort in energy conservation and carbon reduction, OTIZ, an FENC subsidiary, and the Polyester Business of FENC submitted their carbon reduction targets and received the approval from the Science Based Targets initiative (SBTi) in March and June 2024, respectively. Both entities set their targets based on the 1.5°C pathway established in the Paris Agreement, ready to leap towards net zero emissions by 2050.

SBTi is a joint initiative by the United Nations Global Compact, international carbon disclosure organization CDP, World Resources Institute and World Wide Fund for Nature. The initiative operates on a science-based framework to help companies set medium- and long-term carbon reduction targets in their respective industries with the ultimate goal to reach net zero. In recent years, SBTi has risen as one of the world's most reliable organizations for the verification of carbon reduction targets.

As the threat from global warming exacerbates, FENC remains focused on developing green products to quench the thirst for eco-friendly and low-carbon solutions from international brand customers. To support its ambition to cut carbon emissions, FENC has established five overarching strategies, including improving energy efficiency; adopting low-emission fuel alternatives; developing renewable energy; utilizing CCU; fostering raw material transition. The Company is aggressively promoting green manufacturing, tackling carbon reduction with pragmatic actions. In 2024, FENC established the low-carbon transition targets, aiming for 50% carbon reduction, 50% green products and 50% green raw materials by 2030, which exceed the 1.5°C pathway specified by the SBTi, as a declaration of FENC's unwavering determination to reach net zero.





About This Report

Message From the Chairman

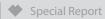
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

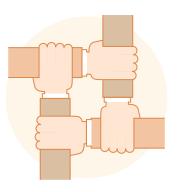
Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



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



Business Partners (Suppliers / Contractors)

Significance to FENC

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

16,837 times 16,957 participants

Issues of Concern

- · Customer Relations Management
- Product Accountability and Life Cycle Assessment
- · Occupational Safety and Health
- · Corporate Governance
- Operational Performance and Strategies
- · Risk Management
- · Green Products

Communication Channel and Frequency

- · External Meetings: Yearly, Monthly, Weekly, Irregular, Other
- · Internal Meetings: Yearly, Monthly, Irregular, Other
- Training/Trial/Drill: Weekly, Irregular
- · Promotional Campaign: Yearly, Quarterly, Monthly, Other
- · Visits/Exchanges: Yearly, Quarterly, Weekly, Irregular
- · Review/Evaluation/Audit: Yearly, Quarterly, Irregular
- · Survey/Questionnaire: Yearly, Irregular
- · Other: Yearly, Irregular

Steering Carbon Reduction in the Industry Chain With the 1+N Carbon Management Demonstration Team

The enactment of the carbon fee mandate in 2025 is putting pressure on the corporate community in Taiwan to decarbonize. FENC formed the 1+N Carbon Management Demonstration Team, leading OGM, Toung Loong Textile MFG. Co. Ltd., Hong Yi Fiber Ind. Co. Ltd. and Yi Shin Textile Industrial Co. Ltd., as well as six diffusion plants as the mentored manufacturer, working together to reduce carbon emissions and operational risks in the industry chain by implementing low-carbon production and optimizing resource efficiency.

The project, which was approved on April 8, 2024, received NT\$25.5 million in subsidy from the Industrial Development Agency of Ministry of Economic Affairs (MOEA). With an implementation period from April 2024 to September 2025, FENC serves as a lead, forming a carbon management partnership and integrating technical resources with ten upstream and downstream manufacturers. With coaching provided by the Taiwan Textile Research Institute, each member is to propose a carbon management plan based on the standards of ISO 14064-1 GHG inventory and ISO 14067 carbon footprint to ensure the integrity and credibility of the carbon reduction data.

The target for this project is to reduce 30,000 tCO₂e by 2025. As of October 2024, the team has reduced 8,270 tCO₂e. FENC is also helping the members assess their needs during the GHG inventory process, confirming the scope of inventory and collecting data in order to complete the carbon management and GHG inventory training.





About This Report

Message From the Chairman

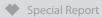
Sustainability Strategy Blueprint

FENC's Contribution to UN SDGs

Identification of Stakeholders and Material Topics

Boosting Stakeholder Dialogue

Enhancing Corporate Preface Sustainable Image



- Fostering
 Robust Governance
- 2 Enabling Unlimited Innovation
- Navigating a Green Future
- 4 Creating Inclusive Societ
- 5 Cultivating Compassionate Bond
- 6 Advocating Balanced Coexistence
- **7** Appendix



Shareholder / Investor / Financial Institution

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.

172 times
3,365 participants

Issues of Concern

- Operational Performance and Strategies
- · Corporate Governance
- · Green Products
- Climate Strategies and Low Carbon Transition
- · Environmental Management

Communication Channel and Frequency

- · External Meetings: Yearly, Quarterly, Irregular
- · Internal Meetings: Quarterly
- · Training/Trial/Dril: Irregular
- · Visits/Exchanges: Irregular
- · Survey/Questionnaire: Yearly, Irregular
- · Other: Monthly, Irregular

The First and Only Industrial Conglomerate in Taiwan Chosen as DJSI Component Stock

In December 2024, FENC was selected as a component stock of the Emerging Markets Index by the Dow Jones Sustainability Indices (DJSI), the world's leading sustainability benchmark indices. The recognition made FENC the first and only industrial conglomerate in Taiwan to make the list.

DJSI is a key reference for global institutional investors when it comes to evaluating a company's sustainability performance. Out of over 10,000 global companies analyzed and evaluated by the DJSI, only the top 10% are selected. FENC has long been engaged in ESG development, and in 2024, the Company was chosen over its global peers as a DJSI component stock for the first time. FENC was also inducted into the 2025 Sustainability Yearbook from S&P Global, another first time, and given the Industry Mover Award in the Industrial conglomerate category. These recognitions are a testimony to FENC's exceptional performance within its industry.

Note: The DJSI was renamed the Dow Jones Best-in-Class Index in February 2025.







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

Enhancing Corporate Preface Sustainable Image

- Special Report
- 2 Enabling Unlimited
- 3 Navigating a Green Future
- 4 Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- **7** Appendix

Contact and Grievance Channel

FENC maintains open dialogues with stakeholders. The Company established Speak Up Policy, encouraging comments and suggestions from all stakeholders. Communication and grievance channels are accessible 24-7 and available in Chinese, English, Japanese, Vietnamese and Malay to meet the needs of FENC's diverse workforce locations and demographics. The Company accepts anonymous claims and has an independent investigation mechanism in place. An investigation team is established within 5 days of receiving the claim documents. Under general circumstances, a ruling shall be established, and the investigation report shall be compiled within 3 months of accepting the claim. Separate grievance channels and procedures are in place for claims concerning regulatory compliance, anti-corruption, labor, human rights, products and the environment.

Speak Up Policy



Stakeholder Contact



FENC Speak-up: speak-up@fenc.com



Grievance Channel and Procedure for Issue-Specific Claims

· 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

• The acceptance, investigation and outcome of the grievance claim shall be filed

· Once confirmed, applicable units shall review the internal control mechanism

shall be proposed and implemented to prevent future occurrence.

and operational procedure concerning the incidents reported. Improvements

Regulatory Compliance and Anti-Corruption

Labor and Human Rights

Products Process

· 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 a real-time basis.

Environment

Process



Process

· 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.

 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.

Channel

Process

Audit Committee email: auditcommittee@fenc.com

and kept in written or electronic forms for 5 years.

- Audit Department email: feaudit@fenc.com
- Legal Compliance email: legalcompliance@fenc.com

Channel

Employee comment box, HR email: fenchrd@feg.com.tw \$\square\$ designated email (e.g., President's email, departmental email), confidential hotline, employee representative meeting, verbal claim, written claim

Channel

Designated email (e.g., Sales departmental email), verbal claim, written claim

Channel

Appointed units responsible for environmental grievances at all production sites, Labor Safety and Health Department, Security Guard Supervising Office

2024 Claims and Outcome

and company policies.

All seven cases are workplace grievances, and none are related to FENC's environmental and governance practices. The details are provided as follows:

Labor Issue 7

Cases 1 to 3-FENC

The three grievance claims were filed against the employee welfare, scheduling of environmental safety training and vacation rules, and all were addressed immediately. With thorough communication and understanding, the cases have been closed.

Case 4-FFIW

Three discharged employees filed a grievance claim against FEIW's labor conditions and management rules. Upon reviewing the circumstances, the local labor bureau deemed the subject rules and procedures to be in compliance, and the case was dismissed.

Case 5–APG Polytech

The claim was filed in regard to the scope of duties of the supervisor and union members. The case has been closed after a dialogue meeting was conducted.

Cases 6 to 7–FIGP

The two grievance claims were filed against supervisors by eight employees regarding communication issues Based on the evidence presented by the employees, it was determined that their supervisors had engaged in improper conduct. FIGP fully communicated with the employees, and the supervisors were reprimanded in accordance with the applicable regulations. Both cases have been closed.



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

Enhancing Corporate Preface Sustainable Image

- Special Report
- **Enabling Unlimited**
- 3 Navigating a Green Future

- Advocating Balanced
- **7** Appendix

Enhancing Corporate Preface Sustainable Image

2024 Constituent of Sustainability Indexes

Dow Jones Sustainability Indexes

Dow Jones Sustainability

Emerging Markets Index



Constituent of MSCI ESG Leaders Indexes



Constituent of FTSE4Good **Emerging Indexes**



Constituent of FTSE4Good TIP Taiwan ESG Index



Constituent of TWSE CG 100 Index



Greater China Business Sustainability Index

Recognitions from 2024 Sustainability Ratings



TCSA

Top 10 Taiwanese Companies Sustainability Model Award

Five Consecutive Years

- Corporate Sustainability Report Award – Platinum Award
- Climate Leadership Award
- Circular Economy Leadership Award
- Growth through Innovation Leadership Award
- Information Security Leadership Award
- · Creative Communications Leadership Award
- · People Development Leadership Award



Global Corporate Sustainability Awards (GCSA) Sustainability Reporting Award Gold Class



Global Views Monthly **ESG Award**

First Prize at Manufacturing Industry First Prize at Low-Carbon Operation

Taiwan's Only Consecutive Double First Prize Winner



Sustainalytics -ESG Risk Rating

Industry Top Ratings

Fop 1.5% of Commodity Chemicals Industry

Ministry of Economic Affairs

Buying Power - Social Innovation Products and Services Procurement Special Award, Third Prize Outstanding Enterprise in Greenhouse Gas Reduction

Ministry of Environment

National Enterprise Environmental Protection Award - Bronze Award Outstanding Green Procurement Unit - Ministry of Environment, R.O.C.

CDP Climate Change -A List Water Security -Management Level

CommonWealth Magazine Excellence in Corporate Social

Responsibility Award CommonWealth Talent Sustainability Award CommonWealth Magazine Healthy Corporate Citizen Award - Large Enterprises



TCIA Circular Economy Achievement Award

HR Asia

Best Companies To Work for in Asia Equity & Inclusion Awards Most Caring Company Awards Sustainability Awards

Department of Labor, Taipei City Government

Age-Friendly Employer Certification (Middle-aged and Senior Workers)

21st Century Foundation

Net Zero Industry Competitiveness Excellence Award $\star\star\star$

Departments of Environmental Protection, Taipei & New Taipei City Governments

Private Sector Green Procurement Enterprises

Triple A Awards 2024-Sustainable Finance Best Sustainability Exchangeable Bond

Best Sustainable Finance Deal -Highly Commented Best Mid Cap Company (Gold) Best CEO (Gold) / Best CFO (Gold) Best Overall Company (Silver)

FinanceAsia

Institutional Investor

Asia's Most Honored Companies Awards (Consumer Discretionary Sector)

Treasury Today Adam Smith Awards Asia

Best Sustainable Treasury Solution ***

Business Weekly Top 100 Carbon Competitiveness



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

Enhancing Corporate Preface Sustainable Image

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

Participating in the International ESG Trends, Corporate Strategy and Outlook Seminar

FENC was invited to attend the International ESG Trends, Corporate Strategy and Outlook Seminar hosted by the Department of Investment Promotion of MOEA on June 20, 2024. B.C. Chang, Chief Operating Officer of Polyester Business, represented FENC as the panelist. During the session, he shared how ESG was integrated into FENC's corporate strategies and how the Company advanced its competitiveness through the circular economy and low-carbon solutions. He also emphasized the need for the corporate community to reach carbon reduction targets through concrete actions amid the



global transition to net zero. Working collectively, a sustainable supply chain could take shape by capitalizing on technological innovation and supply chain cooperation to meet brand customers' demand for green raw materials. The seminar, which was organized by the Chung-Hua Institution for Economic Research and LCS and Partners, gathered experts, scholars, renowned accountants and corporate representatives to explore the impact of ESG from the angles of international trade agreements, legal risks and corporate practices. The audience gained profound insights on the subject of ESG. The peer exchange also strengthened corporate resilience and promoted sustainable development within the industry. For FENC, the focus remains with the development of recycling technologies. While responding to the market demand, the Company is also creating sustainable values for the corporate community and the entire society.

Contributing to the 2024 CommonWealth Sustainability Assembly as a Panelist

Humphrey Cheng, President of Corporate Management, was invited to the 2024 CommonWealth Sustainability Assembly and served as a panelist. During the event, he shared FENC's long-term devotion to and achievements in low-carbon transition and the circular economy. Back in 2005, FENC had been implementing energy conservation among its business units and establishing an incentivization system to encourage employee participation. Over the years, FENC has embraced the circular economy as its niche and developed a holistic approach covering waste



recycling from the land, ocean and air. Among its innovations are polyester products made of recycled carbon dioxide and recycled fabrics made of ocean debris. The year 1988 marks the beginning of FENC's journey in developing and implementing recycling technologies. Being the first polyester recycling and remanufacturing corporation in Taiwan, FENC has been spearheading the transformation of the polyester and textile industries for decades. With a complete bottle-to-bottle recycling system, FENC converts recycled waste into food-grade low-carbon packaging materials. Additionally, the Company is aggressively expanding recycling applications, branching into the production of seat belts, airbags, tire cord fabrics and shoe materials using recycled raw materials, all of which are the manifestation of FENC's technological prowess and commitment to sustainable development.

Taking the Center Stage at COP29 With FENC's Circular Economy and Carbon Reduction Performance

Dr. Ching-Ying Yu, Associate Professor from Yuan Ze University, an affiliate under Far Eastern Group, was invited to speak at the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), which was held in Azerbaijan from November 11 to 22, 2024. Professor Yu gave two speeches at the Blue Zone, where the formal negotiation and official sessions took place, and shared FENC's innovative circular economy products and carbon reduction performance. The Blue Zone is limited to government delegations, heads of state, observers and media recognized by the United Nations Framework Convention on Climate Change (UNFCCC) only. By making an appearance at this venue during COP29, it speaks to FENC's global influence in the field of sustainability. FENC also grabbed the spotlight at the Blue Zone with the display of ocean recycled anti-bursting jerseys worn by athletes during the 2022 FIFA World Cup and the 100% rPET sports footwear, which showcased the green power and innovative prowess of Taiwanese companies.

Dr. Yu highlighted FENC's dedication to the rPET industry, which started over three decades ago. By leveraging technological innovation and the application of recycled materials, FENC developed recycling solutions that tackle waste from the land, ocean and air, and fostered sustainable and circular lifestyles through partnerships with global brand customers. Its expansive conglomerate had expanded from Taiwan to Japan, mainland China, Vietnam, Malaysia, the Philippines and the U.S. Dr. Yu also discussed FENC's five major carbon reduction strategies, as well as its aggressive targets for green transformation in order to reach net zero by 2050.

