

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

4

Creating Inclusive Society

4.1 Molding a Diverse and Inclusive Workplace 111

4.2 Fostering Employee Career Planning 127

4.3 Reinforcing Operational Safety and Occupational Safety 132

4.4 Shaping Sustainable Supply Chain 146

Target Readers

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



Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

2025 Highlight

First Appearance at
**Brandon Hall Group™
HCM Excellence Awards®**

Winning
**Two Golds
and One Silver**



Conducting
Human Rights Due Diligence
At Global Locations
Establishing Risk Assessment, Mitigation and
Remediation Measures

**Early Warning and Intelligent
Monitoring**
For Minor Leakage of Heat Transfer Fluids
at Hsinpu Chemical Fiber Plant

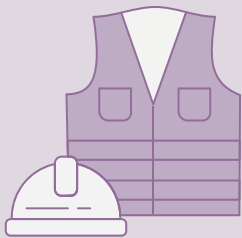


Global Employee Satisfaction Survey
100% Coverage and **94%** Satisfaction

FEAV
1,870 Employees
Attending **Traffic Safety Awareness
Training**

5th Consecutive Year
Winning HR Asia
**Best Companies to Work for
in Asia Award**

Achievement in **Sustainability Targets**
Linked to Compensation of
Managers in Charge



28 Consecutive Years
Accident-free Working Hours at FEFC

100% Critical Suppliers
Completing **Supplier ESG Survey**

Average Regular Salaries
at Taiwan FEFC Sites
50% Higher Than Market Salaries



Kuanyin Dyeing and Finishing Plant and FEFC
Passing **Self-assessments of Workplace
Health Promotion Program**

Promoting **GenAI Applications**
With Inter-departmental **AI Hackathons**

Sustainability Academy
Offering **687** Sessions
24,546 Participants



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

Content

- Preface
- ◆ Special Report
- ① Fostering Robust Governance
- ② Enabling Unlimited Innovation
- ③ Navigating a Green Future

④ Creating Inclusive Society

- 2025 Highlight
- Target and Progress
- Sustainability Issues
- 4.1 Molding a Diverse and Inclusive Workplace
- 4.2 Fostering Employee Career Planning
- 4.3 Reinforcing Operational Safety and Occupational Safety
- 4.4 Shaping Sustainable Supply Chain

- ⑤ Cultivating Compassionate Bonds
- ⑥ Advocating Balanced Coexistence
- ⑦ Appendix

Target and Progress

	Optimizing Employee Care	Establishing International Talent Acquisition Database	Protecting Human Rights	Cultivating Sustainable International Management Talents
2035 Target	- Continue optimizing employee care measures - Cultivate an attractive and highly engaged workplace environment	- Continue to incorporate talent evaluation resources to support the sustainable operation of FENC - Develop a succession team with a global vision	Raise human rights awareness from the inside out and establish a human rights paradigm for the supply chain	Cultivate an international management succession team
2030 Target	- Create a long-term mechanism to improve employee well-being - Establish a comprehensive health management system for expat employees	Expand the database and construct a global talent pool to include FENC’s worldwide locations	Ensure all human rights are respected with high standards across FENC’s global sites	Establish a talent pool for international management and leadership
2027 Target	- Optimize employee care programs - Strengthen support measures for expatriate employees - Focus on employees’ career development needs - Establish a tracking and feedback mechanism to ensure tangible improvements addressing employee feedback	Expand intelligent applications for the recruitment system and create recruitment analysis dashboards and AI-generated tools for open positions	Incorporate systematic human rights risk management mechanisms to complete risk classification and data-driven management at FENC’s global locations	Construct a talent development system to pass down and manage the knowledge and lessons learned
2026 Target	- Expand employee assistance programs and provide preventative mental health support - Continue conducting global employee satisfaction surveys with refinement and recalibration with global benchmark corporations as examples	Upgrade the recruitment system and establish an external talent pool	- Revise FENC Human Rights Policy - Include the scope and content of human rights due diligence from Taiwan and the EU - Expand the human rights due diligence to cover FENC subsidiaries	- Boost the percentage of local key talent at FENC’s overseas locations trained for managerial positions by 25% - Develop a talent pipeline of 100 Taiwanese for management positions
2025 Target	- Optimize employee care programs - Reinforce the assistance for expat employees - Focus on employees’ career development needs	Enhance visual presentation and provide reference information to supervisors for the planning of corporate development	Conduct on-site plant inspections to address salient risks	Establish a talent training system to pass down and manage the knowledge and lessons learned
2025 Progress	Partnered with professional organizations to provide employee care and counseling Achieved Conducted global employee satisfaction surveys Conducted needs assessments and continued providing health checkups for expatriate employees Developed comprehensive training and development resources to support employees’ growth and career development	Leveraged the talent pool for data analysis as a decision-making reference for organizational consolidation and the optimization of human resources allocation Achieved	Promoted and implemented the zero-fee policy at all production sites in Taiwan in accordance with international regulations Partially Achieved Continued implementing human rights protection measures on par with international human rights requirements with consistency throughout FENC’s global locations	Trained 53 local managers and 137 Taiwanese managers with international leadership capabilities at FENC’s overseas locations Achieved Pass down sustainable business philosophies and experience with a total of 500 internal knowledge courses
Action Plan	- Conduct regular employee satisfaction surveys and establish improvement plans for implementation - Customize health management mechanisms to provide mental health support for expat employees - Create an employee development and care system and conduct career interviews based to address individual needs - Establish skills certification systems with regular review over promotion criteria	- Combine the talent information of the operating bases in various regions - Integrate training records, professional certifications, and project achievements - Support key executive rotations and align them with long-term Individual Development Plans (IDPs)	- Conduct human rights due diligence on a regular basis - Ensure the consistency of personnel regulations, work rules, and codes of conduct and compliance with international human rights requirements across FENC’s global sites - Fully implement risk mitigation and remediation measures and address each grievance claim properly to continue risk reduction	- Continue enriching the curriculum of the FENC Digital Academy to connect the learning paths across various positions, provide employees with digital resources accessible at all times and enhance a culture of self-education - Implement training programs to cultivate managers at FENC’s overseas locations, strategically developing local management talent through practical training for succession planning at all FENC sites



Target and Progress

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

	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	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 100% - All suppliers’ ESG performance in line with the Company’s sustainability development goals
2030 Target	Occurrence(s) at each business site : 0	Occurrence(s) : 0	Occurrence(s) : 0	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 100% - Reach a 100% completing rate for the supplier ESG assessment among critical suppliers and phase up the scope of implementation each year - Elevate performance of significant suppliers
2027 Target	Occurrence(s) at each business site : 0	Occurrence(s) : 0	Occurrence(s) : 0	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 98% - Reach a 100% completing rate for the supplier ESG assessment among critical suppliers - Implement ESG performance improvement plans for critical suppliers
2026 Target	Occurrence(s) at each business site : ≤1	Occurrence(s) : 0	Occurrence(s) : 0	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 97% - Reach a 100% completing rate for the supplier ESG assessment among critical suppliers - Promote ESG performance improvement plans for critical suppliers
2025 Target	Occurrence(s) at each business site : ≤1	Occurrence(s) : 0	Occurrence(s) : 0	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 96% - Reach a 100% completing rate for the supplier ESG assessment among critical suppliers and phase up the scope of implementation each year - Propose ESG performance improvement plans for critical suppliers
2025 Progress	Average occurrence(s) at each business site : 2.7	Occurrence(s) : 0 Achieved	Occurrence(s) : 1 (see note1)	- Percentage of suppliers signing Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement : 98% - Reach a 100% completing rate for the supplier ESG assessment among critical suppliers (see note2) Partially Achieved
Action Plan	- Conduct pre-selection due diligence and include criteria such as zero occupational disasters and zero pollution - Implement supplier management with measures such as adding safety evaluations into selection indicators and preparing the supply chain risk response plan - Management measure regarding transport suppliers: Unscheduled audits - Conduct training and outreach campaigns 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	- Protect employees from exposure to chemical, physical or ergonomic hazards while on duty - Conduct general health checkups and specialized health exams for employees whose tasks involve special health hazards - Provide on-site employee health services - Implement health promotion programs 3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH	- Enact safety management measures regarding hazardous chemical discharge - Conduct audit/inspection projects targeting occupational safety and health as well as fire safety and environmental protection - Perform regular equipment maintenance and optimization, including hardware and software improvements - Conduct risk ranking projects 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	- Conduct supplier engagement through multiple channels to improve sustainability awareness - Increase green procurement each year - Country-specific risk, sector-specific risk, commodity-specific risk and ESG aspects are considered in the company’s screening process for significant suppliers - Plan and implement ESG performance improvement plans for suppliers - Conduct ESG campaigns and training for suppliers and buyer 16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS

Note: 1. One gas explosion incident occurred at Hsinpu Chemical Fiber Plant in 2025.
2. “Critical 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.

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

Sustainability Issues

	Workplace Diversity and Inclusion	Employee Career Planning	Operational and Occupational Safety	Sustainable Supply Chain Management
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.	FENC cultivates job competency aligned with strategic needs with systems that offer diverse training and platforms to establish an extensive talent pool.	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.	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	• 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.	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	• Establish Occupational Safety and Health Committee. • Identify, evaluate and control risks at the 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 corrective and prevention measures regarding occupational injuries. • Require that contractors comply with FENC safety and health standards and provide applicable training.	• Require suppliers to sign the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement. • Require critical suppliers to pass risk assessments regarding national, industry, product and ESG risks. • Utilize diverse channels for engagement and site visits as needed to improve the quality and efficiency through two-way communication with suppliers. • Provide assistance for improvement or terminate the contract accordingly when a supplier is found to pose material environmental, social or governance impacts.
Authority	• Human Resources Department • Human Resources Department at each Business • Highest ranking manager at each Business	• Human Resources Development Center • Human Resources Department at each Business	• Presidents of Corporate Management, Petrochemical, Polyester and Textile Business • Environment, Occupational Safety and Health (OSH), and Community Relations Management Task Force - Operational Safety • Safety and health units at all business sites • Labor Safety and Health Department	• FEG Purchasing Center • Procurement departments at all FENC sites • Procurement units for main raw materials • Environment, Occupational Safety and Health (OSH), and Community Relations Management Task Force - Operational Safety

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

4.1 Molding a Diverse and Inclusive Workplace

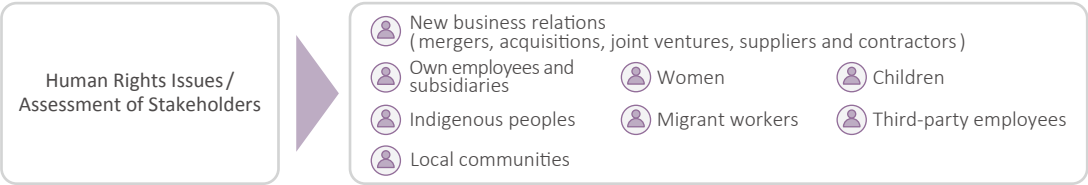
FENC has constructed the framework for human rights protection while its global management network for human resources takes shape. The Company’s human rights policies and regulations are bolstered by the human resources systems across its worldwide locations and communicated through the local language 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.

FENC aligns its labor practices with international standards and actively participates in the Social & Labor Convergence Program (SLCP) developed by the International Textile Manufacturers Federation (ITMF) and International Apparel Federation (IAF). Through a standardized framework, FENC conducts comprehensive reviews over recruitment and hiring; management of working hours; wages and benefits; employee engagement; occupational safety and health; employment termination; management system. FENC sites in Vietnam also undergo audits by Better Work at the request of brand customers and conduct thorough reviews over the labor conditions and regulatory compliance to enhance the transparency and credibility in labor compliance and human rights management. Seven FENC sites which focus on apparel production as well as dyeing and finishing passed the third-party SLCP verification and were recognized by brand customers, which is a testament to FENC’s ongoing pursuit of growth and maturity in the protection of human and labor rights and its management systems while aligning with international standards.

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



Human Rights Management Framework

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 tracks supplier implementation and management on a quarterly basis.
Production Site	The majority of FENC’s 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 engage the communities and initiate testing and dialogues to monitor issues such as noise, waste management, air pollution, water resources management and wastewater discharge.	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. 2. All production sites conduct social engagement programs such as meetings, visits, exchanges and educational campaigns among local residents. 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.

Content

	Preface
◆	Special Report
1	Fostering Robust Governance
2	Enabling Unlimited Innovation
3	Navigating a Green Future
4	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
5	Cultivating Compassionate Bonds
6	Advocating Balanced Coexistence
7	Appendix

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.

FENC Human Rights Policy and Implementation in 2025

Human Rights Policy	Implementation in 2025
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 2025.
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 2025.
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	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: 1. Working hours shall not beyond the maximum hours 2. FENC promises to provide the minimum living wage 3. Overtime pay shall not less than that required by law 4. FENC follows a transparent salary policy and does not use salary deductions as punishment 5. FENC protects employees’ paid leaves, special care leaves and the mandatory benefits according to laws 6. FENC ensures to provide the living condition which meet employees’ basic needs In 2025, 5 violations were 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.
Freedom of Association and Collective Bargaining FENC respects employees' freedom of speech and association, and the right to collective bargaining	1. 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. 2. 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. In 2025, FENC received 28 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.
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. FENC was the winner of the 2025 Brandon Hall GroupTW Gold Award for Best Diversity Equity, Inclusion and Belonging Strategy. All Company practices are in compliance with regulatory requirements, and there were no human rights violations during the reporting year.
Maternity Protection FENC protects and supports female employees	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 2025.
Privacy Protection FENC protects employees’ personal information and privacy rights	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 2025.
Employment Stabilization FENC protects employees' right to work	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 2025.
Health and Safety FENC is committed to prioritize all stakeholders’ health and safety	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. A gas explosion incident occurred at Hsinpu Chemical Fiber Plant in 2025. All grievance claims received regarding this incident have been properly addressed and responded to in accordance with the established procedures.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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. Please refer to [7.1 Environmental and Employee Indicators](#)  for details.

In 2025, FENC examined the implementation of the FENC Human Rights Policy across its global locations. The review identified five violations against the local regulatory limit on maximum working hours. Additionally, 21 grievance claims were filed, primarily regarding the expectation of fair salaries and bonuses, improvements needed for welfare policies and reasonable working hours and overtime, all of which have been resolved through internal investigation and employment communication, and the cases were closed. FENC also received 28 comments from the dialogue meetings and comment boxes, and the feedback has been incorporated into the human rights management procedures. These efforts represent the significance FENC attaches to ensuring open dialogues with its employees.

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 management.

In 2024, non-governmental organizations conducted a human rights assessment targeting the textile industry in Taiwan, and zero fees for migrant workers was listed as one of the notable issues. Several salient human rights risks were also identified, including resignation barriers, disciplinary actions in the form of coercion, threats and fines, restrictions on movement, excessive overtime and abuse of vulnerability. FENC has been discussing these issues and exchanging views with organizations such as the Taiwan Textile Federation, Ministry of Labor, ITMF and IAF while examining and reinforcing its management practices.

FENC conducts satisfaction surveys among migrant workers every two years as a key reference for making policy adjustments and workplace improvements. According to the 2025 survey, 95% 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).

Human Rights Management and Implementation for Migrant Workers

Stage	Implementation Detail
Recruitment	1. Compliance and Human Rights Standards The recruitment of migrant workers is in accordance with the labor regulations in Taiwan and the ILO Forced Labour Convention to protect their human rights from the beginning. FENC carefully screens overseas brokers and collaborates with legally certified agencies only. Regular audits are conducted to ensure brokers’ compliance with the FENC Human Rights Policy. 2. Informed Consent and Contractual Protection 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. 3. Zero-fee Policy FENC has been instituting the zero-fee policy since 2020, assuming all recruitment costs and brokerage fees for migrant workers. In the following year, FENC enacted the same policy at all production sites in Taiwan. In 2025, the knitting and dyeing plant reimbursed the migrant workers for the full recruitment costs accrued prior to being on board, and the polyester plant is scheduled to issue full reimbursement in June 2026.
Onboarding and On-the-Job Management	1. Regulatory Compliance and Human Rights Protection FENC strictly adheres to labor laws and the principle of zero forced labor with a zero-tolerance policy towards bullying and forced labor. The withholding of personal identification documents is forbidden, and wages are paid to migrant workers in person. Forced overtime is not allowed under any circumstances, and compliance regarding working hours is assessed regularly. The curfew imposed for the dormitory during the COVID-19 pandemic was lifted. Disciplinary actions in the form of coercion, threats or fines are strictly forbidden. 2. Grievance and Oversight Mechanism A 24-hour hotline for grievances and feedback systems with multi-lingual support are in place. FENC also provides comment boxes accessible to all employees and postings regarding the grievance channels of the Company and the Ministry of Labor in migrant workers’ native languages, protecting their access to assistance and support at all times. 3. Preboarding Training and Occupational Safety Preboarding training is provided to help migrant workers understand their duties, rights and responsibilities. FENC ensures that the work environment meets occupational safety and health standards, providing the necessary personal protective equipment and safety training. To prevent occupational accidents, the use of mobile phones is prohibited on the production line, which applies to all employees. 4. Daily Support and Cultural Respect The housing quality and standards are ensured for migrant workers and facilities are provided to accommodate their religious practices. FENC also holds regular tours, sports games and cultural activities while expressing care for migrant workers’ well-being by establishing the Food Committee and holding dormitory meetings to involve them in the decision-making process. Christmas Masses and appreciation banquets are hosted every year. Dialogue meetings are also held regularly to protect their welfare and safety.
Resignation and Transfer Management	FENC respects migrant workers’ rights to choose employment. Prior to the expiration of the employment contract, FENC explains their legal options, including contract renewal, employment change or returning to their native country. As of the end of December 2025, FENC had helped over 100 migrant workers change employment.



Company trip



Birthday celebration



Sports competition

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

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.

FENC continues implementing training on friendly workplace and the prevention of workplace violence, offering digital and in-class courses to enhance the awareness and ability to apply regulatory knowledge regarding gender equality and workplace safety among employees and supervisors. A total of 34,007 participants 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, Corporate Social Responsibility and Regulations Governing Anti-corruption and Anti-fraud. The training gave the entire staff a deeper understanding of workplace ethics and labor and human rights, helping them put the knowledge to practice, which is building a strong foundation for FENC as a sustainable corporation.

Operation of Stakeholder Engagement and Grievance Mechanisms

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

2025 Statistics on Stakeholder Engagement Regarding Human Rights Issues

Stakeholder	Number of Engagement Session	Key Issue
Employees	18,552	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	6,422	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	225	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 strives to create a 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 falls within the textile industry, is composed of a higher percentage of female employees. Overall, the number of female supervisors is approaching 50% of that of male supervisors, which is consistent with the industry chain distribution, and the number of female supervisors grew by 28% in the last five years. The statistics reflect the Company’s acknowledgment and fair treatment of female supervisors for their hard work and its determination to incorporate gender equality as part of its organizational culture. Each year, FENC measures its average annual regular salary of the company against the official statistics of average annual regular salary. In 2025, the average annual regular salary of the company offered by FENC is 29% higher than the local average. Average regular earnings for female employees, especially, averaged 35% higher than the local numbers, while those for male employees are 24% higher, which demonstrates FENC’s contribution to pay equity. For regional data, please refer to [4.1.3 Employee Care](#) .

The 2025 statistics indicated that female employees represented 52% of FENC’s workforce. The percentage of female managers reached 33% with 20% being senior female executives, while the short-term targets are 35% female managers and 21% senior female executives.

Statistics on Female Employees

	2022	2023	2024	2025	2026 Target
Female Employees/Total Employees	50%	50%	51%	52%	50%
Female Managers/Total Managers	30%	31%	32%	33%	35%
Female Junior Managers /Total Junior Managers	31%	31%	32%	34%	35%
Female Executive Managers/Total Executive Managers	17%	20%	19%	20%	21%
Female Managers in Profit-seeking Departments/Total Managers in Profit-seeking Departments	29%	29%	31%	31%	32%
Female STEM Employees/Total STEM Employees	22%	22%	27%	26%	30%
Female Non-management Employees/Total Non-management Employees	53%	53%	52%	55%	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, employee salaries are based on education, experience and performance with no gender-based differences for management-level positions. In Vietnam, differences in pay are influenced by actual duties and job allocation. Labor-intensive positions are typically given to male employees, resulting in a higher average salary for male than for female employees.

Content

- Preface
- ◆ Special Report
- ① Fostering Robust Governance
- ② Enabling Unlimited Innovation
- ③ Navigating a Green Future

- ④ Creating Inclusive Society
- 2025 Highlight
- Target and Progress
- Sustainability Issues
- 4.1 Molding a Diverse and Inclusive Workplace
- 4.2 Fostering Employee Career Planning
- 4.3 Reinforcing Operational Safety and Occupational Safety
- 4.4 Shaping Sustainable Supply Chain

- ⑤ Cultivating Compassionate Bonds
- ⑥ Advocating Balanced Coexistence
- ⑦ Appendix

FENC production sites in mainland China, Japan and the U.S. are predominately in the chemical sector, where a higher number of male technicians and engineers are employed, hence receiving higher remuneration. In Japan, salaries for female employees are slightly higher than those for their male counterparts, which is attributed to a large number of female administrative employees working regular business hours. The differences in the gender composition across FENC’s industry chain are consistent with 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 appraisal mechanism.

Salary Ratio by Gender in 2025

	Taiwan	Mainland China	Vietnam	Japan	U.S.
Section Chief and Above (Female to Male)	1.01:1	0.61:1	0.99:1	0.83:1	0.81:1
Rank-and-file Employee (Female to Male)	1.08:1	0.85:1	0.96:1	1.07:1	0.96:1
Factory Worker (Female to Male)	1.16:1	0.90:1	0.89:1	0.84:1	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		2025	
	●	◆	●	◆	●	◆
Managers in Business Operation and Management (Female to Male)	0.80:1	0.81:1	0.84:1	0.84:1	0.80:1	0.92:1
Middle and Executive Managers (Female to Male)	0.96:1	0.98:1	0.97:1	0.98:1	0.89:1	0.94:1
Non-management Level (Female to Male)	0.82:1	0.80:1	0.95:1	0.96:1	0.97:1	0.91:1

	Gender Pay Gap		
	2023	2024	2025
Median Base Salary	7%	4%	3%
Average Base Salary	9%	5%	8%
Median Bonus	10%	-5%	-8%
Average Bonus	9%	-2%	-2%

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 employees” 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.

Gender equality and applicable regulatory mandates are respected at all FENC business sites. We are consistent with the spirit of the 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.

Application of Parental Leave and Returning Statistics in Taiwan

		2022	2023	2024	2025
Entitled to Parental Leave	Male	199	257	188	143
	Female	53	47	45	40
	Total	252	304	233	183
Number Applied	Male	8	7	12	13
	Female	24	15	19	10
	Total	32	22	31	23
Number Should Returned	Male	8	8	5	9
	Female	19	16	13	21
	Total	27	24	18	30
Number Returned	Male	8	7	3	9
	Female	18	15	13	20
	Total	26	22	16	29
Return Rate	Male	100%	88%	60%	100%
	Female	95%	94%	100%	95%
	Total	96%	92%	89%	97%
Returned over One Year	Male	1	2	2	3
	Female	16	12	9	9
	Total	17	14	11	12
Retention Rate	Male	25%	25%	29%	100%
	Female	89%	67%	60%	69%
	Total	77%	54%	50%	75%

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



Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix



Empowering FENV Employees with Life Skills and Gender Equality Training



FENV's promotion of diversity and inclusion focuses on capacity building and workplace safety, boosting employee participation and trust at work through systematic approaches. To build a safe working environment, FENV teamed up with CARE Vietnam and lululemon on an 18-month workplace sexual harassment prevention program. With the goal on creating an operational mechanism for prevention and handling, the program focuses on policies and processes, examining and improving grievance and handling procedures. A concurrent effort offers training and consultation by legal and gender experts to help the management and frontline employees understand the division of responsibilities, identify risky scenarios and become familiar with the principles for response. The program is expected to train 17 prevention committee members and 20 seed instructors, and 240 employees will participate in the demonstration during instructional training, creating a ripple effect within FENV and fostering a workplace that values respect, equality and trust.

To enhance employee empowerment, FENV worked in conjunction with Columbia Sportswear and implemented the program, SERI Foundations, which aims to improve employees' physical health and financial literacy and amplify the results through a peer educator model. During the initial stage, 65 employees were trained by experts as peer educators, approximately 70% of whom are women. After completing the training, the educators, with picture cards as teaching materials, returned to their units to help their peers acquire knowledge in subjects such as health, financial management and self-development. This peer-driven, workplace-based approach lowers the learning threshold and promotes behavioral change. To boost program quality, learning assessments were incorporated into the key performance indicators, and an allowance of 50,000 VND per session is provided to the educators as an incentive. The program has reached over 2,500 employees, and over 76.4 million VND has been awarded to date, supporting the peer educators' consistent efforts in promoting learning and amplifying the impact.

The two concurrent programs are helping FENV enhance the life skills and self-efficacy of its employees and establish a more robust gender equality and workplace safety mechanism, which enables employees of different genders and backgrounds to thrive while being respected and supported in a stable environment, leading to strengthened organizational resilience and talent sustainability.



Fostering an Inclusive and Friendly Workplace with Parentings Podcast



FEAV promotes diversity and inclusion at the workplace. While focusing on gender equality, cultural adaptation and fair treatment, family support is also regarded as a key element of employee care. In 2025, FEAV launched the digital companionship project, Parentings Podcast, to support its factory employees, helping them cope with stress from work, being away from children, difficulties in accessing parenting information and the lack of emotional support. The podcast was broadcast through Being Friends with Our Children, a weekly program on Saturday night, providing parents with practical parenting knowledge, communication approaches and companionship tools, as well as a sustained platform for interaction during their busy schedule.

The podcast is largely based on a question-and-answer (Q&A) format, inviting professional advisors to respond to employees' concerns. The selected topics address various real-life family scenarios, such as ways to maintain a sense of companionship when parents and children were some distance apart; to establish stable parenting support for single parents; to guide children to explore future paths. The discussions provide valuable insights for employees from diverse backgrounds and family structures. An interactive Q&A segment and prize giveaways are included in each episode. Employees could also share their experience and respond to each other through social media posts. The project has strengthened a sense of participation and community, forming a support network to help employees voice their concerns and feel heard.

FEAV allocated over 36.76 million VND to support this project, and eight episodes were broadcast from June to September 2025, reaching approximately 5,634 FEAV employees. Facebook was also utilized to increase listenership and interaction. The podcast has steadily become a source of information and emotional support for employees facing parenting and work challenges. By providing a continuous source of knowledge and digital support, this project has improved employees' emotional well-being and family connection. It also represents FEAV's effort to provide holistic care for its staff and their families and action towards fostering diversity, inclusion and talent sustainability.

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 44 years of age and 14 years in service, 45% 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.

Content

	Preface
◆	Special Report
1	Fostering Robust Governance
2	Enabling Unlimited Innovation
3	Navigating a Green Future
4	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
5	Cultivating Compassionate Bonds
6	Advocating Balanced Coexistence
7	Appendix

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.

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 2025 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 50 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.

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.

Statistics on New Employee Hires

		2022	2023	2024	2025
Number of New Employee Hires		9,643	3,086	6,468	6,011
The Ratio of New Employee Hires		44%	16%	32%	31%
Number of New Employee Hires By Gender	Male	3,569	1,725	2,439	2,499
	Female	6,074	1,361	4,029	3,512
Number of New Employee Hires By Age	Under 30	6,250	1,566	3,671	3,474
	31-50	3,360	1,484	2,754	2,473
	Over 51	33	36	43	64
Average Recruitment Costs (Unit: NT\$/person)		5,221	14,751	12,116	1,671
Percentage of Internal Promotion and Rotation		58%	63%	82%	49%

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.
4. The scope of data collection for the internal promotion and rotation ratios between 2022 and 2024 covers Taiwan. Since 2025, the scope has been expanded to include FENC’s worldwide locations.

1. Campus Recruitment Program

To increase FENC’s visibility among students as an employer brand and build stronger university relations, the recruitment team held nine campus recruitment campaigns in Taiwan during 2025. 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 2025 NTU Campus Recruitment. The campus job fair, which took place at the National Taiwan University, is the largest in Taiwan, and during the event, FENC showcased its key recycling technologies, which tackle waste from the land, ocean and air, and displayed innovative textile and polyester products. The Company also prepared eco-friendly coasters made with 100% recycled materials as gifts for visitors, which attracted crowds of students gathering for exchange.





Content

Preface

◆ Special Report

1 Fostering Robust Governance

2 Enabling Unlimited Innovation

3 Navigating a Green Future

4 Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5 Cultivating Compassionate Bonds

6 Advocating Balanced Coexistence

7 Appendix

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.

Meanwhile, FENC continues expanding the talent acquisition strategies for its overseas locations with foresight, connecting to the sources of international talent by forming close ties with local educational resources and building strong long-term partnerships with communities. APG Polytech, for instance, participates in campus career and job fairs, such as the Hannan High School Career Fair and the Bridge Valley Career and Technical College Job Fair. During these events, APG Polytech introduces FENC’s mission, industry development and diverse employment opportunities to local high school and vocational school students, getting them acquainted with the manufacturing industry and increasing their propensity in this career path. In 2025, APG Polytech hosted Mason County Career Center—Discover Your Future Day, inviting students to visit the plant and interact with representatives from multiple departments. The experience gave them a realistic understanding of the job duties and career journey. Through campus collaborations and job fairs, FENC is strengthening its employer brand, cultivating deeper connections to localize employment and building a solid foundation for talent acquisition to help FENC achieve corporate sustainability.



Attracting Young Talent and Promoting Employer Brand with Short-form Videos



One of them involves filming one-minute short-form videos with 104 Job Bank, presenting the corporate culture, working environment and career opportunities at FENC through a more intuitive and fast-paced format. Compared with the conventional approach of expressing recruitment information through words, which is limited in terms of exposure, the video format helps convey FENC’s open and friendly culture and its emphasis on talent development, bringing FENC closer to young job seekers and enhances the brand recognition.

These short-form videos are promoted through online platforms, such as FENC’s official website and LinkedIn, to increase the reach rate and familiarity with FENC among potential young talent. By leveraging these channels, it is the hope to appeal to partners who identify with FENC’s corporate culture and vision, and together, to build a dynamic team with competitive strengths. These strategies echo FENC’s employee value proposition, creating infinite possibilities through talent sustainability.



Short-form Video for Talent Acquisition



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 shortages. The Company also shares its experience in talent attraction and retention while building an appealing workplace.

Its accomplishments in human resources management have earned domestic and international accolades, and in 2025, FENC caught the attention of the international jury during its first appearance in the Brandon Hall Group™ HCM Excellence Awards®, known as “the Academy Awards of Human Capital Management.” Recognized for its employee-centric talent strategy and top-rated ability to execute, FENC took home two golds for Best High Potential Development and Best Diversity Equity, Inclusion and Belonging Strategy and one silver for Best Talent Management Technology Implementation. The recognition speaks to the Company’s accomplishment in developing talent pipelines and fostering diversity, inclusion and digital empowerment. FENC was also honored by HR Asia with the Best Companies to Work for in Asia Award for the fifth straight year, along with the Diversity, Equity and Inclusion Award, Sustainable Workplace Award and Most Caring Company Award. Additionally, for the sixth 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.



Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 **Molding a Diverse and Inclusive Workplace**

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix



Elite Eagle Program: Cultivating High-potential Talent in Mainland China and Future Successors for FENC



As market competition intensifies and digital transformation accelerates across the world, developing potential talent and management resilience are seen as the key to honing long-term competitiveness for FENC’s overseas locations. Working in tandem with DDI, a global leadership development firm, FENC is implementing the Elite Eagle Program. With senior executives heavily involved, the program provides systematic yet personalized training through science-based assessments to build the next-generation leadership pipeline with business acumen, digital savviness and the ability to encourage team spirit.

The central focus of the Elite Eagle Program is to identify and cultivate high-potential talent. Candidates are evaluated through the talent assessment tools developed by DDI, which zoom in on six key performance indicators, such as communication, decision-making, collaboration and strategic thinking. Development plans are tailored according to the results, which also serve as the basis for subsequent program design and field training to enhance the precision and traceability of talent development.

The program focuses on a triad of learning, practice and feedback to help 31 participants develop professional and leadership skills. Program specifics include:

1. In-class Learning: Establish a common language and methodology by strengthening management knowledge and core concepts.
2. Team Action Learning: Focus on actual business scenarios and organizational issues through inter-departmental collaboration and propose feasible solutions.
3. Project Completion Report: Verify learning outcome and transferability through project presentations, ensuring that the solutions are applicable and actionable.

This training model not only sharpens participants’ decision-making and analytical abilities, but hones their skills in cross-departmental communication and resource integration, as well as the ability to instigate changes through actual business scenarios. During the project implementation phase, the participants successfully tackled six internal organizational challenges through team action learning and demonstrated mature inter-departmental collaboration and decision-making capabilities, transforming training into action to enhance FENC’s operations.

To review and amplify the effectiveness of the talent development program and action projects, a presentation was held in March 2026 to showcase the outcome of the Elite Eagle Program. The highest-ranking executives from the Businesses in mainland China were invited to examine this journey of growth and the results of the action projects, which will serve as the basis for fine-tuning talent development and pipeline as FENC continues enriching the cross-regional talent pool for succession planning and bolstering organizational resilience.



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 29 internship opportunities in 2025, and 16 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. The Company also added the personality test as part of the job interviews to help managers determine the person-job fit and select the ideal candidate. FIGP is 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 boost team performance and competitiveness. 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.

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 2025 turnover rate among all employees in Taiwan is 19%, which reflects FENC’s ambition to put together a professional team with enhanced competitiveness through reorganization and human resources allocation. In mainland China, the number of departing employees dropped by 397 in 2025, which represents a 43% drop from the previous year.

Content

- Preface
- ◆ Special Report
- ① Fostering Robust Governance
- ② Enabling Unlimited Innovation
- ③ Navigating a Green Future

④ Creating Inclusive Society

- 2025 Highlight
- Target and Progress
- Sustainability Issues
- 4.1 Molding a Diverse and Inclusive Workplace
- 4.2 Fostering Employee Career Planning
- 4.3 Reinforcing Operational Safety and Occupational Safety
- 4.4 Shaping Sustainable Supply Chain

- ⑤ Cultivating Compassionate Bonds
- ⑥ Advocating Balanced Coexistence
- ⑦ Appendix

FENC sites in Vietnam offer 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 in Vietnam in 2025 was 5,560. Among the new hires, 59% are under the age of 30, indicating the Company’s effort to energize the organization with new blood.

At the FENC sites in Japan, the 2025 voluntary turnover rate is 8%, and the involuntary turnover rate is merely 1%. The figures appear to be slightly higher than those from past years. However, they are lower in comparison with the 9.6% average for the manufacturing sector from the latest statistics published by the Japanese Ministry of Health, Labour and Welfare, a sign that employee turnover remains relatively stable at these production sites. FENC 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. At FENC sites in the U.S., the 2025 turnover rate is 7%. To retain employees, FENC implements ongoing reviews of and adjustments to the employee welfare systems, providing them with a workplace promising attractive working conditions and development opportunities.

FENC has a total of 19,533 employees worldwide, among whom, 57 are with physical or mental disabilities and 1,544 are ethnic minorities. As an advocate of localizing employment opportunities and human resources management across its global production and operation sites, its employees comprise mainly local residents. At FENC sites in Vietnam, 64% of the management personnel are Vietnamese nationals. The number of native managers jumps to 91% in mainland China and Japan, and 100% in the U.S.

Human Resource Statistics

		2022	2023	2024	2025
Permanent Employees	Male (%)	48%	49%	47%	47%
	Female (%)	52%	51%	53%	53%
	Number	20,725	18,598	19,248	18,585
Temporary Employees	Male (%)	80%	76%	78%	79%
	Female (%)	20%	24%	22%	21%
	Number	1,224	1,203	1,138	948
Total	Male (%)	50%	51%	49%	48%
	Female (%)	50%	49%	51%	52%
	Number	21,949	19,801	20,386	19,533

- Note:
- 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.
 - The headcount is based on the payroll settlement date in December of the current year at all FENC sites.
 - There are no part-time employees or non-guaranteed hours employees at any FENC production sites.

Employee Nationality Composition

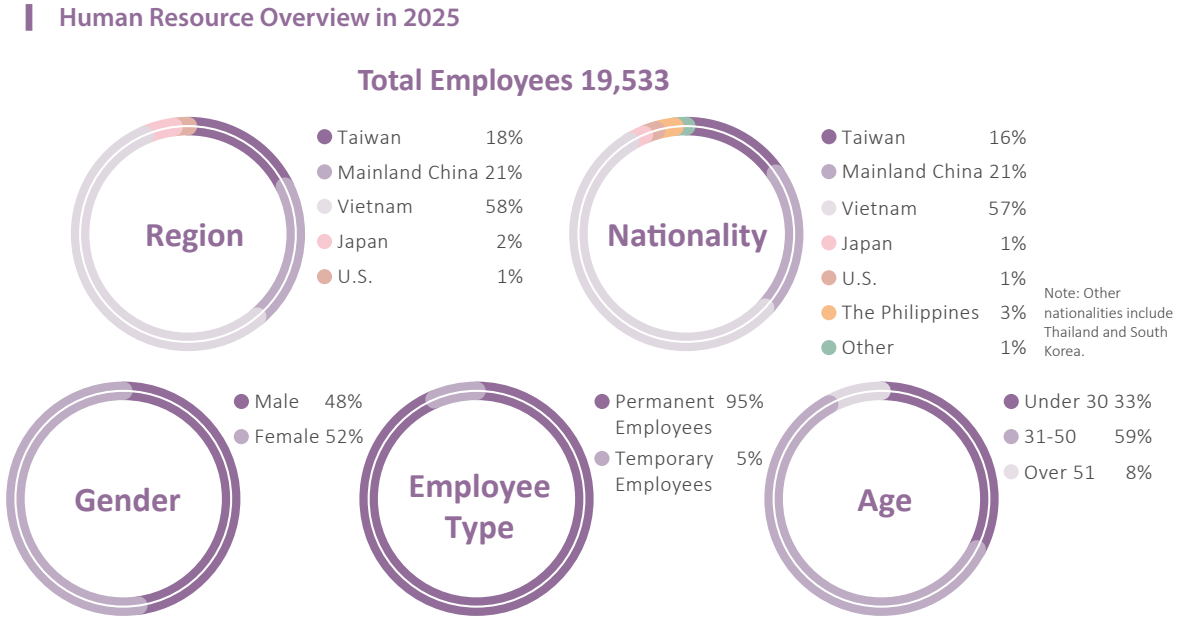
	2022	2023	2024	2025
Taiwan	4,502	4,322	3,995	3,227
Mainland China	4,821	4,668	4,228	4,040
Vietnam	11,401	9,557	10,938	11,195
Japan	196	276	287	280
U.S.	185	178	172	167
The Philippines	840	794	763	621
Indonesia	1	1	1	0
Malaysia	1	1	1	0
India	1	2	0	0
Türkiye	1	1	0	0
South Korea	0	1	1	2
Thailand	0	0	0	1
Total	21,949	19,801	20,386	19,533

Unit: person

Number and Rate of New Employee Hires

		2022		2023		2024		2025	
Under 30	Male	2,380	60%	877	19%	1,492	36%	1,569	58%
	Female	3,870	45%	689	15%	2,179	27%	1,905	52%
	Subtotal	6,250	26%	1,566	8%	3,671	15%	3,474	55%
31-50	Male	1,167	38%	822	10%	917	18%	881	16%
	Female	2,193	38%	662	10%	1,837	17%	1,592	26%
	Subtotal	3,360	19%	1,484	5%	2,754	9%	2,473	21%
Over 51	Male	22	2%	26	2%	30	2%	49	4%
	Female	11	2%	10	2%	13	3%	15	4%
	Subtotal	33	2%	36	2%	43	2%	64	4%
Total		9,643	44%	3,086	16%	6,468	32%	6,011	31%

- Note:
- “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.
 - 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.



Content

- Preface
- ◆

Special Report
- ①

Fostering Robust Governance
- ②

Enabling Unlimited Innovation
- ③

Navigating a Green Future

- ④

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

- ⑤

Cultivating Compassionate Bonds
- ⑥

Advocating Balanced Coexistence
- ⑦

Appendix

Number and Rate of Resignations

		2022		2023		2024		2025	
		Number	%	Number	%	Number	%	Number	%
Under 30	Male	2,244	61%	1,296	45%	1,321	45%	1,566	58%
	Female	2,844	58%	1,419	38%	1,901	49%	1,923	53%
	Subtotal	5,088	59%	2,715	41%	3,222	47%	3,489	55%
31-50	Male	1,374	24%	1,191	21%	1,150	20%	1,231	22%
	Female	2,032	35%	1,323	24%	1,985	33%	1,882	31%
	Subtotal	3,406	29%	2,514	22%	3,135	26%	3,113	27%
Over 51	Male	139	10%	178	13%	244	19%	276	24%
	Female	53	12%	50	10%	120	27%	113	29%
	Subtotal	192	10%	228	12%	364	21%	389	25%
Total		8,686	40%	5,457	28%	6,721	33%	6,991	36%

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.

Number and Rate of Voluntary and Involuntary Resignations

		2022		2023		2024		2025	
		Number of Employees	%	Number of Employees	%	Number of Employees	%	Number of Employees	%
Voluntary		5,802	26%	4,509	23%	4,147	20%	4,839	25%
Involuntary		2,884	13%	948	5%	2,574	13%	2,152	11%
Total		8,686	40%	5,457	28%	6,721	33%	6,991	36%

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 salary levels across FENC’s operating sites indicates that compensation in Taiwan, mainland China, Vietnam, and the United States remains competitive. A year after its expansion, which drove a surge in recruitment, the Himeji plant of FIGP entered a period of robust operations in 2025 and a phase of refining the course of talent management. Through promotion and performance-based compensation, senior employees who have contributed significantly receive prominent recognition as encouragement for taking on greater responsibilities and leading the team to higher growth. This strategy has noticeably optimized organizational efficiency and elevated the overall salary level. 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.

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 2025

		Taiwan	Mainland China	Vietnam	Japan	U.S.
Average Annual Regular Salary over Market Level		50%	34%	54%	6%	41%
Entry-Level Salary over Minimum Wage	Male	9%	80%	10%	9%	131%
	Female	9%	73%	10%	9%	131%

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.

The employee performance management appraisals are 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.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

Ratio of Salary and Salary Increase Between the Highest Salary and Median Salary in 2025

	Taiwan	Mainland China	Vietnam	Japan	U.S.
Salary Ratio					
The Highest Individual Salary :	7.55:1	4.54:1	10.73:1	5.52:1	2.60:1
Median Salary of Other Employees					
Salary Increase Ratio					
The Highest Individual Salary :	1:1	6.30:1	1.66:1	1.31:1	0.90:1
Median Salary of Other Employees					

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).

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. The regular committee meetings, satisfaction surveys and labor relations meetings make sure that employees’ voices are heard, and their welfare is enhanced. While satisfying employees’ needs in various aspects, FENC supports their pursuit of work-life balance and focuses on talent retention, which also improve the overall work efficiency.



From School to Ocean, Inspiring Children with Special Needs



Workplace systems and benefits are not the only forms of employee care. It can also be expressed through the support and trust for employees outside of work and collective actions for meaningful causes. In May 2025, OTIZ organized a non-profit program for children with special needs. Staff from the Knitting Fabric Division and the Human Resources Department joined Wuzhong School of Special Education and accompanied the students, their parents, teachers and medical staff on an outing to Zhangjiagang Dream Ocean Kingdom and Adorable Pet Park, which was also a journey of co-learning through companionship and exploration.

To the children, it was a day of exploring a world beyond their school; to OTIZ employees, it was a day of expressing kindness through action. After a full day of companionship and interaction, the employees developed understanding and empathy for children with diverse needs and strong bonds as a team through collaboration. At the end of the program, the children transformed their senses and feelings into creative ocean-themed projects, and those who created the most impressive pieces received prizes from OTIZ representatives and the school teachers as encouragement and to bring them a sense of achievement. OTIZ devoted CNY 50,000 to this program, which brought together 183 students, parents, teachers and medical staff. Social engagement programs such as this offer opportunities for FENC to give back to society with its resources and convey humanistic care. For employees, these programs nourish them with positive emotion and a sense of identity, which enhance corporate cohesiveness and solidarity. Helping oneself by helping others, such actions form a virtuous cycle and demonstrates FENC’s long-term belief in fostering complementary growth of employee care and corporate social responsibility.

Welfare	Detail
Allowance	Employees receive allowances for marriage, childbirth and funeral expenses. In 2025, a total of 69 employees applied for marriage and childbirth allowances and received NT\$105,000.
Group Activity	Employees may choose to join a multitude of sports and exercise groups at FENC, including basketball, badminton, table tennis, yoga, aerobic fitness and basic rhythmic exercises. They are encouraged to participate in group activities outside of work to enhance team building, promote physical and mental health and achieve work-life balance.
Employee Assistance Program (EAPs)	FENC signed agreements with Far Eastern Memorial Hospital (FEMH) and additional mental health clinics to offer employees psychiatric counseling services. Counseling services are also provided through clinics in partnership with county and city governments, helping employees deal with mental stress and negative emotions with mental health support from health professionals.
Flextime	- Flexible working hours: Starting between 8:00 and 9:00 AM and ending between 5:00 and 6:00 PM - FENC is committed to creating a gender-friendly workplace and system and providing flexible working hours for employees who are pregnant or with underage children.
Maternity-friendly Environment	Breastfeeding rooms are provided at all FENC sites to offer comfort and privacy to female employees with breastfeeding needs.
Parental Leave	- Female employees: Seven days of paid leave for prenatal checkups and eight weeks of paid maternity leave are provided as required by law. In the unfortunate event of miscarriages prior to the first trimester, FENC offers employees five to seven days of paid miscarriage leave, which exceeds the regulatory requirement, helping them rest and recover fully. - Male employees: Seven days of paid leave for prenatal checkup accompaniment or paternal leave are provided as required by law. - Parental leave: Employees may apply for two years of unpaid parental leave before their child reaches three years old. For employees with two or more children, the age of the youngest child applies when considering the two-year period. Starting in 2026, parental leave may be applied in the increment of days with a maximum duration of 30 days. During parental leave, FENC provides assistance for the application of a parental allowance equivalent to 80% of six months of insured salaries.
Chartered Child Care	Child care is provided through contracted local services, giving employees’ children proper care in a safe environment.
Student Scholarship	To advocate and encourage children’s right to education, employees may apply for student scholarships for all their children, and the applications are accepted twice a year.
Employee Discount	Discounts are offered at banquet venues of Far Eastern Group (FEG) affiliates such as Far Eastern Shangri-La Hotel and Mega50, and department stores such as Far Eastern Department Stores and Far Eastern SOGO.
Regular Health Checkup	Free comprehensive health checkups are offered every two years, and optional health checkup packages are available through a partnership with FEMH at discounted rates.
Group Insurance	Insurance coverages are provided, including life insurance, accident insurance, medical insurance and cancer insurance.
Lunch Allowance	Meals or allowances are provided at all FENC sites.

Content

Preface

◆

Special Report

1

Fostering Robust Governance

2

Enabling Unlimited Innovation

3

Navigating a Green Future

4

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5

Cultivating Compassionate Bonds

6

Advocating Balanced Coexistence

7

Appendix

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 2025. 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 94%, and FENC has formulated improvement plans based on the results to enhance employee well-being and the workplace environment.

Survey results across FENC sites reflect high satisfaction towards the Company’s performance in fulfilling its corporate social responsibility, showing approval of and support for its efforts. The Company also makes specific improvement plans tailored to the feedback received from each region. In Taiwan, to address talent drain and generational succession, FENC is launching the Future Leadership Program, which is divided into training for the senior and mid-level management. With “beginning with the end in mind” as the core concept in curriculum design, the program combines corporate strategies and development goals to methodically cultivate key leadership talent and strengthen succession planning. In Vietnam, to help employees develop a positive outlook towards career development and further develop talent localization, the program focuses on cultivating local leadership talent and selects key Vietnamese talent for the one-year curriculum. Conducted in tandem is training to enhance Taiwanese managers’ coaching leadership and ability to develop the Individual Development Plan. This well-structured training mechanism aims to build a local management team in Vietnam at a steady pace and achieve FENC’s goals in corporate sustainability.

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.

	2022	2023 、 2024	2025	Future Goal
Employee Satisfaction	87%	88%	94%	95%
Total Questionnaires Distributed	3,534	18,576	20,722	-
Total Questionnaires Returned	2,810	15,473	18,531	-
Response Rate	80%	83%	89%	90%
Location	Taiwan	Global	Global	Global

Note: The Company conducts a satisfaction survey every two years.

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.

Based on employee feedback, FENC has established improvement measures regarding training for managers, promotion of a female-friendly workplace, career development training for female employees and improvement of plant environment. The goal is to improve employees’ work experience and career development. 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

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 12 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 92%. 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



Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

Statistics of Current FENC's Labor Unions

Production Site	Year of Establishment	Number of Members	Employee Participation Percentage
Hsinpu & Kuanyin Chemical Fiber Plant	1978	1,350	100%
Kuanyin Dyeing and Finishing Plant	1956	134	100%
OPTC	1997	168	82%
FEIS	2004	1,004	98%
WHFE	2014	102	100%
OTIZ	2007	1,713	98%
FEIW	2007	404	100%
FEAZ	2004	744	99%
FEAV	2007	5,485	99%
FENV	2015	3,480	99%
FEPV	2023	1,957	80%
APG Polytech	2018	103	100%
Total		16,644	92%

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.

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.

In addition, FENC has established a performance-linked compensation adjustment mechanism and clear performance appraisal procedures, supported by a performance-based incentive system designed to reward excellence and motivate employees and executives. Performance bonuses are adjusted based on monthly operating results and individual performance, with supervisors granted discretion to determine adjustments within a defined range (up to 30%). A malus mechanism is also incorporated to allow for bonus reductions where appropriate. Applicable to all employees, including CEO and executives, this mechanism forms an integral part of FENC’s performance management framework, strengthening the alignment between compensation and performance while promoting fairness and accountability. Stock options are not available for regular employees, and the Company policy does not include deferred or vested share options.

ESG-linked Executive Compensation

At FENC, the quest for corporate profits is balanced with its ESG performance to achieve sustainable development. To internalize a culture of sustainability from the top down, FENC is integrating the achievement in sustainability goals into the performance appraisal and reward system for executives, linking executive compensation to annual bonuses and salary adjustments. The annual management performance and results account for 70% of the yearly assessment, and sustainable operations and development account for 30%.

Linkage Between Annual Performance Appraisal Framework and Executive Compensation

Assessment	Criteria		Compensation Linkage
Annual Management Performance and Results (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		Performance appraisals for executives are linked to annual bonuses and salary adjustments. Salary levels and bonuses are affected by: Based on the achievement of annual financial, operational and sustainability targets
Sustainable Management and Development (30%)	Governance	- 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 - Provide high-quality products and perfect its services - Maintain ongoing dialogues with stakeholders, including the labor union, government, investor, supplier and customer while committing to social engagement and non-profit causes	
	Environmental	Develop green products and production and reduce impacts from the value chain on the natural habitat	
Sustainable Management and Development (30%)	Social	- 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 - Operational and Occupational Safety - Maintain ongoing community and social engagement and establish consistent interaction to deepen community ties.	

Content

Preface

◆ Special Report

1

Fostering Robust Governance

2

Enabling Unlimited Innovation

3

Navigating a Green Future

4

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5

Cultivating Compassionate Bonds

6

Advocating Balanced Coexistence

7

Appendix

Assessment of the annual management performance and results is based on quantifiable results, including revenues and financial performance, emphasizing responses to external environmental conditions, financial growth and risk control. Assessment of sustainable operations and development focuses on innovative technologies, green production, talent development and stakeholder engagement. The dual-track system allows the management team to balance the pursuit of current profits with FENC’s long-term competitiveness and sustainable value.

Sustainability Targets Linked to Executive Compensation

To affirm its commitment to sustainable governance, FENC has linked the progress of achieving seven major sustainability targets to the compensation of managers in charge of achieving the targets. The progress accounts for 5% to 10% of the performance appraisal for executives, including the president, chief operating officer and manager in charge, and also affects the fixed salary adjustment for the following year. Depending on the actual achievement rate, annual bonuses as high as 20% of employee compensation are awarded as incentives. The system has been reported to the Remuneration Committee to ensure the alignment of the compensation structure with FENC’s long-term development strategies.

ESG Category	Sustainability Targets	2026 Targets	Corresponding Material Topic
Environmental	Reduction in energy consumption per unit of production (%) (see note1)	↓12.0%	Energy and Resource Management
	Reduction in GHG gas emissions (Scopes 1 and 2) (%) (see note1)	↓35%	Climate Strategies and Low Carbon Transition
	Revenue share of sustainable products (%)	35%	Green Product
	Reduction in air pollutant emissions (%) (see note1)	↓22.0%	Environmental Management
	Reduction in water withdrawal per unit of production (%) (see note1)	↓31.0%	Energy and Resource Management
Social	Zero fires and chemical spills (number of incidents)	0	Operational and Occupational Safety
	Number of community, engagement, exchange or non-profit events held or with FENC participation (number of events)	40	Community Relations (see note2)

Note:
1. 2020 is the base year.
2. Community Relations is a material topic identified by the Company in accordance with the IFRS Sustainability Disclosure Standards.

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 2025 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 are 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.

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 **Molding a Diverse and Inclusive Workplace**

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

Short-term Incentive

Incentive	Detail	Linked Indicator	Applicable Employee
Performance Management Appraisals for Migrant Workers	Performance appraisals are determined monthly by supervisors based on attendance and production of Grade A products. Bonuses are awarded based on the results to boost job performance and employee retention.	- Attendance records - Personal performance indicators	Migrant workers in Taiwan
Employee Compensation / Profit Sharing	According to the FENC Articles of Incorporation, 2% to 3.5% of profits from the current year should be distributed as employee compensation to share the Company’s success.	Financial indicators	Employees without major demerits during the reporting year
Bonus for Team-based Performance Appraisal	Monthly team-based performance appraisal is conducted regarding material ESG topics. Based on the result, production bonuses as much as 20% of the monthly salary are awarded.	- Management Performance - Energy and Resource Management - Environmental Management - Green Product Revenue - Operational and Occupational Safety	Management Level
	The management level receives bonuses for improving the management system, while bonuses for the rank-and-file employees are performance-based.	- Energy and Resource Management - Environmental Management - Green Product Revenue - Operational and Occupational Safety - Wastewater Recycling Bonus - Accident-free Bonus	Rank-and-file Employee
The incentives are designed to encourage sustainable practices at all units, including occupational safety, energy and carbon reduction, environmental protection, recycling and production optimization to fully embrace sustainable practices at FENC.			

Long-term Incentive

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 2025, the number of employees enrolled in ESOP accounted for 97% of those who were qualified, indicating a high interest in participation.

Far Eastern Corporate Spirit Award and Far Eastern Energy Award

Since 2005, FEG has hosted the Far Eastern Corporate Spirit Award and Far Eastern Energy Award each year 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 18. 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 40 retirees in 2025. 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.

Region	Detail	% of Employee Enrollment
Taiwan	FENC has established the Employee Pension Committee as required by law. The committee convenes regularly to provide oversight over the utilization of pension funds. Over 50% of the committee members are labor representatives, and external professional consultants are commissioned each year to conduct actuarial assessments on cost-liability. Additionally, as stipulated by the new labor pension system, employees make a 6% deduction from the payroll for their pension contribution. Employees with years of service accrued under the superseded pension system may still make pension withdrawals in accordance with the regulation.	100%
Mainland China	Employees are enrolled in the social insurance in accordance with the Social Insurance Law of the People's Republic of China. The source of employee pension is the endowment insurance under this system. Production sites in mainland China contribute 16% to the pension fund.	100%
Vietnam	Employees are entitled to pension payments as stipulated in the Law on Social Insurance. FENC sites calculate the insurance premium based on labor wages and allowances and contribute 17% for the social insurance.	100%
Japan	The current retirement age at FIGP is 60. However, employers in Japan are required by law to provide the option of employment extension for workers between the ages of 60 and 65. Though retirement pension is not mandatory for employers in Japan, FIGP established a pension system applicable to all permanent employees, which pays retirement benefits based on retirees’ seniority in length of service and rank at the time of retirement. Upon employees’ completing three years of employment, FIGP starts matching employee contribution to ensure their financial security after retiring.	100% permanent employees
U.S.	The 401K system applies to FENC sites in the U.S., and employer contribution kicks in upon the end of the probation period. Specific rules and regulations are stipulated in the union agreement, which is updated every three years. Based on seniority, employees’ monthly contribution is between 2.5% to 7.5% to help protect their long-term financial health.	100% labor union members

Content

Preface

◆ Special Report

1 Fostering Robust Governance

2 Enabling Unlimited Innovation

3 Navigating a Green Future

4 **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5 Cultivating Compassionate Bonds

6 Advocating Balanced Coexistence

7 Appendix

4.2 Fostering Employee Career Planning

At FENC, employees' career development and skills enhancement are driven by an employee-centric philosophy. With the aim of building a learning organization, efforts are devoted to creating a sustainable digital learning ecosystem by integrating a broad range of internal and external learning resources. Career development paths are aligned with corporate strategies and talent needs, which zoom in on management and professional skills to help employees progress through career stages. Meanwhile, FENC provides systematic training and talent development mechanisms to incubate international talent and develop succession plans at all levels to ensure corporate and talent sustainability for the long haul. The entire FENC staff underwent a total of 524,340 hours of training in 2025.

Training Program Tailored for Career Development

FENC has established a three-tier training framework based on employees' career stages. Divided into new hire, specialized and management training, the framework provides support at each stage to develop the skills and capabilities employees need, minimize uncertainties as they transition and grow and reinforce the talent pipeline and succession readiness across the Company.

1. New Hire Training: Supporting Integration and Establishing Career Foundation

FENC assigns mentors in each department to help new hires get acquainted with their duties and team operations. Diverse learning resources are also available for self-education. In addition, orientation camps and

mandatory general training are offered to guide the new hires through the corporate culture and key rules and regulations, helping them expand networks across different departments and building a strong foundation for collaboration and future development.

2. Specialized Training: Strengthening Professional Competence and Compliance Literacy

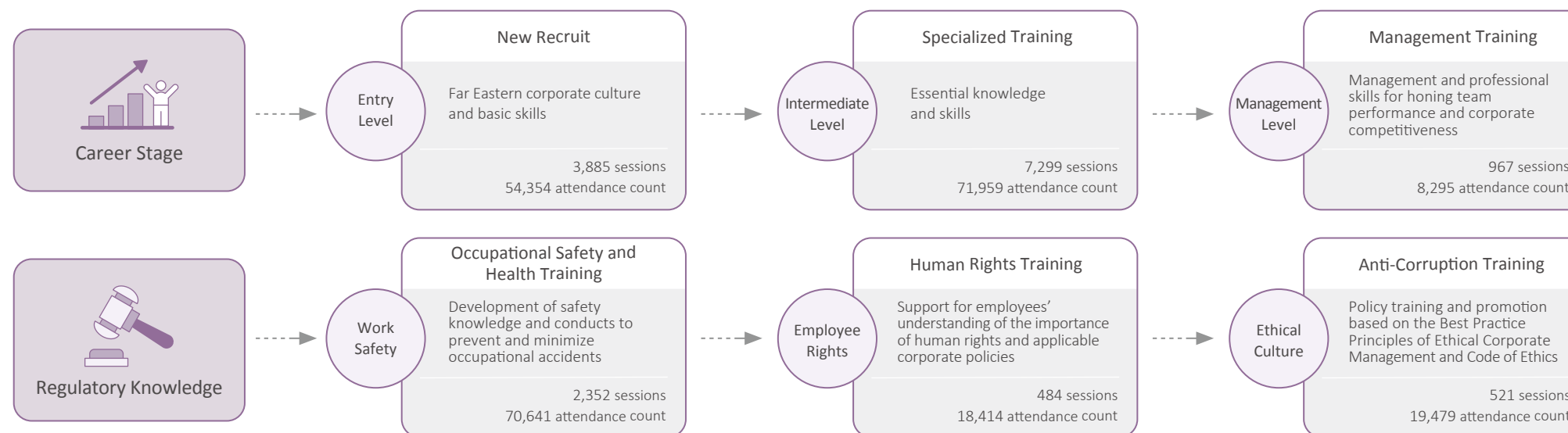
Employees undergo specialized training customized to suit their positions with a regulatory emphasis on occupational safety and health as well as human rights, equipping them with the professional competence and compliance awareness necessary to fulfill their roles, create a safe and healthy workplace and ensure regulatory compliance.

3. Management Training: Preparing for Transition and Succession

As employees advance to the management level, the managerial training kicks in to help them hone key leadership and managerial capabilities to transition to their new roles. Based on the need of organizational development, FENC puts the leadership pipeline and succession planning in place to improve the availability of the talent pool and enhance organizational resilience.

With this career-oriented talent development system, FENC continues fostering employees' professional maturity while arming the succession team with preparedness and readiness, supporting organizational competitiveness and sustainable development through long-term, systematic approaches.

2025 Training and Attendance



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

Content

Preface

◆

Special Report

1

Fostering Robust Governance

2

Enabling Unlimited Innovation

3

Navigating a Green Future

4

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5

Cultivating Compassionate Bonds

6

Advocating Balanced Coexistence

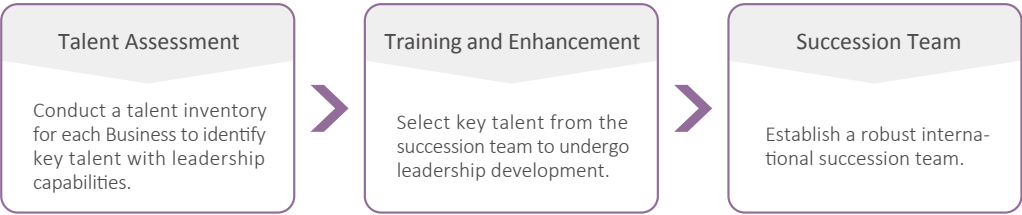
7

Appendix

Succession Planning

In an era of growing uncertainty from shifting global market and geopolitical landscape; an era of mounting challenges from an aging population and the management of a multi-generational workforce, the urgency of ensuring seamless succession for key positions and developing leadership talent with global vision is more present than ever. To develop robust talent pipelines for key positions at all levels, FENC launched a talent assessment program in 2023. Using standardized and consistent assessment tools, the program identifies high-potential talent through systematic approaches and establishes phased talent development plans and training paths tailored to organizational strategies and talent needs.

To develop talent, FENC is implementing leadership development programs to enhance the professional and management capabilities of key talent, supporting employees’ transition to different roles and helping them acquire the capabilities suitable for each career stage. With a management framework that progresses through talent assessments; training and development; succession team, FENC continues enhancing its talent pool and leadership pipelines for international management, facilitating stable transition for key positions to lead FENC’s global operation and achieve talent sustainability.



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 advancing professional competency and capabilities, and employees may make their selections based on individual development goals. The Company also issues an electronic monthly report with integrated content selected from internal and external learning resources, offering course highlights and study suggestions to motivate self-education among employees.

The digital learning hours across FENC’s global locations rose by 20%, and the number of sessions offered jumped by 47%, which reflect the effectiveness of the digital learning model in expanding training coverage and employee participation. It is also an essential element for FENC to refine employees’ career development paths while attaining talent cultivation and corporate sustainability.

To boost learning efficiency and user experience at FENC’s worldwide locations, the digital learning platform underwent an upgrade. It integrates diverse digital learning resources such as mobile learning applications, Hahow for Business and cloud libraries, supports interfaces in Traditional and Simplified Chinese as well as English, and offers employees flexible and convenient learning schedules, achieving self-education anytime and anywhere.

Academy-style Learning System

Emerging Professionals Academy	Management Academy	General Training Academy	AI Academy
Sustainability Academy	Digital Library Academy	International Political Economy Academy	Strong Generation Academy

In the meantime, FENC is embracing sustainability during the training through action, reducing the consumption of paper and other office supplies by implementing paperless handouts, electronic sign-in and online satisfaction surveys for the in-person training sessions. FENC is also aggressively promoting hybrid learning, designing multiple learning modules that combine online and offline resources with scheduling flexibility to help employees strike a balance between learning and working, master critical knowledge and skills and get ready to tackle the challenges in a capricious business world.

1. AI Academy: Accelerating AI Application and Supporting Smart Transformation Through a Systematic Learning Map

To sustain the momentum of developing digital talent, support smart transformation and accelerate AI application, FENC created a comprehensive curriculum map through the AI Academy, establishing a progressive capacity development path for employees to keep pace with the rapidly evolving AI technology. By guiding employees from acquiring digital concepts to mastering cutting-edge generative AI (GenAI) technologies, the curriculum map is enhancing digital thinking and practical capabilities across FENC.

The capacity development path is divided into three levels, introductory, intermediate and field application. Focusing on building data concepts, the introductory level sets the groundwork and establishes familiarity with the knowledge and tools, such as Power BI and Python. The ability to utilize data analysis tools and programming languages allows employees to leverage data as a building block for mastering AI applications. With 462 sessions offered, the introductory courses attracted 2,235 employees. The intermediate level targets in-depth training using diversified tools with a heavy focus on GenAI, such as ChatGPT, Copilot, DeepSeek and NotebookLM. Cloud computing and machine/deep learning are also integrated to help participants acquire advanced data mining capabilities and tap into AI as a powerful tool for improving work efficiency. A total of 1,755 employees took part in the training during 226 intermediate sessions.

This learning path culminates at the field application level, at which a two-pronged approach is adopted to accommodate the business management and production units. For the business management units, enterprise-level AI platforms are adopted and AI hackathons are held to inspire creativity. For the production units, the application of AI-powered smart manufacturing is incorporated into the training to optimize intelligent facilities and processes. The training enabled employees to deliver field applications across multiple domains, which is a testimony to the learning effectiveness. It also boosted the efforts to build smart factories powered by AI, allowing FENC to embody technological empowerment and smart transformation.

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 **Fostering Employee Career Planning**

4.3 Reinforcing Operational Safety and Occupational Safety

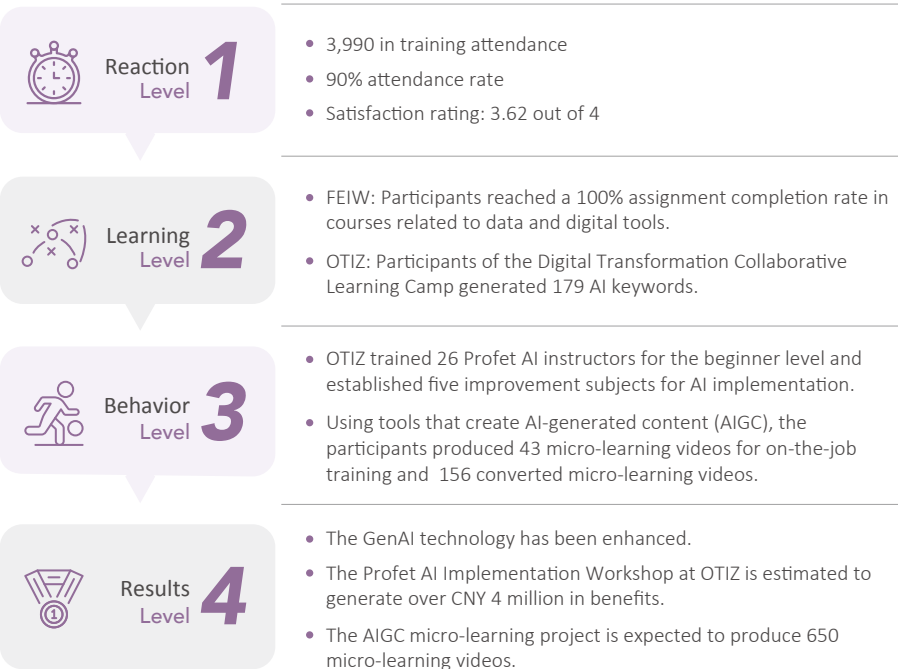
4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

Kirkpatrick Model of Learning Evaluation-AI Academy

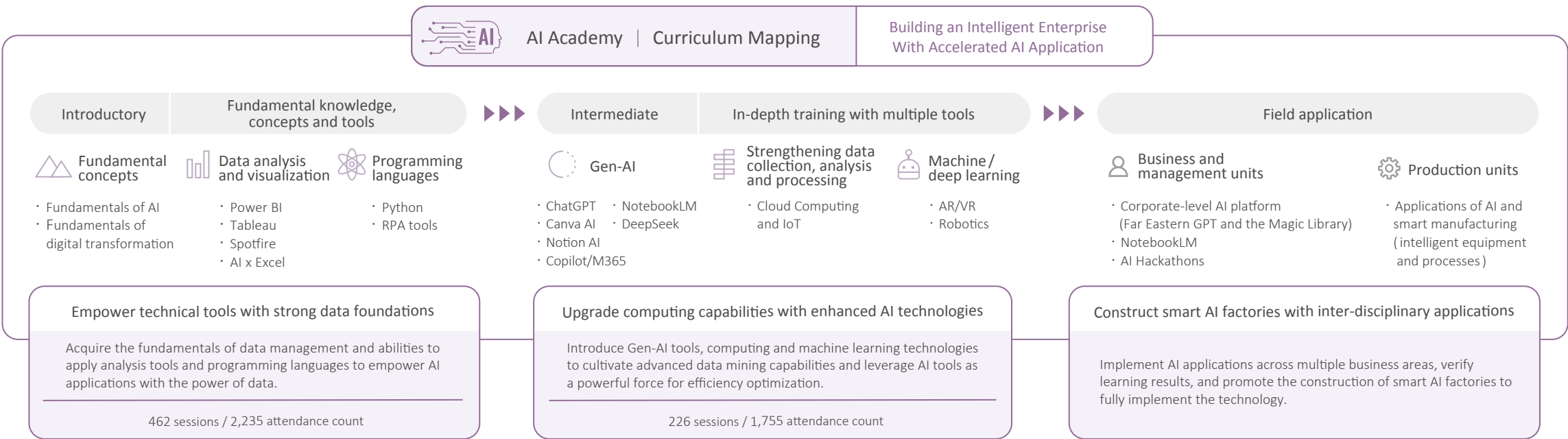


Charting a Path to Digital Talent Development Through AI Hackathons



As digital transformation prevails and GenAI proliferates rapidly, the key to perfecting career planning for employees has evolved beyond training courses. It is becoming critical to empower them with transferable skills accumulated through actual experience and enhance their work values in all aspects. Between March and June 2025, FENC hosted the NotebookLM AI Hackathon, using cross-departmental competition to promote AI empowerment, drive digital transformation and help staff in non-technical units, such as administrative, finance, human resources and legal departments, leverage AI to address information overload, complex regulations and repetitive tasks.

Google NotebookLM was used as the primary tool for the competition, and competing teams were guided to structure internal knowledge such as SAP manuals, insurance clauses, international tax laws and historical freight rates. The teams then developed solutions for different business scenarios, such as HR 7x24 Intelligent Assistant, AI Financial Expert and the currency hedging prediction model, HedgeSense, and presented the solutions to demonstrate effectiveness and transferability. The implementation of various AI applications has helped employees build and accumulate digital capabilities through collaboration, problem-solving and data governance. In terms of performance, the AI Financial Expert nearly quadrupled the efficiency of report interpretation, and the Payment Inquiry Robot achieved 99% accuracy and improved response time by 80%. AI also provided the Human Resources Department with precise strategic advices during the competition and saved 98% of its operational time. By integrating learning and practice, FENC is developing a bottom-up culture of innovation, incorporating digital savviness that delivers results as part of career development to galvanize employees’ resilience and FENC’s sustainable competitiveness.



Content

- Preface
- ◆ Special Report
- 1

Fostering Robust Governance
- 2

Enabling Unlimited Innovation
- 3

Navigating a Green Future
- 4

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain
- 5

Cultivating Compassionate Bonds
- 6

Advocating Balanced Coexistence
- 7

Appendix



AI-empowered Digital Talent Program: Building a Resilient Learning Organization from Digital Tools to Data-driven, AI-powered Decision-making



AI is growing exponentially. While adopting new tools is important to stay competitive, it is even more critical for corporations to build sustainable digital savviness and workplace resilience. FENC launched the AI-empowered Digital Talent Program to lessen employees’ digital anxiety as they adopt new technologies. The program improves employees’ digital maturity through systematic training and responds to their expectations for career development and skills enhancement, helping them retain competitiveness as the world embraces the wave of automation.

In the second quarter of 2025, FENC introduced the AI Innovation Learning Program, which consists of three core course series, AI Efficiency Assistant, AI Expert for Collaborative Presentation and Data-driven AI Decision Master. The program was offered in two formats, livestreams and video playback. After the livestream of eight selected courses, the videos were uploaded to the digital platform for employees to review at their convenience. Designed with a hands-on focus, the courses covered more than 20 AI tools, such as NotebookLM, Canva AI, Power Automate and Copilot, and each session provides three hours of in-depth content to help employees integrate AI applications into actual business scenarios, such as project management, process automation and data-driven decision-making.

To encourage continual learning, inspire self-motivation, create the diffusion effect and foster an AI learning culture, FENC held a “digital learning hero” competition in the fourth quarter of 2025 as an incentive mechanism. Through the competition and resource integration, the total learning hours among all employees jumped by 59% compared with the previous period, and among the subjects offered, hands-on AI practice and data analysis were the most popular. These are signs that a data-driven learning culture is taking shape at FENC.

As FENC prepares for the future, the integration of AI will start with tool learning and efficiency improvement and progress towards process automation and AI-assisted decision support, phasing in data-driven intelligent decision-making models to enhance operational efficiency, build organizational resilience and help FENC achieve the mid- and long-term goals in digital transformation.



An Intelligent Future Powered by AI



On March 29, 2025, OTIZ, FEAZ, FEDZ and FEIW co-hosted a special DeepSeek training session that focused on organizational and personal cost reduction, efficiency improvement, quality enhancement and revenue generation. Xu Hai-Xing, a senior expert certified by Alibaba DAMO Academy as an AI trainer, served as the lecturer. After eight hours of intensive practice, the participants mastered the operation of the AIGC tools, which keeps them from being overwhelmed by administrative tasks and instead, helps them generate creative, value-adding breakthroughs.

Tool Revolution: Reshaping Productivity Through Seven Scenarios



Business Writing
From brain-racking to intelligent content generation



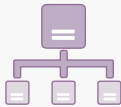
Data Analysis
Replacing complex functions with conversational AI



Meeting Management
From audio transcription to intelligent insights



Presentation Production



Industry Research
Unleashing strategic insights with 300-fold efficiency



Multimedia Project
Producing professional deliverables without relevant background.



Exclusive AI Agent
Improving work efficiency and knowledge management

After the training, participants submitted an actual work assignment using AI applications based on the template provided by the lecturer. A competition testing contestants’ skills in applying AI tools will also be held to accelerate the application of AI across daily operations.



Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

2. Sustainability Academy: Embodying Low-carbon Manufacturing, Workplace Inclusion and Corporate Sustainability

ESG has become a crucial management framework for sustainable business operations, and FENC’s Sustainability Academy is trusted with the task of establishing a comprehensive curriculum map to realize the vision of low-carbon manufacturing, workplace inclusion and corporate sustainability. The curriculum is strategically divided into three levels based on the target group and function, which includes the introductory level for all employees, intermediate level for skill-specific employees and advanced level for managers, and sustainability issues are integrated into the talent development system to enhance sustainable competitiveness across FENC.

(1) Environmental: Driving green transformation through deepened awareness of climate change and advanced low-carbon R&D

To support the global push for decarbonization and FENC’s goal of low-carbon manufacturing, the Sustainability Academy developed an environmental course series centering on energy management and transition. A total of 473 classes have been offered to 16,285 participants, and the curriculum is tailored for each level. At the introductory level, the intent is to strengthen the basic understanding of energy and climate-related issues for all employees. The intermediate level provides skill-specific employees with practical modules such as GHG management, carbon footprint management, low-carbon product development, energy efficiency and renewable energy to implement energy management into daily management and operational processes. The advanced level focuses on energy transition strategies, green industry transformation and decision-making issues such as carbon markets, carbon pricing and carbon sinks for managers, honing FENC’s prowess and competitiveness in the management of energy and low-carbon transition.

(2) Social: Promoting diversity, inclusion and workplace safety to enhance cross-cultural adaptability and gender equality awareness

FENC is committed to creating a workplace that is respectful and inclusive. A total of 89 sessions in the social course series have been offered to 2,478 participants. The introductory courses stress building a shared understanding of labor rights among all employees by covering human rights protection, prevention of workplace bullying and promotion of gender equality to embody a workplace culture of inclusion and safety. As a response to the sustainability requirements for the global supply chain, intermediate courses on the sustainable supply chain are offered to skill-specific employees, which will help FENC amplify its influence from the inside out through social responsibility and collaborate with external partners to foster mutual benefits and sustainability across the value chain.

(3) Governance: Ensuring robust operations by reinforcing risk management and information disclosure

To build a corporate governance system with transparency and resilience, 125 training sessions have been offered under the governance course series to 5,783 participants. Introductory courses for all employees place a strict emphasis on the thorough understanding of the Best Practice Principles of Ethical Corporation Management, information security management and risk awareness, as well as regulations and policies in Taiwan regarding sustainability. Intermediate courses for skill-specific employees are designed to strengthen risk identification and analysis capabilities with in-depth exploration of practices related to sustainability information disclosure and the Task Force on Climate-related Financial Disclosures. Advanced courses for managers elevate the perspective by examining the establishment of risk control mechanisms and sustainable financial investment strategies driven by ESG principles. This tiered training mechanism ensures operational stability at FENC for the long term by bolstering risk control and compliance.

Sustainability Academy Curriculum Mapping		Fulfilling Corporate Sustainability With Low-carbon Manufacturing and Workplace Inclusion		
Participant	Course Level	E Environmental 473 sessions / 16,285 attendance count	S Social 89 sessions / 2,478 attendance count	G Governance 125 sessions / 5,783 attendance count
Managers	Advanced (strategic development)	- Green industry and transformation - Energy transition strategies - Risk control mechanism	- ESG and sustainable financial investment - Carbon market/carbon pricing/carbon sink and additional subjects	
Skill-specific Employees	Intermediate (Including subjects such as sustainability trends and data disclosure)	- GHG management - Carbon footprint management - Low-carbon product development - Energy efficiency and renewable energy	Sustainable supply chain	- Risk identification/analysis - Practices in sustainability disclosure - Practices in the Task Force on Climate-related Financial Disclosures
All Employees	Introductory (fundamentals of sustainability or commonly understood subjects)	- Fundamentals of energy and climate - Circular Economy and Waste Management	Labor rights (human rights/ workplace bullying/ gender equality)	- Principles of ethical management - Information security management - Risk awareness - Sustainable development regulations and policies in Taiwan

▮ The Kirkpatrick Model of Learning Evaluation-Sustainability Academy

Reaction Level 1	24,546 in training attendance 89% attendance rate - Satisfaction rating: 3.60 out of 4
Learning Level 2	- Two participants obtained the ISO 14067 certification. - All OTIZ participants of the Global Recycled Standard training passed the training exam, achieving a 100% pass rate. - FEIW participants of the training on conducting the inventory of scope 3 emissions reached an average score of 98.5 on the post-test.
Behavior Level 3	- Vietnamese team leaders at FEAV applied their stress and emotion management skills towards team management to improve team members’ physical and mental well-being and foster stable career development. - GHG management personnel applied training from the post-baccalaureate programs to implement and optimize the internal GHG inventory operations.
Results Level 4	- Participants are expected to obtain the ISO14067, ISO14064-1 and 14064-2 certifications. - The compliance and traceability of the product supply chain are ensured to enhance market competitiveness and FENC’s image as an environmentally responsible corporation.

Content

- Preface
- ◆ Special Report
- ① Fostering Robust Governance
- ② Enabling Unlimited Innovation
- ③ Navigating a Green Future

- ④ **Creating Inclusive Society**
- 2025 Highlight
- Target and Progress
- Sustainability Issues
- 4.1 Molding a Diverse and Inclusive Workplace
- 4.2 Fostering Employee Career Planning
- 4.3 Reinforcing Operational Safety and Occupational Safety**
- 4.4 Shaping Sustainable Supply Chain

- ⑤ Cultivating Compassionate Bonds
- ⑥ Advocating Balanced Coexistence
- ⑦ Appendix

Average Number of Training Hours of Ranking and Gender

Unit: hour / person

		2022	2023	2024	2025
Section Chief and Above	Male	32.13	36.13	50.83	59.76
	Female	25.38	29.73	28.39	26.17
	Total	30.08	34.17	43.76	48.70
Rank-and-file Employees	Male	33.21	47.39	48.01	41.51
	Female	21.79	28.02	27.86	24.26
	Total	28.77	39.83	40.29	34.51
Factory Workers	Male	26.27	21.35	27.19	26.42
	Female	24.30	12.13	20.66	17.77
	Total	25.05	15.69	23.11	21.01
Total Employees	Male	29.72	34.14	38.55	34.20
	Female	23.77	17.16	22.73	18.00
	Total	26.61	25.46	30.29	25.54

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

Average Number of Training Hours and Days

		2022	2023	2024	2025
Average Hours	Unit: hour / person	26.61	25.46	29.49	26.84
Average Days	Unit: day / person	3.33	3.18	3.69	3.36

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

4.3 Reinforcing Operational Safety and Occupational Safety

4.3.1 Implementation of Operational Safety and Occupational Safety

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 2025, 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 2025, the occupational safety and health management system has been implemented at all FENC sites.

1. The system has been implemented at 100% of the FENC production sites within the scope of this report, covering 100% of FENC workers (employees and contractors). Internal audits were also completed at 100% of the production sites. Among them, 17 have obtained the ISO 45001 certification for external audits, which represent 90% of FENC workers (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 the 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.

Content

Preface

Special Report

1

Fostering Robust Governance

2

Enabling Unlimited Innovation

3

Navigating a Green Future

4

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1

Molding a Diverse and Inclusive Workplace

4.2

Fostering Employee Career Planning

4.3

Reinforcing Operational Safety and Occupational Safety

4.4

Shaping Sustainable Supply Chain

5

Cultivating Compassionate Bonds

6

Advocating Balanced Coexistence

7

Appendix

2.

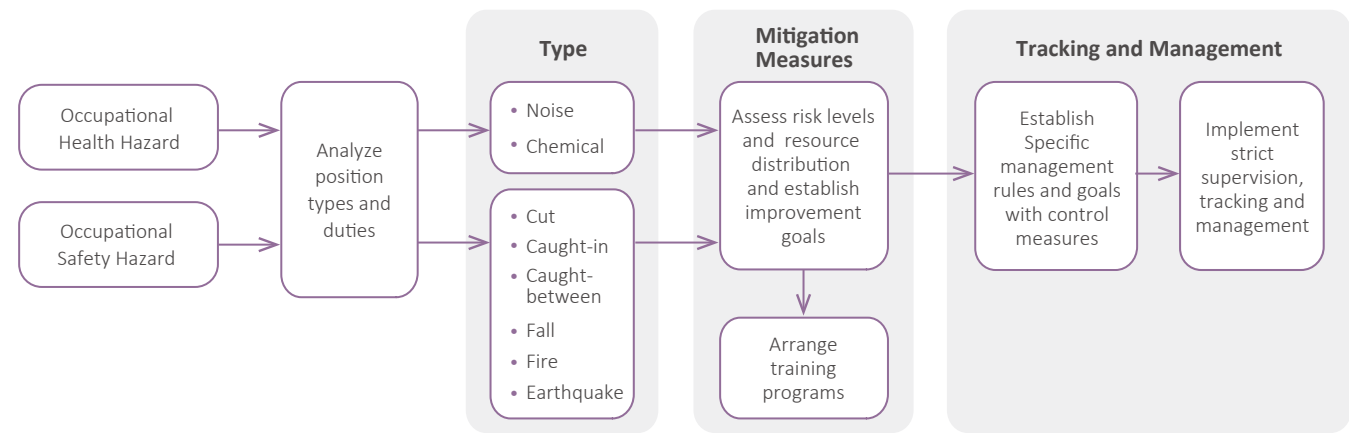
For operations involving relevant raw materials, products, activities, and services, employees connected to these tasks actively participate in revising operational regulations for risk identification and risk assessment—specifically targeting areas that may cause injuries, pose health risks to workers (employees and contractors), or lead to equipment loss.
3.

Improvement goals shall be established based on risk levels and distribution of resources. Hardware improvement takes 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 2025.
5.

All production sites arrange risk control training for employees. In 2025, 96 sessions were held with 3,325 employees completing 9,258 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 Responsible and Resilient Supply Chain Management](#).

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	20	50%
Kuanyin Chemical Fiber Plant	20	35%
Kuanyin Dyeing and Finishing Plant	34	47%
OPTC	20	40%
FEFC	13	38%
OGM	20	50%
FEIS	30	73%
WHFE	19	32%
Tech Textiles Plant of OTIZ	48	67%
Knitting & Dyeing Plant of OTIZ	63	67%
FEIW	23	74%
FEAZ	30	50%
FEAV	51	14%
FENV	39	10%
Polyester Plant of FEPV	130	66%
Knitting & Dyeing Plant of FEPV	18	67%
FIGP	112	88%
APG Polytech	10	50%
PFEM	19	53%

Note: Local regulations in Vietnam do not mandate the number of seats for labor representatives on occupational safety and health committees.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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 264,180 and 15,059 in 2025, respectively.

Employee Safety and Health Personnel Training Statistics

	Number of Classes				Number of Trainees				Training Hours			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
On-The-Job Training on Safety and Health	1,311	2,528	2,592	2,041	34,421	50,674	42,387	32,468	165,251	173,781	174,539	197,441
Health Management Training	272	376	486	482	11,961	13,341	16,042	16,022	15,046	14,914	19,437	21,103
Hazardous Chemical Training	140	176	191	215	3,295	4,431	4,277	4,422	19,925	18,669	22,041	20,833
Protection Personnel Training	20	26	20	15	213	281	139	133	412	569	243	261
Emergency Response and Personal Protective Equipment Training	337	615	652	431	10,860	14,654	14,113	9,482	20,052	33,229	27,434	12,118
Internal Safety and Health Auditor Training	31	129	59	47	444	2,858	778	582	3,252	7,046	3,762	3,166
Risk Control Training	54	55	72	96	2,046	2,705	2,140	3,325	3,782	6,387	5,644	9,258
Total	2,165	3,905	4,072	3,327	63,240	88,944	79,876	66,434	227,720	254,595	253,100	264,180

Contractor Safety and Health Personnel Training Statistics

	Number of Classes				Number of Trainees				Training Hours			
	2022	2023	2024	2025	2022	2023	2024	2025	2022	2023	2024	2025
On-The-Job Training on Safety and Health	725	1,287	973	1,111	7,201	9,766	6,204	8,326	36,996	22,010	9,340	11,370
Health Management Training	181	625	283	401	2,159	2,827	1,921	1,778	1,982	2,570	1,149	935
Hazardous Chemical Training	178	529	193	298	644	1,444	1,426	1,210	321	1,187	654	367
Radiation Protection Personnel Training	0	3	0	0	0	113	0	0	0	113	0	0
Emergency Response and Personal Protective Equipment Training	222	547	152	320	874	3,451	1,512	1,505	1,067	14,113	1,216	1,032
Internal Safety and Health Auditor Training	1	2	5	1	24	83	74	63	24	524	520	504
Risk Control Training	41	39	55	85	505	858	889	576	899	1,600	1,710	851
Total	1,348	3,032	1,661	2,216	11,407	18,542	12,026	13,458	41,289	42,117	14,589	15,059

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

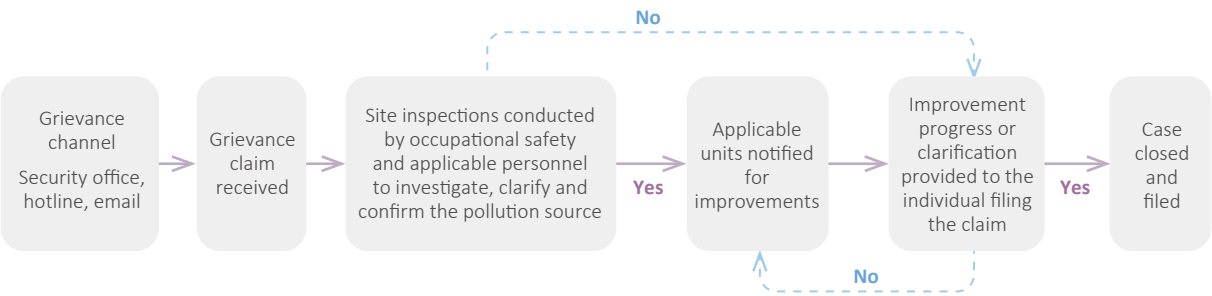
Chemical Safety Management

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, the 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. Upon the receipt of incoming chemicals, on-site personnel or designated user departments are mandated to conduct rigorous acceptance inspections in accordance with hazard labels, Safety Data Sheets (SDS), and applicable regulations. Furthermore, we actively implement Hazard Communication Programs and maintain comprehensive chemical inventories.
3. Post identification for hazardous chemicals and prepare a safety data sheet (SDS).
4. The Company utilizes Chemical Control Banding (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.

Grievance/Reporting/Acceptance Mechanism Related to Hazardous Chemicals



Enhancement of Smart Disaster Prevention Technology for Factories–Chemical Operations and Technical Safety Training

FENC reached out to the Industrial Safety and Health Association of the R.O.C., the Chinese National Federation of Industries and the Taiwan Man-Made Fiber Industries Association and co-organized the program, Enhancement of Smart Disaster Prevention Technology for Factories–Chemical Operations and Technical Safety Training. The training was designed to reinforce the safety of chemical operations at its production sites; minimize the risks of spills, explosions and occupational injuries; address insufficient on-site protection, poorly fitted personal protective equipment (PPE) and the lack of real-time monitoring in conventional disaster prevention management.

The training focused on the selection and fit testing of PPE against chemical hazards to help employees acquire safety knowledge and protective skills while reducing the risk of chemical exposure and occupational injuries. A total of 75 employees attended the session. Another training zoomed in on self-inspection for fire safety, which was designed to raise employees’ fire prevention awareness and reduce fire risks by honing their inspection skills. The aim was to protect public safety by preventing fire-induced hazards and pollution in the community and environment. A total of 74 employees completed the training.



Content

Preface

◆ Special Report

1 Fostering Robust Governance

2 Enabling Unlimited Innovation

3 Navigating a Green Future

4 Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5 Cultivating Compassionate Bonds

6 Advocating Balanced Coexistence

7 Appendix

Operational and Occupational Safety Enhancement Campaign–Worker Engagement

1. 2025 Priority Tasks Implemented by the SHEF Task Force for FENC Production Sites in Mainland China:

- A total of 13 training sessions were offered to address the needs of all units, and a total of 299 employees took part, amounting to 900 training hours.
- Safety Risk Identification and Assessment campaigns were held to assist with field operations and training at each plant as ongoing efforts to improve risk assessment capabilities and safety awareness among employees.
- The SHEF Task Force continues to encourage self-initiated accident reporting while ensuring thorough investigation and improvement.
- The most common occupational accidents/incidents that had occurred at FENC sites over the past six years since the SHEF Task Force was established were compiled into a booklet and shared among all sites for reference, improvement and prevention, keeping similar accidents from recurring.
- The incorporation of intelligent systems is in progress at all FENC sites. Among them, FEAZ set up an official account on WeChat; FEIW established an accident reporting system; the knitting and dyeing plant of OTIZ built an equipment and facility management system.
- The SHEF Task Force provided assistance with hazard identification at the Suzhou and Wuxi plants, specifically targeting the heat transfer fluid, natural gas and boiler systems.
- Four issues of the SHEF quarterly magazine were published. The content, which was gathered from all FENC production sites in mainland China, featured safety risk identification; standardization of safety production; technologically empowered safety; safety of chemical storage and usage. The magazine also shared 82 new regulatory standards related to operational and occupational safety.

2. Approval of Performance Review for the Occupational Safety and Health Management System at Kuanyin Chemical Fiber Plant and FEFC

To encourage self-management over occupational safety and health, the Ministry of Labor has commissioned accredited agencies and local labor inspection offices to review occupational safety and health management systems of business entities. Kuanyin Chemical Fiber Plant and FEFC voluntarily performed and submitted the self-evaluation of their systems, and both have been approved by the Ministry of Labor with validity periods from July 26, 2023 to July 25, 2026, and from June 29, 2024 to June 28, 2027, respectively.

Safety Month at FEIW and FENV

FEIW launched a safety month campaign in June 2025 with focuses on safety awareness, emergency response and hazard identification. FEIW prepared promotional materials, activities and drills, including banners and posters, safety training, a “find safety hazards” game and a fun sports game that featured fire safety. The campaign helped prevent and reduce occupational incidents by enhancing employees’ safety awareness and understanding and promote a safety culture.



FENV’s occupational safety and health month campaign was held in May 2025. Among the activities was a PPE display design competition. Ten teams representing different departments each picked a work area to showcase the design of their informative displays. The teams let their creativity flow, using lively presentation with clear and simple materials reflecting actual scenarios to help colleagues learn more about safety management and the use of PPE.



To give credit to those who have been quietly ensuring the safety of their colleagues, FENV holds an annual evaluation and honors the top ten employees who perform exceptionally in safety and health with certificates and bonuses. Evaluation criteria include active participation in safety programs, compliance with safety regulations and having a positive influence on coworkers. The awards are a token of appreciation for their proactivity, diligence and insistence on adhering to safety standards, distinguishing them as role models to raise safety awareness and promote a workplace culture that is safe, healthy and sustainable.



Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

Facility Improvement for Operational and Occupational Safety–Bolstering Safety Protection

The primary goal of improving facility safety is to protect employees and maintain the stability of the working environment. Through protective measures and equipment optimization, potential risks and occupational incidents are minimized, bringing the facilities on par with the latest regulatory and industry standards and reinforcing the corporate image as a safe workplace, which not only safeguards employee health, but improves productivity. While reducing operational risks and related costs, a safe working environment also helps FENC achieve sustainable operation. Safety improvement projects at FENC sites during the reporting year are as follows:

1. Enhancing protection at OGM with updated safety helmets

OGM ensures the functionality and regulatory compliance of the PPE to protect employee safety, improve comfort and boost efficiency. To minimize safety risks induced by aging or damaged equipment, OGM replaces safety helmets with a five-year service life and above for general operations. For indoor and outdoor high-temperature environments, safety helmets with a three-year service life and above are removed. In 2025, 142 helmets were replaced, representing a replacement rate of 65%. Among the new helmets, 53 come with retractable goggles, providing additional protection for employees.

2. Installing protective shields for rotating equipment at FIGP

FIGP has installed 84 protective shields on the rotating components of factory equipment in order to prevent operators or other objects from accidentally coming into contact during high-speed rotation, thus reducing the risk of injuries resulting from being caught in/between, cuts or collisions. The shields also isolate hazardous areas, keeping foreign objects from causing equipment damages or production interruptions. Aside from ensuring personnel safety, the shields stabilize equipment operation, which reduces accidents and maintenance costs, improves production efficiency and enhances safety management. In addition, FIGP has introduced an incentive system to encourage employees. By presenting bonuses to those who bring forth improvement proposals, the entire FIGP can work together towards reducing occupational risks and accidents.

Smart Transformation for Operational and Occupational Safety–Application of Safety and Health Technology

The 2025 Labor Inspection Directives issued by the Ministry of Labor emphasizes the application of occupational safety and health technology and the use of smart technology to improve the efficiency of occupational safety management. Potential risks and accidents can be prevented and minimized through real-time monitoring, data analysis and early warning. Smart application projects for safety and health at FENC sites during the reporting year are as follows:

1. Early warning and intelligent monitoring for minor leakage of heat transfer fluids at Hsinpu Chemical Fiber Plant

Hsinpu Chemical Fiber Plant has started a process safety improvement program targeting the risk of minor leakage in the pump rooms and pipelines for the synthetic and Dowtherm heat transfer fluids. The plant developed a CCTV+AI smoke detection system, which overcomes the limitations of existing industrial gas detectors with its ability to perform consistently amid variable on-site conditions. The goal is to issue early

warnings when traces of smoke are detected from minor leakage during beginning stages, which in turn reduces possible impacts of explosions and fires on the safety of personnel, equipment, assets and the environment.

2. Intelligent chemical filing and referencing system at FEFC

According to the Regulations Governing Designating and Handling of Priority Management Chemicals enacted by the Ministry of Labor, a report on priority management chemicals in use during an operation must be filed annually with the authority when the concentration and aggregated quantity constitute health hazards. However, given the vast number of chemicals on the list of government-issued priority management chemicals, cross-referencing manually would not be efficient. Therefore, FEFC developed a smart system that automatically downloads the list of chemicals from the authority and compares it with the one from the plant. AI tools are leveraged to cross-reference the chemicals used by the company and generate a matching list. Users then manually input the "weight percent concentration" and "annual aggregated quantity" to precisely identify the items required for regulatory reporting. Overall, the system has saved time and manual labor while increasing accuracy.

Strengthening Emergency Response with Safety Drills

FENC has a set of crisis response regulations in place, which is applicable to all FENC sites. Among the crises covered in the regulations are natural disasters, energy shortages, occupational incidents, environmental incidents or protests, labor disputes, epidemics of notifiable infectious diseases, operational disruption and cybersecurity risks.

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 types of disasters that could be induced. 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 procedures. Staff shall identify the disaster, notify applicable units and personnel, proceed immediately to rescue work and engage in damage control to keep the situation from worsening. Ongoing assessments of on-site conditions shall be made to minimize harm to the staff, property and environment with adequate treatment provided to prevent secondary disasters. The unit responsible for the incident shall conduct thorough reviews over the cause, propose improvement strategies and file an incident report. The unit shall also engage all applicable units regarding the incident to prevent future occurrences.

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 **Reinforcing Operational Safety and Occupational Safety**

4.4 Shaping Sustainable Supply Chain

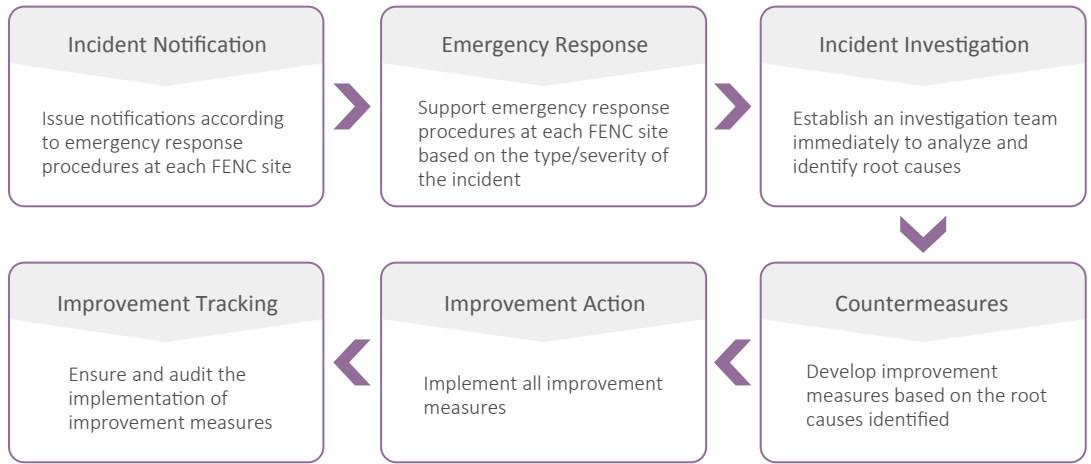
⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

4.3.2 Occupational Injuries

At FENC, the end game for occupational safety and health is “zero occupational incidents.” The Company values the safety and health of each and every employee, protecting them by raising their awareness and understanding through risk assessment and identification; outreach campaigns and public notice; pre-shift toolbox talks; safety and health month programs and activities. A total of 260 near-misses were recorded during the reporting year. Among them, 102 are fall-related with low hazard awareness as the main factor. In the unfortunate event of occupational disasters, immediate emergency and rescue actions are taken. The following improvement procedures are applicable to all production sites:



All improvements shall be completed within two months, and hardware improvements involving construction contracts should be completed within six months. A total of 54 occupational injuries were recorded at FENC sites in 2025, representing a 100% increase from the previous year statistically. The main contributing factor is the gas explosion that occurred at Hsinpu Chemical Fiber Plant, which injured 19 employees and caused the unfortunate death of two employees. FENC provided all assistance possible to the families of the deceased with funeral arrangements and compensation that exceeds the regulatory requirement. Employees suffering injuries received comprehensive medical care, 24-hour care and support as well as psychological first aid. A probe was conducted to examine the incident with the most stringent standards. TÜV Rheinland Taiwan was commissioned to conduct a professional third-party process safety audit and root cause analysis, which served as the anchor for the overhaul that followed. Additionally, a CCTV+AI smoke detection system for heat transfer fluids has been incorporated to enhance real-time early warning. For details regarding this incident, please refer to [Special Report 3. Response and Prevention Mechanism in the Wake of the Gas Explosion Incident at Hsinpu Chemical Fiber Plant](#) .

Another unfortunate incident was recorded at OTIZ during the reporting year. An employee was caught in the roller while cleaning textile equipment and sadly suffocated. To keep tragedies such as this from happening in the future, OTIZ has made sure the necessary improvements are completed, adding an interlock device for the stop rope tensioner/door drive and replacing manual operation with automated spray cleaning to avoid risking personnel safety. The risk identification protocol and standard operating procedures have also been revised, and OTIZ is strengthening organizational safety training and conducting thorough inspections to identify any hazards.

Among the occupational injuries, “others (falls)” ranks the highest with 13 cases recorded, followed by “cuts/abrasions/punctures” with 11 cases. The main cause is low hazard awareness among staff. “Explosions” tied as the second highest category with 11 cases, which is the result of the gas explosion at Hsinpu Chemical Fiber Plant. Regarding these occupational injuries, investigations have been completed in accordance with the established procedures, and improvement measures have been implemented. To prevent occupational incidents, preventive measures targeting the causes have been proposed as follows.

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.
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.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

A total of nine occupational incidents involving contractors at FENC’s production and operation sites were recorded in 2025, which is 44% higher than the five cases recorded in 2024. Crash-related incidents rank the highest with three cases recorded. To keep this type of incidents from happening, the following countermeasures have been proposed:

- 1. Unauthorized personnel are not permitted in the vehicle operation zone.
- 2. Reinforced awareness training is provided to contractor employees, and personnel entering the restricted area must wear reflective safety vests to increase visibility.
- 3. Enhanced training is provided to contractor employees and crash incidents are included as case studies during training.

Contractor’s Occupational Injury at Production Sites

		2022	2023	2024	2025
Occupational Injury Cases	Male	8	9	3	9
	Female	1	0	2	0
	Total	9	9	5	9
Injury Rate (IR)	Male	0.45	0.49	0.19	0.19
	Female	0.06	0.00	0.12	0.00
	Total	0.50	0.49	0.31	0.19
Lost Time Injury Frequency Rate (LTIFR)	Male	2.23	2.46	0.93	0.96
	Female	0.28	0.00	0.62	0.00
	Total	2.50	2.46	1.55	0.96
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. Beginning in 2025, disclosures from PFEM have been included.

2. Total work hours of contractors are 9,385,085 hours in 2025, 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 2022, 2024 and 2025. However, there was 1 severe occupational injury related to being caught-in/between in 2023.

4. There were no occupational illnesses between 2022 and 2025.

5. Please refer to [7.1 Environmental and Employee Indicators](#)  for the calculation formula and definition.

2025 Process Safety Incident Statistics for Employees and Contractors

	Petrochemical	Polyester	Textile	Total
Process Safety Incidents Counts (PSIC) (Total)	5	8	7	20
Tier 1 Process Safety Incidents Counts (PSIC)	0	1	1	2
Total Severity Points of Tier 1 Process Safety Incidents	0	9	57	66
Process Safety Total Incident Rate (PSTIR)	0	0.01	0.01	0.01
Process Safety Incident Severity Rate (PSISR)	0	0.55	0.05	0.24

Note:

1. Statistics cover 100% production sites in this report. Beginning in 2025, disclosures from PFEM have been included.

2. Total work hours of employees and contractors are 54,171,748 hours in 2025, not including the Corporate Management.

3. Process Safety Total Incident Rate (PSTIR) =(tier 1 process safety incidents counts x 200,000) / total work hours

4. Process Safety Incident Severity Rate (PSISR) =(total severity points of tier 1 process safety incidents x 200,000) / total work hours

The 2025 statistics pertaining to occupational injuries at FENC production sites have been analyzed and compared by industry with the 2024 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 and Textile Businesses are lower than those from the industry peers. A disabling injury severity rate higher than those from industry counterparts is observed in the Polyester Business, which is the result of the gas explosion incident at Hsinpu Chemical Fiber Plant, which caused fatalities and lost hours among injured employees.

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	0.29	8	1.99	49	2.05	159
Statistics from FENC	0	0	2.16	1,198	0.88	3

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 2024 statistics for the petrochemical, chemical material manufacturing and textile industries from Occupational Safety and Health Administration, Ministry of Labor.

Saddened deeply by the unfortunate occupational incidents that caused harm to the employees, FENC takes these lessons and its commitment to safety and health management to heart. Turning grief into motivation, the Company has adopted aggressive measures to implement hazard identification and risk control while perfecting the operating procedures and requiring compliance from all employees. These are considered top priorities for occupational safety and health management, which will help FENC keep incidents such as these from ever happening again.

Content

Preface

Special Report

1 Fostering Robust Governance

2 Enabling Unlimited Innovation

3 Navigating a Green Future

4 Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

5 Cultivating Compassionate Bonds

6 Advocating Balanced Coexistence

7 Appendix

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, proactively serving as a core leader. To scale the program and demonstrate its commitment to safety and health management, the plant established another safety and health family, "Wei Nin Ping An," in 2023. Acting as the core leader of this new family, Kuanyin Chemical Fiber Plant continues to leverage its scale to mentor smaller enterprises, collaboratively fostering workplace safety awareness and a robust safety culture to elevate the safety and health knowledge of employees, contractors, and the general public. In 2025, its outstanding efforts were recognized with the "Award of Excellence" at the Safety and Health Family Performance Reward and Selection Competition organized by the Taoyuan City Government.

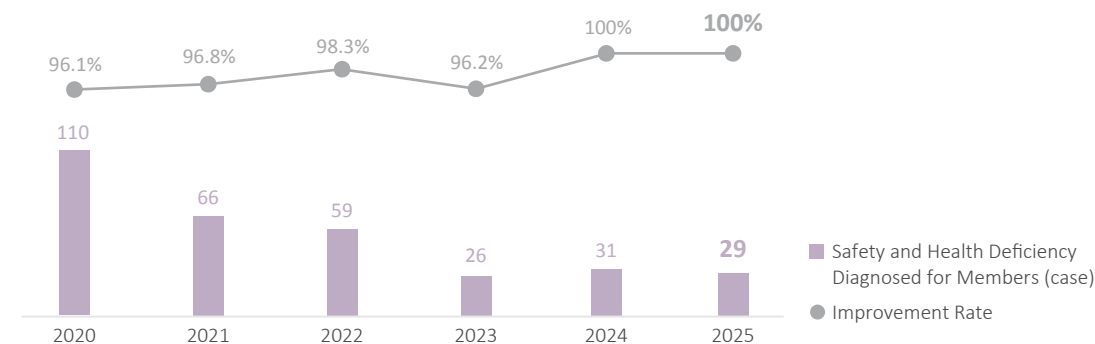


Award of Excellence-Kuansin E Family

- Its efforts in 2025 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 98 participants, including plant supervisors, safety and health management personnel, junior staff and members within Kuansin E Family.
 - Kuanyin Chemical Fiber Plant actively assists its family partners (contractors) in diagnosing Occupational Health and Safety (OHS) issues and formulating corrective action plans. In 2025, 29 diagnostic recommendations were proposed, all of which have been fully resolved, achieving a 100% improvement rate. Compared to 2024, the number of recommendations decreased slightly, and contractors with identified deficiencies demonstrated a strong commitment to complying with OHS improvement measures. This indicates that the implementation of the Safety and Health Family program has effectively elevated personnel safety awareness. By proactively leveraging self-management and review mechanisms, we are collaboratively fostering a sound OHS environment and cultivating a robust workplace safety culture.



Performance of Safety and Health Family Program



Commuting Safety Initiative Between FEAV and Customers



FEAV introduced a commuting safety initiative with Nike in 2024. The partnership has helped build a culture of safety, improving safety during employees' commute while preventing and minimizing commuting accidents. In 2025, the project team gathered feedback from 337 employees regarding transportation and commuting conditions, and meetings were held among applicable departments to establish corrective and preventive actions based on the results. The measures include designating pick-up and drop-off zones for employees using the factory shuttle service; monitoring the condition of the shuttles by reviewing vehicle inspection and registration records, and eight vehicles are currently undergoing regular inspections. Two training sessions for traffic safety awareness were also held in 2025, with 1,870 employees in attendance.





Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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 a healthy workplace, FENC headquarters, Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant, and FEIW 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 fully subsidizes annual health checkups for expatriate personnel and biennial checkups for senior executives. In 2025, a total of 239 senior executives completed their health examinations, with total subsidies amounting to approximately NT\$4.78 million. For general employees, FENC organizes on-site health checkups in collaboration with hospitals every two years. Following these examinations, our on-site healthcare professionals proactively notify employees with abnormal results, ensuring systematic follow-up consultations and continuous health tracking.

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 provide annual health checkups for employees, and female employees who wish to also receive gynecological checkups.

- **Holistic Health Empowerment**
Employees are faced with both physical and mental challenges in a fast-paced working environment, which prompted FENC to launch the Holistic Health Lecture Series, building a platform that supports employees with health information covering topics such as physical health, mental resilience, stress management and

nutrition. The central focus is to empower employees with the ability of self-care and to integrate health awareness into their daily decision-making. The benefits are reflected in the improvement of employees’ self-health management skills and atmosphere at work. Employees’ awareness of FENC’s investment in their health and well-being also improved their work engagement and sense of belonging, which is fostering a cohesive corporate culture at FENC.

In the wake of the gas explosion incident that occurred at Hsinpu Chemical Fiber Plant in February 2025, a three-month care program was offered to 59 employees who experienced psychological impacts. Ten sessions were held in collaboration with the Far Eastern Memorial Hospital, helping employees recover and adapt as they returned to the workplace.



Kuanyin Dyeing and Finishing Plant and FEFC Passing Self-assessments of Workplace Health Promotion Program



A healthy workforce is the cornerstone of corporate sustainable development. Since 2003, the Health Promotion Administration of the Ministry of Health and Welfare has been promoting the healthy workplace initiative, assisting companies in creating a quality working environment beneficial to employee health. To date, more than 30,000 companies have joined in. To enhance and promote a culture of healthy workplace, the initiative transitioned into the Self-assessment of Workplace Health Promotion program in 2025, which encourages the adoption of the Plan-Do-Check-Act cycle at the workplace to build a health promotion framework. FEFC and Kuanyin Dyeing and Finishing Plant have been active promoters of a healthy workplace and dedicated efforts to improve employee health. Both have completed the assessments and received the accreditation in November and September 2025, respectively.



Content

- Preface
- ◆

Special Report
- ①

Fostering Robust Governance
- ②

Enabling Unlimited Innovation
- ③

Navigating a Green Future

- ④

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

- ⑤

Cultivating Compassionate Bonds
- ⑥

Advocating Balanced Coexistence
- ⑦

Appendix

2025 Health Lectures at FENC Sites

Theme	Production Site	Topic	Focus
Nutrition and Weight Control	Hsinpu Chemical Fiber Plant	Dietary health	A collaboration with the beverage brand, Pocari Sweat, the lecture gave an overview of metabolic syndrome and dietary improvement with ways of enhancing gut health through dietary fiber. A total of 29 employees attended the course.
	OPTC	Nutrition (snack) and aerobic exercise	The lecture and exercise improved employees’ knowledge of nutrition and cardiopulmonary capacity. A total of 59 employees attended the course.
		Nutrition (meal box) and strength training	The course and training helped employees make healthier dietary choices and develop muscle endurance. A total of 55 employees attended the course.
		Nutrition (convenience store food) and yoga	Employees learned to make healthy choices while selecting products from convenience stores and relax and stretch through yoga.
	Kuanyin Dyeing and Finishing Plant	Weight loss, dietary education and aerobic endurance training	Combining diet and exercise, the course aimed to help weight loss program members lose weight healthily. A total of 24 employees attended the course.
Mental Health	FENC	Developing mental strength: enhancing psychological resilience	A total of 48 employees attended the course.
		Enhancing emotional resilience in life and at work with emotional management	A total of 53 employees attended the course.
	FEPV	Workplace stress management	A total of 178 employees attended the course.
		Emotional intelligence, self-awareness and self-mastery	A total of 203 employees attended the course.
Disease Prevention and Mitigation	Hsinpu Chemical Fiber Plant and Kuanyin Chemical Fiber Plant	Musculoskeletal stretch and stress relief	This was a collaborative program with the Taoyuan General Hospital. The courses were conducted at the plants and taught by physical therapists as well as Gyrokinesis and yoga instructors, covering topics such as the importance of correct postures, muscle strength training, ergonomic hazard prevention, musculoskeletal relaxation techniques and stress relief. A total of 92 employees attended the courses.
	OGM	Gyrokinesis stress-relieving exercises	Employees learned musculoskeletal relaxation techniques during the session. A total of five employees attended the course.
	Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant and OGM	Dementia prevention	Employees were trained to identify possible signs of dementia and on prevention approaches. A total of 30 employees attended the courses.

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	340	39	174	8	140	26	16	5	10	0
High Temperature	65	0	35	0	29	0	1	0	0	0
Dust	225	3	190	3	35	0	0	0	0	0
Ionizing Radiation	22	1	12	1	10	0	0	0	0	0
Organic Solvents and Specialty Chemicals	37	10	31	8	6	2	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.

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.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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.

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

Production sites in Taiwan have 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.

• Four Major Health Programs

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.

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.

• Health Protection for Middle-Aged and Elderly Workers

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

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	-	33	-	33	-	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 2025, a total of 33 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	1,756	344	1,739	342	17	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	2,200	426	2,078	415	106	11	16	0
	Action plan: In 2025, a total of 16 male employees were identified as being high-risk; 106 were identified as having low to medium risks, 117 of whom were male and 11 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	2,359	424	2,288	418	71	6	0	0
	Action plan: The self-assessment form for musculoskeletal disorders was distributed among employees, there were no employees found to be under the influence of ergonomic hazards in 2025. 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 77 employees were identified as potentially being influenced by ergonomic hazardsThose 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.							

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.

Many of the employees of FIGP’s contractors are over the age of 60. Thus, particular attention is paid to the prevention of severe heat strokes through the following measures:

- ◆ Rules regarding the measurement of the wet-bulb globe temperature and work time adjustments are posted before operations, and compliance is required.
- ◆ Cold water and oral rehydration solutions are provided at the rest break area and employees are required to replenish water and salt as needed.
- ◆ An air-conditioned rest break area is provided.
- ◆ Employees are required to wear air-conditioned clothing and cooling vests.

Content

	Preface
◆	Special Report
1	Fostering Robust Governance
2	Enabling Unlimited Innovation
3	Navigating a Green Future
4	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
5	Cultivating Compassionate Bonds
6	Advocating Balanced Coexistence
7	Appendix

In addition, senior forklift operators may experience declining motor skills and vision. Thus, training is conducted regularly to provide support and reinforcement. Workplace lighting is also tested periodically and improved as needed to ensure proper working conditions.

5. Healthy and Sustainable Canteen

FENC has a deep appreciation for the vitality of food to employees’ physical and mental health. Among its production sites, 85% have canteens dedicated for employees or provide catering services. The rest do not offer such arrangements due to space constraints or lower employee counts. The Company is committed to providing food that is clean and nutritious with great varieties, giving employees a dining experience that is safe and comfortable. Qualified vendors are selected, and the Canteen Committee is also involved in meal and menu planning, making sure the food is prepared with low oil, salt and sugar. Diverse groups are also taken care of with alternatives such as vegetarian options. To ensure food safety management, all canteens undergo regular and unannounced health inspections. Strict standards apply throughout the entire process, from ingredient traceability, acceptance to food preparation, guaranteeing the safety and security of every bite.



Additionally, FENC advocates sustainability by choosing local ingredients first, which also reduces carbon footprints. Disposable utensils are no longer provided, and staff are encouraged to prepare their own. Since 2024, the Corporate Management has been promoting a food waste reduction program, where employees may donate meal boxes they had paid for to other employees through the meal-ordering system. As of the end of 2025, the program had kept 1,867 meal boxes from going to waste. These considerate arrangements have satisfied employees’ stomachs and more importantly, cared for their health, replenishing their energy through tasty meals amid work responsibilities.

The Canteen Committee conducts regular employee satisfaction surveys, primarily evaluating aspects such as portion size, variety of dishes, taste and quality. The results are positive overall. Dissatisfactions are also reviewed and addressed.

6. Health Program

• Flu Vaccination Campaign

FENC production sites in Taiwan encourage employees to receive flu vaccines. Some pay for the full expenses and arrange for healthcare professionals to administer the vaccines during working hours on site, offering employees convenience and protection against the flu.



Statistics on Flu Vaccination

Production Site	Number of Employee Vaccinated (Company Funded)	Number of Employee Vaccinated (Government Funded)	Vaccination Rate
Hsinpu Chemical Fiber Plant	659	92	54%
Kuanyin Chemical Fiber Plant	249	38	51%
OGM	106	34	63%

• Healthcare for Employees and Their Families

To protect the health of its employees and their families, FEAV launched a vaccination campaign in collaboration with the Vietnam Vaccine Company (VNVC) to protect employees and their loved ones from seasonal flu. For each participant, FEAV provided one free dose of vaccine made by a French pharmaceutical company. From November 2024 to the end of June 2025, 1,756 employees and their family members had been vaccinated.

Production department staff

FENV helped me go through express registration, and I did not have to wait in line at the VNVC vaccination site like I did before. I am truly grateful to FENV for providing this helpful gift of health.

Quality control department staff

My mother lives in Thanh Hóa Province, which is quite far away. I never thought that she would be eligible for FENV’s vaccination campaign. I am deeply moved by such attentiveness.



On March 14 and 15, 2025, FEIW teamed up with the community health center and provided a free cancer screening program. A one-stop service station was set up for the screening of cervical and breast cancer, hoping to protect employees through prevention and help them with early treatment, which also safeguards FEIW’s talent and health capital. A total of 65 employees took advantage of the screening service, representing 50% of its workforce. After the screening, employees received their own health profiles, and those requiring follow-ups were given priority access through the community health center’s “green passage.” The responses towards this program have been positive, as one employee expressed, “Swamped by work and family, I kept postponing my own health checkup. FEIW had made it so convenient by providing the screening service at work! This thoughtful gesture makes working here feel nurturing.” Another remarked, “The kindness I have felt is energizing me at work!”

Content

Preface

◆ Special Report

① Fostering Robust Governance

② Enabling Unlimited Innovation

③ Navigating a Green Future

④ **Creating Inclusive Society**

2025 Highlight

Target and Progress

Sustainability Issues

4.1 Molding a Diverse and Inclusive Workplace

4.2 Fostering Employee Career Planning

4.3 Reinforcing Operational Safety and Occupational Safety

4.4 Shaping Sustainable Supply Chain

⑤ Cultivating Compassionate Bonds

⑥ Advocating Balanced Coexistence

⑦ Appendix

4.4 Shaping Sustainable Supply Chain

FENC is a vertically integrated industrial conglomerate that spans across the petrochemical, polyester and textile industries with vast and complex procurement handlings. Supplier selection, management and ESG risk assessments are conducted by the FEG Purchasing Center as well as the procurement departments and units responsible for primary raw materials at all FENC sites. The goal is to enhance transparency and encourage collaboration across the entire supply chain.

FENC is fully aware of the crucial role of supply chain management in corporate sustainability as it strives to keep this management mechanism functioning and effective. The Board serves as the highest supervisory and decision-making entity overseeing the sustainable supply chain management plan. The implementation, outcome, risk assessment and improvement plan of supplier sustainability management are submitted to the Sustainability Committee under the Board for review and oversight, keeping the course of supply chain development in line with the overall sustainability strategies and helping FENC form responsible global partnerships.

4.4.1 Responsible and Resilient Supply Chain Management

Management Policy

FENC operates globally with locations spanning across Taiwan, mainland China, Vietnam, Japan, Malaysia and the U.S. The Company is committed to integrating ESG standards into supply chain management and supports this management framework with well-defined policies. Supplier management rules that respect local regulations and production needs at each FENC site have also been established.

1. Sustainable Supply Chain Management Policy

The Sustainable Supply Chain Policy sets clear expectations regarding the labor rights, environmental practices and ethical conducts for all suppliers. With the intent of building long-term supplier partnerships founded on trust, the policy covers integrity governance, climate action, human rights protection and performance improvement. While FENC applies the Quality, Cost, Delivery, Service framework and focuses on ESG performance, efforts are also put into helping partners strengthen sustainability capabilities. Suppliers are evaluated and selected based on comprehensive performance, and the policy serves to aspire FENC and its suppliers to adhere to the standards, working together to build quality and resilience for the supply chain.

Sustainable Supply Chain Management Policy

2. 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”



Sustainable Procurement and Green Procurement

Green procurement at FENC amounted to NT\$3.1 billion in 2025 with the majority going to the purchase of recycled raw materials. To FENC, green procurement is a key strategy to manage environmental risks and achieve low-carbon transition for the supply chain. Hence, it has been incorporated systematically into assessment mechanisms related to environmental, safety and chemical management as components in the procurement and supplier management protocols. The intent is to improve resource efficiency and product compliance by reducing potential environmental risks and operational disruption.

Compliance with environmental and occupational health and safety regulations are required for the procurement of raw materials, equipment and outsourced services. Additionally, products and services with lower environmental impacts are given priority status. The evaluation criteria include energy and resource efficiency; GHG emissions, which include upstream emissions; waste and water resources management; the use of and alternative to hazardous chemicals. Environmental impacts are being assessed through phased incorporation of life cycle assessments. These requirements, along with the restricted/manufacturing restricted substances lists, raw material traceability and packaging reduction and recyclability have been included in the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement.

Critical suppliers also undergo regular ESG performance assessments. The results will facilitate the risk classification, auditing and coaching schemes in the future. The assessment is also integrated into the supplier selection, renewal and classification management process, forming a standard, audit, improvement and tracking framework.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

Recognition for Green Procurement from the Ministry of Environment and Department of Environmental Protection, Taipei City Government

Beginning in 2016, FENC has been filing the total green procurement from the previous year with the government. As of the end of 2025, the accrued green procurement has exceeded NT\$21.8 billion, bringing FENC its seventh recognition from the Ministry of Environment as the exemplary unit for green procurement. FENC’s performance also caught the attention of the Department of Environmental Protection of Taipei City Government, which presented the Company with the title, exemplary unit for green procurement among private enterprises and organizations.



Interview with FENC at the Award Ceremony

12 RESPONSIBLE PROCUREMENT AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

ESG-Based Supplier Selection and Evaluation

1. Selection process

To keep procurement decisions aligned with ESG standards, the procurement units conduct regular reviews over current purchasing practices and processes to stay in line with the Supplier Code of Conduct and Corporate Social Responsibility Commitment Statement. The internal review is a proactive mechanism that prevents potential conflicts between general purchasing and ESG requirements, ensuring responsible procurement at FENC.

In the practice of selecting merchants, 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 976 new suppliers in 2025, and 970 (99%) of which have been evaluated.

In addition, for specific risk areas, 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. Please refer to [1.4 Fortifying Digital Resilience](#) for the details.

2. Regular evaluation

At the beginning of each year, FENC conducts comprehensive performance evaluations for major suppliers from the previous year. In 2025, on-site audits were executed for 82 suppliers. The assessment results serve as the decisive criteria for procurement continuation. Suppliers failing to meet the standards are placed on a watchlist and provided with targeted improvement recommendations. Should they fail to demonstrate improvement after engagement, the partnership will be directly terminated.

In June 2024, FENC started requiring that critical suppliers complete the supplier ESG survey to evaluate their ESG performance. The results are analyzed as the basis for formulating the supplier ESG improvement plan. In 2025, 100% of critical suppliers (1,013 companies) completed the survey and were supported with development measures.

The following table presents a summary of supplier assessments conducted by the procurement units at FENC’s global production and operation sites in 2025. 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 2025.

Note: “Critical 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.

Supplier Assessment Aspects and Number of Suppliers in 2025

	Assessment Aspect		
	Environmental	Social	Governance
Total Number of Selected Suppliers	6,422	6,422	6,422
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.

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.

Content

- Preface
- ◆ Special Report
- ① Fostering Robust Governance
- ② Enabling Unlimited Innovation
- ③ Navigating a Green Future

④ Creating Inclusive Society

- 2025 Highlight
- Target and Progress
- Sustainability Issues
- 4.1 Molding a Diverse and Inclusive Workplace
- 4.2 Fostering Employee Career Planning
- 4.3 Reinforcing Operational Safety and Occupational Safety
- 4.4 Shaping Sustainable Supply Chain

- ⑤ Cultivating Compassionate Bonds
- ⑥ Advocating Balanced Coexistence
- ⑦ Appendix

Percentage of Procurement from Local Suppliers

	Percentage of Procurement from Local Suppliers				Percentage of Procurement from Local Suppliers After Deducting Main Raw Material			
	2022	2023	2024	2025	2022	2023	2024	2025
Taiwan	44%	45%	43%	44%	63%	72%	68%	71%
Mainland China	64%	61%	82%	81%	85%	89%	81%	67%
Vietnam	19%	13%	13%	25%	67%	70%	70%	72%
Japan	98%	85%	92%	87%	98%	85%	92%	87%
U.S.	86%	92%	99%	97%	58%	71%	96%	90%
Total	53%	53%	57%	57%	75%	80%	79%	74%

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 x100%.
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

The main raw materials purchased by FENC are para-xylene (PX), purified terephthalic acid (PTA), monoethylene glycol (MEG) and Bio-MEG, which constitute critical components in FENC’s cost structure, and one that poses direct impacts on product quality and compliance with customers’ standards. To address stakeholders’ concerns regarding potential environmental impacts of main raw materials, FENC sets standards above the industry norm. As stipulated by the internal procurement management procedures and regulations, the Company selects main raw material suppliers that comply with government regulations and ESG guidelines with third-party audit and assurance.

The procurement of PX, PTA, and MEG must strictly comply with the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) enacted by the European Union and Halal Certification to ensure market access and compliance risk management.

Meanwhile, FENC is developing and incorporating recycled and biomass materials, such as Bio-MEG, Bio-PTA, 100% Bio-PET and polylactic acid (PLA) to reduce the reliance on fossil feedstocks and support the circular economy.

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

Risk	Risk Scale	Response Strategy	Detail
 Supply Disruption Risk	 High	Reinforced supply chain resilience	1. Reputable suppliers of a certain scale are selected from different regions to secure stable supply. 2. FENC maintains long-term and mutually benefitting partnerships and exchanges market information regularly with domestic and international suppliers. 3. The quantity of safety stock inventory is established for critical raw materials.
 Quality Risk	 Medium	Quality control at the source	1. Incoming quality control and regular on-site audits are conducted with strict standards applied.
 Price Fluctuation Risk	 Medium	Locked in low costs and risk hedging	1. Price risks are avoided through long-term contracts or futures hedging for bulk commodities. 2. Market conditions for raw materials are monitored and inventory strategies are adjusted accordingly.
 Climate and Sustainability Risk	 Medium	Green supply chain management	1. Suppliers must identify and manage climate-related risks. They are encouraged to set company-wide GHG reduction targets and achieve them through cost-effective ways. 2. Procurement plans are reviewed as needed to reduce overstocking and waste of resources.
 Compliance and Qualification Risk	 Low	Supplier due diligence	1. FENC chooses reputable suppliers which comply with international standards. 2. Measures are in place to ensure that raw materials comply with international environmental regulations, such as Restriction of Hazardous Substances and REACH, and customers are provided with premium-quality raw materials that fulfill contractual requirements.
 Logistics and Transportation Risk	 Low	Diversified logistics deployment	1. Full cargo insurance covering the entire transportation process is provided, and complete shipping information is required for tracking purposes to ensure supplier and raw material safety. When the logistics operations are affected due to force majeure, the shipping arrangement is modified immediately to keep the delivery on schedule.

Note: The risk scale is divided into high, medium and low based on the risk score, which ranges from 1 to 25 from the lowest to highest. Risk score = likelihood of occurrence (1-5) × severity (1-5).

Procurement of Main Raw Materials (Usage)

Unit: 1,000 metric tons

Main Raw Material	2022	2023	2024	2025
PX	1,369	1,192	913	731
PTA	1,773	1,389	1,756	1,583
MEG and Bio-MEG	687	671	758	607

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

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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 82 suppliers in 2025.
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.

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.

OPTC establishes partnerships and signs long-term contracts with local transport suppliers. Regular supplier safety and quality review meetings are held, and those delivering exceptional performance are recognized and incentivized during OPTC’s annual executive meeting. Suppliers with safety and quality issues are disincentivized with an immediate non-compliance report (NCR) to require improvement. To encourage swift action from suppliers after receiving NCR, their assignments are suspended until improvements are completed.

1. Reduce environmental impact:

FENC production sites encourage transport suppliers to utilize more eco-friendly vehicles at their premises. The plant in Shanghai, mainland China, for instance, encourages the use of electric, hybrid or biofuel vehicles to support the government policy and reduce pollution. In the future, priority consideration and a greater share of transportation assignments will be given to green-label vehicles to reduce environmental impacts.

2. Optimize logistics operations:

Routes and scheduling between departure and destination points such as factories, shipping yards, ports and customers’ bases are configured to optimize shipping logistics, reduce inefficient transport such as deadheading and fuel waste and shorten the freight distance and vehicle wait time. The next step is to introduce AI and big data analytics to reach carbon reduction targets.

3. Minimize risks of weather-induced shipping delays:

In response to extreme weather patterns, forecasts are monitored closely to avoid weather-induced risks and facilitate advanced shipping schedule adjustments. For instance, transport suppliers are reminded to dispatch

vehicles earlier for loading to stay ahead of approaching typhoons or heavy rainfall, which could result in disasters. High-risk routes are also avoided to prevent shipping delays.

4. Encourage shared transportation:

When appropriate, orders are grouped into the same delivery schedule. Lightweight products from different orders without special requirements are consolidated into one freight truck to improve efficiency by reducing the number of trips required for delivery, which lowers fuel consumption and carbon emissions.

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	1. All transport suppliers shall comply with local and international regulations. 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. 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).
Management	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. 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. 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.
2025 Performance	All marine transport contractors have satisfied the above selection criteria in 2025. There were no transport disputes or occupational safety issues. Nor were there any incidents that pose negative environmental and social impact.

Content

	Preface
◆	Special Report
①	Fostering Robust Governance
②	Enabling Unlimited Innovation
③	Navigating a Green Future
④	Creating Inclusive Society
	2025 Highlight
	Target and Progress
	Sustainability Issues
	4.1 Molding a Diverse and Inclusive Workplace
	4.2 Fostering Employee Career Planning
	4.3 Reinforcing Operational Safety and Occupational Safety
	4.4 Shaping Sustainable Supply Chain
⑤	Cultivating Compassionate Bonds
⑥	Advocating Balanced Coexistence
⑦	Appendix

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	1. Transport suppliers must ensure that all vehicles comply with local emission standards. Suppliers with current Company contracts must phase out dated vehicles. 2. Based on the goods transported, transport suppliers must obtain required permits and licenses in accordance with governmental regulations and the weight limit. 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.
Management	1. 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. 2. Transport suppliers are required to install dashcams or surveillance cameras for trailers on vehicles. According to the sampling conducted by FENV in 2025, over 80% of the vehicles have complied with the requirement. 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. 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 control over vehicle equipment; driver behaviors; GPS speedometer reading; personal equipment; loading and unloading operations; prevention of driver fatigue. 5. Training: Regular health checkups are required when applicable for employees of transport suppliers. FENC offers annual safety training. Outreach and audits are also conducted when needed. In addition, FENC provides emergency response training with bulletin board posts addressing emergency response procedures for scenarios such as disconnected fifth wheel, vehicle rollovers, collisions and fires. 6. Incentivization: Transport suppliers incentivize drivers who conserve fuels and FENC incentivizes transport suppliers with early green vehicle adoption by allocating additional shipment. 7. Freight consolidation: Light-weight products for different customers are consolidated into one delivery vehicle to reduce the number of vehicles and trips. 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. 9. Smart route planning: Delivery routes are optimized for vehicles to pick up recycled packaging materials on the return trip and avoid truck deadheading.
2025 Performance	1. Key discussions during the 2025 transportation environment, safety and health review meetings at FENC production sites: - Deficiencies in workplace safety were examined. To achieve zero accidents, transport suppliers were asked to comply with factory regulations and to implement measures such as placing warning cones during loading and unloading; ensuring that PPE is properly worn; requiring licensed drivers; improving the safety of fifth-wheel coupling; prohibiting vehicles with abnormal conditions from entering the plant premises. - Personnel were made aware of the precautions regarding loading and unloading within the plant, higher penalties were enforced for contraband, and transport suppliers were required to reinforce training. 2. All land transport suppliers met the above screening criteria in 2025, and the results of all inspections are in compliance.

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.

On May 23, 2025, a tanker truck en route to OPTC was involved in a traffic incident. Fully loaded with 29.13 metric tons of PX, the tanker tried to pass through a curve without decelerating. Pushed by the centrifugal force of the sloshing liquid, the tanker overturned to the right, spilling 15.90 metric tons of PX as a result. Fortunately, the driver was unharmed and discharged from the hospital on the same day. The incident caused damages to seven passenger vehicles parked on the roadside, and the owners of six of the vehicles had been compensated prior to the end of September after reaching settlements. OPTC responded right away as the incident occurred by activating its emergency response protocols. The management personnel rushed to the scene and took immediate action. The transport contractor also proceeded with chemical spill containment by placing sandbags at two strategic points along the downstream drainage ditch as instructed by the Department of Environmental Protection. Meanwhile, a licensed wastewater disposal company commissioned by OPTC pumped a total of 136.63 tons of liquid waste using specialized equipment. The wastewater was then transported to a qualified facility for proper disposal. After cleanup and subsequent monitoring, the incident did not result in substantial impact on the surrounding environment.

To prevent similar incidents from recurring, OPTC probed into the incident and held a review meeting on June 2 to identify the cause and any deficiencies in its management approaches. The improvement measures established include:

1. Strengthen safety training and promote risk awareness among transport suppliers.
2. Amend applicable rules to increase penalties for violations.
3. Enforce strict standards regarding driving speed and safety management for loaded vehicles.
4. Adopt assistive technology for risk prevention with plans for installing a speed detection and warning system on vehicles to prevent turning at high speed.

To protect the personnel and environment, FENC will continue to bolster supplier and contractor management, ensuring transportation safety and honing its risk prevention and agile response capabilities.

Content

Preface

◆

Special Report

①

Fostering Robust Governance

②

Enabling Unlimited Innovation

③

Navigating a Green Future

④

Creating Inclusive Society

2025 Highlight

Target and Progress

Sustainability Issues

4.1

Molding a Diverse and Inclusive Workplace

4.2

Fostering Employee Career Planning

4.3

Reinforcing Operational Safety and Occupational Safety

4.4

Shaping Sustainable Supply Chain

⑤

Cultivating Compassionate Bonds

⑥

Advocating Balanced Coexistence

⑦

Appendix

Risk Indicator and Control Mechanism for Land Transport Contractors

Item	Risk Indicator	Control Mechanism
Qualification and Behavioral Review	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. 2. Vehicle operators work overtime and experience driver fatigue. 3. Professional vehicle operators must provide required license for vehicles operated, and permit for transporting hazardous materials to carry out such operations.	1. Pre-work training and trial runs are provided for suppliers. 2. Working hours are subject to local labor regulations.
Transport Equipment	1. The selection of comprehensive transport equipment. 2. The use of chemical tankers for chemical materials. 3. The use of environmentally friendly vehicles to reduce CO2 emissions. 4. Regular maintenance and exhaust check at the inspection station.	1. Inspections are conducted before, during and after the transport. 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. 3. The GPS system is installed to monitor vehicle conditions. 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).
External Environment	1. Weight limit. 2. Road maintenance. 3. Poor weather conditions that affect visibility. 4. Dusty conditions and environmental pollution.	1. Vehicle capacity shall comply with the weight limit set forth in traffic regulations. 2. Safety is priority. Transport operation shall be postponed during poor weather or road conditions. 3. When transporting breakbulk cargo, lead with sprinkler truck to reduce dust.

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 premises 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.

2025 Performance: There was one incident involving leakage of hazardous chemicals and materials during the transport of raw materials and finished products for FENC. The incident involved a tanker rollover that resulted in a PX spill. Please refer to [Land Transport](#)  for the details.