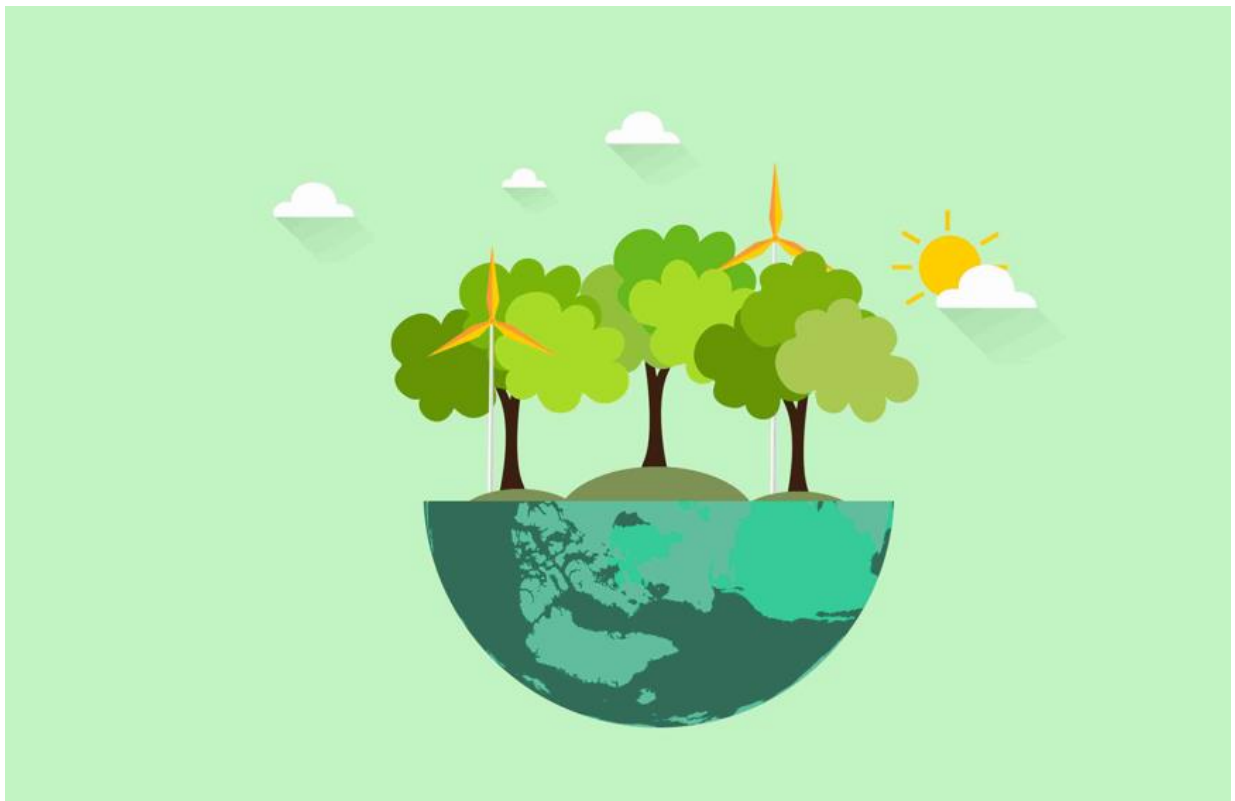


**Fulltech Fiber Glass Corp.**

**2023 Sustainability Report**



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# About this report

## Basis for writing

3.0- Sustainable Development Blueprint" of the competent authority and the 2021 version of the Global Sustainability Reporting Initiative (GRI) Sustainability Reporting Guidelines, TCFD , and SASB (Hardware Industry Index) Disclosure; covering major topics such as environment, society and corporate governance, allowing the public and stakeholders concerned about FFG to understand our persistence and investment in ESG issues.

## Reporting Period and Organizational Boundaries

This report is published once a year.

This report discloses the various sustainable management policies and key issues of FFG in 2023 ( January 1 to December 31 , consistent with the financial report reporting period ) . The scope covered by the report is mainly in Taiwan, including the head office (Duliu Factory) and the Yunlin Branch (Huwei Factory). The financial report complies with the International Financial Reporting Standards approved by the Taiwan Financial Supervisory Commission and covers relevant financial data of the Taiwan head office, BVI holding subsidiary, Hong Kong subsidiary and Dongguan factory. Let stakeholders from all walks of life know and understand the results of our implementation of sustainability issues in 2023 .

This report will be released after being submitted to the board of directors. We will cooperate with the competent authorities in planning the timetable and obtain third-party confirmation or guarantee in the future. The greenhouse gas emissions in Taiwan described in this report have been inspected annually by " Alfano International Co., Ltd." approved by the Environmental Protection Agency since 2014 in accordance with ISO14064-3:2006 and the Environmental Protection Agency of the Executive Yuan. There is no substantial violation. Sexual regulatory restrictions comply with the reasonable assurance level recognized by the Environmental Protection Agency of the Executive Yuan.

Contact person: FFG Legal Office

Address: 28th Floor, No. 216, Section 2, Dunhua South Road, Da'an District, Taipei City

## Chairman's message



Chairman Zhang Yuanbin

FFG has long valued and practiced corporate social responsibility, reduced greenhouse gas emissions, and improved energy efficiency. Since 2020 , it has implemented a board of directors performance evaluation system, formulated an integrity management policy, continued to optimize the corporate governance structure, and implemented the concept of sustainable development. .

Regarding the environment, we have conducted greenhouse gas inventory every year since 2014, passed external verification to meet ISO14064 acceptance standards, and formulated greenhouse gas emission reduction targets and budgets. Replace traditional combustion with a pure oxygen combustion system, saving more than 25% of fuel consumption. Switch to LED lighting equipment and optimize the cooling water system to reduce energy consumption. Measures such as setting up wastewater regeneration equipment and adding filtration equipment for chilled water are in place.

In terms of society, FFG regularly gives back and participates in nearby local public welfare activities, rewards disadvantaged students with student aid programs, signs industry-university cooperation plans with colleges and universities, and hires disadvantaged job seekers; formulates and implements reasonable employee welfare measures, and provides Provide a safe and healthy working environment for employees, establish career competency training plans for employees , formulate supplier management policies, and regularly evaluate whether suppliers implement environmental protection and human rights-related regulations.

Looking forward to the future, FFG will continue to work hard to continue to strengthen the concept of sustainable development, implement specific and feasible policies and strategies, create more social benefits, and do its part for the environment.

# ~Sustainable management~



## Company Organization Overview

FFG was established in 1999 as a listed company (stock code: 1815). The ownership of the company belongs to all shareholders. Headquartered in Douliu Industrial Zone, Yunlin County, it has three production bases in Yunlin Douliu, Yunlin Huwei and Guangdong in mainland China. It is a consistent factory for the production of fiberglass yarn and fiberglass cloth. We hope to unify production and marketing planning through vertical integration of gauze, so that the supply of yarn sources can be stable and production can be flexibly adjusted according to market demand. The production capacity on both sides of the Taiwan Strait can also be effectively divided and dispatched. Not only can we make full use of the geographical advantages of the mainland to serve local customers nearby, but also It can meet and cooperate with the production needs of different production bases of customers.



Factory/base	address
Douliu Factory - Yarn No. 1 Factory and Cloth No. 1 Factory	No. 8 , Dougong 16th Road, Douliu City, Yunlin County
Huwei Factory - Yarn No. 2 Factory	No. 8, Kehu 2nd Road, Huwei Town, Yunlin County
Dongguan Factory - Cloth Factory No. 2 Village,	No. 6 , Quling North Road , Quantang
Liaobu Town, Dongguan City ,	Guangdong Province



## Business philosophy and sustainable development strategy

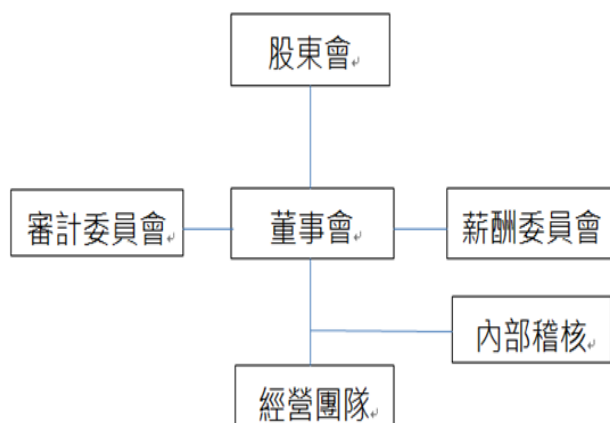
FFG's business philosophy particularly emphasizes "process research and development" and "product innovation" to achieve the goal of "products with the highest quality and lowest cost", and takes "innovation, efficiency, and sharing" as the highest goals of the business philosophy. In line with the service concept of "customer first", we provide customers with "customized" production processes, and provide customers with technical support and assist. In addition, it actively develops high-margin industrial fiberglass yarns, which not only increases profits but also escapes the risks of the electronics industry's business cycle. Its positioning and quality technology of multiple products are therefore ahead of the industry. The yarn and fabric business divisions conduct quality reviews and exchanges through regular technical research and development meetings, in order to seek continuous improvement and breakthroughs in technology, and to accelerate the completion of new product development. Therefore, the products produced by FFG have been used in early PCs. The basic fabric types have been upgraded to ultra-thin fabric types used in smart devices, and have made breakthroughs in the development of 5G high-frequency and high-speed materials and continue to actively expand.

With the promotion of the concept of sustainability, FFG has launched a corporate governance assessment in accordance with the policies of the competent authorities, making sustainability a part of corporate operational decision-making, using sustainability strategies to promote innovation and become a better enterprise to continuously improve and continuously improve.

Breakthrough innovation and customer satisfaction are the company's tenets, and it focuses on internal talent training and development, teamwork, and is committed to the practice of corporate social responsibility. Therefore, the company has been continuously recognized by customers for more than 20 years of operation.

## Governance structure

The governance structure of FFG is as follows:



The board of directors is the highest decision-making and governance unit. The backgrounds and professions of the board members are diverse. There are nine directors in this term, including three independent directors. Directors are elected through a candidate nomination system and are appointed by the shareholders' meeting who have the ability to act. The term of office is three years and they are eligible for re-election. The period for accepting nominations of independent director candidates, the number of independent directors to be elected, the place of acceptance and other necessary matters shall be announced before the shareholders' meeting. There are no restrictions on gender, age, nationality or culture when selecting directors; the entire board of directors should possess 1. Business judgment ability 2. Accounting and financial analysis ability 3. Business management ability 4. Crisis management ability 5. Industry knowledge 6. International market outlook 7. Leadership ability 8. Decision-making ability and other related abilities.

The term of the ninth term of directors is from June 7, 2023 to June 6, 2026. The directors are as follows:

job title	Name	Educational qualifications	experience	Professional knowledge and skills	Age (years)	
					41-50	51-60
Chairman	Zhang Yuanbin	University of Washington MBA (Finance)	Chairman of FFG FIBER GLASS Corp.	Business management	v	
director	Datai Investment (Co., Ltd.)	-----	Corporate Director of FFG FIBER GLASS Corp.	Business management		-
director	Lin Yushan	Master of Finance and	Attorney at Jones Day International	legal affairs	v	



		Law, Chung Yuan University	Law Firm			
director	Liu Guoyou	PhD in Information Engineering, National Jinan International University	Professor, Department of Information and Communication Engineering, Jingyi University	Information Communication Engineering	v	
director	DeLong Warehousing and Loading (Co., Ltd.)	-----	Corporate Director of FFG FIBER GLASS Corp.	Business management		-
director	Ouyang Hong	J.D., Washington University in St. Louis, USA	Managing attorney of Qunsheng International Law Firm	legal affairs	v	
independent director	Xue Fujing	Ph.D. in Accounting from The George Washington University, USA	Professor, Department of Accounting and Research Institute, National Taipei University	Financial Accounting Analysis		v
independent director	Nie Jianzhong	PhD in Economics from Rutgers University	Professor, Department and Research Institute of Finance, Tamkang University	Financial Accounting Analysis		v
independent director	Chen Houming	PhD, Marketing Group, Graduate School of Business, National Taiwan University	Professor, Department and Research Institute of International Business, National Taiwan University	Financial Accounting Analysis		v

the board of directors all have a master's degree or above and have more than 15 years of industrial experience. In addition to having relevant industrial background and practical experience in operation and management, they also take regular courses to stay abreast of industry changes, the latest policies and regulatory requirements. Except that Chairman Zhang Yuanbin and Director Zhang Yuanfu are brothers, the other directors do not have spouses or relatives within the second degree of relationship. The three independent directors, Xue Fujing, Chen Houming and Nie Jianzhong, all meet the statutory independence qualifications.

The board of directors operates in accordance with the [Board of Directors Procedure Standards] and holds at least one board meeting every quarter to review operating performance and formulate operating plans. Directors adhere to a high degree of self-discipline and avoid participating in discussions and voting on proposals involving their own interests in accordance with the law. An audit committee and a remuneration committee are set up under the corporate

governance structure , with independent directors serving as members. They hold at least two meetings a year to review financial reports and formulate and evaluate the salary system for directors and managers.

## **Directors' and Managers' Remuneration Policy**

### 1. Directors' remuneration is divided into remuneration and remuneration:

Directors' remuneration: According to Article 28-1 of the company's articles of association : "The remuneration of the chairman of the board of directors and directors (including independent directors) is authorized to be paid according to the extent of their participation in the company's operations and the value of their contributions and the usual standards in the industry. ."Process. The actual situation is that the chairman of the company and three independent directors receive director's remuneration, while other directors receive no remuneration.

Director's remuneration: According to Article 32 of the company's articles of association: "If the company makes a profit during the year, it shall first allocate 1% to 10% as employee remuneration, and a maximum of 5% as director's remuneration. After approval by the board of directors, it will be reported to the shareholders' meeting. However, if there are accumulated losses, the amount to make up for it should be reserved in advance and then appropriated according to the above ratio . "

### 2. Manager compensation

Manager remuneration includes monthly salary, year-end bonus and employee remuneration allocated in accordance with Article 32 of the company's articles of association . The remuneration received by each manager shall not only refer to the normal standards of remuneration and benefits in the industry , but also take into account the company's operating performance, personal duties and contributions during the year to provide reasonable remuneration. The Human Resources Department shall submit it to the Remuneration Committee for review and submission to the Board of Directors for approval.

### 3. The correlation between directors' remuneration and operating performance and future risks

the Board of Directors and its members, the Audit Committee and the Remuneration Committee is conducted regularly every year, and the evaluation

results are submitted to the next annual Board of Directors report as a reference for review and improvement, and as a reference for nominating director candidates or remuneration. The remuneration of directors and managers has fully taken into account their professional abilities, the company's operations and financial status, measured their contribution to the company, and linked the company's performance and personal performance as the calculation standard for remuneration. FFG always reviews future operating risks and corporate social responsibilities, and regularly requests the remuneration committee to review the remuneration system to maintain a balance between sustainable operations and risk management.

Performance evaluation results for 2023 are as follows :

1. The average internal self-evaluation score of the board of directors' operational performance is "excellent" 4.93 points (out of 5.0 points)
2. director members' performance is "excellent" 4.93 points (out of 5.0 points)
3. The average internal self-evaluation score of the Audit Committee's operational performance is "Excellent" 5.0 points (out of 5.0 points)
4. The average internal self-evaluation score of the remuneration committee's operational performance is "excellent" 5.00 points (out of 5.0 points)

In order to strengthen the professional knowledge and abilities of directors, relevant training courses are regularly arranged for directors every year to improve the performance of the overall governance of the board of directors.

In order to fully evaluate the effectiveness of the internal control system, measure operating results and efficiency, and comply with relevant laws and regulations, we have established an internal audit unit affiliated with the board of directors to assist the board of directors and managers in inspecting and reviewing deficiencies in the internal control system and measuring operational performance. effectiveness and efficiency, and provide timely improvement suggestions to ensure the continuous and effective implementation of the internal control system.

## Sustainable management

## 1. ESG promotion organization

On the issue of sustainable development, the general manager convenes operations, accounting, procurement, administration, legal and other departments to conduct horizontal communication and coordination across units, so that all employees can work together for sustainable development. In accordance with laws and regulations, the corporate governance department cooperates with the policies of the competent authorities to promote specific actions for sustainable development. Through stakeholder discussions, it identifies major topics of concern and prepares sustainability reports, which are regularly reported to the board of directors every year and released to the public. If negative events affecting interested parties occur, the responsible unit will report the reasons and handling methods to the board of directors.

## 2. Analysis of major themes and discussion with stakeholders

In the operation of a business organization, stakeholders are an important community that affects the company's operations and achievement of goals. Therefore, how to identify stakeholders and establish smooth communication channels with them is the core foundation of corporate social responsibility and an important basis for moving towards sustainable management. We refer to the GRI 2021 version of the major theme identification process to assess the impact of FFG on various issues such as the environment, economy, and human rights for management.

### **STEP1 Understand the organizational context**

Stakeholders refer to individuals or groups whose interests are or may be affected by an enterprise's economic activities. Through the contact between each operating unit and stakeholders, FFG understands the concerns of stakeholders on sustainable

development issues. According to the influence and connection degree of stakeholders, the following four main stakeholders for communication are identified. ; and set up multiple channels to listen to and respond to the expectations of all stakeholders, as detailed in the table below:

interested parties	Pay attention to GRI issues	communication method	communication frequency
Shareholders and investors:	economic performance	Board of Directors	At least 4 times / year
		shareholders meeting	At least 1 time / year
		annual report	At least 1 time / year
		Public Information Observatory	Monthly / Quarterly / Yearly
		Dhamma talks	At least 1 time/year
Corporate Customers/Agents:	Customer privacy	Company website	permanent
		Exclusive service	irregularly
		Email	permanent
		customer satisfaction survey	each year
		product exhibition	irregularly
supplier	economic performance	written	irregularly
		audit	
		Exclusive service	irregularly
		Email	permanent
staff	labor-employer relationship Occupational safety and health	Company website	irregularly
		Official documents / announcements	
		Email	
		Meeting	
		Education and training	

### Create a list of impact issues

Referring to the GRI indicators, international market trends and climate change issue development trends, the practices of domestic and foreign peers, and in accordance with the future development strategic goals of FFG , a broad list of issues is proposed, and then conducted according to categories such as corporate governance, environment, and social participation . Topics are classified in the table below to

facilitate communication with stakeholders.

corporate governance issues GRI 2, 200 series	Environmentally Friendly Issues GRI 300 series	social participation issues GRI 400 Series
(1) economic performance (2) Integrity management (3) Supply chain management (4) corporate governance	(5) water resources management (6) energy management (7) greenhouse gas management (8) waste management	(9) Occupational safety and health (10) Employee Diversity and Equal Opportunities (11) Talent management and training (12) forced or compulsory labor

## STEP 2 Identify the degree of impact

According to FFG' s operating activities, relevant discussions on impact assessment in internal meetings are as follows:

For	impact issues	Impact category			
		supplier	Shareholders and investors	Corporate Customers/Agents	staff
economy	economic performance	indirect impact	direct impact	Impact due to business relationships	indirect impact
	Integrity management	indirect impact	direct impact	Impact due to business relationships	direct impact
	supply chain management	direct impact	indirect impact	Impact due to business relationships	
	corporate governance	indirect impact	indirect impact	Impact due to business relationships	direct impact
environment	greenhouse gas management	direct impact	indirect impact	Impact due to business relationships	
	waste management	indirect impact	indirect impact	Impact due to business relationships	



	water resources management	indirect impact	indirect impact	Impact due to business relationships	
	energy management	indirect impact	indirect impact	Impact due to business relationships	
society	Employee Diversity and Equal Opportunities	indirect impact	direct impact		direct impact
	Occupational safety and health	direct impact	direct impact	Impact due to business relationships	direct impact
	Talent management and training	indirect impact	direct impact	Impact due to business relationships	direct impact
	forced or compulsory labor	indirect impact	direct impact		direct impact

### STEP 3 Decide on major themes

By distributing questionnaires, external stakeholders and various departments are invited to review the potential impact and influence of ESG issues on the organization and inside and outside the organization, and the impact level is divided into high (3 points), medium (2 points), and low (1 point). Sum up the internal and external scores of each topic, and take the score above the median (a score of 49 or above is the benchmark) to identify the four major themes of 2023 : greenhouse gas management, waste management, occupational safety and health, and talent management and training. .

Item	major themes	Importance to Fu Qiao	Related management indicators	Execution situation
1	greenhouse gas management	Real-time identification of climate change issues, risks and opportunities is key to sustainable operations	Regular annual inspections and verifications	The target has been reached in 2023

2	waste management	Waste management is to establish an economical and effective waste management mechanism to achieve the goals of safety, hygiene, harmlessness and resource utilization.	There are four main categories of waste: 1. Waste glass: handed over to recycling manufacturers for recycling and reuse, and the recycling and reuse rate is 100%. 2. Organic sludge: dehydrate to 80%, then dry to 50%, reduce to about 50% of the original volume, and then hand it over to the recycling manufacturer. 3. Non-hazardous dust collection ash or its mixture: with the cooperation of reuse manufacturers, the monthly processing capacity is about 20 tons. 4. Domestic garbage: Implement garbage classification, inspect the garbage classification situation from time to time, and reduce the amount of garbage by about 6%.	The target has been reached in 2023
3	Occupational safety and health	It is the unshirkable responsibility of enterprises to ensure the safety and health of employees.	Implement the occupational safety and health management system, strengthen workplace safety awareness, and reduce occupational safety risks	The target has been reached in 2023
4	Talent management and training	Talent development is the cornerstone of company growth.	Education and training hours and planning	The target has been reached in 2023

## Involvement of external organizations

FFG participates in the Reinforced Plastics Association of the Republic of China and TPCA Taiwan Circuit Board Association, forming industrial momentum and promoting industrial development through industrial experience and exchanges.

TPCA Taiwan Circuit Board Association released recommendations for the development of Taiwan's circuit board industry in 2020, summarizing four major global trends: "International power competition affects industrial layout", "The implementation of 5G applications will generate various business opportunities", "Green and sustainable production", implement circular economy", "weakening of labor supply, rise of independent AI". FFG is committed to improving sustainable competitiveness, promoting various energy reduction actions, responding to climate change risks, planning greenhouse gas carbon reduction targets and related measures, and moving towards sustainable industrial development.

FFG is enthusiastic about public welfare and cares about policy development and students. In 2023, it donated 530,000 yuan to colleges and universities, 1 million yuan to the Culture and Art Foundation, and 121,600 yuan to the Yunlin local community association.

## Human rights policy

FFG supports and abides by internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization (International Labor Organization) Declaration of Fundamental Principles and Rights at Work, and abide by local labor regulations to prevent violations of human rights. Develop the

company's human rights policy:

- 一、 Provide a safe , healthy and harassment-free work environment.
- 二、 Comply with wage and hour laws.
- 三、 Protect the labor rights of people with disabilities.
- 四、 Forced labor is prohibited.
- 五、 Ban child labor.
- 六、 Help employees maintain physical and mental health and work-life balance.
- 七、 Provide reporting and communication channels for employees, suppliers and other stakeholders to express opinions or report violations.

Implementation results of human rights policies in 2023

1. Implement the principle of equality: regardless of nationality or foreign nationality, all employees have equal access to welfare committees, employee dinners, travel and other employee benefits ; the percentage of female employees in the total number of employees is 31.4%, and the proportion of female senior managers is 21.9% .
2. Recruitment of employees with disabilities: In 2023, 12 employees with disabilities will be hired .
3. Develop a clear sexual harassment prevention policy to ensure that colleagues are free from workplace harassment.
4. Incorporate issues related to human rights / anti-discrimination/anti-corruption into the education and training materials for new employees. A total of 174 people received training in 2023 .

# ~Sound management~



## Financial performance

FFG attaches great importance to operating performance and cost control target management. It takes improving the ratio of niche products and increasing sales contribution as its main strategies, pursuing long-term and sustainable revenue and profit growth, and maximizing the company's value .

In 2023, due to the impact of inflation, geopolitics, interest rate hikes and other macro-environmental factors, as well as challenges from supply chain constraints, global economic growth has slowed down and demand momentum has shrunk, affecting the full-year consolidated net revenue to NT\$ 3,199,921,000 , which was lower than It decreased by 31.2 % in the previous year , the gross sales profit margin was -1 %, the net loss after tax was 651,195 yuan , and the earnings per share after tax was -1.44 yuan . The operating performance in 2023 is detailed in the table below.

Looking forward to 2024, in response to the slowdown in global economic growth and demand, the company's business plan is to adjust its product and market mix with the goal of stabilizing profits and diversifying risks, and to develop high-end and 5G products with its own technology and raw materials, and plans to expand Renewable energy and resource recycling are used to fulfill corporate social responsibilities, pursue sustainable development, and increase shareholder returns as business objectives.

### Business performance unit: million yuan

years	2023	2022	2021
total assets	13,472	14,059	14,735
Capital amount	4,590	4,414	4,285
operating income	3,200	4,651	5,256
operating costs	2,560	3,091	3,093



(Excluding employee salary & benefits)			
<b>Employee salaries and benefits</b>	652	723	749
<b>Payment to investors</b> (Dividends and Interest)	311	518	121
<b>Make payments to the government</b> (taxes and penalties)	10	33	twenty one
<b>Community Investment/Donation Fees</b>	2	4	3
<b>retained economic value</b>	(335)	282	1,269
<b>Earnings per share after tax</b>	(1.44)	0.07	1.39

Note 1: The tax deduction expense in 2023 is: 2,041 thousand yuan.

Note 2: This report unifies the calculation model of operating costs to facilitate the same comparison basis in each year. Calculation formula: Cost of goods sold for the current year (consolidated statement) – employee salaries and benefits (those that are operating costs).

## Integrity management

### management policy

FFG attaches great importance to corporate integrity and corporate governance, strictly abides by business ethics and legal norms, and fights against corruption, anti-competition, anti-trust and other unfair behaviors; it does not bribe, adheres to operational transparency, and has successively formulated and implemented [Corporate Governance Code of Practice], [Board of Directors] Performance Evaluation Methods], [Ethical Code of Conduct], [Integrity Management Code] and [Integrity Management Operating Procedures and Conduct Guidelines] regulate

directors, managers, and employees in the process of engaging in business activities. They must not engage in dishonest behavior and should Explain the company's integrity management policies and relevant regulations to transaction partners, and clearly refuse to directly or indirectly provide, promise, request or accept any form or name of improper benefits.

### policy advocacy

object	Propaganda form	content
outsiders	Our company website	Disclose the contents of the company' s integrity management code
senior management	deed of appointment	Dishonest behaviors such as fraud, bribery, etc. are expressly prohibited
staff	Appointment Agreement	Code of conduct that must be followed
Undertake	contract of undertaking	Relevant personnel must follow business practices and must not offer or accept bribes.

### whistleblower system

The Company encourages internal and external personnel to report dishonesty or misconduct. Internal personnel who make false reports or malicious accusations shall be subject to disciplinary sanctions, and in serious cases they shall be dismissed.

submit letters to the employee mailbox set up in the factory or the mailbox posted in the employee area on the company website . At least the whistleblower's name, ID card number and address where the whistleblower can be contacted should be provided. , telephone number, email address ; the name of the person being reported or other information sufficient to identify the identity of the person being reported can be used as specific evidence for investigation.

managers of the dedicated units and business divisions should immediately ascertain the relevant facts. If it is confirmed that the person being reported has indeed violated relevant laws or the company's integrity management policy, they should immediately require the person being reported to stop the relevant behavior and deal with it appropriately, and Request damages through legal proceedings if necessary. If the person being reported is dissatisfied, he may appeal to the specialized unit, which shall notify the person being reported in writing of the outcome of the complaint.

If the person being reported is found guilty, the company should disclose on the internal website information such as the title, name , date of violation, content of the violation and handling of the person who violated integrity .

### **Integrity management implementation results in 2023**

There are 0 statistical prosecution cases in 2023

In 2023, there were 0 cases related to anti-competitive behavior, antitrust and monopoly laws, and corruption.

When new employees report in 2023, in addition to publicizing the personnel management rules and work rules , the company's integrity management policy is also explained , and dishonest behaviors such as fraud and bribery are explicitly prohibited . A total of 174 people attended educational promotions

## **Tax management**

### **tax policy**

FFG follows the tax regulations of the Republic of China as its tax policy and determines the income (loss) for each quarter in accordance with the regulations of each income tax reporting jurisdiction. It calculates the income tax payable

( recoverable) based on this and submits it to the relevant supervisor after review  
An accountant checks to ensure the correct amount of tax payable.

### **tax planning attitude**

FFG manages relevant tax matters in line with the purpose of being a good corporate citizen. We believe in paying taxes fairly and in accordance with the tax system to share the costs of providing a safe and sound business environment in the countries where we operate. FFG, through its tax policies and internal governance, is committed to ensuring that the purposes of relevant tax regulations are followed and the appropriate amount of tax is paid in a timely manner. The tax policy aims to ensure that tax risks are managed in a manner consistent with the company's core values, to ensure full compliance with tax laws and regulations, and to conduct tax planning based on the commercial operations of the relevant business, while taking into account the company's financial performance , goodwill and corporate social responsibility. commitment.

### **tax risk**

In terms of taxation, FFG's cross-border transactions are very limited. The existing transfer pricing agreement complies with national tax laws and regulations . At the same time, it maintains close cooperation with tax authorities and considers factors such as tax planning, compliance with tax filing requirements, and cooperative attitude to reduce the tax risks faced.

### **Communicate with shareholders**

FFG has an investor column on its website to provide downloads of the company's annual report, financial statements, corporate governance regulations, stock price and dividend information. On the premise of complying with laws and corporate

governance, it pursues the most appropriate tax burden and ensures shareholder rights. Pay reasonable taxes and fees and contribute to society.

The company's management directly faces investors and the media, explains the company's long-term strategic planning and future development, and accepts positive suggestions from various stakeholders on operations, finance and corporate governance; various recognition and discussion proposals at the shareholders' meeting Case-by-case voting is adopted to facilitate small shareholders to participate in the company's decision-making and exercise their voting rights, and the voting results are immediately publicly disclosed. It also actively responds to various suggestions put forward by shareholders as a reference for the company's future strategies.

## Risk management

### financial risk management

FFG does not engage in high-risk or high-leverage operations. Although it does engage in capital loans and endorsement guarantees, the objects are all operations between the parent company and its subsidiaries that hold 100% of the shares, and all are handled in accordance with relevant laws and regulations.

### Operational continuity management

In order to reduce operational risks, FFG adopts an "all-risk policy" for commercial fire insurance planning (which is more comprehensive than an "enumerated" policy). The subject matter of the insurance includes: buildings, land improvements, production-related equipment, business equipment, and mobile raw materials, work-in-progress and finished products. In addition, other

related insurances are purchased for public equipment such as pressure vessels.

In addition to fully insured commercial fire insurance, "Operation Interruption Insurance" is also added to consider operational risks. This additional insurance can compensate for business losses caused by business interruption due to natural disasters or accidents and includes expenses incurred in resuming business.

Description of policy conditions in 2023:

1. The annual premium is approximately NT\$12.3 million.
2. The policy is designed with a common deductible for each factory (1 million yuan or 10% of the loss amount). In the event of a major natural disaster (such as a typhoon or earthquake), FFG only needs to bear a deductible of NT\$1 million or 10% of the loss amount (business interruption insurance is 5 working days). Therefore, losses derived from natural disasters or related accidents All can be passed on to the insurance company.

the risk of third-party claims arising from accidents , FFG also adds or purchases "Third-party Accident Liability Insurance" and "Public Accident Liability Insurance" to pass on related liability claims.

### **climate risk management**

FFG has long been concerned about the impact of climate change on the industry, and deeply understands the importance of environmental protection and sustainable management. Risk analysis and extreme events from the perspective of disasters are important topics, and it takes sustainability as the concept and actively promotes carbon reduction management measures. , energy saving, water saving and waste reduction, and striking a balance between



sustainable operation and environmental protection.

## Information security management

### Information security risk management structure

FFG's information security policy is formulated by the Information Management Department, which is responsible for coordinating company-wide information security and related matters, and conducting regular internal information security inspections; the audit office is the supervisory unit of information security supervision, regularly tracking improvement results to reduce internal information security risk .

### Information Security Policy

(1) To effectively manage the company's internal computer and network operating environment, improve the efficiency of software and hardware usage and the security of files, maintain business continuity, reduce information operation risks, protect the rights and interests of information service users, and establish information security management System, standardize this procedure as the highest guideline to achieve the goal of information security management.

applications, data, files, media storage, hardware equipment and network facilities related to the information operations of each of the company's locations .

(3) To prevent the information system from being improperly used or deliberately damaged by internal or external personnel, or when it has suffered an emergency such as improper use or deliberate damage, the company can

respond quickly and return to normal operations in the shortest possible time to reduce the risk of such accidents. Possible economic damage and operational interruption.

(4) Execute management of information room, network security, ERP program modification, data security, information confidentiality, intellectual property rights, information outsourcing, etc.

(5) Implement information security audit management. Information security audits shall be carried out one by one according to the audit items, and relevant information may be accessed , on-site testing or inspection of the use of information software and hardware equipment. The audited departments and personnel shall cooperate to provide necessary description and documentation. Auditors shall keep audit documents confidential.

### **Specific management plans and resources invested in information security management**

Firewall protection, anti-virus software, internal and external network control, file access control, email security control, website protection mechanism, data backup mechanism, off-site backup storage, maintenance records, information security promotion, operating system updates, regular information security audits, Implement information security management policies to ensure the security of information data, systems, equipment and networks.

## **Supplier management**

The implementation of corporate sustainability management is not limited to the company itself, but should also simultaneously manage the environmental and

social impacts that may be caused directly or indirectly by the supply chain. FFG's supply chain management not only monitors the quality and delivery time of suppliers, but also monitors major ESG issues such as environmental protection, labor safety, health management and labor rights protection according to the industry of suppliers of raw materials, pulp and packaging materials.

Characteristics require signing of the following documents to convey the concepts promoted to suppliers for joint commitment and implementation.

#### 1. Supplier Corporate Social Responsibility Code of Conduct :

The company adheres to sustainable development and attaches great importance to labor rights and human rights, labor health and safety, environmental protection, We work together with our suppliers on issues such as ethics and ethics to truly fulfill our corporate responsibilities, thereby formulating the company's supply chain The Code of Business Conduct is attached as an attachment as a standard for suppliers to follow. In 2023, the main raw materials, a total of 58 packaging material suppliers have all signed back .

#### 2. Statement on non-use of conflict minerals :

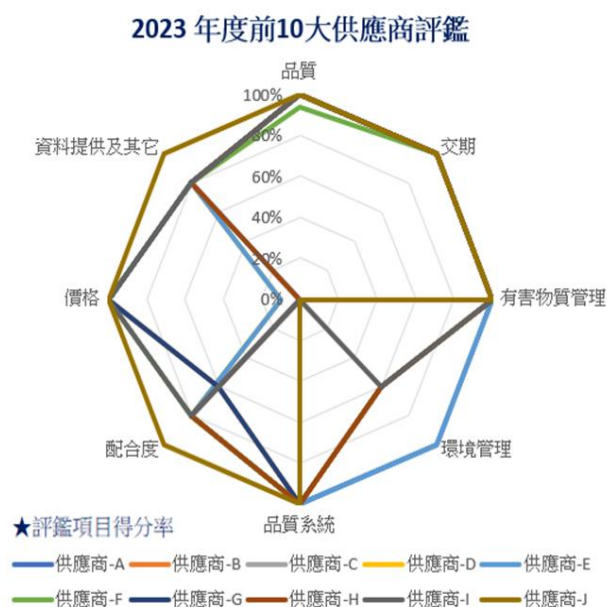
The company follows the guidelines set by the Organization for Economic Co-operation and Development (OECD) on "coming from conflict or high-risk areas". Due Diligence Guidance for Responsible Supply Chains of Minerals in the District Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas)" guiding principles. In addition to promoting the ban on the use of "conflict minerals". In addition to the requirements, and through evaluation to investigate whether the raw materials provided by suppliers use conflict minerals, in 2023 100% of the suppliers who are required to sign the "Commitment Form for Not Using Conflict Minerals".

#### 3. Green Procurement Policy :

Aiming at sustainable management, we comprehensively consider energy conservation and environmental protection such as production, packaging, logistics, recycling and reuse social responsibilities such as environmental protection, energy conservation and emission reduction with upstream and downstream enterprises. Another way to live on earth Prioritize production and environmentally friendly suppliers and use recyclable raw materials to reduce the impact of supply chain production. To cope with the impact of the environment, we strive to build a green supply chain.

### Supplier management and auditing

In order to ensure that supplier quality and delivery time meet the needs of the company's operations and customers, the company regularly evaluates raw material, slurry and packaging material suppliers once a year, and audits key raw material and slurry suppliers every three years. In order to implement supplier sustainability, "Corporate Social Responsibility", "Hazardous Substance Management", and "Environmental Safety and Health System Management" will be added to the supplier audit projects starting from 2022 to implement supplier sustainability management and joint promotion. The evaluation results of the top ten suppliers in 2023 are as follows. Based on the evaluation results, we will continue to track and require suppliers to improve, and work with suppliers to promote sustainable business operations.



## Compliance

For	precaution
corporate governance	At any time, participate in relevant measures and publicity meetings issued by competent authorities such as the Financial Supervisory Commission, Securities and Futures Bureau , stock exchanges and securities over-the-counter trading centers, and discuss and formulate or revise proposals in the board of directors from time to time to meet actual standards.
environmental protection	Regularly check the Environmental Protection Agency's regulatory inquiry system, collect and identify correlations with various departments of the company, report countermeasures in internal meetings, and promote them on the company's internal website.
labor human rights	In compliance with the provisions of the Labor Standards Law, management regulations such as "Measures for the Prevention and Control of Sexual Harassment" and " Prevention and Control of Workplace Bullying" clearly stipulate measures related to safeguarding the human rights of employees, and there is no employment of child labor, discrimination, violations of freedom of association, forced labor, and complaints through formal mechanisms. Related cases.

FFG takes compliance as its primary goal, abides by domestic and foreign laws and regulations, and adheres to all legal principles. The relevant authorities and responsible units pay attention to various legal trends at all times to ensure that their operations, rights and obligations are in compliance with regulations. Air pollutants are tested regularly every year, and relevant control equipment is strictly operated and perfected. The actual emission values are in compliance with legal requirements.

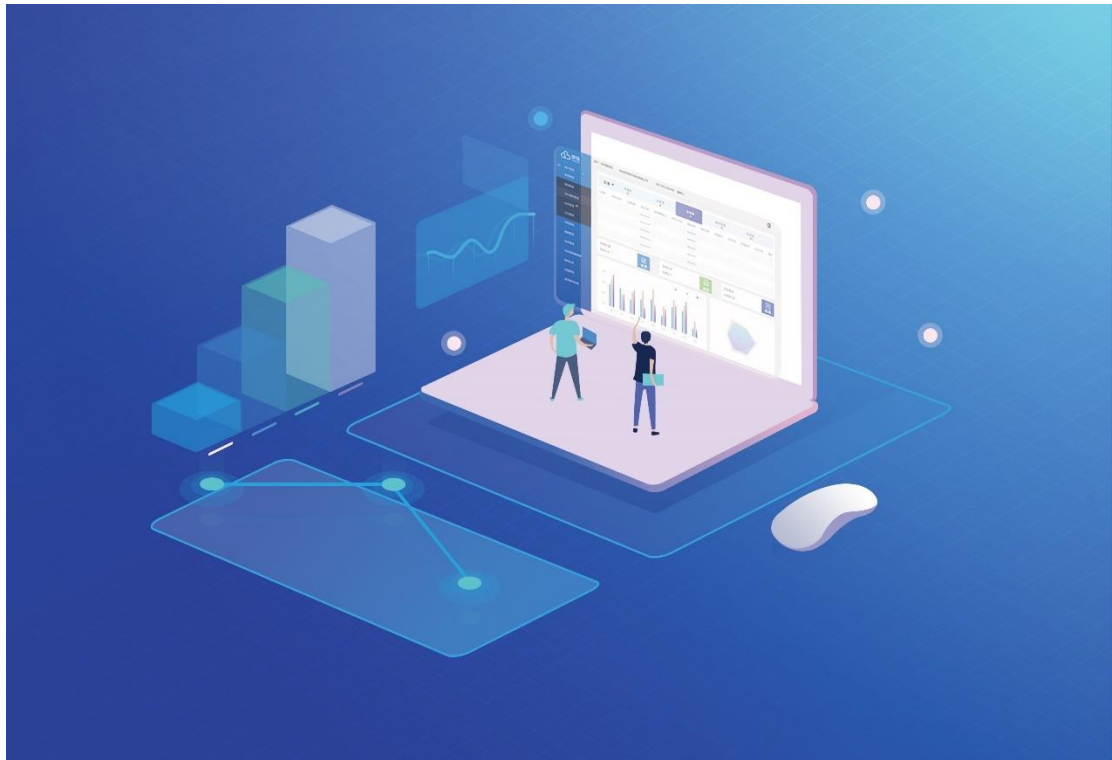
There is still a possibility that the waste gas generated by the glass manufacturing process will affect the surrounding crops. Therefore, if there is a dispute over agricultural damage , our company will comply with the Ministry of Environment's ruling standards or handle it in accordance with the court's decision. We will continue to maintain friendly relations with farmers and try our best to reconcile in good faith.

Description of environmental protection violations in 2023:

The Environmental Protection Agency (now the Ministry of Environment) inspection team went to Douliu Factory for inspection on November 17, 2022. On January 10, 2023, the Yunlin County Environmental Protection Bureau omitted to list CATIOGEN ESO and water-based in the operation permit for the glass fiber manufacturing process. Due to the use of PU resin and water-based polyurethane resin , the company was fined NT\$100,000 in accordance with Article 24, Paragraph 2 of the Air Pollution Act and ordered to make improvements within a time limit. The company has completed the application for change of operation license on June 11, 2023, and the improvements have been completed.



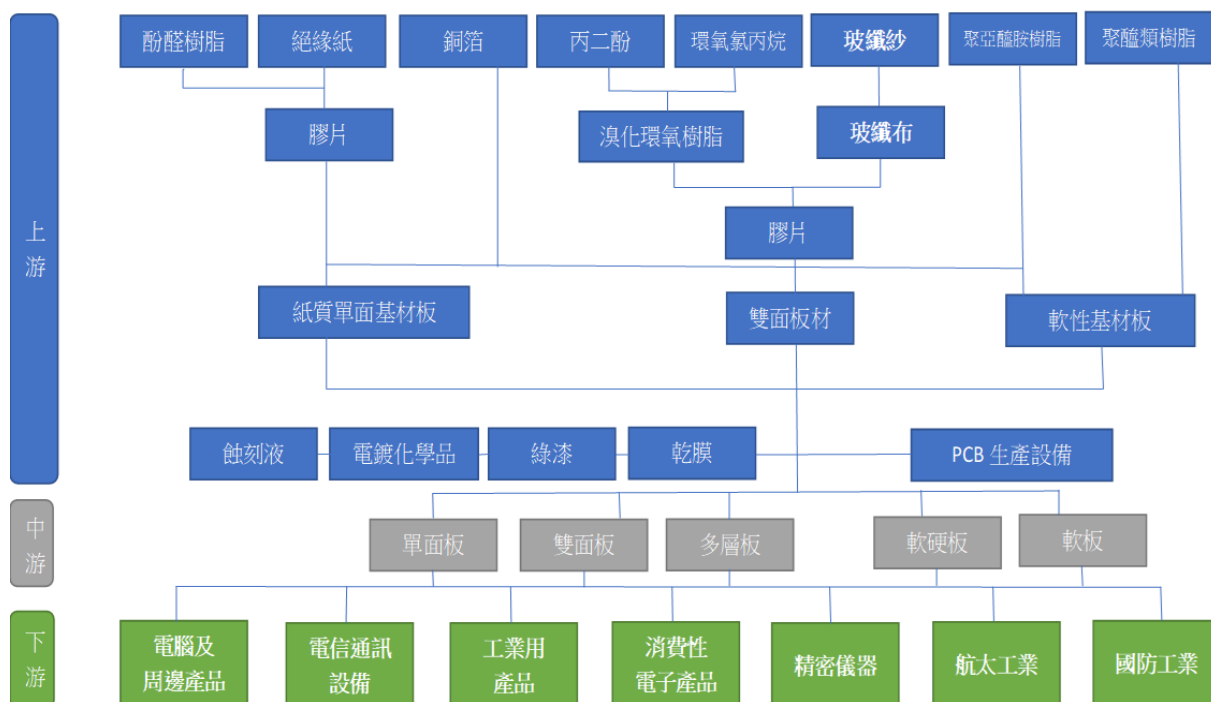
## ~Products and Services~



# Industrial chain

Printed circuit boards are basic components for various consumer electronics, computers, communications, information, automotive electronics, industrial control boards and medical equipment. The development of the printed circuit board industry has an important impact on the domestic electronics industry. The main raw material of printed circuit boards is copper foil substrate. The copper foil substrate is made of electronic grade fiberglass cloth, copper foil and epoxy resin. Electronic grade fiberglass cloth is woven from electronic grade fiberglass yarn. Therefore, fiberglass yarn is called the most upstream and most important basic raw material of the printed circuit board industry.

Printed circuit board, mid-stream and downstream industry structure diagram:



Source: Institute of Materials Science and Technology, Industrial Research

Institute

## Product introduction

FFG is a major domestic manufacturer specializing in the production and sales of fiberglass yarn and fiberglass cloth. "Glass fiber yarn" is mixed with eight raw materials, including kaolin, limestone, silica sand, and calcium hard borate, and then transported to a furnace with a temperature as high as 1400°C. It is heated to a liquid glass paste, and then drawn into a single fiber of glass fiber through a platinum spinning box. The thickness of the single fiber is only about 1/18 to 1/5 of the diameter of a human hair (about 4 to 13 micron), and 100 to 1,600 single fibers Then combined and twisted into fiberglass yarn. All products are 100% compliant with RoHS and REACH regulations. Our company's glass fiber cloth is woven with self-made glass fiber yarn, then treated with silane and hardened with cyclic resin, and then laminated to the copper foil , which is the raw material of the printed circuit board "copper foil substrate". Printed circuit boards are the control and operating components of various electronic information products.

## Products and Applications



## fiberglass yarn

### 1. Product characteristics, projects, and main sales areas

- Excellent electrical insulation properties
- High tensile strength and good dimensional stability
- Good heat resistance, chemical resistance and flame resistance

main product items are as follows:

Electronic grade fiberglass yarn: G75, G67, E225, G37, G150, E110, D450, D900, DE300, C1200, BC1500, BC3000, BC2250, BC3750. It is used in consumer electronics, automotive electronics, industrial electronics and medical equipment, etc. The main sales areas are Taiwan and China.

Industrial grade fiberglass yarn: G75, G67, G150, BC150, G50~G25, H110~H12, DE300~DE37, K37~K18. It is used in aerospace industry, military, building materials, medical, insulation and anti-corrosion materials, etc. The main sales areas are America, Europe, Japan or other regions in Asia.

### 2. Short, medium and long-term development plans

As AI artificial intelligence becomes increasingly mature and its applications expand, 5G communications increase, and the industrial market application fields continue to increase, the future demand for glass fiber yarn should continue to grow. Through the vertical integration model with its own fabric factories, FFG continues to innovate and develop, hoping to make breakthroughs and progress in the future 5G supply industry chain and occupy a place. In order to realize the spirit of corporate sustainability, FFG

not only consolidates core technologies through customized R&D and production and prides itself on service-oriented manufacturing , it is also able to respond to changes in market demand, adjust product portfolio strategies in a timely manner, and manufacture products that meet customer needs. Products in demand have great industrial advantages .

Future products must be diversified in development, and FFG will continue to raise the competitive threshold through the development and manufacturing of high-end products to ensure industry competitive advantages , and enhance corporate value through short, medium and long-term development plans :

Short term plan:

1. Flexibly adjust product mix to respond to drastic changes in different markets
2. Flexible pricing to balance revenue and profit , and flexible adjustment of production capacity allocation to control inventory levels
3. Pay attention to customized and high-profit products, and use more resources to improve the process of such customers.

Medium term plan:

1. Continuously develop and optimize new Low DK products ( FFG trade name: FL D) to meet the needs of terminal 5G products
2. Developed extra-fine BC 2250 and BC 3 000 glass fiber yarns for electronic use
3. Deepen technical cooperation with important customers in product improvement/development to strengthen customer loyalty

Long term plan:

1. Develop new Low CTE products ( FFG trade name: FLE ) to meet the needs of new generation carrier board materials
2. Developed extra-fine BC3750 and BC5000 electronic fiberglass yarns
3. Develop high-strength glass to meet special new material requirements for industrial or military applications .
4. Develop new products for special high-end industrial purposes to ensure industrial competitive advantage

### 3. Certification

Passed ISO 9001 certification in April 2009.



### fiberglass cloth

#### 1. Product items and main sales areas

Electronic-grade fiberglass cloth is used in low-orbit satellites, network

communications, smart devices, automotive electronics, consumer electronics, industrial electronics, computers and peripheral products, etc. The main sales areas are Taiwan, China and other parts of Asia.

In recent years, the way humans interact has changed due to the epidemic, which has also led to further development of virtual technology. Immersive experience requires the high-frequency and high-speed transmission of 5G to achieve real-time signal exchange without time lag, and 5G is the future 10 to 15-year long-term development trend, 5G-related construction has been disrupted by the epidemic in recent years. It is expected that after the global epidemic is downgraded, the pace of deployment will gradually accelerate. The company will also focus on the development of 5G products in order to keep up with market demand trends.

As the upstream of the printed circuit board industry supply chain, FFG has the advantages of vertical integration of the group and a stable source of raw yarn, which lays the foundation for good quality. In addition, the R&D personnel in the factory have downstream backgrounds and strong independent research and development capabilities. Quickly approaching customer needs is a niche that can achieve sustainable business operations.

## 2. Short, medium and long-term development plans

Short term plan:

1. The development and certification of 5G high-frequency and high-speed plates are the focus of the company's short-term plan
2. IC carrier boards and similar carrier board materials
3. Stabilize existing HDI demand and continue to develop new applications for high-end products



#### 4. Business development of automotive and Anti-CAF sheets

Mid-term plan:

1. Business development of HPC, high-frequency and high-speed related applications
2. Continuous business development and expansion of 5G base stations, China Netcom and cloud servers

Long term plan:

1. In the future, with the development of the metaverse and virtual technology, the demand for 5G, 6G, low-orbit satellites, cloud, and edge computing will also increase day by day. The company will use high-frequency and high-speed materials as its main development target products.
2. Driven by international carbon neutrality, the rapid development of electric vehicles will also be promoted, which requires the application of a large number of chips and HDI substrates. Therefore, the HDI and carrier board business will also be one of the company's long-term focus business projects in the future .

### 3. Certification

In April 2008, it obtained the ISO 9001 certificate issued by TUV NORD.

In March 2012, it obtained the ISO 14001 certificate issued by TUV NORD.

In December 2019, it obtained the IATF 16949 certificate issued by TUV NORD.



## Customer service

### Customer service management

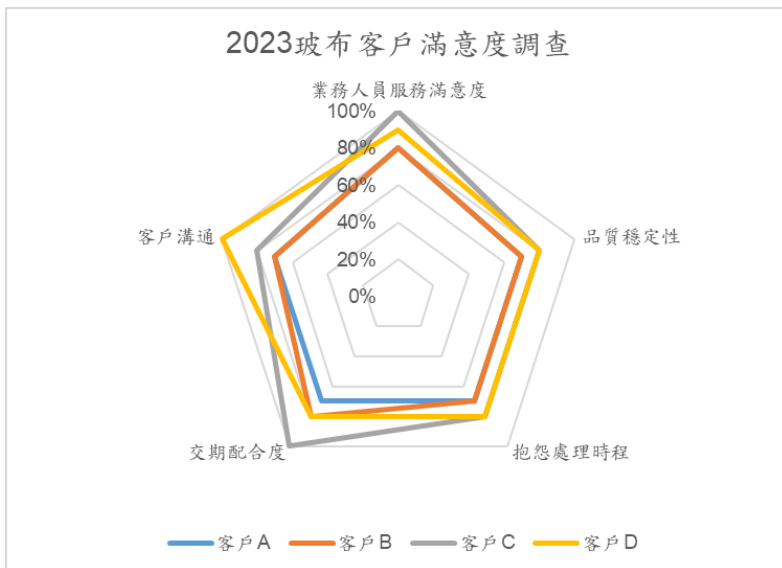
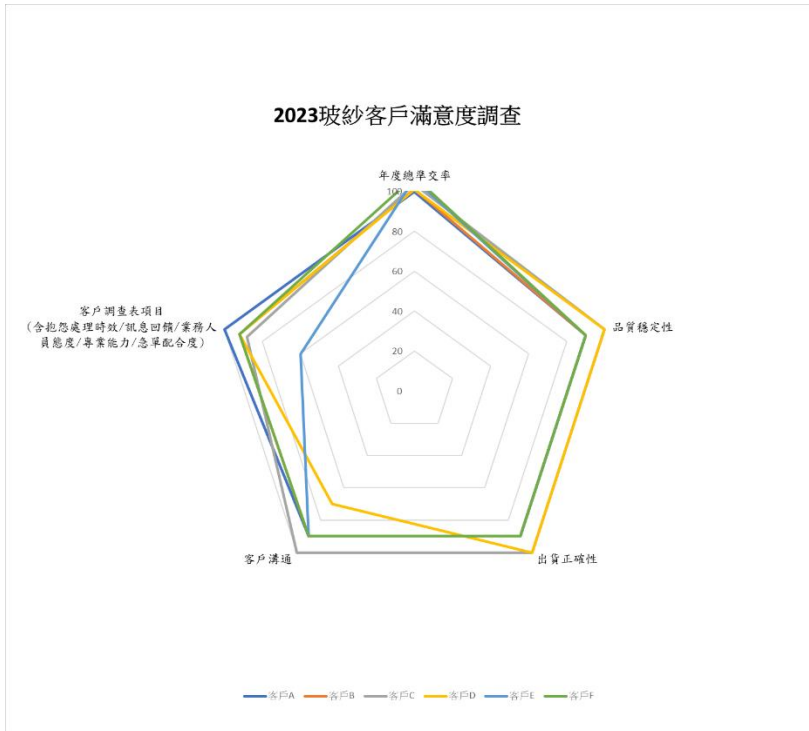
FFG adheres to the service concept of "Customer First" and puts customers as the focus. It evaluates and provides improvement plans based on customer feedback in terms of product design, process improvement, product quality and sales services to ensure that it can meet customer needs. Customer needs and optimize customer service processes.

Regarding the handling of customer opinions, in order to protect customer privacy and avoid data leakage , we use business personnel as the window and initiate corrective and preventive measures in accordance with the "Customer Complaint Handling Procedure" and "Customer Satisfaction Survey Procedure". If there is a continuous major abnormality, A preliminary reply to the customer must be made within 48 hours; improvement reports must be responded to within the response period required by the customer, and customer feedback must be included as an important reference for the company's operations and future improvements.

### Customer Service Survey

In order to improve customer satisfaction, FFG Company will implement a "Customer Satisfaction Survey" every year, which covers shipping, quality and service-related evaluation matters to ensure that customer needs are properly understood and reviewed and improved to establish Long term partnership.

The 2022 customer satisfaction survey is as follows:



## Value customer privacy

We actively promote the importance of information security and privacy protection, and require employees to fulfill their confidentiality obligations, including:

1. Strictly abide by the company's confidentiality rules and systems, fulfill

confidentiality obligations, and do not disclose the company's confidential information.

2. Correctly use confidential information that the company or the company has promised to keep confidential, and shall not use it outside the scope of performing duties.
3. Do not use confidential information to benefit yourself or a third party.

At the same time, the information management mechanism is also strengthened to regulate the collection, processing and utilization of data to avoid infringement of customer privacy and rights, including:

1. The responsible unit should encrypt the documents/files it manages to protect/avoid related data from being stolen, tampered with or damaged .
2. For the public data area of the business unit, the permissions are set by the MIS; non-business personnel must issue an information system application form according to their purpose of use, and the MIS will open the read permissions with the consent of the supervisor of the file/file holding unit. Personnel with legal authority.
3. The data accessed on the server is backed up by MIS at a fixed time to prevent files from being stolen or deleted by malicious attacks.
4. Require employees to use strong passwords and force password updates regularly to reduce the infringement or theft of account information.

## ~Environmental symbiosis~



# Climate change risk and opportunity identification and countermeasures ( TCFD )

In response to the global climate change trend, and to let stakeholders understand the response actions, FFG refers to the climate-related financial disclosure proposal ( TCFD ) framework issued by the Financial Stability Board to disclose the governance, strategy, risk management, indicators and goals in response to climate change. .

## **governance**

The FFG Board of Directors is the highest governance unit for climate-related risk and opportunity management. It is responsible for reviewing and supervising strategic development and policy formulation, following the government's carbon reduction plan, and setting carbon reduction targets and climate-related financial disclosure information. Incorporate the possible impact of climate change into overall operational considerations, estimate risks and impact levels, and establish a response mechanism. When adapting to climate change, we will consider the company's competitiveness and seize business opportunities.

The corporate governance unit coordinates the collection of climate change issues and information, invites relevant departments to participate in discussions, evaluates and judges the impact of climate change opportunities on future market opportunities and company operating conditions, as well as how to respond to possible risks and take appropriate mitigation and measures.

## **strategy, risk management**

In the face of climate change caused by the greenhouse effect, frequent natural disasters may cause power outages or water outages in factories, which will result

in potential financial impacts such as reduced revenue, increased operating costs, and reduced asset values. In order to reduce the impact on operations, based on the three aspects of regulations, entities and economy, we refer to the TCFD guidelines, the global risk assessment report, the Taiwan Climate Change Research Report’s estimated situation in 2050, and consider the actual situation of the market in which we operate. , identify and analyze the following risk types:

Risk type	project	risk	Probability	impact	Chance	coping strategies
<b>Legal aspects (Transition risk)</b>	Amend relevant laws and regulations in conjunction with the EU Carbon Border Adjustment Mechanism (CBAM)	<ol style="list-style-type: none"> <li>1. Increase pricing on greenhouse gas emissions</li> <li>2. Strengthening emissions reporting obligations</li> <li>3. Litigation risk</li> <li>4. Increased operating costs, increased administrative expenses, renewable energy in short supply, increased equipment investment, and limited production capacity</li> </ol>	short term	high	<ul style="list-style-type: none"> <li>■Promote the development of green energy industry and improve corporate energy conservation</li> <li>■Accelerate corporate carbon reduction and strive for carbon rights quotas</li> <li>■Slow down the expansion of production capacity to improve industrial health</li> </ul>	<ul style="list-style-type: none"> <li>■ Introducing internal carbon pricing and charging carbon fees for greenhouse gas emissions</li> <li>■ Communicate with the government on policies to make the system fair and reasonable</li> <li>■ Set renewable energy targets and pay attention to the renewable electricity certificate system</li> <li>■ Conduct greenhouse emissions every year and set carbon reduction targets</li> </ul>
<b>solid surface</b>	Extreme weather	Probability of disasters, impact	medium and long	medium, high	<ul style="list-style-type: none"> <li>■Improve enterprise</li> </ul>	<ul style="list-style-type: none"> <li>■ Establish emergency</li> </ul>

<b>(physical risk)</b>	causes shutdowns	on production and operations, and costs related to disaster prevention	term		production competitiveness in response to extreme climate ■ Improve factory site protection capabilities	response procedures to reduce losses to people and property ■ Save water and introduce climate adjustment measures such as building water recycling systems ■ Develop business operations plan for extreme climates
	sea level rise					
	average temperature increase					
	Haze damage					
<b>economic aspect (Transition risk)</b>	goodwill	affect sales	medium term	Low	■ Active carbon management meets customer requirements ■ Slow down the expansion of production capacity to improve industrial health	■ Improve low-carbon energy and low-carbon manufacturing processes ■ Increase the proportion of renewable energy used ■ Establish dialogue channels with stakeholders
	Supply chain carbon reduction requirements	Poor carbon reduction affects customers' switch or early termination of cooperation	medium term	middle		
	Carbon tax increases raw material costs	Increase in price and decrease in profit	medium term	middle		

Transition risk: In response to the market complexity and impact caused by climate change, adjustments need to be made through changes in the supply and demand structure. Adjustment methods include policy, legal, technological and market changes to mitigate and adapt to the needs of climate change.

Physical risks: Actual risks brought about by long-term climate change and immediate extreme weather disasters, which may have direct impacts on industries and supply chain disruptions.

Description of evaluation principles:

	Urgency	Probability of occurrence	Impact level	Risk and opportunity assessment results and handling principles
1	Short term ( 1-	high	high	List risks that must be dealt with in the short term

	3 years)			and manage them through the actions of various departments
		middle	middle	Assess future developments before deciding how to deal with them
		Low	Low	Not processed yet
2	Medium to long term ( 3-10 years)	high	high	Evaluate based on the probability of occurrence and degree of impact, and consider whether it is consistent with short-term risk management.
		middle	middle	Assess future developments before deciding how to deal with them
		Low	Low	Not processed yet

Impact: A high impact means that it brings about large financial costs or capital expenditures; a medium impact means that it brings about medium financial costs or capital expenditures; a low impact means that it brings about some financial costs or capital expenditures.

Probability: short-term means it will happen frequently within three years , medium-term means it will happen at least once or may happen in three to five years, and long-term means it will probably happen in five years.

## Description of the possible financial impact of TCFD risk impact assessment

	risk category	Impact on FFG	Subsequent financial calculation needs
1	Transition risks: Increase in raw material costs	Because climate change has led to shortages in the supply of raw materials, the supply of raw materials exceeds demand, which in turn leads to an increase in procurement costs. Ultimately, manufacturing costs rise.	( 1) Raw material items that may be affected and the extent of the impact; ( 2) Affected products and scope ( 3 ) Influence starting time
2	Transition risks: Supply chain carbon reduction requirements	As environmental awareness rises, the market will pay more attention to energy-saving and carbon-reducing products, and the R&D department will need to invest more resources in research, leading to an increase in operating costs.	(1) Ongoing operation planning costs (2 ) Alternative cost
3	Physical risk: Increased severity of extreme weather events such as	Extreme weather leads to an increased chance of hurricanes or heavy rains, which may cause flooding in the factory or nearby	(1) Ongoing operation planning costs (2 ) Alternative cost



	hurricanes and floods	communities. External transportation from the factory may be hindered, resulting in shutdowns, reduced revenue, or increased costs.	
4	Transition risks: EU Carbon Border Adjustment Mechanism (CBAM) amends relevant legal systems	The world has set a net-zero emission target. After COP27, the world is expected to reach its carbon peak in 2025. Relevant laws and regulations will have increasingly higher requirements for carbon reduction, which will lead to the need to adopt more low-carbon technology transformation and development. The overall improvement of technology will lead to Costs rise.	( 1) Low-carbon technology leads to an increase in overall costs ( 2) Equipment updates lead to an increase in overall costs

To further assess organizational resilience, the following three scenarios were considered to evaluate possible carbon reduction strategies :

- BAU (business as usual): Indicates the worst case scenario, without making any changes
- 2°C: According to the simulation scenario of global warming within 2°C developed by the International Energy Agency (IEA)
- the simulation scenario of global warming within 1.5 °C developed by the International Energy Agency (IEA) . As the most aggressive carbon reduction target , it means that it will seek more active carbon reduction practices . Due to the active layout of low-carbon transformation, higher transformation costs will be invested in the initial stage, but it will have the highest and long-term competitive advantages. More and faster efforts than 2 °C are needed , with a target of net zero emissions by 2050 .

●

Risk/Opportunity	describe	Risk and opportunity assessment in different scenarios		
		2°C	1.5°C	Implications for FFG

risk	Rising raw material costs	Cost increase: ++	Cost increase: ++	Cost increases may not change significantly under different scenarios
risk	Increased severity of extreme weather events such as hurricanes and floods	Cost increase: +	Cost increase: +	Cost increases may not change significantly under different scenarios
risk	sea level rise	Cost increase: ++	Cost increase: ++	Cost increases may not change significantly under different scenarios
Chance	Accelerate corporate carbon reduction and strive for carbon rights quotas	Cost increase: +++ Increase in income: ++	Cost increase: ++ Increase in income: ++	When climate action becomes more ambitious, the costs will increase, but the benefits will be greater in the long term.
Chance	Slow down production capacity expansion and improve corporate health	Cost increase: ++ Increase in income: +	Cost increase: ++ Increase in income: +	Cost increases may not change significantly under different scenarios
Chance	Promote the development of green energy industry and improve corporate energy conservation	Cost increase: +++ Increase in income: ++	Cost increase: ++ Increase in income: ++	When climate change accelerates, costs will increase, but the benefits will be greater in the long term.

\* Explanation of impact magnitude: + ++ high impact magnitude, ++medium impact; +low impact magnitude

## Metrics and Goals

FFG has been conducting parent company greenhouse gas inventory and verification in accordance with environmental protection laws since 2014. In the future, it will cooperate with the corporate governance schedule of the competent authorities to include subsidiary greenhouse gas emissions under control, and will conduct annual risk assessments. Based on the current Manage the identified climate-related risks and opportunities and disclose the results in the

sustainability report.

FFG uses the ISO 14064-1 greenhouse gas emission management system for energy management and greenhouse gas management. It conducts annual greenhouse gas emission inventories in each of the company's factories (Douliu Factory and Huwei Factory), and entrusts it to obtain certification from the Environmental Protection Agency. The Greenhouse Gas Agency completes annual verifications to understand the source and amount of greenhouse gas emissions in the factory, and to grasp the current status of emissions, which serves as the basis for building greenhouse gas reduction capabilities and in-factory emissions management.

### Greenhouse gas emission statistics of each factory in 2023:

Emission statistics table of greenhouse gas categories and category 1 emission types of each factory					Statistics table of greenhouse gas emissions of each factory						
Factory		Category 1 (direct discharge)	Category 2 (indirect emissions)	Total emissions	factory Don't	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	total emission equivalent	
fight six factory	Emission equivalent (metric tons CO <sub>2</sub> e/year)	28,555	46,019	74,574	Douliu Factory	Emission equivalent (metric tons CO <sub>2</sub> e/year)	7 3,395	1,144	3 3	1.7	7 4,573.7
	Gas proportion (%)	38.30%	61.70%	100%		Gas proportion (%)	98.42%	1.53%	0.04%	0.00%	100%
Tiger tail factory	Emission equivalent (metric tons CO <sub>2</sub> e/year)	37,640	39,144	76,784	Huwei Factory	Emission equivalent (metric tons CO <sub>2</sub> e/year)	7 5,376	1,392	1 6	0	7 6,784
	Gas proportion (%)	49.02%	50.98%	100%		Gas proportion (%)	98.17%	1.81%	0.02%	0.00%	100%

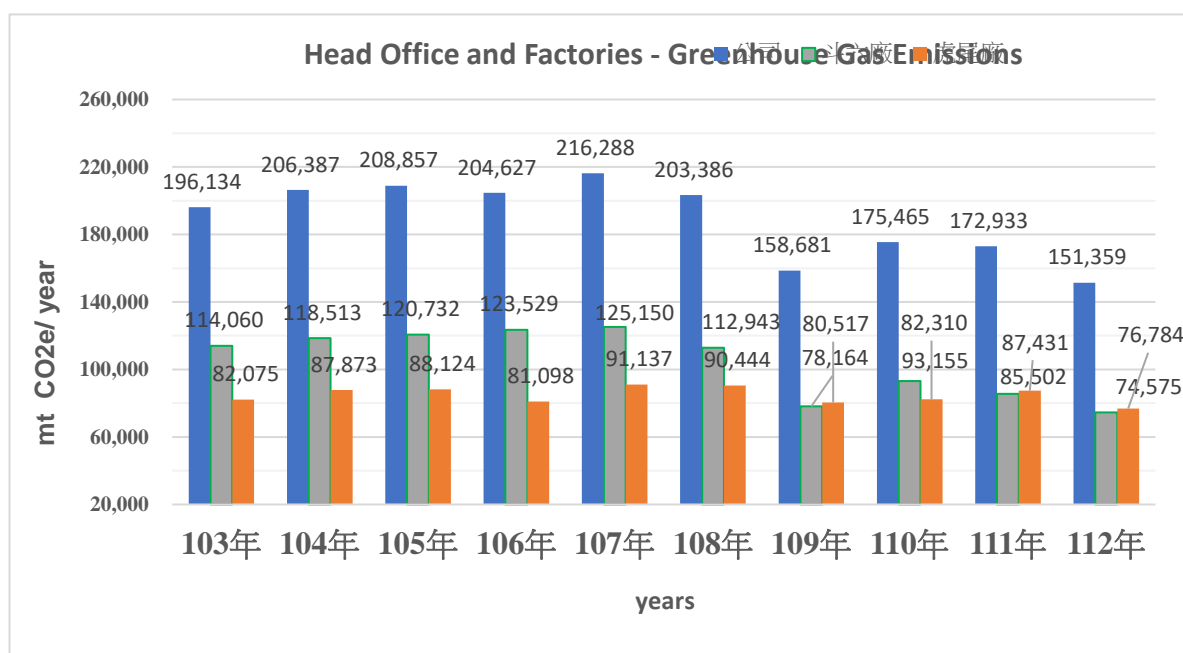
Category 1 (direct emissions): includes stationary emissions, process emissions, mobile emissions, and fugitive emissions

Category 2 (indirect emissions): purchased electricity

## Product emission intensity in the past two years

		Douliu Factory (cloth manufacturing process)		Douliu Factory (yarn manufacturing process)		Huwei Factory (yarn manufacturing process)	
unit		11 1 year	11 2 years	11 1 year	11 2 years	11 1 year	11 2 years
total emissions	Metric tons -CO2e	23,860	19,574	63,105	38,426	83,442	76,784
Total product quantity	mt	7,379	5,052	25,144	16,145	39,855	29,055
product intensity	Metric tons of CO2 emissions per unit of production	3.23	3.87	2.51	2.38	2.09	2.64

## Greenhouse gas emissions over the years



## Greenhouse gas carbon reduction targets and related measures

### (一) Reduction target:

According to the results of the greenhouse gas inventory, it is known that the

company's greenhouse gas emissions are mainly used for current electricity use and process fuel use. The greenhouse gases account for the majority of the overall total greenhouse gas emissions. Therefore, the company will currently focus on energy management and process improvement. To reduce greenhouse gas emissions and thereby strengthen industrial competitiveness, the reduction target is expected to be about 2 to 5%.

## (2) Carbon reduction measures :

### 1. Process improvement:

Douliu Factory built a new pure oxygen system in 109 and introduced the pure oxygen combustion process. The original process used general air combustion to be replaced by pure oxygen combustion. Because pure oxygen combustion will greatly increase the flame temperature, by using pure oxygen, more The heat will be absorbed by the product, and the combustion process will become more efficient and reduce overall fuel usage, reducing greenhouse gas emissions by approximately 9,634 metric tons (CO<sub>2</sub>e/year) in 2023.



### 2. Electric power improvement

The Huwei plant will complete the construction of solar renewable energy

power generation capacity of approximately 1,854KW at the end of 2021. The actual generated degree in 2023 is 2,331.6 ( thousand degrees/year), calculated based on the 2023 announcement coefficient (0.494 kg CO<sub>2</sub>e/degree), in 2023 The annual greenhouse gas emission reduction is approximately 1,152 metric tons (CO<sub>2</sub>e/year).



## Greenhouse gas inventory and confirmation status in the last two years

### Greenhouse gas inventory information

	Data coverage	Total emissions (metric tons CO <sub>2</sub> e)		Intensity (metric tons CO <sub>2</sub> e/million yuan)	
		Year 111	7 5,818.71	Year 111	18.45
Category 1	parent company (Douliu Factory and Huwei Factory)	112 years	66,195	112 years	22.99
		Year 111	9 7,114.35	Year 111	23.63
Category 2	parent company (Douliu Factory and Huwei Factory)	112 years	85,61 3	112 years	29.38

### Greenhouse Gas Confirmation Information

The Greenhouse Gas Inventory Committee of Douliu Huwei Plant Two was conducted by Alfano International Co., Ltd. in accordance with ISO14064-3:2006 and the current regulations of the Executive Yuan Environmental Protection Agency. It did not violate substantive regulations and met the reasonable



assurance level recognized by the Executive Yuan Environmental Protection Agency. . The inspection statement of the two factories in 2023 is as follows:



## Air pollution control

In order to reduce the air pollutants generated during the manufacturing process and comply with the emission standards stipulated by the Environmental Protection Agency, in addition to setting up flue gas desulfurization equipment and bag dust collection treatment facilities, we also implement operating specifications for air pollution prevention and conduct regular inspections based on the characteristics of the equipment. Maintenance and maintenance shall be inspected regularly by the responsible department.

The air pollutant emissions of each factory in the past two years are as

follows:

Types of pollutants	unit	Douliu Factory		Huwei Factory	
		Year 111	112 years	11 1 year	11 2 years
particulate pollutants	mt	2.103	1.967	1.265	1.011
Sulfur oxides		13.475	6.312	3 3.302	1 9.833
NOx		54.896	4 2.018	1 1.494	1 8.771
volatile organic compounds		12.809	7 6.341	0.003	6 0.012

※Based on the periodic flue testing and air pollution fee calculation methods, the results of the periodic testing are all lower than the emission standards set by the Environmental Protection Agency



## Water resources management

### Water use and environmental impact

FFG mainly produces electronic-grade fiberglass products. During the melting, molding, and spinning processes of glass, a large amount of water must be used for cooling; it upholds the principles of caring for the earth, cherishing resources, and contributing to the environment. Determined to contribute to conservation, the water sources used by FFG are all from third parties and will not have any significant impact on the environment and ecology of the area where the factory is located .

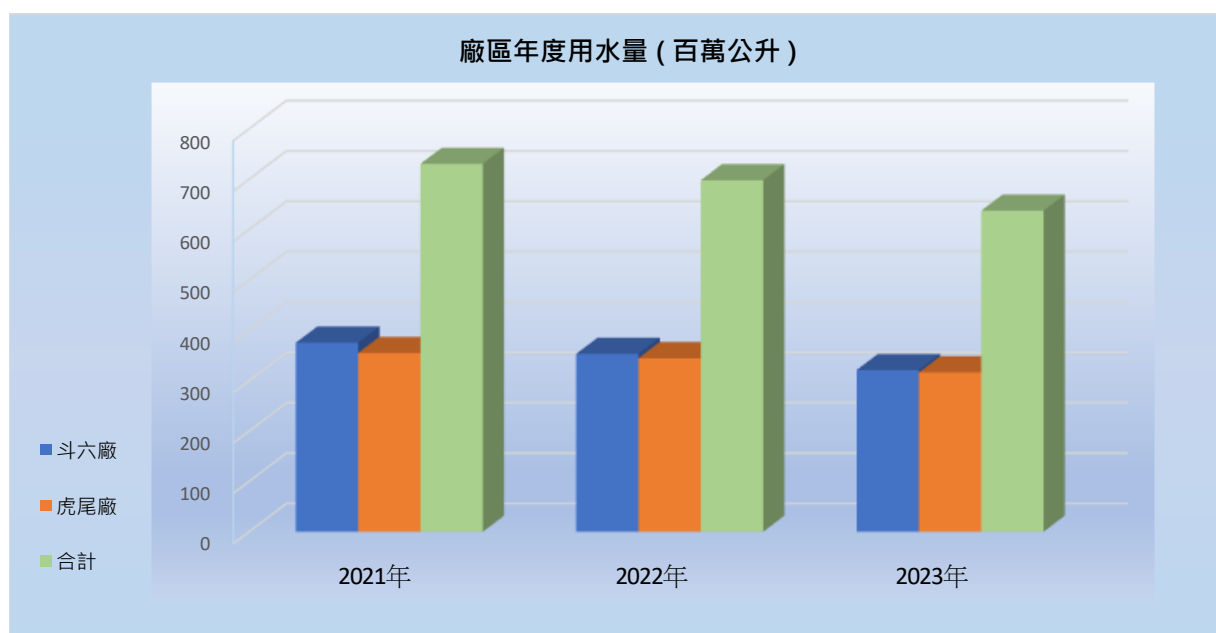


## The water intake of each plant area in the past three years

### 取水量

廠區	單位	2021年	2022年	2023年	來源
斗六廠	百萬公升	375	353	321	第三方的水-湖山淨水廠
虎尾廠	百萬公升	355	345	316	第三方的水-林內淨水廠
合計	百萬公升	730	698	637	

註一：取用水皆屬於總溶解固體物(TSD)  $\leq 1000$  mg/L的淡水



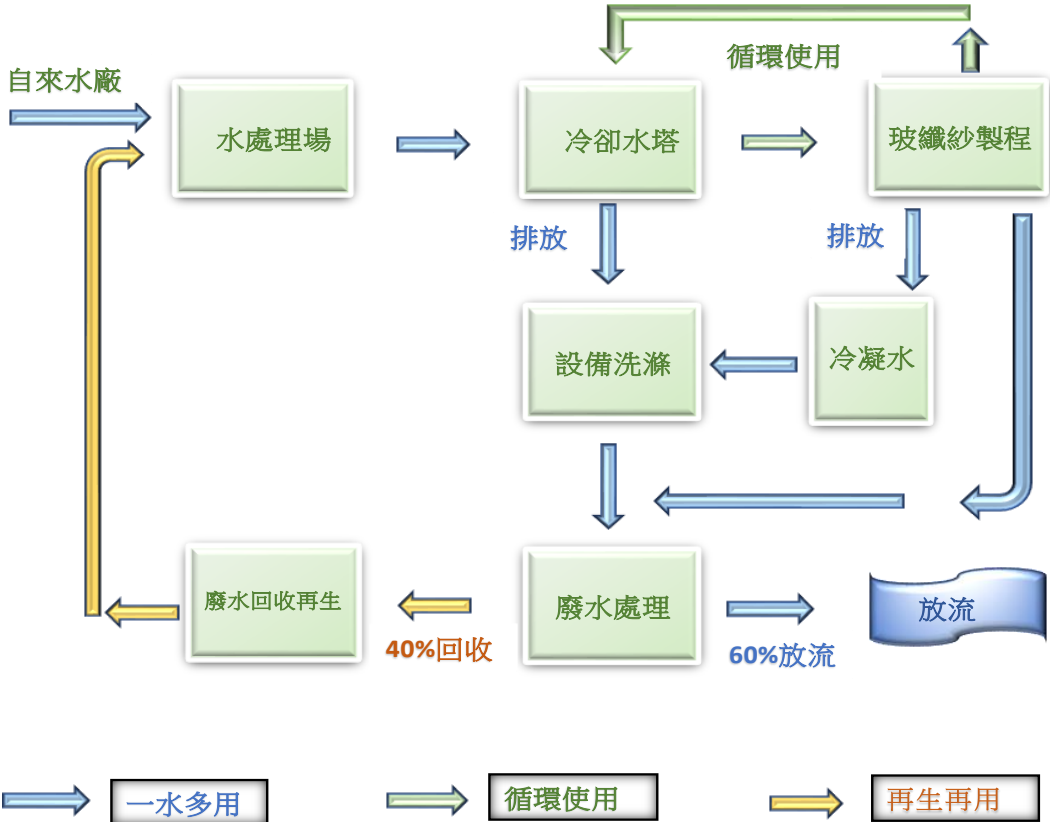
Water resources policy: cherish resources, use water for multiple purposes, recycle, regenerate and reuse, and release water legally.

Because we understand the preciousness of water resources, every drop of water flowing into FFG has been recycled many times. Through the water exchange cycle, the replaced discharge water and the condensed water of the system are collected and concentrated, and used as process equipment again. It is used for washing; and the final process wastewater generated flows into the wastewater

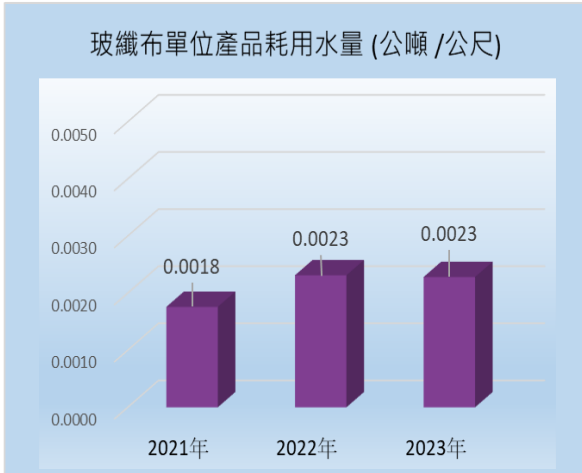
treatment plant and is purified. Part of it is regenerated into tap water through the wastewater recovery system and then enters the system for reuse, while the rest is discharged. This is the three-use policy advocated by our company : one water for multiple uses, recycling, and regeneration and reuse.

In recent years, FFG has been committed to improving recycled water filtration equipment, so that the proportion of water recycling and reuse can be maintained at more than 10% of the total water consumption.

水資源三用政策 系統圖



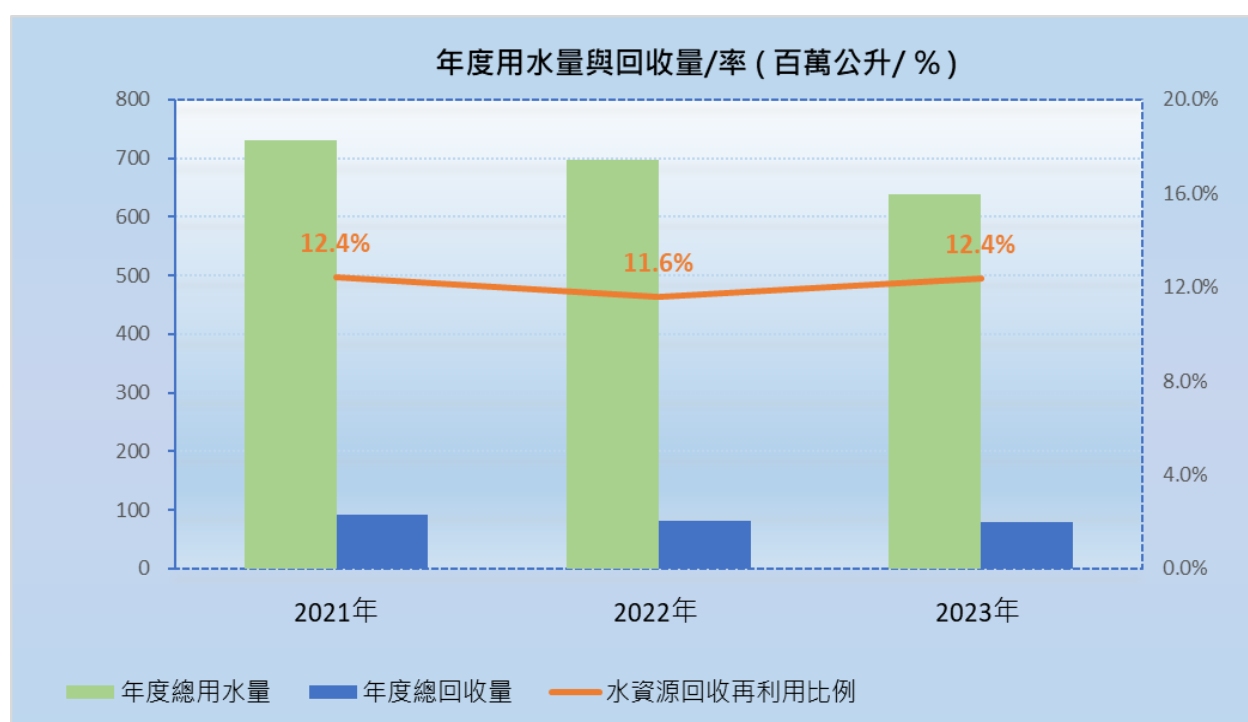
Product water consumption in the past three years



## Water consumption and recycled water in the past three years

	單位	2021年	2022年	2023年
年度總用水量	百萬公升	730	698	<b>637</b>
年度總回收量	百萬公升	91	81	<b>79</b>
水資源回收再利用比例	%	12.4%	11.6%	<b>12.4%</b>

註:水資源回收再利用比例 (R2)= 年度總回收量 / 年度總用水量 · R2不含冷卻水回收循環量



## Water Discharge Management

According to the characteristics of the wastewater source, the process wastewater generated by each factory of FFG has been properly planned for purification treatment. The quality of the discharged water can meet the discharge standards regulated by the country. According to the regulations on water pollution prevention and control and the location of the plant, the wastewater from the Douliu Plant is discharged to the tributary of Meilin River in Douliu City after

treatment; the Huwei Plant undergoes third-level wastewater treatment and is managed to the sewage treatment plant in Huwei Park of Zhongke .

In addition, the company's two factories are equipped with sludge drying systems, which can reduce the moisture content of the original sludge from 80% to less than 50%, which can significantly reduce the output of sludge.

### Drainage volume and discharge water quality

排放水質主要指標	單位	法規標準值	斗六廠			虎尾廠		
			2021年	2022年	2023年	2021年	2022年	2023年
PH值	-	6-9	8.1	8.0	<b>7.8</b>	7.8	7.8	<b>7.7</b>
COD	mg/L	≤100	32	35	<b>32</b>	39	43	<b>35</b>
S.S.	mg/L	≤30	9	3	<b>5</b>	12	10	<b>8</b>
硼	mg/L	≤5	0.8	0.8	<b>0.8</b>	1.4	1.4	<b>1.3</b>
氟鹽	mg/L	≤15	7.8	4.1	<b>5.6</b>	7.3	8.4	<b>6.8</b>
總排放量	百萬公升		240	237	<b>201</b>	188	168	<b>149</b>

### Factory discharge water monitoring values and discharge water in 2023

Both Douliu and Huwei factories are equipped with wastewater treatment facilities. After proper treatment, the concentration of wastewater discharge will comply with the regulations of the local competent authorities and will not have an impact on the surrounding environment.

Water pollution testing items/factories		Douliu Factory	Huwei Factory
Chemical oxygen demand COD ( mg/L)	Monitoring value	59	41.7
	Emission standards	100	400
Suspended solids SS (m g/L)	Monitoring value	3	8.1
	Emission standards	50	300
Fluoride salt ( mg/L)	Monitoring value	2.37	6.28
	Emission standards	15	15

## Energy management

Energy policy: eliminate waste, save energy and reduce carbon emissions, improve energy efficiency, and practice green energy responsibility.

### Energy usage statistics over the years

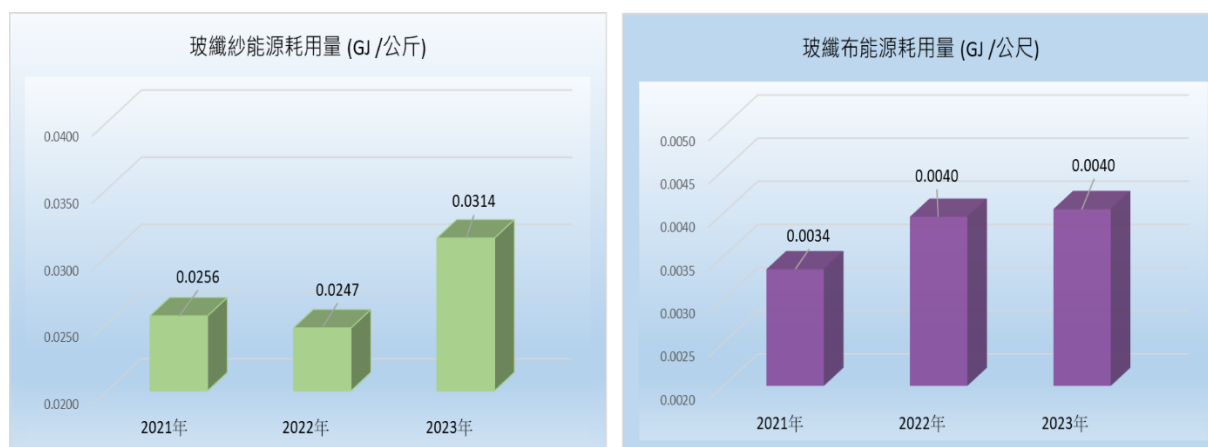
The energy used by FFG mainly includes: electricity, natural gas, diesel and fuel oil. The proportion of energy consumption in 2023 (based on total heat energy consumption) is natural gas (47.1%), electricity (41.1%), fuel oil (11.7%) and diesel (0.1%).

The energy consumption statistics of the past three years and the energy consumption of major products are as follows:

能源項目(單位) / 年份		2021年	2022年	2023年
電力	仟度	197,769	195,984	172,176
	(GJ)	711,969	705,541	619,832
天然氣	立方公尺	22,362,430	22,919,788	21,227,676
	(GJ)	748,918	767,584	710,915
柴油	公升	34,885	31,498	30,234
	(GJ)	1,227	1,108	1,063
燃料油	公秉	5,661	5,225	4,379
	(GJ)	227,516	209,993	175,992
能源總使用量	(GJ)	1,689,630	1,684,225	1,507,802
玻纖紗產量	公斤	56,979,586	60,760,537	43,217,684
玻纖布產量	公尺	69,564,844	46,863,955	37,683,000
玻纖紗能源耗用量	GJ/公斤	0.0256	0.0247	0.0314
玻纖布能源耗用量	GJ/公尺	0.0034	0.0040	0.0040

### Energy consumption of major products

The unit product and energy consumption of fiberglass yarn and fiberglass cloth in the past three years are as follows:



## Specific energy improvement measures and benefits

FFG is committed to improving the fiberglass yarn production process. By improving the efficiency of various equipment, it can not only reduce production costs, but also effectively reduce energy consumption and its impact on the environment.

Specific improvements over the years include: switching high-temperature kilns to pure oxygen combustion systems, which can save more than 25% of fuel; replacing old equipment or installing variable frequency control to save energy, using LED lighting fixtures and improving cooling system efficiency, etc. to improve process while saving electricity costs; the statistics of energy-saving benefits in recent years are as follows.

In addition, in response to the government's energy conservation and carbon reduction and to fulfill the company's green energy obligations and responsibilities, FFG completed the construction of a solar photovoltaic power generation system at the Huwei Factory in November 2021, with a power generation capacity of 1854 KW ; according to statistics , the total in 2022 will be

provided The clean electricity is 2638.6 kilowatt-hours, and wholesale sales have ended in December 2023 and will be transferred to self-use, making the use of electricity more effective and energy-saving.

#### 能源具體改善措施及效益

改善項目	節能項目	單位	能源節省量(年)	投資費用(仟元)	開始年度
玻纖紗一廠主爐原空氣燃燒系統，改換為純氧燃燒系統。	燃料油	公秉	3,010	155,000	2020.04
		(GJ)	120,972		
玻紗一廠廢氣風車、邊牆風車及降溫風車改換變頻裝置	電力	仟度	3,968	4,680	2020.04
		(GJ)	14,285		
廠區水銀燈、日光燈改換為 LED 照明裝置	電力	仟度	192	940	2021.08
		仟度	360	811	2022.08~12
		仟度	474	800	2023
		(GJ)	3,692		
玻紗一廠冷卻水塔改換變頻及濕球控制系統	電力	仟度	280	3,000	2021.09
玻紗二廠既有設備增設變頻控制節能	電力	仟度	222	180	2023
		(GJ)	1,008		
玻紗二廠建置 1854 KW 太陽能發電裝置	電力	仟度	2,639	76,000	2021.11
		(GJ)	9,499		
玻紗一廠調控空壓機和空調製程節能	電力	仟度	1,225	106	2023
		(GJ)	4,410		
合計		(GJ)	153,865	241,517	

## Waste management

For waste reduction, we improve the yield rate of our own manufacturing processes to reduce the amount of waste generated, and entrust qualified treatment plants to process or recycle the waste to reuse it and turn it into useful resources. Each factory also has dedicated personnel responsible for waste management. On-site environmental audits are strengthened from time to time to implement waste classification, and regular online declarations are made in accordance with environmental protection laws and regulations. The amounts of waste managed by each factory in the past two years are as follows:

Waste type	waste project	Processing method	202 2 years (metric tons)			202 3 years (metric tons)		
			Douliu Factory	Huwei Factory	total	Douliu Factory	Huwei Factory	total
General business	Waste fiberglass	Reuse	2126	4232	6358	1 872	2 957	4 829
	sludge	heat treatment	390	564	954	2 61	4 74	7 35
	Collect dust	Physical processing/reuse	614	915	1529	4 82	8 91	1 373
	domestic waste	incineration	118	58	176	5 8	4 8	1 06
	waste paper	Reuse	48 7	739	1226	3 49	5 51	9 00
	Waste plastic	Reuse	69	90	159	6 4.8	1 03	1 67.8
	scrap iron	Reuse	61	52	113	5 2	4 1	9 3.0
harmful enterprise	waste liquid	incineration	1.16	---	1.16	1.01	---	1.01

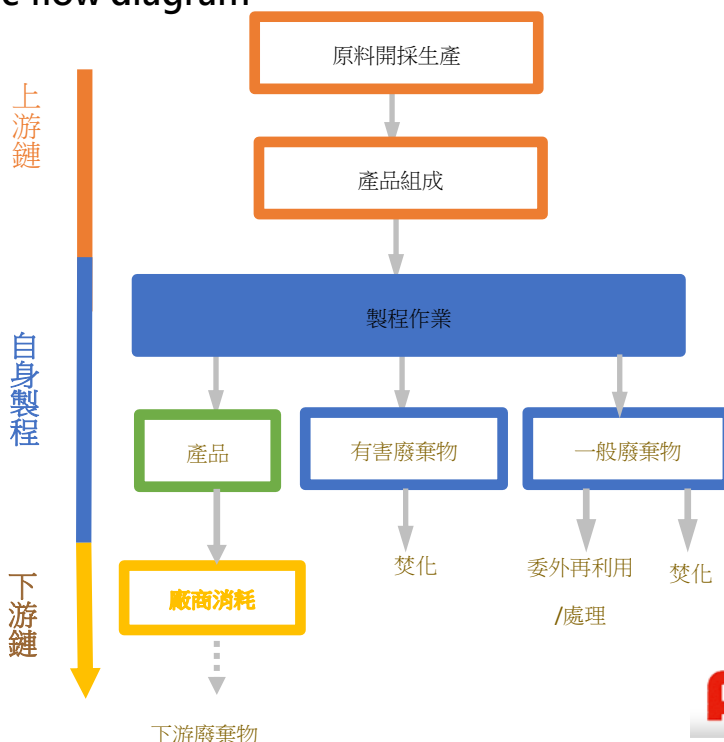
※Hazardous industrial waste (liquid waste) is only produced by Douliu Plant

## Main waste management methods and implementation in the factory

There are four main categories of waste:

1. Waste glass: handed over to recycling manufacturers for recycling and use as raw materials for concrete aggregates and ceramic brick products. The recycling and reuse is 100%. The actual reuse and processing in 2023 is 4790.34 metric tons.
2. Organic sludge: Dehydrate the dewatering machine to 80%, and then dry it to 50% with a dryer. A large amount of sludge waste is reduced to about 50% of the original volume, and then handed over to the recycling manufacturer for biological treatment before reuse. In 2023 The actual processing capacity is 728.14 metric tons.
3. Non-hazardous dust collection ash or its mixture: At present, it has cooperated with reuse manufacturers, and the monthly processing volume is about 14 tons. The actual reuse and processing in 2023 will be 168.4 metric tons.
4. Domestic waste: Strengthen publicity that all units must implement waste classification, and conduct irregular inspections to check the waste classification status of on-site units. The amount of waste reduced by 0.5 tons is about 6%. The actual processing volume in 2023 is 136.31 metric tons.

## Waste flow diagram





~Safe FFG~



## Occupational safety and health system and organization

Building a safe and comfortable factory working environment is the ultimate goal of FFG to implement occupational safety and health management. In 2017, the occupational safety and health management system O HSAS18001 was introduced , covering all employees of Douliu Factory. Ensure the health and safety of employees with the PDCA spirit of continuous improvement. In addition to strictly complying with the occupational safety and health requirements of the competent authorities and customers, FFG continues to improve its management system to create and share the spirit and value of occupational safety and health from the inside out. Under the control of a complete occupational safety and health mechanism, the incidence of occupational disasters has been continuously reduced, and no cases of occupational diseases or occupational accidents among contractor personnel have occurred .

### **Safety and sustainability, employee safety**

We uphold the core value of "respecting life and putting people first" and take "strengthening environmental protection and sustainability, ensuring personnel safety and health" as our mission, and are committed to enhancing the sustainable competitiveness of the industry. In order to protect the health and safety of all employees, we build a high-quality, safe and friendly working environment through resource integration and optimization .

## 富喬工業職業安全衛生政策

富喬工業認知生命是最珍貴的資源，保障生命之安全健康是企業責無旁貸的職責。我們以安全、品質、生產為同等重要之觀念進行公司營運，盡其所能運用公司之資源與力量，來建立安全、健康與舒適之工作環境，達成消除危害降低風險之目標並承諾：

### 安全意識自主：

實施員工作業環境安衛教育：對員工做作業場所之危害認知，養成員工自我保護之安全意識，提昇自主安全衛生管理能力，進而改善整體作業環境之安全性。

### 安全訓練重預防：

強化員工異常處理之訓練：訓練員工危害觀察、自動檢查、標準程序操作，處理異常危害能力，讓每一員工皆瞭解應盡之安衛責任，增進員工安全並促進和諧。

### 安全行為自發性：

養成員工自我展現安全行為：員工進行標準程序、防護具之使用，安全防護裝置及危害預防措施，降低製程、機械設備、人員作業、工作場所等不安全因素之風險程度。

### 安全環境無危害：

創造安全舒適之工作環境：尊重業主及利害關係者意見，對內、對外建立良好溝通管道，使利害相關者及員工了解公司安全衛生管理政策及相關要求，共同合作改善不安全衛生事項，共同創造一安全舒適之工作環境。

### 安全健康零職災

持續追求零職災：廠內遵守安衛法規及其他承諾要求事項，落實危害鑑別，加強承攬商管理與溝通，嚴謹執行安衛作業，持續朝向零災害、零事故之目標努力，提昇安衛績效。

## Solid occupational safety and health system and organization

By introducing an occupational safety and health management system, we hope to achieve the goals of protecting employees and corporate assets through the standardized operation of the system, cooperating with the supervision of relevant stakeholders and groups, and improving the occupational safety and health mechanism. FFG has an Occupational Safety and Health Committee, which holds regular meetings every quarter. There are 15 committee members in the Douliu plant ( 5 labor representatives , accounting for 33.3%), and 14 committee members in the Huwei plant (5 labor representatives, accounting for 35.7%). , the proportion of labor

representatives is higher than the regulatory requirements, and is responsible for reviewing and coordinating labor safety and health-related business.

### **Complete occupational safety and health education and training**

Establish "Occupational Safety and Health Education and Training Management Procedures", and require personnel to complete the training and skills qualification certificates before they can operate. In order to ensure that every employee has a complete awareness of occupational safety and health, new employees are required to receive complete pre-employment training when they arrive, which includes occupational safety and health courses such as occupational safety regulations , occupational injury prevention and emergency response . , to ensure the safety of their operations . In 2023 , a number of occupational safety and health training courses will be launched to ensure personnel' s basic operational skills and compliance with regulatory requirements . The contractor shall comply with the "Contractor Safety and Health Management Operating Procedures", organize meetings according to the agreement, notify the contractor of hazards, review the contractor's personnel licenses, and confirm that they have safety and health education-related training . Before entering the factory for construction, they must attach all the education and training and Only after obtaining the skills certificate can you apply to work in the factory .

Establish an "Occupational Safety and Health Information Communication Procedure" to provide occupational safety and health information in a timely manner so that all personnel can understand the occupational safety and health implementation guidance and serve as a communication

channel. The contractor part shall conduct two-way communication through the agreement organization in accordance with the "Contractor Safety and Health Management Operating Procedures". Organize an occupational safety and health committee and hold meetings every quarter.

Formulate a "Health Service Plan" and organize health lectures (three high prevention, vision care, etc.) and health promotion activities (weight loss activities, etc.).



**Disaster prevention training for employees**

category	Course Project	Ladder	training results
Personnel education and training	Education and training for new employees	28	52 people participated in the training, totaling 156 hours
	On-the-job education and training	1 2	900 people participated in the training, totaling 2,700 hours
Certificate course training	Stationary crane operator training	1	9 people participated in the training, total hours 162 hours

	Forklift operator training	2	8 people participated in the training, total hours 144 hours
	first aid training	2	6 people participated in the training, total hours 96 hours
	Hypoxia operation supervisor training	1	1 person participating in the training, total hours 18 hours
	Organic solvent operation supervisor training	1	1 person participating in the training, total hours 18 hours
	On-the-job training for forklift operators	3	19 people participated in the training, total hours 57 hours
	On-the-job training for operators of high-pressure gas specific equipment	1	1 person participating in the training, total hours: 3 hours
	On-the-job training for stationary crane operators	1	5 people participating in the training, total hours 15 hours
	On-the-job training for hanging commanders	1	4 people participating in the training, total hours 12 hours
	On-the-job training for first responders	2	6 people participating in the training, total hours 18 hours
fire management	On-the-job training for fire managers	1	1 person participates in the training, total time is 6 hours
emergency response training	Self-defense fire fighting group training	1	250 people participated in the training, total hours 500 hours
	Protection team	1	50 people participated in the



	formation training		training, total hours 200 hours
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## Strict disaster prevention organization



FFG has formulated a corresponding accident or emergency response system. From the organizational level : from top to bottom, it sets up managers, fire managers, fire source responsible persons and fire response groups

(notification squad, fire extinguishing squad, evacuation squad) Guidance class, safety protection class, rescue class, etc.) , and system equipment : fire safety equipment inspection report, regular maintenance, etc. , plan a complete strategy and mechanism to reduce the risk of personal safety hazards and company asset loss that may be caused by disasters .

## Fire safety equipment maintenance

The basic requirement for fire safety is that all fire protection equipment is properly installed so that it can effectively detect abnormalities early and implement emergency rescue in the middle and late stages. In view of this, FFG has entrusted a professional fire protection company to conduct regular inspections of fire safety equipment since 2021 . Inspect, repair and declare operations to ensure that fire safety equipment is in place .

## Annual Disaster Prevention Training

In addition to software and hardware equipment, sound disaster prevention requires good concepts and education to promote it. In order to specifically assist factory employees to familiarize themselves with disaster prevention equipment and emergency handling procedures, the use of fire hydrants (boxes) and firefighting training will be handled in 2023. Practical training on fire extinguishing, reporting, and evacuation, as well as fire protection propaganda for newcomers and other related disaster prevention training.



## Hazard identification and assessment to reduce occupational safety risks

The "Hazard Identification and Risk Assessment Management Procedure" has been formulated, and evaluators and supervisors in each unit will conduct "Hazard Identification and Risk Assessment" to identify potential risk items in the factory, and is committed to providing the safest workplace for employees. By disassembling each operation step to identify hazards (including contractor operations), a total of 300 hazard assessments were included in the management and control. Potential risks were assessed



through a risk matrix for hierarchical control, and the risks were eliminated or reduced to an acceptable range within the factory. In response to major hazards that occur in the same industry (such as fires in other factories, chemical splashes, and oxygen-deficient hazards in confined spaces), we carry out in-plant inspections, re-hazard identification and assessment, and strengthen the emergency response drill system. Formulate the "Occupational Safety and Health Accident Handling and Investigation Operation Procedure", conduct a three-cause analysis on occupational disasters, accidents, and false alarms, re-examine the completeness of the hazard identification assessment, and evaluate whether the new control measures can reduce the risk and whether to replace it. Create new hazards. Formulate the "Health Service Plan, Human-induced Hazard Prevention Plan, Maternal Health Protection Plan, Abnormal Workload Plan, and Illegal Infringement Prevention Plan", identify the sources of hazards and affected persons, carry out hierarchical control, and carry out professional Medical specialists will visit and discuss for further evaluation to confirm the follow-up improvement measures and their effectiveness.

In 2023, there were no serious injuries caused by any occupational disasters. There were 2 incidents in total. The types of occupational injuries were 1 roll -in accident for 1 person and 1 fall accident for 1 person, accounting for approximately 0.2% of all employees.

### 減少工程危害因子

- 一、物理性危害中以捲夾傷最高，分析原因為轉動機具造成危害，現工程控制採增設連鎖裝置為主要管制措施。
- 二、化學性危害中以皮膚接觸、眼睛接觸及吸入化學品佔比相當，依序透過消除、取代、工程控制，如：更改管路動線、增加自動幫浦，降低接觸風險。
- 三、工安事件分析以感電風險最高，分析機械維修作業，目前控制對策以採斷電作業為主。

## Occupational safety management results



### Increase driving knowledge and improve traffic safety

According to the investigation, injuries in FFG Factory are mainly caused by commuting outside the factory (traffic to and from work). After detailed analysis, In 2022, commuting occupational accident cases in the past three years will be compiled and analyzed, and information on the types of traffic accidents that are common will be publicized and reminded.

## Diverse and solid emergency response drills

FFG complies with fire regulations and regularly communicates with local fire stations to conduct fire education and training to strengthen the resilience of factory employees in the face of related disasters and simulate events, including fires, earthquakes, chemical leaks, etc. It is expected that through regular drills, the impact on personnel and the company will be minimized when an incident occurs.



~Friendly FFG~



## Diversified manpower composition

We have established complete talent recruitment standards and appointment mechanisms, and cooperate with relevant units to actively participate in various recruitment activities outside the factory, so that those who are interested in engaging in the fiberglass yarn and cloth industry can find the right place for them and find a suitable stage and stage for development. Chance. As of the end of 2023, there were a total of 947 employees in Taiwan's operating bases. FFG actively cultivates local management talents, and the total rate of hiring local residents as senior managers reached **46%** (senior managers are supervisors at the level of section chief or above). The personnel structure table in Taiwan is as follows:

<b>Taiwan factory's company-wide personnel structure in 2022</b>			
project	male	female	total
Number of employees	<b>646</b>	<b>301</b>	<b>947</b>
percentage	<b>68%</b>	<b>32%</b>	<b>100%</b>
<b>layer level</b>			
Senior and middle managers	<b>43</b>	<b>8</b>	<b>51</b>
percentage	<b>84%</b>	<b>16%</b>	<b>100%</b>
Junior supervisor	<b>204</b>	<b>68</b>	<b>272</b>
percentage	<b>75%</b>	<b>25%</b>	<b>100%</b>
General staff	<b>399</b>	<b>225</b>	<b>624</b>
percentage	<b>64%</b>	<b>36%</b>	<b>100%</b>

Age			
Under 30 years old	146	44	190
31~50 years old	443	233	676
Over 51 years old	57	twenty four	81
Employment type			
full time staff	646	301	947
part-time staff	0	0	0

## New employees

2023			
		Number of people	ratio
Under 30 years old	male	40	4.2%
	female	12	1.26%
30-50 years old	male	36	3.8%
	female	11	1.16%
Over 51 years old	male	2	0.2%
	female	0	0.0%

Note : New employees are employees who joined the current year and are still employed at the end of the year. New employee ratio = new employees/total number of employees at the end of the year.

## Resigned employees

2023			
		Number of people	ratio
Under 30 years old	male	42	4.4%
	female	10	1.05%
30-50 years old	male	65	6.86%
	female	36	3.8%
Over 51 years old	male	6	0.63%
	female	0	0.0%

Note :

1. Definition of resigned personnel: Those who arrive are counted as employees of the company. If they arrive and leave immediately, they will also be counted as the number of resigned personnel.
2. The formula for calculating the turnover rate: number of resignations by age and gender/total number of employees at the end of the year.



## Healthy and happy workplace

In addition to being committed to providing a good working environment and an incentive salary system, FFG attaches great importance to "work and physical and mental balance." Therefore, the company has established golf clubs, badminton clubs, road running clubs, fishing clubs and other clubs to allow employees to work while working. You can also adjust his body and mind, strengthen his body, connect colleagues' feelings and unite the company's centripetal force. In addition, he also actively signs special stores with manufacturers so that employees can participate in community activities with their families and enjoy special employee benefits, thereby increasing family interaction. Relationships to achieve balance between work, family, and body and mind.

We provide labor health insurance, maternity/parental leave, retirement reserves, etc. in accordance with the law, and purchase group insurance for

all employees on the day they arrive. Employees can also add their dependents to the company's preferential welfare measures at their own expense, so that the scope of protection is determined by the employees. Individuals have been extended to families, and so far 49 people have been helped by this welfare measure.

To build a gender-equal working environment, we have established "Sexual Harassment Prevention, Complaints and Punishment Measures" to prevent employees from sexual harassment, discrimination and related personal rights and unfair treatment, and protect the rights and interests of employees.

On the legal side, we implement the Gender Equality at Work Act. In order to allow our female employees to receive better care during the childbirth period, women are not limited to being on leave with pay during childcare. Male employees can also apply.

### **babysitting stay**

The company provides parental leave so that employees can give birth and raise children with peace of mind, and seize the sweet time accompanying their children's growth !

	2021		2022		2023	
	male	female	male	male	female	male
Number of childcare employees	1	10	1	1	10	1
Number of employees who should be reinstated	1	10	1	1	10	1
Actual number of reinstated employees	0	7	1	0	7	1
Reinstatement rate	0%	70%	100%	0%	70%	100%

Note : Reinstatement rate = Number of people reinstated in the current year/Number of people who should be reinstated in the current year.



## Good salary and benefits system

We provide a competitive welfare strategy. In addition to basic salary and three-term bonuses, we also provide flexible salary changes based on the company's operating conditions, including employee dividends, incentive bonuses, etc., in order to stimulate morale and retain outstanding employees. Annual salary increases are based on Salary adjustment items and adjustment amount standards are formulated separately for employees' grades and performance appraisals.

of employees is determined based on their academic background, professional knowledge and technology, professional years of experience and personal performance, but not based on their gender, race, religion, political stance, marital status, or trade union association. difference.

The wages paid to employees by FFG comply with all applicable laws (including laws regarding basic wages, overtime hours and statutory benefits), and employees' overtime wages are higher than normal hourly wages.

**Benefit expenses for full-time employees who do not hold supervisory positions**



	unit	2022	2023	compared to the previous year
Number of full-time employees	people	925	910	(15)
average salary	Thousand yuan	653	596	(57)
median salary	Thousand yuan	604	522	(82)

## Retirement system

In accordance with the provisions of the Labor Standards Act, the company allocates "retirement reserves" every month and deposits them in a special trust account at the Bank of Taiwan, and the "Retirement Reserve Supervision Committee" is formed by both labor and management, responsible for the management, supervision and review of matters related to retirement reserves. Ensure employees' rights to receive pensions so that they can still obtain a certain quality of life after retirement.

As of the end of 2023, NT\$45,630,373 has been appropriated from the pension payable account, and NT\$46,129,317 has actually been allocated to the Trust Department of the Bank of Taiwan and the Labor Retirement Reserve Supervisory Committee.

In response to the implementation of the new labor retirement system, we have also completed the selection of the old and new pension systems for all employees. For employees who choose the old pension system, the company will allocate 2% of the total salary of employees under the old pension system every month, and compare it with the accountant's actuarial pension report of the previous year. , the total amount of the old system retirement amount that should be appropriated by the actuary in

the next year. If the amount of 2% of the total monthly salary is less than the total amount of pension for retired employees in the next year, the company will make up the amount of pension allocation to meet the actuary's requirement. Estimated withdrawal amount. As for employees who choose the new system, the company will contribute 6% of their insured salary to their personal pension accounts every month.

### **Other employee benefits**

1. Enjoy labor , health, retirement and group insurance. 7. In-factory and external education, training and further study subsidies.
2. Regular free health check-ups every year. 8. Child care subsidies.
3. Three holidays, birthday money or gift certificates. 9. Provide a comprehensive retirement system Welfare Committee: To promote employees' legitimate
4. Weddings and funerals, celebrations, and gold laying . Leisure activities and strengthening the cohesion of employees to help each other and unite,
5. Uniforms are provided free of charge. We promote various community subsidies in a planned manner and raise annual
6. A staff restaurant is available. Allocate a certain amount of subsidies to help employees balance their physical and mental health.

### **Regular performance evaluation to improve career capabilities**

FFG conducts employee performance evaluations regularly every year, including: an assessment of direct personnel and mid-level supervisors

every six months, and an annual assessment of all company employees to ensure that employees have a clear career development direction.

In addition, we hope that our employees can develop their talents according to their talents and continue to grow here. In this regard, we are more actively cultivating employees to obtain relevant certificates and licenses, and continue to improve employee capabilities, so that employees can have a rich and skill-rich career in FFG . Direct employees will receive skills training in the factory. There is also a training and assessment system for technicians and a smooth promotion channel to motivate employees with outstanding performance and gradually acquire the technical capabilities required for their work.

In compliance with the needs of corporate development and organizational manpower planning, the company is committed to helping employees acquire the knowledge, attitudes and skills required for organizational and personal work goals, and to promote the improvement of efficiency and quality. The company plans a training system for all employees at all levels that meets their personal responsibilities, and sets different training courses and development methods for core functions, management functions, professional functions and self-development areas. In 2023, the number of external trainees will reach 281, with a total training hours of 1,395 hours.



## Protect employees' rights and interests

FFG upholds the principle of fair employment and will not discriminate against candidates on the basis of race, class, language, religion, party, place of origin, place of birth, gender, sexual orientation, age, etc. in the recruitment, screening, promotion, distribution, placement or promotion of job seekers. , marriage, appearance, facial features, physical and mental disabilities or previous trade union membership, and shall be discriminated against and treated differently.

In addition, we have taken practical actions to support the employment of people with disabilities. At the end of 2023, we employed a total of 10 employees with disabilities . In addition to meeting legal employment standards, the company's employees with disabilities have an average working experience of 13.42 years , which shows that the company We have taken practical actions to protect the human rights of every employee. In the future, we will continue to employ employees with disabilities who meet the legal requirements. In order to let all managers and employees understand the content and mechanisms of human rights and anti-discrimination, in employee training courses, in addition to In addition to planning various types of courses, we also conduct training on human rights/anti-discrimination/anti-corruption related issues.

## Number of employees with disabilities

	2021		2022		2023	
	male	female	male	female	male	female
Number of employees	9	2	9	2	8	2

## Multiple and smooth learning channels

We hope that our employees can develop in an all-round way, and we hope that every employee at FFG can achieve life and career growth here.

Therefore, in addition to providing professional training, we also plan a personal training and development blueprint based on ability needs, and provide factory and internal and external training programs to enhance employees' abilities in their career and life and increase their self-worth.

Implementation status of further education and training:

- (1) In order to enrich the knowledge and skills of employees, ensure the sustainable operation of the company and enhance competitiveness, the "Education and Training Management Measures" are specially formulated to facilitate the promotion of various trainings. Based on this, in order to strengthen operation and management, each department implements and promotes comprehensive education and training, providing employees with timely, suitable and competent education courses, such as pre-employment training for new employees, on-the-job professional training for employees, etc., and in education After the training is implemented, an acceptance evaluation is conducted to confirm the effectiveness of the training.

(2) In 2023, the number of training classes totaled 264, the total training hours were 3,476 hours, and 1,357 employees were trained .

project	Number of shifts	total number of visitors	total hours
Staff professional training	20	106	830
Employee on-the-job training	172	1,107	2,214
Pre-job training for new employees	72	144	432
total	264	1,357	3,476

## Job transfer

In the manpower transfer part, if a worker applies voluntarily, the supervisor will interview the employee and save the interview record. The supervisor will then determine the transfer date based on the situation assessment and assist the employee to complete the transfer. If there is any incompatibility after the transfer, the supervisor of the unit will conduct interviews and set up a three-month observation period. During the observation period, employees will be given direction suggestions from time to time to allow employees to adapt to the type of work after the transfer as soon as possible. In addition, in order to adapt to production needs , when employees are transferred according to the labor contract, they shall be handled in accordance with the transfer principles of the Labor Standards Law, including:

1. It is necessary for business operations and must not have improper motives or purposes. However, if the law provides otherwise, such provisions shall prevail.
2. No adverse changes have been made to labor wages and other working conditions.
3. They will be physically and technically capable of performing the job after redeployment.
4. If the work location is too far away, provide necessary assistance.
5. Consider the livelihood interests of workers and their families.

# GRI content index

## GRI 2: General Disclosure 2021

Indicator number	reveal project	Report Chapter	page number	illustrate
GRI 2-1	Organization details	About this report Sustainable Management- Company Organization Overview	3 6	
GRI 2-2	Entities included in organizational sustainability reporting	Reporting Period and Organizational Boundaries	3	
GRI 2-3	Reporting period, frequency and contact person	About this report	3	
GRI 2-4	Information rearrangement	Omit disclosure	-	No restatement information
GRI 2-5	external assurance/assurance	About this report	3	
GRI 2-6	Activities, value chains and other business relationships	Steady Operations-Financial Performance Products and Services-Industrial Chain	19 29	
GRI 2-7	staff	Friendly FFG-diversified human resources	62	
GRI 2-8	non-employee workers	Friendly FFG-diversified human resources	62	
GRI 2-9	Governance structure and composition	Sustainable Management-Governance Structure	8	
GRI 2-10	Nomination and selection of the highest governance unit	Sustainable Management-Governance Structure	8	
GRI 2-11	Chairman of the highest governance unit	Sustainable Management-Governance Structure	8	
GRI 2-12	The role of the highest governance unit in	Sustainable Management-Governance Structure	8	

	monitoring impact management			
GRI 2-1 3	Head of Impact Management	About this report Sustainable Management-Governance Structure	3 8	
GRI 2-1 4	The role of the highest governance unit in sustainable reporting	About this report Sustainable Management-Governance Structure	3 8	
GRI 2-1 5	conflict of interest	Sustainable management	13	
GRI 2-1 6	Communicate key events	Sustainable management	13	
GRI 2-1 7	Crowd intelligence in the highest governance unit	Sustainable Management-Governance Structure	8	
GRI 2-1 8	Performance evaluation of the highest governance unit	Sustainable Management-Governance Structure	8	
GRI 2-1 9	remuneration policy	Sustainable Development - Remuneration Policy for Directors and Managers	9	
GRI 2-20	Salary Decision Process	Sustainable Development - Remuneration Policy for Directors and Managers	9	
GRI 2-21	annual total compensation ratio	Omit disclosure	-	Maximum individual total compensation is confidential information
GRI 2-22	Statement on sustainable development strategy	Chairman's message	4	
GRI 2-23	policy commitments	Sustainable Management-Human Rights Policy	16	
GRI 2-24	Incorporate policy commitments	Sustainable Management-Human Rights Policy	16	
GRI 2-25	Procedures for remediating negative shocks	Steady operation-Integrity operation	20	
GRI 2-26	Mechanisms for seeking	Steady operation-Integrity	20	



	advice and raising concerns	operation		
GRI 2-27	Compliance	Steady operation-compliance with laws and regulations	26	
GRI 2-28	Membership of public associations	Sustainable management-involvement of external organizations	16	
GRI 2-29	Negotiation policy for stakeholders	Sustainable management-analysis of major themes and discussion with stakeholders	13	
GRI 2-30	group agreement	Omit disclosure	-	No union established

### GRI 3 : Major Theme 2021

GRI 3-1	Process for deciding major topics	Sustainable management-analysis of major themes and discussion with stakeholders	13	
GRI 3-2	List of major topics	Sustainable management-analysis of major themes and discussion with stakeholders	13	
GRI 3-3	Major topic management	Sustainable management-analysis of major themes and discussion with stakeholders	13	

### GRI 305 Emissions 2023 Key Topics

Indicator number	reveal project	Report Chapter	page number	illustrate
305-1	Direct (Scope 1 ) greenhouse gas emissions	Greenhouse gas emission statistics of each factory in 2023	4 1	
305-2	Energy indirect (scope 2) greenhouse gas emissions	Greenhouse gas emission statistics of each factory in 2023	4 1	
305-3	Other indirect (Scope 3) greenhouse gas emissions	Omit disclosure	-	No inventory data
305-4	Greenhouse gas emission intensity	Product emission intensity in the past two years	41	
305-5	Greenhouse gas emission reduction	Greenhouse gas carbon reduction targets and related	42	

		measures		
305-6	ozone-depleting substances ( ODS )	Omit disclosure	-	has stopped producing ODS since 2006 in compliance with the Montreal Protocol regulations, and our company's product manufacturing process does not emit ODS and has no detection value.
305-7	Nitrogen oxides ( N OX ) , sulfur oxides ( S OX ) , and other major gas emissions	Air pollution control	45	

#### GRI 306 Waste 2020 2023 key themes

Indicator number	reveal project	Report Chapter	page number	illustrate
306-1	Waste generation and significant waste-related impacts	waste management	51	
306-2	Management of significant waste impacts	waste management	51	
306-3	Types and amounts of waste produced	waste management	51	
306-4	Waste disposal and transfer	waste management	51	
306-5	Direct disposal of waste	waste management	51	

#### GRI 401 Employment Relations 2023 Major Topics

Indicator number	reveal project	Report Chapter	page number	illustrate
401-1	New and retired employees	New employees, resigned employees	63	
401-2	provided to full-time employees (excluding temporary or part-time employees)	Healthy and happy workplace	64	
401-3	parental leave	babysitting stay	64	

### GRI 40 4 Training and Education 2016 2023 Major Themes

Indicator number	reveal project	Report Chapter	page number	illustrate
404-1	Average hours of training per employee per year	Multiple and smooth learning channels	68	
404-2	Improve employee functions and transition assistance programs	Multiple and smooth learning channels	68	
404-3	who receive regular performance and career development reviews	Multiple and smooth learning channels	68	

### GRI 40 3 Occupational Safety and Health 2023 Major Themes

Indicator number	reveal project	Report Chapter	page number	illustrate
403-1	Occupational safety and health management system	Occupational safety and health system and organization	54	
403-2	Hazard identification, risk assessment and accident investigation	Hazard identification and assessment to reduce occupational safety risks	58	
403-3	occupational health services	Complete occupational safety and health education and training	55	
403-4	Worker participation, consultation and communication on occupational safety and health	Complete occupational safety and health education and training	55	
403-5	Worker training on occupational safety and health	Complete occupational safety and health education and training	55	
403-6	worker health promotion	Complete occupational safety and health education and training	55	
403-7	Prevent and mitigate the impact of occupational safety and health directly	Complete occupational safety and health education and training	55	

	related to business relationships			
403-8	Workers covered by the occupational safety and health management system	Occupational safety and health system and organization	54	
403-9	occupational injuries	Hazard identification and assessment to reduce occupational safety risks	58	
403-10	occupational diseases	Hazard identification and assessment to reduce occupational safety risks	58	

## Sustainable Accounting Standards ( SASB ) Hardware

### Industry Index

FFG's compliance with the Sustainability Accounting Standards Board ( SASB ) in 2023 is an important milestone in our sustainable management. The data disclosed in this index, unless otherwise stated, are as of the statistics date December 31 , 2023 .

#### surface 1. Sustainability disclosure themes and indicators

theme	Indicat or code	accounting indicators	unit	illustrate
product safety	TC- HW- 230a.1	resolution of product data security risks	not applicab le	In information systems, ways to identify data security vulnerabilities in corporate products: the information security vulnerabilities they pose to enterprise products (from the outermost to the EndUser end) include: 1. firewall 2. Spam blocking (SPAM) 3. Internet content filter (Content filter) 4. Antivirus software ( AntiVirus )
				Ways to address data security risks and vulnerabilities discovered in enterprise products:

				<p>Methods to address the discovered data security risks and vulnerabilities include:</p> <ol style="list-style-type: none"> <li>1. Follow the original manufacturer's recommendations to promptly update the versions of various information security equipment and information security subscription services.</li> <li>2. Microsoft vulnerability patching and KB update (WSUS)</li> <li>3. Update the version for the operating system</li> </ol>																
Employee Diversity and Inclusion	TC-HW-330a.1	Percent gender and racial/ethnic representation of (1) managers, (2) technical staff, and (3) all other employees	%	<p>by gender</p> <ol style="list-style-type: none"> <li>1. Managers: 15.7 % female, 84.3 % male</li> <li>2. Technical staff: 31.6 % female, 68.4 % male</li> <li>3. All other employees: 39.5 % female, 60.5 % male</li> </ol>																
				<p>By race/nationality:</p> <table border="1"> <thead> <tr> <th>project</th> <th>Managers (%)</th> <th>Technical personnel (%)</th> <th>All other employees (%)</th> </tr> </thead> <tbody> <tr> <td>home country</td> <td>100%</td> <td>64.2%</td> <td>100%</td> </tr> <tr> <td>Indonesia</td> <td></td> <td>9.4%</td> <td></td> </tr> <tr> <td>Thailand</td> <td></td> <td>18.6%</td> <td></td> </tr> <tr> <td>Vietnam</td> <td></td> <td>7.8%</td> <td></td> </tr> </tbody> </table>	project	Managers (%)	Technical personnel (%)	All other employees (%)	home country	100%	64.2%	100%	Indonesia		9.4%		Thailand		18.6%	
project	Managers (%)	Technical personnel (%)	All other employees (%)																	
home country	100%	64.2%	100%																	
Indonesia		9.4%																		
Thailand		18.6%																		
Vietnam		7.8%																		
Product life cycle management	TC-HW-410a.1	of products containing substances declared in IEC 62474 (declaration of raw materials for electrical industry products) in revenue	%	<ol style="list-style-type: none"> <li>1. 0%, 0 yuan</li> <li>2. No reference to IEC 62474.</li> <li>3. FFG products are used in printed circuit boards. The raw materials of glass fiber yarn are invested in accordance with the international standards "Restriction of Hazardous Substances Directive, RoHS" and "List of Substances of Very High Concern, REACH SVHC", and have passed the test report of a third-party verification unit. Prove that the raw materials comply with the conditions; glass fiber cloth raw materials are mainly used to develop new products according to customer needs, and submit product substance descriptions or compliance statements respectively. Manage the supplier's raw materials</li> </ol>																

				through the "Prohibited Substance Inspection Specification (D-W10)" and submit The material safety data sheet (SDS) of the raw materials and the test report of the third-party verification unit are used to prove the compliance status of the raw materials.
	TC- HW- 410a.2	Percentage of qualifying products by revenue that meet EPEAT ( Electronic Product Environmental Impact Assessment Tool ) registration or equivalent requirements	%	1. 0% 2. FFG is a manufacturer of non-terminal products. The products have not yet been registered.
	TC- HW- 410a.3	ENERGY STAR® - eligible products by revenue	%	1.0% 2. FFG non-terminal product manufacturer, this indicator does not apply
	TC- HW- 410a.4	Recycling weight and recycling percentage of end-of-life products and electronic waste	Metric tons ( t ) %	The weight of scrap materials recovered in 2023 is 6,444 metric tons, the weight of scrap materials recovered and recycled is 6,444 metric tons, and the percentage of scrap materials recycled is 100%
supply chain management	TC- HW- 430a.1	Tier 1 suppliers that have passed the RBA Verification Program (VAP) or equivalent audit (a) All sites (b) High-	%	1. The RBA verification and audit process has not been carried out. 2. The "Supplier Corporate Social Responsibility Code of Conduct" is formulated based on the codes of conduct and standards advocated by RBA, requiring suppliers to sign and work together to meet the requirements of corporate social responsibility. 3. In 2023, there will be a total of 58

		risk sites		<p>suppliers of raw materials, slurries and packaging materials, all of which have signed back the "Supplier Corporate Social Responsibility Code of Conduct" and continue to promote supplier corporate social responsibility requirements.</p> <p>4. Existing suppliers have been checked and there are no high-risk vendors.</p>
supply chain management	TC-HW-430a.2	first-tier suppliers not complying with the RBA Verification Audit Process (VAP ) or equivalent; and rate of associated remediation of priority nonconformities and other nonconformities	%	<p>1. No RBA verification audit process was conducted.</p> <p>2. Once a supplier is determined to have violated the "Supplier Corporate Social Responsibility Code of Conduct", immediately consult with the supplier and request improvements.</p>
Material procurement	TC-HW-440a.1	Describe risk management associated with the use of critical materials		<p>1. Key materials that pose significant risks to operations: The main raw material of natural minerals.</p> <p>2. Represented risk types: foreign import and single source of supply risk.</p> <p>3. Risk reduction strategies/management methods: ①Find/evaluate secondary sources of supply. ②Increase safety stock to reduce supply shortages and emergencies Risk of supply interruption.</p>

Table 2. Operating activity indicators

activity indicators	code	unit	illustrate
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Production volume by product category	TC-HW-000.A	number	As shown in the table below
Factory area	TC-HW-000.B	square feet/square meters	1,492,150.60 square feet / 138,625.33 square meters
% of production from own facilities	TC-HW-000.C	%	100%

TC-HW-000.A Output of each product category

Taste	project	quantity	unit
fiberglass yarn	consumer electronics	759	ton
	Other hardware	42,629	ton
fiberglass cloth	communication equipment	21,589	Thousands of meters
	consumer electronics	44,691	Thousands of meters
	computer storage	25,250	Thousands of meters
	Other hardware	12,653	Thousands of meters



Schedule of specific industries that should disclose indicators - electronic components industry

serial number	index	Indicator type	annual disclosures	unit	Remark
1	Total energy consumption, percentage of purchased electricity and renewable energy usage rate	Quantify	Total energy consumed 1,507,802 GJ Percentage of purchased electricity 100% Renewable energy usage rate 0%	Billion joules (GJ), percentage (%)	
2	Total water intake and total water consumption	Quantify	water intake 637,400.52 m <sup>3</sup> water consumption 462,029.5 m <sup>3</sup>	Thousand cubic meters (m <sup>3</sup> )	
3	Weight of hazardous waste generated and percentage recycled	Quantify	1.01 metric tons, 0.00%	Metric tons (t), percentage (%)	
4	Explain the types, number and proportion of occupational accidents	Quantify	2 people suffered from the accident, accounting for about 0.22% of all employees. The categories of occupational accidents are as follows: Object collapse : 1 object per person, 0.11% Objects flying down ; 1 item, 1 person, 0.11%	Ratio (%), quantity	
5	Disclosure of product life cycle management: including the weight of end-of-life products and electronic waste and the percentage	Quantify	Sale: Waste resources after use of the manufacturing process: 6,444 tons Recirculation percentage: 100%	Metric tons (t), percentage (%)	

	of recycling ( Note 1)				
6	Description of risk management associated with the use of critical materials	Qualitative description	<p>supply chain sustainability , FFG has included supplier evaluation in its sustainable development policy:</p> <ol style="list-style-type: none"> <li>1. For key raw material and slurry suppliers , we conduct annual evaluations and audits every three years; in order to control supply risks, we track and control supplier delivery and quality every month, and conduct quarterly reviews of raw materials and slurry suppliers . Supplier delivery quality and delivery date achievement rate set KPI target achievement rate monitoring.</li> <li>2. Establish an emergency response plan to reduce the impact and losses of supply interruptions caused by climate change, natural disasters, epidemics , goodwill, etc., so as to maintain uninterrupted supply.</li> </ol>	not applicable	

			3. For any high-risk factors that may cause continued operational disruption , such as single supply risks, continue to develop and introduce second suppliers to reduce supply chain sustainability risks.		
7	Total pecuniary losses resulting from legal proceedings related to anti-competitive conduct regulations	Quantify	0	reporting currency	
8	Output of main products by product category	Quantify	Fiberglass yarn: 43,388 metric tons Fiberglass cloth : 104,183 thousand meters	Varies by product type	

