福懋興業股份有限公司
FORMOSA TAFFETA CO.,LTD.

2024 永續報告書
SUSTAINABILITY REPORT

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About the Report

Formosa Taffeta Co., Ltd. (hereafter the Company) issues a sustainability report annually to disclose to stakeholders the Company's strategies, actions, and performance in environmental sustainability, social prosperity, and corporate governance, with the goal of pursuing sustainable development. The Sustainability Report for the previous year (2023) was published in June 2024. The Sustainability Report for the year 2024 is scheduled to be published in August 2025.

Report Guidelines

This report is prepared in accordance with GRI Standards: 2021 and with reference to "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," "SASB standards," and "TCFD framework." Unless otherwise specified, all monetary amounts in this report are expressed in New Taiwan Dollars (NT$). Relevant descriptions use internationally recognized indicators or are annotated alongside data charts.

Boundary and Scope of the Report

The disclosed information is what took place from January 1 to December 31, 2024. The report boundary includes FTC (main plant and second plant), Formosa Taffeta (Zhong-Shan) CO., LTD., Formosa Taffeta (Chang-Shu) CO., LTD., Formosa Taffeta Vietnam CO., LTD., Formosa Taffeta Dong-nai CO., LTD., and petroleum stations of Formosa Petrol Stations (FPS). The exclusion of Formosa Development Co. Ltd., Formosa Taffeta (Hong Kong), Public More International Company Ltd. from disclosure in this Report is due to the fact that their total workforce only has 11, and without factories set up. Therefore, their data on Environmental and Social aspects are only the small. If the data specified in the chapter is different from the boundary of this Report, it will be specifically described in the Remarks of relevant tables and figures.

Third Party Verification

The Sustainability Task Force collects data annually and compiles the Sustainability Report, which is then verified by a third-party verification agency to ensure reasonableness and authenticity. Before the report is publicly published, it must first be submitted to the Sustainability Development Committee for review and reported to the Board of Directors for approval. All financial information in the report is sourced from the annual financial statements audited and certified by certified public accountants. In order to strengthen the comparability of performance and the essentiality of the report, this Report has been verified by the third party in accordance with AA1000AS v3 type 1 moderate assurance to ensure this Report the quality principles of accuracy, balance, clarity, comparability, completeness, reliability, and timeliness. Please refer to the Appendix for the verification statement.

Data Collection and Drafting of the Report	Report Compilation	Internal Audit	External Verification
Data collected by the Sustainability Task Force	Consolidated by the Office of the President	Sustainability Development Committee and Board of Directors Review and Approval	Verification by SGS

Contact Information

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Message from the President

In the current global context of facing challenges related to climate change, social responsibility, and governance, Formosa Taffeta Co., Ltd. (hereafter FTC) fully understands that a corporation not only bears the responsibility for business growth but also shoulders the mission of giving back to society and protecting the environment. Upholding the spirit of "taking from society and giving back to society," FTC has deeply integrated Environmental, Social, and Corporate Governance (ESG) objectives into the core of management, promoting sustainable development through innovative thinking. Beyond a commitment, this is also the key driving force behind the growth and prosperity of FTC.

Looking back on 2024, despite the complex international economic situation and the escalating risks and challenges brought about by climate change, FTC has continued to deepen sustainability efforts, achieving significant progress particularly in carbon reduction targets. Through the establishment of this objective, further improvements have been made in resource efficiency, energy and water conservation, as well as in the application of renewable energy, thereby reducing the consumption of natural resources. In 2024, FTC was awarded with the "Outstanding Enterprise in Resource Recycling" award and the "Excellence Award for Net Zero Industry Competitiveness." Additionally, FTC received leadership-level certification in the CDP categories of Climate Change and Water Security. These achievements not only affirm existing efforts, but also strengthen our conviction that continuous commitment to environmental protection is key to achieving sustainability.

People are our most valuable asset. We firmly believe that the sustainable development of the Company stems from the support and collective growth of every employee. Therefore, FTC aims to not only attract and nurture outstanding talent, but also to create an environment conducive to good work-life balance. Moreover, the Company aims to become a strong and comprehensive support system for our employees. This is shown through industry-academia collaboration, the establishment of a comprehensive talent management mechanism encompassing the selection, development, utilization, and retention, as well as diversified employee welfare programs, i.e. childbirth subsidies, childcare allowances, and subsidies for the purchase of electric motorcycles. Furthermore, to enable employees' families to grow together with the Company, we have established the FTC Kindergarten at the Taiwan headquarters, providing educational services for employees' children, allowing every employee to fully dedicate themselves with peace of mind.

In terms of corporate governance, FTC believes that a transparent and robust governance framework is fundamental for a company to remain invincible in a changing environment. We continuously optimize our corporate governance mechanisms and have established an ESG promotion organization to ensure the implementation of ESG objectives in all operational activities. Our credit rating has reached twA-1/twA with a stable outlook, further demonstrating our efforts and achievements in sound development and risk management. At the same time, FTC is applying innovative technologies to company operations and management platforms, embracing the advent of Artificial Intelligence (AI), big data, and digital platforms. This not only enhances process efficiency but also strengthens information security measures, reduces cyber risks, and provides customers with safer and higher-quality services.

Looking ahead, we will continue to collaborate closely with stakeholders across various regions, dedicating our efforts to reducing carbon emissions, protecting water resources, enhancing energy efficiency, and promoting diversified talent development and social welfare initiatives. FTC will continue to pursue steady growth and achieve sustainable management, responding concretely to global demands for environmental friendliness, social responsibility, and sound governance. We firmly believe that through the support of employees, partners, and the society, FTC will steadily advance in an era of change, collectively moving toward a sustainable and promising future.

Formosa Taffeta Co., Ltd.

President Lee, Ming-Chang

1 Chapter
Corporate Culture and Management

1 Corporate Culture and Management

1.1 About the Company

Company Profile

The Company was incorporated on April 19, 1973, initially named "Formosa Fiber Co., Ltd.," for engagement in the weaving, dyeing, finishing, and printing of polyamide and polyester filament woven taffeta fabric. Renamed as Formosa Taffeta Co., Ltd. in Jan. 1979, the Company was listed in Dec., 1985 on Taiwan Stock Exchange, which has been enlarged in subsequent years, via several capital increments with earnings to fund business diversification. The Company 's registered capital reached NT$16,846,646,370 since August, 2006. Major products include filament polyamide/polyester woven fabrics, down-proof jacket fabric, waterproof and vapor-permeable fabric, composite functional fabric, multi-functional smart temperature-control fabric, umbrella fabric, tire cord fabric, PE bags, bullet- and stab-proof fabric, flame-retardant fabric for military, police, and firefighting use, medical and protective fabric, anti-static and antibacterial fabric for cleanroom garments, conductive fabric, carbon fiber fabric and its composites, and gas station applications. The Company has become a leading global manufacturer of filament polyamide and polyester woven fabrics in terms of both production scale and quality, especially in the fields of sportswear and outdoor functional apparel, advancing in step with fashion trends and the development of major international textile brands.

Vision

We can provide solutions to clients' various requirements and create an excellent research and development site to produce high-tech products. Through innovation, we will continue growing, satisfy the demands of stakeholders, and earn the loyalty of product users and the respect of society. We also emphasize good qualities and virtues of employees and hope them to be enthusiastic about efficient working and revolution and to value the protection of life, ecology, and environment. At last, the Company will become a famous brand for sustainable development in the industry and clients' first choice.

- Harmony
  With integrity, individuals, departments, our Company, clients, subcontractors, the community, industries, and local society are developing in harmony.
- Service
  The Company is a service provider with rapid cycles, which is beneficial for getting a foothold in the industry, and we require all employees to be accommodating and altruistic to meet clients' needs with thoughtful services.
- Innovation
  To enable the Company to achieve excellence and users to enjoy more utility, we motivate talents' potential and develop products with better intentions by proactively providing.
- Devotion
  We endeavor to align goals of the Company with social humanitarian needs across borders so as to establish a connection with the world by providing quality products, promoting industry prosperity, improving quality of life, and continuing reaching out to society.

Product Overview

The operating items of the Company include textile fabrics, tire cord fabrics, industrial material, and gas stations. The Company' s sales markets are all over the world except gas stations which are only operated in Taiwan. For detailed sales performance, please refer to IV. Operational Overview of the Company' s 2024 annual report.

Participation in External Associations

On top of effort for upgrading technology and competitiveness, the Company has joined several industrial associations and taken part in major domestic and overseas seminars to keep up with the latest global development, promote interactions with association members and create cooperative opportunities.

Participating Associations	Qualification
Chinese Association for Industrial Technology Advancement	Member
The Microfibre Consortium (TMC)	Member
Taiwan Technical Textiles Association	Member
Textile NET in Taiwan	Member
Taiwan Silk & Filament Weaving Industrial Web	Member
Taiwan Smart Textile Association	Member
Mobility In Harmony Open EV Platform	Member

1.2 Stakeholder Engagement

Stakeholder Identification

By referencing stakeholder compositions from industry peers and conducting group discussions, FTC was able to identify stakeholders who were expected to be significantly impacted by the Company's business activities, products, or services. The findings were then reviewed by the Committee and submitted to senior management for confirmation. Ultimately, the decision was made to retain the 2023 stakeholder categories: customers, investors, employees, suppliers, community residents and organizations, and government agencies; as the primary stakeholders for 2024.

Category	Significance to the Development of FTC	Issues	Communication Methods and Frequency	Effectiveness
Customer	Customer support is the key factor for the sustainable development; FTC continues to develop innovative products to meet their needs and become their long-term partners.	Product Liability Climate Change Response Water Resource Management Occupational Health and Safety	Satisfaction survey – 1 time/year Supplier meetings - Irregularly Exhibition/meetings/email/phone - Irregularly	For information on the customer satisfaction survey, please refer to Operations Overview – Customer Service. Received the highest rating in CDP Climate Change and a leadership level in the Water questionnaire.
Investor	Implement sustainable management to create stable profits and secure long-term benefits for the Company's investors.	Corporate Governance Business Performance Climate Change Response Water Resource Management	Shareholders' Meeting - 1 time/year IR conferences - 2 times/year Email/mail/phone - Irregularly	11th Corporate Governance Evaluation of TWSE/TPEx listed companies 21-35%. Attended 2 IR conference meetings. Received the highest rating in CDP Climate Change and a leadership level in the Water questionnaire. Obtained twA/twA-1 grade credit rating, with a stable outlook.
Employee	Employees are a vital asset to the Company. Through comprehensive training and the provision of a friendly and safe working environment, the Company enhances employee cohesion and commitment.	Labor Rights Welfare and Benefits Occupational Health and Safety Career Development	Labor-management/regular union meetings - at least 2 times/year Email/suggestion box/announcement - Irregularly	Held 4 labor-management meetings. Held 2 labor union meetings. Taiwan Employment Creation 99 Index.
Supplier	Raw materials provided by suppliers form the foundation for product innovation. FTC is committed to fostering harmonious partnerships and growing together with suppliers.	Procurement Practices Quality of Raw Materials Supplier ESG Evaluation	Meeting/email/phone/in-person visit - Irregularly	29 suppliers in Taiwan have signed the CSR commitment. On-site assessment of 5 suppliers in Taiwan.
Community and Organizations	We strive to create and maintain a harmonious relationship with the community and organizations to fulfill our Corporate Social Responsibility.	Social Engagement Pollutant Control	Meeting/email/phone - Irregularly	For details, please refer to the Social Prosperity section.
Government Agencies	In addition to keeping an eye on and following related laws and regulations, we maintain a well communication channel to promote the industrial development together.	Corporate Governance Climate Change Response Legal Compliance Energy Management	Meeting/email/phone/official correspondence - Irregularly	11th Corporate Governance Evaluation of TWSE/TPEx listed companies 21-35%. Awarded Best Enterprise for Industrial GHG Voluntary Reduction. Awarded the Silver Prize for Excellence in Resource Recycling Enterprises. Awarded the Net-Zero Industry Competitiveness Excellence Award.

1.3 Identification of Material Topics

Material Topic Identification Process

Following the GRI Standards: 2021 version, material topic identification is based on the "impact level". The following process is used to assess the impact level of various issues and determine the material topics for 2024:

Collecting and Identifying Issues of Concern

The foundation for identifying sustainability issues is based on international frameworks and industry standards, such as GRI Standards, SASB, ISO 26000 Guidelines, and the UN Sustainable Development Goals. Industry cases and best practices were also referenced, while stakeholder concerns were broadly collected through diverse internal and external channels, including letters, questionnaires, interviews, and focus group discussions. Following discussions by the ESG task force, 23 sustainability issues were compiled and consolidated, encompassing economic, environmental, and social dimensions as the basis for subsequent evaluation.

Analyzing the Impact of Sustainability Issues

To comprehensively assess the positive and negative impacts of each sustainability issue, a questionnaire-based evaluation was conducted, involving professional members of the Sustainability Development Committee and internal ESG team members. The survey focused on assessing the Company' s impact across economic, environmental, and human rights dimensions for each of the 23 sustainability issues, using a digitized scoring system (with impact scores ranging from 2 to 10). This process ensures that the evaluation results are both scientifically grounded and practically applicable, providing an objective basis for subsequent prioritization.

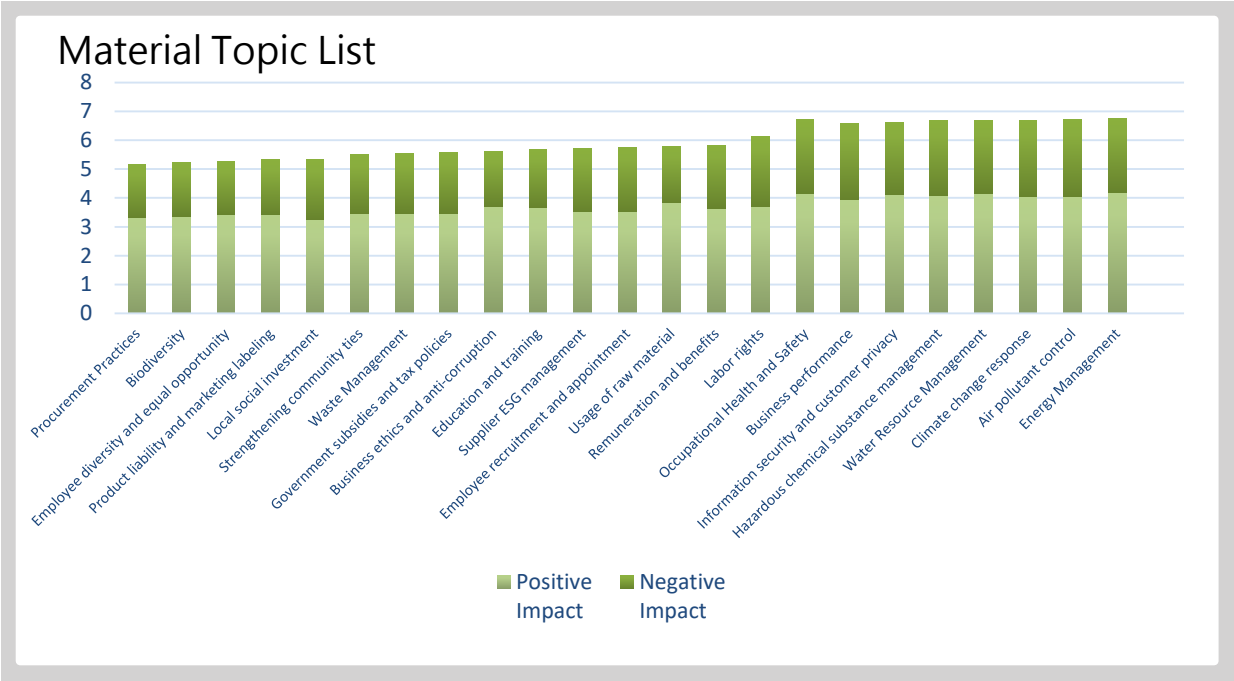
Confirming Materiality and Setting Management Policies

Based on the questionnaire results, the ESG Task Force further discussed and consolidated the findings, defining issues with a weighted average impact score above 6, combining both positive and negative impacts, as material topics. Upon identifying the material topics, the Company established corresponding management policies and goals, along with a regular review mechanism to track progress and ensure effective implementation. After evaluation this year, a total of nine material topics were identified, as follows:

- Climate Change Response
- Energy Management
- Water Resource Management
- Air Pollutant Control
- Hazardous Chemical Substances Management
- Occupational Health and Safety
- Business Performance
- Information Security and Customer Privacy
- Labor Rights

Compared to the previous year, the major thematic category for 2024 has added "Labor Rights." This shift was driven by increasingly stringent labor rights expectations from brand clients in recent years, prompting the Company to place greater emphasis on the issue and foster a sustainable workplace in partnership with employees. This highlights increased attention to the issue compared to previous years and reflects the Company' s strong commitment to employee rights and social responsibility.

We will continue to optimize labor conditions, ensure a fair workplace environment, and fulfill our commitment to corporate sustainable development. Furthermore, we will deepen management practices across key topics to meet stakeholder expectations and drive long-term value creation.



Material Topic: Climate Change Response

Corresponding SDGs: SDGs 13
Corresponding Chapter: 3-1

Impact Description

Positive Impact: Promote various carbon reduction measures, enhance management capabilities, and reduce related costs.

Negative Impact: Greenhouse gases generated during the production process will cause environmental damage and exacerbate global climate change.

Management Actions

Promote various carbon reduction measures, implement greenhouse gas inventory operations, and regularly review carbon reduction performance.

2024 Goals
Scope 1 and 2 emissions in 2024 decreased by 2.5% compared to 2019.
CDP climate change reached Leadership level

Achieved

2025 Goals
Scope 1 and 2 emissions in 2025 decreased by 17% compared to 2019.
Maintains CDP leadership level

Medium- and long-term goals
Scope 1 and 2 emissions reduced by 26.3%, Scope 3 by 30% by 2027.
A 33.8% reduction in Scope 1 and 2 emissions by the year 2030.
Achieve carbon neutrality by 2050.
Maintains CDP leadership level

Material Topic: Energy Management

Corresponding SDGs: SDGs 7
Corresponding Chapter: 3-3

Impact Description

Positive Impact: Optimizing equipment to improve processes, reducing the environmental impact of production, enhancing energy use efficiency, and lowering costs.
Negative Impact: Excessive energy consumption increases operating costs and also causes environmental impact.

Management Actions

Promote various energy-saving projects and the use of renewable energy to enhance energy use efficiency.

2024 Goals		2025 Goals
Completion of the installation of additional solar energy equipment in the Dong Nai Plant, Vietnam	Unachieved	The Taiwan Plant is to purchase 2.6 million kWh of green electricity. Complete the installation of the third phase of solar power systems, including rooftop and off-site types, at the Tay-ninh Plant.

Medium- and long-term goals
Continue to expand the purchase of green electricity to 5 million kWh per year.
Continue to expand green energy facilities to increase the proportion of renewable energy usage and reduce carbon emissions.

Improvement Plan

The project was completed and began power generation in January 2025, with renewable energy benefit calculations initiated in June.

Material Topic: Water Resource Management

Corresponding SDGs: SDGs 6
Corresponding Chapter: 3-4

Impact Description

Positive Impact: Implemented water resource management helps to reduce the environmental impact caused by the production process, and enhance operational performance by improving water use efficiency.
Negative Impact: If water resources are not properly managed, it will lead to an increase in water usage costs.

Management Actions

Promote water conservation measures, enhance the efficiency of recycled water usage, establish wastewater management regulations, and implement control and monitoring.

2024 Goals		2025 Goals
Recycling rate of reclaimed water equipment: 30% CDP water security reached Leadership level	Achieved	Recycling rate of reclaimed water equipment: 30% CDP water security reached Leadership level

Medium- and long-term goals
Increase water circulation efficiency to 50%.
Maintain the CDP Water Security Leadership Level to ensure sustainable development aligns with international standards.

Material Topic: Air Pollutant Control

Corresponding SDGs: SDGs 13
Corresponding Chapter: 3-2

Impact Description

Positive Impact: Promote process and equipment improvements to reduce environmental impact and air pollution fees.
Negative Impact: Failure to properly manage air pollutants emitted during the production process can cause pollution to the surrounding community environment.

Management Actions

Formulate the Air Pollution Management Guidelines to implement emission monitoring and control, promote equipment improvements, and reduce air pollution emissions.

2024 Goals
Air pollution violations: 0 cases

Unachieved

2025 Goals
Air pollution violations: 0 cases

Medium- and long-term goals
Maintain compliance with air pollution regulations, uphold a high level of vigilance and standards, and preserve a positive corporate image and responsibility.

Improvement Plan

- Strengthen pollutant control measures: Upgrade equipment, optimize SOPs, and strengthen real-time monitoring.
- Enhance management and supervision: Conduct regular internal audits, strengthen regulatory compliance, and establish response mechanisms.
- Promoting training and collaboration: Enhance employee education and environmentally responsible supply chain management.

Material Topic: Hazardous Chemical Substances Management

Corresponding SDGs: SDGs 12
Corresponding Chapter: 3-6

Impact Description

Positive Impact: Regulations are established for the management of hazardous chemicals to ensure compliance from procurement to discharge, thereby reducing the environmental impact of production.
Negative Impact: Failure to effectively manage hazardous chemicals may affect reputation and revenue.

Management Actions

Formulate the "Regulations on the Management of Toxic and Concerned Chemical Substances" and regularly monitor international chemical regulations.

2024 Goals
Violations related to products and services: 0 case

Achieved

2025 Goals
Violations related to products and services: 0 case

Medium- and long-term goals
Maintain violations related to products and services at 0 case

Material Topic: Occupational Health and Safety

Corresponding SDGs: SDGs 8
Corresponding Chapter: 4-5

Impact Description

Positive Impact: Provide a safe and healthy working environment to maintain production operations.
Negative Impact: Injuries sustained by employees or contractors during production or engineering operations may affect production activities.

Management Actions

Promote process safety management activities to eliminate potential hazards and prevent major disasters from occurring.

2024 Goals		2025 Goals
Recordable work-related injuries of employees <2.0	Achieved	Rate of work-related injuries for employees <2.0
Work-related ill-health: 0 cases	Achieved	Work-related ill-health: 0 cases

Medium- and long-term goals
Maintain an employee occupational injury rate below 2.0 and continue preventive measures to ensure zero cases of occupational disease. Foster a secure work environment and enhance employee well-being.

Material Topic: Business Performance

Corresponding SDGs: SDGs 8
Corresponding Chapter: 2-4, 2-5, 2-8

Impact Description

Positive Impact: Business growth generates profits for employees and investors, while maintaining strong partnerships with suppliers, customers, and other stakeholders.
Negative Impact: Failure to maintain profitability will result in limitations on production technology and a decline in competitiveness, subsequently affecting business partnerships with customers.

Management Actions

Deepen cooperative relationships with global customers to enhance production technology and product research and development.

2024 Goals		2025 Goals
R&D efforts: Registration of 1 new patent	Achieved	Ongoing R&D efforts: Registration of 1 new patent
Customer satisfaction Average score of 1st business segment ≧ 5.0 Average score of tire cord fabric ≧ 5.0 Average score of FPS ≧ 4.0	Unachieved	Customer satisfaction Average score of 1st business segment ≧ 5.0 Average score of tire cord fabric ≧ 5.0 Average score of FPS ≧ 4.0

Medium- and long-term goals
Ensure the acquisition of at least one patent registration annually.
Continue to collaborate with brand clients and suppliers to enhance innovation and research and development capabilities.

Improvement Plan

Strengthen the customer feedback mechanism by conducting surveys and specialized analyses to precisely improve service quality. Optimize production processes and technical support to ensure product stability and enhance application satisfaction. Deepen customer relationships and after-sales service, strengthen brand trust, and ensure satisfaction targets are met by 2025.

Material Topic: Information Security and Customer Privacy

Corresponding Chapter: 2-4

Impact Description

Positive Impact: Enhance operational management performance through continuous improvement of information technology.
Negative Impact: A cyberattack causing the leakage or loss of critical production or customer data could compromise customer interests and disrupt operations.

Management Actions

Establish cybersecurity policies, mandate regulatory compliance, and promote awareness through periodic campaigns.

2024 Goals		2025 Goals
Information security breach incidents: 0 cases Maintain ISO: 27001 in Taiwan Plant	Achieved	Information security breach incidents: 0 cases Maintain ISO: 27001

Medium- and long-term goals
Protect the confidentiality, integrity, availability, and compliance of information assets to prevent intentional or accidental threats from internal and external sources.

Material Topic: Labor Rights

Corresponding SDGs: SDGs 8
Corresponding Chapter: 4-1, 4-2, 4-3

Impact Description

Positive Impact: Maintain good relations with employees by emphasizing labor rights.
Negative Impact: If labor rights are not given due attention, occurrences such as discrimination, workplace bullying, or wrongful termination may lead to labor disputes and even affect the Company's reputation.

Management Actions

Ensure sound labor rights policies, maintain fair wages and reasonable working hours, and provide a safe and inclusive working environment.

2024 Goals		2025 Goals
Employee grievance cases at the Taiwan plant: 0 cases	Achieved	Zero violations of local labor laws across five plants in three regions
Working hours and overtime at Taiwan facilities comply with customer and regulatory standards	Unachieved	

Medium- and long-term goals
Ensure compliance with labor regulations regarding working hours and maintain a balance between work and life. Establish a transparent grievance mechanism to safeguard employee rights. Promote fair employment and diversity and inclusion to create a friendly workplace.

Improvement Plan

Strengthen internal communication, optimize the complaint handling process, and establish preventive mechanisms. Simultaneously strengthen education and training as well as employee care to create a more harmonious working environment.

Value Chain Impact

Material Topics	Impact Description	Value Chain Comparison				
		Upstream	Operations		Downstream	
		Procurement of Raw Material	Production	Product Development	Sales	Services
Business Performance	[External Influence] Strong performance builds market trust and brand image, supporting supply chain stability and sustainable development; poor performance undermines external confidence. [Significance to the Company] Failure to improve operational performance may lead to resource waste, revenue decline, and weakened competitiveness, affecting long-term growth and profitability.	✓	✓	✓	✓	✓
Labor Rights	[External Influence] Failure to safeguard labor rights may damage brand reputation, erode consumer trust, and weaken market competitiveness. Violations of labor regulations may result in government fines, regulatory investigations, and even impact international trade. Improper supply chain management may also pose risks, affecting the stability of product supply and business cooperation opportunities. [Significance to the Company] Employee morale and productivity will decline due to unfair treatment or poor working conditions, adversely affecting corporate performance. Deteriorating labor relations may lead to strikes and litigation, increasing management costs and legal risks. Talent loss and hindered innovation weaken competitiveness and impact long-term development.		✓	✓	✓	
Information Security and Customer Privacy	[External Influence] Enhancing customer trust and brand image attracts more partnerships and transactions; mishandling may damage reputation. [Significance to the Company] Failure to properly manage information security and privacy protection may result in significant operational disruptions and financial losses, as well as the loss of customer trust and business opportunities.		✓	✓	✓	✓
Climate Change Response	[External Influence] Greenhouse gas emissions exert environmental pressure on climate change, potentially leading to extreme weather events and production stoppage losses. [Significance to the Company] Without implementing GHG inventory and reduction measures, future product orders may be lost, impacting operations and financial risk.	✓	✓	✓	✓	

Material Topics	Impact Description	Value Chain Comparison				
		Upstream	Operations		Downstream	
		Procurement of Raw Material	Production	Product Development	Sales	Services
Air Pollutant Control	[External Influence] Poor air pollution control may harm public health and environmental quality, trigger social discontent and legal penalties, and damage corporate image. [Significance to the Company] Failure to implement pollution control measures may lead to fines and operational restrictions, increase compliance costs, and undermine sustainability and competitiveness.		✓			
Water Resource Management	[External Influence] Poor management of water resources may lead to water pollution and water resource shortages. [Significance to the Company] Poor planning of water efficiency and pollution control may raise operating costs, result in environmental fines, and erode sustainability and partner trust.		✓			
Energy Management	[External Influence] Poor energy management may worsen shortages and pollution, further impacting sustainable social development. [Significance to the Company] Failure to promote energy efficiency and renewable energy use may raise costs, increase compliance risks, and reduce competitiveness, affecting long-term operational stability.		✓			
Hazardous Chemical Substances Management	[External Influence] Improper management of hazardous chemicals may cause pollution and health risks, trigger social discontent and regulatory penalties, and damage corporate image. [Significance to the Company] Insufficient chemical safety management may lead to major accidents, fines, and lawsuits, affecting operational stability and financial health.	✓	✓	✓		✓

Material Topics	Impact Description	Value Chain Comparison				
		Upstream	Operations		Downstream	
		Procurement of Raw Material	Production	Product Development	Sales	Services
Occupational Health and Safety	[External Influence] Poor management of occupational health and safety may cause employee injuries or health issues, leading to public concern, legal liability, and reputational damage. [Significance to the Company] Insufficient protection of occupational health and safety may increase workplace accident risks, reduce productivity, and lead to legal penalties and high compensation costs.		✓			

2 Chapter
Operational Overview

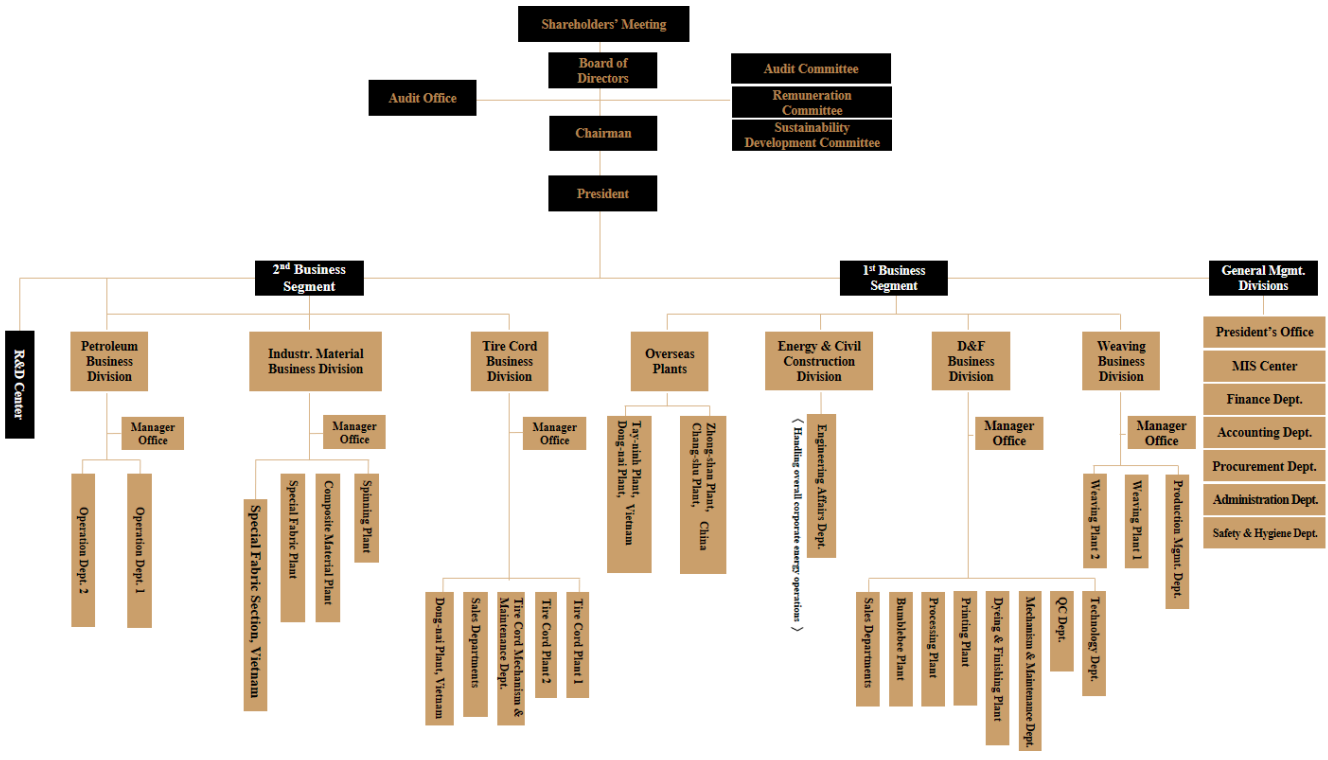
2 Operational Overview

2.1 Corporate Governance

The Company upholds the core values of integrity in operation, sustainable development, and good corporate governance, and has established a series of regulations including the "Formosa Taffeta Co., Ltd. Sustainable Development Best Practice Principles," the "Ethical Corporate Management Best Practice Principles," and the "Corporate Governance Best Practice Principles" as important pillars for corporate governance and operational management. We are committed to promoting sustainable development and corporate governance in full accordance with the principle of integrity, ensuring effective implementation of all measures and regularly reviewing and assessing performance to meet the rapidly changing business environment and market demands.

In addition, the Company aims to continuously optimize the corporate governance system, strengthen internal control mechanisms, and enhance overall operational efficiency by effectively allocating resources to ensure the transparency and stability of all operations. We value the rights and interests of all stakeholders, actively fostering mutually beneficial partnerships, and aim to create long-term value for the Company and society on the foundation

Company Organizational Chart



Note: As Long An Province, where the Vietnam Long An Plant is located, has been merged into Tay-ninh, this report uniformly refers to it as the "Tay-ninh Plant."

2.1.1 Board of Directors Operations

The highest governance body of the Company is the Board of Directors. In order to ensure clear lines of authority and responsibility in the organizational structure and the independence of the Company's operations, the Chairman of the Board of Directors does not concurrently serve as the Company's manager. The main responsibilities of the Board of Directors include approving major business decisions, providing timely and transparent Company information, adhering to legal regulations, appointing senior executives, and overseeing and guiding Company operations. The Board of Directors was re-elected on June 16, 2023, and did not hold an election in 2024, in accordance with the "Articles of Incorporation" which employs a candidate nomination system. The term is three years, and we comply with the "Regulations Governing the Election of Directors" and "Corporate Governance Principles" to ensure diversity and independence of board members, who possess the necessary professional knowledge, skills, and competencies required for their roles. To enhance the professional knowledge and legal literacy of the directors, we assist them in arranging training courses each year to update their knowledge. For detailed information on the professional background and training status of board members, please refer to the 2024 Annual Report, the Corporate Governance section of this report, FTC's company website, and the Market Observation Post System (MOPS).

To establish a strong board operation and governance system, our Company has established the "Rules of Procedure for the Board of Directors' Meetings", which require board members to abstain from discussing or voting on matters where they have a personal interest. Moreover, the "Code of Ethical Conduct for Directors and Managers" mandates that relevant personnel adhere to ethical standards while performing their duties to prevent actions detrimental to the Company and shareholders, and prohibits illegal conduct. For situations involving conflicts of interest with stakeholders, please refer to the Annual Report. In 2024, the Board of Directors convened six times. For details on discussions and operations, please refer to the important resolutions of the Board of Directors in the 2024 Annual Report or the board meeting minutes on our Company website. Moreover, our Company has implemented the "Rules for Performance Evaluation of the Board", conducting annual internal performance evaluations for the Board and functional committees. This includes assessing participation in Company operations, monitoring actual and potential risks, and advancing corporate governance practices. The overall and individual performance evaluation results for the Board of Directors in 2024 were excellent and were reported to the Board on December 13, 2024. For details, please refer to the Board Performance Evaluation section on the official website.

Role of the Board of Directors	
Purpose of the Board of Directors	The Board of Directors' responsibilities include supervising and guiding the management team and the appointment and removal of managers to ensure the Company's operations and maximize shareholder value.
Sustainable Development Vision	To achieve the Company' s objectives, Board members should possess the knowledge, skills, and professional competence required for their duties, while demonstrating a high sense of responsibility and integrity.
Operational Strategies and Policies	Comprehensively consider potential changes in the external business environment and the effective use of internal resources, propose adaptive strategies and policies, and evaluate the plans and implementation results of the management team.

Composition of Board Members and 2024 Operational Status						
Title	Name	Attendance Rate of the Board of Directors	Age			Gender
			Over 70	61-70	51-60	
Chairman	Representative of Formosa Chemicals & Fibre Corp. (FCFC): Wong, Wen-Yuan	100%	V			Male
Director	Representative of FCFC: Hong, Fu-Yuan	100%	V			Male
Director	Representative of FCFC: Lee, Ching-Fen	100%		V		Male
Director	Representative of FCFC: Lee, Ming-Chang	100%	V			Male
Director	Representative of FCFC: Lee, Chien-Kuan	100%		V		Male

Title	Name	Attendance Rate of the Board of Directors	Age			Gender
			Over 70	61-70	51-60	
Director	Representative of FCFC: Chen, Kun-Yuan	100%		V		Male
Director	Representative of the Lai Shu-Wang Foundation: Lee, Man-Chun	100%	V			Male
Director	Hsieh, Ming-Der	100%		V		Male
Independent Director	Lin, Sheng-Chung	100%	V			Male
Independent Director	Kuo, Nein-Hsiung	100%	V			Male
Independent Director	Kuo, Chia-Chi	100%			V	Female

2.1.2 Functional Committee Operations

Audit Committee Operations

The Company' s Audit Committee is composed of three independent directors. Its primary responsibilities include overseeing the proper presentation of financial statements; the appointment or dismissal, qualifications, independence, and performance of certified public accountants; the effective implementation of internal controls; compliance with relevant laws and regulations; and the management of existing or potential risks. In 2024, the Committee held four meetings, with an average attendance rate of 100% among all members.

Remuneration Committee Operations

The Company' s Remuneration Committee is composed of three independent directors. Its primary function is to evaluate the compensation policies and systems for the Company' s directors and managers, and to make recommendations to the Board of Directors to prevent compensation policies from leading directors and managers to engage in behaviors exceeding the Company' s acceptable risk level. In 2024, the Committee held three meetings, with an average attendance rate of 100% among all members.

Remuneration for Directors and Managers

The determination process for the remuneration of the Company' s directors and managers is conducted in accordance with the Company' s internal governance regulations. It is first submitted to the Compensation Committee for review, then forwarded to the Board of Directors for further discussion and approval. According to the Company' s Articles of Incorporation, the Board of Directors is authorized to determine reasonable remuneration arrangements for directors and managers based on their level of participation and contribution to the Company' s operations, with reference to prevailing industry compensation standards, to ensure fairness and competitiveness.

Currently, the Company pays its independent directors a fixed monthly remuneration, with additional transportation allowances based on the actual number of meetings attended; other directors receive a fixed annual remuneration and transportation allowances according to their meeting attendance. Specifically demonstrates the remuneration mechanism that reflects the Board' s support for company operations. At the same time, the annual compensation package for managers includes base salary, performance bonuses, and dividend amounts, with mandatory contributions to retirement and welfare funds, creating a comprehensive and attractive remuneration system. In addition, director remuneration must be carefully reviewed by the Remuneration Committee and the Board of Directors, and reported at the shareholders' meeting to ensure the transparency and legality of the decision-making process.

To further enhance senior executives' alignment with corporate goals, the Company adopts a comprehensive performance evaluation model for managers, incorporating financial and non-financial indicators covering overall role performance, achievement of annual objectives, and

aspects such as operational results, workplace safety, and water and energy conservation, fully reflecting their efforts in sustainability and performance. Through this mechanism, the managerial incentive system is closely linked to individual and overall corporate performance, ensuring the management team advances with the Company toward long-term strategic goals and maximizes operational value.

Managerial Compensation and Performance Evaluation

Financial Category	Non-Financial Category		
	Environmental Protection	Social Responsibility	Corporate Governance
Operating profit/EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	Participation in environmental sustainability	Occupational safety/work-related incidents	Operational management capability
Operational goal achievement rate	Water conservation and energy efficiency performance	Product development and innovation	AI Promotion Projects/Benefits
Operating growth rate	Circular economy benefits	Strengthening community ties in plant areas	Cases of corruption
Profit contribution	Carbon reduction target achievement rate		

2.2 Promotion of Corporate Sustainable Development

Sustainability Development Committee

The Board of Directors of the Company, as the highest governing body, bears the significant responsibility of sustainable development. The Board not only formulates and regularly reviews the Company's mission, vision, and strategies but also integrates sustainable development goals into them. To fully implement the sustainable development goals of environmental protection, social responsibility, and corporate governance, the Company's Board of Directors has established the "Sustainable Development Best Practice Principles" as a guiding principle for promoting sustainable management. These principles aim to ensure that the FTC, while pursuing economic growth, balances environmental sustainability and social welfare, actively assumes corporate social responsibility, continuously listens to the opinions of stakeholders, and is committed to achieving the long-term goal of sustainable corporate management.

To effectively implement the sustainability strategy, the Board of Directors has established a Sustainability Development Committee. This committee is composed of three independent directors and two director members, whose diverse professional backgrounds bring extensive experience and high credibility. The main responsibilities of the committee include: reviewing the Company's sustainable development policies, strategies, and management guidelines, and supervising the implementation status of related execution plans. To ensure transparency and timeliness, the committee regularly reports sustainability strategies and progress to the Board of Directors, enabling it to fully exercise its role in promoting and overseeing sustainability affairs.

In the year 2024, the Sustainability Development Committee convened a total of two meetings, with an average attendance rate of 100% among all members, demonstrating a high level of commitment and responsibility towards sustainability issues. During the meeting, committee members actively participated in discussions on topics related to the Sustainability Report, offering constructive opinions on key issues such as climate change response measures and actions to align with financial integration. They also provided professional advice on relevant strategies and implementation plans, which were ultimately submitted to the Board of Directors for review. The committee continuously reviews the Company's progress in various aspects of sustainable development to ensure that established goals are achieved on schedule. It also timely adjusts policy directions in response to changes in internal and external environments.

Looking ahead, the Company will continue to uphold the concept of sustainable development, strengthen communication and cooperation with stakeholders, deepen its commitment to environmental, social, and corporate governance (ESG) issues, and strive to become a model enterprise for sustainable development.

Attendance of committee members over two meetings in 2024

Name	Expertise	Actual Attendance Count	Proxy Attendances	Actual Attendance Rate (%)	Remarks
Lee, Ming-Chang	Business management, decision-making, sustainable development, risk management	2	0	100.0	Convener
Lee, Chien-Kuan	Market development, risk management, crisis management, sustainable development	2	0	100.0	
Lin, Sheng-Chung	Business management, circular economy and energy policy, international trade and investment	2	0	100.0	
Kuo, Nein-Hsiung	Development and management, industrial environmental protection, economic policy	2	0	100.0	
Kuo, Chia-Chi	Accounting, finance, and financial analysis	2	0	100.0	

ESG Task Force

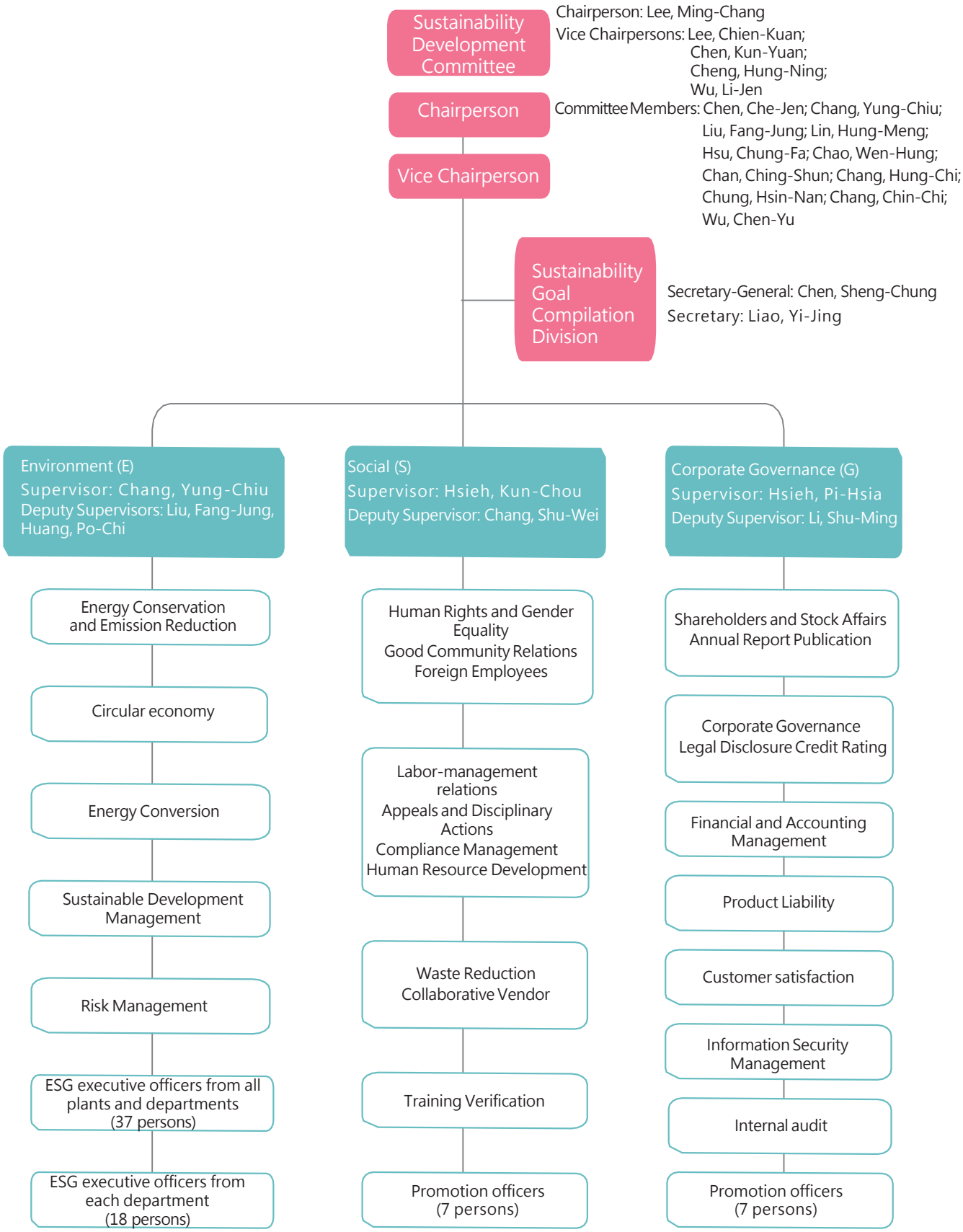
To continuously deepen the Company' s internal sustainability vision, an internal sustainability promotion organization (Sustainability Development Committee) has been established, comprising three main divisions: Environmental Sustainability (E), Social Prosperity (S), and Corporate Governance (G). President Lee, Ming-Chang serves as Chairperson, with the Vice Presidents of each business group as Vice Chairpersons. The Chairperson convenes regular monthly meetings at which the heads of each division report on the progress and outcomes of their respective implementation plans.

In addition, to integrate the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards into the Company's sustainability strategy, the Company updated the composition structure of the ESG Task Force in 2024, further enhancing the capability of cross-departmental resource integration. Through collaboration with relevant departments, the Company continuously enhances internal sustainability disclosure processes and audits to ensure information transparency and compliance with the latest international standards. The specific measures and responsibilities are as follows:

1 Interdepartmental Collaboration	● Each department will participate in the collection and verification of sustainability disclosure data according to their respective responsibilities, ensuring the completeness and accuracy of the disclosed information. ● Strengthen internal and external audit mechanisms to reduce the possibility of information errors and omissions, thereby enhancing data reliability.
2 Enhancement and Optimization of Sustainability Disclosure	● Identification of Major Issues and Risks: Regularly review and assess risks and opportunities related to ESG factors, serving as the basis for disclosure and decision-making. ● Transparent Information Presentation: In accordance with the IFRS Sustainability Disclosure Standards, enhance the quality of integrated reporting of financial and non-financial information to meet the expectations of stakeholders.
3 Progress Supervision of Project Promotion	● Regularly monitor the progress of sustainability disclosure-related projects and promptly address any potential issues of resource shortages or information gaps. ● Promote education and training to enhance employees' sustainability knowledge and skills, ensuring that all employees work together toward the Company' s sustainability goals.
4 Strengthening Internal and External Communication	● Engage in communication with stakeholders and proactively respond to the expectations of the market and regulatory agencies regarding ESG, thereby shaping a positive corporate image.

The above structure shall serve as the implementation guidelines for the Company's Sustainability Task Force to achieve the goal of long-term and stable corporate value growth.

Formosa Taffeta Co., Ltd. ESG Promotion Organization



2.3 Business Ethics and Anti-Corruption

Corporate integrity is a key social concern. In 1999, the United Nations Global Compact identified anti-corruption as a core CSR issue, emphasizing businesses' responsibility to foster an honest and fair operating environment. The Asia-Pacific Economic Cooperation (APEC) also highlighted "enhancing CSR" and "combating corruption" as global challenges, urging public–private cooperation to improve governance mechanisms and eliminate corruption. Business Ethics and Anti-Corruption

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Ethical Corporate Management Best Practice Principle

The Board of Directors has approved the "Ethical Corporate Management Best Practice Principles", which mandates compliance with legal regulations and prevention of dishonest conduct. The scope of implementation includes both parent and subsidiary companies, requiring business activities to be conducted fairly and transparently. Transactions with entities with records of dishonest behavior should be avoided. The purpose of these Principles is to prohibit dishonest conduct and ensure compliance with relevant laws, implementing integrity management and Company risk control mechanisms to create an environment of integrity. The key points are as follows:

Prohibition of bribery and accepting bribes, providing illegal political donations, false charitable donations or sponsorships, offering unreasonable gifts or hospitality, and providing other improper benefits, both direct and indirect.
Establishment of effective accounting and internal control systems, with internal auditors regularly and irregularly reviewing compliance, and reporting in writing periodically.
Creation of specialized departments for anti-corruption and channels for reporting violations and fraud to prevent non-compliance, fraud, or insider trading.

Anti-Corruption

Our Company has clearly outlined the ethical standards and relevant procedures for integrity management in regulations such as the "Work Rules", "Ethical Corporate Management Best Practice Principles", and "Guidelines for Preventing Insider Trading". In the case of significant issues, judicial intervention will be sought to prevent recurrence. No corruption incidents were reported in 2024, and the related operations were reported to the Board of Directors on December 13, 2024. For detailed information, please refer to the Company's 2024 Annual Report, "Status for Implementation of Integrity Management and Measures".

Business activities involving transactions, finance and accounting, warehousing, etc., require self-discipline and avoidance, including acceptance of gifts, invitations to dinners, and reciprocal relations, all of which are included in the "Work Rules" and relevant regulations.
The Audit Office reports on the implementation of the audit plan to the Board of Directors, highlighting any significant deficiencies or anomalies. Additionally, monthly audit reports are submitted to the independent directors and the Audit Committee for review, with follow-up or investigation conducted as instructed.

Information Transparency

The Company has established Internal Audit Managing Points for the Avoidance of Internal Trade, prohibiting personnel from using non-public market information to trade securities for illicit gain. Dedicated staff in the President' s Office and Finance Department handle the collection, disclosure, and updating of company information for spokespersons and relevant departments to respond to stakeholder and regulator inquiries. An "Investor Section" on the website discloses financial and corporate governance information, with required disclosures promptly announced on the Market Observation Post System.

Integrity Management and Insider Trading Prevention Training

Our Company' s code of ethical conduct prohibits employees from engaging in bribery, improper collusion, or the leakage of Company information and trade secrets. In 2024, at our Taiwan facilities, training sessions on anti-corruption, insider trading, and related integrity management topics were conducted for section managers and plant directors. The total required training hours were 360 hours, and the actual training hours achieved were 360 hours, with a total attendance rate of 100%.

Item	Course Hours	Number of Participants	Required Training Hours	Actual Training Hours	Attendance Rate
Practical Discussion on Anti-Money Laundering and Counter-Terrorism Financing	3	40	120	120	100%
Analysis of Compliance with Anti-Corruption and Whistleblower Protection Laws	3	40	120	120	100%
Insider Trading (Including Legal Responsibilities and Case Studies)	3	40	120	120	100%

Whistleblowing System and Whistleblower Protection

The Company has established the Regulations Governing Grievance for Inner and Outer Stakeholders, providing multiple reporting channels including suggestion boxes, complaint forms, a whistleblower hotline (05-5577015), and a whistleblower email: t1000@ftc.com.tw. Channels for reporting any suspected illegal activities are also provided, with related information available in the "Stakeholders" section of the Company' s website for whistleblower use. Employees may utilize complaint channels and designated personnel responsible for handling complaint cases. They may also report internal violations through the labor union and labor-management meetings. The identity of whistleblowers and the content of their reports are kept confidential to ensure whistleblowers are protected from improper treatment.

2.4 Risk Management

To promote sound corporate operations and sustainable development, and to establish a comprehensive risk management culture, the Board of Directors has approved the "Risk Management Measures" as the basis for risk management. The Board serves as the highest decision-making and supervisory body for risk management, responsible for approving risk management policies and related measures, and overseeing the effective implementation of risk management. Through various functional departments and organizations, assist the Board of Directors in strengthening the supervision of the Company's ESG risk management and other sustainable development operations, and implement risk control. The Company's website also features a "Stakeholder Contact Window," providing telephone and email information to facilitate communication between stakeholders and the Company.

Risk Items	Management Measures
Operational Risk	• Track market trends and actively visit clients, making timely adjustments to production and sales plans to meet customer and market demands. • Consolidate existing suppliers to prevent disruptions in the supply chain of raw materials, and ensure the full production capacity of each production area to avoid impacting manufacturing operations.
Water Resource Management	• Promote water-saving projects to reduce costs and improve water use efficiency. • Formulate water resource management measures to monitor plant water usage, enhance response capability, and reduce water shortage risk.
Energy Management	• Promote energy-saving measures to reduce process energy use, improve equipment efficiency, and enhance energy management. • Promote various energy-saving projects to reduce energy consumption during production.
Air Pollutant Control	• Conduct regular maintenance of operational equipment to ensure optimal performance. Additionally, personnel receive training to become proficient in equipment operation. • Ensure the proper operation of pollution control equipment to prevent the occurrence of abnormal incidents.
Waste Management	• Through source reduction and resource recovery, reduce environmental impact and ensure operational compliance. • Promote waste reuse and implement a circular economy.
Chemical Substances Management	• Strengthen the control and labeling of chemical substances, set usage regulations, and require operating units to obtain official approval documents before operation. • Implement various drills according to the content of the Hazard Prevention and Response Plan.
Human Rights	• Formulate the "FTC Human Rights Policy" to strengthen human rights practices, mitigate risks, and protect employees' fundamental rights. • Establish diverse labor-management communication channels and grievance mechanisms to ensure the protection of employee rights.
Occupational Health and Safety	• Conduct hazard identification and risk assessment, implement related measures, and hold emergency drills to reduce occupational injury risks. • Organize activities to support employee health, conduct special checkups for high-risk workers, and manage and track health by classification based on results.

Information Security and Customer Privacy

In today's interconnected global network, business operations have become more agile and rapid. However, security attacks are increasingly common. These attacks can disrupt network services through mass connections, use computer viruses or malicious software to affect information system services, or steal confidential data. The Company has established an information security policy and set up a dedicated information security unit. A Chief Information Security Officer has been appointed as the highest authority for information security, responsible for overseeing and managing related operations. Dedicated personnel are in charge of promoting, coordinating, supervising, and reviewing matters related to information security management. At the same time, establish the annual work plan, overall network and equipment planning and management, and execute them as required. In 2024, 12 internal meetings were held to execute and review information security protection tasks.

In 2024, the Company did not experience any information security breaches. The Taiwan Plant implemented the ISO 27001 Information Security Management System in 2023 and was certified by SGS. In 2024, the Company passed the regular review, and the certificate remains valid.

Information Security Prevention Measures and Practices

Implement firewalls to block external attacks and employ web filtering systems to defend against malicious websites and advanced persistent threats. Control internet access for employees who do not require it, and establish email backup and filtering mechanisms to prevent network attacks.
Establish access control systems, application login authentication, password management, access authorization, and regular vulnerability scanning mechanisms. In addition, install antivirus software, update security patches from manufacturers, manage USB access, and create backup mechanisms to enhance protection.
Conduct annual information security training and testing for employees to strengthen their awareness of information security risks.
Review information security protection measures and regulations annually, stay updated on information security issues, and develop response plans to ensure their appropriateness and effectiveness.
Recruit and develop information security professionals with expertise and cross-domain integration skills to enhance their core competencies and expand their capabilities.
Conduct annual drills for information security incidents, including response, handling, and reporting processes, to ensure the effectiveness of regulations and practical operations.

Information Security Risk Protection and Drills

The tactics of cybersecurity attacks are continuously evolving, both domestically and internationally, and hackers employ various methods such as social engineering, unauthorized intrusion, and ransomware to carry out destruction and data breaches. The Company' s public website is protected by a Web Application Firewall (WAF), with all computers equipped with antivirus systems and controlled access via workstation IP addresses to prevent malware attacks. System administrators receive endpoint scan results and antivirus defense reports as references for necessary updates and upgrades to the antivirus system. A firewall system has been established to block malicious hacker attacks. Regular vulnerability scans of the information system are conducted to identify significant vulnerabilities and risks in online systems, applications, and computer equipment. Critical system vulnerabilities are promptly patched to enhance system security and stability. In order to deeply instill a culture of confidential information management, an annual information security event is held for all employees in accordance with the "Information Security Management Regulations." This event aims to unify the consensus on information security protection among all staff and to complete the relevant information security education and training. In 2024, the Taiwan Plant conducted two in-person awareness sessions, four email-based awareness campaigns, two social engineering drills, and four business continuity plan (BCP) exercises.

Intellectual Property Management

Our Company is dedicated to innovation and the circular economy, operating a research and development center for product development and implementing a digital management system. In terms of patent and trademark management, we regularly renew patents and trademarks, track cases, and establish a comprehensive trade secrets system to protect our innovative results. In 2024, we obtained 3 patents. Regarding trade management, the following regulations and measures are in place:

Employees must keep all technical or data information obtained during or before their employment strictly confidential, with no unauthorized use or disclosure. Upon request by the Company or upon employee departure, all related technical data must be immediately returned and not retained in any manner.
Documents related to patents or operational and technical activities must be managed according to confidential document regulations. They should not be taken outside, loaned, or shown to others without authorization. They must be securely stored, and access should be recorded with details such as summaries and purposes, and processed according to approval authority regulations.

International Regional Economic and Political Risks

Geopolitical conflicts or regional tensions can impact the global economy and introduce significant uncertainties into business operations. To mitigate these risks, our Company continuously monitors global regulations, policies, and economic conditions. We strengthen our existing supply chains to prevent disruptions in raw material supply that could affect product production. In addition, we ensure the full capacity of production regions to adjust cross-factory capacity allocation as needed, maintaining smooth production operations.

Legal Compliance

We establish various management systems for operations, environment, and other aspects, requiring strict adherence to legal regulations by all units during business activities. We closely monitor regulatory changes. Any single incident resulting in a regulatory fine of NT$1 million or more, or significantly impacting company operations, is classified as a major event. In 2024, the Company was fined for one violation of the Air Pollution Control Act and two violations of the Occupational Safety and Health Act, with a total penalty amount of NT$200,500.

Environmental Protection

Number of Violations/Penalties	Violated Laws and Regulations	Response Measures
1/NT$500	A vehicle entering the Mid-Pier entrance of the Taichung Port Air Quality Maintenance Zone, without a valid exhaust inspection certificate issued within the past year, was in violation of Article 40, Paragraph 3 of the Air Pollution Control Act.	1. The vehicle has completed the emissions test at the inspection station and passed. 2. Ensure annual vehicle emissions inspections are conducted.

Occupational Safety

Number of Violations/Penalties	Violated Laws and Regulations	Response Measures
2/NT$200,000	Workers exposed to hazardous substances without proper protective equipment are in violation of the Occupational Safety and Health Act.	1. Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act; a fine of NT$100,000 was imposed in accordance with Article 43, Subparagraph 2 of the same Act. 2. Improvement Measures: Revise SOPs, prominently display pictorial notices of protective equipment requirements at worksites, and conduct legally mandated inspections on their use.
	The forklift operators did not properly use seat belts, violating the Occupational Safety and Health Act.	1. Violation of Article 6, Paragraph 1 of the Occupational Safety and Health Act; a fine of NT$100,000 was imposed in accordance with Article 43, Subparagraph 2 of the same Act. 2. Improvement Measures: To prevent recurrence, the number of sit-down forklifts has been verified, with plans to install seat belt alarms that emit audible and visual warnings when not worn.

Category	Number of Cases	Payment Amount (Unit: NT$)
Penalty incidents occurred in the year	3	200,500
Penalty incidents occurred in the previous year	3	300,000

2.5 Business Performance

Establishing a stable supply and demand relationship and developing a mutually beneficial and aligned partnership with customers are key to a company's pursuit of stable profitability and sustainable operation. The Company has long maintained mutual trust and cooperation with customers, demonstrating honest transactions. It has established a customer evaluation mechanism, an order tracking system, and a product inspection and testing system to enhance proactive and convenient service levels and customer satisfaction, thereby reducing operational error costs. Moreover, FTC continuously monitor market trends and engage with mid- and downstream brand clients to promote new products and bolster their competitiveness. The Company' s consolidated revenue for 2024 was NT$28,715.71 million, an increase of NT$214.20 million, or 0.75%, compared to NT$28,515.10 million in 2023. The Company' s consolidated pre-tax profit for 2024 was NT$1,653.57 million, an increase of NT$1,126.10 million, or 200.13%, compared to NT$550.96 million in 2023.

Unit: NT$ thousand

	Item	2024
Direct economic value generated	Operating Revenue	28,715,705
	Non-operating income and expenses	992,986
	Subtotal (A)	29,708,691
Economic value distributed	Operating costs and expenses	24,675,832
	Payments to investors*	1,347,732
	Income tax expense	163,382
	Community investments*	485
	Employee Remuneration and Benefits	3,378,807
	Subtotal (B)	29,566,238
Economic value retained (A-B)		142,453

Note1: The 2024 profit distribution plan has not yet been approved by the shareholders' meeting
Note2: Community investments are public welfare expenditures aimed at fostering good neighborly relations
Note3: Employee salaries and benefits include director remuneration, transportation allowances, and training expenses.

Customer Data and Rights Protection

The access, collection, and processing of personal and customer data must comply with the Company's Personal Data Management Regulations and relevant laws to prevent information theft or leakage. Secondary products with copyright restrictions are stored and controlled per the copyright term, annotated by business managers, and released only with customer consent to prevent market entry. Those containing intellectual property prototypes are supervised for destruction. In 2024, there were no customer privacy breaches or data losses; see 1.3 Information Security Risks for details.

Satisfaction Survey

2023/2024 Customer Satisfaction Survey for Tire Cord and Short/Long Fiber Fabric Products

Unit: Point

Item	Year	Quality	Delivery Date	Complaint Handling	Packaging	New Product Development	Sales Sample	Coloring	Service	Overall Average
Importance to business development	2024	7.3	6.2	3.4	1.9	5.1	4.3	5.0	2.8	4.50
	2023	7.5	5.8	3.0	2.5	5.0	4.1	4.6	3.5	4.50
Satisfaction Evaluation	2024	4.3	4.1	4.1	4.5	4.1	4.3	4.3	4.6	4.29
	2023	5.3	5.2	5.1	5.5	4.9	5.3	5.2	5.7	5.28

In December 2024, a total of 25 questionnaires were distributed to assess the importance to business development of various items (maximum score of 8) and the Company' s "satisfaction rating" (maximum score of 6), with 16 valid responses collected. Most customers believe that quality and delivery accuracy are the most helpful for business development; in addition, customers are increasingly valuing the Company' s new product development. The Company leverages AI to optimize the dyeing process module, increasing the first-pass yield; implements AOI fabric inspection to boost production efficiency, reduce costs, and continuously strengthen product development to meet customer needs.

2023/2024 Customer Satisfaction Survey for Tire Cord Fabric

Unit: Point

Item	Year	Quality	Delivery Punctuality and Accuracy	Complaint Handling	Packaging Maintenance	New Product Development	Service	Total	Overall Average
Importance to business development	2024	5.8	5.1	3.7	3.4	2.6	3.3	23.9	3.98
	2023	5.0	4.7	3.3	2.5	2.2	2.7	20.4	3.40
Satisfaction Evaluation	2024	5.2	5.1	5.1	5.2	4.9	5.4	30.9	5.15
	2023	5.2	5.1	4.9	5.3	4.8	5.3	30.6	5.10

In November 2024, the Tire Cord Business Division distributed 71 questionnaires to assess the "importance to business development" and "satisfaction rating" for each item. The highest score for a single item was 6 points, and 39 valid responses were collected. Customers generally believe that the accuracy of quality and delivery schedules has a significant impact on their business development; meanwhile, satisfaction with complaint handling, new product development, and service attitude has all improved. For internationally renowned brands with which substantial transactions have yet to occur, it is essential to gain deep insight into trends, build trust, secure trial orders, and achieve satisfaction.

2.6 Digital Technology and Artificial Intelligence (AI)

The Company established a Digital Transformation Task Force to oversee smart factory implementation companywide, assist divisions and on-site teams in executing AI projects, and promote AI through two key areas: "Simulation Plant" and "Operational Dynamic Management Platform." They focus on developing ideas for each business unit' s product-specific production stages by integrating on-site operational and management bottlenecks and challenges. In addition, digital tools and AI thinking are applied to create a more agile and efficient operating model that fully enhances product quality and production efficiency while generating greater value for customers.

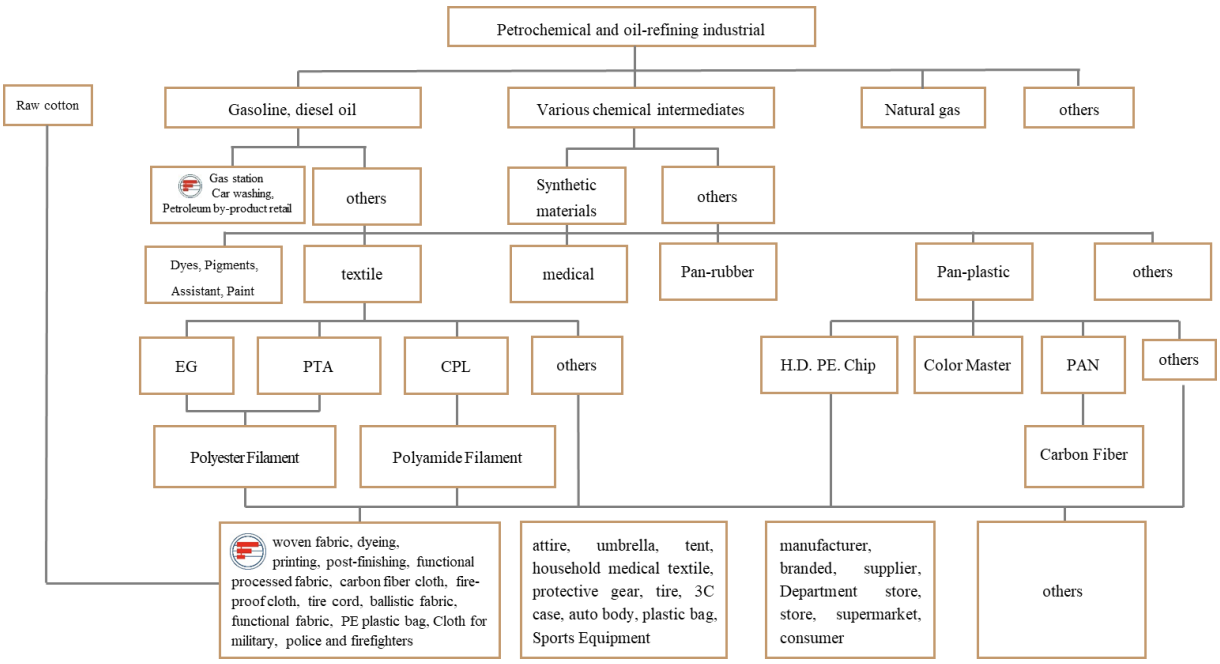
In response to the business expansion of smart plants and the demand for digital twin plant simulation, the Company places great emphasis on the AI trend in its business strategy and actively promotes a core talent development program. As of 2024, diversified general AI implementation courses were offered to meet talent needs at different levels, training all FTC level-1 and level-2 supervisors, frontline supervisors, and college trainees, with a total of 552 participants completing the courses. For advanced professional development of senior executives and AI modeling engineers, personnel were dispatched to the Taiwan Artificial Intelligence School to attend the Managerial Class and Technical Leadership Class, with 17 individuals completing the training. In addition, external industry–academia collaborations will be leveraged to further enhance the relevant skills of AI modeling

Execution Framework for FTC's Simulation Plant

Application	Benefits
Process parameter optimization	• Improvement in loom productivity
Equipment safety monitoring and management	• Wastewater recycling monitoring and management
Improvement of production quality and efficiency	• Optimization of fabric quality inspection
Optimization of plant safety management	• Safety monitoring of tanker unloading operations
Optimization of operational dynamics management	• Real-time situation room updates

2.7 Supply Chain Management

The Company is positioned in the midstream of the textile industry and relies on cooperation across the entire supply chain to remain competitive. This encompasses multiple and diverse transactions and services, such as purchasing and inspecting raw materials, arranging production line equipment, providing pre-sale and after-sale services, factory construction, and regular maintenance, to sustain the resources necessary for daily operations while maintaining strong relationships with customers.



1. Local Supplier Transaction Ratio

The Amount and Proportion of Local Procurement in 2024

Item	Taiwan Plant	Zhong-Shan Plant	Chang-Shu Plant	Tay-ninh Plant	Dong Nai Plant
Amount (NT$)	15,242,621,620	530,202,113	447,854,982	250,799,582	337,835,328
Proportion	83.32%	83.20%	95.99%	25.92%	24.61%

"Local" suppliers refer to those in Taiwan, Mainland China, and Vietnam who must provide a legal entity certificate approved by the local government, submit the subcontractor (contractor) information form, remittance account registration form, and sign an anti-bribery commitment letter. Upon completion of the review, they become the Company's qualified local suppliers and conduct transactions in accordance with procurement procedures. Based on the needs of maintaining an appropriate safety stock, rapid supply, tariff savings, and after-sales service, the FTC insists that raw materials must first maintain their original quality and functionality unchanged, and then prioritize local procurement.

Number and Proportion of Local Suppliers in 2024

(As of December 31, 2024)

Plant	Category	Yarn	Pulp Material	Dye	Additive	Total
Taiwan Plant	Supplier Count	51	7	21	88	167
	Local Supplier Ratio	82.3%	100%	100%	97.8%	92.6%
Zhong-Shan Plant	Supplier Count	10	-	13	24	47
	Local Supplier Ratio	58.8%	0%	92.9%	80.0%	71.2%
Chang-Shu Plant	Supplier Count	-	-	9	15	24
	Local Supplier Ratio	0%	0%	75.0%	71.4%	72.7%
Tay-ninh Plant	Supplier Count	6	-	4	15	25
	Local Supplier Ratio	33.3%	0%	30.8%	40.5%	31.1%
Dong Nai Plant	Supplier Count	6	1	5	11	23
	Local Supplier Ratio	16.2%	14.3%	38.5%	55.0%	29.9%

Local Procurement Rate of Main Materials across All Plants

Based on factors such as inventory, consistent quality, and short lead times, the five FTC plants prioritize local procurement under conditions of appropriate quality, quantity, and price. For many years, brand clients have advocated for local procurement and manufacturing policies. Therefore, the proportion of locally procured raw yarn varies depending on the client's ordered factory location. In Vietnam, due to the absence of manufacturers producing high-denier raw yarn and the relatively low local procurement of curtain yarn at the Dong Nai factory, as well as the limited number and quality of local dye and auxiliary chemical suppliers, it is difficult to meet the diverse product demands. Consequently, the proportion of locally procured auxiliary chemicals remains low.

Category	Yarn		Sizing Agent		Dye		Auxiliaries for Weaving and Dyeing	
Year	2024	2023	2024	2023	2024	2023	2024	2023
Taiwan Plant	75.6%	81.6%	100%	100%	100%	100%	96.7%	99.9%
Zhong-Shan Plant	87.8%	81.3%	0%	0%	85.1%	87.5%	79.7%	84.4%
Chang-Shu Plant	N/A				91.4%	91.4%	93.7%	91.4%
Tay-ninh Plant	30.2%	42.6%	0%	0%	41.9%	34.5%	18.7%	23.3%
Dong Nai Plant	18.9%	15.5%	6.4%	3.4%	65.8%	58.5%	32.4%	37.3%

Local Sourcing Rate of Dyeing Auxiliary of the 2nd Business Segment

Year	Raw Material Type	Latex	Resorcinol	Bridging Agent	HDPE.L-LDPE	Color Master	Ink	Epoxy
2024	Taiwan Tire Cord Plant	100%	0%	96.4%	-	100%	100%	100%
	Taiwan Carbon Fiber Plant	-	-	-	-	-	-	-
	Taiwan Plastic Plant	-	-	-	100%	-	-	-
	Dong Nai Tire Cord Plant, Vietnam	100%	0%	95.6%	-	-	-	100%

Year	Raw Material Type	Latex	Resorcinol	Bridging Agent	HDPE.L-LDPE	Color Master	Ink	Epoxy
2023	Taiwan Tire Cord Plant	100%	0%	95.6%	-	100%	100%	100%
	Taiwan Carbon Fiber Plant	-	-	-	-	-	-	-
	Taiwan Plastic Plant	-	-	-	57.0%	-	-	-
	Dong Nai Tire Cord Plant, Vietnam	0%	0%	0%	-	-	-	-

- "0" represents no local sourcing; "-" represents non-usage.
- Resorcinol must be 100% imported for both the tire cord plant in Taiwan and that in Dong-nai, Vietnam; that is, no local sourcing takes place, since it is not produced locally.

2. Local Supplier Transaction Ratio

Materials

The Company prioritizes procuring materials that comply with international environmental regulations, including recycled, low-pollution, and recyclable products, or those that enhance social benefits or reduce social costs. In 2024, the Taiwan plant purchased energy-saving labeled products totaling NT$1,101,584.

Procurement Proportion of Yarn Made from Reclaimed Materials in 2024

Unit: Metric tons

Item	Taiwan Plant	Zhong-Shan Plant	Chang-Shu Plant	Tay-ninh Plant	Dong Nai Plant
Yarn made from reclaimed materials (A)	2,816.9	2,389.2	N/A	2,645.7	5,113.4
Raw material usage (B)	6,097.6	4,919.8	N/A	5,703.5	7,247
Procurement proportion (A/B)	46.2%	48.6%	N/A	46.4%	70.6%

- The Company defines secondary processes of polyester draw textured yarn and polyamine as yarn made from reclaimed materials.

Raw Materials

To ensure peace of mind for manufacturers, consumers and users, materials that are provided by suppliers must be verified via:

- OEKO-TEX Standard 100 Specification Guarantee
- EU REACH Substances of Very High Concern (SVHC) Qualification Certificate
- Certificate of No Organotin Content
- Certificate of No APEOs Content
- ZDHC Inventory of Restricted Chemical Substances
- If the chemical additives are classified as hazardous materials, they must comply with customs safety transportation and clearance regulations upon entry, including appropriate port classification, secure packaging, and labeling, before delivery is permitted.
- Regularly evaluate suppliers and conduct unscheduled on-site audits of processes and raw materials for compliance with environmental laws and ESG commitments; suspend transactions with violators to ensure raw material safety.

Results of 2024 Raw Material and Chemicals Suppliers' Rating

			A	B	C	D	E	F	合計
Taiwan Plant	Procurement of Raw Material	Company Count	95						95
		Proportion (%)	100%						100%
	Procurement of Chemicals	Company Count	114						114
		Proportion (%)	100%						100%
Zhong-Shan Plant	Procurement of Raw Material	Company Count	10						10
		Proportion (%)	100%						100%
	Procurement of Chemicals	Company Count	17	3					20
		Proportion (%)	85%	15%					100%
Chang-Shu Plant	Procurement of Raw Material	Company Count	13						13
		Proportion (%)	100%						100%
	Procurement of Chemicals	Company Count	17	5					22
		Proportion (%)	77%	23%					100%
Tay-ninh Plant	Procurement of Raw Material	Company Count	18						18
		Proportion (%)	100%						100%
	Procurement of Chemicals	Company Count	49						49
		Proportion (%)	100%						100%
Dong Nai Plant	Procurement of Raw Material	Company Count	23						23
		Proportion (%)	100%						100%
	Procurement of Chemicals	Company Count	21						21
		Proportion (%)	100%						100%

- Evaluation items and weights: Quality 50%, Delivery 20%, Price 20%, ESG Performance 10%.

Grade	Bracket	Frequency of Rating/Description
A	90-100	Evaluated once every 2 years
B	80-89	Evaluated once a year
C	70-79	Evaluated once every 6 months, improvements needed
D	60-69	Evaluated once every 6 months, improvements needed, consider developing materials to counter supply issues
E	Introduced for trial, unified assessment every June	Introduced for trial, unified assessment every June
F	Under 59	Termination of inquiries

Supplier Selection Principles and Delivery Variations

The Company conducts, continues, or terminates transactions with suppliers based on established audit standards, requiring advance notice of supply disruptions to ensure stable product quality and protect downstream customer interests. In addition, to reduce the amount of packaging materials used by suppliers, when the usage of additives reaches the economic batch (monthly usage of 4,000 kg), it is agreed to switch to large packaging (capacity: 1,000 kg) for delivery, thereby reducing packaging material consumption, and to negotiate the use of eco-friendly, non-toxic, and recyclable materials for raw material packaging. At the same time, to strengthen procurement staff' s awareness of human rights policies and environmental protection, the Company provided environmental protection training to 13 procurement staff in January 2024 and conducted corporate human rights policy promotion for 15 procurement staff in June 2024.

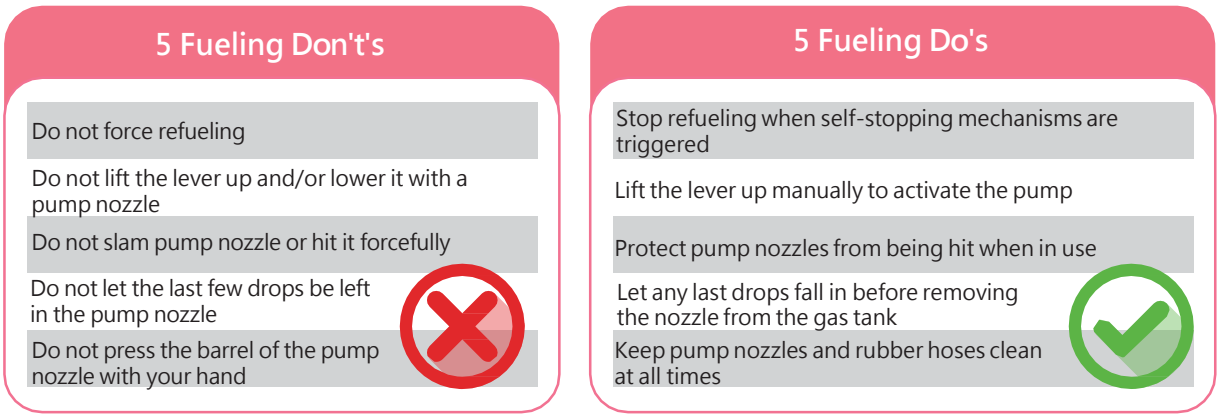
Our Company continues to promote corporate social responsibility among suppliers and contractors, requiring them to sign "Corporate Social Responsibility Commitment". This commitment covers labor rights, health and safety, environmental protection, and ethical standards. In 2024, 29 suppliers at our Taiwan facilities signed this commitment. The Company first evaluates suppliers and classifies them based on the results to determine the audit frequency. To assess suppliers' ESG implementation, a total of five suppliers were audited in 2024. Initially, five suppliers were evaluated via questionnaire, and on-site audits were conducted for two of them. The results of the on-site audits were reported to the President. No suppliers with negative impacts were found during the audits, and no contracts were terminated as a result of the evaluation outcomes.

Supplier ESG Assessment Items and Results in 2024

Dimension	Labor Rights	Health and Safety	Environmental Protection	Code of Ethics	Management Participation
Number of suppliers assessed	5	5	5	5	5
Identification of suppliers with potential negative impact	0	0	0	0	0

2.8 Formosa Petroleum Stations

Formosa gas station primarily retails gasoline, diesel fuel, and car wash services. All fuel is supplied by Formosa Plastics Group's Formosa Petrochemical Corporation, ensuring a stable supply. To enhance quality consistency, enforce source management by requiring oil tankers to retain samples for each trip, follow standard procedures for loading and unloading, and undergo regular inspections by government-certified agencies. To reduce the vapor emissions generated during refueling, gas station staff must adhere to the "5 Don'ts and 5 Dos":



1. Environmental Protection Measures for Gas Stations

Gas stations prioritize not only business growth but also environmental protection and sustainability, integrating energy, electricity, and water conservation, as well as air pollution reduction into daily operations, while engaging in social care for disadvantaged groups to fulfill corporate social responsibility. The specific environmental measures are as follows:

Electricity Conservation Measures

Since 2012, high-consumption Fulok lamps, spotlights, and traditional fluorescent lights have been gradually replaced with energy-saving Nanya Optoelectronics LED fixtures, with annual energy-saving benefits after replacement detailed in the table below:

Annual Performance for Using Energy-Saving LED Lights

Year	2011 (Base Year)	2022	2023	2024
Electricity Consumption (kWh/kL)	14.0	11.0	11.7	12.7
Energy Saving Rate (%)	-	-21.4	-16.4	-9.2

- Power Saving Rate = (Current year electricity consumption – Base year electricity consumption)/Base year electricity consumption.

1 station in New Taipei City, 4 stations in Taoyuan City, 1 station in Hsinchu County, and 2 stations in Miaoli County

8 stations in Taichung City, 6 stations in Nantou County, 18 stations in Changhua County, and 20 stations in Yunlin County

5 stations in Chiayi City, 15 stations in Chiayi County, 13 stations in Tainan City, and 6 stations in Kaohsiung City.

6 stations in Pingtung County

Water Conservation and Discharge Measures

Tap water is the primary water source for gas stations, serving customers, employees, and car wash machines. Wastewater from car washes is treated by wastewater facilities to meet environmental discharge standards before being released into public sewer systems. In 2024, 16 stations legally applied for and obtained groundwater rights, while other gas stations will continue to apply for water rights. Total water consumption in 2024 was 33.07 million liters. In 2024, total tap water consumption at gas stations was 98.62 million liters, an increase of 5.04 million liters from 2023, mainly due to an increase in the number of car wash machines. As of 2024, a total of 61 water-saving car wash machines have been installed to enhance water conservation effectiveness.

On May 10, 2017, a wastewater recycling and reuse system was installed at the Wenxin Road station in Taichung City. In 2018, the system was additionally introduced at the Beiming station in Douliu Township and the Xincheng station in Tainan City. Collected wastewater is treated for reuse, with installations expanded annually based on recycling benefits to achieve the goals of reduced consumption, waste, and emissions.

Aggregate Wastewater Recycling Performances Over the Past Two Years

Year	Wastewater Discharge (Tons/Month)	Car-Washing Water (Tons/Month)	Reclaimed Water (Tons/Month)	Water Recovery Rate (%)
2024	527.73	1,945.43	1,288.18	90.86
2023	340.78	3,361.88	1,662.17	55.02

- Water recovery rate (%) = Recovered water volume/(Car-washing water - Wastewater discharge volume)
- Due to the calibration of water meters and equipment maintenance, the water recovery rate has improved.

Energy Conservation Measures

Encourage gas station staff to promote the use of electronic invoice carriers to customers, reducing manual processing, storage, and verification of paper receipts, as well as the issuance of physical electronic invoices, thereby achieving energy conservation and carbon reduction. Compared with traditional two- or three-part cash register receipts and computer-printed invoices, the average monthly volume of electronic invoices in 2024 was 1.6 million, saving NT$98,000 in paper costs each month. Furthermore, electronic invoices are not subject to the traditional five-year retention requirement for invoices, saving storage space and reducing storage costs.

Consumed Energy Items of Vietnam and of Formosa Petroleum Stations over Past Two Years

Item	Purchased electricity	Total Energy Consumption (GJ)	Unit energy consumption
2024	5,002,565	18,009	1.7
2023	4,723,845	17,006	1.5

● Unit Energy Consumption= GJ/NT$ millions

Petroleum Vapor Recovery Measures

In accordance with Article 22, Paragraph 3 of the Air Pollution Control Act, personnel holding valid environmental inspection certificates conduct oil-gas ratio tests twice annually and gas leak inspections once every two years. To prevent vapor emissions at gas stations, all fuel nozzles are equipped with vapor recovery devices, with regular nozzle replacement and removal of accumulated oil. Each area is equipped with vapor recovery testing instruments, and monthly self-inspections are performed to adjust or calibrate each station’ s vapor recovery motor to the optimal 1:1 ratio, ensuring stable vapor ratio control and extending equipment service life. In 2024, environmental protection bureaus across various counties and cities conducted random inspections of Formosa gas stations, testing the fuel-to-vapor ratio of fuel nozzles at 10 stations, achieving a 98.15% compliance rate, well above the statutory standard of 70%.

Employees are required to follow proper refueling procedures and comply with the “5 Dos and 5 Don’ ts” fueling principles. Staff are trained to inspect whether the Stage I vapor recovery pipeline is properly connected during daily fuel tanker unloading, ensure the vapor recovery motor functions normally during refueling, check for abnormal noises or warning lights on the motor, and look for oil accumulation on nozzle hoses. Any equipment abnormalities must be reported immediately for handling, eliminating the use of damaged or faulty equipment to improve vapor recovery rates and safeguard community safety.

Implementation Methods	Details	Period	Efficiency
Declaration of Equalization Control over Total Oil-Input/Output Quantity	In accordance with the Regulations for Installation and Management of Facilities and Monitoring Equipment in Storage Systems for Preventing Pollution of Groundwater, the Company’ s gas stations comply with requirements by recording daily total volume balance control charts and reporting, thereby preventing underground pollution.	Complete total oil quantity control form/daily Declaration/every 4 months	The 2024 gas station declaration operations have been reviewed and approved by the Departments of Environmental Protection across various regions, with no abnormalities detected.

Implementation Methods	Details	Period	Efficiency
Underground Pollution Monitoring	The Company' s gas stations primarily use soil gas monitoring to prevent underground pollution. In addition to conducting monthly in-house soil gas testing, qualified environmental inspection agencies are commissioned every four months to perform such tests. The results are transmitted online for reporting. In 2024, the regular partner inspection agency was ACCURO LAB CO., LTD.	Outsourced inspections/every 4 months Declaration/once every January, May, September	The 2024 gas station declaration operations have been reviewed and approved by the Departments of Environmental Protection across various regions, with no abnormalities detected. PID and FID ★ test results meet the standards, and no further soil or groundwater testing is required.
Self-Inspections of Operation Equipment	Gas stations implement self-management inspections of on-site operational equipment, including internal inspections of fuel dispensers, vapor measurement in tank manholes, manual tank gauging records, and detection of underground storage tank pipeline systems.	Periodical circular sample inspections/daily, monthly, biannually	Results of 2024 irregular inspections of the EPA and the local EPBs reveal that inspected items meet criteria: no generation of pollution.
Install a flame ionization detector and a photoionization detector for detecting the oil-gas density of the soil-gas monitoring well of underground storage tank (monitoring well, for short), to determine leakage in underground storage tanks or pipelines (in reference to the "oil-gas detection method for the soil-gas monitoring well of underground storage tank" , announced by Taiwanese EPA).			

2. FPS' Contributions to Society

In addition to implementing the aforementioned environmental measures, Formosa gas stations offer various customer incentives to enhance satisfaction and return rates, thereby increasing customer loyalty and trust. They also fulfill their duty to clearly communicate promotional information to reduce consumer disputes. Feedback from customers and society primarily includes:

- Fuel Price Reductions and Discounts: Cash refueling enjoys price reductions; discounts are available via the Formosa Petrochemical APP, Taiwan Pay, OP Points, and credit cards. In 2024, this includes the Cathay United Bank-FTC co-branded card, along with cooperation with six banks: E.SUN, Taichung, Yuanta, Far Eastern, Taiwan Cooperative Bank, and Cathay United, to offer fuel discounts. Self-service refueling customers are also eligible for discounts.
- Membership Points: VIP members enjoy discounts on car washes and fuel point accumulation benefits. Accumulated points can be redeemed for gifts.
- Byproduct Discounts: Sales include various automotive engine oils, mineral water, beverages, boxed tissues, wipers, cleaning supplies, Formosa large bath towels, Formosa towel sets, heat-retaining clothing, functional socks, umbrellas, Lunar New Year gift sets, mosquito repellent, square puff pastries, hulled adlay, vegetable chips, and other products from affiliated companies. With autonomous and convenient sales channels, a variety of discounts can be offered from time to time.

FTC Participation in Charities Over the Past Two Years

Year	Charitable Organizations	Charitable Events	Target Recipients
2024	Eight organizations including the Taoyuan City Spinal Cord Injury Association	Lucky draw at gas stations to support charitable organizations	Various underprivileged groups
2023	Huei-Ming Home for Blind Children and other Associations	Lucky draw at gas stations to support charitable organizations	Various underprivileged groups

3. Satisfaction survey on fuel products

Satisfaction Survey on Fuel Products (Average)

Unit: Point

Item	Year	Quality	Environment	Service	Overall Average
Satisfaction Evaluation	2024	4.5	4.54	4.57	4.54
	2023	4.41	4.47	4.5	4.46

- The above survey was conducted by the Petroleum Business Division' s Manager Office, distributing 210 questionnaires to customers who had transactions with all 105 Formosa gas stations in 2024, with all 210 valid responses collected. The survey was carried out and compiled in December 2024. Customer questionnaires were collected randomly on-site, without categorizing by customer segment and excluding contract-based customers. Statistics were divided into three main topics: Quality, Environment, and Service. A satisfaction rating of 5 indicates "very satisfied" with the item, while 1 indicates "very dissatisfied."
- In Quality-related topics, the average score was 4.50, with "Fuel Quality" scoring higher at 4.62. In Environment-related topics, the average was 4.54, with "Comfortable and Clean Overall Gas Station Environment" scoring higher at 4.64. In Service-related topics, the average was 4.57, with "Friendly and Courteous Attitude of Fuel Attendants" scoring higher at 4.60.
- The average scores for the three topics—Quality, Environment, and Service—were all above the "very satisfied" benchmark of 4.00, with an overall average of 4.54. Items scoring below the average of 4.54, including gift applicability, car wash cleanliness, neat hanging and posting of promotional flags and posters, cleanliness of fuel dispenser panels, hoses, and nozzle holders, tidiness of the pump island cashier booths and gift racks (free of drinks and trash), cleanliness around the car wash machines and equipment rooms (free of dirt and standing water), smoothness of the gift redemption process, and refueling wait times, have been identified as priorities for improvement to enhance service quality.

3 Chapter
Sustainable Environment

1. Climate Change Response
2. Air Pollutant Control
3. Energy Management
4. Water Resource Management
5. Waste Management
6. Cultivation of Green Sustainability

3 Sustainable Environment

3.1 Climate Change Response

Climate change has intensified extreme weather events globally, resulting in interconnected impacts on forest fires, water resources, energy, food, and raw material prices, which in turn have disrupted industrial supply chains. To manage climate-related risks and opportunities, the Company became a TCFD supporter in December 2021 and discloses its strategies and actions in line with TCFD recommendations. For details, please refer to the Company's TCFD report.

Climate Change Governance

Responsibilities of the Board of Directors

The Board of Directors is the highest unit for making decisions on climate change risks and opportunities and monitoring the performance. In May, 2022, the Board approved to set up the "Sustainability Development Committee," in charge of reviewing sustainable development policies, strategies, and management directives and supervising the implementation of sustainable development related affairs and plans. In 2024, the report to the Board of Directors included the status of greenhouse gas inventory.

Responsibilities of Management

The Company has also established a Sustainability Task Force, chaired by the President and vice-chaired by the Vice Presidents of each business division, comprising the Environmental Sustainability, Social Prosperity, and Corporate Governance departments; the Sustainability Task Force, formed by officers from each plant, is responsible for implementing energy-saving and carbon reduction measures in response to climate change and reports progress at monthly ESG meetings convened by the President. The main achievements in 2024 regarding climate change include fulfilling the commitment to the SBTi and implementing emission reduction measures.

Climate Change Response Strategy

Our Company regularly reviews relevant regulations and policies, gathers and analyzes climate change-related issues, and identifies the risks and opportunities associated with climate change. We enhance production and energy efficiency through advanced process technologies and equipment improvements, creating energy-saving benefits. We promote the use of renewable energy and the transition to low-carbon energy, implementing energy conservation and emission reduction measures. Implement the zero-coal policy and achieve the goal of phasing out coal usage by 2024. We continuously meet various international certification standards, execute energy-saving and carbon reduction projects within our facilities, and enhance the Company's resilience to climate change. We collaborate with our supply chain partners to use eco-friendly recycled materials and develop green, low-carbon products. Additionally, we have established a comprehensive climate governance organization and formed task forces to drive various projects, raising the Company' s awareness of climate change and enhancing our sustainability competitiveness.

Climate-Related Risks and Opportunities

Category	Type	Climate-Related Issues	Impact Timing	Potential Financial Risks/Opportunities	Management Measures
Transition Risks	Policies and Laws	Carbon Fee Collection	Short-term	Assuming a payment of NT$100 per ton of carbon emissions, the estimated payment for the Taiwan Plant's greenhouse gas emissions in 2024 is NT$14.33 million.	A reduction pathway plan proposing "industry-specific designated reduction rates" was submitted to the Ministry of the Environment. Under the preferential carbon fee Plan A, the pathway allows for a carbon fee rate of NT$50 per ton.
		Water Consumption Fee	Current	In February 2023, Taiwan began implementing an additional water consumption fee for large water users whose monthly water usage during the estimated water period exceeds 9,000 cubic meters. The imposition of this water consumption fee will result in increased operating costs. The water usage fee paid in 2024 amounted to NT$4.12 million.	Conduct water footprint assessment, implement water-saving measures, and improve water use efficiency.
		Renewable Energy Regulations and Climate Change Response Act	Medium- and long-term	In response to regulatory requirements, related expenses, low-carbon transformation, and operating costs will increase.	Evaluate the installation of renewable energy equipment.
	Market	Low-Carbon and Eco-Friendly Products	Medium-term	Customers require products to meet sustainability, environmental protection, and low-carbon standards. Failure to meet these customer requirements may impact revenue.	Research on environmentally friendly recyclable and low-carbon products.
Physical Risks	Acute	Flooding Events Caused by Acute Weather Phenomena (e.g., Heavy Rainfall, Typhoons)	Short-term	Flooding will cause equipment damage, which affects certain production operations and increase expenditures for the maintenance of production equipment.	Strengthen emergency response measures and conduct regular inspections of the drainage system.
	Chronic	Extreme Climate - Water Shortage/Drought	Medium-term	Abnormal climate conditions causing water shortages and droughts will impact manufacturing processes and product production, thereby affecting revenue.	Continue investing in water recycling programs and evaluate the establishment of a dual water source plan.
		Average Temperature Increase	Long-term	The increase in electricity consumption has led to higher operating costs.	Enhance energy use efficiency and the energy management system mechanism.
Opportunity	Resource Efficiency	Plant AI Project	Current	Reduce electricity costs, water consumption costs, and raw material usage costs.	Utilize big data combined with AI methods to improve the success rate of dyeing on the first attempt.
		Recycled Water System	Current	Enhance sustainable reputation, increase customer trust, and boost potential order revenue.	Invest in wastewater recycling systems to increase the recovery rate.
	Market	Opportunities to Transition from Using Petrochemical Fuels	Current	Reduce carbon emissions.	Continuously improve equipment modifications to use lower-emission fuels, reducing carbon emissions.
	Products and Services	Eco-Friendly and Low-Carbon Products	Short-term	Align with the market trend mechanisms of brand clients and increase product sales volume. At the same time, reduce carbon emissions during the product usage phase.	We collaborate with our supply chain partners to use eco-friendly recycled materials and develop green, low-carbon products.

Climate Change Scenario Analysis

Our Company regularly monitors changes in relevant regulations and policies, collects, analyzes, and summarizes information on climate change and energy risks and opportunities. We use the ISO 14001risk assessment procedures to evaluate climate change risks and opportunities. For the Taiwan facilities, we estimate future emission scenarios using the Shared Socioeconomic Pathways (SSPs) defined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6). We consider four different pathways: low emission (SSP1-2.6), medium emission (SSP2-4.5), high emission (SSP3-7.0), and very high emission (SSP5-8.5). We conduct scenario analyses based on key climate change indicators from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP). This analysis focuses on temperature increases relative to the 1850-1900 baseline and potential medium-term period impacts (2041-2060). We combine this with disaster potential data from the National Science and Technology Center for Disaster Reduction (NCDR) to further analyze potential risks of flooding, high temperatures, drought, and landslides at various facilities. For acute flooding scenarios, we use flood simulation maps from the NCDR, assessing impacts based on a 24-hour accumulated rainfall of 650 mm. This analysis highlights the flood risks due to heavy rainfall at our Douliu Main Plant and Second Plant in Taiwan. We have reviewed the drainage capacity and emergency response procedures (typhoon response procedures, emergency response procedures) at these plants, confirming that both facilities have adequate capabilities to handle severe rainfall scenarios, thus minimizing the impact of heavy rain on production. For details, please refer to the Company's 2024 TCFD report.

Scenario Analysis of the Main Plant and 2nd Plant in Taiwan

Item	Description
Average temperature change (°C)	+ 1.6 ℃
Change in daily maximum temperature (°C, average value)	+ 1.6 ℃
Heat Wave Duration Index (HWDI) (days, average value)	+ 46.6
Rate of change in total rainfall on rainy days (%, average value)	+ 7.7 %
Flood level overflow risk in 2060	No overflow areas within 500 meters
Risk of flooding due to sea level rise	No overflow areas within 500 meters

Note: The values in this table are based on the SSP5-8.5 scenario, representing the mid-term climate change conditions (2041-2060) for extreme climate risk management.

Greenhouse Gas Management

The Company follows ISO 14064-1 and the GHG Protocol to establish systematic procedures for greenhouse gas inventory, reduction plans, management, and audits. Inventory results serve as the basis for voluntary reduction initiatives, supported by PDCA cycle management to drive low-carbon production processes.

Scope 1 and 2 Greenhouse Gas Emissions of All FTC Plants

Unit: Metric tons CO_2e

	Scope 1			Scope 2			Total		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Taiwan Plant	192,398	78,690	59,183	88,692	83,080	80,976	281,090	161,770	140,159
Zhong-Shan Plant	15,890	11,590	12,225	22,968	2,360	17,143	38,858	13,950	29,368
Chang-Shu Plant	2,620	2,005	5,757	26,640	17,083	13,288	29,260	19,088	19,045
Tay-ninh Plant	49,020	31,237	38,211	27,060	20,400	27,266	76,080	51,637	65,477
Dong Nai Plant	7,707	5,854	6,051	98,640	78,195	94,382	106,347	84,049	100,433

- Since 2007, the Taiwan Plant has conducted an annual inventory of greenhouse gas emissions, designating that year as the baseline for greenhouse gas emissions. This practice enables a comprehensive understanding of the emission status and facilitates the evaluation of the effectiveness of carbon reduction measures. Since 2022, the Zhong-Shan Plant, Chang-Shu Plant, Tay-ninh Plant, and Dong Nai Plant have also implemented a greenhouse gas inventory mechanism and undergone third-party verification.
- The Taiwan Plant conducts greenhouse gas inventories in accordance with ISO14064-1 as mandated by the Ministry of Environment and has obtained third-party verification. GWP values were based on the IPCC Fourth Assessment Report (2007) for 2021–2022, and the IPCC Fifth Assessment Report (2013) was adopted for 2023.
- In 2021, the four overseas plants conducted greenhouse gas inventories using ISO 14064-1. Starting in 2022, they transitioned to the GHG Protocol and obtained third-party verification. GWP values follow the parent company' s reporting standards: the IPCC Fourth Assessment Report (2007) was used for 2021–2022, and the IPCC Fifth Assessment Report (2013) has been adopted from 2023 onward.
- The inventory of gas types includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.
- In 2024, the Taiwan Plant reported Scope 1 direct greenhouse gas emissions of 59,183 tCO_2e and Scope 2 indirect emissions from purchased energy of 80,976 tCO_2e. These accounted for 42.22% and 57.78% of total emissions, respectively. The operational control approach was applied. By decommissioning several fuel oil boilers and replacing them with natural gas direct heating equipment, the Company significantly reduced coal usage and Scope 1 emissions. Additionally, solar power systems were installed to lower reliance on purchased electricity. These measures have contributed to a consistent decline in greenhouse gas emissions over the past three years.
- The above data covers only the factory operations. For the company-wide greenhouse gas emissions, please refer to the appendix.

Scope 3 Greenhouse Gas Emissions Over the Past Two Years

Unit: Metric tons CO_2e

Category		2022		2023		Explanation of differences
		Emissions	Proportion	Emissions	Proportion	
Category 1	Purchased goods and services	969,080	35.99%	421,084	20.90%	The primary raw materials decreased by approximately 40%, while the purchase and sale of oil products decreased by approximately 4%. In 2022, the transportation of materials was included under raw materials and calculated in Category 1 using product emission factors, while in 2023, transportation emissions for materials were calculated in Category 4 using transportation emission factors.
Category 2	Capital goods	6,639	0.25%	11,988	0.60%	-
Category 3	Fuel- and energy-related activities	74,913	2.78%	121,041	6.01%	The referenced steam emission factors differ.
Category 4	Upstream transportation and distribution	601	0.02%	4,170	0.21%	Transportation emissions for materials in 2023 were calculated under Category 4 using transportation emission factors.
Category 5	Waste generated in operations	3,520	0.13%	4,015	0.20%	-
Category 6	Business travel	133	0.00%	703	0.03%	-
Category 7	Employee commuting	5,551	0.21%	5,583	0.28%	-
Category 9	Downstream transportation and distribution	24,334	0.90%	28,661	1.42%	-
Category 10	Processing of sold products	47,858	1.78%	58,087	2.88%	-
Category 11	Use of sold products	1,024,583	38.05%	979,193	48.61%	Diesel and gasoline sales volumes decreased.
Category 12	End-of-life treatment of sold products	11,784	0.44%	11,337	0.56%	-
Category 13	Downstream leased assets	130,779	4.86%	112,211	5.57%	Formosa Advanced Technologies has reduced its carbon emission.
Category 15	Investments	393,204	14.60%	256,385	12.73%	Formosa Industries Corp., Nan Ya Photonics, and Quang Viet Enterprise have reduced their carbon emissions.
Total		2,692,979	100%	2,014,458	100%	

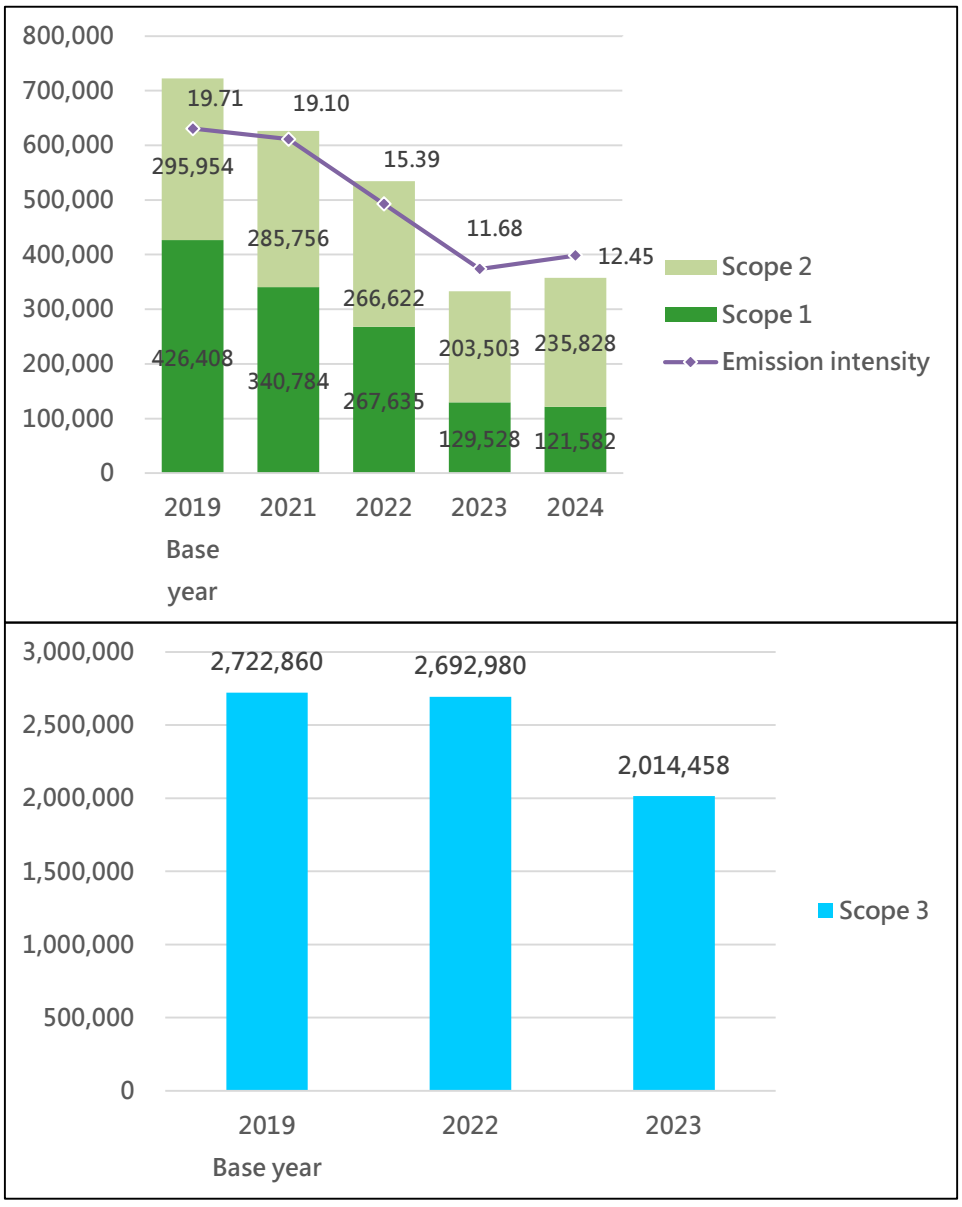
- In 2023, the Company's total Scope 3 greenhouse gas emissions amounted to 2,014,458 metric tons of CO_2e, representing a 26% reduction compared to the baseline year 2019, which recorded 2,722,860 metric tons of CO_2e.
- The Company (including domestic and overseas operations) conducts Scope 3 greenhouse gas inventories in accordance with the GHG Protocol, using Global Warming Potential (GWP) values from the IPCC Sixth Assessment Report (2021) starting in 2022.
- The Scope 3 greenhouse gas data for 2024 is currently under inventory and will be disclosed in the 2025 Sustainability Report.

Science Based Target initiative (SBTi)

In response to global carbon reduction trends and stakeholder expectations, the Company officially passed the Science Based Target initiative (SBTi) in March 2023, becoming the first company in Taiwan' s textile industry To align with the global goal of limiting temperature rise to no more than 2°C, the Company targets a 26.3% reduction in combined Scope 1 and Scope 2 greenhouse gas emissions and a 20% reduction in Scope 3 emissions by 2027, using 2019 as the base year.

GHG emissions of the Whole Company

Unit: Metric ton CO_2e



In 2019, the Company's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 722,362 metric tons of CO_2e, while Scope 3 emissions totaled 2,722,860 metric tons of CO_2e.

- Unit emissions are calculated as the total Scope 1 and Scope 2 emissions (tCO_2e) divided by consolidated revenue per NT$1 million.
- The greenhouse gas emission data in the above table aligns with the boundary defined by the SBTi targets. Compared to the emissions within the consolidated financial reporting boundary, 99.5% of the data has been externally verified.

3.2 Air Pollutant Control

The Company is committed to controlling various types of air pollution. All process-related air emissions are treated using best-available equipment, with appropriate pollution control devices installed on emission ducts according to the specific process type. All related processes operate in accordance with legal regulations, utilizing the obtained air pollution operation permits and multiple environmental protection permits. The control and inspection of permit validity periods and applications for renewals are managed accordingly. All emission chimneys undergo regular inspections in accordance with legal regulations and report to the Department of Environmental Protection.

Sulfur oxides (SOx), nitrogen oxides (NOx), volatile organic compounds (VOCs), and particulate matter (PM) emissions

Unit: Metric tons

	Year	Taiwan Plant	Zhong-Shan Plant	Chang-Shu Plant	Tay-ninh Plant	Dong Nai Plant
Sulfur Oxides (SOx)	2024	0.99	-	-	5.31	0
	2023	7.46	-	-	58.21	0
Nitrogen Oxides (NOx)	2024	38.77	10.07	4.17	47.03	4.32
	2023	37.60	9.46	2.75	67.08	4.31
Volatile Organic Compounds (VOCs)	2024	254.31	169.78	10.25	887.46	7.30
	2023	310.79	192.86	9.79	535.6	7.42
Particulate Matter (PM)	2024	2.14	0.30	0.13	0.13	0.13
	2023	6.85	0.28	0.08	0.51	0.13

- Emission data for the Taiwan Plant is based on reports submitted to the Ministry of Environment. For the four overseas plants, since local authorities do not require reporting or impose fees for sulfur oxides, nitrogen oxides, volatile organic compounds, and particulate matter emissions, the Taiwan Plant' s Safety and Health Department has guided voluntary disclosure. Calculations are based on parameters announced by Taiwan' s Ministry of Environment and local testing reports.
- The Taiwan Plant replaced several fuel oil boilers with natural gas direct heating units, significantly reducing SOx emissions. In 2023, coal boiler usage was substantially reduced, and coal boilers were fully phased out starting in 2024.
- The Zhong-Shan Plant uses natural gas for its steam boilers and setting machines, resulting in no SOx pollutants. VOCs primarily originate from three waterproof coating machines.
- The Chang-Shu Plant's process steam is supplied by the Bureau of Industrial Parks, MOEA, to which it belongs. The only fuel consumption is natural gas used by the molding machines, therefore there is no SOx pollution.
- At the Tay-ninh Plant, SOx and NOx emissions from coal-fired steam boilers are calculated based on annual flue inspection reports. VOC emissions, primarily from the waterproof coating process, are estimated using the mass balance method. The Tay-ninh Plant is gradually replacing old machinery with new equipment to reduce air pollutant emissions.
- Process steam at the Dong Nai Plant is supplied by Formosa Industries Corporation within the industrial zone. The curtain fabric and dyeing & finishing plants use natural gas and liquefied petroleum gas (LPG), respectively, for process heating. VOC emissions originate from a single waterproof coating machine.

3.3 Energy Management

Management Policy

Climate change caused by global warming has threatened the survival of species and humanity. To effectively control CO_2 emissions and mitigate the impacts of climate change, the Company has implemented the following measures to reduce direct and indirect energy consumption, address energy transition needs, and continuously improve energy efficiency and energy reuse. The Taiwan Plant officially implemented the ISO 50001 Energy Management System in 2015 to enhance energy management efficiency.

Measures	Description
Fuel Conservation	The boiler equipment has been converted from oil to natural gas, and the coal-fired cogeneration unit has been shut down, promoting energy transition. Boilers and production machinery, among others, have their exhaust chimneys equipped with waste heat recovery and oxygen control devices. Installation of steam condensate and hot water recovery systems for production equipment. The energy supply source for boilers and heat-setting machines is gradually being replaced from fuel oil to natural gas.
Air Conservation	Ensure proper design and installation of air pipelines and metering instruments, conduct regular inspections of air pipelines to prevent air leakage. Manage air compressor load and split usage between high and low pressure to prevent false demand, improving operational and energy conversion efficiency.
Steam Conservation	Recover waste heat and steam condensate, utilize cogeneration systems, and improve boiler thermal efficiency. Improve boiler efficiency to reduce the consumption of various types of fuel.
Energy Conservation	Use specially designed materials for air conditioning circulation fans and cooling tower blades to reduce electricity consumption. Reduce secondary power consumption in cooling water circulation systems. Install energy-saving control devices on various rotating motors. Use energy-efficient lighting fixtures. Utilize high-efficiency and energy-saving equipment such as air compressors, chiller units, and cooling towers. Install solar power generation equipment to increase the proportion of green electricity usage.

Energy Consumption across Plants in the Past 2 Years

Unit: GJ

Plant	Taiwan Plant		Zhong-Shan Plant		Chang-Shu Plant	
Year	2024	2023	2024	2023	2024	2023
Coal	-	273,260	-	-	-	-
Fuel oil	-	73,947	-	-	-	-
Diesel	-	-	1,378	969	-	-
Natural gas	1,067,039	884,233	249,799	230,535	99,316	34,838
Liquefied petroleum gas	-	-	-	-	-	-
Purchased electricity	615,005	604,255	96,743	84,943	25,113	20,450
Self-generated renewable energy: Solar power	11,468	11,366	15,672	2,030	5,112	4,451

Plant	Taiwan Plant		Zhong-Shan Plant		Chang-Shu Plant	
Year	2024	2023	2024	2023	2024	2023
Self-generated steam	-	-	182	168	-	-
Purchased steam	-	-	-	-	88	126,714
Bio-based fuel	-	-	-	-	-	-
Total energy consumption	1,693,512	1,847,031	363,774	318,645	129,629	186,453
Unit energy consumption	79.5	83.9	230.67	224.5	153.4	230.5

Energy Consumption across Plants in the Past 2 Years

Unit: GJ

Plant	Tay-ninh Plant		Dong Nai Plant	
Year	2024	2023	2024	2023
Coal	30,750	135,424	-	-
Fuel oil	-	-	-	-
Diesel	-	-	-	-
Natural gas	-	-	105,113	105,585
Liquefied petroleum gas	451,781	279,162	-	-
Purchased electricity	148,815	108,438	239,782	205,981
Self-generated renewable energy: Solar power	15,736	13,887	-	-
Purchased steam	527,683	346,257	196,826	144,332
Bio-based fuel	123,988	108,493	-	-
Total energy consumption	1,298,753	991,661	541,721	455,899
Unit energy consumption	445.24	442.8	169.4	153.0

- Note: Unit Energy Consumption= GJ/NT$ millions
- According to the GRI G3.1 energy conversion factors: 1 kWh = 0.0036 GJ, 1 metric ton of diesel = 43.3 GJ, 1 metric ton of coal = 26 GJ, and 1 metric ton of fuel oil = 40.19 GJ. Purchased steam and biomass fuel are calculated based on the calorific values of each plant site.
- In 2024, the Taiwan Plant has ceased the use of coal and fuel oil for boilers and switch to natural gas supply, resulting in a reduction in total energy consumption.
- In 2024, the Zhong-Shan Plant experienced an increase in unit energy consumption due to a higher proportion of solar power generation.
- Due to insufficient purchased steam in 2024, the Changshu Plant activated gas-fired boilers for steam supply, resulting in a significant increase in natural gas consumption and a corresponding decrease in purchased steam volume.
- Starting May 2024, the Tay-ninh Plant phased out coal entirely by decommissioning coal-fired boilers and switching to simultaneous operation with liquefied petroleum gas and biomass fuel, resulting in increased unit energy consumption.
- In 2024, unit energy consumption at the Dong Nai Plant increased due to higher usage of purchased steam.
- Include 2023 self-generated steam usage data for the Zhong-Shan Plant and purchased steam data for the Tay-ninh Plant.
- The natural gas consumption at the Tay-ninh Plant in 2023 has been revised to liquefied petroleum gas.

3.4 Water Resource Management

Management Policy

Global population growth and industrialization highlight the scarcity of water resources. Compared to other countries, Taiwan' s terrain makes it difficult to store typhoon-season rainfall, leading to water shortages in winter and spring. The Taiwan Plant has implemented the ISO 46001 Water Efficiency Management System to enhance the efficiency of water resource utilization. Assess water risk at each site using WRI Aqueduct: The Taiwan Plant is identified by historical groundwater level decline due to reliance on groundwater; overseas sites are evaluated based on water depletion data. Data shows that currently, the three locations and five plants are not situated in water pressure areas. However, to avoid falling into the predicament of water resource scarcity and rising water costs, water conservation and supply reduction have become a necessary part of the Company's sustainable development. To enhance water efficiency, the Company implemented water-saving improvements, upgraded process equipment, and recycled wastewater for reuse—recovering 3.24 million tons via UF and RO. In addition, the Company' s planning and implementation of water resource management must consider not only its own operational risks and water use efficiency but also comply with the sustainability standards and management regulations set by stakeholders such as the supply chain and customers.

- **A Reduce**: Adopt new technologies and equipment to produce fabrics and dye using the lowest liquid ratio, thereby reducing water consumption.
- **B Recycle**: Adopt energy-efficient equipment and recycle process condensate, washer cooling water, and low-pollution water to reduce both freshwater use and wastewater discharge.
- **C Reuse**: Recycle process wastewater or steam for reuse to reduce freshwater consumption.

Water Withdrawal

Unit: Megaliters

Region	Taiwan Plant		Mainland China Plants		Vietnam Plants		Total	
Year	2023	2024	2023	2024	2023	2024	2023	2024
Groundwater (river water)	-	-	1,260	1,170	-	-	1,260	1,170
Groundwater	4,063	5,931	-	-	-	-	4,063	5,931
Third-party water (Tap Water)	-	-	70	81	959	1,517	1,029	1,598
Third-party water (Industrial Water)	-	-	-	-	521	661	521	661
Total Water Withdrawal	4,063	5,931	1,330	1,251	1,480	2,178	6,873	9,360

- The water used by the five plants in the three locations is all freshwater with a total dissolved solids (TDS) content equal to or less than 1,000 mg/L.
- After third-party verification, the 2023 water intake for the Taiwan Plant was 4,063 million liters.
- Mainland China sites: Zhong-Shan Plant and Chang-Shu Plant; Vietnam sites: Tay-ninh Plant and Dong Nai Plant.

Discharge Water Standards

The Company, in accordance with government environmental regulations, has established various related management standards for water pollution prevention to comply with environmental protection laws. It also promotes the reduction of wastewater within plants, strictly enforces wastewater discharge management, and sets sewage discharge standards to ensure that the quality of discharged wastewater meets regulatory discharge standards. Additionally, the Taiwan plant is connected to the Department of Environmental Protection to promptly respond to potential abnormal alerts, ensuring that all discharged substances comply with emission standards and minimizing ecological impact. No violations or penalties related to effluent discharge standards occurred in 2024.

Annual Effluent Water Quality Control Summary All Plants in 2024

Category	pH Value (Acidity/Alkalinity)			COD Chemical Oxygen Demand (MG/L)			SS Suspended Solids (mg/L)		
	Regulations	Internal Control Value	Average Value	Regulations	Internal Control Value	Average Value	Regulations	Internal Control Value	Average Value
Taiwan Plant	6~9	6.5~8.5	7.03	160	<100	43.45	30	<25	15.62
Zhong-Shan Plant	6~9	6~8	7.31	60	50	34.9	50	45	12
Chang-Shu Plant	6~9	7~7.5	7.2	<200	<100	61	<100	<50	21.75
Tay-ninh Plant	6~9	6~9	6.5~7.5	75	65	40~60	50	50	<10
Dong Nai Plant	6~9	6~8	7	60.75	55	42	40.5	30	10

Wastewater Reduction Measures

The Company has established multiple wastewater operation and monitoring protocols to ensure effective control of wastewater quality and volume, and has adopted advanced production technologies to reduce wastewater discharge. Wastewater management includes facilities for the collection, transportation, and pretreatment of process wastewater, domestic sewage, and other types of wastewater. In 2024, the net water consumption (water intake minus discharge) across three sites and five plants totaled 2,374 million liters. The wastewater treatment methods of the Company' s 3 locations and 5 plants are as follows:

- Taiwan Plant: The primary treatment method at the Taiwan plant is biochemical pure oxygen aeration biodegradation, which meets national standards.
- Zhong-Shan Plant and Tay-ninh Plant: Since the factories are not located within industrial zones, they primarily utilize biochemical methods of anaerobic/aerobic biological decomposition, which can meet national standards.
- Chang-Shu Plant: The plant is located within an industrial zone and operates its own wastewater treatment facility to reduce pollutants and meet indirect discharge standards; it then pays the required fees to commission the industrial zone' s centralized wastewater treatment plant, which further treats the wastewater before discharge upon meeting regulatory standards.
- Dong Nai Plant: The plant is located within an industrial zone. Wastewater is treated to meet standards before being discharged into the industrial zone's drainage channel, which ultimately flows into a river.

Table of Wastewater Discharge

Unit: Megaliters

Region	Taiwan Plant		Mainland China Plants		Vietnam Plants		Total	
Year	2023	2024	2023	2024	2023	2024	2023	2024
Groundwater	3,420	3,786	970	1,141	1,295	1,938	5,685	6,865
Third-party water	-	-	119	121	-	-	119	121
Total water discharge volume	3,420	3,786	1,089	1,262	1,295	1,938	5,804	6,986

- The water used by the five plants in the three locations is all freshwater with a total dissolved solids (TDS) content equal to or less than 1,000 mg/L.
- Mainland China sites: Zhong-Shan Plant and Chang-Shu Plant; Vietnam sites: Tay-ninh Plant and Dong Nai Plant
- Taiwan Plant: Wastewater is ultimately discharged into Dapu Creek; its quality is tested by a third party, and inspection report data, including water temperature, pH, true color, and suspended solids, are all below the concentration limits specified in the discharge permit.
- Zhong-Shan Plant Area: Process wastewater is discharged into the Xijiang River after undergoing biological treatment within the facility to meet local government discharge standards.
- Chang-Shu Plant: Domestic and process wastewater is first treated at the plant's internal facility to meet the discharge standards of the industrial zone, then sent to the zone's centralized treatment plant for further processing before being discharged into the river.
- Tay-ninh Plant: Wastewater is treated on-site to meet the industrial wastewater discharge standards and textile factory wastewater discharge standards before being discharged into the Vam Co Dong River.
- Dong Nai Plant: Wastewater is treated on-site to meet discharge standards before being released into the industrial zone's drainage channel, which ultimately flows into the Thi Vai River.

Results of Energy and Water Conservation Projects

Upholding the philosophy that "the environment is a friend," the Company established an Energy Conservation Task Force in 2007, expanded it into the Energy Management Committee in 2015, and formed a Circular Economy Water Conservation Team in 2019 to integrate internal resources, enhance energy efficiency, and continuously advance the ISO 14001 Environmental Management System to prevent environmental impacts. In 2024, the five plants completed 254 energy-saving projects, with a self-estimated cumulative CO_2e reduction of 3,085 tons.

Plant	Total Projects	Conserved Steam (tons/hour)	Conserved Water (tons/day)	Conserved Energy (kilowatt)	Conserved Fuel (kg/hr)	Reduced CO2e Emissions (tons/year)	Investment Benefits (NT$1,000/year)	Investment Amount (NT$1,000)
Taiwan	109	0.110	56.660	433.914	1.341	2,115.425	10,202.644	32,577.8
Zhongshan	41	0.025	24.760	19.197	0.004	128.522	944.939	606.1
Changshu	15	0.091	15	29.620	0	295.367	1,958.110	48
Tay-ninh	47	0.065	43.230	49.595	0.987	351.532	2,522.728	136.8
Dong Nai	42	0.043	12.390	68.087	0	194.085	2,510.844	300
Total	254	0.334	152.040	600.413	2.331	3,085	18,139.300	33,668.7

- The aforementioned primary energy-saving measures include improvements in lighting device power reduction, equipment and machinery enhancement projects, equipment operation optimization, and process improvements.
- The estimated $CO2_e$ reduction for steam in 2024 was calculated using the 2023 emission factor, while the electricity portion was based on the 2022 emission factor provided by Taiwan Power Company.
- Energy and water savings are calculated using the methodology prescribed by the Energy Administration, MOEA.

3.5 Waste Management

FTC has stipulated the "Principle of Waste Management" and followed the local regulations to conduct the clearance, disposal and report of waste. Waste removal and treatment at the Taiwan plant strictly follow the Waste Disposal Act. Operations are executed upon approval of a Waste Disposal Plan by the Department of Environmental Protection, with monthly reporting via the EPA's Industrial Waste Declaration System. Each site conducts quarterly audits under the Duty of Care Guidelines, maintains five-year records, tracks corrective actions, and integrates findings into ongoing self-inspection priorities.

Measures for Reducing Waste

Control: Set reduction targets and track waste generation; regularly review departmental performance.
Reduction: Implement waste reduction measures, such as installing sludge dryers to lower moisture content and minimize waste.
Elimination: Review the causes of waste generation and implement strategies to reduce or eliminate waste.
Substitution: Replace single-use materials with reusable materials.

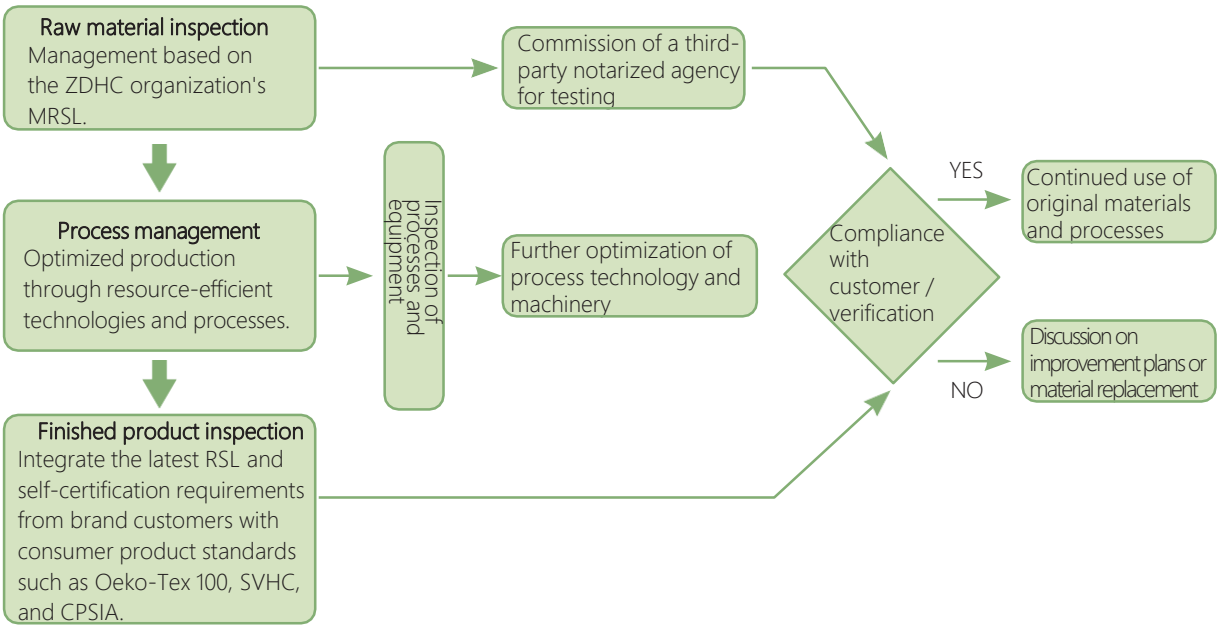
Waste Treatment Methods of Plants in 2024

Unit: Metric tons

Category	Handling Method	Taiwan Plant	Zhong-Shan Plant	Chang-Shu Plant	Tay-ninh Plant	Dong Nai Plant
Non-hazardous waste	Reuse and Recycle	2,832.8	2,877.65	129.84	2,955.9	2,969.85
	Recovery	-	-	-	3,994.5	-
	Incineration (with energy recovery)	-	103.13	-	-	-
	Incineration (without energy recovery)	797.97	-	1,355.482	-	-
	Landfill	-	-	-	139.8	5,075.32
	Thermal treatment (excluding incineration)	361.26	-	-	-	-
	Subtotal (A)	3,992.03	2,980.78	1,485.322	7,090.2	8,045.17
Hazardous waste	Reuse and Recycle	913.19	-	-	182.8	193.24
	Recovery	-	31.81	-	-	-
	Incineration (without energy recovery)	35.43	54.405	27.044	-	457.53
	Solidification	-	-	-	411.2	4.82
	Physical and chemical treatment	-	-	0.09	-	-
	Separation	-	-	-	-	1.44
	Subtotal (B)	948.62	86.215	27.134	594.0	657.03
Total (A + B)		4,940.65	3,066.995	1,512.456	7,684.2	8,702.2

3.6 Cultivation of Green Sustainability

The Company has conducted a comprehensive review of chemical management and continues to develop recycled environmental products. In terms of technological development, it not only improves product quality but also integrates the spirit of ESG. Development considerations are made from both input and output management perspectives to enhance resource use efficiency, reduce waste, and implement the spirit of sustainable cultivation. The Company' s control procedures for hazardous chemicals in raw materials, processes, and finished products are carried out through the following steps: establishing standards, implementing controls, and testing finished products. The related procedures are as follows:



- ZDHC (The Zero Discharge of Hazardous Chemicals) is an organization jointly established by three major sports brands: NIKE, adidas, and PUMA. The organization's purpose is to enable the textile supply chain to cease the use of harmful substances. Currently, a total of 41 brands, including NIKE, adidas, and PUMA, are members of the ZDHC organization.
- SVHC (Substances of Very High Concern): In January 2024, the European Chemicals Agency added seven new substances to the SVHC list, including melamine and perfluoro heptanoic acid, bringing the total to 242 substances. The content of substances of very high concern in the relevant finished products exceeds 0.1% (W/W).
- Original URL of the Industrial Development Administration: https://www.chemexp.org.tw/content/news/NewsDetail.aspx?id=4619
- CPSIA (Consumer Product Safety Improvement Act): On August 14, 2008, the United States enacted the Consumer Product Safety Improvement Act, which requires manufacturers and importers to provide third-party testing certificates issued by accredited laboratories.

Short-, Medium-, and Long-Term Planning for Chemical Management Processes

Short-term management goals

- Conduct monthly inventory checks of chemicals through the Company's ERP system, including item details, quantities, batch numbers, and storage locations.
- Enhance the integrity of the chemical management database, including GHS (Globally Harmonized System) SDS/TDS (Technical Data Sheet), supplier information, consumption, chemical usage, and related processes.
- Conduct chemical material intake screening and evaluation in accordance with the Chemical Management Regulations, selecting chemicals that comply with regulations and meet customer requirements.
- All newly developed products are processed using fluorine-free water repellents. Existing fluorinated treatments are being gradually replaced with fluorine-free alternatives, and finished products are periodically sampled to ensure compliance with government regulations and brand-specific PFAS phase-out timelines.
- Accelerate the development schedule of water-based coating systems that comply with ZDHC to replace solvent-based coating systems.
- Every six months, wastewater is tested through the third-party notarization unit and compared against the ZDHC wastewater discharge standards for compliance.

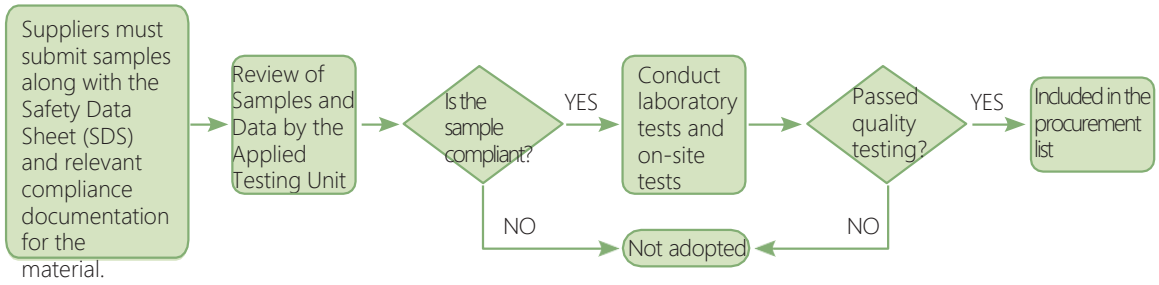
Medium- and long-term management goals

- Monthly ESG meetings report the achievement rate of chemical products meeting the customer's three-year strategic goals for the month (e.g., ZDHC/bluesign, etc.).
- Select technologies that align with ZDHC-compliant green chemicals and environmental principles. Test results are reported to the President and transferred to production sites for implementation.
- Proactively control restricted substances by comparing chemical toxicity during procurement. Priority is given to ZDHC-compliant or bluesign®-certified chemicals, followed by those with ZDHC test reports.
- Continuously update environmentally friendly manufacturing process technologies.
- All types of production fabrics establish production records, enabling traceability to the chemical substances and related batch number details of each batch.
- Gradually select low-carbon, bio-based, and recycled materials that comply with ZDHC and other relevant environmental chemical development standards.
- Implement new policies in alignment with ZDHC MRSL V3.1 and gradually develop and adopt compliant chemicals.
- Establish a management protocol for product-restricted substances by regularly collecting customer RSLs (Restricted Substances Lists), implementing controls from raw materials through processing, and conducting periodic testing on finished products.
- Collaborate extensively with customers in the industrial value chain to implement sustainable chemicals, promoting innovation and best practices to protect consumers, workers, and the environment, thereby achieving sustainable business objectives.

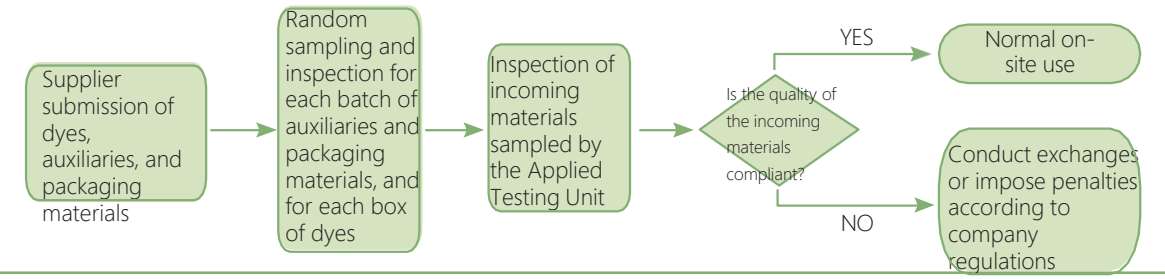
Hazardous Chemicals Management

The Application Testing Section of the R&D Center is dedicated to establishing composition and quality standards for dyes, auxiliaries, and packaging materials, as well as managing the quality assessment of incoming materials. By inspecting each batch of incoming materials, the section ensures quality control from the source to meet customer requirements. All materials used in production undergo rigorous review, testing, and control to ensure compliance with customer standards. Suppliers lacking environmental certifications must provide documentation proving conformity with Oeko-Tex Standard 100®, the EU REACH SVHC list, and other environmental guarantees; otherwise, their materials are excluded from the approved sourcing list. Suppliers that fail to improve or provide corrective action are removed from the partnership roster. An ESG-related evaluation of suppliers is conducted quarterly, followed by tiered management and record-keeping, with reports submitted to the President. For detailed information, please refer to the Supply Chain Management section of the report—Supplier Raw Material Evaluation Management and ESG Assessment.

Diagram of the Chemical Approval List Management Procedure



Flowchart of Incoming Material Inspection Procedures



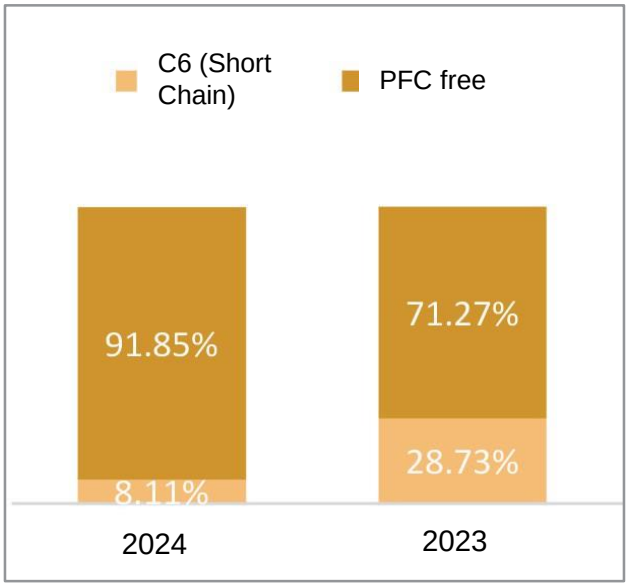
Green Manufacturing Process

The Company pursues the concept of sustainable operation by prioritizing the use of recycled and reusable raw materials and biomass materials, improving processes, installing energy-saving equipment, and enhancing the efficiency of energy (resources) utilization, with the aim of reducing carbon emissions and minimizing environmental impact. The Company currently adopts the following related practices, adjusting the proportion of each practice in the process annually based on market demand conditions and overall environmental trends:

- Development of recycled polyamide and polyester fabrics: In 2024, across three regions and five factories, recycled yarn usage reached 37.8% for nylon and 62.4% for polyester, averaging 54% overall. (GRS Reg. No.: IDFL20-309536)
- Since 2020, the Company has ceased using long-chain fluorinated water repellents, gradually replacing them with short-chain fluorinated (C6) and fluorine-free alternatives (free of perfluorocarbons), prioritizing increased use of fluorine-free agents.
- Starting from Q1 2025, all processing will switch to fluorine-free water repellents.
- Development of bio-based polyester, nylon fabrics, and energy-saving dope-dyed textiles.
- Adoption of bio-based Tyvek for the development of breathable and waterproof fabrics.
- Use of recycled membranes to produce waterproof and breathable fabrics.
- Development of eco-friendly, lightweight fabrics with composite cross-sections.
- Use and promotion of organic cotton yarns and fabrics from organically cultivated plants (GOTS: IDFL 2393175 and OCS: IDFL 22393176)
- Use of halogen-free and antimony-free flame retardants in all fire-resistant treatments.
- Adoption of dyeing and finishing chemicals derived from ethically cultivated plants to reduce petrochemical consumption.

- Development of water-based acrylic and polyurethane adhesives to replace traditional solvent-based types, reducing employee exposure to harmful oil-based solvents.
- Adoption low liquor ratio dyeing process for water conservation.
- Development of marine recycled polyester and marine recycled fishing nets, as well as recycled polyamide fabrics from oyster ropes.
- Development of carbon capture polyester fabrics and dope-dyed textiles.
- Implementation of the ZDHC hazardous chemical zero discharge program.

Comparison Table of Water Repellents Over the Past Two Years

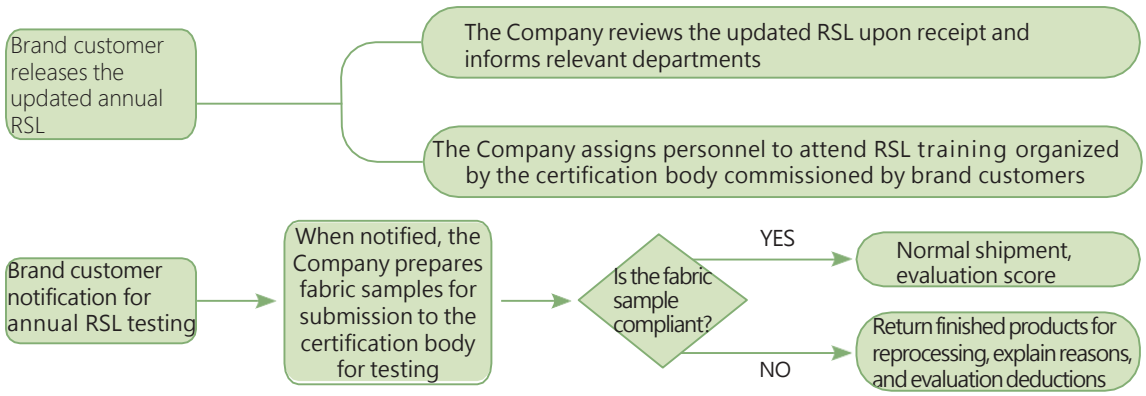


- PFC free means 100% free of perfluorocarbons.

Green Products

To protect the environment and ensure consumer safety, the company aligns with brand partners by annually adopting their Restricted Substances Lists (RSLs), such as those from NIKE, adidas, PUMA, and VF. It also participates in supplier briefings to stay informed on updates, standards, and the latest international regulatory mechanisms. The Company' s textile fabric products all comply with the quality inspection standards set by local governments or relevant international regulations, and adhere to the control standards for harmful substances established by brand clients. The products are tested annually by third-party organizations, which issue certification reports. In 2024, all products passed annual brand inspections and obtained certifications such as Oeko-Tex® Standard 100. Raw material selection—including new dyes and auxiliaries—prioritizes compliance with the ZDHC MRSL. In addition, the Company has established the "Product Restricted Chemical Substances Management Measures," "New Drug and Antagonist Development Management Measures," and "Material Inspection Management Measures," demonstrating the Company's rigor and emphasis on health and safety considerations in the use of chemical products. We maintain this belief and continue to strive for the sustainable development of customer health, safety, and the environment by seeking more stringent monitoring and control procedures. This also represents the annotation and practice of building a circular economy. In 2024, there were no incidents of violations related to products and services.

Flowchart of Self-Control Process Complying with Brand RSL Standards



Environmental Process and Product Verification

The Company continuously conducts annual or new version verification audits based on the goals of environmental protection, respect for the value of life, and maintenance of the ecological chain environment, and passes third-party verification and updates according to the license issuance period. All plants have achieved 100% certification for ISO 14001, ISO 45001, and the bluesign® Standard. Certificates have been awarded; please refer to the table below. In addition to obtaining various international certifications and completing the Higg FEM self-assessment, the Company demonstrates its commitment and execution toward environmental, customer, and corporate sustainability. It actively mitigates climate change impacts, promotes a green supply chain, and leads green innovation in the textile industry, enabling customers and end users to contribute to energy saving and emissions reduction by choosing Formosa Taffeta products.

Verification Items	Taiwan Plant	Chang-Shu Plant	Zhong-Shan Plant	Dong Nai Plant	Tay-ninh Plant
Certificates of Eco Products & Production Processes: Oeko-Tex® Standard 100 Certification	✓	✓	✓		✓
GOTS Organic Cotton Certification	✓				
OCS Organic Cotton Certification	✓				
GRS Polyester Recycle Standards Global Recycled Standard Certification	✓				
Organizational Greenhouse Gas Emissions Verification Statement (ISO14064-1:2006)	✓				
Occupational Health and Safety Management System Certification (ISO 45001:2018)	✓	✓	✓	✓	✓
TOSHMS Certificate	✓				
Environmental Management System Verification (ISO 14001:2015)	✓	✓	✓	✓	✓
Quality Management System Certification (ISO 9001:2015)	✓	✓	✓	✓	✓
bluesign® Standard Certificate	✓	✓	✓	✓	✓

Verification Items	Taiwan Plant	Chang-Shu Plant	Zhong-Shan Plant	Dong Nai Plant	Tay-ninh Plant
Energy Management System Certification (ISO 50001:2018)	✓				
Global Automotive Industry Quality Management System Certification (IATF 16949:2016)	✓				

- The ISO 14001 certification validity periods are as follows: Taiwan Plant – 2022/12/18 to 2025/12/18; Chang-Shu Plant – 2025/07/21 to 2028/07/20; Zhong-Shan Plant – 2020/01/08 to 2026/01/07; Dong Nai Plant – 2024/12/06 to 2027/12/06; Tay-ninh Plant – 2025/01/23 to 2028/01/23.
- The validity period of ISO 50001 for the Taiwan Plant is from December 11, 2024, to December 11, 2027.
- The validity period of the bluesign® Standard Certificate for all plants is from November 25, 2022, to June 7, 2025.

4 Chapter
Social

1. Human Rights Protection
2. Workforce Structure
3. Employee Remuneration and Benefits
4. Career Development
5. Occupational Health and Safety
6. Social Engagement

4 Social (S)

4.1 Human Rights Protection

Human Rights Protection

The Company, with its three locations, five plants, and gas stations, adheres to the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and complies with domestic and international labor and human rights regulations. The Company establishes and safeguards various labor conditions and employee rights in the "Work Rules." It has formulated a "Human Rights Policy" available on the Company website, provided in Chinese, English, Vietnamese, and Thai. This policy declares compliance with all labor laws, including creating an equal work environment free from discrimination and harassment, prohibiting forced labor, banning child labor, respecting privacy rights, and providing smooth communication channels between labor and management.

Human Rights Policy, Mitigation Measures, and Effectiveness

Human Rights Policy	Mitigation Measures
Equal employment opportunity free from discrimination	Provision of fair opportunities and equal treatment for employees and applicants across recruitment, appointment, promotion, compensation, benefits, job assignments, training, disciplinary actions, termination, and talent development, with universal respect and equality upheld throughout all decision-making processes.
No forced labor	Compliance with labor laws and international standards, prohibition of forced or unlawful labor practices, protection of employee freedom of movement, non-retention of personal identification documents, and client-responsive working hours exceeding domestic legal requirements.
Prohibition of child labor	Verification of applicant identity and personnel records to ensure legal working age, implementation of child labor prohibition policy and corrective procedures for inadvertent violations, with regular audits conducted.
Respect for freedom of association	Uphold freedom of association and employee participation in labor unions and welfare committees to foster harmonious labor-management relations.
Protection of personal privacy rights	The "Personal Data Security Maintenance and Management Measures" have been established to properly safeguard and use employees' personal data.
No harassment	The Company has stipulated the "Rules on Prevention, Reporting and Punishment for Sexual Harassment" and formed the Sexual Harassment Appeal and Review Committee to prevent employees from any form of harassment.

In 2024, the Taiwan Plant and gas stations did not receive any complaints regarding the leakage of employees' personal data, nor were there any incidents of discrimination, child labor employment, forced labor, employee human rights complaints, violations of overtime work regulations, or major human rights incidents penalized by regulatory authorities. Information regarding overseas plants will be disclosed in the 2025 Sustainability Report.

Grievance Mechanism and Training

The Company plants across all regions and gas stations have established the Regulations Governing Grievance for Inner and Outer Stakeholders, providing multiple reporting channels including suggestion boxes, complaint forms, a whistleblower hotline (05-5577015), and a whistleblower email: t1000@ftc.com.tw.

Employees who believe their rights have been violated, subjected to improper treatment, or discrimination may file a complaint at any time. There are three complaint handling procedures: hierarchical, bypass, and cross-department. Complaint data is processed confidentially by designated personnel, with protection measures in place to prevent retaliation against complainants. In 2024, no complaints related to employee rights or human rights were received. Suggestions regarding general daily conveniences shall be addressed and handled by the Administration Department. To ensure the confidentiality of complainants, suggestion boxes are installed in locations beyond the Company's surveillance range.

Employees may also express their opinions through the labor union and the welfare committee during regularly scheduled meetings. Supervisors from the Company's relevant departments, acting as management representatives, shall exchange views with representatives of the labor side. Regarding labor-management issues, the Company prioritizes listening to the union's opinions. Senior executives represent the management side to hold discussions and negotiations with the union labor representatives, aiming to achieve labor-management harmony and create a mutually beneficial situation. To strengthen employee awareness of human rights, gender equality, social responsibility, and labor rights, a total of 156 orientation sessions were held in 2024 for new personnel across all plants and gas stations, with 831 individuals completing the training.

Employee Recruitment and Retention

The Company' s recruitment operations at all plants and gas stations comply with local labor laws and international human rights principles. Discrimination based on race, nationality, migrant worker status, skin color, class, language, ideology, religion, political affiliation, place of birth, gender, sexual orientation, gender identity, age, marital status, pregnancy, facial features, physical or mental disabilities, zodiac sign, blood type, social background, political views, status, veteran status, implicit bias, HIV/AIDS condition, family caregiver status, protected genetic information, or union membership is strictly prohibited. Employment decisions are based on individual professional abilities and educational and work experience. Policies regarding promotion, evaluation, training, rewards, and penalties after hiring are clearly stipulated in the regulations and ensure fair treatment. In 2024, no cases of human rights violations or discrimination occurred among employed staff. As of the end of December 2024, the Taiwan plant employed a total of 123 individuals with disabilities.

Age-group Analysis of Formal New Employees of the Company in 2024

Plant / Group / Age	Taiwan Plant				Taiwan FGS				Zhong-Shan Plant			
	Female		Male		Female		Male		Female		Male	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Under 29	25	73.5%	40	76.9%	0	0.0%	0	0.0%	10	27.0%	20	34.5%
30-39	7	20.6%	10	19.2%	0	0.0%	1	33.3%	14	37.8%	16	27.6%
40-49	2	5.9%	2	3.8%	1	100%	1	33.3%	7	18.9%	16	27.6%
50-59	0	0.0%	0	0.0%	0	0.0%	1	33.3%	6	16.2%	5	8.6%
Over 60	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	34	100%	52	100%	1	100%	3	100%	37	100%	57	100%

Plant / Group / Age	Chang-Shu Plant				Tay-ninh Plant				Dong Nai Plant			
	Female		Male		Female		Male		Female		Male	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Under 29	3	75.0%	3	60.0%	57	68.7%	103	55.7%	94	65.3%	129	64.5%
30-39	1	25.0%	1	20.0%	17	20.5%	30	16.2%	35	24.3%	59	29.5%
40-49	0	0.0%	0	0.0%	9	10.8%	21	11.4%	13	9.0%	8	4.0%
50-59	0	0.0%	1	20.0%	0	0.0%	1	0.5%	2	1.4%	4	2.0%
Over 60	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	4	100%	5	100%	83	100%	155	100%	144	100%	200	100%

- Definition of new employees: Formal employees who have completed the onboarding procedures and commenced employment within the current year, excluding contract workers and foreign migrant workers.
- Formula for new employee: total number of new employees for the year ÷ formal employee population as of Year-end (December) × 100%.

Age-group Analysis of Formal Employee Resignation of the Company in 2024

Plant / Group / Age	Taiwan Plant				Taiwan FGS				Zhong-Shan Plant			
	Female		Male		Female		Male		Female		Male	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Under 29	20	50.0%	31	41.3%	6	24.0%	10	29.4%	2	7.4%	16	43.2%
30-39	13	32.5%	29	38.7%	12	48.4%	13	38.2%	13	48.1%	10	27.0%
40-49	7	17.5%	11	14.7%	7	28.0%	9	26.5%	6	22.2%	6	16.2%
50-59	0	0.0%	1	1.3%	0	0.0%	2	5.9%	6	22.2%	4	10.8%
Over 60	0	0.0%	3	4.0%	0	0.0%	0	0.0%	0	0.0%	1	2.7%
Total	40	100%	75	100%	25	100%	34	100%	27	100%	37	100%

Plant / Group / Age	Chang-Shu Plant				Tay-ninh Plant				Dong Nai Plant			
	Female		Male		Female		Male		Female		Male	
	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)	Number	Proportion (%)
Under 29	1	16.7%	3	27.3%	36	56.3%	50	45.5%	87	70.2%	139	59.9%
30-39	3	50.0%	5	45.5%	18	28.1%	32	29.1%	30	24.2%	86	37.1%
40-49	2	33.3%	2	18.2%	6	9.4%	25	22.7%	6	4.8%	5	2.2%
50-59	0	0.0%	1	9.1%	4	6.3%	3	2.7%	1	0.8%	2	0.9%
Over 60	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total	6	100%	11	100%	64	100%	110	100%	124	100%	232	100%

- The statistics on personnel departures pertain to regular employees and exclude those who have retired, been laid off, deceased, or dismissed.
- Formula for employee resignation: total number of employee resignations for the year ÷ formal employee population as of Year-end (December) × 100%.
- The Company operates within a traditional industry that is both labor- and capital-intensive, typically associated with higher turnover rates. In 2024, the turnover rate at the Taiwan Plant was 5.3%, calculated as the number of employees who left during the year divided by the number of officially employed staff at the end of December, falling within a low and stable range.

4.2 Workforce Structure

In response to the diverse ethnic groups, regulations, and cultures across regions, the Company operates in compliance with the law and adapts to local conditions. As of the end of December 2024, the Company had a total of 6,916 employees across three locations, five plants, and all gas stations in Taiwan (3,963 males and 2,953 females). By employment type, 5,665 were formal employees and 1,251 were informal employees. Among the formal employees, 46.0% were based in Taiwan, 14.0% in Mainland China, and 40.0% in Vietnam.

Total Workforce in 2024

Unit: Persons

Region		Taiwan		Mainland China		Vietnam		Total
Plant		Taiwan	Taiwan FPS	Zhongshan	Changshu	Tay-ninh	Dong Nai	
Employee	Male	1,705	611	283	130	715	519	3,963
	Female	1,038	489	269	97	559	501	2,953
	Subtotal	2,743	1,100	552	227	1,274	1,020	6,916
Permanent Employees	Male	1,446	215	283	130	715	519	3,308
	Female	712	219	269	97	559	501	2,357
	Subtotal	2,158	434	552	227	1,274	1,020	5,665
Temporary Employees	Male	259	396	0	0	0	0	655
	Female	326	270	0	0	0	0	596
	Subtotal	585	666	0	0	0	0	1,251
Employees Without Guaranteed Working Hours	Male	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0
	Subtotal	0	0	0	0	0	0	0
Full-time Employees	Male	1,705	611	283	130	715	519	3,963
	Female	1,038	489	269	97	559	501	2,953
	Subtotal	2,743	1,100	552	227	1,274	1,020	6,916
Part-time Employees	Male	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0
	Subtotal	0	0	0	0	0	0	0
Average Years of Service for Regular Employees		19.3	13.0	10.9	11.7	9.3	5.8	-

- Permanent Employees: Full-time or part-time employees who have signed contracts with no fixed term (i.e., indefinite duration).
- Temporary employee: An employee who signs a fixed-term contract. The contract expires at the designated time or concludes upon completion of a specific task or event with an evaluation schedule (e.g., the end of a work project or the return of the employee originally being substituted).

- Employees Without Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but who may be required to be available to work as needed, such as zero-hour contract employees and on-call employees.
- Full-time employees: Weekly, monthly, or annual working hours are defined based on the relevant national laws and practical definitions concerning working hours for employees.
- Part-time employees: Employees whose working hours per week, month, or year are fewer than those of full-time employees.
- Non-employee workers are primarily contractors engaged in equipment maintenance and modification projects. In 2024, the Taiwan Plant estimated approximately 80 such individuals (based on contractor entry card records, calculated using 250 working days and 8 hours per day). For overseas plants, a total of 934 individuals received safety and health training prior to entry, as recorded by contractor training data.

Ratio of Female to Male in different positions and age groups in 2024 (1/2)

Item	Plant	Taiwan Plant				Taiwan FPS				Zhong-Shan Plant			
	Gender	Female	Male	Total	Proportion	Female	Male	Total	Proportion	Female	Male	Total	Proportion
Position	Managerial staff (and above)	0	20	20	0.9%	0	1	1	0.2%	0	〈2〉	〈2〉	0.0%
	1st and 2nd-level supervisors	23	314	337	15.6%	2	15	17	3.9%	24	48	72	13.0%
	Base-level supervisors	116	500	616	28.5%	49	63	112	25.8%	80	97	177	32.1%
	Base-level employees	573	612	1,185	54.9%	168	136	304	70.0%	165	138	303	54.9%
	Subtotal	712	1,446	2,158	100%	219	215	434	100%	269	283	552	100%
Age	Under 29	59	117	176	8.2%	21	39	60	13.8%	23	28	51	9.2%
	30-39	88	254	342	15.8%	72	73	145	33.4%	107	90	197	35.7%
	40-49	273	391	664	30.8%	87	61	148	34.1%	110	112	222	40.2%
	50-59	257	505	762	35.3%	37	39	76	17.5%	24	49	73	13.2%
	Over 60	35	179	214	9.9%	2	3	5	1.2%	5	4	9	1.6%
	Subtotal	712	1,446	2,158	100%	219	215	434	100%	269	283	552	100%

- Definition of positions: managerial staffers (senior supervisors) refers to positions of managers and above; 1st level management supervisors refer to plant director-level; 2nd level management supervisors refer to section chief-level.
- Managerial staff (senior supervisors) of the Zhong-Shan plant and the Chang-Shu plant in China and the Tay-ninh plant and the Dong Nai plant in Vietnam are dispatched from Taiwan, so the number of dispatched managerial staff is calculated in the total number of workforce of the Taiwan Plant; such number is excluded from calculation and displayed as 〈headcount(s)〉, representing the number of those who are not native to the respective regions.
- The Company belongs to a traditional industry that is both labor- and capital-intensive, with a relatively low proportion of female executives. In the future, the Company will strengthen training and promotion of female employees.

Ratio of Female to Male in different positions and age groups in 2024 (2/2)

Item	Plant	Chang-Shu Plant				Tay-ninh Plant				Dong Nai Plant			
	Gender	Female	Male	Total	Proportion	Female	Male	Total	Proportion	Female	Male	Total	Proportion
Position	Managerial staff (and above)	〈1〉	0	〈1〉	0.0%	0	〈3〉	〈3〉	0.0%	0	〈2〉	〈2〉	0.0%
	1st and 2nd-level supervisors	24	25	49	21.6%	29	22	51	4.0%	21	18	39	3.8%
	Base-level supervisors	43	53	96	42.3%	62	99	161	12.6%	69	82	151	14.8%
	Base-level employees	30	52	82	36.1%	468	594	1,062	83.4%	411	419	830	81.4%
	Subtotal	97	130	227	100%	559	715	1,274	100%	501	519	1,020	100%
Age	Under 29	8	4	12	5.3%	182	251	433	34.0%	241	230	471	46.2%
	30-39	55	72	127	55.9%	172	233	405	31.8%	197	226	423	41.5%
	40-49	34	35	69	30.4%	143	162	305	23.9%	50	53	103	10.1%
	50-59	0	19	19	8.4%	62	68	130	10.2%	13	10	23	2.3%
	Over 60	0	0	0	0.0%	0	1	1	0.1%	0	0	0	0.0%
	Subtotal	97	130	227	100%	559	715	1,274	100%	501	519	1,020	100%

- Informal employees include fixed-term contract personnel, student workers, and foreign workers, while formal employees are all on indefinite-term contracts.
- Definition of positions: managerial staffers (senior supervisors) refers to positions of managers and above; 1st level management supervisors refer to plant director-level; 2nd level management supervisors refer to section chief-level.
- Managerial staff (senior supervisors) of the Zhong-Shan plant and the Chang-Shu plant in China and the Tay-ninh plant and the Dong Nai plant in Vietnam are dispatched from Taiwan, so the number of dispatched managerial staff is calculated in the total number of workforce of the Taiwan Plant; such number is excluded from calculation and displayed as "headcount(s)", representing the number of those who are not native to the respective regions.
- The Company belongs to a traditional industry that is both labor- and capital-intensive, with a relatively low proportion of female executives. In the future, the Company will strengthen training and promotion of female employees.

4.3 Employee Remuneration and Benefits

To provide employees with stable and reasonable economic security, the Company pays salaries in compliance with local regulations and has established the "Employee Compensation Measures," which define salary standards corresponding to job grades, levels, and monthly performance evaluations. Salaries are periodically adjusted based on operational performance, changes in the business environment, and the consumer price index. Additionally, in accordance with the legal regulations of each operational site, employees are enrolled in insurance to protect their rights and interests. According to the "Employee Performance Evaluation Regulations," all employees, excluding those with less than three months of service, undergo monthly, quarterly, and annual regular work evaluations as well as a year-end assessment. Evaluation grades serve as the basis for salary adjustments and year-end bonus issuance, and are also used as references for future leadership development, promotions, and reassignments.

Salaries of Full-Time Employees Not Holding Supervisory Positions

Year	Average Salary (NT$ thousand)	Median Salary (NT$ thousand)	Number of full-time employees
2024	555	489	2,736
2023	564	493	2,910

- Data pertains to the Taiwan Plant
- Full-time employees not holding managerial positions refer to the total number of employed staff excluding those in managerial roles, employees of overseas subsidiaries, part-time employees, and personnel exempted from statistical counts, including foreign employees.

Individual Maximum and Median Total Employee Compensation

2024 Individual Maximum Total Compensation / Median Annual Total Compensation of Full-Time Employees in Taiwan (excluding the highest individual compensation) = 12.1. Compared to the previous year, the growth rate of the individual maximum total compensation and the growth rate of the median total compensation of full-time employees in Taiwan (excluding the highest individual compensation) was -4.5%. The data scope covers the Taiwan Plant and includes both recurring and non-recurring payment items.

Job Security

In response to changes in the business environment and rapid technological innovation, the Company continues to promote business rationalization and organizational optimization. However, adhering to the principle of safeguarding employees' work rights and interests, even when facing operational challenges, the Company remains committed to standing together with its employees through difficult times. This is achieved by implementing a workforce integration mechanism, replacing layoffs with transfers. Before conducting employee transfers or job reassignments, FTC fully communicates with the relevant department supervisors and processes the changes in accordance with regulations. On average, it takes approximately 7 days to complete the transfer procedures.

In accordance with the Labor Standards Act, if labor contracts at the Taiwan plant and gas stations must be terminated due to significant operational changes, the following advance notice standards must be followed:

- Where a worker has worked continuously for more than 3 months but less than 1 year, the notice shall be given 10 days in advance.
- Where a worker has worked continuously for more than 1 year but less than 3 years, the notice shall be given 20 days in advance.
- Where a worker has worked continuously for more than 3 years, the notice shall be given 30 days in advance.

According to China' s Labor Contract Law, if an employer in the China plants intend to terminate an employment contract, they must either provide the employee with a written notice 30 days in advance or pay one month' s salary in lieu of notice.

According the Labor Code of Vietnam, if significant operational changes require the termination of labor contracts at the Vietnam plants, the following notice standards must be observed:

- Employees who have worked for less than 1 month (under a contract) must notify 3 days in advance.
- Employees who have worked for over 1 month but less than 25 months (under an indefinite-term contract) must notify 30 days in advance.
- Employees who have worked for more than 25 months (under an indefinite-term contract) must notify 45 days in advance.

Maternity and Childcare Support

To help employees balance work and family life while ensuring their employment rights, our Company adheres to local regulations. At the Taiwan facilities, female employees are entitled to maternity check-up leave and maternity leave in accordance with the "Labor Standards Act" and the "Gender Equality in Employment Act". The facilities also provide a nursing room for employees who need to breastfeed or pump during work hours. Male employees can apply for paternity leave. Besides, employees who need to care for infants can apply for unpaid parental leave. According to the "Special Provisions on Labor Protection of Female Workers," female employees at the China plants are entitled to 98 days of maternity leave and may receive additional incentive leave in accordance with local regulations. Maternity leave begins 15 days prior to the expected date of delivery. In the event of a stillbirth (including cesarean section), an additional 15 days of maternity leave may be granted. Additionally, male employees may apply for paternity leave, with the number of days varying according to local regulations, ranging from 7 to 30 days. The Vietnam plants implement maternity check-up leave, maternity leave, and paternity leave measures in accordance with Vietnam' s Labor Code and Law on Social Insurance. In 2024, a total of 14 employees from the Taiwan Plant and gas stations applied for parental leave, including 3 men and 11 women.

Furthermore, to encourage employees to have children, our Company established a "Fertility Reward Program" in July 2022. This program provides maternity and childbirth gift packages and childcare subsidies to employees and their spouses during pregnancy and childbirth. Each newborn receives a subsidy of NT$10,000, and a childcare subsidy of NT$1,000 is provided monthly from the child' s birth until they turn 6 years old. As of the end of 2024, the total amount of subsidies distributed was NT$6,350,000.

The Vietnam plants comply with Vietnamese government regulations and fulfills employer responsibilities by partially covering childcare expenses for employees' children. A childcare allowance of 70,000 VND per month is provided for each child from birth until age six. As of 2024, the cumulative subsidy amount issued by the Vietnam plants totaled VND 1,909,460,000.

Employee Work Proposal Improvement System

Our Company encourages employees to be creative and propose improvements to the work environment. We have a proposal sharing system that rewards employees who submit outstanding proposals and allows them to share their innovative ideas with all colleagues, demonstrating the Company's commitment to valuing employee creativity and feedback. Moreover, we included environmental measures in the proposal reward scope, promoting environmental protection concepts and supporting eco-friendly actions to implement the Company's philosophy of sustainable management.

Statistics of Work Improvement Proposals over the Past Two Years

Item	Number of Proposals	Reward Amount (NT$)	Excellent Proposals	
			Number of Proposals	Reward Amount (NT$)
2024	2,235	236,600	59	7,000
2023	2,538	279,600	63	9,400

- Data pertains to the Taiwan Plant and gas stations

Retirement Plan

The Company, in accordance with Taiwan's Labor Standards Act and Labor Pension Act, establishes a retirement pension system for employees. It allocates retirement reserves as required by law to protect employees' rights to receive future retirement pensions and to ensure sufficient contributions.

Item	Labor Pension	
	Old system	New system
Legal Basis	Labor Standards Act	Labor Pension Act
Allocation Ratio	The employer shall allocate 2% to 15% of the total monthly salary of the laborer each month into a dedicated Labor Retirement Reserve Fund account at the Bank of Taiwan for safekeeping. When an employee meets the retirement eligibility criteria and applies to the employer for retirement benefits, the employer may disburse the payment from the employee's retirement reserve fund account.	Employers shall make monthly pension contributions of no less than 6% of each employee' s monthly wage for those covered under the relevant regulations. These contributions are deposited into individual labor pension accounts established by the Labor Insurance Bureau. The account is owned by the employee, who may claim the accumulated principal and earnings upon reaching the age of 60.
Employee Participation Rate	11.6%	88.4%
Conditions for Claiming	1. Application for retirement: • Employees aged 55 or above with over 15 years of service. • Employees with more than 25 years of service • Employees aged 60 or above with over 10 years of service 2. Order for retirement: • Employees aged 65 and above • Employees with disabilities who are unable to perform their duties	The regulation stipulates that the eligible age for claiming is 60 years. Workers who have reached the age of 60 and have a work tenure of 15 years or more may choose to receive either a monthly retirement pension or a lump-sum retirement payment. Workers with less than 15 years of work tenure are entitled to receive a lump-sum retirement payment.
Preparation Status for 2024	Accumulated appropriation of NT$38,654,000	

- Pertains to the Taiwan Plant and gas stations

In Mainland China, employees' pensions after retirement are paid by the government. Workers must meet the following two conditions in order to receive retirement benefits:

1. Has reached the statutory retirement age.
2. Their social insurance contribution period has reached 15 years.

Employees at the Vietnam Plants who reach the retirement age and meet the insurance requirements are entitled to the retirement system, thereby ensuring their retirement benefits. According to Vietnamese law, the application for retirement pension must meet the following conditions:

1. Retirement Age Adjustment: Starting from 2021, the retirement age for men will increase by 3 months annually, reaching 62 years by 2028; the retirement age for women will increase by 4 months annually, reaching 60 years by 2035.
2. Payment Period: Contributions must be accumulated for a minimum of 20 years.
3. Supplementary Payment Mechanism: If an employee has reached the retirement age but has not met the required contribution period, they may choose to continue making payments voluntarily under the social insurance system until they fulfill the conditions for pension entitlement.

4.4 Career Development

Management Policy

The Company adheres to the philosophy of sustainable inheritance of experience and technology, emphasizes comprehensive education and training, encourages employees to continuously improve their knowledge and skills, and has established a complete training system in the "Training Management Guidelines." In 2024, a total of 2,465 training sessions were conducted across all plants and gas stations, including 117 external training sessions. The total expenditure for employees attending external training amounted to NT$729,586. The Company conducted a total of 164,787 training hours, with an average of 23.6 hours of training per employee. In addition to providing on-the-job training, the Company organized a dedicated TOEIC certification course to encourage employees to learn a second language and enhance their language proficiency. In 2024, 17 employees from the Taiwan Plant and gas stations participated. Each course was 60 hours in duration, with a total planned training time of 1,020 hours (A) and actual training hours totaling 942 hours (B), resulting in an attendance rate of 92.4% (B/A).

Training Category	Target Participants	Implementation Timing
New Employee Orientation	New Employees	Before new employees are assigned to their work positions
Basic Training of Work Duties	New employees and staff mobilization management staff under the position of Foremen/Team Chiefs	Within three months of starting work
On-the-Job Professional Training	Plant Directors, Directors, and the employees below them	Changes in working conditions and unit requirements
Management Staff Reserve Training	Foremen/Team Chiefs/Section Managers/Plant Directors, and Directors/Managers	Conducted in accordance with the management needs of the Company
Project Training	All business-related employees	Irregularly conducted in accordance with operation strategies

Training Programs Conducted in 2024

Category	Management	Environmental Safety and Health	Continuing Education	Quality	Technology	IT	Others	Special Expertise	External Training	Total
Number	827	660	300	125	329	6	50	51	117	2,465

- Data pertains to the all 5 plants across 3 regions and gas stations

Total Training Hours Conducted in 2024 Divided by Genders and Positions

Category		Position		
		1st and 2nd-level supervisors and higher	Base-level supervisors	Base-level employees
Total number of attendances	Male	2,406	13,083	26,547
	Female	416	7,051	19,055
	Total	2,822	20,134	45,602
Total Training Hours	Male	6,631	30,465	63,852
	Female	1,129	17,305	45,406
	Total	7,760	47,770	109,258
Average training hours per attendance (hours/person)	Male	2.8	2.3	2.4
	Female	2.7	2.5	2.4
	Total	2.7	2.4	2.4

- 1st level management supervisors refer to plant director-level; 2nd level management supervisors refer to section chief-level.
- Data pertains to the all 5 plants across 3 regions and gas stations

Statistics of Training Hours of the Whole Company in 2024

Category	Male	Female	Total
Total Training Hours	100,948	63,840	164,788
Total employees	3,963	2,953	6,916
Average training hours per attendance (hours/person)	25.5	21.6	23.8

- Total number of employees refers to the number of employees as of December 31, 2024 (including foreign employees).
- Data pertains to the all 5 plants across 3 regions and gas stations

4.5 Occupational Health and Safety

Health and safety management system

The Company is committed to creating a healthy and safe working environment. All five plants across three locations have passed the ISO45001:2018 Occupational Health and Safety Management System certification. Employees and contractors at the FTC plants have all (100%) undergone internal and external audits of the occupational safety and health management system. Due to the widespread distribution of gas stations across Taiwan, the Petroleum Business Division operates with small-scale, independently run stations and a limited number of personnel at each site. In alignment with the Company' s Occupational Safety and Health Management Measures, each gas station is assigned one Class C Occupational Safety and Health Supervisor (Station Manager) responsible for implementing safety and health management as well as educational training. Based on the nature of the work and the diversity of service recipients, targeted safety and health measures are carefully planned and executed to prevent employees from suffering physical or mental harm caused by the actions of others. All station employees are trained to comply with the gas station' s safety and health work regulations.

Occupational health and safety management plan

The Taiwan Main Plant (including the Petroleum Business Division) and the Second Plant have both established Occupational Safety and Health Committees in accordance with the "Occupational Safety and Health Act." The President serves as the Chairperson of these committees. Labor representatives constitute 36% of the Taiwan Main Plant committee and 33.3% of the Second Plant committee, ensuring workers' rights to participate in occupational safety and health consultations. Meetings are held quarterly to formulate safety and health policies and make recommendations. The committees also review, coordinate, and advise on safety and health-related matters. Decisions are reached through review and voting by committee members, which then guide the implementation of safety and health initiatives. Over the years, the Committee has established an occupational safety and health management plan in compliance with legal regulations to facilitate the operation of the Environmental Safety and Health Group. This plan incorporates risk assessment, hazard identification, and risk management strategies for implementation. Through continuous monitoring and problem detection, corrective actions are promptly taken and communicated to other plant locations for coordinated improvement, thereby enhancing safety and health management performance. Additionally, monthly meetings are held for overseas plants, convening plant (or department) heads and supervisors to review and discuss the implementation of safety and health-related operations.

Hazard Identification, Risk Assessment, and Determination of Control Measures

To identify potential environmental hazard factors and their possible impacts on various operational activities, facilities, products, and services in terms of safety, health, and the environment, the Taiwan Plant utilizes a range of evaluation criteria to identify and categorize potential risks. These risks are mitigated through hazard control measures such as elimination, substitution, engineering controls, administrative controls, and personal protective equipment. Risks are classified into six levels, and response control mechanisms/measures are established for those designated as "risks requiring action." In order to ensure that the risk management mechanism remains up-to-date and appropriately adjusted, the Company conducts a comprehensive risk assessment annually. Special attention is given to new machinery, processes, manual operations, production activities, raw materials, or working environment conditions. The Company also periodically reviews whether newly emerging risks should be included in the hazard factor list and formulates countermeasures to ensure safe production.

Hazard Identification

Identify potential occupational safety and health hazards associated with various operational activities and facilities, and investigate occupational accidents.

Risk Assessment

Conduct quantitative assessments of various hazard factors, including the frequency of hazard exposure, probability of occurrence, and severity of consequences, to perform risk evaluation.

Risk Handling

According to the assessed risk levels, "Risks Requiring Action" are identified as key areas for improvement. Management plans and action plans are implemented to monitor and track the progress of these improvements.

In 2024, the execution of occupational safety risk mitigation measures included: replacement of the take-up unit switch and installation of warning lights for the fabric washing machine; addition of anti-entanglement guards for the coater; burn prevention for the JD dyeing machine; installation of protective shields and photoelectric sensors for the laminator; fall prevention measures for the dye handling lift cart; installation of emergency pull-cord stop devices on the combing and inspection machines; addition of protective barriers for the BA machine; installation of a warning system for the liquid caustic storage tank; and enhancement of safety protection devices for beam reversing on the warping machine. These improvements resulted in zero reported injury incidents or cases.

Item	Taiwan Plant	Zhong-Shan Plant	Chang-Shu Plant	Tay-ninh Plant	Dong Nai Plant
Number of Identified/Evaluated Hazards	1,110	228	5	311	385
Number of Unacceptable (High) Risk Cases After Evaluation	5	1	1	1	6
Number of Improvements with Specific Targets	5	1	10	4	6
Number of Amended/Stipulated Management Documents	22	5	6	11	0

Management of Operating Environment

Before implementing labor work environment monitoring, it is essential first to identify whether hazardous factors are present. Based on the actual conditions of the employees' work environment and the assessment of workers' exposure, a sampling strategy should be planned. Subsequently, a third-party professional monitoring agency should be commissioned to conduct regular monitoring of the labor work environment to confirm the current safety status of the work environment and to alert workers for preventive measures. Monitoring results show that protective equipment (earmuffs, earplugs) has been provided for noise-exposed areas. For CO_2, dust, organic solvents, and specific chemicals, 2024 levels were below detection limits or less than half the permissible values. Ongoing efforts include equipment automation, control upgrades, and worker training on proper operational methods and PPE usage to safeguard health.

Summary of Monitored Items of Workplace in the Five Plants in 2024

Plant	Monitored Operation Site	Monitored Items	Monitored Cycle	Total Monitored Points Implemented in 2024	Results
Taiwan	Indoor central air-conditioned operating site	CO2	Once every 6 months	39	Lower than 1/5 tolerance for standard value
	Noisy operating site	Noise (dB)	Once every 6 months	78	First half of 2024: 79.1(dB)~87.2(dB); second half of 2024: 73.1(dB)~88.6(dB), equipped with soundproof gear (earmuff, earplug)
	Dusty operating site	4th category dust, 4th category respirable dust	Once every 6 months	23	Lower than 1/10 tolerance for standard value
	Operating site for organic solvent	Organic solvents	Once every 6 months	177	Lower than detectable limit ~1/5 tolerance for standard value
	Operating site for specific chemicals	Specific chemicals	Once every 6 months	19	Lower than detectable limit ~1/2 tolerance for standard value
Zhongshan	High temperature operating site	High temperature (°C)	Once a year	10	Standard: 31°C; actual summer measurement: 30.3°C
	Noisy operating site	Noise (dB)	Once a year	46	85(dB)~95(dB) Equipped with soundproof gear (earmuff, earplug)
	Dusty operating site	4th category dust, 4th category respirable dust	Once a year	13	Lower than 1/10 tolerance for standard value
	Operating site for organic solvent	Organic solvents	Once a year	4	Lower than detectable limit ~1/4 tolerance for standard value
	Operating site for specific chemicals	Specific chemicals	Once a year	22	Lower than detectable limit ~1/5 tolerance for standard value
Changshu	Operating site for organic solvent	Organic solvents	Once a year	3	Lower than detectable limit ~1/4 tolerance for standard value
	Operating site for specific chemicals	Specific chemicals	Once a year	6	Lower than detectable limit ~1/5 tolerance for standard value
	Dusty operating site	4th category dust, 4th category respirable dust	Once a year	2	Lower than 1/10 tolerance for standard value
	Noisy operating site	Noise (dB)	Once a year	11	85(dB)~95(dB) Equipped with soundproof gear (earmuff, earplug)
	High temperature operating site	High temperature (°C)	Once a year	8	Standard: 31°C; actual summer measurement: 30.5°C
Tay-ninh	Noisy operating site	Noise (dB)	Once a year	60	85(dB)~93.3(dB) Equipped with soundproof gear (earmuff, earplug)
	Dusty operating site	4th category dust, 4th category respirable dust	Once a year	60	Lower than 1/4 tolerance for standard value
	Operating site for organic solvent	Organic solvents	Once a year	21	Lower than detectable limit ~1/3 tolerance for standard value

Plant	Monitored Operation Site	Monitored Items	Monitored Cycle	Total Monitored Points Implemented in 2024	Results
Dong Nai	Noisy operating site	Noise (dB)	Once a year	42	85(dB)~100(dB) Equipped with soundproof gear (earmuff, earplug)
	Operating site for organic solvent	Organic solvents	Once a year	5	Lower than detectable limit ~1/6 tolerance for standard value
	Hazardous gases	CO_2, SO_2, NH_3	Once a year	5	Lower than detectable limit ~1/8 tolerance for standard value

Chemical Safety Management

To ensure the safety of operators and equipment, such regulations governing hazardous chemical operations, labeling and general knowledge, and public hazardous objects are established to strengthen safety management, control operations, safety and health facility establishment, emergency management, and supervision inspections.

1) Hazardous Chemicals Classification and Management

In conjunction with the provisions of the "Occupational Safety and Health Act" and the increase in demands of chemical management by the stakeholders, the Industrial Safety & Hygiene Office stipulated regulations on risk ranking management for hazardous chemicals, which provide the bases for assessing the degrees of risks the chemicals pose and risk ranking management procedures based on hazards to health, distribution, quantity of use and other conditions. Each Plant will establish the "Hazardous Chemicals Assessment and Risk Ranking Table", schedules for the implementation of risk ranking management in accordance with their specific needs, and file assessment methods, risk ranking management measures, and implementation logs for future reference to facilitate the institutionalization and traceability of the implementation of such management.

2) Management of Chemical Transportation and Storage

In addition to establishing clear warning signs and labels for storage in order to increase the awareness of onsite personnel regarding potential hazards and self-protection, the Company has also installed anti-overflow embankments of suitable height or leakage prevention devices with similar functions in the vicinity of the transportation facilities, storage tanks, and pumps to prevent hazards related to chemical spills and pollution. Inspections of the transportation facilities and storage tanks will be irregularly conducted by the Standards Team and Industrial Safety & Hygiene Office of the President Office. If any leakage or abnormality is discovered, a basic quarantine will be established on the premises, and the responsible personnel will be requested to conduct detection at the site of the reported abnormality and reinforce protection measures in order to ensure prompt response to the crisis and effective control of hazards and damages.

3) Hazard Communication Program

In order to ensure that the onsite personnel have full understanding of the different types of hazardous chemicals and that chemical usage conforms to the "Regulations for the Management of Hazardous Chemical Labeling and General Knowledge", the Company has stipulated the General Knowledge of Hazards Plan to standardize the professional knowledge of relevant operating personnel so that they can fully recognize the properties of the hazardous chemicals, emergency response measures, and preventive measures within the scope of their duties and consequently prevent the incidence of disasters or reduce the degree of damage:

- ◎ Prepare and organize the "Hazardous Chemicals List."
- ◎ Prepare the facility floor plan layout for hazardous chemical storage locations.
- ◎ Label hazardous chemicals.
- ◎ Audit the Safety Data Sheets (SDS) of hazardous chemicals, review the accuracy of the SDS content based on actual conditions, and update them in a timely manner. Conduct this review at least once every three years.
- ◎ Supervise relevant personnel to receive general hazard education and training on the manufacturing, handling, or use of hazardous chemicals.

- Prepare the Accident Prevention and Emergency Response Measures Table.
- Assist the Safety and Health Department in promoting various hazard awareness activities.
- Other necessary measures to ensure that workers are fully informed about hazardous chemicals.

Employee Health Management

1) Health (Physical) Examination

New hires must undergo a general physical exam at a designated certified medical facility before onboarding and establish an "Employee Health Examination Booklet." Current employees must undergo regular health checkups as specified. The Company conducts employee health checkups according to occupational safety and health regulations. Abnormal results are followed up with care and health education. Internal and external resources are integrated to organize health promotion activities and cardiovascular disease prevention seminars, aiming to improve employees' physical and mental well-being. For contractors, toolbox meetings are held before work begins to ensure that contractor personnel fully understand the day's work content and scope. These meetings also inform them about potential hazards in the work area and the safety measures to be taken. Personal protective equipment checks are conducted before work starts, and assessments of physical and mental conditions, including blood pressure measurements and balance tests, are performed. Safety information and reminders about potential hazards are provided to ensure safe work practices.

2) Special Health (Physical) Examination

New employees engaged in work with specific health hazards must undergo a special physical examination at a designated qualified medical institution within one week of onboarding. The examination must cover statutory items related to the hazardous work environment, and results are compared against conditions deemed unsuitable for such work to determine job assignment. For employees working in environments with specific health hazards, the Company conducts special health examinations annually in accordance with regulations.

Plant	Age of Examined Employees	Examination Period	Number of Employees Undergoing Health Examinations
Taiwan	Under 40	Once every 5 years	In 2020, 684 individuals were inspected.
	40-65	Once every 3 years	In 2022, 1,650 individuals were inspected.
	Over 65	Once a year	In 2024, 3 individuals were inspected.
Zhongshan	New and existing operators	Once a year	In 2024, 72 individuals were inspected.
Changshu	New and existing operators	Once a year	In 2024, 38 individuals were inspected.
Tay-ninh	Workers in common environment	Once a year	In 2024, 1,119 individuals were inspected.
Dong Nai	Workers in common environment	Once a year	In 2024, 992 individuals were inspected.

Special Health Examination in Taiwan:

The classification of special health examinations in Taiwan is conducted in accordance with the Regulations Governing Labor Health Protection. For example, hearing tests fall under Level 4 management, where occupational physicians may recommend adjusting the work environment or reducing time spent in noisy areas. For Level 2 management, the medical office arranges individual health counseling sessions with on-site physicians, and Level 2 health management personnel provide guidance based on the health examination report.

Physicians recommend regular follow-up visits or medication treatment at a hospital. The summary table of special health examinations for the Taiwan site in 2024 is as follows:

Unit: headcount

Special Health Examination Items	Grade 1	Grade 2	Grade 4	Number of Examined Personnel
Noise (Hearing)	304	313	6	623
Dust	37	15	0	52
Dimethylformamide	71	50	0	121
Diisocyanate	15	1	0	16
Formaldehyde	13	11	0	24
Nickel and its compounds	4	1	0	5
Subtotal	444	391	6	841

Health Examination in Mainland China:

Health examination classifications in Mainland China are based on the "Periodic Occupational Hazard Factor Testing Report." Employees in positions with potential occupational disease risks undergo examinations at hospitals recognized by local government authorities as qualified to conduct occupational health checkups. Graded physical examination at Chinese plants: Arrange physical examination for employees with potential hazard for occupational disease and transfer those found to prohibitive occupational diseases to other positions. Statistics of Special Health Examination Results in China Plants in 2024 are as follows:

Unit: headcount

Plant	Health Examination Items	Normal	Has Occupational Contraindication Certificate	Number of Examined Personnel
Zhong-Shan Plant	Noise (Hearing)	97	3	100
	High temperature	35	2	37
	Dust	71	1	72
	Chemicals	69	0	69
	Subtotal	272	6	278
Chang-Shu Plant	Dust	9	0	9
	Toluene, Dimethylformamide	13	0	13
	Subtotal	22	0	22

Classification of Health Examinations in Vietnam:

Health examination classifications in Vietnam follow the "Circular No. 28/2016/TT-BYT." Since initial hearing screenings are conducted in the workplace, background interference may affect results, and some employees are initially diagnosed with abnormalities. The Company then arranges follow-up examinations at qualified hospitals. Subsequent tracking and management are based on the results of special health examinations or health follow-up checkups. The 2024 summary of special health examinations for the Vietnam plants is shown in the table below:

Unit: headcount

Plant	Health Examination Items	Normal	Abnormal	Number of Examined Personnel
Tay-ninh Plant	Noise (Hearing)	161	0	161
	Dust	25	0	25
	Toluene	21	0	21
	Subtotal	207	0	207
Dong Nai Plant	Noise (Hearing)	275	0	275
	Subtotal	275	0	275

Measures to Promote Workers' Physical and Mental Health

To protect the physical and mental health of pregnant, postpartum, and breastfeeding female workers, the Company has established lactation rooms and implemented the "Maternal Worker Health Protection Program" in line with breastfeeding promotion policies. In 2024, occupational health physicians conducted one-on-one health education sessions with two employees, providing guidance on pregnancy nutrition principles, prenatal care, and daily health precautions. All records were documented, managed, and continuously tracked. Furthermore, to establish correct health and weight loss concepts and to encourage employees to reduce body fat for better health and to prevent chronic diseases, a voluntary weight loss program was conducted from September 1 to December 31, 2024. The program targeted individuals with a Body Mass Index (BMI) over 27, and those with a BMI between 24 and 27 were encouraged to participate. At the beginning of each month, participants received regular health education and had their weight, waist circumference, BMI, and blood pressure measured and recorded. In addition, a weight loss sharing LINE group was established. Health management nurses compiled the data from before and after measurements and provided participants with a "Weight Loss Effectiveness Report". A total of 40 people participated in the program, with an average weight loss of 3.29 kg per person and a 1.18% decrease in BMI. The top participant lost 29.8 kg. In terms of awards, they were given in categories such as "Weight Loss Ranking Award", "Outstanding Weight Loss Award", and "Persistence Award", with the winners being recognized and receiving prizes for their efforts.

Date	Contents	Participants
2024/01/03-12/31	Assessment for prevention of physical hazard of high-risk employees	18 people
2024/01/03-12/31	Health guidance for employees	397 people
2024/09/18	Protection for maternal employees health	2 people
2024/05/28, 12/31	Hazards of organic solvents; introduction to ergonomics	106 people
Irregular	Subsidies for various employee clubs (20 clubs, including mountaineering club, bike club, and dancing club) in holding outdoor activities)	

Emergency Response and Rescue

The Taiwan plant established the "Regulations Governing Emergency Response Measures" in 2006. Through regular drills and training sessions, employees are encouraged to develop correct safety prevention concepts, become familiar with emergency evacuation routes, and acquire the ability to respond to disaster incidents and conduct rescue operations. This aims to prevent the escalation of disasters and control damages effectively. Regarding contractors, for high-hazard risk operation categories, Job Safety Analysis (JSA) data has been formulated, including emergency response measures and relevant first aid contact personnel, to ensure the safety of each construction step. In recent years, cardiovascular diseases have increasingly threatened public health. To enhance emergency medical response, Automated External Defibrillators (AEDs) have been installed at the main and second plants of the Taiwan site, located in the security offices of both facilities. AED equipment is inspected, maintained, and managed by the Medical Office.

Physician/Nursing Staff Allocation and On-Site Visit Frequency for Occupational Health Services at the Taiwan Plant

Plant	Number of Laborers	Nurse Staffing	Physician On-Site Service Frequency
Main Plant	2,469	2 full-time nurses	6 times/month
Plant 2	237	1 full-time nurse	Once a month

Note: The number of laborers on the table is in accordance with the number reported to Occupational Safety And Health Administration, Ministry of Labor.

Contractor Occupational Safety and Health Participation, Consultation, and Communication

Our Company regularly conducts educational training and agreement meetings for contractor personnel, supervisors, and safety inspectors. These sessions cover the work environment, potential hazards, and the safety and health measures that should be taken during construction. Moreover, our Company handles contractor personnel and vehicle site access applications, equipment inspections, workplace inspections, and regular assessments of contractor safety and health performance.

Occupational Disaster (Disease) Statistics and Prevention

According to the Occupational Safety and Health Act, preventive measures shall be taken for work categories with health hazards. Employees and contractors who believe that the work may

cause injury or illness may withdraw to a safe location on their own without being subject to company disciplinary action. The Company has established a reporting mechanism for occupational incidents. Safety and near-miss events are reported via phone and system. Within 14 days, the responsible unit and management must submit an investigation report. The Safety and Health Department reviews and compiles cases, and if needed, proposes rewards or penalties per regulations. Cases are then reported to management during regular supervisory meetings. Employees may report potentially hazardous work or environmental conditions without facing disciplinary action. Those who identify potential risks (including near-miss incidents) and propose improvement plans will be rewarded under the "Work Improvement Proposal Implementation Guidelines." In 2024, a total of 15 occupational accidents occurred across five FTC plants across three regions. Safety training was used to instill SOP-compliant work habits, and supervisors reinforced inspections and awareness to eliminate such incidents. In 2024, there were no reported cases of occupational diseases among employees and contractors.

Occupational Disaster Statistics (excluding traffic accidents) of five plants and gas stations over past two years

Plant		Taiwan Plant		FGS		Mainland China Plants		Vietnam Plants	
Year		2024	2023	2024	2023	2024	2023	2024	2023
Number of Fatalities Caused by Occupational Injuries	Male	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0
Rate of Fatalities Caused by Occupational Injuries	Male	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0
Number of Serious Occupational Injuries (Excluding Fatalities)	Male	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0
Rate of Serious Occupational Injuries (Excluding Fatalities)	Male	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0
Number of Recordable Occupational Injuries	Male	8	7	1	1	2	1	1	1
	Female	1	1	2	1	0	1	0	0
	Total	9	8	3	2	2	2	1	1
Rate of Recordable Occupational Injuries	Male	1.54	1.28	0.45	0.52	1.17	0.65	0.18	0.23
	Female	0.19	0.18	0.91	0.52	0	0.65	0	0
	Total	1.73	1.46	1.36	1.04	1.17	1.29	0.18	0.23
Working Hours		5,189,526	5,447,520	2,200,558	1,910,873	1,708,274	1,550,256	5,480,897	4,409,192

- Rate of fatalities as a result of work-related injury = (Number of fatalities as a result of work-related injury/working hours) × 10^6.

- Rate of high-consequence work-related injuries (excluding fatalities) = Number of high consequence work related injuries (excluding fatalities)/working hours × 10^6.
- Rate of recordable work-related injuries = Number of recordable work-related injuries/ Number of hours worked × 10^6.
- High-consequence work-related injuries refer to work-related injuries from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

Training on Environment, Safety and Hygiene

Employees performing regulated tasks must obtain relevant certifications. The Safety and Health Department enforces the "Annual EHS Training Schedule," requiring departments to submit the following year's training plan annually per the "Training Management Guidelines." Plans are entered into the FTC training system for implementation and oversight of safety, environmental protection, and fire safety education. Contractors must also undergo education and training on plant entry and exit as well as general safety management regulations every two years before commencing work within the plant premises.

Plant	Training Category	Main Training Course	Target Participants	Training Hours/Participants
Taiwan Plant	Safety and Health	Safety and health education and training (including the use of protective equipment)	All employees	525 hours/6,270 people
		Hazardous chemical substance labels and general knowledge training	Chemical substance operation departments	
	Environmental Protection	Environmental Protection Training for Practitioners	All employees	441 hours/6,924 people
		Chemical substance (including wastewater) leakage and handling training	Public works department, chemical substance operation departments	
		Air pollution, water pollution, waste and toxic operations training	All environmental protection operation departments	
	Firefighting	Firefighting and emergency response drills	All employees	185 hours/4,870 people
FGS	Safety and Health	Occupational Safety and Health Training (Including Refueling/Car Washing) and Hazardous Substance Awareness	All employees	9 hours/3,221 people
	Environmental Protection	Emergency Response for Fuel Leakage/Prevention and Handling of Incorrect Fueling Incidents	All employees	6 hours/3,249 people
		Prevention and Leakage Management of Water Pollution, Air Pollution, and Soil Contamination	All employees	
	Firefighting	Firefighting, Disaster Prevention, Anti-Robbery, and Earthquake Response Drill	All employees	8 hours/3,221 people
Zhong-Shan Plant	Safety and Health	Hazardous chemical substance labels and general knowledge training	Chemical substance operation departments	106 hours/212 people
	Environmental Protection	Chemical substance (including wastewater) leakage and handling training	Public works department, chemical substance operation departments	81 hours/27 people
	Firefighting	Firefighting and emergency response drills	All employees	1,100 hours/550 people

Plant	Training Category	Main Training Course	Target Participants	Training Hours/Participants
Chang-Shu Plant	Safety and Health	Training on Laws and Regulations for Safe Production	All employees	Combined Training on Safe Production and Occupational Health: 50 hours/237 people
		Training on the Occupational Disease Prevention Act	All employees	
	Environmental Protection	Environmental Protection Laws and Regulations Training for Practitioners	All employees	
		Chemical substance (including wastewater) leakage and handling training	Chemical Usage Unit	12 hours/37 people
		Air pollution, water pollution and waste operations training	All environmental protection operation units	24 hours/76 people
	Firefighting	Firefighting and emergency response drills	All employees	Practical Training: 237 participants
Tay-ninh Plant	Safety and Health	Safety and health education and training (including the use of protective equipment)	All employees	1,995 hours/1,211 people
		Hazardous chemical substance labels and general knowledge training	Chemical substance operation departments	9,477 hours/924 people
		EHS trainings on Team 1, 2, 3, 4, 5, 6	All employees	14,616 hours/1,512 people
	Environmental Protection	Chemical substance (including wastewater) leakage and handling training	Public works department, chemical substance operation departments	1,461 hours/487 people
		Air pollution, water pollution, waste and toxic operations training	All environmental protection operation departments	1,024 hours/1,024 people
	Firefighting	Firefighting and emergency response drills	All employees	3,744 hours/998 people
Dong Nai Plant	Safety and Health	Safety and health education and training (including the use of protective equipment)	All employees	656 hours/656 people
		Hazardous chemical substance labels and general knowledge training	Chemical substance operation departments	1,072 hours/129 people
		EHS trainings on Team 1, 2, 3, 4, 5, 6	All employees	16,976 hours/1,037 people
	Environmental Protection	Chemical substance (including wastewater) leakage and handling training	Public works department, chemical substance operation departments	1,197 hours/399 people
		Air pollution, water pollution, waste and toxic operations training	All environmental protection operation departments	1,067 hours/1,067 people
	Firefighting	Firefighting and emergency response drills	All employees	6,222 hours/1,250 people

4.6 Social Engagement

Guided by the founder' s teachings, of "Be industrious, honesty and upright," the Company strives to realize the management philosophy, "Harmony, innovation, service, and contribution," fulfilling its corporate social responsibility and giving back to the community/ society by maintaining a good public image and corporate reputation. Through the long-term and continuous attention of the Company and all employees, a harmonious community society is jointly established.

Social Welfare Measures

1) Education

FTC Kindergarten has been providing education for 44 years, benefiting employees' children by ensuring peace of mind in employment. It has also extended enrollment to children from the neighboring community, benefiting the local residents.

In 2024, FTC Kindergarten has a total of 46 students. The kindergarten is established within the plant premises to provide convenience for employees' children to attend, and tuition fees are reduced by 50%.

2) Environmental Protection

Since 2005, the Company has adopted 9.5 kilometers of surrounding roads, conducting community road cleaning every Friday to foster good neighborly relations and maintain the environment.

Cleaning of surrounding community environments to reduce particulate matter dispersion totaled 154,128 service hours, which, based on the Environmental Protection Administration' s "Principles for Offsetting Incremental Air Pollutant Emissions from Development Activities" (2009/7/28), reduced particulate emissions by 5.741 metric tons per year. In 2024, 8,112 hours were invested (once weekly, with two personnel from each department participating for three hours each time). The surrounding community environment was cleaned to reduce particulate matter dispersion, with a total of 154,128 service hours invested, in accordance with the EPA, Executive Yuan. In addition, since September 2010, the Company has adopted a plot of exposed land, maintaining an annual adoption area of 0.6544 hectares. Through tree planting and greening efforts, it contributes to society, beautifies the community environment, reduces dust emissions from bare land, and enhances vegetation coverage.

3) Participation in Local Community Public Welfare Activities

Category	Donations	Number
1	Temple and festival activities in neighboring communities	17
2	Consultation for the neighborhood volunteer civil defense force	3
3	Welfare activities and celebrations organized by the Longevity Club of the Development Associations in the neighboring communities	4
4	Activities organized by community vulnerable group foundations	4
5	Donations to charities and events of neighboring schools and organizations	7
6	Sponsoring other environmental protection activities and events in neighboring communities	2
	Total	37
	Investment in Community Relations	485,000

- This data pertains to the Taiwan Plant.

Industry-Academia-Research Collaboration

To enhance technology, productivity, and management, strengthen R&D capabilities, and expand high-value products with market potential (including those in advanced fields), the Company has for many years actively promoted industry-academia-research collaboration projects with several renowned academic institutions and industry associations. Recent collaboration projects are listed in the table below.

Partners	Item	Number of Participants	Period
Department of Applied Chemistry, Chaoyang University of Technology	Bisphenol-free eco-friendly color-fixing agent composition analysis and product adhesion strength improvement	20	2024-2025
	Analysis on the adhesion on the fabrics and costing surface (or membrane) of traditional fixing agent with Bisphenol S and environmental fixing agent	20	2023-2024
	Analysis on the adhesion on the fabrics and costing surface (or membrane) of traditional fixing agent with Bisphenol S and environmental fixing agent	20	2023-2024
	Development and mass production application of replacing tin-palladium colloidal catalysts with silver-based catalytic agents	25	2021-2022
	Replacing tin-palladium colloid with silver activator in electroless copper solution and developing a new reducing agent to substitute the regulated toxic chemical formaldehyde	30	2021-2022
Taiwan Textile Research Institute	Testing and evaluation techniques for functional and protective textiles	35	2022-2024
	Testing and evaluation of textiles for temperature adaptability, functionality, and protective performance.	50	2014~2022

- This data pertains to the Taiwan Plant.

Appendix

GRI Index

Statement of Use	FTC' s 2024 Sustainability Report complies with the requirements of new GRI Standards. The scope of data and information disclosed is from January 1, 2024 to December 31, 2024.
GRI 1 Version Used	GRI 1: Foundation (2021)
Applicable GRI Sector Standard(s):	None

GRI Indicators	Disclosure Items	Report Chapter	Remarks
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
2-1	Organizational details	About the Report, 1.1 Company Profile	
2-2	Entities included in the organization' s sustainability reporting	About the Report	
2-3	Reporting period, frequency and contact point	About the Report	
2-4	Restatements of information	3.3 Energy Management 3.4 Water Resource Management	Water intake at the Taiwan Plant in 2023, steam usage at the Zhong-Shan Plant in 2023, steam usage at the Tay-ninh Plant in 2023, and natural gas and liquefied petroleum gas consumption at the Tay-ninh Plant in 2023 have been recompiled. After verification, these revisions do not have a significant impact on the overall assessment, nor do they alter the Company's previously disclosed sustainability goals and progress evaluations.
2-5	External assurance	About the Report, Verification Statement	
Activities and workers			
2-6	Activities, Value Chain, and Other Business Relationships	1.1 Company Profile, 2.7 Supply Chain Management	
2-7	Employees	4.2 Human Resource Structure	
2-8	Workers who are not employees	4.2 Workforce Structure	
Governance			
2-9	Governance structure and composition	2.1 Corporate Governance	

GRI Indicators	Disclosure Items	Report Chapter	Remarks
2-10	Nomination and selection of the highest governance body	2.1 Corporate Governance	
2-11	Chair of the highest governance body	2.1 Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	2.2 Promotion of Corporate Sustainable Development	
2-13	Delegation of responsibility for managing impacts	2.1 Corporate Governance	
2-14	Role of the highest governance body in sustainability reporting	2.2 Promotion of Corporate Sustainable Development	
2-15	Conflicts of interest	2.1 Corporate Governance	
2-16	Communication of critical concerns	2.1 Corporate Governance	
2-17	Collective knowledge of the highest governance body	2.1 Corporate Governance	
2-18	Evaluation of the performance of the highest governance body	2.1 Corporate Governance	
2-19	Remuneration policies	2.1 Corporate Governance	
2-20	Process to determine remuneration	2.1 Corporate Governance	
2-21	Annual Total Compensation Ratio	4.3 Salary and Benefits	
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Message from the President	
2-23	Policy commitments	2.3 Business Ethics and Anti-Corruption 4.1 Human Rights Protection	
2-24	Embedding policy commitments	2.3 Business Ethics and Anti-Corruption 4.1 Human Rights Protection	
2-25	Processes to remediate negative impacts	2.4 Risk Management, 2.5 Business Performance, 3.1 Climate Change Response, 3.2 Air Pollutant Control, 3.3 Energy Management, 3.4 Water Resource Management, 3.6 Cultivation of Green Sustainability, 4.1 Human Rights Protection, 4.5 Occupational Health and Safety	
2-26	Mechanisms for seeking advice and raising concerns	2.3 Business Ethics and Anti-Corruption	
2-27	Legal Compliance	2.4 Risk Management	
2-28	Membership associations	1.1 Company Profile	
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	
2-30	Collective bargaining agreements	-	The Company has not entered into a group agreement but still takes into account the opinions of unions and labor management meetings during implementation.

GRI Indicators	Disclosure Items	Report Chapter	Remarks
GRI3: Material Topics 2021			
3-1	Process to determine material topics	1.3 Identification of Material Topics	
3-2	List of material topics	1.3 Identification of Material Topics	
Major Topic: Business Performance			
3-3	Management of material topics	1.3 Identification of Material Topics, 2.4 Risk Management, 2.5 Business Performance	
201-1	Direct economic value generated and distributed	2.5 Business Performance	
Material Topic: Water Resource Management			
3-3	Management of material topics	1.3 Identification of Material Topics, 3.4 Water Resource Management	
303-1	Interactions with water as a shared resource	3.4 Water Resource Management	
303-2	Management of water discharge-related impacts	3.4 Water Resource Management	
303-3	Water withdrawal	3.4 Water Resource Management	
Material Topic: Information Security			
3-3	Management of material topics	1.3 Identification of Material Topics, 2.4 Risk Management	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Risk Management, 2.5 Business Performance	
Material Topic: Air Pollutant Control			
3-3	Management of material topics	1.3 Identification of Material Topics, 3.2 Air Pollutant Control	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2 Air Pollutant Control	
Material Topic: Climate Change Response			
3-3	Management of material topics	1.3 Identification of Material Topics, 3.1 Climate Change Response	
201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Response, 3.3 Energy Management	
305-1	Direct (Scope 1) GHG emissions	3.1 Climate Change Response	
305-2	Energy indirect (Scope 2) GHG emissions	3.1 Climate Change Response	
305-3	Other indirect (Scope 3) GHG emissions	3.1 Climate Change Response	

GRI Indicators	Disclosure Items	Report Chapter	Remarks
305-4	GHG emissions intensity	3.1 Climate Change Response	
305-5	GHG Emission Reduction	3.1 Climate Change Response	
Material topic: Energy management			
3-3	Management of material topics	1.3 Identification of Material Topics, 3.3 Energy Management	
302-1	Energy consumption within the organization	3.3 Energy Management	
302-2	Energy intensity	3.3 Energy Management	
303-3	Reduction of energy consumption	3.3 Energy Management, 3.4 Water Resource Management	
Material Topic: Occupational Health and Safety			
3-3	Management of material topics	1.3 Identification of Material Topics, 4.5 Occupational Health and Safety	
403-1	Occupational health and safety management system	4.5 Occupational Health and Safety	
403-2	Hazard identification, risk assessment, and incident investigation	4.5 Occupational Health and Safety	
403-3	Occupational health services	4.5 Occupational Health and Safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	4.5 Occupational Health and Safety	
403-5	Worker training on occupational health and safety	4.5 Occupational Health and Safety	
403-6	Promotion of worker health	4.5 Occupational Health and Safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5 Occupational Health and Safety	
403-8	Workers covered by an occupational health and safety management system	4.5 Occupational Health and Safety	
403-10	Work-related ill health	4.5 Occupational Health and Safety	
Material Topic: Hazardous Chemical Substances Management			
3-3	Management of material topics	1.3 Identification of Material Topics, 3.6 Cultivation of Green Sustainability	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions.	3.2 Air Pollutant Control	
Material Topic: Labor Rights			
3-3	Management of material topics	1.3 Identification of Material Topics, 4.1 Human Rights Protection	
401-1	New employee hires and employee turnover	4.1 Human Rights Protection	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Employee Remuneration and Benefits	

SASB Index

Subject	Corresponding Indicators	Disclosure Items	Category	Section/Remarks
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	Qualitative	3.6 Cultivation of Green Sustainability
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	Qualitative	3.6 Cultivation of Green Sustainability
Management of Supply Chain Environmental Impact	CG-AA-430a.1	Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreements	Quantitative	2.4 Supply Chain Management, 3.4 Water Resource Management
	CG-AA-430a.2	Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition' s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Quantitative	2.4 Supply Chain Management, 3.4 Water Resource Management
Labor Conditions in the Supply Chain	CG-AA-430b.1	Percentage of Tier 1 supplier facilities and supplier facilities beyond Tier1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	Quantitative	2.4 Supply Chain Management
	CG-AA-430b.2	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	Quantitative	2.4 Supply Chain Management
	CG-AA-430b.3	Description of the greatest labor and environmental, health, and safety risks in the supply chain	Quantitative	2.4 Supply Chain Management
Procurement of Raw Material	CG-AA-440a.3	Description of environmental and social risks associated with sourcing priority raw materials	Qualitative	2.4 Supply Chain Management
	CG-AA-440a.4	Percentage of raw materials certified by third parties as meeting environmental and/or social sustainability standards	Quantitative	2.4 Supply Chain Management, 3.6 Cultivation of Green Sustainability
Activity Metrics	CG-AA-000.A	Percentage of raw materials certified by third parties as meeting environmental and/or social sustainability standards	Quantitative	2.4 Supply Chain Management, 3.6 Cultivation of Green Sustainability

Implementation Status of Climate-Related Information in TWSE/TPEx Listed Companies

Item	Implementation Status
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Board of Directors is the highest unit for making decisions on climate change risks and opportunities and monitoring the performance. In May, 2022, the BoD approved to set up the "Sustainable Development Committee," in charge of reviewing sustainable development policies, strategies, and management directives and supervising the implementation of sustainable development related affairs and plans. The company has established a Sustainability Promotion Taskforce led by the President, with Vice Presidents of each business unit as co-leads. The Environmental Sustainability Department, composed of plant representatives, implements energy-saving and carbon-reduction measures. In 2024, the taskforce structure was updated to integrate IFRS into the Company's sustainability strategy, strengthening cross-departmental resource coordination, enhancing issue identification and transparency, and improving internal and external communication to meet ESG expectations. Monthly ESG meetings are held and reported to the President. For details, please refer to the Climate Change Response section of this report and the 2024 TCFD Report.
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company regularly reviews regulatory changes and collects, analyzes, and consolidates information on climate and energy-related risks and opportunities. Climate-related risks and opportunities are identified and assessed using ISO 14001 procedures. For details on short-, medium-, and long-term risks and financial impacts, refer to the 2024 Sustainability Report, Section 3.1 Climate Change Response, and the 2024 TCFD Report.
Describe the financial impact of extreme weather events and transformative actions.	
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	With reference to TCFD recommendation, the Company employs different climate-related scenarios to analyze the possible financial impacts under different scenarios. For the detailed information, please refer to Chapter 3.1 Climate Change Response and the Company's 2024 TCFD Report.
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	For details regarding internal carbon pricing and progress toward climate-related targets, please refer to the Company's 2024 Sustainability Report, Section 3.1 Climate Change Response, and the 2024 TCFD Report.
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	

1-1-1 Greenhouse Gas Inventory Information (Verified Data)

Description of greenhouse gas emissions over the past two years (metric tons CO_2e), intensity (metric tons CO_2e per NT$ million), and the scope of data coverage.

Year	Scope of Data Coverage	Scope 1		Scope 2	
		Total Emissions ($MTCO_2e$)	Intensity ($MTCO_2e$/NT$ 1 Million)	Total Emissions ($MTCO_2e$)	Intensity ($MTCO_2e$/NT$ 1 Million)
2024	Parent Company, Formosa Development Co., Ltd.	59,339.4	2.79	87,706.5	3.93
	Public More International Company Ltd.	0	0	2.4	0.07
	Formosa Taffeta (Hong Kong)	0	0	0	0
	Formosa Taffeta (Zhong-Shan) Co., Ltd.	12,224.5	7.75	17,142.5	10.87
	Formosa Taffeta (Chang-Shu) Co., Ltd.	5,756.6	6.81	13,287.6	15.72
	Formosa Taffeta Vietnam Co., Ltd.	38,210.5	13.10	27,306.6	9.36
	Formosa Taffeta Dong-nai Co., Ltd.	6,050.6	1.89	94,382.0	29.52
2023	Parent Company, Formosa Development Co., Ltd.	78,842.3	3.58	85,445.8	3.88
	Public More International Company Ltd.	0	0	2.66	0.07
	Formosa Taffeta (Hong Kong)	0	0	0	0
	Formosa Taffeta (Zhong-Shan) Co., Ltd.	11,590.1	8.17	2,359.5	1.66
	Formosa Taffeta (Chang-Shu) Co., Ltd.	2,005.0	2.48	17,082.6	21.13
	Formosa Taffeta Vietnam Co., Ltd.	31,237.1	13.95	20,418.0	9.12
	Formosa Taffeta Dong-nai Co., Ltd.	5,853.6	2.01	78,194.9	26.90

- Intensity is calculated as emissions (metric tons of CO_2e) per NT$1 million in plant revenue.
- The parent company includes FTC Taiwan Plant, Formosa Petroleum Stations, and FTC Taipei Office.
- Formosa Taffeta Vietnam Co., Ltd. includes a Ho Chi Minh City Office.
- Starting from 2023, the entire Formosa Taffeta Corporation, including FTC, Plant 2, four overseas plants, gas stations, Taipei Office, Ho Chi Minh Office,

  Formosa Development Co., Ltd., Public More International Company Ltd., and Formosa Taffeta (Hong Kong), has been included in the inventory and obtained third-party verification. Scope 1 emissions totaled 129,528 metric tons of CO_2e, Scope 2 emissions totaled 203,503 metric tons of CO_2e, and the combined Scope 1 and Scope 2 emissions for the entire Company amounted to 333,031 metric tons of CO_2e.
- The data in the above table has been verified and certified by SGS Taiwan Ltd.

1-1-2 Greenhouse Gas Assurance Information

Explanation of the assurance status over the past two years, including the scope of assurance, assurance institutions, assurance standards, and assurance opinions.

Year	Scope of Verification	Assurance Provider	Statement of Assurance
2024	Parent Company, Formosa Development Co., Ltd.	SGS Taiwan Ltd.	Please refer to the Appendix: Greenhouse Gas Verification Statement.
	Public More International Company Ltd.		
	Formosa Taffeta (Hong Kong)		
	Formosa Taffeta (Zhong-Shan) Co., Ltd.		
	Formosa Taffeta (Chang-Shu) Co., Ltd.		
	Formosa Taffeta Vietnam Co., Ltd.		
	Formosa Taffeta Dong-nai Co., Ltd.		
2023	Parent Company, Formosa Development Co., Ltd.		
	Public More International Company Ltd.		
	Formosa Taffeta (Hong Kong)		
	Formosa Taffeta (Zhong-Shan) Co., Ltd.		
	Formosa Taffeta (Chang-Shu) Co., Ltd.		
	Formosa Taffeta Vietnam Co., Ltd.		
	Formosa Taffeta Dong-nai Co., Ltd.		

- The greenhouse gas inventory verification for the five factories across three locations for the year 2024 is expected to be completed by June 2025 and will be verified by a third party.
- Starting from 2023, the entire Formosa Taffeta Corporation, including FTC, Plant 2, four overseas plants, gas stations, Taipei Office, Ho Chi Minh Office, Formosa Development Co., Ltd., Public More International Company Ltd., and Formosa Taffeta (Hong Kong), has been included in the inventory and obtained third-party verification.

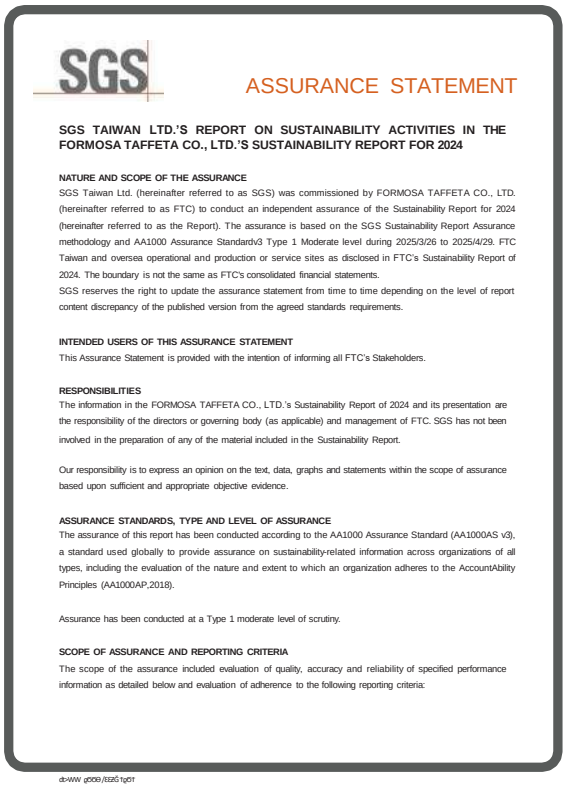
1-2 Greenhouse Gas Reduction Targets, Strategies, and Concrete Action Plans

Explanation of the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and the achievement status of the reduction targets.

	Short-term	Medium-term	Long-term
Greenhouse Gas Reduction Targets	Reduce by 26.3% by 2027, using 2019 as the base year. (SBTi Target)	Using 2019 as the base year, reduce emissions by 33.8% by the year 2030.	Achieve carbon neutrality by 2050.
Strategy	Transition to low-carbon fuels, use renewable energy, and improve processes.	Transition to low-carbon fuels, use renewable energy, and improve processes.	Transition to low-carbon fuels, enhance energy efficiency, use renewable energy, improve processes, and adopt negative emission technologies.
Specific Action Plan	Cease coal use, switch oil to natural gas, and adopt solar power generation.	Switch oil to natural gas, adopt solar power generation, and purchase green electricity.	Use renewable energy and negative emission technologies.
Achievement Status of Reduction Targets	The carbon emissions in 2023 decreased by approximately 53.9% compared to 2019, achieving the target ahead of schedule. This reduction can be sustainably maintained in 2024.	-	-

Note: The Company' s base year for greenhouse gas emissions is 2019, with emissions totaling 722,362 metric tons of CO_2e. For details, please refer to the Climate Change Response section of this report and the 2024 TCFD Report.

SGS Statement of Assurance for the Sustainability Report



SGS

ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE FORMOSA TAFFETA CO., LTD.'S SUSTAINABILITY REPORT FOR 2024

NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by FORMOSA TAFFETA CO., LTD. (hereinafter referred to as FTC) to conduct an independent assurance of the Sustainability Report for 2024 (hereinafter referred to as the Report). The assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standardv3 Type 1 Moderate level during 2025/3/26 to 2025/4/29. FTC Taiwan and oversea operational and production or service sites as disclosed in FTC's Sustainability Report of 2024. The boundary is not the same as FTC's consolidated financial statements.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT

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

RESPONSIBILITIES

The information in the FORMOSA TAFFETA CO., LTD.'s Sustainability Report of 2024 and its presentation are the responsibility of the directors or governing body (as applicable) and management of FTC. SGS has not been involved in the preparation of any of the material included in the Sustainability Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance based upon sufficient and appropriate objective evidence.

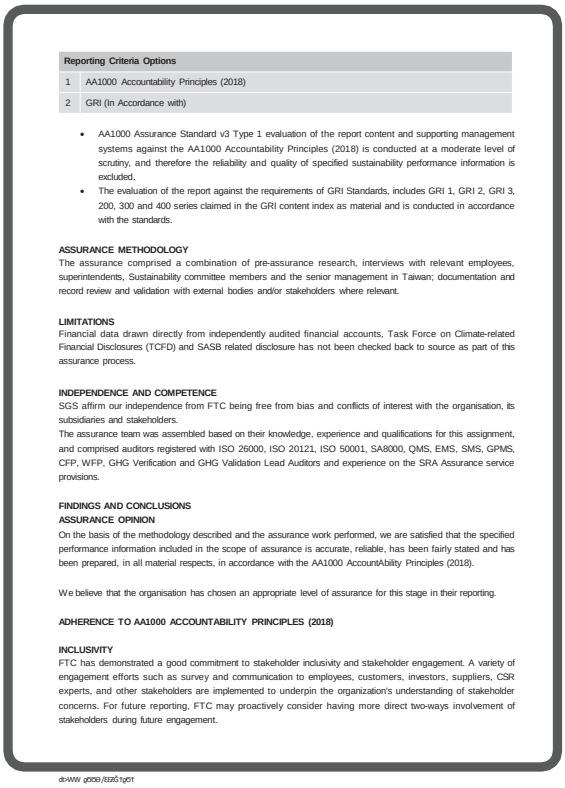
ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The assurance of this report has been conducted according to the AA1000 Assurance Standard (AA1000AS v3), a standard used globally to provide assurance on sustainability-related information across organizations of all types, including the evaluation of the nature and extent to which an organization adheres to the AccountAbility Principles (AA1000AP,2018).

Assurance has been conducted at a Type 1 moderate level of scrutiny.

SCOPE OF ASSURANCE AND REPORTING CRITERIA

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



Reporting Criteria Options	
1	AA1000 Accountability Principles (2018)
2	GRI (In Accordance with)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards, includes GRI 1, GRI 2, GRI 3, 200, 300 and 400 series claimed in the GRI content index as material and is conducted in accordance with the standards.

ASSURANCE METHODOLOGY

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

LIMITATIONS

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

INDEPENDENCE AND COMPETENCE

SGS affirm our independence from FTC being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

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

FINDINGS AND CONCLUSIONS

ASSURANCE OPINION

On the basis of the methodology described and the assurance work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the AA1000 AccountAbility Principles (2018).

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

ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY

FTC has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, FTC may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY

FTC has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT

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

ADHERENCE TO GRI

The report, FTC's Sustainability Report of 2024, is reporting with in accordance with the GRI Universal Standards 2021. The significant impacts were assessed and disclosed with in accordance with the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to the material topics claimed in the GRI content index. The report has properly disclosed information related to FTC's contributions to sustainability development.

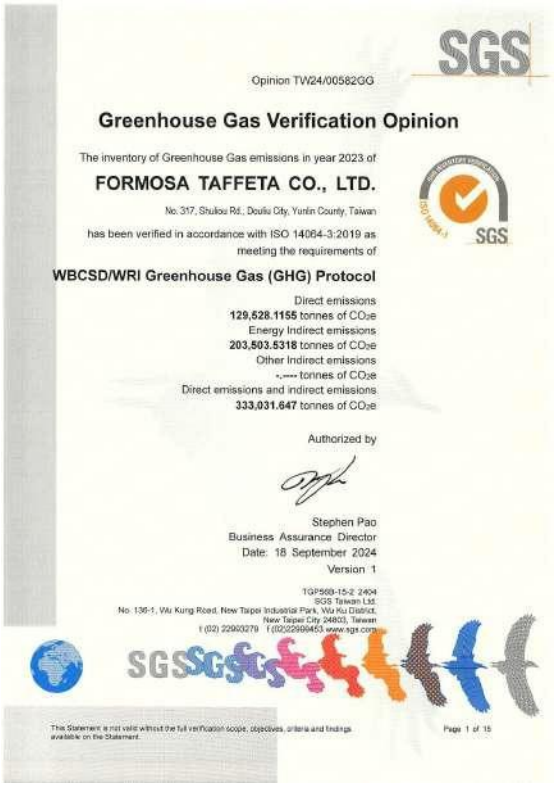
For future reporting, it is recommended FTC to enhance the disclosure of GRI 2-21 for better alignment with GRI requirements. Moreover, regarding the material topics, it is encouraged to address the risk management and targets with more details.

Signed:
For and on behalf of SGS Taiwan Ltd.

AA1000
Licensed Report
000-8/V3-FQVBK

Stephen Pao
Business Assurance Director
Taipei, Taiwan
01 June, 2025
WWW.SGS.COM

2023 Annual Greenhouse Gas Verification Statement for Domestic and Overseas Factories



Opinion TW24/00582GG

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2023 of

FORMOSA TAFFETA CO., LTD.

No. 317, Shuliou Rd., Douliu City, Yunlin County, Taiwan

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

WBCSD/WRI Greenhouse Gas (GHG) Protocol

Direct emissions
129,528.1155 tonnes of CO_2e
Energy Indirect emissions
203,503.5318 tonnes of CO_2e
Other Indirect emissions
-.---- tonnes of CO_2e
Direct emissions and indirect emissions
333,031.647 tonnes of CO_2e

Authorized by

Stephen Pao
Business Assurance Director
Date: 18 September 2024
Version 1

TGP568-15-2 2404
SGS Taiwan Ltd.
No. 136-1, Wu Kung Road, New Taipei Industrial Park, Wu Ku District, New Taipei City 24803, Taiwan
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This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

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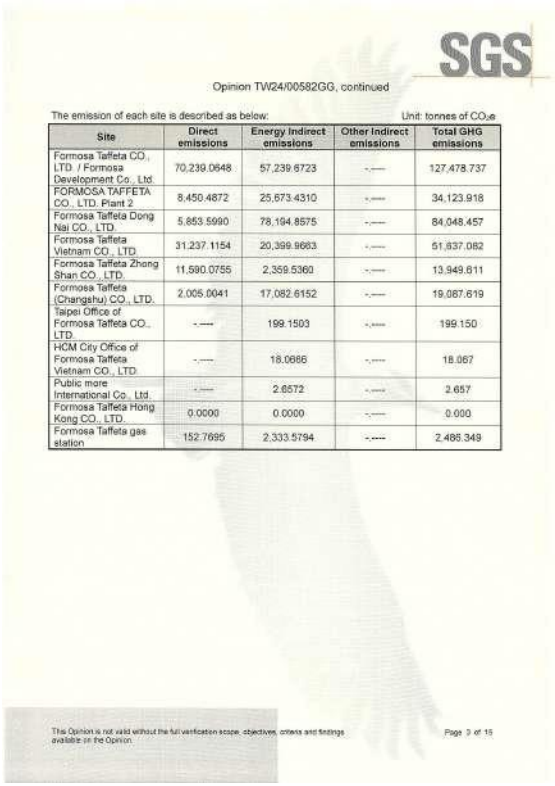

Opinion TW24/00582GG, continued

The emission of each site is described as below: Unit: tonnes of CO_2e

Site	Direct emissions	Energy Indirect emissions	Other Indirect emissions	Total GHG emissions
Formosa Taffeta CO., LTD. / Formosa Development Co., Ltd.	70,239.0648	57,239.6723	-.----	127,478.737
FORMOSA TAFFETA CO., LTD. Plant 2	8,450.4872	25,673.4310	-.----	34,123.918
Formosa Taffeta Dong Nai CO., LTD.	5,853.5990	78,194.8575	-.----	84,048.457
Formosa Taffeta Vietnam CO., LTD.	31,237.1154	20,399.9663	-.----	51,637.082
Formosa Taffeta Zhong Shan CO., LTD.	11,590.0755	2,359.5360	-.----	13,949.611
Formosa Taffeta (Changshu) CO., LTD.	2,005.0041	17,082.6152	-.----	19,087.619
Taipei Office of Formosa Taffeta CO., LTD.	-.----	199.1503	-.----	199.150
HCM City Office of Formosa Taffeta Vietnam CO., LTD.	-.----	18.0686	-.----	18.067
Public more International Co., Ltd.	-.----	2.6572	-.----	2.657
Formosa Taffeta Hong Kong CO., LTD.	0.0000	0.0000	-.----	0.000
Formosa Taffeta gas station	152.7695	2,333.5794	-.----	2,486.349

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2024 Annual Greenhouse Gas Verification Statement for Domestic and Overseas Factories

Opinion TW25/00460GG

Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of

FORMOSA TAFFETA CO., LTD.

No. 317, Shuliou Rd., Douliu City, Yunlin County, Taiwan

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

WBCSD/WRI Greenhouse Gas (GHG) Protocol

Opinion Type: Modified
Direct emissions
121,581.6937 tonnes of CO_2e
Energy Indirect emissions
235,827.6329 tonnes of CO_2e
Other Indirect emissions
2,315,886.6630 tonnes of CO_2e
Direct emissions and indirect emissions
2,673,295.990 tonnes of CO_2e

Authorized by

Stephen Pao
Business Assurance Director
Date: 20 August 2025
Version 1

TGP568-15-2 2501
SGS Taiwan Ltd.
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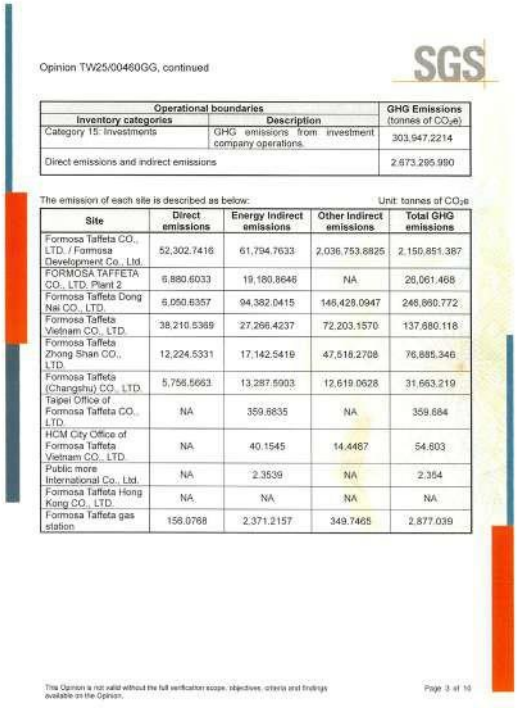

Opinion TW25/00460GG, continued

Operational boundaries		GHG Emissions (tonnes of CO_2e)
Inventory categories	Description	
Category 15: Investments	GHG emissions from investment company operations.	303,947.2214
Direct emissions and indirect emissions		2,673,295.990

The emission of each site is described as below: Unit: tonnes of CO_2e

Site	Direct emissions	Energy Indirect emissions	Other Indirect emissions	Total GHG emissions
Formosa Taffeta CO., LTD. / Formosa Development Co., Ltd.	52,302.7416	61,794.7633	2,036,753.8825	2,150,851.387
FORMOSA TAFFETA CO., LTD. Plant 2	6,880.6033	19,180.8646	NA	26,061.468
Formosa Taffeta Dong Nai CO., LTD.	6,050.6357	94,382.0415	146,428.0947	246,860.772
Formosa Taffeta Vietnam CO., LTD.	38,210.5369	27,266.4237	72,203.1570	137,680.118
Formosa Taffeta Zhong Shan CO., LTD.	12,224.5331	17,142.5419	47,518.2708	76,885.346
Formosa Taffeta (Changshu) CO., LTD.	5,756.5663	13,287.5903	12,619.0628	31,663.219
Taipei Office of Formosa Taffeta CO., LTD.	NA	359.6835	NA	359.684
HCM City Office of Formosa Taffeta Vietnam CO., LTD.	NA	40.1545	14.4487	54.603
Public more International Co., Ltd.	NA	2.3539	NA	2.354
Formosa Taffeta Hong Kong CO., LTD.	NA	NA	NA	NA
Formosa Taffeta gas station	158.0768	2,371.2157	349.7465	2,877.039

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福懋興業股份有限公司
FORMOSA TAFFETA CO.,LTD.