

Content

Preface

Special Report

- Special Report 1
Living Sustainably Through Circular Economy
- Special Report 2
Reaching Zero Carbon Through Low-Carbon Transition
- Special Report 3
Cultivating Circular Economy Through Environmental Education**

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

Special Report

3

Cultivating Circular Economy Through Environmental Education

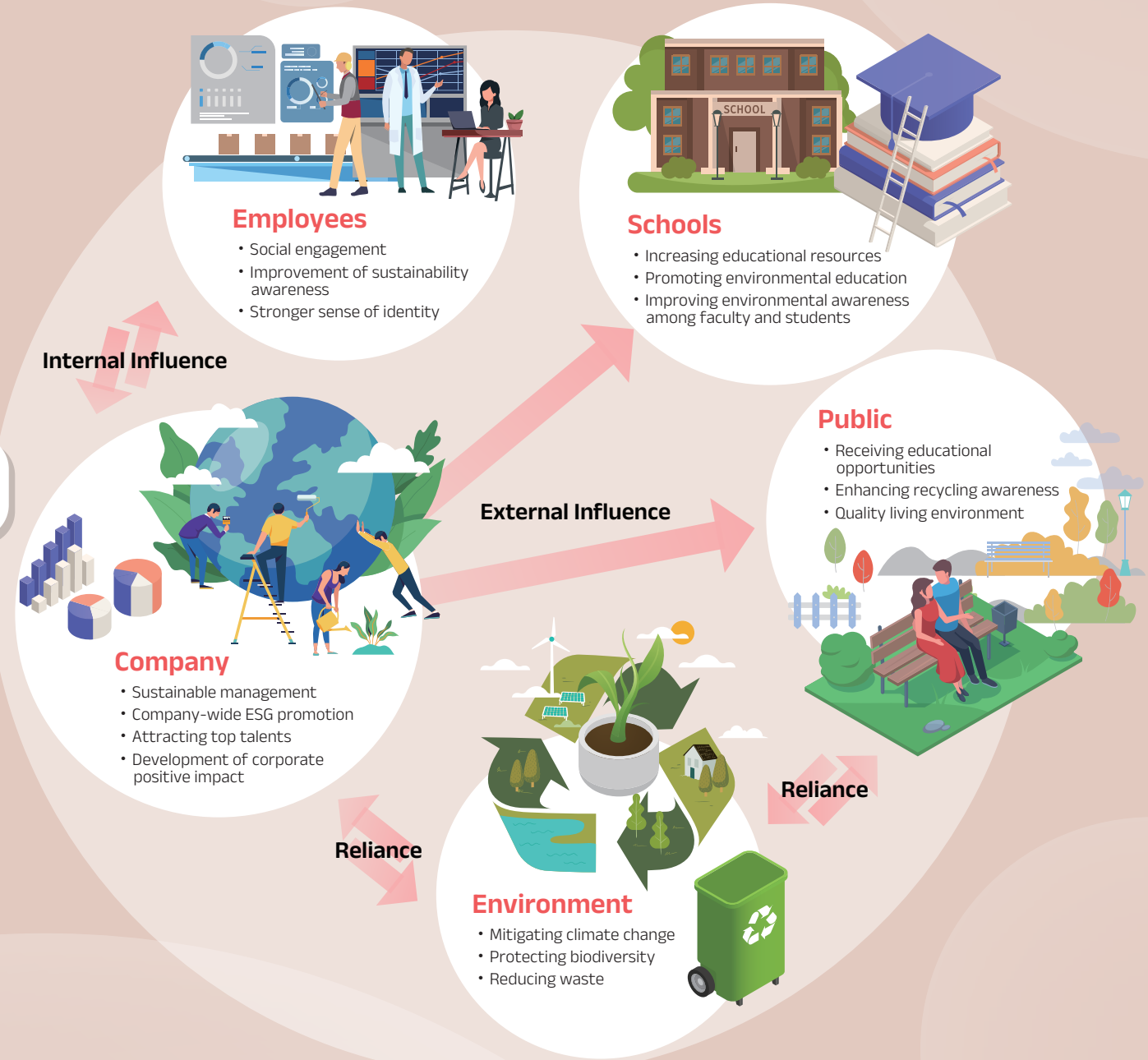
Raising Recycling and Environmental Awareness Through Corporate Core Strengths

Having dedicated over three decades to the recycling of PET bottles, FENC has risen as a leading global enterprise, taking Taiwan onto the world stage with its innovative products. It is FENC's conviction that a robust recycling system is the backbone of a recycling business, and such robustness relies upon a widespread recycling awareness in the civil society. FENC focuses on the circular economy, its core strength, during stakeholder engagement to form deeper bonds and wider reach between the production sites and local communities through educational programs.

The Company expands upon this conviction and continues promoting environmental education and the circular economy in Taiwan and Vietnam. The campaigns include "The Transformative Magic of Circularity," a free on-campus environmental education program; environmental education displays for Beitou Refuse Incineration Plant; co-hosting the Recycling Waste – Protecting the Future Festival with retailers in Vietnam. During each campaign, FENC presented high-value products made of waste PET bottles, including beverage bottles, sports apparel and athletic footwear. Participants experienced first-hand the economic value of reusing waste materials, which motivated them to recycle.

FENC has built a circularity and recycling coalition with value chain partners. With each step forward, the Company is integrating these concepts into everyday life, maximizing its social influence and core corporate values.

Internal and External Influence and Value Generated by FENC



Content

Preface

Special Report

Special Report 1
Living Sustainably Through
Circular Economy

Special Report 2
Reaching Zero Carbon Through
Low-Carbon Transition

Special Report 3
Cultivating Circular Economy
Through Environmental Education

1 Fostering
Robust Governance

2 Enabling Unlimited
Innovation

3 Navigating
a Green Future

4 Creating
Inclusive Society

5 Cultivating
Compassionate Bonds

6 Advocating
Balanced Coexistence

7 Appendix

The Transformative Magic of Circularity

FENC has been collaborating with Friendly Seed Co., LTD (Friendly Seed) since 2022 on the development of “The Transformative Magic of Circularity,” an on-campus program for elementary schools featuring the circular economy. All the expenses for program development and implementation are paid for by FENC, and the priority targets are elementary schools adjacent to FENC production sites in Taoyuan and Hsinchu, Taiwan. Competency-based education (CBE), which has been the educational focus in Taiwan since the implementation of the 12-year compulsory education system, echoes the philosophy and objectives of environmental education. “The Transformative Magic of Circularity” is able to mitigate the gaps in current school education while broadening and diversifying the learning experience for students.

Pilot Program

Prior to the official launch, FENC conducted the pilot program twice within the Company and once on campus. The on-campus pilot run was conducted at Hsinchu County Hsin-Pu Elementary School on December 15, 2022. The teaching team formed by FENC and Friendly Seed consists of nine staff and four teachers, who provided inputs on refining the course content, curriculum design and teaching methods. Specifically, the suggestions include increasing the connection between the case studies and students’ lives; adding more displays of products made of recycled PET bottles; enhancing video content.

Program Content

The program is designed with a magical world as the backdrop, and students learn about the circular economy concept through card games and group discussions. The instructors then provide additional explanations and share applications of circular economy in the real world. The program gives students a profound understanding of the finitude of resources, and how circularity and reuse benefit the environment. It encourages them to integrate the circular economy into their lives, and through behavioral changes, it may lead to higher resource efficiency and less waste, which minimize the threats to the environment.

During the program, a table is set up with displays of products made of recycled PET bottles, which allow students to witness personally the transformative magic that turns waste PET bottles into sports apparel, footwear, beverage bottles and storage containers with quality and appearances that rival those made of virgin materials. To enrich the program content, FENC produced the animated video, “What is the Circular Economy?” The animation exemplifies FENC’s insistence on the quality and originality of the program content. It is also an effective means of conveying complex technical knowledge to the young students.



What is the Circular Economy?

Program Performance

FENC has been offering this free educational program since 2023 at schools near its production sites in Taiwan. The program has been so popular that the registration fills up very quickly. FENC increased the program sessions from the initial 20 to 42, bringing educational benefits to 2,204 students as of the end of January 2024.

Through this program, FENC hopes to instill in students the concept of protecting the environment through recycling and reuse, and inspire them to be creative with reusing resources and putting it to practice. The program outreach is extended further by giving families the opportunity to learn together as they ponder the impact of human activities on the environment, acknowledge the finitude of resources and understand the possible consequences and risks if human consumption continues to increase without recycling and reuse. The program aims to cultivate a sense of civic value and responsibility that would prompt the public to take action towards fostering environmental sustainability.



Video Documentary on “The Transformative Magic of Circularity”

Program Evaluation

FENC values bilateral communication with and feedback from everyone involved in this program. Therefore, three surveys were designed to assess evaluation and solicit suggestions from the school teachers, students and FENC staff who observed the program proceedings.

The results show that students were impressed by the program design, “learning through gaming,” indicating the effectiveness of gamification in engaging student interests towards learning. The achievement rate reached 91.4% for all learning objectives.

Over 90% of the teachers recognized the originality of the program. Most of them also acknowledged the gamified and situated learning approach with a 100% satisfaction rating.

Content

Preface

Special Report

Special Report 1
Living Sustainably Through
Circular Economy

Special Report 2
Reaching Zero Carbon Through
Low-Carbon Transition

Special Report 3
Cultivating Circular Economy
Through Environmental Education

1 Fostering
Robust Governance

2 Enabling Unlimited
Innovation

3 Navigating
a Green Future

4 Creating
Inclusive Society

5 Cultivating
Compassionate Bonds

6 Advocating
Balanced Coexistence

7 Appendix

Recycling Waste – Protecting the Future Festival at AEON Mall, Vietnam

Economia Research & Consulting in England released Beverage Packaging in Vietnam: Recycling Rate & Recycling Cost: Final Report in 2022, which shows a 50% recycling rate for PET bottles in Vietnam. As opposed to 90% in Taiwan, the percentage indicates there is still room for raising the recycling awareness among Vietnamese residents.

FEPV, a subsidiary of FENC, invests in rPET plants in Vietnam by introducing advanced PET bottle recycling and remanufacturing technologies from Taiwan. To raise the awareness of environmental protection and recycling among local residents, FEPV collaborated with AEON Vietnam Co., Ltd. (AEON) and co-hosted Recycling Waste – Protecting the Future Festival. FEPV promoted recycling during the event in the hope of increasing the recycling rate of PET bottles. FEPV also signed a memorandum of understanding with AEON to implement the first closed-loop recycling project in Vietnam. Through this partnership, FEPV would transform PET bottles recycled by AEON into high-quality rPET as the raw material for new products.

The festival debuted in southern Vietnam in 2022 and was expanded northward in 2023. The activities were held at four AEON Malls locations throughout Vietnam. FEPV prepared lectures, videos, quiz games and exhibition booths to interact with local residents and share the information and technologies regarding the recycling and remanufacturing of PET bottles. The smart recycling machine placed on site showed the public how recycled PET bottles were crushed into flakes, giving them a deeper understanding of the recycling process. FENC provided 9,700 pairs of eco-friendly socks made of recycled PET bottles as the reward for participants who recycled ten PET bottles or took part in the quiz game. In 2022 and 2023, a total of 38,125 participants attended the events and recycled 44,284 PET bottles.

Furthermore, FEPV staff conducted training for the suppliers of AEON's retail branches, encouraging them to implement recycling. By forming partnerships with stakeholders, FEPV is planting the seeds of circularity and recycling through environmental education.



FEPV and AEON's Collaborative PET Recycling Program



Environmental Education at Beitou Refuse Incineration Plant



FENC created displays that showcase the recycling process and applications of PET bottles, and provided them for free to Beitou Refuse Incineration Plant of the Department of Environmental Protection, Taipei City Government in April 2015. The displays are installed as part of the exhibits at the Egret Academy, the environmental education center at the plant to illustrate how waste PET bottles are transformed into products such as beverage bottles, packaging materials and sports apparel after recycling, classification, crushing, rinsing, and remanufacturing. The displays help visitors from Taiwan, Hong Kong, Singapore and other parts of the world understand the process and environmental benefits of PET bottle recycling and remanufacturing. The visitors were enthralled by Taiwan's accomplishments in waste classification and recycling. Since the displays were installed in 2015, nearly 4,000 visitors have benefited from them at the Egret Academy.

FENC also produced the animated video, "What is the Circular Economy?" The animation is shown at the Egret Academy in both Chinese and English, which provides additional information about the recycling of PET bottles to visitors from home and abroad. The displays also include quizzes to test visitors' understanding at the end of the tour led by the environmental education staff, helping them retain the knowledge and recognize the significance of recycling.

To keep the displays current, FENC examines the relevance of the materials annually. Within the eight years since the displays were installed, they have been updated twice, bringing the most up-to-date information to all visitors.



Content

Preface

Special Report

- Special Report 1
Living Sustainably Through Circular Economy
- Special Report 2
Reaching Zero Carbon Through Low-Carbon Transition
- Special Report 3
Cultivating Circular Economy Through Environmental Education

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

Exerting Positive Impact



Increasing Circularity Awareness for a Future of Possibilities

“The Transformative Magic of Circularity” is an on-campus program that focuses on five major environmental education objectives – awareness, knowledge, attitude, skill and action. The aim is for students to elevate their awareness of environmental pollution caused by waste materials; acquire the knowledge of circular economy; establish environmental values. Through interactive quizzes, the students develop action skills related to the circular economy, and the ultimate goal is to inspire them to take action and make changes. The program will be continued on a long-term basis and 107 sessions have been planned until the end of 2024, which will bring educational benefits to over 6,000 students and faculty members.



Enhancing Recognition and Expanding the Circle of Sustainability

FEPV provides learning opportunities through venues accessible to the public, such as department stores. As parents visit FEPV’s booth with their children, it is an opportunity to learn about the recycling and remanufacturing of PET bottles as well as the recycled products. The families also have the opportunity to operate the PET bottle recycling machine, which encourages family interaction. Additionally, FEPV gives out eco-friendly socks as gifts to the visitors so that they can relate to products manufactured from recycled resources.

FENC created displays that showcase the recycling and remanufacturing process of PET bottles to supplement environmental education at the Egret Academy of Beitou Refuse Incineration Plant. The displays are a part of the “Waste into Gold” program, where participants visit the refuse storage pit to see the waste treatment process and get a realistic sense of the massiveness of waste materials accumulated from day to day. After listening to staff and seeing it in person, the participants would understand that recycling produces resources, while disposal produces trash. When they recognize the importance of recycling, they will be able to make it a routine practice.

Increasing Sustainability Awareness and Cohesion Through Employee Engagement

FENC involves employees in environmental education programs and festivals, engaging them through brainstorming, program design, activities and observation, or communicating with the public at the exhibition booth. These opportunities help them acquire the knowledge of circular economy, learn about the environmental benefits generated by FENC’s long-term dedication, and identify key stakeholder concerns. Such involvement helps enhance cohesion, which translates to support for ESG implementation at FENC.

