



2024

ESG

## Sustainability Report



Stepping up to a sustainable community

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# Letter from our President

“ We strive to fulfill our vision: to foster a group of people who are committed to the value of work, supported by family, and proud of the company; to create a corporate culture based on the quest for innovation and quality; to manage Feng Tay to be a century club manufacturer steadily making reasonable profits; and to constantly engage in environmental protection and give back to society. ”

## Confronting Challenges with Steady Progress

In 2024, the global economic environment remains turbulent, and intensified competition within the sportswear industry has presented numerous challenges to our operations. Despite these difficulties, revenue achieved a slight increase, and both consolidated pre-tax net profit and EPS outperformed the previous year, demonstrating the Group's potential for stable growth and strong competitiveness. As market demands for quality continue to rise, we understand that only by continuously raising standards, optimizing processes, and strengthening management can we meet consumer expectations and maintain our competitive edge. In addition, the Group remains committed to sustainable operations—actively contributing to economic, environmental, and social development while pursuing strong business performance.

## Commitment to Energy Efficiency and Environmental Sustainability

In 2024, the Group continued to advance its sustainability strategy, implementing concrete actions to fulfill its environmental commitments. This year, the proportion of recycled water usage increased by 1.9%, ozone-depleting substance emissions were reduced by 13.8%, and total waste generation decreased by 1.0%, reflecting our efforts and achievements in reducing pollution and enhancing resource management.

Beyond energy conservation and carbon reduction, we are also committed to increasing the use of renewable energy. In 2024, the Group procured 117.3 million kWh of green electricity, with solar power generation reaching 2.55 million kWh. The proportion of renewable energy use increased from 16.8% to 21.4%, further reinforcing the adoption of clean energy and laying a solid foundation for low-carbon transformation.

Regarding greenhouse gas reduction, the Group has established clear emission reduction targets for Scope 1 and Scope 2 by 2030 and is actively conducting carbon inventories and third-party verifications to ensure the effectiveness of carbon reduction measures. In 2023, we completed the greenhouse gas emissions and external verification for our corporate headquarters, followed by the carbon inventory and verification processes for our operations in China and Vietnam in 2024. Moving forward, we will leverage data monitoring and scientific carbon reduction strategies to ensure steady progress on our path to environmental sustainability.

In terms of resource management, the Group actively seeks innovative solutions to reduce the environmental impact of its operations. We have implemented rainwater harvesting systems and water recycling mechanisms to reduce reliance on municipal water supplies and improve water resource efficiency. At the same time, we have strengthened our waste management through the three key strategies of reduction, recycling, and reuse. All waste is handled in compliance with local regulations by government-approved waste disposal contractors. In addition, we are gradually phasing out non-recyclable disposal methods such as incineration, and adopting more environmentally friendly practices to better utilize energy derived from waste. Notably, the Group achieved zero landfill waste in 2024. The total amount of waste processed in 2024 was 40,239 metric tons, representing a reduction of 391 metric tons (1.0%) compared to 2023. This reduction was achieved despite a 4% increase in finished footwear production, demonstrating the effectiveness of our waste reduction measures. We will continue to advance our waste minimization initiatives and optimize resource recycling strategies, aiming for more efficient resource management and a lower environmental footprint.

## Treating Employees as Family, and Building an Inclusive Workplace

The Group has always regarded employees as family, fostering a corporate culture that values diversity, equality, and human rights while ensuring a safe and inclusive working environment. We not only implement environmental, health, and safety management systems but also offer health awareness programs and psychological counseling to comprehensively safeguard employees' well-being. We firmly believe that only when employees are healthy and happy can they collectively drive the company's sustainable growth.

To strengthen our local presence, the Group is dedicated to cultivating local talent and enhancing employees' professional skills and management capabilities. Currently, 100% of senior executives at our global factories are local employees, demonstrating our commitment to talent development within the communities where we operate. Furthermore, in 2024, the total hours of human rights education training reached 146,223, and we continue to promote diversity and inclusion. The Group currently employs 575 individuals with disabilities, ensuring that every employee can thrive in an environment of fairness, respect, and trust. In terms of health management, since 2019, the Group's headquarters has fully subsidized in-depth health examinations for senior employees with over 25 years of service. To date, 1,241 employees have benefited from this initiative, which is not only a long-term investment in employee well-being but also a sincere expression of the company's appreciation for loyal employees.

Furthermore, the Group continues to enhance workplace safety. In 2024, protective upgrades were completed for 15 key types of machinery, covering a total of 1,541 units, with an implementation rate of 91%, effectively reducing operational risks. At the same time, we have actively reinforced our safety management mechanisms. In 2024, the total employee working hours reached 275 million hours, and the number of recordable occupational injury incidents was reduced to 72 cases, with an incidence rate of 0.26, marking a 7% decrease compared to 2023. These improvements further validate the Group's efforts and commitment to workplace safety.

## Fulfilling Social Responsibility and Giving Back to Local Communities

We recognize that the growth of a business is closely linked to society. Therefore, the Group remains deeply engaged with local communities, actively contributing through initiatives in education support, environmental improvement, healthcare, and public safety. Our corporate social responsibility efforts span various regions, including:

- Taiwan: Sponsoring schools with IT equipment to promote digital education and implementing an organic diet program through school lunch initiatives.
- China: Supporting traffic management and law enforcement safety while promoting environmental and safety education in schools.
- Vietnam: Providing scholarships and educational resources to help underprivileged children continue their education.
- Indonesia: Offering in-house medical resources, promoting health education, and improving community healthcare.
- India: Strengthening healthcare infrastructure through the Beyond Project and assisting in the renovation of community sports facilities to promote public health.

We will continue to fulfill its corporate social responsibilities, working hand in hand with communities to build a more sustainable future.

Looking ahead, we remain committed to enhancing our quality standards to an exceptional level, enabling us to meet market challenges with confidence. We encourage all employees to work together to uphold the principle that "Feng Tay's products are synonymous with excellence," turning it into our shared commitment and goal as we strive for new heights. At the same time, we will uphold the Group's vision by adhering to the belief in "caring for communities and giving back to society." Through green production and corporate social responsibility efforts, we will continue to contribute to the sustainable development of both the company and society, moving steadily toward the goal of long-term sustainability.

*CHEN Chaochi*

Chao-Chi Chen  
President  
Feng Tay Group

# Overview

## Report Overview and Frequency of Publication

The Feng Tay Group regularly publishes this report to disclose operational achievements beyond financial performance. This year marks the 15th public release of the sustainability report. We will continue to publish this report annually and make the full content available on the [Corporate Social Responsibility section](https://www.fengtay.com) of our official website (<https://www.fengtay.com>), allowing stakeholders to download and review it.

This report covers the 2024 fiscal year (January 1 to December 31), detailing Feng Tay's performance and implementation in corporate governance, social responsibility, and environmental sustainability. The current report is published in May 2025, while the previous report was released in May 2024. If any information from prior reports has been revised in this edition, the modifications will be clearly indicated in each section and summarized in the GRI Standards Index in the [appendix](#).

## Reporting Boundaries and Scope

The scope of this report includes the Feng Tay Group headquarters and its regional subsidiaries, but does not cover holding companies or other affiliated entities. For specific details, please refer to the section "[About Feng Tay – Regional Subsidiaries](#)." The financial information in this report follows the International Financial Reporting Standards (IFRS) and covers the consolidated financial statements of Feng Tay Enterprises and all its subsidiaries for the 2024 fiscal year. For more detailed information on affiliated entities, please refer to the Feng Tay Enterprises [2024 Annual Report](#). There were no significant changes in the organization's scale, structure, ownership, or supply chain during the reporting period.

## Compilation Guidelines

This Report is prepared in accordance with the GRI Sustainability Reporting Standards, the GRI Standards 2021 (GRI 303 and GRI 403 refer to the 2018 new update, GRI 207 to the 2019 update, and GRI 306 to the 2020 update). The disclosure of industrial sustainability index adheres to the standards developed by the Sustainability Accounting Standards Board (SASB). The GRI and SASB content indexes are given in the Appendix. The monetary amounts in different currencies mentioned in this report are converted into US dollars using the exchange rates reported by the United States Department of the Treasury Bureau of the Fiscal Service on December 31 of the respective year.

# The Team Responsible for Compiling the Report and Quality Management

## Compilation

### Sustainable Development Department / Relevant Responsible Departments

The general plan of the Report is made by the Sustainable Development Department. Disclosed data, strategic targets, and performance index, supplied by each responsible unit, are integrated, compiled, edited and revised by the Sustainable Development Department.

## Review

### Relevant Responsible Departments and Their Top Executives

The completeness and accuracy of the contents of the report are confirmed by each unit, verified by the top executive of the relevant unit.

## External Assurance

### KPMG Taiwan

To enhance the accuracy and creditability of the information in the Report:

- We have engaged a third party verification service, KPMG Taiwan, to ensure that the specific performance index in this Report adheres to GRI standards using the Assurance Standards No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" published by the Accounting Research and Development Foundation. This is in accordance with the International Standard on Assurance Engagements (ISAE 3000). There is no major misrepresentation due to fraud or error. A report of limited confidence is issued.
- The financial data are audited in line with the International Financial Reporting Standards (IFRS) by KPMG Taiwan. All financial data are calculated in NTD.

## Finalization

### Sustainable Development Executive Officer / Board of Directors

The manuscript is submitted to the Sustainable Development Executive Officer for review and verification. After approval by the Board of Directors, it will be officially published.

## Contact Information

If you have any suggestions or questions regarding the Report or our CSR practices, please contact us via one of the following methods. This Report is also published on the Company Website as part of our information disclosure responsibility.

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Website QR Code

# Sustainability Blueprint and Performance Highlights

## SDGs x Sustainability Blueprint

### Governance

#### Goals

- Achieve zero corruption cases within Feng Tay Group and ensure 100% completion rate for internal integrity training and anti-corruption education.
- Continuously enhance corporate governance transparency by establishing and implementing internal regulations that comply with legal requirements.
- Maintain zero cybersecurity incidents by strengthening cybersecurity protection and reducing information security risks.
- Ensure zero violations of regulations across Feng Tay Group.

#### Actions

- Conduct integrity and anti-corruption training and awareness programs within the Group.
- Regularly review relevant legal regulations and arrange outsourced training sessions to ensure compliance.
- Periodically assess the effectiveness of integrity policies and disclose implementation progress in the annual report or on the corporate website.
- Assign a spokesperson to communicate with the media, shareholders, and investors, improving transparency in information disclosure.
- Continuously train and develop cybersecurity personnel to enhance information security capabilities.



### Economy

#### Goals

- Maintain steady profitability to create maximum value for stakeholders.
- Optimize the quality management system to achieve refined and excellent quality standards.
- Ensure zero customer complaints and zero bulk returns throughout the year.
- Strengthen technical talent development and accelerate automation investment.
- Implement AI-driven footwear technology knowledge systems and expand its application to other fields.

#### Actions

- Digitize factory quality data and maintain a robust customer feedback mechanism, including customer satisfaction surveys, complaint tracking, and return rate analysis.
- Promote an improvement proposal system, selecting outstanding technical improvements for implementation across the Group.
- Continuously increase the proportion of automated production by developing in-house automation equipment and introducing new machinery to replace manual labor in production processes.
- Deploy a quality imaging system to enable real-time autonomous corrections.
- Enhance process design, molds, and pattern-making to improve the performance and precision of footwear. Increase the proportion of new shoe models achieving Excellent quality to 50%.



## Environment



### Goals

- Reduce absolute carbon emissions by 46.2% by 2030, compared to the 2019 base year (Scope 1 and 2).
- Achieve ISO 14064-1:2018 verification for all factories by 2027.
- Ensure that over 55% of the Group's electricity consumption comes from renewable energy sources by 2030.
- Achieve a 70% waste recycling rate by 2030.
- Increase the proportion of recycled water usage to over 60% by 2030.

### Actions

- Establish annual energy-saving and carbon reduction targets for the Group.
- Implement ISO 14064-1: 2018 verification plans across regional factories.
- Enhance process personnel capabilities, promote reusable packaging, and explore low-carbon alternative materials during the development phase.
- Develop renewable energy generation systems and procure green electricity.
- Outsource waste collection and processing, collaborating with specialized recycling and waste treatment companies.
- Establish the "Water Pollution Prevention Guidelines", requiring each factory to develop water pollution prevention plans, conduct quarterly water balance reviews, and maximize wastewater recycling while ensuring responsible water resource management.

## Social



### Goals

- Uphold the company's vision by actively engaging in environmental protection and community contributions through the Feng Tay Cultural and Educational Foundation in Taiwan and overseas factories.
- Continuously enhance employee well-being, listen to employee feedback, and create a positive and fulfilling workplace.
- Strengthen human rights protection, gender equality, and policies for the protection of female employees.
- Maintain the annual targets for turnover and absenteeism rates set by the Group.
- Achieve zero workplace injuries and zero workplace accidents as a long-term objective.
- Reduce recordable workplace safety incidents by 10% annually.
- Reduce fire incidents across all factories by 5% annually.

### Actions

- Through the Feng Tay Cultural and Educational Foundation in Taiwan and overseas factories, continuously support healthcare, public health, sports, and cultural education initiatives, providing assistance based on actual needs.
- Promote local organic and eco-friendly agriculture through the Feng Tay Cultural and Educational Foundation in Taiwan, reducing greenhouse gas emissions by adopting sustainable farming practices. This initiative aims to mitigate the negative environmental impact of conventional farming, such as soil acidification and ecological damage caused by excessive use of chemical fertilizers and pesticides.
- Provide multiple communication channels for employees, including grievance and suggestion handling, as well as exit interviews.
- Ensure equal employment opportunities and continue hiring people with disabilities.
- Implement and strengthen the new employee care program.
- Conduct third-party audits on environmental protection, workplace safety, and human rights compliance.
- Improve environmental, health, and safety training programs and establish a comprehensive occupational injury data tracking system.
- Obtain Certified Machinery Safety Expert (CMSE) certification from external safety experts.
- Introduce standardized safety guidelines for high-risk machinery, ensuring 100% coverage of protective upgrades for key equipment.
- Upgrade legacy high-risk machinery and analyze past fire incidents to enhance safety measures.

## 2024 ESG Action Performance

### Environment

- The Group's renewable energy usage reached **21.4%**, with green electricity procurement totaling **117.3 million kWh**.
- The Group's solar power generation reached **2.55 million kWh**.
- Total ozone-depleting substance emissions decreased by **13.8%**.
- The Group's wastewater recycling rate reached **49.3%**.
- Total waste generation was reduced by **1.0%**, achieving **zero landfill** for waste.
- All wastewater discharge and waste disposal met regulatory standards, with **zero** environmental violations.
- All 13 factories producing major brand footwear **obtained ISCC Plus (International Sustainability and Carbon Certification)**.
- The Group's carbon disclosure project (CDP) was rated as a **C – Awareness level** in 2024.



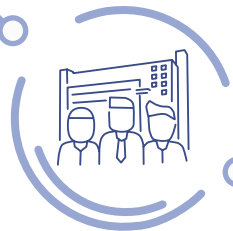
### Social

- The total number of training participants across the Group reached **2,413,549**, with an average of 31.1 training hours per person.
- Approximately **3.91 million USD** was invested in social welfare initiatives to support local communities.
- The Group employed **575** individuals with disabilities, fostering an inclusive workplace.
- **100%** of senior management positions were held by local employees, reinforcing our commitment to local talent development.
- Total human rights education training hours amounted to **146,223 hours**.



### Governance

- The Group's consolidated revenue reached **NTD 87.49 billion**, a 2% increase from 2023.
- Footwear production reached **117 million pairs**, reflecting a 4% increase from 2023.
- **NTD 2.96 billion** was invested in research and development, marking a 10.6% increase from 2023.
- The Group employed **130,694 full-time employees** across Taiwan, China, Vietnam, Indonesia, and India.
- The number of female board members increased from one to **two** in 2024.



# List of Awards



## Environment

- Feng Tay Cultural and Educational Foundation in Taiwan was recognized as a finalist in the first "National Agri-Food Education Outstanding Contribution Award" by the Ministry of Agriculture.
- Feng Tay Cultural and Educational Foundation in Taiwan was awarded the "Award for Outstanding Enterprises and Organizations in Agricultural and Food Product Marketing, Year 113" by the Agriculture and Food Agency.
- The Group's factories in China were recognized by the Putian City Construction Work Leadership Office for excellence in waste reduction, recycling, and legal disposal practices.
- The Group's factories in Indonesia were awarded a Blue Rating in the Environmental Evaluation Program by the Ministry of Environment and Forestry of Indonesia for their commitment to environmental protection.
- The Group's factories in Vietnam were recognized by the Ministry of Natural Resources and Environment for outstanding collaboration in solid waste classification initiatives.



## Social

- The Group's factories in China were commended by the Fujian Provincial Federation of Trade Unions for their contributions to community care and social responsibility activities.
- The Group's 12 factories collectively received a total of six Gold Awards and six Silver Awards from the Royal Society for the Prevention of Accidents (RoSPA) in recognition of excellence in health and safety performance.



## Governance

- The Group Headquarters has been selected as a constituent stock of the "Taiwan Sustainability Index" for six consecutive years.
- The Group Headquarters has been selected as a constituent stock of the "Taiwan Top 100 High Salary Index" for six consecutive years.
- The Group Headquarters has been selected as a constituent stock of the "Taiwan Top 99 Employment Index" for seven consecutive years.
- The Group Headquarters has received the recognitions for superior performance in maintenance of surrounding roads adopted by the Company for 15 consecutive years.
- The Group's factories in China were honored with the 2024 Outstanding Economic Contribution Award by the People's Government of Hanjiang District, Putian City.
- The Group's factories in Indonesia were recognized by Bandung Customs for excellence in smart manufacturing and digital management (CESSA, Certified Excellent Smart and Sustainable Automation 4.0).

# Stakeholder Communication and Materiality Issue Analysis

## Stakeholder Identification

Focusing on our operating activities and industry characteristics, we have identified seven key stakeholders with reference to the five principles of Stakeholder Engagement Standard AA1000SES 2015 – Dependency, Responsibility, Tension, Influence, and Diverse Perspectives. The stakeholders are (1) shareholders and investors, (2) customers, (3) employees, (4) suppliers / contractors, (5) government agencies, (6) local communities, and (7) media and advocacy organizations.

## Stakeholder Communication

To fully understand the issues of concern to stakeholders, the issues that have an actual or potential impact on them, and the level of impact, Feng Tay Group has actively communicated with various stakeholders through two-way and continuous channels used in daily practice. Relevant information is disclosed in the sections of Corporate Social Responsibility, Investor Relations, and Stakeholders of our company website. We also collect and respond to the issues of concern to them. The Sustainable Development Executive Officer reports to the Board of Directors on his communication with various stakeholders every year.

We have further focused on 23 economic, environmental, and social sustainability issues that are highly relevant to our Company, taking into consideration national policy trends, international standards such as SASB and TCFD, ratings such as CDP, and initiatives such as SDGs. To assess these topics, we have designed the “Sustainability Report Materiality Impact Assessment Survey”, with results reported annually to the Sustainable Development Executive Officer. This process helps evaluate the probability and scale of both positive and negative impacts these sustainability topics may have on the economy, environment, and society from the perspectives of internal and external stakeholders. Based on corporate development strategies, industry conditions, and value chain practices, we conduct an annual materiality assessment and prioritization process. This serves as the foundation for information disclosure in this report, ensuring that internal and external stakeholders can effectively evaluate and make informed decisions regarding our sustainability initiatives.

## ▼ Issues of Concern to Stakeholders and Communication Status

|                                                                                                                 | Significance to Feng Tay                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Major Issues of Concern                                                                                                                                                                                                                                                                                                                                                          | Communication Channels / Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2024 Communication Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Shareholders and Investors | <p>Investors provide a source of capital for the Company. Feng Tay's transparent disclosure of operations information presents operating results to enhance investors' support, stabilize funds and create value in investment.</p>                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>● Integrity in operations</li> <li>● Operational performance</li> <li>● Diversity of governance bodies</li> <li>● Sustainability commitments and strategy</li> <li>● Compliance with regulations</li> <li>● Risk management</li> </ul>                                                                                                    | <p><b>【Communication frequency】</b></p> <ul style="list-style-type: none"> <li>● Shareholders' meetings / annual</li> <li>● Investor conferences / when necessary</li> <li>● Investor forums / when necessary</li> <li>● Entity interviews / when necessary</li> <li>● Consultations and communications with shareholders through contact channels / on-going</li> </ul> <p><b>【Information bulletin】</b></p> <ul style="list-style-type: none"> <li>● Company website</li> <li>● TWSE MOPS</li> <li>● Publication of annual reports, company profile, and sustainability reports</li> </ul>                                                             | <p><b>【Group Headquarters】</b></p> <ul style="list-style-type: none"> <li>● Published the Annual Report and held the shareholders' meeting in May</li> <li>● Participated in seven investor conferences</li> <li>● Released 51 significant announcements</li> <li>● Disclosed monthly revenue and self-assessed profit and loss on the company website</li> <li>● Published quarterly financial reports on the company website</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <br>Customers                  | <p>Customers are the main source of the Company revenue. It is critical to listen to the voice of customers and meet customer needs. Through frequent communication and continuous innovation, improvement and upgrading, Feng Tay provides safe and high-quality products and services while growing together with customers.</p>                                                                                                                                                             | <ul style="list-style-type: none"> <li>● Sustainability commitments and strategy</li> <li>● Compliance with regulations</li> <li>● Information security and data protection</li> <li>● Diversity and equality human rights policy</li> <li>● Occupational safety and health</li> <li>● Climate change risks and greenhouse gas management</li> <li>● Waste Management</li> </ul> | <p><b>【Communication frequency】</b></p> <ul style="list-style-type: none"> <li>● Regular meetings / monthly</li> <li>● Field audits / when necessary</li> <li>● Participation in training activities / when necessary</li> <li>● Communication through email / on-going</li> </ul> <p><b>【Information bulletin】</b></p> <ul style="list-style-type: none"> <li>● Monthly report on the performance of various evaluation indexes.</li> </ul>                                                                                                                                                                                                             | <p><b>【Group Headquarters and Key Customers】</b></p> <ul style="list-style-type: none"> <li>● 11 operational meetings</li> <li>● 5 quarterly review meetings</li> <li>● 1 supplier annual meeting</li> <li>● 2 sustainability strategy seminars</li> <li>● 5 sustainability topic learning seminars</li> <li>● Ongoing communication via email</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <br>Employees                | <p>Feng Tay considers employees as its foremost partners and commits to building an equal, fair, and happy work environment. We are against any form of discrimination, forced labor, and persecution of labor unions. We enhance workplace safety to minimize the risk of workplace injuries. Through competitive salary packages and benefits and a comprehensive training system, we are able to keep talents for a long time to create better operational performance for the Company.</p> | <ul style="list-style-type: none"> <li>● Operational performance</li> <li>● Labor relations</li> <li>● Remuneration and benefits</li> <li>● Protection of labor rights</li> <li>● Occupational safety and health</li> <li>● Diversity and equality human rights policy</li> <li>● Employee training &amp; career</li> </ul>                                                      | <p><b>【Communication frequency】</b></p> <ul style="list-style-type: none"> <li>● Labor relations or company union meetings / quarterly</li> <li>● Employees Welfare Committee meetings / quarterly</li> <li>● Regular meetings of various functional committees / when necessary</li> <li>● Face-to-face communication between employees and management / on-going</li> <li>● The General Manager Mail Box, dedicated telephone line, and "Grievance, Suggestion and Reporting System" / on-going</li> </ul> <p><b>【Information bulletin】</b></p> <ul style="list-style-type: none"> <li>● Company intranet</li> <li>● Email and e-newsletter</li> </ul> | <p><b>【Group Headquarters】</b></p> <ul style="list-style-type: none"> <li>● Held 4 labor union meetings</li> <li>● Held 4 welfare committee meetings</li> <li>● Held 36 catering committee meetings</li> <li>● Published 3 internal best development team reports and 1 Feng Tay Culture e-newsletter</li> <li>● Training programs included pre-employment training for new hires, internal education programs (such as sexual harassment prevention and integrity management awareness), pre-departure briefings for overseas business trips, managerial training courses, and outsourced or external training for professional skills</li> </ul> <p><b>【Group】</b></p> <ul style="list-style-type: none"> <li>● A total of 2,413,541 participants attended training sessions</li> <li>● The Group received 1,750 cases through the employee grievance and suggestion system, all of which were tracked to 100% resolution</li> </ul> |

|                                                                                                                                | Significance to Feng Tay                                                                                                                                                                                                                                                                                                                                                                                                              | Major Issues of Concern                                                                                                                                                                                                                                                                              | Communication Channels / Frequency                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2024 Communication Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Suppliers and Contractors</b>          | <p>Suppliers are important partners for Feng Tay's sustainable development, not only in their impact on production, services and operations, but also in the risk of social responsibility and reputation. Through communication channels we learn about the issues of concern to suppliers and reduce operational risks and costs, thereby allowing us to continuously provide customers with responsible and superior services.</p> | <ul style="list-style-type: none"> <li>● Integrity in operations</li> <li>● Operational performance</li> <li>● Sustainability commitments and strategy</li> <li>● Sustainable supply chain management</li> <li>● Product quality and technology</li> </ul>                                           | <p>【Communication frequency】</p> <ul style="list-style-type: none"> <li>● Regular visits and meetings with suppliers / on-going</li> <li>● Supplier conferences / when necessary</li> <li>● Supplier audits / when necessary</li> <li>● Telephone and email communications / on-going</li> </ul>                                                                                                                                                                                                                                                | <p>【Group Headquarters】</p> <ul style="list-style-type: none"> <li>● Held 36 supplier integrity management awareness sessions</li> <li>● Conducted 127 regular meetings with supplier business executives (alignment on quality and delivery schedules, business reviews, and discussion of key proposals)</li> <li>● Held 207 model review and new material introduction sessions</li> <li>● Conducted 104 sessions on the development and application of materials and machinery</li> </ul> |
| <br><b>Government Agencies</b>                | <p>In addition to complying with government regulations and actively cooperating with the implementation of policies, we have gained the trust, support, and cooperation of relevant government agencies through transparent two-way communication.</p>                                                                                                                                                                               | <ul style="list-style-type: none"> <li>● Integrity in operations</li> <li>● Compliance with regulations</li> <li>● Protection of labor rights</li> <li>● Occupational safety and health</li> <li>● Waste management</li> <li>● Social / community participation</li> </ul>                           | <p>【Communication frequency】</p> <ul style="list-style-type: none"> <li>● Official documents and correspondence/ when necessary</li> <li>● Set up various internal regulations according to the laws / when necessary</li> </ul> <p>【Information bulletin or provision】</p> <ul style="list-style-type: none"> <li>● Company website</li> <li>● TWSE MOPS</li> <li>● Regular submission of various reports</li> </ul>                                                                                                                           | <ul style="list-style-type: none"> <li>● Ranked in the top 6-20% in the 11th Corporate Governance Evaluation</li> <li>● Received 17 visits from regulatory authorities</li> </ul>                                                                                                                                                                                                                                                                                                             |
| <br><b>Local Communities</b>                 | <p>Community sustainability is viewed as our corporation's social responsibility. We are committed to giving back to society and enhancing our positive impact on local communities.</p>                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>● Integrity in operations</li> <li>● Sustainability commitments and strategy</li> <li>● Remuneration and benefits</li> <li>● Protection of labor rights</li> <li>● Social / community participation</li> </ul>                                                | <p>【Communication frequency】</p> <ul style="list-style-type: none"> <li>● Employees participate in the activities of public welfare / when necessary</li> <li>● Visit neighboring communities and schools / when necessary</li> <li>● Participate in local community activities / when necessary</li> <li>● Telephone and email communications / on-going</li> </ul> <p>【Information bulletin】</p> <ul style="list-style-type: none"> <li>● Company website</li> <li>● Publish Company Profile and Sustainability Reports every year</li> </ul> | <ul style="list-style-type: none"> <li>● For the Group's annual community engagement achievements, please refer to <a href="#">"CH.6 Care for the Community"</a> in this report.</li> </ul>                                                                                                                                                                                                                                                                                                   |
| <br><b>Media and Advocacy Organizations</b> | <p>Media and advocacy organizations are the bridge between the Company and other stakeholders. The real-time media reports and the diverse perspectives and suggestions provided by advocacy organizations help strengthen the Company's sustainability initiatives and enhance the Company image.</p>                                                                                                                                | <ul style="list-style-type: none"> <li>● Integrity in operations</li> <li>● Compliance with regulations</li> <li>● Operational performance</li> <li>● Climate change risks and greenhouse gas management</li> <li>● Green products / services</li> <li>● Social / community participation</li> </ul> | <p>【Communication frequency】</p> <ul style="list-style-type: none"> <li>● Media interviews / when necessary</li> <li>● Appoint spokesperson for public communication channels / on-going</li> </ul> <p>【Information bulletin】</p> <ul style="list-style-type: none"> <li>● Company website</li> <li>● TWSE MOPS</li> </ul>                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>● Monthly revenue, self-assessed profit and loss, and quarterly operational results are disclosed regularly.</li> <li>● Communication on key concerns is conducted through documentation, phone calls, and email.</li> </ul>                                                                                                                                                                                                                           |

# Materiality Analysis

Feng Tay follows the reporting principles of GRI Standards (2021) to conduct materiality analysis, identifying sustainability issues that have significant impacts on the economy, environment, and society (including people and human rights). These issues serve as the foundation for information disclosure in this report and facilitate effective communication with stakeholders. The 2024 materiality assessment process and results for Feng Tay Enterprises are outlined below:

1

Identification of Communication Target Audience

Based on its operational activities and industry characteristics, the Company follows the five dimensions of the AA1000 Stakeholder Engagement Standard (AA1000SES): influence, interest, responsibility, dependency, and diverse perspectives. Through this approach, the Company has identified seven key stakeholder groups: shareholders and investors, customers, employees, suppliers/contractors, government agencies, local communities, and media and advocacy organizations.

2

Collection of Sustainability Topics

Sustainability topics highly relevant to Feng Tay's operations were collected based on national policy trends, international standards, ratings, and initiatives. A further review of past sustainability topics, stakeholder communications, industry peers, and internal business objectives was conducted, consolidating them into 23 sustainability topics.

3

Impact Assessment

An Impact Assessment Survey on Material Topics for the sustainability report was conducted by the internal management team, targeting internal and external stakeholders, department heads, and senior executives. The survey evaluated the probability and scale of both positive and negative impacts of various sustainability topics on the economy, environment, and society. A total of 187 responses were collected, with 62 from internal stakeholders and 125 from external stakeholders, and the results were analyzed and prioritized.

- Negative impact: Assessed based on severity, likelihood of occurrence, and potential human rights implications.
- Positive impact: Evaluated based on the scale and scope of influence, as well as the likelihood of occurrence.

4

Prioritization of Impact Significance

The survey results were consolidated by summing the positive and negative impact scores, and the topics were ranked based on their impact significance. The internal management team reviewed and discussed the ranking results, applying an equal-weight analysis while considering industry material topics, global trends, and external consultant recommendations. A threshold was set for material topics, selecting the top nine ranked issues as key sustainability topics for 2024. These topics include product quality and technology, operational performance, occupational health and safety, information security and data protection, compliance with regulations, waste management, labor relations, climate change risks and greenhouse gas management, and business integrity. The findings were then reported to the Sustainable Development Executive Officer.

5

Confirmation and Disclosure of Material Topics

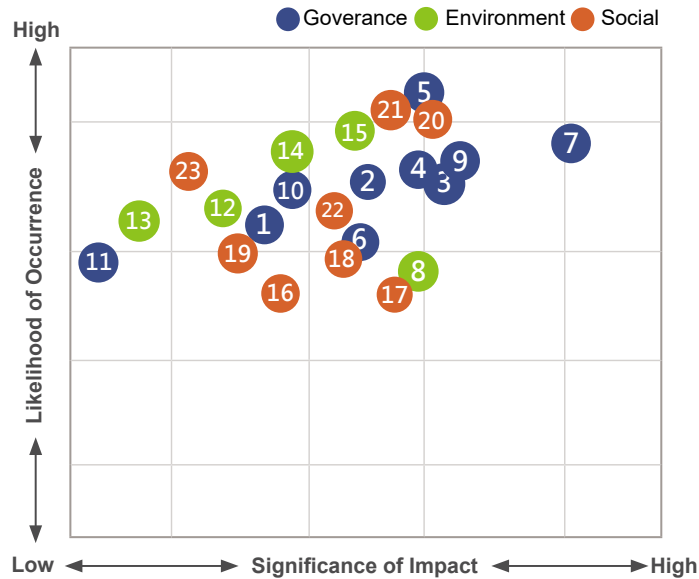
The Sustainable Development Executive Officer conducted a final review of the identified material topics and threshold standards to ensure their appropriateness. This process confirmed that all priority material topics were adequately covered, ensuring their completeness, inclusiveness, and alignment with the company's sustainability strategy.

The Sustainable Development Executive Officer approved the selection of the nine key material topics. The internal management team further discussed and defined the scope of these topics, considering both internal and external boundaries, to ensure that all critical sustainability information is comprehensively disclosed in the report.

The internal management team incorporated the reporting requirements for material topics into this report, detailing corresponding strategies, management actions, indicators, and targets to ensure an accurate and faithful representation of the company's ESG implementation.

# Feng Tay's 2024 Material Topics

## Postive Impact Matrix



### 6 Priority Positive Impact Topics

- 5 Compliance with regulations
- 7 Product quality and technology
- 9 Information Security and Data Protection
- 15 Waste Management
- 20 Protection of labor rights
- 21 Occupational safety and health

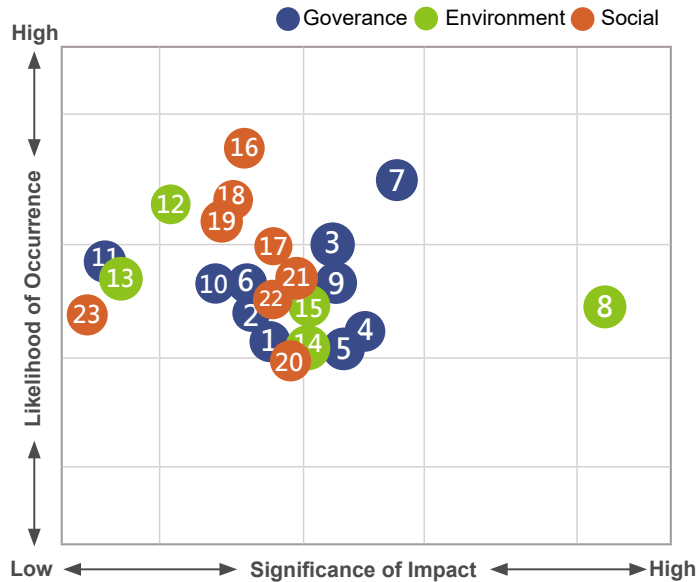
### 11 Secondary Positive Impact Topics

- 1 Diversity of governance bodies
- 2 Sustainability commitments and strategy
- 3 Operational performance
- 4 Integrity in operations
- 6 Risk management
- 10 Sustainable supply chain management
- 14 Water management
- 17 Diversity and equality human rights policy
- 18 Employee training & career
- 22 Customer Privacy Management
- 23 Social / community participation

### 6 Ongoing Positive Impact Topics

- 8 Climate change risks and greenhouse gas management
- 11 Customer services
- 12 Green products / services
- 13 Energy Management (Electricity and Fuel)
- 16 Labor relations
- 19 Remuneration and benefits

## Negative Impact Matrix



### 6 Primary Negative Impact Topics

- 3 Operational performance
- 7 Product quality and technology
- 8 Climate change risks and greenhouse gas management
- 16 Labor relations
- 18 Employee training & career
- 19 Remuneration and benefits

### 11 Secondary Negative Impact Topics

- 2 Sustainability commitments and strategy
- 4 Integrity in operations
- 5 Compliance with regulations
- 6 Risk management
- 9 Information Security and Data Protection
- 10 Sustainable supply chain management
- 12 Green products / services
- 15 Waste Management
- 17 Diversity and equality human rights policy
- 21 Occupational safety and health
- 22 Customer Privacy Management

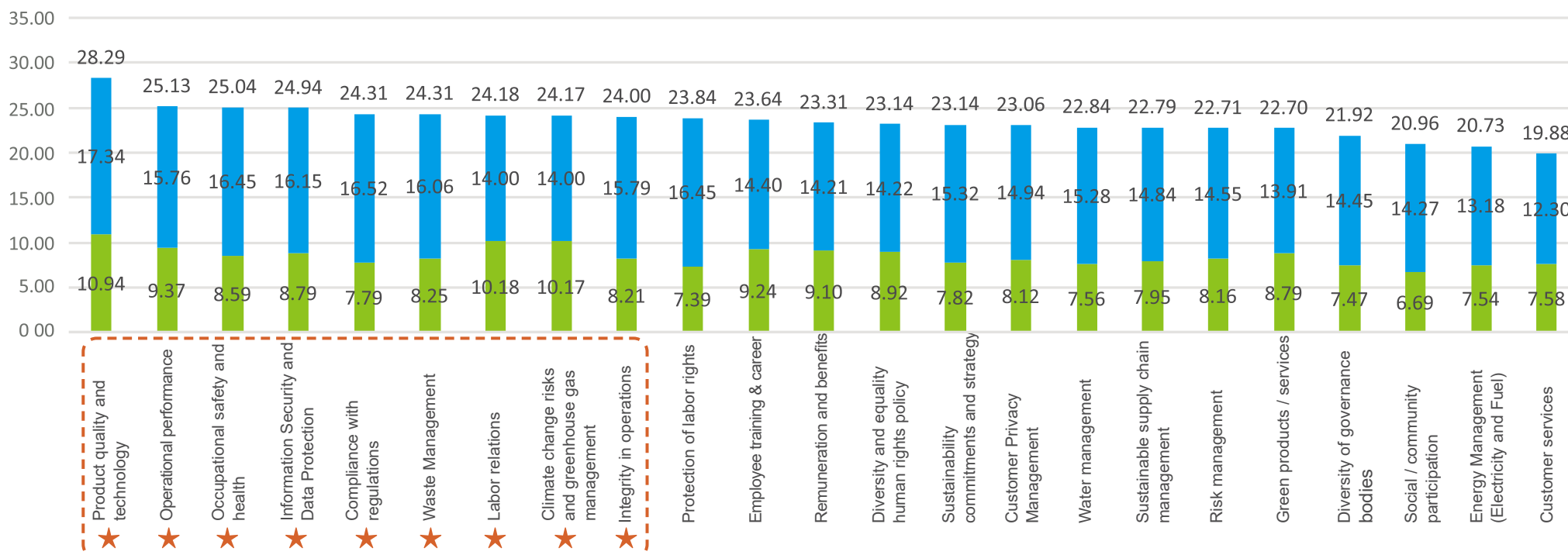
### 6 Ongoing Negative Impact Topics

- 1 Diversity of governance bodies
- 11 Customer services
- 13 Energy Management (Electricity and Fuel)
- 14 Water management
- 20 Protection of labor rights
- 23 Social / community participation

## Significance Assessment of Positive and Negative Impacts of Material Topics

■ Significance of Positive Impact ■ Significance of Negative Impact

★ Indicates a material topic. Materiality threshold is based on the top nine aggregated scores of positive and negative impact significance.



## Significance Assessment of Positive and Negative Impacts of Material Topics

This year, nine material topics were identified. Compared to the previous year, the topics that have changed include climate change risks and greenhouse gas management, information security and data protection, and sustainability commitments and strategies. The key changes and reasons are as follows:

| Item               | Topic                                              | Reason for Adjustment                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reorganized Topics | Climate Change Risks and Greenhouse Gas Management | Considering global sustainability trends and aligning with Feng Tay's sustainability strategy, the topics have been reorganized for better focus and to provide clear responses to stakeholders.<br>● The original topics "Greenhouse Gas Emissions and Reduction" and "Climate Change Risk Management" have been consolidated into "Climate Change Risks and Greenhouse Gas Management." |
| New Topics         | Information Security and Data Protection           | Based on the impact assessment results, and taking into account domestic and international policies, trends, and Feng Tay's current focus areas, its materiality has been elevated.                                                                                                                                                                                                       |
| Removed Topics     | Sustainability Commitments and Strategies          | This topic received a lower score in the impact significance assessment. Additionally, as its content will still be disclosed in the "About Feng Tay" section, it will not be designated as an independent material topic for 2024.                                                                                                                                                       |

## List of Material Aspects and Value Chain Impact Boundaries

● Direct Impact / ▲ Indirect Impact

| Order | Material Aspects                                   | Value Chain Impact Boundaries |                     |           |             | Corresponding GRI code                                                                                              | Corresponding SDGs                                                                                                                                                                                                                                                | Corresponding Section                                                                                       |
|-------|----------------------------------------------------|-------------------------------|---------------------|-----------|-------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|
|       |                                                    | Suppliers                     | Feng Tay Operations | Customers | Communities |                                                                                                                     |                                                                                                                                                                                                                                                                   |                                                                                                             |
| 1     | Operational Performance                            | ▲                             | ●                   | ▲         | ▲           | GRI 201-1 / GRI 201-3~4 / GRI 203 / GRI 207                                                                         |          | <a href="#">1.3 Operational Performance</a>                                                                 |
| 2     | Integrity Operations                               | ●                             | ●                   | ●         |             | GRI 205 / GRI 206 / GRI 415                                                                                         |                                                                                             | <a href="#">2.2 Integrity Operations</a>                                                                    |
| 3     | Compliance with Regulations                        | ▲                             | ●                   | ▲         | ▲           | GRI 2-27 / GRI 416-2                                                                                                |          | <a href="#">2.2 Integrity Operations- Compliance with regulations</a>                                       |
| 4     | Information Security and Data Protection           | ▲                             | ▲                   | ●         |             | GRI 418-1                                                                                                           |                                                                                             | <a href="#">2.3 Risk Management- Information Security and Data Protection</a>                               |
| 5     | Product Quality and Technology                     | ▲                             | ●                   | ▲         |             | GRI 416 / GRI 417                                                                                                   |                                                                                                                                                                                | <a href="#">3.2 Product Innovation and Sustainability</a><br><a href="#">3.3 Product Quality and Safety</a> |
| 6     | Climate Change Risks and Greenhouse Gas Management | ▲                             | ●                   | ▲         |             | GRI 201-2 / GRI 302 / GRI 305                                                                                       |                                                                                           | <a href="#">4.2 Enhancing Climate Resilience</a>                                                            |
| 7     | Waste Management                                   | ▲                             | ●                   |           | ▲           | GRI 306                                                                                                             |                                                                                                                                                                              | <a href="#">4.6 Waste Management</a>                                                                        |
| 8     | Labor Relations                                    |                               | ●                   | ▲         |             | GRI 202-2 / GRI 401 / GRI 401-2~3 / GRI 402-1 / GRI 404 / GRI 405 / GRI 406 / GRI 407 / GRI 408 / GRI 409 / GRI 411 |    | <a href="#">5.1 Workforce Planning</a>                                                                      |
| 9     | Occupational Safety and Health                     | ▲                             | ●                   | ▲         |             | GRI 403                                                                                                             |                                                                                         | <a href="#">5.5 Safe and Peaceful Workplace Environment</a>                                                 |



# 1 About Feng Tay Group

1.1 An Overview of Feng Tay Group

1.2 Sustainability Commitments and Strategy

1.3 Operational Performance

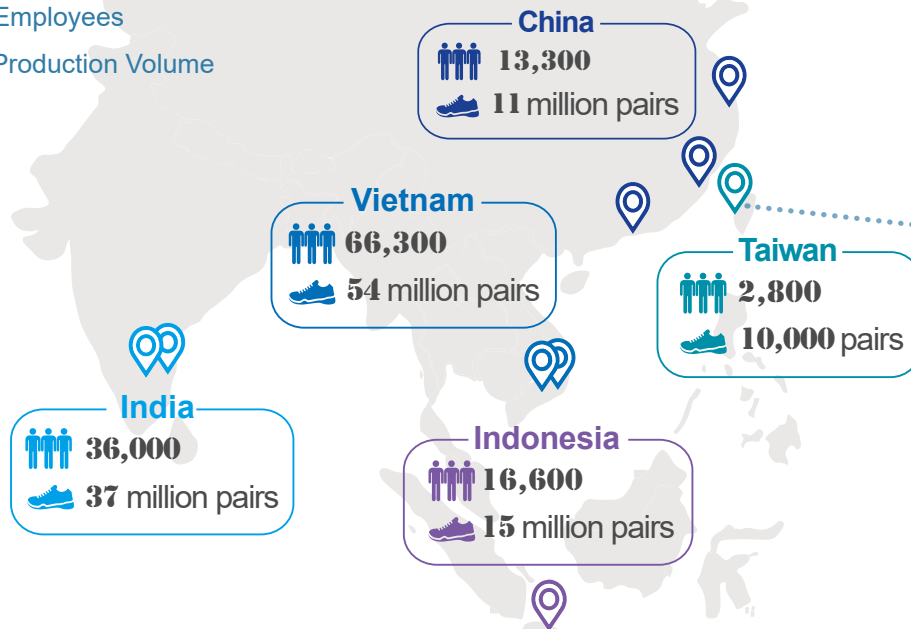
# 1.1 An Overview of Feng Tay Group

Feng Tay Enterprises Co., Ltd. (Stock code 9910) (hereinafter referred to as "the Company," together with its subsidiaries, collectively as "Feng Tay," "Feng Tay Group," or "the Group") was established in 1971 and primarily operates in the traditional manufacturing industry, with athletic shoes manufacturing as its core business. Other business activities include the development and production of casual shoes, ice skates, snowboard boots, golf balls, soccer balls, backpacks, helmets and sticks for ice hockey, as well as shoe parts, shoe molds, and tooling.

As a multinational group specializing in footwear manufacturing, we make all products at our own factories. The Group comprises 18 overseas subsidiary companies operating a total of 29 factories located in China, Vietnam, Indonesia and India. The total number of employees is around 135,000. We are one of the longest-running shoe manufacturing partners of our major customer and operate the only air soles production factory our main customer authorized. Our Group Headquarters oversees order management, product development, technology research, finished product and shoe materials trading, and training of management personnel for multinational operations. The Group Headquarters also handles sustainable management and promotes the corporate social responsibility, and thereby continuously improves core capabilities to maintain our competitive advantage in the shoe manufacturing industry.

Feng Tay has operated on five intrinsic values: Integrity, Discipline, Win-win, Deep-tiling and Craftsmanship, and has created a corporate culture based on the quest for innovation and quality. By constantly raising our competitiveness with a firm and pragmatic management style, our Group continues to grow and fulfill our vision to be a century-club manufacturer.

 Employees  
 Production Volume



▼ **Subsidiary Companies in China, Indonesia, Vietnam, and India (for details, please refer to the Company Website or 2024 Annual Report).**

| Region    | Subsidiary Company                                          | Factory Code Name | Year of Incorporation | Primary Products                                                    |
|-----------|-------------------------------------------------------------|-------------------|-----------------------|---------------------------------------------------------------------|
| China     | Fujian Lifeng Footwear Industry Development Company Limited | LF                | 1988                  | Athletic shoes                                                      |
|           | Fujian Xiefeng Footwear Company Limited                     | HF                | 1989                  | Athletic shoes                                                      |
|           | Fujian San Feng Footwear Company Limited                    | SF                | 1992                  | Athletic shoes                                                      |
|           | Fujian Putian Xie Feng Mold Company Limited                 | XM                | 1991                  | Molds & Tooling                                                     |
|           | Fujian Great Hope Footwear Company Limited                  | GH                | 1989                  | Functional shoes / Sports equipment                                 |
|           | Suzhou Yufeng Plastics Technology Co., Ltd.                 | YF                | 2009                  | Air soles                                                           |
| Indonesia | PT Feng Tay Indonesia Enterprises                           | IW                | 1992                  | Athletic shoes / Functional shoes / Molds & Tooling                 |
|           | Dona Victor Footwear Co., Ltd.                              | DV                | 1994                  | Athletic shoes                                                      |
|           | Dona Victor Molds Mfg. Co., Ltd.                            | DVM               | 1999                  | Molds & Tooling                                                     |
| Vietnam   | Dona Pacific (Vietnam) Co., Ltd.                            | DP                | 2000                  | Athletic shoes                                                      |
|           | Vietnam Dona Orient Co., Ltd.                               | DO                | 2003                  | Athletic shoes / Air soles                                          |
|           | Vung Tau Orient Co., Ltd.                                   | TO                | 2005                  | Soccer balls and protective gears / Golf balls / Backpacks          |
|           | Vietnam Dona Standard Footwear Co., Ltd.                    | DS                | 2006                  | Athletic shoes / Casual shoes / Functional shoes / Sports equipment |
|           | Vietnam Nam Ha Footwear Company Limited                     | NH                | 2019                  | Athletic shoes                                                      |
| India     | Lotus Footwear Enterprises Limited (India Branch)           | LU                | 2007                  | Athletic shoes / Molds & Tooling                                    |
|           | East Wind Footwear Company Limited (India Branch)           | EW                | 2010                  | Athletic shoes                                                      |
|           | Fairway Enterprises Company Limited (India Branch)          | FA                | 2014                  | Athletic shoes                                                      |
|           | India Tindivanam Footwear Private Limited                   | TD                | 2022                  | Athletic shoes                                                      |

## Memberships in Industry Associations

▼ **The Associations and Advocacy Organizations in which Feng Tay Actively Participates are Listed Below.**

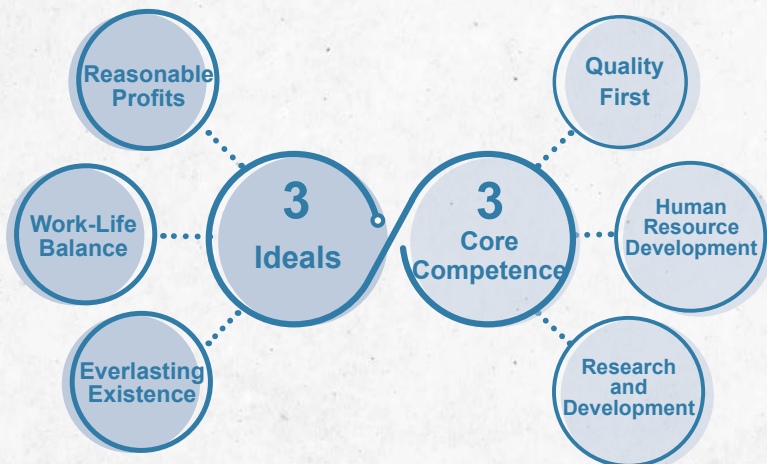
| No. | Name                                             | Strategic importance                                                                                                                                                                                                                                                                                                  | Membership     |
|-----|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1   | Taiwan Footwear Manufacturers Association        | Participation in relevant training courses provided by the associations from time to time helps us acquire new knowledge and interact with peer groups. It also presents an opportunity to develop inter-industry relations, enhance common interests, plan industrial improvement, and promote economic development. | General member |
| 2   | Yunlin County Industrial Association             |                                                                                                                                                                                                                                                                                                                       | General member |
| 3   | Taiwan Rubber & Elastomer Industries Association |                                                                                                                                                                                                                                                                                                                       | General member |

## 1.2 Sustainability Commitments and Strategy

As one of the world's top sports shoe manufacturers, we continue to fulfill the concept of a comfortable working environment and sustainable management, integrating the concept with all important decisions in operations. As we pursue reasonable profits, we also highly value the rights and interests of our employees, society, and other stakeholders. We have formulated the CSR Code and established the Sustainable Development Department to consolidate and supervise various operating units. Through continuous research and innovation, as well as the improvement of production technology, process efficiency and management system, we take the following issues into consideration in every step of our activities: environmental protection, workplace health and safety, and human rights protection. In addition, we continue to deepen partnerships with the supply chain, employees, and local communities.

### Vision

Cultivate a group of employees who recognize and accept our work concept, have family support and are proud of the company; create a corporate culture with R&D and quality as its central philosophy; become a century-club manufacturer that stably obtains reasonable profits; continue to care about environmental protection and make our best efforts to give back to local communities.



### Strategy



#### Governance

- Take sustainable operations as the basic principle for development of products, materials, and technology. Perfect and implement various rules and regulations.
- Treat customers as partners, emphasize transparent communication, meet customer needs, and assist their business growth.
- Thoroughly implement “deep cultivation” and “management by walking around.” Frequently inspect and improve various details and regulations in daily work so that the company can continue to follow the global trend, remain competitive and not be eliminated.



#### Economy

- Attach great importance to the long-term nature of products and services. Develop forward-looking and sustainable products and business activities.
- Strictly manage product quality. Do not allow any considerations to damage product quality or company reputation.



#### Environment

- Promote the Group's energy conservation and carbon reduction measures. Improve energy efficiency and increase the use of environmentally friendly energy resources.
- Implement various pollution prevention and control measures, including prevention and control of wastewater discharge and exhaust gas emissions, as well as the management of waste reduction and disposal.



#### Social

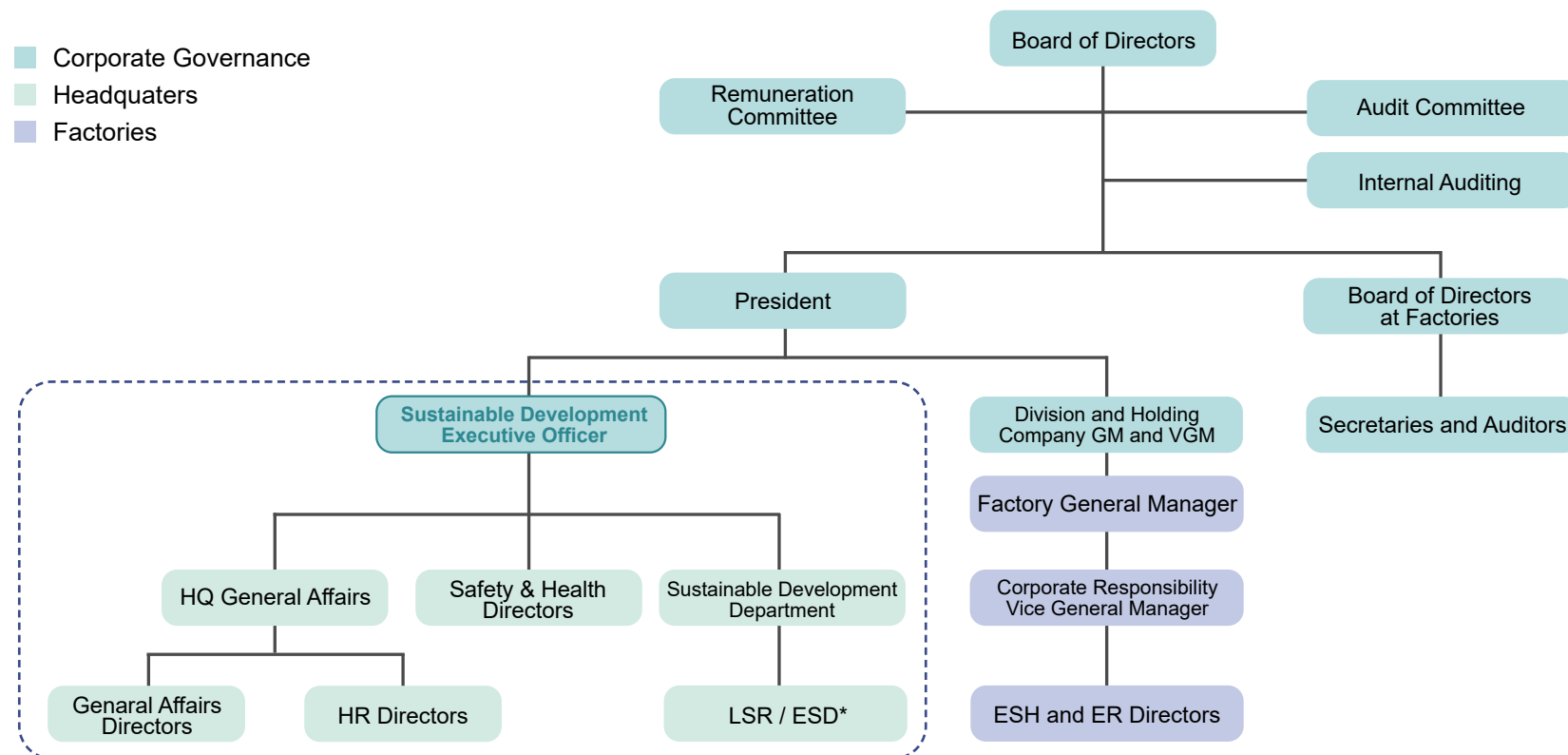
- Continue to cultivate talents. Promote local employees who have the same work philosophy to become management team members at local factories.
- Manage human resources well. Improve the workplace environment. Enhance employees' sense of identity, team spirit and talent retention rate.
- Continuously strive to reduce occupational injuries. Create a safety culture. Pursue zero workplace injuries and zero disasters.

## Sustainable Development Department

In January 2018, Feng Tay established the position of Sustainable Development Executive Officer at the managerial level to oversee and manage the Group's corporate responsibility initiatives, and reports to the Board of Directors at least once a year, presenting execution plans and results. The Board supervises and provides guidance on management policies, strategies, and objectives related to sustainability issues, while also reviewing the implementation of various initiatives annually.

Under the Sustainable Development Executive Officer, the Sustainable Development Department is responsible for coordinating and supervising sustainability-related activities. It establishes risk management policies and sustainability measures based on the principle of materiality. Each year, the office identifies key corporate social responsibility (CSR) issues, such as environmental safety and labor relations, formulates response measures, and oversees the organization's management of economic, environmental, and social impacts.

The Sustainable Development Office also collaborates with the General Affairs and Safety & Health Departments to promote corporate social responsibility and assist the highest governing body in addressing stakeholder concerns. Additionally, the office oversees the operations of overseas factories, with a dedicated working group comprising factory General Managers, the Vice President of Sustainability, and plant directors and managers. This group executes sustainability plans formulated by the headquarters, continuously refining and advancing CSR management measures to achieve long-term sustainability goals.



\*LSR: Labor, Safety & Social Responsibility / ESD: Environmental Sustainability and Development

# 1.3 Operational Performance

Feng Tay Group began its multinational operations in 1988. The production experience of skilled employees and continuous improvement of management capabilities provide strong support for R&D and innovation. Strict compliance with domestic and foreign tax laws and regulations enables us to maintain stable operational performance and competitive advantages.



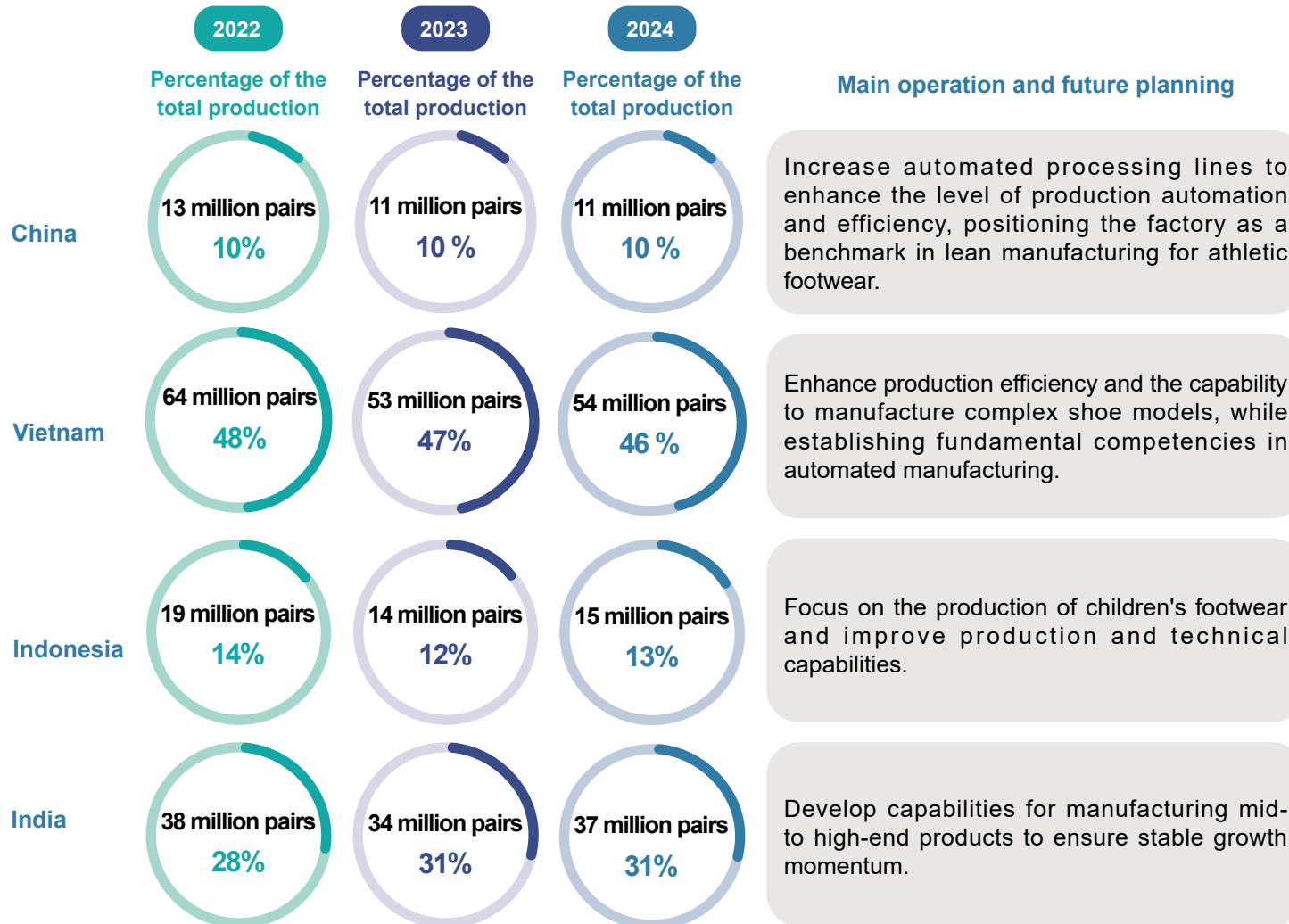
## The Response, Management, and Evaluation Methods for 2024 “Operational Performance”

| ★ Material Aspect                                 | Operational Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI Code</b>                                   | GRI 201 : Economic Performance (2016), GRI 203: Indirect Economic Impacts (2016), GRI 207: Tax (2019)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Impact on Economy, Environment, and People</b> | <ul style="list-style-type: none"> <li>● Actual Positive Impact: Sustainable and stable profitability is the foundation of a company's long-term success and drives the overall economic performance of the supply chain. Beyond profitability, we also strive to allocate resources effectively, giving back to employees, society, and the environment.</li> <li>● Potential Negative Impact: Failure to implement an integrity-based business policy may lead to legal violations or unethical transactions, resulting in reputational damage, operational risks, and harm to shareholder and investor interests.</li> </ul> |
| <b>Policies and Commitments</b>                   | Through the improvement of production efficiency and quality, we strive to meet customer needs, achieve the goal of maintaining stable profits, and create maximum benefits for shareholders and other stakeholders.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Indexes and Goals</b>                          | Continuously enhance competitiveness, pursue stable growth and improve business performance through technological innovation, process improvement, automation, lean management, and talent cultivation.                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Effectiveness Tracking Mechanism</b>           | <ul style="list-style-type: none"> <li>● Upload the monthly consolidated revenue and the monthly profit and loss statements to the TWSE MOPS and the Financial Section on the Company Website.</li> <li>● Upload the Quarterly Consolidated Financial Statements to the TWSE MOPS and the Financial Section on the Company Website.</li> </ul>                                                                                                                                                                                                                                                                                  |
| <b>Annual Actions, Measures, and Performance</b>  | <ul style="list-style-type: none"> <li>● In 2024, the Group consolidated revenue was NTD 87.49 billion, representing a 2% increase compared to 2023. The Group after-tax net income attributable to the parent company was NTD 5.87 billion, marking a 18% increase from 2023.</li> <li>● The revenue distribution of major products was 95% from footwear and 5% from other products. Shoe production volume reached about 117 million pairs, reflecting a 4% increase compared to 2023.</li> </ul>                                                                                                                            |

## Operating Results

Feng Tay's main business is manufacturing and sales of footwear. In 2024, shoe production totaled about 117 million pairs, accounting for 95% of the consolidated revenue. Shoe production in 2024 was 4% increase compared to 2023, primarily driven by the growth in customer orders. In 2024, the Group consolidated revenue was NTD 87.49 billion, reflecting a 2% increase from 2023. The Group net income attributable to the parent company was NTD 5.87 billion, marking a 18% increase compared to 2023. For the complete 2024 consolidated financial report, please refer to the financial statements and Annual Reports in the [Investor Section](#) on the Company Website.

### ▼ Shoe Production Volume in Each Region for years 2022-2024



### ▼ Financial Performance for Years 2022-2024 (Unit: NTD)

| Category / Year                                             | Unit         | 2022       | 2023       | 2024       |
|-------------------------------------------------------------|--------------|------------|------------|------------|
| Revenue                                                     | Thousand NTD | 95,902,924 | 85,767,264 | 87,487,470 |
| Net income attributable to the owners of the parent company | Thousand NTD | 9,081,733  | 4,974,908  | 5,869,538  |
| EPS                                                         | NTD          | 10.30      | 5.04       | 5.94       |

Note: Please refer to Feng Tay [Consolidated Financial Report](#) for details of financial information. The Consolidated Financial Report comprises the data for Feng Tay Enterprises Co., Ltd. (parent company) and subsidiaries.

### ▼ Direct Economic Value Generated and Distributed by the Organization (Unit: Thousand NTD)

| Category / Year                 |                                                                         | 2022       | 2023       | 2024       |
|---------------------------------|-------------------------------------------------------------------------|------------|------------|------------|
| Direct economic value generated | Operating revenue                                                       | 95,902,924 | 85,767,264 | 87,487,470 |
|                                 | Other income                                                            | 719,759    | 527,342    | 540,298    |
| Distributed economic value      | Operating costs and expenses (Excluding employee salaries and benefits) | 50,659,713 | 45,433,045 | 46,031,465 |
|                                 | Employee salaries and benefits                                          | 33,897,114 | 33,621,150 | 34,064,940 |
|                                 | Income tax expense                                                      | 3,710,194  | 1,635,142  | 2,316,489  |
|                                 | Payment to investors (Cash dividends and interest payments)             | 3,780,495  | 7,036,287  | 4,534,080  |

## Government Subsidies

In 2024, Feng Tay received USD 4,098,226 in subsidies from governments of other countries.

### ▼ The Amount of Government Subsidies or Incentives in Various Regions

| Regions | Category                                                  | Amount (local currency) | Amount (USD)  |
|---------|-----------------------------------------------------------|-------------------------|---------------|
| China   | Subsidy for stable employment                             | RMB 2,500,922           | USD 342,639   |
|         | Enterprise Production Technology Improvement Incentives   | RMB 1,720,000           | USD 235,649   |
|         | Tax Incentive Bonus                                       | RMB 384,949             | USD 52,740    |
|         | Enterprise Environmental Technology Improvement Incentive | RMB 360,000             | USD 49,322    |
|         | Other subsidies                                           | RMB 230,491             | USD 31,578    |
| Vietnam | Employee Training Subsidy                                 | VND 33,661,891          | USD 1,321     |
|         | Employee Medical Subsidy                                  | VND 201,325,245         | USD 7,901     |
| India   | Infrastructure Subsidy                                    | INR 3,000,000           | USD 35,056    |
|         | Capital Subsidy                                           | INR 70,000,000          | USD 817,977   |
|         | Training Subsidy                                          | INR 216,000,000         | USD 2,524,043 |

Note: The year-end exchange rates reported by the U.S. Department of the Treasury Bureau of the Fiscal Service are used for conversion of local currencies to U.S. dollars. The exchange rates of various regions are RMB (1:7.299), IDR (1:16,067.13), VND (1:25,480), and INR (1:85.577) in 2024.

## Tax Management

Feng Tay Enterprises supports tax policies that contribute to the sustainable development of enterprises and economic growth. We are committed to ensuring information transparency and fulfilling the corporate social responsibility. When there are major changes in tax-related regulations and policies, the Group Headquarters financial department and the Group's tax professionals will conduct risk assessments and consult external professional organizations to draft a response strategy, which will be submitted to the President/Chairman of the Board for approval. The response strategy will be reported in the annual meeting of the board of directors to ensure effective tax management and fulfill the corporate responsibility.

The daily tax administration and management at each operating location are conducted by the local chief financial officer in accordance with the following tax affair guidelines. The Group's tax professionals supervise local chief financial officers and provide assistance to ensure the fulfillment of tax obligations and risk management.

- Subsidiary companies at all operating locations comply with local tax laws and regulations, and file and pay taxes on time.
- Disclose tax information in financial reports in accordance with regulations to ensure information transparency.
- Transactions between subsidiary companies follow the principles of conventional transactions.
- Understand changes in tax laws and regulations at each operating location, and conduct tax risk assessments to formulate response strategies.
- Establish a relationship of mutual trust and respect with tax authorities, and promptly communicate and consult on tax issues.

### ▼ Tax Information of the Company and Its Subsidiaries for Years 2022-2024 (Unit: Thousand NTD)

| Category / Year                | 2022       | 2023      | 2024      |
|--------------------------------|------------|-----------|-----------|
| Net profit before tax ( A )    | 13,474,467 | 7,081,079 | 8,582,046 |
| Income tax expense ( B )       | 3,710,194  | 1,635,142 | 2,316,489 |
| Effective tax rate ( = B / A ) | 27.5%      | 23.1%     | 27.0%     |



# 2 Sustainable Governance

2.1 Corporate Governance and the  
Governance Team

2.2 Integrity Operations

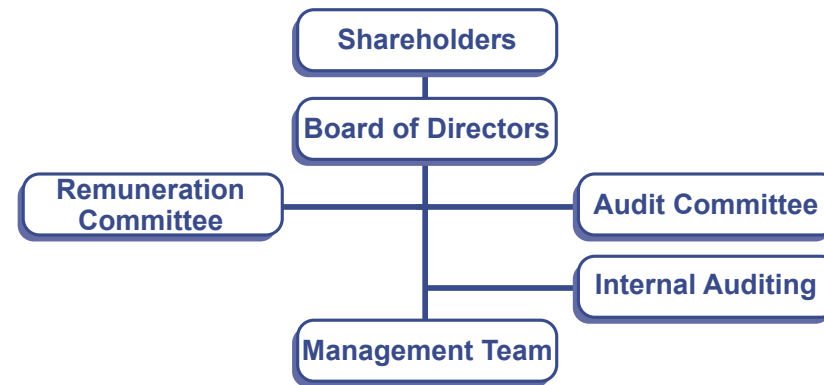
2.3 Risk Management



## 2.1 Corporate Governance and the Governance Team

Feng Tay adheres to the principle of integrity. We emphasize law-abiding, operational transparency, and shareholders' rights. Through the supervision of the management team and the checks and balances system, we clearly define the rights and responsibilities of all shareholders, operations team, and stakeholders. We strive to ensure that the interests of shareholders and stakeholders are maximized and the decisions of our highest governance body (the Board of Directors) align with Feng Tay's operating philosophy in economic, environmental, and social aspects. Please refer to the [Company Website](#) or the [Annual Report](#) for details related to the Board of Directors, corporate governance, and various meetings and strategic decisions.

### ▼ Governance Structure



### The Professional and Diverse Board of Directors

The Board of Directors is the highest governing body of the Company, primarily responsible for overseeing the Company's long-term business strategy, assessing risks, and evaluating the appointment, dismissal, and compensation of the management team. The Board also directly supervises and manages the Company's performance and risk management in economic, environmental, and social aspects to ensure proper operations and sustainable growth. When making key decisions, the Board considers economic, environmental, and social issues, along with their impacts, risks, and opportunities, as well as the perspectives of stakeholders. For details on stakeholder engagement, please refer to the [Stakeholder Engagement and Communication section](#) of this report. In the Articles of Incorporation, the Company has specified the nomination and election process of Board members. The Board is required to conduct prior review on the qualifications of candidates nominated by shareholders or directors and present the results of the review to shareholders for reference.

The Board meeting is held at least once every quarter. There were six regular Board meetings in 2024. The Board members actively attended, with 100% meeting attendance rate (including video link attendance). The agenda included reviewing operational performance, corporate governance, major investment projects, and business reports submitted by the management team. Through dialogue with the management team, the Board gains an understanding of the problems encountered in operations, and urges the management team to make adjustments accordingly. Please refer to the Company's Annual Report for detailed information.

## Board Nomination and Selection

Feng Tay elects its Board of Directors based on the candidate nomination system stipulated in Article 192-1 of the Company Act. According to legal regulations, shareholders holding at least 1% of the Company's total issued shares may submit a list of candidates for election at the Annual General Meeting, where shareholders vote to elect Board members. The nomination and selection of director candidates consider Board diversity, including factors such as gender, age, nationality, and cultural background, as well as professional expertise, background, and industry experience. This ensures that the elected directors possess the necessary knowledge, skills, and competencies required to fulfill their duties while also having extensive management experience in economic, environmental, and social issues and related impacts. To maintain Board independence, the Company also appoints and selects independent directors in accordance with the Company Act and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The Board of Directors follows the Regulations Governing Procedure for Board of Directors Meetings of Public Companies to establish Rules of Procedure for Board Meetings, which include principles for conflict-of-interest avoidance. Directors are required to perform their duties faithfully and with due diligence, exercising their powers with a high level of self-discipline and prudence. To prevent conflicts of interest, directors with a stake in a particular proposal must recuse themselves from discussion and voting and may not act as proxies for other directors in exercising voting rights.

The current Board of Directors serves the 2024–2027 term, with Mr. Chien-Hung Wang continuing as Chairman. He does not concurrently hold any executive positions, ensuring the effective implementation of corporate governance. To maintain the independence of corporate operations, directors or their representing legal entities must regularly disclose conflicts of interest and remain subject to supervision by independent directors.

## Board Diversity Implementation

In order to implement good corporate governance and provide strategic guidance, the composition of the Board of Directors has considered the Company's management style and development needs. We have therefore drawn up an appropriate number of directors and diversification policies, including basic qualifications, professional background and industry experience. In addition, the Board as a whole must have operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international marketing perspective, leadership and decision-making capabilities. In 2024, the Board was composed of 13 directors (reelected in April 2024) with a three-year term until May 2027. Among the 13 directors, four were independent directors, none of them had served more than three terms, accounting for 31% of all directors. One of the directors was the Company's manager with outstanding performance. Among other Board members, one had a legal professional background, five had accounting/investment professional backgrounds, four had experience in large corporate operations, and one was an American who understood Chinese and was familiar with Western social values.

Feng Tay also pays attention to the gender diversity of Board members, with a goal of achieving at least three female director seats. The number of female directors increased from one to two in 2024. We plan to add one female director in 2027 in order to implement the policy on diversity of Board members. In addition, fewer than half of the current directors have a spouse or relative within two degrees of kinship on the Board, as required by Article 26-3 of the Securities and Exchange Act. The requirement makes the Board of Directors independent as a whole, and the directors can exercise their powers objectively, so as to strengthen the Company's business development and corporate governance.

## ▼ Feng Tay's Diverse Board Members

| Title                      | Name                 | Gender | Age   | Nationality |
|----------------------------|----------------------|--------|-------|-------------|
| Chairman of the Board      | Chien-Hung Wang      | Male   | 51-55 | R.O.C.      |
| Vice Chairman of the Board | Chien-Rong Wang      | Male   | 51-55 | R.O.C.      |
| Director                   | Chao-Chi Chen        | Male   | 61-65 | R.O.C.      |
| Director                   | Peter Dale Nickerson | Male   | 66-70 | USA         |
| Director                   | Shih-Jung Chen       | Male   | 61-65 | R.O.C.      |
| Director                   | Shih-Jung Chen       | Male   | 46-50 | R.O.C.      |
| Director                   | Zhen-Zu Chen         | Male   | 31-35 | R.O.C.      |
| Director                   | Wan-Wan Lin          | Female | 61-65 | R.O.C.      |
| Director                   | Yi-Hua Chung         | Male   | 61-65 | R.O.C.      |
| Independent Director       | Cui-Hui Xiao         | Female | 61-65 | R.O.C.      |
| Independent Director       | Yu-Sheng Lu          | Male   | 61-65 | R.O.C.      |
| Independent Director       | Chung-Yi Lin         | Male   | 56-60 | R.O.C.      |
| Independent Director       | Hsueh-Cheng Li       | Male   | 61-65 | R.O.C.      |

### Notes:

1. According to the GRI Standards classification, there are 2 directors aged 30-50 and 11 directors aged 51 and above.
2. Please refer to the Company's 2024 Annual Report for the qualifications and experiences of Board members.

## Ongoing Training and Development for Board of Directors

The members of the Company's Board of Directors possess professional expertise and extensive corporate governance experience. They continuously enhance their professional competencies and reference international trend reports to strengthen collective intelligence in environmental, social, and economic aspects. To stay abreast of global risk trends and enhance risk response capabilities, the Feng Tay Board of Directors actively engages in ongoing training. In 2024, each director completed at least six hours of training, covering topics such as regulatory updates, insider trading prevention, and performance evaluation of the Board and functional committees. Moving forward, the Company will continue to promote sustainability-related training for the Board to further enhance sustainability awareness at the governance level.

### ▼ Board Training Overview in 2024

| Title                      | Name                 | Training Date | Organizing Institution                  | Course Title                                                                                                                                         | Training Hours |
|----------------------------|----------------------|---------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Chairman of the Board      | Chien-Hung Wang      | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Vice Chairman of the Board | Chien-Rong Wang      | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Director                   | Chao-Chi Chen        | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Director                   | Peter Dale Nickerson | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Director                   | Shih-Jung Chen       | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Director                   | Tsung-Ta Lu          | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                                                                  | 3              |
|                            |                      | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
| Director                   | Zhen-Zu Chen         | 2024/8/13     | Taiwan Corporate Governance Association | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
|                            |                      | 2024/9/6      | Securities and Futures Institute        | 2024 Insider Trading Prevention Awareness Seminar                                                                                                    | 3              |
|                            |                      | 2024/12/13    | Taiwan Corporate Governance Association | Introduction to the Corporate Governance Personnel System and the Role of Legal Personnel in Corporate Governance                                    | 3              |
|                            |                      | 2024/12/20    |                                         | Essential Risk Awareness for Directors and Supervisors: Understanding How Criminals Exploit Non-Standard Transactions and Related-Party Transactions | 3              |
| Director                   | Wan-wan Lin          | 2024/6/27     | Taiwan Institute of Directors           | Aligning with IFRS Sustainability Disclosure Standards – Detailed Explanation of IFRS S1 and S2                                                      | 3              |
|                            |                      | 2024/8/9      |                                         | Corporate Income Tax – Practical Review and Common Supplementary Explanations by the National Tax Bureau                                             | 3              |
|                            |                      | 2024/8/13     | Taiwan Corporate Governance Association | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits                                              | 3              |
|                            |                      | 2024/8/14     | Taiwan Institute of Directors           | The Impact of Climate Change on Financial Statements                                                                                                 | 3              |

| Title                | Name           | Training Date | Organizing Institution                  | Course Title                                                                                                     | Training Hours |
|----------------------|----------------|---------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------|
| Director             | Yi-Hua Chung   | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                              | 3              |
|                      |                | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits          | 3              |
| Independent Director | Cui-Hui Xiao   | 2024/7/19     | Taiwan Corporate Governance Association | Best Practices for the Exercise of Audit Committee Powers: A Discussion on the Role and Function of the Convener | 3              |
|                      |                | 2024/7/30     |                                         | How the Board of Directors (Sustainability Committee) Reviews the Sustainability Report                          | 3              |
|                      |                | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits          | 3              |
|                      |                | 2024/10/4     | Securities and Futures Institute        | 2024 Insider Trading Prevention Awareness Seminar                                                                | 3              |
| Independent Director | Yu-Sheng Lu    | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                              | 3              |
|                      |                | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits          | 3              |
| Independent Director | Chung-Yi Lin   | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                              | 3              |
|                      |                | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits          | 3              |
| Independent Director | Hsueh-Cheng Li | 2024/5/10     | Taiwan Corporate Governance Association | How Directors and Supervisors Oversee Corporate Risk Management and Crisis Response                              | 3              |
|                      |                | 2024/8/13     |                                         | The Relationship Between ISO, Internal Controls, and Corporate Governance and Their Management Benefits          | 3              |

## Remuneration Policy for Board Members and the Senior Management Team

Feng Tay emphasizes adopting reasonable internal pay scales. We regularly refer to salary levels in the job market to formulate our internal salary ranges, so as to ensure our competitiveness and achieve the purpose of attracting, motivating and retaining talents. The Board of Directors' Compensation Policy is established in accordance with the Company's Articles of Incorporation. The Board of Directors is authorized to determine directors' remuneration based on the evaluation of the Compensation Committee and the prevailing industry standards. If the Company generates a profit for the year, up to 1.8% of the profit may be allocated as directors' remuneration. However, if the Company has accumulated losses, such losses must first be covered before calculating the remuneration allocation. The term profit refers to the net profit before tax before deducting employee and director compensation. The standard for director remuneration is determined based on the Company's profitability and the director's level of participation and contribution to operations. For directors involved in daily corporate governance, the evaluation criteria for remuneration also include their contributions to the formulation and enhancement of long-term business and sustainability strategies, adherence to corporate core values, and the development and succession planning of managerial personnel. Additionally, independent directors who serve as members of the Audit Committee and Compensation Committee receive separate reasonable compensation. The remuneration for managerial personnel is determined based on their individual competencies, long-term profitability and competitiveness performance, commitment to corporate vision and core values, and contribution to the development of mid-to-senior-level managers. Market compensation standards are also taken into account. The overall compensation package includes fixed salary, year-end bonuses, performance-based incentives, and allocations to employee stock ownership trusts.

Feng Tay's retirement benefit system for directors and managerial personnel is implemented in accordance with legal regulations. For details regarding the remuneration of directors and managerial personnel, please refer to the Company's 2024 [Annual Report](#).

### Remuneration Determination Process

Feng Tay has established a Remuneration Committee under the Board of Directors, which operates at the same level as the Audit Committee and is composed of four independent directors. The remuneration determination process for directors and managerial personnel follows the aforementioned remuneration policy and standards, undergoing evaluation by the Remuneration Committee before being submitted to the Board of Directors for approval. In addition to linking remuneration to roles and contributions, the primary objective is to incentivize long-term competitiveness and sustainable development, ensuring that directors and managerial personnel remain committed to core values and long-term goals while effectively addressing future risks. The Company discloses the previous year's director remuneration information at the Annual General Meeting (AGM) each year. The 2024 director remuneration details are scheduled to be reported at the AGM on May 28, 2025.

## Composition and Operation of Functional Committees

### Audit Committee

A total of four Audit Committee meetings were held in 2024, and the attendance rate was 100%

The Audit Committee plays an important role in helping the Company identify and manage risks. In the Audit Committee meetings, we regularly report on the risk environment, risk management priorities, risk assessment and response measures. The Audit Committee will then provide opinions or suggestions on the potential risks in legal, financial accounting and operational aspects to the Board of Directors for consideration in decision-making. In addition to the responsibility of supervising the quality and integrity of the Company's financial reports, the Audit Committee regularly reviews, with the CPA, the main accounting components of each quarterly financial statement to ensure the reasonableness and adequacy of the financial statements. Furthermore, the Audit Committee is responsible for reviewing the independence of the CPA and the reasonableness of major related parties' transactions, and ensuring the design and effective implementation of the internal control system.

**The Audit Committee was established in 2018. All four current independent directors serve on the Committee and one of them serves as chairman. The Audit Committee meets at least once every quarter.**

## Remuneration Committee

A total of three committee meetings were held in 2024, with an attendance rate of 100%

The Remuneration Committee evaluates and reviews the remuneration of the senior management team and the allocation ratio of employee remuneration. In accordance with the care of its professional and good stewards, the committee faithfully conducts the task of "formulating and regularly reviewing the policy, system, standards and structure of the performance evaluation and remuneration of Board members and the senior management team." In addition, it carries out the task of "assessing and setting the remuneration of Board members and the senior management team on a regular basis," and makes recommendations to the Board of Directors for reference in decision-making.

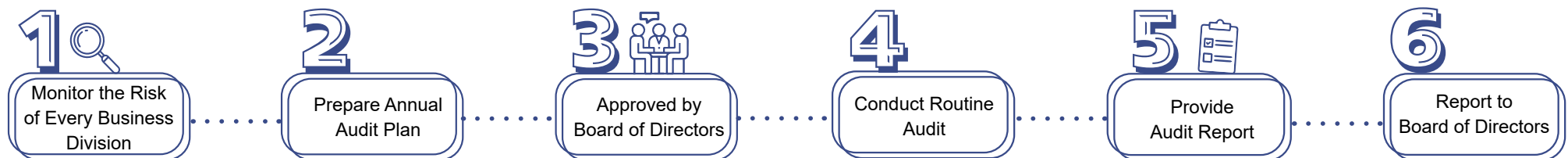
**Feng Tay established Remuneration Committee in 2012. Composed of four members (one of them serving as chairman) appointed by the Board, the committee meets at least twice a year.**

## Internal Audit System

Internal Audit is an independent unit subordinate to the Board of Directors. The auditors carry out their work in an independent and objective manner with integrity, and assist the Board of Directors and the management team in identifying and evaluating risks to the Company. Feng Tay's Audit Director, Audit Specialist at the Group Headquarters, and auditors in the Board office of each subsidiary company are in charge of internal auditing. The appointment of Audit Director must be approved by the Board of Directors. Any significant findings in the Company's internal control management are reported to the Audit Committee. The Audit Director communicates individually with the independent directors every quarter on important findings in the Company's internal control management and the design and implementation of the internal control system, in order to improve the control of the overall internal and external environmental risks and the effectiveness of the internal control system.

Internal auditing is conducted at the Group Headquarters and all subsidiary companies according to the auditing plans approved by the Board. The auditors are required to immediately report any deficiencies and anomalies to independent directors, who will urge the management team to respond properly at the earliest possible time. These requirements have the objective of continuously improving the effectiveness of internal controls and are used as the basis for making necessary changes to the system and regulations.

### ▼ The Process of Internal Auditing System



## Communication of Key Material Events

In addition to holding regular meetings and reporting to the Board of Directors, each committee ensures that the Company's management regularly provides directors with key reports and information (as outlined below). The management also maintains ongoing communication regarding any critical and significant events as they arise.

### ▼ Key Significant Events Communicated in 2024

| Unit                                      | Item                                                         | Communication Frequency | Annual Reporting Count |
|-------------------------------------------|--------------------------------------------------------------|-------------------------|------------------------|
| Executive Team                            | Annual Report for Managers and Function Heads                | Annually                | 1                      |
|                                           | Investment and Operation Plan Report                         | Quarterly               | 4                      |
| Group Technology Executive Officer        | Intellectual Property Management Plan Report                 | Annually                | 1                      |
| Sustainable Development Executive Officer | ESG and Business Risk Supervision Report                     | Annually                | 1                      |
|                                           | Greenhouse Gas Inventory and Verification Report             | Quarterly               | 4                      |
|                                           | Stakeholder Engagement Report                                | Annually                | 1                      |
| Corporate Governance Officer              | Board and Functional Committee Performance Evaluation Report | Annually                | 1                      |
|                                           | Corporate Governance Evaluation Report                       | Annually                | 1                      |
|                                           | Risk Management Report                                       | Annually                | 1                      |
| Finance Department                        | Financial Information                                        | Monthly                 | 12                     |
|                                           | Financial Report                                             | Quarterly               | 4                      |
| Internal Audit                            | Audit Report                                                 | Quarterly               | 4                      |
|                                           | Audit Plan                                                   | Annually                | 1                      |

## Performance Evaluation of the Board and Functional Committees

To implement corporate governance and enhance the Board functions, performance targets are established to increase the operational efficiency of the Board. Feng Tay has implemented the performance evaluations of the Board of Directors and functional committees since 2020, and has regularly conducted annual performance evaluations on the entire Board of Directors, individual Board members and functional committees. The Board and Functional Committee Performance Evaluation Regulations were revised in 2024 to include an external evaluation mechanism, which will be conducted at least once every three years.

Furthermore, to align board performance with the Company's sustainability development goals, Feng Tay has incorporated environmental, social, and corporate governance (ESG) sustainability performance into the Board's performance evaluation criteria starting in 2024. This initiative aims to enhance management and promote improvements in environmental protection, social responsibility, and corporate governance.

The internal evaluation process is conducted through self-assessment questionnaires. The key performance indicators for evaluation primarily include aspects such as participation in operations, decision-making quality, composition and structure, director selection and continuous training, and internal controls. The self-assessment results for the Board's performance in 2024 were satisfactory and were reported to the Board of Directors in the first quarter of 2025 as a reference for continuous functional enhancement.

An external evaluation shall be conducted at least once every three years by an independent professional institution or an external expert team. The evaluation is carried out through questionnaires, on-site visits, or other appropriate methods to assess board effectiveness. The evaluation results should include recommendations for improvement and future action plans, which will be submitted to the Board of Directors for review. In 2024, the Company engaged the Taiwan Association of Board Governance to conduct the board performance evaluation. The institution assigned three evaluation experts and professors to assess seven key areas: board composition and structure, director selection and continuous training, participation in company operations, enhancement of board decision-making quality, internal controls, environmental, social, and corporate governance (ESG), and value creation. The evaluation was conducted using questionnaires and on-site interviews, covering a total of 70 indicators. The institution and evaluation experts maintain independence from the Company with no business dealings. The evaluation results were reported to the Board of Directors on November 12, 2024. Overall, the Board of Directors and its functional committees were found to be operating effectively, and the findings will serve as a reference for continuous improvement.

| Evaluation Scope                | Evaluation Method                                 | Content                                                                                                                                                                                                                                                                                                                     |
|---------------------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>The Entire Board</b>         | Self-assessment by all directors                  | A. Level of participation in the Company's operations and management<br>B. Improve the decision-making quality of the Board<br>C. Board composition and structure<br>D. Election and continuous education of directors<br>E. Internal control<br>F. Participation in Sustainable Development (ESG)                          |
| <b>Individual Board Members</b> | Self-assessment by all directors                  | A. Understanding of the Company's goals and mission<br>B. Awareness of directors' responsibilities<br>C. Level of participation in the Company's operations and management<br>D. Internal relationship management and communication<br>E. Professional skills and continuous education for directors<br>F. Internal control |
| <b>Audit Committee</b>          | Self-assessment by audit committee members        | A. Level of participation in the Company's operations and management<br>B. Awareness of audit committee responsibilities<br>C. Improve the decision-making quality of the audit committee<br>D. Audit committee composition and appointment of members<br>E. Internal control                                               |
| <b>Remuneration Committee</b>   | Self-assessment by remuneration committee members | A. Level of participation in the Company's operations and management<br>B. Awareness of remuneration committee responsibilities<br>C. Improve the decision-making quality of the remuneration committee<br>D. Remuneration committee composition and appointment of members                                                 |

## 2.2 Integrity Operations

Feng Tay has created a corporate culture of integrity and law-abiding. All employees, from top executives to shop workers, are required to comply with management regulations and code of conduct. We have established the Board of Directors Office to carry out the supervision and verification of integrity management, and to assist Board of Directors in implementing various integrity management policies. The Board of Directors Office has also carried out a number of related measures. All employees are required to uphold the Company's ethical values, protect the Company's reputation, and comply with the law. In addition, they should carry out their work according to the principles of integrity, transparency and avoidance of conflicts of interest.



### The Response, Management and Evaluation Methods for 2024 “Integrity Operations”

#### ★ Material Aspect

#### Integrity Operations

##### GRI Code

GRI 205: Anti-corruption (2016), GRI 206: Anti-competitive Behavior (2016), GRI 415: Public Policy (2016)

##### Impact on Economy, Environment, and People

- Actual Positive Impact: Establishing sound business conduct and ethical standards ensures sustainable operations, fosters investor and shareholder trust, and drives economic growth.
- Potential Negative Impact: Failure to implement integrity-based business policies may lead to reputational damage and operational risks caused by legal violations or improper transfer of benefits.

##### Indexes and Goals

- Short-term Goal (3 year): Zero corruption cases per year.
- Mid-term Goal (3-5 year): Effectively implement and establish internal regulations that comply with legal requirements, fostering a strong corporate culture of integrity.
- Long-term (above 5 year) Goal: Continuously promote integrity-based business practices through internal awareness programs and training, achieving a 100% completion rate.

##### Annual Actions, Measures, and Performance

- Upload financial and corporate governance documents to the Company Website. Set up a spokesperson to take charge of communications with the media, shareholders, and investors to improve the transparency of information disclosure.
- Improve the integrity operations awareness of all employees. Incorporate integrity operations education into new recruit training. Promote from time to time the concept of integrity operations in the Company.
- In 2024, there were five cases in which employees were punished for serious corruption and violation of company regulations.

##### Policies and Commitments

The “Code of Integrity Operations”, “Employee Code of Conduct and Discipline”, and the “Grievances, Suggestions and Reporting System” have been established. Various integrity and ethical measures have been implemented. We are committed to creating a corporate culture of integrity and law-abiding to reduce the impact of corruption incidents on the financial and related rights and interests of internal and external stakeholders.

##### Effectiveness tracking mechanism

- Regularly evaluate the implementation effectiveness of integrity policy and disclose the performance of integrity operations in the Company's Annual Reports or on the Company Website.
- The Board of Directors Office takes charge of the supervision and inspection of integrity operations, and has established effective accounting and internal control systems for business activities with higher risks of unethical behavior.
- The code of conduct of “The Principles of Materials & Purchasing Management” helps monitor the procurement procedures and ensure the fairness of supplier evaluation.
- Set up reporting channels to truthfully reflect stakeholders' opinions.

# Responsible Business Conduct Policies and Regulations

Feng Tay upholds responsible business conduct and is committed to fostering a corporate culture of integrity. To meet the expectations of investors and other stakeholders, the Company has established detailed policies, guidelines, procedures, codes of conduct, and reporting mechanisms. Employees and business partners are required to adhere to these regulations when conducting business to prevent unethical behavior. The Company aims to shape a culture of integrity and accountability, ensuring that its commitment to the highest ethical standards is reflected in all business activities.

For details on the Company's series of policies and commitments related to responsible business conduct, please refer to the [Investor Relations – Corporate Regulations](#) or the [Corporate Social Responsibility](#) section on the Company's website.

## ▼ Responsible Business Conduct Guidelines

| Guideline Name                                | Applicable Parties                                         | Description of Guidelines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Approval Level     |
|-----------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Corporate Governance Best Practice Principles | Directors, Managers, and All Employees                     | The Company maintains open communication channels with its stakeholders, including banks, employees, consumers, suppliers, communities, and other relevant parties. It respects and safeguards their legitimate rights and interests and has established a stakeholder section on its website. In the event that a stakeholder's legitimate rights and interests are infringed upon, the Company handles the matter appropriately in accordance with the principle of integrity.                                                                                                                                                                                                                                                                                                                                                                                                                             | Board of Directors |
| Employee Code of Conduct and Discipline       | All Employees                                              | The company regulations stipulate that employees should prevent conflicts of interest and avoid opportunities for personal gain. In the event of violations of laws and regulations or Employee Code of Conduct and Discipline, the perpetrator will be asked to stop the behavior immediately and appropriate disciplinary action will be taken.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Board of Directors |
| Code of Integrity Management                  | Directors, Managers, and All Employees                     | <ol style="list-style-type: none"> <li>1. Establish guidelines for directors, managers, and all employees to uphold integrity in internal management and external business activities, preventing unethical behavior while continuously reviewing and improving implementation effectiveness. In performing their duties, they must adhere to principles of integrity, transparency, and conflict of interest avoidance. All forms of dishonest behavior, as well as accepting or offering any unreasonable hospitality or improper benefits, are strictly prohibited.</li> <li>2. For business activities with a higher risk of unethical behavior, an effective accounting system and internal control system shall be established. Internal audit shall conduct regular reviews to ensure compliance with these systems and maintain their ongoing effectiveness in both design and execution.</li> </ol> | Board of Directors |
| Corporate Social Responsibility Guidelines    | All Employees                                              | <ol style="list-style-type: none"> <li>1. While pursuing sustainable development and profitability in business operations, the Company also values the rights and interests of employees, society, and other stakeholders, incorporating them into its management policies and operational activities.</li> <li>2. Throughout every step of the design and manufacturing process, the Company is committed to environmental protection and ensuring workplace safety and hygiene. By adopting optimal production methods, processes, and management systems, the Company strives to achieve the highest ecological efficiency. Additionally, it has established an environmental, safety, and health management system to encourage all employees to actively participate in environmental protection and workplace safety initiatives, fulfilling their respective responsibilities.</li> </ol>             | Board of Directors |
| Human Rights Policy                           | All Employees, Customers, Suppliers, and Local Communities | We are committed to integrating human rights, non-discrimination, and diversity and inclusion considerations into all aspects of our operations. This commitment extends to employees, customers, business partners, and the social environments in which we operate. Feng Tay continues to provide stakeholders with diverse communication platforms and channels to ensure they can freely and safely express their opinions. For more details, please refer to section <a href="#">5.2 Human Rights Protection</a> in this report.                                                                                                                                                                                                                                                                                                                                                                        | Board of Directors |

# Integrity Operations Policy and Anti-corruption Actions

By referring to Taiwan's Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Feng Tay has formulated integrity management policies and plans for the implementation of internal management and external business activities. The Company's important regulations are published on the [Company Website](#).



## Code of Integrity Management

We maintain good corporate governance with the spirit of integrity and law-abidingness, adhere to transparent operations and fulfill our commitments and responsibilities to employees, shareholders and customers. The Board of Directors upholds the principle of professional independence and establishes the Company's long-term business strategy. In addition, the Board provides appropriate guidance when the management team is in the process of making decision, assesses risks, designates auditing accountants, and supervises the implementation of various sustainable development programs.

To effectively implement integrity operations, we promote our integrity management policies to our employees and suppliers from time to time, and regularly evaluate the effectiveness of the promotion of integrity policies. The disclosure of our performance of integrity management in the Company's Annual Report or on the Company Website helps our investors, suppliers, customers, and other interested parties understand the Company's integrity management philosophy and regulations. The Company's integrity management policy and related promotion measures are revised according to the achievements and deficiencies of the implementation.



## Employee Code of Conduct and Discipline

The company regulations stipulate that employees should prevent conflicts of interest and avoid opportunities for personal gain. In the event of violations of laws and regulations or Employee Code of Conduct and Discipline, such as embezzlement, bribery, stealing company property, intentionally disclosing confidential technical or operating information, or using the company name without permission to carry out non-official business activities, the perpetrator will be asked to stop the behavior immediately and appropriate disciplinary action will be taken. If the acts that are detrimental to the Company's credibility and cause the Company to suffer heavy losses are verified to be true, the perpetrator will be dismissed and appropriate legal action will be taken.



## Risk Assessment and Implementation

The Board of Directors office takes charge of supervision and inspection of integrity management and establishes effective accounting and internal control systems to monitor the business activities that have higher risks of dishonest behaviors. Based on factors such as transaction nature (including volume, amount, and complexity), dependency on external partners, historical occurrences, and the corruption vulnerability of operational locations, the Company identifies areas prone to corruption. For business activities with a higher risk of unethical behavior and corruption, appropriate control mechanisms are put in place. Internal auditors perform annual risk assessment for transaction cycles and operations to stay in compliance, regularly conduct routine audits to make timely discoveries of deficiencies and abnormal items in the internal control system, ensure the continued effectiveness of the design and execution of risk prevention measures, and assist the Board of Directors to implement various integrity management policies.

In 2024, the Company conducted a risk assessment and internal audit on corruption-related matters for key operational locations with the aforementioned risks, including Taiwan, China, Vietnam, Indonesia, India, Hong Kong, and Singapore, achieving a 100% coverage rate. The assessment results did not identify any significant risks that could impact the effectiveness of the internal control system.

Furthermore, to effectively control and reduce the risk of corruption in each location of the Company's operations, the internal auditors perform their duties through daily work items (such as mail, document exchange, and grievance channels). If a factory or an incident with a risk of corruption is identified, it will be investigated until the case is closed.

## Employee Training

Integrity management education is incorporated into the regularly held new employee training and on-the-job training, including courses in ethics, internal regulations and legal compliance. The Company also disseminates the concept of integrity management to all employees from time to time. The Company's Chairman issued a letter to all employees, including Board members and management-level personnel at key operational locations (Taiwan, China, Vietnam, Indonesia, India, Hong Kong, and Singapore), to promote integrity management. Additionally, managerial personnel are required to reinforce this message during routine meetings and training sessions within their respective units.

In 2024, the Group's total training hours in **integrity management** were **55,510 hours**  
a total of **130,694 participants** took part  
achieving a **100% participation** rate



## Supplier Management

The Company has established the "The Principles of Materials & Purchasing Management" and requires all suppliers to comply with all relevant local laws and regulations. New suppliers must pass the SHAPE evaluation (Safety, Health, Attitude Management, People, and Environment). Additionally, the Company conducts Vendor Quality Audits (VQA) on an irregular basis. The VQA consists of 11 specific criteria, with key audit categories including production operation environment, raw material storage management, on-the-job training, and disaster emergency response preparedness. Audit results are incorporated into the supplier evaluation mechanism and serve as a reference for future collaboration assessments. In 2024, 51 new suppliers successfully passed the environmental standard screening, achieving a 100% compliance rate. For more details, please refer to section [3.5 Supplier Management](#) in this report.

## Anti-corruption Regulations for Purchasing Personnel

The Purchasing Department personnel are strictly required to comply with the Company's "Code of Integrity Management" when interacting with suppliers. The Company has established a code of conduct related to "The Principles of Materials & Purchasing Management" to ensure the impartiality of supplier evaluation, which should not be affected by the Purchasing Department personnel's preferences. The regulations include:

- In the purchasing process, following the regulations is more important than price negotiation, which in turn is more important than purchasing efficiency.
- Negotiate with suppliers in accordance with the principles of integrity, law-abidingness, punctuality and courtesy.
- Any attempted bribery by suppliers should be firmly refused and promptly reported to the superior.
- Dining with suppliers is restricted to occasions when the payments are made by our side or by the supplier when the Purchasing Department manager also attends the meal. The latter case is limited to the events in which Feng Tay is not the only guest, such as year-end party, company anniversary party and supplier networking party. Any personal invitation should be declined if Feng Tay is the only guest. For any snack paid by a supplier, the meal expense per person should not exceed USD 10.
- Report any inevitable event hosted by suppliers before or after it occurs.
- The sales contract clearly stipulates that suppliers shall not request, contract, receive or give bribes, commissions, broker fees, kickbacks, entertainment or any other improper benefits to Feng Tay personnel.



## Reporting System

Feng Tay encourages stakeholders to raise concerns, file complaints, report violations, or provide suggestions regarding dishonest or unethical behavior, as well as any incidents that may have caused negative impacts on environmental, economic, social, or human rights aspects. Reports can be submitted through both internal and external channels, including the grievance, suggestion, and reporting mailboxes, telephone voicemails, and email addresses of the Group Headquarters and regional subsidiaries, or the Company Website. Upon receiving any report of misconduct or violations of integrity or Company regulations, the case is immediately escalated to the management team. In accordance with the Company's "Grievance, Suggestion, and Reporting System", the designated responsible unit is assigned to initiate an investigation. Appropriate actions are taken based on the investigation findings, and the results are reported to the management for case closure. For more details regarding the grievance and suggestion policies, procedures, and the statistical results for this year, please refer to section [5.3 Employee Compensation and Rights Protection – Grievance, Suggestion, and Reporting Channels](#).

In reviewing the integrity management performance in 2024, there were no cases in which contracts with suppliers were terminated or not renewed due to violations related to corruption. However, based on internal investigation channels, five cases involving employee misconduct related to corruption were identified and disciplinary actions were taken accordingly.

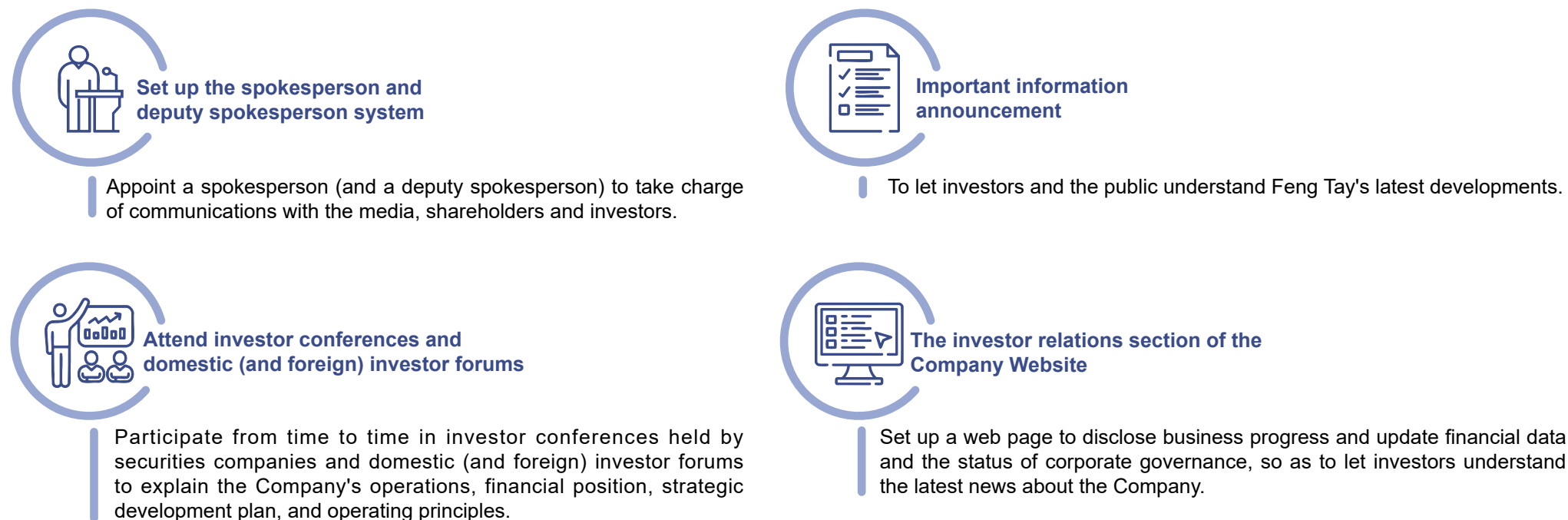
### ▼ Outcomes of Corruption Case Handling

| The region where the case occurred | Case Number | Case overview                                                                                                                                                                                                                                                                                                                           | Handling and Improvement Measures                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Indonesia                          | 1           | One employee involved in a case privately used a supplier's quotation—originally intended for the Company—as supporting documentation to obtain funds from an external party under the pretense of investment, which was later found to be fraudulent.                                                                                  | <ul style="list-style-type: none"> <li>Due to severe violations of company regulations and the seriousness of the case, the employee was dismissed.</li> <li>The factory has strengthened internal data confidentiality management, restricted access to sensitive documents, and reinforced ethical awareness and training for employees to prevent similar incidents from occurring.</li> </ul>    |
|                                    | 2 & 3       | This case involves two similar corruption incidents where two supervisors abused their positions to solicit improper financial benefits from subordinates while engaging in unfair treatment, verbal abuse, and harassment.                                                                                                             | <ul style="list-style-type: none"> <li>Due to severe violations of company regulations and the seriousness of the case, both supervisors were dismissed.</li> <li>The factory has enhanced employee conduct guidelines and workplace ethics awareness to prevent similar incidents from happening again.</li> </ul>                                                                                  |
| Vietnam                            | 4           | Six employees exploited their positions by secretly installing chips in company vehicles to manipulate mileage records for illicit financial gain.                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Due to severe violations of company regulations and the seriousness of the case, all six employees were dismissed.</li> <li>The factory has strengthened company vehicle management and monitoring mechanisms, implemented regular inspections to ensure data integrity, and provided training on professional conduct along with internal audits.</li> </ul> |
|                                    | 5           | One employee exploited his position by illegally forging the company's seal for the fabrication of falsified documents.<br><br>The employee involved in this case was also subject to administrative penalties imposed by the Xuan Loc District People's Committee, in accordance with local regulations, for the use of a forged seal. | <ul style="list-style-type: none"> <li>Due to severe violations of company regulations and the seriousness of the case, the employee was dismissed.</li> <li>The factory has reinforced the company's seal management system, restricted usage permissions, and implemented regular checks on relevant documents and seal usage to prevent recurrence of forgery.</li> </ul>                         |

## Complete Information Disclosure

Feng Tay is committed to enhancing the immediacy and transparency of information disclosure. In addition to regularly disclosing information as required by law, Feng Tay actively participates in the investment forum held by domestic and foreign brokers and investor conferences, and explains released information such as financial and operational performance to help investors better understand Feng Tay's financial position. The Company Website, <https://www.fengtay.com>, provides information on business progress, regularly updates financial data, and discloses in detail the status of corporate governance and fulfillment of corporate social responsibilities.

### Information Disclosure Channels



### Information Disclosure

- Set up a Chinese / English Company Website to disclose business progress and regularly update financial information and corporate governance status.
- Voluntarily disclose monthly operating income and earnings per share on the Market Observation Post System website and the Company Website.
- Since 2014, all motions in the shareholders meeting have been voted on a case-by-case basis. The voting results are posted on the Market Observation Post System website and the Company Website.
- Received the top 6-20% rating in the 11th Annual Evaluation of Corporate Governance of Listed Companies in 2024.
- Attend the investor conference at least once per quarter and publish the presentation on the Market Observation Post System website and the Company Website.

## Compliance with Regulations

Feng Tay promotes the business philosophy of integrity, discipline, win-win, diligence and craftsmanship, and requires all employees to comply with the current laws of various countries and customer requirements. Therefore, we have formulated management regulations and codes of conduct. In addition to stating the responsibilities of Feng Tay's Board of Directors and internal control operating procedures, the management regulations also carefully specify the conditions of work environment, employee health and safety, and confidentiality rules, so as to protect the physical and mental health of employees and maintain a sound corporate system.

In order to effectively implement the law-abiding corporate spirit that we strive to achieve, all employees must receive training on relevant regulations and norms. If the corporate regulations are in conflict with the laws of various countries, the most stringent regulations will be followed. We also pay close attention to any changes in domestic and foreign policies and regulations that may affect the Group's finance and operations, and actively respond to customers' concerns. In 2024, Feng Tay had no major violations of social and economic laws<sup>1</sup> and regulations, nor did it incur any monetary fines or other non-monetary penalties due to non-compliance.



### The Response, Management and Evaluation Methods for 2024 “Compliance with Regulations”



#### Material Aspect

#### Compliance with Regulations

##### GRI Code

GRI 2-27 Regulatory Compliance

##### Impact on Economy, Environment, and People

- Actual Positive Impact: Complying with regulations helps maintain corporate credibility by strictly adhering to applicable policies, laws, international standards, and ethical principles. This includes safeguarding economic, environmental, social, and human rights aspects, thereby fulfilling the fundamental spirit of corporate social responsibility.
- Potential Negative Impact: With the continuous evolution of domestic and international policies and regulations, failure to adapt to regulatory updates and implement new policies may lead to economic and environmental impacts, potential fines, and reputational damage to the company.

##### Policies and Commitments

Establish management regulations and codes of conduct in compliance with relevant laws and regulations concerning economic, environmental, labor safety, and human rights. Continuously monitor domestic and international regulatory changes to mitigate potential risks arising during business operations.

##### Indexes and Goals

###### Short-term Goals (1 Year)

- Regular Updates of Management Regulations: Periodically update the list of company-related management regulations in accordance with legal and regulatory changes to ensure employees are familiar with and adhere to the latest requirements.
- Internal / External Regulatory Awareness: Provide employees with training on applicable regulations, covering industry-related laws and internal company policies.

###### Mid-to-Long-term Goals (3-5 Years)

- Establishing a Compliance Culture: Integrate regulatory compliance into the corporate culture, ensuring that all employees consciously adhere to compliance requirements in their daily work.
- Maintain Zero Regulatory Violations.

## Annual Actions, Measures, and Performance

- Regularly review relevant laws and regulations in response to major economic, environmental, and social impacts.
- Appoint an external organization to provide education on important legal updates and insider trading prevention to the board of directors, managers and related staff.
- Compliance Performance: In 2024, there was one violation of environmental regulations in Vietnam.

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Penalty     | November 26, 2024                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Violated Regulation | Vietnam Environmental Protection Law No. 72 / 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Cause of Violation  | <p>The factory received an administrative penalty decision from the People's Committee of Dong Nai Province for environmental violations due to the following reasons:</p> <ul style="list-style-type: none"><li>● The factory had not obtained the environmental protection project completion confirmation before commencing formal operations.</li><li>● The factory failed to fully or correctly implement the requirements specified in the approval decision of the Environmental Impact Assessment (EIA) report, specifically regarding the addition of machinery, equipment, dust, and exhaust gas treatment facilities.</li></ul> |
| Penalty Details     | <p>Since the factory did not cause environmental harm but only lacked administrative reporting procedures, the final penalty was VND 1.08 billion (approximately USD 42,000). This penalty will not be publicly announced on the national electronic bulletin board and will only be retained as an internal document by the Dong Nai Industrial Zone Management Authority.</p>                                                                                                                                                                                                                                                            |
| Corrective Actions  | <ul style="list-style-type: none"><li>● Conduct monthly updates on machinery, equipment status, and all dust and exhaust gas treatment facilities. Any changes must be reported immediately to the Dong Nai Industrial Zone Management Authority.</li><li>● Establish a tracking report to monitor whether changes in total scale, power, or production technology require reapplying for an environmental license. If needed, the trial operation of the waste treatment system must be continuously tracked and reported until completion.</li></ul>                                                                                     |

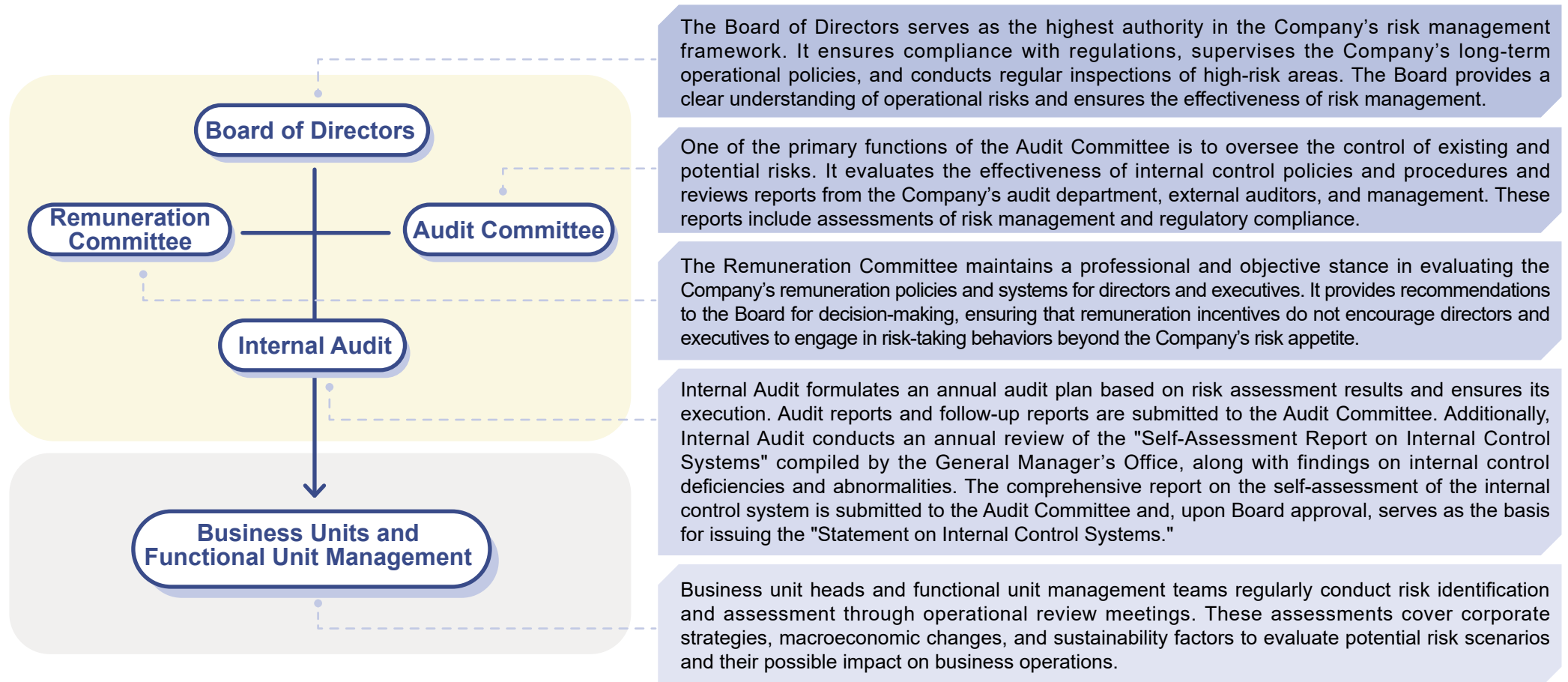
<sup>1</sup>The Company's disclosure of major regulatory violations is based on the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities," where a single incident is disclosed if the accumulated fine amount reaches or exceeds NTD 1 million.

## 2.3 Risk Management

### Risk Types and Management Mechanisms

To ensure the Company has a comprehensive risk management system, the “Risk Management Policy” has been established to effectively manage various internal and external risks that may arise during operations. This policy aims to secure the achievement of operational objectives and reinforce sustainable development. In addition to the Board of Directors overseeing the control of existing and potential risks, an independent internal audit system has been set up to conduct regular inspections on the implementation of risk management measures, ensuring the proper functioning of the risk management mechanism.

### Risk Management Organizational Structure and Responsibilities



## Risk Management Process

### Risk Identification and Assessment

Business units and functional unit management teams analyze the operating environment and potential risks, assess their impact on operations, conduct risk inventories, and prioritize risks based on the Company's risk appetite. These serve as the basis for response and control measures. Senior management assists in identifying risk factors, evaluating the likelihood of occurrence and effectiveness of mitigation measures, formulating response strategies, and continuously reviewing and improving risk management approaches.



### Risk Control and Response

Business units and functional unit management teams must continuously monitor the effectiveness of risk response and control measures. Senior management is responsible for evaluating risks, determining priorities, and facilitating cross-departmental communication and collaboration. For significant or unforeseen risks, contingency plans should be developed, rehearsed, and continuously refined. Risk response plans should align with strategic objectives, stakeholder expectations, and resource allocation. Internal Audit ensures the effectiveness of the internal control system, supporting organizational stability and continuous improvement.



### Communication and Reporting

At least once a year, the senior executives of each business and functional unit report the status of risk management operations to the Board of Directors.

## Scope of Risk Management and Control Mechanisms

To effectively detect, analyze, and identify risks within the scope of risk management, the Company classifies risk sources into four major areas: corporate governance, environment, society, and economy. The summarized risk sources are as follows:



### Corporate Governance

- **Corporate Governance Risk:** Includes the effectiveness of business strategy supervision, appointment and dismissal of the management team, compensation structure and incentive effectiveness, design and implementation of internal control systems, board composition and effectiveness, and information disclosure and transparency.
- **Legal Risk:** Includes potential violations that may harm the Company's rights or failure to comply with relevant legal regulations.
- **Information Security Risk:** Includes risks arising from improper control of cybersecurity threats such as network attacks, virus threats, system and equipment failures, and access control issues.



### Environment

- **Environmental Risk:**
  - Issues related to climate change and natural disasters, such as greenhouse gas emissions management, carbon rights management, and energy management.
  - Water resource management and waste management.
  - Occupational safety and health, and improper or inadequate workplace environment management.



### Society

- **Human Resources and Labor Relations Risk:**
  - Talent acquisition and development, workforce distribution, and productivity planning.
  - Employee relations (ER), employee rights, and labor relations harmony.



### Economy

- **Operational Risk:**
  - Strategies, markets, new product launches, and new technology implementation.
  - Sales concentration, product quality, reputational damage, raw material supply chain risks, and lack of innovation.
- **Financial Risk:** Includes cash flow management, interest rate fluctuations, exchange rate fluctuations, inflation, inventory management, taxation, and financial decision-making errors.
- **Other Risk:** Includes business continuity, emergency response, major domestic and international political and economic policy changes, and other risks not listed above that may cause significant losses to the Company.

## Key Event Risk Management

| Risk Type                                                                                                        | Risk Level in 2024<br>(Compared to 2023) | Risk Management Mechanism                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Responsible Department |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <br><b>Operational Risk</b>     | Stable                                   | Feng Tay's major shareholders have maintained stable shareholding ratios. In 2024, there were no mass transfers of shares made by Board directors or major shareholders who own more than 10% shares. There were no serious litigation, non-litigation or administrative litigation against the Group Headquarters, Board directors, General Managers, major shareholders, and subsidiary companies. Furthermore, there were no corporate mergers and acquisitions, corporate reorganization, changes in operating rights, and significant changes in business operating mode and contents, which might affect the interests of the Company and shareholders.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Board of Directors     |
| <br><b>Financial Risk</b>       | Stable                                   | <p>Feng Tay closely monitors the fluctuation in exchange rates and inflation due to drastic changes in global financial markets, for rapid changes in exchange rates and raw material prices will affect our long-term profits. To maintain a steady growth of revenue and profit rate, we make use of appropriate financial hedging techniques and flexible purchasing plans, and continuously improve product quality, production efficiency and cost management.</p> <p>Feng Tay, an enterprise focusing on athletic shoes manufacturing, does not engage in high-risk and high-leverage investments or transactions of derivative products. Furthermore, it is clearly stated in the Group's management regulations that our capital shall not be loaned to others and no endorsement shall be guaranteed.</p>                                                                                                                                                                                                                                                                                                                                  | Finance Department     |
| <br><b>Material Market Risk</b> | Decreased                                | <p>Due to global inflation, market purchasing demand has continued to decline, leading to a general decrease in the cost of bulk footwear materials compared to 2023. Depending on the product type, the cost of EVA raw materials used for midsoles and soft soles has decreased by 6% to 13%, while the cost of synthetic rubber for outsoles has increased by nearly 20% due to rising raw material prices. Our response measures: In addition to continuously expanding raw material supply sources, we conduct early assessments of future demand for bulk chemical materials and implement inventory management based on price trends.</p> <p>During the development phase, we work closely with suppliers to evaluate raw material availability, mitigating the risk of shortages. Furthermore, in response to carbon tariff policies in various countries, we collect information from major raw material suppliers to establish a low-carbon chemical materials database. This database enables future product development to incorporate lower-carbon materials, reducing environmental impact and enhancing product competitiveness.</p> | Purchasing Department  |
| <br><b>Investment Risk</b>    | Stable                                   | Before making an overseas investment, Feng Tay must first properly consider and evaluate local political and economic risks, environmental conditions, and cultural sentiments, and then develop management guidelines in accordance with local laws and the Group's values. All illegal acts are strictly prohibited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Finance Department     |
| <br><b>Tax Risk</b>           | Stable                                   | Changes in tax laws may increase the Company's effective tax rate and adversely affect the operational performance. Feng Tay pays attention to changes in tax policies in various countries, uses management mechanisms to analyze the operating environment and assess the possible tax impact of developing business in certain regions, and then takes appropriate countermeasures to reduce tax risks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Finance Department     |

| Risk Type                                                                                                                                              | Risk Level in 2024<br>(Compared to 2023) | Risk Management Mechanism                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Responsible Department                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <br><b>Climate Change Risk</b>                                        | Stable                                   | To identify the risks that may be brought about by climate change, Feng Tay considers regulatory, substantive, and other aspects, and set up relevant management measures to reduce the impact of climate change. In the future, we will continue to improve our management measures in accordance with the trend of climate change as well as international and national responses. Please refer to the <a href="#">CH.4 Green Operations Management</a> section of the Report for detailed information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Sustainable Development Department                      |
| <br><b>Information Security and Customer Product Information Risk</b> | Stable                                   | We have established the “Computerized Information Processing Control System” to effectively manage information security risks, including system development, information access, and security inspection. For the implementation of personal data protection, we have formulated the “management of Personal Data Protection” system, which stipulates the personal data protection standards that our employees must follow. When cooperating with customers on specific technical projects, we will sign confidentiality agreements with customers and suppliers to protect customer rights and business opportunities, and at the same time to ensure that customer techniques will not be plagiarized. Please refer to the <a href="#">Information Security and Data Protection</a> section for detailed information.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Information Security / Business Development Departments |
| <br><b>Occupational Health and Safety Risk</b>                        | Decreased                                | The operation of equipment, high-temperature processes, chemical substances, and heavy material handling in factories may pose occupational injury or accident risks to employees. To ensure workplace safety, Feng Tay adopts a systematic occupational safety and health risk management approach. This includes comprehensive risk assessments, enhanced equipment safety protections, strict adherence to safe operating standards, and continuous training programs along with emergency response mechanisms to effectively reduce the likelihood of workplace injuries. For more details, please refer to <a href="#">5.5 Safe Workplace Environment</a> section in the Employee Relations chapter of this report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Sustainable Development Department                      |
| <br><b>Supply Chain Management Risk</b>                             | Increased                                | <p>To address potential risks related to suppliers violating government regulations or causing negative impacts on the environment, society, or human rights, Feng Tay has established a strict supplier management policy. If a supplier is found to be in violation of relevant laws or initiatives, dedicated personnel are immediately assigned to conduct a risk investigation and assessment to determine whether to continue the partnership with that supplier.</p> <p>In 2024, the ongoing Red Sea crisis, exacerbated by tensions in the Middle East, remained unresolved. As a result, major shipping companies were forced to suspend passage through the Suez Canal, opting instead to reroute around the Cape of Good Hope in South Africa. This extended shipping times by one to two weeks, significantly increasing overall transportation costs and posing challenges to global supply chain stability. Additionally, declining water levels in the Panama Canal have led to passage restrictions, with strict controls on vessel loading capacity and traffic volume. This further impacted global transportation efficiency and container turnover, increasing supply chain risks.</p> <p>To mitigate these challenges, we continue to manage overseas subsidiaries’ logistics arrangements for raw materials and machinery (including spare parts) through both sea and air transport, seeking the most cost-effective shipping solutions. We also focus on sourcing raw materials locally at our factory locations to optimize supply chain efficiency. Additionally, we prioritize shorter, more stable shipping routes or direct shipping services to reduce the risk of congestion and delays at transshipment ports. Furthermore, we carefully compare trade terms in supplier quotations to secure the most cost-effective pricing for Feng Tay.</p> | Purchasing Department                                   |

# Information Security and Data Protection



## The Response, Management and Evaluation Methods for 2024 “Information Security and Data Protection”

### ★ Material Aspect Information Security and Data Protection

|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI Code</b>                                   | GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Impact on Economy, Environment, and People</b> | <ul style="list-style-type: none"> <li>● Actual Positive Impact: Feng Tay implements robust information security and data protection measures to reduce the economic risks associated with cyber threats. The company is committed to ensuring the confidentiality, integrity, and availability of information while adhering to relevant laws and regulations to maintain cybersecurity.</li> <li>● Potential Negative Impact: Failure to enforce strict cybersecurity management could result in cyberattacks, customer data breaches, and other security incidents, jeopardizing stakeholder rights and critical operational information.</li> </ul>                                                                                                                                                                                             |
| <b>Policies and Commitments</b>                   | At Feng Tay, we recognize the critical importance of information security and confidential data protection to overall operations. In addition to strengthening internal cybersecurity defenses, we are committed to enhancing employees' awareness of information security. The Company has established “Information System Management Regulation” and “Information and Communication Security Policy”, along with other Group information security regulations and operational guidelines. Feng Tay adheres to the Guidelines on Information Security Control for Listed Companies issued by the Financial Supervisory Commission (FSC) and conducts regular crisis drills and cybersecurity training programs to strengthen information security resilience.                                                                                      |
| <b>Indexes and Goals</b>                          | <p>Short-term Goal (3 Years):</p> <ul style="list-style-type: none"> <li>● Continuously enhance cybersecurity protection capabilities to mitigate information and communication security risks, with the goal of achieving zero cybersecurity incidents.</li> </ul> <p>Mid-to-Long-term Goals (3-5 Years):</p> <ul style="list-style-type: none"> <li>● Maintain zero cybersecurity incidents.</li> <li>● Continue training information security personnel, with the goal of having two additional employees obtain the ISO 27001:2022 Information Security Lead Auditor certification.</li> </ul>                                                                                                                                                                                                                                                  |
| <b>Effectiveness Tracking Mechanism</b>           | <ul style="list-style-type: none"> <li>● Relevant tasks are continuously tracked and improved through biweekly cybersecurity meetings and the annual management review meeting.</li> <li>● The IT department reports quarterly to senior management on cybersecurity progress and ongoing improvement measures.</li> <li>● The head of the IT department presents an annual report to the Board of Directors on risk assessment and management related to information security.</li> </ul>                                                                                                                                                                                                                                                                                                                                                          |
| <b>Annual Actions, Measures, and Performance</b>  | <ul style="list-style-type: none"> <li>● Implement a privileged account management system to control high-privilege accounts and retain usage logs, preventing unauthorized operations.</li> <li>● Strengthen antivirus and cybersecurity inspection regulations for supplier equipment to prevent malware infections or copyright misuse, thereby reducing supply chain cybersecurity risks.</li> <li>● Conduct social engineering phishing email exercises for all employees across the Group. In 2024, a total of 7,305 phishing test emails were randomly sent, with approximately 96% of employees passing the test.</li> <li>● Regularly update external cybersecurity intelligence and conduct system vulnerability scans. In 2024, a total of 761 vulnerabilities were patched to enhance cybersecurity protection capabilities.</li> </ul> |

Feng Tay is well aware of the importance of information security to the overall business operation, and therefore has formulated the “Information System Management Regulation” and “Information and Communication Security Policy”. The IT department is responsible for the Company’s information development strategies, information security policies, and the management and improvement of information systems. It also strictly manages information security-related matters:

- Development and modification of MIS / PIS Systems, and control of system document preparation
- Access control of MIS / PIS programs and data, control of data input and output and data processing
- Control of IT software and hardware equipment and account usage authorization and maintenance
- Control of information security inspection

In 2024, the Group further strengthened the management of supply chain risks, hardware and software infrastructure, digital data access, computer server rooms, account permissions, and network access controls. Related management policies were also revised to implement the principles of "least privilege" and "need to know" in information security. In addition to regularly carrying out information security audit operations, the Group Headquarters also assigns information security personnel to conduct on-site inspections at factories in each region. Along with ensuring the compliance of information operations, we also teach factory IT staff the key points of daily inspections, promote the information security spirit of "speak, write, and act consistently" and "continuous improvement," so as to continuously strengthen the professionalism and capabilities of the Group’s IT staff in information security. We strictly implement information security control and regulatory requirements to protect the confidentiality, integrity, and availability of information assets, and aim to achieve the target of zero information security incidents.

Furthermore, we have set up an "Information Security Promotion Zone" on our internal employee website to regularly share phishing email cases, information security promotion videos, and related news to raise our employees’ awareness of information security. We have strengthened information security education and training for IT department personnel at the Group Headquarters, and sent staff to attend information security seminars from time to time to exchange and update the latest information. Currently, the Group has trained a total of two information security personnel to obtain ISO 27001 Information Security Lead Auditor certification.

Additionally, the Group conducted social engineering phishing email exercises for all employees. This year, 7,305 phishing test emails were randomly sent, and approximately 96% of employees passed the test. Employees who failed the test were required to attend additional training sessions and pass the test to ensure an improved awareness of information security. We also clearly defined information security maintenance regulations, including external website access, electronic file management, software management, and network usage, to reinforce the protection of the company’s confidential information.

We have established a personal data security protection mechanism to protect the privacy of personal data. A dedicated staff member is responsible for safeguarding the accessibility. The rights and responsibilities of data users are clearly stipulated to ensure the security of personal data file information systems. The collection, processing, use, or international transmission of personal data must not exceed the purpose and scope of business, and must fully comply with the law and fulfill the notification obligation. Even when other people are entrusted with the task of performing the above-mentioned matters, there should be a supervision mechanism for the entrusted unit. In the event of a personal data leakage incident, an emergency response procedure should be implemented to minimize the risk.

#### 2024 information security measures implementation Results:

- ✓ Conducted quarterly vulnerability scans on the Group’s servers and systems, fixing **a total of 761 vulnerabilities**.
- ✓ Regularly updated the “Information Security Promotion Zone”: **113 items of information security news, 14 phishing email cases**.
- ✓ Arranged IT personnel to attend **five external information security seminars** to exchange and update the latest information.



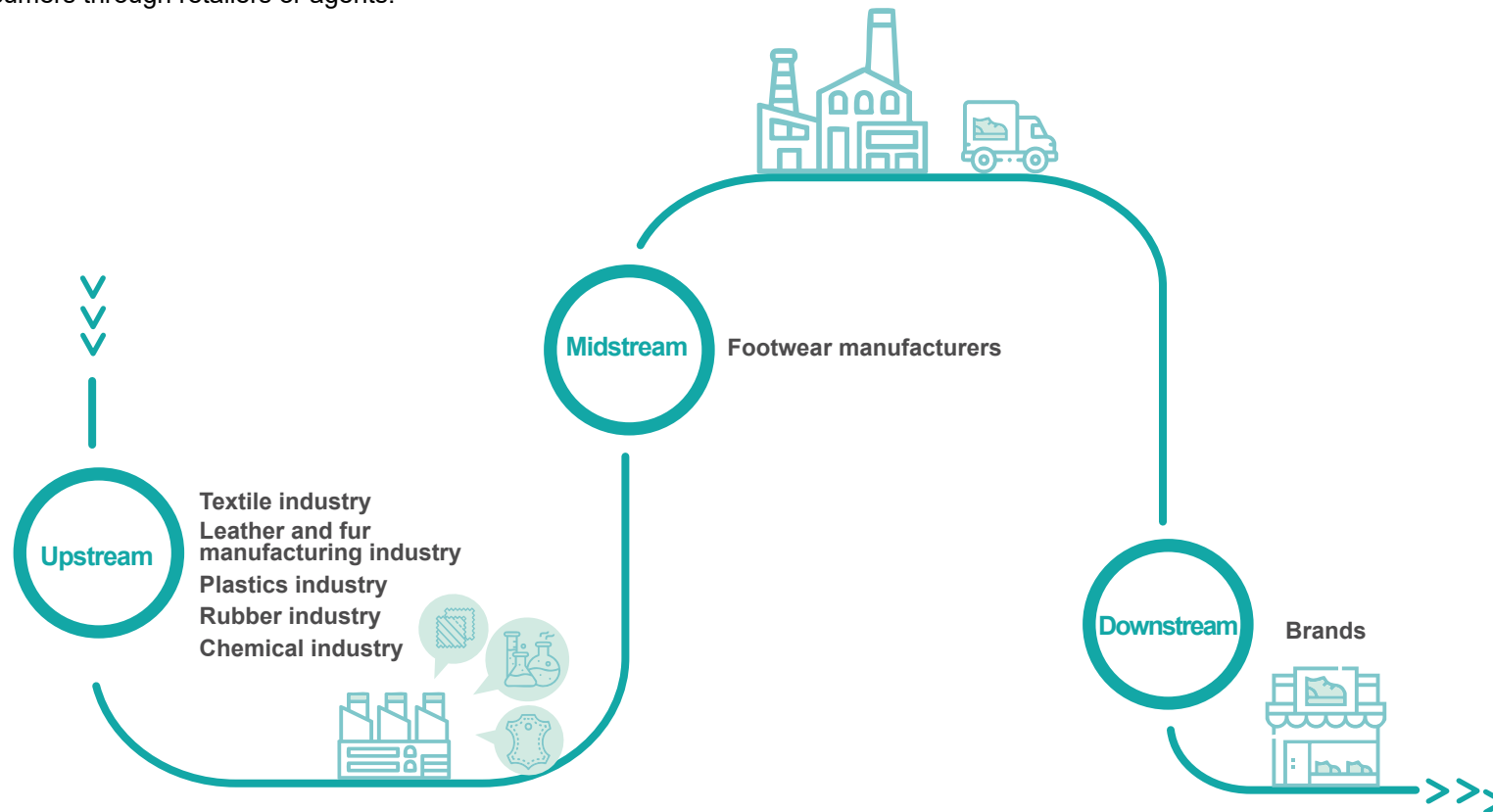


# 3 Sustainable Value Chain

- 3.1 Overview of the Value Chain
- 3.2 Product Innovation and Sustainability
- 3.3 Product Quality and Safety
- 3.4 Customer Relationship Management
- 3.5 Supplier Management

## 3.1 Overview of the Value Chain

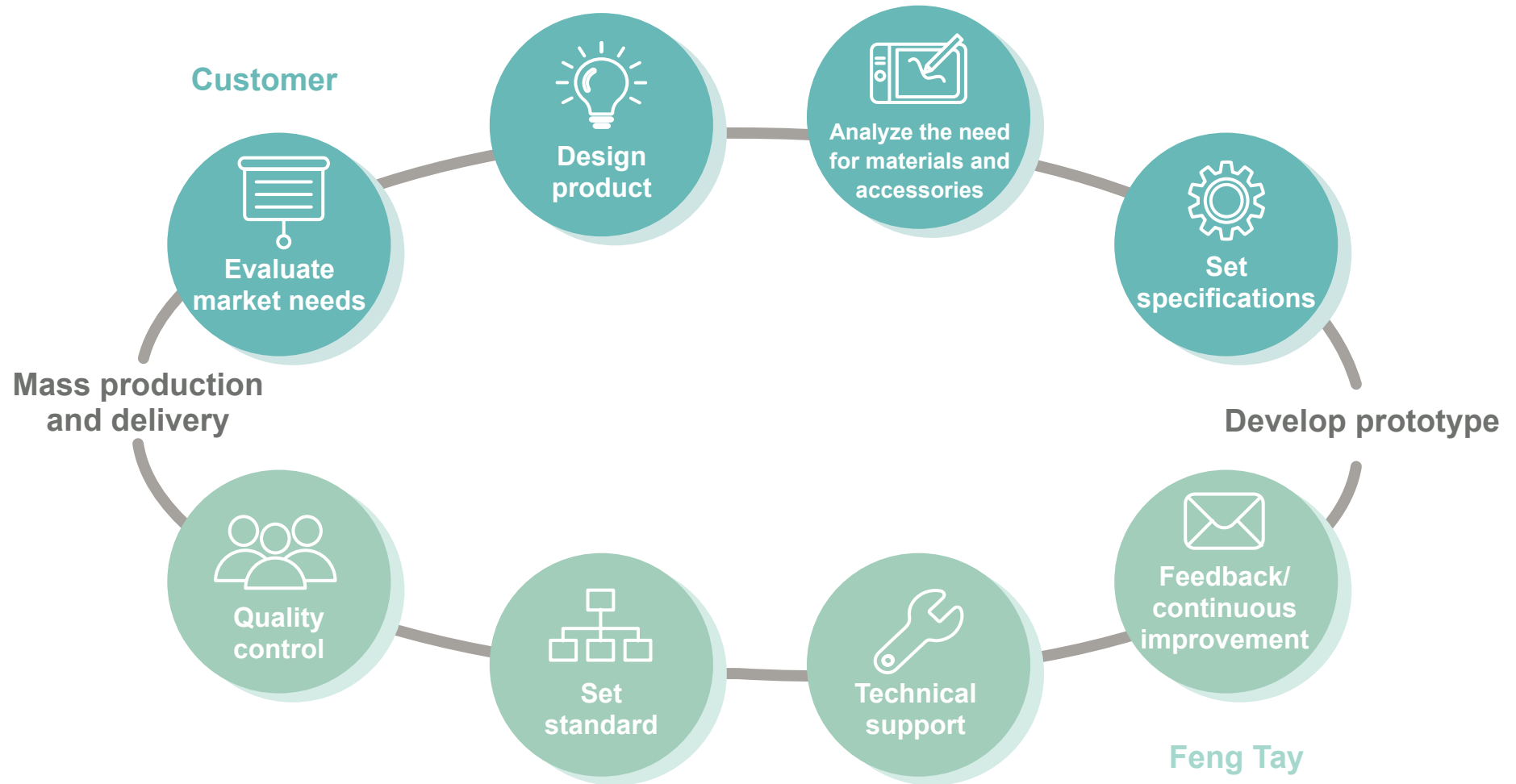
By deeply cultivating our shoe manufacturing business over more than 54 years, Feng Tay has excellent development and technical capabilities, multinational production scale, and stable customer relationships, offering competitive advantages in supply chain. Upstream of the footwear manufacturing industry mainly supplies raw materials such as textiles, leather, and chemicals, with different shoe components requiring appropriate materials for production. For example, rubber foam and EVA foam are used for the soles of athletic shoes, and synthetic leather, mesh, or leather are used for the uppers. The midstream are footwear manufacturers responsible for the development of shoe models and the production of shoes. As a midstream professional footwear manufacturer, Feng Tay maintains good long-term cooperative relationships with several downstream brands, including Nike, Salomon, Bauer, and Crocs. These international companies place orders to shoe manufacturers through OEM, ODM, or OBM, and then sell to consumers through retailers or agents.



Feng Tay strives to build a sustainable supply chain. From raw material purchasing, manufacturing to transportation, we work with partners to create a more environmentally friendly and labor-friendly industrial environment. The sustainability measurement tool (the Higg Index) launched by Cascale (formerly known as the Sustainable Apparel Coalition, SAC) is used to comprehensively evaluate the social and environmental impacts of footwear products throughout their life cycle. The Higg Facility Environmental Module assesses: water, energy and greenhouse gas emissions, waste, wastewater, air emissions, chemicals management, etc. This tool helps us understand the opportunities to reduce our environmental impact and improve long-term sustainable development through overall supply chain management, thereby aiding our suppliers to pay more attention to the environmental issues in raw material production.

## 3.2 Product Innovation and Sustainability

As technology evolves, product designs become increasingly complex, consumer tastes for products diversify, and the global trend of attaching importance to sustainable development issues gains momentum, we constantly make improvements in shoe model development, production process design, technology development, and production management. At the same time, we promote the R&D and mass production of automated machines to continuously enhance production efficiency and quality.





## The Response, Management, and Evaluation Methods for 2024 “Product Quality and Production Technology”



### Material Aspect

### Product Quality and Production Technology

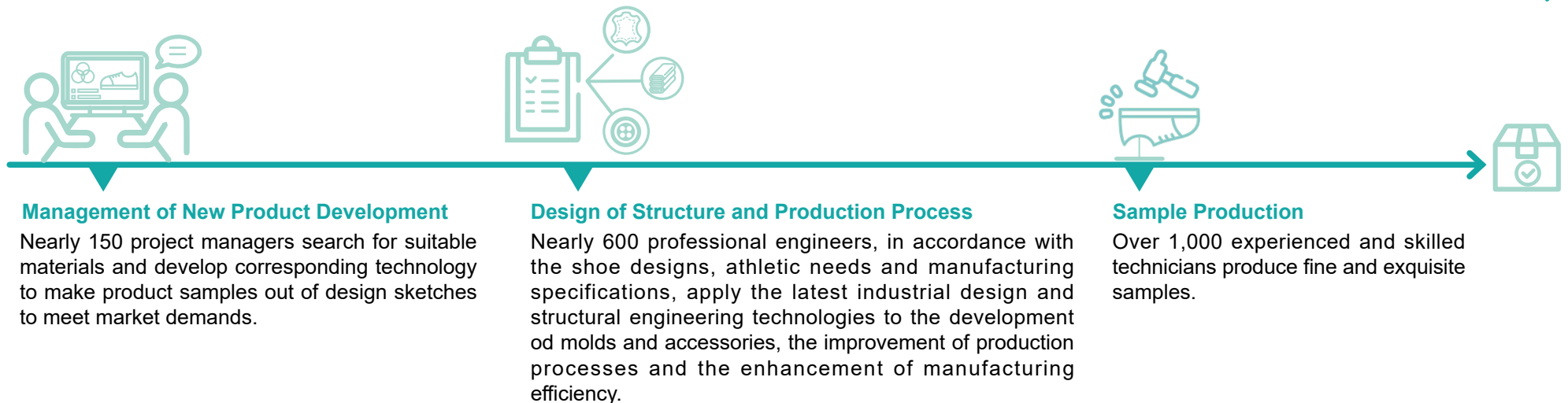
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|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI Code</b>                                   | GRI 416: Customer Health and Safety,<br>GRI 417: Marketing and Labeling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>Policies and Commitments</b>                  | Create a corporate culture with R&D and quality as the core values. Continuously raise production efficiency and quality while meeting customer needs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Impact on Economy, Environment, and People</b> | <ul style="list-style-type: none"> <li>Actual Positive Impact: Feng Tay is committed to developing safe, high-quality products that meet customer needs. By leveraging stable and advanced manufacturing technologies, the company continuously enhances customer satisfaction and strengthens the overall competitiveness of the value chain.</li> <li>Potential Negative Impact: Failure to oversee product quality could result in poor quality and low yield rates, potentially leading to lost customer orders and diminished consumer trust.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Effectiveness Tracking Mechanism</b>          | <ul style="list-style-type: none"> <li>Establish a real-time system for the Group’s factory quality data. Maintain the customer feedback mechanism, including customer satisfaction surveys, customer complaints, and the product return rate.</li> <li>Continuously increase the proportion of automated processes by developing in-house automation equipment and introducing new machinery to replace skilled labor in production.</li> <li>Expand the number of mass production factory engineers to 2% of the direct labor workforce to support Vietnam and India factories in handling various high-difficulty shoe designs.</li> <li>Link the “Propose to Improve” system with employees’ personal incentive bonuses. Select the Great Kaizen proposals every month, announce them and apply them to the entire Group.</li> <li>Products must meet customer-specified standards, with the overseas production quality team inspecting the production process and finished shoe quality to ensure compliance with the required standards.</li> </ul> |
| <b>Indexes and Goals</b>                          | <p>Short-term Goals (1-3 Years):</p> <ul style="list-style-type: none"> <li>Adjust the performance and operational efficiency of Vietnam and Indonesia factories, with the goal of making new factories profitable.</li> <li>Integrate the “Quality First” principle into all systems, ensuring the effectiveness of quality management at all levels and achieving zero major customer complaints.</li> </ul> <p>Mid-to-Long-term Goals (3-5 Years):</p> <ul style="list-style-type: none"> <li>Optimize the quality management system to enhance performance and achieve a refined / excellent standard.</li> <li>Implement an AI-based footwear technology knowledge system and continue researching and developing applications in other fields.</li> <li>Accelerate automation efforts to achieve 100% automatic extraction and trimming of TPU injection products.</li> <li>Promote the improvement proposal system, select outstanding technical improvement cases, and expand their implementation across the entire Group.</li> </ul> | <b>Annual Actions, Measures, and Performance</b> | <ul style="list-style-type: none"> <li>In 2024, the number of customer complaints decreased to 17 cases, a 37% reduction from 27 cases in 2023. The Company continues to enhance real-time monitoring and self-correction mechanisms through the implementation and deployment of the quality imaging system.</li> <li>Improvements in manufacturing processes, molds, and cardboard designs have enhanced shoe performance and refined product quality. The proportion of new shoe models achieving Excellent quality standards increased to 50%.</li> <li>In 2024, the Group Headquarters received a total of 1,146 “Propose to Improve” proposals from the entire Group. Through monthly selection, 52 proposals were awarded the “Great Kaizen” award, and among them, 23 proposals were further recognized with “The Best Manufacturing Kaizen Award” and were honored at the Group Headquarters. All selected proposals have been 100% applied to company operations.</li> </ul>                                                                     |

# Innovation Breakthroughs

## Investments in Research and Development Resources

We are keenly aware that constantly making breakthroughs and optimization of our current technology is the key to holding a leading position in the footwear manufacturing industry, maintaining consistent product quality, and improving customer satisfaction. To this purpose, we have allocated a huge amount of resources to research and development. At the Group Headquarters, more than 1,000 product developers, engineers, and sample makers work in the Product Development Center. They continuously improve the added value and refinedness of our products, making the products more advantageous and competitive in the market.

In 2024, we invested about **NTD 2.96 billion** in research and development, representing a **10.6% increase** compared to 2023 and accounting for **3.4%** of the consolidated revenue in 2024



## Research and Development Highlights

### Consistent quality and optimization

Best practices in manufacturing are established through testing, verification, and correction at various stages before mass production. As a result, standardization and consistency can be achieved in mass production even if the work is assigned to different people.

### Automation technology

Feng Tay has established a dedicated department to develop automation technology for applications in production processes where high-risk machines are being used, the work is monotonous, or frequent repetition of the same action is required. The development of automation technology is aimed at eliminating the risks associated with manual operations and improving production efficiency and quality. At present, automated assembly lines were set up at our factories in China to test and develop optimal automated production processes, and prototypes of automated machines are being tested for use in mass production as well.

### Eco-friendly process

Raw material replacement and process technology improvement help reduce environmental pollution caused by the use of chemical cements in products and waste generated in the manufacturing process.

## Annual Research and Development Achievements

The fact that Feng Tay focuses on research and development is reflected in its innovation achievements. In 2024, Feng Tay achieved the following breakthroughs in research and development:

### Technological Innovation

|                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Effective Reduction of VOC                                                 | <ul style="list-style-type: none"> <li>Through the development of foamed midsole formulations, the shaping oven process has achieved a 70% reduction in electricity consumption and a 50% reduction in processing time.</li> <li>The innovative co-molding technology integrates injected outsoles with other components and physical injection foaming, eliminating the need for adhesives or primers in the outsole bonding process. This breakthrough has led to the successful development of a zero-VOC (Volatile Organic Compounds) bonding process, significantly improving energy efficiency and reducing carbon emissions by 50%.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Effectively Reduce VOC / Energy Conservation and Carbon Emission Reduction | <ul style="list-style-type: none"> <li>The development of single-sided adhesive application technology has effectively minimized the use of oil-based primers and adhesives in the bonding process. Compared to the traditional method, this technology has reduced VOC emissions and odors by 50%, decreased the number of ovens required, significantly lowered energy consumption, and cut carbon emissions by 20%.</li> <li>The development of high-wear-resistant and high-slip-resistant direct ground-contact injection formulation eliminates the need for traditional rubber outsoles, oil-based primers, adhesives, and ovens in the bonding process. Compared to the conventional footwear manufacturing process, this innovation reduces VOC emissions in the bonding stage by 45%, while also decreasing oven usage and overall energy consumption.</li> <li>By optimizing the automatic programming and path design of CNC mold processing, the time and energy consumption required for NC machining have been significantly reduced, leading to lower carbon emissions and VOC emissions during production.</li> </ul> |
| Automation Engineering                                                     | <ul style="list-style-type: none"> <li>The next-generation automated upper buffing module has been successfully developed and implemented in mass production. Compared to traditional production lines, this module increases per-person productivity by approximately 5% to 8% per unit time. Additionally, it reduces the occupied floor area by 22% compared to the previous generation and incorporates self-inspection capabilities to ensure the quality of the upper buffing process. It also integrates multiple processing tools such as grinding, roughing, and marking, significantly enhancing production flexibility for various shoe models.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

## Key Products - Business Division I



### NIKE LeBron TR 1 Training shoes

NIKE launched its first Training shoe for NBA star LeBron James. It features a Bootie construction and a full-insert high sidewall design, offering coverage and stability. A Strobel-less design and a rubber outsole with forefoot grooves provide exceptional flexibility and cushioning for athletes.



### NIKE C1TY Sportswear shoes

NIKE C1TY is the first shoe model to fully adopt the Bio Mass Balance EVA compound, and our LU2 production factory in India obtained International Sustainability and Carbon Certification (ISCC). Featuring strobelless technology, the shoe enhances full-foot softness, further improving consumer comfort.



### NIKE Infinity Tour NEXT% 2 Golf shoes

Infinity Tour NEXT% 2 Golf Shoe features the newly developed Mustang Bag air cushion and an asymmetrical seam design on the inner and outer sides, providing both comfort and rebound while walking, as well as stability and support during swings. The seamless bonding of Leno mesh and Duragon Skin ensures excellent breathability on the course and allows for easy cleaning of grass and dirt after play.



### Jordan Luka 3 Basketball shoes

Jordan Luka 3 basketball shoe features an evolved full-length Cushlon 3.0 formula, which enables the transfer of force from heel to toe instantly, enhancing cushioning and comfort. Equipped with an upgraded Isoplate, it improves lateral support and torsional strength, increasing speed and stability during athletes' lateral movements.

### GT HUSTLE 3 Basketball shoes

The first basketball shoes featuring Radial Knit 3D knit upper technology, paired with a Zote Foam sockliner, an airbag strobel in the forefoot, and a mustang airbag in the heel. This design creates a highly breathable knit upper without reinforcement, offering a lightweight feel and exceptional rebound performance. This model is also the first in the NIKE BB series to pass measurable oxygen consumption tests, proving its effectiveness in reducing athlete fatigue. As a result, it was selected as the flagship NIKE Basketball model for the 2024 Paris Olympics.



### NIKE Air Force 1 Easyon GS / PS / TD Kids shoes

Air Force 1 Easyon GS / PS / TD features an entirely new upper and bottom structure with a newly designed last specifically tailored for modern children's foot shapes. The strap is combined with elastic laces that work in conjunction with the tongue, while the heel includes a flexible, easy-to-step-in molded piece, creating a structure that makes putting on and taking off the shoes effortless. This design has been widely praised by consumers.



### NIKE X RTFKT Dunk Genesis shoes

The first shoe model transformed from virtual to physical through the collaboration between NIKE and RTFKT, featuring an all-new upper and sole design. The armor-like silhouette enhances the shoe's recognizability and is equipped with removable injection-molded components. The overall design perfectly replicates the virtual texture of the Metaverse, complemented by a futuristic sole and intricate detailing, fully showcasing RTFKT's innovative spirit.



## Key Products - Business Division II



### Salomon S/LAB Skate BOA Cross Country Ski boots

Full carbon fiber shell provides lightweight performance with high rigidity. The woven inner sleeve enhances comfort and fit during wear. The interchangeable gaiter structure allows users to switch gaiter accessories based on their needs. Water-repellent mesh is designed to balance both breathability and waterproof functionality.

### Salomon Snowclog Advanced Casual Ski boots

Inheriting Salomon's outdoor sports DNA, these shoes feature a warm knitted upper paired with a removable waterproof gaiter, providing consumers with easy on-and-off wear while adapting to the ever-changing winter conditions of rain and snow. Equipped with a recyclable Mucell TPU midsole and rugged chocolate lugs, they balance eco-conscious design with the stability and grip needed for snowy activities.



### Salomon DRX DEFY Road Running shoes

Continuing to implement the lightweight and high-rebound design concept, it successfully incorporates the 40C Infuse formula, reducing shoe weight by 18% for an even lighter feel. In addition, its excellent cushioning meets consumers' dual needs for both lightweight comfort and high rebound.

### Bauer Vapor Hyperlite 2 Ice Hockey skates

The POWERFLY holder provides a strong and durable forefoot construction that helps players enhance instantaneous acceleration. The hybrid two-piece outsole features a rigid composite material in the forefoot and a flexible, resilient material in the heel, allowing players to maximize quickness in acceleration and agility through turns.



### Mizuno Pro S Golf ball

FT Group's first golf ball with outer cover thickness of less than 1.0 mm, it effectively enhances the golf ball's initial velocity and reduces backspin on long shots to increase carry distance.



## Environmentally Friendly Production Processes and Materials

Feng Tay is committed to building a green and environmentally friendly value chain. With respect to the materials and processes used previously, we gradually promote the use of environmentally friendly materials and improve the manufacturing process, so as to provide high-quality and stable products through environmentally friendly methods.

We conduct a thorough review and improvement of product design, manufacturing processes, and material selection for all developed footwear models. We also set targets for various indicators according to the characteristics of each shoe category. The indicators include environmentally friendly material usage rate, waste material ratio, water-based solvent ratio, and energy consumption. For example, optimizing cardboard design to reduce material waste and adopting low-carbon outsole formulations, such as Bio Mass Balance EVA, to replace previously used petrochemical-based materials.

In response to the global trend of carbon reduction and the need to lower greenhouse gas emissions, Feng Tay collaborates with brand customers to promote the adoption of the International Sustainability and Carbon Certification (ISCC) system. This involves using environmentally friendly (recycled) bio-based materials from certified suppliers, ensuring traceability of raw materials and the entire supply chain, and issuing sustainability declarations for products—demonstrating the Company's commitment to environmental protection and sustainability. To trace all processes related to the use of bio-based materials, all 13 Feng Tay factories producing major brand footwear have obtained ISCC PLUS certification, enabling the Company to issue Sustainability Declarations for final products. Looking ahead, Feng Tay will continue to develop and increase the use of eco-friendly materials, and enhance manufacturing processes to reduce the environmental impact of its products while maintaining stable quality—fulfilling its corporate responsibility for environmental sustainability.

Feng Tay actively collaborates with suppliers. Synthetic leather and fabric suppliers recycle and reuse the scraps from our factories in Vietnam to achieve the goals of 4R: reduce, recycle, reuse, and remake. More environmentally friendly materials are introduced into product production based on environmentally friendly design principles. We not only use chemicals that are less harmful to human health, but also gradually increase the usage rate of environmentally friendly materials, including biodegradable and recyclable materials, so as to reduce the impact on the environment during the manufacturing process. In 2024, Feng Tay used a total of 608 types of environmentally friendly materials, an increase of 14% from the previous year. They included 515 items of shoe upper materials and 93 items of accessory materials. The materials used in large quantities were 8MM CTTW-ECL0158 shoelaces (100% recycled PET), 15MM B50 / BCP rolled edge woven tapes (100% recycled PET), METCON 9 CRUNCH HAPTIC (81% recycled polyester), LJ-A0029-1-EPM5 mesh (100% recycled PET), and LS/RS series RE mesh (100% recycled polyester). Environmentally friendly materials made from recycled materials were used as packaging materials, including inner boxes, outer boxes and packaging rice paper. In addition, we analyzed the shoe materials used for making shoe models that were produced in large quantities or had been mass-produced for a long period of time. The three shoe models that have a higher proportion of environmentally friendly materials in all shoe materials (including uppers and soles) are listed below.



Note: The proportion of items using environmentally friendly materials = The number of environmentally friendly material items on the bill of materials (BOM) / The total number of shoe material items on the bill of materials (excludes packaging materials) \* 100%.

In response to the industry's energy-saving goals, Feng Tay continues to enhance the energy efficiency of its machinery. In 2024, a total of 10 types of equipment saw improvements in energy consumption efficiency. Among them, the outsole factory upgraded its RB automatic hot press machine TOCER-E4V-DB with a 7.5 KW servo motor energy-saving system, achieving an estimated 26.3% reduction in process energy consumption. Additionally, the company is actively promoting the installation of energy-saving upgrade kits for RB automatic hot press machines TOCER-E4V-DB that have been in use for less than five years.

## Raw Material Procurement

Raw materials used in the footwear industry can generally be categorized into upper materials and sole materials. The former mainly consists of textiles, natural leather, synthetic leather, and related injected hardware components; the latter primarily includes rubber, EVA, and TPU. Our raw material procurement and management processes strictly follow the Restricted Substances List (RSL) and the Zero Discharge of Hazardous Chemicals Manufacturing Restricted Substances List (ZDHC MRSL) standards. We conduct reviews based on the latest versions of brand customers' chemical guidance manuals and prohibited substances lists. All materials, semi-finished products, and chemicals provided by suppliers must pass random tests by third-party certification bodies (e.g., SGS / ITS) and be accompanied by valid RSL / ZDHC MRSL compliance reports to ensure alignment with environmental and social responsibility standards. Additionally, we require all suppliers to register on the ZDHC Gateway platform and obtain ZDHC-recognized MRSL compliance certification to ensure the environmental safety of chemicals used in footwear manufacturing.

To maintain compliance throughout mass production, we conduct regular internal sampling and risk monitoring, and use the SGSmart CARES digital platform for real-time tracking and reporting of chemical inventories and usage, thereby enhancing supply chain transparency and sustainability. We are also actively involved in eco-friendly material development, collaborating with suppliers to expand the use of green materials. Our goal is to ensure that all major raw materials meet the requirements of third-party environmental and/or social certification standards, promoting sustainable supply chain management.

The primary raw materials are categorized based on procurement cost, material composition, and purchasing weight. The table below outlines potential environmental and social risks that may impact raw material procurement, along with the corresponding management strategies.

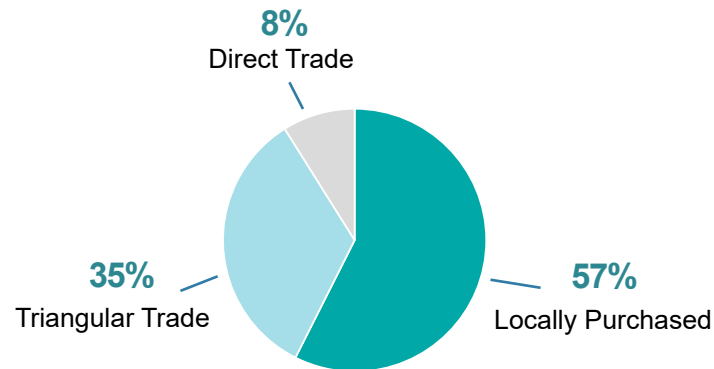
| Category of Raw Materials | Procurement Weight (tons) | Social, Market, and Environmental Risks / Opportunities                                                                                                                                                                                                                                                                                                   | Procurement Management Strategies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Textile Materials</b>  | 22,615                    | <ul style="list-style-type: none"> <li>High pollution in the production process (raw materials / dyeing and finishing), with varying legal requirements across supplier countries.</li> <li>Primary raw material is polyester fiber, which becomes non-recyclable waste after consumption.</li> <li>Increased carbon emission costs.</li> </ul>           | <ul style="list-style-type: none"> <li>Introduce recyclable and traceable eco-friendly textiles.</li> <li>Use materials with environmentally friendly processes such as waterless dyeing.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Natural Leather</b>    | 13,293                    | <ul style="list-style-type: none"> <li>Quality variations due to differences in rawhide origins.</li> <li>Rising demand (especially from high-end brands) creates challenges in supply availability.</li> <li>Environmental impact from the production process, including wastewater discharge and the use of chemicals in tanning and dyeing.</li> </ul> | <ul style="list-style-type: none"> <li>Regularly align quality standards with suppliers and review supply quality.</li> <li>Conduct periodic reviews with suppliers to assess production capacity across different manufacturing sites.</li> <li>Avoid reliance on a single supplier to mitigate supply risks.</li> <li>Promote the use of environmentally friendly leather processing.</li> </ul>                                                                                                                                                                                                                       |
| <b>Synthetic Leather</b>  | 6,571                     | <ul style="list-style-type: none"> <li>Difficult to recycle and reuse.</li> <li>The use of organic solvents in manufacturing poses environmental risks.</li> <li>Quality and production capacity vary across suppliers from different countries.</li> </ul>                                                                                               | <ul style="list-style-type: none"> <li>Introduce materials produced using eco-friendly manufacturing processes.</li> <li>Incorporate recycled materials, such as bio-based materials and recycled polyester pellets, in synthetic leather.</li> <li>Conduct periodic reviews with suppliers to assess production capacity across different manufacturing sites.</li> </ul>                                                                                                                                                                                                                                               |
| <b>Chemical Materials</b> | 49,605                    | <ul style="list-style-type: none"> <li>Price fluctuations increase procurement costs.</li> <li>Shortages of specialty-grade formulations.</li> <li>Excess supplier output may lead to reduced production capacity, potentially causing future supply shortages.</li> </ul>                                                                                | <ul style="list-style-type: none"> <li>Utilize alternative bulk chemical materials, such as KBR01 / BR150L synthetic rubber substitutes.</li> <li>Establish safety stock levels for commonly used materials, particularly formulated chemicals, adhesives, treatment agents, and color masterbatches.</li> <li>Implement early warnings and pre-purchase evaluations based on market supply-demand dynamics and price fluctuations.</li> <li>Review SDS (Safety Data Sheets) and TDS (Technical Data Sheets) to ensure strict compliance with customer-mandated RSL (Restricted Substances List) regulations.</li> </ul> |

Note: Procurement weights are rounded to the nearest whole number.

## Low-carbon Transportation

Feng Tay is well aware of the significant impact of transportation on total carbon emissions. Therefore, we cooperate with suppliers to implement a number of low-carbon transportation action plans. One of the plans is to make improvements to packaging, hoping to protect raw materials from damage due to collisions during transportation while reducing unnecessary packaging, thereby achieving resource reduction. We also purchase raw materials as much as possible from local suppliers to avoid long-distance transportation by air and sea. In 2024, the local procurement spending ratio was 57%.

Raw materials are supplied by direct trade to each factory through Taiwanese suppliers. The raw materials that are needed only in small amount at each factory and the chemicals that are commonly used are purchased from suppliers in Taiwan and shipped to the Group Headquarters which serves as the distribution center. After inspection by Purchasing and Warehouse Departments at the Group Headquarters, all items for each factory are grouped into one shipment to reduce shipping costs and make full use of container space. We also choose direct shipping routes to reduce the risk of port congestion delays that may occur when passing through a transshipment port. By shortening transportation routes, we can also achieve the goal of saving energy and reducing carbon emissions. To avoid unnecessary back and forth transportation, larger orders are shipped directly from the suppliers through triangular trade.



## 3.3 Product Quality and Safety

### Quality First

#### Quality Enhancement and Continuous Improvement

We foster a corporate culture that prioritizes research and development and quality as its core values. Through a collective commitment to elevating product quality standards, we aim to gradually reduce return rates and achieve zero customer complaints and full customer satisfaction. To enhance product quality and value from the prototype development stage to mass production, we ensure that product aesthetics, packaging quality, and safety meet consumer expectations while eliminating potential return risks. To achieve this, we have established a Technical Division, which applies manufacturing and chemical expertise to continually break through technical barriers, optimize the footwear technology database, and introduce and develop high-level footwear and chemical professionals. Additionally, a QA & Process team is responsible for inspecting product appearance and monitoring production processes to ensure compliance with technical specifications. Their findings help identify deficiencies in current standards, enabling continuous improvements and refinements to maintain consistent and reliable product quality.

Feng Tay has implemented a clear and structured organizational workflow with defined responsibilities at each level. From the development phase, we actively collaborate with customers to discuss various mass production strategies, providing timely feedback on material selection and manufacturing techniques to ensure product stability. Daily quality monitoring mechanisms, on-site management, and functional factory inspections allow the management team to oversee production quality and progress in real-time, ensuring swift responses to unforeseen issues. This enables execution teams to efficiently complete their tasks. Furthermore, we have implemented an Improvement Proposal System and dedicated improvement teams in all factories, encouraging frontline operators to actively participate and provide feedback. This process fosters continuous evolution in operational standards, ensuring long-term enhancements in efficiency, quality, and sustainability.

#### The Propose to Improve System

The “Propose to Improve” system implemented at factories in China, Indonesia, Vietnam, and India is linked with employees’ personal incentive bonuses. A mailbox is installed at an easily accessible location at each factory to collect proposals submitted by any employee for improvement of production. The mailbox is checked to collect the proposals every day. The feasibility and innovativeness of the proposals are evaluated by the Group Technology General Manager. The Great Kaizen cases are selected and announced every month, and the winners are rewarded with incentive bonuses which are added to their salaries that month. The “Best Manufacturing Kaizen Awards” are selected from the Great Kaizen cases, and the winners are invited to the Group Headquarters to receive the awards at the Group’s anniversary celebration so as to encourage employees to strive for improvement and breakthrough in their daily work.

In 2024, the Group Headquarters received a total of **1,146** “Propose to Improve” proposals from the entire Group.

Through monthly selection, **52** proposals were awarded the "Great Kaizen" award, and among them, **23** proposals were further recognized with "The Best Manufacturing Kaizen Award" and were honored at the Group Headquarters.

The proportion of selected proposals being used in company operations reaches **100%**.



The Great Kaizen cases this year include:



#### Mold structure breakthrough

Improved PH shaping mold design by integrating an exhaust groove with a silicon sealing ring on the PH shaping mold, effectively resolving exhaust hole clogging issues. This improvement significantly shortens the mold cleaning process, enhances production efficiency, and contributes to energy savings (reducing electricity and water consumption) while minimizing solid waste generation.



#### Waterproof sock liner structure optimization

Redesigned the waterproof inner liner to adopt a single-piece structure, replacing the traditional multi-piece assembly. This eliminates the need for additional waterproof adhesives or membranes while maintaining the same waterproof performance. The new design streamlines upper production by removing the need for back-and-forth transportation between workstations, improving production efficiency and reducing costs.



#### Machine function upgrade

Integrated an electronic scale with a PLC control system to develop a semi-automatic dispensing mechanism. With a single click of the "start" button, the system precisely dispenses 23KG of material, increasing production efficiency by 40%. Additionally, an advanced temperature control function pre-checks material temperature, automatically activating a safety lock to halt unloading if temperatures exceed 50°C, ensuring production safety and quality stability.



#### Footwear manufacturing process optimization

Introduced machine-cut stamp-structured midsole fabric and installed toe plug pins to secure the midsole center. During last removal, the automated function of the last removal machine creates a self-opening cut in the midsole, allowing operators to simultaneously remove the midsole center. This technology has been successfully implemented across 18 factories within the Group, significantly improving production efficiency and streamlining operations.

## Quality Control

A laboratory is established at each factory for material property analysis and performance testing. Materials and finished products are also regularly sent to third-party testing laboratories, such as SGS, for testing products of various designs, material properties and market specifications. Material property tests and chemical analysis support the development of product prototypes and the establishment of chemical management, and thereby facilitate production of high-quality products using safe methods. Based on the user's point of view, testing standards are set for each individual product with respect to performance, environmental adaptability, and life expectancy. For example, testing of outdoor footwear is focused on flexibility, performance under different temperatures, material durability, and tensile strength to ensure the product can adapt to various usage scenarios. Strict control of materials at every stage, including raw materials and finished products, enables us to create an exceptional user experience.

In addition, we conduct solvent resistance testing on upper materials to evaluate the durability of various upper materials and plastic components, with a particular focus on vibrant colors to assess their solvent resistance and colorfastness in order to mitigate quality risks. Through these tests, we can proactively alert brand clients to potential issues, preventing reputational risks and effectively managing quality costs. From raw materials to finished products, we implement rigorous quality control measures at every stage, working closely with customers to create a superior and reliable user experience.

## Product Material Safety

As a key player in the footwear industry, Feng Tay prioritizes product safety as a critical issue. To eliminate any risks that may compromise user health, the Company works closely with brand clients and material suppliers. From material development to product manufacturing, packaging, and transportation, every quality checkpoint is rigorously enforced to ensure compliance with international safety standards (e.g., SGS certification). In 2024, the number of product recalls due to safety concerns was zero. During this period, there were no violations of health and safety regulations related to products and services, no Letters of Admonition (LOA) received, and no financial losses resulting from product safety-related legal actions.

During the product development stage, Feng Tay identifies the raw materials, tools, equipment, and hazardous chemicals that are to be used in production and lists them in detail in the product manufacturing instructions according to the production process. The production process is carried out in accordance with the specifications in the product manufacturing instructions. With regard to the selection of materials, raw materials purchased locally or through triangular trade by each factory must be randomly inspected by the factory purchasing supervisor every month and the results reported to the Group Headquarters. We strictly comply with the requirements of the Restricted Substances List (RSL) specified by our customers and test the materials. All RSL banned substances must be sent to the local testing laboratory certified by the customer (such as SGS/ITS) for testing. Each material is tested according to the test items for banned substances in various materials and the test results are shown in the Test Request Form. These tests are conducted to ensure that no materials that may cause harm to the human health or the environment are used in the production process and finished products.

### Development Materials Sent for Testing

If a new material needs to be used because of special conditions, the supplier is required to provide the RSL certificate and Safety Data Sheet during the material development stage. If a material in current use is to have a new color, the supplier is requested to provide before mass production a report of the RSL test that was conducted within the last year. When a material is found to be non-compliant with RSL specifications and the supplier is unable to immediately improve it, further use of the material is prohibited.

### Mass Production Materials Sent for Testing

At least a certain number of pieces and different categories of incoming mass production materials are randomly tested each month. If a material that does not meet customer requirements is found, the supplier is promptly requested to replace it with a qualified material.

### RSL Information Management

The test reports and manufacturer's qualification reports are archived for 5 years by the unit that sent the materials for testing. The list is updated within the day after a non-compliance report is received. Product material safety personnel receive RSL training every 2 years.

To encourage suppliers to improve material quality year by year, we continuously communicate with them and ask for their cooperation. The proportion of sampling for RSL testing is allocated according to the 11 specific categories (such as chemical raw materials, leather, textiles) in the material code list, the factory's monthly production capacity, specific products (such as Kid's footwear under 17cm), mass production and high-risk materials. We also made a priority sampling list for materials that have failed the RSL test in the past three years. When a material failed the test, within three months from the first delivery after passing the retest, the material must be inspected batch by batch and attached with a compliance report to ensure all materials meet the required standards. If the re-test results still failed, the supplier must reassess the root cause of the failure, conduct a root cause analysis, and submit the materials for testing again after implementing corrective actions until full compliance with relevant regulations is achieved. The number of tested samples that failed to meet the standards was 46 in 2024.

### ▼ The Number of Samples Tested and the Number of Tested Samples That Failed to Meet the Standards During 2022-2024

| Category / Year                                        | 2022 | 2023 | 2024  |
|--------------------------------------------------------|------|------|-------|
| Number of Samples Tested                               | 891  | 879  | 1,076 |
| Number of Tested Samples Failing to Meet the Standards | 5    | 13   | 46    |

## Product Safety Testing

Feng Tay has established strict safety testing procedures for all products. Different safety testing standards are set for different products according to their characteristics and uses. A dedicated team at each factory is responsible for inspecting all finished products before packaging. Making our products safe is our biggest commitment to consumers. To ensure product strength and safety, different testing items are set for various products. For example, basketball shoes are highly functional shoes. In addition to more stringent testing standards, Chinese bending testing is also added to make certain that the strength of basketball shoes meets the requirements. To ensure the strength of the environmentally friendly soccer ball welding seal, a standard has been established that the ball should not break or deform when the longitudinal pressure reaches 350 kgf or higher and the lateral pressure reaches 150 kgf or higher. All ice hockey helmets need to undergo drop tests at room temperature and low temperature to make certain that the performance is better than the specifications of CSA (Canadian Standards Association), which require that the impact resistance should be lower than 275 G (gravity). The loading of products must be sealed under the supervision of qualified employees to prevent dangerous materials from being placed in the package.

Among the increasing categories of products, some products need to be allowed to stand before random testing. For instance, soccer balls need to stand for 24 hours before testing for the stability and durability of acceleration, and ice hockey sticks are left to stand for 24 hours before testing for 3M Fatigue. Furthermore, additional tests are conducted to control the quality of mass production. For example, the injection skate shell is stored at -29°C for 4 hours before undergoing impact test. A tensile test of the upper and midsole of the auto-lacing shoe system is carried out to ensure that there is no risk of damage to the device during operation. The density of elastic beads in the sole is also checked to make sure that it meets standards.

## Product Labeling and Shipping Regulations

In order to meet the requirements of brand customers for product labeling, we not only strictly abide by the relevant laws and regulations of the product exporting country during the production process, but also receive third-party audits arranged by customers. In 2024, the Group successfully completed five third-party audits as requested by customers. Additionally, we conducted self-audits on shipment security management, completing a total of ten self-audits across the Group. We also perform self-audits on shipment safety management. The audit items include security measures, operation monitoring, container packing process monitoring and inspection, and factory access control. For example, all truck drivers must have prior registrations and have their photos verified at the gate before entering or exiting the factory.

We also strictly regulate the transportation route for shipment and use vehicle GPS tracking modules to ensure the transportation security and obtain real-time updates on shipping status. Through the security management system, we help our customers obtain the U.S. Customs Trade Partnership Against Terrorism Tier-1 certification and AEO (Authorized Economic Operator) certification from the European Union to enhance the competitiveness of the Company in cross-border trade. There were no violations of information and labeling regulations on products and services during this reporting period.



The shoes that use more than 20% recycled materials must be attached with a Move to Zero tag.



The bottom of the shoe box must be attached with an AIR Trademark sticker for the shoes that are designed with an airbag structure.



When waterproof materials are used in golf shoes, a waterproof age limit label should be affixed to the shoe box.



#### **What is the "U.S. Customs Trade Partnership Against Terrorism (CTPAT)"?**

The "U.S. Customs Trade Partnership Against Terrorism (CTPAT)" is a joint initiative between the U.S. government and various trading companies. The alliance aims at cooperating with relevant industries to establish a supply chain security management system through CTPAT's security recommendations. The goal is to ensure the transportation security and the circulation of security information and cargo status from the point of origin to the point of destination, thereby preventing the infiltration of terrorists. Members of this alliance can enjoy a number of advantages, including reduced customs inspection rates, priority inspection treatment, and priority business recovery treatment after air strikes and disasters.

#### **What is EU AEO certification?**

The EU AEO (Authorized Economic Operator) certification system aims to ensure the security of cross-border cargo movement. The company that has obtained the certification can enjoy fast customs clearance benefits. Currently, several countries worldwide are promoting AEO certification systems. More than 40 countries, including Taiwan, the European Union, the United States, China, and neighboring countries such as Japan, Korea, Singapore, and Malaysia, have already announced AEO-related systems.

## **3.4 Customer Relationship Management**

### **Customer Service and Communication**

#### **Customer Feedback Mechanism**

To further enhance product and service quality, Feng Tay has established a dedicated team that works closely with customers throughout the entire process, from product development to production. Through customer feedback mechanisms and daily interactions, we can better understand and respond to customer needs. We provide multiple communication channels and regularly report product quality and production progress to key customers, ensuring transparency while also undergoing customer audits to maintain high-quality management standards.

Whether at the Group Headquarters or regional factories, upon receiving a customer quality complaint, we immediately notify the highest-level supervisor in the business unit. A follow-up report is then prepared, detailing the root cause, incident analysis, corrective actions, and accountability. Regular updates are provided to senior management and customers until the issue is fully resolved. With a commitment to immediate response and continuous improvement, we engage in ongoing customer interactions and process optimizations to ensure that Feng Tay remains a trusted and reliable partner for our customers.

### **Customer Privacy Management**

During the product development process, we effectively manage the acquisition, maintenance, and application of intellectual property rights. Because the confidentiality of product information must be strictly maintained when developing new generation products and technologies, employees are required to sign a confidentiality agreement upon employment with Feng Tay. To ensure that confidential materials are not taken out without permission, we strictly control the entry and exit of personnel and vehicles in each factory using 24-hour access control and monitoring systems. A set of stringent and clear regulations regarding the confidentiality of information has been established. The use of electronic communication devices such as cell phones, laptops, flash drives, Internet and even the size of an email is restricted to authorized users. A valid authorization must be obtained from the top management before accessing sensitive information. Internal audits are performed to correct abnormal usage behaviors. When cooperating with customers on specific technical projects, we will sign confidentiality agreements with customers and suppliers to protect customer rights and business opportunities. Patent specialists will search for patents and apply for new technology patents to prevent customers' technology from being plagiarized. No complaints of infringement of customer privacy or loss of customer information were received in 2024.

## 3.5 Supplier Management

In the implementation of sustainable management, Feng Tay has extended its efforts beyond its own organizational operations. We invest our efforts in issues related to environmental protection, occupational safety and health management, and labor rights protection for our suppliers, hoping to create a sustainable supply chain with them. We continuously communicate with them to convey our values. We also cooperate with brand customers to use various management and audit mechanisms to ensure that the suppliers can keep up the material quality and delivery time so that the production will not be interrupted. In addition, Feng Tay and brand customers jointly audit and supervise suppliers' ESG practices. In 2024, Feng Tay collaborated with 244 suppliers, all of which are tier-one suppliers. This includes 220 suppliers for footwear materials, accounting for 60% of total procurement value, and 24 suppliers for machinery, representing 70% of procurement value. Agents are not included in these figures. The raw material quality return rate was only 0.5%, demonstrating continued stability in overall quality management. Additionally, no major supplier violations occurred during the year.

### Supplier Policy and Impact Assessment

In the product supply chain, the greatest potential risks are labor and environmental issues, including overtime work, occupational injuries, improper management of hazardous chemicals, and violations in wastewater and waste treatment. Feng Tay requires suppliers to comply with all relevant local laws and regulations, reduce negative impacts on society and the environment, enhance positive impacts, and implement sustainable values and corporate social responsibility. For example, developing and utilizing eco-friendly materials, promoting waste reduction and recycling, prohibiting child labor and forced labor, providing a safe and healthy working environment, and ensuring fair wages and reasonable working hours.

Through regular interactions and periodic audits, the Company continues to conduct environmental and social impact assessments for suppliers that have had transactions within the past three years. According to the assessment results, in 2024, no suppliers were identified as having significant actual or potential negative environmental or social impacts, and no supplier relationships were terminated due to failure to meet standards.

Starting in 2024, we conducted our first survey to assess whether key domestic and international material suppliers comply with international standards by undergoing fair third-party labor and environmental audits. Among the 191 tier-one material suppliers surveyed:

- 108 suppliers (57%) conducted Social & Labor Convergence Program (SLCP) audits in the past 12 months and underwent third-party inspections.
- 113 suppliers (59%) conducted Facility Environmental Module (FEM) audits in the past 12 months and underwent third-party inspections.
- 163 suppliers (85%) passed third-party or government agency wastewater testing in the past 12 months.
- 185 suppliers (97%) did not receive government penalties related to waste management in the past 12 months.

We will continue to engage with suppliers through assessments and collaboration to promote human rights protection and environmental sustainability, strengthening our sustainable supply chain and working together with our supplier partners to uphold corporate social responsibility.

### Supplier Evaluation and Audit

Feng Tay actively cooperates with brand customers and requires suppliers to invest their efforts in ESG. All new suppliers must pass the SHAPE (Safety, Health, Attitude of Management, People, and Environment) evaluation before they can do business with Feng Tay. The SHAPE evaluation consists of five categories and 26 specific criteria. Among them, on-site inspections are mainly conducted on safety, health, personnel management, labor relations, and environmental protection. The main audit categories include workplace environment, raw material storage management, employee training, and emergency response, ensuring that suppliers comply with basic labor safety and environmental standards. In 2024, a total of 51 new suppliers began cooperating with Feng Tay, with 100% passing the environmental criteria screening. Among them, 10 suppliers were for Feng Tay's major footwear products and also passed the social criteria screening, accounting for 19.6%.

Through the SHAPE evaluation and VQA audits, we are able to check suppliers' practices in corporate social responsibilities. The audit results were simultaneously sent to the supply chain management unit and the outsourcing management unit, and were included in the supplier evaluation files, which will be taken into consideration in future outsourcing decisions. For the parts that need to be improved, including machine safety, overtime hours, and storage area environment, we will continue to track, provide guidance, formulate improvement plans, and require improvements within a deadline.

## Supplier Communication Guidelines and Partnership

Feng Tay maintains a good relationship with its long-term partner suppliers and conducts transactions with them according to the principle of "fair dealing and mutual respect." For the suppliers who cooperate well, we provide long-term contract guarantees. We also actively assist suppliers in the research and development of new machines, and at the same time enhance our overall manufacturing process quality. Every year, we hold materials policy seminars and the supplier networking party to strengthen positive interactions. We also publicly recommend suppliers with good performances to our brand customers. By establishing an honest and solid business relationship with our suppliers, we aim to provide consumers with high-quality products.

### Feng Tay's Principles for Supplier Collaboration

- Inform the suppliers of their overdue accounts receivable.
- Give long term contract guarantees to the suppliers who cooperate well.
- Provide suppliers with materials forecast, but do not force them to stock the materials in advance. Transactions are based on formal orders only.
- Seek consent from the supplier before cancelling an order.
- Do not make any claim to the supplier unless there is a major quality defect.
- Promise to purchase the machines or equipment developed jointly by a supplier and Feng Tay.
- Provide free personnel, raw materials, equipment and other resources to suppliers to assist them in the research and development, improvement and environmental safety and health certification of new machines.

### Materials Policy Seminars

Feng Tay is committed to strengthening the cooperative relationship with partner suppliers and growing together with them. We use seminars with suppliers and brand customers every year to discuss development and mass production issues. In order to understand the suppliers' operation status, supply and delivery capabilities, and the implementation of quality management system, we hold Footwear Materials Summit, Materials Forum, RBR (Regular Business Review), and QA (Quality Audit) every year. The Group also uses the conferences as a platform to encourage suppliers to pay attention to sustainable development issues, including environmental protection, energy-efficient production equipment, water usage, and wastewater discharge. We actively share ESG practices and outcomes with suppliers, in hopes of establishing a sustainable development supply chain.

We hold regular meetings with suppliers to strengthen two-way communication with them. We hope to share and learn from different perspectives of suppliers and the Feng Tay materials development and RD personnel to help the suppliers promote new materials and technologies. The main topics of the meetings include business strategy, quality awareness, production affected by material quality issues, return rate, and case studies of customer claims. We also exchange information on footwear marketing and research trend to reinforce the sense of identifying with each other, increase support from each other, and build a closer partnership.

### Driving Innovation and Sustainability with Suppliers

To strengthen collaboration with suppliers and promote material innovation and sustainable development, Feng Tay organized the "New Material Introduction and Collaborative Development Project" at its headquarters. This initiative invited long-term partners with strong R&D capabilities to explore advancements in material technology and its applications. Through this collaborative approach, we aim to foster trust-based, mutually beneficial partnerships, uphold corporate social responsibility, and enhance the sustainable value of our supply chain. This event brought together 17 suppliers, covering various material categories: fabrics (6), synthetic leather (2), natural leather (1), accessories (6), and chemical materials (2). Feng Tay provided a platform for suppliers to showcase their latest material innovations, enabling in-depth discussions on technological breakthroughs, application potential, and industry challenges through face-to-face interactions.

During the event, suppliers not only introduced eco-friendly footwear materials and innovative manufacturing technologies, but also exchanged insights on material applicability, sustainability standards, and market trends. This collaborative model allows Feng Tay to stay informed about supplier capabilities, expand the possibilities for material applications, and strengthen responsible procurement practices that align with environmental, social, and ethical standards in supply chain management.

This initiative reflects Feng Tay's strong commitment to ESG supply chain management—beyond innovation, we are dedicated to co-developing environmentally responsible products with our suppliers. Moving forward, we will continue hosting similar events to enhance technological collaboration, jointly develop high-performance, low-impact materials, and contribute to the green transformation of the footwear industry, reinforcing our core values of "Sustainable Manufacturing and Responsible Sourcing."

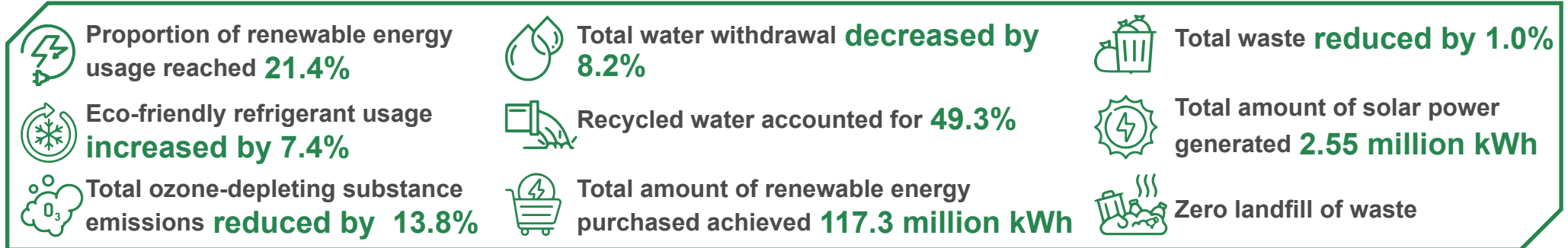


# **4 Green Operations Management**

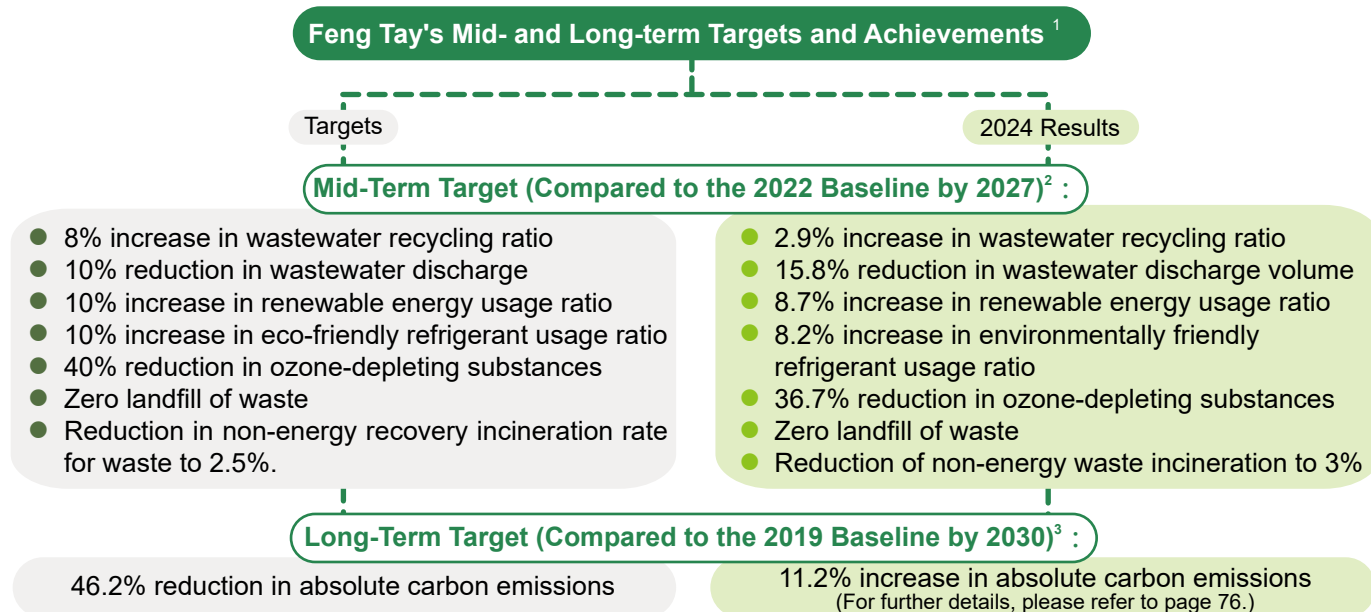
- 4.1 Environmental Sustainability Goals and Achievements
  - 4.2 Enhancing Climate Resilience
  - 4.3 Energy Management
  - 4.4 Hazardous Substances Management
  - 4.5 Water Resource Utilization and Management
  - 4.6 Waste Management
- 
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# 4.1 Environmental Sustainability Goals and Achievements

## 2024 Performance Highlights



Notes: 1. All performance comparisons above are based on the year 2023. 2. The waste described in this section refers to industrial waste and does not include domestic waste.



Feng Tay Group recognizes the importance of enhancing climate resilience and has long paid attention to environmental protection and climate change issues. Through the establishment of sustainability management systems, we devote ourselves to achieving the vision of the highest ecological benefits and zero pollution with the best production methods and continuous improvements to manufacturing processes and management systems. The Group has set long-term reduction targets and plans for key environmental indicators for footwear factories and has comprehensively promoted energy conservation and carbon reduction measures through the formulation of “energy and water efficiency management guidelines”. In addition to improving the efficiency of energy usage, we actively increase the proportion of renewable energy usage and add solar power generation and heating systems year by year.

Notes:

- The originally established mid- and long-term targets were based on the year 2018, and were scheduled to be achieved by 2025. However, due to the Group's continued production capacity expansion in recent years, the increasing share of complex products (shoe models), and variations in total order volume, Feng Tay has redefined its mid- and long-term targets to better reflect current conditions.
- The baseline data for 2022 are as follows: recycled water ratio: 46.4%; wastewater discharge: 947,522 metric tons; renewable energy usage ratio: 12.7%; eco-friendly refrigerant usage ratio: 59.5%; ozone-depleting substances: 0.158 tons CFC-11; landfill waste: 1.988 tons; non-energy recovery incineration rate: 6.4%.
- The baseline carbon emissions for 2019 were 269,341 metric tons.

## Investment in Environmental Protection

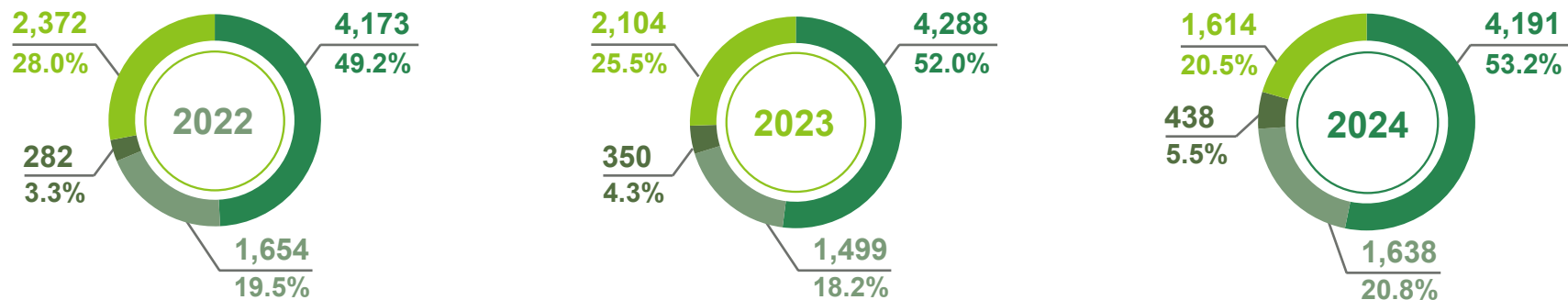
The total environmental expenditure was USD 7,881,000 (approximately NTD 250 million) in 2024. The major expenditure categories were waste treatment and disposal, prevention, and management, accounting for 74.0% of the total expenditure, a decrease of 4.3% from the previous year.

### ▼ The Total Expenditures on Environmental Protection in 2022-2024



### ▼ The Amount and Percentage of Various Environmental Protection Expenditures in 2022-2024 (Unit: Thousand USD)

● Waste Treatment and Disposal <sup>1</sup> ● Wastewater and Gas Pollutants Treatment <sup>2</sup> ● Remediation <sup>3</sup> ● Prevention and Management <sup>4</sup>



#### Notes:

1. Waste Treatment and Disposal includes waste disposal; taxes and insurance costs related to waste disposal; and installation, maintenance and modifications of waste treatment facilities.
2. Wastewater and Gas Pollutants Treatment includes treatment of wastewater and gas pollutants (smoke, odor and organic solvents); installation, maintenance and modifications of treatment facilities; installation and maintenance of ventilation systems; taxes and insurance costs related to wastewater and gas pollutants treatment; and permit fees levied by the Environmental Protection Bureau.
3. Remediation includes cleaning, noise insulation improvement, and addition or modifications of other facilities for remediation purposes.
4. Prevention and Management includes environmental monitoring; environmental certification; environmental protection training; environmental protection signs and posters; installation, maintenance, and modifications of secondary structures for spill prevention; purchase and maintenance of instruments related to environmental protection; additional costs of green purchasing; salaries and bonuses for ESH personnel; energy and water conservation projects; and oil-fired boiler replacement projects.

## 4.2 Enhancing Climate Resilience

### The Response, Management and Evaluation Methods for 2024 “Climate Change Risk and Greenhouse Gas Management”



#### ★ Material Aspect Climate Change Risk and Greenhouse Gas Management

|                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GRI Code</b><br><br><b>Impact on Economy, Environment, and People</b> | <p>GRI 201-2 · GRI 302: Energy (2016) · GRI 305: Emissions (2016)</p> <ul style="list-style-type: none"> <li>● Actual Positive Impact: By proactively assessing climate-related risks and opportunities and developing corresponding strategies, along with setting energy-saving and carbon reduction targets and implementing mitigation measures, the company can enhance its operational resilience and reduce the impact of environmental disasters when facing climate risks.</li> <li>● Potential Negative Impact: As climate change leads to increasing risks of extreme weather events, failure to update response strategies may result in environmental damage, decreased profitability, and other negative consequences.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Policies and Commitments</b>                                          | <p>In response to international climate initiatives, Feng Tay continuously enhances and promotes various management measures of corporate social responsibility policies, and supervises and improves them to achieve the goal of sustainable business operations. To address operational risks and impacts caused by climate anomalies, we continuously monitor trends in international climate change response measures and the requirements of local government policies and regulations to identify potential climate change opportunities. We are committed to implementing various energy-saving and carbon reduction measures and improving energy efficiency to reduce the Group's overall greenhouse gas emissions, thereby providing mitigation benefits for climate change risks. Feng Tay adopts the “Energy and Water Efficiency Management Guidelines” as its fundamental policy for greenhouse gas reduction, implementing effective carbon reduction across the entire value chain. From raw materials to production processes, the company actively invests in emission reduction measures and increases the use of renewable energy to maximize the efficient use of energy resources.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Indexes and Goals</b>                                                 | <div> <div> <p>Short-term Goals (2025):</p> <ul style="list-style-type: none"> <li>● Increase the Group's renewable energy usage ratio from 22% to 27%.</li> <li>● Complete greenhouse gas inventories for Indonesia and India operations.</li> </ul> <p>Mid-term Goals (2027):</p> <ul style="list-style-type: none"> <li>● Strengthen the Group's resilience to climate change risks.</li> <li>● Comply with international agreements such as the Kyoto Protocol, the UNFCCC, and the Paris Agreement.</li> <li>● Complete ISO 14064-1 verification across all factories.</li> </ul> <p>Long-term Goals (2030):</p> <ul style="list-style-type: none"> <li>● Reduce the Group's absolute carbon emissions by 46.2% compared to the 2019 baseline.</li> <li>● Achieve over 55% of the Group's electricity consumption from renewable energy sources.</li> </ul> </div> <div> <p><b>Annual Actions, Measures, and Performance</b></p> <ul style="list-style-type: none"> <li>● Incorporate climate change risks into the Group's “Risk Management Policy”. The top executives of each business division and functional unit regularly report implementation results at Board meetings.</li> <li>● The Sustainable Development Department convenes all business units to identify risks related to climate change, and formulates policies to strengthen corporate resilience and reduce the impact of climate risks.</li> <li>● Based on the life cycle assessment of product manufacturing, actively develop renewable materials and low-carbon processes.</li> <li>● Join the Science-Based Targets initiative and make disclosures on the Carbon Disclosure Project's disclosure platform every year.</li> <li>● Continue expanding the use of renewable energy, including the installation of renewable energy generation systems and the procurement of green electricity (such as solar, wind, and geothermal power). In 2024, renewable energy accounted for 21.4% of total electricity consumption across the Group, representing an increase of 8.7% compared to 2022.</li> <li>● In 2024, ozone-depleting substance (ODS) emissions were reduced by 36.7% compared to 2022.</li> <li>● In 2024, the Group completed third-party verification of greenhouse gas inventories for headquarters, China, and Vietnam operations, and will obtain the GHG verification statement in March 2025. (For more details, please refer to page 158 of this report.)</li> </ul> </div> </div> |
| <b>Effectiveness Tracking Mechanism</b>                                  | <ul style="list-style-type: none"> <li>● Review the target achievement rate and adjust implementation measures through regular meetings, and report to the highest governance body.</li> <li>● Establish a sustainability management system to optimize carbon reduction throughout the product manufacturing process.</li> <li>● Adopt the Science-Based Targets (SBT) approach to set reduction targets for Scope 1 and Scope 2 emissions.</li> <li>● Participate in the Carbon Disclosure Project (CDP) to publicly disclose the Group's carbon reduction actions and achievements, and regularly conduct self-assessments using carbon reduction evaluation tools.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

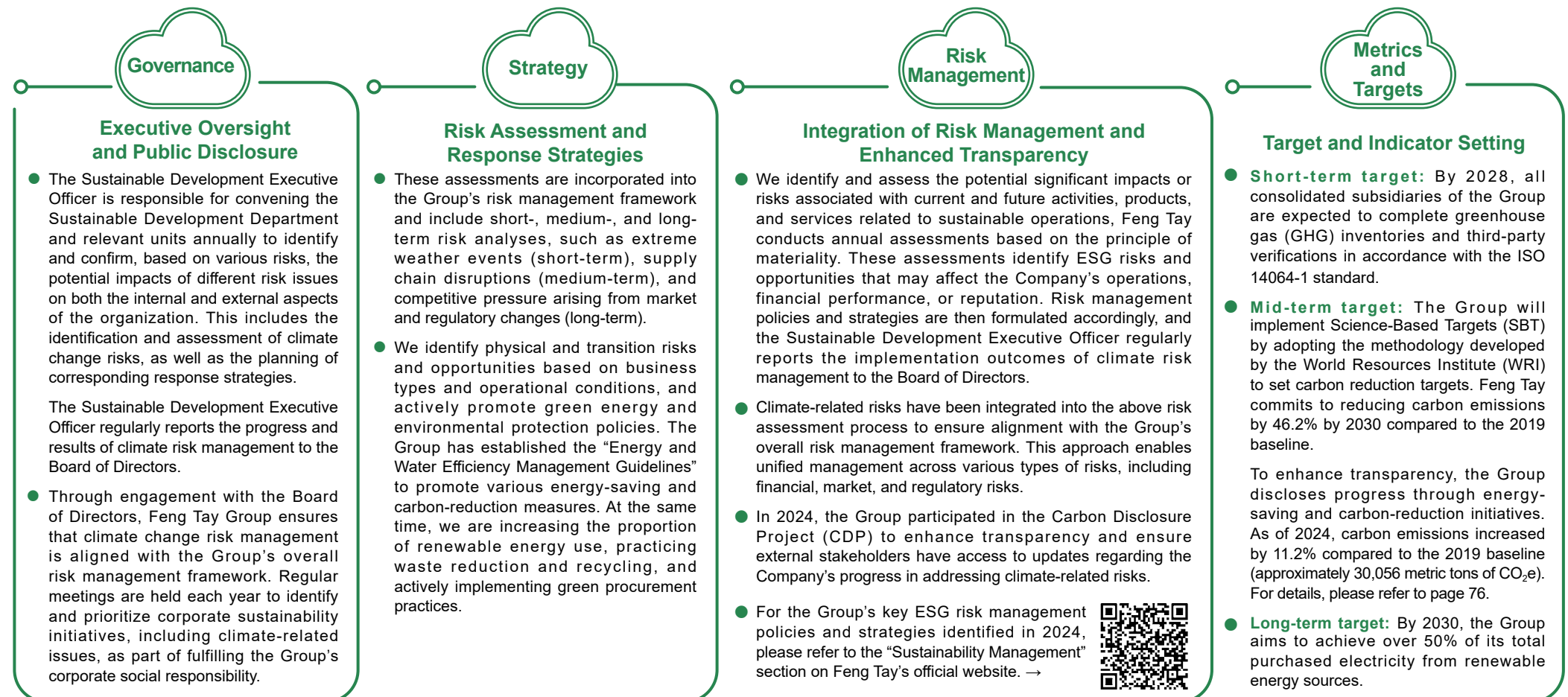
# Climate Change Management

## Disclosure of Climate-Related Risk Management Process and Governance

Feng Tay is committed to environmental protection. Referring to the framework of the Task Force on Climate-related Financial Disclosures (TCFD), Feng Tay identifies potential climate change risks and opportunities through four core elements - "governance", "strategy", "risk management", and "metrics and targets" - and grasps the impact and influence of climate change on the Company's operations.

To enhance the identification and management of climate-related risks, Feng Tay has established a systematic risk assessment and response process to ensure that the risks and opportunities brought by climate change are fully integrated into the Group's overall risk management system and governance framework. Relevant strategies and mitigation measures have been developed to proactively prevent potential risks and impacts associated with climate change.

### ▼ TCFD Core Elements and Financial Disclosures



## ▼ Risk Identification and Response Measures Related to Climate Change in 2024

|                  |  | Risk Category                  | Timeline of Impact | Impact on Strategy, Operations, and Financial Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Response Measures and Potential Financial Impacts                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------|--|--------------------------------|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition Risks |  | Policies, Laws and Regulations | Long-Term          | <ul style="list-style-type: none"> <li>In response to Taiwan government regulations on greenhouse gas reduction and management, it is necessary to improve the efficiency of energy usage and increase renewable energy capacity and purchase of green power certificates at the locations where we operate, thereby causing an increase in operating costs.</li> <li>The operating costs may increase because of the potential impacts of carbon tax and carbon trading system, plus the cost of procuring raw materials and components that comply with regulations.</li> <li>The Taiwan government has announced the implementation of a carbon fee mechanism. Based on the greenhouse gas inventory conducted at the Company's Taiwan headquarters, the current emissions are below 25,000 metric tons, indicating no immediate risk. However, ongoing monitoring of future policy developments remains necessary.</li> <li>Regarding the European Union's Carbon Border Adjustment Mechanism (CBAM), the Company's product lines are not included in the first phase of coverage. As such, the Group is not expected to be affected between 2024 and 2027, though future developments will continue to be closely monitored.</li> </ul> | <ul style="list-style-type: none"> <li>Established the "Energy and Water Efficiency Management Guidelines" to implement energy saving and carbon reduction measures and targets. The greenhouse gas emission intensity in 2024 (measured as emissions per pair of shoes) increased by 32.6% compared to the previous year.</li> <li>Actively increased the proportion of renewable energy usage. The measures included installing solar panels on our factory buildings and purchasing green electricity from external sources to reduce carbon emissions caused by non-renewable energy. In 2024, the Group's proportion of renewable energy usage reached 21.4%, representing an increase of 4.5% compared to 2023. The Group's expenditure on green electricity procurement amounted to approximately USD 7.02 million in 2024.</li> <li>Comply with international conventions such as the Kyoto Protocol, the United Nations Framework Convention on Climate Change, and the Paris Agreement.</li> <li>In accordance with Taiwan's regulatory requirements, the Company conducted greenhouse gas inventories in Taiwan, with verification and consultancy expenses totaling approximately NTD 860,000 in 2024.</li> </ul> |
|                  |  | Technology                     | Mid- to Long-Term  | <ul style="list-style-type: none"> <li>In response to restrictions imposed by regulations and initiatives, low-carbon technologies must be developed to reduce carbon emissions, resulting in an increase in additional capital investments.</li> <li>Costs of developing practical operations and processes using new and alternative technologies.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Based on product life cycle assessments, the Company actively develops renewable materials and low-carbon manufacturing processes. In 2024, Feng Tay utilized a total of 608 types of environmentally friendly materials, representing a 14% increase compared to the previous year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                  |  | Market                         | Mid-Term           | <ul style="list-style-type: none"> <li>As awareness of sustainability increases, customers will likely purchase lower-carbon products or services, which may impact revenue.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>Continue to meet the market demand for low-carbon products, actively cooperate with customers, develop low-carbon manufacturing processes, and enhance corporate competitiveness. Most of the shoe models have already been made by environmentally friendly manufacturing processes. For details, please refer to <a href="#">Environmentally Friendly Production Processes and Materials</a>.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                  |  | Goodwill                       | Mid- to Long-Term  | <ul style="list-style-type: none"> <li>Environmental performance will affect the Company's image.</li> <li>Cooperating with suppliers with high carbon emissions may affect customers' trust in the Company.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <ul style="list-style-type: none"> <li>In response to the global trend of carbon reduction and greenhouse gas (GHG) emissions control, Feng Tay has collaborated with brand clients to promote the adoption of the International Sustainability and Carbon Certification (ISCC) system. This initiative involves the use of certified suppliers of eco-friendly (recycled) bio-based materials, enabling traceability of raw materials and the full supply chain, and allowing the Company to make sustainability declarations on products as part of its commitment to environmental responsibility. An additional annual certification cost of approximately NTD 150,000 is required at the Taiwan headquarters. A total of 14 factories have participated in this initiative, with the certification cost per factory ranging from USD 3,800 to 5,500, depending on the country.</li> </ul>                                                                                                                                                                                                                                                                                                                                |

Timeline of impact: Short-term (before 2028), Mid-term (2028–2030), Long-term (after 2030)

## ▼ Risk Identification and Response Measures Related to Climate Change in 2024

|                                                                                            | Risk Category                                                                        | Timeline of Impact | Impact on Strategy, Operations, and Financial Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Response Measures and Potential Financial Impacts                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical Risks                                                                             | Immediate Risks<br>(Such as Heavy Rain, Typhoon, Hurricane, Flood)                   | Short-Term         | <ul style="list-style-type: none"> <li>Climate factors may lead to a decrease in output and revenue (such as interruption of supply chain due to inability to transport and production shutdown due to factory building damage).</li> <li>Because employees are unable to come to work, productivity is affected, resulting in reduced revenue and increased occupational health and safety costs.</li> <li>According to verification, although factory operations in China and India were affected by typhoons in 2024, no significant financial loss occurred due to adequate preparedness measures taken in advance.</li> </ul> | <ul style="list-style-type: none"> <li>Establish emergency response system for floods and droughts.</li> <li>The Group has raised the foundation levels of newly constructed factories in Indonesia and India, and has installed flood barriers and waterproof gates in low-lying areas to mitigate flood risks.</li> <li>Efforts have been made to improve water recovery and reuse rates in drought-prone regions.</li> </ul> |
|                                                                                            | Long-term Risks<br>(Such as Extreme Weather, Rising Temperatures, Rising Sea Levels) | Mid- to Long-Term  | <ul style="list-style-type: none"> <li>Buildings in low-lying areas may be flooded because of heavy rains or typhoons, resulting in increased maintenance and repair costs.</li> <li>Changes in rainfall patterns may increase the frequency of floods and droughts, affecting the allocation of production water resources.</li> </ul>                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Timeline of impact: Short-term (before 2028), Mid-term (2028–2030), Long-term (after 2030) |                                                                                      |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                 |

## ▼ Analysis of Climate Change-Related Opportunities and Response Measures in 2024



Timeline of impact: Short-term (before 2028), Mid-term (2028–2030), Long-term (after 2030)

# Greenhouse Gas Management

Feng Tay strives to reduce greenhouse gas emissions in business operations. In order to achieve the long-term carbon reduction targets, the Group adopted in 2020 the Science Based Targets (SBT) methods proposed by the Center for Sustainable Business of the World Resources Institute to set the targets for Scope 1 and Scope 2 absolute carbon emissions: In 2030, the absolute carbon emission should be reduced by 46.2% compared with the 2019 base year. To openly and transparently disclose the Group's carbon reduction actions and results to all stakeholders and the public who cares about our carbon reduction performance, we joined the Carbon Disclosure Project (CDP) in 2020 and have since completed the annual self-assessment using the carbon reduction assessment tool developed by CDP. The Group was rated as the Disclosure (D) level from 2019 to 2023, and was rated as the Awareness (C) level in 2024.

## Greenhouse Gas Emissions

In 2024, the Group's absolute greenhouse gas (GHG) emissions increased to 299,397 metric tons of CO<sub>2</sub>e, representing an 11.2% increase compared to the baseline year 2019 (269,341 metric tons CO<sub>2</sub>e), and a 36.8% increase compared to 2023. Among the total increase, Scope 1 emissions rose by 37.8% compared to 2023, accounting for approximately 7% of the overall increase. This was primarily due to the Group's implementation of comprehensive GHG inventory practices in line with ISO 14064-1:2018, which expanded the Scope 1 boundary to include previously excluded sources such as septic tanks, anaerobic wastewater treatment, and rust removers. In addition, in compliance with the Montreal Protocol, the Group phased out ozone-depleting chlorofluorocarbon (CFC) refrigerants. The substitute hydrofluorocarbon (HFC) refrigerants, however, have a higher global warming potential (GWP), leading to a gradual increase in refrigerant-related emissions. Scope 2 emissions increased by 36.7% compared to 2023, contributing approximately 93% of the total emission increase. In 2024, under the requirements of ISO 14064-1:2018, the GHG emission factors for purchased electricity were updated to reflect the official values published by local governments. As a result, the emission calculations for purchased electricity across regions were adjusted. The impact was most significant in the Vietnam region, where the emission factor was 88% higher than the previously used value. Due to the above reasons, the Group's total GHG emissions in 2024 increased significantly compared to both the baseline year and the previous year. The GHG emission intensity per pair of shoes rose to 2.22 (metric tons CO<sub>2</sub>e / pair), representing a 32.6% increase from 2023.

Although the overall GHG emissions increased in 2024, Feng Tay remains committed to carbon reduction efforts. The Group has continued to expand the usage and share of renewable energy. In 2024, green electricity procurement increased by 24.3 million kWh compared to 2023, and the proportion of renewable energy use reached 21.4%, representing a 4.5% increase from the previous year. Looking ahead, the Group will continue to comply with the Montreal Protocol and local regulations regarding the purchase, use, and emissions of hydrofluorocarbons (HFCs) and their blends. Efforts will also be made to increase the share of renewable energy usage across regions to further reduce GHG emissions.

### ▼ The Group's GHG Emissions in 2022-2024 <sup>1</sup>

Unit: metric tons CO<sub>2</sub>e

| Year                                                                                            | 2022      | 2023      | 2024                  |
|-------------------------------------------------------------------------------------------------|-----------|-----------|-----------------------|
| Scope 1 <sup>2</sup>                                                                            | 16,795    | 14,082    | 19,400 <sup>4,5</sup> |
| Scope 2 <sup>3</sup>                                                                            | 232,248   | 204,820   | 279,997 <sup>6</sup>  |
| Total GHG emissions                                                                             | 249,043   | 218,902   | 299,397               |
| Production Value<br>(Thousand USD)                                                              | 2,341,565 | 2,217,861 | 2,067,710             |
| GHG Emission Intensity<br>(Metric Tons CO <sub>2</sub> e / Thousand USD of<br>Production Value) | 0.106     | 0.099     | 0.145                 |
| GHG Emissions not covered by<br>the Kyoto Protocol <sup>7</sup>                                 | 5,626     | 4,117     | 3,557                 |

Notes:

- Greenhouse gas calculations are consolidated using the operational control method.
- Scope 1: emissions generated from consumption of primary energy sources (e.g., diesel, fuel oil, and liquefied petroleum gas), company's vehicles and fugitive refrigerant emissions (HFCs).
- Scope 2: emissions associated with purchased electricity.
- Emission Factors for Fuel-Related Greenhouse Gas Emissions: In accordance with ISO 14064-1:2018, the emission factors used by the Group's headquarters in 2024 were based on version 6.0.4 of the "GHG Emission Factor Management Table" published by the Department of Climate Change, Ministry of Environment (Taiwan). For China and Vietnam, where no official local emission factors have been published, the same emission factors as Taiwan were applied. For Indonesia and India, the Group used conversion factors provided by the Intergovernmental Panel on Climate Change (IPCC).
- Emission Factors for Refrigerant-Related Greenhouse Gas Emissions: For Taiwan, China, and Vietnam, refrigerant emission factors were based on IPCC's AR5, AR6, and relevant supplementary documents. For Indonesia and India, the Group adopted refrigerant emission factors based on IPCC AR5 and AR6.
- In accordance with the requirements of ISO 14064-1:2018, the GHG emission factor for purchased electricity must be based on the officially published factor of each respective government. As such, the Group Headquarters adopts the 2023 electricity emission factor published by the Bureau of Energy, Ministry of Economic Affairs in Taiwan. The emission factor for the China region is based on Announcement No. 332 [2023] issued by the General Office of the Ministry of Ecology and Environment. The emission factor for the Vietnam region is based on Official Document No. 327 issued by the Department of Climate Change. The emission factor for Indonesia is based on the coefficient published by the Ministry of Energy and Mineral Resources, while the factor for India region follows the coefficient announced by the Central Electricity Authority under the Ministry of Power.
- According to the definition given by GHG Protocol (The Greenhouse Gas Protocol) and USEPA, the GHG emissions not covered by the Kyoto Protocol, (for example, greenhouse gas emissions not included in Scope 1 in the past such as CFCs and HCFCs), should be reported separately.

## Investment in Renewable Energy Purchase and Power Generation

Since 2009, Feng Tay Group has comprehensively implemented energy saving and fuel saving measures, including equipment procurement, production processes and working environments, and developed renewable energy generation systems in accordance with the “Energy and Water Efficiency Management Guidelines”. Over the years, we have carried out various measures such as updating the energy management system, replacing air compressors with more energy-efficient models, and improving the motor system efficiency. The Group has continuously built renewable energy generation systems and purchased green energy at the Group Headquarters and factories in various regions. Following is Feng Tay Group's progress in renewable energy purchase and power generation over the years:

### 2015

Installed the first phase of solar power system on building rooftops at LF factory in China. Its capacity was 85 kW.

### 2017

LF factory in China invested about USD 600,000 to expand the solar power system and started its operation. The capacity of the newly installed solar power generation device was 515 kW.

### 2021

- The Group Headquarters installed a solar power generation system on the building rooftops and started the first phase of power generation in July.
- LF factory in China sold 31 MWh of unused solar electricity generated on weekends to local electric agencies.
- In India, we signed a renewable energy contract to obtain the ownership of environmental attributes in 2021, and started to operate in May.

### 2022

- Our factories in India and Indonesia increased renewable energy usage by purchasing renewable energy (including geothermal power, solar power and wind power), so as to reduce carbon emissions generated by operations.
- In 2022, the total amount of renewable energy used by the Group reached 75,127 MWh of electricity, and the proportion of renewable energy was 12.7%.

### 2023

In 2023, the total amount of renewable energy used by the Group reached 95,618 MWh of electricity:

- The solar power generation systems at LF and HF factories in China generated 1,665 MWh, including 172 MWh of surplus solar power generated on weekends and sold to local electric agencies.
- SF factory in China purchased renewable electricity from Fujian Electric Power Trading Center. In 2023, the factory purchased 2,800 MWh of renewable electricity and acquired “Green Electricity Certification Trade Certificate” and “Green Electricity Consumption Certificate”.
- At the factory In Indonesia, 100% of the purchased electricity was geothermal energy. The total consumption of renewable energy reached 38,412 MWh, accounting for 97.3% of the total energy consumption at the factory.
- The total consumption of renewable energy at the factories in India reached approximately 51,716 MWh, accounting for 52.9% of the total energy consumption at the factories.

### 2024

**In 2024, the total amount of renewable energy used by the Group reached 119,854 MWh of electricity:**

- The solar power generation systems at LF and HF factories in China generated 1,554 MWh, including 153 MWh of surplus solar power generated on weekends and sold to local electric agencies. Additionally, YF factory purchased 1,095 MWh of solar energy from an external solar infrastructure investor.
- SF factory in China purchased renewable electricity from Fujian Electric Power Trading Center. In 2024, the factory purchased 17,984 MWh of renewable electricity and acquired “Green Electricity Certification Trade Certificate” and “Green Electricity Consumption Certificate”.
- At the factory In Indonesia, 100% of the purchased electricity was geothermal energy. The total consumption of renewable energy reached 39,397 MWh, accounting for 97.4% of the total energy consumption at the factory.
- The total consumption of renewable energy at the factories in India reached approximately 58,829 MWh, accounting for 63.1% of the total energy consumption at the factories.
- On July 3, 2024, the Vietnamese government passed an amendment to the Electricity Law, allowing enterprises to purchase electricity from renewable energy producers through private transmission systems or the national power grid.

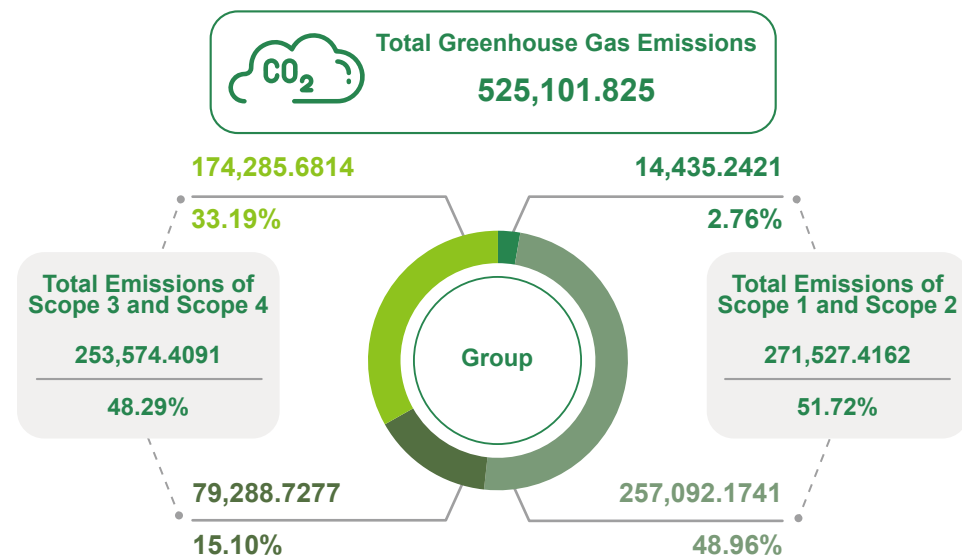
## Greenhouse Gas Inventory

To effectively grasp the usage and emission of greenhouse gases and verify the effectiveness of reduction actions, Feng Tay carried out inventory in accordance with the requirements of ISO 14064-1 : 2018 standard for greenhouse gas inventory, the GHG Protocol published by World Resources Institute (WRI), and the “Greenhouse Gas Emission Inventory Guideline” published by the Ministry of Environment Climate Change Administration. In 2024, Feng Tay completed third-party verification of greenhouse gas inventories for 23 consolidated subsidiaries, including the Group’s headquarters, China, and Vietnam operations. The GHG verification statement will be obtained in March 2025. (For more details, please refer to page 158 of this report.)

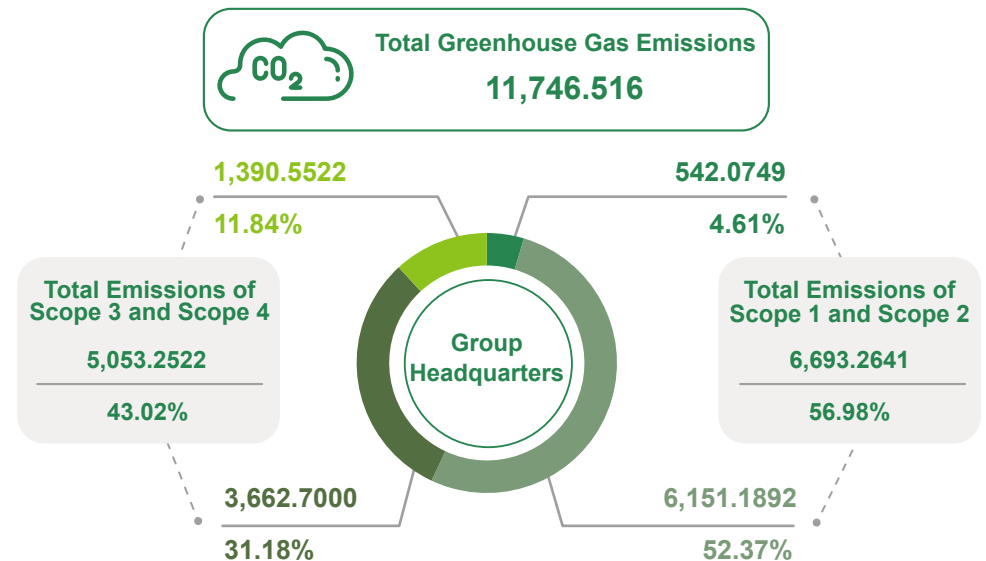
### GHG Emissions Scope <sup>1</sup>

- Scope 1: Direct GHG Emissions and Removals <sup>2</sup>
- Scope 2: Indirect GHG Emissions from Purchased Energy <sup>3</sup>
- Scope 3: Indirect GHG Emissions from Transportation <sup>4</sup>
- Scope 4: Indirect GHG Emissions Caused by The Organizations Use of Products <sup>5</sup>

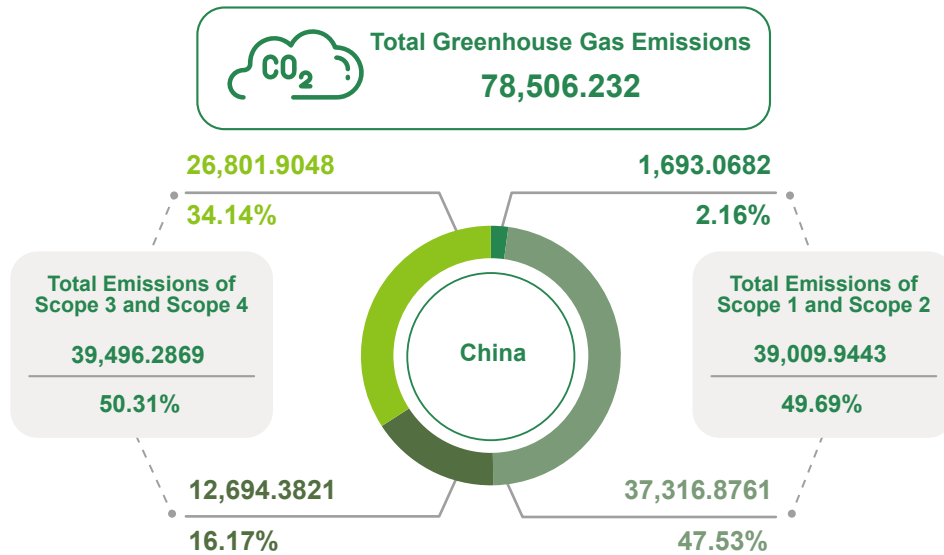
### ▼ The Group’s Greenhouse Gas Emissions of Various Categories in 2024 (Metric Tons CO<sub>2</sub>e / Year)



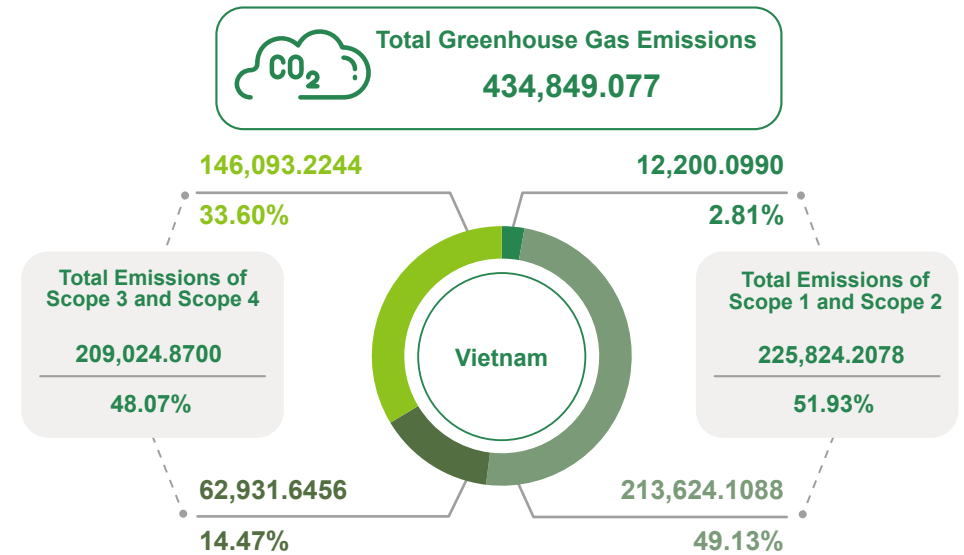
### ▼ The Group Headquarters’ Greenhouse Gas Emissions of Various Categories in 2024 (Metric Tons CO<sub>2</sub>e / Year)



## ▼ The China Region's Greenhouse Gas Emissions of Various Categories in 2024 (Metric Tons CO<sub>2</sub>e / Year)



## ▼ The Vietnam Region's Greenhouse Gas Emissions of Various Categories in 2024 (Metric Tons CO<sub>2</sub>e / Year)



### Notes:

- The definitions of various categories of Greenhouse Gas emissions given by ISO14064-1:2018 are adopted in this table.
- The emission factors for Scope 1 fuels and septic tanks are based on the Greenhouse Gas Emission Factor Management Table Version 6.0.4, provided by the Climate Change Administration, Ministry of Environment. Emission factors for refrigerants are adopted from the Intergovernmental Panel on Climate Change (IPCC), including AR5, AR6, and relevant supplementary reports. Other fugitive emissions (such as acetylene, welding rods, anti-rust oil, etc.) are calculated using the mass balance approach.
- In accordance with ISO 14064-1:2018, the emission factor used for calculating Scope 2 greenhouse gas emissions from purchased electricity at the Group headquarters was based on the 2023 emission factor announced by the Bureau of Energy, Ministry of Economic Affairs (Taiwan). For the China region, the emission factor was derived from Document [2023] No. 332 issued by the General Office of the Ministry of Ecology and Environment. In the Vietnam region, the calculation adopted the emission factor specified in Official Dispatch No. 327 issued by the Department of Climate Change.
- The greenhouse gas emission factors for Scope 3, employee commuting, business trip by Taiwan High Speed Rail, product shipment by sea and land transportation, adopt the latest factors announced on the Department of Environment Carbon Footprint Information Platform (<https://cfp-calculate.tw/cfpc/WebPage/index.aspx>) and Simapro database; Business trip by air and product shipment by air are calculated using the International Civil Aviation Organization carbon emissions calculator.
- The greenhouse gas emission factors for Scope 4, waste treatment, disposal and transport, adopt the latest factors announced on the Department of Environment Carbon Footprint Information Platform (<https://cfp-calculate.tw/cfpc/WebPage/index.aspx>) and Simapro database.

▼ The Group's Seven Major Greenhouse Gas Emissions in 2024 (Unit: Metric Tons CO<sub>2</sub>e)

| Greenhouse Gas Type     | CO <sub>2</sub> | CH <sub>4</sub> | N <sub>2</sub> O | HFCs       | PFCs   | SF <sub>6</sub> | NF <sub>3</sub> | Total       |
|-------------------------|-----------------|-----------------|------------------|------------|--------|-----------------|-----------------|-------------|
| Emissions               | 513,650.0551    | 3,218.4714      | 29.5695          | 8,203.7290 | 0.0000 | 0.0000          | 0.0000          | 525,101.825 |
| Percentage of Gases (%) | 97.82           | 0.61            | 0.01             | 1.56       | 0.00   | 0.00            | 0.00            | 100.00      |

▼ The Group Headquarters' seven major greenhouse gas emissions in 2024 (unit: Metric Tons CO<sub>2</sub>e)

| Greenhouse Gas Type     | CO <sub>2</sub> | CH <sub>4</sub> | N <sub>2</sub> O | HFCs     | PFCs   | SF <sub>6</sub> | NF <sub>3</sub> | Total      |
|-------------------------|-----------------|-----------------|------------------|----------|--------|-----------------|-----------------|------------|
| Emissions               | 11,383.4716     | 202.9098        | 1.7125           | 158.4225 | 0.0000 | 0.0000          | 0.0000          | 11,746.516 |
| Percentage of Gases (%) | 96.91           | 1.73            | 0.01             | 1.35     | 0.00   | 0.00            | 0.00            | 100.00     |

▼ The China Region's Seven Major Greenhouse Gas Emissions in 2024 (Unit: Metric Tons CO<sub>2</sub>e)

| Greenhouse Gas Type     | CO <sub>2</sub> | CH <sub>4</sub> | N <sub>2</sub> O | HFCs       | PFCs   | SF <sub>6</sub> | NF <sub>3</sub> | Total      |
|-------------------------|-----------------|-----------------|------------------|------------|--------|-----------------|-----------------|------------|
| Emissions               | 77,353.4480     | 1.3550          | 5.5284           | 1,145.9001 | 0.0000 | 0.0000          | 0.0000          | 78,506.232 |
| Percentage of Gases (%) | 98.53           | 0.00            | 0.01             | 1.46       | 0.00%  | 0.00%           | 0.00%           | 100.00%    |

▼ The Vietnam Region's Seven Major Greenhouse Gas Emissions in 2024 (Unit: Metric Tons CO<sub>2</sub>e)

| Greenhouse Gas Type     | CO <sub>2</sub> | CH <sub>4</sub> | N <sub>2</sub> O | HFCs       | PFCs   | SF <sub>6</sub> | NF <sub>3</sub> | Total       |
|-------------------------|-----------------|-----------------|------------------|------------|--------|-----------------|-----------------|-------------|
| Emissions               | 424,913.1355    | 3,014.2066      | 22.3286          | 6,899.4064 | 0.0000 | 0.0000          | 0.0000          | 434,849.077 |
| Percentage of Gases (%) | 97.72%          | 0.69%           | 0.01%            | 1.59%      | 0.00%  | 0.00%           | 0.00%           | 100.00%     |

▼ Group Headquarters and Consolidated Subsidiaries Included in the 2024 GHG Inventory Scope

| Regions                                          | Taiwan                                                                                                         | China                                                                                                                                                                                                                                                                                                                                                                                                                        | Vietnam                                                                                                                                                                                                                                                     |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Headquarters and Consolidated Subsidiaries | Group Headquarters<br>(Including the Headquarters, Feng Tay Factory, Phondy Factory, and FL Logistics Center.) | Great Eastern Industries Limited<br>Fujian Da Feng Holdings Company Limited<br>Fujian San Feng Footwear Company Limited<br>Fujian Xiefeng Footwear Company Limited<br>Fujian Putian Xie Feng Mold Company Limited<br>Fujian Great Hope Footwear Company Limited<br>Suzhou Yufeng Plastics Technology Co., Ltd.<br>Fujian Lifeng Footwear Industrial Development Company Limited<br>Fujian Wu Feng Department Store Co., Ltd. | Dona Victor Footwear Co., Ltd.<br>Dona Pacific (Vietnam) Co., Ltd.<br>Dona Victor Molds Mfg. Co., Ltd.<br>Vietnam Dona Orient Co., Ltd.<br>Vietnam Dona Standard Footwear Co., Ltd.<br>Vung Tau Orient Co., Ltd.<br>Vietnam Nam Ha Footwear Company Limited |

## Carbon Reduction Actions

Reduction Scope : Scope 2  
Reduction Gas Type : CO<sub>2</sub>

**Yearly Reduction**  
(Metric Tons CO<sub>2</sub>e)

2,168

566

421

366

### Adjustment of Machine Operating Time and Reduction of Idle / Standby Time

In alignment with the Group's energy-saving management guidelines, factories across regions have installed inverters and timers on machinery and cooling towers. Machines are powered on or off based on actual operational needs to reduce energy consumption caused by idle or standby time. This measure has resulted in an estimated annual energy saving of 3,216,000 kWh.

### Compressed Air System Improvements

Air gun nozzles have been replaced with smaller diameter nozzles, and pneumatic devices such as small grinders, air-powered mixers, cleaning air guns, and conveyor drives have been converted to electric-powered alternatives. Additionally, a comprehensive audit was conducted on the operating efficiency of air compressors across all factories, leading to the replacement of 23 units operating at below 70% efficiency. These improvements not only reduce motor operating time but also minimize energy losses from system leakage. The total annual energy saving is approximately 831,000 kWh.

### Machine Motor Upgrade and Replacement

Existing machine motors were upgraded to high-efficiency motors (IE3 and IE4) or servo motors to enhance energy performance. A total of 31 high-efficiency motors and 101 servo motors were installed. These upgrades are estimated to result in an annual energy saving of 625,000 kWh.

### Infrared Lamp Optimization in Ovens

The number of infrared lamps inside ovens was adjusted, and sectional switches were installed on the lamp circuits, allowing operators to activate only the necessary lamps based on the printing area. This improvement yields an estimated annual energy saving of 534,000 kWh.

## Reducing Carbon Emissions from Commuting and Business Travel

In order to reduce the frequency of employee travel between the Group Headquarters and subsidiary companies, and to reduce the consumption of vehicle fuels, we have focused on implementing three primary measures: the establishment of multi-party video conferencing equipment between the Group Headquarters and subsidiary companies in various regions; the implementation of a carpooling system between neighboring subsidiary companies and coordination of employees' business trip itineraries to facilitate rideshare to and from the airport among employees on business trips; and utilization of mass transportation systems such as high-speed rails when there are fewer employees on business trips.



### Online Conference

Establish multi-party video conferencing equipment to reduce the frequency of business trips and the carbon emissions generated from transportation used by employees' business trips.

### Utilizing Public Transportation Systems

Public transportation systems are used when there are fewer employees on business trips, so as to reduce the consumption of vehicle fuels.



### Carpooling

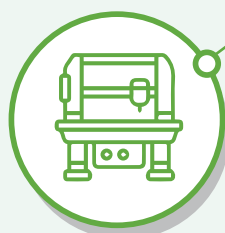
Coordinate employees' business trip itineraries to facilitate rideshare to and from the airport among employees of neighboring subsidiary companies. In India, we provide company buses to transport employees to and from the factory. The efficiency of vehicle usage is optimized through the implementation of rideshare. In 2024, approximately 61% of employees used this service.

## 4.3 Energy Management

### Management Principles

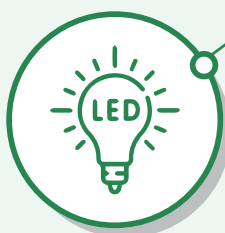
We have formulated the “Energy and Water Efficiency Management Guidelines” as the management policy for energy saving and carbon reduction and the compliance standards for various measures. Through an inventory of the entire value chain, from the procurement principles that consider the energy and resource consumption of equipment to the flexible adjustment of the production process, we comprehensively promote energy saving and carbon reduction measures to achieve our carbon reduction targets.

#### ▼ Energy and Water Efficiency Management Guidelines



##### New Equipment Procurement

When making a decision on new equipment procurement, criteria such as electric power efficiency, fuel efficiency, water efficiency, and greenhouse gas emissions must be taken into consideration. If new equipment has lower energy and water efficiency or higher greenhouse gas emissions than existing equipment, it should not be purchased.



##### Lighting

Production workshops, canteens, and warehouse buildings must be designed with skylights to make good use of natural light sources. Energy efficient fluorescent lamps or LED lights must be used for artificial lighting. General lighting shall be replaced with task lighting.



##### Compressed Air Systems

A centralized air compressor system must be installed when several processes require similar air pressure and flow rate during the same period of time. If multiple air compressors are required for a single process, the air compressors must be connected in parallel. Compressed air lines must be inspected regularly, and all leaks must be eliminated promptly.



##### Electric Power Management

Automatic power factor regulators must be installed, and electrical equipment must be turned off when not in use.



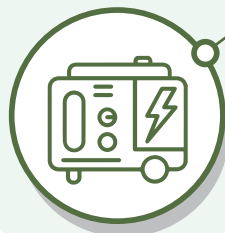
##### Ventilation and Cooling

The air conditioning system can be used only when the temperature reaches 28°C or above in summer. Building roofs should be painted with high reflective paint.



##### Heating and Insulation Systems for Process Equipment

Equipment operation scheduling must be optimized to reduce energy loss during idle and preheating periods. Phylon and rubber washing machines must be insulated to reduce heat loss.



##### Electric Generators

Only the minimum number of generator set should be started to supply the required power according to the actual power demand.



##### Exhaust Systems

Inspections are conducted regularly on exhaust duct for air leaks. Fans are installed according to the airflow direction in the workshop. Small dust collectors must be used in place of central dust collection systems.



##### Electric Motor Systems

Variable frequency drives are utilized for adjusting motor speeds to match the demands of specific process equipment. IE3 (the premium efficiency standards) or better motors are adopted for newly purchased devices to reduce energy consumption by enhancing motor efficiency.

## Energy Usage

Feng Tay employs the “Energy and Water Efficiency Management Guidelines” as the basic principle of energy management. The factories in various regions continue to implement energy-saving projects. In 2024, the Group's total energy consumption was 2,018,510,030 MJ, a 1.3% reduction from 2023. In 2024, the average energy consumption per pair of shoes produced at the Group's footwear factories was 15.21 MJ, representing a 5% reduction compared to 16.00 MJ in 2023. The energy intensity (energy consumption per thousand USD of production value) in 2024 was 976 (MJ/thousand USD of production value), marking an increase of approximately 5.9% from the previous year. The rise in energy intensity compared to 2023 was primarily due to a 6.8% decrease in production value.

To reduce carbon emissions generated by the Group's overall energy consumption, we actively plan the use of renewable energy. We not only install solar panels for our own use on factory building rooftops but also purchase green energy such as wind power and geothermal power from external sources. In 2024, the Group's proportion of renewable energy usage reached 21.4%. In addition, LF and HF factories in China sold 153 MWh of unused solar electricity generated on weekends to local electric agencies. On July 3, 2024, the Vietnamese government passed an amendment to the Electricity Law, allowing companies to purchase electricity from renewable energy producers through private transmission systems or the national power grid. This policy relaxes previous restrictions on renewable energy procurement. Feng Tay is actively evaluating various green electricity purchasing opportunities with the goal of increasing the Group's overall renewable energy usage.



The Group's proportion of renewable energy usage in 2024

**21.4%**

### ▼ Energy Consumption<sup>1</sup> and Energy Intensity in 2022-2024

| Energy Type                                                                                   | Fuel Type                                                                | Purpose of Use                 | 2022          |         | 2023          |         | 2024          |         |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|--------------------------------|---------------|---------|---------------|---------|---------------|---------|
|                                                                                               |                                                                          |                                | MJ            | MWhe    | MJ            | MWhe    | MJ            | MWhe    |
| Non-renewable Energy                                                                          | Petroleum Diesel                                                         | Electricity / Company Vehicles | 20,045,769    | 5,568   | 15,842,162    | 4,401   | 16,975,948    | 4,716   |
|                                                                                               | Gasoline                                                                 | Company Vehicles               | 8,418,078     | 2,338   | 10,325,113    | 2,868   | 9,698,244     | 2,694   |
|                                                                                               | LPG / Propane                                                            | Heating                        | 27,578,016    | 7,661   | 28,992,694    | 8,053   | 28,225,186    | 7,840   |
|                                                                                               | Purchased Non-Renewable Electricity                                      | Electricity                    | 1,800,087,089 | 500,024 | 1,645,922,117 | 457,201 | 1,532,135,747 | 425,593 |
|                                                                                               | Subtotal of Non-renewable Energy Consumption                             |                                | 1,856,128,952 | 515,591 | 1,701,082,086 | 472,523 | 1,587,035,125 | 440,843 |
| Renewable Energy                                                                              | On-Site Solar Power Generation <sup>2</sup>                              | Electricity                    | 3,332,844     | 926     | 9,435,042     | 2,621   | 9,191,110     | 2,553   |
|                                                                                               | Purchased Renewable Energy (Solar Power / Wind Power / Geothermal Power) | Electricity                    | 267,122,689   | 74,201  | 334,788,857   | 92,997  | 422,283,795   | 117,301 |
|                                                                                               | Subtotal of Renewable Energy Consumption                                 |                                | 270,455,533   | 75,127  | 344,223,899   | 95,618  | 431,474,905   | 119,854 |
| Total Energy Consumption (MJ; MWhe)                                                           |                                                                          |                                | 2,126,584,485 | 590,718 | 2,045,305,985 | 568,141 | 2,018,510,030 | 560,697 |
| Production Value (Thousand USD)                                                               |                                                                          |                                | 2,341,565     |         | 2,217,861     |         | 2,067,710     |         |
| Energy Intensity (MJ/Thousand USD of Production Value; MWhe/Thousand USD of Production Value) |                                                                          |                                | 908           | 0.252   | 922           | 0.256   | 976           | 0.271   |

Notes :

1. The energy data are calculated using the 2017 Cross-Sector Tool of The Greenhouse Gas Protocol.

2. The above data does not include electricity generated from solar power systems and sold to local utility companies.

▼ **Energy Consumption and the Proportion of Renewable Energy Usage at Factories in Various Regions in 2022-2024**

| Regions   | 2022                            |                                          | 2023                            |                                          | 2024                            |                                          |
|-----------|---------------------------------|------------------------------------------|---------------------------------|------------------------------------------|---------------------------------|------------------------------------------|
|           | Total Energy Consumption (MWhe) | Proportion of Renewable Energy Usage (%) | Total Energy Consumption (MWhe) | Proportion of Renewable Energy Usage (%) | Total Energy Consumption (MWhe) | Proportion of Renewable Energy Usage (%) |
| Taiwan    | 11,688                          | 2.4                                      | 12,846                          | 8.8                                      | 14,311                          | 8.0                                      |
| China     | 93,299                          | 0.7                                      | 91,641                          | 4.8                                      | 86,817                          | 23.6                                     |
| Indonesia | 48,862                          | 71.8                                     | 39,488                          | 97.3                                     | 40,461                          | 97.4                                     |
| India     | 95,954                          | 40.8                                     | 97,832                          | 52.9                                     | 93,164                          | 63.1                                     |
| Vietnam   | 340,915                         | 0.0                                      | 326,334                         | 0.0                                      | 325,944                         | 0.0                                      |
| FTG       | 590,718                         | 12.7                                     | 568,141                         | 16.8                                     | 560,697                         | 21.4                                     |

Note: Renewable energy includes on-site solar power generation and purchased green energy (geothermal power, solar power, and wind power).

# 4.4 Hazardous Substances Management

## Chemical Management

To effectively reduce the impact of hazardous substances on the environment through source management, we adopt the Zero Discharge of Hazardous Chemicals (ZDHC) management mechanism to reduce the use and risk of hazardous substances, replace hazardous chemicals with safer and more environmentally friendly alternatives as much as possible, and strive to avoid using the hazardous substances listed in the ZDHC Manufacturing Restricted Substances List (MRSL) or reduce emissions of these hazardous substances.

We carry out chemical input management using the ZDHC platform, prioritizing the purchase of chemicals that comply with the Manufacturing Restricted Substances List (MRSL) for zero discharge of hazardous substances. This purchasing strategy encourages chemical suppliers to register their products on the ZDHC platform and conduct product verification, so as to achieve the roadmap plan for zero emissions in production.

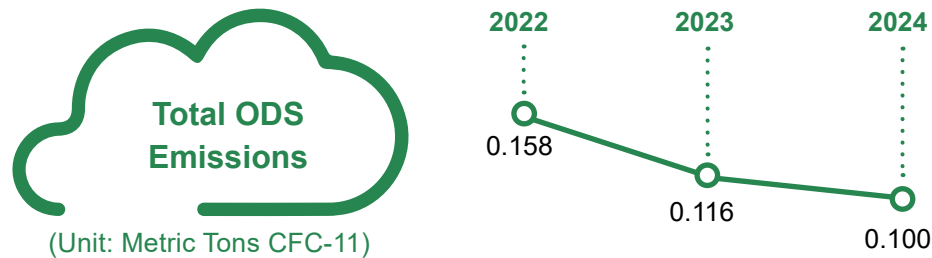
At the same time, we conducted risk assessments of our chemical list to establish a comprehensive chemical management system, ensuring employees use safer and more environmentally friendly chemicals. We strive to minimize the environmental impact of chemical use so that employees, communities, the environment, and consumer health are protected. All chemicals used must be listed clearly and permission to store and use chemicals must be obtained in accordance with local regulatory requirements, and relevant reporting operations must be performed.

In addition, we actively communicate with and evaluate our chemical suppliers to establish a chemical procurement and traceability system. We transparently share information about the implementation and application of our chemical management with relevant external organizations (such as brands and chemical manufacturers) and internal employees. Through education and training, we continuously update employee knowledge and skills in chemical management to ensure traceability and transparency of the manufacturing process and the chemical inventory list.

## Pollution Prevention and Control Management

ODS emissions mainly come from the refrigerants added into air conditioners, cooling equipment, refrigerators, and chillers. We have completely stopped purchasing any equipment that uses R-22. At the same time, we continue to make a great effort to replace R-22, the refrigerant of the highest consumption in the Group at present, with environmentally friendly refrigerants which contain substances of lower ozone-depletion potentials (such as R-404a). In 2024, the total emissions of ODS reduced to 0.100 metric tons CFC-11 from 0.1116 metric tons CFC-11 in the previous year. The proportion of environmentally friendly refrigerants (HFC-134a, HFC-404A, HFC-407C, HFC-410A, HFC-507, HFC-32) used by the Group increased to 67.7%.

### ▼ The Total Emissions of ODS in 2022-2024



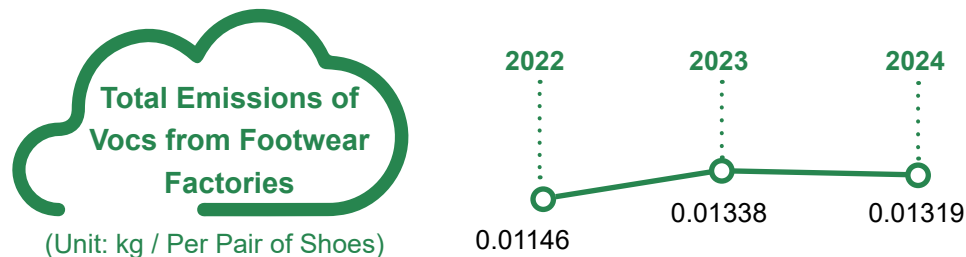
Note: The total emissions of Ozone Depleting Substances (ODS) = ODS produced = the sum of (usage of each type of refrigerant \* corresponding Ozone Depletion Potential (ODP)).

Combustion of fossil fuels produces sulfur oxides, nitrogen oxides, and particulate pollutants. Feng Tay uses the following control measures to minimize air pollutants such as sulfur oxides, nitrogen oxides, and particulate pollutants:

- Completely stopped using central oil-fired boilers in 2018.
- Diesel generators are for emergency use only.

Volatile organic compounds (VOCs) mainly come from the chemicals used in manufacturing processes. We have made improvements to the environmentally friendly manufacturing process of our main products by using water-based adhesives instead of oil-based adhesives to reduce the emission of VOCs. In 2024, the average VOCs usage per pair of shoes was 0.01319 kg, representing a 1.4% reduction compared to the previous year.

### ▼ The Total Emissions of VOCs in 2022-2024



Notes:

1. Data on VOCs are disclosed based on the average emissions per pair of shoes. The calculation scope is the shoe factories and does not include emissions from other non-footwear products.
2. To more accurately present the year-over-year percentage changes, the data for this year is disclosed up to five decimal places.

# 4.5 Water Resource Utilization and Management

## Targets and Management Guidelines

Feng Tay has long been committed to saving water and improving water efficiency. To use natural resources more efficiently, we require all factories to establish water pollution prevention plans and review their water balance diagrams quarterly, in accordance with our internal "Water Pollution Prevention Guidelines". While ensuring the rational use of water resources, we also strive to increase the proportion of wastewater recycling to reduce negative environmental impacts. Wastewater that cannot be recycled is treated and discharged only after meeting local discharge standards. In addition, we actively seek alternative water resources, such as building rainwater collection systems and recycled water use mechanisms, in the hope of gradually reducing our reliance on tap water and minimizing the negative impact on the local environment.

## Water Usage and Discharge Management

Feng Tay Group's factories are primarily located in Taiwan, China, Vietnam, Indonesia, and India. To ensure stable manufacturing operations, the Group places great importance on water resource intake and discharge management across all regions. We are committed to ensuring that all water withdrawal sources and wastewater treatment practices comply with local regulations, while striving to minimize the environmental impact of our production activities.

### Water Usage

According to the data shown in the World Resources Institute's "Aqueduct Water Risk Atlas", Feng Tay's water resource risk levels at various operating locations are as follows: 6 locations at low-medium (1-2) risk, 15 locations at high (3-4) risk, 8 locations at extremely high (4-5) risk. In 2024, Feng Tay's water sources included third-party tap water (94.0%), groundwater (5.8%), and rainwater (0.2%). Compared to 2023, total water withdrawal decreased by 8.2%. Despite a 4% increase in finished shoe production, water-saving efforts across all regions have proven effective. Notably, water withdrawal was reduced by 6.0% in the China region, 2.4% in Indonesia, 7.9% in Vietnam, and 15.1% in India.

### ▼ Water Risk Level and Water Use by Region in 2024 (Unit: Million Liters)

| Water Resource Risk Levels | Regions   | Number of Factories | Water Withdrawal <sup>1</sup> | Water Discharge <sup>2</sup> | Water Consumption |
|----------------------------|-----------|---------------------|-------------------------------|------------------------------|-------------------|
| Low-Medium (1-2) Risk      | Taiwan    | 4                   | 51.9                          | 20.4                         | 31.5              |
|                            | China     | 2                   | 93.6                          | 20.7                         | 72.9              |
| High (3-4) Risk            | China     | 4                   | 179.0                         | 34.4                         | 144.6             |
|                            | Vietnam   | 11                  | 962.8                         | 625.0                        | 337.8             |
| Extremely High (4-5) Risk  | Indonesia | 1                   | 215.5                         | 97.5                         | 118.0             |
|                            | India     | 7                   | 347.2                         | 0.0                          | 347.2             |
| Total                      |           | 29                  | 1,850.0                       | 798.0                        | 1,052.0           |

Notes:

1. Sources of water withdrawals included local water plants, groundwater, surface water and rainwater.
2. Wastewater discharge included "directly discharged to government-established wastewater treatment plants", "discharged to government-established wastewater treatment plants after treatment at our factories", and "discharged to surface or groundwater after treatment at onsite wastewater treatment plants".

## ▼ Water Withdrawals<sup>1</sup> in Various Regions in 2022-2024 (Unit: Million Liters)

| Regions   | Water Resource Type                                      |                                    | 2022    | 2023    | 2024    |
|-----------|----------------------------------------------------------|------------------------------------|---------|---------|---------|
| Taiwan    | Freshwater (≤1,000 mg/L Total Dissolved Solids)          | Third-Party Tap Water <sup>2</sup> | 39.4    | 45.4    | 47.6    |
|           |                                                          | Groundwater                        | 1.3     | 1.8     | 1.6     |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) | Surface Water                      | 0.0     | 0.0     | 0.0     |
|           |                                                          | Rainwater                          | 4.2     | 2.2     | 2.7     |
| China     | Freshwater (≤1,000 mg/L Total Dissolved Solids)          | Third-Party Tap Water              | 281.5   | 289.9   | 272.6   |
|           |                                                          | Groundwater                        | 0.0     | 0.0     | 0.0     |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) | Surface Water                      | 0.0     | 0.0     | 0.0     |
|           |                                                          | Rainwater                          | 0.001   | 0.0     | 0.0     |
| Vietnam   | Freshwater (≤1,000 mg/L Total Dissolved Solids)          | Third-Party Tap Water              | 1,053.6 | 1,045.7 | 962.8   |
|           |                                                          | Groundwater                        | 0.0     | 0.0     | 0.0     |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) | Surface Water                      | 0.0     | 0.0     | 0.0     |
|           |                                                          | Rainwater                          | 0.0     | 0.0     | 0.0     |
| Indonesia | Freshwater (≤1,000 mg/L Total Dissolved Solids)          | Third-Party Tap Water              | 194.5   | 172.8   | 174.0   |
|           |                                                          | Groundwater                        | 34.3    | 48.0    | 41.5    |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) | Surface Water                      | 0.0     | 0.0     | 0.0     |
|           |                                                          | Rainwater                          | 0.0     | 0.0     | 0.0     |
| India     | Freshwater (≤1,000 mg/L Total Dissolved Solids)          | Third-Party Tap Water              | 322.9   | 368.9   | 282.7   |
|           |                                                          | Groundwater                        | 102.9   | 40.0    | 64.5    |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) | Surface Water                      | 0.0     | 0.0     | 0.0     |
|           |                                                          | Rainwater                          | 0.0     | 0.0     | 0.0     |
| Total     | Freshwater (≤1,000 mg/L Total Dissolved Solids)          |                                    | 2,030.4 | 2,012.5 | 1,847.3 |
|           | Other Water Sources (>1,000 mg/L Total Dissolved Solids) |                                    | 4.2     | 2.2     | 2.7     |
|           | Total Water Withdrawals                                  |                                    | 2,034.6 | 2,014.7 | 1,850.0 |

Notes:

1. The Group's water sources do not include seawater and produced water.
2. Third-party tap water refers to the water provided by waterworks.

## Discharge Management

Feng Tay has established the Water Pollution Prevention Guidelines, requiring all factories to formulate water pollution prevention plans and review water balance diagrams on a quarterly basis. While ensuring the rational use of water resources, the Group also strives to increase the proportion of wastewater recycling to reduce environmental impact. In 2024, the Group's total wastewater discharge volume decreased by 14.7% compared to 2023, and by 15.8% compared to the baseline year 2022. The wastewater discharge intensity (unit: metric tons per thousand USD of production value) decreased by 8.5% compared to 2023. For wastewater that cannot be recycled or reused, the Group adopts the following three discharge methods:

- Directly discharged to government-established wastewater treatment plants.
- Discharged to government-established wastewater treatment plants after treatment at our factories.
- Discharged to surface or groundwater after treatment at onsite wastewater treatment plants.

Most of the Group's factories discharge wastewater by the second method. Feng Tay requires its footwear factories to monitor the wastewater they discharge, which must meet the requirements of the progressive limits for conventional wastewater parameters established by the ZDHC (Zero Discharge of Hazardous Chemicals) wastewater guideline. The factories must conduct tests twice a year and register the results on the ZDHC platform to ensure compliance with ZDHC discharge limits. In addition, to fully make sure that the effluent water quality meets regulatory standards, our factories in India have established a 24-hour continuous monitoring system. We have also set up an internal supervising and testing mechanism under the "Water Pollution Prevention Guideline", requiring all factories to conduct regular tests respectively in accordance with critical parameters. In 2024, all wastewater discharge quality test results complied with local regulatory standards.

Each factory is required to establish a "Wastewater Spill Emergency Response Plan" to outline procedures for handling abnormal wastewater incidents. In addition, annual training sessions for wastewater-related personnel are mandated to ensure their safety and proper response in the event of an emergency.

## Water Usage Efficiency

Feng Tay has implemented various water-saving measures across different stages of its manufacturing processes and began collecting and analyzing recycled water usage data in 2011. In line with the “Energy and Water Efficiency Management Guidelines”, factories are required to reuse process water, including 100% recovery and reuse of machine cooling water. Treated wastewater is partially reused for toilet flushing, landscape irrigation, and other non-potable purposes. By promoting the conservation of daily and critical water use, and increasing the proportion of recycled water, the Group effectively responds to global water resource challenges brought about by extreme climate conditions. In addition, Feng Tay has established greywater recycling systems, which filter and disinfect wastewater from manufacturing processes to meet reuse standards. The recycled water is then used for toilet flushing, irrigation, and process water, significantly reducing the consumption of freshwater. Daily operations also incorporate water-saving actions such as flow restrictors on faucets, routine inspection and leak repairs of factory pipelines, and the establishment of “Factory Water Balance Diagrams” to assess water-saving performance.

Under the “Energy and Water Efficiency Management Guidelines”, Feng Tay has set flow rate standards for key water-consuming equipment. Factories are required to evaluate water efficiency, in addition to price, when procuring new equipment. Retrofits of existing equipment are also encouraged. For example, semi-automatic irrigation systems have been installed to improve water efficiency. By the end of 2024, the replacement of water-saving equipment and retrofit upgrades had resulted in a total freshwater saving of approximately 340.7 million liters.

Without affecting product quality, we actively optimize our manufacturing and wastewater recycling processes. For example, the water discharged from IP washing machines is reused for printing board cleaning. By the end of 2024, Feng Tay has reduced fresh water consumption by approximately 73.4 million liters through optimization of process parameters. The Group also continues to assess the feasibility of additional process wastewater recycling facilities and actively promotes wastewater reduction and reuse initiatives.

In Vietnam, some factories applied for wastewater recycling permits in 2022 and began reusing recycled water for toilet flushing in 2023. By the end of 2024, the Vietnamese government had approved a daily recycled water usage volume of 1.65 million liters, resulting in a 2.3% increase in wastewater recycling ratio compared to 2023. Other regions also saw improvements: China increased by 2.2%, Indonesia by 6.7%, and India maintained its zero-wastewater-discharge policy.

In 2024, the Group achieved a wastewater recycling ratio of **49.3%**, representing a **1.9%** increase from 2023 and a **2.9%** increase from the baseline year 2022.



### ▼ Two Major Water Conservation Measures

#### Control Reasonable Water Consumption

1. The HF factory in China replaced the underground fire protection pipelines in the dormitory living area with above-ground visible pipes and installed an automatic water level monitoring system for the fire water tank. This allows for the timely detection of leaks and helps prevent water waste.
2. The DV factory in Vietnam replaced aging cooling towers to reduce water waste caused by outdated equipment.

#### Recycle and Reuse Water

1. The Group Headquarters optimized its wastewater treatment system, achieving a wastewater recycling ratio of 58%, a 6% increase compared to 2023.
2. The SF factory in China installed inverters on the cooling tower fans to improve water use efficiency, saving approximately 3.7 million liters of freshwater.
3. The DV factory in Vietnam established a standard cleaning procedure for the cafeteria, enhancing water use efficiency and saving approximately 60.5 million liters of freshwater.
4. The FA2 factory in India improved its manufacturing process by reducing the number of active RB cooling units, saving approximately 0.26 million liters of freshwater.

## 4.6 Waste Management



### The Response, Management, and Evaluation Methods for 2024 “Waste Management”



#### Material Aspect

#### Waste Management

##### GRI Code

GRI 306 : Waste 2020

##### Impact on Economy, Environment, and People

- Actual Positive Impact: Reducing the environmental burden at each stage of a product's life cycle is a key goal in the company's environmental initiatives. Proper waste management helps minimize waste generation and related costs, while creating revenue opportunities and reducing the environmental impact of operations.
- Potential Negative Impact: Failure to manage waste properly may result in penalties and have adverse effects on both the environment and the economy.

##### Policies and Commitments

Based on life cycle principles, the company actively promotes circular economy practices such as source reduction, resource circulation, and increased reuse and recycling rates. Environmentally friendly waste disposal methods are adopted, including energy recovery where applicable. Waste removal and treatment are carried out by government-approved local contractors in compliance with regulations to minimize the environmental impact of operational waste.

##### Indexes and Goals

Short-term Goals (2025):

- Achieve over 10% waste reduction in Vietnam, India, and Indonesia regions.
- Reach non-hazardous waste recycling rates of at least 72% in Vietnam and 55% in Indonesia.

Mid-term Goals (2027):

- Achieve zero landfill for waste.
- Reduce the non-energy waste incineration rate to 2.5%.

Long-term Goals (2030):

- Achieve a 70% waste reuse and recycling rate.
- Continuously improve recycling technologies and increase the recycling rate, while implementing source reduction strategies to progressively reduce total waste generation and the proportion of hazardous waste during manufacturing, in response to future customer and market demands for sustainable products.

##### Effectiveness Tracking Mechanism

- Actively look for feasible waste recycling and treatment technologies and cooperative companies to increase the waste recycling rate.
- Factories in each region regularly inspect the generation and disposal of hazardous waste every year to ensure that waste is properly managed and properly disposed of in accordance with the contract.

##### Annual Actions, Measures, and Performance

- Waste recycling and reuse were prioritized over incineration and landfill disposal, with collaboration established with vendors possessing waste recycling and treatment capabilities. In 2024, the non-hazardous waste recycling rates at the factories in Vietnam and India reached 68.5% and 70.2%, respectively.
- In accordance with the law, contract with a local government-approved waste treatment company to carry out waste removal and treatment. In 2024, there were no major violations of waste-related laws and regulations.
- Improve the capabilities of production workers to reduce defective products, use reusable packaging to reduce packaging material waste, and find alternative materials during the shoe model development stage to reduce the defect rate.
- The Group reduced the proportion of non-energy waste incineration to 3%, achieved a waste recycling and reuse rate of 63.7%, and reached zero landfill of waste.
- The proportion of the Group's non-hazardous waste treated by incineration without energy recovery was reduced to 0.3%, a decrease of 88% compared with 2023.

To achieve resource circularity, Feng Tay Group continues to enhance its waste management practices, demonstrating a strong commitment to environmental protection. All waste is properly handled by locally approved waste treatment vendors in accordance with relevant regulations. The Group is gradually phasing out non-recyclable disposal methods such as incineration, and instead adopts more environmentally friendly approaches that promote the use of energy recovered from waste. In 2024, Feng Tay successfully achieved zero landfill for waste.

For hazardous waste, the Group has established strict management guidelines to ensure that each type of waste is properly stored, labeled, and disposed of in compliance with relevant standards. Storage methods—including containers and designated areas—are clearly defined and must include visible labels and emergency contact information. Each factory is required to maintain detailed monthly records of waste disposal content and weight. In addition, annual audits are conducted on the collection, storage, and treatment processes of hazardous waste, as well as of vendors handling non-hazardous waste through incineration (with and without energy recovery) and landfill, to ensure full compliance. We fully recognize that improper waste handling could significantly impact both our operations and the environment. In 2024, all Group subsidiaries were in full compliance with applicable environmental regulations regarding waste management.

In 2024, Feng Tay Group's total waste disposal volume amounted to 40,239 metric tons, a 1.0% decrease compared to 2023. Despite a 4% increase in finished shoe production over the same period, this reduction highlights the effectiveness of the Group's waste reduction measures. Of the total waste, hazardous waste accounted for 14.1%, while non-hazardous waste made up 85.9%. The waste recycling and reuse rate stood at 63.7%, which is 4.2% lower than the previous year. Nevertheless, the overall waste volume was reduced by 391 metric tons, indicating that source management and waste reduction efforts during the production process have achieved tangible results in minimizing waste.

Since 2019, the Group has devoted significant efforts to reducing waste generation at the production level. Specific measures include:



Enhancing production staff capabilities through technical training to reduce defect rates during manufacturing.



Minimizing packaging waste by encouraging suppliers to use reusable packaging materials and requiring the return of used packaging.



Exploring alternative materials during product development to optimize resource utilization.

In the future, Feng Tay will continue to implement waste reduction programs and refine its waste recycling strategies, striving to achieve more efficient resource management and lower environmental impact.

### ▼ Composition of Waste (Unit: Metric Tons)

| Composition of Waste        | 2022                  |                                                                     |                                | 2023                  |                                                        |                                | 2024                  |                                                        |                                |
|-----------------------------|-----------------------|---------------------------------------------------------------------|--------------------------------|-----------------------|--------------------------------------------------------|--------------------------------|-----------------------|--------------------------------------------------------|--------------------------------|
|                             | Total Amount of Waste | Total Amount of Waste Diverted to Recycling Operations <sup>1</sup> | Total Direct Disposal of Waste | Total Amount of Waste | Total Amount of Waste Diverted to Recycling Operations | Total Direct Disposal of Waste | Total Amount of Waste | Total Amount of Waste Diverted to Recycling Operations | Total Direct Disposal of Waste |
| Hazardous Waste             | 5,428                 | 2,016                                                               | 3,412                          | 5,813                 | 2,197                                                  | 3,616                          | 5,689                 | 2,151                                                  | 3,538                          |
| Non-Hazardous Waste         | 41,499                | 30,157                                                              | 11,342                         | 34,818                | 25,372                                                 | 9,446                          | 34,551 <sup>3</sup>   | 23,461                                                 | 11,089                         |
| Total Amount of Waste       | 46,927                | 32,173                                                              | 14,754                         | 40,631                | 27,569                                                 | 13,062                         | 40,239 <sup>4</sup>   | 25,613 <sup>5</sup>                                    | 14,627                         |
| Recycling Rate <sup>2</sup> | 68.6%                 |                                                                     |                                | 67.9%                 |                                                        |                                | 63.7%                 |                                                        |                                |

Notes:  
 1. Recycling operations include reuse preparation and recycling; direct disposal includes incineration, landfill and solidification.  
 2. Recycling rate (%) = recycling (total amount of waste diverted to recycling operations) / total amount of waste \* 100%.

3. The total amount of waste (34,551 metric tons) is presented as a rounded whole number based on the sum of original data. This may differ slightly from the sum of individually rounded waste categories, which totals 34,550 metric tons.  
 4. The total amount of waste (40,239 metric tons) is presented as a rounded whole number based on the sum of original data. This may differ slightly from the sum of individually rounded waste categories, which totals 40,240 metric tons.  
 5. The total amount of waste (25,613 metric tons) is presented as a rounded whole number based on the sum of original data. This may differ slightly from the sum of individually rounded waste categories, which totals 25,612 metric tons.



## ▼ Wastes Diverted from Disposal (Unit: Metric Tons)

| Waste Types         | Operations                     | 2022                 |                       |        | 2023    |          |        | 2024    |          |        |
|---------------------|--------------------------------|----------------------|-----------------------|--------|---------|----------|--------|---------|----------|--------|
|                     |                                | On-Site <sup>3</sup> | Off-Site <sup>4</sup> | Total  | On-Site | Off-Site | Total  | On-Site | Off-Site | Total  |
| Hazardous Waste     | Reuse Preparation <sup>1</sup> | 0                    | 0                     | 0      | 0       | 0        | 0      | 0       | 0        | 0      |
|                     | Recycling <sup>2</sup>         | 0                    | 2,016                 | 2,016  | 0       | 2,197    | 2,197  | 0       | 2,151    | 2,151  |
|                     | Total                          | 0                    | 2,016                 | 2,016  | 0       | 2,197    | 2,197  | 0       | 2,151    | 2,151  |
| Non-Hazardous Waste | Reuse Preparation              | 3,917                | 0                     | 3,917  | 1,759   | 0        | 1,759  | 1,452   | 0        | 1,452  |
|                     | Recycling                      | 0                    | 26,240                | 26,240 | 0       | 23,613   | 23,613 | 0       | 22,009   | 22,009 |
|                     | Total                          | 3,917                | 26,240                | 30,157 | 1,759   | 23,613   | 25,372 | 1,452   | 22,009   | 23,461 |

Notes:

1. Preparation for reuse: through inspection, cleaning, or repairing operations, the products or components that are originally intended to be discarded can be reused for the same purpose as the original ones, such as in-factory recycling.
2. Recycling: products or components of products that have become waste are reprocessed to make new materials, such as closed loop (the waste is handed over to other companies for reuse or recycling and then made into the same or similar materials originally provided), customer sponsored program (the waste is recycled into secondary goods after approval and disposal by the customer), and downcycling.
3. On-site: handled by Feng Tay.
4. Off-site: handled by waste treatment and disposal companies.

## ▼ Waste Directly Disposed (Unit: Metric Tons)

| Waste Types         | Operations                                          | 2022           | 2023           | 2024                |
|---------------------|-----------------------------------------------------|----------------|----------------|---------------------|
| Hazardous Waste     | Incineration <sup>1</sup><br>(Energy Recovery)      | 2,174          | 2,126          | 2,417               |
|                     | Incineration<br>(Without Energy Recovery)           | 1,217          | 1,463          | 1,094               |
|                     | Landfill <sup>2</sup>                               | 2              | 4              | 0                   |
|                     | Other Direct Disposal<br>Operations <sup>3, 4</sup> | 19             | 23             | 27                  |
|                     | Total                                               | 3,412          | 3,616          | 3,538               |
| Non-Hazardous Waste | Incineration<br>(Energy Recovery)                   | 9,544          | 8,490          | 10,955              |
|                     | Incineration<br>(Without Energy Recovery)           | 1,798          | 956            | 114                 |
|                     | Landfill                                            | 0              | 0              | 0                   |
|                     | Other Direct Disposal<br>Operations                 | 0 <sup>5</sup> | 0 <sup>6</sup> | 21                  |
|                     | Total                                               | 11,342         | 9,446          | 11,089 <sup>7</sup> |

Notes:

1. Incineration: the controlled burning of waste at high temperatures.
2. Landfill: an engineered final disposal site for solid waste placed underground or above ground.
3. Other direct disposal operations: solidification.
4. All direct disposal operations are off-site processing.
5. This is the result of rounding the original data up to metric tons. The original figure is 250 kg.
6. This is the result of rounding the original data up to metric tons. The original figure is 340 kg.
7. The total amount of waste (11,089 metric tons) is presented as a rounded whole number based on the sum of original data. This may differ slightly from the sum of individually rounded waste categories, which totals 11,090 metric tons.



# 5 Employee Relations

- 5.1 Workforce Planning
  - 5.2 Human Rights Protection
  - 5.3 Employee Compensation and Rights Protection
  - 5.4 Talent Cultivation and Career Development
  - 5.5 Safe and Peaceful Workplace Environment
- 
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# 5.1 Workforce Planning

Having operated the business diligently in Yunlin for over 54 years, Feng Tay considers employees to be the most important asset and indispensable partners for continuous growth. We endeavor to manage the company well, take care of employee needs and emphasize work-life balance. To ensure employees can work with peace of mind in an equal and safe environment, we provide a good working environment, a competitive salary and benefits scheme, a fair and transparent performance evaluation and promotion system, professional training programs, and a comprehensive career development plan. In the future, we will continue to work towards the vision of cultivating a group of employees who are “committed to the value of work, supported by family, and proud of the company.” We look forward to working with our employees to move towards a sustainable future.



## The Response, Management, and Evaluation Methods for 2024 "Employment and Labor / Management Relations"

### ★ Material Aspect

### Employment and Labor / Management Relations

#### GRI Code

GRI 202: Market Presence (2016), GRI 401: Employment (2016), GRI 402: Labor/Management Relations (2016), GRI 404: Training and Education (2016), GRI 405: Diversity and Equal Opportunity (2016), GRI 406: Non-discrimination (2016), GRI 407: Freedom of Association and Collective Bargaining (2016), GRI 408: Child Labor (2016), GRI 409: Forced or Compulsory Labor (2016), GRI 411: Rights of Indigenous Peoples (2016)

#### Impact on Economy, Environment, and People

- Actual Positive Impact: Talent sustainability is one of the Company's key focus areas. We are committed to establishing harmonious labor relations, formulating a competitive compensation and benefits system, setting up effective grievance and communication channels, attracting and retaining top talent, and promoting economic growth.
- Potential Negative Impact: The loss of top talent can directly impact company operations. Poor labor relations may lead to labor disputes and strikes, potentially causing economic and social disruptions.

#### Indexes and Goals

Short-term Goal (2025):

- Maintain the group's turnover and absenteeism rates at the 2024 performance level.

Mid-term Goal (2027):

- Implement and deepen the care program for new employees.

Long-term Goals (2030):

- Continuously focus on employee well-being, listen to employees' voices, and create a happy workplace environment.
- Continue promoting gender equality and policies for the protection of female employees, ensuring effective implementation across regional factories.

#### Policies and Commitments

Based on a diverse and equal human rights policy, a culture of inclusivity and friendliness is deeply embedded in all operational aspects. From recruitment to the workplace environment, labor rights and employee voices are highly valued, while employees are encouraged to achieve a healthy work-life balance.

#### Effectiveness Tracking Mechanism

- Employee Grievance Case Statistics.
- Monthly Turnover and Absenteeism Rate Statistics.

#### Annual Actions, Measures, and Performance

- A total of 575 people with disabilities were employed by the Group. Among them, 29 people with disabilities were employed at the Group Headquarters, 7.4% higher than required by the regulations in Taiwan.
- The Group's annual turnover rate was 10.7% and the absenteeism rate was 2.0%.
- The rate of returning to work after parental leave at the Group Headquarters was 92%, and the retention rate was 90%.
- There were 1,750 cases of grievances, suggestions and reporting, of which 1,653 cases were closed.

## Workforce Composition

As of the end of 2024, Feng Tay had 130,694 full-time and part-time employees, including 11,762 first- and mid-level managers, and 118,932 nonmanagerial employees. The total number of employees decreased 4,552 from the previous year. The proportion of employees in each region was: 2.0% in Taiwan, 10.0% in China, 48.8% in Vietnam, 12.4% in Indonesia, and 26.8% in India. We are committed to the policy of developing a diverse and rich talent composition, which includes ensuring employment opportunities for people with disabilities and increasing the proportion of local residents appointed as top-level managers at our overseas factories. We hope to fulfill our corporate social responsibilities during the recruitment process and, at the same time, enhance the overall competitiveness of the Group.

### ▼ Employee Compositions by Gender and Employment Type in various Regions in 2024 (Unit: Number of People<sup>1)</sup>)

| Employment type                            | Taiwan |         | China  |         | Vietnam |         | Indonesia |         | India  |         | Feng Tay Group <sup>5</sup> |         |         |
|--------------------------------------------|--------|---------|--------|---------|---------|---------|-----------|---------|--------|---------|-----------------------------|---------|---------|
|                                            | Male   | Felmale | Male   | Felmale | Male    | Felmale | Male      | Felmale | Male   | Felmale | Male                        | Felmale | Total   |
| Number of full-time employees <sup>2</sup> | 1,416  | 1,228   | 3,524  | 8,148   | 22,605  | 41,187  | 6,367     | 9,894   | 16,251 | 18,714  | 50,163                      | 79,171  | 129,334 |
| Number of part-time employees <sup>3</sup> | -      | -       | 1      | 1,359   | -       | -       | -         | -       | -      | -       | 1                           | 1,359   | 1,360   |
| Total number of employees                  | 1,416  | 1,228   | 3,525  | 9,507   | 22,605  | 41,187  | 6,367     | 9,894   | 16,251 | 18,714  | 50,164                      | 80,530  | 130,694 |
|                                            | 2,644  |         | 13,032 |         | 63,792  |         | 16,261    |         | 34,965 |         |                             |         |         |
| Number of contract workers <sup>4</sup>    | 0      |         | 109    |         | 765     |         | 23        |         | 494    |         | 1,391                       |         |         |

Notes:

1. The number of people represents the actual employee headcount.
2. Full-time employees: full-time employees on indefinite contracts.
3. Part-time employees: the retired employees who are rehired by our factories in China region are currently the only fixed-term employees directly hired by Feng Tay.
4. Contract workers: dispatch workers contracted by contractors are not included in the Group's employee statistics.
5. The statistical scope covers Feng Tay Group Headquarters and subsidiaries in each region (excluding holding companies and affiliated entities).

### ▼ Changes in the number of employees and contract workers between 2022 and 2024 (Unit: Number of People)

| Employment Type               | 2022    | 2023    | 2024    |
|-------------------------------|---------|---------|---------|
| Employees <sup>1</sup>        | 140,186 | 135,246 | 130,694 |
| Contract workers <sup>2</sup> | 1,630   | 1,521   | 1,391   |
| Total <sup>3</sup>            | 141,816 | 136,767 | 132,085 |

Notes:

1. The number of employees is calculated as the number of employees on December 31, 2024, plus the number of resignations in that month.
2. Contract workers: dispatch workers contracted by contractors are not included in the Group's employee statistics.
3. The statistical scope covers Feng Tay Group Headquarters and subsidiaries in each region (excluding holding companies and affiliated entities).

## Diverse Employment Opportunities

Feng Tay provides equal employment opportunities to job seekers of different genders and ages, and ensures job opportunities for other minority groups in accordance with local government regulations to meet the workforce diversity goal. Based on the employee statistics at the end of 2024, the proportion of female employees was 61.6% of the Group's workforce, female managers accounted for 40.9% of the Group's total number of managers (all three levels of management), and the proportion of employees aged 50 or older was 6.0% of the Group's workforce. Feng Tay recruits people with disabilities in compliance with government regulations, provides barrier-free facilities, and arranges suitable work and comprehensive training for them.

In 2024, the Group employed a total of **575** people with disabilities.



Among them, **29** worked at the Group Headquarters, **7.4% higher** than required by the regulations in Taiwan.

## Cultivating Locally, Expanding Globally

In order to achieve local cultivation in management and enhance international competitiveness, we strive to promote local co-prosperity. We actively employ local residents in each region. When a subsidiary company is just started, members of the initial management team are dispatched from the Group Headquarters to establish regulations and systems and help local staff develop leadership and management capabilities. Many local talents eventually became top-level managers (please refer to the Employee Job Levels for details about top-level management).

At present, the total number of local residents appointed as top-level managers is **113**,



**accounting for 100%** of all top-level management of the Group.

## ▼ Diverse Distribution of Job Levels

| Job Levels / Gender and Age Categories                   |            | Gender |        | Age      |           |          |
|----------------------------------------------------------|------------|--------|--------|----------|-----------|----------|
|                                                          |            | Male   | Female | Age < 30 | Age 30-50 | Age > 50 |
| Non-Management<br>(118,932 employees)                    | Number     | 43,218 | 75,714 | 40,744   | 70,803    | 7,385    |
|                                                          | Percentage | 36.3%  | 63.7%  | 34.3%    | 59.5%     | 6.2%     |
| First- and Mid-level<br>Management<br>(11,649 employees) | Number     | 6,880  | 4,769  | 1,985    | 9,194     | 470      |
|                                                          | Percentage | 59.1%  | 40.9%  | 17.1%    | 78.9%     | 4.0%     |
| Top-level Management<br>(113 employees)                  | Number     | 66     | 47     | 0        | 80        | 33       |
|                                                          | Percentage | 58.4%  | 41.6%  | 0.0%     | 70.8%     | 29.2%    |
| Number of employees by<br>gender and age categories      | Number     | 50,164 | 80,530 | 42,729   | 80,077    | 7,888    |
| Percentage of each category<br>in the Group's workforce  | Percentage | 38.4%  | 61.6%  | 32.7%    | 61.3%     | 6.0%     |

## ▼ Employee Job Levels

### Top-level Management

Business Division Executive Officer (BD EO) at the Group Headquarters

Senior Chief Directors at the Group Headquarters

Regional General Managers

Chief Directors at the Group Headquarters

Special Assistants to Business Division Executive Officer at the Group Headquarters

General Managers at factories

### First- and Mid-level Management

Directors at the Group Headquarters

Monitors at the Group Headquarters

Managers at the Group Headquarters

Supervisors and Team Leaders at the Group Headquarters

Executive Vice General Managers at factories

Special Assistants to General Managers at factories

Monitors at factories

Vice General Managers at factories

Directors at factories

Managers at factories

Supervisors at factories

### Non-Management

Engineers

Technicians

Staff

Specialists

Project Managers

Clerks

# Talent Gathering

## The Composition of New Recruits

In 2024, we recruited a total of 7,991 new employees, of which 45.9% were female employees. In terms of age group, 61% of new employees were under the age of 30.

### ▼ New Recruit Statistics

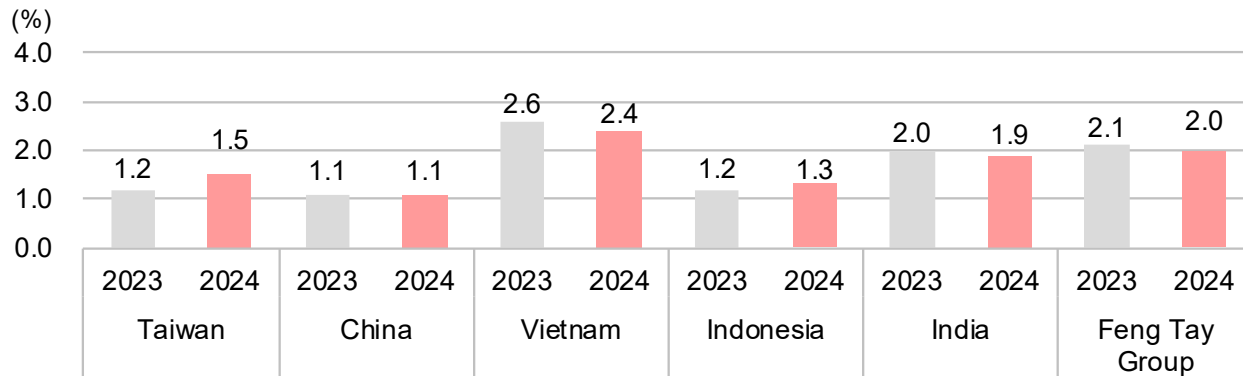
| Category                                                | Number of new employees | Taiwan | China | Vietnam            | Indonesia | India             | Feng Tay Group         |                                                                       |
|---------------------------------------------------------|-------------------------|--------|-------|--------------------|-----------|-------------------|------------------------|-----------------------------------------------------------------------|
|                                                         |                         |        |       |                    |           |                   | Number of new recruits | Percentage of new recruits in each category of the Group <sup>1</sup> |
| Gender                                                  | Male                    | 74     | 362   | 1,647              | 1         | 2,241             | 4,325                  | 54.1%                                                                 |
|                                                         | Female                  | 107    | 575   | 2,488              | 1         | 495               | 3,666                  | 45.9%                                                                 |
| Age                                                     | Age < 30                | 114    | 482   | 2,030              | 0         | 2,279             | 4,905                  | 61.4%                                                                 |
|                                                         | Age 30-50               | 67     | 455   | 2,094              | 2         | 457               | 3,075                  | 38.5%                                                                 |
|                                                         | Age > 50                | 0      | 0     | 11                 | 0         | 0                 | 11                     | 0.1%                                                                  |
| Number of new recruits in each region                   |                         | 181    | 937   | 4,135              | 2         | 2,736             | 7,991                  |                                                                       |
| Hire rate of new recruits in each region <sup>2,3</sup> |                         | 6.8%   | 7.2%  | 6.5%               | 0.0%      | 7.8% <sup>5</sup> | -                      |                                                                       |
| Percentage of new recruits by region of the Group       |                         | 2.3%   | 11.7% | 51.8% <sup>4</sup> | 0.0%      | 34.2%             | -                      |                                                                       |

Notes:

1. Percentage of new recruits in each category of the Group = Number of new recruits in each category / Total number of new recruits.
2. Group hire rate of new recruits in each region = Number of new recruits in each region / Number of employees in each region.
3. The Group hire rate of new recruits in each region is uniformly disclosed to one decimal place. Due to the low number of new recruits in Indonesia, the hire rate of new recruits cannot be fully represented.
4. The higher proportion of new employees in the Vietnam region is due to the ongoing recruitment efforts of the subsidiary Vietnam Nam Ha Footwear Company Limited to expand production capacity.
5. The higher hire rate of new recruits in India is due to the subsidiary India Tindivanam Footwear Private Limited continuously expanding its workforce to support production capacity growth.

## Absenteeism Rate

Feng Tay has established a variety of communication channels to listen to employees' voices. In addition to understanding the difficulties encountered by employees in the workplace, we are also concerned about their absence from work. The overall absenteeism rate of the Group decreased from 2.1% in 2023 to 2.0% in 2024.



Notes:

1. Absenteeism rate = the number of actual days of absence expressed as a percentage of the total number of days scheduled to be worked by the workforce for the same period.
2. The number of days of absence includes the number of working days lost because of injury or illness (whether work-related or not) and the number of days of absenteeism caused by not asking for leave. Approved leaves, such as annual leave, personal leave, marriage leave, compassionate leave, parental leave, and maternity leave, are excluded from absenteeism rates.

## Resignation and Retention

Regarding management of employee resignation and retention, once an employee has submitted his or her resignation, the human resources staff will conduct an exit interview to understand the reason for his or her resignation, and do our best to show our care and to retain the employee. In 2024, 13,923 employees left the Group, including 5,764 male and 8,159 female employees. The Vietnam region has the largest total employee count within the group, and its share of employee resignations is also the highest among all regions. Regardless of future order trends, we remain committed to strengthening work-life balance, improving the capability of managers, and increasing career development opportunities to further increase retention rates.

### Statistics on Resigned Employees

| Category                                                | Number of resigned employees <sup>1</sup> | Taiwan | China | Vietnam | Indonesia | India | Feng Tay Group               |                                                                             |
|---------------------------------------------------------|-------------------------------------------|--------|-------|---------|-----------|-------|------------------------------|-----------------------------------------------------------------------------|
|                                                         |                                           |        |       |         |           |       | Number of resigned employees | Percentage of resigned employees in each category of the Group <sup>2</sup> |
| Gender                                                  | Male                                      | 43     | 450   | 4,058   | 379       | 834   | 5,764                        | 41.4%                                                                       |
|                                                         | Female                                    | 57     | 1,342 | 5,049   | 688       | 1,023 | 8,159                        | 58.6%                                                                       |
| Age                                                     | Age < 30                                  | 25     | 399   | 4,057   | 339       | 994   | 5,814                        | 41.8%                                                                       |
|                                                         | Age 30-50                                 | 33     | 637   | 4,775   | 499       | 863   | 6,807                        | 48.9%                                                                       |
|                                                         | Age > 50                                  | 42     | 756   | 275     | 229       | 0     | 1,302                        | 9.3%                                                                        |
| Number of resigned employees in each region             |                                           | 100    | 1,792 | 9,107   | 1,067     | 1,857 | 13,923                       |                                                                             |
| Turnover rate of employees in each region <sup>3</sup>  |                                           | 3.8%   | 13.8% | 14.3%   | 6.6%      | 5.3%  |                              |                                                                             |
| Percentage of resigned employees by region of the Group |                                           | 0.7%   | 12.9% | 65.4%   | 7.7%      | 13.3% | -                            |                                                                             |

Notes:

1. Resigned employees includes those who leave the Group voluntarily or because of dismissal, layoff, retirement, or death.
2. Percentage of resigned employees in each category of the Group = the number of resigned employees in each category / the total number of resigned employees.
3. Turnover rate of employees in each region of the Group = the number of resigned employees in each region / the total number of resigned employees in each region.

## 5.2 Human Rights Protection

### Diversity and Equality Human Rights Policy

Feng Tay Enterprises Co., Ltd. and its subsidiary companies strictly abide by the laws and regulations in the regions where the companies operate, continue to refer to various international human rights conventions such as the labor standards set by the United Nations International Labor Organization, fully reflect the responsibility to respect and protect human rights, and thereby specifically formulate this human rights policy. The senior management has approved the incorporation of relevant human rights policies into the group's internal management regulations, including the "Corporate Governance Code of Best Practice," "Corporate Social Responsibility Principles," and "Employee Code of Conduct and Discipline." We are committed to taking human rights, non-discrimination, and diversity-friendliness issues into consideration in all aspects of our operations. The scope of application includes all company employees, customers, suppliers, partners, and the social environment in which we operate. Feng Tay will continue to provide stakeholders with diverse communication platforms and channels to ensure that they can express their opinions freely and safely. We adhere to the following management principles to implement the human rights policy.



#### Employment, Education, Promotion, and Retention

- None of our employees shall work against his or her will; priority is given to hiring locals; the criteria of appointment and salary are based on work ability; child labor and foreign migrant workers are prohibited.
- Provide equal employment opportunities and treatment in hiring, performance evaluation, promotion, reward and penalty, and career development. No one shall be discriminated or treated unfairly because of his or her gender, race, religion, age, physical or mental disability, sexual orientation, pregnancy status, marital status, nationality, political orientation, union membership, social background or other status protected by national laws.



#### Workplace Environment

- Respect and value the diversity and uniqueness of employees and create an inclusive and friendly culture, so as to enable employees from different backgrounds to fully utilize their strengths and enhance the Group's advantages.
- Respect privacy; ensure that the collection and use of personal data comply with regulatory requirements.
- Established the "Prevention and Handling Measures for Sexual Harassment, Harassment, and Abuse", ensuring that the workplace is free from threats, abuse, and harassment, while upholding gender equality and personal dignity.
- Provide a safe and healthy working environment. Establish the regulations on working hours and overtime. Formulate management guidelines for occupational safety and health and set up the Occupational Safety and Health Committee to continuously improve the working environment and protect the physical and mental health of workers.



#### Labor Negotiation Mechanism

- Respect employees' rights of freedom of association and collective bargaining.
- Establish multiple communication channels, encourage dialogue and communication between management and employees, and at the same time ensure the freedom and confidentiality of grievance submissions.

### Equality and Diversity Performance in 2024



A total of **575** people with disabilities were employed by the Group.



Local talents accounted for **100%** of top-level management in the Group.



The Group's total human rights training hours were **146,223 hours**.

## Human Rights Due Diligence

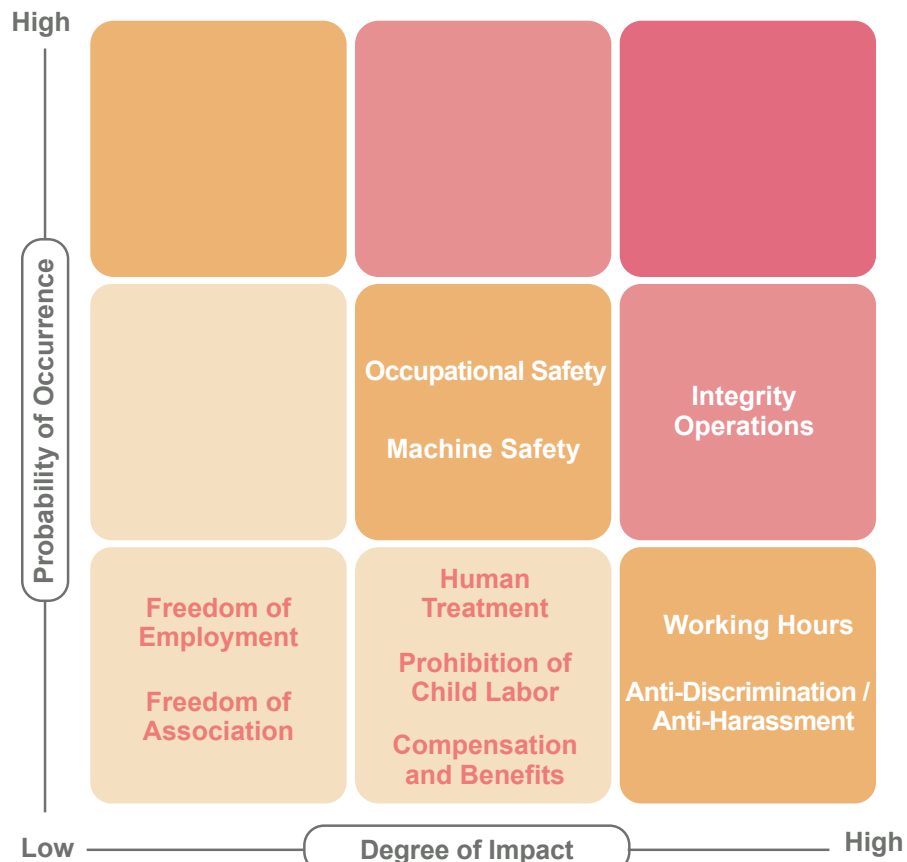
In view of the increasing emphasis on international human rights issues, the company will conduct an investigation every three years, led by relevant human rights supervisors and personnel from the Sustainable Development Department, through consensus-building meetings with all participants. This investigation will assess overall human rights risks by reviewing the occurrence rate and severity of abnormal human rights incidents reported by key stakeholders, including all Group employees, customers, suppliers, partners, and operational sites. The assessment will be completed with a finalized risk matrix. In 2024, building on the 2023 matrix analysis, the company will continue to track and improve the effectiveness of the mitigation and remedial measures established for the 10 significant human rights issues identified.

Additionally, to enhance the understanding of the Group's human rights supervisors and Sustainable Development Department personnel regarding international labor standards and labor trends, in 2024, six employees from the Sustainable Development Department participated in an online training course on Human Rights Due Diligence (HRDD) provided by the International Labour Organization (ILO). All participants successfully passed the examination and obtained Human Rights Due Diligence certification.

### ▼ Human Rights Due Diligence Process



### ▼ Feng Tay Group Human Rights Risk Matrix



Through matrix analysis, the three major human rights risk issues with the greatest impact on the Group and employees and the highest occurrence frequency have been identified as integrity operations, work hours, and anti-discrimination/anti-harassment. The corresponding risk mitigation and remedial measures are as follows:

### ▼ Results of the Human Rights Risk Issue Assessment

|                                                                                                                              | Potentially Impacted Parties                          | Risk Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Remedial Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Corresponding Chapter and Section                               |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| <br>Integrity Operations                    | Group Employees<br>Customers<br>Suppliers<br>Partners | <ul style="list-style-type: none"> <li>Formulate the “Code of Integrity Operations,” “Employee Code of Conduct and Discipline,” and the “Grievance and Suggestion” system to implement various integrity and ethical measures.</li> <li>Regularly evaluate the effectiveness of the integrity policy implementation and disclose the performance of integrity operations in the Company's Annual Report or on the Company Website.</li> <li>The Board of Directors office takes charge of the supervision and inspection of integrity operations, and establishes effective accounting and internal control systems for business activities with higher risks of dishonest conduct.</li> <li>Regarding procurement activities with suppliers, ensure the fairness of supplier evaluation through the code of conduct of the “Purchasing Department Management Guidelines.”</li> <li>Enhance the awareness of integrity operations of all Feng Tay employees, integrate integrity operations education into the orientation for new employees, and promote the concept of integrity operations within the organization from time to time.</li> </ul> | <ul style="list-style-type: none"> <li>Set up internal and external channels for reporting violations of integrity operations to accurately reflect the opinions of stakeholders.</li> <li>If employees or suppliers are involved in behavior that violates integrity operations, and if it is found to be true, they will be dismissed or terminated, and appropriate legal action will be taken.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <a href="#">2.2 Integrity Operations</a>                        |
| <br>Work Hours                              | Group Employees<br>Customers                          | <ul style="list-style-type: none"> <li>The Company's management regulations establish the “Extended Working Hours” policy, clearly define working hours and overtime regulations, and strictly control overtime practices. In all factories of the Group, the maximum allowable overtime hours are lower than the maximum allowable overtime hours in local regulations.</li> <li>The General Affairs and Human Resources Management Departments in each region regularly review the effectiveness of working hour control and provide reports for tracking.</li> <li>Relevant working hour standards are included in the instructions for new employee orientation and supervisor training.</li> <li>In a situation that requires overtime, the unit manager must inform the subordinates in advance to facilitate them to make appropriate arrangements. Forced labor is prohibited.</li> </ul>                                                                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>The system manages the records of employees' clock-in, clock-out, attendance, and absence.</li> <li>A system control mechanism is in place to monitor Group overtime hours, enabling relevant supervisors to manage work hours effectively.</li> <li>In 2024, an instance of overtime exceeding the maximum permitted hours in Taiwan was recorded. As a corrective measure, the employee was granted equivalent rest hours, and the incident was incorporated into the performance evaluation of the responsible unit's supervisor.</li> </ul>                                                                                                                                                                                                                                                                                                                          | <a href="#">5.3 Employee Compensation and Rights Protection</a> |
| <br>Anti-discrimination / Anti-harassment | Group Employees<br>Customers<br>Suppliers<br>Partners | <ul style="list-style-type: none"> <li>Establish “Approaches to Preventing and Handling Sexual Harassment, Harassment and Abuse.” Prohibit any threats, abuse, and harassment in the workplace, and uphold gender equality in the workplace and personal dignity.</li> <li>In the orientation program for new employees, supervisor training which is conducted at least once a year, and on-the-job training for employees strengthen promotion and education on gender equality, prevention of “Sexual Harassment, Harassment, Abuse,” and grievance channels.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Employees or job applicants who experience harassment or discrimination in the workplace can report incidents through the Grievance, Suggestions, and Reporting mailboxes, telephone voice mailboxes, email addresses, or Company Website available at the Group Headquarters and regional subsidiaries.</li> <li>The grievance-handling supervisor will conduct an investigation and compile a report on the findings, which will be submitted to the General Manager or the Head of the Holding Company for a final decision.</li> <li>For sexual harassment grievance cases, a grievance-handling committee and an investigation team will be formed to conduct the necessary investigation and take appropriate actions. In Taiwan, as required by law, professionals with gender awareness will participate in the investigation and resolution process.</li> </ul> | <a href="#">5.3 Employee Compensation and Rights Protection</a> |

## 5.3 Employee Compensation and Rights Protection

Feng Tay protects the working rights of all employees and abides by local laws and regulations. Regarding appointment, discipline, attendance, leave, salary, benefits, reward and penalty, retirement, and the compensation for occupational injuries and illnesses, we formulate management regulations and strictly implement them.

### Competitive Compensation

To reward our employees for their performance and long-term contributions, Feng Tay Group offers a competitive salary scheme that is better than industry standards. The entry-level salary at all subsidiary companies is higher than the local legal minimum wage, and the gender pay ratio ensures equal pay for equal work. All employees are paid based on their job positions and work performance. The position of the individual with the highest annual total compensation in the Group is the President. In 2024, the ratio of the President's total compensation to the median total annual salary of other full-time employees at the Group Headquarters was 36:1. Compared to the previous year, the percentage increase in total compensation resulted in a median ratio of 14.5:1, primarily due to an 18% growth in company profits, which led to higher bonus payouts in 2024. The average and median salaries of full-time employees not holding managerial positions, as well as the changes in these figures compared to the previous year, can be found on the [Market Observation Post System](#) (MOPS).

#### ▼ Comparison of the Legal Minimum Wage and the Feng Tay Entry Level Wage in each Region

| Region (Currency) |                                                                                   | 2022                             |                                    | 2023                             |                                    | 2024                             |                                    |
|-------------------|-----------------------------------------------------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|----------------------------------|------------------------------------|
|                   |                                                                                   | Local Legal Minimum Monthly Wage | Entry-level Wage of Feng Tay Group | Local Legal Minimum Monthly Wage | Entry-level Wage of Feng Tay Group | Local Legal Minimum Monthly Wage | Entry-level Wage of Feng Tay Group |
| Taiwan (NTD)      |                                                                                   | 25,250                           | 30,000                             | 26,400                           | 30,000                             | 27,470                           | 30,000                             |
| China (RMB)       | Putian City, Fujian Province                                                      | 1,810                            | 2,000                              | 1,810                            | 2,150                              | 1,810                            | 2,150                              |
|                   | Fuzhou City, Fujian Province                                                      | 1,960                            | 2,000                              | 1,960                            | 2,150                              | 1,960                            | 2,150                              |
|                   | Taichang City, Jiangsu Province                                                   | 2,280                            | 2,780                              | 2,280                            | 2,980                              | 2,490                            | 2,980                              |
| Vietnam (VND)     | Vung Tau City, Ba Ria-Vung Tau Province and Trang Bom District, Dong Nai Province | 4,680,000                        | 5,620,000                          | 4,680,000                        | 5,620,000                          | 4,960,000                        | 5,900,000                          |
|                   | Xuan Loc District, Dong Nai Province                                              | 4,160,000                        |                                    | 4,680,000                        |                                    | 4,960,000                        |                                    |
|                   | Chau Duc District, Ba Ria-Vung Tau Province                                       | 3,640,000                        |                                    | 3,640,000                        |                                    | 3,860,000                        |                                    |
|                   | Duc Linh District, Binh Thuan Province <sup>1</sup>                               | N/A                              | N/A                                | N/A                              | N/A                                | 3,450,000                        |                                    |
| Indonesia (IDR)   | Bandung, West Java                                                                | 3,241,930                        | 3,406,500                          | 3,492,465                        | 3,575,000                          | 3,527,967                        | 3,645,000                          |
| India (INR)       |                                                                                   | 4,843+DA <sup>2</sup>            | 8,103+DA                           | 4,843+DA                         | 8,681+DA                           | 4,843+DA                         | 9,299+DA                           |

Notes:

- Starting in 2024, the subsidiary Vietnam Nam Ha Footwear Company Limited, located in Duc Linh District, Binh Thuan Province, Vietnam, will be officially included in the reporting scope.
- DA (Dearness Allowance), an amount adjusted by the Indian government every month based on the consumer price index.

# Protection of Workers' Rights

## Compliance with Local Regulations

To protect the rights of employees, Feng Tay strictly complies with local laws and regulations, including occupational safety, working hours, pensions, insurance, vacations, and benefits. For more information on occupational safety, please refer to [5.5 Safe and Peaceful Workplace Environment](#); and for more information on insurance, vacations, and benefits, please refer to [Comprehensive Welfare System](#) of this Chapter.

## Strict Control of Overtime Hours

At Feng Tay, overtime is allowed only under special circumstances. It is strictly controlled at the Group Headquarters and subsidiary companies in various regions. Except for executives at top-level management, an application for overtime must be approved by the employee's immediate supervisor. When there is a need for overtime, the department manager is required to notify the employees in advance so that they can make appropriate arrangements. Forced labor is strictly prohibited at Feng Tay Group. The General Affairs (GA) and Human Resources (HR) departments in each region strictly control overtime requirements and check overtime application forms and employee clock-in records. To ensure compliance with the Group's maximum permitted overtime hours, system control mechanisms are also in place in various regions, enabling relevant supervisors to manage work hours effectively. The Group is committed to 100% compliance with employee overtime regulations.

In 2024, across the entire Group, there was only one instance in Taiwan where, due to a department supervisor's oversight, an employee's actual overtime hours for the month, while within the national legal limit, exceeded the Group's maximum permitted overtime hours. As a corrective measure, the employee was granted the corresponding rest hours, and the incident was incorporated into the performance evaluation of the responsible supervisor.

| Region    | Working Hours                     | Local Legal Maximum Allowed Overtime | Feng Tay Maximum Allowed Overtime  |
|-----------|-----------------------------------|--------------------------------------|------------------------------------|
| Taiwan    | 8 hours a day,<br>40 hours a week | 4 hours a day,<br>46 hours a month   | 2 hours a day,<br>24 hours a month |
| China     | 8 hours a day,<br>40 hours a week | 3 hours a day,<br>36 hours a month   | 2 hours a day,<br>36 hours a month |
| Vietnam   | 8 hours a day,<br>48 hours a week | 4 hours a day,<br>40 hours a month   | 2 hours a day,<br>40 hours a month |
| Indonesia | 8 hours a day,<br>40 hours a week | 4 hours a day,<br>18 hours a week    | 2 hours a day,<br>14 hours a week  |
| India     | 8 hours a day,<br>48 hours a week | 4 hours a day,<br>12 hours a week    | 2 hours a day,<br>5 hours a week   |

## Pension Plan

For each of those employees at the Group Headquarters who have joined the old labor pension system prescribed in the Labor Standards Act, the Company has set up a pension reserve fund which consists of a deduction from the employee's monthly salary and the Company's contribution. The Company's Labor Pension Reserve Funds Supervisory Committee is responsible for supervision of the reserve funds and in the name of the committee deposits the funds in Bank of Taiwan which is in charge of handling receipts and payments, safekeeping and utilization. For each of those employees who have joined the new pension system prescribed in the Enforcement Rules of the Labor Pension Act, the Company contributes 6% of the employee's monthly wage. The contributions of the Company and the employee are deposited into the individual labor pension account managed by the Bureau of Labor Insurance, based on the Monthly Contribution Classification Table approved by the Executive Yuan.

Pension plans in other regions comply with local regulations. In China, 16% of the monthly salary is legally allocated and deposited into the Social Pooling Fund Account. In Vietnam, 14% of the monthly salary is legally allocated and deposited into the Social Insurance Bureau's Pension Fund Account. In Indonesia, 2% of the monthly salary is legally allocated and deposited into the designated Labor Pension Account. In India, 8.33% of the monthly salary is legally allocated and deposited into the Employee Provident Fund Account.

## Notice of Major Operational Changes and Labor Contract Termination

When a major operational change is about to take place at Feng Tay, relevant measures will be implemented after discussion at the labor-management meeting. Affected employees and their representatives will be notified in advance, so that the employment rights and various labor conditions can be protected and the impact of the change can be minimized. If there is a need to terminate the employment contract with an employee, the company will comply 100% with the regulation on minimum notice period for terminating labor contracts in Article 16 of the Labor Standards Act. In 2024, the Company did not dismiss any employees or terminate any labor contracts due to operational changes.

## Smooth Communication Channels

The Feng Tay management team considers employee communication a fundamental daily responsibility. The Company listens to employees through established channels such as the Grievance, Suggestions, and Reporting mailboxes, telephone voice mailboxes, email inboxes, Company Website and industry labor unions. Additionally, we organize face-to-face communication meetings, employee concern interviews, and exit interviews. Through these efforts, we aim to understand employee concerns and continuously improve management systems.

Held at the Group Headquarters at the end of each year, the Group anniversary celebration is an important event. The management team takes this opportunity to report to all employees the results of operations of the past year and future prospects. At the same time, the Group's values and the common goals of all employees are reaffirmed to deepen the connection between employees and the Company.

## Labor Negotiation Mechanism

Feng Tay attaches great importance to freedom of association, supports employees' freedom to form labor unions, and respects their right to negotiate with management. Established at the Group Headquarters and all subsidiary companies, Labor Unions serve as the communication medium for employees to express their concerns to management. The total number of employees joining the union is 130,161, accounting for 99.6% of the Group's workforce. We hold regular labor-management meetings every quarter and may hold extraordinary meetings when necessary. The meetings aim to engage in two-way communication and negotiation on issues related to promotion of labor-management cooperation, coordination of labor-management relations, improvement of working conditions, and planning of labor welfare. All subsidiary companies have signed collective agreements under the agreement between labor and management, covering a total of 127,517 employees (calculated as the total number of Group employees who are union members, excluding unionized employees in Taiwan). There were no new collective agreements in 2024. The Group Headquarters holds labor-management meetings through the union regularly, in which union representatives directly address employee grievances with senior management, so that workplace challenges and needs are given attention and handled appropriately. Therefore, there is no need to sign a collective agreement.

### ▼ The Number and Proportion of Employees Joining the Labor Union in each Region

| Region                                      | Taiwan | China  | Vietnam | Indonesia | India  | Feng Tay Group |
|---------------------------------------------|--------|--------|---------|-----------|--------|----------------|
| Number of employees joining the labor union | 2,644  | 13,032 | 63,747  | 15,773    | 34,965 | 130,161        |
| Proportion of employees joining the union   | 100%   | 100%   | 99.93%  | 97%       | 100%   | 99.6%          |

Note: Proportion of employees joining the union = The number of employees joining the union / Total number of employees in the region.

## Grievance, Suggestion and Reporting Channels

To protect employee rights, Feng Tay has implemented the "Grievance, Suggestions, and Reporting System" since 2009. If employees have any concerns or suggestions that are not properly addressed after reporting to their direct supervisor, they may escalate their concerns through this system. The available reporting channels include the "Grievance, Suggestions, and Reporting" mailbox (including a telephone voice mailbox), email addresses of the President and department heads, the Board of Directors' audit supervisor, the General Manager of the Holding Company, labor unions, and the Company Website. Additionally, we actively promote this system on bulletin boards in all factory sites to ensure that employees fully understand their rights.

To protect the privacy and personal rights of the employees involved, grievance investigations are conducted confidentially as a general principle. All grievances, suggestions, and reports are handled by management in accordance with established procedures. Management thoroughly reviews each case, assists employees in resolving issues, and provides formal responses within the specified timeframe for cases involving specific individuals. The results are communicated to the concerned parties and relevant departments.

Feng Tay also actively safeguards the rights of other stakeholders. A contact window for the spokesperson and stock affairs agency is available in the "Investor Relations" section of the company website. Additionally, a "Contact Us" section is provided on the homepage. A "Stakeholder Section" is also available, offering communication channels for customers, employees, and suppliers, with a dedicated unit ensuring prompt responses to stakeholder concerns.

### ▼ Grievance, Suggestions, and Reporting Case Handling Procedure



By the end of 2024, a total of 1,750 cases of grievance, suggestion and reporting were received from employees and stakeholders. Among them, 1,653 were processed. Cross-year unresolved cases will be tracked in accordance with regulations until 100% fully resolved. With regard to the case category, 66% of the cases were related to labor practices; they were mainly grievances and suggestions on management styles, work arrangements, and work environment.

### ▼ The Number of Grievance, Suggestion and Reporting Cases in 2024

| Category     | Taiwan |     |      | China |   |    | Vietnam |    |     | Indonesia |   |   | India |    |     | Total |    |     |
|--------------|--------|-----|------|-------|---|----|---------|----|-----|-----------|---|---|-------|----|-----|-------|----|-----|
|              | G*     | S** | R*** | G     | S | R  | G       | S  | R   | G         | S | R | G     | S  | R   | G     | S  | R   |
| Social       | 2      | 0   | 0    | 0     | 0 | 0  | 0       | 1  | 0   | 0         | 0 | 0 | 2     | 0  | 0   | 4     | 1  | 0   |
| Environment  | 0      | 0   | 0    | 1     | 0 | 0  | 3       | 1  | 0   | 0         | 0 | 1 | 1     | 0  | 1   | 5     | 1  | 2   |
| Labor        | 19     | 9   | 15   | 54    | 5 | 13 | 314     | 69 | 223 | 13        | 1 | 1 | 232   | 10 | 182 | 632   | 94 | 434 |
| Human Rights | 0      | 0   | 0    | 0     | 0 | 0  | 82      | 2  | 40  | 20        | 0 | 1 | 264   | 0  | 168 | 366   | 2  | 209 |
| Total        | 21     | 9   | 15   | 55    | 5 | 13 | 399     | 73 | 263 | 33        | 1 | 3 | 499   | 10 | 351 | 1,007 | 98 | 645 |

\*G: Grievance, \*\*S: Suggestion, \*\*\*R: Reporting

## Comprehensive Welfare System

To enhance employees' solidarity, we provide a comprehensive welfare system for full-time employees, including sound insurance programs and flexible leave policies. In addition to the basic rights prescribed by laws and regulations, full-time employees enjoy rich and diverse benefits. To improve employee well-being and create a happy workplace, various benefits or activities are developed in accordance with local culture and customs.

Insurance programs vary by region. At the Group Headquarters, we provide labor insurance, national health insurance and pension plans. Employees in China and Vietnam are covered by social security, including retirement and pension, unemployment, occupational injury, illness and childbirth. In Indonesia, we provide health insurance. In India where the insurance system is not yet popular, medical expenses for employees' illness and occupational injuries are borne by the company. Regulations on leaves differ from region to region. In accordance with the regulations of each region, employees may apply for leaves for official duties, personal affairs, sickness, marriage, compassionateness and maternity. Except for employees at factories in India which have special regulations on paid leaves, the employees in Taiwan who have worked for six months and the employees in China, Indonesia and Vietnam who have worked for one year are entitled to paid annual leaves.

### ▼ Employee Benefits (Description of Benefits and 2024 Performance)

#### Bonuses and subsidies

##### Year-end bonuses

Distribute year-end bonuses every year based on the level of profitability, to share operational results with employees.

##### Birthday or festival gifts

Gift money, gift certificates, and/or gifts are distributed on birthdays or major festivals in various regions to thank employees for their hard work.

##### Job related bonus

According to the nature of work and job position, various bonuses are awarded to encourage employees, including Production Bonus, Performance Bonus, and Propose for Improvement System Bonus.

##### Travel allowance

The Group Headquarters: Give a one-time annual travel allowance of NTD 38,000 for employees who have served for more than 8 years; provide an annual department travel subsidy of NTD 3,600 per person according to each department.

Indonesia: Sponsor employees who meet the criteria to go on pilgrimage to Mecca every year, subsidizing all transportation and accommodation expenses at about USD 2,900 per person. Please refer to the section on [Happy Workplace, Joyful Together](#) in this Chapter for details.

##### Other special allowances

Condolences for injuries and illness, wedding gifts, baby gifts, gifts for mothers, funeral subsidies, etc.

##### Subsidies for club activities

Currently there are 28 clubs at the Group Headquarters. The annual subsidy for each club is between NTD 30,000 and NTD 120,000.

##### Senior Employee Health Check-Up

Since 2019, the Group Headquarters has fully subsidized comprehensive health check-ups for senior employees. Since its inception, a total of 1,241 employees have benefited from this program.

#### Facilities

##### Preschools for employees' children

Except for Indonesia, the Group Headquarters and factories in all regions have established preschools or crèches, which have become the best support for employees to balance work and family life. Please refer to the section on [Preschools for Employees' Children](#) in this Chapter for details.

##### Staff canteen

The Group Headquarters and factories in all regions are equipped with staff canteens, which provide employees with one free meal on each working day.

##### Employee dormitory

The Group Headquarters and factories in China and Vietnam have employee dormitories, which provide preferential rents below the market price to the employees from distant areas.

##### Employee shuttle bus

In areas where mass transportation is less popular, such as China, Vietnam, and India, the Company arranges shuttle buses to facilitate employees' commuting to and from work.

##### Sports, recreational and other facilities

The Group Headquarters has a gym and a recreation center. The factories in various regions also have sports, recreational and other facilities. The factory in Indonesia has volleyball courts, basketball courts and a place of prayer for Muslims; The factories in Vietnam have gyms; and the factories in India have a large multi-functional lecture hall. Employees can use these facilities as a place for socializing, exercising, and relieving stress after work.

#### Miscellaneous

##### Employee gathering activities

The Group Headquarters and factories in various regions organize important festival celebrations, employee commendations, and fun activities of the Employee Welfare Committee from time to time, in hopes of enhancing the solidarity and cohesion of employees through rich and diverse gathering activities. Depending on the nature and handling of related activities, employees' family members and children will also be invited to take part in the fun, reflecting the workplace atmosphere of a warm and big family.

##### Workplace health services

The Group provides comprehensive health services and continues to care for the physical and mental health of employees. Please refer to section [5.5 Safe and Peaceful Workplace Environment – Workplace Health Services](#) for details.

## Preschools for Employees' Children

To reduce the child care burden on our employees and to help them concentrate on work, Feng Tay has established preschools at the Group Headquarters and in Vietnam, and crèches in India to provide attentive care for employees' children during working hours. In China, the Group collaborates with the local education bureau to operate two fully funded preschools (Li Feng and Xie Feng Preschools), allowing employees' children to enroll free of charge. Providing high-quality education and childcare services is one of the Company's goals in supporting employees' families. Certified preschool education teachers are employed to help children's physical and mental development, laying a strong foundation for their future education. The construction and maintenance of the facilities, as well as the salaries of teachers and staff, are fully funded by the Company. Preschools charge only for children's meals and basic teaching materials, while the crèches remain completely free. The establishment of preschools and crèches not only promotes a family-friendly workplace culture but also helps employees achieve a better balance between work and family life.

### The Group Headquarters: Feng Tay Preschool

Feng Tay is one of the earliest companies in Taiwan to establish a preschool. More than half of the preschool area—approximately 4,326 square meters, accounting for 53.7% of the campus—is dedicated to green space and activity zones, far exceeding the norm for typical preschools. The campus features a happy farm, bird sanctuary, sandpit, and playgrounds, providing children with a high-quality environment that combines nature, ecology, and joyful learning.

Feng Tay Preschool has repeatedly received top honors in the "Yunlin County Public and Private Preschool Evaluation" and is regarded by employees as an ideal childcare and educational facility. Each semester, the school holds a "Parents Walk into the Preschool" event, allowing parents to act as preschool teachers for a day. This gives them the opportunity to closely observe their children's school life and peer interactions, fostering greater understanding and harmony in parent-child relationships.



|                               |               |
|-------------------------------|---------------|
| Year established              | 1979          |
| Area (square meters)          | 8,055         |
| Student age range             | 2-6 years old |
| Number of students in 2024    | 185           |
| Number of preschool employees | 37            |
| Cumulative number of alumni   | 3,201         |

### Vietnam: DO and DS Preschools

The two preschools Feng Tay established in Dong Nai Province, one in Trang Bom District and another in Xuan Loc District, have been rated as excellent preschools repeatedly. According to the local news report, the central government of Vietnam has highly praised the preschools and affirmed that the establishment of the preschools is a model for the operation of FDI companies in Vietnam. The preschools also actively organize festival activities to provide opportunities for parents and children in the local community to participate together, thereby strengthening their close connection with the community.

|                               |               |        |
|-------------------------------|---------------|--------|
| School name                   | DO            | DS     |
| Year established              | 2008          | 2016   |
| Area (square meters)          | 12,000        | 22,480 |
| Student age range             | 3-6 years old |        |
| Number of students in 2024    | 849           | 948    |
| Number of preschool employees | 82            | 101    |
| Cumulative number of alumni   | 3,579         | 2,123  |

### India: LU1, LU2, EW1, EW2, FA1, FA2 and TD1 Crèches

The crèches in India can take care of babies as young as 6 months. Nursing mothers who have babies under the age of 3 that are taken care of at crèches will have peace of mind at work because they can visit and feed their babies in the crèches during lunch breaks and two nursing sessions (30-80 minutes per session), one in the morning and another in the afternoon.

|                                                       |                         |      |       |      |      |      |      |
|-------------------------------------------------------|-------------------------|------|-------|------|------|------|------|
| School name                                           | LU1                     | LU2  | EW1   | EW2  | FA1  | FA2  | TD1  |
| Year established                                      | 2009                    | 2014 | 2011  | 2012 | 2017 | 2022 | 2024 |
| Area (square meters)                                  | 626                     | 816  | 519   | 416  | 796  | 576  | 218  |
| Student age range                                     | 6 months to 6 years old |      |       |      |      |      |      |
| Number of entrusted infants in 2024 (person-times)    | 93                      | 95   | 92    | 58   | 48   | 54   | 22   |
| Number of crèche employees                            | 22                      | 20   | 18    | 16   | 16   | 11   | 8    |
| Cumulative number of entrusted infants (person-times) | 1,860                   | 671  | 1,035 | 741  | 454  | 153  | 22   |

Note: The nature of crèches and preschools differs, with the former focusing on infant and toddler care, while the latter emphasizes education. Therefore, in the 2024 report, the statistical method for crèches has been adjusted to record the number of entrusted infants.

## Happy Workplace, Joyful Together

### The Group Headquarters: Appreciation for Employees' Contributions and Services at the Commendation Ceremony

In order to thank the long-serving employees for their support and identifying with the Company, the Group Headquarters holds a commendation ceremony for employees with 25 years of service and the management team presents trophies and souvenirs to them. In 2024, a total of 45 employees at the Group Headquarters received the commendation. To date, we have a total of 735 employees who have served for more than 25 years and are still employed, accounting for 27.8% of the total number of employees at the Group Headquarters. They are a solid force supporting Feng Tay.

### The Group Headquarters: Employee Welfare Committee and Club Activities

The Employee Welfare Committee at the Group Headquarters is composed of company representatives and members elected by employees. The funds for the committee come from the company's contributions and the monthly welfare fee collected from employees. They are mainly used for gifts or gift cards on three major holidays, emergency relief, travel subsidies and club activity subsidies. Furthermore, our employees can enjoy discounts at more than 279 stores which have signed special agreements with Feng Tay.

To promote physical and mental health, we provide spaces and subsidies for our staff to organize various clubs. At the end of 2024, there were 28 clubs at the Group Headquarters, of which 50% were sports clubs. There were also board game club, photography club, wind ensemble club, and fishing club, providing employees with more choices. These clubs give employees a rich leisure and entertainment life after work, which not only relieves stress, but also facilitates communication among them and deepens their relationships.



Zumba Club Voluntarily Formed by Employees



### Indonesia: Sponsorship for Omara Pilgrimage

For Muslims, the Hajj pilgrimage to Mecca is a sacred journey that every believer must undertake at least once in their lifetime, provided they have the financial means, time, and physical ability. It is a journey of both outward actions and inner spiritual purification. Hajj serves as an expression of Muslim unity and submission to Allah. The annual Hajj pilgrimage takes place from the 8th to the 12th day of Dhu al-Hijjah, the 12th month of the Islamic calendar. For those unable to participate in Hajj, there is an alternative pilgrimage known as Omara, which follows the same rituals but is not bound by specific dates or frequency. Believers can choose any time of the year to undertake Omara and visit Mecca. In 2024, the company selected nine employees who have served for at least 15 years, demonstrated excellent attendance, and performed exceptionally well. These employees were provided with the opportunity and financial sponsorship to undertake the Omara pilgrimage to Mecca.



### India: Warm Family Day

To strengthen the emotional connection between employees' families and the management team, factories host a "Warm Family Day" every month. Employees' family members are warmly welcomed to visit, allowing them to experience the company's culture firsthand, learn about its development, and build closer relationships with the management team.

On this special day, the management team, welfare association members, and other committee representatives warmly receive the families, offering plants, fresh flowers, desserts, and gifts to express the company's care and appreciation. During the event, the management team shares insights into the company's history, growth, and success stories, followed by a guided factory tour to help families better understand employees' work environment and business operations. Additionally, a dedicated family feedback session is held, where we sincerely listen to their valuable opinions. These insights play a crucial role in the company's continuous growth and progress. In 2024, over 1,300 employee families participated in this initiative, receiving overwhelming positive responses. Through "Warm Family Day," we aim not only to deepen employees' families' understanding of the company but also to foster a workforce that identifies with our values, feels supported by their families, and takes pride in being part of the company.

### Vietnam: Building Team Unity through Sports

To enhance employees' physical and mental well-being, foster team spirit, and cultivate a positive corporate culture, various sports activities are actively promoted across Vietnam, making sports an integral part of employees' lives.

Many factories are equipped with soccer fields, allowing employees to form teams and play freely after work, enjoying the joy of sports while strengthening workplace connections and friendships. Additionally, annual soccer tournaments are held at different factories, providing employees with opportunities to showcase their skills and team spirit. In 2024, this event attracted nearly 2,000 participants, all of whom gave their best efforts. The winning teams were honored with company awards in recognition of their dedication and teamwork. Beyond soccer tournaments, the company and labor union have also collaborated to organize various sporting competitions, including badminton, volleyball, and running events. These initiatives encourage employees to develop exercise habits and maintain a healthy lifestyle. The enthusiasm for these activities has been remarkable, with over 4,000 participants in 2024, demonstrating the strong sports culture and team cohesion within the company. Through these diverse sports initiatives, we aim to emphasize the importance of physical and mental well-being while reinforcing teamwork. At the same time, these activities highlight the company's care and support for its employees. We believe that good exercise habits not only enhance work efficiency but also help employees achieve a better balance between work and life, creating a more harmonious and energetic work environment.



# Gender Equality Measures

## Building Gender Equality Awareness



### Guidelines

Formulate “Approaches to Preventing and Handling Sexual Harassment, Harassment, and Abuse” and post it in main workshops and rest areas.



### Training

- Methods: the orientation program for new employees, and on-the-job trainings and management trainings at least once a year.
- Content: to strengthen publicity and education on gender equality, the “Approaches to Preventing and Handling Sexual Harassment, Harassment, and Abuse,” and the Grievances, Suggestion, and Reporting channels.



### Grievance Reporting

- If employees or job applicants encounter harassment or discrimination in the workplace, they can file complaints with evidence.
- Reporting Channels: Grievance, Suggestions, and Reporting mailboxes, telephone voice mailboxes, email inboxes, and Company Website at the Group Headquarters and subsidiaries in each region.
- Procedure: Once a complaint case is accepted, the complaint-handling supervisor will conduct an investigation and compile the findings into a report, which will be submitted to the General Manager or the Head of the Holding Company for a decision. If the case involves a sexual harassment complaint, in addition to forming a complaint-handling committee and an investigation team, the Taiwan region will also ensure the participation of gender-sensitive professionals in the investigation and resolution process, as required by law.

## Parent-friendly and Maternal Health Protection

To promote a parent-friendly company culture, we provide employees with the right to take unpaid parental leave in accordance with local laws in each region. We have also formulated a number of maternal health protection and parent-friendly measures. These measures not only protect the health and safety of pregnant employees, but also safeguard their employment rights and help them balance work and family care.

### Unpaid Parental Leave

The maximum period for an unpaid parental leave that an employee can take at the Group Headquarters is 2 years. In 2024, a total of 21 employees took unpaid parental leave, and the return to work rate was 92%. Of the 10 employees who returned to work in 2023, 9 remained employed by the end of 2024, achieving an overall retention rate of 90%. This reflects Feng Tay's commitment to fostering a supportive and inclusive workplace for returning employees.

### ▼ Statistics on the Employees Taking Unpaid Parental Leaves at the Group Headquarters in 2024

|                                                                                                                    | Male | Female | Total |
|--------------------------------------------------------------------------------------------------------------------|------|--------|-------|
| The number of employees entitled to unpaid parental leave in 2024 <sup>1</sup> (a)                                 | 180  | 119    | 299   |
| The number of employees who took unpaid parental leave in 2024 (b)                                                 | 2    | 19     | 21    |
| The rate of application for unpaid parental leave (b/a)                                                            | 1.1% | 15.7%  | 7.0%  |
| The number of employees who planned to return to work at the end of unpaid parental leave in 2024 (c)              | 6    | 18     | 24    |
| The number of employees who returned to work as planned or earlier than planned in 2024 (d)                        | 6    | 16     | 22    |
| Return to work rate (d/c)                                                                                          | 100% | 89%    | 92%   |
| The number of employees who returned to work as planned or earlier than planned in 2023 (e)                        | 2    | 8      | 10    |
| The number of employees who returned to work in 2023 and were still on the job at the end of 2024 <sup>2</sup> (f) | 2    | 7      | 9     |
| Retention rate (f/e)                                                                                               | 100% | 88%    | 90%   |

Notes:

1. Estimated from the number of employees who applied for maternity gifts between 2022 and 2024.
2. The number of employees who returned to work in 2023 and were still on the job at the end of 2024.

## Other Maternal Health Protection Measures

- The Company should not dismiss female employees or reduce their basic wages when they are pregnant or nursing babies.
- For employees who are not able to handle their original jobs because of pregnancy, the Company should assign them to suitable jobs.
- Employees who are pregnant or within one year after giving birth are not allowed to engage in operations that may affect embryonic development, pregnancy, or the health of the mother and baby during pregnancy or lactation period.
- Nursing rooms are provided at the Group Headquarters and factories in various regions for employees with small babies. Breastfeeding time is one hour per day and can be counted into working hours.
- Pregnant and physically challenged employees are provided with dedicated clock in lines to avoid discomfort caused by crowding or waiting. Rest areas are set up at workshops for pregnant employees in need to use at any time.
- In China factories, designated rest areas and nursing rooms are provided for pregnant and breastfeeding employees, along with specialized books for learning new knowledge.
- In Indonesia factories, exclusive courses for pregnant employees are offered, covering topics such as pregnancy and labor signs, as well as breathing techniques for childbirth, in addition to providing extra meals.
- In India factories, in addition to reducing the workload of pregnant employees, nutritional supplements and an extra one-hour rest period are provided during pregnancy. Monthly educational sessions tailored for pregnant employees are also conducted.
- The crèches in the India factories hosts monthly cognitive training sessions for mothers of young children.



## Activities Only for Female Employees

In addition to protecting female employees from harassment and discrimination in the workplaces, Feng Tay has also developed many welfare measures to increase their participation in activities and enhance their sense of accomplishment.



Host Mother's Day celebrations

### China

- Female employees receive free health examination every year.
- To care for women's health and enhance female employees' awareness of disease prevention, we organize "Women's Health Knowledge Lectures" and "Employee Free Clinic and Consultation Events."
- Host Mother's Day and Women's Day celebrations.

### Indonesia

- Female employees who work the night shift are provided with shuttle bus service.
- Exercise activities (such as yoga) only for female employees are offered every week.
- Host Mother's Day celebrations.



Cooking competition held in celebration of International Women's Day

### Vietnam

- Culinary arts, flower arrangement, and soccer competitions are held on International Women's Day to increase female employees' participation and sense of accomplishment.
- Women only health classes and health checks are provided for female employees.
- Give gifts to female employees suffering from serious illnesses, work accidents and illnesses.

### India

- Female employees are not required to engage in any shift work.
- Free sanitary napkins are provided in the toilets.

## SAKHI: Empowerment Program for Female Employees in India

SAKHI means "female friend" in Tamil language. This program aims to empower female employees in India and increase their confidence and positive attitude through various professional skills training courses. The improvement of women's knowledge, abilities, and social status will accelerate the local community's progress toward gender equality.

### Savings Program



We cooperate with local financial institutions and postal departments to let employees know about the various savings plans offered by banks and post offices, and improve their financial conditions through savings.

A total of 2,285 employees participated in the course between 2016 and 2024.

### Environmental Health



Public health courses were given to help employees alleviate open defecation problems and maintain a clean and hygienic community environment. Many employees have built toilets at home with government assistance to create a healthy home.

A total of 712 employees participated in the courses between 2017 and 2024.

### Higher Education



In India, many women interrupt their education because of financial difficulties, family circumstances, or other obstacles. We negotiate with local schools to offer tuition discounts and encourage employees to apply for on-the-job training to obtain degree certificates. Through this project, female employees not only enhance their knowledge, but also improve their self-confidence and career development.

A total of 1,788 employees participated in the program, and 377 obtained diplomas between 2012 and 2024.



## 5.4 Talent Cultivation and Career Development

Feng Tay believes that employees are our most valuable assets. Continuous talent cultivation in a planned manner is one of the business strategies we adhere to. In order to help our employees play to their strengths at work and meet their career development needs and goals, we provide clear career development plans, comprehensive professional trainings, a generous salary scheme and a transparent performance evaluation system.

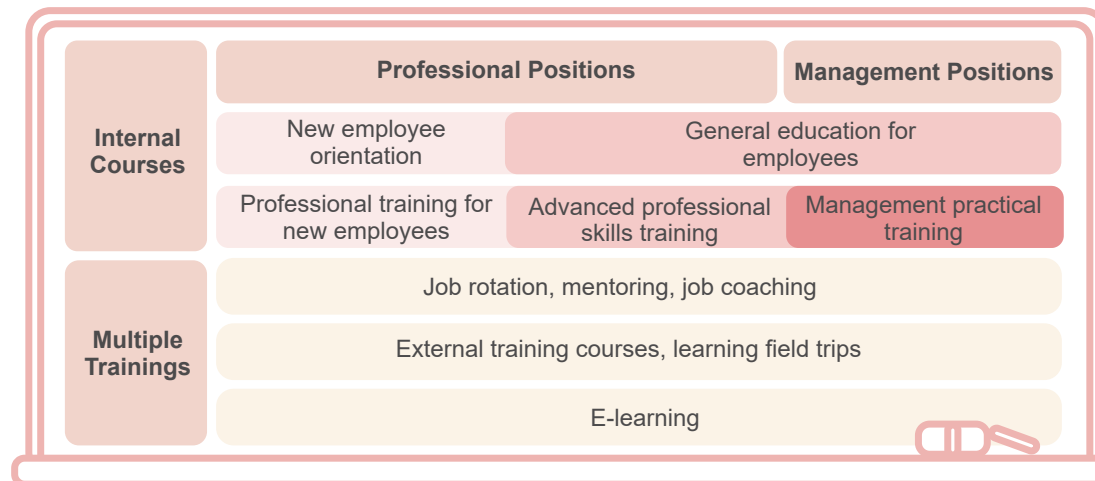
### Performance Management and Career Development

All new employees are assigned suitable positions according to their educational backgrounds and work experiences. We assess their adaptation status and development potential through regular interviews and department visits, and arrange appropriate training programs to help them quickly integrate into the team. Additionally, based on individual job relevance, we provide fundamental professional training in footwear manufacturing. When suitable management position vacancies arise, priority is given to internal employees for promotion, with work performance as the primary criterion for advancement.

In Feng Tay's performance management system, staff performance evaluation criteria are based on position level and job duties. We carry out performance evaluations twice a year and conduct performance interviews with employees. The proportion of employees who undergo performance appraisals is 100%, except for those who have been employed for less than two months and employees who have resigned. Through a comprehensive performance management system, we motivate employees to enhance their performance and competencies, fostering individual development and helping achieve operational goals. Many executives at the Group Headquarters and factories were gradually promoted from entry-level jobs to leadership positions after taking on various challenges and passing performance evaluations.

### Multiple Education and Training Channels

In order to achieve the goal of cultivating management and professional talents, Feng Tay implements a comprehensive training system. We create a specific training plan for each employee, from new hires to managers, based on the employee's job-related needs and career development goals. The training plan includes one or several of the following measures: on-the-job training, mentoring, job coaching, E-Learning and job rotation. To improve the capabilities of our employees and thereby strengthen our competitiveness, the Group strives to provide better development opportunities by regularly inviting external lecturers and encouraging employees to attend learning field trips and external training courses.





## New employee orientation

In 2024, the Feng Tay Group Headquarters had a total of **181** new employees, with a total pre-employment orientation training duration of **2,172** hours.

To help new employees familiarize themselves with Feng Tay and integrate smoothly into the team, a structured training program is provided. The orientation courses cover: introduction to the Group, factory tour, employee guidelines, prevention of sexual harassment, occupational safety and health training, Code of Conduct, workplace unlawful infringement awareness, and compensation and benefits system.



## Mentoring

Feng Tay Group implements a mentoring program, where each department assigns senior employees as mentors to actively share work experiences, provide guidance on job-related inquiries, and offer support for workplace adaptation. This initiative helps new employees quickly familiarize themselves with the environment, integrate into the team, and enjoy their work and life at Feng Tay.



## Job rotation

Feng Tay provides internal job rotation opportunities, demonstrating a strong commitment to promoting talent from within. In 2024, a total of 312 employees participated in cross-departmental or cross-functional job rotations at the Group Headquarters. This initiative helps cultivate multi-skilled talent, allowing employees to leverage their strengths in different roles, gain diverse experiences, expand their knowledge and skills, and enhance cross-functional collaboration. It also reflects the Group's comprehensive and diverse promotion system, offering employees broader career advancement opportunities.



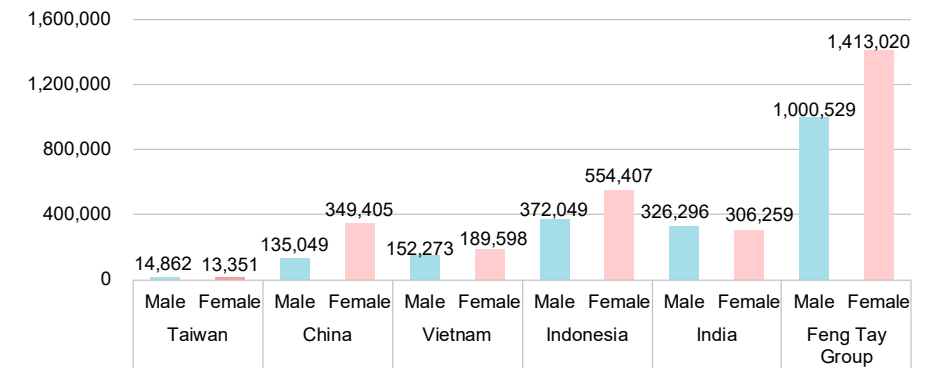
## Practical Management Training at the Group Headquarters: Managerial Competency and Professional Training

In 2024, the Group Headquarters recorded a total training duration of **257** hours, successfully training **23** managerial-level professionals.

Managerial candidates are required to complete the "Fundamental Competency and Professional Knowledge Training" certification. The program includes management regulations assessments and competency-based professional assessments, conducted through a hybrid format of online tests and in-person oral examinations.

In 2024, the total number of training participants across the Group was 2,413,549, representing a 6.3% increase compared to 2023. However, the average training hours per employee was 31.1 hours, reflecting an 11.5% decrease from 2023. This was due to an increase in the frequency of training programs in 2024, while the content of each session was streamlined, resulting in a higher number of training participants but a lower average training duration per employee compared to 2023.

## ▼ Person-times of Training Participants by Gender in the Group in 2024



## ▼ The average number of training hours per employee of each job category in 2024 (unit: hour)

| Job Category / Region           | Taiwan | China | Vietnam | Indonesia | India | Feng Tay Group |
|---------------------------------|--------|-------|---------|-----------|-------|----------------|
| Top-level Management            | 11.8   | 13.3  | 5.0     | 1.5       | 0.5   | 9.0            |
| First- and Mid-level Management | 25.3   | 22.7  | 22.2    | 25.5      | 24.9  | 23.4           |
| Non-Management                  | 46.5   | 37.0  | 24.9    | 59.7      | 28.6  | 31.8           |
| All employees                   | 42.8   | 35.6  | 24.6    | 56.8      | 28.3  | 31.1           |

Note: The average number of training hours per employee of each job category = The total training hours of each job category / The total number of employees of each job category in the year.

## 5.5 Safe and Peaceful Workplace Environment



### The Response, Management, and Evaluation Methods for 2024 "Occupational Safety and Health"



#### Material Aspect

#### Occupational Safety and Health

#### GRI Code

GRI 403: Occupational Safety and Health (2018)

#### Impact on Economy, Environment, and People

- Actual Positive Impact: We have established an Occupational Health and Safety Management System and implement effective occupational safety and health measures to address potential hazards and risks. These initiatives help prevent and reduce work-related hazards and disease risks, enhance employees' health and safety awareness, and improve operational efficiency. By ensuring human rights protection and a safe workplace environment, the Company strengthens employee well-being, fosters a sense of belonging, and enhances workplace cohesion.
- Potential Negative Impact: If the system is mismanaged or safety measures are not properly implemented, it could increase operational risks, potentially leading to workplace accidents or occupational illnesses.

#### Policies and Commitments

We are committed to ensuring worker safety and health and providing a good working environment, which is a fundamental responsibility of the Company. We strive to offer a healthy and safe workplace, strengthen the control and management of various occupational hazard risks, and reduce the risk of occupational incidents. Additionally, we continue to promote health initiatives and employee well-being programs to safeguard employee health.

#### Indexes and Goals

Short-term Goals (2025):

- Reduce the number of recordable occupational safety incidents per million work hours by 10% compared to 2024.
- Reduce the number of fire incidents in the factory area to 30 cases, a 10% decrease from 2024.

Mid-term Goals (2027):

- Complete protection upgrades and improvements for all existing high-risk machines.
- Create standard instructional diagrams for high-risk machines, achieving 100% coverage.
- Reduce recordable occupational safety incidents by 10% year by year.
- Reduced fire incidents in the factory by 5% year by year.
- Improve occupational injury statistics, clearly define classification standards, and include dispatched workers employed by contractors in the scope of reporting.

Long-term Goal (2030):

- Continue to create a healthy, safe and peaceful workplace environment, aiming at zero work-related injuries and zero disasters.

### Effectiveness Tracking Mechanism

- Hold environment, safety and health project meetings every quarter to review the performance of various environment, safety and health indicators and the progress of major projects.
- Conduct environment, safety and health inspections at the workplace every quarter (including fire prevention measures inspection).
- Statistics on occupational injury and disabling injury.
- Employees' regular health checks and health management classification situation.
- Continue to pass the third-party SLCP (Social & Labor Convergence Program) verification every year.

### Annual Actions, Measures, and Performance

- According to the 2024 occupational injury statistics per million work hours, the recordable occupational injury frequency rate was 0.26, with 72 cases of occupational safety incidents. There were no fatal occupational injuries, and the number of serious occupational injuries (employees unable to work for six consecutive months due to work-related injuries) was two cases.
- The total occupational safety and health training hours across the Group were 865,396 hours for full-time employees and 358,732 hours for contractors.
- Ten employees from the Group Headquarters, China, and Vietnam factories obtained the Certified Machinery Safety Expert (CMSE) certification, enhancing the timeliness and quality of safety management for machine change operations.
- Created standard instructional diagrams for high-risk machines, with 135 new machine types added this year.
- Completed protection upgrades for 15 key machine types, covering a total of 1,541 machines, achieving an improvement implementation rate of 91%.
- Analyzed past fire incidents and strengthened periodic inspections of high-fire-risk equipment, such as ovens, heating equipment, conveyor belts, and electrical systems, to prevent fire accidents.

## Occupational Safety and Health Management System

To maintain the health and safety of employees, we have implemented an occupational safety and health management system in accordance with relevant laws and regulations of various governments. The system focuses on seven key working aspects and uses the PDCA (Plan-Do-Check-Act) cycle of quality management to comprehensively improve working conditions in terms of occupational safety and health. The Group Headquarters and the factories in various regions have full-time personnel dedicated to environment, safety and health (referred to as ESH). The ESH personnel assist all departments in following the Group's policies and various standard procedures. Their responsibilities include executing daily ESH operations, minimizing safety and health risks at workplace, and regularly submitting results reports. They also assist with relevant improvement requirements. At the end of 2024, this management system covered all employees of the Group and the contractors who had been working at our factories for a long time. The number of people covered was 132,085 people, accounting for 100%.



### The Responsibilities of ESH Personnel

|                                           |                                      |                                   |                                                                   |
|-------------------------------------------|--------------------------------------|-----------------------------------|-------------------------------------------------------------------|
| <b>Factory ESH Team</b>                   | Conduct daily factory ESH operations | Submit performance report         | ESH consultation window for external units                        |
| <b>ESH Team at the Group Headquarters</b> | Promote overall improvement projects | Provide consultation and guidance | Check and verify ESH operations of each factory from time to time |

Each factory holds regular meetings to review the performance of various ESH indicators, report the progress of major ESH projects, and track and review serious incidents. Chaired by the factory executive vice general manager, the meeting provides a forum for the management team to discuss ESH policies and strategies, with the aim of strengthening factory executives' attention to ESH issues and their ability to promote ESH projects. Quarterly ESH inspections are conducted in the workplace. Safety concerns and ESH related deficiencies found in the workplace are promptly corrected.

## Seven Key Working Aspects of the Occupational Safety and Health Management System

### ESH performance index management

- Regularly track and review relevant performance indexes, such as occupational injury frequency rate, occupational injury severity rate, and fire accidents.
- Tracking and review methods: holding quarterly meetings, communicating through written achievement reports monthly.

### Workplace audits and improvements

Sustainability supervisors are appointed at the Group Headquarters and factories in all regions to lead quarterly audits and inspections of various management regulations such as environmental safety and health, labor management relations, and human rights issues at each factory. If there are deficiencies in occupational safety and health, the factory sustainability supervisor is in charge of reporting them to the Group Headquarters. After the deficiencies are audited, the general manager of the factory is responsible for reporting on the improvement progress until the case is closed. The main deficiency items in occupational safety and health were poor protection measures for machine operators and poor management of working environment. In the future, we will continue to track and improve such deficiencies.

### Disaster and accident response procedures

Establish the SOP. In the event of an accident or disaster, follow the SOP to report and deal with it. Analyze the accident, investigate its cause and review the improvements.

### Hazard identification and risk assessment

Identify and assess hazard factors that may cause occupational injuries or diseases, including high-risk workplaces, chemicals used in manufacturing processes, and operational safety assessment. The currently identified high-hazard risk factors include mechanical hazards, fall hazards, contractors' work safety hazards, and commuting injuries.

### Key improvement projects

Conduct long-term improvement projects based on the identified occupational hazard risks, including:

- Completed protection upgrades for 15 key machine types, with a total of 1,541 machines. The improvement completion rate was 91%.
- Ten employees from factories at the Group Headquarters and factories in China and Vietnam received the CMSE certification of external machine safety experts, to enhance machine hazard identification and risk assessment capabilities.

### Safety and health training and evacuation drills without prior notice

- Conduct occupational safety training and regular retraining for full-time employees, part-time employees and contractors.
- Conduct job-related education and training for emergency medical personnel and environment, safety and health personnel.
- Promote knowledge on issues related to safety and health.
- Conduct evacuation drills without prior notice for the entire factory twice a year.

### Health management and promotion activities

General and special health checks are organized regularly to foster workplace health promotion services. Please refer to [Workplace Health Services](#) for details.

## Environment, Safety and Health (ESH) Committee

Feng Tay has established ESH committees at the Group Headquarters and various factories. Each factory's ESH committee is composed of management and labor representatives. Labor should account for at least 50% of committee members and there should be at least one representative from employees affiliated to each vice president. The chairperson of the committee is held by the General Manager or by a person appointed by the General Manager in Taiwan and Vietnam, and elected by the committee members in other regions. Each committee must meet at least once a month. The meeting agenda includes investigation of on-site occupational injuries, review of the implementation of preventive measures, discussion of ESH proposals, and safety promotion. The key issues discussed this year were enhancement of machine operation safety, prevention of fire accidents, improvement to ventilation systems in the workplace, and reduction of slippery floors.

## Environment, Safety and Health (ESH) Training

Feng Tay places great importance on professional training and safety education for employees, aiming to prevent accidents caused by unfamiliarity with operating procedures and enhance safety awareness. All new employees are required to complete basic safety and health training before starting their work. Before operating special machinery or performing specific tasks, employees must participate in safety and health certification courses or training programs covering hazard risks and prevention for high-risk machines, noise, dust, and organic solvents. Regular refresher courses are conducted based on the level of hazard risk. At the Group Headquarters, an annual emergency response team training is conducted as required by law, covering fire drills, evacuation exercises, and emergency response training for special workplaces. In 2024, the Group Headquarters provided a total of 865,396 hours of environmental, health, and safety (EHS) training for employees.

For the occupational safety of contractors, we clearly outline the following occupational safety requirements in contract agreements: holding pre-construction work safety meetings, establishing construction safety and health regulations, and requiring contractors to sign a safety and health commitment letter. We are also committed to assisting contractors in conducting relevant education and training to ensure they can prevent occupational safety hazards and risks. In 2024, the Group Headquarters provided a total of 358,732 hours of EHS training for all contractors. We also actively enhance safety culture. Through the establishment of a supervisor safety assessment system, we have promoted supervisor safety awareness training and departmental safety activities.

## Occupational Safety Hazards Risk Control

Feng Tay has implemented safety considerations in the overall work environment, and conducted identification and assessment of potential occupational safety and health hazards in the workplace. We have also formulated safety management regulations to prevent and reduce hazard risks. To ensure the health and safety of employees in the workplace, if any employee believes that the working environment may cause injury or illness, he or she can apply to the immediate supervisor for transfer to another position. In accordance with the "Grievance, Suggestion, and Reporting System" established by the Company, employees applying for job transfers shall be protected from intimidation, threats or termination of employment contract. The following table is an excerpt of the items identified as high-risk operations.

### ▼ Hazard Identification and Analysis of Occupational Safety and Health Management - High Risk Level

|                                                                                                                                                                                     |                                                                                                                                                                                      |                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>Mechanical hazards</b><br/>High-risk machine operations.</p>                              |  <p><b>Contractor work safety</b><br/>Contractors entering the factory for work.</p>              |  <p><b>Commuting injury</b><br/>Traffic injuries outside the factory.</p>                                         |
|  <p><b>Fall hazards</b><br/>Equipment hoisting and overhead pipeline maintenance operations.</p> |  <p><b>Chemical operations safety</b><br/>Chemical dispensing, handling, usage, and disposal.</p> |  <p><b>Newly purchased machine safety</b><br/>Safety risks of newly purchased or borrowed machine operations.</p> |

## Workplace Safety Management Measures

① All aisles in workshops should have an appropriate width and should be cleared of any object. Emergency exits should be free of obstacles.

②  Based on the fire safety risk assessment, firefighting equipment use and control measures are implemented. Regular testing and maintenance of firefighting equipment are performed in accordance with the inspection and maintenance plan.

③ For special operations involving organic solvents, dust, and noise, engineering improvements such as local exhaust ventilation systems, noise reduction devices, and soundproofing equipment are evaluated and implemented.

④ Employees must complete safety training and hold operating permits before they can operate high-risk machines. 

⑤ For workers in units with a high incidence rate of occupational injuries (such as the maintenance department) or operating high-risk machines (such as punching machines), implementations of safety training, operating permit verification, and safety performance assessment are strengthened.

⑥  Employees are required to wear personal protective equipment correctly in special workplaces. To reduce the risk of exposure, notices are posted in high-risk workplaces to remind operators to wear personal protective equipment.

⑦ In 2016, nearly 10,000 old high-risk machines used in footwear production across the Group were inspected, with risk assessments and safety improvements conducted to reduce operational risks.

**In 2024, safety protection upgrades were completed for 15 types of high-risk machines, covering 1,541 machines, achieving an improvement implementation rate of 91%.** 

⑧  Since 2017, standardized process flow instructional diagrams for high-risk machines have been developed to clearly illustrate the required safety measures, ensuring that both existing and newly purchased machines across all factories comply with the Group's safety standards.

**In 2024, 135 additional machine types were incorporated into the standardized process flow diagrams.**

⑨ All newly purchased machines must be examined by the ESH Department to ensure that machine safety meets the requirements prior to being introduced into production processes. 

⑩ Ergonomic considerations have been incorporated into work processes and equipment layouts to minimize physical strain caused by prolonged work. Automated material handling machines have been developed to prevent musculoskeletal injuries from manual handling.

⑪  Standard operating procedures (SOPs) have been established for chemical dispensing, handling, usage, and disposal, with regular training sessions conducted to enhance employee safety awareness.

⑫ Protection plans and measures have been implemented for special elevated work environments, such as equipment transportation and overhead maintenance.

**In 2024, 13 additional fall protection anchorage points were installed.**

⑬ Fire incidents from 2023 were analyzed, and special inspections were conducted on machines and equipment with high fire occurrence rates to prevent similar fire accidents from recurring.

**In 2024, the total number of fire incidents was 34 cases, reflecting a 15% decrease compared to 2023.** 

⑭  Employees are encouraged to practice defensive driving and adhere to safe road use. Regular safety inspections of vehicles are conducted to reduce commuting accidents.

⑮ Safety inspections have been strengthened. In addition to ESH personnel conducting regular workplace safety assessments, Sustainable Development (SD) directors in each region are also required to perform periodic audits and inspections of all factories under their jurisdiction. Any deficiencies must be addressed by the factory general manager, with continuous progress reporting.

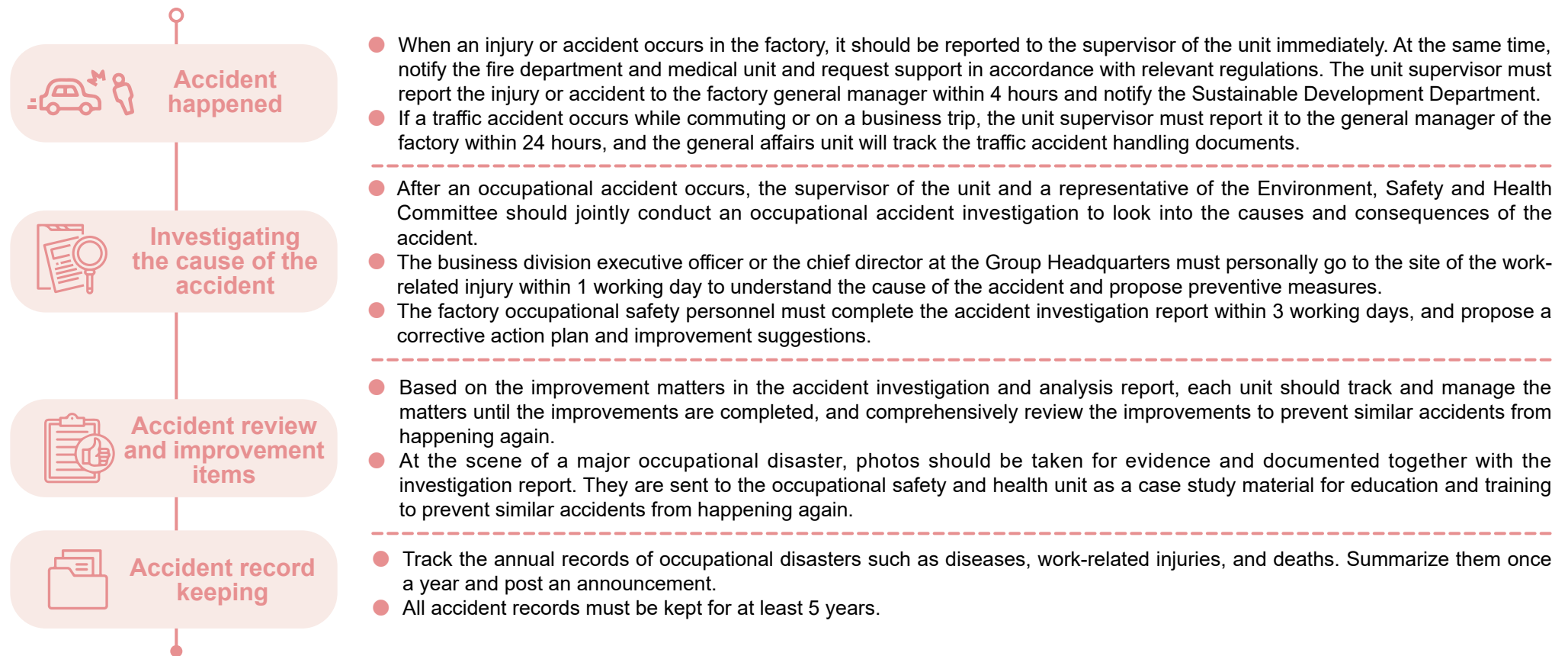
## Disaster and Accident Emergency Response Measures

Emergency response plans are developed at the Group Headquarters and all factories according to potential risks in the workplace and surrounding environment. Evacuation drills are practiced every half year to implement this response mechanism. Emergency exits and evacuation routes are clearly marked in all workplaces. Adequate automatic fire alarm systems and automatic fire extinguishers are installed in the workplace and tested regularly to ensure safe use in the event of a disaster. Each factory has qualified first-aid personnel who are trained to give immediate first aid in case of an emergency.

When there is an imminent danger in the workplace, all workers may stop work and retreat to safe places under the condition that the safety of other workers is not endangered. The Company shall not take adverse action against the workers in order to implement the basic rights protection of workers' right to withdraw, as prescribed in Article 18 of the Occupational Safety and Health Act. It is important for the Company to ensure that personal health and safety are the first priority under any circumstances.



### ▼ Accident Investigation Procedure



## Analysis of Occupational Injuries and Accidents

Feng Tay Group continuously strengthens workplace safety culture and strives to achieve our goal of zero occupational injuries. In 2024, the total work hours for Group employees were approximately 275 million hours, with 72 recordable occupational injuries, resulting in a frequency rate of 0.26, a 7% decrease compared to 2023. There were no fatal accidents due to occupational injuries.

There were two cases of severe occupational injuries, occurring in Vietnam and China:



One case involved an employee falling while installing a light fixture on an A-frame ladder, leading to a head contusion. Following the incident, the Group Headquarters immediately launched a retraining program on high-altitude work safety, emphasizing the proper use of personal protective equipment and supervisory oversight of elevated work operations to ensure compliance with high-altitude work regulations.



The other case involved an employee slipping on a downhill path due to worn-out shoes with no slip-resistant soles, resulting in a foot fracture. In response, the Group reinforced awareness of the importance of slip-resistant footwear.

An analysis of 2024 accident categories showed that improper machine operation accounted for 43% of total occupational injuries, making it the most common cause. Slips and falls accounted for 21%, making it the second most common cause. To mitigate risks, we have implemented protection upgrades and improvement projects for high-risk machines, conducted inspections on daily machine operation and maintenance, and carried out special safety audits on high-risk machines. If any deficiencies are found, operations are immediately halted for corrective action. Unsafe employee behavior and serious machine deficiencies will be incorporated into the annual performance evaluation of the unit supervisor.

## ▼ Occupational Injuries in 2023 and 2024

| Year | Total work hours | Fatal occupational injury |                       | Severe occupational injury (excluding fatal) |                       | Recordable occupational injury |                       |
|------|------------------|---------------------------|-----------------------|----------------------------------------------|-----------------------|--------------------------------|-----------------------|
|      |                  | Number of Deaths          | Injury Frequency Rate | Number of Cases                              | Injury Frequency Rate | Number of Cases                | Injury Frequency Rate |
| 2023 | 294,779,503      | 0                         | 0.00                  | 3                                            | 0.01                  | 84                             | 0.28                  |
| 2024 | 274,761,656      | 0                         | 0.00                  | 2                                            | 0.00                  | 72                             | 0.26                  |

## ▼ Occupational Injuries in various Regions in 2024

| Region                                       |                       | Taiwan    | China      | Vietnam     | Indonesia  | India      |
|----------------------------------------------|-----------------------|-----------|------------|-------------|------------|------------|
| Total work hours                             |                       | 5,079,176 | 28,911,608 | 138,996,805 | 33,867,065 | 67,907,002 |
| Fatal occupational injury                    | Number of Cases       | 0         | 0          | 0           | 0          | 0          |
|                                              | Injury Frequency Rate | 0.00      | 0.00       | 0.00        | 0.00       | 0.00       |
| Severe occupational injury (excluding fatal) | Number of Cases       | 0         | 1          | 1           | 0          | 0          |
|                                              | Injury Frequency Rate | 0.00      | 0.03       | 0.00        | 0.00       | 0.00       |
| Recordable occupational injury               | Number of Cases       | 9         | 7          | 47          | 6          | 3          |
|                                              | Injury Frequency Rate | 1.77      | 0.24       | 0.33        | 0.17       | 0.04       |

### Explanation of definitions and calculation methods:

- Calculation method of total working hours: working hours of clock-in employees (statistics from the attendance system) + working hours of supervisors who do not clock in (number of working days in the month throughout the year \* 8 hours per day \* total number of supervisors).
- Recordable Occupational Injury: Workers are unable to continue working normally because of occupational injuries and must be off work and leave the workplace. The number of lost hours is more than 8 hours for the injury to be counted as recordable. The number of deaths caused by occupational injuries is also included. For the injuries due to traffic accidents that occur while commuting to and from work, only the accidents caused by the transportation arranged by the Company are included in the calculations.
- Recordable Occupational Injury Frequency Rate = number of recordable occupational injuries / total working hours \* 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.
- Severe occupational injury: an occupational injury that causes a worker to be incapacitated and unable to return to normal attendance and work within 6 months.
- Severe occupational injury frequency rate = number of severe occupational injuries / total working hours \* 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.
- Fatal occupational injury frequency rate = number of deaths due to occupational injuries / total working hours \* 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.
- The occupational injury-related rates are calculated as rates per million work hours.
- Because the data are incomplete, we are not able to disclose the number of on-site work hours and the number of work-related injuries of contractors.

## ▼ Causes of Occupational Injuries and Number of Lost Hours in 2023 and 2024

| Causes of occupational injuries                                                          | Number of recordable occupational injuries |           | Work hour loss due to recordable occupational injury |               |
|------------------------------------------------------------------------------------------|--------------------------------------------|-----------|------------------------------------------------------|---------------|
|                                                                                          | 2023                                       | 2024      | 2023                                                 | 2024          |
| Machinery                                                                                | 37                                         | 31        | 16,625                                               | 5,853         |
| Electricity                                                                              | 0                                          | 0         | 0                                                    | 0             |
| Chemicals                                                                                | 1                                          | 1         | 153                                                  | 10            |
| Ergonomic hazards/Hand tools/Manual handling                                             | 13                                         | 12        | 2,931                                                | 3,048         |
| Slips or Falls                                                                           | 15                                         | 15        | 2,179                                                | 6,631         |
| Commuting injuries while taking company owned vehicles (such as shuttle buses)           | 0                                          | 0         | 0                                                    | 0             |
| Others (such as insect bites, injuries from falling tree branches, cuts from billboards) | 10                                         | 13        | 7,553                                                | 2,268         |
| <b>Total</b>                                                                             | <b>84</b>                                  | <b>72</b> | <b>29,441</b>                                        | <b>17,810</b> |

Note: Some occupational injury cases in 2023 were not closed until 2024. The lost working hours of these cases were retroactively included in 2023, and therefore are revised in this report.

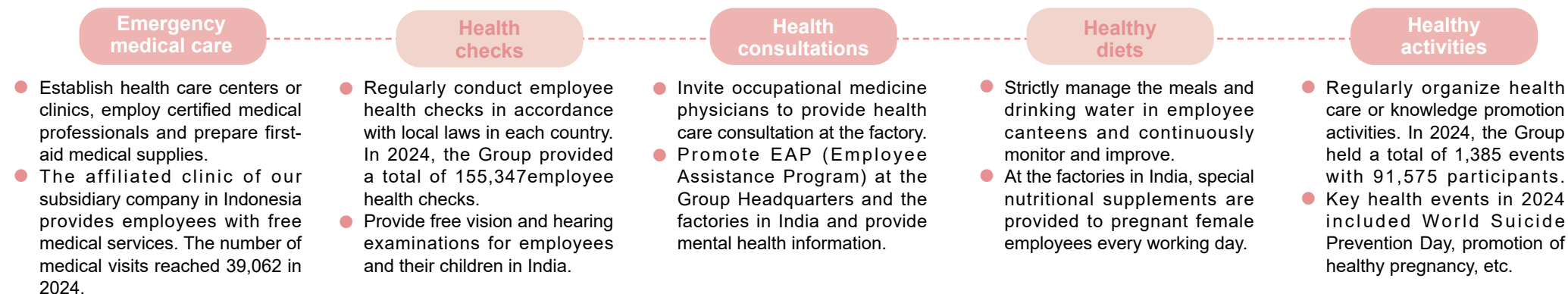
## ▼ Types of Occupational Injuries in 2023 and 2024

| Types of occupational injuries                 | 2023      | 2024      |
|------------------------------------------------|-----------|-----------|
| Crush injuries, pinch injuries, smash injuries | 29        | 28        |
| Fractures                                      | 23        | 18        |
| Lacerations, cuts                              | 8         | 12        |
| Burns or scalds                                | 6         | 0         |
| Sprains                                        | 0         | 1         |
| Limb amputation                                | 1         | 0         |
| Hernia                                         | 0         | 0         |
| Loss of consciousness                          | 0         | 0         |
| Paralysis                                      | 0         | 0         |
| Fatal                                          | 0         | 0         |
| Others (such as strains, flesh wounds, etc.)   | 17        | 13        |
| <b>Total</b>                                   | <b>84</b> | <b>72</b> |

## Workplace Health Services

For a long time, Feng Tay has been actively advancing employee health promotion. The Company not only maintains the safety and health of the workplace environment, but also provides employees with comprehensive health services and continues to care for and protect their physical and mental health.

### ▼ Workplace Health Promotion Services



## The Group Headquarters

### Health Checks

The Group Headquarters conducts regular health checks for all employees every year. In addition to general health checks, special health checks are also carried out for relevant workers with high occupational safety risks. The results of health checks are classified according to the health management classification procedure. Employees with a health management level of three or higher are tracked every year. Employees with a health management level of four receive health counseling and health education from health centers / factory nurses / occupational medicine physicians. When necessary, on-site assessment of suspected work-related illnesses should be carried out, and factory nurses / occupational medicine physicians track the situation until the condition improves and continue to manage the health of these employees.

### Senior Employee Health Checks

Since 2019, the Group Headquarters has provided comprehensive health check-up subsidies for senior employees, helping many employees detect health issues early and receive timely treatment. As of now, a total of 1,241 employees have participated in this program.

One particular case involved an employee who had been with the company for 35 years. During a health check-up, a low-dose CT scan detected an abnormality in her left lung. Initially, she struggled to accept the diagnosis and even sought spiritual guidance at a temple. However, she ultimately chose to trust medical professionals and bravely underwent laser surgery to remove the affected area. Post-surgery biopsy results confirmed early-stage cancer. Fortunately, apart from a slight decrease in lung capacity, her daily life remained unaffected, requiring only regular follow-up check-ups.

This employee expressed deep gratitude for the Feng Tay health check-up program, appreciating the company's long-term commitment to employee well-being. She acknowledged that it was only through this comprehensive health check-up opportunity that her condition was detected early, allowing for timely treatment. She sincerely thanked Feng Tay for its care and support, which not only provided her with a stable career but also ensured a safe and secure work environment, allowing her to continue her journey with peace of mind.

## Health Management

In 2024, there were 21 employees at the Group Headquarters with a health management level of three or higher, all of whom were engaged in noise-exposed work. These 21 employees continue to receive personal health guidance from occupational medicine specialists and factory nurses. We have also established a Hearing Protection Program, which includes the selection and proper use of hearing protection equipment, hearing protection education and training, as well as regular monitoring and exposure assessments of workplace noise levels to implement hazard control measures. According to the 2024 workplace environment monitoring results, noise levels in all work areas at the Group Headquarters were controlled below 85 decibels, demonstrating our commitment to providing employees with a legally compliant and comfortable working environment.

### ▼ The Health Management Levels of Employees Receiving the Special Health Examination at the Group Headquarters in the Past Three Years (unit: number of employees)

| Year                               | 2022 | 2023 | 2024 |
|------------------------------------|------|------|------|
| Level 1 health management          | 262  | 268  | 300  |
| Level 2 health management          | 113  | 97   | 93   |
| Level 3 health management          | 11   | 0    | 0    |
| Level 4 health management          | 13   | 27   | 21   |
| Total number of employees examined | 399  | 392  | 414  |

#### Notes:

1. Level 1 Health Management: Employees whose health check results are entirely normal, or those with minor abnormalities that are determined by a physician to be non-significant.
2. Level 2 Health Management: Employees whose health check results show partial or complete abnormalities, which are determined by a physician to be abnormal but unrelated to work.
3. Level 3 Health Management: Employees whose health check results show partial or complete abnormalities, but the work relevance cannot be determined; further evaluation by an occupational medicine physician is required.
4. Level 4 Health Management: Employees whose health check results show partial or complete abnormalities, which are determined by a physician to be abnormal and related to work.

## Health Promotion Activities

### World Suicide Prevention Day

World Suicide Prevention Day is observed on September 10 each year. Various activities are launched around the world to promote awareness and prevent suicides. In our factories in India, we organize awareness seminars and invite counseling consultants to share positive life cases to encourage employees. Additionally, we strive to create hope for employees in distress through the assistance of EAP consultants.

### Maternal Health Care

Feng Tay has long been paying attention to the physical and mental health of motherhood. In the month of May, which symbolizes motherhood, our factories in India held an event in support of World Maternal Mental Health Day. The factories arranged for in-house counselors and physicians to share health knowledge and discuss postpartum physical and mental health issues with 47 mothers of children in crèches. The health knowledge shared included avoiding unhealthy eating habits, maintaining a balanced diet, and the things parents should pay attention to when raising children. In-house counselors and physicians also explained to mothers of young children how parents' behaviors affect their children's physical and mental health and how to assist their children's healthy development as they grow.

## Healthy Diet

### Employee Canteen Meals

In order to ensure food safety, the Group Headquarters and factories in various regions have set up employee canteens in accordance with hygiene standards. Meals are cooked by full-time employees or outsourced vendors. A sample of each daily meal is kept in the infirmary for inspection. Relevant business supervisors eat at the canteen once a week to understand the quality of the meals and inspect the hygienic conditions of the canteen. A food quality supervisory committee has been established in each factory to supervise food quality and make suggestions for improvement. The committee members are elected by employees.

#### Use of Organic/non-toxic Agricultural Products

In order to provide our employees with healthier meals and support local farmers to adopt more eco-friendly farming practices, the canteen at the Group Headquarters has promoted the "Improvement project on the use of organic/non-toxic agricultural products" since 2015.

All rice, vegetables and fruits provided for lunch have been switched to **organic or non-toxic produce**



#### Localized Meal Design

Meals at factories in various regions are adjusted according to employees' religion or national conditions to integrate into local customs and enhance employees' cohesion.

**China :** To enrich menu variety, the employee cafeteria introduced local specialty dishes such as deep-fried mudfish, stir-fried rice vermicelli, stir-fried flat noodles, and mushroom postpartum soup. For the evening meal, a wide selection of options is offered, including noodles, porridge, fried rice, and steamed buns, to enhance overall dining satisfaction. During the hot summer season, the General Affairs team prepares cooling herbal teas (such as sour plum juice and chrysanthemum tea) for employees to enjoy and beat the heat.

**Vietnam :** Catholics do not eat meat on Fridays; therefore, the canteen provides seafood and vegetarian meals on those days. The canteen prepares vegetarian meals for Buddhists on the 1st, 14th, 15th, and 30th of each month. In addition, the cafeteria also offers a variety of noodle dishes to enhance meal diversity and improve the overall dining experience.

**Indonesia :** During Ramadan, fasting is about 13 hours a day. Employees are unable to eat during lunch time; therefore, the Company prepares lunch boxes and snacks for them to take home.

**India :** The factories distribute desserts every year on August 15, the India Independence Day; and follow the nutritionist's recommendations to provide healthy foods such as fruits and nutritional drinks to pregnant employees. During festivals such as Pongal, Women's Day, and Diwali, the cafeteria offers special festive meals, allowing employees to experience a joyful, home-like atmosphere even in the workplace.

## Drinking Water

Feng Tay has set up reverse osmosis drinking water production plants to produce drinking water at the Group Headquarters and the factories in Indonesia, Vietnam, and India. To ensure drinking water quality and maintain employee health, we have also formulated drinking water management regulations. The General Affairs department is responsible for drinking water management and the ESH department is in charge of system operation and supervision of regulatory compliance. The drinking water supplied to employees by subsidiary companies is obtained from three different sources: tap water filtered and boiled using drinking water equipment, drinking water produced at our own drinking water plants, and purchased drinking water. Drinking water from different sources must meet specific testing standards and only after passing the test can it be provided to employees for drinking.

The frequency of water quality testing strictly follows the regulatory requirements of various regions. The drinking water produced by our own drinking water plants is provided to employees only after passing daily inspections by our own staff and monthly tests by the relevant government unit (or a government-approved testing laboratory). The drinking water produced from tap water by drinking water equipment and the purchased packaged drinking water are also randomly tested every month. If the test results raise any health and safety concerns, the suspected drinking water supply will be stopped immediately. All water quality test results are collected by Sustainable Development Department at the Group Headquarters and kept for two years.

In order to ensure that the maintenance and cleaning procedures of water supply equipment meet the hygienic requirements and strengthen the drinking water hygiene management, the Group's drinking water plants and drinking water equipment must meet the maintenance requirements, and the equipment must be regularly inspected, maintained and cleaned. Since 2017, the Group Headquarters has established standard operating procedures (SOP) for the maintenance and improvement of drinking water equipment. Through an SOP flowchart and video demonstrations, the steps to clean drinking water equipment are described in detail and the frequency of maintenance is prescribed to reduce the failure rate of water quality testing.

As of the end of 2024, test results indicated that *Escherichia coli* levels exceeded the standard limit respectively in the Group Headquarters' factories in May, August, and September; in Vietnam region in January, April, and September. The factories at the Group Headquarters and the factories in Vietnam immediately inspected, cleaned, and maintained their equipment, and retested the drinking water to confirm that it met the standard. The maintenance of drinking water equipment and drinking water hygiene management were regularly inspected, and the pass rate was 98% in 2024. Water dispensers that failed daily inspections or purchased packaged drinking water that failed the quality test were immediately removed from service. Any water dispenser that is found to be unsatisfactory must be cleaned and pass retest before it can be put into use again.

## Employee Assistance Program (EAP)

We have promoted the Employee Assistance Program (EAP) at the Group Headquarters and in India to integrate various professional service resources that help employees address challenges in their personal and professional lives. The difficulties employees may face include workplace issues, marriage and family relationships, interpersonal conflicts, addictions such as alcohol abuse, emotional stress, communication management, and other mental health concerns. Due to social and cultural backgrounds, close attention is given to the mental well-being of employees in India. Through diverse counseling services, we aim to provide timely assistance to help employees overcome life's challenges. To better meet employees' needs, the management team holds regular meetings with external EAP consultants to review the program's implementation status and employee feedback. This allows for continuous adjustments to ensure that the program remains aligned with employees' real needs and effectively provides the intended support.

### EAP Service Projects and Implementation Results

The Group Headquarters hires a clinical psychologist to visit the factory once a month to provide face-to-face counseling services for employees. We also set up a 24-hour free service hotline and email to accept related inquiries from employees, and provide timely assistance in case of urgent mental health problems. In 2024, the total number of employees at the Group Headquarters who received Employee Assistance Program (EAP) services was 135. To continuously enhance employee mental health, a total of 72 mental health promotion articles were compiled and made available for approximately 2,700 employees at the Headquarters to read.

#### ▼ EAP Implementation Results at the Group Headquarters



##### Mental health counseling

A clinical psychologist was invited to the factory once a month to provide 4-hour consulting services for employees to make appointments for interviews.

##### Annual performance

12 visits (48 hours in total)  
A total of 45 people used it



##### Emergency Mental Health Assistance

Consultation and assistance on mental health issues can be sought from clinical psychologists through the 24-hour service hotline or consultation email.

##### Annual performance

There were 84 telephone inquiries, with a total call time of 909 minutes  
6 consultation emails received



##### Mental health promotion

A total of 72 mental health promotion articles were compiled. In 2024, the shared themes included managing workplace relationships, caregiving for dementia or long-term care patients, and understanding bipolar disorder and panic disorder, providing knowledge and experience sharing on these topics.

##### Annual performance

6 articles published

The factories in India provide professional group counseling services for various mental health issues. Counseling topics include alcohol addiction, marriage, family, emotion management, and other psychological and life challenges, allowing employees to seek assistance from psychological counselors when facing life difficulties or distress. In 2024, a total of 27,462 person-times in India received individual or group counseling services.

#### ▼ Person-times of EAP Service in Various Factories in India (unit: person-times)

| LU1   | LU2   | EW1   | EW2   | FA1   | FA2   | TD1   | Total  |
|-------|-------|-------|-------|-------|-------|-------|--------|
| 4,160 | 4,601 | 4,179 | 3,628 | 2,454 | 5,647 | 2,793 | 27,462 |



# 6 Care for the Community



6.1 Active Participation in Society

6.2 Giving Back to the Community

6.3 Educational Resources

6.4 Healthcare and Hygiene

6.5 Environmental Protection



## 6.1 Active Participation in Society

Actively participating in the promotion of public welfare to drive sustainable development for both the Company and the local community.

In 2024, Feng Tay gave a total of approximately USD 3.91 million<sup>1</sup> to support public welfare activities in the local communities where we operate. The funds were used for supporting medical care, public health, sports, culture, and education. Each factory pays deep attention to various social issues according to the culture and customs of each region, and provides needs-based assistance. We maintain good collaborative relationships with local governments, non-profit organizations, and local residents, working together to drive shared growth and sustainable development across Feng Tay and its local communities.

### ▼ Breakdown of the Groups 2024 Social Engagement Investments and the Corresponding SDGs



<sup>1</sup> The end-of-year exchange rates reported by the U.S. Department of the Treasury Bureau of the Fiscal Service are used for converting financial data in local currency to U.S. dollars, and the reported data have been rounded to the nearest thousand; the exchange rates for various currencies in 2024 are NTD (1: 32.709), RMB (1:7.299), IDR (1:16,067.13), VND (1:25,480), and INR (1:85.577).

## ▼ Contribution Amounts and Implementation Highlights of Social Involvement in each Region

### China

**RMB 1,093,000 (about USD 150,000)**

- To show appreciation for the dedication of police officers and traffic personnel, we support public safety efforts by assisting frontline law enforcement and their families, enhancing on-duty protection, and promoting justice. A total of about USD 34,000 (about RMB 248,000) was invested.
- The factory engaged with local preschools by hosting interactive and engaging educational sessions on safety and environmental protection.

### Taiwan

**NTD 94,680,000 (about USD 2,895,000 )**

- The Group Headquarters, in support of the digitally transforming education and enhancing teaching quality, has donated smart interactive whiteboards and related IT equipment to Sacred Heart High School in Yunlin County. A total of USD 180,000 (about NTD 6 million) was donated.
- The Feng Tay Cultural and Educational Foundation organized or sponsored related groups to host four sports competitions, 29 public arts and cultural events, and four science education programs. In 2024, a total of USD 690,000 (about NTD 22.65 million) was invested.
- With support from the Yunlin County Government Education Department and Agriculture Department, Feng Tay Cultural and Educational Foundation promoted local organic agriculture in Yunlin and launched the school's "Nutritious lunch, one meal of organic rice per week" plan. Students and teachers can enjoy healthy and nutritious organic white rice and, at the same time, understand the importance of food safety and environmental and ecological conservation. The second phase of the plan has been implemented in 149 elementary schools. A total of 44,027 teachers and students benefited from the plan.

### India

**INR 46,986,000 (about USD 549,000)**

- We carried out a renovation project for a small community stadium, providing essential upgrades to the venue. A total of about USD 88,000 (about INR 7.5 million) was invested.
- We provided life-saving equipment to neighboring hospitals and Primary Health Centers, constructed waiting halls and concrete walls, and supplied 500 sanitation workers from the government health department with personal protective equipment (PPE), two sets of uniforms, and related cleaning tools. A total of about USD 167,000 (about INR 14.3 million) was invested.

### Vietnam

**VND 6,961,016,000 (about USD 273,000)**

- To support underprivileged students in neighboring communities and ease the financial burden on disadvantaged families, we provided scholarships and donated educational equipment to students in Trang Bom, Xuan Loc, and Vinh Cuu districts of Dong Nai Province, as well as graduates of Lac Hong University, factory preschools in Vietnam, and Binh Minh Primary School. A total of about USD 86,000 (about VND 2.2 billion) was contributed, benefiting approximately 1,000 students.

### Indonesia

**IDR 694,525,000 (about USD 43,000)**

- To improve living conditions in surrounding communities, we assisted in building waste management facilities for villages near our factories. A total of about USD 9,600 (about IDR 154 million) was invested.
- In 2024, the GRIYA SEHAT Medical Center launched a series of meaningful public welfare initiatives, covering cancer prevention, health education, blood donation, and vaccination. Through collaborative efforts, the center provided comprehensive health support for both community residents and employees.

## 6.2 Giving Back to the Community

### Community Emergency Assistance and Care



#### Vietnam

#### Assist Disadvantaged Families in Building Charity Houses

In 2024, our Vietnam factories partnered with local governments and charities to launch a housing renovation program for disadvantaged families in Dong Nai Province. Working with the People's Committees of Vinh Cuu and Trang Bom Districts and the Red Cross of Xuan Loc District, we improved housing for families in urgent need.

In 2024, our factories invested about USD 39,000 (about VND 1 billion) to support the following initiatives:

- Collaborating with the People's Committees of Vinh Cuu and Trang Bom Districts and the Red Cross of Xuan Loc District, we built 10 charity houses, providing safe housing for families in need. A total of about USD 31,000 (about VND 800 million) was invested.
- Expanding our factory's charity housing program, we constructed two additional charity houses, further extending our support. A total of about USD 7,800 (about VND 200 million) was invested.

#### Assisted a Family Who Had Encountered Major Difficulties to Move into a Charity House

Ms. Nguyen Thi Hue is the primary breadwinner of her family, which includes two children, her husband, and her 80-year-old mother-in-law. Her husband works as a temporary laborer with unstable employment, while her elderly mother-in-law frequently falls ill. Since 2009, the family has been living in a small charity house provided by the Xuan Loc District Police Department. However, the house has now deteriorated significantly and lacks an indoor bathroom.

In March 2024, a violent storm tore off the roof, leaving the already deteriorating house in even worse condition. Given the family's extreme financial hardship, properly repairing their home seemed like an unattainable dream. For Ms. Hue, owning a new house felt like a distant hope—but thanks to the company, this dream has finally come true.

The company lit a beacon of hope for Ms. Hue and her family, gifting them a safe, warm, and loving new home. She expressed deep gratitude to the company and felt immensely proud to be one of its employees.

Supporting the construction of charity houses for disadvantaged families in Vietnam - before construction



Supporting the construction of charity houses for disadvantaged families in Vietnam - after construction

## Community Emergency Assistance and Care



### China



### Factory Volunteers at Yuhua Zhai: Spreading Love and Gratitude in the Community

As part of our commitment to corporate social responsibility, volunteers from our factory in China participated in the "Walk into Yuhua Zhai" initiative, actively promoting vegetarianism and embodying the core values of "no killing, no transactions, only gratitude."

During the event, volunteers engaged with the local community, preparing and serving over 100 nutritious and delicious vegetarian meals for elderly residents. Using locally sourced ingredients, these meals were designed to be both nutritionally balanced and environmentally sustainable. Through this initiative, we aim to raise awareness of the benefits of vegetarianism for both personal health and ecological sustainability, while also promoting the importance of reducing food waste within the community.

### Honoring Protectors, Building a Safer Society

To appreciate the dedication of police officers and traffic management personnel, we remain committed to public safety initiatives by supporting frontline law enforcement personnel and their families. Our efforts focus on enhancing on-duty protection and promoting the spirit of justice. A total of about USD 34,000 (about RMB 248,000) was donated.

#### Caring for Fallen and Injured Police Officers

We donated about USD 6,900 (about RMB 50,000) to the Fujian Police Hero Foundation, providing financial assistance and emotional support to police officers injured or lost in the line of duty and their families. This contribution expresses our deep gratitude for their dedication and sacrifice in safeguarding society.

#### Supporting Traffic Management Personnel with On-Duty Protection

We donated 80 reflective insulated jackets to the Wutang Town traffic assistance team, enhancing their safety while on duty, especially in adverse weather conditions. This initiative ensures that personnel can effectively maintain traffic order and safeguard public safety. A total of about USD 6,600 (about RMB 48,000) was contributed.

#### Recognizing Acts of Bravery

We donated about USD 21,000 (about RMB 150,000) to the Putian City Bravery Foundation, rewarding individuals who courageously stepped forward in times of crisis. This initiative promotes social justice and encourages more people to contribute to public safety and community well-being.



Donated reflective cotton jackets to support the safety of traffic enforcement personnel on duty.

Caring for fallen public security heroes and police officers injured in the line of duty.



## Community Emergency Assistance and Care



### Indonesia

#### Supporting Disaster-Affected Communities in Recovery and Relief

In times of natural disasters, we remain committed to addressing community needs and providing timely assistance. Whether it was the heavy rain and strong winds that struck Bojong Manggu Village in late 2023 or the earthquake in Kertasari, Bandung Regency in October 2024, we responded swiftly to support affected residents, helping them rebuild their homes and restore normalcy.



#### Post-Storm Reconstruction

At the end of 2023, a severe storm with strong winds swept through our Indonesia factory and surrounding areas, causing an old tree to collapse and damage multiple homes in Bojong Manggu Village, including the residence of one of our factory employees. In January 2024, we proactively provided assistance, supplying essential reconstruction materials such as bricks, roof tiles, sand, paint, and cement to help affected families repair their damaged homes.



#### Post-Earthquake Relief Efforts

On September 18, 2024, a 5.0-magnitude earthquake struck Kertasari District in Bandung Regency, damaging approximately 1,007 homes and displacing over 700 residents, forcing them to live in temporary shelters with limited access to food and basic necessities. In October, we launched a charitable relief effort to support the affected community by providing essential supplies, including rice, cooking oil, instant noodles, children's snacks, baby and adult diapers, and liquid soap. Additionally, in collaboration with the GRIYA SEHAT Medical Center, we offered free medical services to help address post-disaster health concerns among the affected residents.

### Vietnam

#### Factory Donations for Typhoon Relief and Reconstruction

In 2024, our Vietnam factories actively responded to local relief efforts by donating funds to support residents affected by Typhoon Yagi and assist in post-disaster reconstruction. A total of about USD 137,000 (about VND 3.5 billion) was donated.

Typhoon Yagi caused widespread devastation, severely impacting housing, infrastructure, and livelihoods, leaving many families in hardship. In response, our Vietnam factories acted swiftly, collaborating with local organizations to allocate donations for relief and reconstruction efforts, providing tangible support to help affected communities rebuild and recover.

The donation was primarily allocated to:



**Providing essential supplies to affected families**  
including food, drinking water, and temporary shelters



**Funding infrastructure repairs**  
such as roads, electricity and water supply systems, and the reconstruction of public buildings



**Supporting local agricultural recovery**  
helping farmers rebuild their livelihoods and mitigate the long-term economic impact of the disaster

## Improvement and Support for Community Resources



**“Whenever there is a need for basic public infrastructure in the community, we assess its necessity. Within the company's capacity, we strive to support improvements that enhance the quality of life for local residents.”**

### India

#### Installation of Road Surveillance Cameras and Traffic Warning Lights to Ensure Community Safety

To enhance public safety, reduce traffic accidents, and prevent security violations, we responded to reports from the local village committee and police department regarding frequent thefts and traffic incidents. In collaboration with local authorities, we assisted in the repair and installation of 43 surveillance cameras across 18 locations in villages near the Cheyyar and Bargur industrial zones. Additionally, we installed traffic warning lights at 18 key roads and intersections to support safety infrastructure in remote areas.

A total of about USD 25,000 (about INR 2.1 million) was invested in this project. The newly installed road surveillance cameras have significantly improved security management and helped reduce crime and violations in rural areas. Meanwhile, the traffic warning lights have enhanced traffic regulation efficiency, reducing accident rates and ensuring the safety of approximately 9,500 residents in nearby communities.



#### Listening to the Community, Illuminating a Better Life

**"The journey of public welfare begins with listening."**

To better understand the actual needs of local residents, our India-based factories invited a professional team to conduct an in-depth community needs assessment. Through interviews and analysis, we identified critical areas requiring attention and support, including school infrastructure, health and hygiene, sports development, women's and children's welfare, and disaster management.

Based on these insights, we have planned more community-driven initiatives, such as the ongoing construction and renovation of school classrooms and toilets, along with the installation of reverse osmosis drinking water systems. We are also organizing health awareness and nutrition programs, building public toilets, installing solar-powered streetlights, and distributing waste bins to promote waste sorting and environmental awareness. By bringing care and resources directly to local residents, we believe that the connection between active listening and meaningful action will help create a brighter and more sustainable future for the community.

## Improvement and Support for Community Resources



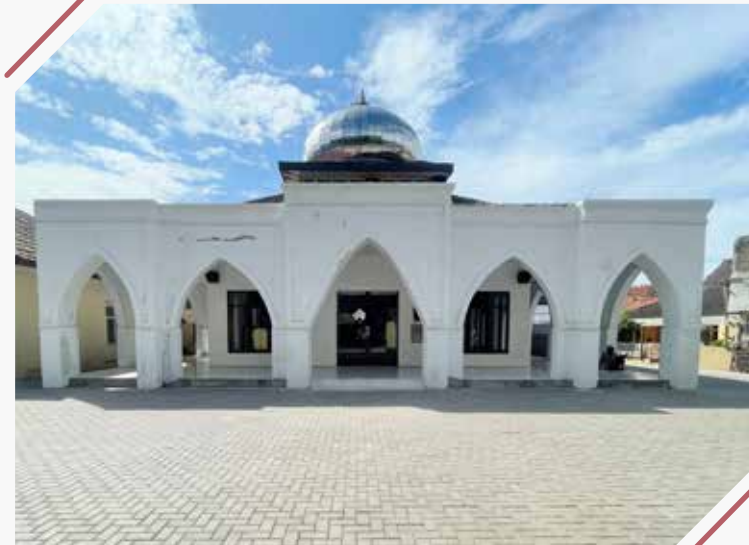
### Indonesia

#### Enhancing Community Infrastructure for a Safer and More Convenient Living Environment

To promote safety and convenience in surrounding communities, we actively participated in various infrastructure improvement projects from 2023 to 2024, focusing on upgrading traffic safety facilities and renovating public infrastructure. A total of about USD 6,500 (about IDR 104 million) was invested.

##### Enhancing Community Traffic Safety Facilities

The pedestrian crosswalk near the Indonesia factory entrance had gradually faded, increasing the risk of accidents for pedestrians crossing the road. To improve road safety, we repainted the faded crosswalks at the factory entrance and in front of the GRIYA SEHAT Medical Center. Additionally, we installed new pedestrian traffic signs and supplementary warning lights for drivers, ensuring a safer environment for both pedestrians and motorists.



##### Participation in the Renovation of Pameungpeuk Grand Mosque

From November 2023 to February 2024, we took part in the renovation project of the nearby Pameungpeuk Grand Mosque, supporting tile installation for the interior, exterior, pulpit, and walls. However, in April 2024, the renovation was temporarily halted due to budget constraints. To assist in the project's completion, we further provided bricks for paving the mosque courtyard, ensuring a safe and comfortable environment for local residents to engage in religious activities.

## Promotion of Sports, Arts, and Cultural Activities

### Feng Tay Cultural and Educational Foundation in Taiwan

Since the establishment of the Company, Feng Tay has adhered to the spirit of “caring for the community and giving back to society,” and actively participated in public welfare activities to give back to the residents in Yunlin. In order to better serve the local community, Feng Tay donated NTD 1.5 million to start Feng Tay Cultural and Educational Foundation in 1981. The programs conducted by the Foundation include providing financial aid for less privileged students, tutoring for disadvantaged students, promoting sports and arts, and carrying out environmental protection practices related to organic and eco-friendly farming. In addition, Feng Tay Enterprise Co., Ltd. (the Group Headquarters) and Feng Tay Cultural and Educational Foundation continue to provide various assistances based on local needs, which include sponsoring public construction and resources in Yunlin such as medical care, sports and education, and organizing various public welfare activities. For more information on the public welfare activities of the Foundation, please check the Foundation's official website (<https://www.fengtay.org.tw/>) and the Foundation's 2024 Annual Report.



Feng Tay Cultural and Educational Foundation Website



### Holding or Sponsoring Diverse Sports, Arts, and Science Education Events

In order to increase opportunities for students and residents in the community to participate in various sports, arts, and science education activities, Feng Tay Cultural and Educational Foundation has long supported diverse activities in the county, and continues to cooperate with local high-quality arts teams to enrich the cultural life of the community. In 2024, a total of about USD 692,000 (NTD 22.65 million) was given to organize or sponsor relevant groups to conduct the following activities:



#### Four sports events

Summer basketball training camp, elementary school happy baseball tournament, bocce ball competition, and weekend basketball training station.

#### Twenty-nine art and cultural events

Holding the children's musical “The Little Fox Who Loves to Apologize” and “Pinocchio's Adventure”, the family musical “Sax's Adventure”, the vinyl concert “Echoes of Time”, the “2024 Xiluo Old Street Folk Art Festival” tours, 11 large-scale shows at the Yun Tay Performance Hall of National Yunlin University of Science and Technology, the Yunlin County Government lecture series, theme book fairs, and exhibitions.

#### Four science education projects

Holding the “Fulfill Dreams Project” for junior high and elementary school students in the county, fostering writing courses, promoting robotics education courses for elementary schools, holding the robotics competition event, sponsoring the Green City Cup robotics competition event organized by the National Yunlin University of Science and Technology and popular science activities.



## Promotion of Sports, Arts, and Cultural Activities



### First Footwear Industry Vocational Exploration Camp

The foundation hosted its first-ever Footwear Summer Camp for Vocational Exploration, connecting participants with local industries to provide Yunlin students an opportunity to gain in-depth insights into their hometown's industrial sector. This initiative aims to create a win-win scenario by aligning local development with individual career planning, further showcasing Yunlin's industrial and cultural appeal.

By attracting more talent back to their hometown, we strive to contribute to regional prosperity and sustainable growth. A total of 44 participants successfully completed the program across three sessions.



### "The Adventures of Mechanical Puppets" Special Exhibition

Co-hosted by the Foundation and the National Science and Technology Museum, this highly popular exhibition showcased whimsical mechanical puppets, blending creativity and childlike wonder through both static displays and dynamic movements.

The exhibition featured over 60 intricate works by renowned mechanical puppet designers Tang Yixiu and Yin Jichun, creating an educational yet playful kingdom of mechanical puppetry. Beyond the visually captivating exhibits, the Foundation also designed seven hands-on educational workshops for children and families. These included "Creative Stationery – Auto-Advancing Wooden Pencil", where participants used mini lathes to carve unique designs onto wooden pencil bodies, as well as "Power Toys – Racing Robots," "Wearable Accessories – Wooden Keychains," and an "Introductory Drone Workshop." These engaging activities provided children with a safe and interactive woodworking experience, attracting a total of 180 participants. During the exhibition, 37 group visits were scheduled, welcoming approximately 1,330 visitors, with a total attendance of 8,963 visitors throughout the event.



## Promotion of Sports, Arts, and Cultural Activities

### India



“Many students from remote villages often lose the opportunity to develop sports skills and interests because of family situations and economic conditions. In order to encourage young students to participate in sports activities, develop sports skills, and cultivate interests in sports, we have launched a long-term cultivation project and supported a variety of sports activities, hoping to help the community cultivate more sports talents.”

### Developing Sports Skills



#### Beyond Sports Academy



#### “Empowering Rural Students, Cultivating Future Sports Stars”

Since 2018, under the Beyond Sports Academy initiative, we have been providing sports education and training programs for students aged 12 to 18 in the Tiruvannamalai and Krishnagiri regions, near the Cheyyar and Bargur industrial zones. This program focuses on developing football and hockey skills, aiming to create a structured and supportive training environment for young, aspiring athletes in the local community. Through this program, we strive to help students improve their health, build confidence, foster teamwork, and unlock their athletic potential.

### Cheyyar Industrial Zone – Football Training Program

Since 2018, we have been providing football training for students at three high schools in the Tiruvannamalai region. Under the guidance of professional coaches, students undergo two hours of daily physical conditioning and technical football training, enhancing their athletic skills and overall performance. In 2024, a total of 137 students enrolled in the program, with a total investment of about USD 28,000 (about INR 2.4 million). Over the years, our players have consistently excelled in district-level competitions and successfully advanced to state-level tournaments. Notably, teams in the under-14, under-17, and under-19 groups have won multiple district championships, showcasing their exceptional competitive ability.



## Promotion of Sports, Arts, and Cultural Activities



### Bargur Industrial Zone – Hockey Training Program

Since 2023, we have been running a hockey training program at two high schools in the Krishnagiri region. This initiative aims to provide talented local students with professional physical conditioning and technical hockey training, helping them improve physical fitness, confidence, and teamwork. In 2024, a total of 60 students participated in the program, with a total investment of about USD 36,000 (about INR 3.1 million). This initiative is fostering a new generation of potential athletes in the region.

### Promoting Sports Development: Donation of Basic Sports Equipment

To further promote sports participation, we donated various sports equipment—including balls, badminton rackets, jump ropes, hula hoops, and hurdle sets—to 664 students across two primary schools and 9,100 students from 11 high schools. A total of about USD 4,700 (about INR 400,000) was invested in this initiative. These donations not only provide students with opportunities to engage in sports but also help enhance physical fitness, improve overall health, and foster teamwork in their daily learning environment.

Through these sports programs, Beyond Sports Academy not only provides students with professional training gear, apparel, and footwear but also creates an environment where they can train with confidence and focus as they compete. Looking ahead, we will continue to expand this initiative, supporting more students in pursuing their dreams and offering children in rural areas greater opportunities to excel in sports.



### Feedback from Player Harish

I joined Beyond Sports Academy (BSA) four years ago. As a student aspiring to become a football player but lacking access to proper facilities, my school provided the opportunity to train at BSA, where I received disciplinary training, skill development, and valuable match experience. Additionally, the academy provided us with daily meals and nutritious snacks to support our health.

Every year, we receive sports gear to enhance our performance and strengthen our athletic abilities. So far, we have participated in nearly 25 matches, and recently, we successfully advanced to district and state-level competitions.

On behalf of my family and team, I sincerely thank the academy for its years of contribution and support. I truly hope this initiative continues to help and uplift more students in the future.

## Promotion of Sports, Arts, and Cultural Activities

### India



### Enhancing Rural Sports Infrastructure: Cheyyar Small Stadium Renovation Project

To improve sports facilities in rural areas and provide a better environment for athletes and local residents, we launched the Cheyyar Small Stadium Renovation Project. This initiative aims to upgrade sports infrastructure, fostering the development of community sports culture and supporting healthier lifestyles for local residents.

The renovation covers several key aspects, enhancing both the functionality and overall quality of the stadium:

#### Gym Facility Construction

A dedicated fitness training space equipped with modern exercise equipment, providing athletes and residents with opportunities for full-body workouts, improving health and athletic performance.

#### Sports Venue Beautification

Renovating exterior walls and facilities, applying new paint and structural improvements, not only enhancing the visual appeal but also transforming the stadium into a standout community landmark.

#### Track Surface Upgrade

Repairing and resurfacing the running track to ensure a smoother, more durable surface, providing a safer and more efficient training environment for runners and athletes.

This renovation has benefited approximately 2,000 community residents and sports enthusiasts, providing them with better athletic facilities and health support. A total of about USD 88,000 (about INR 7.5 million) was invested to upgrade and enhance the stadium. Through this project, we aim to transform Cheyyar Small Stadium into an ideal venue for fitness and recreation, while also laying the foundation for future community sports events and activities.

## 6.3 Educational Resources

### Financial Assistance for Less Privileged Students



“In a society where the gap between the rich and the poor is widening and resources are uneven between urban and rural areas, education can enhance people’s knowledge, broaden their horizons, and create a better future. In addition to providing scholarships for less privileged students, we also strengthen students’ learning abilities through counseling and sponsor the school’s hardware and software facilities to optimize the learning environment and improve the overall education quality in the community.”

#### Feng Tay Cultural and Educational Foundation in Taiwan

#### Supporting Underprivileged Students and Lighting Up a Brighter Future

In order to help less privileged students in Yunlin County and three villages and towns in neighboring counties and cities go to school without worrying about financial needs, the Foundation provides financial aid to them at various educational stages including elementary school, junior high school, high school and college, after conducting home visits to understand their family situations. In 2024, we provided scholarships to 1,644 financially disadvantaged students across elementary, junior high, senior high, vocational schools, and universities, with a total amount of about USD 670,000 (about NTD 22.03 million). Our team accumulated 574 hours of home visits to better understand students' needs.



Volunteers conduct home visits to better understand the household situations

Awarding scholarships to outstanding students in colleges



#### As of the end of 2024

we have supported a total of **17,417** students in pursuing their education, with cumulative scholarships reaching about **USD 8.83 million (about NTD 288.91 million).**

## Financial Aid for Less Privileged Students



### Supporting Disadvantaged Students in Pursuing Education

To help underprivileged students in neighboring communities continue their education and ease the financial burden on their families, we conducted in-depth assessments of various households and implemented tailored educational support programs. This year, we provided scholarships and educational equipment donations to students in Trang Bom, Xuan Loc, and Vinh Cuu districts of Dong Nai Province, as well as graduates from Lac Hong University, factory preschools in Vietnam, and Binh Minh Primary School. A total of about USD 86,000 (about VND 2.2 billion) was contributed, benefiting approximately 1,000 students.

#### Scholarship Distribution

We provided scholarships to elementary and secondary school students across three districts, as well as to graduates from Lac Hong University and factory preschools in Vietnam. This financial support helps ease tuition and living expenses, enabling students to continue their education without financial burdens.



#### Educational Equipment Donation

We donated a fully equipped computer lab to Binh Minh Primary School, including desktop computers, 42 student workstations, laptops, an electric projection screen, and projectors. This modern teaching facility significantly improves the learning environment, enhances students' digital literacy, and helps bridge the educational resource gap between urban and rural areas, laying a strong foundation for their future learning and development.

## Improvement of Educational Resources in Remote Villages



### Feng Tay Cultural and Educational Foundation in Taiwan



### Free After-school Tutoring Programs for Disadvantaged Students

The Ministry of Education's after-school tutoring program has been implemented for 17 years. Its aim is to help elementary school students from economically disadvantaged families receive good care after school to avoid negative impacts on their academic performance and physical and mental development. Since 2015, the Foundation has sponsored the after-school program in elementary schools with insufficient funds. In 2016, special funds for the after-school program were given to support the establishment of junior high school classes in remote and resource-deficient villages in Yunlin County. Free tutoring and dinners are provided after school to ensure that elementary and junior high school students can receive proper care in a safe learning environment. The program also solves the problem of parents returning home from work late at night to take care of their children.

#### In 2024

a total of about  
**USD 160,000 (NTD 5.53 million)**  
were donated,  
benefiting about **2,500 students**  
in **172 classes**

### Taiwan

### Donating Smart Equipment to Sacred Heart High School to Support Digital Education

To support the digital transformation of education and enhance teaching quality, we donated smart interactive whiteboards and related IT equipment to Sacred Heart High School in Yunlin County. A total of about USD 180,000 (about NTD 6 million) was contributed to help the school build a smart classroom environment, enabling teachers and students to leverage advanced educational tools for improved learning efficiency and interactive experiences.

The smart interactive whiteboards, integrated with multimedia technology, open up new possibilities for innovative teaching methods, while the supporting equipment further strengthens the school's digital infrastructure, allowing teachers and students to explore knowledge sharing and creative learning through technology.



## Improvement of Educational Resources in Remote Villages

### India



### Supporting Special Needs Students and Advancing Inclusive Education

Education is a powerful force for change, especially for special needs students. To improve the learning environment for hearing-impaired students and help them achieve their educational aspirations, we have focused on both infrastructure enhancements and the provision of learning resources, ensuring holistic support for their growth and development. A total of about USD 27,000 (about INR 2.28 million) was invested in this initiative, directly benefiting approximately 200 students.

#### Enhancing Hearing Equipment for Better Learning Conditions

We provided advanced hearing aids to students with hearing impairments, improving their ability to engage in classroom learning and enhancing academic performance. This initiative aims to create a higher-quality educational environment for special school students, supporting their academic growth.

#### Providing Scholarships for Tuition and Accommodation

We provided scholarships covering tuition and accommodation fees for hearing-impaired students in special schools, as well as those pursuing higher education after graduation. This financial support helps alleviate economic burdens, allowing students to focus on their studies and build a solid foundation for future career development.

#### Donating Uniforms to Reduce Financial Burden

We provided two sets of school uniforms per student for special needs students from rural areas, ensuring that families face no additional financial burden. This initiative allows students to attend school with confidence and fosters a strong sense of belonging in their educational environment.

#### Improving School Infrastructure for a Cleaner Environment

We enhanced school infrastructure by paving green spaces and walkways, creating a clean and comfortable learning environment for special needs students. These improvements not only enhance the school experience but also contribute to the sustainable development of the overall campus environment.

We aim to take meaningful action to ensure that special needs students receive equal educational opportunities, unlocking their full potential and paving a broader path for their future. Moving forward, we will continue to address the needs of special needs students, ensuring that every child has the right and opportunity to pursue their dreams.

## 6.4 Healthcare and Hygiene

### Promoting Healthy Lifestyles in the Community



#### Taiwan

#### Donating to NTU Hospital's Rare Disease Assistance Program

We support the Rare Disease Assistance Program in collaboration with National Taiwan University Hospital (NTUH), providing enhanced medical resources and financial aid to patients with rare diseases. In 2024, we donated NTD 1 million (approximately USD 31,000) to help ease the burden on patients and their families, ensuring access to essential treatments and care. This donation primarily funded genetic testing, enabling patients to receive accurate diagnoses, and also subsidized transportation costs for hospital visits, helping to reduce the financial stress on families. Patients with rare diseases often face significant challenges, including difficulty in diagnosis, high treatment costs, and limited access to healthcare services, due to the scarcity of medical resources. As a leading institution in Taiwan's healthcare system, NTUH has been committed to rare disease research and patient care. In April 2019, it established the Rare Disease Center, which supports clinical physicians across departments in coordinating with specialized testing units for accurate diagnostics and confirmation. Through this program, we hope to work hand-in-hand with NTUH to advance more meaningful medical philanthropy projects, expand the impact of rare disease care, and raise public awareness and support for rare disease patients—ensuring that every patient has the opportunity to pursue a brighter future with proper medical and social support.

#### India

#### Improving Health and Environmental Sanitation in Surrounding Villages

In order to provide comprehensive medical services to disadvantaged families in the local community and improve the health and hygiene quality of the community, we cooperated with the local NPO Hand in Hand to jointly set up Kairasi Clinic and medical stations to give medical services and free medicine. In addition, we have been continuously implementing health and hygiene programs in Tiruvannamalai and Villupuram District in collaboration with Hand in Hand since 2012. The implementation plan covers the construction and maintenance of public toilets, providing mobile medical care, conducting health and hygiene education and promotion, and improving hygienic environment. The 2024 projects include:

- Set up Kairasi Clinic to continuously provide medical services and free medicine to residents in remote villages.
- Built, operated and maintained 22 integrated sanitary toilets for women and children and 4 public toilets to alleviate local open defecation problems and maintain a clean and hygienic community environment. A total of about USD 25,000 (about INR 2.12 million) were donated, benefiting over 13,000 residents.
- We supplied life-saving medical equipment and constructed waiting halls and concrete walls for neighboring hospitals and Primary Health Centers, aiming to enhance emergency response capabilities and overall healthcare quality at the community level. These improvements ensure that medical services can be delivered in a safer, more comfortable, and well-equipped environment. Additionally, we provided 500 sanitation workers from the government health department with personal protective equipment (PPE), two sets of uniforms, and essential cleaning tools, enabling them to perform their duties more efficiently and safely while contributing to a cleaner community environment. A total of about USD 167,000 (about INR 14.3 million) was invested in this initiative.



## Sharing Medical and Healthcare Resources

### Indonesia



“The factory in Indonesia has established the GRIYA SEHAT medical center, which joined the national medical insurance plan in 2015 and has been certified as the best local medical institution. We have opened the GRIYA SEHAT medical center to residents in the local community, including blood tests, prenatal examinations, dental care, health promotions, and pharmacies. The Center also organizes health and medical activities for the residents from time to time, hoping to improve the quality of medical care in the local community through resource sharing.”

### Caring for Cancer Patients and Supporting Health Protection

The Yayasan Rumah Pejuang Kanker Ambu (YRPKA) Cancer Foundation is dedicated to helping around 200 children from underprivileged families in West Java, Indonesia who are battling cancer. Since 2023, we have supported the foundation by providing medications and ambulance services to assist children undergoing cancer treatment and their families. In 2024, we further responded to the needs expressed by the foundation's founder by donating 100 meal boxes containing nutritionally balanced food to ensure that patients and caregivers receive adequate nutrition during hospital treatment. Additionally, we contributed rice, cooking oil, and other essential food supplies, helping families maintain sufficient food reserves and easing their financial burdens during the treatment period.

Furthermore, in collaboration with GRIYA SEHAT Medical Center, our factory organized first aid training and demonstrations for caregivers, equipping them with the necessary skills to handle medical emergencies promptly and effectively. This initiative enhances patient safety and survival chances, providing much-needed support to those in need. A total of about USD 1,100 (about IDR 18 million) was invested in this public welfare initiative, delivering substantial assistance to patients, their families, and caregivers.



## Sharing Medical and Healthcare Resources



### Promoting Healthy Living and Community Well-Being

As an active advocate for community health and well-being, GRIYA SEHAT Medical Center launched a series of meaningful public welfare initiatives in 2024, covering cancer prevention, health education, blood donation, and vaccination. Through collaborative efforts, the center provided comprehensive health support for both community residents and employees.



#### Cancer Screening and Vaccination

In February 2024, we collaborated with the YPKI Cancer Foundation, Prodia Laboratory, and GRIYA SEHAT Medical Center to provide free Pap smear screenings and cancer awareness education for 50 employees from our factory in Indonesia and residents in the local community, raising awareness of women's health. Continuing this initiative, in September and October, we facilitated HPV vaccinations for 25 women in the community to help prevent cervical cancer, a major health threat to women. Since HPV vaccines are not yet widely accessible in Indonesia, the program was met with enthusiastic participation, underscoring its importance and impact in promoting women's health.



#### Health Education for a Better Life

We continued our public welfare collaboration with Sekolah Luar Biasa (SLB) BC Yayasan Pembinaan Nusantara Indonesia (YPNI), a special needs school. In June 2024, we organized a health education session at the school, teaching students proper handwashing and tooth brushing techniques. Approximately 90 students participated in the event, gaining valuable knowledge on proper hygiene practices to support a healthier lifestyle.



#### Active Participation in Blood Donation Drives

We continued our partnership with the Red Cross Indonesian to organize quarterly blood donation drives, providing employees and local community residents with the opportunity to engage in humanitarian efforts. In 2024, we held four donation events, each with around 200 participants. These blood drives not only supported local healthcare needs but also encouraged employees and community members to prioritize their own health and well-being.

## 6.5 Environmental Protection

### Community Collaboration on Environmental Protection



“To deeply root environmental awareness in everyone’s mind through environmental cleaning and maintenance, thereby changing the habit and lifestyle of each person who will do his or her part to protect the environment.”

#### China

#### Protecting Nature Through Environmental Public Welfare Initiatives

To uphold environmental protection principles and actively fulfill corporate social responsibility, our factories in China organized multiple environmental public welfare activities in 2024. By bringing together employees and community volunteers, we worked collectively to safeguard public spaces and water sources, contributing to local ecological conservation efforts.



##### Hanjiang Park Cleanup and Awareness Initiative

The sustainability volunteer team from our factories in China, in collaboration with the Putian Volunteer Association, carried out a cleanup and environmental education initiative at Hanjiang Park. Volunteers not only collected and removed litter from the park but also engaged with residents to promote waste sorting and environmental protection, raising community awareness and encouraging more people to participate in green initiatives.



##### Gushan Hiking Trail Cleanup and Environmental Awareness Initiative

Volunteers worked in teams to clean up litter along the hiking trail and sort collected waste. Additionally, they engaged with hikers on-site to share environmental knowledge, encouraging more people to participate in cleanup efforts and contribute to nature conservation.

##### Qingkou Qianjiashan Park Environmental Cleanup

The Red Vest volunteer team from GH factory conducted a comprehensive environmental cleanup at Qingkou Qianjiashan Park. Volunteers collected litter, including bottles and plastic bags, from hiking trails, grasslands, and flower beds. Through their efforts, they demonstrated the importance of environmental responsibility and encouraged the public to embrace the idea that protecting nature is everyone’s duty.

##### Qinhou Reservoir Cleanup Initiative

To protect Qinhou Reservoir, a vital water source for the Qinhou community, and prevent pollution caused by tourist littering, the sustainability team from our factory in China collaborated with the general affairs department to organize a post-work cleanup effort on July 20. Employees participated in clearing waste around the reservoir, effectively improving water quality and ensuring safe drinking water for community residents. This initiative reinforced our commitment to environmental conservation and sustainable resource management.

Through these environmental initiatives, we not only removed a significant amount of waste and improved the natural environment, but also raised environmental awareness among community residents and visitors through both hands-on efforts and educational outreach. By putting the "green living, protecting the planet" concept into practice, we hope to inspire more people to take part in environmental conservation efforts.

## Community Collaboration on Environmental Protection



### China

#### Instilling Safety and Environmental Awareness from an Early Age to Protect Our Planet

We visited a local preschool to conduct an engaging and interactive session on safety and environmental protection. This initiative aimed to educate young children in a fun and engaging way, helping them develop awareness of safety and sustainability in a joyful and relaxed atmosphere. By integrating education with entertainment, we hope to plant the seeds of responsibility for both their healthy growth and future contributions to environmental conservation. Using simple and easy-to-understand language, volunteers facilitated interactive Q&A sessions and real-life scenario simulations, enabling children to learn through play.

The event not only reinforced children's understanding of safety and environmental protection but also encouraged them to apply their knowledge in daily life. With enthusiasm and active participation, the children engaged in interactive activities, creating a joyful and dynamic learning atmosphere filled with laughter and excitement. The children at the preschool carefully crafted a playful handmade clay painting to express their gratitude to the team and presented it to the company as a keepsake. The artwork not only showcases their creativity and appreciation but also symbolizes our shared commitment to protecting the planet.



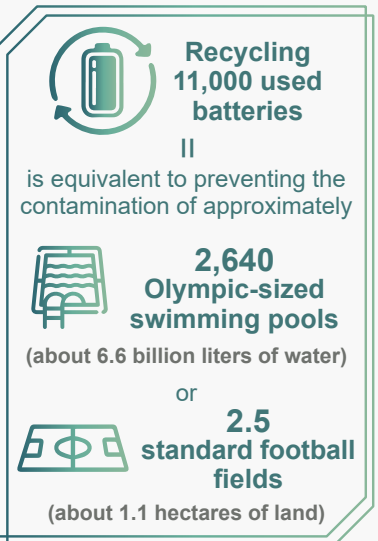
The children in the center created two handmade clay artworks as gifts to express their gratitude to the company.

### Vietnam

#### Green Sunday: A Commitment to Protecting the Planet

To promote environmental protection and sustainable development, our factories in Vietnam launched the "Green Sunday – For Our Green Earth" initiative. With the theme "Let's Take Action – Trade Used Batteries for Happiness!", the event aimed to raise awareness among community members about the importance of properly sorting and disposing of used batteries, ultimately reducing the environmental threats posed by hazardous waste.

Participants in the event could exchange 10 used batteries for a small gift, demonstrating how a simple action can make a meaningful impact on the environment. Through this initiative, we successfully collected 11,000 used batteries from residents of Bac Son Ward. Used batteries contain various hazardous substances that, if improperly discarded, can cause long-term pollution to the soil, water, and air. This event not only facilitated the proper collection and disposal of used batteries but also educated the community on battery classification and waste management, encouraging the adoption of hazardous waste sorting and responsible disposal practices within the neighborhood.



## Community Collaboration on Environmental Protection



### India

#### Promoting Environmental Protection and Building Model Sanitary Villages

To support sustainable environmental development in rural areas, we launched an eco-friendly public welfare initiative in the villages of Poonathangal and Arasankuppam. As part of this program, we provided over 1,300 community residents with 668 biodegradable waste bins and 668 non-biodegradable waste bins to help them sort and manage household waste properly, thereby reducing environmental pollution. Additionally, we conducted awareness sessions and workshops to educate residents on the importance of waste segregation, increasing their understanding of environmental protection practices. A total of about USD 8,200 (about INR 700,000) was invested in this initiative. Through waste classification and environmental education, we aim to reduce land and water pollution, create a cleaner and healthier living environment, and establish these villages as model eco-friendly communities. We hope this initiative will inspire more villages to participate in sustainable environmental efforts, laying a strong foundation for long-term rural sustainability.

### Indonesia

#### Supporting Village Waste Management Facilities and Advancing Circular Economy Development

To improve living conditions in surrounding communities, we assisted Sukasari Village in establishing a waste management facility along the Cisangkuy River. Previously, community residents disposed of and burned waste in open spaces to reduce waste volume, which had negative impacts on both the environment and public health. Recognizing this issue, from 2023 to 2024, we actively engaged in discussions, planning, coordination, and execution of this initiative, working closely with multiple stakeholders to ensure its success. A total of about USD 9,600 (about IDR 154 million) was invested in this project, reinforcing our commitment to sustainable waste management and environmental preservation in rural communities.

This newly constructed waste management facility provides the community with a dedicated space for proper waste disposal, including recycling and composting. By adopting environmentally friendly waste treatment methods, the community can convert waste into reusable resources, establishing a small-scale circular economy system that enhances its sustainability and self-sufficiency. We hope this facility will serve as a model for environmental protection and resource utilization, creating a cleaner and healthier living environment for residents. Additionally, we aim to inspire more communities to engage in circular economy initiatives, achieving a win-win scenario for both the environment and economic development.



[ Before Construction ]  
Local residents used an open plot of land solely for dumping and burning waste to reduce its volume.

[ After Construction ]  
The site was transformed into a dedicated space for recycling and composting.



## Promoting Local Organic and Friendly Agriculture

### AGRIC Social Enterprise in Taiwan



Feng Tay Cultural and Educational Foundation established AGRIC Social Enterprise Co., Ltd. in 2016 with the goal of promoting sustainable agriculture, improving food safety, and increasing the output value of organic agriculture. Through organic and land-friendly farming methods, AGRIC hopes to reduce greenhouse gas emissions and gradually alleviate the environmental problems such as soil acidification and ecological damage caused by large amounts of chemical fertilizers and pesticides used in conventional farming methods.

### Support small farmers in adopting organic and eco-friendly contract farming practices

AGRIC continues to support small organic farmers who are interested in investing in organic farming; it provides subsidies for organic field inspection fees and technical guidance. AGRIC also helps customers fully understand product history through the field management system Foodprint. Sampling and testing are carried out on each farm prior to harvesting. The source control is done to ensure the safety of agricultural products about to enter the market or processing plant. In 2024, through the foundation's public welfare initiatives, the support for organic rice reached 152.58 metric tons, while organic fruits and vegetables sales totaled 65 metric tons. The contract farming area for organic rice cultivation expanded to 54.14 hectares. Additionally, in 2024, the foundation was honored with the "Outstanding Contribution to Agricultural Product Marketing" award by the Agriculture and Food Agency, recognizing its commitment to both social welfare and sustainable agriculture.



The Agriculture and Food Agency presented the "2024 Outstanding Enterprise and Organization Award for Contributions to Agricultural Product Marketing."



## Promoting Local Organic and Friendly Agriculture



### Promoting Food and Agriculture Education

#### Food and Agriculture Education, Learning Together with the Community

The Foundation collaborated with AGRIC to promote "food and agriculture education," using an in-depth and simple way to help the public understand the inseparable connection between daily diet, the environment, and agriculture, and further encourage people to pay attention to their own health and the sustainable development of agriculture and the environment.

In 2024, the Foundation organized two workshops for farmers on organic pest control and organic liquid fertilizer. Through expert-led sessions, farmers were encouraged to reduce chemical fertilizer and pesticide use. Additionally, we hosted three "Farm-to-Table" gatherings at our community farm, where farmers shared their experiences, discussed future developments, and prepared to donate eco-friendly, pesticide-free "Sunshine Vegetable Boxes" to orphanages before the Lunar New Year, reinforcing our commitment to social welfare initiatives. Furthermore, we held six interactive food and agriculture education events, integrating them with demonstration plots for sustainable farming. These activities provided participants with hands-on experiences, deepening their understanding of eco-friendly farming practices while encouraging support for local sustainable agriculture.

#### Entering the Campus, Taking Educational Roots from an Early Age

In an era when food is more abundant, people pay more attention to dietary health. Through the promotion of food and agriculture courses, the Foundation hopes the children will get in touch with the exploration and learning of issues such as diet, agriculture, and the environment from an early age.

In 2024, the Foundation expanded its food and agricultural curriculum to nine elementary schools in Yunlin County, delivering a total of 110 lessons aimed at providing children with proper nutrition awareness and hands-on farming experiences. To strengthen teacher training, we organized two "School-Based Food Education Lesson Planning Workshops", with the goal of enhancing the impact of food and agricultural education in schools. Furthermore, the foundation was selected as a finalist for the First National Food and Agricultural Education Outstanding Contribution Award organized by the Ministry of Agriculture, recognizing its dedicated efforts over the past two and a half years. Moving forward, we will continue to deepen our commitment to food and agricultural education, raising awareness about sustainable agriculture and securing a better future for the next generation.



Selected as a finalist in the Ministry of Agriculture's First National Agri-Food Education Excellence Awards.

### Promoting the "Nutritious Lunch, One Meal of Organic Rice a Week" Program in Schools

Rice is a staple food for most people in the country. Since 2023, the Foundation has been promoting the "One Organic Rice Meal per Week" program for elementary and junior high schools in Yunlin County, ensuring that students receive nutritious organic rice while learning about food safety, environmental conservation, and ecological sustainability. By supporting local organic farming, the initiative encourages more small-scale farmers to transition to organic cultivation, expanding the organic rice farming area in Yunlin and contributing to the long-term sustainability of the environment.

In 2024, the program entered its second phase. With the support from the Yunlin County Government Education Department and Agriculture Department, the initiative was expanded in the second half of the year to 149 schools, benefiting a total of 44,027 students and teachers.



# Appendix

Independent Limited Assurance Report

ISO 14064 Greenhouse Gas Verification Opinion

GRI Standards Index

SASB Standards Index

Annex II – Climate-Related Information



# Independent Limited Assurance Report



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## Independent Limited Assurance Report

### To Feng Tay Enterprises Co., Ltd.:

We were engaged by Feng Tay Enterprises Co., Ltd. ("Feng Tay") to provide limited assurance over the selected information attached as Appendix I ("the Subject Matter Information") on the 2024 Sustainability Report of Feng Tay ("the Report") for the year ended December 31, 2024.

### Applicable Criteria of the Subject Matter Information

Feng Tay shall prepare the Subject Matter Information in accordance with Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

### Management's Responsibilities

Feng Tay is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. Feng Tay is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

### Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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### Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of Feng Tay;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Inherent limitations

The Report for the year ended December 31, 2024 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of Feng Tay. Therefore, the different stakeholders may have different interpretations of such information.

### Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report is Huang, Yu-Ting.

KPMG

Taipei, Taiwan (Republic of China)  
April 11, 2025

### Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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Appendix I : Summary of the Subject Matter Information

| No. | Corresponding Section   | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Applicable Criteria                                                                   |
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| 1   | 2.2 Integrity Operation | <ul style="list-style-type: none"> <li>■ In reviewing the integrity management performance in 2024, there were no cases in which contracts with suppliers were terminated or not renewed due to violations related to corruption. However, based on internal investigation channels, five cases involving employee misconduct related to corruption were identified and disciplinary actions were taken accordingly.</li> <li>■ Outcomes of Corruption Case Handling               <ul style="list-style-type: none"> <li>➢ The region where the case occurred: Indonesia                   <ul style="list-style-type: none"> <li>— Case 1 overview: One employee involved in a case privately used a supplier's quotation—originally intended for the Company—as supporting documentation to obtain funds from an external party under the pretense of investment, which was later found to be fraudulent.</li> <li>— Handling and Improvement Measures: Due to severe violations of company regulations and the seriousness of the case, the employee was dismissed. The factory has strengthened internal data confidentiality management, restricted access to sensitive documents, and reinforced ethical awareness and training for employees to prevent similar incidents from occurring.</li> <li>— Case 2 and 3 overview: This case involves two similar corruption incidents where two supervisors abused their positions to solicit improper financial benefits from subordinates while engaging in unfair treatment, verbal abuse, and harassment.</li> <li>— Handling and Improvement Measures: Due to severe violations of company regulations and the seriousness of the case, both supervisors were dismissed. The factory has enhanced employee conduct guidelines and workplace ethics awareness to prevent similar incidents from happening again.</li> </ul> </li> <li>➢ The region where the case occurred: Vietnam                   <ul style="list-style-type: none"> <li>— Case 4 overview: Six employees exploited their positions by secretly installing chips in company vehicles to manipulate mileage records for illicit financial gain.</li> <li>— Handling and Improvement Measures: Due to severe violations of company regulations and the seriousness of the case, all six employees were dismissed. The factory has strengthened company vehicle management and monitoring mechanisms, implemented regular inspections to ensure data integrity, and provided training on professional conduct along with internal audits.</li> <li>— Case 5 overview: One employee exploited his position by illegally forging the company's seal for the fabrication of falsified documents. The employee involved in this case was also subject to administrative penalties imposed by the Xuan Loc District People's Committee, in accordance with local regulations, for the use of a forged seal.</li> <li>— Handling and Improvement Measures: Due to severe violations of company regulations and the seriousness of the case, the employee was dismissed. The factory has reinforced the company's seal management system, restricted usage permissions, and implemented regular checks on relevant documents and seal usage to prevent recurrence of forgery.</li> </ul> </li> </ul> </li> </ul> | <p>GRI Standards 205-3</p> <p>Confirmed incidents of corruption and actions taken</p> |

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| No. | Corresponding Section | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Applicable Criteria                                                          |
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| 2   | 4.3 Energy Management | <ul style="list-style-type: none"> <li>■ LF and HF factories in China sold 153 MWh of unused solar electricity generated on weekends to local electric agencies.</li> <li>■ Energy Consumption in 2024:               <ul style="list-style-type: none"> <li>➢ Non-renewable Energy                   <ul style="list-style-type: none"> <li>— Petroleum Diesel                       <ul style="list-style-type: none"> <li>MJ: 16,975,948</li> <li>MWhe: 4,716</li> <li>Purpose of Use: Electricity/ Company Vehicles</li> </ul> </li> <li>— Gasoline                       <ul style="list-style-type: none"> <li>MJ: 9,698,244</li> <li>MWhe: 2,694</li> <li>Purpose of Use: Company Vehicles</li> </ul> </li> <li>— LPG / Propane                       <ul style="list-style-type: none"> <li>MJ: 28,225,186</li> <li>MWhe: 7,840</li> <li>Purpose of Use: Heating</li> </ul> </li> <li>— Purchased Non-Renewable Electricity                       <ul style="list-style-type: none"> <li>MJ: 1,532,135,747</li> <li>MWhe: 425,593</li> <li>Purpose of Use: Electricity</li> </ul> </li> <li>— Subtotal of Non-renewable Energy Consumption                       <ul style="list-style-type: none"> <li>MJ: 1,587,035,125</li> <li>MWhe: 440,843</li> </ul> </li> </ul> </li> <li>➢ Renewable Energy                   <ul style="list-style-type: none"> <li>— On-Site Solar Power Generation                       <ul style="list-style-type: none"> <li>MJ: 9,191,110</li> <li>MWhe: 2,553</li> <li>Purpose of Use: Electricity</li> </ul> </li> <li>— Purchased Renewable Energy (Solar Power / Wind Power / Geothermal Power)                       <ul style="list-style-type: none"> <li>MJ: 422,283,795</li> <li>MWhe: 117,301</li> <li>Purpose of Use: Electricity</li> </ul> </li> <li>— Subtotal of Renewable Energy Consumption                       <ul style="list-style-type: none"> <li>MJ: 431,474,905</li> <li>MWhe: 119,854</li> </ul> </li> </ul> </li> <li>➢ Total Energy Consumption:                   <ul style="list-style-type: none"> <li>MJ: 2,018,510,030</li> <li>MWhe: 560,697</li> </ul> </li> <li>➢ Notes:                   <ul style="list-style-type: none"> <li>— The energy data are calculated using the 2017 Cross-Sector Tool of The Greenhouse Gas Protocol.</li> <li>— The above data does not include electricity generated from solar power systems and sold to local utility companies.</li> </ul> </li> </ul> </li> </ul> | <p>GRI Standards 302-1</p> <p>Energy consumption within the organization</p> |
| 3   | 4.6 Waste Management  | <ul style="list-style-type: none"> <li>■ Total Direct Disposal of Waste in 2024: 14,627 tons</li> <li>■ Waste Directly Disposed (Unit: Metric Tons)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | GRI Standards 306-5 (2020)                                                   |

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| No.                                               | Corresponding Section      | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Applicable Criteria        |                                                          |        |       |         |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
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|                                                   |                            | <div><div>➤ Hazardous Waste:</div><div><div>— Incineration (Energy Recovery): 2,417</div><div>— Incineration (Without Energy Recovery): 1,094</div><div>— Landfill: 0</div><div>— Other Direct Disposal Operations: 27</div><div>— Total: 3,538</div></div><div><div>➤ Non-Hazardous Waste:</div><div><div>— Incineration (Energy Recovery): 10,955</div><div>— Incineration (Without Energy Recovery): 114</div><div>— Landfill: 0</div><div>— Other Direct Disposal Operations: 21</div><div>— Total: 11,089 (The total amount of waste, 11,089 metric tons, is presented as a rounded whole number based on the sum of original data. This may differ slightly from the sum of individually rounded waste categories, which totals 11,090 metric tons.)</div></div><div><div>➤ Notes:</div><div><div>— Incineration: the controlled burning of waste at high temperatures.</div><div>— Landfill: an engineered final disposal site for solid waste placed underground or above ground.</div><div>— Other direct disposal operations: solidification.</div><div>— All direct disposal operations are off-site processing.</div></div></div></div></div>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Waste directed to disposal |                                                          |        |       |         |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| 4                                                 | 5.1<br>Talent<br>Gathering | <div><div>▼ New Recruit Statistics</div><table><tr><th rowspan="2">Category</th><th rowspan="2">Number of new employees</th><th rowspan="2">Taiwan</th><th rowspan="2">China</th><th rowspan="2">Vietnam</th><th rowspan="2">Indonesia</th><th rowspan="2">India</th><th colspan="2">Feng Tay Group</th></tr><tr><th>Number of new recruits</th><th>Percentage of new recruits in each category of the Group</th></tr><tr><td rowspan="2">Gender</td><td>Male</td><td>74</td><td>362</td><td>1,647</td><td>1</td><td>2,241</td><td>4,325</td><td>54.1%</td></tr><tr><td>Female</td><td>107</td><td>575</td><td>2,488</td><td>1</td><td>495</td><td>3,666</td><td>45.9%</td></tr><tr><td rowspan="3">Age</td><td>Age &lt; 30</td><td>114</td><td>482</td><td>2,030</td><td>0</td><td>2,279</td><td>4,905</td><td>61.4%</td></tr><tr><td>Age 30-50</td><td>67</td><td>455</td><td>2,094</td><td>2</td><td>457</td><td>3,075</td><td>38.5%</td></tr><tr><td>Age &gt; 50</td><td>0</td><td>0</td><td>11</td><td>0</td><td>0</td><td>11</td><td>0.1%</td></tr><tr><td colspan="2">Number of new recruits in each region</td><td>181</td><td>937</td><td>4,135</td><td>2</td><td>2,736</td><td colspan="2">7,991</td></tr><tr><td colspan="2">Hire rate of new recruits in each region</td><td>6.8%</td><td>7.2%</td><td>6.5%</td><td>0.0%</td><td>7.8%</td><td colspan="2">-</td></tr><tr><td colspan="2">Percentage of new recruits by region of the Group</td><td>2.3%</td><td>11.7%</td><td>51.8%</td><td>0.0%</td><td>34.2%</td><td colspan="2">-</td></tr></table><div><div>➤ Notes:</div><div><div>— Percentage of new recruits in each category of the Group = Number of new recruits in each category / Total number of new recruits.</div><div>— Hire rate of new recruits in each region of the Group = Hire rate of new recruits in each region = Number of new recruits in each region / Number of employees in each region.</div><div>— The Group hire rate of new recruits in each region is uniformly disclosed to one decimal place. Due to the low number of new recruits in Indonesia, the hire rate of new recruits cannot be fully represented.</div></div></div></div> | Category                   | Number of new employees                                  | Taiwan | China | Vietnam | Indonesia | India | Feng Tay Group |         | Number of new recruits | Percentage of new recruits in each category of the Group | Gender | Male           | 74 | 362 | 1,647 | 1 | 2,241 | 4,325 | 54.1% | Female | 107 | 575 | 2,488 | 1 | 495 | 3,666 | 45.9% | Age | Age < 30 | 114 | 482 | 2,030 | 0 | 2,279 | 4,905 | 61.4% | Age 30-50 | 67 | 455 | 2,094 | 2 | 457 | 3,075 | 38.5% | Age > 50 | 0 | 0 | 11 | 0 | 0 | 11 | 0.1% | Number of new recruits in each region |  | 181 | 937 | 4,135 | 2 | 2,736 | 7,991 |  | Hire rate of new recruits in each region |  | 6.8% | 7.2% | 6.5% | 0.0% | 7.8% | - |  | Percentage of new recruits by region of the Group |  | 2.3% | 11.7% | 51.8% | 0.0% | 34.2% | - |  | GRI Standards 401-1<br><br>New employee hires and employee turnover |
| Category                                          | Number of new employees    | Taiwan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                                                          |        |       |         |           |       | China          | Vietnam | Indonesia              | India                                                    |        | Feng Tay Group |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
|                                                   |                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of new recruits     | Percentage of new recruits in each category of the Group |        |       |         |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| Gender                                            | Male                       | 74                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 362                        | 1,647                                                    | 1      | 2,241 | 4,325   | 54.1%     |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
|                                                   | Female                     | 107                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 575                        | 2,488                                                    | 1      | 495   | 3,666   | 45.9%     |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| Age                                               | Age < 30                   | 114                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 482                        | 2,030                                                    | 0      | 2,279 | 4,905   | 61.4%     |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
|                                                   | Age 30-50                  | 67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 455                        | 2,094                                                    | 2      | 457   | 3,075   | 38.5%     |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
|                                                   | Age > 50                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 0                          | 11                                                       | 0      | 0     | 11      | 0.1%      |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| Number of new recruits in each region             |                            | 181                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 937                        | 4,135                                                    | 2      | 2,736 | 7,991   |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| Hire rate of new recruits in each region          |                            | 6.8%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7.2%                       | 6.5%                                                     | 0.0%   | 7.8%  | -       |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |
| Percentage of new recruits by region of the Group |                            | 2.3%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 11.7%                      | 51.8%                                                    | 0.0%   | 34.2% | -       |           |       |                |         |                        |                                                          |        |                |    |     |       |   |       |       |       |        |     |     |       |   |     |       |       |     |          |     |     |       |   |       |       |       |           |    |     |       |   |     |       |       |          |   |   |    |   |   |    |      |                                       |  |     |     |       |   |       |       |  |                                          |  |      |      |      |      |      |   |  |                                                   |  |      |       |       |      |       |   |  |                                                                     |

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| No.                                                     | Corresponding Section                       | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Applicable Criteria          |                                                                |                                              |                 |                                              |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|---------------------------------------------------------|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------------------------------|----------------------------------------------|-----------------|----------------------------------------------|-----------|--------------------------------|----------------|------------------|------------------------------|----------------------------------------------------------------|-----------------------|-----------------|-----------------------|------|-------------|-----|------|-------|-------|--------|------|----------------------------------------------|-------|-----|-------|-------|-------|-----|----------|----|-----|-------|-----|-----|-------|-------|-----------|----|-----|-------|-----|-----|-------|-------|----------|----|-----|-----|-----|---|-------|------|---------------------------------------------|--|-----|-------|-------|-------|-------|--------|--|-------------------------------------------|--|------|-------|-------|------|------|---|--|---------------------------------------------------------|--|------|-------|-------|------|-------|---|--|--|
|                                                         |                                             | <p>— The higher proportion of new employees in the Vietnam region is due to the ongoing recruitment efforts of the subsidiary Vietnam Nam Ha Footwear Company Limited to expand production capacity.</p> <p>— The higher hire rate of new recruits in India is due to the subsidiary India Tindivanam Footwear Private Limited continuously expanding its workforce to support production capacity growth.</p> <p>➤ Statistics on Resigned Employees</p> <table><tr><th rowspan="2">Category</th><th rowspan="2">Number of resigned employees</th><th rowspan="2">Taiwan</th><th rowspan="2">China</th><th rowspan="2">Vietnam</th><th rowspan="2">Indonesia</th><th rowspan="2">India</th><th colspan="2">Feng Tay Group</th></tr><tr><th>Number of resigned employees</th><th>Percentage of resigned employees in each category of the Group</th></tr><tr><td rowspan="2">Gender</td><td>Male</td><td>43</td><td>450</td><td>4,058</td><td>379</td><td>834</td><td>5,764</td><td>41.4%</td></tr><tr><td>Female</td><td>57</td><td>1,342</td><td>5,049</td><td>688</td><td>1,023</td><td>8,159</td><td>58.6%</td></tr><tr><td rowspan="3">Age</td><td>Age &lt; 30</td><td>25</td><td>399</td><td>4,057</td><td>339</td><td>994</td><td>5,814</td><td>41.8%</td></tr><tr><td>Age 30-50</td><td>33</td><td>637</td><td>4,775</td><td>499</td><td>863</td><td>6,807</td><td>48.9%</td></tr><tr><td>Age &gt; 50</td><td>42</td><td>756</td><td>275</td><td>229</td><td>0</td><td>1,302</td><td>9.3%</td></tr><tr><td colspan="2">Number of resigned employees in each region</td><td>100</td><td>1,792</td><td>9,107</td><td>1,067</td><td>1,857</td><td colspan="2">13,923</td></tr><tr><td colspan="2">Turnover rate of employees in each region</td><td>3.8%</td><td>13.8%</td><td>14.3%</td><td>6.6%</td><td>5.3%</td><td colspan="2">-</td></tr><tr><td colspan="2">Percentage of resigned employees by region of the Group</td><td>0.7%</td><td>12.9%</td><td>65.4%</td><td>7.7%</td><td>13.3%</td><td colspan="2">-</td></tr></table> <p>➤ Notes:</p> <p>— Resigned employees includes those who leave the Group voluntarily or because of dismissal, layoff, retirement, or death.</p> <p>— Percentage of resigned employees in each category of the Group = the number of resigned employees in each category / the total number of resigned employees. — Turnover rate of employees in each region of the Group = the number of resigned employees in each region / the total number of resigned employees in each region.</p> | Category                     | Number of resigned employees                                   | Taiwan                                       | China           | Vietnam                                      | Indonesia | India                          | Feng Tay Group |                  | Number of resigned employees | Percentage of resigned employees in each category of the Group | Gender                | Male            | 43                    | 450  | 4,058       | 379 | 834  | 5,764 | 41.4% | Female | 57   | 1,342                                        | 5,049 | 688 | 1,023 | 8,159 | 58.6% | Age | Age < 30 | 25 | 399 | 4,057 | 339 | 994 | 5,814 | 41.8% | Age 30-50 | 33 | 637 | 4,775 | 499 | 863 | 6,807 | 48.9% | Age > 50 | 42 | 756 | 275 | 229 | 0 | 1,302 | 9.3% | Number of resigned employees in each region |  | 100 | 1,792 | 9,107 | 1,067 | 1,857 | 13,923 |  | Turnover rate of employees in each region |  | 3.8% | 13.8% | 14.3% | 6.6% | 5.3% | - |  | Percentage of resigned employees by region of the Group |  | 0.7% | 12.9% | 65.4% | 7.7% | 13.3% | - |  |  |
| Category                                                | Number of resigned employees                | Taiwan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                              |                                                                |                                              |                 |                                              |           |                                | China          | Vietnam          | Indonesia                    | India                                                          |                       | Feng Tay Group  |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|                                                         |                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of resigned employees | Percentage of resigned employees in each category of the Group |                                              |                 |                                              |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Gender                                                  | Male                                        | 43                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 450                          | 4,058                                                          | 379                                          | 834             | 5,764                                        | 41.4%     |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|                                                         | Female                                      | 57                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 1,342                        | 5,049                                                          | 688                                          | 1,023           | 8,159                                        | 58.6%     |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Age                                                     | Age < 30                                    | 25                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 399                          | 4,057                                                          | 339                                          | 994             | 5,814                                        | 41.8%     |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|                                                         | Age 30-50                                   | 33                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 637                          | 4,775                                                          | 499                                          | 863             | 6,807                                        | 48.9%     |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|                                                         | Age > 50                                    | 42                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 756                          | 275                                                            | 229                                          | 0               | 1,302                                        | 9.3%      |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Number of resigned employees in each region             |                                             | 100                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1,792                        | 9,107                                                          | 1,067                                        | 1,857           | 13,923                                       |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Turnover rate of employees in each region               |                                             | 3.8%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 13.8%                        | 14.3%                                                          | 6.6%                                         | 5.3%            | -                                            |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Percentage of resigned employees by region of the Group |                                             | 0.7%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 12.9%                        | 65.4%                                                          | 7.7%                                         | 13.3%           | -                                            |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| 5                                                       | 5.5 Safe and Peaceful Workplace Environment | <p>▼ Occupational Injuries in 2024</p> <table><tr><th rowspan="2">Year</th><th rowspan="2">Total work hours</th><th colspan="2">Fatal occupational injury</th><th colspan="2">Severe occupational injury (excluding fatal)</th><th colspan="2">Recordable occupational injury</th></tr><tr><th>Number of Deaths</th><th>Injury Frequency Rate</th><th>Number of Cases</th><th>Injury Frequency Rate</th><th>Number of Cases</th><th>Injury Frequency Rate</th></tr><tr><td>2024</td><td>274,761,656</td><td>0</td><td>0.00</td><td>2</td><td>0.00</td><td>72</td><td>0.26</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Year                         | Total work hours                                               | Fatal occupational injury                    |                 | Severe occupational injury (excluding fatal) |           | Recordable occupational injury |                | Number of Deaths | Injury Frequency Rate        | Number of Cases                                                | Injury Frequency Rate | Number of Cases | Injury Frequency Rate | 2024 | 274,761,656 | 0   | 0.00 | 2     | 0.00  | 72     | 0.26 | GRI Standards 403-9<br>Work-related injuries |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| Year                                                    | Total work hours                            | Fatal occupational injury                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                              |                                                                | Severe occupational injury (excluding fatal) |                 | Recordable occupational injury               |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
|                                                         |                                             | Number of Deaths                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Injury Frequency Rate        | Number of Cases                                                | Injury Frequency Rate                        | Number of Cases | Injury Frequency Rate                        |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |
| 2024                                                    | 274,761,656                                 | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0.00                         | 2                                                              | 0.00                                         | 72              | 0.26                                         |           |                                |                |                  |                              |                                                                |                       |                 |                       |      |             |     |      |       |       |        |      |                                              |       |     |       |       |       |     |          |    |     |       |     |     |       |       |           |    |     |       |     |     |       |       |          |    |     |     |     |   |       |      |                                             |  |     |       |       |       |       |        |  |                                           |  |      |       |       |      |      |   |  |                                                         |  |      |       |       |      |       |   |  |  |

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| No.                                          | Corresponding Section | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Applicable Criteria |             |            |            |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
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|                                              |                       | <div>▼ Occupational Injuries in Various Regions in 2024</div> <table><tr><th>Region</th><th></th><th>Taiwan</th><th>China</th><th>Vietnam</th><th>Indonesia</th><th>India</th></tr><tr><td colspan="2">Total work hours</td><td>5,079,176</td><td>28,911,608</td><td>138,996,805</td><td>33,867,065</td><td>67,907,002</td></tr><tr><td rowspan="2">Fatal occupational injury</td><td>Number of Cases</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Injury Frequency Rate</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td rowspan="2">Severe occupational injury (excluding fatal)</td><td>Number of Cases</td><td>0</td><td>1</td><td>1</td><td>0</td><td>0</td></tr><tr><td>Injury Frequency Rate</td><td>0.00</td><td>0.03</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td rowspan="2">Recordable occupational injury</td><td>Number of Cases</td><td>9</td><td>7</td><td>47</td><td>6</td><td>3</td></tr><tr><td>Injury Frequency Rate</td><td>1.77</td><td>0.24</td><td>0.33</td><td>0.17</td><td>0.04</td></tr></table> <div>➤ Explanation of definitions and calculation methods:<ul style="list-style-type: none"><li>— Calculation method of total working hours: working hours of clock-in employees (statistics from the attendance system) + working hours of supervisors who do not clock in (number of working days in the month throughout the year * 8 hours per day * total number of supervisors).</li><li>— Recordable Occupational Injury: Workers are unable to continue working normally because of occupational injuries and must be off work and leave the workplace. The number of lost hours is more than 8 hours for the injury to be counted as recordable. The number of deaths caused by occupational injuries is also included. For the injuries due to traffic accidents that occur while commuting to and from work, only the accidents caused by the transportation arranged by the Company are included in the calculations.</li><li>— Recordable Occupational Injury Frequency Rate = number of recordable occupational injuries / total working hours * 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.</li><li>— Severe occupational injury: an occupational injury that causes a worker to be incapacitated and unable to return to normal attendance and work within 6 months.</li><li>— Severe occupational injury frequency rate = number of severe occupational injuries / total working hours x 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.</li><li>— Fatal occupational injury frequency rate = number of deaths due to occupational injuries / total working hours x 1,000,000, calculated to the second decimal place, and the third and all subsequent decimal places are discarded.</li><li>— The occupational injury-related rates are calculated as rates per million work hours.</li><li>— Because the data are incomplete, we are not able to disclose the number of on-site work hours and the number of work-related injuries of contractors.</li></ul></div> | Region              |             | Taiwan     | China      | Vietnam | Indonesia | India | Total work hours |  | 5,079,176 | 28,911,608 | 138,996,805 | 33,867,065 | 67,907,002 | Fatal occupational injury | Number of Cases | 0 | 0 | 0 | 0 | 0 | Injury Frequency Rate | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Severe occupational injury (excluding fatal) | Number of Cases | 0 | 1 | 1 | 0 | 0 | Injury Frequency Rate | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 | Recordable occupational injury | Number of Cases | 9 | 7 | 47 | 6 | 3 | Injury Frequency Rate | 1.77 | 0.24 | 0.33 | 0.17 | 0.04 |  |
| Region                                       |                       | Taiwan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | China               | Vietnam     | Indonesia  | India      |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
| Total work hours                             |                       | 5,079,176                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 28,911,608          | 138,996,805 | 33,867,065 | 67,907,002 |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
| Fatal occupational injury                    | Number of Cases       | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0                   | 0           | 0          | 0          |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
|                                              | Injury Frequency Rate | 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.00                | 0.00        | 0.00       | 0.00       |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
| Severe occupational injury (excluding fatal) | Number of Cases       | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 1                   | 1           | 0          | 0          |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
|                                              | Injury Frequency Rate | 0.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.03                | 0.00        | 0.00       | 0.00       |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
| Recordable occupational injury               | Number of Cases       | 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 7                   | 47          | 6          | 3          |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |
|                                              | Injury Frequency Rate | 1.77                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 0.24                | 0.33        | 0.17       | 0.04       |         |           |       |                  |  |           |            |             |            |            |                           |                 |   |   |   |   |   |                       |      |      |      |      |      |                                              |                 |   |   |   |   |   |                       |      |      |      |      |      |                                |                 |   |   |    |   |   |                       |      |      |      |      |      |  |

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| No.                                                                            | Corresponding Section                                                             | Subject Matter Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Applicable Criteria                                  |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|--|--------------------------------------------|------------------------------------------------------|-----------|--|----|-------|-------------|--|---|---|-----------|--|---|----|----------------------------------------------|--|----|-------|----------------|--|----|-------|--------------------------------------------------------------------------------|--|---|---|--------|-----------------------------------------------------------------------------------|----|-------|-------|--|----|--------|--------------------------------|--|--------|------------------------------------------------|--|----|-----------|--|----|-------------------|--|----|-----------------|--|---|---------|--|---|-----------------|--|---|--------|--|---|-----------------------|--|---|-----------|--|---|-------|--|---|----------------------------------------------|--|----|-------|--|----|--|
|                                                                                |                                                                                   | <div>➤ Causes of Occupational Injuries and Number of Lost Hours in 2024</div> <table><tr><th colspan="2">Causes of occupational injuries</th><th>Number of recordable occupational injuries</th><th>Work hour loss due to recordable occupational injury</th></tr><tr><td colspan="2">Machinery</td><td>31</td><td>5,853</td></tr><tr><td colspan="2">Electricity</td><td>0</td><td>0</td></tr><tr><td colspan="2">Chemicals</td><td>1</td><td>10</td></tr><tr><td colspan="2">Ergonomic hazards/Hand tools/Manual handling</td><td>12</td><td>3,048</td></tr><tr><td colspan="2">Slips or Falls</td><td>15</td><td>6,631</td></tr><tr><td colspan="2">Commuting injuries while taking company owned vehicles (such as shuttle buses)</td><td>0</td><td>0</td></tr><tr><td>Others</td><td>(such as insect bites, injuries from falling tree branches, cuts from billboards)</td><td>13</td><td>2,268</td></tr><tr><td colspan="2">Total</td><td>72</td><td>17,810</td></tr></table> <div>➤ Types of Occupational Injuries in 2024</div> <table><tr><th colspan="2">Types of occupational injuries</th><th>Number</th></tr><tr><td colspan="2">Crush injuries, pinch injuries, smash injuries</td><td>28</td></tr><tr><td colspan="2">Fractures</td><td>18</td></tr><tr><td colspan="2">Lacerations, cuts</td><td>12</td></tr><tr><td colspan="2">Burns or scalds</td><td>0</td></tr><tr><td colspan="2">Sprains</td><td>1</td></tr><tr><td colspan="2">Limb amputation</td><td>0</td></tr><tr><td colspan="2">Hernia</td><td>0</td></tr><tr><td colspan="2">Loss of consciousness</td><td>0</td></tr><tr><td colspan="2">Paralysis</td><td>0</td></tr><tr><td colspan="2">Fatal</td><td>0</td></tr><tr><td colspan="2">Others (such as strains, flesh wounds, etc.)</td><td>13</td></tr><tr><td colspan="2">Total</td><td>72</td></tr></table> | Causes of occupational injuries                      |  | Number of recordable occupational injuries | Work hour loss due to recordable occupational injury | Machinery |  | 31 | 5,853 | Electricity |  | 0 | 0 | Chemicals |  | 1 | 10 | Ergonomic hazards/Hand tools/Manual handling |  | 12 | 3,048 | Slips or Falls |  | 15 | 6,631 | Commuting injuries while taking company owned vehicles (such as shuttle buses) |  | 0 | 0 | Others | (such as insect bites, injuries from falling tree branches, cuts from billboards) | 13 | 2,268 | Total |  | 72 | 17,810 | Types of occupational injuries |  | Number | Crush injuries, pinch injuries, smash injuries |  | 28 | Fractures |  | 18 | Lacerations, cuts |  | 12 | Burns or scalds |  | 0 | Sprains |  | 1 | Limb amputation |  | 0 | Hernia |  | 0 | Loss of consciousness |  | 0 | Paralysis |  | 0 | Fatal |  | 0 | Others (such as strains, flesh wounds, etc.) |  | 13 | Total |  | 72 |  |
| Causes of occupational injuries                                                |                                                                                   | Number of recordable occupational injuries                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Work hour loss due to recordable occupational injury |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Machinery                                                                      |                                                                                   | 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 5,853                                                |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Electricity                                                                    |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                                                    |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Chemicals                                                                      |                                                                                   | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10                                                   |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Ergonomic hazards/Hand tools/Manual handling                                   |                                                                                   | 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 3,048                                                |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Slips or Falls                                                                 |                                                                                   | 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 6,631                                                |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Commuting injuries while taking company owned vehicles (such as shuttle buses) |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                                                    |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Others                                                                         | (such as insect bites, injuries from falling tree branches, cuts from billboards) | 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2,268                                                |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Total                                                                          |                                                                                   | 72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 17,810                                               |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Types of occupational injuries                                                 |                                                                                   | Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Crush injuries, pinch injuries, smash injuries                                 |                                                                                   | 28                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Fractures                                                                      |                                                                                   | 18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Lacerations, cuts                                                              |                                                                                   | 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Burns or scalds                                                                |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Sprains                                                                        |                                                                                   | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Limb amputation                                                                |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Hernia                                                                         |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Loss of consciousness                                                          |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Paralysis                                                                      |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Fatal                                                                          |                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Others (such as strains, flesh wounds, etc.)                                   |                                                                                   | 13                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |
| Total                                                                          |                                                                                   | 72                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                      |  |                                            |                                                      |           |  |    |       |             |  |   |   |           |  |   |    |                                              |  |    |       |                |  |    |       |                                                                                |  |   |   |        |                                                                                   |    |       |       |  |    |        |                                |  |        |                                                |  |    |           |  |    |                   |  |    |                 |  |   |         |  |   |                 |  |   |        |  |   |                       |  |   |           |  |   |       |  |   |                                              |  |    |       |  |    |  |

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# ISO 14064 Greenhouse Gas Verification Opinion

Opinion TW25/00071GG

**SGS**

## Greenhouse Gas Verification Opinion

The inventory of Greenhouse Gas emissions in year 2024 of  
**Feng Tay Enterprises Co., Ltd.**  
 No. 52, Kegong 8th Rd., Douliou City, Yunlin County 640111, Taiwan

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of  
**ISO 14064-1:2018**  
 Opinion Type: Modified  
 Direct emissions  
**14,435.2421** tonnes of CO<sub>2</sub>e  
 Indirect emissions  
**510,666.5832** tonnes of CO<sub>2</sub>e  
 Direct emissions and indirect emissions  
**525,101.825** tonnes of CO<sub>2</sub>e

Authorized by



Stephen Pao  
 Business Assurance Director  
 Date: 25 March 2025  
 Version 1

TGP50B-15-1 2501  
 SGS Taiwan Ltd.  
 No. 136-1, Wu Kung Road, New Taipei Industrial Park,  
 Wu Ku District, New Taipei City 248016, Taiwan  
 T (02) 22990279 F (02) 22999453 www.sgs.com



This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued

**SGS**

The emission of each category is described as below. Unit: tonnes of CO<sub>2</sub>e

| Reporting Boundaries                    |                                                                                   | GHG Emissions |
|-----------------------------------------|-----------------------------------------------------------------------------------|---------------|
| Inventory categories                    | Description                                                                       |               |
| Direct emissions                        | Direct emissions from stationary combustion                                       | 1,343.0971    |
|                                         | Direct emissions from mobile combustion                                           | 1,297.5181    |
|                                         | Direct process emissions and removals from industrial processes                   | 90.1402       |
|                                         | Direct fugitive emissions arise from the release of GHGs in anthropogenic systems | 11,704.4867   |
|                                         | Direct emissions and removals from land use, land use change and forestry         | 0.0000        |
| Indirect emissions                      | Imported energy                                                                   | 257,092.1741  |
|                                         | Transportation                                                                    | 79,288.7277   |
|                                         | Products used by an organization                                                  | 174,285.6814  |
|                                         | Associated with the use of products from the organization                         | 0.0000        |
|                                         | Other sources                                                                     | 0.0000        |
| Direct emissions and indirect emissions |                                                                                   | 525,101.825   |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



The emission of each site is described as below:

Unit: tonnes of CO<sub>2</sub>e

| Site                                                               | Direct emissions | Indirect emissions |              | Total GHG emissions |
|--------------------------------------------------------------------|------------------|--------------------|--------------|---------------------|
|                                                                    | Category 1       | Category 2         | Category 3-6 |                     |
| Feng Tay Enterprises Co., Ltd. (HQ)                                | 382.9807         | 3,567.0752         | 1,800.4727   | 5,750.529           |
| FL Logistics Center (FL)                                           | 0.4157           | 37.7416            | 2,230.1638   | 2,268.321           |
| Feng Tay Factory (FT)                                              | 44.2574          | 493.8024           | 251.8276     | 789.887             |
| Phondy Factory (PD)                                                | 114.4211         | 2,052.5700         | 770.7881     | 2,937.779           |
| Fujian San Feng Footwear Company Limited (SF)                      | 524.8012         | 6,518.5050         | 12,761.9393  | 19,805.246          |
| Fujian Da Feng Holdings Company Limited (DF)                       | 4.0676           | 0.0000             | 815.4410     | 819.509             |
| Fujian Wu Feng Department Store Co., Ltd. (WF)                     | 0.0000           | 0.0000             | 0.0000       | 0.000               |
| Great Eastern Industries Ltd. (GE)                                 | 0.0000           | 38.1605            | 23.3551      | 61.516              |
| Fujian Lifeng Footwear Industrial Development Company Limited (LF) | 855.3628         | 9,781.1851         | 14,156.9083  | 24,793.456          |
| Fujian Xiefeng Footwear Company Limited (HF)                       | 132.6718         | 13,166.1996        | 6,179.3998   | 19,478.271          |
| Fujian Putian Xie Feng Mold Company Limited (XM)                   | 85.8573          | 3,367.8952         | 1,184.3367   | 4,638.089           |
| Fujian Great Hope Footwear Company Limited (GH)                    | 50.6059          | 2,767.7440         | 1,561.1698   | 4,379.520           |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



| Site                                             | Direct emissions | Indirect emissions |              | Total GHG emissions |
|--------------------------------------------------|------------------|--------------------|--------------|---------------------|
|                                                  | Category 1       | Category 2         | Category 3-6 |                     |
| Suzhou Yufeng Plastics Technology Co., Ltd. (YF) | 39.7016          | 1,677.1867         | 2,813.7369   | 4,530.625           |
| Dona Victor Footwear Co., Ltd. (DV)              | 1,522.1395       | 39,437.5992        | 31,292.3303  | 72,252.069          |
| Dona Pacific (Vietnam) Co., Ltd. (DP)            | 1,722.3026       | 25,413.4532        | 41,772.9463  | 68,908.702          |
| Vietnam Dona Orient Co., Ltd. (DO)               | 1,538.4321       | 39,461.3019        | 31,515.8381  | 72,515.572          |
| Dona Victor Molds Mfg. Co., Ltd. (DVM)           | 119.7337         | 2,724.3191         | 2,260.4161   | 5,104.469           |
| Vietnam Dona Standard Footwear Co., Ltd. (DS)    | 6,920.2978       | 86,824.4363        | 86,913.4573  | 180,458.191         |
| Vung Tau Orient Co., Ltd. 1 (TO1)                | 111.0715         | 8,737.0752         | 5,654.4615   | 14,502.608          |
| Vung Tau Orient Co., Ltd. 2 (TO2)                | 143.1521         | 5,396.3397         | 5,011.4352   | 10,550.927          |
| Vietnam Nam Ha Footwear Co., Ltd. (NH)           | 122.9697         | 5,829.5842         | 4,603.9852   | 10,556.539          |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



SGS has been contracted for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3:2019

as provided by Feng Tay Enterprises Co., Ltd. (hereinafter referred to as "Feng Tay"), No. 52, Kegong 8th Rd., Douliou City, Yunlin County 640111, Taiwan, in the GHG Statement in the form of GHG report.

#### Roles and responsibilities

- The management of Feng Tay is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.
- The verification was based on the verification scope, objectives and criteria as agreed on 04 May 2024.
- Verification Criteria: ISO 14064-1:2018
- Verification Period: 09 December 2024 to 03 February 2025.

#### Scope

- GHG information for the following period was verified: 01 January 2024 to 31 December 2024
- Location/boundary of the activities:
  - Feng Tay Enterprises Co., Ltd. (HQ): No. 52, Kegong 8th Rd., Douliou City, Yunlin County 640111, Taiwan.
  - FL Logistics Center (FL): No. 118, Sec. 3, Yunkue Rd., Douliou City, Yunlin County 640111, Taiwan.
  - Feng Tay Factory (FT): No. 656, Siping Rd., Douliou City, Yunlin County 640009, Taiwan.
  - Phondy Factory (PD): No. 123, Liunan Rd., Douliou City, Yunlin County 640107, Taiwan.
  - Fujian San Feng Footwear Company Limited (SF): No. 399, Cheng Meng St., Cheng Meng Village, Tsan Shan Dist., Fuzhou City, Fujian Province.
  - Fujian Da Feng Holdings Company Limited (DF): 3F of Building No. 19, No. 399 Cheng Meng St., Cheng Meng Village, Tsan Shan Dist., Fuzhou City, Fujian Province.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



- Fujian Wu Feng Department Store Co., Ltd. (WF): 3F of Building No. 19, No. 399 Cheng Meng St., Cheng Meng Village, Tsan Shan Dist., Fuzhou City, Fujian Province.
- Great Eastern Industries Ltd. (GE): 2101-03&2105-09, 21F, Hua Mao Trade Square II, No. 338, King's Road, North Point, Hong Kong.
- Fujian Lifeng Footwear Industrial Development Company Limited (LF): No. 888, Chin Shi N St., Wu tan Village, Han Jian Dist., Pu Tien City, Fujian Province.
- Fujian Xiefeng Footwear Company Limited (HF): Fujian Putian Xie Feng Mold Company Limited.
- Fujian Putian Xie Feng Mold Company Limited (XM): Fujian Putian Xie Feng Mold Company Limited.
- Fujian Great Hope Footwear Company Limited (GH): Ching Kou Village, Ming Hou County, Fuzhou City, Fujian Province.
- Suzhou Yufeng Plastics Technology Co., Ltd. (YF): No. 288, Ching Dao E Rd., Tai Tsan Economy development area, Tai Tsan City, Jiangsu Province.
- Dona Victor Footwear Co., Ltd. (DV): Song May Industrial Zone, Bac Son Ward, Trang Bom District, Dong Nai Province, Vietnam.
- Dona Pacific (Vietnam) Co., Ltd. (DP): Song May Industrial Zone, Bac Son Ward, Trang Bom District, Dong Nai Province, Vietnam.
- Vietnam Dona Orient Co., Ltd. (DO): Song May Industrial Zone, Bac Son Ward, Trang Bom District, Dong Nai Province, Vietnam.
- Dona Victor Molds Mfg. Co., Ltd. (DVM): Song May Industrial Zone, Trang Bom District, Dong Nai Province, Vietnam.
- Vietnam Dona Standard Footwear Co., Ltd. (DS): Xuan Loc Industrial Zone, Xuan Loc District, Dong Nai Province, Vietnam.
- Vung Tau Orient Co., Ltd. 1 (TO1): 11 Road, Dong Xuyen industrial Zone, Rach Dua Ward, Vung Tau City, Ba Ria-Vung Tau Province, Vietnam.
- Vung Tau Orient Co., Ltd. 2 (TO2): Road No. 15, Chau Duc Industrial Zone, Nghia Thanh Commune, Chau Duc District, Ba Ria-Vung Tau Province, Vietnam.
- Vietnam Nam Ha Footwear Co., Ltd. (NH): Nam Ha Industrial Cluster, Dong Ha Commune, Duc Linh District, Binh Thuan Province, Vietnam.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued

SGS

- Types of GHGs included: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>
- The IPCC 2021 AR6 GWP values are applied in this inventory.
- Emission factor:
  - Direct emissions: Greenhouse Gas Emission Factor, MOENV(2024.02.05).
  - Indirect emissions:
    - Taiwan region cite electricity emission factor is 0.494 kgCO<sub>2</sub>e/kwh (Announced by Energy Administration, Ministry of Economic Affairs in 2024).
    - China region cite Electricity emission factor is 0.5703 tons CO<sub>2</sub>e/mwh (Announced by Ministry of Ecology and Environment's Climate Letter No. 332 in 2023).
    - Vietnam region cite Electricity emission factor is 0.8766 tons CO<sub>2</sub>e/mwh (Announced by Letter No. 327/BDKH-PTCST from Department of Climate Change in 2022).
    - The secondary database has Carbon Footprint Information Platform, Simapro v9.6.0.1, Carbon Footprint of Taipei Rapid Transit Corporation, Carbon Footprint of High-Speed Rail Transport Services database, ICAQ carbon emission calculator.
- The level of assurance for category 1 and category 2 of Taiwan region agreed is that of reasonable assurance.
- The level of assurance for category 3 till category 6 of Taiwan region agreed is that of limited assurance.
- The level of assurance for category 1 and category 2 of oversea region and Category 3 till category 6 agreed is that of limited assurance.
- Materiality : 5%
- The version of inventory sheet: 2025/2/4 Version 4
- The version of GHG statement: 2025/2/5 Version 1.3
- Intended user of the verification opinion: Private

#### Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG statement
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued

SGS

#### Conclusion

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment, on a test basis, of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions. We planned and performed our work to obtain the information, explanations and evidence that the GHG emissions are free from material misstatement.

- The greenhouse gas emissions is 525,101.825 metric tonnes of CO<sub>2</sub> equivalent
- The emissions from the combustion of biomass is 0.0000 metric tonnes of CO<sub>2</sub> equivalent

The emission of each category is described as below:

Unit: tonnes of CO<sub>2</sub>e

| Reporting Boundaries |                                                                                   | GHG Emissions |
|----------------------|-----------------------------------------------------------------------------------|---------------|
| Inventory categories | Description                                                                       |               |
| Direct emissions     | Direct emissions from stationary combustion                                       | 1,343.0971    |
|                      | Direct emissions from mobile combustion                                           | 1,297.5181    |
|                      | Direct process emissions and removals from industrial processes                   | 90.1402       |
|                      | Direct fugitive emissions arise from the release of GHGs in anthropogenic systems | 11,704.4857   |
|                      | Direct emissions and removals from land use, land use change and forestry         | 0.0000        |
| Indirect emissions   | Imported energy                                                                   | 257,092.1741  |
|                      | Transportation                                                                    | 79,288.7277   |
|                      | Products used by an organization                                                  | 174,285.6814  |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



| Reporting Boundaries                    |                                                           |               | GHG Emissions |
|-----------------------------------------|-----------------------------------------------------------|---------------|---------------|
| Inventory categories                    |                                                           | Description   |               |
|                                         | Associated with the use of products from the organization | Unsignificant | 0.0000        |
|                                         | Other sources                                             | Unsignificant | 0.0000        |
| Direct emissions and indirect emissions |                                                           |               | 525,101.825   |

The emission of each site is described as below:

Unit: tonnes of CO<sub>2</sub>e

| Site                                                               | Direct emissions | Indirect emissions |              | Total GHG emissions |
|--------------------------------------------------------------------|------------------|--------------------|--------------|---------------------|
|                                                                    | Category 1       | Category 2         | Category 3-6 |                     |
| Feng Tay Enterprises Co., Ltd. (HQ)                                | 382.9807         | 3,567.0752         | 1,800.4727   | 5,750.529           |
| FL Logistics Center (FL)                                           | 0.4157           | 37.7416            | 2,230.1638   | 2,268.321           |
| Feng Tay Factory (FT)                                              | 44.2574          | 493.8024           | 251.8276     | 789.887             |
| Phondy Factory (PD)                                                | 114.4211         | 2,052.5700         | 770.7881     | 2,937.779           |
| Fujian San Feng Footwear Company Limited (SF)                      | 524.8012         | 6,518.5050         | 12,761.9393  | 19,805.246          |
| Fujian Da Feng Holdings Company Limited (DF)                       | 4.0676           | 0.0000             | 815.4410     | 819.509             |
| Fujian Wu Feng Department Store Co., Ltd. (WF)                     | 0.0000           | 0.0000             | 0.0000       | 0.000               |
| Great Eastern Industries Ltd. (GE)                                 | 0.0000           | 38.1605            | 23.3551      | 61.516              |
| Fujian Lifeng Footwear Industrial Development Company Limited (LF) | 855.3628         | 9,781.1851         | 14,156.9083  | 24,793.456          |
| Fujian Xiefeng Footwear Company Limited (HF)                       | 132.6718         | 13,166.1996        | 6,179.3998   | 19,478.271          |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued



| Site                                             | Direct emissions | Indirect emissions |              | Total GHG emissions |
|--------------------------------------------------|------------------|--------------------|--------------|---------------------|
|                                                  | Category 1       | Category 2         | Category 3-6 |                     |
| Fujian Putian Xie Feng Mold Company Limited (XM) | 85.8573          | 3,367.8952         | 1,184.3367   | 4,638.089           |
| Fujian Great Hope Footwear Company Limited (GH)  | 50.6059          | 2,767.7440         | 1,561.1698   | 4,379.520           |
| Suzhou Yufeng Plastics Technology Co., Ltd. (YF) | 39.7016          | 1,677.1867         | 2,813.7369   | 4,530.625           |
| Dona Victor Footwear Co., Ltd. (DV)              | 1,522.1395       | 39,437.5992        | 31,292.3303  | 72,252.069          |
| Dona Pacific (Vietnam) Co., Ltd. (DP)            | 1,722.3026       | 25,413.4532        | 41,772.9463  | 68,908.702          |
| Vietnam Dona Orient Co., Ltd. (DO)               | 1,538.4321       | 39,461.3019        | 31,515.8381  | 72,515.572          |
| Dona Victor Molds Mfg. Co., Ltd. (DVM)           | 119.7337         | 2,724.3191         | 2,260.4161   | 5,104.469           |
| Vietnam Dona Standard Footwear Co., Ltd. (DS)    | 6,920.2978       | 86,624.4363        | 86,913.4573  | 180,458.191         |
| Vung Tau Orient Co., Ltd. 1 (TO1)                | 111.0715         | 8,737.0752         | 5,654.4615   | 14,502.608          |
| Vung Tau Orient Co., Ltd. 2 (TO2)                | 143.1521         | 5,396.3397         | 5,011.4352   | 10,550.927          |
| Vietnam Nam Ha Footwear Co., Ltd. (NH)           | 122.9697         | 5,829.5842         | 4,603.9852   | 10,556.539          |

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued

**SGS**

- The opinion of SGS is modified in accordance with the following described circumstances.
  - The verifier has sufficient and appropriate evidence to support the material emissions, removals, or storage.
  - The verifier applies appropriate criteria for the material emissions, removals, or storage.
  - When the verifier intends to rely on relevant controls, the effectiveness of those controls has been assessed.
  - The verifier, applying the ISO 14064-1:2018 standard, presents the following findings. After adjustments and corrections, no material errors were identified.
    - Some activity data were filled in incorrectly in the inventory and the coefficients were cited incorrectly, then that have been corrected to be consistent with the current situation.
    - The company omitted relevant emission data when compiling the activity data of the identified emission sources, which has been corrected and included in the inventory.
- Retention Limitation:
  - Emissions from upstream resource extraction for some sites (tap water) for the last activity data collection period are estimated based on meter reading records.

#### Confidentiality

The reports and attachments may contain relevantly confidential information of the clients. In addition to being submitted as governmental application or certification documents, the reports and attachments are not allowed to be edited, duplicated, or published without the clients' agreement in written form.

#### Avoidance of Conflict of Interest

The reports and attachments are completely complied with the standards and procedures that related authorities established. The reports and attachments of auditing process are conduct with fairness and honesty. If not, the auditing institution not only has to bear the relevant compensation duties, but also to receive legal charge and punishment.

This opinion shall be interpreted with the GHG statement of Feng Tay as a whole.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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Opinion TW25/00071GG, continued

**SGS**

#### Verifier Group

Above opinions coincide with auditing process with fairness and impartiality and aim at the emission of year 2024 of clients.

Lead Verifier:

*Carol Chen*

Verifier:

*Jim Tsai*

*Mark Kong*

*Prosper Huang*

*Edo Kuo*  
*Korly Cheng*

Note: This opinion is issued, on behalf of Client, by SGS Taiwan Ltd. ("SGS") under its General Conditions for Greenhouse Gas Verification Services available at [http://www.sgs.com/terms\\_and\\_conditions.htm](http://www.sgs.com/terms_and_conditions.htm). The findings recorded hereon are based upon an audit performed by SGS. A full copy of this opinion, the findings and the supporting GHG Statement may be consulted at Feng Tay Enterprises Co., Ltd., No. 52, Kegang 8th Rd., Doukou City, Yunlin County 640111, Taiwan. This opinion does not relieve Client from compliance with any bylaws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client.

This Opinion is not valid without the full verification scope, objectives, criteria and findings available on the Opinion.

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# GRI Standards Index

|                      |                                                                                                                                                                                     |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Statement of use     | Feng Tay Enterprises Co., Ltd. has reported the information cited in this GRI content index for the period from January 1 to December 31, 2024 with reference to the GRI Standards. |
| GRI 1 used           | GRI 1: Foundation 2021                                                                                                                                                              |
| GRI Sector Standards | None                                                                                                                                                                                |

## General Disclosure

| GRI Standards                                   | Disclosure Name                                                             | Report Section or Explanation                                                                                             | Page           |
|-------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------|
| GRI 2: General Disclosures 2021                 |                                                                             |                                                                                                                           |                |
| 1. The organization and its reporting practices |                                                                             |                                                                                                                           |                |
| 2-1                                             | Organizational details                                                      | 1.1 An Overview of Feng Tay Group                                                                                         | P. 18          |
| 2-2                                             | Entities included in the organization's sustainability reporting            | Overview                                                                                                                  | P. 4           |
| 2-3                                             | Reporting period, frequency and contact point                               | Overview                                                                                                                  | P. 4           |
| 2-4                                             | Restatements of information                                                 | - The Total Emissions of VOCs in 2022-2024<br>- Causes of Occupational Injuries and Number of Lost Hours in 2023 and 2024 | P.85<br>P.122  |
| 2-5                                             | External assurance                                                          | Overview                                                                                                                  | P. 4           |
| 2. Activities and workers                       |                                                                             |                                                                                                                           |                |
| 2-6                                             | Activities, value chain and other business relationships                    | 1.1 An Overview of Feng Tay Group<br>3.1 Overview of the Value Chain                                                      | P. 18<br>P. 51 |
| 2-7                                             | Employees                                                                   | 5.2 Workforce Planning / Workforce Composition                                                                            | P. 94          |
| 2-8                                             | Workers who are not employees                                               | 5.2 Workforce Planning / Workforce Composition                                                                            | P. 94          |
| 3. Governance                                   |                                                                             |                                                                                                                           |                |
| 2-9                                             | Governance structure and composition                                        | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                        | P. 27          |
| 2-10                                            | Nomination and selection of the highest governance body                     | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                        | P. 27          |
| 2-11                                            | Chair of the highest governance body                                        | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                        | P. 27          |
| 2-12                                            | Role of the highest governance body in overseeing the management of impacts | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                        | P. 27          |
| 2-13                                            | Delegation of responsibility for managing impacts                           | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                        | P. 27          |
| 2-14                                            | Role of the highest governance body in sustainability reporting             | 1.2 Sustainability Commitments and Strategy / Sustainable Development Department                                          | P. 21          |

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| 2-15                                | Conflicts of interest                                        | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors                      | P. 27          |
| 2-16                                | Communication of critical concerns                           | 2.1 Corporate Governance and the Governance Team / Composition and Operation of Functional Committees                   | P. 32          |
| 2-17                                | Collective knowledge of the highest governance body          | 2.1 Corporate Governance and the Governance Team / Ongoing Training and Development for Board of Directors              | P. 30          |
| 2-18                                | Evaluation of the performance of the highest governance body | 2.1 Corporate Governance and the Governance Team / Performance Evaluation of the Board and Functional Committees        | P. 34          |
| 2-19                                | Remuneration policies                                        | 2.1 Corporate Governance and the Governance Team / Remuneration Policy for Board Members and the Senior Management Team | P. 32          |
| 2-20                                | Process to determine remuneration                            | 2.1 Corporate Governance and the Governance Team / Remuneration Policy for Board Members and the Senior Management Team | P. 32          |
| 2-21                                | Annual total compensation ratio                              | 5.3 Employee Compensation and Rights Protection / Competitive Compensation                                              | P. 101         |
| 4. Strategy, policies and practices |                                                              |                                                                                                                         |                |
| 2-22                                | Statement on sustainable development strategy                | Letter from Our President<br>1.2 Sustainability Commitments and Strategy                                                | P. 2<br>P. 20  |
| 2-23                                | Policy commitments                                           | 2.2 Integrity Operations<br>5.2 Human Rights Protection                                                                 | P. 36<br>P. 98 |
| 2-24                                | Embedding policy commitments                                 | 2.2 Integrity Operations / Responsible Business Conduct Policies and Regulations                                        | P. 37          |
| 2-25                                | Processes to remediate negative impacts                      | 5.3 Employee Compensation and Rights Protection / Protection of Workers' Rights                                         | P. 102         |
| 2-26                                | Mechanisms for seeking advice and raising concerns           | 5.3 Employee Compensation and Rights Protection / Protection of Workers' Rights                                         | P. 102         |
| 2-27                                | Compliance with laws and regulations                         | 2.2 Integrity Operations / Compliance with Regulations                                                                  | P. 42          |
| 2-28                                | Membership associations                                      | 1.1 An Overview of Feng Tay Group / Memberships in Industry Associations                                                | P. 19          |
| 5. Stakeholder engagement           |                                                              |                                                                                                                         |                |
| 2-29                                | Approach to stakeholder engagement                           | Stakeholder Communication and Materiality Issue Analysis / Stakeholder Communication                                    | P. 10          |
| 2-30                                | Collective bargaining agreements                             | 5.3 Employee Compensation and Rights Protection / Protection of Workers' Rights                                         | P. 103         |

## Material Aspects

| GRI Standards                | Disclosure Name                      | Report Section or Explanation                                                   | Page  |
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| GRI 3 : Material Topics 2021 |                                      |                                                                                 |       |
| 3-1                          | Process to determine material topics | Stakeholder Communication and Materiality Issue Analysis / Materiality Analysis | P. 13 |
| 3-2                          | List of material topics              | Stakeholder Communication and Materiality Issue Analysis / Materiality Analysis | P. 13 |
| 3-3                          | Management of material topics        | Refer to the Report Section of 9 Material Aspect                                | -     |

| GRI Standards                                             | Disclosure Name                                                                                      | Report Section or Explanation                                                       | Page   |
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| Material Topic: Operational Performance                   |                                                                                                      |                                                                                     |        |
| GRI3: Material Topics 2021                                | 3-3 Management of material topics                                                                    | 1.3 Operational Performance                                                         | P. 22  |
| GRI 201: Economic Performance 2016                        | 201-1 Direct economic value generated and distributed                                                | 1.3 Operational Performance / Operational Results                                   | P. 23  |
|                                                           | 201-3 Defined benefit plan obligations and other retirement plans                                    | 5.3 Employee Compensation and Rights Protection / Protection of Workers' Rights     | P. 102 |
|                                                           | 201-4 Financial assistance received from government                                                  | 1.3 Operational Performance / Government Subsidies                                  | P. 24  |
| GRI 203: Indirect Economic Impacts 2016                   | 203-1 Infrastructure investments and services supported                                              | CH.6 Care for the Community                                                         | P. 128 |
| GRI 207: Tax 2019                                         | 207-1 Approach to tax                                                                                | 1.3 Operational Performance / Tax Management                                        | P. 25  |
|                                                           | 207-2 Tax governance, control, and risk management                                                   | 1.3 Operational Performance / Tax Management                                        | P. 25  |
| Material Topic: Integrity Operations                      |                                                                                                      |                                                                                     |        |
| GRI3: Material Topics 2021                                | 3-3 Management of material topics                                                                    | 2.2 Integrity Operations                                                            | P. 36  |
| GRI 205: Anti-corruption 2016                             | 205-1 Operations assessed for risks related to corruption                                            | 2.2 Integrity Operations / Operational Integrity Policy and Anti-corruption Actions | P. 38  |
|                                                           | 205-2 Communication and training about anti-corruption policies and procedures                       | 2.2 Integrity Operations / Operational Integrity Policy and Anti-corruption Actions | P. 38  |
|                                                           | 205-3 Confirmed incidents of corruption and actions taken                                            | 2.2 Integrity Operations / Operational Integrity Policy and Anti-corruption Actions | P. 38  |
| GRI 206: Anti-competitive Behavior 2016                   | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices                | There was no such case on Feng Tay Group.                                           | -      |
| GRI 415: Public Policy 2016                               | 415-1 Political contributions                                                                        | Uphold political neutrality, no political donation record.                          | -      |
| Material Topic: Legal Compliance                          |                                                                                                      |                                                                                     |        |
| GRI3: Material Topics 2021                                | 3-3 Management of material topics                                                                    | 2.2 Integrity Operations / Compliance with Regulations                              | P. 42  |
| GRI2: General Disclosures 2021                            | 2-27 Compliance with laws and regulations                                                            | 2.2 Integrity Operations / Compliance with Regulations                              | P. 42  |
| Material Topic: Information Security and Data Protection  |                                                                                                      |                                                                                     |        |
| GRI3: Material Topics 2021                                | 3-3 Management of material topics                                                                    | 2.3 Risk Management / Information Security and Data Protection                      | P. 48  |
| GRI 418: Customer Privacy 2016                            | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data   | 2.3 Risk Management / Information Security and Data Protection                      | P. 48  |
| Material Topic: Product Quality and Production Technology |                                                                                                      |                                                                                     |        |
| GRI3: Material Topics 2021                                | 3-3 Management of material topics                                                                    | 3.2 Product Innovation and Sustainability                                           | P. 52  |
| GRI 416: Customer Health and Safety                       | 416-1: Assessment of the health and safety impacts of product and service categories                 | 3.3 Product Quality and Safety / Product Material Safety                            | P. 63  |
|                                                           | 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services | There was no such case on Feng Tay Group.                                           | -      |
| GRI 417: Marketing and Labeling 2016                      | 417-1 Requirements for product and service information and labeling                                  | 3.3 Product Quality and Safety / Product Labeling and Shipping Regulations          | P. 64  |
|                                                           | 417-2 Incidents of non-compliance concerning product and service information and labeling            | There was no such case on Feng Tay Group.                                           | -      |

| GRI Standards                                                      | Disclosure Name                                                                                          | Report Section or Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Page   |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Material Topic: Climate Change Risks and Greenhouse Gas Management |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |
| GRI13: Material Topics 2021                                        | 3-3 Management of material topics                                                                        | 4.2 Enhancing Climate Resilience                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | P. 71  |
| GRI 201: Economic Performance 2016                                 | 201-2 Financial implications and other risks and opportunities due to climate change                     | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | P. 72  |
| GRI 305: Emissions 2016                                            | 305-1 Direct (Scope 1) GHG emissions                                                                     | 4.2 Enhancing Climate Resilience / Greenhouse Gas Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | P. 76  |
|                                                                    | 305-2 Energy indirect (Scope 2) GHG emissions                                                            | 4.2 Enhancing Climate Resilience / Greenhouse Gas Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | P. 76  |
|                                                                    | 305-3 Other indirect (Scope 3) GHG emissions                                                             | 【Information incomplete】<br>According to the FSC's 2050 carbon reduction path guidelines, listed companies and their overseas subsidiaries only need to complete the inventory and verification of greenhouse gas emissions related to scope 1 and scope 2. Even so, the Group has collected some of the company's Scope 3 emissions data. In order to fully reflect the Group's greenhouse gas emissions, carbon reduction achievements and determination, we plan to complete the Group's greenhouse gas emission inventory in 2025 and complete the verification in 2026. | -      |
|                                                                    | 305-4 GHG emissions intensity                                                                            | 4.2 Enhancing Climate Resilience / Greenhouse Gas Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | P. 76  |
|                                                                    | 305-5 Reduction of GHG emissions                                                                         | 4.2 Enhancing Climate Resilience / Greenhouse Gas Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | P. 76  |
|                                                                    | 305-6 Emissions of ozone-depleting substances (ODS)                                                      | 4.4 Hazardous Substances Management / Pollution Prevention and Control Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | P. 85  |
|                                                                    |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |
| Material Topic: Waste Management                                   |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |
| GRI13: Material Topics 2021                                        | 3-3 Management of material topics                                                                        | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
| GRI 306: Waste 2020                                                | 306-1 Waste generation and significant waste-related impacts                                             | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
|                                                                    | 306-2 Management of significant waste-related impacts                                                    | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
|                                                                    | 306-3 Waste generated                                                                                    | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
|                                                                    | 306-4 Waste diverted from disposal                                                                       | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
|                                                                    | 306-5 Waste directed to disposal                                                                         | 4.6 Waste Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | P. 89  |
| Material Topic: Labor Relations                                    |                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |
| GRI13: Material Topics 2021                                        | 3-3 Management of material topics                                                                        | 5.1 Workforce Planning                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | P. 93  |
| GRI 202: Market Presence 2016                                      | 202-2 Proportion of senior management hired from the local community                                     | 5.1 Workforce Planning / Workforce Composition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P. 94  |
| GRI 401: Employment 2016                                           | 401-1 New employee hires and employee turnover                                                           | 5.1 Workforce Planning / Talent Gathering                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | P. 96  |
|                                                                    | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 5.3 Employee Compensation and Rights Protection / Comprehensive Welfare System                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P. 105 |
|                                                                    | 401-3 Parental leave                                                                                     | 5.3 Employee Compensation and Rights Protection / Gender Equality Measures                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | P. 109 |
| GRI 402: Labor/Management Relations 2016                           | 402-1 Minimum notice periods regarding operational changes                                               | 5.3 Employee Compensation and Rights Protection / Protection of Workers' Rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | P. 102 |

| GRI Standards                                                  | Disclosure Name                                                                                                      | Report Section or Explanation                                                                                                                        | Page           |
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| GRI 404: Training and Education 2016                           | 404-1 Average hours of training per year per employee                                                                | 5.4 Talent Cultivation and Career Development / Multiple Education and Training Channels                                                             | P. 112         |
|                                                                | 404-2 Programs for upgrading employee skills and transition assistance programs                                      | 5.4 Talent Cultivation and Career Development / Multiple Education and Training Channels                                                             | P. 112         |
|                                                                | 404-3 Percentage of employees receiving regular performance and career development reviews                           | 5.4 Talent Cultivation and Career Development / Performance Management and Career Development                                                        | P. 112         |
| GRI 405: Diversity and Equal Opportunity 2016                  | 405-1 Diversity of governance bodies and employees                                                                   | 2.1 Corporate Governance and the Governance Team / The Professional and Diverse Board of Directors<br>5.1 Workforce Planning / Workforce Composition | P. 27<br>P. 94 |
| GRI 406: Non-discrimination 2016                               | 406-1 Incidents of discrimination and corrective actions taken                                                       | There was no such case on Feng Tay Group.                                                                                                            | -              |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | There was no such case on Feng Tay Group.                                                                                                            | -              |
| GRI 408 : Child Labor 2016                                     | 408-1 Operations and suppliers at significant risk for incidents of child labor                                      | There was no such case on Feng Tay Group.                                                                                                            | -              |
| GRI 409 : Forced or Compulsory Labor 2016                      | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | There was no such case on Feng Tay Group.                                                                                                            | -              |
| GRI 411 : Rights of Indigenous Peoples 2016                    | 411-1 Incidents of violations involving rights of indigenous peoples                                                 | There was no such case on Feng Tay Group.                                                                                                            | -              |
| Material Topic: Occupational Safety and Health                 |                                                                                                                      |                                                                                                                                                      |                |
| GRI13: Material Topics 2021                                    | 3-3 Management of material topics                                                                                    | 5.5 Safe and Peaceful Workplace Environment                                                                                                          | P. 114         |
| GRI 403: Occupational Health and Safety 2018                   | 403-1 Occupational health and safety management system                                                               | 5.5 Safe and Peaceful Workplace Environment / Occupational Safety and Health Management System                                                       | P. 116         |
|                                                                | 403-2 Hazard identification, risk assessment, and incident investigation                                             | 5.5 Safe and Peaceful Workplace Environment / Occupational Safety Hazards Risk Control                                                               | P. 117         |
|                                                                | 403-3 Occupational health services                                                                                   | 5.5 Safe and Peaceful Workplace Environment / Workplace Health Services                                                                              | P. 123         |
|                                                                | 403-4 Worker participation, consultation, and communication on occupational health and safety                        | 5.5 Safe and Peaceful Workplace Environment / Occupational Safety and Health Management System                                                       | P. 116         |
|                                                                | 403-5 Worker training on occupational health and safety                                                              | 5.5 Safe and Peaceful Workplace Environment / Occupational Safety and Health Management System                                                       | P. 116         |
|                                                                | 403-6 Promotion of worker health                                                                                     | 5.5 Safe and Peaceful Workplace Environment / Workplace Health Services                                                                              | P. 123         |
|                                                                | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships  | 3.2 Product Quality and Safety / Product Safety Testing                                                                                              | P. 64          |
|                                                                | 403-8 Workers covered by an occupational health and safety management system                                         | 5.5 Safe and Peaceful Workplace Environment / Occupational Safety and Health Management System                                                       | P. 116         |
|                                                                | 403-9 Work-related injuries                                                                                          | 5.5 Safe and Peaceful Workplace Environment / Analysis of Occupational Injuries and Accidents                                                        | P. 120         |
|                                                                | 403-10 Work-related ill health                                                                                       | 5.5 Safe and Peaceful Workplace Environment / Workplace Health Services                                                                              | P. 123         |

## Topic Standards

| GRI Standards                                   | Disclosure Name                                                      | Report Section or Explanation                                                                           | Page  |
|-------------------------------------------------|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|-------|
| Other Topics                                    |                                                                      |                                                                                                         |       |
| GRI 204: Procurement Practices 2016             |                                                                      |                                                                                                         |       |
| 204-1                                           | Proportion of spending on local suppliers                            | 3.2 Product Innovation and Sustainability / Low-carbon Transportation                                   | P. 60 |
| GRI 301: Materials 2016                         |                                                                      |                                                                                                         |       |
| 301-2                                           | Recycled input materials used                                        | 3.2 Product Innovation and Sustainability / Environmentally Friendly Production Processes and Materials | P. 58 |
| GRI 303: Water and Effluents 2018               |                                                                      |                                                                                                         |       |
| 303-1                                           | Interactions with water as a shared resource                         | 4.5 Water Resource Utilization and Management / Targets and Management Guidelines                       | P. 86 |
| 303-2                                           | Management of water discharge-related impacts                        | 4.5 Water Resource Utilization and Management / Water Usage and Discharge Management                    | P. 86 |
| 303-3                                           | Water withdrawal                                                     | 4.5 Water Resource Utilization and Management / Water Usage and Discharge Management                    | P. 86 |
| 303-4                                           | Water discharge                                                      | 4.5 Water Resource Utilization and Management / Water Usage and Discharge Management                    | P. 86 |
| 303-5                                           | Water consumption                                                    | 4.5 Water Resource Utilization and Management / Water Usage and Discharge Management                    | P. 86 |
| GRI 308: Supplier Environmental Assessment 2016 |                                                                      |                                                                                                         |       |
| 308-1                                           | New suppliers that were screened using environmental criteria        | 3.5 Supplier Management / Supplier Policy and Impact Assessment                                         | P. 66 |
| 308-2                                           | Negative environmental impacts in the supply chain and actions taken | 3.5 Supplier Management / Supplier Policy and Impact Assessment                                         | P. 66 |
| GRI 414 : Supplier Social Assessment 2016       |                                                                      |                                                                                                         |       |
| 414-1                                           | New suppliers that were screened using social criteria               | 3.5 Supplier Management / Supplier Policy and Impact Assessment                                         | P. 66 |
| 414-2                                           | Negative social impacts in the supply chain and actions taken        | 3.5 Supplier Management / Supplier Evaluation and Audit                                                 | P. 66 |

# SASB Standards Content Index

## SASB: APPAREL, ACCESSORIES & FOOTWEAR

| Code                                      | Indicator Description                                                                                                                                                                                                                                                                                                                | Category                | Response                    | Report Section or Explanation                                        | Page  |
|-------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-----------------------------|----------------------------------------------------------------------|-------|
| Chemical Management in Products           |                                                                                                                                                                                                                                                                                                                                      |                         |                             |                                                                      |       |
| CG-AA-250a.1                              | Description of processes to comply with regulations and restrictions related to restricted substances.                                                                                                                                                                                                                               | Discussion and Analysis | Refer to the Report Section | 3.3 Product Quality and Safety / Product Material Safety             | P. 63 |
| CG-AA-250a.2                              | Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.                                                                                                                                                                                                                             | Discussion and Analysis | Refer to the Report Section | 3.3 Product Quality and Safety / Product Material Safety             | P. 63 |
| Environmental Impacts in the Supply Chain |                                                                                                                                                                                                                                                                                                                                      |                         |                             |                                                                      |       |
| CG-AA-430a.1                              | Percentage of (1) Tier 1 suppliers and (2) non-Tier 1 suppliers in compliance with wastewater discharge permits and/or contractual agreements.                                                                                                                                                                                       | Quantitative            | Refer to the Report Section | 3.5 Supplier Management / Supplier Policies and Impact Assessment    | P. 66 |
| CG-AA-430a.2                              | Percentage of (1) Tier 1 suppliers and (2) non-Tier 1 suppliers that have completed the Sustainable Apparel Coalition's Higg FEM environmental module assessment or an equivalent environmental data assessment.                                                                                                                     | Quantitative            | Refer to the Report Section | 3.5 Supplier Management / Supplier Policies and Impact Assessment    | P. 66 |
| Labor Conditions in the Supply Chain      |                                                                                                                                                                                                                                                                                                                                      |                         |                             |                                                                      |       |
| CG-AA-430b.1                              | (1) Percentage of Tier 1 suppliers that have been verified to comply with labor code of conduct<br>(2) Percentage of non-Tier 1 suppliers that have been verified to comply with labor code of conduct<br>(3) Percentage of total audits conducted by third-party auditors                                                           | Quantitative            | Refer to the Report Section | 3.5 Supplier Management / Supplier Policies and Impact Assessment    | P. 66 |
| CG-AA-430b.2                              | Non-conformance rate and corrective action implementation rate based on audits of supplier labor code of conduct for priority suppliers.                                                                                                                                                                                             | Quantitative            | 0% ; None                   | 3.5 Supplier Management                                              | P. 66 |
| CG-AA-430b.3                              | Description of the most significant (1) labor and (2) environmental, health, and safety risks in the supply chain                                                                                                                                                                                                                    | Quantitative            | Refer to the Report Section | 3.5 Supplier Management                                              | P. 66 |
| Raw Materials Sourcing                    |                                                                                                                                                                                                                                                                                                                                      |                         |                             |                                                                      |       |
| CG-AA-440a.3                              | (1) Types of key raw materials used in major products;<br>(2) Environmental and/or social factors that could pose threats to raw material sourcing;<br>(3) Business risks and/or opportunities associated with these environmental and/or social factors; and<br>(4) Strategies for managing these business risks and opportunities. | Discussion and Analysis | Refer to the Report Section | 3.1 Overview of the Value Chain                                      | P. 51 |
| CG-AA-440a.4                              | (1) Amount of key raw materials (used in major products) sourced;<br>(2) Quantity of key raw materials certified to third-party environmental and/or social standards.                                                                                                                                                               | Quantitative            | Refer to the Report Section | 3.2 Product Innovation and Sustainability / Raw Material Procurement | P. 59 |
| Operational Metrics                       |                                                                                                                                                                                                                                                                                                                                      |                         |                             |                                                                      |       |
| CG-AA-000.A                               | Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1                                                                                                                                                                                                                                                                       | Quantitative            | Refer to the Report Section | 3.5 Supplier Management                                              | P. 66 |

# Annex II – Climate-Related Information

|   | Item                                                                                                                                                                                                                                                                                                                                    | Report Section                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Page  |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 1 | Describe the Board's and management's oversight and governance of climate-related risks and opportunities.                                                                                                                                                                                                                              | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 2 | Explain how identified climate-related risks and opportunities impact the company's business, strategy, and financial performance over the short, medium, and long term.                                                                                                                                                                | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 3 | Disclose the financial impacts of extreme climate events and transition actions.                                                                                                                                                                                                                                                        | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 4 | Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework.                                                                                                                                                                                    | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 5 | If scenario analysis is used to assess resilience to climate change risks, disclose the scenarios, parameters, assumptions, analytical factors, and key financial impacts involved.                                                                                                                                                     | Feng Tay recognizes the importance of enhancing climate resilience and is committed to achieving maximum ecological benefits through the establishment of a sustainability management system, along with optimized production methods, manufacturing processes, and management practices. Although scenario analysis has not yet been adopted, we plans to gradually develop financial impact assessments in the future to effectively address climate change risks. | -     |
| 6 | If a transition plan has been established to manage climate-related risks, provide details of the plan and the metrics and targets used to identify and manage physical and transition risks.                                                                                                                                           | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 7 | If internal carbon pricing is used as a planning tool, describe the basis for setting the price.                                                                                                                                                                                                                                        | The Company does not currently implement an internal carbon pricing mechanism.                                                                                                                                                                                                                                                                                                                                                                                       | -     |
| 8 | If climate-related targets have been set, disclose the scope of activities covered, the relevant GHG emission scopes, the planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet these targets, disclose the sources and amounts of offsets and/or the number of RECs used. | 4.2 Enhancing Climate Resilience / Climate Change Management                                                                                                                                                                                                                                                                                                                                                                                                         | P. 72 |
| 9 | Disclose the status of GHG inventory and assurance, as well as the reduction targets, strategies, and specific action plans. (To be reported separately in Sections 1-1 and 1-2.)                                                                                                                                                       | Please refer to the following explanation for details.                                                                                                                                                                                                                                                                                                                                                                                                               | -     |

## 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent Two Years

### 1-1-1 Greenhouse Gas Inventory Information

Disclose greenhouse gas emissions (in metric tons CO<sub>2</sub>e), emission intensity (metric tons CO<sub>2</sub>e per million NTD), and data coverage for the most recent two years.

Please refer to the section “Green Operations Management” — 4.2 Enhancing Climate Resilience / Greenhouse Gas Emissions in this report for details.

## 1-1-2 Greenhouse Gas Assurance Information

Describe the assurance status for the most recent two years, including the assurance scope, assurance body, assurance standards, and assurance opinions.

|                    | 2023                                                                                     | 2024                                                                                                                  |
|--------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| Assurance Scope    | Feng Tay parent company                                                                  | Feng Tay parent company and subsidiaries in China and Vietnam                                                         |
| Assurance Body     | DNV Business Assurance Co., Ltd.                                                         | SGS Taiwan Ltd.                                                                                                       |
| Assurance Standard | ISO 14064-1:2018 Greenhouse Gas Inventory Standard                                       |                                                                                                                       |
| Assurance Opinion  | Scope 1 and 2: Reasonable level of assurance<br>Scope 3 to 6: Limited level of assurance | 【Feng Tay Parent Company】<br>Scope 1 and 2: Reasonable level of assurance<br>Scope 3 to 6: Limited level of assurance |
|                    |                                                                                          | 【Subsidiaries in China and Vietnam】<br>Scope 1 to 6: Limited level of assurance                                       |

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

Disclose the base year and baseline data for greenhouse gas reduction, reduction targets, related strategies, concrete action plans, and progress toward achieving the targets.

Please refer to the section “Green Operations Management” — 4.2 Enhancing Climate Resilience in this report for details.



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