

Fulltech Fiber Glass Corp.

2024 Sustainability Report



Table of contents

About this report.....	3
Chairman 's Message.....	4
Sustainable Operation	
Company Organization Overview.....	6
Business Philosophy and Sustainable Development Strategy.....	7
Governance Structure.....	8
Sustainable Management.....	11
External organization participation.....	14
Human Rights Policy.....	15
Solid management	
Financial Performance	18
Integrity Management.....	19
Tax Management.....	21
Risk Management	23
Information and Communications Security Management.....	24
Supplier Management.....	26
Regulatory Compliance.....	28
Products and Services	
Industrial Chain	30
Product Introduction.....	31
Products and Applications	31
Customer Service.....	36
Valuing customer privacy.....	38
Environmental Symbiosis	
Climate Change Risks and Opportunities Identification and Response (TCFD).....	41
Air Pollution Prevention.....	50
Water Resources Management.....	51
Energy Management.....	55
Waste Management.....	58
Safety FFG	
Occupational Safety and Health System and Organization.....	61
Friendly FFG	
Diverse Human Resources Composition	70
Healthy and Happy workplace.....	72
Complete salary and benefits system.....	74
Retirement System	75
Regularly evaluate performance to improve professional capabilities.....	77
Protecting Employee Rights and Interests.....	78
Diverse and smooth learning channels.....	78
Job transfer	80
GRI Content Index.....	81
SASB Hardware Industry Index.....	85
Indicators that should be disclosed by specific industries.....	89

About this report

Basis for writing

This report is disclosed in accordance with the competent authority's "Corporate Governance 3.0 - Sustainable Development Blueprint" and the 2021 version of the Global Reporting Initiative (GRI) Sustainability Reporting Standards, TCFD, and SASB (Hardware Industry Index); covering major topics such as environment, society and corporate governance, so that the public and stakeholders concerned about FFG can understand our persistence and investment in ESG issues.

Reporting period and organizational boundaries

This report is published once a year.

This report discloses FFG's sustainability management policies and key issues for fiscal year 2024 (January 1 to December 31, coinciding with the financial reporting period). Except for the consolidated financial statements, which include financial results, the remaining information focuses on Taiwan, including the headquarters (Douliu Plant) and the Yunlin Branch (Huwei Plant). Subsidiaries are not included in this disclosure.

This report was submitted to the Board of Directors and released. With the exception of Taiwan's greenhouse gas emissions, which have been annually inspected since 2014 by Ministry of Environment-approved AFNOR in accordance with ISO14064-3:2006 and environmental laws and regulations, the remaining content will be subject to third-party confirmation or certification in accordance with the schedule planned by the competent authorities.

Contact: FFG Legal Office

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

Chairman's Message



Chairman Chang, Yuan-Pin

Faced with the global wave of sustainability and the challenge of net-zero carbon emissions, the role of businesses is no longer simply to generate profits; they must become a vital force for positive social and environmental change. Since its founding, FFG has consistently adhered to its core values of "Quality First, Integrity, and Innovation for Sustainability," actively integrating ESG concepts into every aspect of its operations, striving towards a more responsible and resilient corporate development.

On the environmental front, we continue to optimize production processes, introduce energy-saving equipment, and implement waste reduction and resource recycling, striving to reduce our reliance on and impact on natural resources. At the same time, we are responding to the global goal of net-zero transformation by gradually planning carbon inventories and reduction pathways, taking concrete actions to protect the sustainability of the planet.

In the community, we care about the well-being of our employees and prioritize workplace safety, career development, and gender equality. We also fulfill our corporate social responsibility by participating in local charities, education, and care for the disadvantaged, hoping to achieve shared prosperity and well-being with the community.

In terms of governance, we uphold the principle of integrity, strengthen our corporate governance structure, enhance risk management and information transparency, and actively communicate with stakeholders to ensure that operational decisions are aligned with the long-term goal of sustainable development.

Looking ahead, FFG will continue to deepen its ESG strategy to create corporate value that combines environmental friendliness, social trust, and corporate governance. We believe that only by innovating with stability and growing with responsibility can we create a future that is more valuable to the planet, society, shareholders, and the next generation.

Thanks, our partners for your support and companionship along the way. Let us work together to move towards a more sustainable FFG.

~Sustainable Management~



Company Organization Overview

1999 , FFG is an OTC company (stock code: 1815), owned by all shareholders. Headquartered in the Douliu Industrial Zone in Yunlin County, FFG operates three production bases in Douliu, Yunlin, Huwei, Yunlin, and Guangdong, China. FFG is a comprehensive manufacturer of fiberglass yarn and fiberglass cloth. Through vertical integration of yarn and cloth, FFG aims to streamline production and sales planning, ensuring a stable yarn supply and the ability to flexibly adjust production based on market demand. This will allow for efficient cross-strait production capacity allocation, enabling us to leverage mainland China's geographical advantages to serve local customers while also meeting and coordinating the production needs of customers across various production bases.



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

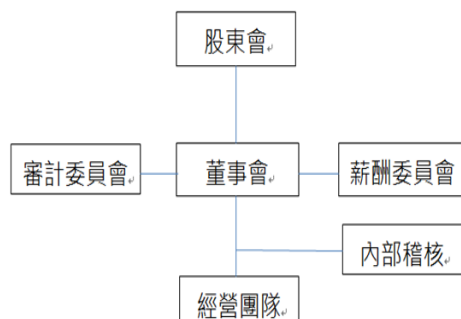
Business philosophy and sustainable development strategy

FFG's business philosophy places special emphasis on "process research and development" and "product innovation" to achieve the goal of "products with the highest quality and the lowest cost", and takes "innovation, efficiency, and sharing" as the highest goal of the business philosophy. Based on the service concept of "customer-oriented", we provide customers with "customized" production processes and provide technical support and Assistance. Furthermore, the company is actively developing high-margin industrial fiberglass yarn, which not only increases profits but also helps it escape the risks of the electronics industry's cyclical boom and bust. This has resulted in a diversified product positioning and leading-edge quality technology within the industry. The Yarn and Fabric divisions hold regular technical R&D meetings to review and exchange ideas on quality, seeking continuous technological advancement and breakthroughs, accelerating new product development. As a result, FFG's products have evolved from basic fabrics used in early PCs to ultra-thin fabrics for smart devices. FFG has also achieved breakthroughs in the development of high-frequency, high-speed 5G materials and continues to actively expand.

With the promotion of sustainable development concepts, FFG has initiated a corporate governance assessment in accordance with the policies of the competent authorities. It has made sustainability an integral part of its business operations and decision-making, and uses sustainable strategies to promote innovation and become a better company. Continuous improvement, continuous breakthroughs and innovation, and customer satisfaction are the company's priorities. The company also emphasizes internal talent training and development, emphasizes teamwork, and is committed to the practice of corporate social responsibility. As a result, it has continued to receive recognition from customers for more than 20 years of operation.

Governance Structure

FFG's governance structure is as follows:



The Board of Directors is the highest decision-making and governance body. Its members represent a diverse range of backgrounds and expertise. The current term consists of nine directors, including three independent directors. Directors are elected through a candidate nomination process. Members are appointed by the shareholders' meeting to a three-year term, eligible for re-election. The period for accepting nominations for independent directors, the number of independent directors to be elected, the location for the nominations, and other necessary matters will be announced before the shareholders' meeting. Directors are elected regardless of gender, age, nationality, or cultural background. The Board of Directors must possess relevant skills, including: 1. Business judgment; 2. Accounting and financial analysis skills; 3. Operational management skills; 4. Crisis management skills; 5. Industry knowledge; 6. International market perspectives; 7. Leadership skills; and 8. Decision-making ability.

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

job title	Name	Education	experience	Professional knowledge and skills	Age (years)	
					41-50	51-60
Chairman	Chang, Yuan-Pin	University of Washington MBA (Finance)	Corporate Director Representative of FFG.	Business Management		v
director	DA TAI INVESTMENT CO., LTD	-----	Corporate Director of FFG Industrial Co., Ltd.	Business Management		-
director	Lin Yushan	Master of Finance and Law, Chung Yuan Christian University	Lawyer at Jones Day International Law Firm	Legal Affairs	v	
director	Liu Guoyou	PhD in Information Engineering, National Chi Nan University	Professor, Department of Information Communication Engineering, Providence University	Information Communication Engineering	v	
director	TEH LONG WAREHOUSING &	-----	Corporate Director of FFG.	Business Management		-

	STEVEDORING CO., LTD					
director	Ou-Yang, Hung	Doctor of Law, Washington University in St. Louis, USA	Qunsheng International Law Firm	Legal Affairs	v	
Independent Director	Shiue, FU-JING	PhD in Accounting, George Washington University	Professor of the Department and Graduate Institute of Accounting, National Taipei University	Financial Accounting Analysis		v
Independent Director	Nieh, Chien-Chung	Ph.D. in Finance and Economics, Rutgers University	Professor, Research Institute & Department of Banking and Finance, Tamkang University	Financial Accounting Analysis		v
Independent Director	Chen, Ho-Min	PhD in Marketing, Graduate School of Business, National Taiwan University	Professor of the Department and Graduate Institute of International Business at National Taiwan University	Financial Accounting Analysis		v

All board members hold a master's degree or higher and have at least 15 years of industry experience. In addition to possessing relevant industry backgrounds and practical management experience, they also regularly pursue continuing education to stay abreast of industry changes, policies, and regulatory requirements. With the exception of Chairman Chang, Yuan-Pin and Director Chang, Yuan-Pin Fu, who are brothers, the other directors are not related by marriage or within the second degree of kinship. The three independent directors, Shiue, FU-JING, Chen, Ho-Min, and Nieh, Chien-Chung, all meet statutory independence requirements. The Board of Directors operates in accordance with the "Board of Directors' Rules of Procedure," convening at least quarterly to review operating performance and formulate operational plans. Directors maintain a high degree of self-discipline and, in accordance with the law, recuse themselves from discussions and voting on resolutions that affect their personal interests. Within the corporate governance framework, an Audit Committee and a Compensation Committee are established, comprised of independent directors serving concurrently. These committees meet at least twice annually to review financial reports and establish and evaluate the compensation system for directors and managers.

Directors and Managers Remuneration Policy

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

Directors' Compensation: Pursuant to Article 28-1 of the Company's Articles of Association, "The remuneration of the Chairman and directors (including independent directors) shall be determined by the Board of Directors based on their level of participation in the Company's operations and the value of their contributions, in accordance with industry norms." In practice, the Chairman and three independent directors receive director's compensation, while the other directors receive no compensation.

Directors' Compensation: Article 32 of the Company's Articles of Association stipulates: "If

the Company makes a profit for the year, it shall first allocate 1% to 10% as employee compensation, and a maximum of 5% as directors' compensation. This amount shall be reported to the shareholders' meeting after approval by the Board of Directors. However, if there are any accumulated losses, an amount shall be reserved in advance to make up for them and then allocated according to the above ratios."

2. Manager compensation

Manager compensation consists of a monthly salary, a year-end bonus, and employee compensation allocated in accordance with Article 32 of the Company's Articles of Association. Each manager's compensation is determined based on industry-standard salaries and benefits, as well as reasonable compensation based on the company's annual operating performance, individual duties, and contributions. The Human Resources Department submits this compensation to the Compensation Committee for review and approval by the Board of Directors.

3. The correlation between directors' remuneration, business performance, and future risks
 We conduct regular annual performance evaluations of the Board of Directors and its members, the Audit Committee, and the Compensation Committee. The results are submitted to the following annual Board of Directors for review and improvement, as well as for nominating director candidates and determining remuneration. Director and manager remuneration is based on a comprehensive assessment of their professional competence, the company's operations, and financial performance, measuring their contributions to the company. The calculation of remuneration is based on a link between company performance and individual performance. FFG constantly monitors future operational risks and corporate social responsibility, and regularly submits the remuneration system to the Compensation Committee to maintain a balance between sustainable operations and risk management.

2024 performance evaluation are as follows:

1. The average score of the internal self-assessment of the Board's operational performance was "Excellent" at 4,916 points (out of a maximum of 5.0 points).

Five aspects of self-assessment	Assessment Items	Rating results
A. Degree of participation in company operations	12 items	5.00
B. Improve the quality of board decision-making	12 items	4.58
C. Board Composition and Structure	7 items	5.00
D. Election and Continuing Education of Directors	7 items	5.00
E. Internal Control	7 items	5.00

2. The average performance self-assessment score of board members was "excellent" (4.93 points out of 5.0).

Six aspects of self-assessment	Assessment Items	Rating results
A. Understanding of company goals and tasks	3 items	5.00
B. Awareness of Directors' Duties	3 items	5.00
C. Degree of participation in company operations	8 items	4.8 1
D. Internal relationship management and communication	3 items	4.8 1
E. Professional and Continuing Education of Directors	3 items	5.00

F. Internal Control	3 items	4.96
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3. The average score of the internal self-assessment of the Audit Committee's operational performance was "Excellent" (5.0 out of 5.0)

Five aspects of self-assessment	Assessment Items	Rating results
A. Degree of participation in company operations	4 items	5.00
B. Awareness of the Audit Committee's Responsibilities	5 items	5.00
C. Improve the quality of audit committee decision-making	6 items	5.00
D. Composition and selection of members of the Audit Committee	3 items	5.00
E. Internal Control	3 items	5.00

4. The average score of the internal self-assessment of the Compensation Committee's operational performance was "Excellent" (5.0 out of 5.0)

Four aspects of self-assessment	Assessment Items	Rating results
A. Degree of participation in company operations	4 items	5.00
B. Recognition of the Remuneration Committee's Responsibilities	5 items	5.00
C. Improve the quality of compensation committee decisions	6 items	5.00
D. Composition and selection of members of the Compensation Committee	3 items	5.00

To strengthen the professional knowledge and capabilities of directors, we arrange regular training courses for directors each year to enhance the overall governance performance of the Board. The following table shows the training status of all directors in 2024:

Organizer	Courses and Hours
Cross-Strait Business Development Foundation	3 hours of discussion on the positive growth of enterprises based on the theme of COP28
	Sustainability equals innovation: Value management trends under the net zero challenge (3 hours)

To fully evaluate the effectiveness of our internal control system, measure operational results and efficiency, and ensure compliance with relevant laws and regulations, we have established an internal audit unit affiliated with the Board of Directors. This unit assists the Board of Directors and management in examining and reviewing deficiencies in the internal control system, measuring operational effectiveness and efficiency, and providing timely improvement recommendations to ensure the continued effective implementation of our internal control system.

Sustainable Management

1. ESG Implementation Organization

On the topic of sustainable development, the General Manager convenes operations, finance, procurement, administration, and legal departments for cross-departmental communication and coordination, ensuring that all employees are united in their commitment to sustainable

development. The Corporate Governance Department, in accordance with laws and regulations and in compliance with the policies of competent authorities, promotes concrete sustainable development actions. Through stakeholder consultations, it identifies key areas of concern and prepares a sustainability report, which is regularly submitted to the Board of Directors and released publicly annually. If any negative impact on stakeholders occurs, the responsible department will report the cause and handling of the matter to the Board of Directors.

2. Analysis of Major Topics and Consultation with Stakeholders

In the operations of a business organization, stakeholders are a crucial group that influences its operations and the achievement of its goals. Therefore, identifying stakeholders and establishing smooth communication channels with them is a core foundation of corporate social responsibility and a crucial basis for sustainable management. We refer to the GRI 2021 edition's key theme identification process to assess the impact of various issues, including the environment, economy, and human rights, on FFG's management.

STEP1 Understand the organizational context

Stakeholders are individuals or groups whose interests are or may be affected by a company's economic activities. FFG uses its various operating units to connect with stakeholders to understand their concerns about sustainable development issues. Based on their influence and connectivity, we have identified the following four key stakeholders for communication. We have also established multiple channels to listen to and respond to the expectations of all stakeholders, as detailed in the table below:

Stakeholders	Focus on GRI issues	Communication methods	Communication frequency
Shareholders and investors:	Economic performance	Board of Directors	At least 4 times / year
		shareholders' meeting	At least once a year
		annual report	At least once a year
		Public Information Observation Station	Monthly / quarterly / yearly
		Dharma Conference	At least once a year
Corporate customers/agents:	Customer Privacy	Company website	Permanence
		Exclusive services	Irregular
		Email	Permanence
		Customer satisfaction survey	each year
		Product Exhibition	Irregular
supplier	Economic performance	written	Irregular
		Audit	
		Exclusive services	Irregular
		Email	Permanence
staff	Labor -employment relations Occupational Safety and Health	Company website	Irregular
		Official documents / announcements	
		Email	
		Meeting	
		Education and Training	

Establish a sustainable issues list

With reference to GRI indicators, international market trends , the development of climate change issues, the practices of domestic and foreign peers, and in accordance with FFG's future development strategy goals, we propose a comprehensive list of issues as shown in the following table:

Governance issues GRI 2, 200 series	Environmentally friendly issues GRI 300 Series	Social participation issues GRI 400 Series
(1) Risk Management (2) Integrity management (3) supply chain management (4) Corporate Governance (5) Compliance with laws and regulations (6) Information Security and Privacy Management	(7) Climate Action (8) Waste Management	(9) Occupational Safety and Health (10) Employee attraction and retention (11) Labor-employment relations (12) Human rights protection (13) Customer Rights

STEP 2 Identify the degree of impact

The impact assessment conducted based on FFG's operations resulted in the following conclusions:

oriented	Impact Issues	Impact scope			
		supplier	Shareholders and investors	Corporate customers/agents	staff
Governance	Risk Management	Indirect impact	Direct impact	Impact on business relationships	Indirect impact
	Integrity management	Indirect impact	Direct impact	Impact on business relationships	Direct impact
	supply chain management	Direct impact	Indirect impact	Impact on business relationships	Indirect impact
	Corporate Governance	Indirect impact	Indirect impact	Impact on business relationships	Direct impact
	Compliance with laws and regulations	Indirect impact	Direct impact	Impact on business relationships	Direct impact
	Information Security and Privacy Management	Indirect impact	Indirect impact	Impact on business relationships	Direct impact
environment	Climate Action	Direct impact	Indirect impact	Impact on business relationships	Indirect impact
	Waste Management	Indirect impact	Indirect impact	Impact on business relationships	Indirect impact
society	Employee attraction and retention	Indirect impact	Direct impact	Impact on business relationships	Direct impact
	Occupational Safety and Health	Direct impact	Direct impact	Impact on business relationships	Direct impact
	Labor-employment relations	Indirect impact	Direct impact	Impact on business relationships	Direct impact
	Human rights protection	Indirect impact	Direct impact	Impact on business relationships	Direct impact
	Customer Rights	Indirect impact	Indirect impact	Impact on business relationships	Direct impact

STEP 3: Decide on the major theme

By distributing questionnaires, managers at the section chief level and above were asked to review the likelihood and impact of positive and negative impacts when implementing sustainability issues in their companies, and rate them on a scale of 1 to 5, with 1 indicating

almost no impact and the impact being extremely slight or very slight. Five major themes were identified for 2024: climate action, occupational safety and health, employee attraction and retention, customer rights, and information security and privacy management.

Item	Major Themes	Importance to FFG	Relevant management indicators	Implementation
1	Climate Action	By actively responding to environmental challenges, we can not only reduce risks and costs, but also enhance brand image and market competitiveness, ensuring long-term sustainable development.	Regular annual inspection and verification	Target reached in 2024
2	Occupational Safety and Health	Ensuring the health and safety of employees can not only improve production efficiency, but also reduce the risk of accidents and promote the long-term stable operation of the enterprise.	Formulate occupational safety and health policies, implement occupational safety and health management systems, strengthen workplace safety awareness, and reduce occupational safety risks	Target reached in 2024
3	Employee attraction and retention	The key to ensuring stable technology inheritance, improving operational efficiency and maintaining corporate competitiveness.	Education and training hours and planning	Target reached in 2024
4	Customer Rights	Protecting customer rights can build trust, strengthen brand reputation, and promote long-term and stable cooperation.	Including customer complaint handling rate, customer satisfaction survey results and customer repurchase rate, used to evaluate service quality and trust maintenance.	Target reached in 2024
5	Information Security and Privacy Management	Information security can protect confidential data and operational stability, prevent potential risks, and maintain the trust of customers and companies.	Formulate and implement information security management policies	Target reached in 2024

External organization participation

FFG participates in the Taiwan Reinforced Plastics Association and the Taiwan Printed Circuit Association (TPCA), creating industry momentum and promoting industrial development through industry experience and exchanges.

(TPCA) released its recommendations for the development of Taiwan's printed circuit industry, summarizing four major global trends: "International power struggles impacting industry layout," "5G application deployment generating diverse business opportunities," "Green and sustainable production implementing a circular economy," and "Weakening labor supply and the rise of autonomous AI." FFG is committed to enhancing sustainable competitiveness, promoting various energy reduction initiatives, and addressing climate change risks by developing greenhouse gas reduction targets and related measures to achieve sustainable industrial development.

Human Rights Policy

FFG supports and adheres to internationally recognized human rights norms and principles, including the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. We also strictly abide by local labor laws and regulations to eliminate human rights violations. We have formulated our company's human rights policy:

1. Provide a safe, healthy and harassment-free working environment.
2. Comply with wage and hour laws.
3. Protect the labor rights of people with disabilities.
4. Forced labor is prohibited.
5. Child labor is prohibited.
6. Help employees maintain physical and mental health and work-life balance.
7. Provide reporting and communication channels for employees, suppliers and other stakeholders to express their opinions or report violations.

2024 Human Rights Policy Implementation Results

1. Regular meetings are held for thorough discussions and communication to ensure that all welfare measures comply with regulations and are reasonable. New employees are recruited based on the job requirements and the applicant's abilities, and gender is not a factor in determining whether they are accepted. Female employees account for 30% of the company's total workforce, and female senior managers account for 18%. In 2024, a total of 12 employees with disabilities were hired. In addition to meeting legal employment standards, the average length of service for employees with disabilities was 11.3 years. In addition to various courses planned based on job level, employee training courses also focus on human rights, anti-discrimination, and anti-corruption issues. A total of 273 employees were trained in 2024. For other employee welfare measures, retirement systems, and their implementation, please refer to the dedicated section on the company website.
2. Provide employees with a safe and healthy working environment and regularly conduct safety and health education for employees. Please refer to the dedicated section on the company website for more information.
3. We conduct regular employee performance evaluations annually, including semi-annual assessments for direct staff and mid-level supervisors, and annual assessments for all

employees, to ensure a clear career path for all employees. We actively cultivate employees to obtain relevant certifications. Direct staff receive on-site skills training, and a training and assessment system for technicians is available, providing a smooth promotion path to motivate high-performing employees and gradually acquire the necessary technical skills. The company has developed a training system for all employees, tailored to their individual responsibilities, with differentiated training courses and development methods for core functions, management functions, professional functions, and self-development. By 2024, the number of external trainees reached 1,021, totaling 3,570 hours of training.

4. Article 32 of the Company's Articles of Association stipulates that if a profit is made in a given year, 1% to 10% shall be allocated first for employee compensation, with a maximum of 5% for director compensation. However, in the event of accumulated losses, a reserve shall be made up in advance. Employee compensation is determined based on their educational background, professional knowledge and skills, years of professional experience, and individual performance. Entry-level employees receive an average monthly income of 1.23 times the minimum wage in Taiwan, with men receiving 1.23 times and women receiving 1.22 times. This overall compensation is superior to that of peers and does not discriminate based on gender, age, race, or nationality, enabling employees to realize their personal value and contribute their strengths in an equal workplace. In 2024, the Company's gender compensation ratio in Taiwan showed no significant difference in the annual compensation ratio for female and male employees, regardless of whether they were in management or general positions.
5. Establish a supplier management policy, conduct regular supplier evaluations each year, require the implementation of environmental protection and human rights standards, and sign the supplier corporate social responsibility code of conduct to establish a supplier management policy.

~Solid management~



Financial Performance

FFG focuses on operating performance and cost control target management, with increasing the ratio of niche products and increasing sales contribution as its main strategies, pursuing long-term and sustainable revenue and profit growth to maximize the company's value.

In the first half of 2024, the global economy recovered slowly, impacted by continued macroeconomic factors such as inflation and geopolitics. However, in the second half of the year, the AI industry drove strong demand for high-frequency, high-speed, and low-loss fiberglass yarn and cloth. The company's long-term focus on high-end application products reaped the rewards. Consolidated net revenue for the full year was NT\$4,246,703,000, a 32.7% increase year-over-year, with a gross profit margin of 14%. The company turned a profit, achieving net profit after tax of NT \$ 62,886,000 and earnings per share after tax of NT \$ 0.13. The 2024 operating performance is detailed in the table below.

Looking ahead to 2025, the global economy remains subject to significant uncertainties. The Company will continue to develop high-end and 5G products using its proprietary technologies and raw materials, optimizing its product mix and market portfolio to stabilize profits and diversify risks. The Company also plans to expand its use of renewable energy and resource recycling to fulfill its corporate social responsibility, pursue sustainable development, and achieve its operational goals of increasing shareholder returns.

Business performance unit: million yuan

years	2024	2023	2022
Total assets	15,144	13,472	14,059
Capital	5,183	4,590	4,414
operating income	4,247	3,200	4,651

operating costs			
(Excluding employee salaries and benefits)	2,888	2,560	3,091
Employee salaries and benefits	745	652	723
Payment to investors (dividends and interest)	192	311	518
Payments to the government (Taxes and fines)	17	10	33
Community investment/donation fees	1	2	4
Retained economic value	404	(335)	282
Earnings per share after tax	0.13	(1.44)	0.07

Note 1: The tax deduction amount in 2024 is: NT\$ 89,362,000 .

Note 2: This report uses a standardized operating cost calculation method to provide a consistent basis for comparison across years. Calculation formula: Cost of goods sold (consolidated) for the current year - Employee salaries and benefits (operating costs).

Integrity management

Management Policy

FFG values corporate integrity and corporate governance, strictly abides by business ethics and legal norms, and opposes corruption, anti-competitive behavior, anti-trust and other misconduct. It does not accept bribes and insists on transparent operations. It has successively formulated and implemented the [Corporate Governance Code of Practice], [Board of Directors Performance Evaluation Method], [Code of Ethical Conduct], [Integrity Management Code] and [Integrity Management Operating Procedures and Behavior Guidelines] to regulate directors, managers, and employees in the course of engaging in business activities. They shall not engage in dishonest behavior, explain the company's integrity management policy and related regulations to

their transaction partners, and explicitly refuse to directly or indirectly offer, promise, request or accept any form or name of improper benefits.

Policy Advocacy

Object	Promotional form	content
External personnel	Our website	Disclose the content of the company's code of integrity management
Senior management	Commission Contract	Explicitly prohibit dishonest behavior such as malpractice, bribery, etc.
staff	Appointment Consent	Code of Conduct that must be followed
Contract	Contract for Work	Relevant personnel must abide by business norms and must not offer or accept bribes

Whistleblower system

The Company encourages both internal and external personnel to report dishonest or improper behavior . Internal personnel who make false reports or malicious accusations will be subject to disciplinary action, and serious violations may result in dismissal.

Our company has established a complaint mailbox. Reports may be submitted to the employee mailbox located within the factory or the mailbox posted in the employee area of the company website . At a minimum, the reporter's name, ID number, and the address, phone number, and email address where the reporter can be contacted are required . The name of the person being reported or other information sufficient to identify the person being reported may also be provided as specific evidence for investigation.

The responsible unit and the highest executive of the business unit shall promptly investigate the relevant facts. If it is confirmed that the person being reported has violated relevant laws and regulations or the company's integrity management policy,

they shall immediately require the person to cease the relevant behavior and take appropriate measures. If necessary, they may seek damages through legal proceedings. If the person being reported is dissatisfied, they may appeal to the responsible unit, which shall notify the person of the outcome of the appeal in writing.

If the person reported is found guilty, the company shall disclose on its internal website the title, name, date of violation, content of violation, and handling of the violation.

2024 Integrity Management Implementation Results

2024 Statistics of reporting cases: 0

In 2024 , the number of cases involving anti-competitive behavior, antitrust and monopoly law, and corruption was 0.

In 2024 , when new employees reported for work, in addition to informing them of personnel management and work rules , they also explained the company's integrity management policy , which explicitly prohibits dishonest behavior such as malpractice and bribery . A total of 273 people received this education and outreach .

Tax management

Tax Policy

FFG adheres to the tax laws and regulations of the Republic of China as its tax policy. It determines the income (loss) for each quarter in accordance with the regulations of each income tax reporting jurisdiction. It calculates the payable (recoverable) income tax based on this calculation . After review by the relevant supervisor, it is submitted to a certified public accountant for audit to ensure the accuracy of the tax payable.

Tax planning attitude

FFG manages tax matters in accordance with the principles of good corporate

citizenship. We firmly believe in paying taxes fairly and in accordance with the tax system to contribute to the costs of providing a safe and stable business environment in the countries where we operate. Through our tax policies and internal governance, FFG is committed to ensuring compliance with the principles of relevant tax regulations and paying the appropriate amount of tax on a timely basis. Our tax policies aim to ensure that tax risks are managed in a manner consistent with our core values, ensuring full compliance with tax laws and regulations. Tax planning is tailored to the business operations of the relevant businesses, while also considering the company's financial performance, reputation, and commitment to corporate social responsibility.

tax risks

Regarding taxation, FFG's cross-border transactions are very limited. Existing transfer pricing agreements comply with national tax laws. The company maintains close cooperation with tax authorities, taking into account factors such as tax planning, compliance with tax filing requirements, and a cooperative approach to mitigate tax risks.

Communicating with shareholders

FFG has established an investor section on its website, providing downloads of the company's annual report, financial statements, corporate governance regulations, stock price and dividend information. While complying with laws and regulations and corporate governance, we strive to achieve the optimal tax burden and protect shareholder rights, paying reasonable taxes and fees to contribute to society.

The company's management directly addresses investors and the media to explain the company's long-term strategic planning and future development, and to solicit positive suggestions from stakeholders regarding operations, finance, and corporate governance. Each approval and discussion item at the shareholders' meeting is voted on a case-by-

case basis, enabling small shareholders to participate in company decision-making and exercise their voting rights. The voting results are immediately disclosed to the public, and the company actively responds to suggestions from shareholders as a reference for the company's future strategies.

Risk Management

Financial Risk Management

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

Operational Continuity Management

To mitigate operational risks, FFG has purchased an all-risks policy (a more comprehensive policy than an itemized policy) for its commercial fire insurance program. Insured items include buildings, land improvements, production-related equipment, business tools, and liquid raw materials, work-in-progress, and finished goods. Other related insurance policies are also available for utility equipment such as pressure vessels.

In addition to adequate commercial fire insurance, we also consider operational risks and carry additional "Business Interruption Insurance" to compensate for business losses resulting from interruptions caused by natural disasters or accidents, including the costs of resuming operations. Furthermore, to mitigate the risk of third-party claims arising from accidents, FFG also carries additional "Third Party Accident Liability Insurance" and "Public Accident Liability Insurance" to transfer related liability claims.

Climate risk management

FFG has long been concerned about the impact of climate change on its industry and deeply understands the importance of environmental protection and sustainable operations. From a disaster perspective, risk analysis and extreme events are key topics. With sustainability as its core concept, we actively promote carbon reduction management measures, energy conservation, water conservation, and waste reduction to achieve a balance between sustainable operations and environmental protection.

Information and communications security management

Information and Communications Security Risk Management Framework

FFG 's information security policy is formulated by the Information Management Office, which is responsible for coordinating information security and related matters throughout the company and conducting regular internal information security inspections. The Audit Office is the supervisory unit for information security supervision and regularly tracks improvement results to reduce internal information security risks .

Information and Communications Security Policy

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

- (2) The scope of information security management includes the personnel, management systems, application programs, data, documents, media storage, hardware equipment and network facilities related to information operations at each location of the Company.
- (3) Prevent the information system from being improperly used or intentionally damaged by internal or external personnel. When an emergency incident such as improper use or intentional damage occurs, the company can respond quickly and restore normal operations in the shortest possible time, thereby reducing the economic losses and operational interruptions that may be caused by the incident.
- (4) Implement management of information room, network security, ERP program modification, data security, information confidentiality, intellectual property rights, and information outsourcing.
- (5) Implement information and communications security audit management.
Information and communications security audits shall be conducted item by item, and relevant information may be reviewed , and on-site testing or inspections may be conducted on the use of information software and hardware equipment. The audited departments and personnel shall cooperate in providing necessary explanations and documentation. Auditors shall keep the audit documents confidential.

Specific management plans and resources invested in information and communications 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, implementation of information security management policies, to ensure the security of information data, systems, equipment and networks.

Supplier Management

Implementing corporate sustainability management extends beyond the company itself; it also requires simultaneous management of the environmental and social impacts that the supply chain may directly or indirectly cause. FFG's supply chain management not only monitors supplier quality and delivery schedules, but also addresses key ESG issues such as environmental protection, labor safety, hygiene management, and the protection of labor rights. Based on the industry characteristics of raw material, slurry, and packaging material suppliers, we require them to sign the following documents to communicate the philosophy we promote to our suppliers for joint commitment and implementation.

1. Supplier Corporate Social Responsibility Code of Conduct:

The company adheres to sustainable development and attaches importance to labor rights and human rights, labor health and safety, environmental protection, Ethical standards and other issues, and work together with suppliers to fulfill corporate responsibilities, thereby establishing the company's supply standard for suppliers to follow. A total of 60 packaging material suppliers have signed back in 2024.

2. Statement on Non-Use of Conflict Minerals:

The Company follows the guidelines for “Products from Conflict or High-Risk Areas” set by the Organization for Economic Cooperation and Development (OECD). Due Diligence Guidance for Responsible Supply Chains of Minerals from the Responsible Supply Chains of Minerals from Conflict-Affected and In addition to advocating the prohibition of the use of "conflict minerals", we will also conduct assessments to investigate whether the raw materials provided by suppliers use conflict minerals. By 2024, all suppliers will sign the "Commitment to Not Use Conflict Minerals".

3. Green Procurement Policy:

With sustainable management as the goal, we comprehensively consider energy conservation and environmental protection in production, packaging, logistics, recycling and reuse factors, and jointly fulfill social responsibilities such as environmental protection, energy conservation and emission reduction with upstream and downstream enterprises. Prioritize environmentally friendly suppliers and use recyclable raw materials to reduce the production costs of the supply chain. To reduce the impact on the environment, we strive to build a green supply chain.

Supplier management and auditing

To ensure that supplier quality and delivery meet our operational and customer needs, we conduct annual evaluations of our raw material, slurry, and packaging material suppliers, and audit key raw material and slurry suppliers every three years. To further enhance supplier sustainability, we will expand supplier audits to include "Corporate Social Responsibility," "Hazardous Substance Management," and "Environmental Safety and Health System Management" starting in fiscal 2022. This will ensure consistent supplier sustainability management and promote shared progress. The results of our 2024 top ten supplier evaluations are shown in the chart below. Based on these evaluations, we will continuously track and demand improvements from our suppliers, and work with them to promote sustainable operations.



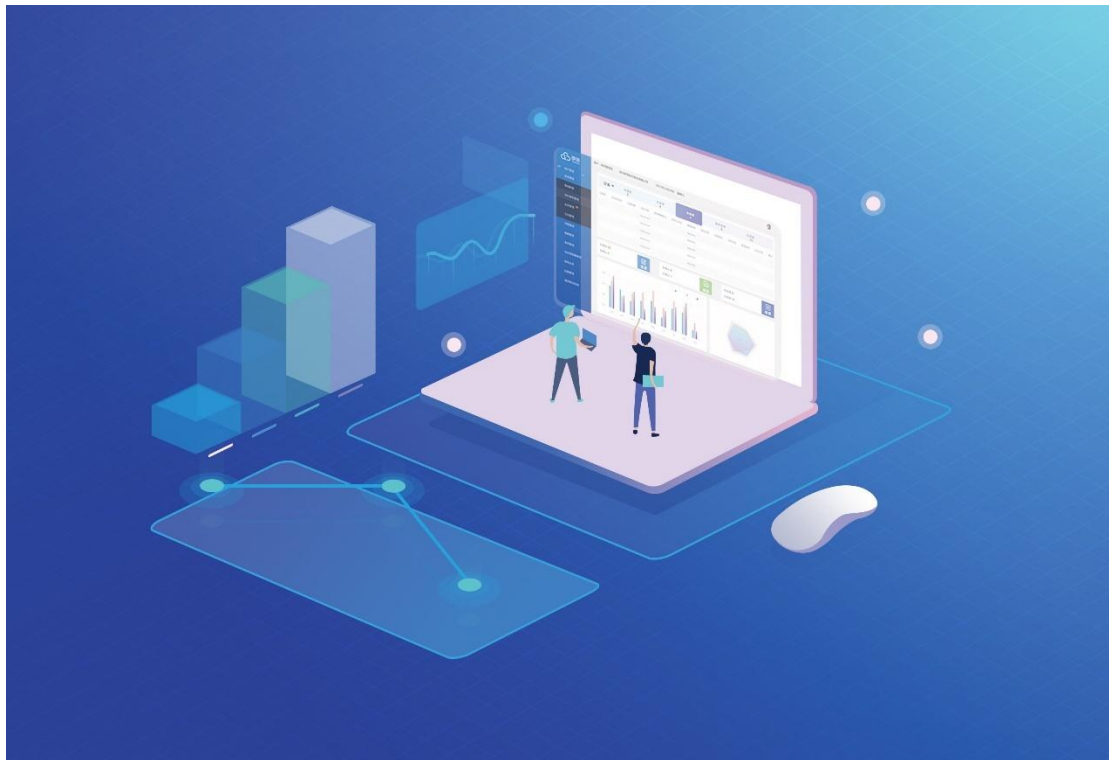
Regulatory Compliance

oriented	Prevention
Corporate Governance	We regularly participate in relevant regulations and promotional meetings issued by the Financial Supervisory Commission, the Securities and Futures Bureau , the Stock Exchange of Hong Kong Limited, and the Over-the-Counter Securities Exchange, and regularly discuss proposals in the board of directors to formulate or revise regulations that comply with actual regulations.
Environmental Protection	We regularly review the Environmental Protection Administration's regulatory inquiry system, collect and identify information relevant to each company department, and then present response measures in internal meetings and promote them on the company's internal website.
Labor Rights	In compliance with the Labor Standards Act , management regulations such as the "Sexual Harassment Prevention Measures" and "Workplace Bullying Prevention Measures" clearly stipulate measures to protect employee human rights. There are no cases of child labor, discrimination, violations of freedom of association, forced labor, or related complaints filed through formal mechanisms .

FFG prioritizes compliance, strictly adhering to domestic and international laws and regulations, and upholding all legal principles. Relevant departments closely monitor legal trends to ensure their operations, rights, and obligations are in compliance with regulations. We conduct regular annual air pollutant testing and strictly ensure that relevant control equipment is operating properly. Actual emissions figures are in compliance with legal requirements.

Exhaust gases from the glass manufacturing process still have the potential to impact surrounding crops. Therefore, should disputes arise regarding agricultural damage, the company will adhere to the Ministry of Environment's rulings or court decisions, maintaining friendly relations with farmers. In 2024, no penalties were imposed by the competent authorities for environmental violations.

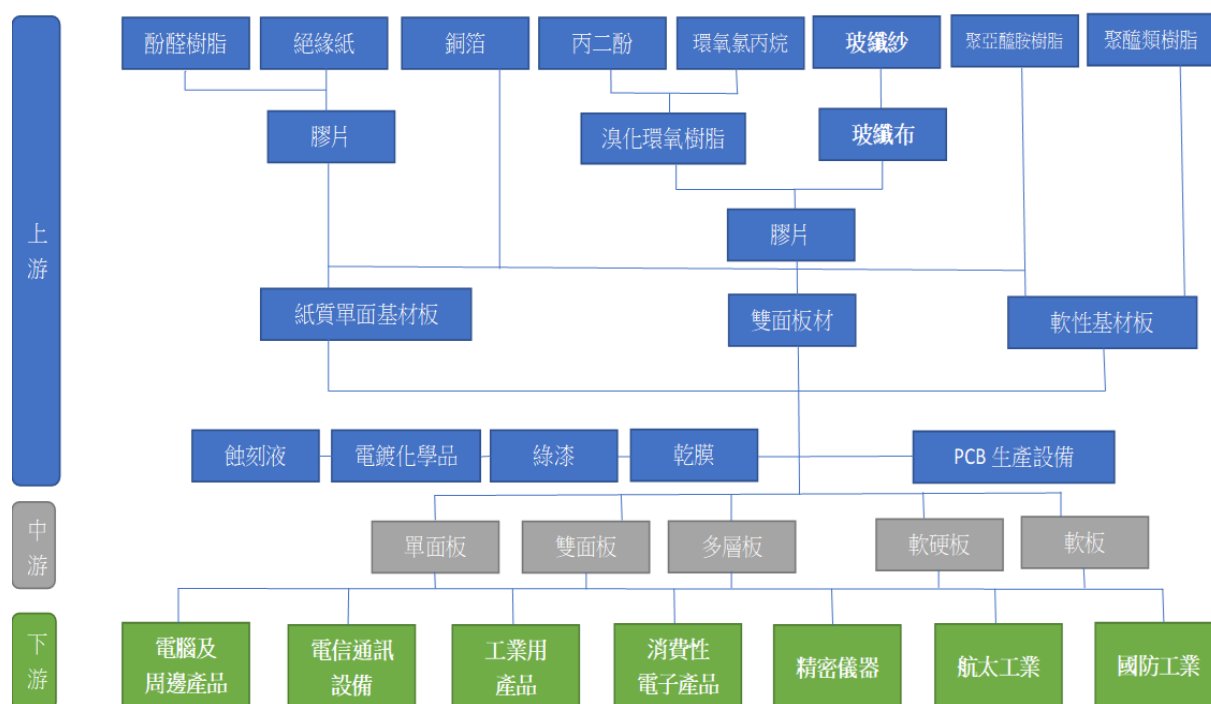
Products and Services



Industrial Chain

Printed circuit boards (PCBs) are essential components for a wide range of consumer electronics, computers, communications, information technology, automotive electronics, industrial control panels, and medical equipment. The development of the PCB industry has a significant impact on the domestic electronics industry. The primary raw material for PCBs is copper foil substrates, which are made by laminating electronic-grade fiberglass cloth, copper foil, and epoxy resin. Electronic-grade fiberglass cloth is woven from electronic-grade fiberglass yarn. Therefore, fiberglass yarn is considered the most important and fundamental raw material in the PCB industry.

Printed circuit board upstream, midstream and downstream industry structure diagram:



Source: Materials Research Institute, Industrial Technology Research Institute

Product Introduction

FFG is a leading manufacturer and distributor of glass fiber yarn and glass fiber cloth in Taiwan. Glass fiber yarn is made by mixing eight raw materials—kaolin, limestone, silica sand, and calcium borate—into a liquid glass paste in a furnace heated to 1400°C. This paste is then drawn through a platinum spinning box into single glass fibers, each approximately 1/18 to 1/5 the diameter of a human hair (approximately 4 to 13 microns). These single fibers, ranging from 100 to 1,600 count, are then twisted together to form glass fiber yarn. All products are 100% RoHS and REACH compliant. Our glass fiber cloth is woven from our own glass fiber yarn, treated with silane and hardened with epoxy resin before being laminated to copper foil, creating the copper foil substrate used as the raw material for printed circuit boards (PCBs). PCBs are the control components of various electronic products.

Products and Applications

glass fiber yarn



1. Product Features, Projects, and Major Sales Areas

glass fiber yarn

1. Product Features, Projects, and Major Sales Areas

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

The main product items are as follows:

glass fiber yarns such as G75, G67, E225, E110, D450, D900, DE300, C1200, BC1500, BC3000, BC2250, and BC3750 can be used in consumer electronics, automotive electronics, industrial electronics, and medical equipment. Industrial-grade glass fibers such as G75, G67, G37, G150, BC150, G50-G25, H110, H12, DE300-DE37, and K37-K18 can be used in aerospace, military, building materials, medical, insulation, and anti-corrosion materials. These products are primarily sold in the Americas, Europe, Japan, and other parts of Asia.

Low dielectric glass fiber yarn (Low DK): E250, DE340, C1350, D500, D1000, D520 and D1040 can be used in higher-end products such as 5G communications, AI, and electronics. High-speed trains and self-driving cars, remote medical care, work, study, etc.

2. Short-, Medium-, and Long-Term Development Plans

With the increasing maturity and expansion of AI applications, the rise of 5G communications, and the continued expansion of industrial market applications , demand for fiberglass yarn is expected to continue to grow. FFG, through vertical integration with its own fabric mill, is continuously innovating and developing, aiming to achieve breakthroughs and advances in the future 5G supply chain and secure a significant position. To achieve corporate sustainability , FFG not only strengthens its core technologies through customized R&D and production , and prides itself on being a service-oriented manufacturing company , but also adapts its

product portfolio strategy to changing market demands, producing products that meet customer needs, giving it a significant advantage in the industry .

Future products will inevitably develop in a diversified manner. FFG will continue to raise the competitive threshold by developing and manufacturing high-end products to ensure its competitive advantage in the industry and enhance its corporate value through short-, medium- and long-term development plans :

Short-term plan:

1. Flexibly adjust product portfolio 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. Focus on customized and high-profit products, and allocate more resources to process improvement for such customers

Medium-term plan:

1. Continue to develop and optimize new Low DK products (FFG product name: FL D) to meet the needs of terminal 5G products
2. Developed ultra-fine BC 2250 and BC 3000 glass fiber yarns for electronic use
3. Deepen technical cooperation with key customers in product improvement/development to strengthen customer loyalty

Long-term plan:

1. Develop FLE glass fiber yarn with low thermal expansion coefficient to improve product dimensional stability
Qualitative functions to expand the IC substrate market.
2. Ultra-fine BC Fiber new product development to meet the future trend of thinner and lighter electronic products

3. Develop new products for special high-end industrial applications to ensure industry competitive advantage

3. Certification

Passed ISO 9001 certification in April 2009.

fiberglass cloth



1. Product Projects and Major Sales Areas

Electronic-grade glass fiber 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 pandemic has changed the way humans interact, further advancing virtual technology. Immersive experiences require 5G's high-frequency, high-speed transmission to achieve instant, time-lag-free signal exchange. 5G is a

long-term development trend for the next 10 to 15 years . 5G-related construction has been disrupted by the pandemic in recent years . It is expected that the pace of deployment will gradually accelerate after the global epidemic is downgraded. Our company will also focus on the development of 5G products to keep pace with market demand trends.

As an upstream player in the printed circuit board industry supply chain, FFG enjoys the advantages of vertical integration and a stable source of raw yarn , laying the foundation for excellent quality. Furthermore, the company's R&D personnel have downstream backgrounds and strong independent R&D capabilities, enabling them to quickly meet customer needs. These are all key factors contributing to the company's sustainable operations.

2. Short-, Medium-, and Long-Term Development Plans

Short-term plan:

1. The development and certification of 5G high-frequency and high-speed boards are the focus of the company's short-term plan.
2. Development, certification and promotion of IC substrates and substrate-like materials
3. Stabilize existing HDI demand and continue to develop new applications for high-end products
4. Business development of automotive and anti-CAF sheet materials

Medium-term plan:

1. Business development for HPC and high-frequency and high-speed related applications
2. Continued development and expansion of 5G base stations, network

communications, and cloud servers

Long-term plan:

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

3. Certification

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

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

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

Customer Service

Customer Service Management

FFG adheres to the service concept of "customer-oriented" and focuses on customers.

From product design, process improvement, product quality and sales service, we evaluate and provide improvement plans based on customer feedback to ensure that we can meet customer needs and optimize customer service processes.

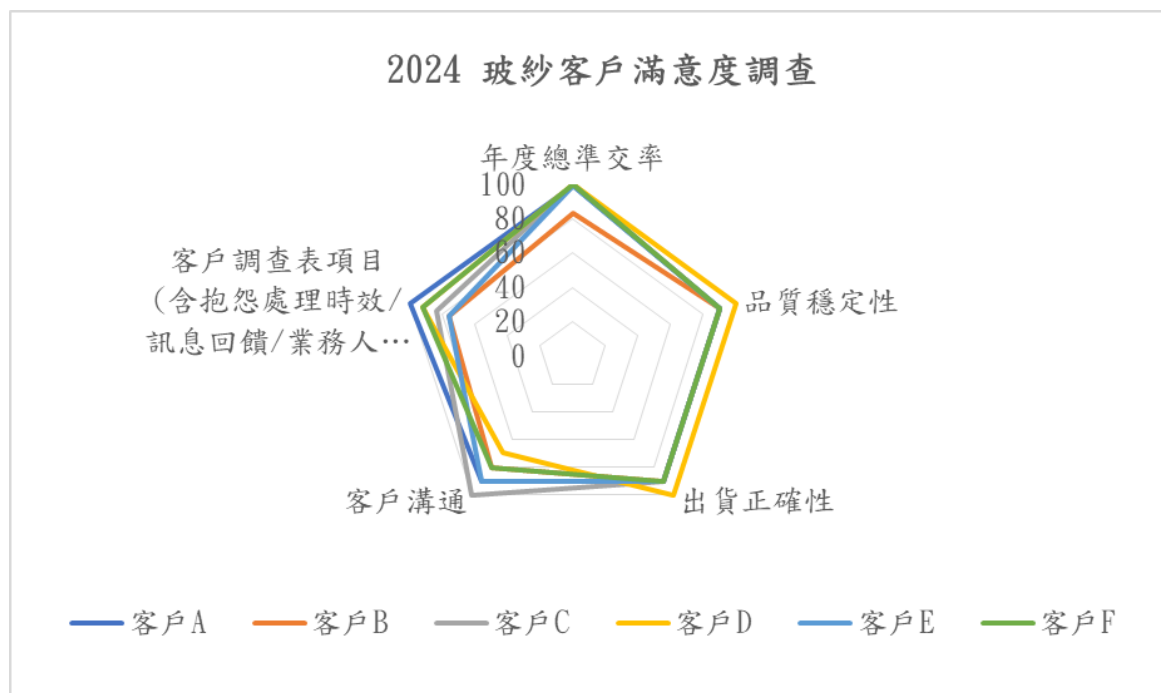
Regarding customer feedback, to protect customer privacy and prevent data leakage , sales personnel serve as the window to initiate corrective and preventive measures in accordance with the "Customer Complaint Handling Procedure" and "Customer

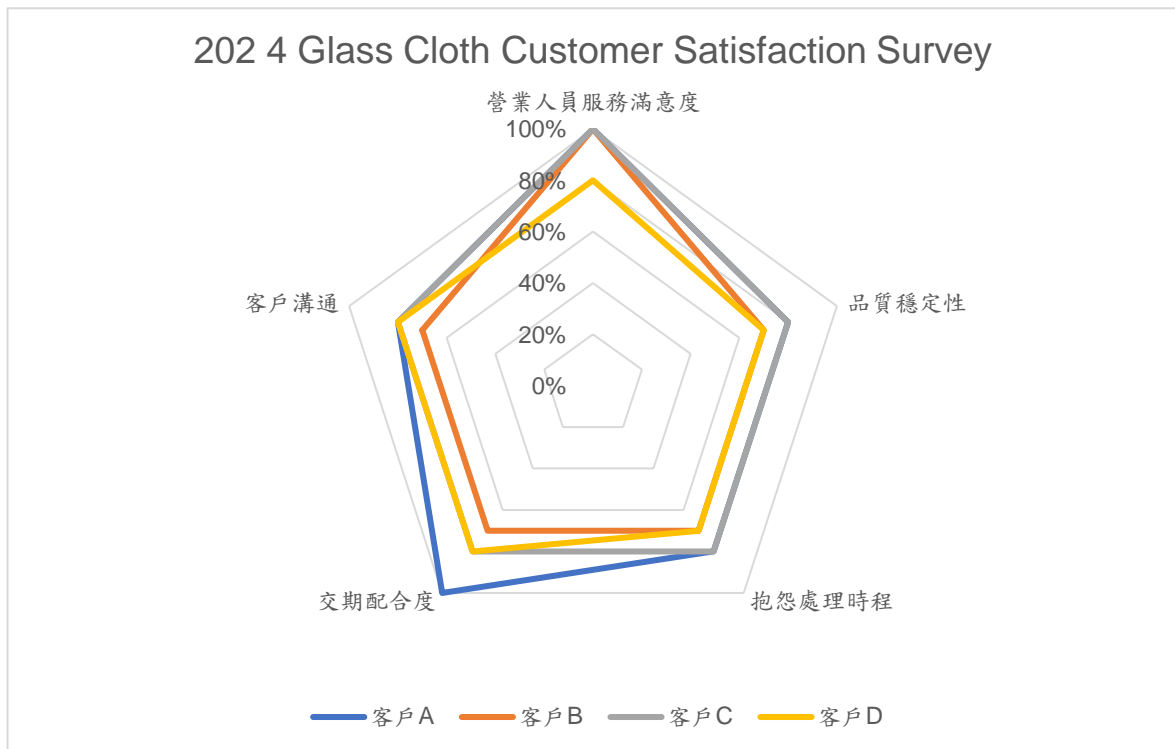
Satisfaction Survey Procedure." If continuous major anomalies occur, an initial response to the customer must be received within 48 hours. Improvement reports must be responded to within the customer's requested response period, and customer feedback will be incorporated into the company's operations and future improvements.

Customer Service Survey

To improve customer satisfaction, FFG Company regularly conducts a "Customer Satisfaction Survey" every year, covering issues such as delivery, quality and service-related evaluation to ensure that customer needs are properly understood and reviewed and improved to establish long-term partnerships.

The 2024 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 regulations, fulfill confidentiality duties, and do not disclose the company's confidential information.
2. Properly use confidential information of the company or confidential information that the company has promised to keep confidential, and do not use it outside the scope of performing duties.
3. Confidential information must not be used to profit for oneself or a third party.

At the same time, we have strengthened our information management mechanisms to regulate the collection, processing, and use of data to prevent infringement of customer privacy and rights, including:

1. The responsible unit shall encrypt the documents/files under its management to protect/prevent the relevant information from being stolen, tampered with or destroyed.

2. The MIS sets the permissions for the public data area of the business unit. Non-business personnel must open an information system application form based on their purpose of use. After approval by the supervisor of the document/file holding unit, the MIS will open reading permissions to legally authorized personnel.
 3. Data stored on the server will be backed up by MIS at regular intervals to prevent the files from being maliciously stolen or deleted.
 4. Require employees to use strong passwords and update them regularly to reduce the risk of account information being compromised or misused.
- regarding information leakage or loss in 2024 .

~Environmental symbiosis~



Climate Change Risk and Opportunity Identification and Countermeasures (TCFD)

In response to global climate change trends and to inform stakeholders of its response measures, FFG has referred to the Framework for Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board to disclose its governance, strategies, risk management, indicators and targets for responding to climate change.

Governance

FFG's Board of Directors serves as the highest governance body for managing climate-related risks and opportunities. It is responsible for reviewing and overseeing strategic development and policy formulation, adhering to government carbon reduction plans , setting carbon reduction targets, and disclosing climate-related financial information.

The company integrates the potential impacts of climate change into its overall operational considerations, estimating risks and impacts, and establishing contingency mechanisms. Furthermore, the company considers its competitive advantages and seizes business opportunities while adapting to climate change.

The Corporate Governance Unit coordinates the collection of climate change topics and information, and invites relevant departments to participate in discussions to assess and determine the impact of climate change opportunities on future market opportunities and the company's operating conditions, as well as how to respond to possible risks and take appropriate mitigation measures.

Strategy, risk management

Faced with climate change caused by the greenhouse effect, frequent natural disasters can cause power outages or water shortages at factories, resulting in potential financial impacts such as reduced revenue, increased operating costs, and reduced asset values.

To mitigate the impact on operations, we have identified and analyzed the following risk types based on regulatory, physical, and economic factors, referring to TCFD guidelines, global risk assessment reports, and Taiwan's climate change research report's projections for 2050, and considering the actual conditions of the operating markets:

Risk Type	project	risk	Probability	Impact	Chance	Response strategies
Regulatory aspects (Transition Risk)	Amend relevant laws and regulations to cooperate with the EU Carbon Border Adjustment Mechanism (CBAM)	<ol style="list-style-type: none"> 1. Improving greenhouse gas emissions pricing 2. Strengthening emissions reporting obligations 3. Litigation Risk 4. Increased operating costs, increased management expenses, insufficient supply of renewable energy, increased equipment investment, and limited production capacity 	short term	high	<ul style="list-style-type: none"> ■ Promote the development of green energy industry and improve energy conservation in enterprises ■ Accelerate corporate carbon reduction and strive for carbon credits ■ Slow down capacity expansion to improve industry health 	<ul style="list-style-type: none"> ■ Introducing internal carbon pricing and charging a carbon fee for greenhouse gas emissions ■ Communicate with the government on policies to make the system fair and reasonable ■ Setting renewable energy targets and focusing on renewable electricity certificate systems ■ Conduct greenhouse gas emissions analysis every year and set carbon reduction targets
Solid surface (Physical Risk)	<p>Extreme weather causes work stoppages</p> <p>Rising sea levels</p>	Probability of disasters, impact on production and operations, and disaster prevention-	medium and long term	Medium and high	<ul style="list-style-type: none"> ■ Improving corporate production competitiveness in response to extreme climate 	<ul style="list-style-type: none"> ■ Establish emergency response procedures to reduce casualties and property

	Average temperature increase haze	related costs			■ Improving site protection capabilities	losses ■ Save water and introduce climate adaptation measures such as building a water recycling system ■ Developing business operations plans for extreme climate
Economic aspects (Transition Risk)	Goodwill	Impact on sales	mid-term	Low	■ Active carbon management to meet customer requirements ■ Slow down capacity expansion to improve industry health	■ Improve low-carbon energy and low-carbon processes ■ Increase the proportion of renewable energy ■ Establishing dialogue channel with stakeholders
	Supply chain carbon reduction requirements	Poor carbon reduction leads to customers switching or terminating cooperation early	mid-term	middle		
	Carbon taxes increase raw material costs	Price increase and profit reduction	mid-term	middle		

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

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

Description of evaluation principles:

	Urgency	Occurrence rate	Impact degree	Risk and opportunity assessment results and handling principles
1	Short-term (1-3 years)	high	high	Listed as a risk that must be dealt with in the short term and managed through various departments
		middle	middle	Assess future developments and decide how to proceed
		Low	Low	Not processing yet
2	Medium to long term (3-10 years)	high	high	Assess the probability of occurrence and the extent of the impact, and consider whether it is consistent with short-term risk management.
		middle	middle	Assess future developments and decide how to proceed
		Low	Low	Not processing yet

Impact: A high impact means a large financial cost or capital expenditure; a medium impact means a medium financial cost or capital expenditure; a low impact means a small financial cost or capital expenditure.

Probability: Short-term means frequent occurrence within three years , medium-term means at least one occurrence or possibility within three to five years, and long-term means possibility after five years.

Explanation of the possible financial impact of TCFD risk shock assessment

	Risk Category	Impact on FFG Industry	Subsequent financial calculation requirements
1	Transition risks: Increased raw material costs	Climate change has led to a shortage of raw materials, which has resulted in a shortage of raw materials, leading to an increase in procurement costs and ultimately an increase in manufacturing costs.	(1) Potentially affected raw material items and the extent of the impact; (2) Affected products and scope (3) Impact start time
2	Transition risks: Supply chain carbon reduction requirements	With the rise of environmental awareness, the market will pay more attention to energy-saving and carbon-reducing products. R&D departments will need to invest more resources in research, resulting in increased operating costs.	(1) Ongoing operational planning costs (2) Cost of alternatives
3	Physical risks: Increased severity of extreme weather events such as hurricanes and floods	Extreme weather increases the probability of hurricanes or heavy rains, which may cause flooding in the factory or nearby communities, hinder external transportation from the factory, and lead to work stoppages, reduced revenue or increased costs.	(1) Ongoing operational planning costs (2) Cost of alternatives
4	Transition risks: EU Carbon Border Adjustment Mechanism (CBAM) amendments to relevant laws and regulations	The world has set a net-zero emissions target. After COP27, it is expected that the world will reach its carbon peak in 2025. Relevant laws and regulations will have increasingly stringent requirements for carbon reduction , which will require more low-carbon technology transformation and development. Overall technological improvements will lead to rising costs.	(1) Low-carbon technology leads to an increase in overall costs (2) Equipment upgrades 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): Worst case scenario, no changes

- 2°C: Based on the scenario of global warming within 2°C developed by the International Energy Agency (IEA)
- 1.5°C: Based on a scenario modeled by the International Energy Agency (IEA) for global warming within 1.5 °C. This is the most aggressive carbon reduction target , indicating a commitment to pursuing more aggressive carbon reduction measures . This proactive low-carbon transition will incur higher initial costs, but will also provide the highest long-term competitive advantage. This requires greater and faster efforts than the 2 °C target, with the goal of achieving net zero emissions by 2050 .

Risks/Opportunities	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 vary much across scenarios
risk	Increased severity of extreme weather events such as hurricanes and floods	Rising costs: +	Rising costs: +	Cost increases may not vary much across scenarios
risk	Rising sea levels	Rising costs: +	Rising costs: +	Cost increases may not vary much across scenarios
Chance	Accelerate corporate carbon reduction and strive for carbon credits	Cost increase: +++ Increased income: ++	Cost increase: ++ Increased income: ++	When climate action is more ambitious, the costs will increase, but the benefits will be greater in the long run.
Chance	Slow down capacity expansion and improve corporate health	Cost increase: ++ Increased income: +	Cost increase: ++ Increased income: +	Cost increases may not vary much across scenarios
Chance	Promote the development of green energy industry and improve corporate energy conservation	Cost increase: +++ Increased income: ++	Cost increase: ++ Increased income: ++	As climate change accelerates, costs will increase, but benefits will increase in the long term.

* Explanation of impact: + ++ High impact, ++Medium impact; +Small impact

Greenhouse gas inventory and confirmation status in the last two years

	2024		2023	
Category 1	Total emissions (metric tons CO2e)	density (metric tons CO2e/million yuan)	Total emissions (metric tons CO2e)	density (metric tons CO2e/million yuan)
parent company	63,280	17.13	66,195	22.99
Subsidiaries	No data	No data	No data	No data
total	63,280	17.13	66,195	22.99
Category 2	Total emissions (metric tons CO2e)	density (metric tons CO2e/million yuan)	Total emissions (metric tons CO2e)	density (metric tons CO2e/million yuan)
parent company	89,675	24.27	85,243	29.38
Subsidiaries	No data	No data	No data	No data
total	89,675	24.27	85,243	29.38

Description of the believed circumstances :

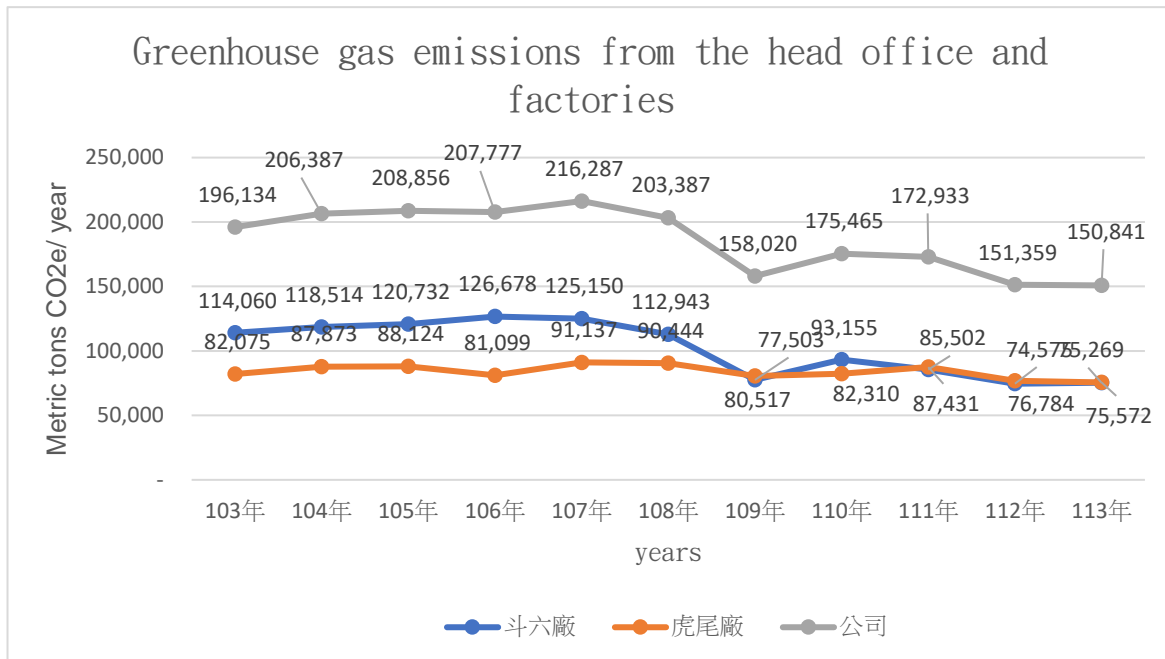
Our company's greenhouse gas inventory at our Douliu and Huwei plants was commissioned by Elfano International Co., Ltd. to be conducted in accordance with ISO 14064-3:2006 and environmental regulations. The inspections found no substantive regulatory violations and met the reasonable assurance level approved by the Environmental Protection Administration (EPA). The 2024 inspection report for the two plants is as follows:



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Indicators and targets

Since 2014, FFG has been conducting greenhouse gas inventory and verification operations for its parent company in accordance with environmental laws. In the future, it will comply with the corporate governance schedule of the competent authorities to include greenhouse gas emissions of its subsidiaries under control. It will also conduct annual risk assessments to manage the climate-related risks and opportunities currently identified and disclose the results in the sustainability report.

FFG utilizes the ISO 14064-1 greenhouse gas emissions management system for energy and greenhouse gas management. This system conducts annual greenhouse gas emissions audits at each of the company's factories (Douliu and Huwei). The company also commissions an EPA-approved greenhouse gas organization to complete annual verifications. This helps the company understand the sources and amounts of greenhouse gas emissions within the factory, and keeps abreast of the current status of emissions, which serves as the foundation for building greenhouse gas reduction capabilities and managing factory emissions.

Greenhouse gas reduction targets and related measures

(一) Reduction target:

Based on the results of the greenhouse gas inventory, we learned that the company's greenhouse gas emissions are mainly generated by electricity use and process fuel use, which account for the majority of the company's total greenhouse gas emissions. Therefore, the company is currently reducing greenhouse gas emissions through energy management and process improvements to enhance its industrial competitiveness. The expected reduction target is approximately 2-5%.

(2) Carbon reduction measures :

1. Process improvement:

(1) In 2020, the Douliu Plant built a new pure oxygen system and introduced a pure oxygen combustion process. The original process that used general air to assist combustion will be changed to pure oxygen to assist combustion. This is because pure oxygen to assist combustion will significantly increase the flame temperature. By using pure oxygen, more heat will be absorbed by the product, and the combustion process will become more efficient and reduce overall fuel usage. In 2024, greenhouse gas emissions will be reduced by approximately 934 metric tons (CO₂e/year).

(2) The glass fiber manufacturing process has been developed. After changing the raw materials and production procedures, some products only need to use electric kilns and crucibles for production. Although the power consumption increases, the production process no longer goes through the glass melting furnace and glass forehearth, which will reduce the use of limestone raw materials, fuel heavy oil, fuel natural gas, and the main furnace pressure windmill, main furnace cooling windmill, main furnace side wall windmill, forehearth combustion air windmill and exhaust system windmill will not be used to reduce power

consumption and achieve carbon reduction.



2. Power improvement

- (1) The Huwei Plant will complete the construction of approximately 1,854KW of solar renewable energy power generation capacity by the end of 2021. The actual kilowatt-hours generated in 2023 will be 2,331.6 (kilowatt-hours/year). Based on the 2024 announcement coefficient (0.474 kg CO₂e/kilowatt-hour), greenhouse gas emissions will be reduced by approximately 1,203 metric tons (CO₂e/year) in 2024.
- (2) The chiller has reached its service life and its performance has deteriorated. We plan to replace it with a high-efficiency chiller 800 RT each year to improve energy efficiency and reduce power consumption.
- (3) Washable air conditioners originally had full power output. After adding variable frequency control, they can measure the ambient temperature and humidity to match the power output, achieving energy-saving effects.
- (4) Install a frequency converter on the air supply/return fan motor of the air conditioning box to reduce the full-load power output and thus reduce power consumption.

the operating opening of the cooling water pump can save the need to open one cooling water pump and one chilled water pump , thereby reducing power consumption.

- (6) Gradually replace traditional lamps with LED lamps to improve energy efficiency and reduce power consumption.



Air pollution prevention

To reduce air pollutants generated during the manufacturing process and comply with the emission standards set by the Environmental Protection Administration, in addition to installing flue gas desulfurization equipment and bag-type dust collection facilities, we also implement operational specifications for air pollution prevention, conduct regular maintenance and upkeep based on the characteristics of the equipment, and conduct regular inspections 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	
		2012	11-3	2011	11-3
Particulate pollutants	mt	1.967	0.367	1.011	1 6.927
Sulfur oxides		6.312	25.486	1 9.833	0
nitrogen oxides		4 2.018	34.506	1 8.771	60.307
Volatile organic compounds		7 6.341	14.502	6 0.012	42.486

※Based on the regular inspection of the flue and the calculation method of air pollution fee, the regular inspection results are all lower than the emission standards set by the Environmental Protection Agency.

Water Resource Management

Water Sources and Environmental Impacts

FFG primarily produces electronic-grade fiberglass products. During the glass melting, forming, and spinning processes, large quantities of water are required for cooling.

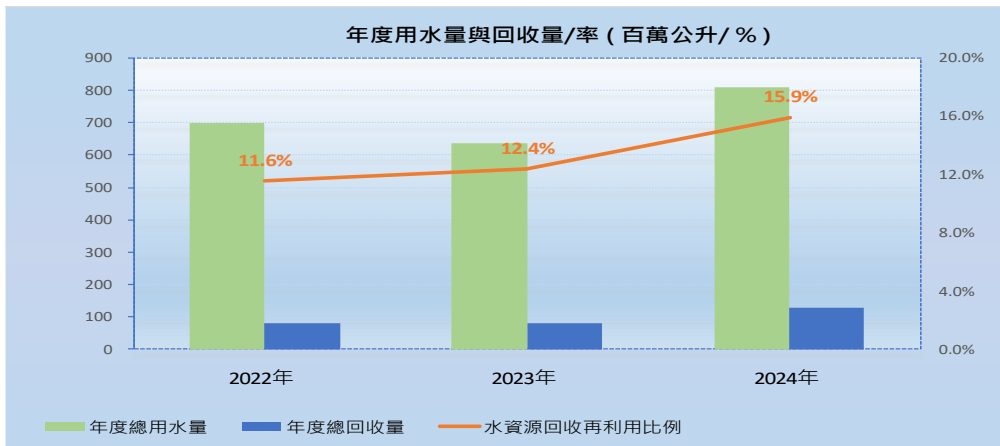
Committed to protecting the earth, conserving resources, and contributing to environmental conservation, FFG sources all its water from third parties, ensuring no significant impact on the local ecological environment .

Water intake of each plant in the last three years

耗水量 與 回收水

	單位	2022年	2023年	2024年
年度總用水量	百萬公升	698	637	811
年度總回收量	百萬公升	81	79	129
水資源回收再利用比例	%	11.6%	12.4%	15.9%

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

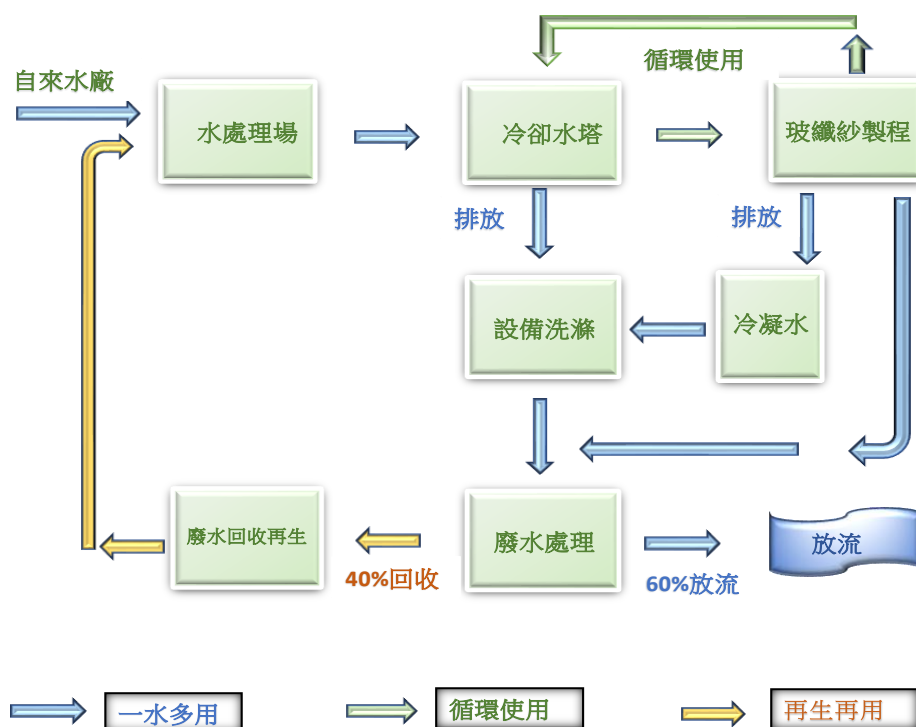


Water Resource Policy: Cherish resources, use water for multiple purposes, recycle, regenerate and reuse, and release water legally.

Understanding the preciousness of water resources, every drop of water that flows into FFG is recycled multiple times. During the water exchange cycle, the replaced wastewater and system condensate are collected and used again for cleaning process equipment. The resulting process wastewater is then purified at the wastewater treatment plant. Part of it is regenerated into tap water through the wastewater recovery system and re-entered the system, while the rest is discharged. This is the three-use policy advocated by our company : multiple uses of water , 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



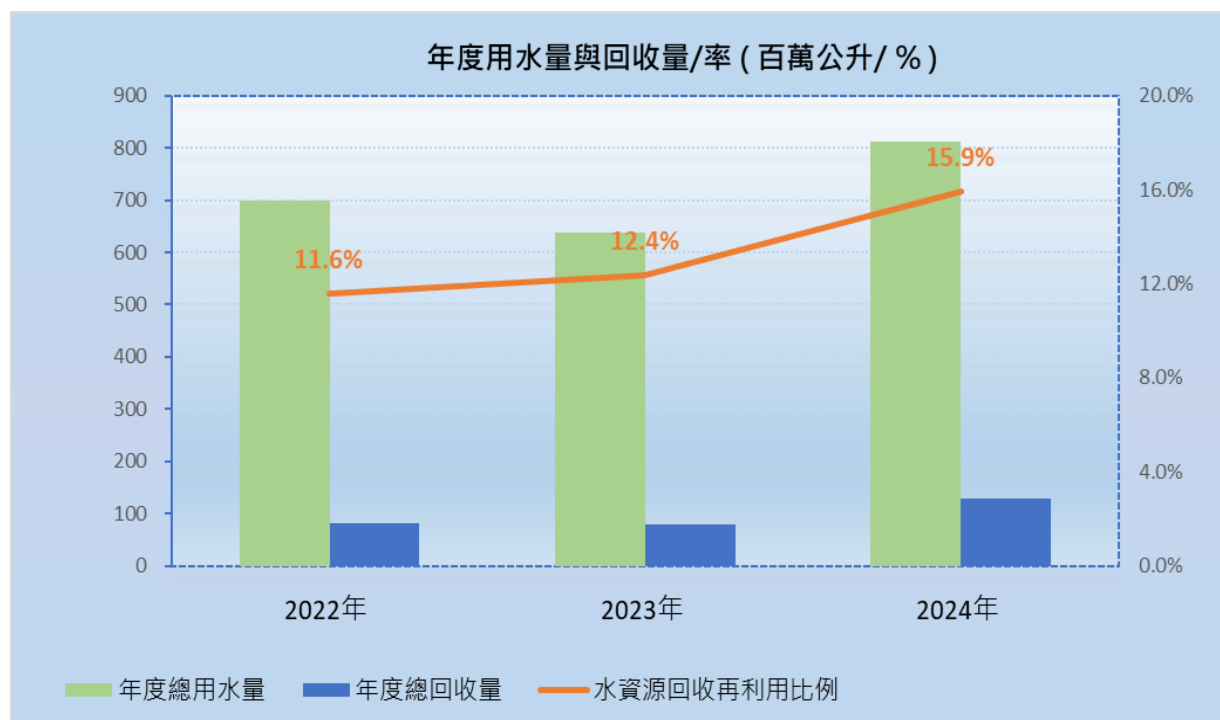
Product water consumption in the last three years

Water consumption and recycled water in the last three years



	單位	2022年	2023年	2024年
年度總用水量	百萬公升	698	637	811
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Water resource discharge management

FFG's various plant locations have carefully planned wastewater treatment facilities to purify process wastewater generated based on the characteristics of the wastewater source. The discharged water quality meets national discharge standards. In accordance with water pollution prevention and control regulations and the location of the respective plant locations, the Douliu plant's wastewater is treated and discharged into a tributary of the Meilin River in Douliu City. The Huwei plant undergoes tertiary wastewater treatment before being piped to the wastewater treatment plant in the Huwei Park of the Central Taiwan Science Park.

In addition, both of our plants are equipped with sludge drying systems that can reduce the moisture content of raw sludge from 80% to below 50%, significantly reducing sludge output.

Discharge 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		
			2022年	2023年	2024年	2022年	2023年	2024年
PH值	-	6-9	8.0	7.8	8.1	7.8	7.7	8.0
COD	mg/L	≤100	35	32	16	43	35	43
S.S.	mg/L	≤30	3	5	2	10	8	2
硼	mg/L	≤5	0.8	0.8	0.7	1.4	1.3	0.1
氟鹽	mg/L	≤15	4.1	5.6	2.0	8.4	6.8	3.1
總排放量	百萬公升		237	201	255	168	149	253

Monitoring values of plant discharge water and discharged water in 2024

Both the Douliu and Huwei plants have wastewater treatment facilities. After proper treatment, the wastewater discharge concentration complies with the regulations of local authorities and will not impact the surrounding environment.

Water pollution testing items/factory types		Douliu Factory	Huwei Factory
Chemical oxygen demand COD (mg/L)	Monitoring value	16	43
	Emission standards	100	400
Suspended solids SS (mg /L)	Monitoring value	2.0	2.0
	Emission standards	50	300
Fluoride salts (mg/L)	Monitoring value	2.0	3.1
	Emission standards	15	1 5

Energy Management

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

Statistics on energy use over the years

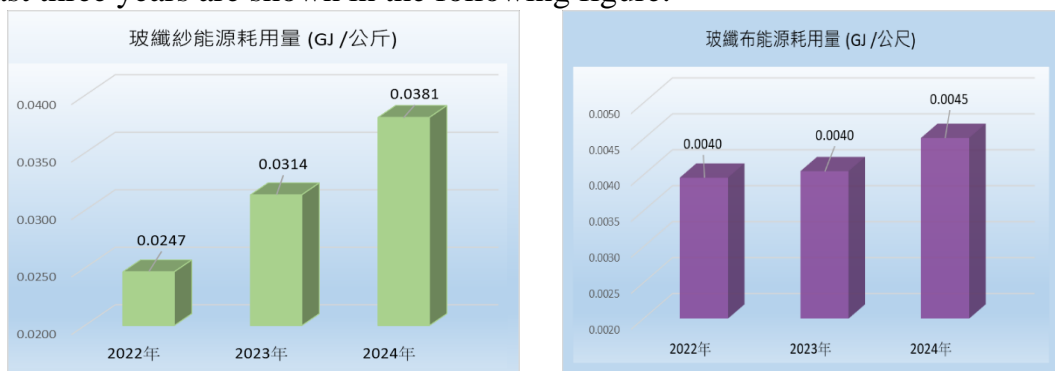
FFG's primary energy sources include electricity, natural gas, diesel, and fuel oil. The proportions of each energy source (based on total thermal energy consumption) in 2024 are natural gas (46%), electricity (43.7%), fuel oil (10.2%), and diesel (0.1%).

The energy usage and energy consumption of major products in the past three years are shown in the following table:

能源項目(單位) / 年份		2022年	2023年	2024年
電力	仟度	195,984	172,176	184,454
	(GJ)	705,541	619,832	664,033
天然氣	立方公尺	22,919,788	21,227,676	20,881,971
	(GJ)	767,584	710,915	699,337
柴油	公升	31,498	30,234	26,725
	(GJ)	1,108	1,063	940
燃料油	公秉	5,225	4,379	3,842
	(GJ)	209,993	175,992	154,410
能源總使用量	(GJ)	1,684,225	1,507,802	1,518,720
玻纖紗產量	公斤	60,760,537	43,217,684	66,013,290
玻纖布產量	公尺	46,863,955	37,683,000	36,666,251
玻纖紗能源耗用量	GJ/公斤	0.0247	0.0314	0.0381
玻纖布能源耗用量	GJ/公尺	0.0040	0.0040	0.0045

Energy consumption of major products

The unit product and energy consumption of fiberglass yarn and fiberglass cloth in the past three years are shown in the following figure:



Specific energy improvement measures and benefits

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

Specific improvements over the years include: converting high-temperature kilns to pure oxygen combustion systems, which can save over 25% of fuel; replacing outdated

equipment or installing variable frequency control for energy saving, adopting LED lighting fixtures, and improving cooling system efficiency, thereby improving production processes while saving electricity costs. Statistics on energy savings in recent years are shown in the table below.

In response to the government's call for energy conservation and carbon reduction and to fulfill corporate green energy obligations and responsibilities, FFG completed the construction of a solar photovoltaic power generation system at its Huwei plant in November 2021 , with a power generation capacity of 1854 kW . In 2022, it provided a total of 2638.6 kilowatt-hours of clean electricity, and in December 2023, it ended wholesale sales and switched to self-use, achieving more efficient energy conservation in electricity use.

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		
玻纖一廠廢氣風車、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		
玻纖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
玻纖二廠既有設備增設變頻控制節能		仟度	222	180	2023
玻纖一廠廢水調勻泵增設變頻控制		仟度	4	30	2024
玻纖二廠加工空調箱增設變頻控制		仟度	172	135	2024
		(GJ)	2,443		
玻纖二廠建置 1854 KW 太陽能發電裝置 (2023/12 轉供自用)	電力	仟度	2,538	76,000	2021.11
		(GJ)	9,137		
玻纖一廠調控空壓機和空調製程節能	電力	仟度	1,225	106	2023
玻纖一廠冷卻水泵增設連鎖控制以節能		仟度	1,352	50	2024
		(GJ)	9,277		
合計		(GJ)	159,806	241,732	

Waste Management

To reduce waste, we improve our process yield to reduce waste generation and entrust qualified treatment plants to process or recycle waste, transforming it into useful resources. Each plant has dedicated personnel responsible for waste management, regularly conducts on-site environmental audits to ensure waste sorting is implemented, and regularly reports online in accordance with environmental laws and regulations.

The waste management figures for each plant in the past two years are as follows:

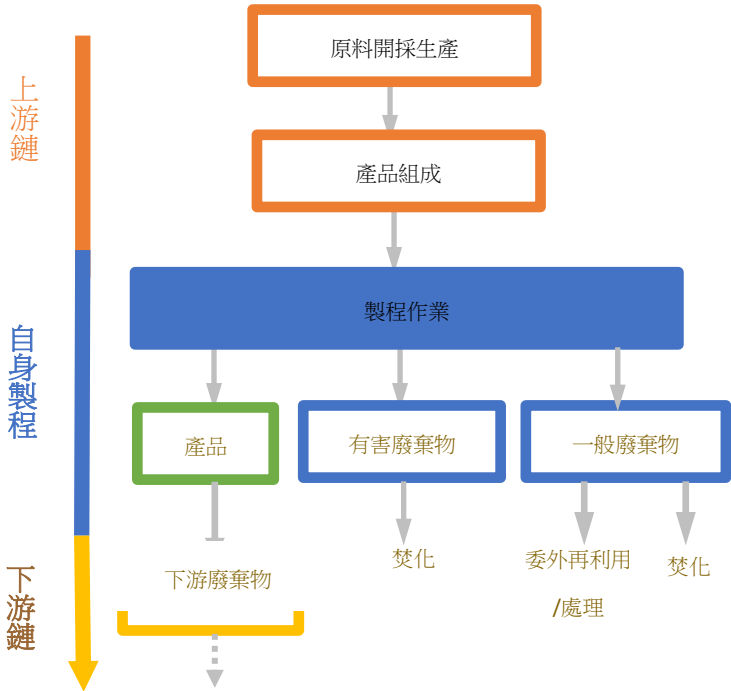
Types of waste	Waste Project	Treatment	2023 (metric tons)			2024 (metric tons)		
			Douliu Factory	Huwei Factory	total	Douliu Factory	Huwei Factory	total
General business	Waste glass fiber	Reuse	1 872	2 957	4 829	2191	3 275	5466
	sludge	Heat treatment	2 61	4 74	7 35	264	380	644
	Dust collection	Physical treatment/recycling	4 82	8 91	1 373	386	874	1260
	Household waste	incineration	5 8	4 8	1 06	108	4 1	149
	waste paper	Reuse	3 49	5 51	9 00	3 56	5 07	863
	waste plastic	Reuse	6 4.8	1 03	1 67.8	4.3	5 7	61.3
	scrap metal	Reuse	5 2	4 1	9 3.0	5.6	33	38.6
Harmful business	Wastewater	incineration	1.01	- --	1.01	1.0 2	---	1.02

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

Main waste management methods within the factory

1. Waste glass fiber: All waste is recycled and processed at a high capacity.
2. Organic sludge: Dewatering and drying equipment are installed to significantly reduce sludge waste.
3. Non-hazardous dust: Some waste has been recycled and processed, and we are continuously searching for recycling channels.
4. Domestic waste: We are implementing waste sorting to facilitate resource recovery and waste reduction.

Waste flow diagram



~ Safety FFG ~



Occupational safety and health system and organization

Creating a safe and comfortable factory environment is the ultimate goal of FFG's occupational safety and health management. In 2018, the company revised its occupational safety and health management system to ISO45001, covering all employees at the Douliu plant. Utilizing the PDCA (plan-and-check- act) approach to continuous improvement, FFG ensures employee health and safety. In addition to strictly complying with the occupational safety and health requirements of regulatory authorities and customers, FFG continuously refines its management system, fostering and sharing the spirit and value of occupational safety and health from within. Under the control of this comprehensive occupational safety and health mechanism, the incidence of occupational hazards has been continuously reduced, with no cases of occupational diseases or accidents involving contractors .

Safety and sustainability, employee safety

We uphold the core values of "Respecting Life, Putting People First" and our mission of "Strengthening Environmental Protection and Sustainability, and Ensuring the Safety and Health of Our People." We are committed to enhancing the sustainable competitiveness of our industry. To safeguard the health and safety of all employees, we integrate and optimize resources to create a high-quality, safe, and friendly work environment .

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 aim to improve occupational safety and health mechanisms through standardized operation, coordinated with oversight by relevant stakeholders and groups, and ultimately achieve the goal of protecting employees and corporate assets. FFG has established an Occupational Safety and Health Committee, which meets regularly quarterly. The Douliu plant has 15 members (5 labor representatives , accounting for 33.3%), and the Huwei plant has 15 members (5 labor representatives, accounting for 33.3%). The proportion of labor representatives in both locations exceeds legal requirements. These members are responsible for reviewing and coordinating matters related to labor safety and health.

Complete occupational safety and health education and training



Formulate the "Occupational Safety and Health Education and Training Management Procedure" to require personnel to complete the training and possess the skills and qualifications required before they can work. To ensure that every employee has a complete awareness of occupational safety and health, new employees must undergo complete pre-job training when they start work, which includes occupational safety and health courses such as occupational safety laws and regulations , occupational injury and disease prevention, and emergency response to ensure their work safety . In 2024 , a number of occupational safety and health training courses were launched to ensure that personnel have basic work skills and meet regulatory requirements . Contractors must confirm that they have safety and health education-related training in accordance with the "Contractor Safety and Health Management Operating Procedures", agreed meetings, contractor hazard notifications, and contractor personnel certificate reviews. Before entering the factory for construction, they must submit their education and training and skills certificates before applying to enter the factory for work .

Establish an "Occupational Safety and Health Information Communication Procedure" to provide timely information on occupational safety and health, ensuring that all personnel understand the implementation direction of occupational safety and health, and serving as a communication channel. Contractors will conduct two-way communication through an agreed-upon organization in accordance with the "Contractor Safety and Health Management Operating Procedure." Establish an Occupational Safety and Health Committee and hold quarterly meetings.

Formulate a "Health Service Plan" and organize health lectures (occupational disease prevention, etc.), health promotion activities and vaccinations.



Employee disaster prevention training

category	Course Project	Tiers	Training results
Personnel education and training	Education and training for new employees	28	140 people participated in the training, total training hours were 1,120 hours
	On-the-job training	1 2	10,000 people participated in the training, total training time: 30,000 hours
Certification course training	Fixed crane operator training	1	9 people participated in the training, total training hours: 162 hours
	Aerial work vehicle operator training	2	2 people participated in the training, total training time: 36 hours
	Forklift operator training	2	2 people participated in the training, total training time: 36 hours
	First responder training	1	3 people participated in the training, total training time 48 hours
	Training for supervisors working with specific chemical substances	1	1 person participated in the training, total training time: 18 hours
	On-the-job training for forklift operators	2	21 people participated in the training, total training time 63 hours
	On-the-job training for fixed crane operators	1	5 people participated in the training, total training time was 15 hours
	On-the-job training for operators of acetylene welding equipment	1	4 people participated in the training, total training time was 12 hours
	On-the-job training for first responders	2	11 people participated in the training, total training time 33 hours
Fire prevention management	On-the-job training for fire prevention managers	1	1 person participated in the training, total training time is 6 hours
emergency response training	Self-defense firefighting team training	2	200 people participated in the training, total training hours: 1,600 hours
	Protection regiment formation training	1	50 people participated in the training, total training time was 200 hours

Strict disaster prevention organization



FFG has established a corresponding accident or emergency response system. From the organizational level : from top to bottom, it has set up management rights, fire prevention managers, fire source responsible persons and fire response teams (notification team, fire extinguishing team, evacuation guidance team, safety protection team, rescue team, etc.). From the system equipment level : it starts with the inspection and reporting of fire safety equipment and regular maintenance, etc. , to plan a complete strategy and mechanism to reduce the risk of personnel safety hazards and company asset loss caused by disasters and accidents .

Fire safety equipment maintenance

The basic requirement for fire safety is that all fire-fighting equipment is in proper condition, so that abnormalities can be effectively detected early and emergency rescue can be implemented in the middle and late stages. In view of this, FFG has commissioned a professional fire-fighting company to regularly inspect, maintain and report fire safety equipment since 2021 to ensure that fire safety equipment is in proper condition .

Annual disaster prevention training

In addition to hardware and software equipment, sound disaster prevention requires sound concepts and education. To help factory employees familiarize themselves with disaster prevention equipment and emergency procedures, we implemented disaster prevention training in 2024, including firefighting equipment operation, firefighting training, notification, and evacuation practice, as well as fire safety education for new employees.



Hazard identification and assessment to reduce occupational safety risks

A "Hazard Identification and Risk Assessment Management Procedure" has been established, with assessors and supervisors in each unit conducting "Hazard Identification and Risk Assessment" to identify potential risks within the factory and strive to provide the safest workplace for employees. By breaking down each work step and identifying hazards (including contractor work), a total of 300 hazard assessments have been incorporated into management and control. Using a risk matrix to assess potential risks, tiered control measures are implemented to eliminate or reduce risks to acceptable levels within the factory. In response to significant hazards occurring in the same industry (such as fires at other factories, chemical splashes, and oxygen depletion in confined spaces), factory inspections, re-identification and assessment of hazards,

and strengthening of emergency response drills have been implemented. An "Occupational Safety and Health Incident Handling and Investigation Procedure" has been established, conducting a three-cause analysis of occupational accidents, incidents, and false alarms, re-examining the completeness of hazard identification and assessments. New control measures are then evaluated to determine whether they reduce risks and create new hazards.

Formulate a "Health Service Plan, Human Hazard Prevention Plan, Maternal Health Protection Plan, Abnormal Workload Plan, and Unlawful Infringement Prevention Plan" to identify various hazard sources and affected personnel, implement tiered management, and conduct further assessments through interviews with occupational medicine specialists to confirm subsequent improvement measures and their effectiveness.

Reducing Engineering Hazards

1. Among physical hazards, injuries from machine clamping are the most common, primarily caused by rotating tools. Current engineering control measures mainly involve installing interlocking devices.
2. Among chemical hazards, skin contact, eye contact, and inhalation of chemicals are equally prevalent. The risk is addressed through elimination, substitution, and engineering controls, such as modifying pipeline routes and adding automatic pumps.
3. In the analysis of industrial safety incidents, electric shock risk is the highest. Analyzing mechanical maintenance operations, current control measures primarily involve power outages.

Occupational safety management achievements



Improve driving knowledge and enhance traffic safety

According to the survey, injuries at FFG Park are mainly caused by commuting outside the factory (travel to and from work). After further analysis, In 2024 , we compiled and analyzed the commuting accident cases of the

past three years , and promoted information on common types of traffic accidents .

Diverse and robust emergency response drills

FFG complies with fire regulations and regularly conducts fire training with the local fire department to strengthen factory employees' ability to respond to disasters.

Simulated scenarios include fires, earthquakes , chemical leaks , and occupational hazards . Through regular drills, we aim to minimize the impact of any incidents on employees and the company.

~Friendly FFG~



Diverse human resources composition

We have established a complete talent recruitment standard and appointment mechanism, and cooperate with relevant units to actively participate in various external recruitment activities, so that those who are interested in working in the fiberglass yarn and fabric industry can find the right talent and the right place to develop. As of the end of 2024, FFG had 1,044 employees in its Taiwan operations. FFG actively cultivates local talent, employing local residents in 48% of its senior management positions. (Senior management refers to supervisors at the section chief level and above). The personnel structure in Taiwan is as follows:

Taiwan Plant 2024 Full Company Personnel Structure			
project	male	female	total
Number of employees	728	316	1,044
percentage	70 %	30 %	100%
Tier Level			
mid- and senior-level managers	46	10	56
percentage	8.2%	1.8%	100%
grassroots supervisors	48	16	64
percentage	7.5%	2.5%	100%
General staff	634	290	924
percentage	69 %	31 %	100%
Age			
Under 30 years old	181	53	234
31-50 years old	472	234	706
51 years old or older	75	29	104

Employment Type			
Full-time staff	728	316	104.4
Part-time staff	0	0	0

New employees

2024			
		Number of people	ratio
Under 30 years old	male	84	8.05 %
	female	26	2.49 %
30-50 years old	male	63	6.03 %
	female	29	2.78 %
51 years old or older	male	0	0.0 %
	female	1	0.01 %

Note : New employees are employees who joined the company in 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.

former employees

2024			
		Number of people	ratio
Under 30 years old	male	40	3.83 %
	female	19	1.82 %
30-50 years old	male	60	5.75 %
	female	44	4.21 %
51 years old or older	male	7	0.67 %
	female	4	0.38 %

Note :

1. Definition of departing employees: Those who start working are counted as company employees. Those who leave the company immediately after starting working are also counted as departing employees.
3. The formula for calculating turnover rate is: number of employees leaving by age and gender / total number of employees at the end of the year.



Healthy and happy workplace

In addition to providing a good working environment and an incentive salary system, FFG places special emphasis on "work-body-mind balance". Therefore, the company has established clubs such as golf clubs, badminton clubs, road running clubs and fishing clubs, so that employees can adjust their body and mind, strengthen their physical fitness after work, connect with colleagues and consolidate the company's centripetal force. In addition, the company actively signs special store agreements with manufacturers, allowing employees to participate in club activities with their families and enjoy special employee benefits, thereby increasing family interactions and achieving the goal of a balance between work, family, body and mind.

We provide labor and health insurance, maternity/parental leave, and retirement savings in accordance with the law. We also enroll all employees in group insurance on their first day of employment. Employees can also enroll their dependents in the company's preferential benefits program at their own expense, expanding coverage beyond the individual employee to include their entire family. To date, 33 individuals have benefited from this benefit program.

We foster a gender-equal work environment and have established "Regulations for the Prevention, Complaint, and Punishment of Sexual Harassment Incidents" to protect

employees from sexual harassment, discrimination, and related personal rights and unfair treatment, thereby safeguarding their rights and interests.

In terms of regulations, we implement the Gender Equality in Employment Act. To ensure that our female employees receive better care during childbirth, unpaid parental leave is not limited to women; male employees can also apply.

Infant care stay

The company provides parental leave, allowing employees to focus on childbirth and childcare, and to cherish the sweet moments of accompanying their children as they grow !

	2022		2023		2023	
	male	female	male	female	male	female
Number of childcare workers	1	6	1	6	0	1
Number of employees who should be reinstated	1	6	1	6	0	1
Actual number of employees reinstated	1	2	1	2	0	0
reinstatement rate	100%	33.3%	100%	33.3%	0%	0%

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



Complete salary and benefits system

We offer a competitive benefits strategy. In addition to base salary and three-festival bonuses, we also offer flexible compensation packages based on the company's operating conditions. These include employee dividends and incentive bonuses to boost morale and retain high-performing employees. Annual salary adjustments are tailored to individual employee grades and performance. The salary adjustment items and amounts are determined based on the employee's job grade and performance.

Employee compensation is determined based on their educational background, professional expertise, years of experience, and individual performance, without regard to gender, race, religion, political affiliation, marital status, or union affiliation. Entry-level employees receive an average monthly salary of 1.23 times Taiwan's minimum wage, with men receiving 1.23 times and women receiving 1.22 times. This overall compensation system outperforms peers, enabling employees to maximize their personal value and contribute their strengths in an equal workplace. In 2024, the company's gender compensation ratio in Taiwan remained unchanged, with no significant difference in the full-year compensation ratio between female and male employees, regardless of whether they were in supervisory or general positions.

Various positions	Number of people		Total annual salary (NT\$)		Salary ratio	
	female	male	female	male	female	male
Management position	10	46	10,879,569	77,365,705	1	1.5
Non-management positions	72	228	42,689,749	141,326,203	1	1
Direct personnel	216	448	86,874,959	181,388,080	1	1
Indirect personnel	18	6	6,284,943	2,546,179	1	1.2

Note : 1. Male to female salary compensation ratio (annual salary ratio): "Average annual salary of men

in the same category / Average annual salary of women in the same category."

2. The data are the total annual salaries of employees in service as of December 31, 2013 (1,044 persons).
3. The total annual salary of employees is not the total salary from January to December , because some employees join, leave, change units, or adjust positions during their employment.

Employee compensation complies with all applicable laws (including those regarding base wages, overtime hours, and legally mandated benefits), and employees receive overtime pay that is higher than their regular hourly wage.

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

	unit	2023	2024	Compared with the previous year
Number of full-time employees	people	910	924	14
Average salary	Thousand Yuan	596	727	131
Median salary	Thousand Yuan	522	699	177

Retirement system

In accordance with the Labor Standards Act, our company allocates a monthly "Retirement Reserve Fund" to a special trust account at the Bank of Taiwan. A "Retirement Reserve Fund Supervisory Committee" composed of both labor and management is responsible for managing, supervising, and reviewing matters related to the Retirement Reserve Fund, ensuring employees' rights to claim retirement benefits and ensuring a reasonable quality of life after retirement.

As of the end of 2024 , NT \$ 49,101,115 was set aside in the pension payable account , of which NT \$ 49,711,514 had actually been set aside for the Taiwan Bank Trust Department and the Labor Retirement Reserve Supervisory Committee .

In response to the implementation of the new labor retirement system in 2005, we completed the selection process for all employees under the old or new system. For employees who chose the old system, the company will contribute 2% of their total salary under the old system each month. The company will also calculate the total amount of pension contributions due under the old system for the following year, based on the previous year's actuarial pension report. If the 2% monthly contribution is less than the total amount of pension contributions eligible for retirement in the following year, the company will make the additional contribution to meet the actuary's estimate. For employees who chose the new system, the company will contribute 6% of their insured salary each month to their individual retirement accounts.

Other employee benefits

1. On - site and off-site education and training and further study subsidies.
2. Free annual health checkups. 8. Childcare subsidies.
3. 9. Provide a comprehensive retirement system Welfare Committee: To promote employees' proper
4. Wedding and funeral celebrations, funerals, and other celebrations. Leisure activities, and strengthening the centripetal force of mutual assistance and solidarity among employees,
5. We provide free uniforms. We have a plan to promote various community subsidies and provide
6. A staff cafeteria is available. A subsidy is allocated to help employees maintain a healthy balance between body and mind.

Regular evaluate performance to improve professional capabilities

FFG regularly conducts employee performance evaluations every year, including semi-annual assessments of direct personnel and mid-level department supervisors, and annual assessments of all employees to ensure that employees have a clear career development direction.

Furthermore, we aim to empower our employees to maximize their strengths and continue their growth. To this end, we actively cultivate relevant certifications and continuously enhance their capabilities, enabling them to enjoy enriching and comprehensive careers at FFG. Direct employees receive on-site skills training, and a training and assessment system for technicians is available, providing a smooth promotion path to motivate high-performing employees and help them gradually acquire the necessary skills for their jobs.

In line with the needs of corporate development and organizational workforce planning, the company is committed to helping employees acquire the knowledge, attitudes, and skills necessary to achieve organizational and individual work goals, thereby enhancing efficiency and quality. The company has developed a training system for all employees at all levels, tailored to their individual responsibilities. Different training courses and development methods are designed for core functions, management functions, professional functions, and self-development. In 2024, the number of external trainees reached 1,021 , totaling 3,570 hours of training .



Protecting employee rights and interests

FFG upholds the principle of fair employment and will not discriminate or treat applicants differently based on race, class, language, religion, political party, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disability, or previous union membership in the recruitment, screening, recruitment, assignment, placement, or promotion of job seekers.

In addition, we have taken practical actions to support the employment of people with disabilities. By the end of 2024, we had employed a total of 12 employees with disabilities. In addition to meeting the legal employment standards, the average length of service of our employees with disabilities was 11.3 years, demonstrating that the company is taking practical actions to protect the human rights of its employees. In the future, we will continue to employ employees with disabilities who meet the legal requirements. In order to enable all managers and employees to understand the content and mechanisms of human rights and anti-discrimination, in addition to planning various courses according to job levels, employee training courses also focus on training related to human rights, anti-discrimination, and anti-corruption.

Number of employees with disabilities employed

	2022		2023		2024	
	male	female	male	female	male	female
Number of employees	9	2	8	2	9	3

Diverse and smooth learning channels

We believe in the all-round development of our employees. We hope that every employee at FFG will achieve personal and career growth. Therefore, in addition to providing professional training, we also plan individual training development blueprints

based on individual skills needs and offer on-site, internal and external training programs to enhance employees' career and life capabilities and increase their self-worth.

Implementation of further studies and training:

- (1) To enhance the knowledge and skills of our employees, ensure the company's sustainable operations, and enhance its competitiveness, we have established "Education and Training Management Regulations" to facilitate the implementation of various training programs. To strengthen management, each department implements comprehensive education and training programs, providing timely, appropriate, and appropriate educational programs for employees. These programs include pre-employment training for new employees and on-the-job professional training for employees . After the implementation of education and training, we conduct acceptance assessments to confirm the effectiveness of the training.
- (2) In 2024 , a total of 331 training courses were held, with a total training time of 3,814 hours , and 1,536 employees were trained .

project	Number of shifts	Total number of visitors	Total hours
Professional training for employees	5 3	5 3	3 02
On-the-job training for employees	1 90	1,210	2,420
Pre-job training for new employees	8 8	2 73	1 092
total	3 31	1,536	3,814

Job transfer

Regarding manpower transfers, if the employee proactively applies, the supervisor will conduct an interview with the employee and keep a record of the interview. The supervisor will then determine the transfer date based on the employee's assessment and assist the employee in completing the transfer. If the employee experiences any discomfort after the transfer, the supervisor of the respective unit will conduct a communication interview and set a three-month observation period. During this observation period, the supervisor will provide guidance and suggestions to help the employee quickly adapt to the new work type. If an employee is transferred based on a labor contract to meet production needs, the transfer will be handled in accordance with the Labor Standards Act's transfer principles, including:

1. It must be necessary for business operations and must not be for improper motives or purposes. However, if the law provides otherwise, such provisions shall prevail.
2. No adverse changes were made to workers' wages or other working conditions.
3. The job after transfer should be suitable for the applicant's physical and technical ability.
4. If the work location is too far away, provide necessary assistance.
5. Consider the living interests of workers and their families.

GRI Content Index

G RI 2: General Disclosure 2021

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
G RI 2-1	Organization details	About this report Sustainable Operation-Company Organization Overview	3 6	
G RI 2- 2	Entities included in organizational sustainability reporting	Reporting period and organizational boundaries	3	
G RI 2- 3	Reporting period, frequency and contact person	About this report	3	
G RI 2- 4	Information recompilation	Omit disclosure	-	No re-edited information
G RI 2- 5	External assurance/assurance	About this report	3	
G RI 2- 6	Activities, value chains and other business relationships	Stable Operation-Financial Performance Products and Services-Industry Chain	18 30	
G RI 2- 7	staff	Friendly FFG-Diverse Human Resources	70	
G RI 2- 8	Non-employee workers	Friendly FFG-Diverse Human Resources	70	
G RI 2- 9	Governance structure and composition	Sustainable Operation-Governance Structure	8	
G RI 2-1 0	Nomination and selection of the highest governance unit	Sustainable Operation-Governance Structure	8	
G RI 2-1 1	Chairman of the highest governance body	Sustainable Operation-Governance Structure	8	
G RI 2-1 2	The highest governance body's role in overseeing impact management	Sustainable Operation-Governance Structure	8	
G RI 2-1 3	Head of Shock Management	About this report Sustainable Operation-Governance Structure	3 8	
G RI 2-1 4	The role of the highest	About this report	3	

	governance body in sustainability reporting	Sustainable Operation-Governance Structure	8	
G RI 2-1 5	Conflict of Interest	Sustainable Management	11	
G RI 2-1 6	Communicate key milestones	Sustainable Management	11	
G RI 2-1 7	Collective intelligence of the highest governance unit	Sustainable Operation-Governance Structure	8	
G RI 2-1 8	Performance evaluation of the highest governance unit	Sustainable Operation-Governance Structure	8	
G RI 2-1 9	Remuneration Policy	Sustainable Operations - Directors and Managers Remuneration Policy	9	
G RI 2- 20	Salary determination process	Sustainable Operations - Directors and Managers Remuneration Policy	9	
G RI 2- 21	Annual total compensation ratio	Omit disclosure	-	Maximum individual total compensation is confidential information
G RI 2- 22	Sustainable Development Strategy Statement	Chairman's Message	4	
G RI 2- 23	Policy commitments	Sustainable Management-Human Rights Policy	15	
G RI 2- 24	Incorporate policy commitments	Sustainable Management-Human Rights Policy	15	
G RI 2- 25	Procedures for remediating negative shocks	Steady operation-integrity management	19	
G RI 2- 26	Mechanisms for seeking advice and raising concerns	Steady operation-integrity management	19	
G RI 2- 27	Regulatory Compliance	Prudent Operation-Regulatory Compliance	28	
G RI 2- 28	Membership of a public association	Sustainable Operation-External Organization Participation	14	
G RI 2- 29	Stakeholder Negotiation Guidelines	Sustainable Management - Major Theme Analysis and Stakeholder Consultation	12	
G RI 2- 30	collective agreement	Omit disclosure	-	No union established

GRI 3 : Major Themes 2021

G RI 3-1	Process for determining major topics	Sustainable Management - Major Theme Analysis and Stakeholder Consultation	11	
G RI 3-2	List of major topics	Sustainable Management - Major Theme Analysis and Stakeholder Consultation	11	
G RI 3-3	Major topic management	Sustainable Management - Major Theme Analysis and Stakeholder Consultation	11	

GRI 305 Emissions 202 4 Major Themes Climate Action

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
305-1	Direct (Scope 1) greenhouse gas emissions	Greenhouse gas inventory and confirmation status in the last two years	45	
305-2	Energy indirect (Scope 2) greenhouse gas emissions	Greenhouse gas inventory and confirmation status in the last two years	45	
305-3	Other indirect (Scope 3) greenhouse gas emissions	Omit disclosure	-	No query data
305-4	Greenhouse gas emission intensity	Greenhouse gas inventory and confirmation status in the last two years	45	
305-5	Reduction of greenhouse gas emissions	Greenhouse gas reduction targets and related measures	48	
305-6	ozone-depleting substances (ODS)	Omit disclosure	-	In accordance with the Montreal Protocol, our country has not produced ODS since 2006. Our company's product manufacturing process does not emit ODS, and there are no test values.
305-7	Nitrogen oxides (NOx) , sulfur oxides (SOx) , and other significant gas emissions	Air pollution prevention	50	

GRI 401 Labor- Employment Relations 2024 Major Topics Employee attraction and retention

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
401-1	New employees and former employees	New employees and former employees	71	
401-2	Benefits provided to full-time	Healthy and happy workplace	72	

	employees (excluding temporary or part-time employees)			
401-3	Parental leave	Infant care stay	73	

G RI 40 4 Training and Education 2016-2024 Key Themes: Employee Attraction and Retention

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
404-1	Average training hours per employee per year	Diverse and smooth learning channels	78	
404-2	Number of employee enhancement and transition assistance programs	Diverse and smooth learning channels	78	
404-3	Percentage of employees receiving regular performance and career development reviews	Diverse and smooth learning channels	78	

G RI 40 5 Employee Diversity and Equal Opportunity 2024 Key Themes Employee Attraction and Retention

405-1	Diversity of governance units and employees	Diverse human resources composition	70	
405-2	Ratio of basic salary and compensation between women and men	Good salary and benefits system	74	

G RI 40 3 Major themes of Occupational Safety and Health 2024

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
403-1	Occupational Safety and Health Management System	Occupational safety and health system and organization	61	
403-2	Hazard identification, risk assessment and accident investigation	Hazard identification and assessment to reduce occupational safety risks	66	
403-3	Occupational Health Services	Complete occupational safety and health education and training	63	
403-4	Participation, consultation and communication of workers related to occupational safety and health	Complete occupational safety and health education and training	63	
403-5	Training for workers on occupational safety and health	Complete occupational safety and health education and training	63	

403-6	Worker health promotion	Complete occupational safety and health education and training	63	
403-7	Prevent and mitigate occupational health and safety impacts directly related to business relationships	Complete occupational safety and health education and training	63	
403-8	Workers covered by the occupational safety and health management system	Occupational safety and health system and organization	61	
403-9	occupational injuries	Hazard identification and assessment to reduce occupational safety risks	66	
403-10	occupational diseases	Hazard identification and assessment to reduce occupational safety risks	66	

G RI 4 18 Customer Privacy 2024 Key Themes: Customer Rights , Information Security, and Privacy

Management

Indicator number	Disclosure Project	Report Chapters	page number	illustrate
418-1	Complaints of proven violation of customer privacy or loss of customer data	Information and communications security policy	24	
		Customer Service	36	
		Value customer privacy	38	

SASB Hardware Industry Index

Sustainability Accounting Standards Board (SASB) in 2024 marks an important milestone in our sustainable management. The data disclosed in this index is as of the date of the statistics, unless otherwise stated. December 31 , 2024 .

surface 1. Sustainability Disclosure Themes and Indicators

theme	Indicator code	accounting indicators	unit	illustrate
Product Safety	TC-HW-230a.1	Describe the identification and resolution of product data security risks	not applicable	Methods for identifying data security vulnerabilities in information systems that may affect enterprise products: for identifying information system security vulnerabilities to enterprise products (from the most external to the end user), including:

				<ol style="list-style-type: none"> 1. Firewall 2. Spam blocking 3. Content filter 4. Antivirus software <p>Ways to address data security risks and vulnerabilities discovered in enterprise products: Methods for addressing discovered data security risks and vulnerabilities include:</p> <ol style="list-style-type: none"> 1. Follow manufacturer recommendations and promptly update all security device versions and security subscription services. 2. Microsoft vulnerability patches and KB updates (WSUS) 3. Update the operating system version 																				
Employee Diversity and Inclusion	TC-HW-330a.1	Percentage representation of gender and race/ethnicity for (1) managers, (2) technicians, and (3) all other employees	%	<p>By gender</p> <ol style="list-style-type: none"> 1. Managers: 12.12% female, 84.3% male 2. Technical staff: 36.76% female, 63.24% male 3. All other employees: 25.2% female, 74.8% male <p>By race/nationality:</p> <table border="1"> <thead> <tr> <th>project</th> <th>Management personnel (%)</th> <th>Technical personnel (%)</th> <th>All other employees (%)</th> </tr> </thead> <tbody> <tr> <td>Home country</td> <td>100%</td> <td>57.86%</td> <td>100%</td> </tr> <tr> <td>Indonesia</td> <td></td> <td>10.70%</td> <td></td> </tr> <tr> <td>Thailand</td> <td></td> <td>17.97%</td> <td></td> </tr> <tr> <td>Vietnam</td> <td></td> <td>13.47%</td> <td></td> </tr> </tbody> </table>	project	Management personnel (%)	Technical personnel (%)	All other employees (%)	Home country	100%	57.86%	100%	Indonesia		10.70%		Thailand		17.97%		Vietnam		13.47%	
project	Management personnel (%)	Technical personnel (%)	All other employees (%)																					
Home country	100%	57.86%	100%																					
Indonesia		10.70%																						
Thailand		17.97%																						
Vietnam		13.47%																						
Product Lifecycle Management	TC-HW-410a.1	Proportion of revenue from products containing substances declared in IEC 62474 (Declaration of Raw Materials for Electrical Products)	%	<p>1.0 %, 0 yuan</p> <p>2. Not referenced to IEC 62474.</p> <p>3. FFG's products are used in printed circuit boards. The raw materials for glass fiber yarn are purchased in accordance with the international standards "Restriction of Hazardous Substances Directive, RoHS" and "List of Substances of Very High Concern, REACH SVHC", and the compliance of the raw materials is verified by a third-party verification unit test report. The raw materials for glass fiber cloth are mainly developed according to customer needs. Product substance descriptions or declarations of conformity are submitted respectively. The raw materials of suppliers are managed through the "Prohibited Substances Inspection Specification (D-W10)". The raw material safety data sheet (SDS) and</p>																				

				the test report of the third-party verification unit are submitted to verify the compliance of the raw materials.
	TC-HW-410a.2	by revenue, that are EPEAT (Electronic Product Environmental Assessment Tool) registered or equivalent	%	<ol style="list-style-type: none"> 0% FFG is not a terminal product manufacturer and its products have not yet been registered.
	TC-HW-410a.3	Percentage of ENERGY STAR® qualified products by revenue	%	<ol style="list-style-type: none"> 0% FFG is not a terminal product manufacturer and is not subject to this indicator.
	TC-HW-410a.4	Recycling weight and percentage of scrapped products and electronic waste	Metric tons (t) %	Waste resources after use in the process: 8,483.06 tons Recycling percentage: 98.23%
supply chain management	TC-HW-430a.1	Tier 1 suppliers audited through the RBA Verification Program (VAP) or equivalent: (a) All factories (b) High-risk factories	%	<ol style="list-style-type: none"> RBA verification and audit process has not been carried out. We have developed a "Supplier Corporate Social Responsibility Code of Conduct" based on the codes of conduct and guidelines advocated by the RBA, requiring suppliers to sign and work together to meet corporate social responsibility requirements. By 2024, the total number of suppliers of raw materials, slurries and packaging materials is 60, all of whom have signed the "Supplier Corporate Social Responsibility Code of Conduct" and continue to promote supplier corporate social responsibility requirements. Existing suppliers have been verified to have no high-risk manufacturers.

supply chain management	TC-HW-430a.2	first-tier suppliers do not comply with the RBA Validated Audit Process (VAP) or equivalent; and the associated remediation rates for priority and other non-conformities	%	<p>1. Failure to undergo the RBA verification audit process.</p> <p>2. Once a supplier is found to have violated the "Supplier Corporate Social Responsibility Code of Conduct", we will immediately negotiate with the supplier and request improvements.</p>
Material procurement	TC-HW-440a.1	Describe the risk management associated with the use of critical materials		<p>Our company uses natural minerals as its primary raw materials, posing potential risks from imports and a single source of supply. To mitigate the risk of material shortages impacting supply chain production, we implement the following management measures: 1. Key raw material and slurry suppliers are evaluated annually and audited every three years. To manage supply risks, we monitor supplier delivery and quality monthly, and establish quarterly KPI targets for raw material and slurry supplier delivery quality and on-time delivery. 2. We increase safety stock to minimize the impact and losses of supply disruptions. 3. We continuously develop and introduce secondary suppliers to mitigate supply chain sustainability risks.</p>

Table 2. Operating activity indicators

Activity indicators	Code	unit	illustrate
Production volume of each product category	TC-HW-000.A	number	Glass fiber yarn: 35,671 tons Fiberglass cloth: 89,452 thousand meters
Factory area	TC-HW-000.B	Square feet/square meter	1,492,150.60 square feet / 138,625.33 square meters
Percentage of production from own facilities	TC-HW-000.C	%	100%

Appendix: Indicators to be disclosed for specific industries - Electronic components industry

serial number	index	Indicator Type	Annual Disclosure	unit	Remark
one	Total energy consumption, percentage of purchased electricity, and renewable energy usage	Quantification	Total energy consumption 1,507,802 GJ Percentage of purchased electricity 100 % Renewable energy usage rate 0 %	Gigajoule (GJ), percentage (%)	
two	Total water intake and total water consumption	Quantification	Total water intake : 637,400.52 m ³ Total water consumption 462,029.5 m ³	Thousand cubic meters (m ³)	
three	The weight of hazardous waste generated and the percentage of recycling	Quantification	1.01 metric tons, 0.00 %	Metric tons (t), percentage (%)	
Four	Describe the types, number and ratio of occupational hazards	Quantification	1 person was injured, accounting for approximately 0.11 % of the total number of employees . The types of occupational accidents are as follows: Cutting : 1 piece, 1 person, 0.1 1 %	Ratio (%), quantity	
five	Disclosure of product life cycle management: including the weight of end-of-life products and electronic waste and the percentage of recycling	Quantification	Waste resources after use in the process: 8,483.06 tons Recycling percentage: 98.23%	Metric tons (t), percentage (%)	
six	Description of risk management associated with the use of critical materials	Qualitative description	The key materials used by our company are mainly natural mineral raw materials. Potential risks are foreign imports and a single supply source. To reduce the risk of material shortages	not applicable	

			<p>affecting supply chain production, we adopt the following management methods:</p> <ol style="list-style-type: none"> 1. Key raw material and slurry suppliers are evaluated annually and audited every three years. To manage supply risks, supplier delivery and quality tracking is performed monthly. Quarterly , KPI target achievement monitoring is established for raw material and slurry suppliers' delivery quality and delivery deadline achievement. 2. Increase safety stock and reduce the impact and losses of supply interruptions. 3. Continue to develop and introduce secondary suppliers to reduce supply chain sustainability risks. 		
seven	Total monetary losses resulting from legal actions related to anti-competitive conduct regulations	Quantification	0	Reporting currency	
eight	Output of major products by product category	Quantification	Glass fiber yarn: 35,671 tons Fiberglass cloth: 89,452 thousand meters	Varies by product type	

