



Formosa Chemicals &
Fibre Corporation
2020
ESG INSIGHT REPORT



1

Environmental

2020 Achievement Rate

2020 Goals		2020 Achievement Rate	
Mailiao Plant			
Energy intensity	Unit (energy) reduce by 3% Base year 2017	Reduced by 8.8%	✓
Energy savings	2015-2024 energy savings of average above 1% per year	2015-2020 energy savings per year averaged 1.56%	✓
Water usage	Reduce by 2% Base year 2018	Reduced by 8.2%	✓
GHG	2018-2022 reduce by 4.1%	2018-2022 Reduce by 7.41%	✓
All Plants			
Water usage recycling rate	Above 80%	Above 90% for all 4 locations	✓
GHG	Reduce 20% by 2030 (Scope 1+2) Base year 2005	GHG emissions reduced by 11.25%	✓
Carbon intensity	Reduce 9% metric tons CO ₂ e per metric ton of product by 2020 Base year 2017	Reduced by 9.3%	✓
Waste	Reduce by 1%	Reduced by 0.18%	✓

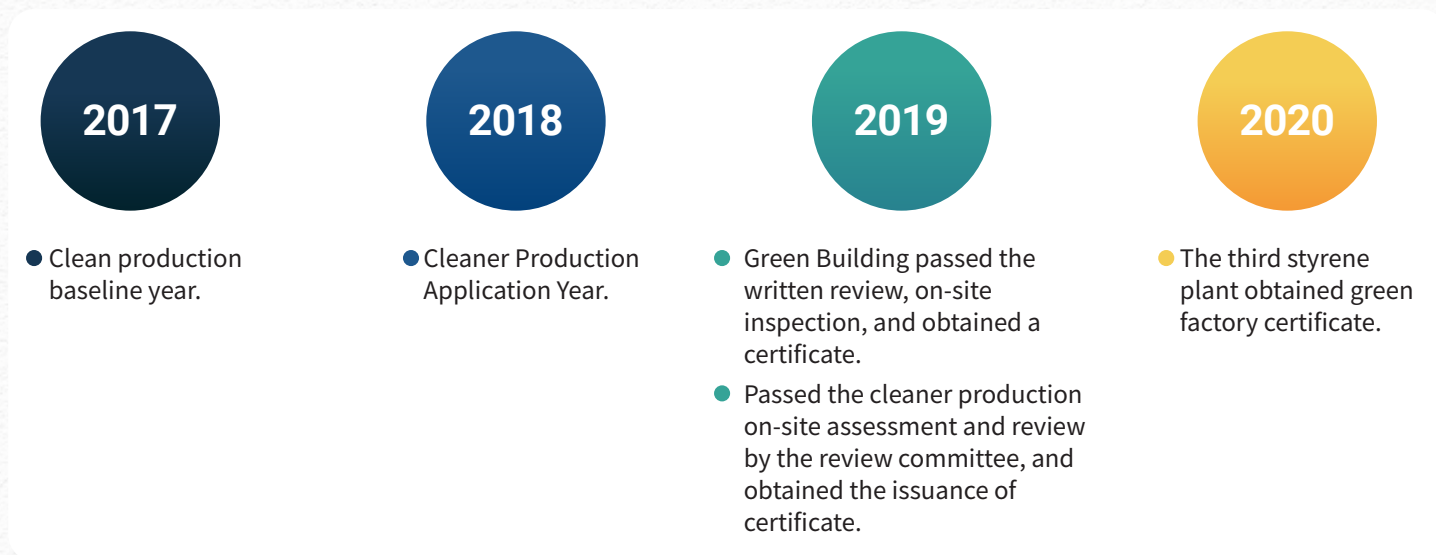
Certifications

Certification	Location	Verification Authority	Valid Till
ISO 14001	Mailiao, Xingang, Longde	SGS	2018/09~2021/09
ISO 14064-1	Mailiao	BSI	Current Year
	Changhua, Chiayi Xingang, Yilan Longde	SGS	
ISO 14067	2018: Yilan Longde, Chiayi Xingang 6 products	SGS	2018/10~2020/10
	2019: Mailiao 19 products	BSI	2019/01~2021/01
	2020: 2 products (PC & PP)	SGS	PC:2020/11/27 PP:2020/12/15

Green Factory Certification

The third styrene plant in Mailiao Industrial Complex applied for green factory certification

The Company actively promotes the certification of green factories. The third styrene plant in Mailiao Industrial Complex has obtained the Green Building Labeling and the Cleaner Production Evaluation System Certificate in August 2019 and September 2019, respectively. In November 2019, it applied to the Industrial Development Bureau for the Green Factory Label. After review and approval, it became effective in January 1, 2020. The promotion process is as follows:



Environmental Metrics

	Unit	2017	2018	2019	2020
Production Output	NTD Billion	240.9	280.6	203.7	164.2
Major Emission Sources Energy Consumption	GJ	94,756,328	99,533,357	85,528,261	87,902,048
Internally purchased electrical power	GJ	6,360,125	6,623,514	5,867,060	6,248,653
Coal Combustion	GJ	35,633,208	38,316,737	36,808,427	35,204,701
Fuel Oil	GJ	2,817,965	2,936,130	2,893,888	2,188,287
Gas	GJ	30,263,209	31,284,709	22,609,164	27,076,923
Externally purchased electrical power	GJ	465,115	454,567	313,942	284,327
Internally Purchased Steam	GJ	19,216,706	19,917,700	17,035,780	16,899,156
Self-Generated Energy	GJ	9,697,596	10,258,611	10,110,362	9,943,675
Green Energy Production (JV)	GJ	265,301	233,257	236,358	236,035

	Unit	2017	2018	2019	2020
Energy Intensity	KJ/ NTD	393	354	419	535
Hydroelectricity sold to Taiwan Power Company	kWh	73,674,606	64,443,512	63,812,139	63,469,478
Solar energy used by FCFC	kWh	N/A	331,124	1,821,781	2,074,627
Greenhouse Gas Emission	CO ₂ e/ton	9,010,618	33,825,745	30,196,098	27,083,352
Scope 1 ^{Note2}	CO ₂ e/ton	5,437,261	5,589,208	5,178,431	5,206,925
Scope 2 ^{Note2}	CO ₂ e/ton	3,573,357	3,468,131	3,179,245	3,150,602
Scope 3	CO ₂ e/ton	NA	24,768,406	21,838,422	18,725,825
GHG intensity	CO ₂ e/NTD 100million	3.743	3.291	4.103	5.090
Air Pollutant Emission					
SOx	Ton	871.73	844.46	592.2	464.3
NOx	Ton	2,755.44	2,180.34	1,873.16	1,626.4
Volatile Organic Compounds (VOCs)	Ton	685.20	819.99	733.65	648.3
Total Suspended Particles (TSP)	Ton	161.48	87.85	156.04	125.4
Water Management					
Water Withdrawal	Million liters	35,641	43,976	41,478	34,855
Water Discharge Volume	Million liters	19,577	17,876	18,089	14,509
Water Consumption	Million liters	16,064	26,100	23,390	20,346
Waste Management					
Landfill	Ton	13,298	8,799	10,309	12,629
Thermal Treatment	Ton	11,157	12,163	7,443	340
Incineration	Ton	11,209	10,108	8,942	13,364
Others (Physical Handling)	Ton	1,446	987	2,400	1,751

Note 2: The data of 2020 are still in the process of verification before the publication of this report. After verification, the application will be completed on the national greenhouse gas registration platform at the end of August in accordance with the administrative measures of the EPA for the inventory and registration of greenhouse gas emissions.

	Unit	2017	2018	2019	2020
Reused	Ton	215,383	241,310	197,939	201,892
Hazardous (Solidification)	Ton	11	9	9	7
Environmental Expenditure^{Note3}	NTD Billion	1.27	1.39	1.56	1.42
Investments in Savings Improvement	NTD Billion	0.97	1.00	1.34	1.12

Note3: Environmental expenditure: includes operating costs - green procurement expenses, product recycling and reproduction expenses, and expenses derived from product services for environmental protection.

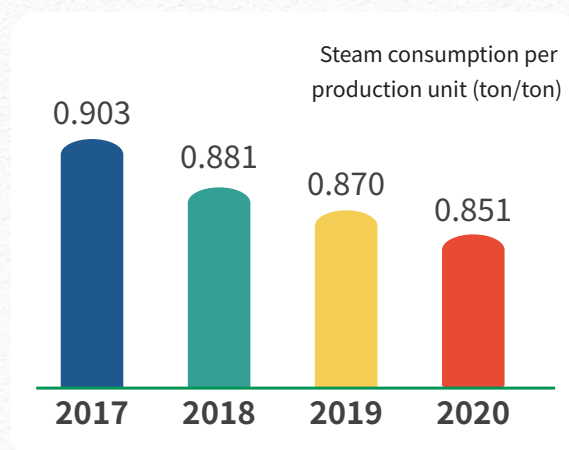
Greenhouse Gas Inventory Verification and Energy Resources Use

Since 2009, the company has promoted the inventory and verification of greenhouse gas emissions in accordance with ISO 14064-1: 2006. In addition, the company promoted the third-party verification for product carbon footprint to conduct ISO 14066:2013 carbon footprint verification. In 2018, 6 products completed verification in Longde plant site and Jiayi plant site. In 2019, 19 products completed verification in Mailiao plant site; in 2020, the carbon footprint verification of PC and PP products were both completed as well.

Mitigation of Climate Change

Formosa Chemicals & Fiber Corp. & Formosa INEOS Chemicals Corporation (Mailiao Plant Site) Trend chart of gas consumption per unit output from 2017 to 2020.

Right: cumulative improvement of gas consumption per unit output from 2017 to 2020 and the implementation results of energy conservation. Among them, the average gas consumption per unit output of Mailiao plants in 2020 was 0.851 ton/ton, showing a downward trend year by year.



Air Emission

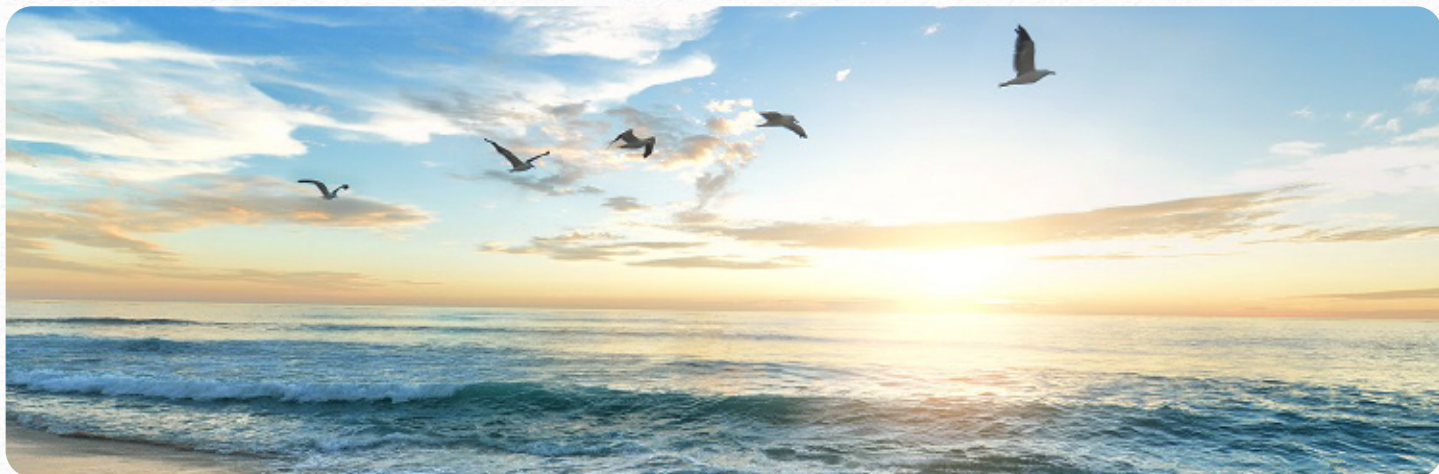
We constantly seek to make improvements in air pollution control. A total of 3 sets of FTIR infrared sensors and 11 sets of GasFind IR have been purchased to monitor leaks of process gas. Since 2007, twice a year certified institutions ensure plants' dioxin emissions meet national standards.

Air Quality Impact Monitoring and Analysis at the Mailiao Industrial Complex

FPG has established the Evaluation and Counseling Committee for Mailiao Industrial Complex's Air Quality Impact in September 2011 to analyze the air pollution accurately through rigorous scientific research.

Water Management

Since 2008 the Mailiao Industrial Complex has actively worked on desalination of seawater for water management during dry seasons. In 2018, both EPA and MoEA approved development of a desalination plant with a daily output of 100,000 tons of fresh water. Construction began in August 2019, and is expected to be completed by the end of 2022 to produce water.



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

For the Mailiao Industrial Complex, which has attracted much attention from the outside world, FPG jointly established the "Evaluation and Consultation Committee on the Impact of Discharged Water from FPG Mailiao Industrial Complex on the Marine Ecology". As of 2020, statistics revealed that the Mailiao Industrial Complex had had no significant impact on nearby seawater, marine ecology, aquaculture industry, fishery resources, or surface breeding.

Water Conservation

FCFC actively implements water-saving and water use efficiency improvements 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.

**2020 rainwater recycled averaged
3,180 tons/day,
recycling rate of approximately
84.2%.**

**Technical improvements of the distillation
process at the Mailiao styrene plant
reduces cooling water usage by
273 tons/day.
Yearly water saving of 99,864 tons.**

Management of controlled chemical substances

Approval documents from competent authorities of controlled chemicals are obtained in accordance with the provisions of environmental protection, labor safety, fire control, transportation and other relevant laws and regulations, and formulated management measures to strengthen the independent management of the operation of controlled chemicals; and regularly commission environmental testing institutions to conduct labor working environment measurement.

Each plant will consider possible disasters with respect to the manufacturing process and formulate the Regulations of Emergency Rescue based on the Safety Data Sheet (SDS) as a training material for emergency response drills. Unscheduled tests shall be conducted twice every year along with an overall drill in disaster prevention and contingency plans, and large-scale observation drills are carried out in cooperation with the county and city authorities.

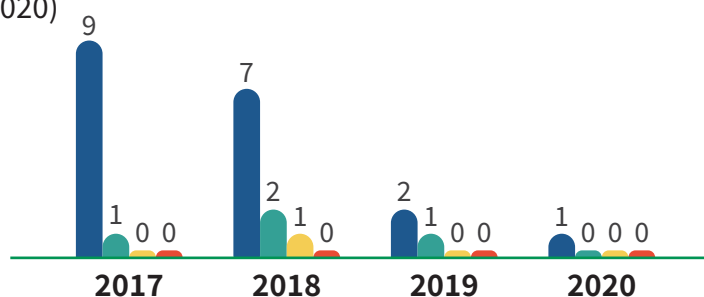
Compliance with Environmental Protection Laws

One case of environmental violation occurred in 2020 due to insufficient monitoring time of the automated air connection monitoring facility, air pollution actual rate was 83.7% which was below the required 85%, resulting in a fine of NTD 100,000.

FCFC Environmental Violations (2017-2020)

Number of incidents

- Air pollution
- Water Pollution Control
- Waste Pollution Control
- Others



Controversies

No. 6 Naphtha Cracker Complex Air Pollution

Court Hearing

In 2018 two brothers brought civil suit for NTD 8 million against FCFC for their mother's death due to cancer. 40 other plaintiffs with respiratory illnesses joined in the suit in 2019 claiming damages over NTD 40 million. On 2020/10/30, the Yunlin local court dismissed the case on difficulty in establishing a direct causal relationship between mother's lung cancer and the Naphtha air pollution. Additional 40 plaintiffs' claims were also dismissed. Case can be appealed.

Response to the media report "Air Pollution in Yunlin, Chiayi and Tainan is the Most Serious"

In July 2019, the media published the article "Air Pollution in Yunlin, Chiayi and Tainan is the Most Serious", alleging that the high average PM2.5 in Yunlin is due to emissions from the No. 6 Naphtha Cracking Complex. However, according to data results, there are multiple sources affecting the air in Yunlin, Chiayi and Tainan area, indicating that the No. 6 Naphtha Cracking Complex is not the main source, for details please see FCFC 2019 CSR report p71.

Mailiao Plant

Mailio Plant Gas Leakage

In April 2019, a gas explosion and fire broke out FCFC Aromatic Hydrocarbon Plant 3 at the Mailiao Plant, caused by leak in the LPG pipeline. Fortunately, there were no casualties in this accident. The Company has obtained the government's second phase test license on March 23, 2020. FCFC commissioned third-party institutes to analyse cause of accident and improvement and established corrosion control team and internal policies for future management.

Company Response Since Incident

Revised company's SOP to strengthen anti corrosion testing and review. Received third party verification and government approval.

Formosa Ha Tinh Steel Mill (Vietnam)

Formosa Ha Tinh Steel Mill Environment Disaster Violations

In 2016 discharge of toxic waste at Ha Tinh Steel Mill Vietnam (FCFC ownership 11.43%) was fined USD 500 million by Vietnamese Government. Party Secretary of Ha Tinh Province Le Dinh Son announced on June 19 that the steel plant of Taiwan's Formosa Plastics Group in Ha Tinh Province had addressed all the violations and would change the technology transformation process from coke wet quenching to coke dry quenching and was completed in March 2019.

Company Response Since Incident

53 environmental improvements required by government were completed in Dec 2020.

Vietnam Pollution Discharge

Taiwan Lawsuit for Vietnam Pollution Discharge

In March of 2021, the High Court of Taiwan ruled Taiwan has jurisdiction over the hearing for 7,875 Vietnamese plaintiffs' case against FCFC's main investors, since the main investors (FRG et al) has office and operations in Taiwan. Victims' claims are for the loss of livelihood, with an aggregate compensation of NTD140 million.

Company Response

The case has no connection with FCFC. Previous court hearings have ruled that Taiwan had no jurisdiction. The case has yet to proceed to trial, it is currently in interlocutory stage.

Human Rights

Formosa Chemicals & Fibre Corp, Formosa Taffeta Co Ltd Human Rights

Norway's \$1 trillion wealth fund said it had excluded Taiwan's Formosa Chemicals and Fibre 1326.TW, Formosa Taffeta 1434.TW and India's Page Industries PAGE.NS from its portfolio, saying they posed an "unacceptable risk for violation of human rights".

Company Response

Formosa Taffeta issue response to the sovereign wealth fund denying the violation claim, stating majority of employees rarely work overtime or on Sundays and no unlawful deduction of salary. Company's efforts in corporate responsibility are recognized through inclusion in FTSE4Good TIP Taiwan ESG Index.

2 Social

Occupational Health and Safety

In compliance with the "Occupational Safety and Health Act", "Regulations of the Labor Health Protection" and "Health Management Measures" and other laws and regulations, FCFC's objective is to achieve "zero injury and zero disaster" to further create a sustainable business environment. Performance evaluation is carried out pursuant to the national "Occupational Safety and Health Management System," and annual review of the implementation progress and improvements are conducted each year.

Certifications

Certification	Location	Verification Authority	Valid Until
ISO14001: 2015	Mailiao, Xingang, Longde	SGS	2019/12 - 2022/12
ISO45001: 2018	Mailiao, Xingang, Longde	SGS	2021/1 - 2023/1
CNS45001:2018	Mailiao, Xingang, Longde	SGS	2021/1 - 2023/1

Workplace Safety Management

Each factory site convenes an Occupational Safety and Health Committee each quarter. FCFC has various management processes for safety and covers analysis for operational conditions changes. In 2020 FCFC implemented a three stage new recruits safety training policy. FCFC contractors are required to take safety education and training before entering the factory.

The regular inspection plant, the engineering unit and the contractors regularly attend "abnormal guidance and improvement forum" to review, feedback and improve on occupational disaster prevention plan. 8 sessions were held in 2020.

Promotion of the disaster prevention plan of Mailiao Industrial Complex

In 2020 FCFC conducted monthly nighttime drills for emergency shutdown process and disaster prevention and response practice.



Fall Disaster Prevention Publicity Meeting
Jointly held with the Southern District
Occupational Safety and Health Center



Abnormal counseling and improvement symposium
Contractors are invited to jointly hold and analyze the
abnormal events.

2020 FCFC Occupational Injuries

Year	Disabling Injury Rate	Disabling Severity Rate	Frequency-Severity Indicator	Absence Rate	Working Hours	Cases of Injury	FCFC Occupational Disaster Rate	National Occupational Disaster Rate
2017	1.21	119	0.38	0.41	7,452,532	3	1.655	2.904
2018	0.76	11	0.10	0.37	7,899,430	6	1.070	2.718
2019	0.51	12	0.07	0.32	10,505,808	4	0.729	2.494
2020	0.40	37	0.12	0.28	9,862,392	4	0.772	2.517

1. Frequency-Severity Indicator was higher in 2017 than that of 2016 or 2018. This was mostly attributable to the two material employee occupational injuries in 2017, namely the flashover incident at the SM Plant in Mailiao, and the electric arc burn incident in the transformer room of the ARO1 Plant.
2. Working hours = number of employees*working days in a given year*8 hours + overtime hours - hours of leave.
3. Injury cases do not include employee commuting incidents.
4. Occupational disaster rate unit: persons per thousand.

FCFC's Contractors Injuries

FCFC has contractor safety management policies in place and contractor safety indicators are incorporated into the safety management goals and reviewed and revised annually.

Occupational disaster accidents are mostly based on personnel unsafe behaviors, of which caused 3 violations of the Occupational Safety and Health Act in 2020 resulting in fine of NTD 180k.

Year	Disabling Injury Rate	Disabling Severity Rate	Working Hours
2017	0.81	5	3,061,871
2018	0.94	4	6,461,511
2019	-	-	11,308,084
2020	0.22	26	13,086,940

In response, the Company had announced that all employees must follow up and adhere to the Company's safety operating rules to keep from accidents, and demonstrated each case on safety bulletin via interior network.

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.
2. Working hours = number of contractors during the reporting period*250 working days*8 hours.
3. Working hours in 2019~2020 is much higher than previous years due to the restoration project of the ARO3 Plant.

Human Rights

The Company supports and complies with basic human rights principles including the Universal Declaration of Human Rights, International Bill of Human Rights, the UN Global Compact, and the International Labour Organization's Declaration of Fundamental Principles and Rights at Work on top of local laws and regulations where the Company operates, and formulates FCFC Human Rights Policy in 2018.



Labor Union participation in 2020 is 69.3%, increase of 1.1% since 2019.

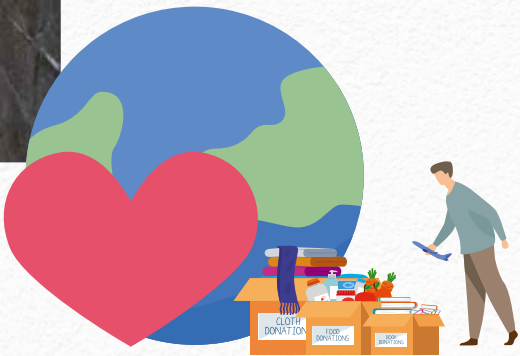
No use of child labor or human rights violation or discriminatory incident occurred in 2020.



Retired Personnel Association
Appreciation for retired employees for their contributions to the company.



Volunteer street sweeping
activity in Yilan

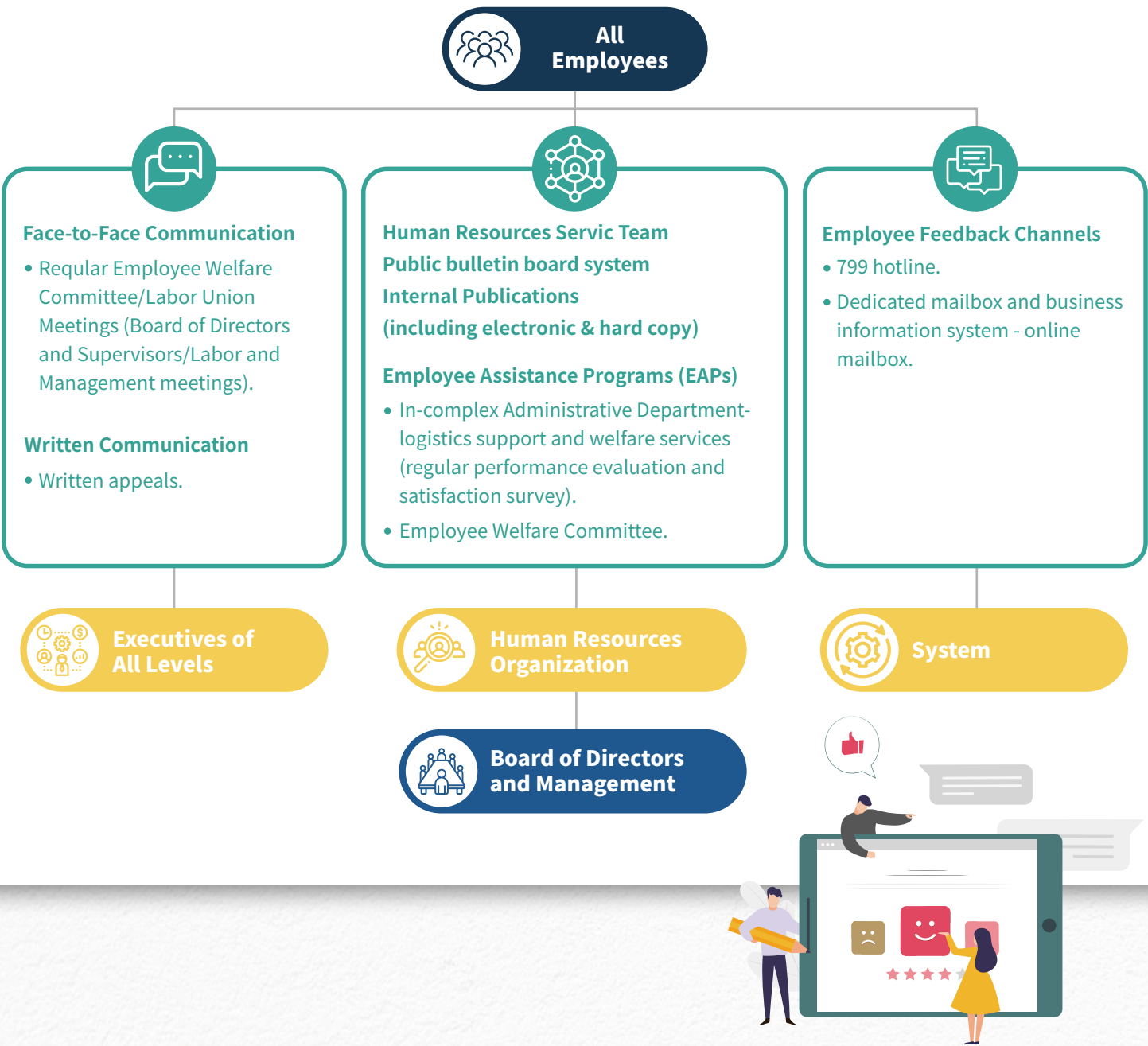


Employee Communication

Periodic consultation programs for new recruits are available to adjusting to a new working environment and reduce the turnover rate.

General care questionnaire provided to employees annually survey employee’s satisfaction since 2019. In response to employee’s expectation to improve management skills of department heads, FCFC continues to conduct courses such as "new manager training" and "improving work enthusiasm and team effectiveness" and other contents of leadership. Survey shows satisfaction of department heads’ management has increased by 1.15% in 2020.

FCFC Internal Communication Channels



Workforce

In 2020, FCFC has 95.5% full time regular employees and 4.5% temporary employees (e.g. consultants, contract-based employees, foreign employees, and work-study students) including 2 part-time. The percentage of local employees was over 99.9%.

Type	Nature	Female		Male		Total
		Employees	%	Employees	%	
Employment Contract	Regular	566	11.4	4,385	88.6	4,951
	Temporary	132	57.1	99	42.9	231
Type of Employment	Full-Time	696	13.4	4,484	86.6	5,180
	Part-Time	2	100	0	-	2
Years of Service	Under 10 years	156	27.6	1,407	32.1	1,563
	11-20 years	35	6.2	736	16.8	771
	20-30 years	199	35.2	1,670	38.1	1,869
	Over 30 years	176	31.1	572	13.0	748

Percentage of Local Recruits as Senior Managers over the past 4 years.

Year	2017	2018	2019	2020
Employees	677	691	687	679
Percentage of Local Recruits (%)	39.6	39.2	38.9	38.9

1. Senior managers in this table refer to personnel at or above the entry level manager, with a total seniority of 5 years or more and the percentage of the registered permanent residence and the factory area is in the same county and city.

Employee Turnover

FCFC has established a manpower integration mechanism to replace layoff with transfers. Announcement and notice of changes for organizational restructuring are always carried out in accordance with the Labor Standards Act.

The annual turnover rate (including retirement) of employees in 2020 was 7.59%, of which retirees accounted for 70.74%.

Type		New Employees		Employee Turnover	
		Employees	%	Employees	%
Age	Under 29 years old	41	0.83	61	1.23
	30-39 years old	6	0.12	32	0.65
	40-49 years old	1	0.02	34	0.69
	50-59 years old	0	-	125	2.52
	Over 60 years old	0	-	124	2.50
Gender	Male	40	0.81	335	6.77
	Female	8	0.16	41	0.83
Total		48	0.97	376	7.59

Employee Remuneration and Benefits

FCFC holds true to the philosophy of "equal pay" and the mission of "seeing all employees as members of our family". We offer higher minimum wage than the legally stipulated standards. The ratio of minimum salaries for females and males for the identical positions and ranks is 1:1. Various benefits measures more competitive than legal regulations are offered.

FCFC provides more frequent health examinations benefits for employees aged 30–40 and 45–65 than statutory requirements.

Gender Pay Equality of Basic Salary Plus Bonus (F:M)

Year	2017	2018	2019	2020
Level 2 Managers or Above	1: 0.95	1: 0.97	1: 1.07	1: 1.03
Entry Level Managers or Below	1: 1.38	1: 1.36	1: 1.33	1: 1.30

Average Salaries of Managerial / Non-managerial Employees

Year	2018	2019	2020
Non-managerial employees (number of persons)	4,890	4,911	4,672
Average salary of non-managerial employees (NT\$/person)	1,384,584	1,366,382	1,319,672
Median salary of non-managerial employees (NT\$)	1,278,527	1,258,846	1,189,174

Non-managerial position = non-manager.

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

FCFC Unpaid Parental Leaves and Reinstatement

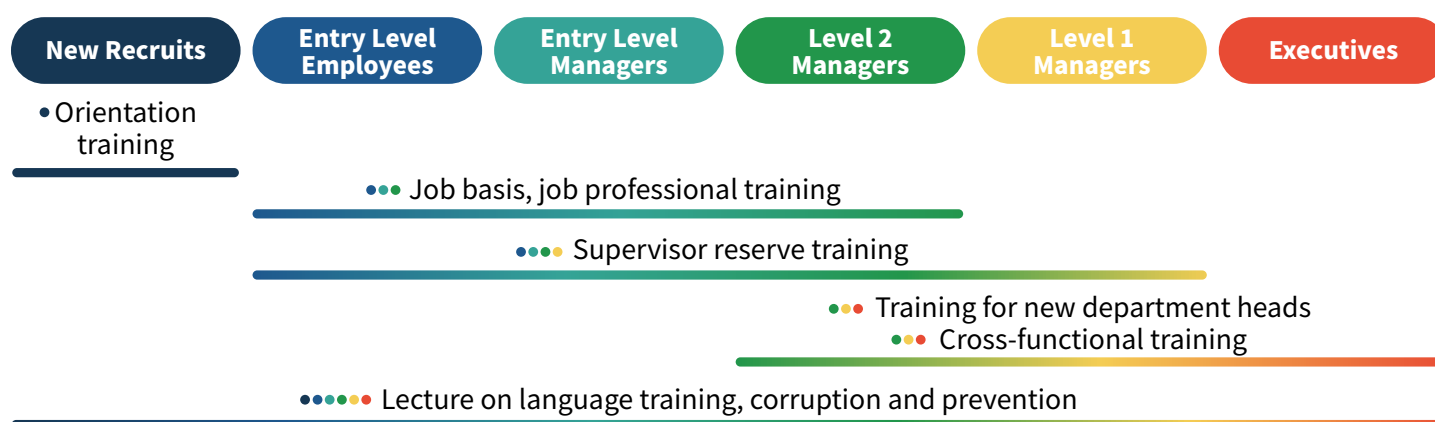
Item	2018			2019			2020		
	F	M	Total	F	M	Total	F	M	Total
Qualified for Unpaid Parental Leaves	12	180	192	11	168	179	17	158	175
Applied for Unpaid Parental Leaves	11	-	11	10	-	10	6	-	6
Reinstatement Rate (%)	100	-	100	100	-	100	86	-	86
Retention Rate	100	-	100	83	-	83	88	-	88

Retention rate represents number of employees reinstated for over a year.

Human Capital Development

FCFC plans a comprehensive training system and actively develops outstanding talent based on "Training Management Method." Through performance evaluations, managers are able to communicate with their subordinates face to face and further discover their talents for training or job transfer reference. The overall average evaluation percentage in 2020 was 95.5%.

Employee's Career Development Path



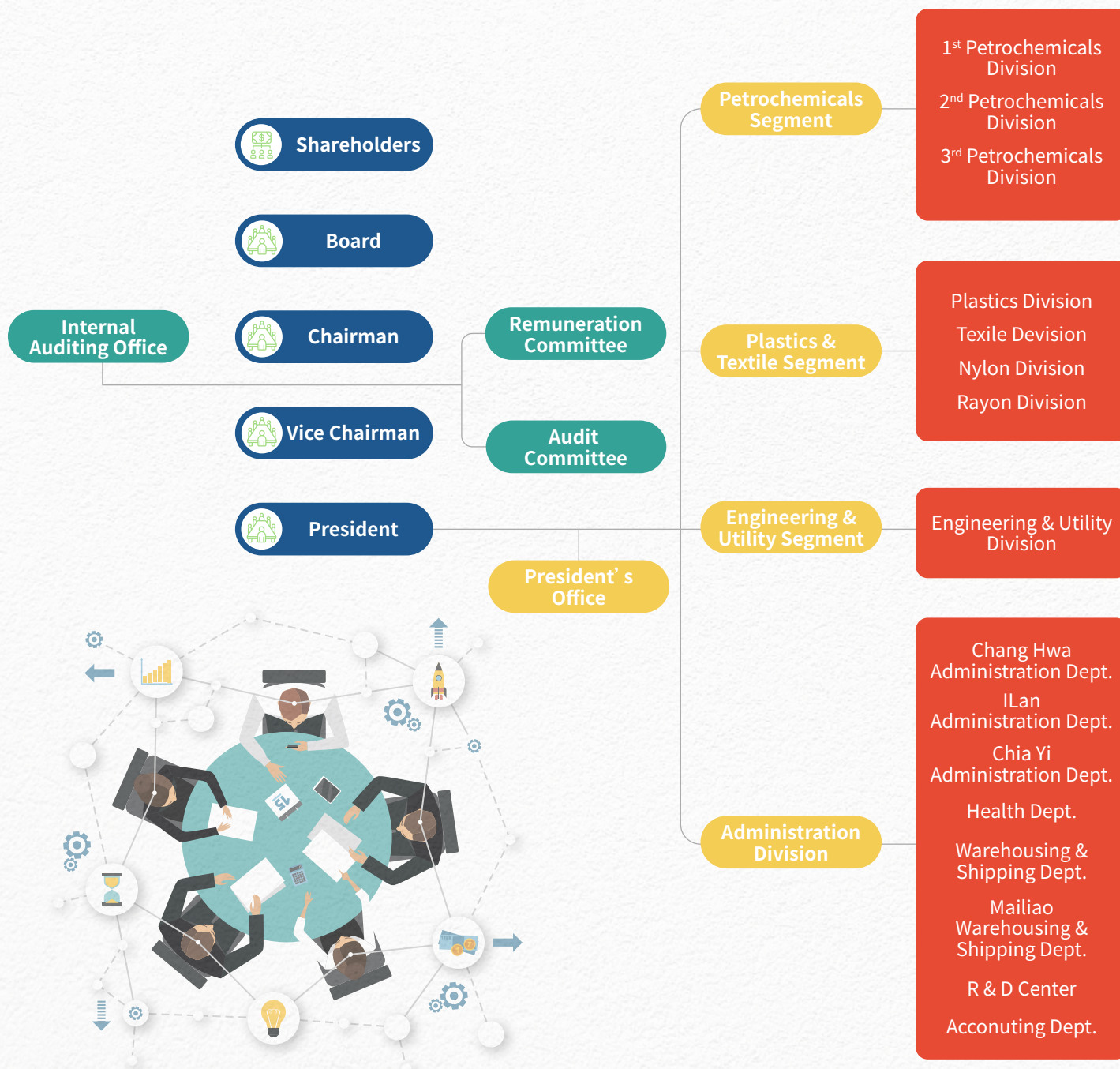
Employee Training

Year	2018			2019			2020		
	M	F	Average	M	F	Average	M	F	Average
Mid-tier to Senior Managers	21.5	12.8	21.2	23.2	8.0	22.8	14.7	9.3	14.6
Entry Level Managers	36.9	28.5	36.5	41.5	25.6	40.8	32.8	19.3	32.1
Entry Level Employees	46.0	40.6	44.8	34.0	22.9	31.7	33.0	18.2	29.8
Average Training (hrs/person)	37.5	38.3	37.6	33.2	22.4	31.8	28.0	17.8	26.6

Mid-tier to senior managers (inclusive) or above refer to executives, level 1 managers and level 2 managers.

3 Governance

Formosa Chemicals & Fibre Corp. Organization Chart



The Board of Directors is the highest governance body as well as the center of operational decision-making at FCFC. 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 Rules of Procedure for Board of Directors Meetings) to operate business.

The board comprises 15 members with an average age of 67. All of whom are experts in their respective fields with ample industry management experience. 6 Board meetings were held in 2020.

Furthermore, we have established the Board and Management Ethics Policy. In all circumstances, all personnel shall abide by this policy when performing duties to prevent wrongdoing against the Company and the shareholders.

Social responsibility issues with respect to economy, society and the environment will be submitted to the Board of Directors for discussion, if necessary, as a basis for promoting social responsibility.

Director	Independent	Name	Gender	First Appointed	Years of Board	FCFC Position	Attendance
Chairman		Fu Yuan, Hong	M	1988	33		100%
Managing		Wen Yuan, Wong	M	1991	30		100%
Managing		Wilfred (Weng Tsao), Wang	M	2012	9		33%
Managing ^{Note1}		Ruey Yu, Wang	F	2006	15		100%
Managing	V	Ruey Long, Chen	M	2012	9		100%
Director ^{Note1}		Walter (Wen Hsiang), Wang	M	2009	12		17%
Director		Wen Chin, Lu	M	2015	6	President	100%
Director		Ing Dar, Fang	M	2012	9	Executive VP	100%
Director		Ching Fen, Lee	M	2018	3	Executive VP	100%
Director		Tsung Yuan, Chang	M	2018	3	Senior VP	100%
Director		Wei Keng, Chien	M	2018	3	Senior VP	100%
Director		Chung Hsiung, Sue	M	2021	0	Senior VP	N/A
Director		Horng Ming, Juang	M	2021	0	VP	N/A
Director	V	Hui Chen, Huang	M	2018	3		100%
Director	V	Tai Lang, Chien	M	2018	3		100%

Note1: Corporate representative directors.

Functional Committees

Audit Committee

Audit Committee was established since 2015 and has held 5 meetings in 2020.

Position	Name	Attendance	Board
Convenor	Ruey Long, Chen	100%	Managing - Independent Director
Member	Hui Chen, Huang	100%	Independent Director
Member	Tai Lang, Chien	100%	Independent Director

Remuneration Committee

Remuneration Committee established since 2011 to evaluate the Company's Directors' and managers' salary remuneration policies and systems, 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. 2 Remuneration Committee meetings were held in 2020.

Senior executives' annual compensation is mainly composed of salary, bonuses, and employee bonuses with pension and benefits properly allocated. The Chairman carries out a comprehensive performance appraisal for executives' overall performance within their authority and individual work attainments. To ensure that senior executives fully understand and achieve the Company's strategic goals, the incentive system is tied up with individual work attainments and the overall performance of the Company.

Position	Name	Attendance	Board
Convenor	Ruey Long, Chen	100%	Managing - Independent Director
Member	Hui Chen, Huang	100%	Independent Director
Member	Tai Lang, Chien	100%	Independent Director

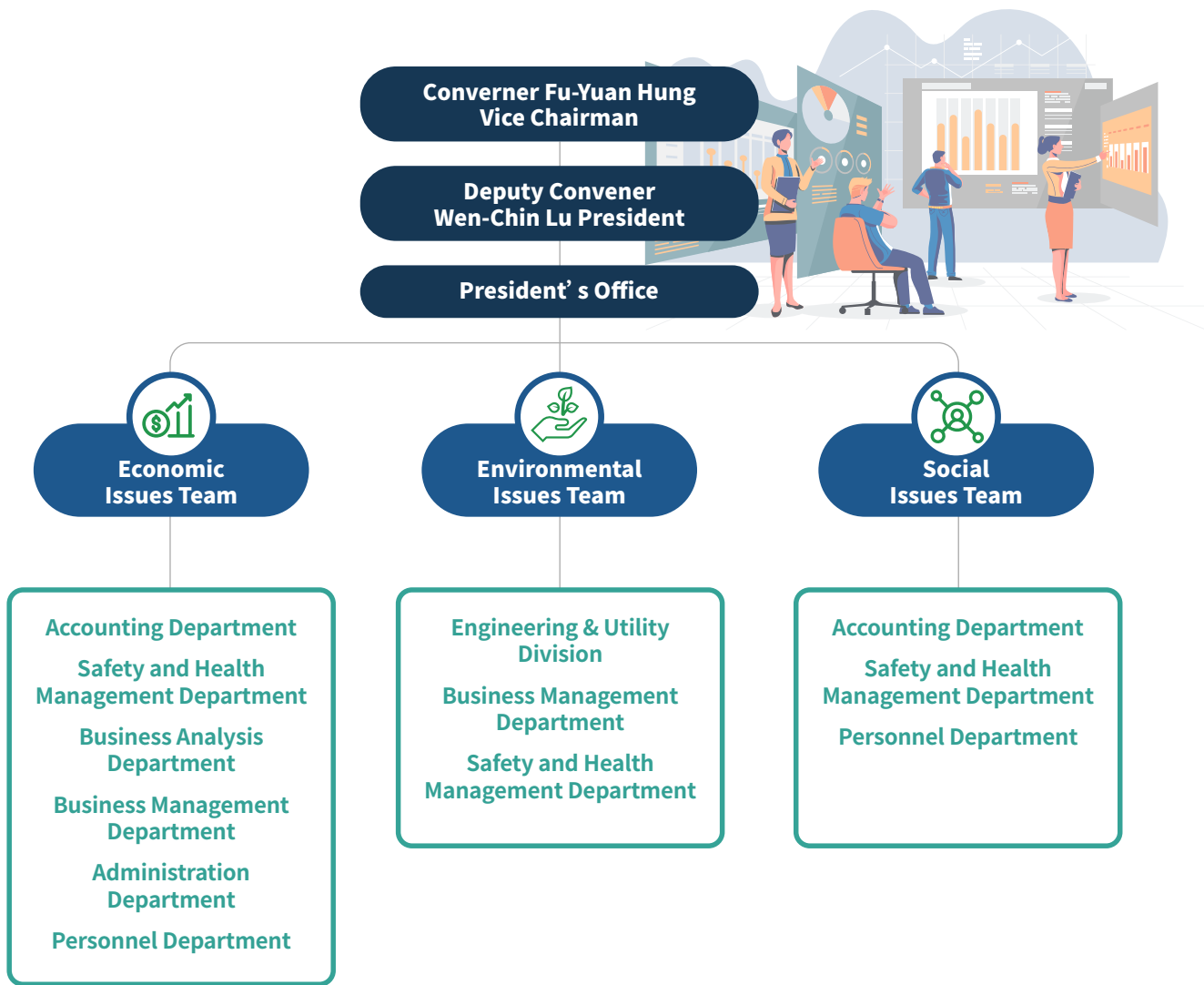
CSR Committee

FCFC CSR committee works together with the Formosa Plastics Group CSR Committee and has formulated the "Code of Corporate Social Responsibility" to promote environmental, economic and social progress for sustainable development goals across the FPG.

FPG established the "Energy Conservation, Carbon Reduction and Pollution Control Organization" in 2006, and appointed Vice Chairman Hong Fu-Yuan of FCFC as the general convener to coordinate and integrate the entire enterprise resources to promote the water saving, energy saving and pollution prevention and improvement of various companies.

FCFC is headed by Vice Chairman Hong, and the AVP-level supervisors are appointed as the head of the water-saving and energy-saving promotion team of each business department of the fiber textile, petrochemical and engineering power generation departments. The "Review Meeting on Water Saving and Energy Conservation Effectiveness" is held regularly every month.

Organization of FCFC CSR Team



Compliance and Anti-Corruption Policies

The Company adheres to the core spirit of "diligence and simplicity", formulating strict moral standards and relevant guidelines, and signs relevant self-discipline documents and internal complaint channels.

No employee complaints occurred in 2020.



Anti-corruption

According to the internal regulations, no business entertainment or gifts shall be accepted. Those found guilty of graft or embezzlement of public funds or taking bribes or commissions will be dismissed.



Anti-fraud

Employees working in sales, procurement, product warehousing, construction oversight, and budget divisions are required to regularly rotate their positions to prevent the occurrence of any malpractice.



Strict Discipline

We take strict actions toward those who violate the regulations. Improper behavior will not be tolerated, and even immediate supervisors are monitored and given warnings.

Internal Audits

FCFC has an Audit Office attached to the Board of Directors. Each department is required to carry out independent audit on the specific items internally and independently within the specified period. The Audit Office then reviews the results of each department and implement scheduled and unscheduled. Relevant internal audit reports are submitted to the Board of Directors.

Whistleblowing

FCFC's Employee Complaint Guideline provides employee to report any misconduct and unlawful behavior through the internal complaint channels.

Reports should be named and based on the principle of gradual response. "Complaint Form" is filled and submitted. A dedicated complaint and whistleblowing email is available for reporting. Complaint handling and investigation is made by department head for same department cases and to President Office's personnel department for cross departmental cases, handling according to the position of the respondent. The complainant should provide, in person, the "Complaint Form" to the responsible unit for the investigation as confidential documents.

No complaint cases were made in 2020.

COVID-19 Prevention and control measures

FCFC started disease control measures as early as January 2020, implementing policies for COVID-19 pandemic for disease prevention and emergency response planning, and protective equipment supplies. Separation of personnel and consistently reviewing traffic flow of office building, factories and rotation of shifts to maintain normal operations.

FCFC has several products used in the production of protective equipment supplies. During 2020, no employees or contractors were infected with COVID-19.