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Target Readers:

- ☒ Employee / Labor Union
- ☒ Business Partner (Supplier / Contractor)
- ☐ Direct Customer
- ☒ External Audit Agency
- ☒ Government
- ☐ Shareholder / Investor / Financial Institution



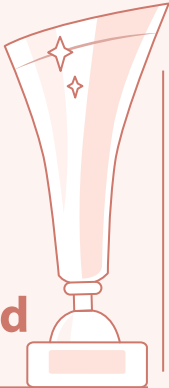
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2024 Highlight

Average Regular Salaries  
at Taiwan FENC Sites  
**50% Higher Than  
Market Salaries**

Winning the  
**4th Consecutive**  
HR Asia  
**Best Companies to  
Work for in Asia Award**



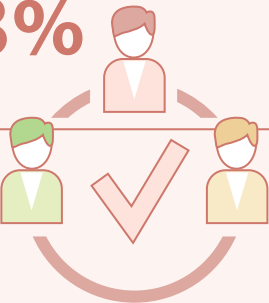
**2 Consecutive Years**  
**Certification for**  
**Enterprise Friendly to the**  
**Middle-aged and Elderly**  
From Taipei City Government

Employee Training  
Hours **↑16%** Sessions **↑5%**  
Attendance **↑19%**



Promoting **Sustainability**  
**Academy**  
Offering **573** Sessions  
**42,389** Participants

Digital Learning  
**47%** of Total Training  
Attendance Count **↑33%**



**Recognition as**  
**Exemplary Unit**  
**for Green Procurement**  
From Ministry of Environment and  
Department of Environmental Protection  
of Taipei City Government



**100%** Significant  
Suppliers Passing  
**Supplier ESG Survey**

**Human Rights**  
**Due Diligence**  
Covering **100%** Global  
FENC Sites



Establishing  
**EAPs**  
Offering Mental and Physical Health  
for Employees



FEAV  
Offering Free **Vaccination**  
For **4,000** Employees  
and Families

FEFC  
**27** Consecutive Years  
**Accident-free**  
**Working Hours**

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Target and Progress

	Optimizing Employee Care	Establishing International Talent Acquisition Database	Protecting Human Rights	Cultivating Sustainable International Management Talents
2035 Target	<ul style="list-style-type: none"><li>Continue to optimize employee care measures</li></ul>	<ul style="list-style-type: none"><li>Continue to incorporate talent evaluation resources to support the sustainable operation of FENC</li><li>Develop a succession team with a global vision</li></ul>	<ul style="list-style-type: none"><li>Raise human rights awareness from the inside out and establish a human rights paradigm for the supply chain</li></ul>	<ul style="list-style-type: none"><li>Cultivate an international management succession team</li></ul>
2030 Target	<ul style="list-style-type: none"><li>Create a long-term mechanism to improve employee well-being</li><li>Establish a comprehensive health management system for expat employees</li></ul>	<ul style="list-style-type: none"><li>Expand the database and construct a global talent pool to include FENC's worldwide locations</li></ul>	<ul style="list-style-type: none"><li>Ensure all human rights are respected with high standards across FENC's global sites</li></ul>	<ul style="list-style-type: none"><li>Establish a talent pool for international management and leadership</li></ul>
2025 Target	<ul style="list-style-type: none"><li>Optimize employee care programs</li><li>Reinforce the assistance for expat employees</li><li>Focus on employees' career development needs</li></ul>	<ul style="list-style-type: none"><li>Enhance visual presentation and provide reference information to supervisors for the planning of corporate development</li></ul>	<ul style="list-style-type: none"><li>Conduct on-site plant inspections to address salient risks</li></ul>	<ul style="list-style-type: none"><li>Establish a talent training system to pass down and manage the knowledge and lessons learned</li></ul>
2024 Target	<ul style="list-style-type: none"><li>Implement specific improvement actions based on the result of employee satisfaction surveys</li><li>Provide holistic health management for expat employees</li><li>Launch EAPs</li></ul>	<ul style="list-style-type: none"><li>Provide comprehensive training for supervisors to evaluate the person-job fit among employees and identify matches for appropriate corporate or academic training</li></ul>	<ul style="list-style-type: none"><li>Conduct human rights due diligence</li></ul>	<ul style="list-style-type: none"><li>Train <b>50</b> local managers at overseas locations</li><li>Train <b>100</b> Taiwanese managers with international leadership capabilities</li><li>Pass down sustainable business philosophies and experience with a total of <b>300</b> internal knowledge courses</li></ul>
2024 Progress	<ul style="list-style-type: none"><li>Reviewed the salaries offered in different regions <b>Achieved</b></li><li>Designated a health management contact as support for expat employees during their overseas assignment</li><li>Established a wide range of Employee Assistance Programs (EAPs)</li></ul>	<ul style="list-style-type: none"><li>Established talent acquisition programs in overseas regions <b>Achieved</b></li><li>Re-examined the learning map for junior-level managers</li><li>Expanded the application of the DISC personality test to supplement recruitment interviews and improve the person-job fit; completed supervisory training for managers; provided assistance in team building</li><li>Completed the leadership development programs with information such as test results, performance appraisals, special projects and job competencies linked to the Talent Pool</li></ul>	<ul style="list-style-type: none"><li>Implemented mitigation and remediation actions addressing salient human rights risks across FENC's global production and operation sites <b>Achieved</b></li><li>Conducted human rights due diligence covering 100% of FENC's global locations</li></ul>	<ul style="list-style-type: none"><li>Completed the assessment of <b>471</b> employees with management potential in mainland China and established a localized talent pool <b>Partially Achieved</b></li><li>Conducted leadership programs in Vietnam and trained <b>150</b> Taiwanese managers</li><li>Passed down sustainable business philosophies and experience with a total of <b>291</b> internal knowledge courses<sup>(Note)</sup></li></ul>
Action Plan	<ul style="list-style-type: none"><li>Conduct regular employee satisfaction surveys and establish improvement plans for implementation</li><li>Customize health management mechanisms to provide mental health support for expat employees</li><li>Create an employee development and care system and conduct career interviews based to address individual needs</li><li>Establish skills certification systems with regular review over promotion criteria</li></ul>	<ul style="list-style-type: none"><li>Combine the talent information of the operating bases in various regions</li><li>Import training records, professional licenses, and project results, all linked to each employee's Individual Development Plan (IDP)</li></ul>	<ul style="list-style-type: none"><li>Conduct human rights due diligence on a regular basis</li><li>Ensure the consistency of personnel regulations, work rules, and codes of conduct and compliance with international human rights requirements across FENC's global sites</li><li>Fully implement risk mitigation and remediation measures and address each grievance claim properly to continue risk reduction</li></ul>	<ul style="list-style-type: none"><li>Establish multiple academies on FENC's digital learning platform and provide diverse course options for employees</li><li>Promote localized training programs and cultivate the succession team to fulfill FENC's commitment to talent sustainability</li></ul>

Note : The number of internal knowledge courses did not reach the 2024 target of 300. The digital learning systems in certain regions were offered through FENC's internal network, and were unable to accommodate a flexible schedule for certain employees. Some courses have been temporarily postponed. However, phase two has begun, and system upgrade and adjustment are currently underway.

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Target and Progress

	Zero Occupational Injuries for Employees and Contractors	Zero Occupational Illnesses for Employees and Contractors	Zero Fire and Chemical Leakage	Sustainable Supply Chain
2035 Target	Occurrence(s) at each business site : 0	Occurrence(s) : 0	Occurrence(s) : 0	<ul style="list-style-type: none"><li>Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 100%</li><li>All suppliers' ESG performance in line with the Company's sustainability development goals</li></ul>
2030 Target	Occurrence(s) at each business site : 0	Occurrence(s) : 0	Occurrence(s) : 0	<ul style="list-style-type: none"><li>Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 100%</li><li>Incorporate ESG performance into the supplier selection process at procurement units and expand the scope of implementation year by year</li></ul>
2025 Target	Occurrence(s) at each business site : less than 2	Occurrence(s) : 0	Occurrence(s) : 0	<ul style="list-style-type: none"><li>Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 96%</li><li>Reach a 100% passing rate for the supplier ESG assessment among significant suppliers and phase up the scope of implementation each year</li><li>Propose ESG performance improvement plans for significant suppliers</li></ul>
2024 Target	Occurrence(s) at each business site : less than 2	Occurrence(s) : 0	Occurrence(s) : 0	<ul style="list-style-type: none"><li>Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 95%</li><li>Collect and analyze suppliers' ESG performance at the main procurement units</li></ul>
2024 Progress	Occurrence(s) at each business site : 2 1 occurrence less than 2023	Occurrence(s) : 0	Occurrence(s) : 1 (Note1)	<ul style="list-style-type: none"><li>Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 94%</li><li>Reach a 100% passing rate for the supplier ESG assessment among significant suppliers(Note2)</li></ul>
Action Plan	<ul style="list-style-type: none"><li>Implement safety and health coaching and audits</li><li>Enhance training and promotion regarding occupational safety and health among employees and contractors</li><li>Implement occupational safety and health management systematically</li><li>Establish smart safety and health management</li><li>Promote pre-work risk hazard recognition</li></ul>	<ul style="list-style-type: none"><li>Avoid exposing employees to chemical, physical and ergo risks during operation</li><li>Provide health checks for employees engaging in regular operations or those posing health threats</li><li>Provide onsite employee health services</li><li>Implement programs related to health promotion</li></ul>	<ul style="list-style-type: none"><li>Add lists of flammables as standards for risk prevention during construction</li><li>Conduct comprehensive review over contractor management rules</li><li>Strengthen review on control operation</li><li>Conduct training on risk factor identification and prevention</li><li>Enhance safety drills for fires and chemical leakage</li><li>Examine firefighting apparatus and personal protective equipment</li></ul>	<ul style="list-style-type: none"><li>Conduct supplier engagement through multiple channels to improve sustainability awareness</li><li>Set Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement t as one of the selection criteria and increase green procurement each year</li><li>Conduct ESG campaigns and training</li><li>Implement and participate in social engagement activities with suppliers</li><li>Plan and implement ESG performance improvement plans for suppliers</li></ul>

Note : 1. A fire incident occurred at Hsinpu Chemical Fiber Plant due to a ventilator failure in 2024. To prevent future occurrences, FENC proposed several improvement measures, including the installation of high temperature alarms, steam and nitrogen fire extinguishing systems, and automatic and regular cleaning devices at the ventilator; the designation of separate fire zones for operation.

2. "Significant supplier" refers to the supplier of the Company's main raw materials and suppliers reaching NT\$1 million in a single transaction with the main procurement unit within the reporting year.



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Sustainability Issues

Workplace Diversity and Inclusion

Significance and Purpose of Management for FENC

At FENC, labor rights take precedence. The Company shares with employees the fruit of their own labor and regards their physical and mental health as a priority. Additionally, FENC is integrating diversity, equity and inclusion (DEI) into its corporate DNA.

Management Approaches and Effectiveness Evaluation Mechanisms

- Conduct regular analysis on market salaries for payroll management and examine the payroll structure to ensure that competitive salaries are offered under the non-discriminatory principle.
- Create the global talent pool, examine factors behind the resignation of high-potential talents and reduce turnover costs.
- Continue with employee satisfaction assessment, enhance areas in need of improvements and provide feedback.
- Stay informed of changes in local labor regulations and make immediate adjustments to corresponding Company policies.
- Construct a comprehensive human rights management framework to ensure 100% coverage for human rights training.



Authority

- Human Resources Department
- Human resources department at each Business
- Highest ranking manager at each Business

Employee Career Planning

Significance and Purpose of Management for FENC

FENC cultivates job competency aligned with strategic needs with systems that offer diverse training and platforms to establish an extensive talent pool.

Management Approaches and Effectiveness Evaluation Mechanisms

- Adopt project-specific management approaches and evaluate the results with the Kirkpatrick Model.
- Level 1 - Reaction : Assess satisfaction towards training programs with in-class evaluation and after-class satisfaction survey.
  - Level 2 - Learning : Validate training effectiveness with tests, work application reports, summary reports, etc.
  - Level 3 - Behavior : Review the application of acquired knowledge and skills through action plan, follow-up survey from supervisors, individual development plan (IDP), etc.
  - Level 4 - Results : Examine the effects of behavioral changes on performance through individual or organizational performance management appraisals.



Authority

- Human Resources Development Center
- Human resources department at each Business

Occupational Safety and Health

Significance and Purpose of Management for FENC

We strive for reducing workplace risks to protect the health and safety of workers (employees and contractors). Our goals are to achieve zero occupational injury and incident, minimizing the impacts of business operations on local communities and preventing any accidents caused by inadequate management.

Management Approaches and Effectiveness Evaluation Mechanisms

- Establish Occupational Safety and Health Committee.
- Identify, evaluate and control risks at workplace or in operational procedure.
- Enhance the management of machinery, equipment and facilities.
- Provide personal protective equipment.
- Adopt effective management measures regarding the procurement, use and storage of chemicals.
- Arrange regular health checkups for workers and conduct health promotion and management projects.
- Conduct investigation, statistical analysis and measures regarding occupational injuries.
- Require that contractors comply with FENC safety and health standards and provide applicable training.



Authority

- Presidents of Petrochemical, Polyester and Textile Business
- Labor Safety and Health Department
- Safety and health units at all business sites

Sustainable Supply Chain Management

Significance and Purpose of Management for FENC

FENC forms partnerships with the supply chain to ensure that products and services provided by suppliers meet quality, environmental governance, social and human rights requirements. With collaborative efforts, we achieve sustainable supply chain development as a response to customers' sustainability goals.

Management Approaches and Effectiveness Evaluation Mechanisms

- Request the signing of Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement from suppliers.
- Significant suppliers should pass the supplier ESG survey assessment.
- Monitor and supervise supplier conducts and conditions through open communication and regular meetings.
- Evaluate environmental, social and governance impacts from suppliers and may provide assistance or terminate contracts depending on the severity.



Authority

- FEG Purchasing Department
- Procurement departments at business sites
- Raw material purchasing units

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4.1 Molding a Diverse and Inclusive Workplace

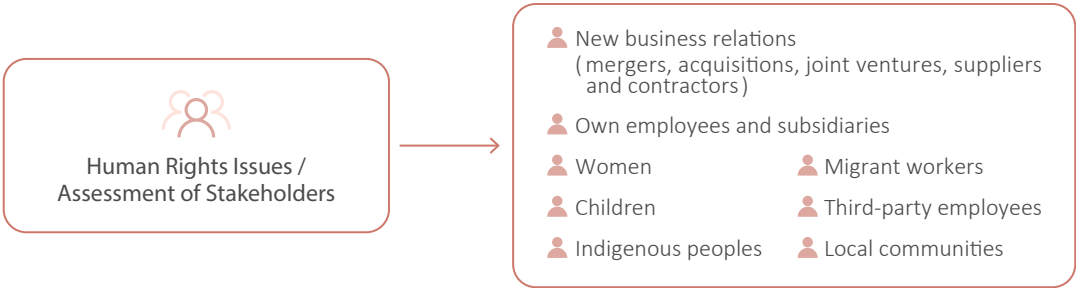
FENC has constructed the framework for human rights protection while its global management network for human resources takes shape. The Company’s human rights policies and regulations are bolstered by the human resources systems across its worldwide locations and communicated through the local language to ensure employees’ full understanding of FENC’s commitment to labor rights. Access to policy details is provided through a multitude of channels, such as internal training, company websites and email notifications with adequate training programs and support to ensure policy effectiveness.

FENC supports its workforce with a globalized human resources and human rights blueprint with localized systems, strengthening competitiveness through Strategic Workforce Planning (SWP) using People Analytics (PA). By applying data-driven approaches, the Company evaluates changes in the external environment, identifies trends in the labor market, predicts future employee needs and formulates recruitment and retention strategies while engaging in long-term planning to keep its human capital in line with the business development strategies. The mid-term objectives zoom in on talent training and cultivation, and for the long term, the focus is to improve employee satisfaction, develop the global talent pool and conduct human rights due diligence on a regular basis.

International Textile Manufacturer Federation (ITMF) and International Apparel Federation (IAF) codeveloped Social & Labor Convergence Program (SLCP) with global brands, manufacturers and accredited hosts. The program conducts verifications on recruitment and hiring; working hours; wages and benefits; employee treatment; employee involvement; health and safety; termination; management system. Six dyeing and finishing plants under FENC have passed third-party SLCP verification and been recognized by brand customers. The verification is an endorsement to FENC’s non-stop progress in the management and protection of human rights and employee welfare.

4.1.1 Human Rights Protection

The FENC Human Rights Policy has been signed into effect by the Chairman, and the policy implementation is under direct Board oversight. Each year, the corporate governance managers present the status report to the Board and publish the report on FENC’s official website. The procedures of human rights management include the establishment of the human rights policy; human rights due diligence; mitigation and remediation actions for salient human rights risks; training on human rights issues; operation of the grievance mechanism. Ongoing efforts have been devoted to the optimization of systems and indicators, and the scope of the assessment has been expanded as follows:



When investing in new operation sites and forming new business relations with mergers, acquisitions, joint ventures, suppliers or contractors, FENC conducts the human rights due diligence to assess the implementation of human rights protection. The results are vital for guiding investment decisions and confirming supplier qualifications. When expanding existing or adding new production sites, the human rights risk assessment is also taken into consideration to evaluate local personnel policies, supplier management and the influence of the local community on the investment and expansion projects. FENC is committed to passing customer audits regarding human rights and labor conditions across its production sites with a 100% approval rate. Aligning with international standards and the principles of corporate social responsibility, FENC is determined to create a sustainable and responsible business model.

FENC Human Rights Policy Strengthening Human Rights Policy and Human Rights Due Diligence Procedures

Entity	Responsibility	Reporting and Frequency
Board of Directors	The Chairman, who has signed the FENC Human Rights Policy, leads human rights efforts, provides resources and supports the management level to implement human rights protection programs.	Corporate governance managers present the outcome of human rights due diligence and key implementation objectives to the Board on an annual basis.
Human Resources Department, Headquarters	The department implements human resources management systems and establishes human rights policies, goals and guidelines for the global human rights due diligence. When forming new business relations, such as mergers, acquisitions, joint ventures or investing in new operation sites, the department conducts human rights due diligence to confirm the status of human rights implementation as a basis for evaluation and subsequent improvement.	The department presents information regarding human rights risks and the tracking of risk indicators during the monthly risk management meetings.
Human Resources Unit Under Each Business	The unit establishes human rights implementation programs with procurement and production units. At the monthly meetings of each Business, the unit conducts review, proposes remediation measures, investigates grievance claims and makes improvements.	The unit reviews human rights implementation at the monthly meetings of each Business.
Labor Union	The labor union raises and discusses human rights issues from the employee perspective during labor relations meetings.	The labor relations, pension committee and employee welfare meetings are held quarterly.
Procurement Unit	The unit requires suppliers to sign the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement.	The unit reports on supplier management to the corporate governance managers during the monthly meetings.
Production Site	The majority of FENC production sites are located in industrial areas, and they monitor the management system through regular engagement with management entities at the industrial areas. Production sites located in non-industrial areas conduct regular community engagement and initiate testing and dialogues regarding issues such as noise, waste management, air pollution, water resources management and wastewater discharge.	<div>1. All production sites engage and maintain rapport with local residents and organizations by soliciting their feedback and suggestions and responding with improvement plans to reduce the impact of production activities on the local communities.</div> <div>2. All production sites conduct social engagement programs such as meetings, visits, exchanges and educational campaigns among local residents.</div> <div>3. To mitigate and improve potential significant impacts on local communities resulting from existing and new operations, FENC is committed to conducting pre-operation dialogues with local residents and organizations through social engagement activities, such as meetings, visits, exchanges and educational campaigns, to provide mitigation and improvement.</div>

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Human Rights Policy

FENC is dedicated to safeguarding the basic human rights of its employees and creating an environment where human rights are fully protected. To align with international standards, FENC adheres to and advocates the International Bill of Human Rights, International Labor Office Tripartite Declaration of Principles, OECD Guidelines for Multinational Enterprises, UN Universal Declaration of Human Rights and UN Global Compact.

At the end of each year, FENC conducts a self-assessment to monitor and review the implementation of the Human Rights Policy, strengthening human rights protection and creating an environment that fosters fairness, safety and respect for all stakeholders. FENC will continue to monitor trends in human rights development and enhance management approaches to ensure full implementation.

Progress and Measure of FENC Human Rights Policy



Regular Assessment of Human Rights Management and Implementation of Human Rights Due Diligence

FENC assesses the impact of its business operations on human rights and conducts human rights due diligence once every two years. In 2024, human trafficking was added to the issues examined in the due diligence. FENC administered human rights risk surveys to its stakeholders, including employees, suppliers and local communities. The survey was designed based on the nine categories in the FENC Human Rights Policy, and the scope covered 100% of FENC production and operation sites. The results were compiled and analyzed to arrive at six salient human rights issues. Their potential future impacts were assessed, and the mitigation and remediation actions were developed accordingly.

FENC also examined the implementation of the Human Rights Policy across its global locations during the reporting year. The review identified one violation against the local regulatory limit on maximum working hours, as well as seven grievance claims regarding manager's supervisory approaches and issues related to the corporate systems, all of which have been resolved after internal investigation and engagement efforts, and the cases were closed. In addition, FENC received 17 comments from the dialogue meetings and comment boxes, and the feedback has been incorporated into the human rights management procedures. These efforts represent the importance FENC has attached to ensuring open dialogues between labor and management.

Scope and Outcome of the Survey on Salient Human Rights Issues

Identification of Human Rights Issues With Impact Assessment and Mitigation and Remediation Actions

Human Rights Management for Migrant Workers

The number of migrant workers employed at FENC production sites in Taiwan accounts for 19% of its total employees. No migrant workers are employed at other FENC sites. The Company complies with all applicable regulations, standards and customers' requirements, protecting migrant workers' rights through robust and systematic measures.

Human Rights Management and Implementation for Migrant Workers

Stage	Implementation Detail
Recruitment	<ol style="list-style-type: none"><li>FENC assumes all recruitment costs for migrant workers. The Company first instituted the zero fee policy at Kuanyin Dyeing and Finishing Plant in 2020, paying for all brokerage fees to free the migrant workers from financial burdens and restrictions during the job search and employment. In the following year, FENC enacted the same policy at all production sites in Taiwan. Between 2020 and December 2024, FENC paid over NT\$74 million in the recruitment and brokerage fees for migrant workers.</li><li>Employment contracts for migrant workers are written in their native languages with the working conditions, salaries and benefits explained in clear terms. All migrant workers enter into contractual agreements while being fully informed and on a voluntary basis.</li><li>FENC collaborates with legally certified brokers only and conducts regular audits to ensure the brokers' compliance with the FENC Human Rights Policy.</li></ol>
Employment	<ol style="list-style-type: none"><li>All management practices are in compliance with the labor regulations in Taiwan.</li><li>FENC assumes the brokerage fees that migrant workers accrue in Taiwan.</li><li>The withholding of migrant workers' legal documents is forbidden.</li><li>Wages are paid to migrant workers directly.</li><li>The housing quality for migrant workers is maintained with adequate living space and facilities that accommodate migrant workers' religious practices, such as a dedicated space for the Mass.</li><li>Monitoring and grievance mechanisms are in place, including a 24-hour hotline and grievance channels with multi-lingual support to provide the assistance migrant workers need at all times.</li><li>Preboarding training is provided to help migrant workers understand their job duties, rights and obligations. All working environments are in compliance with the occupational safety and health standards with the necessary training and personal protective equipment (PPE).</li><li>FENC devotes consistent efforts to improving migrant workers' life and cultural experience. Among them are activities such as tours, sports games and cultural festivals. The Company also expresses its care for migrant workers' well-being by establishing the Food Committee and holding dormitory meetings to involve them in the decision-making process to better their living environment. Their religious beliefs are also accommodated with Masses and appreciation banquets held every Christmas to promote cultural respect and a sense of belonging.</li><li>FENC respects migrant workers' rights to choose employment and offers assistance during their job switch in Taiwan. As of the end of December 2024, FENC had helped over 100 migrant workers change employment.</li></ol>

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FENC Human Rights Policy and Implementation in 2024

Human Rights Policy	Implementation in 2024
No Forced Labor FENC eradicates all forms of forced labor and punishment	The Company does not force or coerce any person to perform labor services unwillingly and prohibit restricting the freedom of movement of any person, including prohibiting the seizure of any personal documents. FENC established the anti-forced labor policy with regular updates to ensure compliance with local regulatory requirements and customer standards. There were no incidences of forced labor and human trafficking at FENC in 2024.
Bans Child Labor FENC bans child labor	The hiring of child labor under the age of 16 is banned at all FENC sites and throughout its supply chain. The ban is incorporated into the Company’s recruitment policies, and the protocol is established to address incidences when the hiring of child labor occurs. FENC did not employ any child labor in 2024.
Working Hours, Wages and Benefits FENC ensures working hours, overtime hours, minimum wage, living conditions, and other benefits shall comply with applicable laws and adopt the relatively stricter alternative among local laws or international standards on measures	<p>FENC ensures working hours, overtime hours, minimum wage, living conditions, and other benefits shall comply with applicable laws and adopt the relatively stricter alternative among local laws or international standards on measures, including:</p> <ol style="list-style-type: none"><li>Working hours shall not beyond the maximum hours</li><li>FENC promises to provide the minimum living wage</li><li>Overtime pay shall not less than that required by law</li><li>FENC follows a transparent salary policy and does not use salary deductions as punishment</li><li>FENC protects employees’ paid leaves, special care leaves and the mandatory benefits according to laws</li><li>FENC ensures to provide the living condition which meet employees’ basic needs</li></ol> <p>In 2024, one violation was identified against the local regulatory limit on maximum working hours. The plan to reduce overtime is in progress through conducting the talent inventory and making work adjustments.</p>
Freedom of Association and Collective Bargaining FENC respects employees' freedom of speech and association, and the right to collective bargaining	<ol style="list-style-type: none"><li>Freedom of speech: The Company established the Speak Up Policy with a comprehensive grievance mechanism in place, including a 24-hour online platform where grievance claims are accepted in Chinese, English, Japanese, Filipino, Malay and Vietnamese. The claim may also be filed anonymously to protect employees from any adverse impacts as a result of speaking up.</li><li>Freedom of assembly, association and speech: FENC respects and supports employees’ right to choose, establish, join or refuse to join labor unions or other forms of employee organizations. FENC also respects the establishment and operation of labor unions. Employees have the freedom to voice their rights and propose improvement for FENC through the labor union, and employee representative meetings are held annually.</li></ol> <p>In 2024, FENC received 17 comments from the dialogue meeting and comment box, and all of them have been addressed. There were no grievance claims regarding the freedom of assembly, association and speech, and FENC continues to abide by the collective bargaining agreements made between the labor unions and its operation sites.</p>
Diversity, Equality and Anti-discrimination FENC eliminates discrimination in hiring and employment. We guarantee equal pay and a working environment of equality, diversity and safe	FENC treats all employees with respect and values diversity as well as equality. Employment at FENC does not discriminate on the basis of race, nationality, class, language, ideology, religion, political affiliation, place of ancestry, place of birth, gender, sexual orientation, age, marital status, physical appearance, facial features, mental and physical disabilities, horoscope, blood type or past union membership. FENC ensures a workplace that is free of sexual, mental, physical, and verbal harassment, abuse, and threat. We dedicate to building a workplace with respect, safety and equality, and are against all forms of discrimination, bullying, or differential treatment.
Maternity Protection FENC protects and supports female employees	In 2024, FENC was certified by the Taipei City Government as an enterprise friendly to the middle-aged and elderly and selected as one of the Top 100 DEI Enterprises for the Strong Generation by Business Weekly. All regulatory requirements were met, and there were no human rights violations during the reporting year.
Privacy Protection FENC protects employees’ personal information and privacy rights	FENC is committed to building gender-friendly systems and environments at the workplace. Breastfeeding rooms are provided at all FENC sites to offer comfort to female employees with breastfeeding needs. Flexible working hours are also provided for employees who are pregnant or with underage children. There were no disputes or grievance claims regarding maternal protection at FENC in 2024.
Employment Stabilization FENC protects employees' right to work	FENC ensures the protection of personal data in accordance with local laws and regulations. All documents that require personal data must be confirmed by FENC’s legal units and the information must be properly secured. There were no disputes or grievance claims regarding privacy protection at FENC in 2024.
Health and Safety FENC is committed to prioritize all stakeholders’ health and safety	FENC protects employees from mandatory redundancy and provides assistance to those who are suffering from the situation. All FENC sites hold labor relations meetings on a regular basis and have comprehensive grievance policies in place. The Company conducts bilateral communication and policy promotion with employees through labor unions. There were no disputes or grievance claims regarding employment stability at FENC in 2024.
	FENC is not only committed to provide health and safety workplace for its employees (including contractors) and is also committed to operate safely in order to ensure the health and safety of all relevant stakeholders. FENC offers pre-boarding medical examinations, annual health checkups, occupational health assessments, lectures and follow-up health checks. The Company also provides health evaluation and forums for employees aged 45 and above. There were no disputes or grievance claims regarding health and safety at FENC in 2024.



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FENC conducts satisfaction surveys among migrant workers every two years as a key reference for making policy adjustments and workplace improvements. According to the 2023 survey, 98% of the migrant workers expressed the willingness to recommend FENC as an employer to their relatives and friends, which is a nod to FENC’s dedication to safeguarding human rights, improving labor conditions and creating a workplace culture friendly to migrant workers. Continued attention will be focused on the development of migrant workers’ rights as FENC aligns with international standards. Through policy refinement and ongoing improvement, FENC aims to create a friendly workplace that offers diversity, equality and inclusion (DEI).



Catholic Mass



Birthday Celebration



Company Trip

Human Rights Issues Training

FENC provides training and promotion regarding Human Rights Issues to protect stakeholder rights.

- 1. **Employees:** Training is conducted through the labor union, welfare committee and monthly regulatory compliance meeting.
- 2. **Local Residents:** FENC promotes human rights awareness during community engagement. Employees who live in the dormitory or the plant vicinity may also report human rights violations associated with FENC through the grievance channels.
- 3. **Suppliers:** Human rights training is mandatory for suppliers of FENC to ensure their understanding of the Company’s human rights commitment and practices. Suppliers are also required to sign the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement, pledging to work with FENC towards human rights protection.

FENC has been offering training on human rights and DEI through its digital learning platform. As the amended Gender Equality in Employment Act went into effect, FENC developed its own digital training program targeting the provisions of the Act and supplemented the program with an externally developed training on Prevention and Control Strategies for Workplace Sexual Harassment. These programs aim to keep employees' informed of their rights, strengthen managers’ response capabilities and ensure workplace safety and respect for all employees.

To develop a culture that champions DEI at the workplace, FENC sends monthly e-newsletters to all employees with information on the subject. In May and June, 2024, the Company published special issues with in-depth coverage on the practice and impact of the DEI culture to strengthen workplace equality and inclusion. A total of 36,627 employees underwent the human rights outreach and training programs during the reporting year. Additionally, FENC reinforced employees’ understanding of labor and human rights as well as discrimination through the training program on Corporate Social Responsibility and Regulations Governing Anti-Corruption and Anti-Fraud.

Operation of Stakeholder Engagement and Grievance Mechanisms

FENC identifies salient human rights issues, conducts risk assessments and makes improvements through proactive stakeholder engagement.

2024 Statistics on Stakeholder Engagement Regarding Human Rights Issues

Stakeholder	Number of Engagement Session	Key Issue
Employees	3,202	FENC collects employee feedback through labor unions, pension committees, welfare associations, labor relations meetings, grievance mechanisms and employee satisfaction surveys. While informing employees of Company rules and their rights, FENC is adamant about maintaining two-way communication by gathering employees’ recommendations for improvement to make modify internal management rules accordingly.
Suppliers	16,797	Efforts to require suppliers to comply with the Company rules include promotion campaigns and the signing of Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement. FENC also engages suppliers through regular visits and exchanges to gather feedback.
Local Residents	152	FENC maintains rapport with local residents through regular engagement efforts on issues such as noise, waste management, air pollution, water resources management and wastewater discharge.

Diversity and Inclusion

1. Gender Equality

FENC values gender equality. We are keen on creating gender-friendly workplace and system. While the conglomerate spans across industries from the upstream to downstream, the up- and midstream industries rely more on chemical-related expertise where a higher concentration of the workforce is male. The downstream, which consists mainly of the textile industry, is composed of a higher percentage of female employees. Overall, the ratio between female and male supervisors are 2:3, which is consistent with the industry chain distribution. Corporate expansion also expanded the number of supervisors by 22% in the recent decade. Among them, the number of female supervisors grew by 51%. The statistics reflect the Company’s acknowledgment of and fair treatment to the hard work put in by female supervisors with the reward they deserve. The Company is also determined to incorporate gender equality as part of its corporate system and culture. Each year, FENC measures its average annual regular salary of the company against the official statistics of average annual regular salary. In 2024, the average annual regular salary of the company offered by FENC is 38% higher than the local average. Average regular earnings for female employees, especially, averaged 50% higher than the local numbers, while those for male employees are 33% higher, which demonstrates FENC’s contribution to pay equity. For regional data, please refer to [4.1.3 Employee Care](#).

The 2024 statistics indicated that female employees represented 51% of FENC’s workforce, which met the Company’s short-term target. The percentage of female managers reached 32% with 19% being senior female executives, while the short-term targets are 35% female managers and 20% senior female executives.

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Statistics on Female Employees

	2021	2022	2023	2024	2025 Target
Female Employees/Total Employees	50%	50%	50%	51%	50%
Female Managers/Total Managers	29%	30%	31%	32%	35%
Female Junior Managers /Total Junior Managers	29%	31%	31%	32%	35%
Female Executive Managers/Total Executive Managers	18%	17%	20%	19%	20%
Female Managers in Profit-seeking Departments/Total Managers in Profit-seeking Departments	27%	29%	29%	31%	32%
Female STEM Employees/Total STEM Employees	30%	22%	22%	27%	30%
Female Non-management Employees/Total Non-management Employees	54%	53%	53%	52%	52%

Note:  
1. "Junior managers" refers to managers, deputy managers and section chiefs.  
2. "Executive managers" refers to all positions above the assistant vice president.  
3. "Non-management employees" refers to rank-and-file employees and operators.  
4. "Profit-seeking departments" refers to the business units in Taiwan, excluding the Corporate Management and the operation and business units at overseas FENC sites.  
5. "STEM" stands for science, technology, engineering and mathematics. STEM workers are those who apply their knowledge in these fields in their daily duties.

The results of the gender pay gap study for FENC sites across the globe correspond to the diverse industry and cultural characteristics in different regions. In Taiwan, FENC determines employee salaries based on education, experience, and performance, with no gender-based differences for management-level positions. A higher concentration in the textile and garment industries is observed among management-level positions in Vietnam, and the two industries are where female professionals tend to outnumber their male counterparts and earn higher salaries for their well-developed expertise. FENC production sites in mainland China and the U.S. are predominately in the chemical sector, where higher percentages of male technicians and engineers are employed, hence receiving higher remuneration. In Japan, salaries for female managers are slightly higher than those for their male counterparts while equal remuneration is nearly achieved between male and female rank-and-file employees. The differences in the gender composition across FENC’s industry chain reflect the industry-specific gender patterns, hence influencing the salary level. However, FENC adheres to equal remuneration and offers salaries based on employees’ skill sets. These results reflect the fairness of FENC’s performance evaluation mechanism.

Salary Ratio by Gender in 2024

	Taiwan	Mainland China	Vietnam	Japan	U.S.
Section Chief and Above (Female to Male)	1.01:1	0.83:1	1.05:1	1.01:1	0.83:1
Rank-and-file Employee (Female to Male)	1.04:1	0.83:1	0.97:1	1.01:1	0.95:1
Factory Worker (Female to Male)	1.19:1	0.95:1	0.94:1	0.97:1	0.99:1

Note:  
1. The ratio is derived by female base salary to male base salary for the same rank of job.  
2. Base salary" refers to the remuneration paid to employees in December of each year, including salaries with monthly stipends and performance bonuses.

Gender Pay Indicators

		2023		2024	
		Base Salary	Base Salary + Bonus	Base Salary	Base Salary + Bonus
Managers in Business Operation and Management	(Female to Male)	0.82 :1	0.81:1	0.84 :1	0.84 :1
Middle and Executive Managers	(Female to Male)	0.95 :1	0.96 :1	0.97:1	0.98 :1
Non-management Level	(Female to Male)	0.94 :1	0.94:1	0.95 :1	0.96 :1

		Gender Pay Gap		Note: 1. "Managers in Business Operation and Management" refers to all positions above the assistant vice president. 2. "Middle and Executive Managers" refers to managers, deputy managers and section chiefs. 3. The number of "Non-management Level" is calculated as the sum of employees not included in the two categories above. 4. "Base Salary" refers to the remuneration paid to employees in December of each year, including salaries with monthly stipends and performance bonuses. 5. "Bonus" refers to incentives such as year-end bonuses, employee compensation and profit sharing. 6. The gender pay gap is calculated as the percentage of male median/average salary/bonus higher (+) or lower (-) than the female median/average salary/ bonus.
Monthly Salary	Median	2023	2024	
	Average	1%	4%	
Bonus	Median	29%	-5%	
	Average	0%	-2%	

Gender equality and applicable regulatory mandates are respected at all FENC business sites. We are consistent with the spirit of Act of Gender Equality in Employment in Taiwan as well as Regulations Concerning the Labor Protection of Female Staff and Workers in mainland China. We protect the rights of female employees, offering parental leave and breastfeeding rooms at our facilities. We also limit overtime and prohibit tasks that may potentially harm mothers and their babies. Employees returning after maternity leave receive equal pay for equal work. We provide workplace environment ideal for pregnant employees, such as avoiding tasks that might affect their health and using specially designed chairs to reduce discomfort at work. Female employees in Vietnam who are 7-month pregnant may reduce working time by 1 hour per day while receiving full pay. They are also entitled to 5 days off for prenatal checkups and 6-month maternity leave.

FENC has established measures to prevent, control and reprimand sexual harassment and provided channels for filing grievances. Employees may file such grievance claims through departmental supervisors or Human Resources Department. The unit receiving the claim shall establish a team within 5 days of receiving the claim with over 50% female members to initiate the investigation. The investigation shall conclude within 2 months and all information shall be kept confidential. The individual against which the claim is filed shall have the opportunity for rebuttal. We also conduct regular training for the entire staff to prevent any occurrence of sexual harassment.

The Company has robust deputy and family care leave system and has built a family-friendly workplace that helps employees achieve work-life balance.

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Application of Parental Leave and Returning Statistics in Taiwan

		2021	2022	2023	2024
Entitled to Parental Leave	Male	219	199	257	188
	Female	43	53	47	45
	Total	262	252	304	233
Number Applied	Male	6	8	7	12
	Female	21	24	15	19
	Total	27	32	22	31
Number Should Returned	Male	4	8	8	5
	Female	22	19	16	13
	Total	26	27	24	18
Number Returned	Male	4	8	7	3
	Female	18	18	15	13
	Total	22	26	22	16
Return Rate	Male	100%	100%	88%	60%
	Female	82%	95%	94%	100%
	Total	85%	96%	92%	89%
Returned over One Year	Male	-	1	2	2
	Female	13	16	12	9
	Total	13	17	14	11
Retention Rate	Male	-	25%	25%	29%
	Female	37%	89%	67%	60%
	Total	37%	77%	54%	50%

Note:


1. The number of employees eligible for parental leave is the sum of employees applying for maternity and paternity leave in the past three years. Resignations are excluded.

2. Return Rate = Number Returned ÷ Number Should Return.

3. Retention Rate = Returned over One Year ÷ Number Returned Last Year.

### Me to We Gender Equality Program–Care for Unpaid Caregivers

FEAZ has been promoting gender equality among its employees, and now, the plant is helping their families focus on this issue by exploring unpaid family caregiving on Mother’s Day. The plant conducted interviews and collected a total of 539 surveys identifying the time employees spent on unpaid caregiving and how such duties were shared among family members. Posters showing statistics and information on the matter from Taiwan and abroad were also distributed for outreach and to raise the awareness in hopes of encouraging an equal share of family responsibilities between male and female employees. The survey indicated that 94% of FEAZ employees found exploring unpaid caregiving to be beneficial for promoting gender equality within their families; over 50% believed that the outreach effort could contribute to changes in the share of unpaid care duties in their households.



5 GENDER EQUALITY

10 DIVERSITY

### HerFinance–Supporting Women’s Financial Empowerment

FEAV launched the campaign, HerFinance, to empower female employees with more financial knowledge, such as financial management and decision-making skills. The campaign included six training and outreach programs supporting financial health, independence and stability for women and their families, helping them to ultimately attain work-life balance. Pre-and-post training surveys indicate progress in employees’ understanding of and practice in financial management. The entire campaign benefited over 2,100 employees.



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2. Middle-aged and Elderly Employee Care

FENC is approaching middle-aged and elderly employee care in a way that reflects its unique corporate characteristics and practices. With a workforce that averages 45 years of age and 16 years in service, 49% of FENC’s employees are considered middle-aged or elderly, referring to employees over 45 years old. Therefore, FENC is creating an inclusive workplace that fosters multi-generational collaboration and where employees with diversity in ages, backgrounds and professional expertise may work and thrive together.

The executive management at FENC has publicly pledged to fight age discrimination, and taken action to keep employees safe from such discrimination during recruitment, employment, training and retention. As early as 1989, employees at FENC had formed a corporate union. The Company has also set up entities such as the Employee Pension Committee and labor-management meetings with rules and regulations to support and protect the rights of middle-aged and elderly employees.

Meanwhile, FENC believes in helping employees strike a balance between work and family life, and offers recreational programs designed for middle-aged and elderly employees, such as calligraphy, fitness and strength training classes. Another focus is health, which is promoted through regular checkups, lectures, government-funded vaccinations, in-house clinics and weight loss programs, as well as stress relief courses available on the Company’s digital platform. Through these efforts, FENC is protecting employees’ physical and mental well-being.

At FENC, middle-aged and elderly employees are able to maximize their skills, which is accomplished through the Company’s consistent efforts to improve efficiency and comfort by refining equipment and processes, and to enhance safety and convenience by incorporating digital technologies and barrier-free facilities. These initiatives represent FENC’s support for its employees, and more importantly, the determination to promote workplace diversity and inclusion.



Recognitions for Middle-aged and Elderly Employee Care



FENC was once again recognized by the Taipei City Government in 2024 as an enterprise friendly to the middle-aged and elderly employees for its unwavering commitment. Specifically, the Company was distinguished for its efforts in organizational culture; recruitment and appointment; training; workplace and job redesign; innovative practices. Additionally, FENC made the list of Top 100 DEI Enterprises for the Strong Generation in a 2024 survey conducted by Business Weekly and 104 Job Bank. The Company was also selected as one of the 22 benchmark enterprises and awarded the DEI Employer Award. The acknowledgement is a reflection of FENC’s age-friendly culture, which is evident in the support the Company is providing throughout the recruitment process, workplace and physical environment, as well as in the lives of the middle-aged and elderly employees. FENC will continue to cultivate this culture while promoting multi-generational collaboration and inclusion.



4.1.2 Recruitment and Retention

FENC is adamant about providing a friendly workplace with zero tolerance for discrimination of any form. A corporate mentorship program is in place to provide new employees support in life and at work in the first three months of employment. Managers or senior staff are assigned to help them get acquainted with work and the environment quickly, which has been effective in lowering the turnover rate among new employees. FENC continued to recruit talent from wide disciplines in 2024 through diverse channels, including job banks, recruitment consultants and dispatch agencies, to facilitate robust succession planning for its operation across the globe. To replenish its sales and administrative force, the Company has tapped into the recruitment mechanism of job banks. To bolster its talent pool at the middle and senior level, the recruitment team relies on the long-term partnerships with more than 20 recruitment consultancies, from which the team received over 100 referrals of management professionals for mid-level positions and above during the reporting year. These channels have given FENC diversified talent recruitment options.

FENC also works closely with dispatch agencies, through which the Company has supplemented its need for professional talent, including senior consultants and experienced production personnel. To achieve corporate sustainability and fulfill social responsibilities, FENC examines employment agencies’ compliance with applicable labor regulations prior to contracting the service. The review plays a key role during the evaluation of the collaboration to protect the rights of dispatched personnel.

In 2024, FENC stepped up the talent acquisition efforts in the field of green materials to fuel its product transformation. Its production sites in Vietnam also saw a growing need for manpower to fulfill the increasing orders after being certified by customers. A human resource inventory was conducted across FENC to focus on promoting and training current employees. The effect of this strategy can be observed from the percentage of open positions filled through internal recruitment, which is also reinforced through the job rotation program to empower employees and maximize their potential. However, in an effort to attract more top talent, FENC has increased recruitment spending to concentrate on building a stronger employer brand.

Statistics on New Employee Hires

	2021	2022	2023	2024
Number of New Employee Hires	7,748	8,345	3,086	6,462
The Ratio of New Employee Hires	38%	38%	14%	32%
Number of New Employee Hires By Gender	Male	3,297	3,403	1,725
	Female	4,451	4,942	1,361
Number of New Employee Hires By Age	Under 30	4,990	5,439	1,566
	31~50	2,723	2,872	1,484
	Over 51	35	34	36
Average Recruitment Costs (Unit: NT\$/person)	3,866	5,221	14,751	12,116

Note:  
1. The Ratio of New Employee Hires: (Number of New Employee Hires ÷ Total Number of Employee) x 100%.  
2. Average Recruitment Costs of New Employee Hires: Total Recruitment Costs ÷ Number of New Employee Hires.  
3. Total Recruitment cost: The cost of recruiting new employees, including fees paid to human resources recruiting agencies, salaries of human resources employees involved in recruitment, advertising fees, recruitment activity fees, and other related expenses.



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1. Campus Recruitment Program

To increase FENC’s visibility among students as an employer brand and build stronger university relations, the recruitment team held eight campus recruitment campaigns in Taiwan during 2024. The campaigns targeted fields of study such as polyester and textile materials; textiles and clothing; chemistry and chemical engineering; business administration and management.



One of the campus recruitment events was the VISION 2024 NTU Campus Recruitment. The campus job fair, which took place at the National Taiwan University, is the largest in Taiwan. FENC built on-site exhibits to showcase its vertically integrated industry chain, innovative technologies and leadership status in the fields of polyester and textiles, which attracted crowds of students gathering for exchange.

To address its demand for talent in the management, R&D, manufacturing and sales departments, FENC held employer information sessions at seven universities in a format that combined a corporate briefing with an alumni sharing program. During the events, FENC gave students an in-depth look into its open positions, corporate systems and company culture, provided career advice and stressed the Company’s corporate values and future development strategies to help students build a sense of identification with and trust in FENC.

In addition to campus recruitment campaigns, the FENC Classic Marathon held by Hsinpu Chemical Fiber Plant has become a spotlight when it comes to managing university relations. FENC provides free registration to students from National Tsing Hua University and National Yang Ming Chiao Tung University to share its corporate culture while promoting health awareness. The event has drawn active student participation throughout the years with the 2024 student registration doubling that of 2023.



2. The Talent Pool Program

FENC has been implementing the Talent Pool Program since 2012 with the goal of deepening industry-academia collaboration. The program offers internship and career development opportunities to top students from Yuan Ze University and Asia Eastern University of Science and Technology, which are founded by the Far Eastern Group (FEG). The program offered 22 internship opportunities in 2024, and 17 top-performing students were selected. During the internship, the students gained practical experience and an early start in adapting to the corporate culture, which prepared them for future employment.

3. Internal and External Personality Tests

FENC started assessing employees with the DISC personality test in 2023, and over 3,300 employees in Taiwan have completed the test. In 2024, the Company began supplementing job interviews with the personality test, which was completed by over 500 external candidates. The results were a significant aid for managers to determine the person-job fit. At the end of 2024, FIGP became the first overseas FENC site to implement the DISC personality test. Recognizing the effectiveness, the management implemented the personality test for the entire plant to fine-tune employee performance. The next phase is to expand the implementation across FENC’s global production sites. The results of credible personality tests give employees insights into their own personality traits, and managers a clearer perception of their team members’ personalities, strengths and weaknesses, which will optimize work planning, team building and the efficiency of internal collaboration.



Best Employer Recognitions From Evaluation Agencies Home and Abroad



FENC has demonstrated the strength of its employer brand amid challenges posed by the shifting demographic structure and talent shortage, and shared its experience in talent attraction and retention as well as building an appealing workplace. Its success in human resources management has earned domestic and international accolades, and in 2024, FENC was honored for the fourth straight year by HR Asia with the Best Companies to Work for in Asia Award. Additionally, HR Asia presented the Diversity, Equity and Inclusion Award, Sustainable Workplace Award and Most Caring Company Award to FENC for its distinguished performance.

The year 2024 also brought FENC the Best Employer Award from 104 Job Bank, making FENC the first recipient of the highest honor presented by this corporation. FENC stood out among over 400 companies for its performance in talent attraction and retention. Additionally, for the fifth consecutive year, FENC was the winner of the Happiness Enterprise Gold Award from 1111 Job Bank, demonstrating excellence in promoting the well-being of its employees.

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Attracting Young Talent and Promoting Employer Brand With Diverse Talent Acquisition Strategies



Career Insights from Employee Interviews

FENC is developing creative talent acquisition strategies to attract more top young talent, inviting current employees to share their journey from a novice to master. Through personal stories, they discussed the training resources, career opportunities and corporate culture at FENC, shedding light on the working environment and corporate philosophy for job seekers. Department heads with recruitment needs were also invited to reveal career insights from a manager’s perspective, using relatable terms to explain job details, challenges and development potential to help job seekers assess themselves with more precision in order to determine the compatibility between their career aspirations and corporate needs.

Digital tools are also deployed to produce recruitment materials. FENC promotes these materials through online platforms, such as its official website and LinkedIn to increase the reach rate among potential young talent and the familiarity with FENC. By leveraging these channels, it is the hope to pull in partners who identify with FENC’s corporate culture and vision and build dynamic teams with competitive strengths. Through these strategies, FENC is embodying its talent development philosophy by creating endless possibilities through talent sustainability.

Engagement through External Podcast Programs

In 2024, 333 Pillow Talk, a podcast program produced by LINE Taiwan, extended an invitation to FENC. The target audience of the program is workplace freshmen from Generation Z, and the episodes feature corporate executives or seasoned veterans to share their experience. The HR managers from FENC, LINE and Rhino Shield came together in an episode to discuss the challenges of adapting to a new working environment as a novice to the professional world, and shed light on the similarities and differences among different industries. FENC took the opportunity to highlight the commitment and resources the Company had dedicated to employee care, a characteristic that breaks away from the stereotypes of traditional industries. The podcast provides an opportunity for the audience to understand FENC’s corporate culture and business philosophy, with highlights on the Company’s efforts to fulfill its corporate responsibility through talent discovery and cultivation and help young job seekers find the perfect career match.

Episode Theme	Surviving the First Three Months as a Workplace Novice! Differences Between Foreign and Taiwanese Companies?
Podcast Outline	<ul style="list-style-type: none"><li>The hushed anxieties of a novice</li><li>Myth-busting for a novice through the HR perspective</li><li>Survival tactics for a novice in a foreign big tech/Taiwanese industrial corporation</li></ul>

333 Pillow Talk S3 EP04 | Surviving the First Three Months as a Workplace Novice! Differences Between Foreign and Taiwanese Companies? (Chinese)



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The Wolf Warrior Program: Molding the Successors of FENC



As competition intensifies in the global market and the wave of digital transformation sweeps across the world, FENC has been aggressively deploying its talent development operation. Working in tandem with DDI, a global leadership development firm, FENC is implementing the Wolf Warrior Program. With senior executives heavily involved, the program has developed systematic and personalized training through science-based assessments to shape the next-generation leaders with acute insight, digital savviness and the ability to encourage team spirit.

The central focus of the Wolf Warrior Program is to identify and cultivate high-potential talent. Candidates are evaluated through the talent assessment tools developed by DDI, which feature six key performance indicators, such as communication, decision-making, collaboration and strategic thinking. Development plans are tailored according to the results. A total of 23 candidates attended the program.

The program focuses on a triad of learning, practice and feedback, adopting a holistic approach to help participants develop professional and leadership skills. Program specifics include:

- **Classroom learning:** Strengthen theoretical foundation and management knowledge.
- **Team action learning:** Solve actual business challenges collectively through inter-departmental collaboration.
- **Project completion report:** Verify learning outcome and ensure field application.

This training model not only sharpens participants’ decision-making abilities, but hones their communication, leadership and resource integration skills in actual business scenarios.

As the keystone for FENC’s leadership development, the benefit of the Wolf Warrior Program reaches far beyond talent cultivation. It also serves as a driving force for organizational innovation and performance growth. During the program implementation phase, the participants successfully tackled five internal organizational challenges through team action learning, and demonstrated excellence in inter-departmental collaboration and decision-making capabilities.

To maximize the effectiveness of talent training and ensure field implementation, a presentation was held in May 2025 to showcase the outcome of the Wolf Warrior Program. The highest-ranking executives from the Businesses were invited to witness the fruit of labor from program participants and the results of the action projects achieved over the course of six months. The scale of this program will be augmented to cover FENC’s overseas locations to add to the Company’s competitive advantage in the global market.

Human Resources Overview

When it comes to human resources, FENC has always believed in finding the right person for the right position and giving employees the opportunity to develop their full potential. The Company puts such conviction to practice with a comprehensive organizational structure and human resources system. Permanent employees hold 94% of the key positions, and the Company offers internal training, job rotation and internal promotion track for top performers, which demonstrate the comprehensive and diverse opportunities for career advancement at FENC.

The 2024 turnover rate among all employees in Taiwan is 13%, which is considerably lower than the 20.9% average in the manufacturing industry. The low turnover reflects the effectiveness of FENC’s talent retention strategies. Among the FENC sites in mainland China, employee turnover was down by 385, dropping significantly by 30% from the previous year.

FENC sites in Vietnam offers highly competitive salaries at a level 50% higher than the market average. With robust internal and external recruitment strategies as well as a quality workplace, the effectiveness of recruitment and retention is amplified to power its expansion in Vietnam. The number of new employees rose by 4,027 from 2023, a jump by 253%. Among the new hires, 58% are under the age of 30, indicating the Company’s effort to bring new blood into the organization.

A relatively low turnover rate, 5%, is observed at the FENC sites in Japan. The Company creates a win-win by providing comprehensive welfare systems to employees, fostering work-life balance and generating cohesiveness to help them refine work performance and efficiency. The 2024 turnover rate at FENC sites in the U.S. is 12%, a slight uptick comparing with past years. FENC is reviewing and adjusting the employee welfare systems to retain employees by providing a workplace featuring attractive working conditions and development opportunities.

FENC has a total of 20,386 employees worldwide, among whom, 65 are with physical or mental disabilities and 1,570 are ethnic minorities. As an advocate of localizing work opportunities across its global locations, its employees comprise mainly local residents. At FENC production and operation sites in Vietnam, approximately 65% of the management personnel are Vietnamese nationals.



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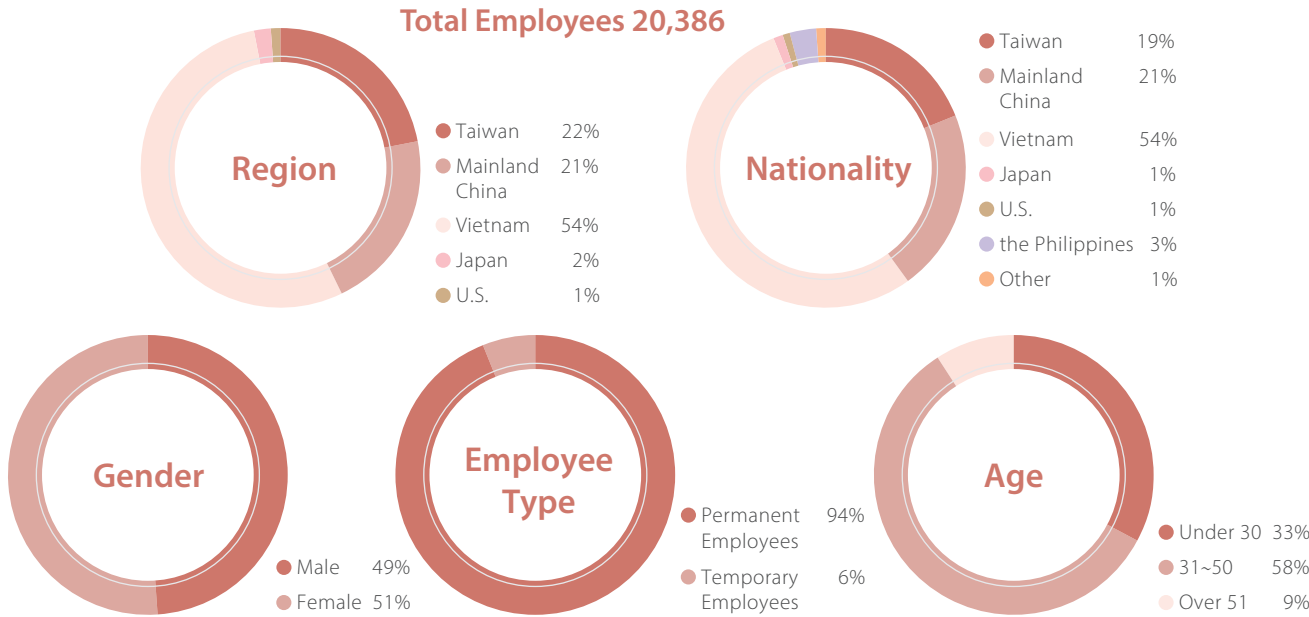
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Human Resource Overview in 2024



Note: Other nationalities include Malaysia, Indonesia, and South Korea.

Human Resource Statistics

		2021	2022	2023	2024
Permanent Employees	Male (%)	48%	48%	49%	47%
	Female (%)	52%	52%	51%	53%
	Number	19,622	20,725	18,598	19,248
Temporary Employees	Male (%)	67%	80%	76%	78%
	Female (%)	33%	20%	24%	22%
	Number	2,070	1,224	1,203	1,138
Total	Male (%)	50%	50%	51%	49%
	Female (%)	50%	50%	49%	51%
	Number	21,692	21,949	19,801	20,386

Note:

1. The term, "Permanent Employees" in this report is identical to the terms, "Permanent Employees" and "full-time employee" referenced in the GRI standards.

2. The term, "Temporary Employees" in this report refers to migrant workers in Taiwan; contract or outsourced workers in Mainland China; employees under the probation period in Vietnam; outsourced workers in Japan; temporary workers in the U.S.; temporary employees as referenced in the GRI standards.

3. The headcount is based on the payroll settlement date in December of the current year at all FENC sites.

4. There are no part-time employees or non-guaranteed hours employees at any FENC production sites.

Employee Nationality Composition

		2021	2022	2023	2024
Taiwan		4,511	4,502	4,322	3,995
Mainland China		5,426	4,821	4,668	4,228
Vietnam		10,591	11,401	9,557	10,938
Japan		160	196	276	287
U.S.		184	185	178	172
the Philippines		819	840	794	763
Indonesia		1	1	1	1
Malaysia		0	1	1	1
India		0	1	2	0
Türkiye		0	1	1	0
South Korea		0	0	1	1
Total		21,692	21,949	19,801	20,386

Number and Rate of New Employee Hires

		2021		2022		2023		2024	
		Number	%	Number	%	Number	%	Number	%
Under 30	Male	2,134	69%	2,602	60%	877	19%	1,488	36%
	Female	2,856	64%	3,646	45%	689	15%	2,180	27%
	Subtotal	4,990	66%	6,248	26%	1,566	8%	3,668	15%
31~50	Male	1,144	23%	1,337	38%	822	10%	915	18%
	Female	1,579	29%	2,024	38%	662	10%	1,835	17%
	Subtotal	2,723	26%	3,361	19%	1,484	5%	2,750	9%
Over 51	Male	19	1%	22	160%	26	40%	31	81%
	Female	16	4%	12	486%	10	114%	13	237%
	Subtotal	35	2%	34	120%	36	30%	44	60%
Total		7,748	40%	9,643	44%	3,086	14%	6,462	32%

Note:

1. "Number of New Employee Hires" refers to the total number of employees hired by the FENC sites in a specific region. Beginning in 2024, disclosures on non-permanent employees have been included in the report, including retrospective data collection that dates back to 2022.

2. The rate is derived by dividing the number of the new employees hires of an age group by the total number of employees of the same age group, gender and region.

Number and Rate of Resignations

		2021		2022		2023		2024	
		Number	%	Number	%	Number	%	Number	%
Under 30	Male	1,883	61%	2,244	61%	1,296	45%	1,321	45%
	Female	2,546	57%	2,844	58%	1,419	38%	1,901	49%
	Subtotal	4,429	59%	5,088	59%	2,715	41%	3,222	47%
31~50	Male	1,237	25%	1,374	24%	1,191	21%	1,150	20%
	Female	1,651	31%	2,032	35%	1,323	24%	1,985	33%
	Subtotal	2,888	28%	3,406	29%	2,514	22%	3,135	26%
Over 51	Male	128	9%	139	10%	178	13%	244	19%
	Female	46	11%	53	12%	50	10%	120	27%
	Subtotal	174	10%	192	10%	228	12%	364	21%
Total		7,491	35%	8,686	40%	5,457	28%	6,721	33%

Note:

1. "Resignations" refers to the total number of employees who resigned from FENC sites in a specific region. Beginning in 2024, disclosures on non-permanent employees have been included in the report, including retrospective data collection that dates back to 2022.

2. The rate is derived by dividing the number of the resignations of an age group by the total number of employees of the same age group, gender and region.



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Number and Rate of Voluntary and Involuntary Resignations

	2021		2022		2023		2024	
	Number of Employees	%	Number of Employees	%	Number of Employees	%	Number of Employees	%
Voluntary	6,930	35%	5,802	26%	4,509	23%	4,147	20%
Involuntary	561	3%	2,884	13%	948	5%	2,574	13%
Total	7,491	38%	8,686	40%	5,457	28%	6,721	33%

Note:

- 1.The term, voluntary resignation, refers to the termination of employment relationships initiated by employees, such as the request to resign or retire.
- 2.The term, involuntary resignation, refers to the termination of employment relationships initiated by the employer or in accordance with the law, such as retirement upon the statutory retirement age, retirement with distinctions, dismissal and contract termination.
- 3.The percentage is calculated by dividing the numbers of voluntary resignation and involuntary resignation by the number of employees in the region.
- 4."Resignations" refers to the total number of employees who resigned from FENC sites in a specific region. Beginning in 2022, disclosures on non-permanent employees have been included in the report, including retrospective data collection that dates back to 2022.

4.1.3 Employee Care


FENC regards employee health and welfare as its priority. While engaging employees through advanced hardware and equipment, the Company also supports them with a safe and friendly workplace as well as robust remuneration and welfare policies, helping them thrive for the long term.

FENC adheres to the principle of equal remuneration, committing to providing a remuneration system that is fair and reasonable. The salary structure consists of the base salary, performance bonus and year-end bonus supplemented with a comprehensive welfare system. With a performance-based remuneration system, employees’ compensation is closely associated with the individual and team performance. Meanwhile, the environmental, social and governance (ESG) aspects and the sustainable development goals have also been incorporated into the performance review indicators to motivate employees to strive for environmental protection, social responsibility and corporate governance while pursuing business growth.

Compensation

An analysis of the salary level across FENC production sites indicates competitiveness in the salaries FENC offers in Taiwan, mainland China, Vietnam and the U.S., while the salary level at FENC sites in Japan remains on par with the market rate. The main factor is the hiring of more first-time job seekers at FIGP–Himeji Plant after its expansion. The remuneration policy at each FENC site is established based on local regulations and market conditions. Regular market salary surveys are conducted with adjustments made to remain competitive and create a working environment that is friendly and appealing.

The employee performance management appraisals is conducted annually. Based on the business operation as well as employee performance and competency, adjustments are made to salaries, bonuses and promotions. The review mechanism serves to inspire employee dedication and create a win-win by increasing both personal earnings as well as corporate growth.

Details regarding the average and median salaries of non-management full-time employees at FENC, as well as the year-over-year changes are available on the [ESG Digital Platform of the Taiwan Stock Exchange Corporation’s Market Observation Post System](#) .

Salary Comparison to Market Level in 2024

		Taiwan	Mainland China	Vietnam	Japan	U.S.
Average Annual Regular Salary over Market Level		50%	46%	50%	1%	41%
Entry-Level Salary over Minimum Wage	Male	14%	112%	10%	9%	147%
	Female	14%	109%	10%	9%	147%

Note: The data sources for market rates of salaries across FENC’s global locations include: the average salary in the manufacturing industry and the minimum wages published by the Directorate-General of Budget, Accounting and Statistics of Executive Yuan in Taiwan; the average wages published by the National Bureau of Statistics of China and the minimum wages published by Shanghai and Suzhou People’s Municipal Governments in mainland China; the average wages published by the General Statistics Office of Vietnam and the minimum wages among tier-one cities in Vietnam; the regional minimum salary determined by the Ministry of Health, Labor and Welfare and the Statistical Survey of Actual Status for Salary in the Private Sector by the National Tax Agency in Japan; the United States Census Bureau for the U.S. locations. Data comparison is conducted based on statistics from the current year.

Ratio of Salary and Salary Increase Between the Highest Salary and Median Salary in 2024

	Taiwan	Mainland China	Vietnam	Japan	U.S.
Salary Ratio The Highest Individual Salary : Median Salary of Other Employees	6.88:1	5.25:1	9.57:1	3.44:1	3.60:1
Salary Increase Ratio The Highest Individual Salary : Median Salary of Other Employees	0.68:1	--	1.19:1	--	1.09:1

Note:

1. The disclosed data from production sites in Taiwan, mainland China, Vietnam, Japan, and the U.S. represent the average values from sites where salary adjustments were made during the reporting year.
2. The salary ratio is the ratio of the annual total salary for the organization’s highest-paid individual to the median annual total salary for all employees.
3. The annual salary increase ratio is the ratio of the percentage increase in annual total salary for the organization’s highest-paid individual to the median percentage increase in annual total salary for all employees (excluding the highest-paid individual).
4. “--” indicates no salary adjustment.

Employee Welfare

FENC has established an Employee Welfare Committee to conduct regular discussions regarding the formulation and planning of employee welfare programs with the committee members providing oversight for fund allocation. Employees may search or apply for welfare programs through the Company system. FENC also makes welfare improvements by collecting employee feedback through regular satisfaction surveys and labor-management meetings to improve employee retention and address the needs of different groups.

Maintaining healthful living with the means of stress relief is beneficial towards helping employees achieve work-life balance and improve work efficiency. FENC also regards employees’ physical and mental health as its responsibility. Therefore, the Company has established EAPs to provide mental health assistance through multiple channels. In August 2024, FENC signed an agreement with Far Eastern Memorial Hospital, an affiliate under FEG, as well as additional mental health clinics to provide health services. The Company also provides counseling services through clinics in partnership with county and city governments. The diverse mix of mental health support from health professionals are helping FENC employees deal with mental stress and negative emotions.

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For years, FENC has been offering high-coverage medical insurance for expat employees as well as tuition subsidies and stipends for their children and dependents. In November 2024, the Company launched a fully subsidized pre-departure health checkup program with comprehensive examination for all expat employees to care for their physical and mental well-being. Once they reach their posts, FENC continues to provide comprehensive health support during their time abroad.

In addition, FENC supports the United Nations Convention on the Rights of the Child by helping the children of FENC employees develop their potential and prepare for adulthood. Aside from a range of maternity-friendly benefits, FENC production sites in Taiwan provide child care through contracted services to offer proper care in a safe environment. FENC also awards scholarships to employees' school-age children to promote children's right to education.



Family Sports Day for Students of Special Education Program



FEDZ co-organized a family sports day with Guoxiang School of Special Education in Wuzhong District. FEDZ employees and their children joined the students and their parents, and a total of 108 participants competed in teams during the pitch-pot and frisbee competitions. Engrossed in the games, the children were filled with immense happiness and a sense of achievement. The adults also gave it their all, trying to bring their children pride and joy, making the sports day an event that strengthened the bond between the parent and child, and a fun weekend for the students through the companionship.

4.1.4 Labor Relations

FENC maintains open communication with employees through diverse channels to build cohesiveness and elevate employees' job satisfaction and performance.

Employee Satisfaction Survey

FENC conducts employee satisfaction surveys every two years and entrusts external consultants for assistance to fully assess labor market trends and employee needs. The most recent employee satisfaction survey, which covered FENC's global production and operation sites, was conducted in 2023. The survey aims to gauge the overall employee satisfaction and engagement through indicators such as job satisfaction; employee engagement; managerial supervision; employee net promoter scores; working environment; organizational identification; understanding of goals; sources of motivation; degree of happiness; stress scores. The satisfaction rating among all employees averaged 88.8%, and FENC has formulated improvement plans based on the results to enhance employee well-being and the workplace environment.

The improvement plans are tailored to address the survey results. The Far Eastern Corporate University in Vietnam, for instance, was established as a response to employees' need for managerial leadership and career development in Vietnam. Leveraging the success of the Far Eastern Corporate University in Taiwan and pairing it with the professional resources of the University of Economics Ho Chi Minh City, Vietnamese managers are able to hone their management and cross-cultural communication skills at the Far Eastern Corporate University in Vietnam. They may also take advantage of a major program feature by choosing to study in Taiwan, an opportunity to delve into the international market through cross-cultural learning and peer exchange with their Taiwanese counterparts. The program also has a performance tracking component to ensure that participants put the knowledge and experience they have acquired to practice, which will translate into long-term benefits for the Company. At FENC sites in Japan, the focus is on adjusting the salary structure and optimizing internal communication, which has enhanced labor-management dialogue, promoted online learning and increased employees' identification with and commitment to the Company.

FENC's commitment to employee satisfaction will continue through the enhancement of labor relations based on the survey results to ensure that employees feel heard, hence shaping a more inclusive and attractive working environment.

Exit Interview and Survey

At FENC, employees who are departing undergo exit interviews arranged by the human resources units. While providing offboarding information, the interviews aim to solicit suggestions for improvement in a relaxed atmosphere. The Company launched the online exit survey applicable across its global sites in six different languages. The survey consists of four categories of questions. "Basic Information" constructs profiles of departing employees to predict the types of employees with the likelihood to leave the Company. "Satisfaction Towards Company Policies" provides a holistic probe into employees' experience at work. "Top Three Company Policies" performs differential analysis to identify the sticking points for departing employees. "Analysis of Reasons to Resign" includes 19 choices, and the answers are analyzed as a reference for employee care systems and policies.

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The top three areas of dissatisfaction identified in the survey are “the plant environment,” “the relationship between female employees and the company culture” and “management system.” FENC has established improvement measures such as training for managers, continuous promotion of a female-friendly workplace, career development training for female employees and improvement of plant environment.

To convey the feedback from departing employees more efficiently, FENC developed the Power BI Dashboard, which provides real-time analysis and data visualization. The tool presents the survey results with clarity, allowing the Company to extract insights from departing employees’ comments with speed and accuracy in order to improve the system with precision.

Labor Unions and Collective Bargaining

Statistics of Current FENC's Labor Unions

Production Site	Year of Establishment	Number of Members	Employee Participation Percentage
Hsinpu & Kuanyin Chemical Fiber Plant	1978	1,944	100%
Kuanyin Dyeing and Finishing Plant	1956	139	97%
Neili Texturizing Plant	1977	37	76%
Hukuo Mill	1989	132	91%
OPTC	1997	190	81%
FEIS	2004	1,130	98%
WHEF	2014	104	100%
OTIZ	2007	1,215	99%
FEIW	2007	460	100%
FEDZ	2008	568	100%
FEAZ	2004	737	99%
FEAV	2007	5,108	95%
FENV	2015	3,458	99%
FEPV	2023	2,034	87%
APG Polytech	2018	103	100%
Total		17,359	93%

Note:  
1. OGM, FEFC and FIGP do not have labor union in place.  
2. Agreement between APG Polytech and the labor union stipulates that all wage workers at the plant, including technicians and operators, must be union members. Salaried workers such as managerial and administrative staff as well as high-level technicians are exempt.

As stipulated in the Human Rights Policy, which is referenced in [4.1.1 Human Rights Protection](#), the Company respects employees’ freedom of association and rights to form labor unions and conduct collective bargaining at their discretion. Units with established labor unions shall discuss the details in union agreements once every three years. Union recommendations are respected, fully discussed and enacted upon resolutions. In addition, employees may express their opinions to the management through a multitude of internal channels, including the comment box, executive meetings and grievance mechanism. FENC strives to maintain harmonious labor relations and avoids labor disputes. There were no violations against the freedom of association and collective bargaining during the reporting year.

There are 15 labor unions among all FENC sites. All employees, excluding managers involved in executive decision making, may join the labor union. All hourly-waged workers in the U.S. must join the union upon completing the probation period, and the hiring of non-union workers at the plants is not allowed. Union participation among all production sites has reached 93%. Currently, three FENC sites do not have organized labor unions, but they have been maintaining harmonious labor relations with labor relations meetings held quarterly and minutes made public. Agreements made during the labor management meetings serve as the legal basis for employee protection. At FENC sites without union representation, the collective bargaining agreement offers protection to 100% of the permanent employees.

Regulation Governing Layoff Notice Period

4.1.5 Performance Review and Incentive Systems

FENC has a robust performance management and incentive system in place, including a holistic ESG performance review framework that links ESG indicators directly with employee remuneration as substantial encouragement to motivate employees.

The remuneration policy for the Board members and managers is discussed during the Remuneration Committee meeting, which is convened by the independent Board members. The discussions are presented for Board approval and results are presented at the shareholder meeting. Please refer to [1.2.2 Board Structure and Remuneration](#) for details.

Compensation for executive levels above assistant vice president is based on corporate performance and the market average. In addition, the compensation is adjusted based on performance appraisal and factors in future operational risks. The Company does not offer signing or recruitment bonus for senior managers. Considerations for compensation of other employees include overall corporate and departmental performance; pay rates among listed companies; market survey provided by professional consulting firms; overall financial and management risks. Stock options are not available for regular employees, and the Company policy does not include deferred or vested share options.

Performance Management Appraisals for Senior Managers

Performance management appraisals for senior managers is 70% quantitative, which is based on revenue analysis, and 30% qualitative, which is based on long-term development. The review is tied to adjustments in salary and annual bonus.

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Performance Review Components for Senior Managers



Annual Management Performance and Outcome (70%)

- Regard “integrity” as the highest guiding principle for corporate management and development.
- Engage heavily in corporate management through the balancing of innovative response strategies as well as growth and expansion amid business volatility to pursue corporate development and financial performance for the year.
- Control business costs as well as manage internal and risk control.



Sustainable Management and Development (30%)

- Leverage innovative thinking, advanced technology and excellence in management to reach the industry-leading role while pursuing sustainable management and long-term benefits.
- Continue developing new products and investing in new fields and markets.
- Develop green products and production and reduce impacts from the value chain on the natural habitat.
- Provide high-quality products and perfect its services.
- Embrace the challenges posed by globalization with an emphasis on the development and acquisition of international management talent, provide holistic employee care and embody its core philosophy of sincerity, diligence, thrift, prudence and innovation.
- Maintain ongoing dialogues with stakeholders, including the labor union, government, investor, supplier and customer while committing to social engagement and non-profit causes.


Manager and Employee Performance Review System

Competency assessments, such as the behavioral assessment conducted annually at FENC, and additional evaluation tools are used as the means to appraise managers’ work attitudes and management capabilities, as well as the basis for development programs. The assessment covers seven indicators for leadership potential, including business acumen, risk-taking, perspective-taking, holistic thinking, propensity to lead, learning agility and passion for results, as well as seven indicators for leadership competency, which are communication, collaboration, logical thinking, execution, leadership, digital savviness and agility. The results are referenced for talent development, such as training, capacity building, job rotation and promotion.

FENC has a clear set of rules and regulations governing the performance review process to help employees excel in capabilities and performance. The review policy has also been established based on corporate and personal performance with transparency assured. ESG performance, which ranges from energy conservation, promotion of green business, R&D of green products, implementation of corporate governance and optimization of human resources, has been incorporated into the performance review. FENC provides a performance-driven bonus system to incentivize top-performing employees and senior executives. The performance review system covers 100% of permanent employees and does not include part-time employees and employees under one year of employment. The 2024 performance review reached a 100% completion rate among permanent employees.


At least once a year, FENC conducts the employee performance review, which encompasses managerial feedback, peer feedback and self-assessment. During performance interviews, employees are informed of career development opportunities and the outcome of the year-end performance review, which is taken into consideration for promotion and salary adjustments with an approximate range between 0% to 5% of the employee salary. Upon reviewing employee performance and competency, managers make the determination for salary adjustments, bonuses, promotion or termination of employment accordingly.

Performance Management Appraisals and Employee Development System



Job Performance and Regular Feedback System

All employees undergo KPI review. In the beginning of each year, employees set personal goals based on organizational performance, and the bonus is adjusted monthly based on personal performance. The bonus system brings communication opportunities to help. Employees may also express observations to supervisors during the monthly appraisal interview. The annual review will be based on achievement of goals, serving as a reference for salary and bonus adjustments as well as a formal mechanism to promote an open feedback culture.



Competency and Employee Development Plan

Annual performance management appraisals is conducted by direct supervisors to evaluate the level of job competency employees demonstrated. The review also includes conversations on the employee development plan. The supervisor and the employee discuss personalized training needed to foster employee development, including on-the-job-training, job rotation and overseas assignment.

Performance Management Appraisals for Migrant Workers

Performance management appraisals for migrant workers in Taiwan are determined by their supervisors based on monthly attendance and production of Grade A products. Bonus is awarded based on the results.

Bonus for Team-based Performance Appraisal

To ensure the effectiveness of its sustainable strategies, FENC conducts monthly team-based performance appraisal regarding material ESG topics. Based on the result, production bonuses as much as 20% of the monthly salary are awarded. The management level may earn performance bonuses for advancing the management systems, while for the rank-and-file employees, the bonuses are performance-based. The incentives are designed to encourage ESG practices among all units, including occupational safety, energy and carbon reduction, environmental protection, recycling and production optimization, which advance FENC’s sustainable commitment.

Linkage Between Remuneration and Material ESG Topic

	Senior Executive	Management Level	Rank-and-file Employee
Business Performance and Strategy	●		
Management Performance	●	●	
Energy and Resource Management	●	●	●
Environmental Management	●	●	●
Green Product Revenue	●	●	●
Occupational Safety and Health	●	●	●
Wastewater Recycling Bonus			●
Accident-free Bonus			●



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Employee Compensation / Profit Sharing

The Company provides long-term incentives for employees below the senior management level. According to the FENC Articles of Incorporation, 2% to 3.5% of profits from the current year should be distributed as employees’ compensation. During a profiting year, all employees without demerits are entitled to this long-term incentive provided through a year-long mechanism.

Employee Stock Ownership Plan (ESOP)

At FENC sites in Taiwan, employees with technical expertise as well as mid-level managers and above may participate in the employee stock ownership plan (ESOP), which purchases Company shares systematically with a 30% contribution from the Company. A trustee manages the shares and calculates the trust property equity. Upon the termination of employment, employees may redeem the investment in the form of stocks or cash. ESOP offers a long-term option for employee bonus and investment returns. In 2024, the number of employees enrolled in ESOP accounted for 95% of those who were qualified, indicating a high interest in participation.

Far Eastern Corporate Spirit Award and Far Eastern Energy Award

Each year, FEG hosts the Far Eastern Corporate Spirit Award and Far Eastern Energy Award to encourage its subsidiaries and affiliates to submit projects, contributions or actions that demonstrate excellence and bring positive influence and motivation to the peers within the group. Exemplary employees are presented with medals and bonuses as acknowledgement.

4.1.6 Retirement Planning

We support employees’ pursuit for a new life after retirement. Therefore, prior to retiring, we assist them with proper financial, social and recreational transition. FENC follows all regulatory requirements in terms of establishing the retirement system and ensures full pension coverage for all employees. Please refer to Notes 17. Retirement Benefit Plans in Financial Report and Notes 23. Retirement Benefit Plans in Consolidated Financial Report for annual funds appropriated for the retirement pension.

FENC has a re-employment system in place for retired employees as a mechanism to pass down industry know-how, expertise and experience. The system is also a means to show FENC’s profound respect for employees and shape the corporate culture. The Company rehired a total of 44 retirees in 2024. In addition to stabilizing business growth, the approach allows the aging workforce to continue their contribution while developing a higher sense of belonging and loyalty among current employees.

Pension System and Coverage

4.2 Fostering Employee Career Planning

Talent development at FENC is guided by an employee-centric philosophy with immense efforts devoted to cultivating top talent and a self-learning culture. FENC has created a digital learning ecosystem that is all-encompassing by integrating a broad range of learning resources. Aligning closely with the trajectory of strategic

development, FENC provides support for all Businesses to hone management and professional skills among employees, incubate international talent and develop leadership teams and succession plans to ensure talent sustainability. The entire FENC staff underwent a total of 601,269 hours of training in 2024.

Average Number of Training Hours and Days

	2021	2022	2023	2024
Average Hours	19.95	26.61	25.46	29.49
Average Days	2.49	3.33	3.18	3.69

Note: Since 2024, non-permanent employees have been included in the scope of data collection.

Average Number of Training Hours of Ranking and Gender

		2021	2022	2023	2024
Section Chief and Above	Male	28.03	32.13	36.13	50.83
	Female	20.32	25.38	29.73	28.39
	Total	25.87	30.08	34.17	43.76
Rank-and-file Employees	Male	26.81	33.21	47.39	48.01
	Female	14.87	21.79	28.02	27.86
	Total	22.34	28.77	39.83	40.29
Factory Workers	Male	21.47	26.27	21.35	27.19
	Female	15.54	24.30	12.13	20.66
	Total	17.67	25.05	15.69	23.11
Total Employees	Male	24.67	29.72	34.14	38.55
	Female	15.59	23.77	17.16	22.73
	Total	19.95	26.61	25.46	30.29

Note: Since 2024, non-permanent employees (excluding migrant works) have been included in the scope of data collection.

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Training Program Tailored for Career Development

New FENC employees embark on a fruitful journey through systematic learning on day one. The Company assigns mentors for each department to integrate new employees into the workplace and offers diverse learning resources from which they may choose. Regular orientation camps and mandatory general training are offered to bring the new hires insights into the corporate culture and expand their networks, building a strong foundation for their future development.

Employees undergo professional training customized to suit their positions with a regulatory emphasis on occupational safety and health as well as human rights. The aim is to create a safe and healthy workplace while ensuring compliance. As employees grow in experience and advance to the management level, the managerial training kicks in to facilitate a smooth transition to their new roles, helping them master key management skills and preparing them for organizational development.

While this comprehensive talent development system equips the succession team with preparedness, it also arms FENC with powerful competitive advantages in order to take on future challenges.

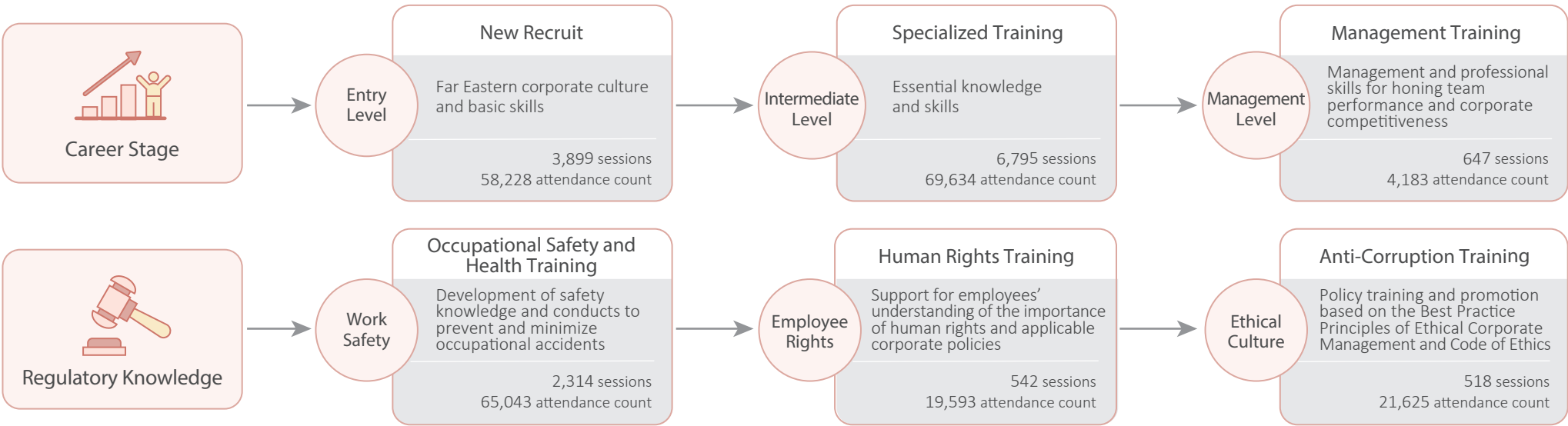
Succession Planning

In an era where changes in the global market and geopolitical landscape have become a certainty, and where challenges from an aging population and multi-generational workforce are mounting, the urgency of ensuring seamless succession for key positions and developing leadership talent with a global perspective is more present than ever.

To tackle these challenges, FENC launched a talent assessment program in 2023. Using science-based tools, the program identifies high-potential talent with precision and establishes phased development plans tailored to organizational needs. Meanwhile, FENC is implementing leadership development programs to enhance the professional and management capabilities of key talent through systematic approaches, putting in place a robust succession team to lead FENC and achieve talent sustainability.



2024 Training and Attendance



Note: The occupational safety and health training does not include the in-house training provided by individual FENC sites.

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Optimizing Digital Learning Programs and Experience

FENC established an academy-style learning system on its digital learning platform in 2024, providing a wide array of courses for employees to select from based on their personal development needs. The Company also issues a monthly e-learning report featuring selected learning resources that are integrated to enhance employees’ propensity for and participation in independent learning. Currently, digital learning accounts for 47% of the overall training programs, and the number of participants has jumped by 33%, demonstrating the effectiveness and significance of digital learning.

To enhance the efficiency of digital learning across its global locations, FENC has upgraded the entire platform to support mobile and PC applications as well as interfaces in Chinese, English and Vietnamese, providing a digital learning environment that offers flexibility and convenience.

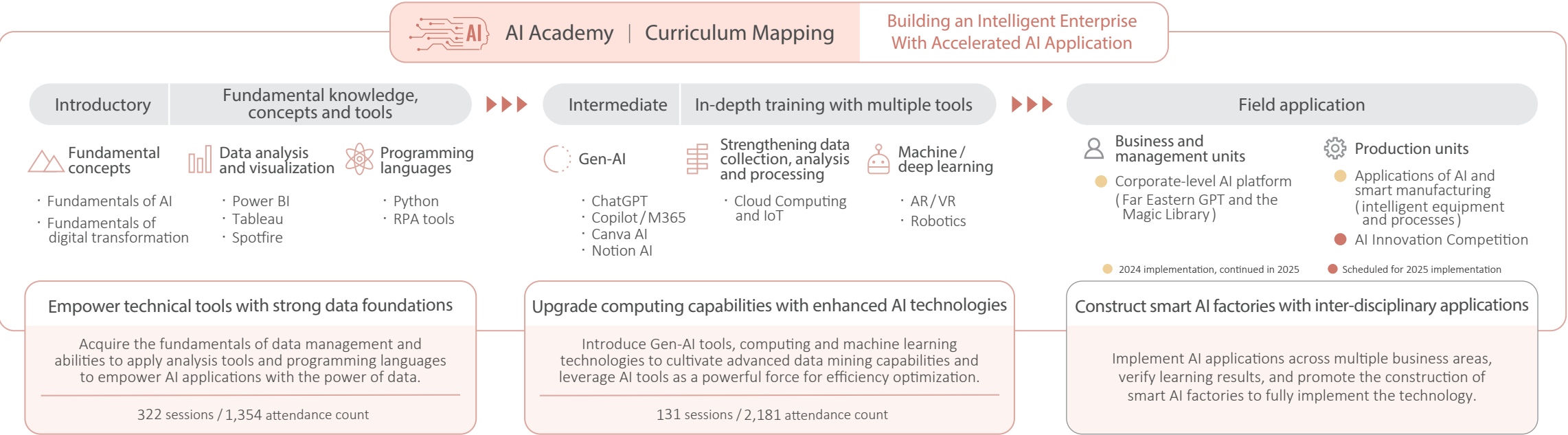
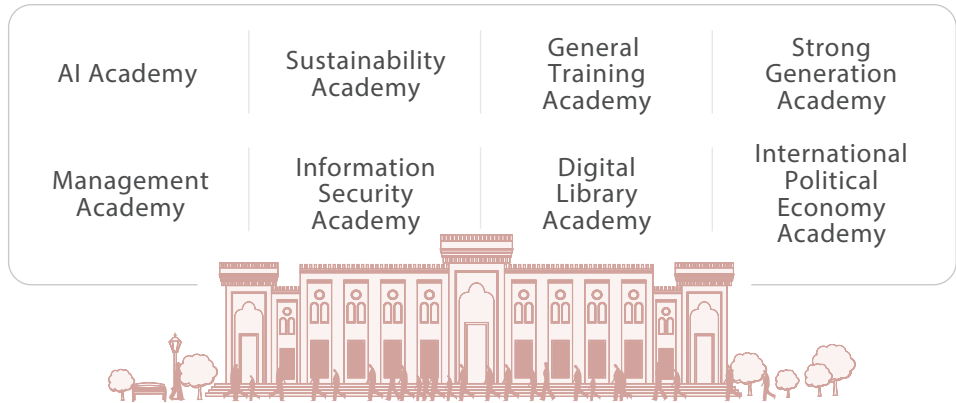
In the meantime, FENC is taking action towards environmental sustainability with the continuing implementation of paperless handouts, electronic sign-in and online satisfaction survey during the in-class training. FENC is also aggressively promoting hybrid learning, designing multiple learning modules that combine online and offline resources to give employees the scheduling flexibility and help them strike a balance between learning and working as they get ready to tackle the challenges presented by a changing business environment.

1. AI Academy: AI-powered Smart Transformation and Talent Evolution

The rise of generative AI (Gen-AI) is sweeping the modern workplace with trends of immediate feedback and flexible collaboration. To reshape organizational operation and personal workflow while enhancing employees' ability to apply AI and digital thinking, FENC has been devoting significant efforts to develop digital talent training programs since 2023, focusing on the application of digital tools and staying in sync with technological trends.

Through systematic learning maps and phased plans, FENC is taking steady steps towards cultivating employees' AI literacy and application capabilities. With the establishment of the AI Academy, FENC is honing employees' digital savviness while steering digital transformation at the corporate level to create a more efficient and intelligent future.

Academy-style Learning System



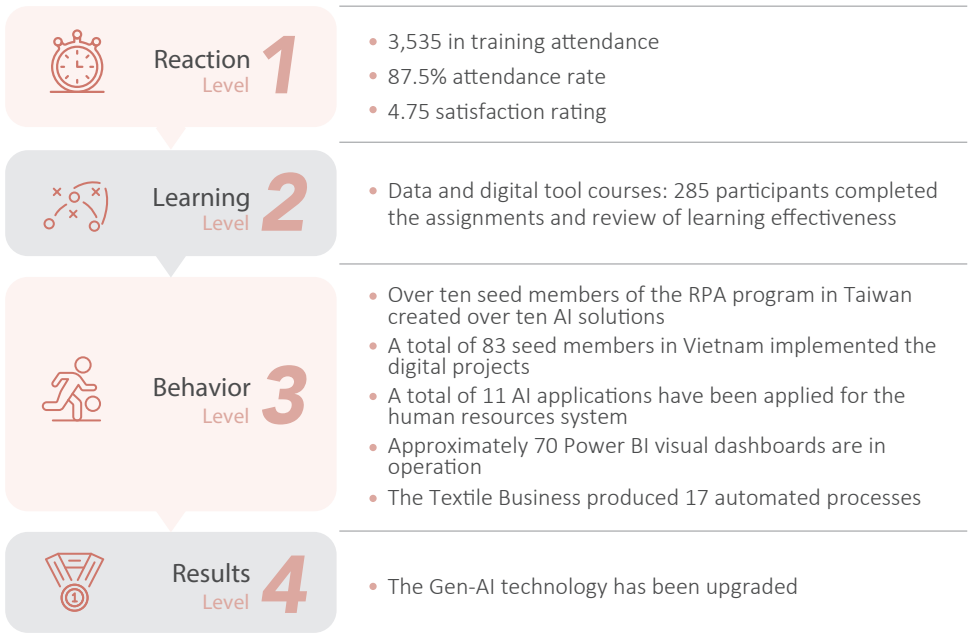
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Kirkpatrick Model of Learning Evaluation-AI Academy



A Data-driven Future: From Digital Transformation to AI Empowerment, Creating Intelligent Competitiveness



Digital transformation is steering the course of development at FENC. In 2018, the Company adopted the data visualization tool, Power BI Dashboard, as an assistance for all units to improve the efficiency of cross-border business management and the precision for monitoring order status from brand customers. The Company has been offering software training with programs targeting specific topics, and as of today, more than 50 sessions have been offered. FENC sites in Taiwan has fully embraced the software and created over 70 dashboards. The training programs are being replicated at FENC sites in Shanghai, mainland China and Vietnam in the form of seed programs and workshops to implement joint dashboard management that is cross-regional and in real time.

Smart AI applications were the focal point of the 2024 training programs, accounting for 24% of the courses offered during the year as FENC stepped up AI-related training. Among the tools covered during the training were M365 Copilot and ChatGPT, which empowered FENC employees with AI proficiency. The growth rate of the attendance in AI training reached 38% in 2024. FENC intends to develop additional training on AI tools and applications to give employees the ability to master the technology and leverage Gen-AI as a competitive advantage that will thrust FENC into a more efficient and intelligent future.

2. Sustainability Academy: Action and Commitment to ESG-driven Sustainable Growth

ESG has become a significant indicator of corporate sustainability for fostering a robust and resilient operation. For all members of FENC, the knowledge in ESG is essential.

Sustainability Academy   Curriculum Mapping		Fulfilling Corporate Sustainability With Low-carbon Manufacturing and Workplace Inclusion		
Participant	Course Level	E Environmental	S Social	G Governance
Managers	Advanced (strategic development)	<ul style="list-style-type: none"><li>• Green industry and transformation</li><li>• Energy transition strategies</li><li>• Risk control mechanism</li></ul>	<ul style="list-style-type: none"><li>• ESG and sustainable financial investment</li><li>• Carbon market / carbon pricing / carbon sink and additional subjects</li></ul>	37 sessions / 373 attendance count
Skill-specific Employees	Intermediate (Including subjects such as sustainability trends and data disclosure)	<ul style="list-style-type: none"><li>• GHG management</li><li>• Carbon footprint management</li><li>• Low-carbon product development</li><li>• Energy efficiency and renewable energy</li></ul> 87 sessions / 8,072 attendance count	<ul style="list-style-type: none"><li>• Sustainable supply chain</li></ul> 2 sessions / 91 attendance count	<ul style="list-style-type: none"><li>• Risk identification / analysis</li><li>• Practices in sustainability disclosure</li><li>• Practices in the Task Force on Climate-related Financial Disclosures</li></ul> 16 sessions / 1,877 attendance count
All Employees	Introductory (fundamentals of sustainability or commonly understood subjects)	<ul style="list-style-type: none"><li>• Environmental protection and climate change</li><li>• Circular Economy and Waste Management</li></ul> 291 sessions / 7,962 attendance count	<ul style="list-style-type: none"><li>• Labor rights ( human rights / workplace bullying / gender equality )</li></ul> 67 sessions / 13,887 attendance count	<ul style="list-style-type: none"><li>• Principles of ethical management</li><li>• Information security management</li><li>• Risk awareness</li><li>• Sustainable development regulations and policies in Taiwan</li></ul> 73 sessions / 10,127 attendance count

(1) Environmental: Reaching a net-zero future through carbon-reduction knowledge and sustainability actions

To reach the specific carbon reduction targets, FENC has set the training in motion to equip employees at all levels with required knowledge in sustainability. With the continuation of the course series targeting net-zero carbon emissions, employees are encouraged to acquire the proficiency and skills, and become certified in international standards such as the Science Based Targets initiative (SBTi), ISO 14064, ISO 14001 and Higg FEM 4.0 to bolster environmental management capabilities.

With in-class and digital courses running concurrently, the training is conducted in tandem with external agencies. FENC is committed to empowering employees with the knowledge of environmental management, keeping them informed of the latest trends in decarbonization. The Company also focuses heavily on training employees to become certified auditors to internalize sustainable practices into its DNA.



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(2) Social: Promoting cultural adaptation and gender equality through workplace diversity and inclusion

FENC is where employees with diverse backgrounds in culture, ethnicity, age and gender converge, hence its resolve to create a workplace that fosters inclusion and respect. In addition to holding regular peer exchange and social events to enhance cultural adaptability, FENC also offers Chinese and Vietnamese language training at FENC sites in Vietnam to facilitate more effective cross-cultural communication and quickly integrate employees with diverse backgrounds into the workplace to help them harness their full capabilities.

The amended Gender Equality in Employment Act has taken effect. In the ongoing course series on workplace violence, FENC produced a 15-minute digital course on the Gender Equality Act for 2024 to raise the awareness to FENC’s zero tolerance policy towards sexual harassment and gender discrimination, calling for unified efforts to promote respect and equality at the workplace.

Additionally, FENC continues to offer the digital course, Corporate Managers’ Guide to Protecting Gender Equality. The training concentrates on the key regulatory amendments to improve employees’ knowledge of gender equality and workplace safety, keeping the corporate culture at FENC aligned with international standards. In the future, FENC will continue shaping a workplace that values diversity, equality and inclusion, creating an environment where all employees enjoy the freedom and respect to maximize their potential.

(3) Governance: Building robust governance through regulatory compliance and information security

FENC takes aggressive steps towards risk management training and offers the program, General Corporate Regulations, to enhance employees’ knowledge of regulatory compliance.

Among the courses offered, Ethical Corporate Management and Anti-Corruption has helped employees comprehend the rationale behind Company policies and established risk awareness to ensure regulatory compliance. The completion rate for this course reached 100% in 2024.

AI has evolved at an explosive pace, and with it comes increasing cybersecurity risks for the corporate community. FENC designed a series of customized information security programs for the 2024 training to provide professional training, heighten information security awareness and improve response capabilities for three target groups, including managers at all levels; rank-and-file employees; the AI joint defense teams. A total of 1,074 participants took advantage of the training.

While reinforcing the strength of corporate governance, the systematic training programs have boosted the power of risk control at FENC, keeping the Company on a steady course forward in the digital age, ready to embrace the challenges to come.

The Kirkpatrick Model of Learning Evaluation-Sustainability Academy

	<b>Reaction Level 1</b>	<ul style="list-style-type: none"><li>42,389 in training attendance</li><li>96% attendance rate</li><li>4.5 satisfaction rating</li></ul>
	<b>Learning Level 2</b>	<ul style="list-style-type: none"><li>One employee became certified net-zero carbon emission planning administrator (associate level)</li><li>Two employees obtained the ISO 14067 certification</li><li>Internal training scores averaged 94.3</li><li>153 language training members formed study groups</li></ul>
	<b>Behavior Level 3</b>	<ul style="list-style-type: none"><li>A presentation was held to showcase the performance of EAPs</li><li>The quality of management and audits of ISO standards at FENC production sites have been improved</li><li>The carbon reduction campaign with the participation of the entire staff at Corporate Management reduced twice as much carbon emissions as the intended target</li></ul>
	<b>Results Level 4</b>	<ul style="list-style-type: none"><li>The carbon reduction targets submitted by FENC’s Polyester Business and its subsidiary, OTIZ, received SBTi approval</li><li>FENC has been fully transitioned to the ISO/IEC 27001:2022 certification</li></ul>



Elevating Risk Management and Defense by Bolstering Information Security Awareness



To build information security awareness among all employees, minimize information security incidents and reduce organizational risks, FENC designed a comprehensive information security training series in 2024 with courses targeting senior executives, all employees and the IT joint defense teams. On June 19, 2024, FENC completed the transition to the ISO/IEC 27001:2022 certification, marking progressive steps towards safeguarding information security.

	<b>Managers Special Lectures</b>		<b>All Employees Introductory Courses</b>		<b>IT Joint Defense Teams Professional Courses</b>
<p>Based on ISO 22301 business continuity management, the lectures are designed give managers an understanding of risk response strategies, steps and approaches.</p>		<p>The introductory courses aim to cultivate basic security awareness among all employees with a focus on social engineering prevention and security management.</p>		<p>Three courses are included in the professional training to enhance the overall response capabilities regarding information security and incubate the gatekeepers of information security.</p>	
Total attendees : 130		Total attendees : 894		Total attendees : 50	

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4.3 Reinforcing Occupational Safety and Health Management

4.3.1 Implementation of Occupational Safety and Health Management

Occupational Health and Safety Policy and Target

To establish a safe and healthy workplace with comfort while consistently lowering the rate of workplace accidents and disasters, FENC established Occupational Health and Safety Policy as the highest guiding principle governing the principle, operational safety is our utmost concern. The Company takes an active stand toward improving the work environment, manufacturing equipment and operational approaches to ensure the safety and health of the workers (including employees and who are not employees (the contractors of the Company)) and stakeholders.

Occupational Health and Safety Policy

Executive Support and Involvement in Occupational Safety and Health

During the quarterly FENC Board meetings, the president from each Business presents the Occupational Safety and Health Management Report compiled by the Labor Safety and Health Department from the headquarters. In 2023, 4 reports were presented. The Board serves the supervisory role and conducts review and questioning over the report. Improvements needed will be acted upon at production units based on Board resolutions to ensure proper occupational safety and health management.

Continuous Operation of Occupational Safety and Health Management

As of the end of 2024, the occupational safety and health management system has been implemented at all FENC sites.

- 1. A total of 19 sites, representing 100% of the scope of this report, have implemented the system, covering 100% of the workers (employees and contractors). Internal audits cover 100% of FENC production sites. Among them, 17 have obtained ISO 45001 certification and undergone external audits, which cover 90% of FENC workers, including employees and contractors.
- 2. Conducts related to occupational safety and health management; worker engagement; consultation and communication; prevention and mitigation of occupational safety and health impacts directly related to job duties are carried out in accordance with the stipulations in the occupational safety and health management system.

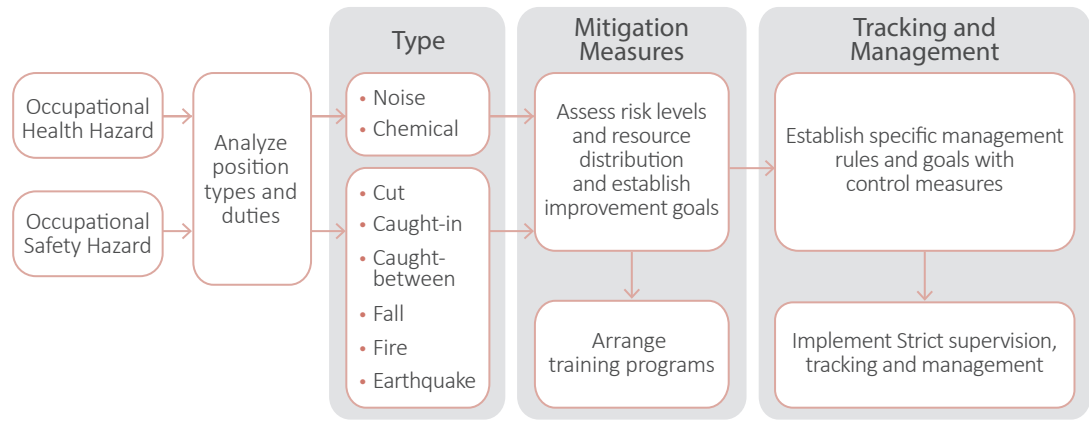
Risk Identification, Assessment and Control

Occupational Safety and Health Policy and principles governing FENC production sites are as follows:

- 1. The incorporation of new production lines, production processes or equipment is governed by Change Management Process. An application for change shall be filed and the process includes self-assessment on risk and control, change review/supervisor approval, pre-launch evaluation and closing.

- 2. Risk identification shall be conducted to determine the risk level of operations associated with raw materials, products, activities and services which may potentially harm the operator, including workers (employees and contractors), or cause damages to equipment.
- 3. Improvement goals shall be established based on risk levels and distribution of resources. Hardware improvement takes the priority, followed by control measures such as administrative management with special plans or operational guidelines. Implementation of the control measures are strictly monitored to minimize risks. Operation of control mechanisms is based on Regulations Governing Risk Identification, Assessment and Control set forth at each plant.
- 4. Plans and implementations regarding overwork, workplace violence and the protection of the health of the middle-aged and elderly as well as maternity care at FENC production sites are conducted in accordance with local regulations. There were no irregularities in 2024.
- 5. All production sites arrange risk control training for employees. In 2024, 127 sessions were held with 3,029 employees completing 7,354 training hours.

Hazard Recognition, Assessment and Analysis Procedures at Production Sites



Building Workplace Safety and Health with Labor-Management Participation

FENC establishes Occupational Safety and Health Committee at production sites, serving as the highest authority at each organization on the review and discussion of safety and health management. Setting up labor representatives in accordance with the seat ratio stipulated by regulations. The Committee convenes quarterly to determine the formulation, coordination and supervision of safety and health related issues at each plant to ensure full implementation. Contractors engagement and communication please refer to [Boosting Stakeholder Dialogue](#) and [4.4.1 Supplier Management](#).

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The Occupational Safety and Health Committee

Operational Sites	Number of Committee Members	Percentage of Worker Operational Sites Representatives
Headquarters	11	36%
Hsinpu Chemical Fiber Plant	29	34%
Kuanyin Chemical Fiber Plant	20	35%
Kuanyin Dyeing and Finishing Plant	37	46%
Hukou Mill	8	38%
OPTC	18	33%
OGM	19	53%
FEFC	13	38%
FEIS	32	75%
WHFE	20	40%
OTIZ	48	67%
FEIW	27	67%
FEDZ	63	60%
FEAZ	72	50%
FEAV	50	10%
FENV	27	15%
FEPV	158	59%
FIGP	45	67%
APG Polytech	10	50%

Note: All FENC production and operation sites are in compliance with the local regulations.

Occupational safety and health management is one of the priority concerns when it comes to labor relations at FENC. The following subjects are included in the labor relations meetings, Occupational Safety and Health Committee meetings, and collective bargaining agreements with employees:

1. Provide personal protective equipment.

2. Implement labor relations management and establish the occupational safety and health committee with labor and employer representations.

3. Involve labor representatives in the health and safety inspection, review and investigation.

4. Provide job-related training for workers.
5. A clear reporting and grievance mechanism for employees encountering health or safety issues is established to ensure their right to refuse unsafe work and protect them from being punished for the refusal.

6. Schedule regular health checkups for workers.

7. Comply with regulations from International Labor Organizations.

8. Clearly establish safety and health goals and ways to achieve such goals.

Reinforcing Safety and Health Awareness Through Training

FENC provides regular training to make sure that every employee is familiar with occupational safety and health regulations as well as the management mechanism. The total occupational safety and health training hours accrued by FENC and contractor employees are 253,100 and 14,586 in 2024, respectively.

2024 Employee Safety and Health Personnel Training Statistics

	Number of Classes				Number of Trainees				Training Hours			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
On-The-Job Training on Safety and Health	993	1,311	2,528	2,592	19,967	34,421	50,674	42,387	84,031	165,251	173,781	174,539
Health Management Training	252	272	376	486	12,435	11,961	13,341	16,042	13,844	15,046	14,914	19,437
Hazardous Chemical Training	89	140	176	191	2,154	3,295	4,431	4,277	8,810	19,925	18,669	22,041
Protection Personnel Training	15	20	26	20	213	213	281	139	330	412	569	243
Emergency Response and Personal Protective Equipment Training	464	337	615	652	6,138	10,860	14,654	14,113	15,296	20,052	33,229	27,434
Internal Safety and Health Auditor Training	44	31	129	59	238	444	2,858	778	1,113	3,252	7,046	3,762
Risk Control Training	82	54	55	72	1,717	2,046	2,705	2,140	5,217	3,782	6,387	5,644
Total	1,939	2,165	3,905	4,072	42,862	63,240	88,944	79,876	128,641	227,720	254,595	253,100



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2024 Contractor Safety and Health Personnel Training Statistics

	Number of Classes			Number of Trainees			Training Hours		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
On-The-Job Training on Safety and Health	725	1,287	973	7,201	9,766	6,204	36,996	22,010	9,340
Health Management Training	181	625	283	2,159	2,827	1,921	1,982	2,570	1,149
Hazardous Chemical Training	178	529	193	644	1,444	1,426	321	1,187	654
Protection Personnel Training	0	3	0	0	113	0	0	113	0
Emergency Response and Personal Protective Equipment Training	222	547	152	874	3,451	1,512	1,067	14,113	1,216
Internal Safety and Health Auditor Training	1	2	5	24	83	74	24	524	520
Risk Control Training	41	39	55	505	858	889	899	1,600	1,710
Total	1,348	3,032	1,661	11,407	18,542	12,026	41,289	42,117	14,589

Chemical Safety Management

All production sites of FENC have established chemical management regulations of chemicals based on Globally Harmonized System of Classification and Labelling of Chemicals (GHS).

Chemical management at all production sites places are according to the items as following:

1. Chemical management at all production sites places an emphasis on source management. When procuring hazardous chemicals, w manufacturer, importer or supplier must provide the hazardous label and Safety Data Sheets (SDS). The same information is required when changes are made to existing data.
2. When the chemicals arrive at the plant, on-site staff or the end-user must conduct examination based on the label, SDS and applicable regulations prior to acceptance.
3. Post identification for hazardous chemical and prepare safety data sheet (SDS).
4. The Company utilizes Chemical Control Branding (CCB) to evaluate the likelihood of exposure (usage and the degree of spread) and takes corresponding or control measures to mitigate risks. When changes occur to the types of chemicals as well as operational or production procedure, exposure assessment must be conducted again within 3 months before or after the changes occur.
5. Waste liquids and containers for chemicals are disposed of and treated by qualified waste disposal companies in accordance with the regulatory requirements.
6. To track and ensure the health of employees responsible for chemical operation, special health checkups are provided and their work environment is monitored every six months.



Chemical Spill and Food Safety Training at FEAV



FEAV offers chemical spill and food safety training each year. The focus of the chemical spill training is to provide coaching and case studies for employees, familiarizing them with emergency response procedures and key considerations when confronting different scenarios. While for food safety training, external lecturers are invited to share their expertise on food safety and health with the canteen committee, canteen management team, first responders and applicable personnel to prevent food poisoning incidents. A total of 161 employees completed the training in 2024.



Chemical spill drill

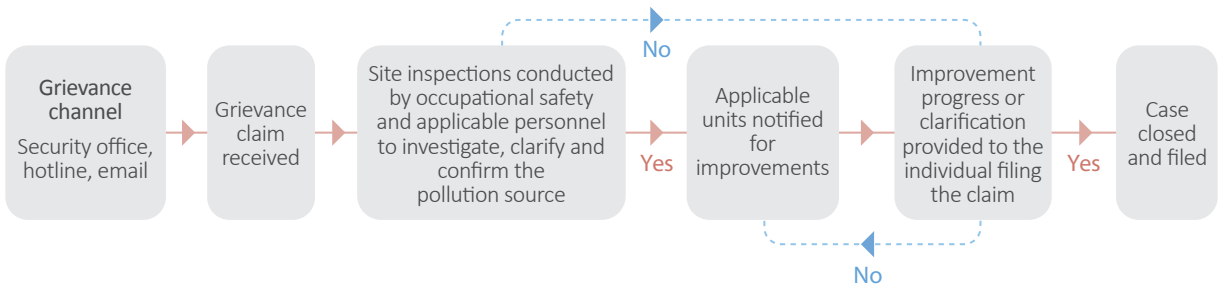


Food safety training

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Grievance/Reporting/Acceptance Mechanism Related to Hazardous Chemicals



Safety and Health Enhancement Campaign – Worker Engagement

1. The Priority Tasks Implemented by the SHEF Task Force for FENC Production Sites in Mainland China in 2024 are as Follows:

- A total of 24 training sessions, amounting to 1,948 hours, were offered to address the needs of all units. A total of 770 people took part in the training, which covered a wide range of topics. The major focuses are safety risk identification and assessment; job safety analysis; chemical safety; safety observation; accident investigation; high-pressure pipeline safety; safety management for supervisors; fire emergency response and rescue.
- FENC production sites in mainland China recorded 12 cases of occupational injuries in 2024, capping the number within the target that had been set for the year, which is no more than 13 cases. The number represents a 25% drop from 2023. In addition, FENC was able to keep the total recordable injury frequency below 0.2 for the first time, showing progress in the overall safety performance, which shall continue.
- The SHEF Task Force assisted FEDZ and FEIW in the implementation of jurisdictional management in 2024, and on January 1, 2025, the task force started providing such assistance to FEAZ. Currently, jurisdictional management has been implemented at all FENC production sites in mainland China.
- Incident reporting has been implemented and encouraged, including the reporting of near-misses and minor injuries, to develop a culture with proper workplace incident management. The task force facilitated the sharing of past occupational injury incidents from FENC production sites as a precautionary reminder to prevent future occurrences.
- The SHEF Task Force collected and shared 56 newly enacted government regulations concerning safety and health.
- Outreach and assistance for establishing intelligent systems: FEAZ established an incident reporting system and online training system; FEDZ created an equipment and facility accounting system; FEIW built an incident reporting system.
- The SHEF Task Force led the peer exchange campaign among FENC production sites in mainland China. Specific activities include sending senior electrical specialists to identify hidden dangers at each plant; helping FEIW with the construction safety audit targeting the airbag project to maintain steady progress.
- Four issues of the SHEF quarterly magazine were published in 2024. The content, which was gathered from all FENC production sites in mainland China, featured special coverage on electrical safety, special equipment, emergency response and occupational health. The magazine also shared articles with valuable insights from external sources.

2. Performance Review for the Occupational Safety and Health Management System at FEFC

To encourage business entities to implement self-management over occupational safety and health, the Ministry of Labor has commissioned accredited agencies and local labor inspection offices to conduct review over occupational safety and health management systems. FEFC took the initiative and proposed a performance review over its safety and health management system, which has been approved by the Ministry of Labor with a validity period between June 29, 2024 and June 28, 2027.

Strengthening Emergency Response with Safety Drills

To activate emergency response at the earliest possible moment and minimize injuries, fatalities and production losses, FENC conducts hazard identification and risk assessment for its production sites by factoring in geographical environment, hazardous chemicals used, distribution of natural disasters and disasters that are fire-inducing. The results then dictate the control measures as well as emergency response procedures, training and drills targeting various disaster scenarios and probabilities to be established for each production site.

During an emergency, all production sites shall follow the protocol established for emergency response and notification procedure. Staff shall identify the disaster, notify applicable units and personnel, and engage in damage control to keep the situation from worsening. Ongoing assessment shall be made to the on-site conditions to minimize harm to the staff, property and environment with adequate treatment to prevent secondary disasters. The investigative unit shall conduct thorough reviews over the cause and propose improvement strategies. A report shall be presented and the unit responsible for the emergency shall undergo educational training to prevent future occurrence.



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High-rise Rescue and Emergency Solar Power Shutoff Drills at Hsinpu Chemical Fiber Plant



Hsinpu Chemical Fiber Plant conducted emergency drills targeting compound disaster scenarios at its automated warehousing facility in the second half of 2024 with the goal of elevating its emergency response capability. In addition to the existing self-defense firefighting team and regional joint defense disaster relief drills, the 2024 exercise also included the high-rise rescue and emergency solar power shutoff drills to ensure readiness and immediate response during disasters. These 2024 drills include:

- **Joint exercise between the self-defense firefighting team and the regional joint defense unit**  
With a large-scale disaster as the scenario, the self-defense firefighting team and the regional joint defense unit must enhance collaboration and coordination in order to facilitate proper emergency response and keep the damage under control.
- **Emergency evacuating and sheltering**  
As the disaster strikes, employees must quickly evacuate to the designated shelter. The drill ensures the safety of all employee as they await the rescue in a secure area.
- **Emergency solar power shutoff**  
With rooftop solar panels installed for the warehouse, the power must be shut off during a disaster. The drill simulates the emergency power shutoff to keep the electricity system from interfering with the rescue operation.
- **Fire unit transition**  
The drill simulates the transition process between the external and self-defense firefighting teams to quickly equip the external firefighting unit with a full understanding of the on-site condition as well as the degree of damage in order to respond properly, keep the fire under control and prevent harm.
- **High-rise rescue using a ladder truck**  
In a high-rise rescue scenario, the external firefighting unit must perform the rescue operation at the warehouse using a ladder truck.



Simulation of an emergency high-rise rescue using a ladder truck

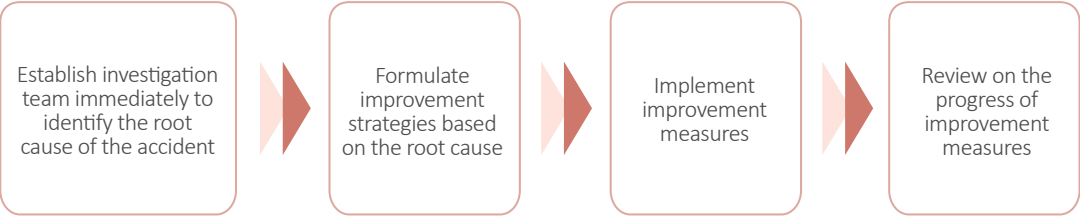


Emergency solar power shutoff drill

The 2024 drills targeted compound disaster scenarios, including the fire, solar power shutoff and high-rise rescue. The exercise has improved employees’ ability to respond to disasters in a prompt and orderly fashion while enhancing safety precautions and disaster prevention.

4.3.2 Occupational Injuries

At FENC, the end game for occupational safety and health is “zero occupational disasters”. The Company values the safety and health of each and every employee and protects them by raising their awareness and understanding through conducting risk assessment and identification; preparing promotional campaigns and public notice; holding pre-work and toolbox meetings; designating safety and health month with programs and activities. In the unfortunate event of occupational disasters, immediate actions are taken to address the emergency. The following procedures are applicable to all production sites:



All improvements must be completed within 2 months. Facility improvements that require construction contracts shall be completed within 3 to 6 months. Based on the statistics, a total of 27 cases of occupational injuries among employees occurred at FENC production sites in 2024, which is down significantly by 39% from 2023. Among the occupational injuries are 10 cases of “caught-in/between” and 10 cases of others (slips) which account for the highest percentage, and the major cause is a lack of hazard awareness among workers. In response, FENC has completed the investigation over the occupational incidents at its production sites and the improvement measures as listed have been implemented.

1. Construction Control (Hardware Improvement)

- The protective guards, such as mesh guards and guardrails, for rotating and moving components must be thoroughly examined to ensure compliance with safety regulations.
- Photoelectric sensors or interlocking devices are installed in danger zones to automatically stop the machine operation when workers approach within a close distance.

2. Operating Procedures and Management Measures

- Lockout and tagout: Prior to any repair, adjustment or cleaning operation, the power source of the equipment must be shut off and locked to keep the equipment from being switched on accidentally.
- Risk assessment and zoned management: Danger zones are labeled with demarcations such as the red warning tape with access restricted to authorized personnel only. For highly hazardous operations, the two-person rule is implemented.

3. Automation and Technology Upgrade

- Smart visual recognition is incorporated to monitor equipment and automatically send warnings or messages when irregularities occur.
- Manual labor is replaced by robotic arms for high-risk operations, such as material feeding or handling.



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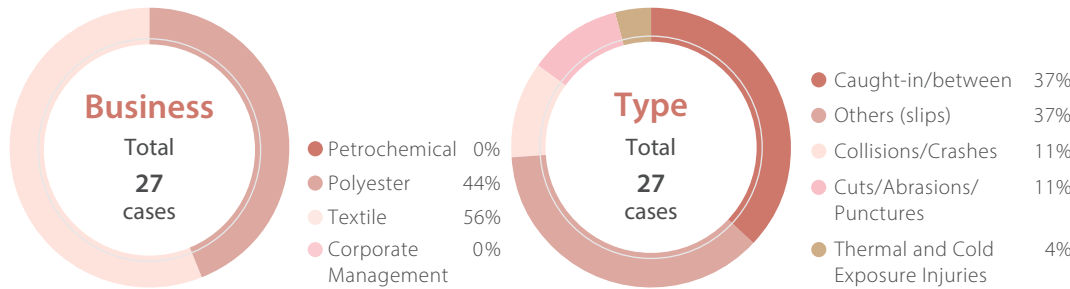
4. Personnel Training and Behavior-based Management

- Strengthening safety education: Safety training for machine operation is conducted on a regular basis, including emergency drills and case analysis. New employees must pass operational assessments before they can proceed independently.
- Standardizing PPE: Loose-fitting clothing and items such as long necklaces are prohibited. Work clothing with a proper fit and non-slip shoes are provided, and cut-resistant gloves are prepared under certain circumstances provided that the gloves do not pose the risk of being caught in/between the machine.

On February 6, 2025, a gas explosion occurred at Hsinpu Chemical Fiber Plant, causing the unfortunate death of two employees, and 19 employees were hospitalized. As of May 14, 2025, one employee remained in the hospital for treatment, and 18 had returned home. After the accident, FENC provided full support for the family of the deceased employees, including assistance with the funeral arrangement, generous pensions and the care needed for the children. The injured employees also received comprehensive care and treatment. The Company provided post-traumatic mental support and care programs for those who have been impacted by the accident.

FENC recruited the assistance of experts from Taiwan and abroad to investigate the the root cause. A thorough review was conducted and comprehensive improvement plans were developed to address any potential risks that could cause similar accidents. It is FENC’s dire responsibility to ensure safety and health management, and a deep sorrow was felt across FENC after the tragedy. The Company is determined to address the root cause and make all improvements that will enhance the safety management system. Employees are closely monitored to ensure compliance, and to keep such a tragic event from ever happening again.

Statistics on Occupational Injury in 2024



Statistics on Occupational Injury

		2021	2022	2023	2024
Occupational Injury Cases	Male	69	60	32	17
	Female	30	17	12	10
	Total	99	77	44	27
Injury Rate (IR)	Male	0.25	0.23	0.15	0.07
	Female	0.11	0.07	0.05	0.04
	Total	0.37	0.30	0.20	0.12
Lost Time Injury Frequency Rate (LTIFR)	Male	1.27	1.15	0.73	0.37
	Female	0.55	0.33	0.27	0.22
	Total	1.83	1.48	1.01	0.59
Absentee Rate % (AR%)	Male	0.25	0.15	0.35	0.17
	Female	0.18	0.26	0.30	0.26
	Total	0.43	0.41	0.65	0.43
Lost Day Rate (LDR)	Male	2.73	3.12	1.78	1.56
	Female	1.31	1.28	1.61	1.03
	Total	4.04	4.39	3.39	2.59
Number of Work-Related Fatalities	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
Rate of Work-Related Fatalities	Male	0.00	0.00	0.00	0.00
	Female	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00

Note:

1. Statistics cover 100% production sites in this report, including permanent employees and temporary employees. The term, "permanent employee" in this report is identical to the terms, "permanent employee" and "full-time employee" referenced in the GRI standards. The term, "temporary employee" in this report refers to migrant workers in Taiwan; contract or outsourced workers in mainland China; employees under the probation period in Vietnam; outsourced workers in Japan; temporary workers in the U.S.; temporary employees as referenced in the GRI standards.

2. Total work hours of employees are 45,457,432 hours in 2024.

3. There were no high-consequence work-related injuries (defined as an inability or difficulty to restore to preinjury health condition within 6 months) in 2021, 2022 and 2024. However, there were 2 severe occupational injuries related to being caught-in/between and dust combustion in 2023. These incidents correspond to a 0.01% Process Safety Incident Severity Rate (PSISR) as per the SASB standards for the chemical industry.

4. There were no occupational illnesses between 2020 and 2024.

5. Beginning in 2024, disclosures from the Corporate Management have been included in the report, with retrospective adjustments made to data dating back to 2021.

6. Please refer to 7.1 Environmental and Employee Data for the calculation formula and definition.

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The 2024 statistics on occupational injuries at FENC production sites have been analyzed and compared by industry with the 2023 occupational disabling injury frequency rate and disabling injury severity rate compiled by the Occupational Safety and Health Administration in Taiwan. Both rates from FENC’s Petrochemical, Polyester and Textile Businesses are lower than those from the industry peers.

Comparison Between FENC and Nationwide Statistics on Occupational Injuries

	Petrochemical Industry		Polyester Industry		Textile Industry	
	FR	SR	FR	SR	FR	SR
Statistics from Taiwan OSHA	1.16	137	1.31	23	1.77	52
Statistics from FENC	0	0	1.00	18	0.48	12

Note:

1. Disability injury frequency rate (FR) = total number of disabling injuries ×1,000,000 ÷ total manhours worked.

2. Disability injury severity rate (SR) = number of injured days off work × 1,000,000 ÷ total manhours worked.

3. FENC data is compared against the 2023 statistics for the petrochemical, chemical material manufacturing and textile industries from Occupational Safety and Health Administration, Ministry of Labor.



27 Years of Accident-Free Working Hours at FEFC

Since its inception in April 1997, FEFC has maintained a 27-year record of zero lost days due to disabling occupational injuries. As of December 2024, the plant had accumulated 10.91 million hours without disabling occupational injuries. The plant has also been participating in the zero-accident campaign held by the Industrial Safety and Health Association since 2006 with 7,694,239 accident-free working hours registered and verified.



A total of five occupational incidents involving contractors at FENC’s production and operation sites occurred in 2024, representing a significant drop by 45% from 2023. Among them, four were fall-related incidents at FIGP. To prevent future occurrences, FIGP proposed the following preventive measures:

1. Clean the work environment at production areas regularly to prevent hazards caused by wet conditions and dust accumulation on the ground.

2. Strictly prohibit running within the plant premise and stress this rule among contractor employees.

3. Strengthen the training for contractor employees and include the fall incidents as case studies.

Contractor’s Occupational Injury at Production Sites

		2021	2022	2023	2024
Occupational Injury Cases	Male	5	8	9	3
	Female	0	1	0	2
	Total	5	9	9	5
Injury Rate (IR)	Male	0.26	0.45	0.49	0.19
	Female	0.00	0.06	0.00	0.12
	Total	0.26	0.50	0.49	0.31
Lost Time Injury Frequency Rate (LTIFR)	Male	1.30	2.23	2.46	0.93
	Female	0.00	0.28	0.00	0.62
	Total	1.30	2.50	2.46	1.55
Number of Work-Related Fatalities	Male	0	0	0	0
	Female	0	0	0	0
	Total	0	0	0	0
Rate of Work-Related Fatalities	Male	0.00	0.00	0.00	0.00
	Female	0.00	0.00	0.00	0.00
	Total	0.00	0.00	0.00	0.00

Note:

1. Statistics cover 100% production sites in this report.

2. Total work hours of contractors are 3,229,312 hours in 2024, including contractors of engineering and labor services.

3. There were no high-consequence work-related injuries (defined as an inability or difficulty to restore to pre-injury health condition within 6 months) in 2021, 2022 and 2024. However, there was 1 severe occupational injury related to being caught-in/between in 2023. This incident corresponds to a 0.05% Process Safety Incident Severity Rate (PSISR) as per the SASB standards for the chemical industry.

4. There were no occupational illnesses between 2020 and 2024.

5. Please refer to 7.1 Environmental and Employee Data (R) for the calculation formula and definition.

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Promoting Occupational Safety and Health with Stakeholders

1. Non-Profit Safety and Health Promotion-Kuansin E Family

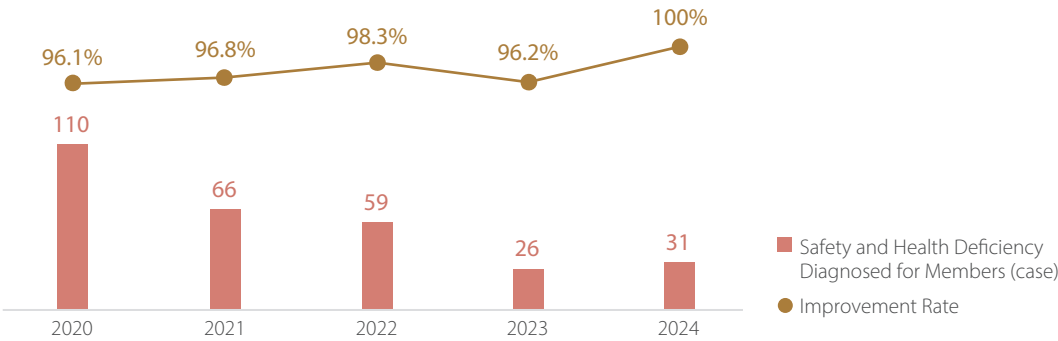
In 2017, Kuanyin Chemical Fiber Plant joined the Labor Safety and Health Family Registry, a coaching program launched by the Office of Labor Inspection of Taoyuan City Government. It was then the plant established Kuansin E Family and served as the core leader of the program. To scale the program operation and demonstrate its commitment to safety and health management, Kuanyin Chemical Fiber Plant established another safety and health family, “Wei Nin Ping An,” in 2023 as a core leader in the Labor Safety and Health Registry, providing coaching and mentorship for smaller plants to develop workplace safety and health awareness and culture.

Since its founding, Kuansin E Family has been assisting the government with the implementation of occupational safety and health management. Its efforts in 2024 include the following:

- Kuansin E Family held pre-construction meetings, occupational safety and health outreach and briefings regarding labor inspection guidelines. A total of four training sessions were also offered to discuss contractor management, hazard prevention during hazardous operations and case studies on occupational incidents. The sessions drew 106 participants, including plant supervisors, safety and health management personnel, junior staff and members within Kuansin E Family.
- Kuansin E Family demonstrated support for the Office of Labor Inspection of Taoyuan City Government by participating in and co-organizing external occupational safety and health programs. The Office of Labor Inspection launched the Occupational Safety and Health Week in November 2024 and arranged games and competitions for the participants. Kuanyin Chemical Fiber Plant was also invited to set up a charity booth. During the event, the plant guided the participants to perform CPR and operate the automated external defibrillator, helping them learn the proper emergency procedures and understand their importance.
- Kuansin E Family provided strong member support, helping them diagnose occupational safety and health issues and proposing improvement measures. The 31 measures recommended in 2024 have all been completed, representing a 100% improvement rate. Compared with 2023, though the number of recommended improvement measures rose slightly, most employees showed support for these measures, a sign that the implementation of Labor Safety and Health Family Registry has raised the members’ awareness of occupational safety and health. The registry encourages self-management and self-evaluation, which is helping members maintain occupational safety and health while building a safety culture.



Performance of Safety and Health Family Program



- During the Labor Safety and Health Family Registry Competition held by Taoyuan City Government in 2024, Kuanyin Chemical Fiber Plant was recognized with the Award of Excellence for the remarkable records it had demonstrated since the plant started promoting the registry in 2017.



Award of Excellence–Kuansin E Family by FENC Kuanyin Chemical Fiber Plant (Chinese)

4.3.3 Healthy Workplace – Employee Health and Care

Employees are FENC’s most valuable asset. The Company commits resources to help employees maintain and improve physical, mental and workplace health to achieve work-life balance. Health programs at FENC focus on health management, health care and health promotion with the aspiration to maintain a work environment that offers greater safety, comfort and warmth.

Employee Health Management and Promotion

1. Regular Health Check

- Health management systems  
To promote healthy workplace, FENC headquarters, Hsinpu Chemical Fiber Plant and Kuanyin Chemical Fiber Plant established their own health management systems. Staff may log on at any time to review past health check reports and monitor their own health. They may also register online for health promotion campaigns. The system provides health-related knowledge to help employees improve health management.

In addition to establishing health promotion plans in accordance with the regulations, the health management system conducts analysis based on employees’ health reports. When anomalies are detected, a comprehensive monitoring mechanism is designed according to the type and severity of conditions. The mechanism includes classification, tracking and medical consultation in order to provide employees with effective, systematic and continuous health management. During the process, occupational physicians and nurses provide holistic health risk assessment and control, offering complete care to safeguard employees’ health.

- Regular health checkups that are more comprehensive than those required by law  
FENC provides health check stipends to expat employees annually and to senior executives once every two years. For general employees, the Company arranges for healthcare providers to offer on-site health checkups for each unit every two years.

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Employees receiving abnormal test results would be contacted by the healthcare provider for follow-up health tracking. In 2024, 92% of the employees receiving severely abnormal test results returned for the follow-up appointments. A total of 250 senior executives completed the health checkup and received approximately NT\$5 million in total stipends.

All caterers at FENC production sites in Taiwan must abide by the health examination regulations for dining services and schedule annual health examinations for the catering staff. The results are provided to FENC for documentation.

FENC production sites in mainland China provide regular health checkups for employees upon completing one year of employment, and a comprehensive health profile is established for each employee. Medical doctors are invited to the production sites to explain employees’ health conditions during the one-on-one consultation. FENC production sites in Vietnam provides annual health checkups for employees, and female employees who wish to also receive gynecological checkups.

FEIW established an occupational health record management system in February 2024. The system allows the plant to quickly query the occupational health records of all employees, including the date, result and report of their health checkups.

2. Health Management for Special Hazardous Operation

To control occupational diseases, FENC production sites established the following control measures targeting hazardous operations:

Health Check and Tiered Health Management for Special Hazardous Operation

Health Check Items	Number of People Being Assessed		Tier 1 Management		Tier 2 Management		Tier 3 Management		Tier 4 Management	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Noise	506	122	253	74	206	42	22	5	25	1
High Temperature	141	0	69	0	71	0	1	0	0	0
Dust	248	4	207	4	41	0	0	0	0	0
Ionizing Radiation	20	2	14	1	6	1	0	0	0	0
Organic Solvents and Specialty Chemicals	38	16	29	11	9	5	0	0	0	0

Tiered health management is offered to employees based on their conditions. Tier one involves the provision of health information as references. At tier two, the doctors specify tasks unsuitable for certain health conditions in addition to providing the health information. For tiers three and four, employees’ duties and tasks are selected to match their health conditions. The Company conducts site visits to evaluate operational risks and make improvement accordingly. Additional health-related measures include providing adequate PPE and requiring workers to wear PPE properly; labeling restricted zones with entry for authorized operators only; conducting hazard exposure at the operating environment semi-annually and reducing worker exposure; requiring workers to wear radiation dosimeters during radiation operation; installing local exhaust at the testing area; establishing health protection plans for operators with regular health checks for special hazardous operation with tiered management.

At production sites in mainland China, employees susceptible to occupational diseases undergo annual health checks targeting specific occupational hazards with reexamination and follow-ups, where on- and off-the-job health checks are conducted to prevent occupational diseases and ensure labor rights.

FENC’s production sites in Vietnam have arranged advanced healthcare services for workers who are at high risks of occupational hazards. Nearly 80% of the workers at the garment plants are female. Hence, more health resources targeting women’s health are provided. Examples include educational materials on the cervical cancer, breast cancer as well as maternal and newborn care. The plants also collaborate with brand customers to provide consultation services regarding family planning, which has been popular among the female workers.

3. Health Care

FENC operation sites in Taiwan employ occupational health professionals in accordance with the regulatory requirement and have full-time nurses on staff to provide healthcare services to all employees. In addition to providing health promotion activities, health checkups and anomaly management, FENC is also committed to implementing the four major labor health programs to enhance employee health. The Company provides on-site health services through partnerships with its affiliate, Far Eastern Memorial Hospital (FEMH), or contracted occupational medical specialists. Safeguarding employee health is FENC’s responsibility. Therefore, the Company provides a comprehensive range of health services and outreach programs to care for all aspects of employee health.

At OTIZ, resident physicians and nurses provide on-site primary care and consultation for employees at the infirmary during working hours. An occupational health profile is established for each employee to ensure holistic care.

FEIS set up an infirmary in 2024 with health professionals on site every Tuesday and Thursday afternoon to offer services such as consultation and blood pressure tests. The plant also has a good relationship with the nearby community hospital. Once every two months, a general practitioner visits FEIS and provides medical services.

APG Polytech has a full-time nurse on staff to treat injuries and other health issues. The service is available to any employee who seeks medical advice or assistance.



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4. Four Major Health Programs and Health Protection for Middle-Aged and Elderly Employees

FENC has developed worker-centric health services in line with the governmental labor care policies and structural shifts in the global labor market. While reinforcing the prevention of occupational injuries and diseases, the Company also implements various health promotion campaigns to improve employees’ self-management and health awareness, offering comprehensive mental health support and urging employees to take proactive steps towards improving mental health. FENC encourages employees to form exercise groups and provides lunch boxes that offer balanced nutrition to help employees maintain health.

As the world embraces an aging workforce, it is vital to ensure occupational safety and health among the middle aged and elderly workers. At FENC, employees from this age cohort undergo tailored health risk assessments. Based on the results, occupational health professionals implement health management programs with regular work ability assessments and provide recommendations such as changing work locations and duties as well as reducing working hours or workload. FENC also offers measures that promote work-life balance through health promotion activities.

FENC production sites in mainland China attach great importance to maternal protection. To care for female employees, those who are nursing may enjoy a one-hour breastfeeding break each day. FEIS and FEDZ provide lactation rooms for female employees who are pregnant or breastfeeding, giving them a private space to rest in comfort and safety while enhancing the sense of workplace happiness.

FENC production sites in Taiwan have been promoting four major health promotion programs aimed to protect employees’ mental and physical health, including the ergonomic hazard prevention program covering musculoskeletal disorders caused by repetitive movements; prevention program for diseases induced by overwork; maternity health protection program; workplace violence prevention program.



Workplace Violence Prevention and Response Seminar

Statistics on Hazard Identification and Risk Assessment With Action Plan

Category	Number of Individuals Undergoing Hazard Identification and Risk Assessment		Without Hazards		With Potential Hazards		With Hazards	
	Male	Female	Male	Female	Male	Female	Male	Female
Maternity Protection	-	51	-	51	-	0	-	0
	Action plan: Pregnant employees or those returning to work one year after giving birth receive a preliminary assessment form for workplace hazards during and after pregnancy and an employee health self-assessment form. The aim is to evaluate how maternal health is impacted at work. In 2024, a total of 51 female employees participated in the maternity protection program, where healthcare professionals assessed and confirmed associated risks and hazards, and provided health education and information.							
Workplace Violence	2,426	829	2,405	827	21	2	0	0
	Action plan: FENC has announced the Declaration on the Prevention of Workplace Violence to all employees, and the prevention of workplace violence has been included as part of the employee training. FENC minimizes workplace violence at or outside the work environment by designating safety areas, assigning adequate staff and providing assistance such as stress relief guide and counseling services. In addition, labor and management representatives have established a Workplace Violence Grievance Investigation Team to investigate incidents of workplace violence.							
Overwork	2,501	900	2,364	868	132	32	5	0
	Action plan: In 2024, a total of 5 male employees were identified as being high-risk; 164 were identified as having low to medium risks, 132 of whom were male and 32 were female. The high-risk employees met with the physicians on site for follow-up interviews and received health guidance, while the low-to-medium-risk employees received emails containing personalized health information, consultation and recommendation with follow-up tracking. FENC also launched the Employee Assistance Programs (EAPs) during the reporting year to provide diversified channels for mental health counseling, including government resources, contracted clinics and FEMH, the FENC affiliate, which offers discounts to FENC employees.							
Musculoskeletal Disorders Caused by Repetitive Movements	2,595	915	2,528	898	49	17	18	0
	Action plan: The self-assessment form for musculoskeletal disorders was distributed among employees, and a total of 18 male employees were found to be under the influence of ergonomic hazards in 2024. FENC assessed their work activities, confirmed the risk factors through assessment tools, determined appropriate improvement measures and arranged for follow-ups and tracking. A total of 66 employees were identified as potentially being influenced by ergonomic hazards, 49 of whom were male and 17 were female. Those who required medical attention were referred to occupational physicians for medical treatment and consultation. FENC also provided health guidance and inspected the workplace to clarify and evaluate the connection between their illnesses and job duties. After their health conditions were assessed by the physician, the employees received individual consultation, recommendation and follow-up care to track their improvement.							

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5. Health Programs

Dual Benefits in Employee Health and Carbon Reduction

The Corporate Management at FENC launched an energy and carbon reduction campaign in June 2024, leading the entire staff to practice low-carbon living and reduce food waste. During the campaign, 285 employees accumulated 173,635 kilometers and burnt 9.55 million calories through walking and running, the equivalent of averting 20,000 kgCO<sub>2</sub>e in carbon emissions. The campaign also included a collaborative initiative with the canteen, where employees may donate meal boxes they had paid for to other employees through an application. As of the end of 2024, the program had kept 996 meal boxes from going to waste. Through this campaign, the Corporate Management delivered a carbon reduction performance that was twice as much as the set target.

To encourage employees to live a healthy lifestyle, OTIZ held a City Walk campaign on November 9, 2024, inviting employees and their families to explore the city along a 9-kilometer journey on foot. While the participants enjoyed nature in leisure, they also enjoyed the health benefits through walking. A total of 67 participants burned 33,165 calories and contributed 69 kgCO<sub>2</sub>e in carbon reduction.



Healthcare for Employees and Their Families

FEPV organized a special health care project to protect employee health, where representatives from each department participated in a seed teacher program. The program covered topics on nutrition; danger signs during pregnancy; safe contraception; personal hygiene; menstrual hygiene; AIDS; prevention of breast cancer, cervical cancer, liver cancer and lung cancer; sexual harassment prevention; presentation skills; personal finance management; financial planning; prevention of occupational diseases. A total of 50 employees have completed the seed teacher training, ready to spread the knowledge to 11,149 employees, helping them acquire and apply the health information and skills. The project was implemented between May 2023 and the end of September 2024, benefiting not just the employees, but also their family members.



FEAV held a vaccination campaign between November 2024 and June 2025, offering vaccines to employees and their families to safeguard their health. By collaborating with the vaccine center in Vietnam, FEAV administered flu vaccines for an estimated 4,000 employees and their family members.

Health Programs for Female Employees

To celebrate International Women’s Day, OTIZ kicked off a women’s health campaign from March 5 to 8, 2024, which featured lectures on general legal knowledge and health topics for female employees. The campaign helped reinforce the awareness and protection of legal rights among the female employees at OTIZ. External experts were invited to the two health lectures to share their knowledge on breast cancer and cervical cancer screening as well as the prevention and treatment of common gynecological diseases. The experts also discussed the causes and preventive measures, helping them acquire additional knowledge on self-care. A total of 110 female employees took part in the campaign.



4.4 Shaping Sustainable Supply Chain

FENC is a vertically integrated conglomerate that spans across the petrochemical, polyester and textile industries with vast and complex procurement handlings. The selection, management and procurement of suppliers as well as ESG impact assessment are conducted by the FEG Purchasing Center as well as the procurement departments and procurement units responsible for purchasing primary raw materials at all FENC sites.

Beginning in 2016, FENC has been filing the total green procurement from the previous year with the government. The 2024 green procurement increased significantly by 111% compared with 2023, which is mainly attributed to the increase in the procurement of products with the Green Mark certification. As of the end of 2024, the cumulative green procurement made by the FEG Purchasing Center has exceeded NT\$19.6 billion. For its efforts, FENC has been recognized by the Ministry of Environment as the exemplary unit for green procurement for six years. Its performance also won the title, exemplary unit for green procurement among private enterprises and organizations, from the Department of Environmental Protection of Taipei City Government.

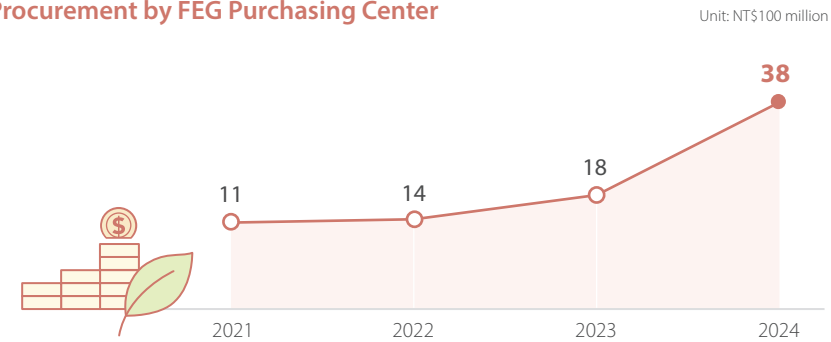




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Green Procurement by FEG Purchasing Center



4.4.1 Supplier Management

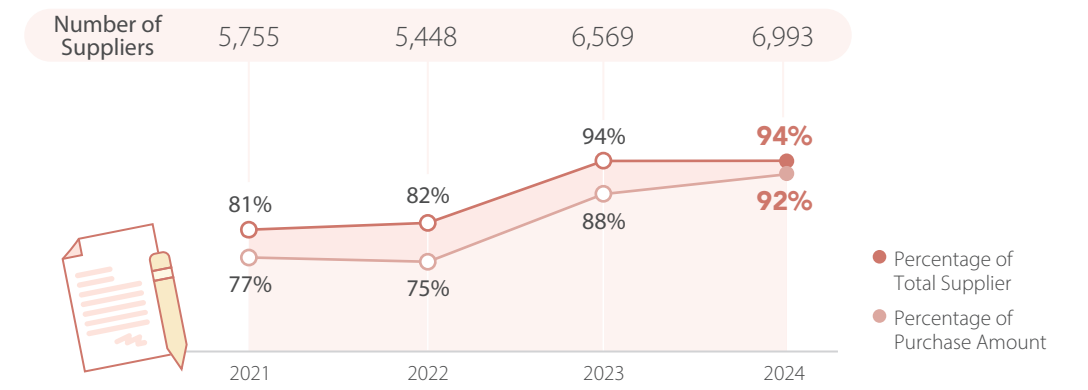
Management Policy

FENC establishes supplier management rules that respect local regulations and production needs at each Company site. The management is guided by the principles listed below:

1. Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement

To collaborate with suppliers on our mission to accomplish sustainability development goals, FENC refers “Responsible Business Alliance Code of Conduct” to establish “Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement” and requests suppliers signing.

The Number and Purchase Amount Percentage of Suppliers Signing “Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement”



Note:

- The percentage of suppliers signing “Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement” = the number of suppliers signing “Code of Conduct and Corporate Social Responsibility Commitment Statement” ÷ total number of suppliers x 100%.
- The total number of suppliers varies from year to year.
- In 2024, the number of suppliers signing “Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement” of OPTC is 99%.

Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement

2. ESG-Based Supplier Selection and Evaluation

- Selection process  
Procurement units conduct written or on-site evaluations of new suppliers, covering environmental and social aspects, and classify them based on selection criteria. Additional criteria are established for different types of procurement projects, and all applicable clauses are stated in the contract to ensure compliance. There are 1,265 new suppliers in 2024, and 1,171 (93%) of which have been evaluated.

In June 2024, FENC started requiring that significant suppliers<sup>(note)</sup> complete the supplier ESG survey to evaluate their ESG performance. The results are analyzed as the basis for formulating the supplier ESG improvement plan. Since the implementation began, 100% of the significant suppliers have completed the survey.

In 2025, FENC established the plan to integrate information security management with procurement processes to evaluate information security among its ICT suppliers. The suppliers are categorized and classified based on the result as a reference for procurement decisions and to reduce information security risks. Meanwhile, the Company continues to strengthen supply chain information security management to address growing cybersecurity threats.

Note: “Significant supplier” refers to the supplier of FENC’s main raw materials and suppliers reaching NT\$1 million in a single transaction with the main procurement unit within the reporting year.

- Regular evaluation  
At the beginning of each year, major suppliers from the previous year are evaluated, and the results serve as a reference for awarding procurement contracts for the current year. Suppliers that do not qualify are placed on a watchlist and provided with improvement recommendations, and those that are unable to improve are removed from the list of candidates. To help suppliers with unsatisfactory evaluation improve, FEAV provides product samples or opportunities for plant visits and observation.

The following table presents a summary of supplier assessments conducted by the procurement units at FENC’s global production and operation sites in 2024. The evaluations covered environmental, social, and governance (ESG) aspects. If any significant negative impacts were identified during the assessments, the Company would either assist the supplier in making improvements or terminate the contract, depending on the severity of the issue. No suppliers were identified as having negative impacts in 2024.

Supplier Assessment Aspects and Number of Suppliers in 2024

	Assessment Aspect		
	Environmental	Social	Governance
Total Number of Selected Suppliers	6,993	6,993	6,993
Number of Suppliers That Have or May Have Negative Impact	0	0	0
Number of Suppliers That Have Made Improvement	0	0	0
Number of Supplier That We Have Stopped Working With	0	0	0

Note: The environmental category includes GHG emissions; energy and resource efficiency; water resources management; air pollutant emission management; waste management; hazardous substance management; biodiversity management. The social category includes human rights; no forced labor; child labor; working hours; wages and benefits; freedom of assembly/association and collective bargaining; diversity and equality; maternal protection; privacy protection; employment stability; training; health and safety management. The governance category includes ethical management and anti-corruption; risk management; information security management; grievance channels; regulatory compliance; conflicts of interest; product management.

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3. Priority Status for Local Suppliers

FENC gives priority consideration to local suppliers when it comes to procurement. Such policy promotes local economic development and allows the Company to provide better after sales service. APG Polytech is located in the state of West Virginia in the U.S. The inland position makes the railway its main mode of transportation. Therefore, APG Polytech gives priority status to suppliers within close proximity, which cuts delivery time as well as carbon emissions.

Percentage of Procurement from Local Suppliers in 2024

	Percentage of Procurement from Local Suppliers				Percentage of Procurement from Local Suppliers After Deducting Main Raw Material			
	2021	2022	2023	2024	2021	2022	2023	2024
Taiwan	44%	44%	45%	43%	47%	63%	72%	68%
Mainland China	60%	64%	61%	82%	75%	85%	89%	81%
Vietnam	18%	19%	13%	13%	44%	67%	70%	70%
Japan	96%	98%	85%	92%	96%	98%	85%	92%
U.S.	74%	86%	92%	99%	63%	58%	71%	96%
Total	49%	53%	53%	57%	60%	75%	80%	79%

Note:  
1. Local supplier is defined as a domestic supplier. In Taiwan, mainland China and Vietnam, local suppliers are unable to provide certain main raw materials.  
2. Percentage of purchase from local suppliers = purchase amount from local suppliers ÷ total purchase amount x 100%.  
3. Main raw materials included in the statistics are PX, PTA, MEG, Bio-MEG and cotton, including recycled cotton. Starting from 2023, the main raw materials don't include cotton (including recycled cotton).

Procurement and Management of Main Raw Materials

Main raw materials purchased by FENC are PX, PTA, MEG and Bio-MEG. The main raw materials constitute the largest expenditure category for FENC and a critical factor for ensuring product quality.

As a response to stakeholders’ concerns on the possible environmental impact of main raw materials, FENC has set standards that are above the industry norm. We adhere to internal procurement management procedure and regulations, choosing main raw materials suppliers that comply with government regulations and ESG guidelines. Company audits are conducted by third-party audit firms. PX, PTA and MEG: Compliance with REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and Halal Certification are required.

We support the use of renewable and environmental-friendly materials. Meanwhile, we are developing and using renewable and plastic materials that, such as Bio-MEG, Bio-PTA, 100% Bio-PET and PLA.

Main raw material shipping at APG Polytech is conducted through railway and marine transport. To ensure safety, APG Polytech must maintain close communication with material suppliers and transport carriers. Strict adherence to the rules and regulations must be ensured to prevent accidents and leakages. All suppliers of

primary raw materials for the company are participants of American Chemistry Council’s Responsible Care Program. The program advocates the environment, health, safety and safeguarding (EHS&S) in the international chemical engineering industry. It also demonstrates the commitment to health and safety of the employees, local communities and the overall environment from the industry. When the suppliers become members of this program, they gain access to its resources, such as seminars, training and consultation to enhance operational safety and performance in EHS&S.

Risk and Response on Main Raw Material Procurement

 Stockout Risk	Solicit diversified suppliers	The Company selects reputable suppliers of a certain scale with a mix of different manufacturing methods to incorporate diversity in the selection process and achieve the goal of stable supply.
	Cultivate quality and strategic partnerships	FENC maintains long-term and mutually benefitting partnerships with domestic and international suppliers and exchanges market information regularly.
 Quality Risk	Request higher yield rates from suppliers	Raw materials must meet quality standards set by the plant to reduce waste of energy and resources due to defective products.
 Climate Change Risk	GHG reduction	Suppliers must identify and manage climate-related risks. They are encouraged to set GHG reduction targets at the company level and seek cost-effective ways to achieve the targets.
	Enhance resource efficiency	Aiming to reduce overstocking and waste of resources, ongoing review of procurement plans is conducted.
 Price Risk	Utilize diversified procurement guidelines	The Company makes price forecast and responds to market changes with agility. We choose procurement timing and utilize both futures and spot price. We also control the stockpile of raw materials based on changes in market price to reduce the impacts of fluctuating price.
 Credit Risk	Select suppliers with international qualifications	The Company chooses reputable suppliers that are members of ICA and comply with international standards to ensure that the raw materials provided satisfy Company standards as stipulated in the procurement contract.
 Transportation Risk	Adopt multi-modal transport	Raw materials are fully insured during the shipping process. Detailed shipping information is requested to enable tracking and ensure the safety of raw materials and carriers. In cases of force majeure, the shipping model is modified immediately in order to maintain the pace.

Procurement of Main Raw Materials (Usage)

Main Raw Material	2021	2022	2023	2024
PX	1,574	1,369	1,192	913
PTA	1,838	1,773	1,389	1,756
MEG and Bio-MEG	783	687	671	758

Note:  
1. PTA procurement includes external procuremnet and internal transfer.  
2. Starting from 2023, the main raw materials don't include cotton (including recycled cotton).

Unit: 1,000 metric tons



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Supplier Engagement

FENC engages in dialogues with suppliers through various channels in order to monitor supplier operation.

- 1. The Company provides a mailbox for supplier feedback on its website. Grievance channel and procedure please refer to [Contact and Grievance Channel](#).
- 2. The Company monitors the suppliers and contractors monthly and conducts dialogue meetings. The FEG Purchasing Center visited 532 suppliers in 2024.
- 3. The Company holds quarterly supplier meetings to conduct exchange and recognize suppliers for their excellence.
- 4. The Company holds ad hoc technology exchange meetings with suppliers.
- 5. Partner with suppliers on mutually benefitting projects.



Expressing Love at OPTC Blood Drive

OPTC invited 45 employees and contractors to participate in a blood drive, saving lives and sharing love with those in need. OPTC contacted the blood center and organized the blood drive on site. The plant also offered NT\$200 gift certificates and a chance to win a NT\$1,000 gift certificate for those who donated a bag (250 cc) of blood as incentives and encouragement. With support from the employees and contractors, OPTC donated a total of 70 bags of blood during the blood drive.



4.4.2 Transport Supplier Management

Shipping of raw materials and products at FENC involves land and marine transport. The Company wishes to ensure safety during transportation while minimizing GHG emissions and pollution. Whether shipping internationally or domestically, through land or sea, any mishaps could lead to disastrous damage to the environment and the Company. Therefore, the Company holds transport operations to the highest local and global standards and only teams up with the most reliable logistics operators and international organizations to further its commitment to social and environmental sustainability.

Selection and Management of Transport Contractors

Prior to commencing any shipping activities, FENC makes careful selection of reputable transport suppliers with clean records that identify with the commitments in Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement. The Company also conducts annual reviews to evaluate contractor operation.

1. Marine Transport

FENC establishes partnerships with reputable international suppliers that are soundly managed and abiding by the principles of International Maritime Organization (IMO). Evaluation and management over the marine transport contractor are conducted on a regular basis.

Control Mechanism and Action Plan for Marine Transport Contractors

Control Mechanism	Action Plan
Selection	<ul style="list-style-type: none"><li>1. All transport suppliers shall comply with local and international regulations.</li><li>2. Marine transport suppliers shall be selected carefully with environmental protection, energy conservation and carbon reduction as priority considerations. It is crucial and demanded that suppliers comply with environmental regulations under each jurisdiction regarding loading, gas emission, fuel consumption and waste fuel disposal.</li><li>3. The Company works with transport suppliers complying with the rules under IMO 2020. The entire fleet shall limit the sulphur content in fuel oil to under 0.5% m/m sulfur, use alternative fuel or adopt emission reduction mechanism that achieve equivalent effect. Such measure reduces sulphur pollution by 80% compared to the regular fleet. FENC also pays for the low sulphur surcharge (LSS).</li></ul>
Management	<ul style="list-style-type: none"><li>1. The Company conducts monthly reviews on transport suppliers. Contracts with individuals, ships or corporations listed on the international sanctions list or Specially Designated Nationals (SDN) list by Office of Foreign Assets Control (OFAC) will be terminated immediately.</li><li>2. The Company makes quarterly reviews on the records of long-term contracts with transport suppliers. Immediate improvement measures are required for any misconducts, and the outcome will be taken into consideration for future contracts.</li><li>3. The Company examines violations committed by transport suppliers through public information platforms such as National Enterprise Credit Information Publicity System, TianYanCha.com and Credit Publicity Platform of Import and Export Business of Customs of the People’s Republic of China.</li></ul>
2024 Performance	All marine transport contractors have satisfied the above selection criteria in 2024. There were no transport disputes or occupational safety issues. Nor were there any incidents that pose negative environmental and social impact.

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2. Land Transport

Vehicles involved in land transport may directly impact public safety. Therefore, in addition to meeting minimum capacity, transportation safety is a priority concern during contractor selection. The Company compiles case studies and conducts regular training for the transporters and dispatchers on the contractor’s end to improve their risk awareness and response, creating win-win in occupational safety between FENC and the contractors.

Control Mechanism and Action Plan for Land Transport Contractors

Control Mechanism	Action Plan
Selection	<div>1. Transport suppliers must ensure that all vehicles comply with local emission standards. Suppliers with current Company contracts must phase out dated vehicles.</div> <div>2. Based on the goods transported, transport suppliers must obtain required permits and licenses in accordance with governmental regulations and the weight limit.</div> <div>3. Contractors are evaluated on existing environmental measures, the level of incorporation of environmental technologies and waste reduction plans. Priority status is given to contractors with low environmental risks.</div>
Management	<div>1. The audit team led by executive managers visits major transport contractors to conduct annual on-site audits and reviews.</div> <div>2. Random safety inspection: Areas inspected include the gas consumption by transport vehicles; investment progress on environmental protection facilities; empty containers screening criteria; dispatching equipment facilities; container storage environment; pollution treatment; staff compliance with occupational safety standards; plant regulations. Improvement plans should be proposed for deficiencies.</div> <div>3. Monthly discussions are held with contractors to examine delivery planning, new occupational safety regulations and deficiencies during the transport process. Meetings are held when appropriate.</div> <div>4. Conduct a minimum of one annual transport safety and health review meeting with transport carriers and plant representatives. Transport suppliers must prepare review and improvement reports addressing non-compliance. The Company also ensures that suppliers implement controlover vehicle equipment; driver behaviors; GPS speedometer reading; personal equipment; loading and unloading operations; prevention of driver fatigue.</div> <div>5. Training: FENC requires regular health checkups for the employees of transport suppliers. The Company also provides annual safety training with safety awareness campaigns and audits from time to time.</div> <div>6. Incentivization: Transport suppliers incentivize drivers who conserve fuels and FENC incentivizes transport suppliers with early green vehicle adoption by allocating additional shipment.</div> <div>7. Freight consolidation: Light-weight products for different customers are consolidated into one delivery vehicle to reduce the number of vehicles and trips.</div> <div>8. Increase in transportation capacity: The warehouse capacity is expanded with additional loading and unloading points as well as separated loading zones to improve efficiency.</div> <div>9. Smart route planning: Delivery routes are optimized for vehicles to pick up recycled packaging materials on the return trip and avoid truck deadheading.</div>
2024 Performance	<div>1. Key discussions at the 2024 review meeting for transport, environment, safety and health at each production site:<ul style="list-style-type: none"><li>When poor container conditions may pose potential safety hazards, the drivers shall report such conditions immediately and take the container to the maintenance shop for repair.</li><li>Transport suppliers shall maintain and inspect all vehicles, containers and tanks on a regular basis as required by FENC to ensure zero occupational disasters.</li><li>Operators shall be notified of precautions during loading and unloading within the plant and the severe penalties for contraband. Requests have been made for the transport suppliers to enhance training.</li></ul></div> <div>2. FIGP established a new logistics team in 2024 to conduct weekly discussions on issues related to transport management.</div> <div>3. All land transport suppliers met the above screening criteria in 2024, and the results of all inspections are in compliance.</div>

To ensure contractors’ commitment to safety, all transport contractors must incorporate risk indicators into the emergency response in addition to regular management practices; review and evaluate past disasters; analyze possible risks; continue improving safety management system. There were no traffic accidents in 2024.

Risk Indicator and Control Mechanism for Land Transport Contractors

Item	Risk Indicator	Control Mechanism
Qualification and Behavioral Review	<div>1. Vehicle operators exhibit behaviors that violate traffic safety regulations and traffic signals, such as speeding, drunk driving, running red light and not maintaining safe trailing distance.</div> <div>2. Vehicle operators work overtime and experience driver fatigue.</div> <div>3. Professional vehicle operators must provide required license for vehicles operated, and permit for transporting hazardous materials to carry out such operations.</div>	<div>1. Pre-work training and trial runs are provided for suppliers.</div> <div>2. Working hours are subject to local labor regulations.</div>
Transport Equipment	<div>1. The selection of comprehensive transport equipment.</div> <div>2. The use of chemical tankers for chemical materials.</div> <div>3. The use of environmentally friendly vehicles to reduce CO2 emissions.</div> <div>4. Regular maintenance and exhaust check at the inspection station.</div>	<div>1. Inspections are conducted before, during and after the transport.</div> <div>2. On-site route planning and inspection are conducted in advance to ensure the safety and efficiency of land transport. Vehicles are required to follow the planned routes to reduce the distance traveled, fuel consumption and carbon emissions.</div> <div>3. The GPS system is installed to monitor vehicle conditions.</div> <div>4. Heavy duty diesel vehicles in compliance with the governmental emission standards are used to minimize the emission of hazardous materials and microparticles (black smoke).</div>
External Environment	<div>1. Weight limit.</div> <div>2. Road maintenance.</div> <div>3. Poor weather conditions that affect visibility.</div> <div>4. Dusty conditions and environmental pollution.</div>	<div>1. Vehicle capacity shall comply with the weight limit set forth in traffic regulations.</div> <div>2. Safety is priority. Transport operation shall be postponed during poor weather or road conditions.</div> <div>3. When transporting breakbulk cargo, lead with sprinkler truck to reduce dust.</div>

3. Plant Control

Contractors are required to comply with all rules and regulations regarding safety and transport at each plant to ensure transportation safety and management. Transport contractors must require that vehicle operators thoroughly understand the safety requirements established at each plant prior to entering the premise to minimize occupational disasters.

Control Mechanism for Safe Transport of Hazardous Objects

- Transport suppliers shall comply with all regulations set forth in Regulations Governing Transport of Dangerous Goods.
- All signage shall comply with local regulations on Identification of Vehicles Transporting Dangerous Goods.
- All operators and passengers on vehicles carrying hazardous materials shall complete professional training and physical examination per regulatory requirements and shall carry adequate personal protective equipment on the vehicle.
- Governmental permits are required for delivering hazardous materials and transportation routes shall comply with local regulations.
- Regular inspections shall be conducted over the vehicles and canisters carrying hazardous materials.
- FENC ensures supplier compliance with safety regulations concerning the transport of hazardous materials through random inspections and regular review meetings on transportation environmental safety and health.

2024 Performance: There were no incidents involving leakage of hazardous chemicals and materials during the transport of raw materials and finished products for FENC.