



# ASSURANCE STATEMENT

## SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FAR EASTERN NEW CENTURY CORPORATION'S SUSTAINABILITY REPORT FOR 2022

### NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Far Eastern New Century Corporation (hereinafter referred to as FENC) to conduct an independent assurance of the Sustainability Report for 2022 (hereinafter referred to as the SR Report). The scope of the assurance, based on the SGS ESG and Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification 2023/03/07~2023/04/13. SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

### INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all FENC's Stakeholders.

### RESPONSIBILITIES

The information in the FENC's Sustainability Report of 2022 and its presentation are the responsibility of the directors or governing body (as applicable) and management of FENC. SGS has not been involved in the preparation of any of the material included in the SR Report.

Our responsibility is to express an opinion on the report content within the scope of verification with the intention to inform all FENC's stakeholders.

### ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organisation's reporting practices and other organizational detail, GRI 3 2021 for organisation's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options and Level of Assurance	
A.	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)
B.	AA1000ASv3 Type 1 Moderate Level (AA1000AP Evaluation only)

Assurance has been conducted at a moderate level of scrutiny.

## SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

### Reporting Criteria Options

1	GRI Universal Standard (2021) (In Accordance with)
2	AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Universal Standard 2021 (GRI 2, GRI 3, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

## LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from FENC, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

## FINDINGS AND CONCLUSIONS

### ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

### ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

### INCLUSIVITY

FENC has demonstrated its commitment to inclusivity by considering the perspectives and interests of various stakeholders. FENC regularly communicates with stakeholders, both through scheduled and unscheduled means, to ensure that their voices are heard and taken into account when the organization considers sustainability issues. This commitment to engaging with stakeholders has had a positive impact, fostering a culture of transparency and accountability within the organization. Additionally, by considering the perspectives of diverse stakeholders, FENC is better equipped to make informed decisions that take into account the needs of all relevant parties, ultimately leading to more sustainable and equitable outcomes.

## **MATERIALITY**

FENC has established efficient mechanisms to identify material issues that have impacts on the business. Through a structured review process, FENC has identified the various stakeholders involved and determined the issues that are material to each stakeholder group. The organisation's sustainability report provides a comprehensive coverage of these material issues, prioritizing them according to their importance to the relevant stakeholders. This approach ensures that FENC's sustainability efforts are well-aligned with stakeholder needs and concerns, which in turn enhances the organisation's transparency and accountability.

## **RESPONSIVENESS**

FENC has adequately demonstrated of responsiveness towards the material topics and their impacts that were identified through the review process. The organisation has implemented a range of initiative and actions to address these issues and these are detailed in the sustainability report. Measurable targets were set to monitor its sustainability performance, FENC's actions reflect its responsible and proactive approach towards mitigating its impact on the environmental and social perspective, while also creating long-term value for its stakeholders.

## **IMPACT**

FENC has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

## **GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS**

The report, FENC's SR Report of 2022, complies with the Requirements for reporting in accordance with the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has properly disclosed information related to FENC's contributions to sustainability development. For future reporting, it is recommended to have more descriptions on how the organization has applied due diligence as a method for the identification and the evaluation of its impacts on the economy, environment, and people, including impacts on their human rights as well as the role of the highest governance body in overseeing these processes.

**Signed:**

**For and on behalf of SGS Taiwan Ltd.**



**Stephen Pao**  
**Knowledge Deputy General Manager**  
**Taipei, Taiwan**  
**16 May, 2023**  
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