台塑企業
FORMOSA PLASTICS GROUP

2024 Formosa Chemicals & Fibre Corporation

Sustainability Report

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Overview

This report is the 10th sustainability report published by Formosa Chemicals & Fibre Corporation (hereinafter referred to as FCFC). The information disclosure period is from January 1, 2024, to December 31, 2024, which is consistent with the financial reporting period. The report is published annually, and previous reports can be found on the Company's official website.

Issuance Period

Initial release date: December 2015
Release date of the previous version: May 2024
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Next version release date: June 2026

Contact Information

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Scope and Boundary of the Report

This report primarily discloses information related to the Company and its major consolidated subsidiaries in Taiwan (as detailed in the table below). In an effort to gradually align the reporting boundary with that of the financial reporting scope, key management performance data for consolidated subsidiaries are disclosed by material topic in the Appendix. Any changes to the reporting boundary and resulting data discrepancies will be specifically explained within the report.

Scope of Operations	Boundary of Sustainability Disclosures		
	Sustainability Report	Financial Statements	TCFD
FCFC (Parent Company)	●	●	●
Formosa Chemicals Industries (Ningbo) Co., Ltd.		●	
Formosa Industries Corporation		●	
Formosa Power (Ningbo) Limited Company		●	
Formosa Idemitsu Petrochemical Corp.	●	●	
Formosa INEOS Chemicals Corp.	●	●	●
Formosa FCFC Carpet Inc.	●	●	
Chianan Industrial Co., Ltd.		●	
Formosa Green Power Corporation	●	●	
Formosa Renewable Energy Corporation	●	●	
FCFC Investment Corporation (Cayman) Limited	●	●	
Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	●	●	
Formosa Biomedical Technology Corporation		●	
Hong Jing Resource Co. Ltd.		●	
Formosa Biomedical Material Technology Corporation		●	
Formosa Biomedical Technology (Samoa) Co., Ltd.		●	
Formosa Waters Technology Co., Ltd.		●	
Formosa Bio & Energy Corp. (Japan)		●	
Ivy Life Sciences Co., Ltd.		●	
Formosa Eco Life Technology Co., Ltd.		●	
Formosa Biomedical Trading (Shanghai) Co., Ltd.		●	
Formosa Taffeta Co., Ltd.		●	●
Formosa Taffeta Vietnam Co., Ltd.		●	
Formosa Development Co., Ltd.		●	
Formosa Taffeta (Hong Kong) Co., Ltd.		●	
Formosa Taffeta (Dong Nai) Co., Ltd.		●	
Formosa Taffeta (Chang shu) Co., Ltd.		●	
Formosa Taffeta (Zhong Shan) Co., Ltd.		●	
Public More International Company Ltd.		●	

Note: Formosa Idemitsu Petrochemical, Formosa Green Power Corporation, Formosa Renewable Energy Corporation, FCFC Investment Corp. (Cayman), and Formosa Chemicals & Fibre (Hong Kong) Co., Ltd. primarily operate as trading companies or investment holding companies.

Report Management and Information Compilation Process

To implement and promote related initiatives, a dedicated "ESG Committee" has been established, with the Chairman serving as the Chief Convener and the President as the Deputy Convener. This committee is responsible for formulating and overseeing sustainable development strategy actions. The disclosure of this report adheres to the principles of integrity and transparency. A third-party assurance provider conducts independent verification. The finalized report is reviewed by the Sustainability Committee, approved by the Board of Directors, and then published and submitted accordingly. In addition, the Company has implemented an Internal Control System for Sustainability Information Management. Under this system, the Audit Office conducts annual audits. The audit findings are compiled into a report, reviewed by the independent directors, and submitted to the Board of Directors.

September to December 2024

Data Collection and Planning

- Develop a preparation plan for the sustainability report.
- Collect data.
- Analyze material topics.
- Establish the Internal Control System for Sustainability Information Management.

- In the fourth quarter of 2024, the "Internal Control System for Sustainability Information Management" was submitted to the Board of Directors and approved.
- In the fourth quarter of 2024, a kickoff meeting for the sustainability report will be convened by the Senior Vice President of the President's Office.

January to March 2025

Drafting and Review

- Draft the sustainability report.
- Discuss, revise, and proofread the content.

- The Chairman and the President co-host the ESG Committee meetings on a monthly basis.

March to April 2025

External Assurance

- A third-party organization verifies the information disclosed in the sustainability report
- The assurance provider issues an independent assurance statement.

- The results of the third-party verification are submitted to the Chairman for final approval.

May to June 2025

Approval and Publication

- Reviewed and approved by the Sustainability Committee.
- Published upon approval by the Board of Director.

- The Sustainability Report will be submitted for review by the Board of Directors in the second quarter of 2025.

Reporting Policies and Standards

The Company prepares its sustainability report in accordance with both domestic and international sustainability disclosure frameworks and related regulations. Details are provided in the table below:

Issuing Unit	Standards/Frameworks or Regulations
Global Sustainability Standards Board (GSSB)	● GRI Universal Standards 2021 ● GRI Standards 2016, 2018, and 2020
International Sustainability Standards Board (ISSB)	● S1: General Requirements for Disclosure of Sustainability-Related Financial Information (recognized and issued by Taiwan's Financial Supervisory Commission) ● S2: Climate-related Disclosures (recognized and issued by Taiwan's Financial Supervisory Commission)
The Value Reporting Foundation	● Sustainability Accounting Standards Board (SASB), Standards for the Chemicals Sector
United Nation (UN)	● Sustainable Development Goals (SDGs)
Taiwan Stock Exchange (TWSE)	● Methods for the Preparation and Application of Corporate Social Responsibility Reports by Listed Companies ● Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ● Procedures for Disclosure and Reporting of Environmental, Social, and Governance (ESG) Information ● Procedures for Application and Correction of ESG Information Disclosure ● ESG Indicators for Corporate Governance Evaluation

Third-Party Verification

To ensure the transparency and credibility of sustainable information disclosure, as well as to fulfill the policies and commitments aimed at enhancing corporate governance performance, all relevant information and data disclosed in this report have been verified/audited by third-party organizations recognized by the competent authorities. Any instances of estimation will be noted in the relevant sections.

Verification Item	Standard/Verification Criteria	Third-Party
Sustainability Report	• GRI Standards • AA1000AS v3, Type 1 Moderate Assurance	• BSI Group Singapore Pte. Ltd. Taiwan Branch (British Standards Institution [BSI])
Financial Management	• Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards (GAAS)	• Pricewaterhouse Coopers Taiwan (PwC Taiwan)
Management and Customer Relations	• ISO 9001:2015 Quality Management System	• SGS Taiwan Limited (SGS)
Environmental Management	• ISO 14064-1:2018 Greenhouse Gas Inventory for Organizations • ISO 14001:2015 Environmental Management System Certification	• SGS Taiwan Limited (SGS) • British Standards Institution (BSI)
Occupational Injury Management	• ISO 45001:2018 Occupational Safety and Health Management System	• SGS Taiwan Limited (SGS)

Sustainable Development Goals

To effectively advance corporate sustainability and pursue long-term development, the Company has established both short-term and medium-to-long-term goals and strategic directions for its sustainability commitments. We aim to work collaboratively with stakeholders to fulfill these commitments and create a winning outcome across governance, environmental, and social dimensions.

SDGs Implementation Roadmap

The Company's ESG Committee conducts in-depth identification of the SDGs relevant to the Company and responds to issues of common concern in society, formulating a blueprint for the Company's implementation of the SDGs.

Identification process of SDGs of FCFC

1 Get to know SDGs

Analyze relevant international sustainability trends and lock in the relevant research on the sustainability goals of the chemical industry. Refer to the SDGs given priority in the "Chemical Sector SDG Roadmap" released by WBCSD

2 Integrate core functions

Connect the functions of FCFC, and interview and discuss with the responsible personnel of each functional group, focusing on 6 SDGs that FCFC is working hard to practice

3 Sort goals and responses

The Company aligns its material topics with specific SDG targets to define its implementation direction. Based on this alignment, three core SDGs and three secondary SDGs are prioritized for response. Actions and performance related to these SDGs are disclosed in the corresponding chapters addressing each material topic.

Target Content

3 GOOD HEALTH AND WELL-BEING

Detailed Objective/ Material Topics		Corresponding Chapter
3.4	Occupational Health and Industrial Safety	4.4
3.9	Air Quality Management	3.4

8 DECENT WORK AND ECONOMIC GROWTH

Detailed Objective/ Material Topics		Corresponding Chapter
8.2	Operating & Financial Performance	2.1.5
8.5	Employee Recruitment and Talent Development	4.3

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Detailed Objective/ Material Topics		Corresponding Chapter
12.2	Energy Management	3.2.4
12.5	Waste Resources and Recycling	3.5.1

Secondary SDGs

6 CLEAN WATER AND SANITATION

Detailed Objective/ Material Topics		Corresponding Chapter
6.3	Water Stewardship	3.3
6.4	Water Stewardship	3.3

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Detailed Objective/ Material Topics		Corresponding Chapter
9.4	GHG Emissions Management	3.2

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Detailed Objective/ Material Topics		Corresponding Chapter
16.5	Corporate Governance	2.1.4

Sustainable Practices in Action

Implementation Status in **2024**	Short-term Goals (**2025**)	Medium-term Objectives and Commitments(**3-5** years)	Long-term Objectives and Commitments (More than **5** years)	SDGs
Economic Aspects: Corporate Governance, Operational Financial Performance				
• Completed 193 AI projects, generating benefits of NT$360 million. • No incidents of corruption occurred. • Diversified markets, with petrochemical products promoted and sold in over 80 countries worldwide. • The sales revenue of green products accounted for 0.46% of the total sales in 2024.	• Implement an estimated 158 AI projects, targeting annual benefits of NT$220 million. • Utilize digital twin technology to promote the establishment of simulated factories domestically and overseas. • Maintain zero incidents of corruption. • Diversify markets by selling plastic raw materials to Southeast Asian markets, aiming to increase the share to over 50% • Revise company regulations in compliance with government requirements. • Increase the proportion of green product sales to over 1% of total revenue.	• Establish AI-driven dynamic operations management. • Enhance the completeness of simulated factories, as well as the integration and applicability of their modules. • Maintain zero incidents of corruption. • Enhance the production capacity of environmentally friendly recycled products and enhance the sales proportion of differentiated products • Revise company regulations in compliance with government requirements. • Increase the proportion of green product sales to over 2% of total revenue.	• Establish adaptive intelligent factories that automatically provide optimal operating parameters in response to changes in production and sales, raw material inputs, equipment performance, and catalyst activity to achieve optimal production. • Maintain zero incidents of corruption. • Continue to increase the proportion of differentiated product sales • Revise company regulations in compliance with government requirements.	8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Environmental Aspects: Energy Management, GHG Emissions Management, Water Stewardship, Waste Resource and Recycling, Air Quality Management				
• Completed 235 energy-saving and carbon reduction improvement projects in 2024, achieving an annual CO_2 reduction of approximately 227,400 metric tons. • Added a total of 3,797 kWp of renewable energy capacity in 2024.	• Set a short-term goal to reduce carbon emissions by 10% compared to 2020 levels by 2025. • Add 15,935 kWp of new renewable energy capacity, bringing the total installed renewable energy capacity to 58,130 kWp.	• Set a target to reduce greenhouse gas emissions by 25% compared to 2020 levels by 2030. • Target cumulative installed renewable energy capacity of 73,251 kWp.	• Carbon neutral by 2050 • Target cumulative installed renewable energy capacity of 73,251 kWp. • Promote circular economy to achieve the zero-waste goal.	3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Society (Human rights): Employee Recruitment and Talent Development, Occupational Health and Industrial Safety				
• Number of disabling occupational injuries among employees in 2024: 4 cases • Employee training program completion rate: 99% • Return-to-work rate after parental leave in 2024: 100%	• Implemented local talent development programs to contribute to regional economic growth. • Promote local culture and environmental education to preserve and develop the ecological environment. • Continuously promote Process Safety Management (PSM) to enhance employees' awareness of workplace safety, ensure workplace safety, and reduce occupational accidents.	• Increase the proportion of residents employed in the factory area to the Company's workforce to over 50%. • Support the development of local traditional culture and ecological education activities, with a minimum participation of 1,000 individuals in each event. • Establish risk indicators and preventive mechanisms to ensure the number of work-related disability cases remains below two per year.	• The Company aims for a ratio of 40% or more of local residents serving as senior executives. • Promote sustainable environmental development based on the spirit of taking from and giving back to society. • Setting zero occupational accidents and work-related injuries as our goals.	13 CLIMATE ACTION 8 DECENT WORK AND ECONOMIC GROWTH

Note: The aforementioned sustainable practices primarily pertain to FCFC. Any differences in boundaries will be indicated in the text.

Sustainability Highlights in 2024

Economic

Consolidated operating revenue

NT$348.6 billion

Introducing circular economy

Eco-friendly nylon products with an annual production capacity of 15,000 metric tons.

The world's largest production capacity

Green product sales

7,239 metric tons of eco-friendly nylon products.

5,879 tons of eco-friendly plastic pellets.

Environment

CDP DISCLOSURE INSIGHT ACTION

Leadership level A-

Evaluation of Climate Change Disclosure Questionnaire

Leadership level A

Water safety disclosure questionnaire evaluation

Achievements of energy conservation improvement

Investment amount of energy saving improvement in 2024

NT$1.31 billion

Amount of investment in water-saving improvement in 2024

NT$50 million

CO_2e Annual Reduction in 2024

227.4 thousand metric tons

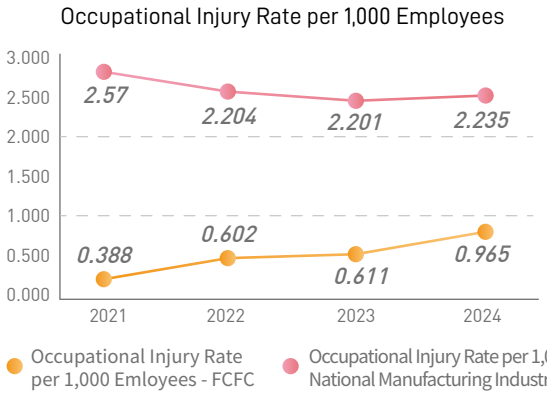
Water saving in 2024

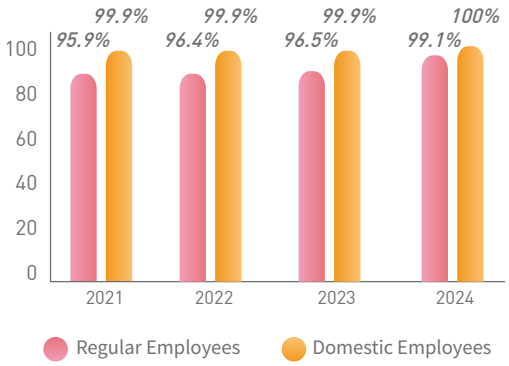
1.08 million metric tons

Recycled waste fishing nets

▲▲ 2,800 metric tons

Social





Talent development plan

Reinstatement rate of unpaid employees with childcare leave in 2024

100%

The completion rate of the training plan in 2024

99%

Achievements in ESG Sustainable Development

Awarded the "2024 National Occupational Safety and Health Award – Corporate Benchmark Award" by the Ministry of Labor

Awarded the "2024 6th National Corporate Environmental Protection Award – Silver Prize" by the Ministry of Environment

Awarded the "2024 Resource Circulation Excellence Enterprise - Resource Circulation Gold Award" by the Ministry of Environment

Note: The aforementioned sustainability highlights primarily pertain to FCFC. Any differences in boundaries will be indicated in the text.

From the Management Team GRI2-22

The global economic recovery in 2024 was weaker than expected. Major economies continued to keep market interest rates elevated to curb inflation, while consumer confidence remained subdued. This resulted in stagnant consumer demand and a clear oversupply on the market's supply side. The Company maintained profitability in the first half of the year; however, in the second half, prices of raw material light oil rose compared to the first half, while oversupply capacity continued to increase. This caused upstream petrochemical product prices to decline rather than rise, leading to significant product price divergence and severe compression of processing margins. Additionally, styrene monomer (SM) production was reduced due to oversupply and weak downstream demand, eroding the gains from the first half. Despite a decline in profits compared to the previous year, the efforts of our colleagues have resulted in good process performance and low costs for phenol and acetone products. The implementation of differentiated strategies for plastic products and a diversified market approach have also been successful. Notably, despite a 9% anti-dumping tariff on PC plastics in China and over a 16% increase in overall export tax burden to China due to the suspension of the Economic Cooperation Framework Agreement (ECFA), our PC plastic products still generated profit in 2024. Overall, the company maintained a positive operational result for the full year.

Looking ahead, unresolved international geopolitical conflicts, trade frictions among major economies, economic sanctions, and changes in tariff policies will continue to impact supply chains and global raw material prices. These new uncertainties will challenge the adaptability of corporate management. The Company's management team will closely monitor international economic and trade dynamics. In the short term, we will focus on increasing the sales ratio of differentiated products and diversifying markets. In the medium to long term, the Company will continue to pursue digital transformation and net-zero initiatives by investing in new business development, energy transition, circular economy, and AI-driven digital transformation to meet these challenges. Our goals are to maintain competitive advantages, reduce losses, and improve our corporate resilience by reviewing product competitiveness and focusing on core strengths. We remain committed to social contributions and environmental protection without interruption.

The Company maintains its long-term goal of achieving carbon neutrality by 2050 and will continue to promote energy conservation and carbon reduction while advancing towards a low-carbon energy transition. In terms of energy-saving and carbon reduction improvements, 235 projects were completed in 2024, resulting in a CO_2e reduction of approximately 227,000 metric tons per year. Regarding energy transition, in 2024, the company added 3,797 kWp of renewable energy capacity, bringing the total to 42,195 kWp, which is estimated to reduce CO_2e emissions by about 48,679 tons annually. In 2025, an additional 15,935 kWp of renewable energy capacity is planned, reaching a total of 58,130 kWp. Moreover, in 2024, the Company began operating a small hydropower plant contracted at the Taiwan Water Corporation's Shalu Water Distribution Center. It is expected to generate 4.8 million kWh annually, equivalent to the electricity consumption of 1,333 households for one year, reducing carbon emissions by 2,371 tons—comparable to the carbon absorption of six Da'an Forest Parks. In recent years, the company has been dedicated to the development of small hydropower in Taiwan and is currently the private enterprise with the largest installed hydropower capacity in the country.

As for the development of the circular economy, the Company achieved an annual production capacity of 15,000 metric tons for its eco-friendly nylon products in 2024, making it the largest production capacity globally. Additionally, in 2024, the Company completed the development of Taiwan's first rSM pilot plant for chemically recycling waste polystyrene into recycled styrene monomer (rSM) raw materials, as well as an rPC pilot plant for chemically recycling waste polycarbonate (PC) into recycled bisphenol A (rBPA) raw materials. Looking ahead, the Company will continue to invest in research and development for circular economy initiatives and waste recycling, aiming to become a key player in the global green supply chain and contribute to sustainable resource management.

The company remains committed to sustainable development and received several national-level honors in 2024. Notably, it was awarded the "National Occupational Safety and Health Award – Corporate Benchmark Award," the highest distinction for excellence in occupational safety and health in Taiwan. In recognition of its achievements in energy conservation and waste reduction, the Company received the "National Corporate Environmental Protection Award – Silver Prize." Adopting the concept of "starting from zero," it actively promotes energy conservation, carbon reduction, and a circular economy, while implementing AI to optimize process operations, thereby achieving minimal resource input. In recognition of its continued efforts in recycling and resource reuse, the company was also honored with the "Outstanding Resource Recycling Enterprise Award – Gold Award in Resource Circulation," underscoring its commitment to environmental stewardship.

Upholding the operational principle of "taking from society and giving back to society," the Company continues to invest in social welfare and environmental sustainability. In 2024, it maintained its commitment to native species conservation and environmental education at the Longtan Lake Ecological Classroom in Yilan, co-hosting the "Fishing for Recycled Plastic" environmental education market with partners such as the Yilan Jiaoxi Parent-Child Center, Longtan Community Development Association, and Formosa Toy Library, to promote awareness of the lake's natural ecology. In collaboration with the Su'ao Township Office of Yilan County, we organized a family beach cleanup event at Dingliao Ecological Park. Through this cleanup activity, participants experienced the severity of waste pollution affecting marine ecosystems, raising public awareness of the importance of environmental protection. The company also responded to a call by the Chiayi County Fire Department to enhance community disaster preparedness and emergency response capabilities by donating refurbished AEDs for installation at key locations in Xingang Township, contributing to public safety. The Company will continue to invest in community care work, paying attention to elderly individuals living alone, providing assistance and companionship, and regularly visiting children's welfare institutions to care for disadvantaged students. These efforts aim to promote community prosperity and sustainable environmental development, fulfilling corporate social responsibility.

Formosa Chemicals & Fibre Corporation (FCFC)

Respectfully submitted by Chairman Fu Yuan Hong

2025

chapter 1

Operation Philosophy

1.1 About FCFC

1.1.1 Company Overview GRI2-1 GRI2-2

Location of the Head Office	Changhua County, Republic of China (Taiwan)
Year Founded	1965
Country	Republic of China (Taiwan)
Industry	Plastic industry
Consolidated Revenue in 2024	NT$348.6 billion
Number of regular employees in Taiwan in 2024	4,183 individuals
Services Provided	Petrochemical, plastics, fiber, textile, and cogeneration

	Company Name/Operational Site	Country	Operating Areas
FCFC/ Operational Site	Headquarters/Changhua Plant	Republic of China (Taiwan)	Changhua City, Changhua County
	Taipei Branch/Taipei Sales Office	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Mailiao Branch/Mailiao Plant	Republic of China (Taiwan)	Mailiao Township, Yunlin County
	Xingang Branch/Xingang Plant	Republic of China (Taiwan)	Xingang Township, Chiayi County
	Longde Branch/Longde Plant	Republic of China (Taiwan)	Dongshan Township, Yilan County
Subsidiaries	Formosa Chemicals Industries (Ningbo) Co., Ltd.	China	Ningbo City, Zhejiang Province
	Formosa Industries Corporation	Vietnam	Nh□n Tr□ch District, □□ng Nai Province
	Formosa Power (Ningbo) Limited Company	China	Ningbo City, Zhejiang Province
	Formosa Idemitsu Petrochemical Corp.	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Formosa INEOS Chemicals Corp.	Republic of China (Taiwan)	Mailiao Township, Yunlin County
	Formosa FCFC Carpet Inc.	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Chianan Industrial Co., Ltd.	Republic of China (Taiwan)	Guantian Dist., Tainan City
	Formosa Green Power Corporation	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Formosa Renewable Energy Corporation	Republic of China (Taiwan)	Neihu Dist., Taipei City
	FCFC Investment Corporation (Cayman) Limited	Cayman Islands	Grand Cayman
	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	China	Hong Kong Special Administrative Region
	Formosa Biomedical Technology Corporation	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Hong Jing Resource Co. Ltd.	Republic of China (Taiwan)	Gangshan Dist., Kaohsiung City
	Formosa Biomedical Material Technology Corporation	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Formosa Biomedical Technology (Samoa) Co., Ltd.	Independent State of Samoa	Apia
	Formosa Waters Technology Co., Ltd.	Republic of China (Taiwan)	Xitun Dist., Taichung City
	Formosa Bio & Energy Corp.(Japan)	Japan	Chiyoda, Tokyo
	Ivy Life Sciences Co., Ltd.	Republic of China (Taiwan)	Taoyuan Dist., Taoyuan City
	Formosa Eco Life Technology Co., Ltd.	Republic of China (Taiwan)	Neihu Dist., Taipei City
	Formosa Biomedical Trading (Shanghai) Co., Ltd.	China	Minhang District, Shanghai
	Formosa Taffeta Co., Ltd.	Republic of China (Taiwan)	Douliu, Yunlin County
	Formosa Taffeta Vietnam Co., Ltd.	Vietnam	B□n L□c District, Long An Province
	Formosa Development Co., Ltd.	Republic of China (Taiwan)	Douliu, Yunlin County
	Formosa Taffeta (Hong Kong) Co., Ltd.	China	Hong Kong Special Administrative Region
	Formosa Taffeta (Dong Nai) Co., Ltd.	Vietnam	Nh□n Tr□ch District, □□ng Nai Province
	Formosa Taffeta (Chang shu) Co., Ltd.	China	Changshu, Jiangsu Province
	Formosa Taffeta (Zhong Shan) Co., Ltd.	China	Zhongshan City, Guangdong Province
	Public More International Company Ltd.	Republic of China (Taiwan)	Douliu, Yunlin County

The Company's main production bases are in Taiwan, Mainland China and Vietnam, and its sales and services are spread across all continents. The domestic and mainland markets account for the highest sales, followed by Southeast Asian countries. For detailed financial status, production and sales overview, shareholding ratio information, and detailed address, please refer to the Investor Relations section of the Company website under 'Financial Reports' and the '2024 Annual Report' section, specifically section 4 'Operation Overview – Market Production and Sales Overview' and section 6 'Special Notes.'

1.1.2 Corporate Identity System

Among the companies of Formosa Plastics Group (FPG), the identification image of chain enterprises is taken as a common sign to express the meaning of vertical and horizontal connection, mutual cooperation, as well as harmony and integration The Company's identification mark inherits the enterprise system, takes the upper half of the 'si' radical, employed in both characters in the Chinese for "fiber,' and transforms it into a hexagonal image, symbolizing the basic code of chemical construction. The Company takes two overlapping hexagons as the enterprise identification code, marking that the Company is an enterprise with petrochemical plastics and chemical fiber as the development core.

1.2 Business Philosophy

Today, FPG has developed into a comprehensive industrial conglomerate spanning various fields. The driving force behind the continuous expansion, growth, and strengthening of the organization is the spirit of 'diligence and simplicity, striving for excellence, sustainable management, and dedication to society,' which has been repeatedly emphasized and exemplified by the two founders, Mr. Wang Yung-ching and Mr. Wang Yung-tsai.

To Aim at the Sovereign Good

The external objective environment changes quickly, and the rationalization of the Company's business management must be advanced. Through continuous improvement, we can break through the status quo and seek innovation and development.

Dedication to the Society

The purpose of 'What is taken from the society is used interests of the society' focuses on the development of medical and educational public welfare undertakings and the contribution of corporate resources for the benefits of all people.

Diligence, Perseverance, Frugality and Trustworthiness

We employ 'diligence' in intelligence and knowledge, maintain 'simplicity' of working attitude in a practical and realistic way, inquire into the root of the matter to review and improve, and seek management rationalization little by little.

Perpetual Business Operation

We make all business operations clearly follow the rules to improve work quality and efficiency. We also strengthen long-term profit potential through management rationalization and provide customers with high quality and inexpensive raw materials to achieve win-win and strong cooperation relationship.

1.3 Stakeholder and Materiality Assessment

1.3.1 Stakeholder Identification Process

The Company convenes key department heads to conduct a horizontal comparison of the impacts faced by similar industries both domestically and internationally, based on the five principles of the AA1000 Stakeholder Engagement Standard (SES), including Dependency, Responsibility, Influence, Diverse Perspectives, and Tension. Additionally, a vertical examination of its own operational activities in relation to sustainability is carried out, resulting in the identification and analysis of eight categories of stakeholders.

1.3.2 Stakeholder Communication Channels and Frequency GRI2-25 GRI2-29

The communication channels between the Company and stakeholders are seamless. In 2024, the communication with the main stakeholders is as follows:

Residents in Operating Areas

Residents and organizations in the vicinity of our operational sites

Purpose of Communication

- To maintain the surrounding environment, ensure the health and safety of operational sites, and enhance the quality of life for residents
- Maintain a positive relationship with residents, ensuring the simultaneous growth of the company and the community

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- Energy Management
- Employee Recruitment and Talent Development
- Supply Chain Management
- GHG Emissions Management
- Occupational Health and Industrial Safety
- Air Quality Management

Communication Channels

- Promotion of community health and wellness programs
- Participation in community events and neighborhood meetings
- Engagement in community service and public welfare activities
- Corporate website contact mailbox

Communication Frequency

At least three times a year

2024 Communication Results

- A total of four individuals received emergency assistance
- Caring for a total of 260 elderly people living alone at the end of the year
- 15 beach clean-up events, 20 events supported, and 25 seminars
- 223 event volunteers

Government Sectors

A government department or institution is responsible for formulating and implementing laws, policies, regulations, and providing public services and regulatory functions

Purpose of Communication

- In order to comprehend government regulations and policies, and to collaborate in the revision of company management regulations

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- GHG Emissions Management
- Occupational Health and Industrial Safety
- Information Security
- Water Stewardship

Communication Channels

- Government-organized promotional or informational meetings
- Meetings held by industry associations or trade groups
- Review and audit processes
- Official documents, letters, or phone calls

Communication Frequency

At least four times a year

2024 Communication Results

- Designated personnel attended official meetings organized by government agencies and relayed the information to company employees afterward
- Participated in industry associations to communicate current industry developments and support sustainable industry advancement

Experts and Scholars

Scholars, experts, or researchers with extensive experience in the relevant field

Purpose of Communication

- Seek advice from experts and scholars on environmental regulations, technological innovation, and sustainable development
- Maintain market competitiveness and develop innovative business models

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- Climate Strategy
- Community Engagement and Contribution
- Clean Investment and Transformation
- Energy Management
- Legal Compliance

Communication Channels

- Academic Symposium
- Invitation for scholars to deliver lectures

Communication Frequency

At least four times a year

2024 Communication Results

- Participation in the TRCA Toxic Disaster Joint Prevention Organization Meeting
- The company website provides a place to exchange environmental ideas

Environmental Protection Groups

A non-profit organization or group dedicated to environmental protection, ecological conservation, and sustainable development

Purpose of Communication

- Enhance the environmental protection organization's understanding of the Company's progress in environmental protection development
- Vision for promoting the balanced development of environmental ecology and corporate operations

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- Community Engagement and Contribution
- Operating & Financial Performance
- Energy Management
- Occupational Health and Industrial Safety

Communication Channels

- Participation in international initiative activities
- Participation in environmental protection organizations
- Company Website

Communication Frequency

At least four times a year

2024 Communication Results

- In response to the Chiayi County Environmental Protection Bureau, the Xingang Plant established a river patrol team in the Zhongyang Industrial Zone to implement water environmental protection, and arranged monthly cleaning and inspections of the Puzixi river bank.
- Participated in World Environment Day activities and promote environmental awareness
- The company website provides a place to exchange environmental ideas

Shareholders and Investors

Individuals or institutional groups that hold shares of the Company.

Purpose of Communication

- Connect with shareholders and investors who are concerned about the future development of the Company
- Understanding the expectations of shareholders and investors regarding the Company

Reporting Channel

Mr. Liu of the President's Office
Contact email: U127129@fcfc.com.tw

Topics of Concern

- Operating & Financial Performance
- Energy Management
- Occupational Health and Industrial Safety
- Corporate Governance
- GHG Emissions Management

Communication Channels

- Shareholders' Meeting
- Institutional Investor Briefing
- Annual Report, Financial Report
- Press release and material information
- Company website, email, and telephone

Communication Frequency

The shareholders' meeting is held once a year, along with 2 institutional investor briefings and several operational briefings

2024 Communication Results

- The Chairman presides over the shareholders' meeting and the Company's operational briefing, reporting on the Company's business results and periodically publishing updates on the Company's operational status.
- The Company website provides dedicated contact channels for stakeholders and shareholders, with designated personnel assigned to respond to inquiries.

Customers

Individuals or businesses that purchase products or services

Purpose of Communication

- Satisfy customer needs
- The Company is encouraged to continue making progress and development by customers

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- Waste Resources and Recycling
- Occupational Health and Industrial Safety
- Supply Chain Management
- Energy Management

Communication Channels

- Customer satisfaction survey
- Business meetings and visits
- Customer feedback form
- Customer Complaint Form
- Company website, email, and telephone

Communication Frequency

At least once a year

2024 Communication Results

- Each customer was visited at least once on average during 2024
- A total of 8 quality-related customer complaints were received and actively resolved to the clients' satisfaction.
- The average customer satisfaction in 2024 was 4.5 points (out of 5 points).

Suppliers and Contractors

A company that supplies raw materials, products, services, or carries out specific projects.

Purpose of Communication

- Establish long-term partnerships to ensure supply chain stability
- High-quality products and services, supported by a stable production system

Reporting Channel

Mr. Chien of the President's Office
Contact email: fcfc@fcfc.com.tw

Topics of Concern

- Corporate Governance
- Energy Management
- Occupational Health and Industrial Safety
- Waste Resources and Recycling
- Operational risk management
- Air Quality Management

Communication Channels

- Supplier and Contractor Evaluation
- Customer Service Center of the Electronic Trading Platform
- Supplier feedback section for the Electronic Trading Platform
- Supplier Conferences
- Occupational Safety Education and Training
- Company website, email, and telephone
- Comprehensive review meeting on occupational safety performance

Communication Frequency

- Annual visits to suppliers
- New materials and new suppliers are developed on a monthly basis

2024 Communication Results

- Assisted suppliers and contractors in resolving system operation issues
- Increased the number of suppliers and contractors joining the FPG supply chain system
- Resolved contract disputes between suppliers/contractors and FPG
- Held 14 major exception handling and improvement seminars throughout 2024
- The Chairman presides over the annual Occupational Safety Performance Review Meeting to commend outstanding safety management units

Employees

Employee of the Company

Purpose of Communication	Reporting Channel
● Establish communication channels to gain a better understanding of employee needs ● The involvement of employees in company operations has a substantial impact on the development of the Company	Mr. Chien of the President's Office Contact email: fcfc@fcfc.com.tw

Topics of Concern	Communication Channels	Communication Frequency
● Corporate Governance ● Energy Management ● Occupational Health and Industrial Safety ● Operating & Financial Performance ● Air Quality Management ● Operational risk management ● Employee Recruitment and Talent Development	● Electronic/physical announcement letter ● Labor-Management Conference and Union Meeting ● Training ● Employee health examinations ● Workplace wellness activities ● Employee health care and support ● Employee reporting channels ● FPG internal magazine ● Company website, email, and telephone ● Comprehensive review meeting on occupational safety performance	At least four times a year

2024 Communication Results

- The Chairman presides over the Occupational Safety Performance Review Meeting annually, presenting safety performance reports, recognizing outstanding units, and sharing thematic insights
- Each department holds weekly meetings to facilitate internal communication among colleagues
- Six issues of the FPG internal magazine were published in 2024
- Quarterly labor-management meetings were held to address employee inquiries and concerns
- Designated personnel responded promptly to employee feedback and issues raised

1.3.3 Identification of Material Topics

The identification and management of sustainability issues and stakeholders are crucial elements in implementing ESG development. The Company has implemented an information disclosure framework that is based on the AA1000:2018 Accountability Principles 'inclusivity, materiality, responsiveness, and impact' and the GRI Standards. Analyzing ESG issues for materiality, assessing potential risks, developing risk management strategies and implementation plans, and reviewing the results of implementation.

1.3.4 Procedures of Identifying Material Topics GRI3-1

Phase 1 Understanding Organizational Sustainability Context

Step 1 Identification of Stakeholders

Following the five key principles of the AA1000 Stakeholder Engagement Standard (SES),
Dependency, Responsibility, Influence, Diverse Perspectives, and Tension, the Company reviewed its business operations and sustainability context. Through focused discussions within the core working group and validation by senior management, eight categories of stakeholders were identified.

Step 2 Collection of Corporate Impact Issues

Using the year 2024 as the primary time frame for impact analysis, the company collected and assessed issues by referencing a wide range of international and domestic standards and frameworks, including: SASB, TCFD, TNFD, and ISSB; Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies; ISO 26000 (International Standard on Social Responsibility); Industry topics used in global ESG ratings; United Nations Sustainable Development Goals (SDGs); Domestic and international industry issues, global megatrends, and media reports. Through this comprehensive review, the company identified 108 impact factors, and assessed the actual and potential, positive and negative impacts that corporate operations may have on the external environment, as well as the degree of such impacts.

Phase 2 Assessing the Actual and Potential Impacts of Identified Issues

Step 3 Integration of Corporate Impact Topics into Sustainability Topics

Following the advisory team's consolidated recommendations, the impact items will be organized into sustainability issues based on themes. After discussions between the core members of the Sustainability Development Working Group and external consultants, the sustainability issues related to corporate operations will be established. 20 sustainability issues

Step 4 Analysis and Prioritization of Material Topic

Electronic surveys were distributed with the assistance of various functional departments. Subsequently, an analysis was conducted to assess the intensity levels—high, medium, and low—based on the 'Degree of Financial Impact of the Issues on the Organization] and the 'Degree of Impact of the Organization on the External Environment,' in order to identify their significance. In 2024, a total of 749 valid stakeholder questionnaires and 33 valid senior executive questionnaires from the Company were collected.

Phase 3 Assessing the Significance of Impacts

Step 5 Assessment and Discussion of Issue Impacts

Following the principles of GRI 3 and double materiality analysis, we assessed the financial impact and likelihood of occurrence for high and medium-level issues. Subsequently, we cross-referenced the material topics with the GRI Topic Standards, identifying 10 material topics.

Phase 4 Disclosing and Reporting of Material Topics

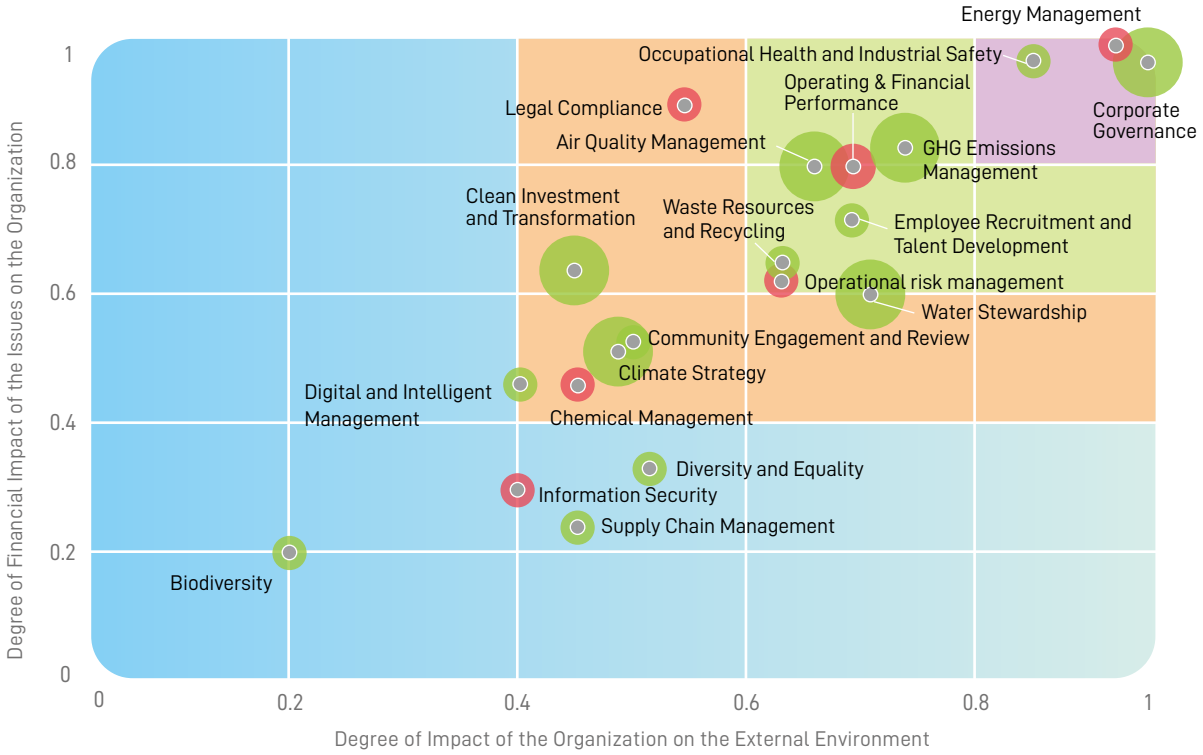
Step 6 Establishment of Material Topics

Based on the analysis, we have identified 10 material topics as the focal points for disclosure in this report. We have also developed a policy for managing these topics. We will continue to assess the significance of various sustainability topics in the future, respond to stakeholder expectations, to ensure that the transparency, reasonableness, and impartiality of the report presents its content.

Note: This year, the method for identifying material topics was adjusted to strengthen the financial descriptions within the double materiality analysis.

1.3.5 Prioritizing Material Topics

Suggested Scope of the Materiality Matrix in the Report



Management Approaches

- 3 Highly material issue
- 7 Moderately material issue
- 6 Low-level issue
- 4 Issues Monitored Outside the Matrix

Opportunity / Risk Issue

- 14 Opportunity issues
- 6 Risk issues

Probability of occurrence

- 4 High Probability (High)
- 3 Moderate Probability (Moderate)
- 13 Low Probability (Low)

1.3.6 Description of Changes in Material Topics

#	Material Topics	Significance 2023	Significance 2024	Adjustment Method	Explanation of Changes
1	Employee Recruitment and Talent Development	Low	Medium		Due to the labor shortage faced by the industry and the demand for specialized talent, FCFC has increased its emphasis on human capital. The Company is enhancing its recruitment advantages and focusing on career development planning to facilitate the attraction and retention of talent.
2	Legal Compliance	Outside the matrix	Low	▲	Compliance with regulations affects both corporate image and financial performance. Although there have been no major violations in recent years, minor penalties have occurred. FCFC has reviewed these incidents and taken corrective measures, resulting in an increased significance of this issue.
3	Community Engagement and Contribution	Outside the matrix	Low		In recent years, FCFC has actively participated in and invested in social welfare activities, demonstrating its commitment to supporting and giving back to society.

#	Material Topics	Significance 2023	Significance 2024	Adjustment Method	Explanation of Changes
4	Air Quality Management	High	Medium		FCFC strictly regulates air quality in accordance with legal requirements, and no significant violations have occurred. Therefore, the importance of this issue has diminished; however, it remains necessary to monitor this issue closely in order to respond to stakeholders and maintain rigorous oversight.
5	Clean Investment and Transformation	Medium	Low	▼	In response to the nation's 2050 net-zero emissions roadmap, all four major transition strategies are closely aligned with its two foundational pillars. Although the materiality of this issue has decreased, it is recommended that the Company continue to monitor it to address stakeholder concerns and support the long-term sustainable development of the industry.

1.3.7 Material Topics and Their Relevance to the Value Chain GRI2-6 GRI3-1 GRI3-2

The Company operates in the same industry and plays the same role in the value chain as in previous years. The product attributes are situated in the midstream of the traditional petrochemical chain, connecting upstream raw materials after processing to downstream production of petrochemical raw materials or finished products. After identification of the five major value creation processes of the company operations, namely 'R&D and improvement', 'raw material procurement', 'manufacturing', 'product sales' and 'after-sales service and consulting'. The processes will be the boundaries of impacts and influences of material topics. The Company has established the 'ESG Committee' and has proposed solutions for the 10 material topics that are evaluated for their impact on the value chain. We have also addressed the material topics of concern to stakeholders in the corresponding chapter. For details on the ESG organization and its main areas of focus, please refer to 'ESG Committee' in Chapter 2.1.2 of this report.

Impact Identification and Value Chain Correspondence

#	Material Issue	Impact Description	Impact Aspect		Value Chain Correlation					Indicator Comparison	Disclosure Section
					Upstream		Operating	Downstream			
					R&D and Improvements	Raw Materials Procurement	Manufacturing Production	Product Sales	After-Sales Services and Consultation		
1	Corporate Governance	Impact on External Parties Good corporate governance can enhance the Company's transparency and reliability, strengthen trust with investors and partners, and contribute to business development. Significance to the Organization A robust internal control mechanism can ensure the authenticity of the Company's operations and reduce the occurrence of fraud, corruption, and decision-making risks that may lead to company losses.	Actual	Positive 73.2%		▲		▲		GRI 205	2.1
			Potential	Negative 26.8%							
2	Energy Management	Impact on External Parties Effective energy management can produce low-carbon and low-energy consumption products, aligning with international development trends, thereby enhancing product competitiveness and corporate image. Significance to the Organization To continuously enhance energy management, it is necessary to invest resources in improving equipment, which can reduce operating costs and increase production efficiency.	Actual	Positive 33.5%		●	▲	▲	V	GRI 302	3.2.4
				Negative 66.5%							
3	Occupational Health and Industrial Safety	Impact on External Parties Improper management may lead to industrial safety accidents and occupational injuries. It is essential to strengthen safety education training and risk assessment mechanisms. Significance to the Organization Providing a safe working environment can prevent equipment damage that disrupts production, thereby avoiding operational losses for the Company.	Actual	Positive 23.7%			●			GRI 403	4.4
				Negative 76.3%							
4	Operating & Financial Performance	Impact on External Parties Strong financial performance can attract investors and shareholders, enhance the Company's ability to raise funds in response to market fluctuations, and stabilize supply chains and partnerships. Significance to the Organization Good operational performance can enhance the Company's resources allocated to research and development as well as process improvement, thereby elevating the quality of products and services. Increase employee compensation and rewards to attract and retain outstanding talent.	Actual	Positive 70.5%	V	●	●			GRI 201 GRI 204	2.1.5
				Negative 29.5%							

#	Material Issue	Impact Description	Impact Aspect		Value Chain Correlation					Indicator Comparison	Disclosure Section
					Upstream		Operating	Downstream			
					R&D and Improvements	Raw Materials Procurement	Manufacturing Production	Product Sales	After-Sales Services and Consultation		
5	Operational risk management	Impact on External Parties Can reduce the risk of operational errors and regulatory violations. Enhancing corporate reliability and image contributes to solidifying the transaction confidence of the supply chain and partners. Significance to the Organization Enables the establishment of the Company's capability to respond to unexpected events, thereby reducing losses caused by the occurrence of risks. Operational risk assessment can serve as a reference for decision-making, thereby enhancing operational efficiency.	Potential	Positive 34.5% Negative 65.5%		▲	●	▲		Material Topics	2.2
6	GHG Emissions Management	Impact on External Parties The establishment and implementation of carbon reduction policies align with international initiatives and domestic regulatory requirements, thereby avoiding penalties and restrictions on product sales. Significance to the Organization The Company must invest resources to achieve carbon neutrality goals and reduce carbon fee costs. Procurement and supplier selection must consider carbon footprint management. Producing low-carbon products can enhance product value and competitiveness.	Actual	Positive 78.4% Negative 21.6%	▲	●	●	▲	V	GRI 305	3.2
7	Water Stewardship	Impact on External Parties Helps reduce the environmental impact of corporate production on the local area and avoid penalties for regulatory violations. It also lowers the risk of production disruptions and strengthens trust with the supply chain and business partners. Significance to the Organization Investing resources to improve processes and enhance water efficiency, thereby reducing water expenses and increasing product price competitiveness.	Actual	Positive 64.5% Negative 35.5%			●	▲	V	GRI 303 GRI 304	3.3
8	Waste Resources and Recycling	Impact on External Parties Reduces the environmental impact of the Company's operations on the local community, enhances corporate image, increases the market competitiveness of circular economy products, and helps avoid regulatory violations and penalties. Significance to the Organization Invest resources in process improvement and technological research and development to reduce material waste and waste disposal costs. Recycling and remanufacturing products can increase the added value of products and enhance the Company's revenue.	Actual	Positive 73.2% Negative 26.8%	▲	▲	●	▲		GRI 306	3.5

#	Material Issue	Impact Description	Impact Aspect	Value Chain Correlation					Indicator Comparison	Disclosure Section
				Upstream		Operating		Downstream		
				R&D and Improvements	Raw Materials Procurement	Manufacturing Production	Product Sales	After-Sales Services and Consultation		
9	Air Quality Management	Impact on External Parties Reduces the impact of corporate production on the environment and communities, and strengthens emission monitoring and pollution prevention measures. Significance to the Organization The Company must invest resources to improve production processes and control air pollutant emissions to comply with regulations and avoid penalties. Ensure employee workplace health and enhance job satisfaction.	Potential			●			GRI 305	3.4
			Positive 41.0%							
			Negative 59.0%							
10	Employee Recruitment and Talent Development	Impact on External Parties Creates job opportunities, enhances the Company's positive development image, and attracts outstanding talent. Significance to the Organization Talent recruitment and employee training can enhance corporate competitiveness. Enhancing employees' sense of identification with the Company can improve retention rates and help prevent labor shortages from disrupting operations and production.	Potential	●		●	▲		GRI 401 GRI 404	4.3
			Positive 82.0%							
			Negative 18.0%							

Note (1) An asterisk 「*」 next to a sustainability topic indicates that it is not directly aligned with the GRI Standards but is still considered a priority issue by the Company.

(2) Level of involvement:

- Cause (●): The organization causes the impact through its own activities.
- Contribute to (▲): The organization's activities contribute to, facilitate, or incentivize another entity to cause the impact.
- Directly linked to (V): The organization does not cause or contribute to the negative impact but may be associated with it through its business relationships (e.g., operations, products, or services).

Description of Financial Impact

#	Material Topics	Financial Impact Assessment Indicators	Degree of Financial Impact	Financial Impact Aspect (Cash Flow Statement, Balance Sheet, Income Statement)	Compared to the Financial Changes in 2023 (Increase/Decrease/
1	Corporate Governance	Opportunity Insure directors and supervisors against liability to reduce financial losses incurred from management decisions.	Low	Income Statement Cash Flow Statement	Remains the Same
2	Energy Management	Opportunity The projected investment for energy-saving improvements in 2025 is estimated to be NT$1.72 billion.	Medium	Income Statement Balance Sheet Cash Flow Statement	▲ Increase
		Opportunity In 2025, the company plans to add 15,935 kWp of new photovoltaic installation capacity	Medium	Income Statement Balance Sheet Cash Flow Statement	▲ Increase
3	Occupational Health and Industrial Safety	Opportunity Conducted employee health examinations in 2024 to care for employee health.	Low	Income Statement Cash Flow Statement	Remains the Same
		Opportunity Promoted health workplace activities in 2024 to enhance employee physical and mental well-being.	Low	Income Statement Cash Flow Statement	▼ Decrease
4	Operating & Financial Performance	Opportunity The 2024 consolidated financial statements show pre-tax net profit, which strengthens the company's operating capital.	Medium	Income Statement Balance Sheet Cash Flow Statement	▼ Decrease
5	Operational risk management	Opportunity It is estimated that by 2025, investments will be made in the establishment of an information security management platform to enhance information security management.	Low	Income Statement Balance Sheet Cash Flow Statement	▲ Increase
		Risk Staff departments allocate resources to risk management in order to reduce operational risks.	Medium-Low	Income Statement Cash Flow Statement	▲ Increase
6	GHG Emissions Management	Risk The Taiwanese government will impose a carbon fee, which will be payable in 2026.	Medium-Low	Income Statement Cash Flow Statement	▲ Increase
7	Water Stewardship	Opportunity In 2024, the Company invested NT$50 million in water-saving initiatives to reduce the environmental impact of its operations on the local area.	Medium-Low	Income Statement Cash Flow Statement Balance Sheet	▼ Decrease
8	Waste Resources and Recycling	Opportunity Producing recycled products from ocean waste or recycled nylon materials, with an estimated annual sales volume of 15,000 metric tons.	Medium-Low	Income Statement Cash Flow Statement	▲ Increase
		Opportunity Producing environmentally friendly recycled plastic pellets with strong market competitiveness, with estimated sales of 10,000 metric tons in 2025.	Medium	Income Statement Cash Flow Statement	▲ Increase
9	Air Quality Management	Risk In 2024, the Company was required to pay air pollution control fees to comply with regulatory requirements.	Medium-Low	Income Statement Cash Flow Statement	▼ Decrease
10	Employee Recruitment and Talent Development	Opportunity Continued investment in employee training in 2024 to enhance skills and capabilities.	Low	Income Statement Cash Flow Statement	▼ Decrease

Note:
1. High financial impact: NT$8 billion or more
2. Medium-high financial impact: Over NT$4 billion but less than NT$8 billion
3. Medium financial impact: Over NT$500 million but less than NT$4 billion
4. Medium-low financial impact: Over NT$50 million but less than NT$500 million
5. Low financial impact: Less than NT$50 million

1.4 Compliance with Sustainability-Related Regulations

Dimension: Environmental Protectio

Number of Projects	Date of Penalty	Type of Penalty	Violated Regulation	Response Measures
1 (2023)	2024/1/16	Monetary NT$30 thousand	The delayed submission of the construction project runoff wastewater reduction plan violates Article 18 of the Water Pollution Control Act and Article 10 of the Water Pollution Control Measures and Test Reporting Management Regulations.	The construction plan was submitted in January 2024, and the fine was paid.
1	2024/5/17	Monetary NT$150 thousand	During the random testing of VOC equipment components at the Mailiao Plant, one component was found to exceed the standard limits, in violation of Article 20, Paragraph 1, and Article 62 of the Air Pollution Control Act.	Added a control summary table for dismantled equipment components, revised the SOP, and strengthened training programs.

Dimension: Social and Human Rights

Number of Projects	Date of Penalty	Type of Penalty	Violated Regulation	Response Measures
2	2024/5/6	Monetary NT$100 thousand	An employee at the Xingang Plant tripped while walking across a low embankment in the production area, in violation of Article 35 of the Occupational Safety and Health Facilities Regulations and Article 6, Section 1 of the Occupational Safety and Health Act.	Warning signs have been marked and fluorescent paint has been applied to the main passageways that are frequently accessed to enhance visibility.
	2024/6/6	Monetary NT$50 thousand	Violation of Article 88 of the Labor Occupational Accident Insurance and Protection Act.	Sick leave for work-related injuries has been granted in accordance with the law, and improvements have been completed.
1 (2025)	2025/3/5	Monetary NT$100 thousand	Failure to implement and confirm the preventive measures for flash fire and explosion with the contractor violates Article 27, Paragraph 1, Items 2 and 3 of the Occupational Safety and Health Act.	Education and training for construction personnel of contractors engaged in similar types of projects have been successfully completed.

Dimension: Corporate Governance

Number of Projects	Date of Penalty	Type of Penalty	Violated Regulation	Response Measures
None	-	-	-	-

Note 1:The penalties are primarily imposed on the parent company, FCFC. There were no non-monetary penalties, and all monetary amounts are presented in New Taiwan Dollars (NTD).
Note 2: If the case did not occur in 2024, please indicate the year it occurred.

chapter 2

The Value of the Innovation Economy

Vision

Promote the circular economy by collecting and reusing discarded energy to alleviate environmental burdens. To promote the balanced development of society and the sustainable functioning of the ecological environment through business operations.

Policy and Commitment

In compliance with legal regulations, the Board of Directors functions as the highest governance body. They develop business strategies and enhance management systems to improve corporate governance performance and fulfill corporate social responsibilities.

Economic Regulatory Compliance

In 2023 and 2024, the Company adhered to government regulations in its operations, and our internal control system was sound. There were no instances of non-compliance with laws and regulations.

Definition of Impact

The Company adheres to government regulations in its operations, and our internal control system is sound. Furthermore, our internal control systems are regularly reviewed by third-party independent auditors. Enterprise procurement, sales, and other external trading activities, as well as financial and tax risk management, are all conducted in accordance with the Company's management regulations and systems, ensuring effective risk control. No illegal incidents occurred in 2024.

Potential Risks: A lack of effective corporate governance may prevent the Company from complying with regulatory requirements set by the government and the stock exchange, leading to fines or trading restrictions, which could adversely affect the trust relationship with investors and partners.

Potential Opportunities: A robust internal control mechanism can ensure the authenticity of the Company's operations and reduce the occurrence of fraud, corruption, and decision-making risks that may lead to company losses.

Indicator: GRI 205 Anti-Corruption 2016

Management Actions	2024 Performance
Revise company regulations in compliance with government requirements.	Completed the revision of the Company's Articles of Incorporation to stipulate that a certain percentage of annual earnings shall be allocated for salary adjustments or compensation distribution for frontline employees, achieving 100% completion. Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 year(s))	Long-term Goals (3-5 years)
Revised the "Audit Committee Charter," "Sustainable Development Committee Charter," and "Board of Directors Meeting Rules" in accordance with the law; target completion is 100%.	The Director Selection Procedure shall be coordinated in accordance with the revised regulations	To ensure information security, it is important to strengthen the Company's information security management and education training

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Government Sectors	Participate in various public hearings and briefings organized by the competent authorities and communicate the progress of business promotion. The relevant business personnel will then relay the information to company employees after the meetings. Attend at least four times per year	• Attended the Ministry of Economic Affairs' industry communication meeting in response to Mainland China's cancellation of ECFA early harvest tariff concessions • Actively participated in official briefings (promotional meetings) related to corporate governance, with a total of 9 participants
Shareholders and Investors	The Company regularly communicates its operational status to stakeholders through various channels. This includes multiple announcements through the media, annual shareholder meetings, 2 institutional investor briefings, and several operational briefings. Report the implementation outcomes to stakeholders and thoroughly discuss the Company's operational status, business strategies, and philosophy.	• The shareholders' meeting was held on June 18, during which all inquiries from the shareholders were addressed • Attended institutional investor briefings on April 29 and August 28 to present the Company's business performance, strategies, and philosophy • Released 51 material announcements on the Market Observation Post System (MOPS) to promptly disclose significant company information

Definition of Impact

In recent years, Asian countries have greatly increased their petrochemical production capacity, which has led to an imbalance in the market between supply and demand and a decrease in product prices. As a result, the Company's profitability has declined. Regarding the government's imposition of carbon fees, increase in electricity prices, and water consumption fees for heavy water users, the Company will continue to implement energy-saving and carbon reduction projects to improve cost reduction.

Potential Risks: The increasing intensity of government legislation regarding the imposition of carbon fees (taxes), as well as the rise in electricity and water rates, will contribute to an increase in the Company's operating costs.

Potential Opportunities: The Company must invest resources to gradually achieve carbon neutrality goals and reduce carbon fee costs. Through the production of low-carbon products, the Company can enhance product value and competitiveness.

Indicator: GRI 201: Economic Performance 2016
Indicator: GRI 204: Procurement Practices 2016

Management Actions	2024 Performance	
To maintain product prices, it is necessary to adjust production capacity	Developed sales in niche markets to avoid the larger competitive market of mainland China. Petrochemical products have been successfully promoted and sold to over **80** countries worldwide	Achieved ∨
Implement projects aimed at energy-saving, emission reduction, and water conservation improvement	1. Added a total of **3,797** kWp of renewable energy capacity 2. Approximately **227,000** metric tons of CO_2e emissions were reduced 3. The plant saves **2,943** metric tons of water daily	Achieved ∨

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Diversify markets by selling plastic raw materials to Southeast Asian markets, aiming to increase the share to over **50%**	Enhance the production capacity of environmentally friendly recycled products and enhance the sales proportion of differentiated products	Continue to increase the proportion of differentiated product sales
1. In the base year 2020, we aim to reduce carbon emissions by **10%** by 2025 2. Add **15,935** kWp of new photovoltaic installation capacity	In the base year 2020, we aim to reduce carbon emissions by **25%** by 2030	In the base year 2020, achieve **carbon neutrality** by 2050

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Shareholders and Investors	The Company regularly communicates its operational status to stakeholders through various channels. This includes multiple announcements through the media, annual shareholder meetings, 2 institutional investor briefings, and several operational briefings. Report the implementation outcomes to stakeholders and thoroughly discuss the Company's operational status, business strategies, and philosophy.	● The shareholders' meeting was held on June 18, during which all inquiries from the shareholders were addressed ● Attended institutional investor briefings on April 29 and August 28 to present the Company's business performance, strategies, and philosophy ● Released 51 material announcements on the Market Observation Post System (MOPS) to promptly disclose significant company information

Definition of Impact

The "Personal Data Management Regulations" were established to protect the privacy rights of customers and employees, and there were no violations of privacy rights in 2024. The parent company, FCFC, does not produce biotechnology products.

Potential Risks: With the continuous advancement of information technology, the revision of the Personal Information Protection Act emphasizes the importance of information security, prompting the Company to increase its investment in management costs to effectively reduce information security risks and mitigate their impact on the business.

Potential Opportunities: The Company has completed the ISO 27001:2022 transition review process and established specifications for information security-related documents to protect the confidentiality, integrity, and availability of business-related information.

Indicator: Self-defined Material Topics

Management Actions	2024 Performance
Established the "Personal Data Management Regulations"	There were no privacy violations — Achieved ∨

Short-term Goals (1 year)	Medium-term Goals (1-3 year(s))	Long-term Goals (3-5 years)
Continue to implement social engineering drills to ensure the effectiveness of the information security management system	Added as a standard self-inspection item for every department	Regularly review and continuously optimize the information security management system

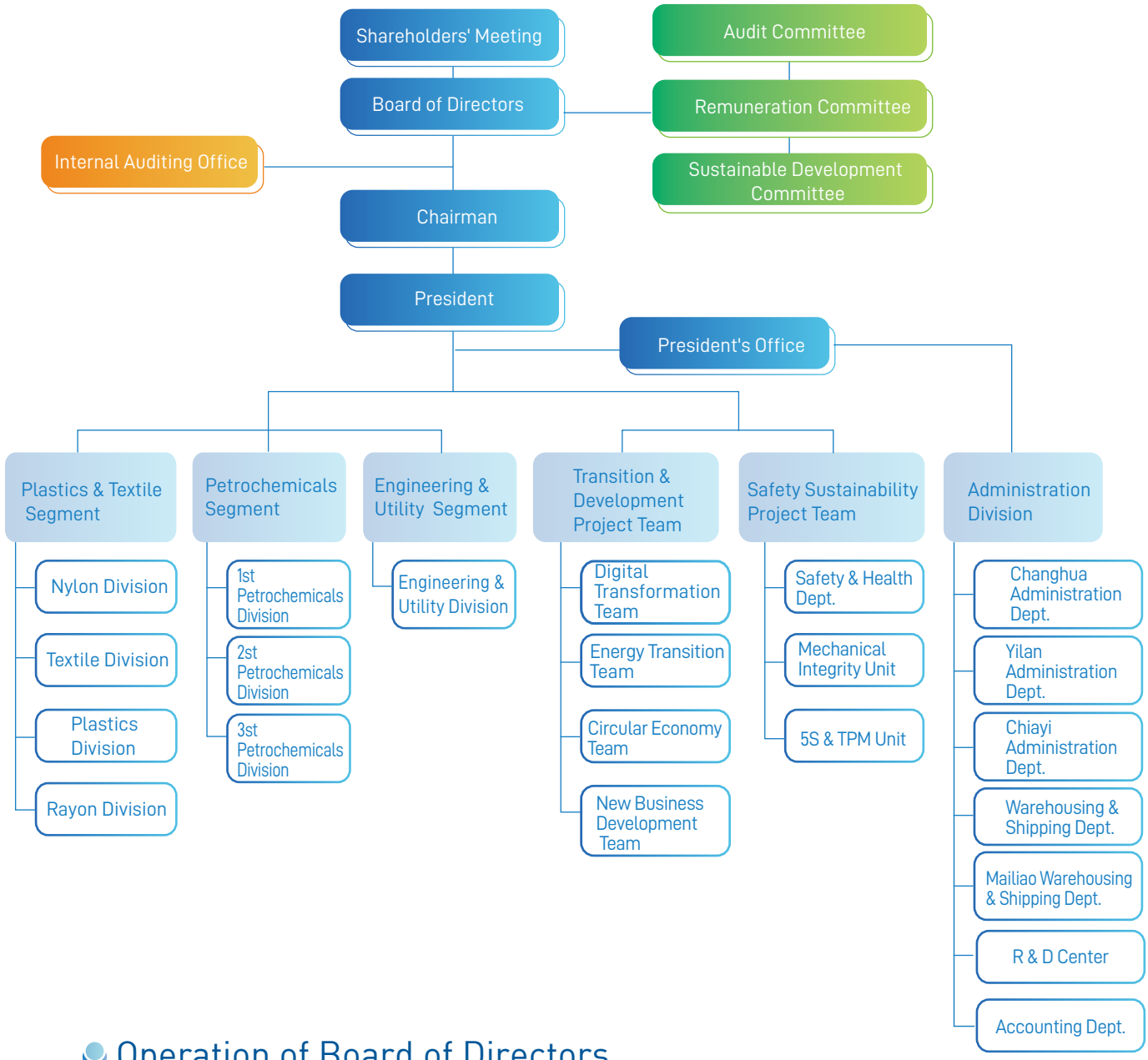
Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Customers	Visit customers at least once a year or interact with them via phone, and provide a "Customer Opinion and Feedback Form" and "Customer Satisfaction Survey" are used to understand customer needs and suggestions	• In 2024, we received 8 customer complaints, mostly attributable to product quality failing to meet customer needs. All cases were handled and resolved • In the 2024 "Customer Satisfaction Survey," a total of 2,446 responses were collected, with an average satisfaction score of 4.5. Additionally, there were no incidents of privacy violations reported
Employees	Employees can communicate their opinions through various channels such as education and training, labor unions, or labor-management coordination meetings	• In 2024, completed four social engineering drills and provided information security awareness training to 7,488 employees • In 2024, conducted online security awareness training for 3,126 employees as part of AEO certification efforts

2.1 Corporate Governance

2.1.1 Overview of Corporate Governance

GRI2-9 GRI2-10 GRI2-11 GRI2-12 GRI2-15 GRI2-17 GRI2-18 GRI2-19 GRI2-20 GRI2-28

Corporate Governance Structure Chart



Operation of Board of Directors

The Company regards the Board of Directors as the highest governing body and the center for making operational decisions. The Chairman is Fu-Yuan Hong, who does not hold any other senior management positions. In addition to conforming to the resolutions made in shareholders' meetings, the Board of Directors acts in accordance with the corresponding laws and regulations (e.g. Company Act, Securities and Exchange Act, Articles of Incorporation, and Board of Directors Meeting Rules) to monitor and control the management, operation, decision making, and other key leadership activities within the Company. Furthermore, we have established the Board and Management Ethics Policy. In all circumstances, all personnel shall act in accordance with ethical standards to prevent any actions that may harm the interests of the company and its shareholders. The Articles of Incorporation of the Company clearly stipulate the nomination and selection procedures for directors. The election of directors adopts the candidate nomination system. The selection and appointment of directors are handled in accordance with the Company Act and the regulations of the

securities competent authority. The Board of Directors is concerned about the impact of environmental changes on society and the economy, and has established a "Sustainable Development Committee" to approve the formulation of a "Corporate Social Responsibility Best Practice Principles." Regarding key material events (such as potential and actual negative impacts on stakeholders raised through complaint mechanisms and other procedures), discussions are conducted in accordance with the Board of Directors Meeting Rules. Relevant responsible units are assigned, and progress and handling are monitored and tracked through subsequent meetings. In 2024, no key material events occurred with an impact exceeding NT$1 million.

The Board of Directors conducts an annual self-evaluation of its performance to strengthen corporate governance and enhance board effectiveness. In October 2024, the Company distributed the "Board Performance Self-Assessment Questionnaire" to its directors for completion. The evaluation period covered October 1, 2023, to September 30, 2024, and all questionnaires were collected within the same month. The performance evaluation indicators for the Board of Directors encompass five major dimensions, totaling 40 indicators. The average scores for each dimension ranged from 4.42 to 4.90. The Company will continue to strengthen the functions of the Board of Directors based on the results of this performance evaluation to enhance corporate governance effectiveness. For information on the operations of the Board of Directors, please refer to the Company's website "Corporate Governance Operations."

Role of the Board of Directors

Principles of the Board of Directors	Vision of Sustainable Development	Operating Strategies and Policies
Formulate the Company's long-term operating policy and business objectives, and synchronize economic growth with environmental sustainable development.	Promote environmental sustainability, economic growth and social progress.	In consideration of the potential sustainability risks and opportunities presented by the external operating environment, as well as the strategies for utilizing internal financial resources, corresponding response strategies and policies are proposed. Additionally, the plans formulated by the management team and their execution effectiveness are evaluated.

Training Courses for Directors

To continuously facilitate in the enhancement of professional and legal knowledge of Directors and to actively implement the corporate governance system, the Company's Directors participate in annual training courses related to operational performance and corporate governance. Please refer to "Corporate Governance Status and Reasons for Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" of the "2024 Annual Report."

2024 Training Courses for Directors

- Advancements in Predictive and Analytical Capabilities Driven by Emerging Technologies
- 2024 Trends and Major Challenges of Generative AI
- Tax Governance
- Global Geopolitical and Economic Trends: Opportunities, Challenges, and Difficulties for Taiwanese Industries
- Directors' Fiduciary Duties and Insider Trading
- Compliance Management Trends in Taiwan
- Corporate ESG and Sustainable Governance: Global Net-Zero Emissions Trends and Corporate Response Strategies
- Innovative Thinking for Corporate Growth in the Age of AI

The training program aligns with the major themes of this session: corporate governance, energy management, operating & Financial Performance, operational risk management, and GHG Emissions Management.

Composition of a diverse Board of Directors

The board consists of a total of 12 members, including 4 independent directors and 1 female director, all of whom possess specialized knowledge and extensive experience in industry management. Their term is set for three years, after which re-election will take place. The Chairman oversees all company operations and designates specific personnel to be responsible for sustainable development issues related to the economy, human rights, and the environment. The operation of the Board of Directors emphasizes the business management capabilities of the directors, as well as the importance of safeguarding the interests of stakeholders and addressing matters related to environmental sustainability. Please refer to the "Board of Directors" investor section of the corporate governance on the Company's official website for the Board of Directors operations.

Board of Directors Selection Mechanism

The election of directors of the Company shall be conducted in accordance with the provisions of the Company's Articles of Incorporation regarding the election of directors, utilizing a candidate nomination system. The Board of Directors and shareholders holding at least 1% of the total issued shares may submit a list of recommended candidates for directors; however, the number of nominees shall not exceed the number of directors to be elected. When shareholders and the Board of Directors provide a list of recommendations, they should specify the names, educational background, and experience of the nominees. Directors are elected by shareholders from the list of nominated candidates. Elections for independent and non-independent directors are conducted concurrently. Among the elected independent directors, at least one must possess expertise in accounting or finance. Going forward, the Company will continue to emphasize candidates' ESG impact management capabilities in its selection process. Please refer to the "Director Election Regulations" available in the corporate governance section under the investor section of the "Important Company Rules" section on the Company's official website.

Board of Directors Conflict of Interest Principles

The Company has established the Board of Directors Regulations, which outline the guidelines for directors to be conflict out from voting on specific agenda items. Directors who have a personal or representative stake in the matters being discussed at the meeting should disclose the relevant details of their interests during the Board Meeting. If there is a potential risk to the Company's interests, they should be conflict out from participating in the discussion and voting. Additionally, they should not act as proxies for other directors when exercising their voting rights. Spouses, parents within the second degree of consanguinity, or companies with a controlling subsidiary relationship with the directors, who have a vested interest in the matters discussed in the aforementioned meeting, shall be considered to have a personal interest in those matters. Please refer to the "Board of Directors Regulations" available in the corporate governance section under the investor section of the "Important Company Rules" section on the Company's official website.

Category of Conflict of Interest	Description
Does the Board of Directors have any controlling shareholders?	Yes
Directorship status of Other Board of Directors	Please refer to the "III. Corporate Governance Report" in the Company's "2024 Annual Report."
Cross-shareholding situation with suppliers or other stakeholders.	
Situation of Stakeholder Groups and Their Relationships, Transactions, and Outstanding Balances	Please refer to the "Financial Statement" in the Company's "2024 Annual Report" for the "Amount of Sales and Purchases with Related Parties Exceeding NT$100 million or 20% of Paid-in Capital."

Remuneration Committee and Independent Audit Committee

Name of the organization	Remuneration Committee	Audit Committee
Year of Establishment	August 2011	Established in June 2015
Composition	Composed of 4 independent directors	Composed of 4 independent directors
Responsibilities	Evaluate the compensation policies and systems for directors (including independent directors) and managers, and make recommendations to Board of Directors to prevent the compensation policy from guiding Directors and managers in undertaking the Company's risk appetite conduct.	To strengthen the oversight function of the Board of Directors, FCFC has established an independent supervisory system by setting up the Audit Committee and developing a comprehensive audit management system.
2024 Performance Results	Stakeholders may submit suggestions regarding compensation through the shareholders' meeting or the "Complaints Mailbox" on the Company website. No suggestions regarding compensation were received from stakeholders in 2024. According to the organizational regulations of the Remuneration Committee, two meetings were held in 2024. Please refer to the "Remuneration Committee" investor section of the corporate governance on the Company's official website for the Board of Directors operations.	Please refer to the "Audit Committee" investor section of the corporate governance on the Company's official website for the Board of Directors operations.

Remuneration for the Highest Governance Body

The "Remuneration Committee" evaluates the Company's Directors' and managers' salary remuneration policies and systems, and makes recommendations to Board of Directors to prevent the compensation policy from guiding Directors and managers in undertaking the Company's risk appetite conduct.

The Company's regular (non-independent) directors receive transportation allowances only, while independent directors are paid fixed remuneration and business execution fees, as approved by the Board of Directors. Senior executives' annual compensation is mainly composed of salary, bonuses, and employee bonuses with mandatory pension and benefits properly allocated. The Company evaluates the performance ratings related to economic, environmental, and social actions up to the level of the President. The Chairman conducts a comprehensive assessment of the overall performance within the scope of responsibilities and the achievement of individual "Annual Work Goals." This evaluation links the incentive system with individual performance and the overall goals of the Company, and is submitted to the "Remuneration Committee" for review.

Participation in Third-Party Associations

The Company actively participates in several external associations and groups of related industries. Through our communication and interaction with these associations and jointly holding relevant seminars and international conferences, we have the opportunity to share and acquire knowledge of various market trends and technical information. This allows FCFC to contribute to provide the government pertinent experience and advice related to international industrial issues through various associations or unions.

Industrial associations		External initiatives
Petrochemical Plastics	Fiber textile industry	
Petrochemical Industry Association of Taiwan (Director)	• Taiwan Textile Federation (Honorary Chairman) • Taiwan Man-made Fiber Manufacturing Industries Association (Executive Director) • Taiwan Spinner's Association (Executive Director)	CDP Evaluation of Climate Change and Water Safety Disclosure Questionnaire
Taiwan Synthetic Resins Manufacturers Association (Executive Director)		Join the SBTi Initiative Advocating the United Nations Global Compact principles on human rights, labor, environment, and anti-corruption

2.1.2 ESG Committee GRI2-13

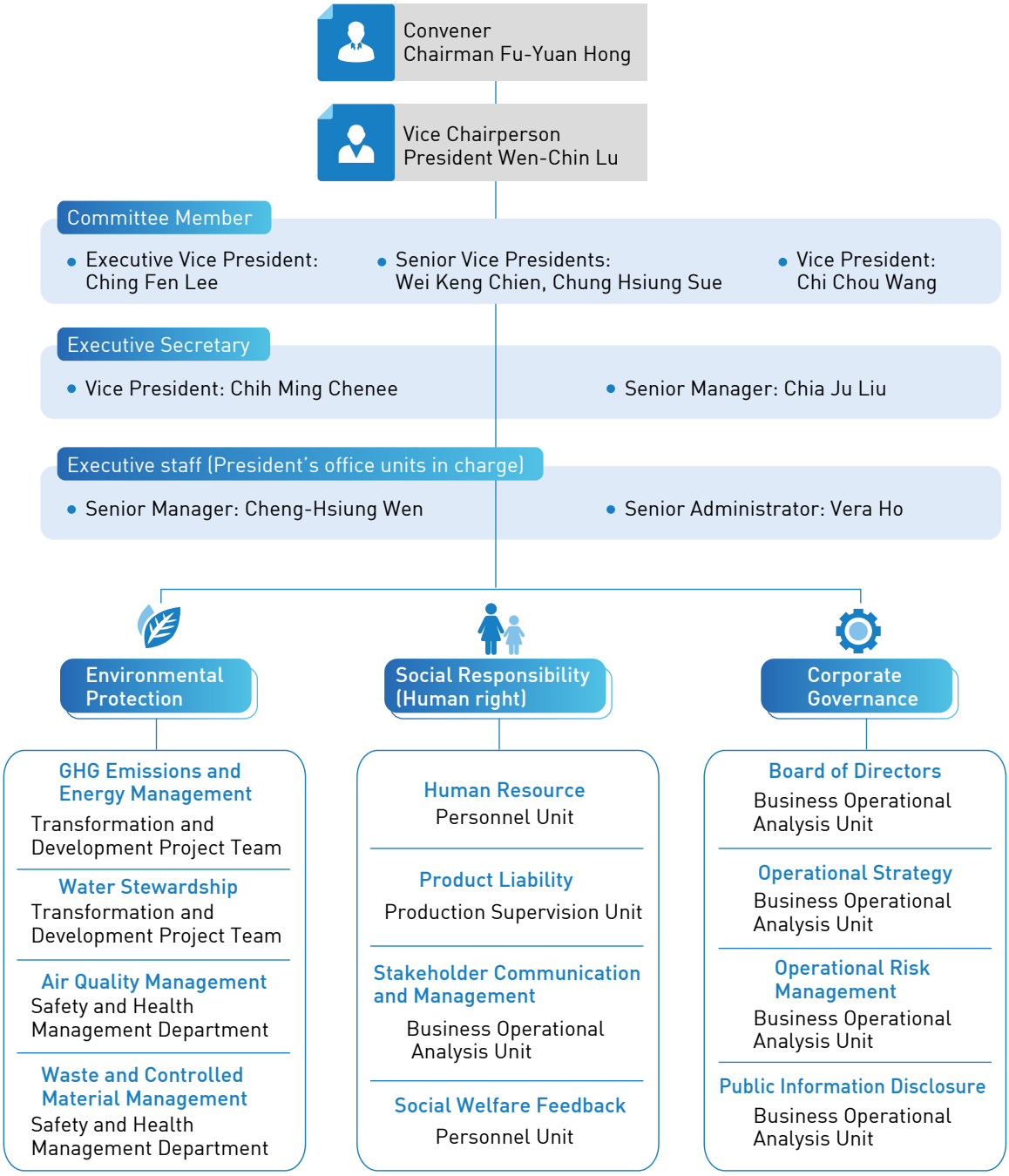
The Chairman of the Company is aware of the increasingly severe impact of climate change on the living environment and has established the "ESG Committee of Formosa Chemicals & Fibre Corporation" (hereinafter referred to as the "ESG Committee") to address social concerns related to climate change, economic impacts, human rights protection, and environmental conservation. The ESG Committee is chaired by the Chairman, who oversees related affairs, and appoints the President as the Vice Chair. The organization includes committee members and executive officers, who are senior management personnel. Additionally, three working groups focused on environmental protection, social responsibility, and corporate governance are established under the organization, which collaborates with the General Management Office to execute relevant tasks. Each month, the Chairman and the President preside over the ESG Committee meetings. The heads of the relevant subgroups draft various implementation plans, report on work progress, and the results of plan execution. Each year, these reports are submitted to the Sustainable Development Committee for approval before being sent to the Board of Directors.

The Company has formulated the "Corporate Social Responsibility Best Practice Principles" to urge economic growth to develop with environmental sustainability, reduce energy consumption and waste, increase resource recycling and reuse, and reduce environmental hazards. The Company has formulated implementation strategies and plans for greenhouse gas reduction, ensured workplace safety for employees, and promoted gender equality. Additionally, the Company is attentive to the interests of stakeholders and is engaged in social welfare activities to foster social development, aiming to achieve the goals of economic and social sustainability.

The Board of Directors of the Company regularly reviews various ESG issues, including carbon neutrality, circular economy, water and energy conservation, greenhouse gas reduction, climate change, zero accidents, zero occupational hazards, social welfare, operational performance, and risk management. The ESG committee reports to the Board of Directors at least once a year on the Company's objectives and implementation status, based on the importance of issues such as sustainable goals, strategies, management policies, and execution conditions, and is guided by the Board of Directors in the direction of implementation.

The ESG group organizational structure of Formosa Chemicals & Fiber Corp. is as follows:

The ESG Group Organizational Structure of Formosa Chemicals & Fiber Corp.



Awarded the "National Occupational Safety and Health Award – Corporate Benchmark Award" by the Ministry of Labor

Implementation Results of the ESG Committee

The list below is the public sector awards received in 2024.

No.	Award Name	Receiving Unit	Awarding Unit
1	National Occupational Safety and Health Award – Corporate Benchmark Award	FCFC	Ministry of Labor
2	6th National Corporate Environmental Protection Award – Silver Prize	Xingang Plant	Ministry of Environment
3	Outstanding Unit for Implementation of Occupational Safety and Health	Mailiao Plant	Yunlin County Government
4	Resource Circulation Excellence Enterprise - Resource Circulation Gold Award	Xingang Plant	Ministry of Environment
5	Excellence in Healthy Workplace Management Award	Mailiao Plant	Ministry of Health and Welfare
6	Excellence in Healthy Workplace Award – Silver Award for Senior Health Promotion	Longde Plant	Ministry of Health and Welfare
7	Adult Health and Weight Management – Excellence Award	Xingang Plant	Ministry of Health and Welfare
8	Corporate Sports Certification	Mailiao Plant	Ministry of Education
9	Outstanding Companies in Industry GHG Reductions	Haifeng ARO3 Plant	Ministry of Economic Affairs
10	Outstanding Companies in Industry GHG Reductions	Mailiao SM Plant	Ministry of Economic Affairs
11	Outstanding Units for Promoting Green Procurement by Private Enterprise Groups	Longde Plant	Ministry of Environment
12	Outstanding Units for Promoting Green Procurement by Private Enterprise Groups	FCFC	Ministry of Environment

2.1.3 Internal Control Mechanism

The Company has established an audit committee for supervision, and has also established an audit office under the Board of Directors. The full-time internal auditors receive lectures from professional training institutions every year, and conduct annual audits that include sustainable information management. The audit results are compiled into a report, which is reviewed by the independent directors before being submitted to the Board of Directors. Internal audits are not only the responsibility of the independent audit department, but each production department also needs to conduct independent business inspections within a specified period for specific audit items. Currently, there are 19 internal audits, of which 2 are new recruits. The training situation for 2024 is as follows.

Training of Internal Auditors in 2024

Analysis of Sustainable Information Disclosure and Management Policies and Related Audit Key Points, Introduction and Audit Seminar on Building Cybersecurity for Listed Companies

Participants	Number of trainees
Internal audit personnel	17
Sessions organized	**Training hours**
4	12

Orientation training course for newly appointed internal audit personnel of the Company

Participants	Number of trainees
Internal audit personnel	2
Sessions organized	**Training hours**
3	18

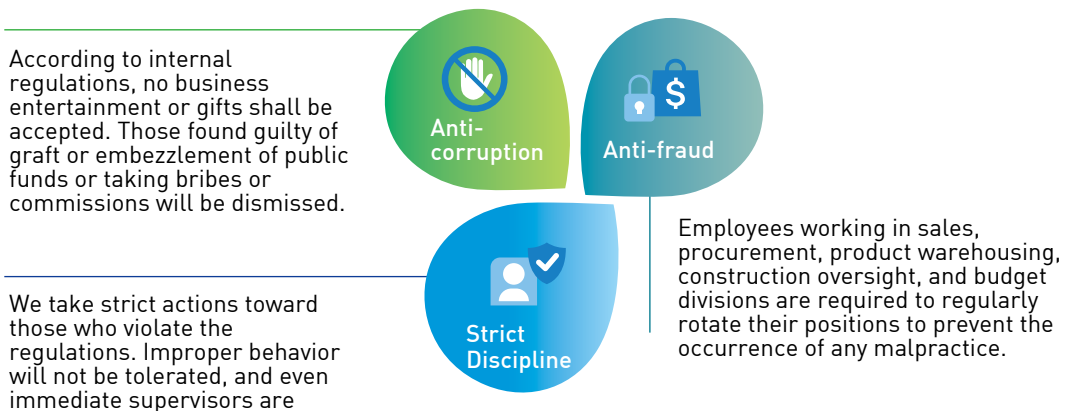
2.1.4 Professional Ethics GRI2-26 GRI205-3

The Company strictly adheres to laws and upholds ethical standards. It advocates for the principles of human rights, labor, environment, and anti-corruption as outlined in the United Nations Global Compact, and maintains a zero-tolerance policy towards any acts of corruption and fraud. By establishing guidelines related to "Ethical Corporate Management and Ethical Conduct," which are publicly disclosed on our official website, we aim to mitigate risks. Furthermore, we extend the culture of integrity to our business partners to jointly create a clean and ethical business environment.

To maintain the objective of minimizing the risk of corruption, the judicial department is invited annually to conduct legal education sessions, emphasizing compliance with laws and raising awareness through economic crime case studies. Each plant has set up employee grievance channels and dedicated personnel to handle grievance cases. Employees can promptly file complaints and also report internal misconduct through the labor union and labor-management meetings. The whistleblower is protected by dedicated personnel, and the reported incident shall be confidentially investigated by dedicated personnel. There were no employee complaints in 2024, and the Company has not received any reported corruption cases from 2018 to 2024.

In 2024, the Company organized legal compliance courses for personnel and supervisors involved in business operations and material (procurement) review, with a total of 45 participants and 90 training hours. Training on the "Prevention of Insider Trading" was conducted for current directors, managers, and relevant employees. Topics included "Fiduciary Duties of Directors and Insider Trading" and "Elements, Regulated Parties, and Penalties of Insider Trading." A total of 353 participants attended, with 231.5 training hours completed. Please refer to the "Important Company Rules" section of the corporate governance of the investor section on the Company's official website.

Training Content	Primary Training Target	Participation Rate		
		2022	2023	2024
Legal Compliance Training	Personnel and supervisors involved in business and material (procurement) review	95.5%	92.8%	97.8%
Prevention of Insider Trading	Sales, business analysis, production and marketing, finance, and research and development personnel	100%	100%	100%
Promotion of Ethical Corporate Management	New recruits	100%	100%	100%



2.1.5 Operating & Financial Performance

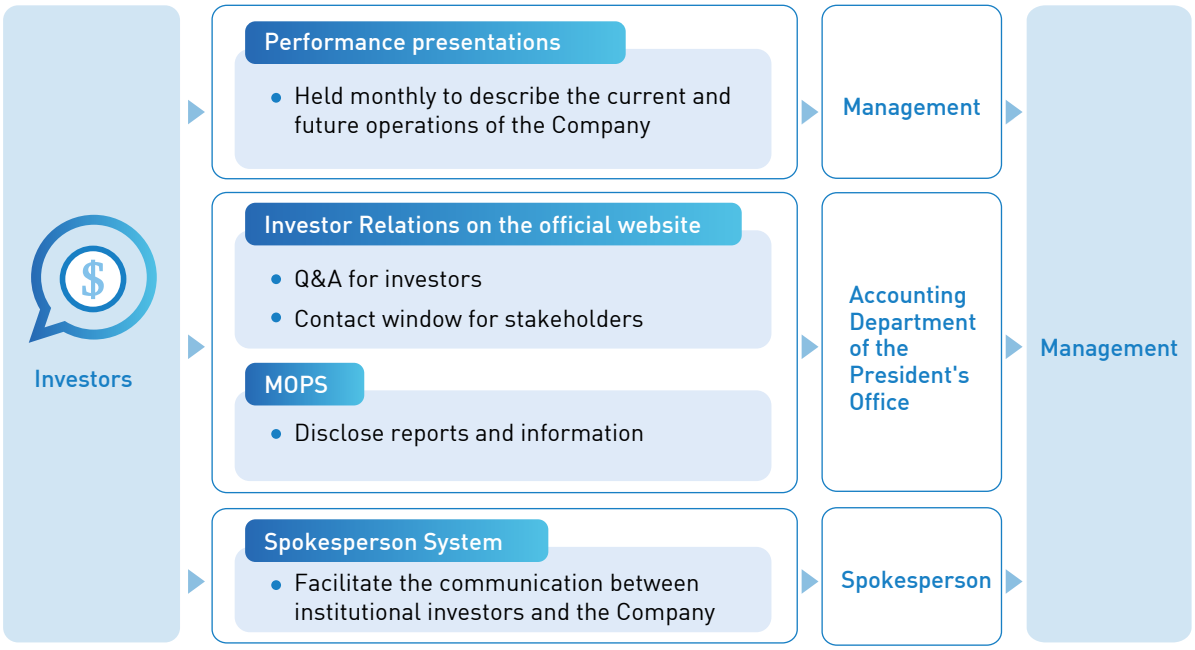
Financial Performance

In 2024, global consumer confidence showed mixed trends. In particular, demand in major markets across Asia remained weak due to subdued consumer sentiment. Although governments implemented economic stimulus policies, the impact on industrial recovery was limited. Additionally, excess industrial capacity in key Asian markets continued to worsen, intensifying market competition and compressing profit margins. As a result, the Company experienced a decline in profitability, with Consolidated earnings decreasing by 85.7%, despite a 4.8% increase in consolidated revenue compared to the previous year. For detailed information regarding the consolidated financial statements in the "2024 Annual Report," please visit the Company's official website. The Company's revenue, profit after tax, earnings per share and shareholders' return on equity in the consolidated financial statements for 2022 to 2024 are shown as follows:

Currency unit: NT$	2022	2023	2024
Consolidated revenue (NT$100 million)	3,799	3,326	3,486
Consolidated profit (NT$100 million)	92	77	11
Parent company EPS (NT$)	1.26	1.46	0.06
ROE (%)	2.25	2.04	0.33
Cash dividends per share (NT$)	0.95	1.25	0.5

Investor Relations

FCFC also maintains a section called Investor Relations on the official website to answer investors' inquiries. All statistics and relevant data are disclosed in MOPS. Additionally, a spokesperson system will be established, with the Chairman serving as the spokesperson for the Company, providing a channel for stakeholders to engage in dialogue with the Company; performance briefings will be held, and institutional briefings will be conducted every six months to establish smooth communication channels with stakeholders.



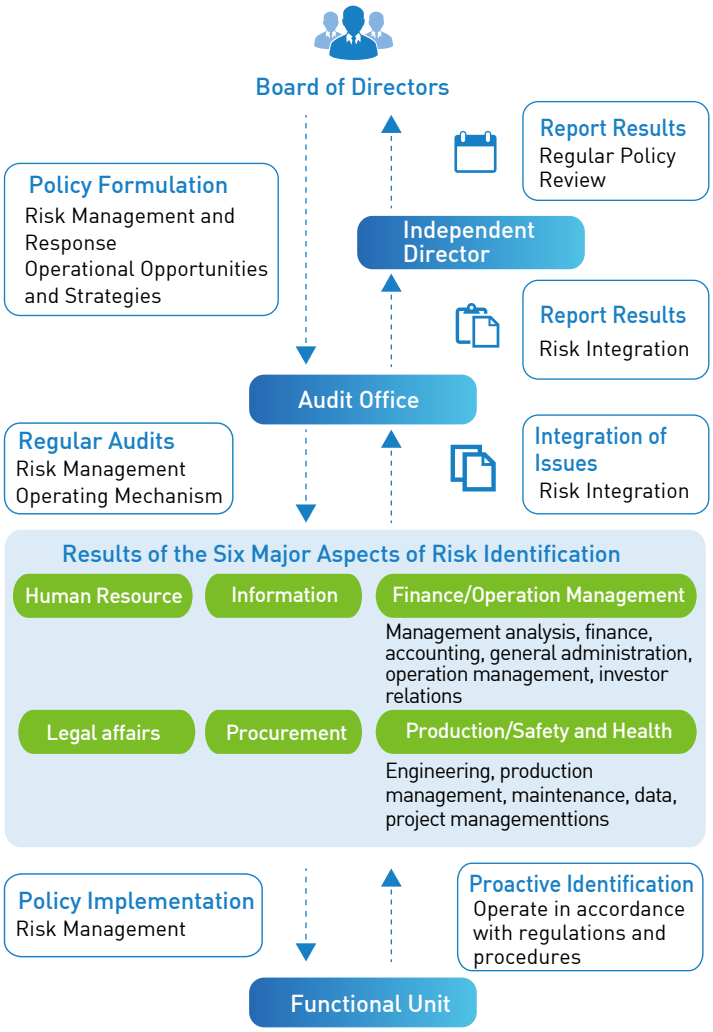
2.2 Operational risk management

The company has formulated the "Risk Management Measures" to explain the Company's risk management policies, evaluation and measurement, control and supervision and other management procedures, to ensure the integrity of risk management, and to control risks within an acceptable range.

2.1.1 Risk Identification Procedures

By adhering to the existing functional system and internal control system, the Company actively faces and controls risks through the most cost-effective methods in six major aspects, namely HR, information, finance/operation management, legal, procurement, and production/safety and health, which shall be considered during management processes.

Each functional department operates based on the Company's regulations and systems, and actively identifies and reports risks out of line to each functional supervisor. Moreover, functional departments will also collaborate to identify risks in the aforementioned six aspects through relevant meetings from time to time. In addition, the Audit Office is in charge of reviewing risks in every aspect and whether risk management is carried out in accordance with regulations. Independent Directors will also communicate with Audit Manager in regards to auditing deficiencies and abnormal incidents from time to time, and report to the Board of Directors.



2.2.2 Risk Items and Countermeasures

In response to the rapid changes in the environmental landscape, the potential risks faced by enterprises are increasing day by day. To ensure information and network security, in 2024, the Company continued to revise its internal management protocols in accordance with corporate-issued guidelines such as the "Information Security Management Rules," "Information Security Management Measures," and "Information Security Management Guidelines." These updates strengthened control measures across various layers, including equipment, applications, networks, data, and personnel. The dedicated information security unit will oversee the internal information security management operations of the Company.

In implementing information security protection measures, we adopt a multi-layered defense architecture. We have set up a web application firewall and implemented SSL digital certificate verification mechanism. Additionally, we conduct quarterly penetration testing on our system platforms to safeguard against malicious attacks from external networks. Internally, we conduct annual information security management audits and provide education, training, and assessments to enhance employees' awareness of information security risks. Furthermore, we have implemented control mechanisms for employee internet usage, e-mail communication, and data leakage prevention, thereby enhancing the overall security of the Company's information network.

The computer data center of the Company, located in Taishan, New Taipei City, obtained the ISO 27001:2013 certificate in February 2023 and successfully passed the ISO 27001:2022 transition review process in December 2024. Social engineering drills were conducted 4 times in 2024 for all employees, along with the completion of information security awareness training for 7,488 employees. Additionally, a total of 3,126 employees have completed the online training course on AEO (Authorized Economic Operator) employee safety awareness. In September 2024, the Company successfully completed the entire information security audit operation with no material information security deficiencies, and there were no material information security incidents in 2024.

Please refer to the "Risk Management Policy" section under the Principles & Organization - Investor section on the Company's official website. It provides detailed information on the corresponding risk management policies, organizational structure, and the scope of risk management on the potential risks we may face, the potential impact of these risks on the Company's finances, the operational risks they may generate, as well as the opportunities they may present.

2.3 Product Sustainability

2.3.1 Upstream and Downstream Relationship of Company Products

The Company's products span the petrochemical, plastic, fiber, and textile categories, and it operates a cogeneration plant to produce water, electricity, and steam for use in manufacturing processes. Through vertical integration across the industry supply chain, the Company expands its economic scale to reduce production costs, meet customer raw material demands, and enhance market competitiveness. For the relationship and usage of products, please refer to the Company's "2024 Annual Report" under the operational overview section – the correlation of the industry's upstream, midstream, and downstream, as well as the production and sales volume table.

Use of Raw Materials

To ensure the stable supply of key raw materials, the Company is a member of the Formosa Plastics Group, which encompasses both upstream and downstream petrochemical production facilities. The primary raw materials are mainly supplied by companies within the group or sourced from the upstream processes, thereby reducing the impact of market fluctuations on supply and demand risks. This approach stabilizes the source of materials and minimizes raw material inventory. Additionally, the Company manages safety stock and safety turnover days through ERP systems to mitigate the risk of material shortages. Please refer to the "2024 Annual Report" of FCFC regarding the supply status of major raw materials.

Additionally, to ensure that suppliers commit to environmental protection, social responsibility, and business ethics standards, sustainability responsibility clauses have been incorporated into the supplier contracts. Furthermore, procurement specifications have been established to ensure that supplier qualifications comply with regulations. Through regular evaluations and a tiered classification system, the Company stabilizes and enhances supply chain quality. Additionally, consultation services and grievance channels are provided to support continuous improvement. For more details, see Section 2.6, "Procurement and Supply Chain Management."

Risk Assessment of Key Raw Materials

- Stable raw material supply ensured through upstream and downstream procurement within the Group.
- Safety stock and safety turnover days managed via ERP system.
- Sustainability responsibility clauses included in supplier contracts.
- Procurement guidelines established to ensure supplier qualifications comply with regulations.
- Regular evaluations and tiered classification system in place to stabilize and improve supply chain quality.
- Consultation services and grievance channels provided for continuous improvement.

Product Brands

The Company started with the production of textile products before gradually transforming. The production process design is built with environmental protection and safety as the priority, supplemented by a strict management system and with environmental friendliness as the goal. We are constantly improving product quality and process optimization to establish a trustworthy product brand. For example, some product lines of FCFC's carpet have obtained the Green Building Material Mark of the Ministry of the Interior and the American Carpet and Rug Institute (CRI) certification. The main brands of the Company are as follows:

2.3.2 Main Products

Production Capacity

The high-value plastic material PP produced by the Company can be used in transportation and medical applications. The 2024 monthly sales volume surpassed 10,000 tons, and the quality obtained Guorui Automobile Co., Ltd. affirmation and introduced it into the automobile production chain, becoming the first non-Japanese PP material supplier in Guorui Automobile Company's history, breaking the monopoly of the supply chain by Japanese companies. The Company has achieved a 100% recycling rate for failed-product materials from the plastic production process. Additionally, the output of recycled eco-friendly nylon pellets and fibers from waste nylon has continued to increase year by year.

2.3.3 Circular economy – Reuse of recycled products

To promote the circular economy, the Company has achieved significant energy and water conservation results. We also focus on recycling and reusing waste gases and waste generated during manufacturing to promote sustainable resource utilization and produce green products. The total sales revenue of green products for the year reached NT$1.619 billion, representing 0.46% of the consolidated revenue.

In 2024, sales of eco-friendly nylon products totaled 7,239 metric tons, while recycled plastic pellets reached 5,879 metric tons. The Company continues to increase the sales volume of recycled plastic pellets year by year in response to growing customer demand for circular economy products. This initiative also serves as a key driver in the Company's transformation toward differentiated product development, with the goal of becoming one of the world's leading environmentally friendly supply chain partners.

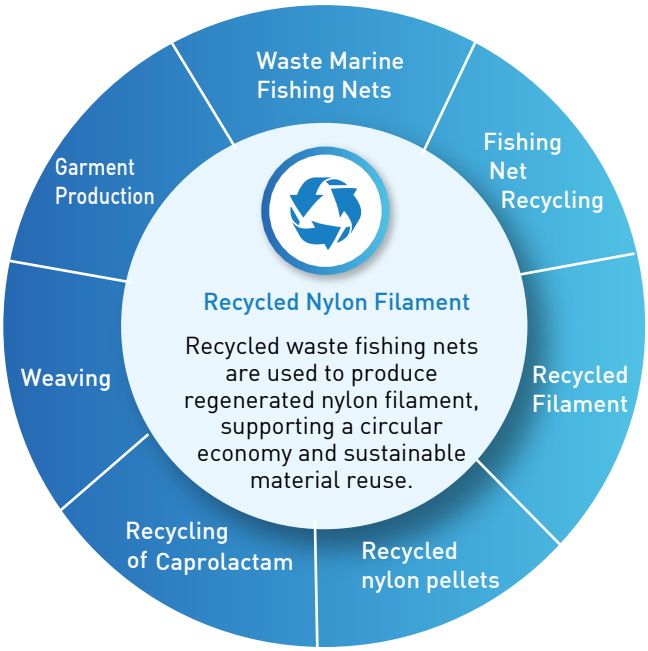
Eco-Friendly Nylon Products

The Company is one of the few in the world with the technical capability to recycle nylon waste into eco-friendly nylon pellets and eco-friendly nylon yarn, and has obtained GRS certification for eco-friendly products since 2012. In 2024, the total acquisition of discarded fishing nets from factories in Vietnam and Taiwan amounted to 2,800 metric tons. The combined annual production capacity of eco-friendly nylon products reached 15,000 metric tons—the largest capacity of its kind globally. By investing in the R&D and production of recycled products, the Company supports its customers in manufacturing environmentally friendly, sustainable products.

Eco-Friendly Nylon Products

Production Capacity in 2022	9,000 metric tons
Production Capacity in 2023	9,000 metric tons
Production Capacity in 2024	15,000 metric tons

The Company's Nylon Division operates a nylon polymerization plant that utilizes both nylon waste yarn (chunks) from failed products generated during the production process and purchased recycled waste nylon materials, including fishing nets, cables, and oyster ropes, to produce eco-friendly nylon products. The recycling production process is as follows:



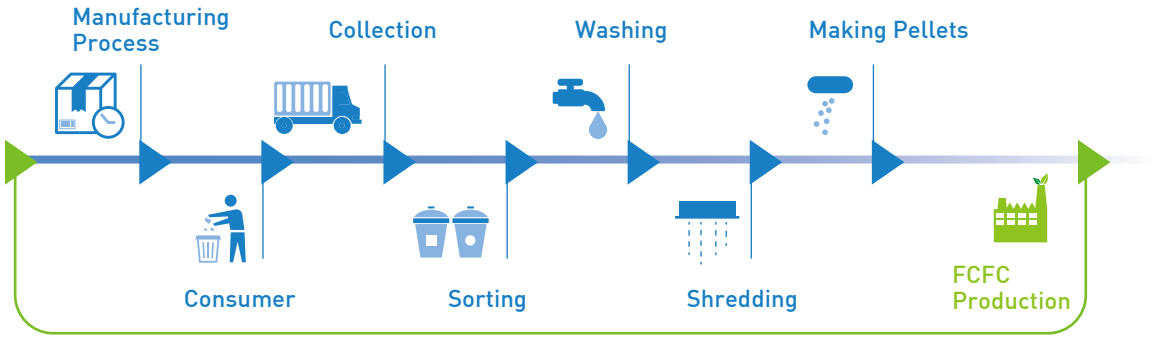
Eco-Friendly Recycled Plastic Pellets

The Company produces eco-friendly plastic pellets by recycling failed-product materials from its plastic manufacturing processes. These pellets have been certified by third-party organizations to meet customer requirements. By steadily increasing the annual sales volume of recycled plastic pellets, the Company supports its customers in using sustainable materials for product manufacturing and aims to be a key partner in environmentally friendly supply chains.

Eco-Friendly Recycled Plastic Pellets

Sales Volume for 2022	2,113 metric tons
Sales Volume for 2023	2,900 metric tons
Sales Volume for 2024	5,879 metric tons

The Company's Plastics Division has been recycling failed plastic products from the PABS or PP plant since the end of 2021. The waste materials are sorted first, then transformed into eco-friendly plastic pellets. The details of the recycling process are as follows:



2.3.4 Product Responsibility Certification

The Company has always prioritized product quality. We carefully evaluate the improvement and development process of all our products and continuously enhance our production process. The specific areas of improvement and their corresponding results are presented in the list below.

Product Responsibility Certification

Non-woven viscose raw material production

- Certified by SGS for "Forest Product Chain-of-Custody" verification
- Compliant with FSC (Forest Stewardship Council) requirements for wood pulp

Related products of Viscose Rayons

- Certification of OEKO-TEX® STANDARD 100
- Certification of "Compostable Viscose Rayons" from Taiwan Environmentally Biodegradable Polymer Association
- The product is free from harmful substances to human health.
- The production and recycling processes are environmentally friendly.

Recycled Fishing Net Nylon Filament

Performance of the Taiwan plant

- Application for an exclusive trademark for recycling fishing net nylon filament
- Produced by the recycled fishing nets purchased under contract from the recycling company "BUREO" and can be labeled with the trademark "NET+," exclusively for the use of the brand "Patagonia."
- Collaborating with King Chou Marine Technology, Cheng Shin Rubber Industry Co., Ltd., Formosa Taffeta, and nine other county and city governments, we are working collaboratively on the implementation of recycling discarded fishing nets to produce bicycle tires.

Performance of Vietnam Plant

- The product has obtained certification from Control Union (CU) for Global Recycled Standard (GRS).

Plastic Particle Products

- PC, PC/ABS, and ABS PCR products have obtained GRS certification.
- PC, PC/ABS, PP, and PCR products have obtained third-party certification from TUV.

Note: Not all items of the above products have obtained certification. For detailed specifications of the certified items, please visit our official website and refer to the "Contact Us" section for more information.

Promoting Chemical Legislation for Product Assessment and Certification Authorization

EU REACH	FCFC has registered 9 products: Benzene, Toluene, Ortho-Xylene (OX), Para-Xylene (PX), Styrene Monomer (SM), Phenol, Acetone, Purified Terephthalic Acid (PTA), and Purified Isophthalic Acid (PIA).
	Formosa INEOS Chemicals Corporation has registered 1 product : Acetic Acid
	Formosa Chemicals Industries (Ningbo) Co., Ltd. has registered 1 product : PIA
UK REACH	FCFC has registered 5 products: SM, Phenol, Acetone, PTA, and PIA
Korean K-REACH	FCFC has registered 2 products: SM, Phenol
Turkish KKDIK	FCFC has registered 5 products: SM, Phenol, Acetone, PTA, and PIA
Indian BIS	FCFC has registered 7 products: SM, Acetone, PTA, Acrylonitrile Butadiene Styrene (ABS), Acetic Acid, Polycarbonate (PC), and Polypropylene (PP)

Note: The "REACH Regulation" is an EU legislation that encourages the substitution of hazardous chemicals with less hazardous ones and provides incentives for developing safe chemicals. It also aims to integrate ecological, economic, and social developments to achieve sustainable goals.

2.3.5 Product Development and Innovation

Through the industry vertical integration model, the company encourages its colleagues to accumulate rich professional capabilities and development experience in raw materials, product manufacturing and processing applications. Through cross-departmental cooperation and R&D management, it fully integrates and utilizes R&D resources, continues to invest in innovative ideas, and actively develops products demanded by the market

Product Certification

PCR Plastic Products

- Sent to a third-party notary unit for testing to confirm compliance with EU RoHS requirements
- Sent to a third-party notary unit for testing to confirm compliance with EU REACH SVHC (Substances of Very High Concern) requirements

RoHS compliant

REACH SVHC

Intellectual Property Management

For the management of research and development projects such as new products and new production technologies, the Company formulated the "Research and Development Management Measures," and clarified the rewards for key product development and patent authorization in the "Research and Development Achievement Award Measures for R&D Staff" to encourage R&D personnel to innovate and develop and actively research. To strengthen employee compliance with intellectual property rights, the Company conducts intellectual property training courses and requires employees to complete and submit an "Intellectual Property Rights Compliance Declaration." Please refer to the "Corporate Governance Operations" section of the Corporate Governance section under the Investor section on the Company's website for "Intellectual Property Management."

2.4 Digital and Smart Management

Development of Simulation Factories and Operational Dynamics Management

In recent years, the Company has faced impacts from the industrial environment, digital technology, and carbon neutrality issues, resulting in extreme changes in the operating environment. The future of the industry will depend on the ability to respond quickly to the market, utilize digital technology, enhance operational efficiency, and achieve net-zero transformation. Among these, digital optimization and transformation present key opportunities. At the end of 2023, the Company restructured and established the "Transformation and Development Project Team." Under this team, the "Digital Transformation Team" was formed to drive the Company's digital transformation initiatives and support subsidiaries in their respective transformation efforts. The aim is to apply digital technologies to existing operational management through information automation, simulation software applications, big data analysis, machine learning modeling, and comprehensive factory integration. This transition aims to shift from passive or reactive management to predictive, preemptive, and optimized management, preventing abnormalities before they occur. The ultimate goals are to improve efficiency, reduce costs, and enhance overall operational performance.

Professional AI Talent Training

We continuously promote digital professional talent education and training to support the development of smart factories, organizing training courses in collaboration with academia based on various areas of expertise. The training programs completed in 2024 include: the Taiwan AI Academy's Technology Leadership Program with 9 participants; the AI Engineer Technical Training Program with 5 participants; the AI Basic Training Beginner Class with 133 participants; and the Advanced Class with 34 participants. Additionally, 4 internal technical exchange sessions were held, attended by a total of 482 participants. Furthermore, 3 external industry-academia collaboration AI projects were conducted, providing training for 57 individuals.

Applications of AI Smart Factory

Applications	Analysis	Benefits
Processing adjustment and optimization	Factors affecting manufacturing process stability are analyzed based on operational data, providing real-time optimized operation and energy-saving production guidelines.	• Energy savings and loss management through real-time process optimization and control • Reduce raw material consumption • Maximize production efficiency
Equipment Monitoring and Management	Utilize data analysis to monitor equipment operation status and provide early warning for equipment adjustment, inspection, and maintenance to prevent unforeseen failures.	• Rotating equipment health warning • Rotating equipment bearing life prediction • Intelligent monitoring and early warning for abnormality and corrosion in pipeline equipment
Product Quality Improvement	Quantify the correlation between operational variables and quality to optimize manufacturing processes and enhance quality.	• Enhancing and stabilizing product quality • Quality prediction and early warning • Reducing product packaging abnormalities
Optimizing Factory Safety Management	To ensure personnel safety, we employ AI image recognition technology to supervise the proper use of protective equipment according to operational standards.	• Monitoring whether tanker truck unloading operators are properly equipped • Ensuring the personnel operating high-voltage switchboards in electrical rooms are properly equipped • Personnel SOP safety supervision
Optimizing Dynamic Operational Management	Integrate customer orders with production dynamics information to establish market trends and product profitability analysis modules, enhancing sales and production management and intelligent inventory and shipping management.	• Analysis of raw material price fluctuations • Sales, transportation, and inventory management • Comprehensive profitability analysis

Accumulated to 2024

- A total of 484 AI applications have been officially launched
- Total investment amounting to NT$260 million
- Total benefits realized of NT$1.62 billion

2025 (Projected)

- 57 ongoing projects carried over from 2024
- 101 new projects planned for 2025
- Estimated investment amount: NT$40 million
- Projected annual benefits: NT$220 million

As of 2024, the Company has launched a total of 484 AI application projects. To enhance its competitive advantage and leading position of digital optimization technology in the petrochemical industry, in addition to the ongoing development of simulation factories and operational dynamic management, the Company is also implementing a patent strategy for the protection of AI technology. Since 2022, there has been a strengthened focus on patent applications related to digital optimization innovation, resulting in the approval of 6 patents.

2.5 Excellent Customer Service

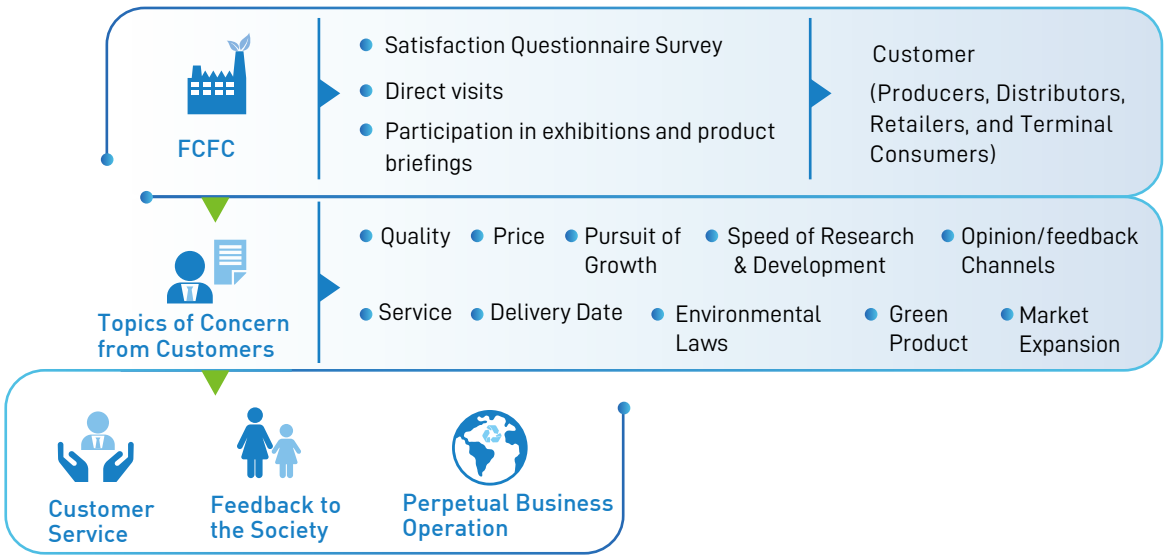
2.5.1 Customer Relations GRI2-25

Establishing a mutually beneficial partnership with customers is the fundamental belief of the Company. As the communication bridge between customers and the Company, the procurement and sales personnel strive to provide excellent customer service and enhance customer satisfaction, which is the ongoing goal of all employees. We prioritize customer rights and valuable feedback, striving for mutual growth with our clients. We hope to establish a positive cycle that pursues a win-win situation for both parties.

Model of Positive Interaction

To strengthen customer relationships, the Company conducts regular visits to engage in dialogue on both existing and new products, ensuring timely and effective communication channels. Additionally, by participating in major industry exhibitions and professional seminars, the Company engages directly with customers to exchange market insights. Feedback received from customers is considered an important reference in operational planning and decision-making.

Stakeholder Engagement and Feedback Mechanism



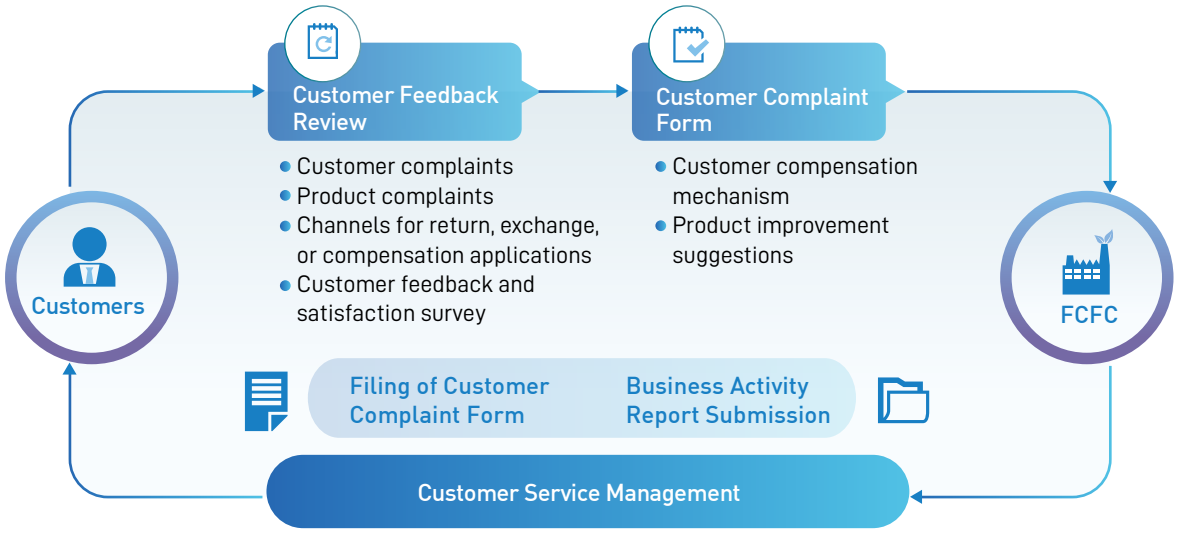
Disclosure of Product Information

For information regarding the specifications, characteristics, and uses of the Company's products, please refer to the Company's official website under "Product Categories."

Responses to Customer Feedback

The Company has established official channels for customers to give suggestions, voice complaints, exchange or return a product, and apply for reimbursement. Besides dealing with sales reps directly, customers can also voice their opinions on product sales service hotline and email inbox on our Company website. In the event of a customer complaint, the department receiving the complaint shall complete a "customer complaint form." Subsequently, the manager's office of the respective business unit will confirm the responsibility for the complaint and propose improvement measures. The progress of the handling will be monitored through computer control to ensure that customer complaints are addressed promptly and appropriately, and that responses are provided to customers. In 2024, we received 8 customer complaints, mostly attributable to product quality failing to meet customer needs. All cases were handled and resolved.

Responses to Customer Feedback



Compliance and Customer Privacy

The Company has established "Personal Data Management Measures," which are also listed as self-inspection items for each department. Access to employee or customer information is strictly controlled based on authorization levels. If business needs require access, a "application form for personal data collection, processing and utilization" must be signed, which can be provided only after procedural review and are confirmed to comply with laws and regulations, and the way of use must be strictly limited. The Company's attendance system utilizes employees' personal facial biometric data for workplace entry. The personal privacy data used in this system will only be used for the selection and appointment of new employees, in compliance with company regulations. There were no privacy violations in 2024.

2.5.2 Customer Satisfaction Survey

The Company conducts customer satisfaction surveys at least once a year for both domestic and international customers to comply with the ISO 9001:2015 Quality Management System and to understand customer feedback regarding the use of various products and satisfaction with after-sales service. The questionnaire encompasses eight major themes, and the survey results serve as a reference for improving internal operations.

The results of the 2024 customer satisfaction survey showed that the overall performance is higher than the "satisfaction" indicator. The recommendations by customers are included in the Company's operating policies, which are continuously reviewed and improved. The average customer satisfaction in 2024 was 4.5 points (out of 5 points), consistent with the previous year.

Unit: Points

2.6 Procurement and supply chain management

2.6.1 Supply Chain Development Strategy

FCFC encourages suppliers and partners to collaboratively establish the value of sustainable operations and to strive for environmental sustainability. The Company prioritizes local suppliers for procurement and contracting partnerships, aiming to maintain a ratio exceeding 70%.

To build a harmonious and mutually beneficial relationship, the Company continues to adopt a digital procurement platform. Contracts are awarded based on the lowest quote that also meets delivery schedules and quality requirements, with preference given to vendors holding green certifications. This supports a transparent, fair, and equitable procurement system. Through a supplier classification and management mechanism, underperforming vendors are phased out, while strong performers are cultivated as long-term partners to ensure a stable and high-quality supply chain.

In addition, to help suppliers and partners align with the Company's sustainability values, a 24-hour customer service center is available via the electronic procurement marketplace to offer vendor support and consultation services.

Optimizing Supply Chain Quality

- Supplier evaluation and classification mechanism
- Procurement standards to ensure supplier compliance
- Prioritize procurement from local suppliers

Deepening the Concept of Sustainable Management

- Prioritize procurement of green certifications
- Sign the social responsibility commitment letter
- Sign the Integrity and Confidentiality Commitment for Suppliers
- Social responsibility questionnaires

Enhancing Supplier Competitiveness

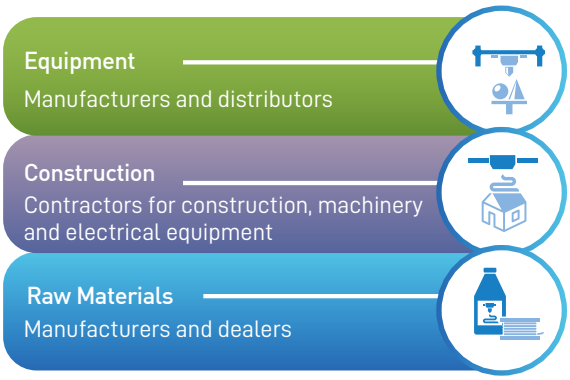
- Customer service center consultation services
- E-Procurement transactions
- Provision of a complaint mechanism

2.6.2 Overview of Supplier Procurement GRI2-6 GRI204-1

The Company regularly holds vendor briefings to establish a fair trading platform for suppliers and contractors through a "public tendering" process, aiming for a just procurement and contracting mechanism. The procurement and bidding system through the electronic procurement platform of FPG offers various functions for suppliers and engineering subcontractors, including online inquiries and transaction payments. Additionally, a supplier grading and evaluation system is in place to phase out underperforming vendors while fostering long-term relationships with high-performing suppliers.

The Company prioritizes domestic suppliers for procurement and contracting, with a local procurement amount ratio of 71% for the year 2024. Additionally, electronic invoices have replaced traditional paper invoices, and the current rate of electronic invoicing among suppliers is 86.4%. If domestic supply is unavailable, the Company proceeds with procurement and tendering through international sources. To reduce carbon emissions from shipping vehicles, the Company has been collaborating with KERRY TJ Logistics, in which the two enterprises jointly launched "Internet-based Purchasing Supplier Centralized Delivery Procedures." According to statistics, as of 2024, the ratio of suppliers' Internet-based centralized delivery reached 98%.

Supplier Classification



To create a clean and fair business transaction environment, the Company firmly opposes collusion in bidding (quoting), under-the-table dealings, and other acts of favoritism and corruption, maintaining a "zero tolerance" policy. All relevant personnel are required to sign the "Procurement, Contracting, and Import/Export Code of Conduct" to acknowledge and comply with the Company's ethical corporate management standards. All involved employees are 100% subject to a progressive training system, starting with basic job training, followed by professional skills training, advanced certification, and periodic refresher courses. These measures reinforce the Company's commitment to corporate social responsibility. Furthermore, through the procurement review mechanism, the Company actively mitigates the risk of fraudulent activities.

Green Procurement

The Company prioritizes the procurement of products bearing green certifications, which include environmental protection labels, water conservation labels, energy-saving labels, energy efficiency grade 1 and 2 indicators, green building material labels, carbon reduction labels, and internationally recognized eco-labels approved by the Ministry of Environment. In 2024, the total amount spent on green product procurement reached approximately NT$98 million, representing an increase of NT$13 million compared to 2023.

2.6.3 Management Mechanism GRI2-26

Supply chain CSR

FPG adheres to the spirit of sustainable operation and abides by the principle of fair trading, and requires the cooperating suppliers to meet the needs of environmental protection, work safety and human rights. In order to let the vendors understand the Company's concept of continuing to promote social responsibility and jointly promote the implementation, since October 2019, the "Supplier/Contractor Social Responsibility Commitment" and "Supplier/Contractor Social Responsibility Questionnaire" have been added. When the vendor logs in to FPG's electronic trading market or after ordering, a letter will be sent to ask the vendor to sign and reply, and abide by the relevant regulations. In 2024, the Company conducted domestic transactions with 1,860 suppliers. Among them, 1,796 suppliers had signed the social responsibility commitment letter, achieving a response rate of 96.6%. Additionally, 1,742 suppliers completed the "Supplier/Contractor Social Responsibility Questionnaire," with a response rate of 93.7%. At the same time, in order to ensure that the suppliers actually comply with the laws and regulations, the Company provides the "Formosa Plastics Group Integrity and Confidentiality Commitment for Suppliers". Suppliers who have

responded are listed as preferred procurement suppliers. In 2024, of the 1,860 domestic suppliers, 1,813 had signed the above commitment, representing a response rate of 97.5%. When there are changes to the Company's supplier management policy, the General Management Office shall convene the Company and other companies within the enterprise to jointly discuss the matter. The proposed content must be approved by the Vice President of the Company or higher. If the impact is broader, the highest approval must be obtained from the Chairman.

Status of Signatures from Major Suppliers/Contractors

Percentage of suppliers/ contractors who have signed the social responsibility commitment letter (including environmental, labor, and human rights) (%)		Percentage of suppliers/ contractors who have responded to the Social Responsibility Questionnaire (%)		Percentage of suppliers/ contractors who have signed the Integrity and Confidentiality Commitment for Suppliers (%)	
2022	99.1	2022	96.6	2022	98.9
2023	97.9	2023	97.1	2023	98.0
2024	96.6	2024	93.7	2024	97.5

Supplier procurement regulation

All business activities and contents on investment agreements of the Company are carried out in accordance with local and national laws and regulations. In addition, contracts and agreements with suppliers, contractors and other business partners are all handled in accordance with national human rights laws, and it is also required to comply with the relevant regulations of the government on labor and occupational safety. The guidelines for external bidding specify that the contractor must employ workers over the age of 16. In 2024, the Company did not employe child laborers nor violate any conditions of forced labor. (Reference Link)

Supplier evaluation

Suppliers which intend to work with FCFC are required to be qualified with written and on-site references. FCFC only accepts those that pass the qualification test. If there are subsequent delivery (construction) overdue, poor quality, and violation of safety regulations, the supplier will automatically go through contractor evaluation. Only high-quality partners will have long-term cooperation with the Company. For each purchase, the Requisition Department shall check the delivery conditions according to the purchase requirements of different materials, including RoHS qualification, national relevant manufacturer's work safety qualification, ISO qualification, etc. Those who have ticked them are printed in the "Inquiry Form" and "Order Notice" to ask the supplier to cooperate with them. In addition, the aforementioned form explains that the company attaches great importance to sustainable operation and requires manufacturers to meet the requirements of environmental protection, work safety and human rights. To encourage suppliers abide by good work norms, once the suppliers are rated as excellent after evaluation are listed as priority procurement subjects to enhance their willingness to fulfill their social responsibilities.

Grievance mechanism for suppliers and contractors

The Company's electronic trading market is equipped with a professional customer service center, which provides suppliers with 24-hour complete consulting services for various problems during operation of the online quotation platform. In addition, a response and complaint platform has been set up in the electronic trading market system. After receiving feedback, dedicated personnel will review and reply to the feedback. In 2024, 91 cases of supplier feedback were received, which mainly inquired about the content of procurement cases, accounting for 40.2% of all cases.

Vendor Classification Management System

The Company conducts preliminary investigations into its manufacturing capabilities and product quality to effectively manage our collaborating suppliers and contractors. We established a vendor classification management system based on the collaboration between each department and the supplier. This system includes specific evaluation criteria to track our partnerships' performance effectively and also serves as a basis for future supplier selection.

Suppliers

According to the inquiry and quotation data and delivery records of the vendors who have delivered more than (inclusive) 3 pieces of goods in the past two years, we calculate scores and grade the vendors, and provide reference for price comparison and purchase decision in purchase cases.

Evaluation Criteria

Price competitiveness	Delivery delay rate	Quality anomaly rate
15%	35%	50%

Rating Grades: Six Grades from A to F

A、B	Suppliers have the priority of price negotiations Designated suppliers for important materials
C、D、E(Qualified)	Regular suppliers
F(Unqualified)	Blacklisted suppliers

Contractors

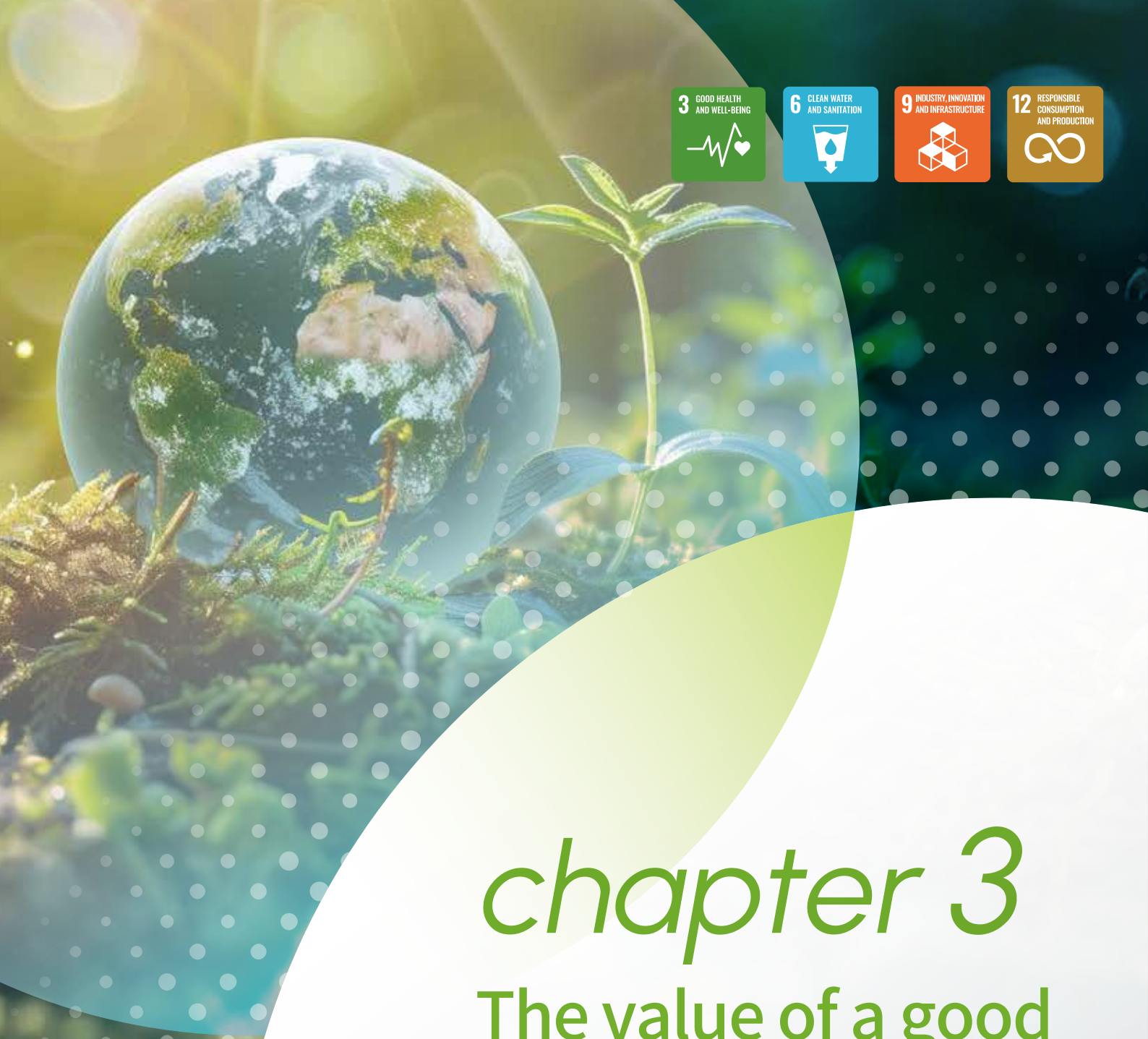
Relevant data is collected for various professional engineering contractors, including assessments of their factories, construction sites, equipment, capabilities in construction site safety management, technical expertise, and track record of contracts.

Evaluation Criteria

- Gather relevant information
- Assess factories and construction sites
- Examine construction equipment and machinery
- The capability of Construction Site Safety Management
- Technical Capability
- Construction Quality
- Project Schedule Management
- Legal Contracting
- Contracting Performance

Rating Grades: Six Grades from A to C

A、B	Contractors have construction capabilities with better quality and the ability to undertake larger-scale projects
C	Contractors with general construction capabilities and scale
-	Blacklisted suppliers



chapter 3

The value of a good environment

Vision

We firmly believe that environmental protection can coexist with community development. Providing high-quality products is the Company's philosophy, and ensuring the safety of products and manufacturing facilities is the Company's responsibility. The Company continuously enhances its expertise, with the mission of ensuring safe production and maintaining ecological sustainability.

Policy and Commitment

Propose environmental protection policies in response to the global ESG development trends and the 13 targets of the United Nations Sustainable Development Goals (SDGs). Emphasizing environmental protection, maintaining ecological balance, and ensuring community safety. Provide employees with a safe working environment and achieve the goal of sustainable business operations and environmental protection.

Proposed four major implementation strategies for sustainable development pathway: 1. Energy efficiency improvement, 2. Energy transition, 3. Circular economy, and 4. Other measures. Establish an ESG Committee, implement various environmental protection norms and emission standards, actively address environmental and ecological issues, and proactively manage risks and opportunities. FCFC set a target of:

Short-term

A 10% reduction in carbon emissions by 2025 compared to the base year of 2020.

▼ 10%

Medium-term

A 25% reduction in carbon emissions by 2030 compared to the base year of 2020.

▼ 25%

Long-term

Achieving carbon neutrality by 2050

Carbon Neutrality

In addition, the Company will align with corporate procurement policies to enhance the existing supplier management processes. It will implement ISO 20400:2017 Sustainable Procurement Guidelines, integrating them into the current procurement system. Furthermore, the procurement contracts will include conditions requiring bidding vendors to execute ISO 14064-1:2018 Organizational Level Greenhouse Gas and ISO 14046:2014 Water Footprint verification, in order to promote the joint execution of sustainable development policies within the supply chain.

Environmental Laws and Regulations Compliance

One event from FCFC in 2024	Violation of Article 20, Paragraph 1, and Article 62 of the Air Pollution Control Act.
One event from FCFC in 2023	The delayed submission of the construction project runoff wastewater reduction plan violates Article 18 of the Water Pollution Control Act and Article 10 of the Water Pollution Control Measures and Test Reporting Management Regulations. A penalty of NT$30,000 was paid and the required project plan was submitted in January 2024 to rectify the issue.

Definition of Impact

1. In response to the pressure to reduce carbon emissions, it is essential to implement energy-saving improvements in processes, adopt high-efficiency equipment and technologies, reduce energy consumption, and enhance energy utilization efficiency. Although this may increase the investment costs for improvements, it can lead to a decrease in the energy consumption per unit of product produced, lower production costs, and enhance competitiveness.
2. Phased implementation of solar and hydropower generation and other renewable energy sources will increase the proportion of renewable energy usage, reduce the reliance on traditional energy sources, and enhance product competitiveness.

Potential Risks: The global carbon emissions and energy conservation policies are becoming increasingly stringent. The costs associated with carbon emissions and energy consumption will impact the Company's revenue. To improve energy consumption costs, it is necessary to invest resources in upgrading equipment.

Potential Opportunities: Effective energy management can produce low-carbon and low-energy consumption products, aligning with international development trends, thereby enhancing product competitiveness and corporate image.

Indicator: GRI 3-3：Material Topics 2021
Indicator: GRI 302：Energy 2016

Management Actions	2024 Performance	
In order to reduce electricity and steam usage, the company undertook energy-saving upgrades, recovered process waste heat, and integrated operations across multiple sites.	In 2024, saved 69.2 metric tons of steam per hour, conserved 11,000 kWh of electricity, and reduced fuel consumption by 0.1 metric tons. The total investment amount is NT$1.31 billion, which yields an annual investment benefit of NT$660 million. In 2024, the unit energy consumption decreased by 1.7% compared to 2023.	Not achieved X
To increase the installation capacity of renewable energy equipment, additional renewable energy equipment should be added.	Added a total of 3,797 kWp of renewable energy capacity in 2024. (Photovoltaic: 3,065 kWp, Hydropower: 732 kWp). The total investment amount is NT$230 million, which yields an annual investment benefit of NT$10 million.	Achieved V
Establish an ESG Committee and conduct monthly energy and water conservation meetings to assess the effectiveness of energy conservation and emission reduction measures, as well as to conduct performance evaluations.	In 2024, a total of 11 energy conservation and water conservation meetings and 12 ESG promotion meetings were held.	Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Reduce unit energy consumption of products by 2.5% over the previous year. The projected investment for energy-saving improvements in 2025 is estimated to be NT$1.72 billion.	Reduce unit energy consumption of products by 2.5% over the previous year.	Achieve the target of reducing greenhouse gas emissions by 25% compared to 2020 levels by 2030.
Propose to add 15,935 kWp of new renewable energy capacity by 2025, bringing the total installed renewable energy capacity to 58,130 kWp. Estimated investment amount: NT$650 million	Target cumulative installed renewable energy capacity of 63,251 kWp by 2026.	Target cumulative installed renewable energy capacity of 73,251 kWp by 2030.
The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.	The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.	The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Government Sectors	In accordance with the provisions of the Energy Management Act, report relevant data on energy-consuming equipment.	No illegal incidents occurred in 2024.
Shareholders and Investors	● Announce the Company's operational status several times a year through media releases. ● Actively participate in various awards related to energy conservation, emission reduction, and circular economy, and proactively showcase the Company's achievements in promoting energy conservation and emission reduction.	● Convene 1 shareholder meeting, 2 institutional investor briefings, and several operational briefings annually. Report the operation outcomes to shareholders and investors and thoroughly discuss the Company's operational status, business strategies, and philosophy. ● Annually register to participate in the Energy Conservation Benchmarking Award, and submit energy-saving improvement projects to the Industrial Development Bureau for voluntary greenhouse gas reduction. ● In 2024, the SM Mailiao Plant and ARO-3 Plant were awarded the Outstanding Unit for GHG Voluntary Reduction.

Note: In 2024, due to the impact of market demand, the capacity utilization rate is expected to decline, which will affect the unit energy consumption of products and prevent meeting the standards.

Material Topics

GHG Emissions Management

Definition of Impact

1. The increasing frequency of extreme weather events may lead to flooding in the factory area, resulting in production stoppages and losses, which could affect the stability of factory operations. Additionally, customer demands for reduced product carbon emissions may impact operational and financial performance.
2. The government has implemented carbon fees, which has led to an increase in operating costs.
3. Establish an ESG Committee, develop green power generation facilities, and enhance the utilization of renewable energy.

Potential Risks: The imposition of carbon fees by various local governments will increase the Company's operating costs. In the event of a violation of relevant regulations, the Company will face penalties and will be restricted in its product sales market.

Potential Opportunities: The Company has invested in renewable energy to advance its carbon neutrality goals, which may help reduce operational costs related to carbon fees. Produce low-carbon products to enhance product value and competitiveness.

Indicator: GRI 3-3: Material Topics 2021
Indicator: GRI 305: Emissions 2016

Management Actions	2024 Performance
Establish an energy efficiency performance evaluation and assess the performance of each department.	Each month, we evaluate the energy-saving and emission reduction performance of each department and reward outstanding plants. Achieved V
Establish an ESG Committee and conduct monthly energy and water conservation meetings to assess the effectiveness of energy conservation and emission reduction measures.	In terms of energy-saving and carbon reduction improvements, 235 projects were completed, resulting in a CO_2e reduction of approximately 227,400 metric tons per year. The total investment amount is NT$1.31 billion, which yields an annual investment benefit of NT$660 million. Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.	The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.	The department that failed to meet the target for energy-saving and emission reduction has submitted a report outlining their plans for improvement.
Continuously promote projects aimed at improving energy and water conservation, with the objective of reducing carbon emissions by 10% in 2025 compared to 2020. The projected investment for energy-saving improvements in 2025 is estimated to be NT$1.72 billion.	Continuously promote projects aimed at improving energy and water conservation, with the objective of reducing carbon emissions by 25% in 2030 compared to 2020.	Continuously promote projects aimed at improving energy and water conservation, with the objective of reducing carbon emissions by 25% in 2030 compared to 2020.

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Government Sectors	According to the "Management Measures for the Inventory and Registration of Greenhouse Gas Emissions", the relevant carbon emission data was reported regularly.	No illegal incidents occurred in 2024.
Shareholders and Investors	Through several annual shareholder meetings, institutional investor briefings, the Company reports the operation outcomes to shareholders and investors and thoroughly discuss the Company's operational status, business strategies, and philosophy.	1 shareholders' meeting and 2 institutional investor briefings were convened in 2024.

Definition of Impact

1. The impacts of climate change have led to an increased frequency of extreme weather events, resulting in unstable water resource availability and heightened challenges in water resource utilization. During drought periods, the competent authorities adopt a policy to prioritize the water supply for domestic use, reducing the available water quantity for industrial use.
2. The Company will actively invest in process improvement, strengthen water resource management, enhance water usage efficiency, increase the recovery of process wastewater and rainwater, and promote the recycling and reuse of water resources in order to reduce water consumption.

Potential Risks: Climate change has led to the frequent occurrence of extreme weather events. The Company must invest resources to mitigate the risks of production interruptions due to water shortages and to minimize the impact of production on the regional environment.

Potential Opportunities: Invest resources to improve processes and to enhance water efficiency, thereby reducing production costs and increasing product price competitiveness.

Indicator: GRI 3-3:Material Topics 2021
Indicator: GRI 303: Water and Effluents 2018
Indicator: GRI 304: Biodiversity 2016

Management Actions	2024 Performance
Promote process wastewater recovery and reuse	In 2024, we completed water conservation improvement projects, resulting in a daily water saving of 2,943 metric tons. The total investment amount is NT$50 million, which yields a benefit of NT$10 million. Achieved V
Promote rainwater recovery	In 2024, the Mailiao Plant recycles rainwater for 3,426 metric tons/day, achieving a recycling rate of 77.6%. The ratio of water usage is 9.2%. Not achieved X
Establish an ESG Committee and conduct monthly energy and water conservation meetings to assess the effectiveness of energy conservation and emission reduction measures.	In 2024, a total of 11 energy conservation and water conservation meetings and 12 ESG promotion meetings were held. Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Continuously review the rationalization of process water usage in order to enhance wastewater recovery. The projected investment for water-saving improvements in 2025 is estimated to be NT$40 million.	Continuously review the rationalization of process water usage in order to enhance wastewater recovery.	Continuously review the rationalization of process water usage in order to enhance wastewater recovery.
Continuously expanding rainwater harvesting areas and facilities, with the goal of sourcing 10% of total water consumption from collected rainwater.	Continuously expanding rainwater harvesting areas and facilities, with the goal of sourcing 10% of total water consumption from collected rainwater.	Continuously expanding rainwater harvesting areas and facilities, with the goal of sourcing 10% of total water consumption from collected rainwater.
Continuously hold meetings on energy and water conservation to review and improve water-saving processes, thereby reducing water resource consumption.	Continuously hold meetings on energy and water conservation to review and improve water-saving processes, thereby reducing water resource consumption.	Continuously hold meetings on energy and water conservation to review and improve water-saving processes, thereby reducing water resource consumption.

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Government Sectors	We plan our water usage according to the government's water supply status indicators, report, and pay fees in accordance with the Regulations on the Water Conservation Charge.	● After actively implementing water-saving improvements in 2024, all plants have achieved a water recovery rate that meets the conditions for applying for preferential water usage fees, and have successfully obtained the preferential rates for water usage fees. ● No illegal incidents occurred in 2024.
Shareholders and Investors	● Announce the Company's operational status several times a year through media releases. ● Actively participate in various awards related to energy and water conservation, circular economy, and sustainable development and proactively showcase the Company's achievements in promoting energy conservation and emission reduction.	In 2024, 1 shareholder meeting, 2 institutional investor briefings, and several operational briefings were convened. Report the operation outcomes to shareholders and investors and thoroughly discuss the Company's operational status, business strategies, and philosophy.

Note: The primary reason for not meeting the target is the lower annual rainfall and the concentration of rainfall, which has resulted in a decreased rainwater recovery rate.

Definition of Impact

Reduce the impact of production activities on the regional environment, avoid penalties for the Company due to regulatory violations, and ensure a healthy working environment for employees. To this end, the Company actively promotes source reduction, optimizes equipment components and streamlines quantities, strengthens exhaust gas recovery, and improves operations.

Potential Risks: During the winter season, the seasonal wind direction influences the air quality in southern Taiwan, leading to higher levels of PM2.5 due to external air pollution sources. This significantly impacts air quality and extends the effectiveness of the Company's air quality management in its operations, which is of concern to local residents, the government, and environmental protection groups.

Potential Opportunities: The Company must invest resources to improve production processes and control air pollutant emissions to comply with regulations and avoid penalties and ensure a healthy work environment to improve employee satisfaction.

Indicator: GRI 3-3 Material Topics 2021
Indicator: GRI 305 Emissions 2016

Management Actions	2024 Performance
Promote the "Equipment Component Simplification" Project.	The number of streamlined equipment components reached 15,612, resulting in a streamlining rate of 2.4%. Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Continuously achieve a 2% reduction in equipment components.	Continuously achieve a 2% reduction in equipment components.	Promote waste reduction and recycling at source

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Employees	The company utilizes the "Environmental Reporting" column to report on environmental-related cases, serving as a channel for communication with employees.	In the year 2024, a total of three issues of the "Environmental Reporting" were published, containing 16 case studies.
Government Sectors	Set up a continuous automatic monitoring system and connect it to government agencies for real-time monitoring of various air pollutants emissions.	At FCFC's Mailiao Plant, one incident of VOC equipment component sampling exceeded the standard, and improvements have been completed.
Environmental Protection Groups	They can discuss various environmental issues with environmental protection groups during academic conferences or seminars.	Facilitating face-to-face communication and exchange of opinions on various issues.

Definition of Impact

The Company has established the "Business Waste Management Measures" in accordance with government waste disposal regulations and is actively promoting a circular economy. Recyclable waste is properly processed to produce recycled materials, achieving reuse and enhancing resource efficiency.

Potential Risks: Reduces the environmental impact of the Company,s operations on the local community, enhances corporate image, increases the market competitiveness of circular economy products, and helps avoid regulatory violations and penalties.

Potential Opportunities: Invest resources in process improvement and technological research and development to reduce material waste and waste disposal costs. Recycling and remanufacturing products can increase the added value of products and enhance the Company's revenue.

Indicator: GRI 3-3 Material Topics 2021
Indicator: GRI 306 Waste 2020

Management Actions	2024 Performance
Promote waste source reduction and recycling.	The amount of waste generated in 2024 was 369,190 metric tons, increased by 199,843 metric tons compared to 2023. Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Continuous promotion of the factory's achievement of a 100% recycling rate for plastic waste.	Promote the development of Post-Industrial Recycled (PIR) in other manufacturing plants to reduce raw material input and produce finished products.	Continue the utilization of renewable energy sources while simultaneously minimizing the production of coal waste.

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Shareholder	Annual shareholder meetings, 2 institutional investor briefings, and several operational briefings thoroughly discuss the Company's operational status, business strategies, and philosophy.	●The shareholders' meeting was held on June 18, during which all inquiries from the shareholders were addressed ●Attended institutional investor briefings on April 29 and August 28 to present the Company's business performance, strategies, and philosophy
Government Sectors	Government agencies utilize monthly reporting systems and inbound and outbound delivery orders for waste disposal and treatment.	In 2024, the reporting operations were conducted in accordance with the law, and no penalties were incurred.
Environmental Protection Groups	Participate irregularly in various academic conferences or seminars as exchange platforms.	Facilitating face-to-face communication and exchange of opinions on various issues.

Note: Post-Industrial Recycled (PIR) refers to waste, scrap, or materials that do not meet quality standards (substandard products) generated during the manufacturing process before the product is used by consumers. These materials are recycled and reprocessed for reuse in the production process.

3.1 Mitigation and Adaptation to Climate Change

To mitigate the potential impacts of climate change, the Company has established an ESG Committee. We have formulated various environmental protection regulations and emission standards for each department to implement. Additionally, we hold monthly "Energy Conservation, Emission Reduction, and Circular Economy Review Meetings" as well as "ESG Review Meetings" to set objectives, review implementation plans, and continuously revise through a rolling real-time revision process. In response to The United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, the Paris Agreement, the Science Based Targets initiative (SBTi), and the global trends in ESG development, the Company has established a long-term goal to achieve carbon neutrality by 2050.

Objective	Implementation results	Future objectives
1. Continuously implement energy-saving measures to reduce energy consumption and carbon emissions. 2. Continue promoting energy transformation by converting boiler fuel from oil to gas. 3. Continuously increase the installation of renewable energy generation equipment.	1. In 2024, total 235 energy conservation and carbon emission reduction improvement cases were completed with annually carbon emission reduction about 227,400 metric tons, and the total investment was NT$1.31 billion. 2. Complete the improvement of conversion of 2 fuel boilers to natural gas in 2024. 3. In 2024, an additional 3,797kWp of solar power generation equipment was installed.	Continuously implement energy conservation and emission reduction, energy transformation, reduction of coal usage, and the installation of renewable energy generation equipment, with the goal of reducing carbon emissions by 25% by the year 2030 compared to 2020.

3.1.1 Energy Conservation, Carbon Reduction and Pollution Control Organization

The Company established the "ESG Committee of Formosa Chemicals & Fibre Corporation", with the Chairman serving as the convener. The organization formulates policies for water conservation, energy saving, pollution prevention, and waste reduction in processes, coordinating environmental execution strategies and resource waste recycling and reuse. The investment amount for 2024 is projected to reach NT$1.31 billion.

	Organization	Convener/Leader	Governance Responsibilities	Report Frequency
Board of Directors Level	Sustainable Development Committee	Chairman	Responsible for the formulation of the Company's sustainability strategy and performance supervision.	Once a year
Operational Management Level	Transformation and Development Project Team	Vice President	Promote and supervise the performance execution of various departments.	Once a month
Executive Department	Energy Conservation and Emission Reduction and ESG Committee	Energy Conservation and Emission Reduction and ESG Committee Representative	Implement energy-saving, emission reduction, and circular economy improvement projects across all plants.	Once a month

Compliance with Environmental Laws GRI2-23 GRI2-27

The Company complies with environmental regulations and strives to exceed the standards set by these regulations. To ensure compliance, a dedicated department has been established to monitor new regulations and assess operational effectiveness in accordance with ISO 14001:2015 Environmental Management System. For inspection results that do not comply with regulations, if immediate improvement is not feasible, corrective measures will be formulated and follow-up control will be implemented.

During the random testing of VOC equipment components at the Company's styrene plant, one component was found to exceed the standard limits, in violation of Article 20, Paragraph 1, and Article 62 of the Air Pollution Control Act, resulting in a fine of NT$150,000. Added a control summary table for dismantled equipment components, revised the SOP, and strengthened training programs.

2022-2024 statistics of environmental violations

Unit: case	Air Pollution	Water Pollution	Waste Pollution Control	Subtotal
2022	2	0	0	2
2023	0	1	0	1
2024	1	0	0	1

3.1.2 Corresponding strategies for climate change risk

To mitigate climate change, the Company has formulated short-, medium-, and long-term response strategies for the period after 2024. In the future, we will gradually achieve our carbon reduction goals through the transformation to low (zero) carbon energy, energy conservation and emission reduction in a circular economy, increasing the use of renewable energy, and implementing other carbon reduction measures. The implementation timeline of the carbon reduction strategy is shown below:

Strategy	Short-term~2025 A 10% reduction in carbon emissions by 2025 compared to the base year of 2020.	Medium-term~2030 A 25% reduction in carbon emissions by 2030 compared to the base year of 2020.	Long-term~2050 Carbon neutral by 2050
Energy conservation improvement	Continuously promote energy-saving and emission reduction improvement measures.		
	Introduction of AI intelligent production	Expand the promotion of various processes and unit applications of AI intelligent modules.	
	Promotion of simulation plants and operational management digitalization	Continuously implement advanced digital management models	
Energy Transition	Converting oil boilers to gas boilers	Continuously replace with high-efficiency boiler equipment	
	In alignment with the plant's balance of electricity and steam, reduce the use of coal	The plant has transitioned from selling electricity externally to purchasing electricity externally	Evaluate the conversion of coal-fired boilers to gas boilers
	Establishment of Renewable Energy (Solar and Hydropower)	Continue to expand and establish various forms of renewable energy	
	Promote the electrification of process equipment to reduce greenhouse gas emissions		
	Implementation of process waste heat recovery and upgrading of low-grade steam		
Circular Economy	CO_2 recovery and reuse from the acetic acid plant exhaust	Continuously enhance the recycling rate of raw materials.	
	Production of recycled plastic environmental protection materials	Expand the production and use of environmentally friendly products.	
	Recycling of abandoned fishing nets and oyster ropes		
	Production of eco-friendly yarn products		
Other carbon reduction measures	Promote subsidies for electric scooters, replace government vehicles with hybrid vehicles, and implement paperless operations.		
	Aligning with international carbon reduction initiatives, conducting TCFD disclosures, and participating in CDP SBTi reporting.		
	Development of smart grid application technologies	Expand the application areas of smart grid technology, integrating power generation, energy storage, and charging station systems.	
	Research on advanced low-carbon energy technologies, such as hydrogen energy, ammonia energy, and small-scale nuclear energy.		

In 2024, four major improvement strategies were implemented, resulting in a total reduction of 360,000 tons of CO_2e per year.

Energy Efficiency Improvement

We have achieved a carbon emission reduction of 227.4 kilotons of CO_2e by optimizing our manufacturing processes and enhancing energy efficiency.
The total investment amount reached NT$1.31 billion, which yields an annual investment benefit of NT$660 million.

Energy Transition

Increase the use of renewable energy, reducing carbon emissions by 81.8 thousand tons of CO_2e.

Circular Economy

Recycling and reuse of marine and plastic waste result in a carbon emission reduction of 41.0 kilotons of CO_2e.

Other Carbon Reduction Measures

We have implemented paperless offices and green products, contributing to a carbon emission reduction of 9.8 kilotons of CO_2e.

FCFC Climate Scenario Analysis

	Governance	Strategy	Risk Management	Index and targets
Management strategy and action plan	● Responsible unit: ESGCommittee ●The way the organization works 1. The Board of Directors follows the principle of convening meetings at least once per quarter and discussing the progress of ESG initiatives at least once annually. 2. Expansion of Renewable Energy Generation	● Assess and determine the scope of risks related to climate change impacts on factors such as finance, business reputation, global energy supply, economic trends, and regulatory compliance. Then, formulate operational strategies to report to the Board of Directors. ● Develop short, medium, and long-term strategies based on scenarios such as RCP2.6, RCP4.5, RCP6.0, RCP8.5, and INDC to serve as environmental assumptions and aiming to reduce greenhouse gas emissions with a target of limiting global warming to 2°C.	ISO 14001 Environmental Review Practice Guidelines	● We continue to conduct greenhouse gas inventories and verification in accordance with the ISO 14064-1 standard, and we aim to have renewable energy account for 5% or more of the total electricity consumption by 2030. ● Establish goals based on the Science-Based Targets initiative's (SBTi) principles.
Implementation	● Hold a monthly review meeting on energy conservation and emission reduction circular economy. ● Hold monthly ESG review meetings.	● Advancing Energy Efficiency: Energy efficiency improvement by optimizing manufacturing processes and enhancing energy efficiency ● Energy Transition: Promoting the reduction of coal usage and increasing the use of renewable energy sources. ● Circular Economy: Promoting the recycling and reuse of marine and plastic waste. ● Other Measures: We have implemented paperless offices and green products.	● Regularly analyze and consolidate climate change, energy risk and opportunity information to assess the associated risks and opportunities. ● In accordance with the ISO 14001 assessment process, identify environmental risks and opportunities annually and develop corresponding strategies to address each risk and opportunity.	● With reference to the adoption of the SBTi principles, we will continue to drive carbon reduction initiatives. Our goal is to achieve a 22.5% reduction in carbon emissions by 2027, compared to the levels in 2018. ● Based on the 2020 baseline, we aim to reduce carbon emissions by 10% by 2025, reduce 25% by 2030, and achieve carbon neutrality by 2050.
Related Links	3.1.2 Corresponding Strategies for Climate Change Risk	3.1.3 Climate change risk and opportunity management	3.1.3 Climate change risk and opportunity management	Sustainable Development Goals 3.1 Mitigation and Adaptation to Climate Change

3.1.3 Climate change risk and opportunity management GRI201-2

The Company conducts climate change risk identification procedures by referring to the Risk and Opportunity Matrix of ISO 14001 Environmental Review Operational Guidelines to identify procedures and assess climate change-related risks and opportunities, as well as plan response measures in advance for possible potentially high-risk events. The Company aims to reduce financial impacts and reduce loss through risk mitigation or risk avoidance and by reducing the number of risk occurrences.

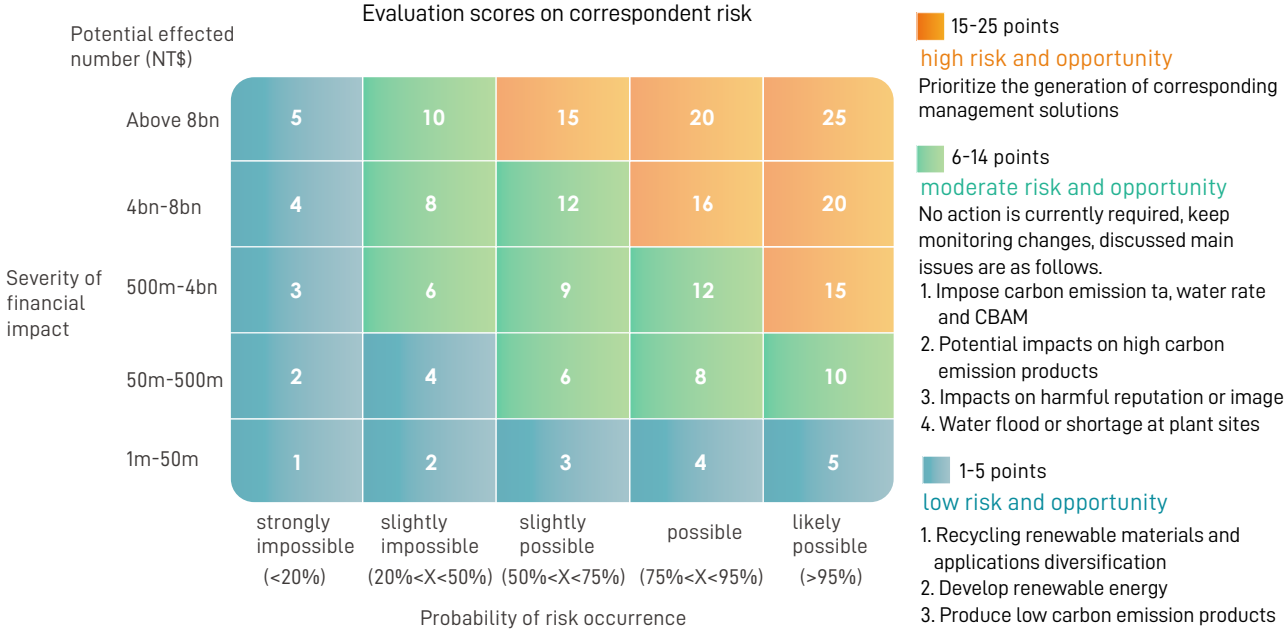
Climate Change Risk Issue Analysis Process

Based on the information collected, the Company analyzes the financial and non-financial impacts of climate-related risks, assesses business opportunities, and discusses strategies and measures to address and respond. Analyze and assess the physical and transition risks associated with climate scenarios, and analyze the impacts on the Company's market, technology, business reputation, finance, and operations in the future. The following table summarizes the list of climate risks, opportunities, and financial impacts.

Analysis results of climate change risk issues

Based on the matrix scores, the Company divides climate change-related risk scores into three levels, with 1-5 as low risk, 6-14 as medium risk, and 15-25 as high risk. The corresponding risks management is dealt with in sequence which divided into three categories: eliminating risks, reducing risks, and taking risks, and defines the financial impact of more than NT$1 million as a material impact, which is included in the risk and opportunity matrix assessment. Relevant response plans and management work implementation are included in the assessment and supervision or combined with the management methods of the environmental management system (ISO 14001), and imported into the Company-wide environment-related risk management system.

Climate change risk matrix



Risk / Opportunity Issue List

	Risk / Opportunity Issue	Possible Occurrence Time Frame	Description	Degree of Impact (High / Medium / Low)
1	Transition Risk Policy and Regulation	Short-term	The government plans to collect carbon fees in the future to respond to climate change.	Medium
2	Transition Risk Policy and Regulation	Short-term	The government announced the amendment to the Water Act in February 2023, imposing a "water consumption fee" on high-volume water users.	Low
3	Transition Risk Policy and Regulation	Short-term	Starting in 2027, the European Union will fully implement the "Carbon Border Adjustment Mechanism," which initially regulates the direct carbon emissions of five major industrial products: electricity, cement, chemical fertilizers, steel, and aluminum. This mechanism involves imposing a carbon fee on these products.	Medium
4	Transition Risk Market	Short-term	Increased awareness of green consumption and growing demands for environmentally friendly products have led to increased requirements. Consequently, considering the product life cycle and value chain, high-carbon products may adversely impact the Company.	Low
5	Transition Risk Reputation	Short-term	Financial or investment institutions evaluate clients' performance in ESG when assessing financing or investment opportunities. Meeting ESG sustainability requirements has a positive impact on the Company.	Low
6	Physical Risk Acute	Short-term	Considering the impacts of climate anomalies such as strong winds or typhoons, the factory premises must have a designated safe parking area to prevent manufacturing process hazards. Similarly, in heavy rainfall or floods, the factory premises may need to halt operations due to waterlogging, leading to the risk of downtime losses.	Low
7	Physical Risk Chronic	Short-term	Based on the data from 1986 to 2005 as the baseline period, it is estimated that in the near future (2016 to 2035), the climate conditions in the factory area will experience two months each year of water scarcity or drought. Because of that, there is a risk of operational losses due to work stoppages.	Medium
8	Opportunity Technology	Short-term	Promote sustainable resource utilization by recycling raw materials and repurposing marine waste for product manufacturing.	Medium
9	Opportunity Resource Efficiency	Short-term	The customer wishes to sell products that contain post-consumer recycled materials, and the Company's technology meets the market demand.	Medium
10	Opportunity Resource Efficiency	Short-term	The Company has established renewable energy systems, such as solar and hydroelectric power, in compliance with the requirements of the "Renewable Energy Development Act."	Medium
11	Opportunity Technology	Short-term	In response to the demand for renewable energy policies, we are implementing green energy and energy storage facilities to develop applications for renewable energy equipment products.	Medium

Note: Short-term：1-3 years; Medium-term：3-5 years; Long-term：over 5 years.

The Financial Impact of Risk Issues

	Risk Category/Risk Issue	Degree of Impact	Scope of impact			Issue Analysis		
			Upstream	Operation	Downstream	Description	Potential Financial Impact	Management Measures (Risk Mitigation/ Reduction/Acceptance)
1	Policies and Regulations/ Carbon Fee Collection	Medium		●		The Ministry of Environment released the draft of the Carbon Fee Collection Measures in December 2023, with plans to implement the carbon fee starting in 2025. The carbon fee will target the electricity industry and manufacturing industry that have an annual emission of 25,000 metric tons or more.	**Assessment Context** The Company's greenhouse gas emissions amount to approximately 7.625 million tons. After deducting the carbon emissions from purchased fuel, purchased electricity, and free allowances, the amount is estimated at a preferential rate applicable to industries at high risk of carbon leakage. **Estimated Financial Impact** The annual carbon fee expenditure is expected to increase in the future, with a moderate level of potential financial impact.	1. Promote energy conservation improvements and energy transformation to reduce greenhouse gas emissions. 2. Apply for the voluntary reduction plan to seek a lower carbon fee discount rate. 3. The projected investment for energy-saving improvements in 2025 is around NT$1.72 billion.
2	Policy and Regulation/ Water Consumption Fee Collection	Low		●	●	The government announced the amendment to the Water Act in February 2023, imposing a "water consumption fee" on high-volume water users.	**Assessment Context** During drought periods, the excessive use of water resulted in a cost of NT$2.21 million in 2024, calculated at a rate of NT$3 per cubic meter **Estimated Financial Impact** It is estimated that an annual payment of NT$6.16 million will be required for 2025 and 2026, and an annual payment of NT$12.32 million will be required starting in 2027.	1. Increase the recycling rate of all company plants to exceed industry benchmarks, and conduct third-party verification of water recycling rates to strive for a preferential rate of NT$2/$m^3$ or NT$1/$m^3$. 2. Plants that have recycling rates below the benchmark offer improved guidance and support on water recycling. 3. Utilize AI technology to enhance water conservation across the company and reduce water usage. 4. The investment for water-saving improvements in 2024 was around NT$50 million.
3	Policy and Regulation/EU Carbon Tariffs	Medium		●		The European Union (EU) will fully implement the "Carbon Border Adjustment Mechanism" starting in 2027 on high-carbon products imported into Europe, including cement, electricity, fertilizers, steel, aluminum, and hydrogen. Organic chemicals and polymers (copolymers) are also expected to be included in the future.	**Assessment Context** In 2024, the export amount to the European Union is projected to be NT$4.56 billion, assuming a 10% increase in costs. **Estimated Financial Impact** Increase in costs by NT$456 million.	1. Promote energy efficiency initiatives of manufacturing processes to reduce carbon emissions. 2. Promote energy transition and circular economy practices. 3. The projected investment for energy-saving improvements in 2025 is around NT$1.72 billion.

The Financial Impact of Risk Issues

	Risk Category/ Risk Issue	Degree of Impact	Scope of impact			Issue Analysis		
			Upstream	Operation	Downstream	Description	Potential Financial Impact	Management Measures (Risk Mitigation/ Reduction/Acceptance)
4	Market/ Customer's Request for Carbon Reduction	Low	●	●	●	Certain textile clients are requesting that over 50% of finished products be made from recycled materials by 2025.	**Assessment Context** The market is saturated with short fiber yarn carbon reduction products referred to as environmentally friendly yarn. The company's estimated annual production is 568 tons. **Estimated Financial Impact** The estimated impact on 2025 revenue is low	1.Implement the circular economy concept by utilizing recycled waste as raw materials. Develop high-value, low-carbon products to reduce the carbon footprint of our products. 2.Promote recycled polyester yarn made from PET bottles and develop differentiated, high-value, low-carbon products to reduce the carbon footprint of textile products. 3. The investment cost for 2024 was approximately NT$6 million.
5	Risk/Business Reputation	Low		●	●	Financial or investment institutions evaluate clients' performance in ESG when assessing financing or investment opportunities.	**Assessment Context** Based on the total liabilities of NT$118.02 billion from the parent company financial statements in 2024 **Estimated Financial Impact** For every 0.01% increase in interest rate, expenditure would increase by NT$11 million.	1. Participate in carbon disclosure initiatives such as CDP, TCFD, and SBTi to showcase the effectiveness of carbon reduction efforts. 2. Obtain preferential interest rates through the "Sustainable Linked Loan" program the Bank of Taiwan offers.
6	Acute Physical Risks/Floods and Waterlogging	Low		●		Factory shutdown due to heavy rainfall or flooding caused by climate anomalies.	**Assessment Context** Based on the estimate of sales of the Company's Individual Financial Statements in 2024, NT$217.59 billion, the business would incur a daily sales loss for each day of operation suspension. **Estimated Financial Impact** The revenue for one day of suspension of operations is NT$595 million.	1. Conduct monthly monitoring of water consumption at each factory site. 2. Implement comprehensive measures such as raising the height of drainage ditches and levees, and installing additional waterproof barriers and pumping stations.
7	Chronic Physical Risks/Water Scarcity	Medium		●		Water scarcity caused by climate anomalies will result in production reduction measures across each manufacturing process during periods of water rationing. Periods of severe water scarcity will result in production reduction or shutdown.	**Assessment Context** According to the water shortage response measures formulated by the Company for the Mailiao plant site, in the event of a 10% water restriction, the PTA plant and the PC plant will prioritize production reductions in anticipation of a potential 10% water restriction lasting for four months. **Estimated Financial Impact** An approximate revenue impact of around NT$1.29 billion.	1. Implement emergency water conservation measures to promote water reuse. 2. Establish a seawater desalination plant with a daily capacity of 100,000 metric tons at the Mailiao plant. 3. The investment for water-saving improvements in 2024 was around NT$50 million.

The impact of opportunity issues on finances

	Opportunity Category/ Opportunity Issue	Degree of Impact	Scope of impact			Issue Analysis		
			Upstream	Operation	Downstream	Description	Potential Financial Impact	Management Measures
1	Technology/ Circular Economy	Medium	●	●	●	Promote sustainable resource utilization by recycling raw materials and repurposing marine waste for product manufacturing.	**Assessment Context** Introduce circular economy practices, and enhance the recycling of marine waste or nylon scraps to produce recycled products. Target sales volume: 15,000 tons **Estimated Financial Impact** The estimated annual profit impact is approximately NT$380 million.	1. Continuously develop recycled and regenerated materials to reduce the consumption of petrochemical raw materials. 2. The estimated annual average investment is approximately NT$270 million.
2	Resource Efficiency/Waste Reutilization	Medium	●	●	●	Customers desire to incorporate post-consumer recycled materials in the products for sale, and the Company excels in advanced technologies to meet this requirement.	**Assessment Context** The estimated sales of environmentally friendly recycled plastic pellets in 2025 is approximately 10,000 metric tons. **Estimated Financial Impact** Annual revenue is estimated at NT$500 million.	1. Continuously utilize recycled plastic materials as manufacturing process inputs to enhance the efficiency of waste resource utilization. 2. The estimated investment in 2025 is approximately NT$50 million.
3	Resource Efficiency/ Renewable Energy	Medium		●		According to the amendment of the "Renewable Energy Development Act", starting from 2021, a contractual capacity of 10% for renewable energy will be established within five years.	**Assessment Context** The estimated benefits of the photovoltaic capacity of 38,798 kWp amount to NT$65,008 thousand/year, while the estimated benefits of the hydropower capacity of 23,433 kW total NT$225,854 thousand/year. **Estimated Financial Impact** A total of NT$290 million/year	1. Install solar photovoltaic and hydropower generation equipment as planned. 2. Invest in small hydropower 3. In 2024, the investment in renewable energy is approximately NT$220 million.
4	Technology/ Diverse Applications of Products	Medium		●		In accordance with national policies, we aim to add over 3,000 MW of renewable energy storage capacity by the end of 2025.	**Assessment Context** By 2026, the demand for plastic materials used in solar panel racking systems, energy storage cabinets, and electric vehicle charging stations will increase. **Estimated Financial Impact** The business opportunity reaches NT$580 million.	We will collaborate with industry peers to continuously develop related products in response to market demand.
							Assessment Context In 2024, Taiwan's photovoltaic installation capacity is projected to reach 14GW, leaving a potential market opportunity of 6GW to achieve the target of 20GW. **Estimated Financial Impact** Estimated at NT$90 million/ year.	Develop microgrid systems to integrate renewable energy sources and enhance operational efficiency.

3.1.4 Climate risk scenario analysis

The Company utilizes the Shared Socioeconomic Pathways (SSP) outlined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to project future emission scenarios. The SSP takes into account future uncertainties and provides a comprehensive assessment, considering the potential impacts of greenhouse gas emissions, land use, and air pollutants on future climate, without separately considering the indicators of other industries in the scenario analysis.

The Company adopts the pathways of SSP and the domestic climate change key indicator data from the "Taiwan Climate Change Projection Information and Adaptation Knowledge Platform" (TCCIP). SSP is divided into five scenarios (SSP1-SSP5), with the main differences between the scenarios being various socioeconomic assumptions, such as economic growth, degree of globalization, land use changes, technological development, and educational opportunities. A detailed scenario analysis and climate risk assessment were conducted for the Company's facilities across Taiwan, integrating disaster potential data from the "National Center for Disaster Reduction" (NCDR) to further analyze the potential physical risks of flooding, high temperatures, drought, and landslide disasters under different scenarios. The primary focus is on the temperature increase in the 21st century relative to the period of 1850-1900, as well as the potential impacts of climate change in the medium term (2041-2060).

According to the analysis results, all factory areas are classified as high risk for flooding. In terms of drought risk, the Mailiao and Xingang Plant are categorized as medium to high risk, while the remaining factory areas face medium to low risk from high temperatures and hillside disasters. For the high-risk areas, Taiwan Chemical Industries has already incorporated these into its risk management strategy. The medium to low risk areas will continue to monitor the impacts of climate change. The results of the physical risk analysis for each plant site are referenced in the figure below.

Summary Table of Key Indicators for Different Climate Change Scenarios SSP 2.6-8.5

Longde Plant

SSP Scenario	SSP1-2.6	SSP2-4.5	SSP5-8.5
Maximum daily temperature (Change in °C)	36	36.2	36.5
Heat Wave Duration Index (HWDI) (day)	36.1	41.9	53.1
Total rainfall (Change in rainfall rate %) Base Period 3,291.2 mm	0.034	0.052	0.043
Longest Consecutive Dry Days (CDD)	22.9	22.5	22.7

Mailiao Plant

SSP Scenario	SSP1-2.6	SSP2-4.5	SSP5-8.5
Maximum daily temperature (Change in °C)	35	35.2	35.6
Heat Wave Duration Index (HWDI) (day)	44.1	52.3	70.6
Total rainfall (Change in rainfall rate %) Base Period 960.8 mm	0.092	0.115	0.117
Longest Consecutive Dry Days (CDD)	71.4	71.1	71.6

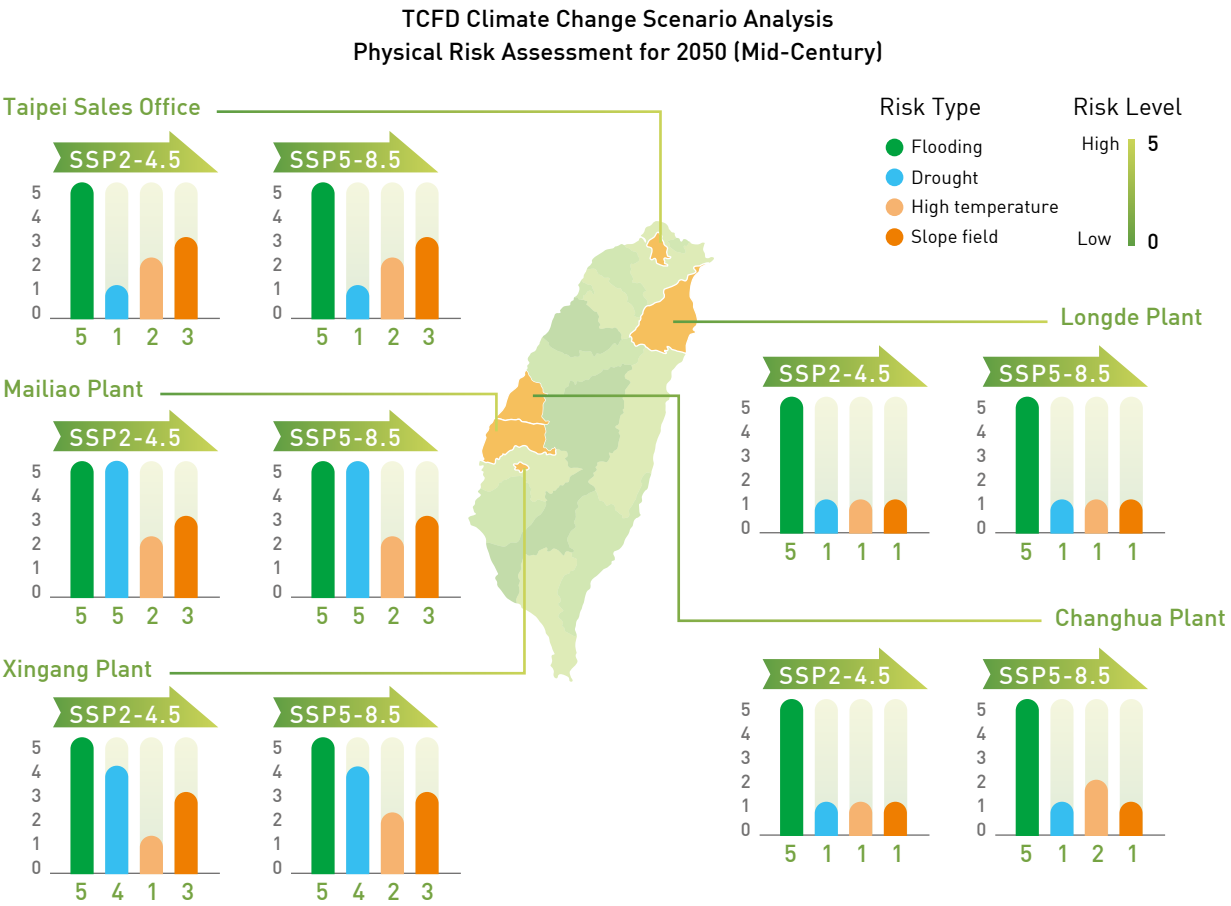
Xingang Plant

SSP Scenario	SSP1-2.6	SSP2-4.5	SSP5-8.5
Maximum daily temperature (Change in °C)	35.7	35.9	36.3
Heat Wave Duration Index (HWDI) (day)	41.7	49.7	66.9
Total rainfall (Change in rainfall rate %) Base Period 1,388.7 mm	0.063	0.085	0.093
Longest Consecutive Dry Days (CDD)	57.5	56.6	58

Changhua Plant

SSP Scenario	SSP1-2.6	SSP2-4.5	SSP5-8.5
Maximum daily temperature (Change in °C)	36	36.1	36.5
Heat Wave Duration Index (HWDI) (day)	38.4	46.8	63.1
Total rainfall (Change in rainfall rate %) Base Period 1,166.0 mm	0.079	0.097	0.097
Longest Consecutive Dry Days (CDD)	63.8	63.8	64.2

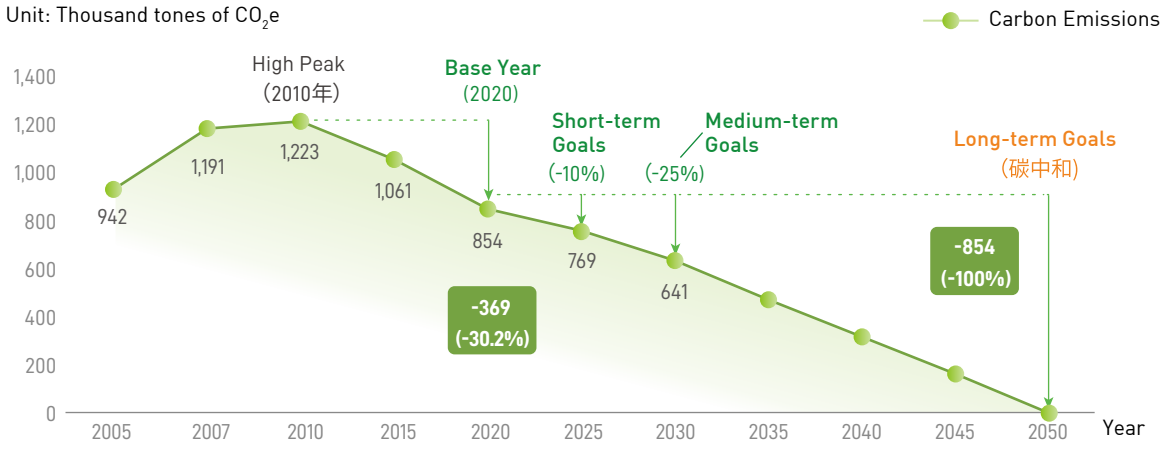
Physical Risk Consolidation Chart under SSP 2.6-8.5 Scenarios



3.2 Greenhouse Gas and Energy Management

3.1.1 Carbon Neutrality Roadmap

The Company uses the year 2020 as the base year to plan the target timeline for reducing carbon emissions, aiming for a 30.2% reduction in carbon emissions in 2020 compared to 2010, with the goal of achieving carbon neutrality by 2050. Set a short-term goal to reduce carbon emissions by 10% compared to 2020 levels by 2025, and a medium-term goal to reduce by 25% by 2030. After the renewal of various equipment and the use of new energy, if the production efficiency of the equipment reaches the expected goal, the actual reduction of carbon emissions is expected to be higher than the goal number.



Cumulative Investment from 2021 to 2024

NT$7.95 billion

Plan by 2030

Continuously invest NT$10.69 billion

The Company has joined the Science Based Targets initiative (SBTi), with the goal of limiting global temperature rise to no more than 2°C. In 2024, the Company's carbon emissions amounted to 10,378,129 metric tons of CO_2e, representing a reduction of 2,306,658 metric tons of CO_2e, or 18.2%, compared with the base year 2018.

Item	Base Year 2018	2024		Target Year 2027	
	Carbon Emissions (metric tons of CO_2e)	Carbon Emissions (metric tons of CO_2e)	Reduction Ratio	Target Carbon Emissions (metric tons of CO_2e)	Target Reduction Ratio
Scope 1 & Scope 2	12,684,787	10,378,129	18.2%	9,830,710	22.5%

Note 1: The Company has joined the Science Based Targets initiative (SBTi) for Scope 1 and Scope 2 carbon emissions, which includes the total emissions of FCFC, Taiwan Vinegar Biomedical Co., Ltd., and Formosa Plastics Group Thermoelectric (Ningbo) Co., Ltd.

Note 2: The Company has provided data in the Target Validation Report, where the total carbon emissions reported for Scope 1 and Scope 2 for the base year 2018 were mistakenly recorded as 11,325,404 metric tons of CO_2e. The correct total carbon emissions for Scope 1 and Scope 2 for the base year 2018 is 12,684,787 metric tons of CO_2e.

Note 3: The estimated carbon emissions and reduction ratio for 2024 are based on internal assessments and will be amended following third-party verification.

Internal carbon pricing

Supervise all plants and departments to actively promote energy-saving and carbon reduction projects, implement an internal carbon pricing assessment mechanism, incorporate carbon cost benefits into the evaluation of project feasibility, enhance the economic benefits of energy-saving improvement initiatives, and expand the promotion of carbon reduction results:

Internal carbon pricing

Purpose and Use

Enhancing the economic benefits of improvement projects, promoting the implementation of energy-saving improvements, and expanding carbon reduction performance.

Implementation Method

1. Each quarter, the carbon emissions costs (including carbon over-emission costs) will be incorporated into the calculation of operational performance. The carbon costs will be included in the profit and loss calculations to demonstrate the impact of carbon pricing on financial performance.
2. The internal carbon pricing is set at NT$100/ton, while the carbon over-emission costs is NT$1,500/ton.

Investment Costs

Each business unit shall designate personnel responsible for internal carbon pricing operations, who will be engaged in monthly performance management.

Promotion Plan and 2024 Performance

In 2024, a total of 219 new energy conservation improvement cases were registered, with an estimated investment of NT$1.02 billion. Upon completion of these improvements, it is projected that there will be an annual reduction of 191,000 tons of CO_2e emissions, resulting in approximately NT$19 million in savings on carbon costs.

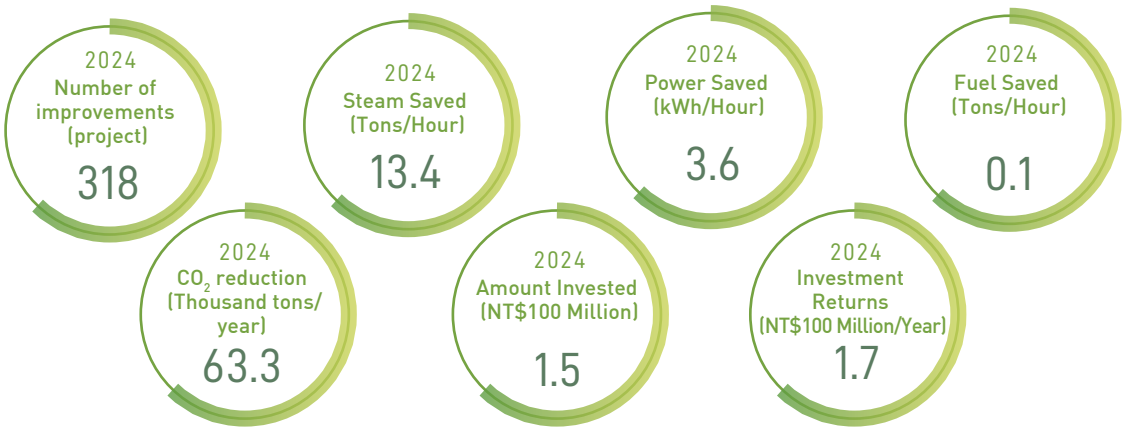
3.2.2 Performance of energy conservation and carbon emission reduction in plant GRI305-5

In 2024, total 235 energy conservation and carbon emission reduction improvement cases were completed with annually carbon emission reduction about 227,000 metric tons, and the total investment was NT$1.31 billion with annually investment returns NT$660 million. From 2022 to 2024, completed improvement cases of energy conservation and carbon emission reduction had reached 782 with annually carbon emission reduction about 875 thousand tons, and the total investment was NT$3.87 billion with annually investment returns NT$2.78 billion.

FCFC (including Formosa BP Chemicals Corp.) Energy Conservation from 2022 to 2024

Year/Item	Accumulation (2022 to 2023)	2024	Accumulation (2022 to 2024)	Ongoing	Total
Number of improvements (project)	547	235	782	297	1,079
Steam Saved (Tons/Hour)	162.9	69.2	232.1	443.4	675.5
Power Saved (kWh/Hour)	16.3	11.0	27.3	10.0	37.3
Fuel Saved (Tons/Hour)	6.7	0.1	6.7	0.1	6.9
CO_2 reduction (Thousand tons/year)	648	227	875	1,072	1,947
Amount Invested (NT$100 Million)	25.6	13.1	38.7	77.9	116.6
Investment Returns (NT$100 Million/Year)	21.2	6.6	27.8	35.6	63.4

FCFC's Subsidiary Energy Conservation in 2024



Note: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.

Summary Sheet of the 14 Dedicated Promotion Items for Energy Conservation and Carbon Reduction in Taiwan Plants from 2022 to 2024

Unit: tons CO_2e/Year

Project Category	Completed improvements in 2022 (carbon emission reduction)			Completed improvements in 2023 (carbon emission reduction)			Completed improvements in 2024 (carbon emission reduction)		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
1 Wastewater recycling/water reduction improvements	-	810	810	-	-	-	-	-	-
2 Rainwater storage and reuse improvement system	-	-	-	-	-	-	-	-	-
3 Improvement of cooling water system and refrigeration and air conditioning systems	-	1,466	1,466	-	1,558	1,558	-	8,345	8,345
4 Distillation tower optimization and improvement	-	15,791	15,791	-	11,059	11,059	-	94,693	94,693
5 High and low order energy recycling improvements	-	85,155	85,155	-	49,295	49,295	-	25,423	25,423
6 Steam piping system, equipment insulation and drainer improvement	-	2,497	2,497	-	229	229	-	2,648	2,648
7 Combustion equipment improvement	6,910	4,810	11,720	151,409	-	151,409	-	-	-
8 Improvement of rotating equipment (including pumps, windmills, compressors, and mixers) and conveyor systems	-	20,635	20,635	-	28,501	28,501	-	45,392	45,392
9 Air compressor improvement	-	1,306	1,306	-	1,169	1,169	-	-	-
10 Power system and lighting system improvements	-	2,790	2,790	-	1,616	1,616	-	1,140	1,140
11 FLARE recycling improvement	-	-	-	-	2	2	-	88	88
12 Process and equipment improvement (energy efficiency improvement)	1,972	136,313	138,285	-	105,673	105,673	91	43,701	43,792
13 Establish renewable energy facilities	-	598	598	-	2,007	2,007	-	850	850
14 Intelligentized manufacturing process	186	7,636	7,822	2,726	3,252	5,978	1,509	3,516	5,024
Total	9,068	279,807	288,875	154,135	204,362	358,497	1,600	225,795	227,395

Note 1: The project type is cases closed in 2024.
Note 2: Greenhouse gas types: The gas inventory includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbon, perfluorocarbon, and sulfur hexafluoride.
Note 3: Statistical method: When the project is ended, the relevant carbon reduction effect is calculated.
Note 4: The improvement case includes Formosa INEOS Chemicals Corporation.

3.2.3 Greenhouse Gas Management

GRI302-1 GRI302-3 GRI305-1 GRI305-2 GRI305-3 GRI305-4

The Company has established self-guided management procedures in carbon emission inspection for controlling progresses of energy conservation improvement cases and evaluating investment returns. Among the plant sites of the Company, the Yunlin Mailiao Plant Site committee was verified by the British Standards Institution (bsi.), and the Changhua, Chiayi Xingang and Longde plant sites were verified by the Taiwan Inspection Technology Company (System & Serviced Certification, SGS). Greenhouse gas emissions of each plant sites from 2022 to 2024 are disclosed in the following table.

Unit: tons CO_2e/Year

2022-2024 Reduction of GHG emissions

Item	Plant site	2022	2023	2024
Scope 1	Longde	1,242,260	1,408,052	1,044,326
	Changhua	942	571	369
	Xingang	1,727,980	2,067,217	2,258,040
	Mailiao	1,727,498	1,667,186	1,610,349
	Total	4,698,681	5,143,026	4,913,085
Scope 2	Longde	13	0	20,768
	Changhua	25,569	19,842	17,131
	Xingang	167,725	19,357	5,121
	Mailiao	2,973,281	2,976,875	2,763,389
	Total	3,166,588	3,016,074	2,806,409
Scope 3	-	14,488,269	14,640,213	11,518,905

Unit: tons CO_2e/Year

Greenhouse Gas Emissions of Subsidiaries in **2024**

Item	2024 Subsidiaries
Scope 1	5,945,152
Scope 2	406,266

Note 1: The data of greenhouse gas inventory report from 2022-2024 was based on SGS and bsi. verification agencies
Note 2: GHG emission factors used in the GHG inventory are quoted from the Greenhouse Gas Emission Factor Table Version 6.0.4 (updated on January 17, 2018) published by the Environmental Protection Administration, Executive Yuan. The inventory is location based.
Note 3: Calculations are based on the Global Warming Trends data from Intergovernmental Panel on Climate Change's Fifth Evaluation Report published in 2013.
Note 4: The data of the greenhouse gas inventory report comes from Formosa Plastics Group.
Note 5: For the method of consolidating the scope of greenhouse gas inventory, the Company adopts the control right method when defining the organizational boundary, except that it needs to change the boundary defined by the "equity holding method" due to special conditions.
Note 6: The Scope 1, Scope 2 and Scope 3 gas inventory of FCFC includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbon, perfluorocarbon, sulfur hexafluoride, and nitrogen trifluoride.
Note 7: Scope 3 inventory items: purchased products and services, capital goods, fuel and energy related activities (not included in Scope 1 or Scope 2), upstream transportation and distribution, business waste output, business travel, employee commuting, downstream transportation and distribution, processing of sold products, use of sold products, and final disposal of sold products.
Note 8: In 2022 and 2023, Scope 1 and Scope 2 include Formosa INEOS Chemicals Corporation. From 2024 onwards, the parent and subsidiary companies will disclose separately. In 2024, Formosa INEOS Chemicals Corporation recorded greenhouse gas emissions of 14,925 metric tons of CO_2e under Scope 1 and 116,129 metric tons of CO_2e under Scope 2.

2022-2024 Greenhouse Gas Emissions Table

Unit: GJ

Plant site	2022	2023	2024
Coal			
Longde	12,035,736	13,880,880	10,130,544
Changhua	-	-	-
Xingang	16,913,904	20,479,200	22,349,184
Mailiao	-	-	-
Total	28,949,640	34,360,080	32,479,728
Fuel Oil			
Longde	14,065	12,957	27,183
Changhua	-	-	-
Xingang	97,438	69,111	75,103
Mailiao	1,254,203	150,303	108,294
Total	1,365,706	232,371	210,581
Fuel Steam			
Longde	104,524	52,143	52,640
Changhua	410	275	195
Xingang	357,935	341,723	365,676
Mailiao	28,439,949	27,988,265	26,987,769
Total	28,902,818	28,382,406	27,406,281
Purchased Power From Associated Company			
Longde	-	-	-
Changhua	-	-	-
Xingang	-	-	-
Mailiao	6,152,899	5,934,438	5,784,258
Total	6,152,899	5,934,438	5,784,258
Purchased Steam From Associated Company			
Longde	-	-	-
Changhua	-	-	-
Xingang	-	-	-
Mailiao	15,436,019	15,563,702	14,797,664
Total	15,436,019	15,563,702	14,797,664
Purchased Power From State Power Company			
Longde	92	-	157,789
Changhua	185,906	166,087	146,966
Xingang	1,143,926	139,156	38,906
Mailiao	-	-	-
Total	1,329,924	305,243	343,661
Total			
Longde	12,154,417	13,945,980	10,368,156
Changhua	186,316	166,362	147,162
Xingang	18,513,202	21,029,190	22,828,870
Mailiao	51,283,071	49,636,708	47,677,985
Total	82,137,006	84,778,240	81,022,173

2024 Subsidiaries Greenhouse Gas Emissions Table

Unit: GJ

Plant site	2024
Coal	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	34,829,479
Formosa Industries Corporation (Vietnam)	26,674,728
Formosa Biomedical Technology Corp.	-
Formosa Taffeta	30,750
Subtotal	61,534,957
Fuel Oil	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	27,106
Formosa Industries Corporation (Vietnam)	38,335
Formosa Biomedical Technology Corp.	2,914
Formosa Taffeta	1,378
Subtotal	69,733
Fuel Steam	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	-
Formosa Industries Corporation (Vietnam)	-
Formosa Biomedical Technology Corp.	35,866
Formosa Taffeta	1,973,048
Subtotal	2,008,914
Externally Purchased Steam	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	-
Formosa Industries Corporation (Vietnam)	-
Formosa Biomedical Technology Corp.	-
Formosa Taffeta	724,597
Subtotal	724,597
Externally Purchased Electrical Power	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	658,521
Formosa Industries Corporation (Vietnam)	-
Formosa Biomedical Technology Corp.	43,620
Formosa Taffeta	1,125,458
Subtotal	1,827,599
Total	
Formosa Chemicals Industries and Thermoelectric (Ningbo) Co., Ltd.	35,515,106
Formosa Industries Corporation (Vietnam)	26,713,063
Formosa Biomedical Technology Corp.	82,400
Formosa Taffeta	3,855,231
Total	66,165,800

Note 1: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.

Note 2: The summary table of energy consumption does not include self-generated renewable energy, as it primarily accounts for the total amount of energy consumed from external sources. Utilizing self-generated renewable energy can reduce the total amount of energy imported from external sources. According to statistics, the parent company used approximately 60,278 GJ of self-generated renewable energy in 2024.

	Longde	Changhua	Xingang	Mailiao
CO_2e Emissions (%)	95.5%	94.5%	99.1%	94.5%
Consumption(2024) (GJ)	10,368,156	147,162	22,864,739	47,693,278

Note 1: FPG Computer Database on Greenhouse Gas Inventory
Note 2: Joule (abbreviated as J); $1GJ=10^9J$
Note 3: The Mai Liao plant includes Formosa INEOS Chemicals Corporation

Summary table of greenhouse gas emission and energy intensity from 2022 to 2024

Item	2022	2023	2024
Sales (NT$100 million)	2,549.72	2,175.46	2,175.91
Total greenhouse gas emission of Scope 1 and Scope 2 (CO_2e tons)	7,865,269	8,159,100	7,719,494
Greenhouse gas emission intensity (CO_2e ton/NT$100 million)	3,084.8	3,750.5	3,547.7
Total Energy Consumption (GJ)	82,137,006	84,778,240	80,458,305
Energy consumption intensity (GJ/NT$100 million)	32,214.11	38,970.18	36,976.85

Note 1: Data source is form FPG Greenhouse Gas Inventory Database.
Note 2: Statistics includes all plant sites of the Company, and the Scope 1 and Scope 2 data of Mailiao plant site contains Formosa INEOS Chemicals Corporation from 2022 to 2023
Note 3: Greenhouse gas emission intensity (CO_2e tons / NT$100 million) =Total greenhouse gas emission (CO_2e tons)/ Sales (NT$100 million)
Note 4: Energy consumption intensity (GJ/NT$100 million) =Total energy consumption (GJ)/ Sales (NT$100 million)
Note 5: The sales, greenhouse gas inventory data, and total energy consumption for 2024 are based on the parent company's data. The data for 2022 and 2023 are consolidated figures from both the parent company and Formosa INEOS Chemicals Corporation.

A comparison of greenhouse gas emission intensity and energy usage intensity over the past two years reveals that the greenhouse gas emission intensity for 2024 is 3,547.7 tons CO_2e/NT$100 million, representing a decrease of 202.8 tons CO_2e/NT$100 million, or 5.4%, compared to 2023. Additionally, the energy usage intensity for 2024 is 36,976.85 GJ/NT$100 million, which is a reduction of 1,993 GJ/NT$100 million, or 5.1%, compared to 2023. The primary reason for this reduction is the exclusion of data from Formosa INEOS Chemicals Corporation in 2024.

Carbon footprint verification

The company promoted the third-party verification of product carbon footprint to conduct ISO 14067:2013. In 2018, Longde and Chiayi Xingang plants completed 6 products; in 2019, Yunlin Mailiao completed 20 products. The PC and PP products conduct ISO 14025:2006 environmental evaluation verification completed in 2020.

The Company is actively promoting carbon reduction measures, including energy conservation, energy transformation, and green energy development. Each year, we report our reduction performance to the Ministry of Economic Affairs' "Industrial GHG Voluntary Reduction Information Platform" and verify the actual reduction performance through on-site verification conducted by the Taiwan Green Productivity Foundation. In 2024, SM Mailiao Plant and ARO-3 plants were prized as "Outstanding Voluntary Greenhouse Gas Reduction Companies" for their exceptional performance in reducing greenhouse gas emissions.

SM Mailiao Plant and ARO-3 plants were prized as "Outstanding Voluntary Greenhouse Gas Reduction Companies"

3.2.4 Energy Management

Decreasing unit steam consumption of per unit output

Fuel steam is one of the important energy sources in the manufacturing processes. Recycling waste heat made by manufacturing processes to decrease the consumption of unit production is one of the important measures of energy management and one of the indicators to evaluate energy management. The average fuel steam consumption per unit output in 2024 was 0.733 tons/ton, decreased 0.039 tons/ton with 5.0% compared to 2023. Fuel steam consumption per unit output decreased mainly due to alignment with production and sales efforts, a 6.6% increase in output led to a reduction in steam consumption per unit of production.

Average unit steam consumption of per unit output from 2022 to 2024

Unit: tons/ton

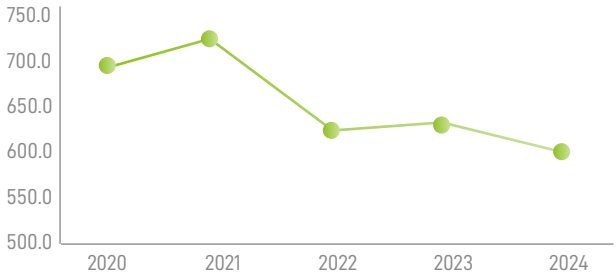
Fuel steam consumption per unit output	Longde	Changhua	Xingang	Mailiao	Total
2022	0.720	-	0.130	0.780	0.711
2023	1.292	-	0.101	0.830	0.772
2024	1.235	-	0.184	0.769	0.733

Note: The statistics in Mailiao plant site contains Formosa INEOS Chemicals Corporation

The trends of unit steam consumption in Mailiao plant site

Mailiao plant site is one of the major production sites of the Company that steam consumption per unit output had appeared down trends by way of improvement the energy conservation implementation and optimization of manufacturing processes. The unit steam consumption for the last five years are disclosed as following table.

Steam consumption per hour in Mailiao plant site (tons/hour)



Year	2020	2021	2022	2023	2024
Steam consumption (tons/hour)	694.3	719.3	629.3	634.5	603.1

3.2.5 Clean Energy Investment

The Company places significant emphases on the development of clean energy and has invested approximately NT$853 million in the construction of solar power generation equipment. Additionally, it has formulated a comprehensive development strategy and established specific goals for each stage. Establish an ESG Committee that is responsible for promoting related businesses, providing monthly reports on achievements and promotion plans, and establishing an effective tracking and evaluation mechanism.

Overall Development Policy

1. Take inventory of available sites within the factory for installing solar power generation equipment to increase the capacity of solar energy installations.
2. Actively participate in bidding for hydraulic projects from the Water Resources Agency and Irrigation Agency, Ministry of Agriculture, and increase investments in renewable energy.

In year 2024

Short-term targets

1. The goal for 2024 is to install an additional 3,065 kWp of solar power generation facilities, with an actual completion of 3,065 kWp, thereby achieving the target.
2. The goal for 2024 is to install an additional 732kW of hydroelectric power generation facilities, with an actual completion of 732kW, thereby achieving the target.

In 1-3 years

Mid-term targets

1. Total capacities of solar power generation facilities reach to 34,857 kWp by 2025.
2. Total capacities of hydroelectric power generation facilities reach to 23,273 kWp by 2025.

In 3-10 years

Long-term targets

1. Total capacities of solar power generation facilities reach to 49,798 kWp by 2030.
2. Total capacities of hydroelectric power generation facilities reach to 23,453 kWp by 2030.

In addition to actively improving the process energy conservation and carbon reduction projects, the Company also cooperates with the government's renewable energy policy investing in renewable facilities. In the aspect of solar power development, the Company had installed 1,497kWp of solar power generation equipment in the Xingang plant site in 2018. In 2024, the Company continued to install a total of 3,065 kWp of solar power generation equipment at the Xingang, Longde, and Mailiao plants, bringing the cumulative total to 18,922 kWp. In 2024, the electric power generation amounted to 19,340 MWh, resulting in a reduction of 17,855 tons of CO_2. To raise the capacities of solar power generation, additional 15,935kWp solar power generation equipment is on-going in 2025, and the total installed capacities of solar power generation will reach 34,857kWp by 2025, about two times as current capacities.

Renewable Energy Facility Generation and Carbon Reduction in 2024

Types of Renewable Energy Facilities	2024		2025 Estimated	
	Newly Added Equipment Capacity	Cumulative Equipment Capacity	Newly Added Equipment Capacity	Cumulative Equipment Capacity
Solar Power Generation (kWp)	3,065	18,922	15,935	34,857
Hydropower Generation (kW)	732	23,273	0	23,273
Total	3,797	42,195	15,935	58,130

Renewable Energy Facility Generation and Carbon Reduction in 2024

Types of Renewable Energy Facilities	Electricity Generation in 2024 (kWh/year)	CO_2 reductions in 2024 (tons/year)
Solar Power Generation	19,340	17,855
Hydropower Generation	62,396	30,824
Total	81,736	48,679

◀ Newly solar generation facilities on the roof of plants in the Xingang plant site

▲ Newly solar generation facilities on the roof of plants in the Mailiao plant site

◀ Newly solar generation facilities on the roof of plants in the Longde

By utilizing the water pressure from the water supply pipelines within the factory, we installed a 75kW water turbine generator set in the Lantan water supply pipeline at the Xingang plant site. This project was designed, installed, and is being operated and maintained by the Company. It was put into operation in October 2022, marking a successful entry into the small hydropower generation field. The Company has an experienced design and construction team that can maximize and optimize small-scale hydropower generation while ensuring safe and stable operation. The Company began operating a small hydropower plant contracted at the Taiwan Water Corporation's Shalu Water Distribution Center in November 2024. It is expected to generate 4.8 million kWh annually, equivalent to the electricity consumption of 1,333 households for one year, reducing carbon emissions by 2,371 tons—comparable to the carbon absorption of six Da'an Forest Parks. The company has been dedicated to the development of small hydropower in Taiwan and is currently the private enterprise with the largest installed hydropower capacity in the country.

The Shalu small-scale hydropower plant is the fifth small hydropower generation facility commissioned by the Taiwan Plastics Company. As we embark on this new initiative, we will uphold the principles of sustainable development advocated by the Formosa Plastics Group and continue to actively invest in the development and utilization of green energy, striving to create a better future.

In the aspect of hydropower generation, the Company also invests in Chia Nan Industrial Co. Ltd., jointly invested by the Company and Chia Nan Irrigation Association, invested in the construction of three hydraulic plants in Tainan City, namely Wushantou, Xikou and Batian, that total generation capacity reaches to 22,466kW.

Power plant and small-scale hydropower plant	Equipment capacity (kW)	Power generation in 2024 (kWh)	CO_2 reduction in 2024 (tons/year)
Wushantou	8,750	28,785	14,220
Xikou	11,520	27,392	13,531
Batian	2,196	6,046	2,987
Xingang- small-scale hydropower plant	75	173	85
Total	22,541	62,396	30,824

▲ Wushantou power plant

▲ Xikou power plant

▲ Batian power plant

▲ Newly hydropower generation facilities on the roof of plants at Shalu Water Supply Center (Plant building)

▲ Newly hydropower generation facilities on the roof of plants at Shalu Water Supply Center (Power generator)

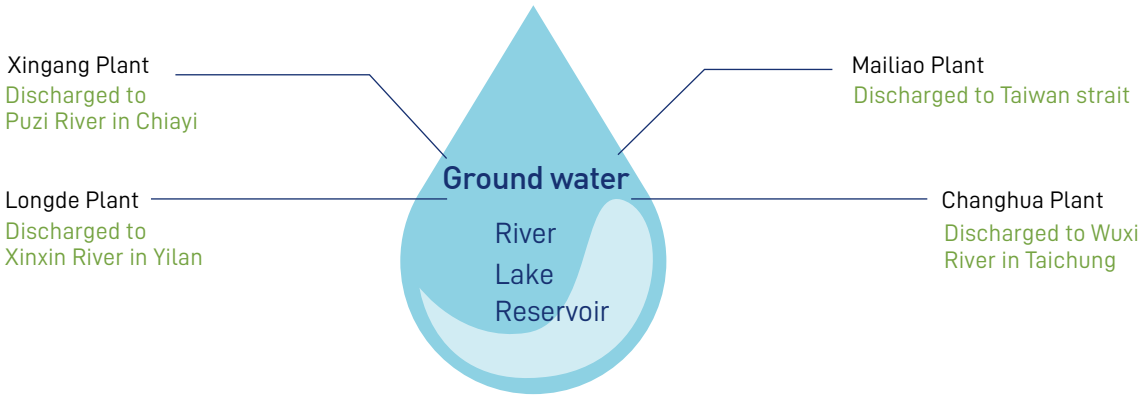
Layout of the New Energy Industry

In response to the trend of carbon reduction and the development of new energy, Formosa Biomedical Technology Corp. and other companies jointly invested NT$7 billion to establish "Formosa Smart Energy Tech Corp." in June 2022. The Company and Formosa Biomedical Technology Corp. contributed NT$1.4 billion and NT$350 million, respectively, holding 20% and 5% of the shares. In May 2024, there was an increase in capital amounting to NT$10 billion, with the Company contributing NT$2 billion based on its 20% shareholding ratio. This brought the total contribution to NT$3.4 billion. Investing in the Formosa Smart Energy Tech Corp. can establish a complete new energy industry chain, integrating key raw materials for lithium battery manufacturing across upstream, midstream, and downstream sectors. Additionally, it actively expands energy storage business, invests in advanced lithium battery technology, and deepens international business cooperation.

3.3 Water Stewardship

The Company and affiliated enterprises within the Mailiao Industrial Complex actively promote water resource management activities. Other factories in different locations also have corresponding water stewardship measures in place, aiming to realize the vision of "water intake, water consumption/water conservation, and wastewater discharge" to promote the reuse of water resources.

3.3.1 Water resource risk management



Water use management

- Water use permit and the permitted amount approved by local county government
- Industrial Bureau of the Ministry of Economic Affairs approved Water usage and the permitted amount

Water consummation management/Water conservation measures

- Process and equipment performance improvement
- Optimization of operating conditions
- Wastewater Recycling and Reuse
- Reusing collected rain water

Water discharge management

- The quality of the discharge water meet the national discharge water standards
- Establish continuous monitoring systems for discharge water
- Connect to local authorities in real time

Water stress test

The water resource scenario simulation tool established by the World Resources Institute (WRI) shows that Changhua, Yilan, and Yunlin plants are all medium and high risk areas. The current water supply is sufficient for production processes. For the security of a stable water supply, a desalination plant with a daily output of 100 thousand tons was done by the end of 2024.

Water resource usage efficiency

In 2024, the CDP Water Safety Disclosure Questionnaire was evaluated and won "Leadership A"

Water resource use management

Recycled rainwater in Mailiao Park accounted for **9.2%** of total consumption in 2024

Water conservation discharge management

In 2024, each drop of water in Mailiao Park was reused **13.0** times

Contingency measures for water

Normal supply of water

FCFC Water Contingency Measures

- Continue to promote water-saving measures
- Rainwater recycling and reuse

Comparison The same

Occurrence in 2023
Regular production

Occurrence in 2024
Regular production

Water supply is tight

FCFC Water Contingency Measures

- Continue to promote water-saving measures
- Reduce non-essential water use

Comparison The same

Occurrence in 2023
No occurrence

Occurrence in 2024
No occurrence

Pressure reduced water supply

FCFC Water Contingency Measures

- Continue to promote water-saving measures
- Improve water usage efficiency of the production process
- Requisition the water supply of the standby water tank in the plant

Comparison The same

Occurrence in 2023
No occurrence

Occurrence in 2024
No occurrence

Volume reduced water supply

FCFC Water Contingency Measures

- Continue to promote water-saving measures
- Improve water usage efficiency of the production process
- Adjust the production process

Comparison The same

Occurrence in 2023
No occurrence

Occurrence in 2024
No occurrence

Zoned/fixed point water supply

FCFC Water Contingency Measures

- Continue to promote water-saving measures
- Improve water usage efficiency of the production process
- Adjust the production process

Comparison The same

Occurrence in 2023
No occurrence

Occurrence in 2024
No occurrence

3.3.2 Water resource access management GRI303-1 GRI303-3

Water source

The water mainly comes from ground water such as rivers, lakes and reservoirs and water use permit and the permitted amount are through the local county government communicates with relevant stakeholders to obtain permission. To advance the self-sufficient ability of water supply in the dry season, the Company that had obtained permission by relevant government offices has being built a desalination plant with a daily output of 100,000 metric tons of fresh water, and will put into operation by the end of 2025. Once operational, it will reduce the volume of external water sources utilized during the dry season at the Mailiao plant, thereby mitigating the environmental impact. Actual water sources in 2024 are indicated in the following table:

ANNUAL WATER SOURCE TABLE FROM 2022 AND 2024

UNIT: THOUSAND TONS

	2022	2023	2024
LONGDE	7,738	4,902	4,961
CHANGHUA	137	138	132
XINGANG	5,777	6,476	7,173
MAILIAO	14,245	14,016	13,654
SUBTOTAL (A)	27,897	25,532	25,920

	2022	2023	2024
LONGDE	149	105	106
CHANGHUA	-	-	-
XINGANG	-	-	-
MAILIAO	-	-	-
SUBTOTAL (B)	149	105	106

	2022	2023	2024
LONGDE	22	21	22
CHANGHUA	5	6	5
XINGANG	26	27	26
MAILIAO	88	90	87
SUBTOTAL (C)	142	144	140

TOTAL WATER USAGE (A)+(B)+(C)

2022 **28,188**

2023 **25,781**

2024 **26,166**

Note 1: The water drawn from each source category in the table above belongs to fresh water with total dissolved solids (TDS) content of 1,000 mg/L or less.
Note 2: The statistics of water consumption in Mailiao plant site include Formosa INEOS Chemicals Corporation.

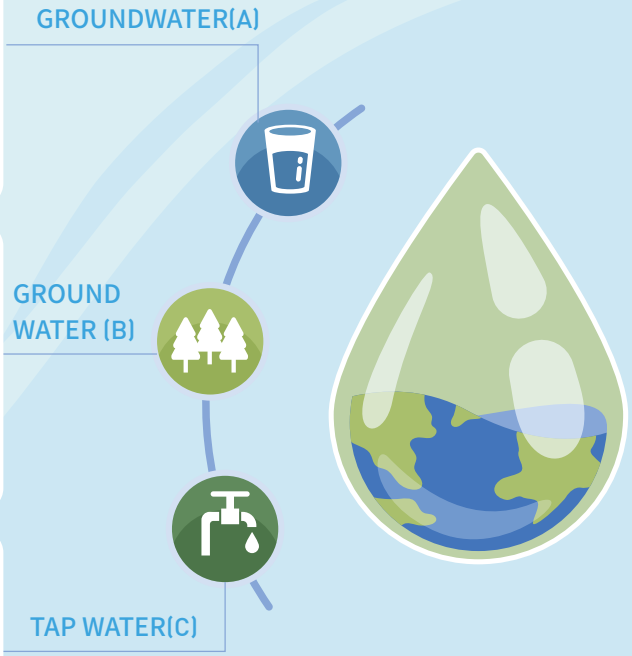
2024 SUBSIDIARIES WATER SOURCE TABLE

UNIT: THOUSAND TONS

SUBSIDIARIES	2024
FORMOSA CHEMICALS INDUSTRIES (NINGBO) CO., LTD. & FORMOSA POWER (NINGBO) LIMITED COMPANY	24,585
FORMOSA INDUSTRIES CORPORATION (VIETNAM)	9,596
FORMOSA BIOMEDICAL GROUP	50
FORMOSA TAFFETA GROUP	1,832
SUBTOTAL (A)	36,063

SUBSIDIARIES	2024
FORMOSA CHEMICALS INDUSTRIES (NINGBO) CO., LTD. & FORMOSA POWER (NINGBO) LIMITED COMPANY	-
FORMOSA INDUSTRIES CORPORATION (VIETNAM)	-
FORMOSA BIOMEDICAL GROUP	-
FORMOSA TAFFETA GROUP	5,931
SUBTOTAL (B)	5,931

SUBSIDIARIES	2024
FORMOSA CHEMICALS INDUSTRIES (NINGBO) CO., LTD. & FORMOSA POWER (NINGBO) LIMITED COMPANY	13
FORMOSA INDUSTRIES CORPORATION (VIETNAM)	-
FORMOSA BIOMEDICAL GROUP	58
FORMOSA TAFFETA GROUP	1,598
SUBTOTAL (C)	1,669



TOTAL WATER USAGE(A)+(B)+(C) **43,663**

Note 1: The water drawn from each source category in the table above belongs to fresh water with total dissolved solids (TDS) content of 1,000 mg/L or less.
Note 2: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.
Note 3: The Formosa Biomedical Group refers to Formosa Biomedical Technology Corp. and its subsidiaries over which it has substantive control, as included in the company's financial reporting entities.
Note 4: The Formosa Taffeta Group refers to Formosa Taffeta Co., Ltd. and its subsidiaries over which it has substantive control, as included in the company's financial reporting entities.

Use of Water from the Jiji Weir

According to the "Monthly Report on Agricultural Water Consumption of Jiji Dam for Industry and Public Water Use" by the Industry Bureau of the Ministry of Economic Affairs", the annual water supply of Jiji Dam in the past three years (2022~2024) was 3.6 billion tons. The three-year average industrial water consumption was 83.85 million tons, accounted for 2.3% of the total water supply. The three-year average transfer agricultural water consumption was 28.51 million tons, accounted for 1.7% of the total agricultural water consumption. It is assumed that the water intake in Mailiao Industrial Complex has no significant impact on the water source of Jiji Dam. The records of water consumption are summarized below:

Unit: thousand tons

Water Supplied by the Jiji Dam from **2022** to **2024**

Year	Jiji Dam inflow volume(A)	Average use water volume in agriculture(B)	Industry			
			Average use water volume (C)	Percentage to the inflow volume (C)/(A)	Transferring water volume from farming(D)	Percentage of transferring water volume to agricultural use water(D)/(B)
2022	2,660,556	1,699,174	88,597	3.3%	30,208	1.8%
2023	3,640,151	1,534,490	83,934	2.3%	27,336	1.8%
2024	4,496,277	1,666,670	79,035	1.8%	27,998	1.7%
Average	3,598,995	1,633,444	83,856	2.3%	28,514	1.7%

Source: The Annual Report of the Jiji Weir Operations from Central Region Water Resource Office, Water Resource Agency, Ministry of Economic Affairs

3.3.3 Water resource discharge management GRI303-2

GRI303-4 GRI304-1

The industrial wastewater produced from each plant of the company is treated properly by wastewater treatment facilities based on the characteristics of the source of the waste water. The quality of the discharge water can meet the national discharge water standards, in accordance with the Water Pollution Prevention and Control Law and the location of the plant.

Annual discharge table from 2022 to 2024

Unit: thousand tons

Item	2022				2023				2024			
Discharge volume is based on the terminal point	Plant site				Plant site				Plant site			
	Longde	Changhua	Xingang	Mailiao	Longde	Changhua	Xingang	Mailiao	Longde	Changhua	Xingang	Mailiao
Ground water (a)	5,960.1	119.1	2,099.4	-	5,931.9	164.5	2,001.0	-	5,469.0	120.3	2,032.7	-
Sea water (b)	-	-	-	5,541.1	-	-	-	5,257.7	-	-	-	5,253.1
Subtotal (a)+(b)	5,960.1	119.1	2,099.4	5,541.1	5,931.9	164.5	2,001.0	5,257.7	5,469.0	120.3	2,032.7	5,253.1
Total water discharge volume	13,719.7				13,355.1				12,875.1			

Note 1:The drainage at each discharge endpoint in the above table is all fresh water with a total dissolved solids (TDS) content equal to or less than 1,000 mg/L.

Note 2:The Mai Liao plant includes Formosa INEOS Chemicals Corporation

2024 subsidiaries water discharge table

Unit: thousand tons

Category	Subsidiaries	2024
Ground water (a)	Formosa Chemicals Industries (Ningbo) Co., Ltd. & Formosa Power (Ningbo) Limited Company	-
	Formosa Industries Corporation (Vietnam)	1,089
	Formosa Biomedical Technology Corp.	90
	Formosa Taffeta	6,865
Subtotal		8,044
Sea water (b)	Formosa Chemicals Industries (Ningbo) Co., Ltd. & Formosa Power (Ningbo) Limited Company	1,092
	Formosa Industries Corporation (Vietnam)	-
	Formosa Biomedical Technology Corp.	-
	Formosa Taffeta	121
Subtotal		1,213
Total water discharge volume (a)+(b)		9,257

Source: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.

The Yunlin Mailiao, Chiayi Xingang and Longde plants are equipped automatic continuous monitoring systems for discharge water. Monitor water volume, water temperature, pH, chemical oxygen demand (COD), suspended solids (SS) and other items 24 hours a day, and connect to local authorities in real time. Each wastewater treatment plant reduces COD and adjusts the pH value through biological aeration treatment. The sludge dryers are also installed in the Longde, Mailiao and Xingang plants, which can reduce the moisture content of the original sludge from 85% to less than 50%, greatly reducing the amount of sludge produced.

Statistics on control of discharged water quality in 2024

Plant site	Water Volume (CMD)		pH			COD(mg/L)			SS(mg/L)		
	Permissible Volume	Emissions	Statutory Requirements	Internal Control Value	Permissible Volume	Statutory Requirements	Internal Control Value	Permissible Volume	Statutory Requirements	Internal Control Value	Permissible Volume
Longde	26,280	13,978	6~9	6.5~8.5	8.2	100	80	29	30	24	9.0
Changhua	19,868	360	6~9	6.5~8.5	7.1	100	80	42	30	24	6.0
Xingang	10,340	5,533	6-9	6.5-8.5	7.6	100	90	32	30	25	9.3
Mailiao	29,536	8,461	6~9	6.8-8.7	8.17	100	80	33	30	20	6.7

Note: The Company's wastewater discharge test value is far lower than the national discharge standard.

Waste water treatment

In 2024, there is one waste water improvement project, and it is on-going proceeding with re-investment of NT$10 million. As of 2024, the total investment was NT$346 million.

Influences of Discharge on Ecology: Mailiao Industrial Complex Marine Ecology Evaluation

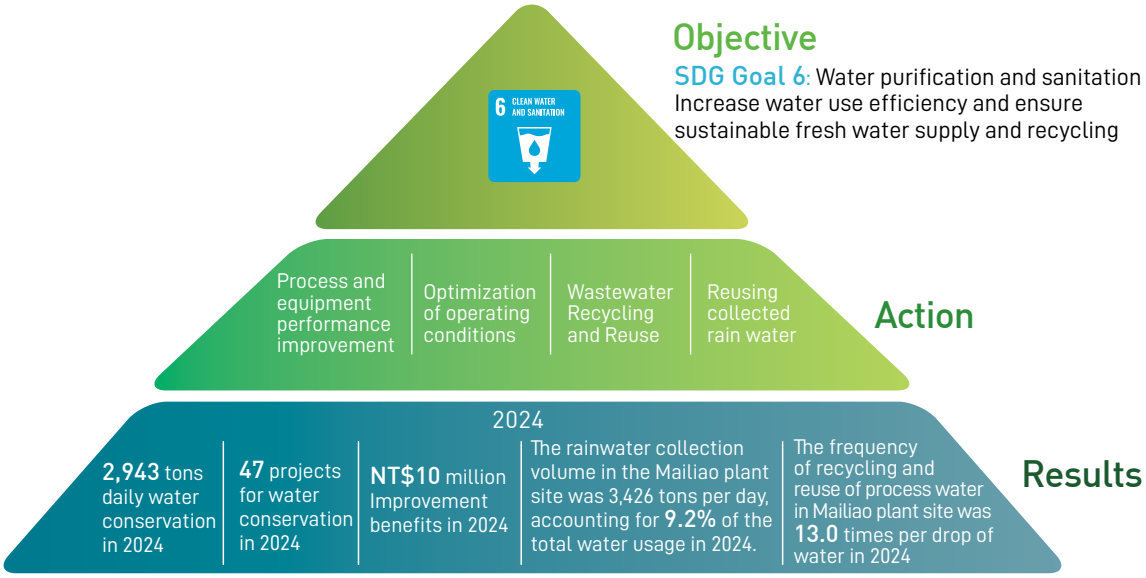
In response to the impact of the discharge water from Mailiao Industrial Complex on the ecology, FPG jointly established the "Assessment and Advisory Committee of FPG's Mailiao Industrial Complex Discharge Water Ecological Impact on Marine Ecology", and commissioned a professional organization to investigate. The organization pointed out that Mailiao Industrial Complex has no detectable impact on the water quality of the surrounding waters, ecology, aquaculture period, fishery resources, beach maintenance, etc We will continue to monitor the situation. If perceivable impacts prevail in the near future, FCFC will plan to reduce the severity of impacts through countermeasures proposed by the professional counseling committee to secure the living standards of local residents and the sustainability of local marine ecology. For more research results on the ecological impact of the discharged water from the Mailiao Industrial Complex, please visit the website of the Beauty of Mailiao Eco-industrial Park - Marine Ecology.

Influences of Discharge on Ecology: Study on the Chinese White Dolphins

The Chinese White Dolphin was declared as Critically Endangered by the Red Book of the International Union for Conservation of Nature in August 2008. According to domestic studies, the sea area where it is active in Taiwan is the area of habitat from Miaoli to 3 kilometers off the coast of Tainan. In order to understand the areas where Chinese white dolphins inhabit and forage, FPG has commissioned professional institutions to carry out project plans since 2008. The results of the study show that the operation of Mailiao Industrial Complex has no impact on the ecological schedule of Chinese white dolphins. For more information on the study of the ecological impact of the sea area of Mailiao Industrial Complex and the Chinese White Dolphin, please visit the website of the Beauty of Mailiao Eco-industrial Park - Research on the Chinese White Dolphins.

3.3.4 Water Resource Consumption Efficiency GRI303-5

The Company actively implements water-saving improvements and improves water use efficiency through rainwater recycling and reuse, process wastewater recycling, process optimization and reduction of water use, and process waste heat recycling to reduce cooling tower evaporation losses. In 2024, the average amount of rainwater recovered in Mailiao Plant was 3,426 tons per day, and the recovery rate is about 77.6%.



Statistics of Water Consumption from 2022 and 2024

Unit: thousand tons

Item	Plant site	2022	2023	2024
Water withdrawal	Longde	7,909.7	5,028.0	5,088.8
	Changhua	141.9	143.8	137.7
	Xingang	5,803.0	6,503.9	7,199.0
	Mailiao	14,333.7	14,105.5	13,740.7
Subtotal of water withdrawal (a)		28,188.3	25,781.2	26,166.2
Water discharge	Longde	5,960.1	5,931.9	5,274.4
	Changhua	119.1	164.5	120.3
	Xingang	2,099.4	2,001.0	2,027.5
	Mailiao	5,541.1	5,257.7	5,253.2
Subtotal of water withdrawal (b)		13,719.7	13,355.1	12,675.4
Total water consumption(a)-(b)		14,468.6	12,426.1	13,490.8

Note 1: The Mai Liao plant includes Formosa INEOS Chemicals Corporation
Note 2: Water consumption is equal to water use minus water discharge volume.

2024 subsidiaries water consumption table

Unit: thousand tons

Item	Subsidiaries	2024
Water withdrawal	Formosa Chemicals Industries (Ningbo) Co., Ltd. & Formosa Power (Ningbo) Limited Company	24,598
	Formosa Industries Corporation (Vietnam)	9,596
	Formosa Biomedical Technology Corp.	108
	Formosa Taffeta	9,361
Subtotal of water withdrawal (a)		43,663

	2024
Water withdrawal	1,092
	1,089
	90
	6,986
Subtotal of water withdrawal (b)	9,257

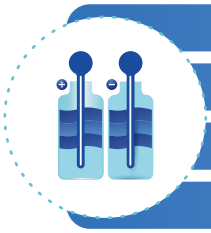
Total water consumption(a)-(b)	34,406

Source: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.

FCFC Water Conservation Performance in Recent Years

	2024	Accumulated volume form 2018-2024	Ongoing	Total
Number of improvement projects	47	541	59	600
Volume saved (tons/per day)	2,943	21,044	2,234	23,278
Amount Invested (NT$100 Million)	0.5	11.4	1.9	13.3
Amount invested (NT$100 million)	0.1	1.3	0.1	1.4

FCFC's Subsidiary Water Conservation in 2024



	2024
Number of improvement projects	62
Volume saved (tons/per day)	1,061
Amount Invested (NT$100 Million)	0.005
Amount invested (NT$100 million)	0.062

Source: Since the parent company previously disclosed data that included Formosa INEOS Chemicals Corporation, in order to maintain comparability of the parent company's data across years, the parent company will continue to include data from Formosa INEOS Chemicals Corporation. The subsidiary's statistical data will exclude data from Formosa INEOS Chemicals Corporation and will consist of statistics from other subsidiaries.

3.4 Air Quality Management

3.4.1 Emissions and Prevention GRI305-7

The Company controls the discharge of harmful air pollutants according to the proposed "Standard Pollution Source Hazardous Air Pollutant Emission Standards" announced by the Environmental Protection Agency. In air pollution control, the Company constantly seeks to make improvements by way of FTIR infrared sensors and Gas Find IR have been installed to monitor leaks of process gas. Since 2007, certified institutions have been authorized by the co-generation coal-fired unit twice a year to make sure that our plants' dioxin emissions meet national standards. There were no incidents of exceeding emissions in 2024. In 2024, the "Equipment Component Simplification Project" was implemented, which reduced the number of equipment components by 15,612, surpassing the target of 2.4% with a streamlining rate of 2%. As a result, emissions were reduced by 19.8 metric tons. As of 2024, the total amount of investment in air quality improvement has reached NT$12.251 billion. In 2025, there are 10 ongoing projects aimed at exhaust gas improvement, with a total anticipated expenditure of NT$380 million.

Unit: Ton

Air Pollutant Emissions Table from **2022** to **2024**

Category		Plant site	2022	2023	2024
Air Pollutant Emission Management	SOx	Longde	95.94	110.00	86.10
		Changhua	0	0	0
		Xingang	122.00	137.95	142.73
		Mailiao	125.50	74.64	68.15
	NOx	Longde	155.41	172.57	125.05
		Changhua	0	0	0
		Xingang	310.00	316.30	291.45
		Mailiao	1,108.11	1,050.13	878.05
	Volatile Organic Compounds (VOCs)	Longde	83.02	36.33	38.84
		Changhua	0.47	3.45	2.98
		Xingang	73.00	61.52	52.64
		Mailiao	449.03	455.61	376.27
	Total Suspended Particles (TSP)	Longde	6.60	31.80	23.00
		Changhua	0	0	0
		Xingang	32.00	38.22	38.42
		Mailiao	48.22	39.28	39.28

Note 1:No air pollutants violation occurred in 2024

Note 2:Source: The air pollution, wastewater, and waste filing website of the Environmental Protection Administration

Unit: Ton

Subsidiaries Air Pollutant Emissions Table in 2024

Category		Formosa INEOS Chemicals Corporation	Formosa Carpet Corp.
Air Pollutant Emission Management	SOx	2.66	-
	NOx	1.42	-
	Volatile Organic Compounds (VOCs)	17.04	327.07
	Total Suspended Particles (TSP)	0.70	-

Note 1: No air pollutants violation occurred in 2024

Note 2: Source: The air pollution, wastewater, and waste filing website of the Environmental Protection Administration

Air Quality Impact Monitoring and Analysis at the Mailiao Industrial Complex

Formosa Plastics hopes to establish a complete environmental monitoring network through rigorous scientific monitoring and research, provide air emission analysis results, and report detailed air quality indicators. In September 2011, FPG established the "Assessment and Advisory Committee on the Impact of Mailiao Industrial Complex on Air Quality" and referred to the local geographical environment of Mailiao. FPG set up eight layers of internal and external intensive monitoring and control stations, which report detailed scientific data in real time, in order to ensure local air quality. For relevant environmental monitoring and analysis results, please visit the CSR "No.6 Naphtha Cracking Plant Environmental Monitoring Network" section of the Formosa Plastics website.

3.5 Waste and Controlled Chemical Substance Management

3.5.1 Waste Management

GRI306-1 GRI306-2 GRI306-3 GRI306-4 GRI306-5

Waste Management Strategy

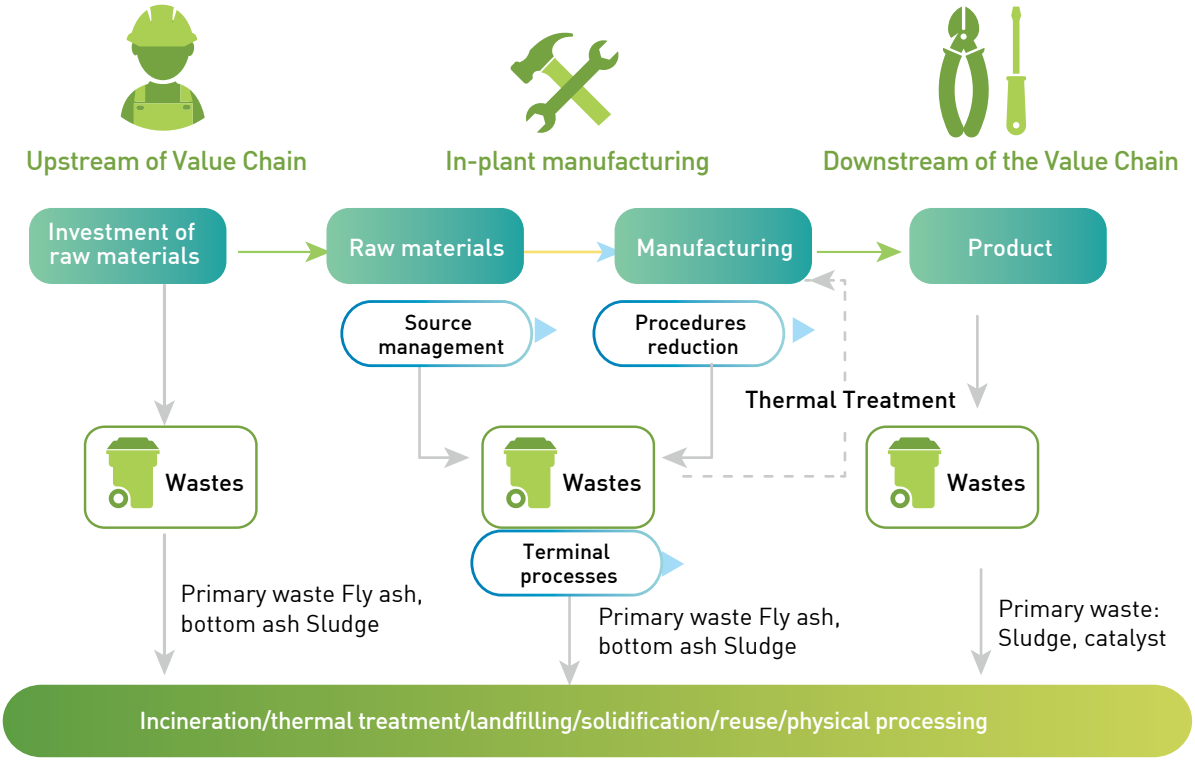
The Company is dedicated to reducing pollutant emissions. With regards to waste and regulated chemicals, our objective is to prevent, reduce, recycle, and reuse in order to minimize waste generation. We will manage waste and chemical substances in an environmentally sustainable manner. Our goals include an annual reduction of 2% in water consumption, a 3% decrease in energy consumption, and a 1% reduction in waste, all aimed at minimizing the impact on human health and the environment. The Company has formulated the "Industrial Waste Management Regulations" in accordance with the relevant government waste disposal laws and regulations. Each plant has established independent audit control measures for waste disposal, and selected and obtained qualified environmental protection licenses according to the implementation content of the waste disposal plan approved by the competent authority to ensure that the waste removal process is properly handled.

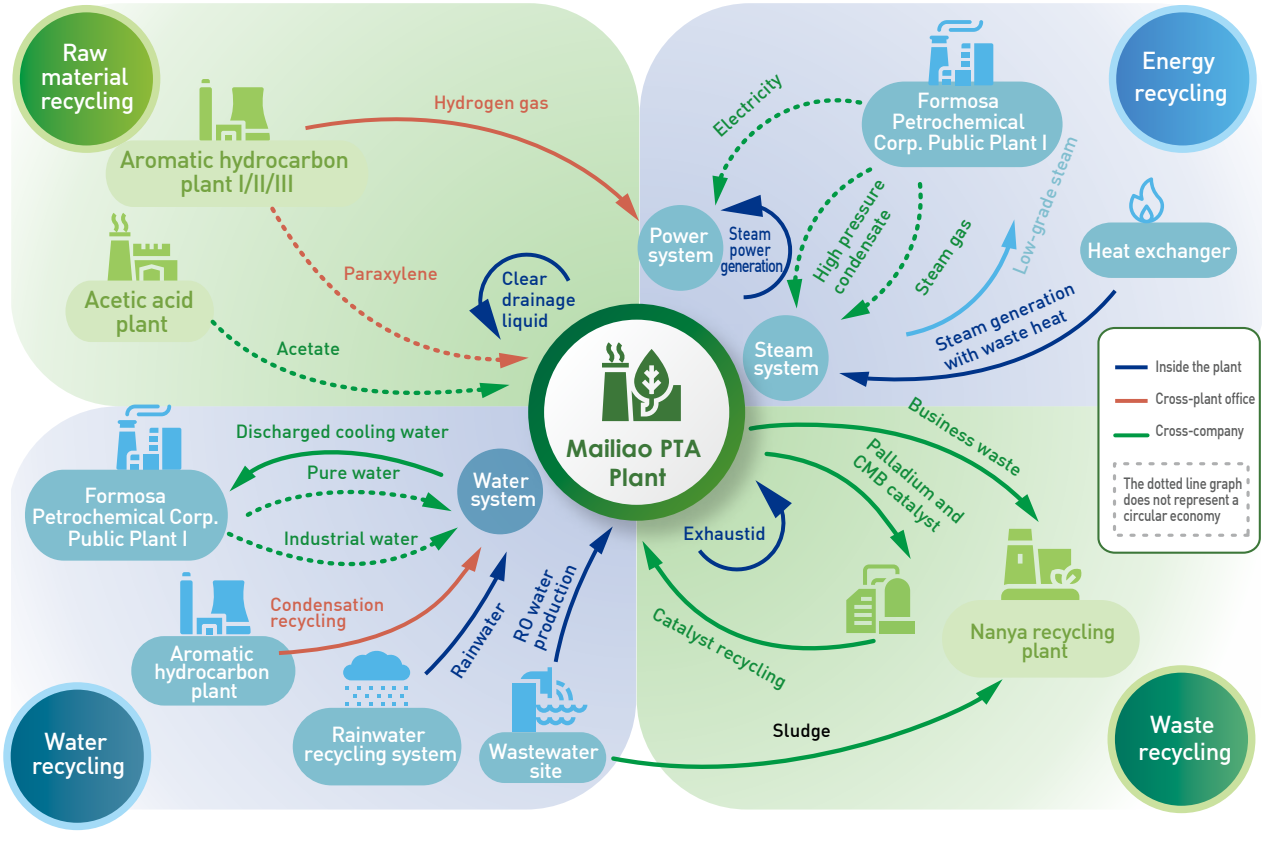
Waste Management and Disposal

In 2006, the Company promoted the establishment of the "Energy Conservation and Emission Reduction Promotion Team" to actively promote energy conservation and emission reduction and set goal management to integrate raw materials, energy (steam, electricity) and waste across companies and plants. To reduce processing waste, the Company decreases waste from original production processes, and increases waste recycling and reuse. The amount of waste generated in 2024 was 369,190 metric tons, increased by 199,843 metric tons compared to 2023, mainly due to the partial demolition of certain plant facilities at the end of 2024. As of 2024, the total amount of investment in waste disposal has reached NT$545 million. In 2025, there is 1 ongoing project aimed at waste improvement, with a total anticipated expenditure of NT$100 million.

Regarding waste outsourcing, the business waste generated in each plant is sent to domestic legal disposal institutions for proper disposal, and no export is made abroad. In order to reduce waste generation, the Company implemented waste reduction improvements. There were no abnormal disposals of waste by cleaning and transportation companies in 2024.

The process of waste generation and treatment in the Company's value chain is shown in the figure below. The waste in the value chain is treated according to legal requirements. Waste management and process reduction can reduce the environmental impact caused by waste, and grasp the waste in real time. Potential impact on the environment due to the amount produced and the clean-up process.





Process/Item	Resources/ Source management	Procedure/Waste reduction in the production process	Wastes/ End point disposal
Handling method	Post-industrial recycling (PIR) and reuse within the plants to reduce raw material use	The recycling of suspended solids from process wastewater involves the recycling of plastic fine powder back into the production process	Civil engineering and construction wastes are outsourced for physical treatment and then reused as materials for public works and civil engineering
Reduction and management goals	100% of failed plastic products completely recovered	The target for sludge reduction is to decrease by 10 tons per month compared to the levels prior to process improvements in 2022	Reduce amount of waste for landfills and increase recycling and reuse by physical disposal
Effectiveness	The recycling of failed plastic products completely recovered in 2024	The sludge reduction decreased by 74.93 tons (-50%) in average per month compared to the levels in 2022 prior to process improvements in 2024.	The landfilled amount was average reduced by 19.67 metric tons per month in 2024 compared to 2023.

Waste source management

The Company classified waste by composition from 2022 to 2024

Unit: Ton

Waste classification	Amount generated			Disposal and transfer amount			Direct disposal amount		
Year	2022	2023	2024	2022	2023	2024	2022	2023	2024
Toxic hazardous waste (class B)	0	0	0	0	0	0	0	0	0
Waste with hazardous properties (class C)	73	17	198	0	0	0	73	17	198
General business waste (class D)	23,716	20,642	23,000	8,546	5,480	8,773	15,170	15,162	14,227
Announce the waste that should be recycled or reused (Class R)	199,526	148,688	345,992	199,526	148,688	345,342	0	0	650
Total amount of waste	223,315	169,347	369,190	208,072	154,168	354,115	15,243	15,179	15,075

Note: The composition of waste classified is according to the categories compiled by the EPA

Waste reduction in the production process

Waste transferred from disposal by recycling operations from 2022 to 2024

Unit: Ton

Year	2022			2023			2024		
Waste classification	Onsite (self-processing)	Offsite (outsourced processing)	Total amount	Onsite (self-processing)	Offsite (outsourced processing)	Total amount	Onsite (self-processing)	Offsite (outsourced processing)	Total amount
Hazardous Waste (C)	-	73	73	-	17	17	-	23	23
Other recycling processes (D)	-	-	-	-	-	-	-	2,510	2,510
Total amount	-	73	73	-	17	17	-	2,533	2,533
Ratio of hazardous waste recycling	100%			100%			100%		

Year	2022			2023			2024		
Waste classification	Onsite (self-processing)	Offsite (outsourced processing)	Total amount	Onsite (self-processing)	Offsite (outsourced processing)	Total amount	Onsite (self-processing)	Offsite (outsourced processing)	Total amount
Non-hazardous waste	-	23,716	23,716	-	20,641	20,641	-	16,308	16,308
Reuse preparation	-	-	-	-	-	-	-	-	-
Recycling and reuse	-	199,526	199,526	-	148,688	148,688	-	208,590	208,590
Total amount	-	223,242	223,242	-	169,330	169,330	-	224,910	224,910

Note 1: All the wastes transferred from disposal by the Company according to the recycling operation are outsourced. Hazardous wastes are not prepared for recycling or reuse. All non-hazardous wastes are prepared for recycling or reuse.
Note 2: Hazardous waste recycling ratio = the amount of hazardous wastes that has been recycled / the total amount of hazardous waste * 100%
Note 3: Hazardous waste is classified as Class C waste
Note 4: Non-hazardous waste is classified as Class D General Waste
Note 5: Other recycling operation waste is classified as Class D General Recycling Waste
Note 6: Recycling waste is the waste that should be recycled or reused as stated in the announcement (Class R)

Wastes Terminal Processes

Data related to waste processing from 2022 to 2024

Unit: Ton

2022

Category		General				Hazardous	Reused
		Other (Physical Handling)	Incineration	Thermal Treatment	Landfill	Solidification	
Amount processed	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	4,668	5,578	3,878	9,592	73	199,526
Percentage (%)	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	2.09	2.50	1.74	4.30	0.03	89.36

2023

Category		General				Hazardous	Reused
		Other (Physical Handling)	Incineration	Thermal Treatment	Landfill	Solidification	
Amount processed	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	3,806	7,624	1,674	7,538	17	148,688
Percentage (%)	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	2.25	4.50	0.99	4.45	0.01	87.80

2024

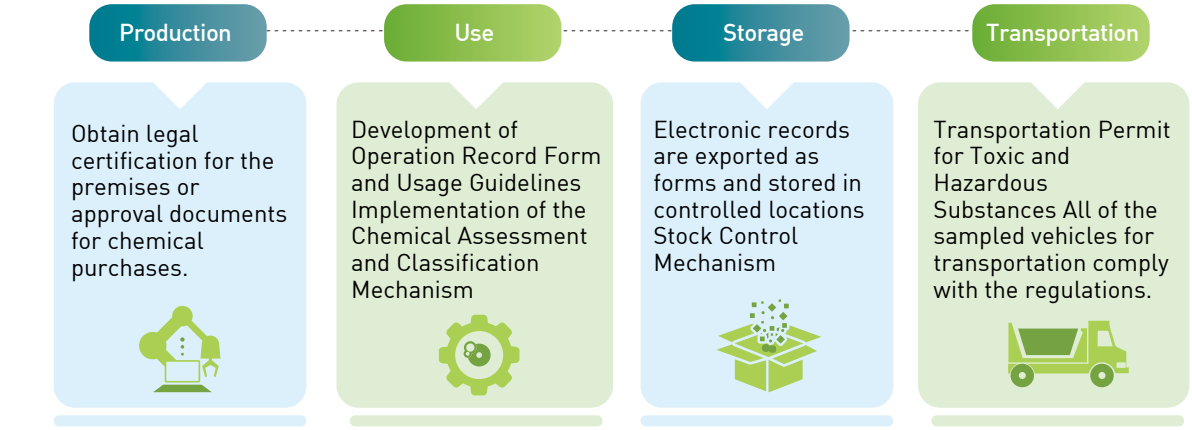
Category		General				Hazardous	Reused
		Other (Physical Handling)	Incineration	Thermal Treatment	Landfill	Solidification	
Amount processed	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	5,016	6,072	3,426	5,312	99	208,590
Percentage (%)	Onsite (self-processing)	-	-	-	-	-	-
	Offsite (outsourced processing)	100	100	100	100	100	100

Source: The Industrial Waste Report and Management System, Environmental Protection Administration

3.5.2 Controlled Chemical Substance Management

The Company has implemented management and operational standards that adhere to the Fire Services Act, Occupational Safety and Health Act, and Basic Environment Act set by the central authorities. In addition, the Company has established self-management and disaster response measures to ensure safe production, use, storage, and transportation operations. By adopting a circular economy model, the Company is developing a safe and environmentally sustainable production method.

Specific management measures are in place for each category of chemicals. When chemicals are transported from outside the plant to inside, the occupational health and safety management mechanisms and process management procedures of each plant are activated. All personnel must adhere to the management measures and inspection procedures for the use of chemicals in order to ensure safety. The Company manages the three-stage management measures for controlling hazardous chemicals including regulatory compliance, management measures, and disaster response operations as follows:



Regulatory Compliance

- Ensure the regular operation of workplaces and facilities.
- Obtain the necessary approvals and permits from the competent authority for controlled chemical substances in compliance with regulations.

Control Measures

- Establish self-management measures for the control of hazardous chemicals.
- Conduct regular occupational and environmental safety assessments.
- Control filling the "Safety Data Sheet (SDS)" and periodic sampling.
- Raw materials and products comply with international standards and relevant registration laws, such as National Standards of the Republic of China (CNS), Globally Harmonized System of Classification and Labelling of Chemicals (GHS), and Registration, Evaluation and Authorization of Chemicals (REACH).

Disaster Response

- Draft "Emergency Response Procedures" by referencing the "Safety Data Sheet (SDS)."
- Conduct at least two unannounced testing drills annually.
- Conduct an annual comprehensive drill of hazard prevention and emergency response plans once a year.
- Cooperate with competent authorities in large-scale observation exercises.

Unit: %

Percentage of revenue from hazardous chemical products in the last 3 years

Year	2022	2023	2024
The product is classified as a health and environmental hazard under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS), with a classification level of 1 and 2. The percentage of products classified as chemical substances in terms of revenue.	51	55	59.9
Percentage of the products listed above that have undergone a hazard assessment	100	100	100

Environmental Impact Assessment

The Company regularly hires third-party testing agencies to conduct environmental monitoring of the surrounding area of the chemical plant. Containment measures, tank bottoms, and recovery devices are installed in storage areas. Chemicals are mainly transported through pipelines to minimize direct environmental hazards and reduce the scope and impact on the environment.

Emergency Response Measures

In consideration of the characteristics of the Company's work with potential risks, the Company has formulated counter strategies and operating procedures to control accident risks on three stages by before accident happened, incurred at that time and after accident happened. According to the Regulations Governing Accident Handling and the Regulations Governing Emergency Responses, in the event of an accident, the Company groups the employees based on the emergency response organization and initiates the emergency response procedures at section, plant and complex level based on the severity of the accident. Each plant conducts unannounced tests at least twice a year and overall drills at least once a year, with records being kept for reference. In 2024, a total of 142 drills have been completed. In addition, stricter control measures have been implemented for the storage room in relation to the acute toxicity of Class III hazardous chemicals to the human body. Personnel entering the storage room must wear safety protective equipment to minimize direct contact. Furthermore, to effectively prevent disasters, alarm devices have been installed in the process, and regular emergency response drills are conducted annually.

Before an accident happened - reduce incident risk

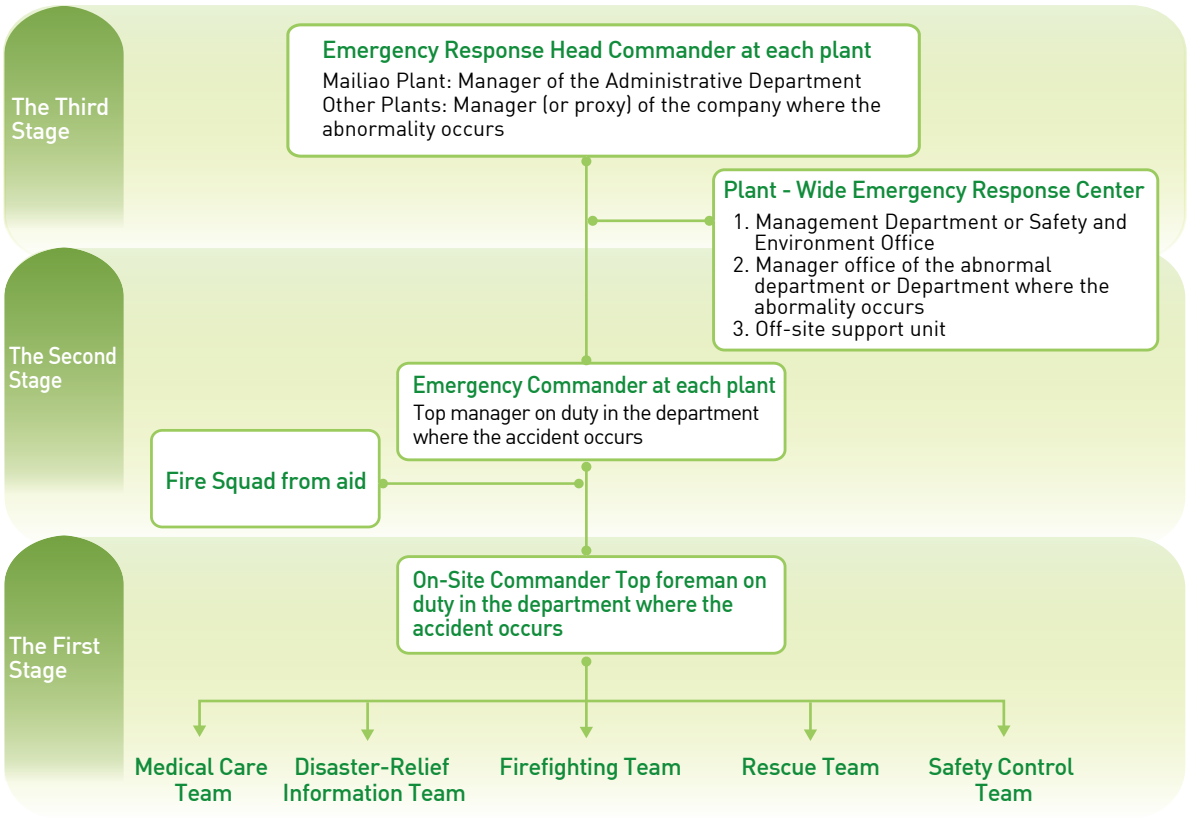
- Increase the reliability of equipment
- Improve safety at workplace
- Build report and cope with mechanism

An accident incurred at that time – counter measures at that time

- Report immediately to the authority and the supervisors in charge
- Accord the Company regulations to group emergency response organization and initiate the emergency response procedures
- Report through the accident bulletin and the accident SMS systems

After an accident happened – initiate investigation proceedings

- Apply reopening permission to the authorities in charge
- Initiate investigation proceedings and clarify the cause and improve operating measures



Exercise on Prevention and Rescue of Toxic Chemical Disasters in 2024

- Exercise Date: May 7, 2024
- Participating units: Emergency Response Drill for Phosgene and Chlorine Gas Leaks at Mailiao PC Plant #3
- Exercise Results Record:

3.5.3 Environmental Costs

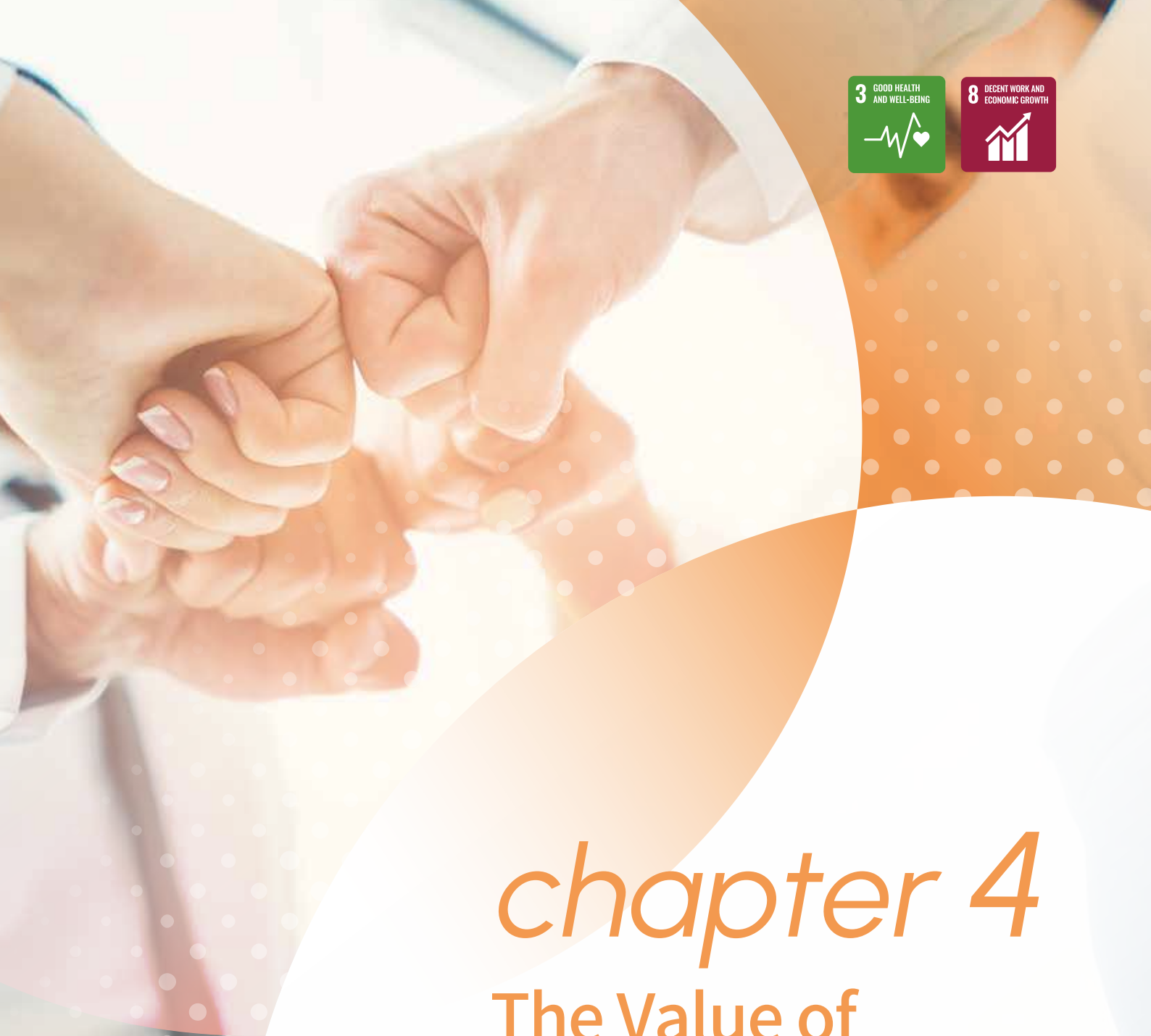
The Company has implemented an environmental accounting system to disclose information on environmental expenditures. Each operational activity is revealed in a concrete manner, clarifying the environmental costs incurred by these activities, serving as a reference for assessing environmental impacts. The environmental expenditure invested in 2024 amounts to NT$1.25 billion.

Unit: NT$ million

Table of Environmental Costs of FCFC in **2024**

Category	Item	Sum
Environmental Costs	Operating Costs	853.2
	Costs Associated with Suppliers and Customers	25.5
	Management Costs	275.0
	Social Event Costs	46.9
	Fees and Energy Taxes	52.8
	Total	1,253.4

Note1: The operating costs listed above include green procurement expenses, product recycling and reproduction expenses, and expenses derived from product services for environmental protection.



chapter 4

The Value of Sustainable Talent

Vision

To establish a safe working environment, protect the rights of employees, offer opportunities for professional growth and career development, and foster mutual growth with both employees and the company.

Policy and Commitment

The Company adheres to internationally recognized human rights standards/principles, including the UN Universal Declaration of Human Rights, the UN Global Compact, United Nations Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work, among other international human rights conventions. In compliance with the applicable provisions of the Occupational Safety and Health Act, offer on-the-job professional education and training, thereby enhancing job competitiveness. The Occupational Safety and Health Committee convene on a monthly basis to systematically evaluate potential workplace hazards and proactively mitigate the risk of accidents.

Environmental Laws and Regulations Compliance

Two incidents from FCFC in 2024

1. In violation of Article 35 of the Occupational Safety and Health Facilities Regulations and Article 6, Section 1 of the Occupational Safety and Health Act.
2. Violation of Article 88 of the Labor Occupational Accident Insurance and Protection Act.

FCFC in 2023 A total of 8 general occupational accidents occurred

A total of 8 general occupational accidents occurred, 4 of which were not attributable to the employer. A fine of NT$550,000 was imposed, along with an additional fine of NT$60,000 for failing to conduct environmental monitoring in a timely manner, resulting in a total fine of NT$610,000. In 2022, a scaffolding collapse incident occurred, resulting in a fine of NT$100,000 to be paid in 2023.

Note: In 2025, one incident occurred: Violation of Article 27, Paragraph 1, Items 2 and 3 of the Occupational Safety and Health Act.

Material Topics

Occupational Health and Industrial Safety

Definition of Impact

The Company ensures the safety and health of its workers by complying with the Occupational Safety and Health Act and ISO 45001 regulations. We also enhance safety and health management measures. In Addition, it strengthens safety and health management measures; establishes key areas for daily inspections, utilizes emergency response mechanisms, and allocates human resources to mitigate subsequent impacts, thereby ensuring workplace safety.

Potential Risks: Workplace accidents can result in personnel and equipment losses, leading to production interruptions that impact the Company's operations. The Company must invest resources in risk management.

Potential Opportunities: Effective management of occupational health and industrial safety can reduce the incidence of accidents and the occurrence of occupational diseases. The outstanding management performance and award records contribute to enhancing the corporate image.

Indicator: GRI3-3、GRI 403

Management Actions	2024 Performance	
Compile the "Safety and Health Bulletins" to enhance personnel safety awareness	● Issued 5 periodicals (a total of 63 periodicals to date) ● Conduct an internal review of 6 notices. ● Completion Rate: 100%	Achieved V
Continuously promote the review of Job Safety Analysis (JSA) operations	● Review of the JSA for the three categories of projects: "Initial Construction", "Emergency Construction", and "Unplanned Temporary Construction". ● Completion Rate: 100%	Achieved V
Implementation of employee health management activities	● Conducted 37 health seminars, with a total of 1,225 participants. ● Completion Rate: 100%	Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
● Continuously collect and analyze cases of occupational accidents occurring within the Company and among industry peers, and publish "Safety and Health Bulletins". ● Target issuance rate of 100%	Continuously collect and analyze cases of occupational accidents occurring within the Company and among industry peers, and publish "Safety and Health Bulletins".	Continuously collect and analyze cases of occupational accidents occurring within the Company and among industry peers, and publish "Safety and Health Bulletins".
● Continuously prioritize the review of JSA for those classified as risk levels 1 to 3. ● Goal Completion Rate: 100%	Completion of the comprehensive review of all categories of JSA	Continuously review and reduce operational hazard factors.
● Continue to organize management activities on common employee health issues. ● Goal Completion Rate: 100%	Continue to organize management activities on common employee health issues.	Continue to organize management activities on common employee health issues.

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Employees	Hold a monthly organizational meeting to discuss safety and health matters with contractors and employees.	● In 2024, a total of 252 organizational meetings were conducted. ● There were no significant occupational accidents in 2024.
Suppliers and Contractors	● Each plant site shall hold at least one supervisor meeting per month to discuss occupational health and safety matters. ● Daily pre-work toolbox meeting held before work to discuss safety precautions for the day.	● Held 14 major exception handling and improvement seminars. ● There were no significant occupational accidents in 2024.

Definition of Impact

Comprehensive and diverse education and training programs can effectively enhance employee skills, establish an internal talent reserve within the Company, and subsequently increase employee satisfaction and loyalty, thereby reducing the risk of talent turnover.

Potential Risks: The impact of declining birth rates on employee recruitment activities in various operational regions. The national industrial development policies of each operating region also impact the companies that talent chooses for employment.

Potential Opportunities: Recruiting talent and providing ongoing employee training can enhance product quality and production techniques. Enhancing employees' sense of identification retention rates with the Company and help prevent labor shortages from disrupting operations and production.

Indicator: GRI 3-3, GRI 401, GRI 404

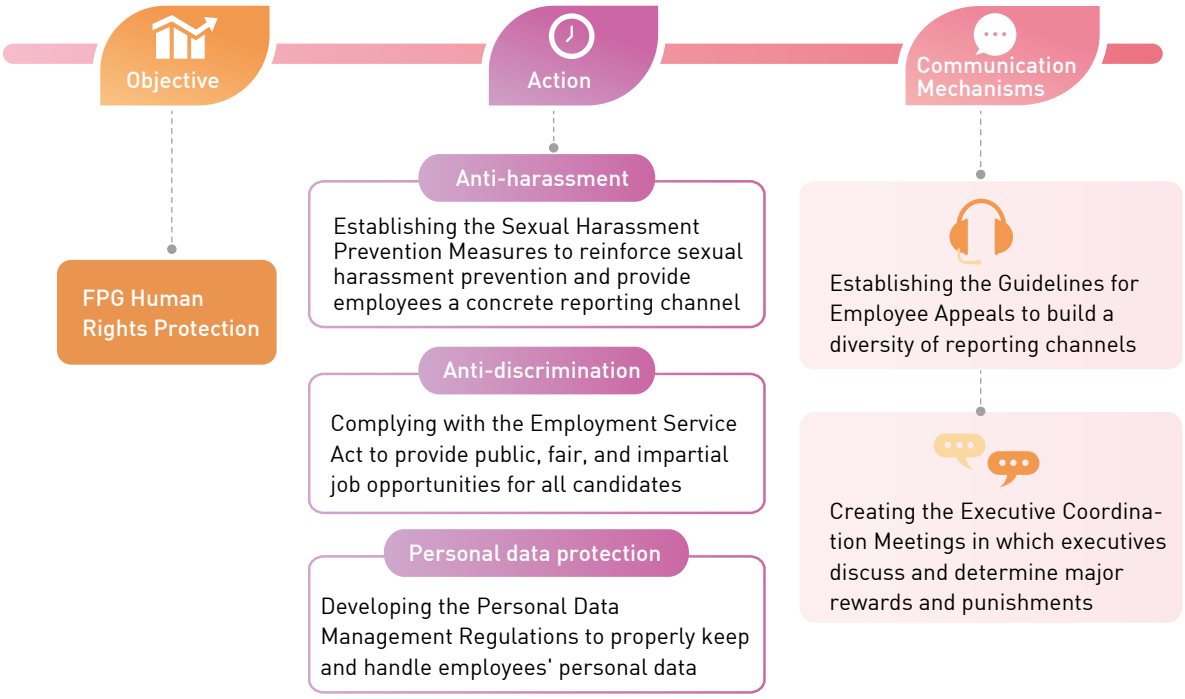
Management Actions	2024 Performance
Continuously conducting employee career development education and training.	Employee training program completion rate: 99% Achieved V

Short-term Goals (1 year)	Medium-term Goals (1-3 years)	Long-term Goals (3-5 years)
Employee training program completion rate remains 99%	Employee training program completion rate remains 99%	Employee training program completion rate: 100%

Stakeholder Groups	Pipeline of Engagement	Effectiveness of Engagement
Employees	• Irregularly disseminate information regarding the recruitment and training-related regulations and amendments through electronic or physical announcements, as well as the FPG magazine. • Understanding employee issues related to talent recruitment and development through various complaint channels.	• Six issues of the FPG internal magazine were published in 2024 • No complaints regarding unlawful infringements by employees related to recruitment and training issues have been received.

4.1 Protecting Employees' Human Rights GRI2-27

The Company supports basic human rights and the local laws and regulations of the manufacturing locations in the stipulation of the Company's human rights policy. FCFC's employee rules have clearly stipulated that no employee shall be subjected to discrimination because of union membership. All male and female employees are protected by the rules. The Company also strictly prohibits the use of child labor and any incident that violates human rights or discrimination rules. In order to strengthen and implement human rights protection, the Company has formulated a human rights protection policy based on international human rights conventions. The Chairman of the Board has signed the "Formosa Chemicals & Fiber Corp. Human Rights Policy" and publicly committed to this policy and required suppliers, contractors, and customers, as partners, to comply. All departments are tasked with fully implementing the human rights protection regulations. Please refer to the "Human Rights Policy" in the occupational safety area of social responsibility of the Company's official website.

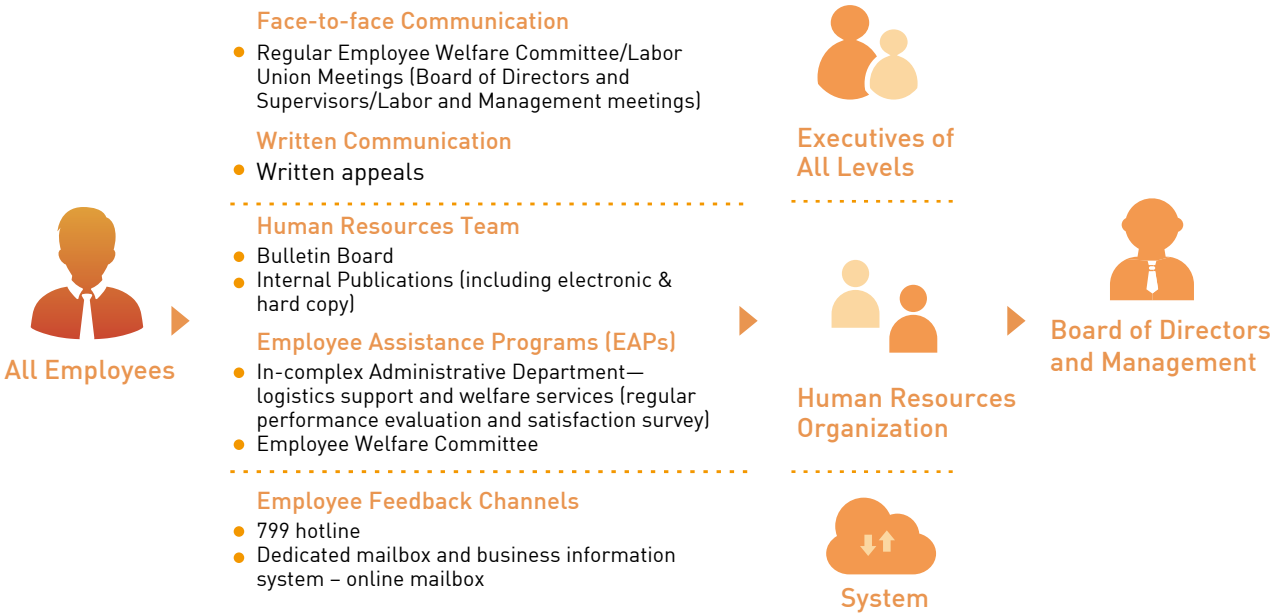


4.1.1 Employee Opinions and Feedback GRI2-26

Employees of the Company have the opportunity to voice their opinions through the plant unions or the regular labor-management meetings held every quarter. The relevant department heads of the Company attend regular meetings and labor-management meetings to ensure smooth communication channels. The Company also takes into consideration and communicates the written appeals and suggestions made by the labor unions in each plant area. In major labor-management issues, the Company prioritizes compliance with government regulations and seeks consensus through discussions and negotiations between top management executives and the unions in each plant. All employees are protected by laws and agreements between labor and management, which ensure the full safeguarding of their labor rights.

Both the Company's labor and management has conducted collective bargaining in accordance with the principles of good faith, while also ensuring the collective bargaining rights of employees, in line with the spirit of the Collective Agreement Act. The labor unions at each plant operate independently, understanding the core value of labor-management harmony in the current situation, and have not signed a unified collective agreement with the Company.

FCFC Internal Communication Channels for Employees



4.1.2 Employee Profile GRI2-7 GRI2-8

In 2024, the total employees at FCFC is 4,183, which represents a decrease of 902 employees, or 17.7%, compared to 2023. This reduction is attributed to the fact that starting in 2024, only the parent company will be disclosed separately, while the remaining subsidiaries will be reported in the table below. The scope of the data differs from previous years. Full-time employees 4,144 were accounted for 99.1% and non-regular employees 39 were accounted for 0.9%, including consultants, contracted personnel, and part-time employees. Local employees accounted for 100%, with the local employees accounted for 99.9% in 2023. The ratio of male to the female employees was 8.94:1 in 2024 because of the characteristics of the industry, onsite personnel are mostly engaged in physically intensive work. Therefore, the gender ratio for male to female employees onsite work was 17.29:1, and the ratio for male to female employees non-onsite work was 3.36:1. The representation of women in management positions is 3.76%.

2022-2024 Manpower Structure - Gender

Year	2022			2023			2024		
Gender	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of Employees	714	4,452	5,166	692	4,393	5,085	424	3,759	4,183
Number of Permanent Employees	599	4,382	4,981	582	4,327	4,909	417	3,727	4,144
Number of Temporary Employees	115	70	185	66	110	176	7	32	39
Number of Employees without Guaranteed Hours	-	-	-	-	-	-	-	-	-
Number of Full-time Employees	713	4,452	5,165	692	4,393	5,085	424	3,759	4,183
Number of Part-time Employees	1	-	1	-	-	-	-	-	-

Note 1: Permanent Employees: Full-time or part-time employees who have signed an indefinite-term contract.
Note 2:Temporary Employees: Employees who have signed a fixed-term contract. The contract expires at the specified time or concludes upon completing a specific task or event with an evaluation schedule.
Note 3: Employees without Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month but may be available for work as needed, such as temporary employees, zero-hour contract workers, or on-call employees.
Note 4: Full-time Employees: Employees are defined based on the respective country's laws and practices regarding working hours per week, month, or year.
Note 5: Part-time Employees: Employees whose working hours per week, month, or year are less than those of full-time employees.
Note 6: This table contains data for 2022-2023, including the number of employees in subsidiaries. Starting from 2024, it will only list the number of employees in the FCFC.

2024 Subsidiaries Manpower Structure - Gender

Company	Subsidiaries		
Gender	Female	Male	Total
Number of Employees	4,207	7,078	11,285
Number of Permanent Employees	3,606	6,399	10,005
Number of Temporary Employees	601	679	1,280
Number of Employees without Guaranteed Hours	-	-	-
Number of Full-time Employees	4,207	7,059	11,266
Number of Part-time Employees	19	0	19

Note 1: Permanent Employees: Full-time or part-time employees who have signed an indefinite-term contract.
Note 2: Temporary Employees: Employees who have signed a fixed-term contract. The contract expires at the specified time or concludes upon completing a specific task or event with an evaluation schedule.
Note 3: Employees without Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month but may be available for work as needed, such as temporary employees, zero-hour contract workers, or on-call employees.
Note 4: Full-time Employees: Employees are defined based on the respective country's laws and practices regarding working hours per week, month, or year.
Note 5: Part-time Employees: Employees whose working hours per week, month, or year are less than those of full-time employees.

2022-2023 Manpower Structure - Location

Year	2022				2023			
Location	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan	Northern Taiwan	Central Taiwan	Southern Taiwan	Eastern Taiwan
Number of Employees	1,101	2,422	1,168	475	1,060	2,474	1,107	444
Number of Permanent Employees	961	2,389	1,157	474	913	2,461	1,098	437
Number of Temporary Employees	140	33	11	1	147	13	9	7
Number of Employees without Guaranteed Hours	-	-	-	-	-	-	-	-
Number of Full-time Employees	1,100	2,422	1,168	475	1,060	2,474	1,107	444
Number of Part-time Employees	1	-	-	-	-	-	-	-

2024 Manpower Structure - Location

Company	Parent Company	Subsidiaries		
Location	Taiwan	Taiwan	Mainland China	Vietnam
Number of Employees	4,183	4,478	2,160	4,647
Number of Permanent Employees	4,144	3,198	2,160	4,647
Number of Temporary Employees	39	1,280	-	-
Number of Employees without Guaranteed Hours	-	-	-	-
Number of Full-time Employees	4,183	4,459	2,160	4,647
Number of Part-time Employees	-	19	-	-

Note 1: Permanent Employees: Full-time or part-time employees who have signed an indefinite-term contract.
Note 2: Temporary Employees: Employees who have signed a fixed-term contract. The contract expires at the specified time or concludes upon completing a specific task or event with an evaluation schedule.
Note 3: Employees without Guaranteed Hours: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month but may be available for work as needed, such as temporary employees, zero-hour contract workers, or on-call employees.
Note 4: Full-time Employees: Employees are defined based on the respective country's laws and practices regarding working hours per week, month, or year.
Note 5: Part-time Employees: Employees whose working hours per week, month, or year are less than those of full-time employees.

The plant site is primarily staffed by engineering contractors who are responsible for assisting with mechatronics engineering and mechanical engineering, as well as environmental cleaning. These operations are included in the Company's safety and health management, although the employees are not directly employed by the Company. In 2024, the estimated number of contracted merchants is approximately 3,508, based on working hours. The proportion of the Company's employees to contracted merchants is about 119.4%.

2022-2024 Non-employee (Contractor) Information

Note 1: The number of non-employees is estimated using the Full-Time Equivalent (FTE) method. The formula for calculating the number of individuals is as follows: Number of people (person) = Work hours (hour) / Daily working hours / Number of working days in a year. If the number of individuals is less than 1, it is rounded up to 1 person.
Note 2: The estimated number of working days for the year 2023 was 248 days, and for the year 2024, it was 250 days.
Note 3: 2023 marks the first year of statistical compilation.

4.1.3 Employee Job Security GRI401-1

The recruitment operations of the Company adhere to the principles of fairness, impartiality and openness, and are handled in accordance with the provisions of the Labor Standards Act. The admission depends entirely on the individual's professional ability and experience. The promotion, assessment, training, rewards and punishments after the employment are all handled fairly in accordance with the rules and regulations of the enterprise. Based on the spirit of giving priority to protecting employees' working rights and interests, we have established a manpower integration mechanism to arrange suitable positions and work according to the employee's wishes, expertise, and development potential. If the Company needs to reorganize the organization due to operational needs, the reorganization must comply with labor laws.

Regarding those who have reached retirement age or have applied for early retirement, their personal wishes and job abilities will be respected, and they will be included in the human resource database for contracted project personnel. They will be given priority when being recommended for rehiring by units in need to continue their service. Regarding employees who have been let go according to the law, the Company shall provide severance according to the law and refer them to the local government employment center according to their wishes, in order to help them in their career change. The resignation rate (including retirement) of employees in 2024 was 6.37%, among which, retirement accounted for 62.9%. The resignation rate raised 1.26% in 2024 compared to 2023.

Overview of new employees from 2022 to 2024

Year		2022		2023		2024	
Category		New Employees					
		Number of persons	Proportion % (Note 1)	Number of persons	Proportion % (Note 1)	Number of persons	Proportion % (Note 1)
Age	Under 29 Years Old	145	2.91	121	2.46	42	1.01
	30-39 Years Old	69	1.39	66	1.34	12	0.29
	40-49 Years Old	9	0.18	8	0.16	4	0.10
	50-59 Years Old	1	0.02	1	0.02	1	0.02
	Over 60 Years Old	0	-	0	-	0	-
	Total	224	4.50	196	3.99	59	1.42
Gender	Male	162	3.25	169	3.44	44	1.06
	Female	62	1.25	27	0.55	15	0.36
	Total	224	4.50	196	3.99	59	1.42
Area	Northern	83	1.67	32	0.65	32	0.77
	Central	55	1.10	115	2.34	14	0.34
	Southern	55	1.10	31	0.63	9	0.22
	Eastern	31	0.62	18	0.37	4	0.10
	Total	224	4.50	196	3.99	59	1.42

Note 1: Ratio on Total Employees = New (Male) Female Employees / Total Regular Employees at the End of the Reporting Period
Note 2: This table contains data for 2022-2023, including part of the number of employees in subsidiaries. Starting from 2024, it will only list the number of employees in the FCFC.

2024 Overview of subsidiaries new employees and resignations

Company		Subsidiaries	
Category		New Employees	
		Number of persons	Proportion (%) (Note 1)
Age	Under 29 Years Old	927	9.27
	30-39 Years Old	313	3.13
	40-49 Years Old	103	1.03
	50-59 Years Old	23	0.23
	Over 60 Years Old	-	-
	Total	1,366	13.65
Gender	Male	884	8.84
	Female	482	4.82
	Total	1,366	13.65

Note 1: Ratio on Total Employees = New (Male) Female Employees / Total Regular Employees at the End of the Reporting Period.

Overview of resignations from 2022 to 2024

Year		2022		2023		2024	
Category		Employee Turnover					
		Number of persons	Proportion (%) (Note 1)	Number of persons	Proportion (%) (Note 1)	Number of persons	Proportion (%) (Note 1)
Age	Under 29 Years Old	39	0.78	49	1.00	38	0.92
	30-39 Years Old	55	1.10	57	1.16	35	0.84
	40-49 Years Old	13	0.26	19	0.39	27	0.65
	50-59 Years Old	52	1.04	72	1.47	75	1.81
	Over 60 Years Old	72	1.45	54	1.10	89	2.15
	Total	231	4.64	251	5.11	264	6.37
Gender	Male	195	3.92	210	4.28	228	5.50
	Female	36	0.72	41	0.83	36	0.87
	Total	231	4.64	251	5.11	264	6.37
Area	Northern	59	1.18	62	1.26	53	1.28
	Central	70	1.41	70	1.43	107	2.58
	Southern	54	1.08	77	1.57	70	1.69
	Eastern	48	0.96	42	0.86	34	0.82
	Total	231	4.64	251	5.11	264	6.37

Note 1: Ratio on Total Employees = (Male) Female Turnover / Total Regular Employees at the End of the Reporting Period.
Note 2: This table contains data for 2022-2023, including part of the number of employees in subsidiaries. Starting from 2024, it will only list the number of employees in the FCFC.
Note 3: The calculation of personnel departures for 2024 includes the number of retirements, which totals 166 people.

Overview of 2024 subsidiaries resignations

Company		Subsidiaries	
Category		Employee Turnover	
		Number of persons	Proportion (%) (Note 1)
Age	Under 29 Years Old	1,002	10.01
	30-39 Years Old	588	5.88
	40-49 Years Old	133	1.33
	50-59 Years Old	25	0.25
	Over 60 Years Old	7	0.07
	Total	1,755	17.54
Gender	Male	1,134	11.33
	Female	621	6.21
	Total	1,755	17.54

Note 1: Ratio on Total Employees = New (Male) Female Employees / Total Regular Employees at the End of the Reporting Period.

Percentage of Local Recruits as Senior Managers

The Company actively gives back to the local area. Residents in the operating locations shall be given priority for recruitment as entry-level employees. We are also actively training local employees to be excellent senior managers. In 2024, the total senior managers were 1,594 persons accounted for 100%.

Table of local residents serving as managers in the last 3 years

Note 1: Managers refer to those who are higher than Supervisors, have more than 5 years of service, and have the birthplace identical with the workplace. (this applies to the year 2023 and prior years).

Note 2: This table contains data for 2022-2023, which includes the number of employees from certain subsidiaries. The term "local" is defined as Northern, Central, and Southern Taiwan. Starting from 2024, the data included the number of employees from all subsidiaries under the consolidated financial statements of FCFC, with the definition of "local" based primarily on country.

4.2 Employee Remunerations and Benefits

4.2.1Employee Remunerations GRI2-21

The remunerations standard for new employees in the Company is based on the qualifications required for a position, which includes the basic salary, various allowances, efficiency bonuses, holiday bonuses, supervisor incentives, etc. The overall remunerations combine the employee's professional knowledge and skills, performance, work quality and timeliness, ability for innovation, and planning capabilities. The reasonable and competitive remunerations structures have been stipulated according to the salary survey. The Company conducts overall evaluations of the operating goals, operating performance, and potential impacts in future on operating environments to adjust salary.

The average salary adjustments rates and year-end bonuses shall be issued for all employees are according to the overall operating performance in each location every year. The salary adjustment rates table for the last three years is below.

The average remuneration and adjustment rates for employees form 2022 to 2024

	2022 Salary Adjustment Rates	2023 Salary Adjustment Rates	2024 Salary Adjustment Rates
Managers or Above	4.5%	2.5%	3.0%
Supervisors or Below	4.5%	2.5%	3.0%

Note1: The salary adjustment rates are conducting to the operating performance every year and the rates adjustment by competitors that the adjusted rates shall be superior to competitors.

Average remuneration ratios for employees from 2022 to 2024

	2022		2023		2024	
	Managers or Above	Supervisors or Below	Managers or Above	Supervisors or Below	Managers or Above	Supervisors or Below
Femal	100	100	100	100	100	100
Male	109	130	115	130	109	128
Male to female ratio	109	130	115	130	109	128

Note1: Male to female ratio is equal to average salary for male employees divided by average salary for female employees

The Company adheres to the concept of "equal pay for equal work" which the basic salary ratio for males and females in the same position and of the same rank is 1:1. Each employee's salary adjustment ratio is based on the working performance, years of service, and year-end bonus by annually operating performance of the Company. Female employees' salary below the Supervisors (inclusive) is lower than that of male employees, mainly because most female employees at the frontline act as operators or clerks. Most of them do not need to work shifts and do not receive shift related allowances. Male employees at the frontline work shifts and do receive shift related allowances. The average cost of non-managerial full-time employees per year per person was NT$1.408 million, decreased NT$56,000 compared to 2023 due to the employee salary adjustments implemented in 2024.

Salary overview of the non-managerial employees from 2022 to 2024

	2022	2023(B)	2024(A)	Previous year Comparison (A-B)
Number of non-managerial full-time employees (people)	4,489	4,458	4,179	-279
Average salary of non-managerial full-time employees (NT$/person)	1,408,932	1,352,081	1,408,232	56,151
Median salary of non-managerial full-time employees (NT$/person)	1,283,494	1,228,720	1,278,611	49,891

Note1: The number of non-managerial employees is the average number of employees (excluding subsidiaries) at the end of each month, and who have been paid by FCFC for more than six months (inclusive) in the current year and excluding managers.

The salary growth rate from 2022 to 2024 is as the table below. In comparison between 2024 and 2023, the ratio of the highest remuneration to the median employee salary remains consistent. The increase in salary growth rate is primarily attributed to differences in salary adjustments.

The growth ratio of remunerations on employees from 2022 to 2024

Year	2022	2023	2024
Ratio of maximum emoluments to median employee remunerations (times) (Note 1)	17.0	17.5	17.0
Percentage of salary growth (Note 2)	-9.7%	32.4%	32.7%

Note 1: Ratio of maximum emoluments to employee salary = Disclosed annual total emoluments of the highest paid individual (A)/ median annual emoluments of all employees (minus the annual salary of the highest paid individual) (B).
Note 2: Salary growth rate = Disclosed total income growth rate for the highest salary in the organization/median growth rate for all employees (minus the annual salary of the highest paid individual).
Note 3: Due to the difficulty in data collection from other subsidiaries, this table only includes information from the parent company, FCFC.

Regarding retirement protection, the Company makes monthly contributions to employees' pension funds based on the new or old pension plan selected by the employees so that FCFC is able to provide pensions to employees when they meet the statutory conditions of retirement.

Overview of the Pension System for 2022-2024

	2022		2023		2024	
	Number of Applicable Employees	Allotment Percentage	Number of Applicable Employees	Allotment Percentage	Number of Applicable Employees	Allotment Percentage
Old pension plan	1,204	2% monthly appropriation of the Company-wide salaries	1,122	2% monthly appropriation of the Company-wide salaries	986	2% monthly appropriation of the Company-wide salaries
New pension plan	3,777	6% monthly appropriation based on the employee's salary	3,787	6% monthly appropriation based on the employee's salary	3,158	6% monthly appropriation based on the employee's salary

Note 1: Please refer to the accounting items related to "Pension" in the 2024 Consolidated Financial Statements of FCFC's pension recognition.

4.2.2 Employee Benefits GRI401-2 GRI401-3

Each plant has established employee welfare committees to implement employee benefits and enact regulations in accordance with the law to handle employee-related welfare. Each plant has a sound accommodation and leisure facilities that are better than the legal requirements. For the details of the benefits, please refer to the "Company Annual Report 2024" section, Operation Overview-Labor Relations under the Company Annual Report of Investor Relations on the company's official website.

Insurance Benefits

In addition to employees' labor insurance and national health insurance, the welfare committees of each plant also insure employees' accident insurance, medical insurance, etc., or provide employees with various group insurance policies options.

Club Funds

Subsidy clubs to handle all kinds of activities such as travel hiking, sports competitions, art exhibitions, life lectures and other activities.

Retirees' Association

In order to thank retired employees for their contributions, the Company has established the Retirees' Association, with 3 branches in Yilan, Changhua, and Chiayi. The Company allocates funds for social activities each year to connect with the retirees. As of the end of 2024, there are 1,240 members.

Maternity and Childcare Assistance

New maternity incentive program will be implemented starting from July 2022 to encourage employees to have children. In addition to receiving a thoughtful gift bag, employees or their spouses will also receive a childbirth gift of NT$20,000 for each newborn. Furthermore, they will be eligible for a monthly childcare subsidy of NT$2,000 per child until the child reaches the age of 6. In 2024, a total of 73 newborns were recorded, and a total of NT$1.46 million was disbursed as childbirth allowance. A total of 578 employees applied for childcare subsidies and a total of NT$13.63 million was distributed.

Unpaid Parental Leave

The Company provides a parental leave without pay system. Employees may apply for the leave according to their needs. In 2024, a total of 14 employees applied for the leave, and reinstatement ratio decreased 11% compared to 2023.

FCFC Application for Unpaid Parental Leaves and Reinstatement from 2022 to 2024

Year	2022			2023			2024		
Item	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of Employees Qualified for Unpaid Parental Leaves	15	273	288	12	277	289	15	247	262
Number of Employees Applying for Unpaid Parental Leaves	8	2	10	12	0	12	3	11	14
Number of Employees Expected to Reinstate in the Year (A)	6	3	9	9	0	9	9	7	16
Number of Employees Actually Reinstated in the Year (B)	6	3	9	9	0	9	9	7	16
Number of Employees Having Reinstated for over a Year (C)	6	0	6	6	3	9	8	0	8
Reinstatement Rate (%) (B/A)	100	100	100	100	-	100	100	100	100
Retention rate (%) (C of the current year/B of the previous year)	86	-	86	100	100	100	89	-	89

Note 1: According to the Company's parental leave without pay system, employees may declare the number of children they have on their own.
Note 2: According to the Company's parental leave without pay system, employees may apply for parental leave without pay on their own.

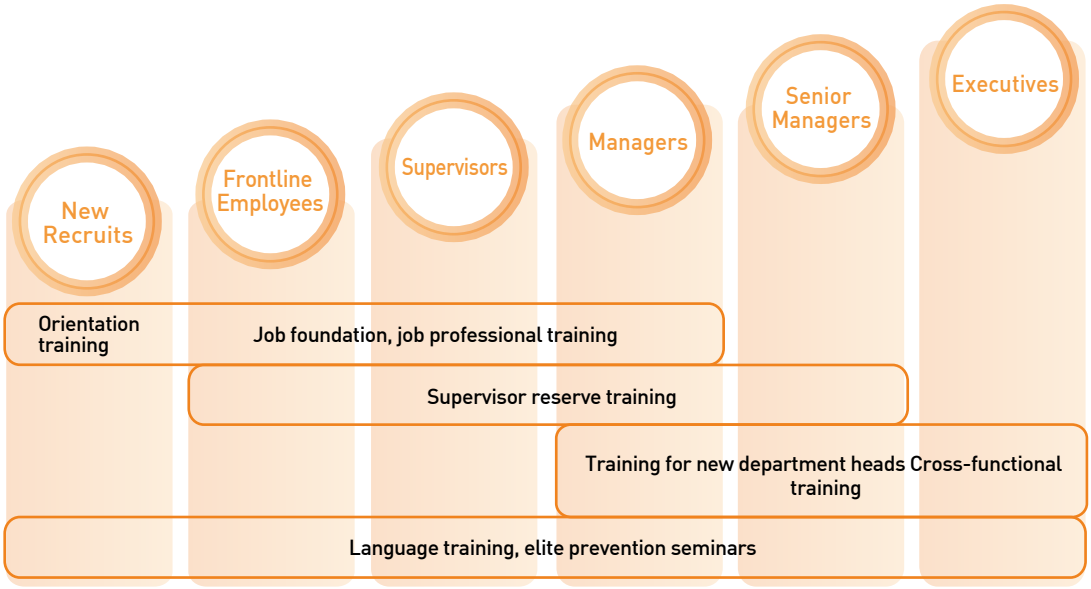
4.3 Talent Cultivation Programs

In addition to providing high-quality compensation and benefits, the Company also attaches great importance to the career development of employees. Appropriate training plans have been formulated for each stage, from new recruits to managerial positions. In addition, for technical positions that require professional skills, competency training and certification systems have been implemented to strengthen the professional skills of employees.

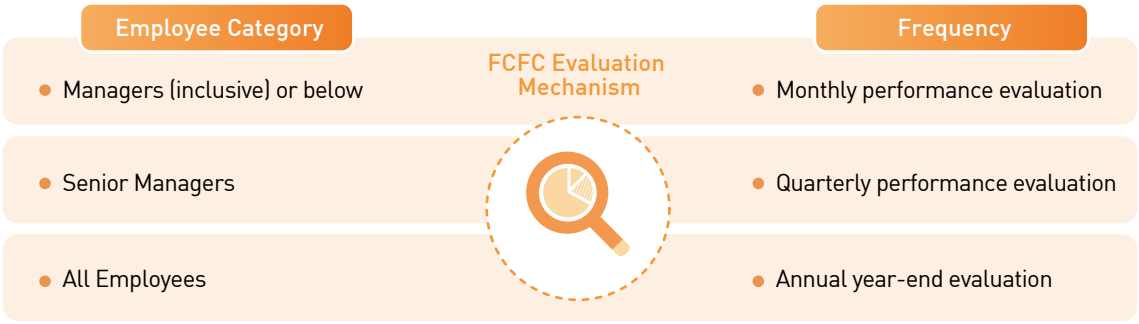
4.3.1 Employee Career Development Management

In order to implement talent cultivation, the Company has formulated "Training Management Measures" and used ERP system for computerized management. It regularly reminds the organizer to arrange training to achieve the goal of employee training and retention. In addition to the training courses, we also review the appropriateness of employees' duties and implement performance evaluations on a regular basis to examine employees' career development and to motivate our employees to improve their performance.

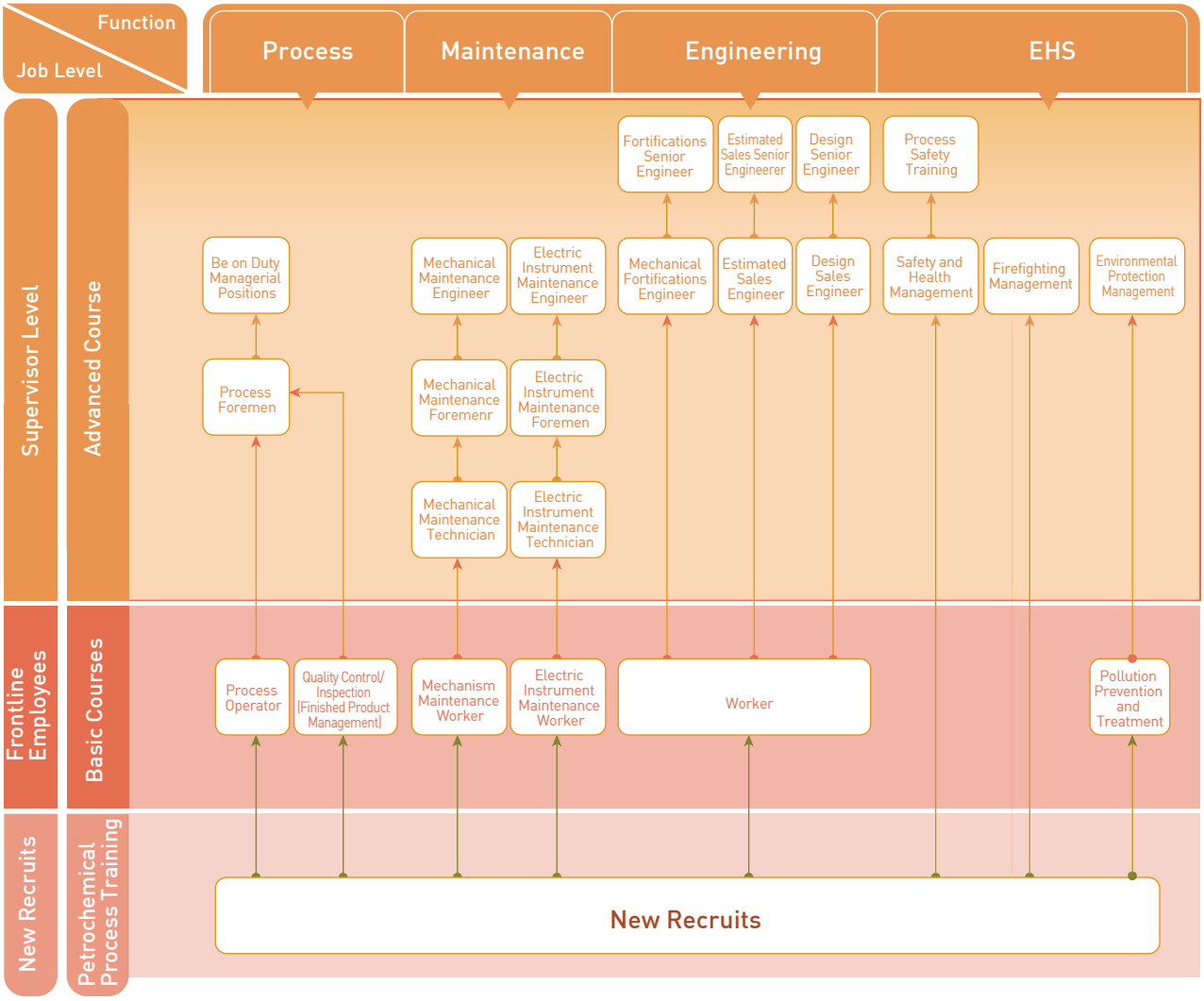
Employees' Career Development Path



Professional and Technical Job Training System



In addition to informal personnel (such as: consultants, contract personnel, part time students and non-resident workforces), all formal employees are required to undergo job evaluation. The evaluation is conducted through face-to-face meetings between the manager and their subordinate to discover their talents, which shall be used as reference for future training and job transfers. In 2024, the overall average inspection ratio of each category was 96.5%, which is the same compared to last year.



Percentage of Employees Receiving Regular Performance and Career Development Evaluations from 2022 to 2024

Unit: %

Employee Category	2022 Male	2022 Female	2023 Male	2023 Female	2024 Male	2024 Female
Executives	71.8	12.5	71.2	11.1	72.2	11.1
Senior Managers	99.5	100.0	99.7	100.0	99.2	100.0
Managers	99.9	100.0	100.0	100.0	100.0	100.0
Supervisors	100.0	100.0	100.0	100.0	100.0	100.0
Frontline Employees	97.8	81.7	97.9	81.5	98.2	80.7
Total	96.4		96.5		96.5	

Note 1: The percentage of executives receiving evaluations was rather low due to the high percentage of temporary consultants.
Note 2: The total evaluation ratio was less than 100% due to informal personnel were not ranked in evaluation.

4.3.2 Employee Professional Training and Development

To promote employees' awareness of human rights and occupational safety, we organize occasional courses on Occupational Safety and Health Act, the Labor Standards Act, the Sexual Harassment Prevention Act, and the Act of Gender Equality in Employment in addition to the orientation where employees receive training related to evaluation, appointment, employee benefits, attendance and plant access control. In addition to arranging employees to receive training at all levels, in accordance with the nine functional categories of employees' positions, FPG's "Technical Training Center" was commissioned to develop employee job certification and technical training courses to enhance employee job professionalism. In addition, a cross functional learning course is designed for the supervisor's position to improve the breadth of supervisor management knowledge and ability; there are regulations on additional points for promotion level and advance by professional certificate to encourage employees to learn from multiple sources, cultivate their second specialty, learn foreign language and transfer training, and to hold various subject study courses from time to time to promote employees' lifelong learning. In 2024, the number of employees who passed the job certification exam was 649; a total of 2,221 individuals participated in the professional job training course.

Statistics table of job certification exam for employees from 2022 to 2024

Training Type	2022 Number of People Who Passed	2022 Courses with the Most Number of Participants	2023 Number of People Who Passed	2023 Courses with the Most Number of Participants	2024 Number of People Who Passed	2024 Courses with the Most Number of Participants
Job Certification Exam	850	Member of Manufacturing Operation Certification	893	Member of Textile Machine Operation Certification	649	Certification of Process Safety Management and Audit Personnel
Professional Job Training Course	2,317	Safety Supervisor Certification Returning Course	2,425	Member of Petrochemical Operation Certification	2,221	AI Basic Training Level 1

In 2024, each employee received an average of 33.2 hours of training which were 19.4 hours for senior managers, 43.4 hours for Supervisors, and 36 hours for Frontline employees. The training projects completed ratio was 99% in 2024, the same as that in 2023.

Statistic table of cross-functional training for supervisor positions from 2022 to 2024

Note: The number of participants and the increase in training hours for cross-functional training in the year 2024 are significant. This is primarily due to the decision to allow mid-level and senior executives who do not hold management positions to participate in cross-functional training in 2024.

Overview of Employee Training from 2022 to 2024

	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Managers to Senior Managers	21.2	3.1	21.9	12.2	20.8	12.6
Supervisors	59.0	23.7	50.5	27.4	46.5	33.1
Frontline Employees	49.3	17.3	45.6	15.8	43.2	21.0
Average training hours per person	44.0	17.0	40.3	16.9	37.4	21.9

Note 1: Managers to senior managers (or higher) refer to executives, senior managers and Managers.
Note 2: Due to the characteristics of the industry and differences in job responsibilities, female employees receive fewer training hours.

Training Completion Rate of the Company from 2022 to 2024

Note: The completion rate refers to the ratio of completed training courses which should be completed in the year.

4.4 Healthy and Safe Working Environment

4.4.1 Employee Health Management GRI403-3 GRI403-6

The Company has established a health promotion organization, which collaborates with the welfare committee and medical office to jointly encourage employee health promotion activities. Medical personnel are stationed in each factory site to provide individual health guidance and consultation, enhance employee health awareness, and collaborate with Chang Gung Hospital to provide medical and healthcare services, promoting preventive medicine and disease prevention. In 2024, we held 37 health seminars with 1,225 participants.

In the area of health examinations, in addition to providing employees with regular health checks as mandated by Occupational Safety and Health Act, we are committed to fulfilling our responsibility for employee health care by increasing the frequency of health examinations for employees aged 30 to under 65, exceeding the legal requirements.

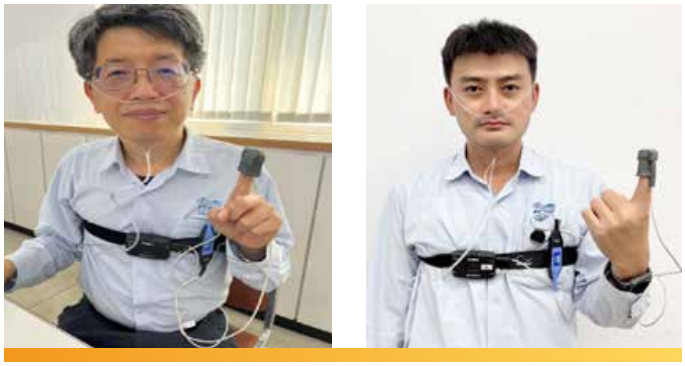
Comparison between Frequency of Health Examinations and Statutory Requirements

Age	Statutory Requirements	Company Status
Under 29 Years Old	Once/5 years	Once/5 years
30-39 Years Old	Once/5 years	Once/3 years
40-44 Years Old	Once/3 years	Once/3 years
45-64 Years Old	Once/3 years	Once/2 years

In addition, in 2024, we will focus on key initiatives aimed at employees, including the promotion of sleep apnea prevention and care for high-risk employees.

1. Prevention of Sleep Apnea

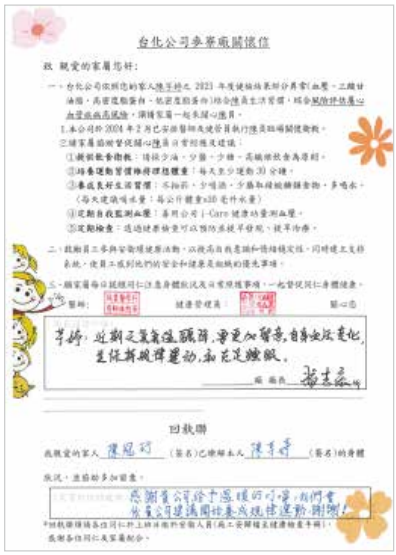
In the Mailiao plant, data collected from the i-Care health station established in recent years revealed that there are 1,322 individuals with a BMI of 27 or higher. Among these, 550 individuals were identified as high-risk personnel with one or more chronic diseases. In collaboration with occupational health physicians, screenings for sleep apnea were conducted for these high-risk colleagues, resulting in 55 individuals being flagged for abnormalities and subsequently encouraged to participate in weight loss activities. Of these, 2 individuals underwent surgical treatment and have since recovered, while 11 individuals are using positive pressure ventilators, which have effectively improved their sleep apnea conditions. This initiative has received positive feedback from participating colleagues, and in 2025, it will continue and expand to other plant locations.



▲ Employees are wearing devices to monitor symptoms of sleep apnea.

2. Care for High-Risk Employee

In accordance with the requirements of the Occupational Safety and Health Act, employers are obligated to provide on-site care by nursing personnel or occupational specialists based on the scale of the business unit and the number of employees requiring special health examinations. However, the effectiveness of this care is limited in time. The most direct support for employees comes from their families. Therefore, a "Family Care Letter" has been introduced to further inform the families of high-risk individuals, combining the strengths of both the family and the Company to jointly promote employee health. There are a total of 59 high-risk individuals, with a 100% implementation rate expected in 2024. Employee families have expressed their gratitude towards the Company's efforts and are willing to assist in paying more attention to the health of the employees.


台化公司參眾電關懷信

回執聯

Health managers prepare personalized health guidance based on the condition of employees.

The plant director left a warm reminder.

The receipt copy is to be signed by the employee's family member. And fill out the feedback.

3. Employee Weight Loss Program

In response to employees with obesity (BMI ↗ 27), we will continue to implement health-oriented weight loss initiatives in 2024. These initiatives will include nutrition seminars, group weight loss programs to foster mutual motivation, and the sharing of successful weight loss experiences. The objective is to establish a proper understanding of healthy weight loss and fat reduction, thereby decreasing the incidence of chronic diseases and cancers associated with obesity. The target for the upcoming year is to achieve an average weight loss of 1.5 kilograms per person, with a total participation of 1,421 individuals. The execution results indicate a total weight loss of 2,727.9 kilograms, resulting in an average weight loss of 1.9 kilograms per person, thus meeting the established goals.

▲ Employee Weight Loss Program Exercise Status

4.4.2 Promoting a Healthy Workplace in Cooperation with Government Agencies

The Company maintains a friendly and healthy workplace, fostering a conductive working environment. For four consecutive years, it has received awards from the Ministry of Health and Welfare. In 2024, in addition to the Ministry of Health and Welfare's "Adult Healthy Body Weight Management - Excellence Award", it also participated in the evaluation by the Ministry of Education and received the "2024 Sports Enterprise Certification".

Year	Award	Award-winning Plant
2021	Excellence in Healthy Workplace Award – Nutrition and Health Award	Longde Plant
2022	Excellent Healthy Workplace - Health Management Award	Xingang Plant
	Excellent Healthy Workplace - Healthy Silver Age Award	Changhua Plant
2023	Excellent Healthy Workplace - Comprehensive Health Award	Xingang Plant

Year	Award	Award-winning Plant
2024	Excellent Healthy Workplace - Healthy Silver Age Award	Longde Plant
	Excellent Healthy Workplace - Health Management Award	Mailiao Plant
	Adult Healthy Body Weight Management – Excellence Award	Xingang Plant
	2024 Corporate Sports Certification	Mailiao Plant

To create a healthy and friendly workplace, the Company actively seeks external resources and participates in the Ministry of Labor's "Work-Life Balance Subsidy Program". This program is supported by the Ministry of Labor and includes a series of diverse health promotion activities such as "Employee Stress Relief Courses" and "Retirement Preparation and Adjustment Assistance Measures for Middle-Aged and Older Employees", which have received strong support and affirmation from the plant unions.

▲ Handmade Succulent Plant Stress Relief Course (2 sessions), with a total of 100 participants, achieved a satisfaction rate of 99%.

▲ Physical Fitness Exercise Program for Middle-Aged and Older Employees (8 sessions), with a total of 92 participants

4.4.3 Workplace Safety Management

GRI403-1 GRI403-2 GRI403-4 GRI403-7 GRI403-8

Organization and Responsibility of Safety, Health and Environment (SHE)

In order to strengthen the Company's safety, health, and environmental protection management and sustainable operation needs, each plant has established Safety & Health Dept. directly under the president's office, which integrates the Company's safety, health and environmental protection policies, formulates and revises relevant management measures and implements them accordingly. The department promotes safety, health and environmental protection in the plants. The "Safety and Health Committee" meeting is held quarterly in the Company's plants. Senior managers, plant operation managers, plant managers, safety, health and environmental personnel, and employees conduct communication and review. It is hoped that the management of safety and environmental protection can achieve "zero workplace injuries, zero disasters, and zero pollution" goals. In addition, the "Energy Conservation and Emission Reduction Circular Economy Review Meetings" and "ESG Review Meetings" are held regularly every month to review various response goals, review the implementation results, and adopt a rolling review to revise the goals immediately.

Safety, Health and Environmental Management System

FCFC has systematized SHE management, including the SHE regulations, a management information system, and an office automation system, for employees and contractors to follow. In order to bring the safety, health and environmental management practices into line with international standards, a total of 20 production plants in 3 locations, including Yunlin Mailiao, Chiayi Xingang, Yilan Longde, subsidiary Formosa Taffeta, Formosa BP Chemicals Corp., and FCFC Carpet have obtained ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System certification. The covered personnel includes 4,183 employees (54.4%) and 3,508 non-employees (45.6%), which is consistent with the scope of internal and external audits.

All employees and non-employees within the plants shall comply with the related requirements and accept the management of the Company's safety supervision personnel. In order to strengthen the safety awareness of new recruits and implement the SOP, "New Employee Safety Education Training Guidelines" will be conducted in three stages: company level, plant level, and department level. In addition, the Company periodically compiles accidents cases to stipulate "Safety and Health Bulletins" which are announced through the company's OA system to promote the consciousness. The total periodicals were 63 with total 587 notices Parallel improvements had been implemented for external accidents and 6 accident investigations were implemented in 2024.

1

Implementation unit

Safety & Health Dept.

Implementation focus

Regulations and corporate safety regulations, CPR/AED

2

Implementation unit

Plant

Implementation focus

Plant process environment introduction, plant equipment and facilities, protective equipment instruction

3

Implementation unit

Class/group

Implementation focus

Process or maintenance SOP training

Each plant convenes the Occupational Safety and Health Committee every quarter that labor representatives account for more than one-third of committee members. All members can make suggestions, coordination, and explanations on the working environment, occupational safety and health policies and management plans etc., in the meeting. Furthermore, colleagues may suspend operations and leave the working place if they encountered hazardous factors, and report to supervisors for assistance in handing or through employees appealing channels.

Category	Company	Plant	Percentage of Labor Representatives in Occupational Safety and Health Committee (%)
Parent Company	FCFC	Mailiao Plant	60.0
		Xingang Plant	34.3
		Changhua Plant	37.5
		Longde Plant	50.0
Subsidiaries	Formosa Taffeta	The Plant	36.0
		Plant 2	33.0
Subsidiaries	Formosa INEOS Chemicals	Mailiao Plant	60.0
Topics for Discussion	1. Examine health management, occupational disease prevention, and health promotion matters. 2. Examine various safety and health proposals. 3. Regularly review the performance of occupational safety and health management and initiate post-incident follow-up actions. 4. Coordination matters related to contractor management. 5. Automated self-inspections or other safety and health audit improvement matters in each department. 6. Other matters required by the Occupational Safety and Health Act.		

Note 1: The production facility of the Formosa INEOS Chemicals Corporation is located in the Mailiao Plant; therefore, the Occupational Safety and Health Committee convened in conjunction with FCFC.
Note 2: Due to the number of employees at FCFC Carpet being fewer than 30, there is no requirement to convene the Occupational Safety and Health Committee.

Employee health is the greatest asset of the Company. The Chairman has signed the "FCFC Safety, Health, and Environmental Protection Policy" and established safety regulations, leading senior executives and various units to participate in and promote safety and health management meetings. Through "full participation" and "joint learning," we continuously improve and deepen safety awareness.

The Company, after receiving the Occupational Safety and Health Five-Star Award at various plants, will participate in the Ministry of Labor's "National Occupational Safety and Health Award" selection in 2024 and is honored to be awarded the "National Occupational Safety and Health Award - Corporate Benchmark Award". The Mailiao Plant has also been awarded the "Excellent Occupational Safety and Health Unit" by Yunlin County.

List of High-Level Executives Participating in the Regular Safety, Health, and Environmental Review Meetings

Meeting Name	Participants	Frequency	Description
Comprehensive review meeting on occupational safety performance	Chairman Executives Plant Manager Labor Inspection Unit	Every year	Chaired personally by the Company's highest executive, Chairman Hung, a review was conducted on the implementation status of safety and health management for the entire year. Domestic and international operational supervisors, plant managers from various regions, local labor inspection units, and partner manufacturers were invited to participate in the review. Suggestions for improvement from each unit were collected to formulate corrective measures.
Senior Managers Meetings	Executives Plant Manager	Monthly	The operational supervisors of each business unit will lead the reading of the safety regulations and facilitate discussions during meetings to exchange practices in safety and health management, as well as to recognize outstanding units.
PSM Deputy Plant Manager and Safety Officer Exchange Meeting	PSM Deputy Plant Manager Safety Officer	Every half year	The supervisory authority audits abnormal cases and revises safety and health regulations, while reaffirming and promoting corporate rules and systems through communication.

台灣化學纖維股份有限公司
安全衛生環境保護政策

▲ FCFC Safety, Health, and Environmental Protection Policy

▲ Mailiao Plant awarded the Yunlin County "Excellent Occupational Safety and Health Unit"

▲ Awarded National Occupational Safety and Health Award – Corporate Benchmark Award

The Company also follows the Occupational Safety and Health Act to promote various initiatives to reduce injuries caused by employees violating SOPs or engaging in unsafe work behaviors. Each unit should review the SOP/JSA at least once a month as a team and develop various management measures. For initial, emergency, and non-planned construction, the Company's relevant departments and contractors collaborate to review construction methods and develop preventive measures for potential environmental or equipment hazards. We establish Standard Operating Procedures (SOP) and Job Safety Analysis (JSA).

1. Process Safety Management (PSM)

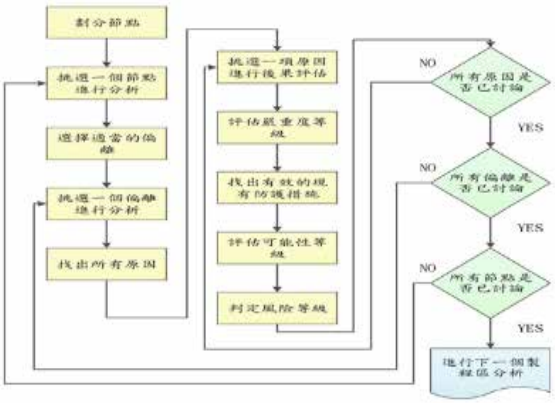
- In addition to complying with the US OSHA regulations, the Company has established a total of 40 dedicated PSM personnel at each rank to assist each department to coordinate and launch the 14 key PSM tasks.
- Establish a full-time position for the Deputy Plant Manager of PSM to oversee and manage the PSM operations of the plant. Enhance personnel professional capabilities and promote PSM professional training.
- A total of 171 individuals have obtained the "production process safety evaluation" certification.

Each plant has established a production process safety management risk platform, digitizing all data and utilizing big data for management, thereby further strengthening the process risk management and assessment mechanisms.

(1) Process Hazard Analysis and Control

a. Process Hazard Analysis

Conducted by the process hazard analysis teams of each factory, the implementation method begins with a preliminary hazard analysis. Based on the results of this analysis, significant potential hazards in the workplace are identified. Subsequently, the process hazard analysis teams carry out a detailed hazard analysis and related operations in sequence.



▲ PHA Analysis Workflow Diagram

b. Process Hazard Control

Through the PHA review meeting, risks classified as Level 1 (Very High Risk) or Level 2 (High Risk), which are deemed unacceptable, as well as significant hazards rated at Level 1 in severity, will undergo further quantitative or semi-quantitative analysis methods, specifically Layers of Protection Analysis (LOPA). The results of the protection layer analysis and improvement recommendations must be documented in the process hazard analysis report as corrective actions, and these should be communicated to the relevant responsible department personnel for implementation. Additionally, data will be input into the Company's Process Safety Management Platform to systematically analyze potential hazards in processes and workplaces. This will facilitate the assessment of preventive measures and allow for advance notifications to avoid delays in analysis and improvement.

▲ Example of Process Safety Management Platform Interface

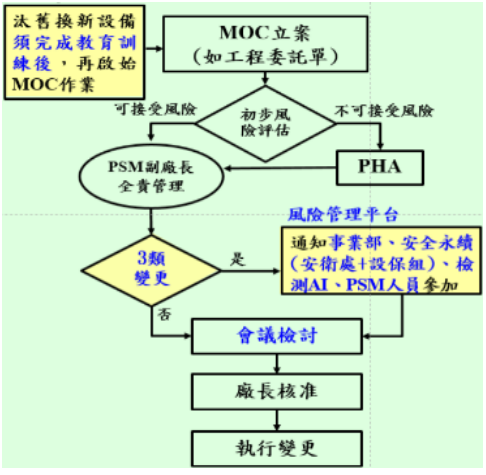
2. Management of Change (MOC)

- Ensure that changes in design, equipment, or operating conditions do not pose process hazards, and implement process hazard analysis.
- Each year, the Ministry of Communications (MOC) conducts guided evaluations, facilitated by designated personnel, and facilitates cross-factory exchanges of results.
- Changes in process equipment and operations that affect the internal corrosion environment require notification to designated personnel for inspection and review.
- If any plant has concerns regarding equipment maintenance, they may proactively coordinate with the Equipment Security Team for assistance with professional technical review. The application for changes in operations, case registration control, change risk assessment, change co-signing, supervisor review, execution of change cases, education and training, notification, pre-operation (equipment) inspection of change cases, and case closure management should be registered and controlled within the process safety management framework, while simultaneously completing electronic management.

▲ FPG-FLOW Risk Management Platform Interface

The Company has implemented enhanced change management since 2021, adding a mandatory co-signature feature for three types of changes to the risk management platform. The flowchart is as follows:

- High-risk fluids classified as Level 1 and Level 2 under corporate regulations, which meet the criteria for process equipment or pipeline updates (excluding removals), changes in operational contents (e.g., type of catalyst), or factors affecting the internal corrosion environment (e.g., volume/type/location of injected fluids).
- Bottleneck Elimination Project
- Upgrades to DCS and ESD, changes to software or hardware, and modifications to motors or panel configurations above 3.3KV.



▲ MOC Co-signing Process

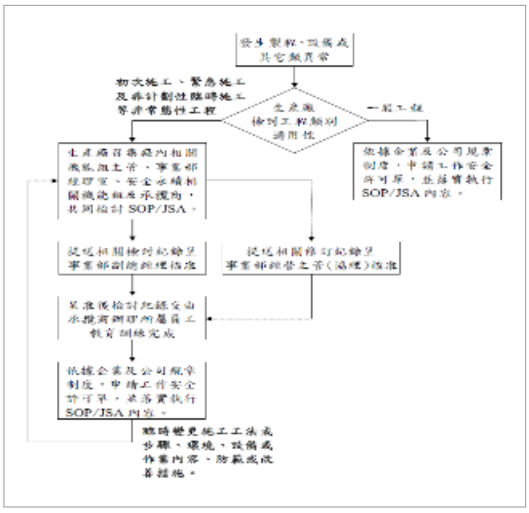
3. Work Safety Analysis

- Establish the "Risk and Opportunity Assessment Operating Guidelines", to be conducted by designated personnel from the plant for process evaluation and hazard risk identification.
- Improvement measures are drew out according to the levels of risk to further reduce operational dangers.
- Each specially assigned team in each segment should examine SOP/JSA operating processes once a month.
- In response to the three categories of non-routine construction control, namely initial construction, emergency construction, and unplanned temporary construction, enhanced management measures are to be implemented. All plants (departments) are required to convene relevant functional group supervisors,

business unit management offices, safety and sustainability-related functional groups, and contractors to jointly review the Standard Operating Procedures (SOP) and Job Safety Analysis (JSA). The review must include: construction methods and steps, identification and analysis of environmental/equipment/work hazards, and effective preventive or improvement measures. The review records must be submitted to the Deputy Chairman of the business unit for approval before the contractor can conduct employee training for their staff. Only upon completion of this training can a work safety permit application be submitted. In the event of temporary changes to construction methods or steps, environmental conditions, equipment, or operational content, the aforementioned units must be convened to re-evaluate and revise the Standard Operating Procedures (SOP) and Job Safety Analysis (JSA). Following approval from the department management, the contractor must re-conduct employee training for their staff before continuing construction.

4. Promotion of disaster prevention drill enhancement

- The Company rests on scientific manner stimulating real situations and sketches out alternative counter strategies.
- The Company introduced the ALOHA spread simulation analysis and GOOGLE EARTH in 2021 to plan safety evacuation routes according to the degree of spread.
- The Company exercised disaster prevention 142 times and unscripted response drills 21 times in 2024.

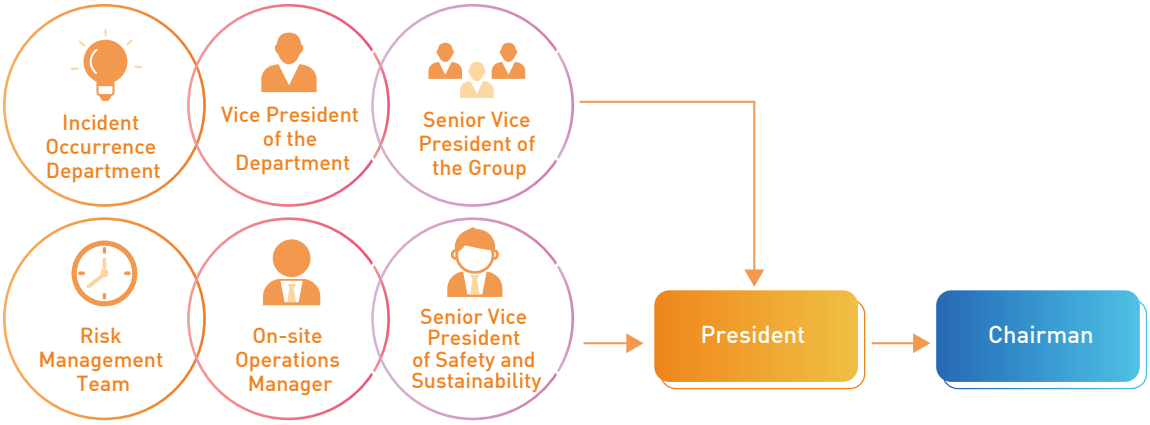


4.4.4 Statistics of Occupational Injuries

GRI2-27 | GRI403-2 | GRI403-9 | GRI403-10

The Company primarily produces petroleum plastics raw materials and products related to "benzene and its derivatives". Based on the nature of our production processes, personnel have increased risk exposure to chemical substances. Therefore, after the special employees' health checkup has been conducted in each year in accordance with "Guidelines for Tiered Health Management Recommendation for Workers' Special Health Checkup", the Company will submit any abnormal results to occupational doctors for subsequent review and diagnosis. To ensure employees' safety at work, work of related employees will be adjusted subsequently, or the results will be served as reference for reducing work environment risks.

In the event of an incident, the Company will adhere to the "F2-B3-05 Incident Investigation, Nonconformance Correction and Preventive Measures Guidelines" and the "N00010 Accident Management Regulations" to execute incident reporting and subsequent investigation-related tasks. The Company will present the investigation report in two formats, comparing the reports against each other. Senior management will personally preside over the incident investigation meetings, requiring clarification of any discrepancies before submission.



In 2024, no major occupational accidents resulted in more than six months of lost workdays. The overall injury index, with an average value of 0.1, slightly increased compared to the average of last three year with 0.07, but remained lower than chemical raw materials manufacturing industry's average of 0.87 (note 1). The Company's occupational disaster rate (persons per thousand) from 2022 to 2024 was lower than the national average. The primary cause of occupational accidents in 2024 is attributed to personnel's unfamiliarity with or reliance on their own experience, leading to non-compliance with Standard Operating Procedures (SOPs). To enhance safety awareness, the SWAT training program will be re-conducted in 2024, comprising a total of four training sessions. A total of 153 first and second-level supervisors will receive training. Additionally, the training courses will be recorded on video to facilitate ongoing reinforcement of safety education and to reduce the occurrence of unsafe behaviors. Statistics on occupational injuries are in the table below.

Occupational Injuries from 2022 to 2024 (By Gender)

	Disabling Injury Rate		Disabling Injury everity Rate		Frequency-Severity Indicator		Absence Rate		Occupational isease Rate	
Year	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2022	0.34	0	12	0	0.07	0	0.35	0.57	0	0
2023	0.34	0	15	0	0.07	0	0.41	0.41	0	0
2024	0.53	0	26	0	0.12	0	0.42	0.31	0	0

Note 1:Industry information comes from the 2022-2024 Frequency-severity Indicators by Sector published by the Occupational Safety and Health Administration, Ministry of Labor.
Note 2:Disabling injury rate: Number of disabling injuries*1,000,000/total working hours

2024 Subsidiaries Occupational Injuries (By Gender)

	Disabling Injury Rate		Disabling Injury everity Rate		Frequency-Severity Indicator		Absence Rate		Occupational isease Rate	
Company	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Formosa INEOS Chemicals	0	0	0	0	0	0	0	0	0	0
FCFC Carpet	0	0	0	0	0	0	0	0	0	0
Formosa Taffeta	1.54	0.19	5	0	0.08	0	6.23	3.82	0	0

Note 1: Industry information comes from the 2022-2024 Frequency-severity Indicators by Sector published by the Occupational Safety and Health Administration, Ministry of Labor.
Note 2: Disabling injury rate: Number of disabling injuries*1,000,000/total working hours

Occupational Injuries from 2022 to 2024

	Disabling Injury Rate	Disabling Injury Severity Rate	Frequency-Severity Indicator	Absence Rate	Occupational Disease Rate	Working hours (thousand hours)
2022	0.30	11	0.05	0.38	0	9,820,333
2023	0.30	13	0.06	0.41	0	9,739,456
2024	0.48	24	0.10	0.32	0	8,288.000

Note 1: Working hours equal to number of employees times working days in a given year times eight hours and then plus overtime hours minus hours of leave
Note 2: Statistics on the number of occupational accidents do not include the number of occupational accidents for employees.
Note 3: Disabling injury rate: Number of disabling injuries*1,000,000/total working hours
Note 4: Disabling injury severity rate: Number of disabling injuries*1,000,000/total working hours

2024 Subsidiaries Occupational Injuries

Company	Disabling Injury Rate	Disabling Injury Severity Rate	Frequency-Severity Indicator	Absence Rate	Occupational Disease Rate	Working hours (thousand hours)
Formosa INEOS Chemicals	0	0	0	0.23	0	931
FCFC Carpet	0	0	0	0.04	0	48
Formosa Taffeta	1.73	5	0.08	10.05	0	5,189.526

Note 1: Working hours equal to number of employees times working days in a given year times eight hours and then plus overtime hours minus hours of leave
Note 2: Statistics on the number of occupational accidents do not include the number of occupational accidents for employees.
Note 3: Disabling injury rate: Number of disabling injuries*1,000,000/total working hours.
Note 4: Disabling injury severity rate: Number of disabling injuries*1,000,000/total working hours

Statistics of Contractors Injury from 2022 to 2024

Year	Disabling Injury Rate	Disabling Injury Severity Rate	Working hours (thousand hours)
2022	0	0	10,437,485
2023	0.49	60	12,199,371
2024	0.14	1	7,014,963

Note 1: The absence rate and the occupational disease rate of contractors were unavailable; thus, the working hours were estimated through the access system. Hours of absence include hours of sick leave and work-related injuries.
Note 2: Disabling injury rate: Number of disabling injuries*1,000,000/total working hours
Note 3: Disabling injury severity rate: Number of disabling injuries*1,000,000/total working hours.
Note 4: Working hours equal to number of contractors during the reporting period times 250 working days times 8 hours

Abnormal Incidents and Occupational Injuries at Each Plant from 2022 to 2024

2022	Fire	Major Occupational Disaster	General Occupational Disaster	Total	Description
Taipei Plant	0	0	0	0	-
Longde Plant	0	0	0	0	-
Changhua Plant	0	0	1	1	Jammed
Mailiao Plant	0	0	0	0	Bruise
Xingang Plant	0	0	1	1	Burn
Total	0	0	2	2	-

2023	Fire	Major Occupational Disaster	General Occupational Disaster	Total	Description
Taipei Plant	0	0	1	1	Falling
Longde Plant	0	0	2	2	Spilling, Falling
Changhua Plant	0	0	1	1	Electric shock
Mailiao Plant	0	0	3	3	Falling, Crashing
Xingang Plant	0	0	1	1	Burn
Total	0	0	8	8	-
2024					
Taipei Plant	0	0	0	0	
Longde Plant	0	0	0	0	
Changhua Plant	0	0	0	0	
Mailiao Plant	1	0	4	5	Falling, Crashing, Burn
Xingang Plant	0	0	1	1	
Total	1	0	5	6	

Note 1: Serious occupational disasters are based on the definitions of major occupational disasters stipulated by the Ministry of Labor, which refers to the following: 1. Occurrence of death. 2. Disasters involving more than 3 victims. 3. Leakage of ammonia, chlorine, hydrogen fluoride, phosgene, hydrogen sulfide, sulfur dioxide and other chemical substances that cause the hospitalization of more than one worker.
Note 2: Recordable occupational hazards refer to general occupational hazards.
Note 3: Total occupational hazards were 2 with fine NT$160 thousand dollars in 2022. After receiving medical treatment, the personnel have returned to their work positions. This case has been developed into a safety and health bulletins material, emphasizing the necessity to adhere to work regulations.
Note 4: In 2023, a total of 8 general occupational accidents occurred, 4 of which were not attributable to the employer. A fine of NT$550,000 was imposed, along with an additional fine of NT$60,000 for failing to conduct environmental monitoring in a timely manner, resulting in a total fine of NT$610,000. In 2022, a scaffolding collapse incident occurred, resulting in a fine of NT$100,000 to be paid in 2023. Relevant cases have been promoted in the contractor agreement organization meetings, and inspections for similar operations have been strengthened. Additionally, a simple checklist has been created for the inspection of scaffolding, enabling the construction department to identify scaffolding issues for timely improvements.
Note 5: Total occupational hazards were 5 with fine NT$100 thousand dollars in 2024. This case has been utilized to conduct a parallel investigation, and improvements have been completed regarding similar issues. In addition, 1 general occupational accident has been reported in 2025, resulting in a fine of NT$100 thousand.

Subsidiaries Abnormal Incidents and Occupational Injuries

2024	Fire	Major Occupational Disaster	General Occupational Disaster	Total	Description
Formosa INEOS Chemicals	0	0	0	0	
Formosa Taffeta	0	0	9	9	1.Caught-in, Jammed 2.Contact with Hazardous Substances
FCFC Carpet	0	0	0	0	
Total	0	0	0	9	

Note 1: Serious occupational disasters are based on the definitions of major occupational disasters stipulated by the Ministry of Labor, which refers to the following: 1. Occurrence of death. 2. Disasters involving more than 3 victims. 3. Leakage of ammonia, chlorine, hydrogen fluoride, phosgene, hydrogen sulfide, sulfur dioxide and other chemical substances that cause the hospitalization of more than one worker.
Note 2: Recordable occupational hazards refer to general occupational hazards.
Note 3: Total occupational hazards were 9 in 2024. This case has been utilized to conduct a parallel investigation, and improvements have been completed regarding similar issues.

Overview of Occupational Disasters

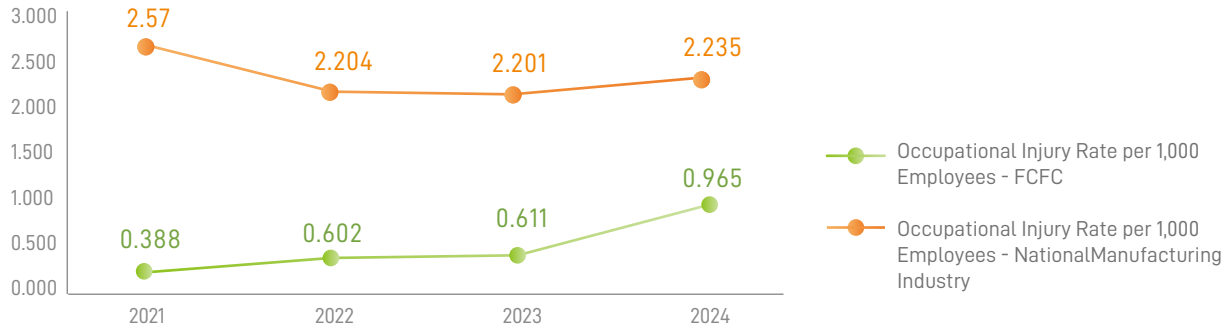
Occupational Disasters Rate (Persons per thousand) from 2022 to 2024

Item	2022	2023	2024
Number of Occupational Disabilities	2	3	4
Occupational Disaster Rate (Persons per Thousand)	0.602	0.611	0.965
Number of Occupational Fatalities	0	0	0
Number of Major Occupational Disasters (Contractors)	0	0	0
Number of Occupational Fatalities (Contractors)	0	0	0
National Occupational Disaster Rate (Persons per Thousand)	2.204	2.201	2.235

2024 Subsidiaries Occupational Disasters Rate (Persons per thousand)

Formosa INEOS Chemicals	Formosa Taffeta	FCFC Carpet
0	9	0
0	8.54	0
0	0	0
0	0	0
0	0	0
2.235	2.235	2.235

Occupational Injury Rate per 1,000 Employees



4.4.5 Contractor and Supplier Management

GRI403-5 GRI403-6 GRI403-7 GRI403-8 GRI403-9

Construction Safety Management for Contractors

1. Regulatory Inspection Management and Routine Construction Management

In addition to complying with the Occupational Safety and Health Act, the contractor must also adhere to the Company's construction safety regulations to ensure the safety of construction personnel. Before commencing construction, it is important to convene a meeting with the contractor to provide an overview of the work environment and to explain the safety precautions that need to be followed on the day of construction. When faced with issues during construction, the supervisor, contractor, and equipment department come together to conduct a collaborative review and implement improvements. After the construction, we invite contractors to participate in an "Abnormal Counseling and Improvement Symposium" to collect and analyze data on the types of abnormalities and deficiencies, develop improvement measures, revise the occupational accident prevention plan, and implement educational training. The management of equipment parking inspections is divided into three stages.

1 Before

- We will gather the factory (department), supervisory department, and contracting parties to provide a report on the primary types of hazards identified during the previous and current inspections.
- Use the "Safety, Health, and Environmental Data Management Platform" to analyze past abnormalities and deficiencies to highlight management priorities during the inspection.

2 During

- Ensure completion of Pre-Startup Safety Review (PSSR) procedures for pre-operation safety checks.
- Assist contractors in jointly reviewing and implementing immediate improvements when abnormalities occur.

3 After

- Invite contractors to attend a post-inspection abnormality counseling and communication meeting to review the causes of abnormalities and incorporate them into the occupational accident prevention plan to prevent recurrences. We conducted 9 meeting sessions in 2024.
- We will document the abnormal records in the "Safety, Health, and Environmental Data Management Platform" and provide guidance and consultation to contractors.

Construction Safety Management for Contractors

Regular Meetings

- Agreement Organizational Meeting
- We conducted 252 sessions in 2024.

Before Entrance

- Pre-entry education and training for businesses
- Toolbox Meeting

After Scheduled Inspections

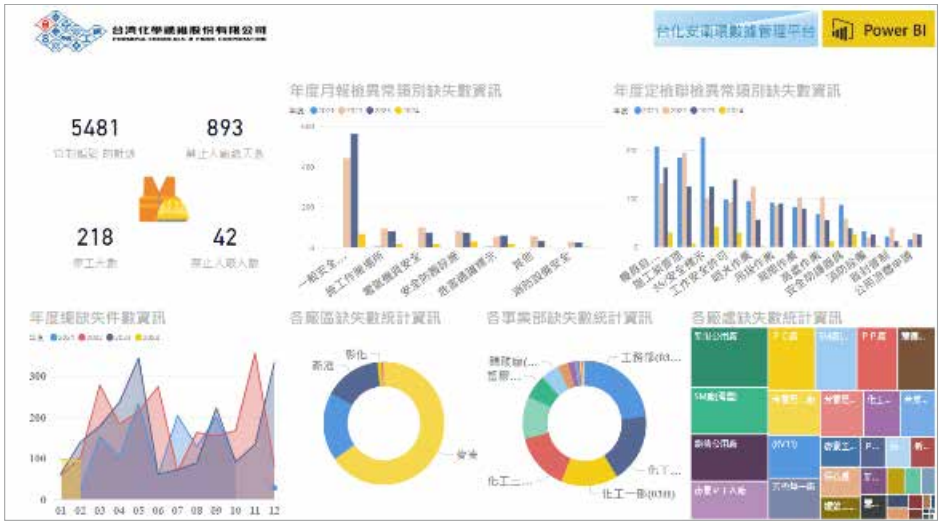
- Abnormal Counseling and Improvement Symposium
- We conducted 14 sessions in 2024.

Daily Operations

- Establish the "Safety, Health, and Environmental Data Management Platform" to collect data.
- Establish "Abnormal Resumes" to guide and assist contractors in improving.
- Establish a contractor LINE group.
- In 2024, the President's Office issued a report indicating that there were 304 deficiencies attributed to responsible vendors, 14 work stoppages, and 13 expulsions from the plant.

2. Safety, Health, and Environmental Data Management Platform

To enable the management of contracts through systematic and data-driven methods, we are transitioning from traditional reconciliation methods to "digital transition." This involves collecting a substantial amount of foundational data, establishing analytical models, and enhancing the application of anomaly detection data. By utilizing a big data database for computational analysis, we will create visual charts to identify management weaknesses and provide recommendations for decision-making. This approach will allow us to adjust regulations or replace unsuitable vendors/personnel in response to identified issues, thereby preventing the recurrence of similar anomalies. Regarding the data obtained from the analysis of the Safety, Health, and Environmental Data Management Platform, the practical application in daily management execution includes: reiteration during toolbox meetings at various plants (departments), reminders prior to on-site construction, and the inclusion of regulated contractors or responsible personnel as key audit subjects in subsequent evaluations, serving as a basis for data management.



Carrier Transportation Safety Management

To enhance transportation safety, in addition to actively participating in the Safety & Quality Assessment System (SQAS) implemented by the Company for transportation carriers, we also incorporate customer-managed transportation safety into SQAS management. We conduct SQAS assessments once a year. Furthermore, we promote vehicle satellite positioning and monitoring management. Monitoring spot checks are carried out on transportation carriers twice a month. We conducted 372 spot checks in 2024 and found no significant abnormalities or deficiencies.

Contractor (Carrier) Reward System

The Company ranks the contractors each year according to their scale and number of personnel. Awards and prizes of NT$160 thousand are awarded by the Company's President to contractors (carriers) with excellent performance, in order to encourage contractors (carriers) to further enhance their safety and health.

Contractor Health Care

The Company considers contractors as part of our workforce and cares for them as if they were a part of the Company. Contractors with more than 50 employees are included in our care system. Following the guidelines of the Occupational Safety and Health Administration's "Workplace Health Service Management System (we-Care)", we conduct a "10-Year Cerebrovascular and Cardiovascular Risk Assessment" to identify and provide care for high-risk cases. After screening and analysis in 2024, 39 high-risk cases were identified, the healthcare management staff reached out to each individual through telephone consultations to provide personalized health guidance.

Contractor Transportation Safety Management

Annual Evaluation

- Promote participation in the Safety & Quality Assessment System (SQAS) for transportation safety assessment.
- A total of 3 companies passed the assessment in 2024.

Daily Operations

- Transport Vehicle GPS Monitoring
- Recorded video footage of driving twice/Random inspection by the dealership
- SWAT Inspection of Each Carrier Driver
- Regular Evaluation of Routes for Transporting Hazardous Materials
- Transportation Department Hazardous Materials Transportation Personnel Training
- Daily Inspection of the Top Ten High-Risk Loading and Unloading Areas
- In 2024, the total amount of violations resulting in deductions was NT$1,911 thousand, while the total amount of speeding fines was NT$7,375

chapter 5

The Value of Social Prosperity

Vision

Adhering to the business philosophy of "take from society and give back to society," we actively participate in various charitable activities for the elderly and children, as well as support the sustainable development of the ecological environment. Our goal is to coexist and prosper with society, and to achieve the vision of social prosperity and sustainable development in ecological balance.

Policy and Commitment

The Company and its affiliates have established several public welfare cultural foundations to realize the business philosophy of "take from society and give back to society." It has provides ongoing support for the preservation of traditional culture and actively participate in promoting local environmental education and volunteer activities. Our goal is to give back to society and contribute to its prosperous development.

5.1 Community Engagement

Changhua Plant

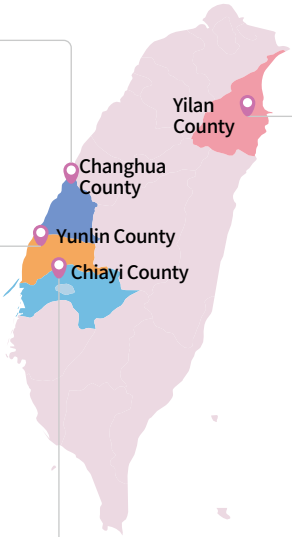
- Promotion of environmental andecological education
- Contribution to communities

Mailiao Plant

- Caring for residents' health
- Improvement in residents' quality of life
- Promotion of environmental and ecological education
- Promotion of local industries
- Contribution to communities

Xingang Plant

- Contribution to communities



Yilan Plant

- Development of Formosa LOHAS Community
- Community Volunteers Activities

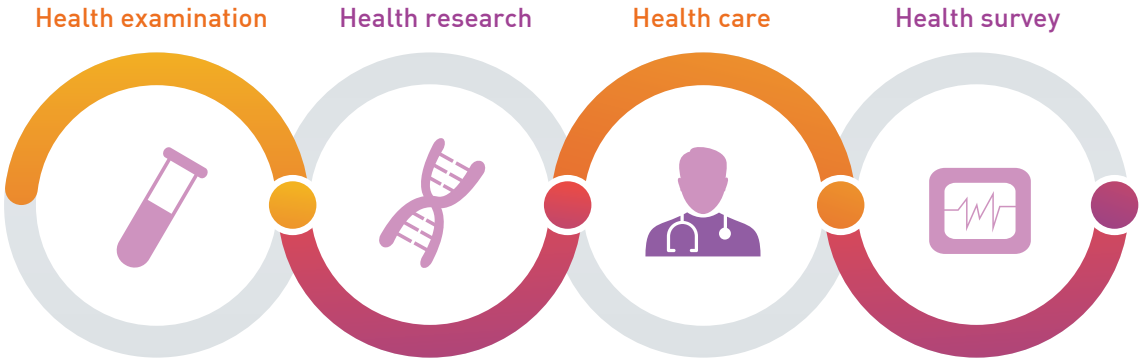
Longde Plant

- Contribution to communities

5.1.1 Care for Community Residents' Health

The Company has being promoted health care due to its close relationship with residents in the operating areas. The Company has implemented health care initiatives for the residents near the Mailiao Plant. For further details, please refer to the "Social Engagement and Shared Prosperity - Community Health Care" section on the FPG official website.

Health Promotion Plan for Residents near the Mailiao Industrial Complex



- Abnormal listed & management
- Increase the return rate
- Diagnosis treatment
- Annual tracking

- Establishment and maintenance of health database
- Health data analysis
- Implementation results sharing

- Medical quality improvement
- Resident health improvement
- Work together with public and private organization

- Resident health trends
- Residents and social health concerns
- Care promotion measures

Child care for community residents

In order to ensure that employees can go to work with peace of mind, in 2000, the "Sun Kindergarten" was established in the family dormitory community of the Chiayi plant to take care of the employees' children and take care of the children's development with comprehensive of physical and mental. The Company expanded child care services and provide preferential access to preschool children age between 2 and 6 in neighboring communities to have a safe growth space.

▲ Lantern festival activities

▲ Halloween activities

5.1.2 Enhancement of the Quality of Life of Community Residents

For the vision and promotion plans of health cares for the nearby communities and neighbors, the Company has applied improvement plans for traffic jams and noises produced by the plants, and others, such as air quality improvement schedules, are all under ongoing and inspected. The inspection operations were carried out on the adjacent roads entering and exiting of the Mailiao Industrial Complex with diesel vehicles, and all of them are qualified. Inspection results over the last three years are indicated below:

Item	Purpose	Practice	Results
Traffic Improvement	Maintain good traffic conditions in communities near the Mailiao Industrial Complex and secure school children's safety on their way to school	Direct the traffic flows near the Mailiao Industrial Complex	Smooth the traffic near the Mailiao Industrial Complex and improve the safety of school children
Noise Management	Manage the noise impact in the manufacturing process of the Mailiao Industrial Complex	Regularly perform noise monitoring operations in nearby areas	The monitoring results show that the operation of the Mailiao Industrial Complex has not had a significant noise impact on the local community.
Air Quality	Maintain air quality in Yunlin County	Diesel vehicles entering and leaving the Mailiao Industrial Complex are required to present the certificated document of exhaust smoke test.	Achievement In 2024, 84 diesel vehicles were intercepted and inspected, all of them qualified

Statistics of Vehicle Inspection Operations in the Mailiao Industrial Complex from 2022 to 2024

Year	Amount of vehicles (A)	Number of intercepted vehicles (B)	Number of examined vehicles (C)	Number of qualified vehicles (D)	Number of passing rate (D/C)
2022	1,341	163	82	82	100%
2023	2,470	212	82	82	100%
2024	2,206	195	84	84	100%

Note 1: Number of amount vehicles checked refers to the amount of diesel vehicles checked in the roadside by the Environmental Protection Administration of Yunlin Province.
Note 2: Number of intercepted vehicles refers to the number of diesel vehicles intercepted in the roadside by the Environmental Protection Administration of Yunlin Province.
Note 3: Number of vehicles inspected refers to the number of diesel vehicles emitting black smoke among the diesel vehicles checked in the roadside inspections.
Note 4: Number of qualified vehicles refers to the number of diesel vehicles inspected and meeting the statutory requirements for exhaust smoke and opacity.

5.1.3 Formosa LOHAS Circle

In recent years, the Company has been actively collaborating with affiliated enterprises in various locations, such as Yilan, Taoyuan, Yunlin, and Kaohsiung, focusing on social engagement and promoting environmental sustainability. Together with local community residents, businesses, and government agencies, we have been jointly promoting the Formosa LOHAS Circle, deeply rooted in environmental conservation and appreciation of local historical and cultural heritage.

Events held in the Formosa LOHAS Circle in 2024

Investment funds for Lohas Circle activities in 2024

80 thousand (actual expenditure)

Investment funds for Lohas Circle activities in 2024

19 events

Number of participants of events hosted at Formosa LOHAS Circle in 2024

3,074 visits

Number of Lohas Circle Event Partners in 2024

18 companies

Yangmei

Features | Promote Organic Cultivation
Food and Agricultural Education
Healing and Stress Relief
Description | Based at the Formosa Yangmei Organic Ecology Farm, we are collaborating with the Leisure Agriculture Development Association, surrounding ranches, and farms to promote agricultural experience activities. The facility has now passed environmental education certification, actively promoting the restoration of native aquatic plants and the creation of handmade trails, while also promoting a series of therapeutic and stress-relief activities.

Taoyuan

Features | Wellness, Healthy Living
Description | The LOHAS Circle is a comprehensive and diverse service platform that integrates health and wellness, elderly care, sports and leisure, shopping, and rural light travel.

Yilan

Features | Ecological and Cultural Industries
Description | In the Longtan Lake area of Yilan, there are scenic lakes, hot springs, natural ecology, rich cultural history, and a cluster of tourist factories. This region is highly suitable for in-depth ecological tourism and the promotion of environmental education, and it actively promotes biological restoration.

Changhua

Features | Family Fun
Circular Economy
Description | Utilizing the space of the Formosa Biomedical Healthy Life Museum, the FCFC Changhua Plant, and the surrounding neighborhoods, we aim to integrate a second-hand toy base to develop a family recreational area and promote plastic recycling.

Yunlin

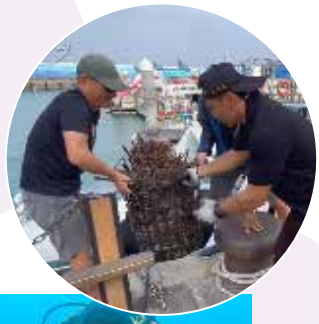
Features | Agricultural Experience
Community Travel Protecting Nature
Description | In addition to the Sixth Naphtha Cracker Industrial Port and Ama Park, visitors can explore agricultural, industrial, and community-based tourism. The experience now extends to the mouth of the Zhuoshui River, where efforts focus on protecting the local ecosystem and promoting environmental education.

Kaohsiung

Features | Industrial Development History and Cultural Creativity
Description | Collaborate with the Wang Brothers Park to establish a venue for industrial heritage, historical architecture, cultural creativity, education, leisure, and artistic activities, based at the FPG Kaohsiung Plant.care, sports and leisure, shopping, and rural light travel.

Formosa Ocean Guardian

Formosa Plastics Group has generously donated a new ship called "Formosa Ocean Guardian" to Liuqiu Ocean Volunteers. This ship will be used for marine cleanup operations, such as removing marine waste and abandoned fishing nets. Additionally, it will be utilized for emergency rescue missions and canoeing protection activities at sea. In 2024, the total number of participants exceeded 427, and a net accumulation of 65 baskets of marine waste was collected.



▲ In the 450th underwater cleanup record, 9 volunteers on the ship and 20 volunteers underwater participated. Despite encountering heavy thunderstorms and poor visibility, a total of 2.5 black baskets of marine debris were removed.

▲ In the 462nd underwater cleanup record, 5 volunteers on the ship and 11 volunteers underwater participated. A total of 2 black baskets of marine debris were removed.

Yilan LOHAS Circle - Longtan Lake Ecological Classroom

Classroom as its base. It established a fixed location on the shores of Longtan Lake to explain ecological information and the beauty of nature to the general public. Yilan Lohas Circle worked closely with the Longtan Community Development Association, related government organizations, and local schools to invest in ecological improvements to trim non-indigenous living being for distoechodon tumirostris and help promote the conservation of the fish through environmental education with a total of 813 visits in the activities in 2024, and as of 2024, there were more 9,642 visits.

In collaboration with the Jiaoxi Family Center, the Toy Base, and the Longtan Community Development Association, we jointly organized the "Environmental Education Mini Market" event to promote the natural ecology of Longtan Lake, as well as concepts related to plastic recycling and environmental protection to the public. The event was attended by 110 participants.

▲ Collaborating with the Jiaoxi Family Center to conduct environmental education activities for families, allowing them to understand the local natural ecology of Longtan Lake, connect with nature, and ultimately cherish the natural environment.

▲ In collaboration with the Wuling Service Station of the Shei-Pa National Park Administration, we organized an event to protect the national treasure fish, focusing on environmental education regarding the national treasure fish, the Cherry Salmon. Additionally, we assisted the service station in the environmental cleanup of the gene pool to provide a suitable habitat for the restoration of the national treasure fish.

▲ In collaboration with the Yilan team led by Li Chia-Han from the Society for Taiwan Amphibian Conservation and the Animal Science Section of the Yilan County Government's Agricultural Department, an educational seminar on the removal of invasive species, specifically the spotted tree frog, was conducted. Additionally, joint efforts were made at Longtan Lake to carry out removal operations and conduct frog surveys.

▲ In collaboration with the Wuling Service Station of the Shei-Pa National Park Administration, we organized an event to protect the national treasure fish, focusing on environmental education regarding the national treasure fish, the Cherry Salmon. Additionally, we assisted the service station in the environmental cleanup of the gene pool to provide a suitable habitat for the restoration of the national treasure fish.

Changhua Leisure Circle - Toy Base

Starting in 2020, the Company has worked with the Taiwan Toy Library Association to establish the "Formosa Toy Base" brand. We established a second hand toy logistics center in the Fuli Building of Changhua plant to recycle toys from the central region. As of 2024, the center has recycled 59,773kg of used toys and has shared the toys with 169 social welfare organizations and disadvantaged family, allowing more children to share this joy and enrich their childhoods. The Toy Base has also developed a comprehensive and inclusive toy curriculum, which includes courses on toy disassembly and reassembly for children. Additionally, they promote the idea of healthy living through healthcare initiatives and provide educational information for the elderly.

Children

Through creative courses involving the disassembly, assembly, and reorganization of toys, we aim to satisfy children's creative thinking while promoting the concept of plastic classification and recycling.

By the end of 2024, a total of

35 sessions

had been conducted, with

200 participants in attendance.

Seniors

The Yunlin Mailiao Farmers' Association Care Center led seniors in a DIY project involving second-hand toys. This hands-on activity aimed to stimulate both their physical and mental faculties, thereby alleviating degeneration.

By the end of 2024, a total of

10 sessions

had been conducted, with

380 participants in attendance.

Changhua LOHAS Circle - Free Buzzard in Mt. Bagua Eagle Appreciation

"2024 Free Buzzard in Mt. Bagua Eagle Appreciation" is celebrating its 31 years in 2024. The Company actively participates in this bird-watching event, which is co-hosted by the Changhua County Government, Nantou Branch of the Forestry and Nature Conservation Agency, Tri-mountain National Scenic Area, Tourism Administration, MOTC. The event is hosted by the Wild Bird Society of Changhua Office. Thank you for assisting in organizing the eagle-watching event and the Company received a Certificate of Appreciation.

▲ The Company assists in organizing eagle appreciation.

▲ Highlights of the 2024 Free Buzzard in Mt. Bagua Eagle Appreciation

5.2 Social Feedback

5.2.1 Social Welfare Donations

In order to implement the concept of the two Founders, the Company actively cooperates with the government and civil society organizations to deeply understand social needs, and care for and assist vulnerable groups. Over the years, the total expenditure of the Company and companies within the group on social welfare undertakings such as education, medical care, and social welfare has reached NT$104.37 billion, and we continue to lend a helping hand to those in need in society.

Social participation includes education, medical care, care for disadvantaged groups, environmental care, elderly care, disaster relief, culture, sports, health research, and local feedback, etc. It is planned by the headquarters of Formosa Plastics Group and promoted and implemented by the companies in the enterprise. For further details, please refer to the "Social Engagement and Shared Prosperity - Community Health Care" section on the FPG official website.

▲ The interesting performance segments of the Apple Theater received enthusiastic responses from the children.

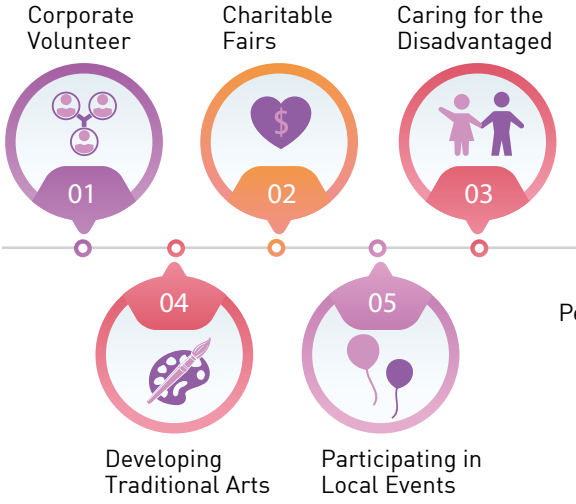
▲ Ming Hwa Yuan delivered a spectacular performance of the opera "The Sword Immortal Lu Dongbin".

5.2.2 Promoting Local Industries

Since the start of construction in 1994 and the official commencement of operations in 1998, the Formosa Mailiao Industrial Complex has upheld the principles of local engagement, coexistence, and sustainable development. It has promoted industry-academia collaboration for industrial upgrading, launched agricultural and fishery support programs to improve the quality of local produce, and contributed to regional economic growth. For further detailed results of regarding industry-academia collaboration promotion, please refer to the "Social Engagement and Shared Prosperity - Community Health Care" section on the FPG official website.

5.2.3 Enhancing Relationships between FCFC Plants and Local Communities

Every year, the Changhua Plant, Longde Plant, and Xingang Plant, and Mailiao Plant hold activities that enhance the relationships between the plants and the local communities. Labor unions, employees, and volunteers all actively participate, while local residents are also invited to take part in these activities. The events help foster closer connections with nearby residents. Furthermore, the corporate volunteers also actively visit and communicate with local caring organizations, participate in local activities, and care for disadvantaged groups. For further details, please refer to the "Social Engagement and Shared Prosperity - Neighbor Relations and Corporate Volunteering" section on the FPG official website.



Corporate Volunteer

Activity	15 events of beach cleaning	20 assistances	25 seminars
Performance	In the 2024 volunteer activities.	500 participants contributed	1,450 hours

▲ Group photo of all volunteers, guests, and community residents prior to the beach cleanup event

▲ Corporate volunteers proactively engage in organizing the environment.

▲ Chiayi County Mental Health Support Association Second-Hand Market Charity Sale

▲ Longde Plant and the Dingliao Community Volunteers Collaborated to Clean Up Trash at Dingliao Beach.

▲ Chiayi Management Office Donates Charitable Funds and Supplies

▲ FCFC Yilan Management Office Donates 100 Sets of New Year Dishes to the Huashan Foundation

Appendix

I. Disclosures Boundary

Material Topics	FCFC (Parent Company)	Formosa Chemicals Industries (Ningbo) Co., Ltd.	Formosa Industries Corporation	Formosa Industries Corporation Formosa Power (Ningbo) Limited Company	Formosa Idemitsu Petrochemical Corp	Formosa INEOS Chemicals Corporation	Formosa FCFC Carpet Inc.
Corporate Governance	●				●	●	●
Energy Management	●	●	●	●	●	●	●
Occupational Health and Industrial Safety	●					●	●
Operating & Financial Performance	●	●	●	●	●	●	●
Operational risk management	●				●	●	●
GHG Emissions Management	●	●	●	●	●	●	●
Water Stewardship	●	●	●	●	●	●	
Waste Resources and Recycling	●						
Air Quality Management	●					●	●
Employee Recruitment and Talent Development	●	●	●	●	●	●	●

Material Topics	Chianan Industrial Co., Ltd.	Formosa Green Power Corporation	Formosa Renewable Energy Corporation	FCFC Investment Corporation (Cayman) Limited	Formosa Chemicals & Fibre (Hong Kong) Co., Ltd.	Formosa Biomedical Technology Group	Formosa Taffeta Group
Corporate Governance							
Energy Management						●	●
Occupational Health and Industrial Safety							●
Operating & Financial Performance	●	●	●	●	●	●	●
Operational risk management							
GHG Emissions Management	●	●	●	●	●	●	●
Water Stewardship						●	●
Waste Resources and Recycling							
Air Quality Management							
Employee Recruitment and Talent Development	●	●	●	●	●	●	●

Note 1: Formosa Biomedical Technology Group: Formosa Biomedical Technology Corporation, Hong Jing Resources Co., Ltd., Formosa Biomedical Material Technology Corporation, Formosa Biomedical Technology (Samoa) Co., Ltd., Formosa Waters Technology Co., Ltd., Formosa Bio & Energy Corp. (Japan), Ivy Life Sciences Co., Ltd., Formosa Eco Life Technology Co., Ltd., Formosa Biomedical Trading (Shanghai) Co., Ltd., totaling 9 companies.

Note 2: Formosa Taffeta Group: Formosa Taffeta Co., Ltd., Formosa Taffeta Vietnam Co., Ltd., Formosa Development Co., Ltd., Formosa Taffeta (Hong Kong) Co., Ltd., Formosa Taffeta (Dong Nai) Co., Ltd., Formosa Taffeta (Changshu) Co., Ltd., Formosa Taffeta (Zhong Shan) Co., Ltd., and Public More International Company Ltd., totaling 8 companies.

II. Global Standards sustainability report disclosure index comparison table

Announcement	FCFC follows GRI Standards to report correspondent contents in 2024.
GRI1	GRI 1: disclosures 2021
Compatible to GRI standards	Inapplicable

GRI 2：General disclosures 2021				
Disclosure Item		Description	Referenced Section	Remark
The organization and its reporting practices	2-1	Organization details	About the report 1.1.1	
	2-2	Entities included in the organization's sustainability reporting	About the report 1.1.1	
	2-3	Reporting period, frequency and contact point	About the report	
	2-4	Restatements of information	1.3.4	The reasons for the reorganization of information in the paragraph have been explained.
	2-5	External assurance	About the report	
Activities and workers	2-6	Activities, value chain and other business relationships	1.3.7	
	2-7	Employees	4.1.2	
	2-8	Workers who are not employees	4.1.2	
Governance	2-9	Governance structure and composition	2.1.1	
	2-10	Nomination and selection of the highest governance body	2.1.1	
	2-11	Chair of the highest governance body	2.1.1	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1.1	
	2-13	Delegation of responsibility for managing impacts	2.1.2	
	2-14	Role of the highest governance body in sustainability reporting	2.1.2	
	2-15	Conflicts of interest	2.1.1	
	2-16	Communication of critical concerns	2.1.1	
	2-17	Collective knowledge of the highest governance body	2.1.1	
	2-18	Evaluation of the performance of the highest governance body	2.1.1	
	2-19	Remuneration policies	2.1.1	
	2-20	Process to determine remuneration	2.1.1	
	2-21	Annual total compensation ratio	4.2.1	

GRI 2：General disclosures 2021				
Disclosure Item		Description	Referenced Section	Remark
Strategies, policies and practices	2-22	Statement on sustainable development strategy	Sustainable development goals From the Management Team	
	2-23	Policy Commitments	2.6.3 4.1	
	2-24	Embedding policy commitments	2.6	
	2-25	Processes to remediate negative impacts	2.5.1	
	2-26	Mechanisms for seeking advice and raising concerns	2.6.3	
	2-27	Compliance with laws and regulations	1.4	
	2-28	Membership associations	2.1.1	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.3.2	
	2-30	Collective bargaining agreements	4.1.1	

Material Topics				
Disclosure Item		Description	Referenced Section	Remark
GRI 3：Material Topics 2021	3-1	Process to determine material topics	1.3.4	
	3-2	List of material topics	1.3.7 Appendix II	
Material Topic: Corporate Governance				
GRI 3：Material Topics 2021	3-3	Management of material topics	2.1	
GRI 205：Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	-	Evaluation 100%
	205-3	Confirmed incidents of corruption and actions taken	2.1.4	
Material Topic: Operational Finance Performance				
GRI 3：Material Topics 20211	3-3	Management of material topics	2.1.5	
GRI 201：Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.1.3	
	201-3	Defined benefit plan obligations and other retirement plans	4.2.1	
GRI 204：Procurement Practices 2016	204-1	Disclosure for procurement ratio form local suppliers	2.6.1	
Material Topic: Operational Risk Management				
GRI 3：Material Topics 2021	3-3	Management of material topics	2.2	

Material Topics				
Disclosure Item		Description	Referenced Section	Remark
Material Topic: Greenhouse Gas Management				
GRI 3：Material Topics 2021	3-3	Management of material topics	3.2.3	
GRI 305：Emission 2016 (Indicator of topic standard)	305-1	Direct (Scope 1) GHG emissions	3.2.3	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2.3	
	305-3	Other indirect (Scope 3) GHG emissions	3.2.3	
	305-4	GHG emissions intensity	3.2.3	
	305-5	Reduction of GHG emission	3.2.2	
Material Topic: Energy Management				
GRI 3：Material Topics 2021	3-3	Management of material topics	3.2	
GRI 302：Energy 2016 (Indicator of topic standard)	302-1	Energy consumption within the organization	3.2.3	
	302-3	Energy intensity	3.2.3	
Material Topic: Water Resource Management				
GRI 3：Material Topics 2021	3-3	Management of material topics	3.3	
GRI 303：Water and effluents water 2018	303-1	Interactions with water as a shared resource	3.3.2	
	303-2	Management of water discharge-related impacts	3.3.3	
	303-3	Water withdrawal	3.3.2	
	303-4	Water discharge	3.3.3	
	303-5	Water consumption	3.3.4	
GRI 304：Biodiversity 2016	304-1	Operating site, leasehold, procession hold by organization, or nearby wild conservation, or valuable areas with variety species	3.3.3	
Material Topics: Air Quality Management				
GRI 3：Material Topics 2021	3-3	Management of material topics	3.4	
GRI 305：Emissions 2016	305-7	NOx、SOx and other significant air emissions	3.4.1	
Material Topics: Waste Resources and Recycling				
GRI 3：Material Topics 2021	3-3	Management of material topics	3.5	
GRI 306：Waste 2020	306-1	Waste generation and significant waste-related impacts	3.5.1	
	306-2	Management of significant waste-related impacts	3.4.1 3.5.1	

Material Topics				
Disclosure Item		Description	Referenced Section	Remark
GRI 306：Waste 2020	306-3	Waste generated	3.4.1 3.5.1	
	306-4	Waste diverted from disposal	3.5.1	
	306-5	Waste directed to disposal	3.5.1	
Material Topics: Employee Recruitment and Talent Development				
GRI 3：Material Topics 2021	3-3	Management of material topics	4.3 4.3.2	
GRI 401：Employment 2016	401-1	New employee and employee turnover	4.1.3	
	401-2	Benefits provided to full-time employees (not including temporary or part-time employees)	4.2.2	
	401-3	Parental leave	4.2.2	
GRI 404：Training and Education 2016	404-1	Average hours of training per year per employee	4.3.2	
	404-2	Programs for upgrading employee skills and transition assistance	4.1.3 4.3.2	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.3.1	
Material Topics: Occupational Health and Industrial Safety				
GRI 3：Material Topics 2021	3-3	Management of material topics	4.4 4.4.3	
GRI 403：Occupational safety and health 2018	403-1	Occupational Safety and Health Management System	4.4.3	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4.3 4.4.4	
	403-3	Occupational health services	4.4.1	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.3	
	403-5	Worker training on occupational health and safety	4.4.3 4.4.5	
	403-6	Promotion of worker health	4.4.1 4.4.5	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.3 4.4.5	
	403-8	Workers covered by an occupational health and safety management system	4.4.3	
	403-9	Work-related injuries	4.4.4	
	403-10	Work-related ill health	4.4.4	

III.I. Sustainability Accounting Standards Board (SASB) Table

FCFC follows standards of SASB in contrast to Refining & Marketing business in Chemicals industry as well as to sustainable issues in 2024.

Disclosure Theme	Greenhouse Gas Emissions					
Index code	Disclosure index		Corresponding disclosure			Disclosure index
			2022	2023	2024	
RT-CH-110a.1	Scope 1 total emissions (Unit: tons CO_2e)	Parent Company	4,698,681	5,143,026	4,913,085	3.2.3 Greenhouse Gas Management
		Subsidiaries	-	-	5,945,152	
	Emissions as a percentage of legal restrictions/coverage of restrictions (Unit: %)		The inventory should be conducted in accordance with the "Management Measures for the Inventory and Registration of Greenhouse Gas Emissions".			
RT-CH-110a.2	Long-term and short-term carbon reduction strategies or plans for Scope 1 greenhouse gas emissions and descriptions of the emission reduction goals and goal attainment		For the carbon reduction goals and strategies, carbon reduction goals have been formulated, with the aim of reducing carbon emissions by 10% by 2025 compared to 2020. The 1% annual reduction in the greenhouse gas reduction plan shall be achieved through production waste reduction and green product development to alleviate and adapt to the impacts of climate change.			

Disclosure Theme	Air Quality				
Index code	Disclosure index	Corresponding disclosure			Disclosure index
		2022	2023	2024	
RT-CH-120a.1	NOx (Unit: metric tons)	1,573.52	1,539.01	1,294.55	3.4.1 Emissions and Prevention
	SOx (Unit: metric tons)	343.44	322.59	296.98	
	Volatile Organic Compounds (VOC) (Unit: metric tons)	605.52	556.91	470.73	
	Hazardous Air Pollutants (HAPs) (Unit: metric tons)	86.82	109.30	100.70	

Disclosure Theme	Energy Management				
Index code	Disclosure index	Corresponding disclosure			Disclosure index
		2022	2023	2024	
RT-CH-130a.1	Total energy consumption (Unit: GJ)	82,137,006	84,778,240	81,022,173	3.2 Greenhouse Gas and Energy Management
	Percentage of power usage from the grid (Unit: %)	73.0	66.9	66.6	
	Percentage of renewable power usage (Unit: %)	0.1382	0.5488	0.6549	
	Total energy of self-generation by FCFC (Unit: GJ)	7,944,198	9,811,246	8,749,778	

Disclosure Theme	Water Management				
Index code	Disclosure index	Corresponding disclosure			Disclosure index
		2022	2023	2024	
RT-CH-140a.1	Total amount of water acquired (Unit: 1000m^3)	28,188.3	25,781.2	26,166.2	3.3 Water Stewardship
	Percentage of water taken from areas with high or extremely high water pressure (Unit: %)	Not applicable to the current scope of disclosure			
	Total amount of water used (Unit: thousand tons)	14,468.6	12,426.1	13,490.7	
	Percentage of water used from areas with high or extremely high water pressure (Unit: %)	Not applicable to the current scope of disclosure			
RT-CH-140a.2	Number of violations related to the water quality permit, water related standards, and relevant laws and regulations (Unit: number of case)	The water pollution related environmental protection violations that occurred in 2022 to 2024 are as follows			3.1 Mitigation and Adaptation to Climate Change
		Year / Violation Category	2022	2023	2024
		Water Pollution	0	1	0
		Soil and Groundwater	0	0	0
RT-CH-140a.3	Describe risk management strategies and actions related to water	Assessment of available water resources and withdrawal risk by using risk matrix ISO 14046 and WRI Aqueduct assessment tool. The Company plans to increase the amount of waste water recycling and seawater desalination equipment to reduce the impact.			3.3 Water Stewardship

Disclosure Theme	Hazardous Waste Management					
Index code	Disclosure index		Corresponding disclosure			Disclosure index
			2022	2023	2024	
RT-CH-150a.1	The total amount of hazardous waste generated (Unit: metric tons)		73	17	23	3.5.1 Waste Management
	Recycling percentage of hazardous waste (Unit: %)		100	100	100	

Disclosure Theme	Community Relations		
Index code	Disclosure index	Corresponding disclosure	Disclosure index
RT-CH-210a.1	Discussion and integration process for managing risks and opportunities associated with community benefits	Community relations teams regularly participate in village or communal gatherings and visit nearby residents to discuss ideas for community development. Caring for residents' health, providing nearby residents with health check-ups. Establish an emergency mobile and village broadcast notification system to deliver information in real-time.	5.1 Community Engagement

Disclosure Theme	Workforce Health & Safety					
Index code	Disclosure index		Corresponding disclosure			Disclosure index
			2022	2023	2024	
RT-CH-320a.1	Recordable injury rate (TRIR) and fatality rate of direct and contracted employees	Injury Rate	0.61	0.61	0.97	4.4.4 Statistics of Occupational Injuries
		Fatality Rate	0	0	0	
RT-CH-320a.2	Measures to assess, monitor, and reduce long-term health risks for contractors and employees exposure.		Testing is conducted every six months to assess the potential chemical or physical hazards in the work environment and their impact on personnel. Operators undergo an annual special health examination. If additional observation is necessary following the examination, they will collaborate with the doctor to conduct a job assessment for suitability.			

Disclosure Theme	Product Design for Use-phase Efficiency		
Index code	Disclosure index	Corresponding disclosure	Disclosure index
RT-CH-410a.1	Revenue from products that can improve resource efficiency during the usage phase (Unit: NT$)	Green product sales reached NT$98 million in 2024.	2.6.2 Overview of Supplier Procurement

Disclosure Theme	Safety & Environmental Stewardship of Chemicals				
Index code	Disclosure index	Corresponding disclosure			Disclosure index
		2022	2023	2024	
RT-CH-410b.1	The product is classified as a health and environmental hazard under the Globally Harmonized System of Classification and Labelling of Chemicals (GHS). The revenue of products containing chemical substances is classified as levels 1 and 2. (Unit: %)	51	55	59.9	
	Percentage of products that have undergone hazard assessment (Unit: %)	100	100	100	3.5.2 Controlled Chemical Substance Management
RT-CH-410b.2	Describe the chemical management strategy	Implemented according to the Occupational Safety Act and Fire Services Act. Establish production methods that comply with environmental sustainability of a circular economy to reduce the impact on the environment			
	Describe the strategy for developing alternative products that reduce human and/or environmental impacts	Establish manufacturing methods of a circular economy			2.3.3 Circular economy - Reuse of recycled products

Disclosure Theme	Genetically Modified Organisms		
Index code	Disclosure index	Corresponding disclosure	Disclosure index
RT-CH-410c.1	Percentage of products containing genetically modified organisms (Unit: % by revenue)	The Company does not produce products containing genetically modified organisms.	-

Disclosure Theme	Management of the Legal & Regulatory Environment		
Index code	Disclosure index	Corresponding disclosure	Disclosure index
RT-CH-530a.1	Explanation of the organization's stance on government regulations and/ or policy proposals concerning environmental and social issues that affect the industry.	The Company formulates various operational policies for its production activities in accordance with legal regulations. These policies are then enhanced with plans that go beyond the regulatory requirements.	1.4 Compliance with Sustainability-Related Regulations

Disclosure Theme	Operational Safety, Emergency Preparedness & Response				
Index code	Disclosure index	Corresponding disclosure			Disclosure index
		2022	2023	2024	
RT-CH-540a.1	Production Safety Incident Count (PSIC)	1	1	0	4.4 Healthy and Safe Working Environment
	Production Safety Incident Rate (PSTIR)	0.008	0.009	0	
	Production Safety Incident Severity Rate (PSISR)	0	9.363	0	
RT-CH-540a.2	Transportation incident (accident)	1	1	0	

IV. Methods for the Preparation and Application of Corporate Social Responsibility Reports by Listed Companies

Particular Industry Disclosure Index-Plastic Industry

Item	Indicator Items	Indicator Category	Disclosure		Unit	Remark
1	Total energy consumption	Quantity	81,022,173		GJ	
	Percentage of power usage from the grid	Quantity	66.6		Percentage %	
	Percentage of renewable power usage	Quantity	0.6549		Percentage %	
	Total energy of self-generation-self-use (Note 1)	Quantity	70.3		GJ	
2	Total amount of water acquired	Quantity	26,166.2		1,000m³	
	Total amount of water used	Quantity	13,490.7		1,000m³	
3	The total amount of hazardous waste generated	Quantity	23		ton	
	Recycling percentage of hazardous waste	Quantity	100		Percentage %	
4	Number of people involved in occupational disasters	Quantity	4		Number of persons	
	Percentage of occupational disasters	Quantity	0.1		Percentage %	
5	Sales volume of plastic products based on category (Note 2)	Quantity	ABS	278,953	ton	
			PS	285,761		
			PP	335,619		
			PC	133,828		

Note 1: The definition of total energy of self-generation-self-use is based on Renewable Energy Development Act, Implementation Regulations Governing Renewable Energy Certificates and other relevant subsidiary act.
Note 2: Sales volume of plastic products produced in Taiwan plants that include ABS、PS、PP and PC. Detail information see website of FCFC.

Climate-Related Information of Listed and OTC Companies

<table>
<tr><th colspan="2">Climate-Related Information Implementation Project</th><th>Implementation</th><th>Section Comparison</th></tr>
<tr><td>1</td><td>Supervision and Governance of Climate-Related Risks and Opportunities by the Board of Directors and Management</td><td>FCFC believes that issues related to Environmental, Social, and Governance (ESG) are fundamental to sustainable business development. On May 6, 2022, the Board of Directors approved the establishment of a Sustainability Committee to enhance the Board's supervisory responsibilities regarding sustainable matters, such as responding to climate change. The Sustainable Development Committee is chaired by the Chairman of the Board, with the President serving as the Vice Chair. The Committee is responsible for formulating corporate sustainability strategies, overseeing related performance, and implementing initiatives for environmental protection, fulfilling social responsibilities, and executing risk management.
Climate-related issues are a particular focus of the corporate ESG framework. Therefore, the Company has established a TCFD taskforce under the Sustainable Development Committee, responsible for consolidating the risks and opportunities identified by various units, along with corresponding action plans. The progress of the response initiatives is monitored through monthly "Energy Conservation and Emission Reduction Circular Economy Conference" and "ESG Promotion Meetings", with results reported to the Sustainable Development Committee. Subsequently, the Sustainable Development Committee shall report to the Board of Directors at least once every six months, with the Chairman serving as the highest manager to oversee issues and matters related to climate change.
Board of Directors: Oversee the Company's climate change management performance, convening quarterly.
Sustainable Development Committee: The strategy and goal decision-making for climate change management is held biannually to discuss the Company's sustainable development policies and implementation guidelines.</td><td>2.1.2</td></tr>
<tr><td>2</td><td>Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, and long-term).</td><td>The method for identifying climate change risks is based on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), published in June 2017. When formulating risk scenarios, both transition risks (including policy and legal, market, technological, and reputational risks) and physical risks (chronic and acute) are taken into account. Additionally, a risk assessment is conducted for potential events, which includes an evaluation of the financial impact, the timing of the impact (short, medium, long term), the entities within the value chain that may be affected, and the likelihood of the risks occurring. When formulating opportunity scenarios, considerations include resource efficiency, energy, products and services, market conditions, and adaptability. Additionally, potential events should be described in terms of opportunities, including the extent of financial impact, duration of impact (short, medium, long), affected entities within the value chain, and the likelihood of the opportunities. When identifying and assessing climate-related risks,
The Company defines a financial impact exceeding NT$1 million as a material impact. Based on the comprehensive results of the risk and opportunity matrix, the risks and opportunities are classified as follows: 1. 15-25 points: High risk, priority should be given to developing corresponding response strategies. 2. 6-14 points: Medium risk, no immediate action is required; continuous monitoring is advised. 3. 1-5 points: Low risk, acceptable risk level.
<table>
<tr><th colspan="4">Risk/Opportunity Issue List</th></tr>
<tr><th>Issue Number</th><th>Risk/Opportunity Issue</th><th>Description</th><th>Degree of Impact (High Medium Low)</th></tr>
<tr><td>1</td><td>Risk/Policy and Regulation Carbon Fee Collection</td><td>The government plans to collect carbon fees in 2025 to respond to climate change.</td><td>Medium</td></tr>
<tr><td>2</td><td>Risk/Policy and Regulation Imposing a "water consumption fee"</td><td>The government announced the amendment to the Water Act in February 2023, imposing a "water consumption fee" on high-volume water users.</td><td>Low</td></tr>
</table>
</td><td>3.1.3</td></tr>
</table>

Risk/Opportunity Issue List			
Issue Number	Risk/Opportunity Issue	Description	Degree of Impact (High Medium Low)
3	Risk/Policy and Regulation Carbon Border Tax	Starting in 2027, the European Union will fully implement the "Carbon Border Adjustment Mechanism," which initially regulates the direct carbon emissions of five major industrial products: electricity, cement, chemical fertilizers, steel, and aluminum. This mechanism involves imposing a carbon fee on these products.	Medium
4	Risk/Technology and Techniques Potential impacts on high carbon emission products	Customers' increased awareness of green consumption and growing demands for sustainable development products have led to increased requirements. Consequently, considering the product life cycle and value chain, high-carbon products may adversely impact the Company.	Low
5	Risk/Business Reputation Reputation Causing Negative Impact	Financial or investment institutions evaluate clients' performance in ESG when assessing financing or investment opportunities. Meeting ESG sustainability requirements has a positive impact on the Company.	Low
6	Physical Risk/ Acute Flooding in the plant site due to strong winds or typhoons	Considering the impacts of climate anomalies such as strong winds or typhoons, the factory premises must have a designated safe parking area to prevent manufacturing process hazards. Similarly, in heavy rainfall or floods, the factory premises may need to halt operations due to waterlogging, leading to the risk of downtime losses.	Low
7	Physical Risk/ Chronic Water Shortage or Drought	Based on the data from 1986 to 2005 as the baseline, it is estimated that in the near future (2016 to 2035), the climate conditions in the factory area will experience two months each year of water scarcity or drought. Because of that, there is a risk of revenue losses.	Medium
8	Opportunity/ Technology Use of recycled materials in products	Develop low-carbon products by recycling raw materials and reprocessing marine waste collected from end customers into new products, thereby reducing production costs and promoting sustainable resource use.	Medium

Climate-Related Information Implementation Project		Implementation	Section Comparison

Risk/Opportunity Issue List

Issue Number	Risk/Opportunity Issue	Description	Degree of Impact (High Medium Low)
9	Opportunity/ Resource Efficiency Customers demand low-carbon products	Brand clients require that the Company's products contain PCR (Post-consumer recycled materials). The Company is technologically advanced and can prioritize the provision of such products, thereby increasing revenue.	Medium
10	Opportunity/ Resource Efficiency Low-carbon fuels or renewable energy	The Company has established renewable energy systems, such as solar and hydroelectric power, in compliance with the requirements of the "Renewable Energy Development Act." Reduce energy consumption and lower production costs.	Medium
11	Opportunity/ Technology Diverse Applications of Products	Driven by the growing demand for renewable energy, the company's products are applied in renewable energy equipment. Aligned with policies promoting green energy and energy storage infrastructure, these applications create new business opportunities and help boost revenue.	Medium

3	Describe the financial impacts of extreme weather events and transition actions.	1. Extreme Weather Events: According to the Company's contingency measures for water shortages at the Mailiao Plant, if a 10% water restriction is imposed, the Company plans to respond by reducing the PTA plant's capacity to 80% and the PC plant's capacity to 90%. Assuming a potential 10% water restriction lasting for four months in the future, it is estimated that the impact on the Company's revenue would be approximately NT$1.29 billion. Additionally, the impact of extreme weather conditions has led to heavy rainfall and flooding, resulting in an estimated loss of business revenue due to flooding-related shutdowns amounting to NT$595 million/day, based on the revenue figures for 2024. 2. Transition Action: In response to the global trend of carbon reduction, the Company has launched related carbon reduction products, which are expected to enhance revenue. For instance, the Plastics Division anticipates annual sales of Post-Consumer Recycled (PCR) products to reach approximately NT$500 million. Furthermore, by 2025, the market opportunity for plastic materials in solar line troughs, energy storage cabinets, and charging stations is estimated to be around NT$580 million. Additionally, products made from recycled marine waste converted into nylon fiber are projected to generate an annual profit of approximately NT$380 million. Additionally, solar and hydropower renewable energy sources will be established, with an estimated photovoltaic capacity of 38,798 kWp and a hydropower capacity of 23,433 kW, resulting in an estimated benefit of NT$290 million/year.	3.1.3
4	Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	The Company identifies, assesses, and manages climate-related risk processes: background data collection, risk and operational assessment scope, risk and operational impact analysis, control measures and target setting, and review optimization. Each function group annually identifies and defines an environmental risk and opportunity inventory. The inventory specifies a designated risk owner for each individual risk category, who must systematically collect information related to the risks. The risks and opportunities assessed to have an impact duration of less than 10 years are directly incorporated into the aforementioned periodic goal planning procedures for	3.1.3

<table>
<tr><th colspan="2">Climate-Related Information Implementation Project</th><th>Implementation</th><th>Section Comparison</th></tr>
<tr><td></td><td></td><td>the formulation of response strategies. Risks and opportunities assessed to have an impact duration of more than 10 years will be reported by the Chairman to the Board of Directors during the annual management meeting, and special response strategies will be formulated. The Transition & Development Project Team is responsible for tracking the progress of response plans through the "Monthly Energy Conservation and Emission Reduction Circular Economy Meeting."
Focusing on the risk management, the level of impact from rapidly-changing internal and external environments on corporate operations is gradually increasing, and every change presents a certain risk to the corporate. Therefore, the Company's goal is to minimize the level of impact from each risk. Deficiencies in risk management can be reported to the Comany's Audit Office, Independent Directors, or the Board of Directors. Each department with risks will self-evaluate the effectiveness of risk identification and mitigation, while the Company will also conduct performance evaluation and coaching over departments with risks.</td><td></td></tr>
<tr><td>5</td><td>When assessing resilience to climate change risks using scenario analysis, it is crucial to provide a clear explanation of the scenario, parameters, assumptions, analysis factors, and significant financial impacts.</td><td>The Company, in accordance with the TCFD recommended guidelines, will incorporate the analysis results into the strategy resilience assessment by utilizing the most severe scenarios faced by the two types of risks: transition and physical (The Worst-case Scenario).
In reference to the transformation risks outlined in the IEA WEO 450 Scenario (2016) and the Nationally Determined Contribution (NDC) targets established by the locations of various manufacturing sites, Taiwan set a target in its 2015 "Nationally Determined Expected Contribution" report to reduce greenhouse gas emissions by 50% by 2050, based on the Business as Usual (BAU) scenario projected under current development trends. In this context, the power generation structure for the year 2025 is projected to be 20% renewable energy, 30% coal, and 50% natural gas. After incorporating the above relevant scenarios, analyze the future impacts on the Company in terms of market, technology, reputation, finance, and operations.
The analysis of physical risks references the World Bank (Climate Change Knowledge Portal), the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), and the National Center for Disaster Prevention and Response Technology. It estimates the scenarios of RCP2.6, RCP4.5, and RCP8.5 to analyze the conditions of temperature rise, precipitation, flooding, and drought from 2020 to 2040, and assesses their impacts.</td><td>3.1.3</td></tr>
<tr><td>6</td><td>If there is a transformation plan to address climate-related risks, describe its contents, including indicators and objectives used to identify and manage physical risks and transition risks.</td><td>The Company promotes the management of climate change risks and opportunities through five major strategies, establishing indicators and goals in the areas of energy conservation improvement, energy transition, circular economy, other measures, and participation in climate initiatives.
<table>
<tr><th>Strategy</th><th>Indicator Items</th><th>Objective</th></tr>
<tr><td>Energy conservation improvement</td><td>Reduce energy consumption and enhance efficiency, thereby decreasing greenhouse gas emissions.</td><td>The target reduction in carbon emissions for the improvement plan to be completed in 2025 is 311.0 thousand tons/year.</td></tr>
<tr><td rowspan="3">Energy Transition</td><td>Reduction of coal consumption in coal-fired boilers to decrease greenhouse gas emissions.</td><td>The target for 2030 is to reduce carbon emissions by 813 thousand tons compared to the levels in 2020.</td></tr>
<tr><td>Converting oil boilers to gas</td><td>A total of 29 improvements will be completed by 2025.</td></tr>
<tr><td>Establish renewable energy generation equipment</td><td>By the end of 2030, the goal is to install solar power generation capacity of 49,798 kWp and hydropower generation capacity of 23,453 kW.</td></tr>
</table></td><td>3.1.3</td></tr>
</table>

Climate-Related Information Implementation Project		Implementation	Section Comparison
6		<table><tr><th>Strategy</th><th>Indicator Items</th><th>Objective</th></tr><tr><td rowspan="5">Circular Economy</td><td>CO_2 Recycling and Reuse Improvement Project</td><td>The target for CO_2 recovery in 2026 is 9,400 tons per year.</td></tr><tr><td>Waste seawater recycling and reuse</td><td>The target sales volume for 2026 is 15,000 tons/year, accounting for 30% of the total sales volume.</td></tr><tr><td>Waste plastic recycling and reuse</td><td>The target sales volume for 2026 is 16,000 tons/year, accounting for 2.1% of the total sales volume of expansible polystyrene.</td></tr><tr><td>Eco-friendly yarn products</td><td>The target sales volume for 2026 is 6,209 tons/year, accounting for 13.2% of the total sales volume.</td></tr><tr><td>VOC Recovery from Storage Tanks</td><td>An estimated reduction of 114 tons in emissions is projected for the year 2025.</td></tr><tr><td rowspan="2">Other measures</td><td>Paperless office</td><td>The carbon reduction target for 2025 is 198 tons/year.</td></tr><tr><td>Pre-dyed yarn</td><td>The sales target for 2025 is 7,140 tons/year.</td></tr><tr><td rowspan="2">Participate in the climate initiative</td><td>CDP Climate Change</td><td>Above Leadership Level</td></tr><tr><td>CDP water management</td><td>Above Leadership Level</td></tr></table> To ensure that stakeholders can fully understand the efforts and achievements of the Company in promoting energy conservation, emission reduction, and the circular economy, as well as its capabilities in managing the physical and transition risks and opportunities associated with climate change adaptation, the Company prepares a report based on the TCFD framework, which is updated and published annually on the company website. The 2023 edition was released in August 2024, detailing the relevant management indicators and targets for entity risks and transition risks.	
7	If internal carbon pricing is used as a planning tool, the basis for determining the price should be explained.	To enhance the awareness of greenhouse gas emissions among various plants and to strengthen the implementation of carbon reduction efforts, starting from the year 2022, the Company has promoted Internal Carbon Pricing (ICP). Through the greenhouse gas calculation system developed by the Company, the carbon emission costs (including costs for exceeding carbon limits) will be incorporated into the monthly operational performance calculations, thereby deepening the efforts of each plant in reducing greenhouse gas emissions. At the same time, in order to promote carbon reduction in the supply chain, a "Equipment Selection Analysis Form" has been established for the procurement of high carbon-emitting equipment. The requesting department is required to estimate the carbon emissions of the equipment to be procured and to incorporate the carbon cost into the procurement evaluation criteria.	3.2.1
8		1. The Company's carbon emissions decreased from a peak of 12.23 million tons in 2010 (Scope 1 and Scope 2 external electricity sales) to 8.54 million tons in 2020, a reduction of 3.69 million tons, or 30.2%. In 2023, emissions further declined to 8.156 million tons, achieving a reduction of 33.3%. 2. The short-term (2025) and medium-term (2030) goals are to reduce carbon emissions by 10% and 25%, respectively, compared to the baseline year (2020). The long-term objective is to achieve carbon neutrality by 2050.	

<table>
<tr><th>Climate-Related Information Implementation Project</th><th></th><th>Implementation</th><th>Section Comparison</th></tr>
<tr><td>8</td><td>If climate-related targets are set, provide details on the activities covered, the scope of GHG emissions, planned timelines, annual progress towards achievement, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, specify the sources and quantities of carbon offsets or the number of RECs used.</td><td>3. The Company's short-term goal for 2025 is to reduce carbon emissions by 10% compared to the baseline year 2020, which requires a reduction of 850 thousand tons. The planned carbon reduction measures have already achieved a reduction of 1,268,000 tons, as shown in the table below.
<table>
<tr><th>Carbon Reduction Plan</th><th>Estimated Carbon Reduction (10,000 tons/year)</th><th>Description</th></tr>
<tr><td>Transitioning from coal to low (zero) carbon energy</td><td>43.1</td><td>Reduction of coal consumption in coal-fired boilers
Converting oil boilers to gas</td></tr>
<tr><td>Continuously promote energy conservation, carbon reduction, and circular economy</td><td>78.0</td><td>• Process improvement and energy conservation
• Continuously utilize AI, simulation, and digital transition technologies to promote process intelligence.
• Low-level energy recovery and upgrading</td></tr>
<tr><td>Establish renewable energy</td><td>4.0</td><td>Solar power generation, hydropower generation</td></tr>
<tr><td>Research and implement other feasible carbon reduction measures.</td><td>1.7</td><td>• Development of high-concentration CO_2 reduction processes
• Research on emission reduction technologies in manufacturing processes</td></tr>
<tr><td>Total</td><td>126.8</td><td></td></tr>
</table>
4. The mid-term goal for 2030 is to reduce carbon emissions by 25% compared to the baseline year 2020, which requires a reduction of 2.13 million tons. The carbon reduction plan from years 2026 to 2030 is projected to achieve a total reduction of 877,000 tons, as shown in the table below. Cumulatively, the total carbon reduction plan by year 2030 is expected to amount to 2.145 million tons.
<table>
<tr><th>Carbon Reduction Plan</th><th>Estimated Carbon Reduction (10,000 tons/year)</th><th>Description</th></tr>
<tr><td>Transitioning from coal to low (zero) carbon energy</td><td>63.3</td><td>Reduction of coal consumption in coal-fired boilers
Converting oil boilers to gas</td></tr>
<tr><td>Continuously promote energy conservation, carbon reduction, and circular economy</td><td>18.5</td><td>• Process improvement and energy conservation
• Continuously utilize AI, simulation, and digital transition technologies to promote process intelligence.
• Low-level energy recovery and upgrading</td></tr>
<tr><td>Establish renewable energy</td><td>5.5</td><td>Solar power generation, hydropower generation</td></tr>
<tr><td>Research and implement other feasible carbon reduction measures.</td><td>0.4</td><td>• Development of high-concentration CO_2 reduction processes
• Research on emission reduction technologies in manufacturing processes</td></tr>
<tr><td>Total</td><td>87.7</td><td></td></tr>
</table></td><td>3.2.1</td></tr>
</table>

<table>
<tr><th>Climate-Related Information Implementation Project</th><th>Implementation</th><th>Section Comparison</th></tr>
<tr><td></td><td></td><td>5. The long-term (2050) goal is carbon neutrality, and the carbon reduction plan is outlined in the table below.
<table><tr><th>Carbon Reduction Plan</th><th>Estimated Carbon Reduction (10,000 tons/year)</th><th>Description</th></tr><tr><td>Actively seek low- or zero-carbon energy transition</td><td>415.6</td><td>• Explore zero-carbon fuels such as hydrogen, ammonia, biomass energy, and carbon-neutral natural gas, as well as research carbon capture, utilization, and storage (CCUS) technologies.</td></tr><tr><td>Continuously promote energy conservation, carbon reduction, and circular economy</td><td>140.7</td><td>Introduce new carbon reduction technologies in manufacturing processes and continue to leverage AI, simulation, and digital transformation to promote intelligent processes, low-grade energy recovery, and advanced energy utilization.</td></tr><tr><td>Establish renewable energy</td><td>16.6</td><td>Solar power generation, wind power generation hydropower generation</td></tr><tr><td>Research and implement other feasible carbon reduction measures.</td><td>66.5</td><td>• Development of high-concentration CO_2 reduction processes
• Research on emission reduction technologies in manufacturing processes</td></tr><tr><td>Total</td><td>639.4</td><td></td></tr></table></td><td></td></tr>
<tr><td>9</td><td>Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans (to be filled in Section 1-1)</td><td>1. The Company has conducted greenhouse gas inventories since 2005 and has commissioned external organizations (such as SGS and BSI) for verification, and has reported emissions to the Ministry of the Environment in accordance with the law.
2. The Company demonstrates its commitment to carbon reduction by publicly announcing its short, medium, and long-term goals. Additionally, it submits its carbon management disclosures to the international CDP (Carbon Disclosure Project) organization each year. In 2024, it achieved a "Leadership Level" rating.
3. To confirm the effectiveness of carbon reduction, the Company has established a target to limit the increase in temperature to no more than 2°C . The Company has submitted a certification request to the international Science Based Targets initiative (SBTi) and has received approval. The objective is to achieve an average annual reduction of 2.5% in Scope 1 and Scope 2 emissions over a period of 5 to 15 years. (Note: The statistical scope includes FCFC, Formosa INEOS Chemicals Corporation, and Formosa Power (Ningbo) Limited Company)</td><td>Please refer to the table below</td></tr>
</table>

1-1 Inventory and verification of GHG for the most recent two years

1-1-1 Greenhouse gas inventory information

Unit: tons CO_2e

Year	Company		Total emissions (tons CO_2e)	Intensity (tons CO_2e / NT$ millions)	Scope of Data
2023	FCFC (Parent Company)	Scope 1	5,126,822	37.6698	Covers all plant sites in Taiwan, excluding the Taipei office.
		Scope 2	2,896,091		
		Subtotal	8,022,913		
	Formosa INEOS Chemicals Corporation	Scope 1	16,204	29.8241	Covers all plant sites in Taiwan, excluding the Taipei office.
		Scope 2	119,983		
		Subtotal	136,187		
2024	FCFC (Parent Company)	Scope 1	4,913,085	35.4771	Covers all plant sites in Taiwan, excluding the Taipei office.
		Scope 2	2,806,409		
		Subtotal	7,719,494		
	Subsidiaries	Scope 1	5,945,152	48.4780	Covering all plant sites of the subsidiary
		Scope 2	406,266		
		Subtotal	6,351,418		

Note 1: GHG emission factors used in the GHG inventory are quoted from the Greenhouse Gas Emission Factor Table Version 6.0.4 (updated on January 17, 2018) published by the Environmental Protection Administration, Executive Yuan. The inventory is location-based.
Note 2: Calculations are based on the Global Warming Trends data from Intergovernmental Panel on Climate Change's Fifth Evaluation Report published in 2013.
Note 3: The data of the greenhouse gas inventory report comes from Formosa Plastics Group.
Note 4: For the method of consolidating the scope of greenhouse gas inventory, the Company adopts the control right method when defining the organizational boundary, except that it needs to change the boundary defined by the "equity holding method" due to special conditions.
Note 5: The Scope 1 and Scope 2 gas inventory of FCFC includes carbon dioxide, methane, nitrous oxide, hydrofluorocarbon, perfluorocarbon, sulfur hexafluoride, and nitrogen trifluoride.
Note 6: In 2024, subsidiaries refer to all companies, other than the parent company, over which the Company has substantive control, as included in the Company's financial reporting entities.

1-1-2. Greenhouse gas verification information

Year	Verification scope	Verification institution	Verification principles	Verification opinion
2023	FCFC (Parent Company)	SGS Taiwan Limited (SGS)	Implementation of the requirements of ISO 14064-3:2019 for the verification of direct and indirect greenhouse gas emissions	The total Scope 1 and Scope 2 greenhouse gas emissions amounted to 8,022,913 tons of CO_2e. The verification opinion is a reasonable assurance
	Formosa INEOS Chemicals Corporation	BSI Group Singapore Pte. Ltd. Taiwan Branch (BSI)	In accordance with the implementation of the requirements of ISO 14064-3:2019 for the verification of direct and indirect greenhouse gas emissions	The total Scope 1 and Scope 2 greenhouse gas emissions amounted to 136,187 tons of CO_2e. The verification opinion is a reasonable assurance
2024	FCFC (Parent Company)	SGS Taiwan Limited (SGS)	In accordance with the implementation of the requirements of ISO 14064-3:2019 for the verification of direct and indirect greenhouse gas emissions	The total Scope 1 and Scope 2 greenhouse gas emissions amounted to 7,719,494 tons of CO_2e. The verification opinion is a reasonable assurance

1-2 Greenhouse gas, reduction goals, strategies, and specific action plans

Greenhouse gas reduction base year and reduction targets	To plan greenhouse gas reduction strategies, FCFC has established the year 2020 as the baseline year, with Scope 1 and Scope 2 emissions amounting to 5,260,584 tons CO_2e and 3,279,303 tons CO_2e, respectively. The company aims to achieve a 10% reduction by 2025 and a 25% reduction by 2030 compared to the baseline year through the following specific actions.
Greenhouse gas, reduction strategies, and specific action plans	Please refer to 3.1 Mitigation and Adaptation to Climate Change
Reduction target achievement	Please refer to 3.1 Mitigation and Adaptation to Climate Change and 3.2 GHG Emission and Energy Use Management

V. Independent Assurance Opinion Statement

INDEPENDENT ASSURANCE OPINION STATEMENT

Formosa Chemicals & Fibre Corporation 2024 Sustainability Report

The British Standards Institution is independent to Formosa Chemicals & Fibre Corporation (hereafter referred to as FCFC in this statement) and has no financial interest in the operation of FCFC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of FCFC only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by FCFC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to FCFC only.

Scope

The scope of engagement agreed upon with FCFC includes the followings:

1. The assurance scope is consistent with the description of Formosa Chemicals & Fibre Corporation 2024 Sustainability Report.
2. The evaluation of the nature and extent of the FCFC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Formosa Chemicals & Fibre Corporation 2024 Sustainability Report provides a fair view of the FCFC sustainability programmes and performances during 2024. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the FCFC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate FCFC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurors in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that FCFC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to FCFC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 4 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that FCFC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the FCFC's inclusivity issues.

Materiality

FCFC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of FCFC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the FCFC's management and performance. In our professional opinion the report covers the FCFC's material issues.

Responsiveness

FCFC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for FCFC is developed and continually provides the opportunity to further enhance FCFC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the FCFC's responsiveness issues.

Impact

FCFC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. FCFC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the FCFC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

FCFC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the FCFC's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The sustainability report is the responsibility of the FCFC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

AA1000
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000-4/V3-UYFD3

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

...making excellence a habit.™

Statement No: SRA-TW-802838

2025-04-18

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