

2023

Formosa Petrochemical Corporation

Sustainability Report



Table of Contents



Report Overview	02	CH3 Establishing Safe New Welfare	71
Message from the Chairman	04	3.1 Employee Structure	74
New Path to Sustainability	05	3.2 Employee Career Development	78
2023 Recognition and Performance	05	3.3 Employee Benefits and Care	80
Business Strategy	06	3.4 Employee Occupational Health Management	82
Sustainability Issue Management	08	CH4 New Value of Connecting with Society	99
Impact on the Sustainable Development Goals (SDGs)	15	4.1 Social Development and Communication	101
CH1 Driving New Industrial Developments	16	4.2 Local Ecological Conservation	105
1.1 Corporate Governance	19	Appendix	107
1.2 Operational Performance	29	I. Corresponding Appendices for International Frameworks	108
1.3 Creating a Green Future	34	- Corresponding GRI Indicators	108
1.4 Partnership Maintenance	37	- Corresponding SASB Indicators	114
CH2 Creating a New Green Appearance	44	II. Disclosure of Indicators in the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies	117
2.1 Climate Change Mitigation and Adaptation	47	III. ESG Indicator Disclosure	120
2.2 GHG Management	56	IV. Independent Assurance Statement	122
2.3 Air Pollution Management and Prevention	61		
2.4 Water Resources and Waste Management	66		
2.5 Environmental Expenditures and Benefits	70		



Report Overview

This is the tenth Sustainability Report published by Formosa Petrochemical Corporation (FPCC). The information disclosed in the sustainability report is from January 1, 2023 to December 31, 2023, which is the same as the financial reporting period. A note will be provided if any statistics have a different period. The boundary is Taiwan, relevant information that exceeds this scope will be footnoted in the report, and three-year data are provided in principle. Please download previous reports at the [ESG Website](#).

Overview of Issuance

- Issue Date of First Version | December 2015
- Issue Date of Previous Version | May 2023
- Issue Date of Current Version | June 2024
- Issue Date of Next Version | May 2025



Report Boundaries and Scope

The information disclosed in this report is mainly for Formosa Petrochemical Corporation (FPCC). Subsidiaries in the FPCC's consolidated financial statements include Formosa Oil, Petrochemical Transportation Corp., FPCC USA, Formosa Grandseas Bunkering and Trading Corporation, FPCC Diligence, FPCC Majesty, FPCC Nature, FG Inc., and FG LA LLC; the subsidiary Whalehome International Co., Ltd. that has not been included in the consolidated financial statements. Since its total revenue accounts for less than 3% of the parent company, the information in this report is still mainly for FPCC, and the boundaries have not changed from the previous year.

Editing Principles

Issued by	Standards framework/Regulation
Global Sustainability Standards Board (GSSB)	<ul style="list-style-type: none"> • Universal Standards 2021 • Oil and Gas Sector Disclosures GRI 11
International Sustainability Standards Board (ISSB)	<ul style="list-style-type: none"> • SASB (Sustainability Accounting Standards Board) standards • Task Force on Climate-related Financial Disclosures (TCFD)
Taiwan Stock Exchange Corporation	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Report Verification and Assurance

The information and data disclosed in this report are all verified by a third party institution to ensure the transparency and reliability of information disclosure. Any projections will be specified in each section.

	Standard	Third party institution
Sustainability Report	AA1000AS v3 Type 1 Moderate Level Assurance	British Standards Institution (BSI)
Financial Management	Generally Accepted Auditing Standards and Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants	Ernst & Young
Customer Relationship Management	ISO 9001:2015 Quality Management Systems For inspection and certification of gasoline, diesel, and aviation fuel products, please refer to the Company's website .	Metal Industries Research & Development Centre Ministry of Economic Affairs Bureau of Standards, Metrology and Inspection
Environmental Management	ISO 14064-1:2018 GHG Inventory ISO 14001:2015 Environmental Management Systems Verification	British Standards Institution (BSI) SGS Taiwan
Labor safety Management	ISO 45001:2018 Occupational Safety and Health Management System	SGS Taiwan
Information Security Management	ISO 27001:2013 Information Security Management System Certification	AFNOR Asia Ltd. (AFNOR ASIA)

Sustainability Report Management Method

Internal Review

FPCC established operating procedures for report preparation and verification in accordance with requirements of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, and included the operating procedures into the internal control system. The scope of this report includes economics, environment, and people (including human rights).

Various business departments provide data and the President's Office is responsible for reviewing and verifying the data to comply with the disclosure principles of integrity and transparency. The report is submitted to the Board of Directors after review and approval by the Company's Sustainable Development Committee, and is disclosed and reported before the end of June each year.

External Verification

All information disclosed in this report was independently verified by British Standards Institution (BSI) according to AA1000AS v3 Type 1 Moderate Level, and the company issued an Independent Assurance Statement, see Appendix 4 for details.

Verify that the information in this report complies with the AA1000 Account Ability Principle Standard for materiality, inclusiveness, response, and impact

Contact Information

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Message from the Chairman

The high frequency of extreme weather anomalies in recent years, geopolitical disputes and wars have brought uncertainty to the overall environment. How to focus on and create a positive cycle in this situation has become the direction of the Company's sustainable management. Last year, Formosa Petrochemical Corporation (FPCC) not only demonstrated its resilience in business management, but also fulfilled specific commitments to climate issues. The Board of Directors and the Sustainability Development Committee plan to gradually reduce GHG emissions, track emission data and target achievement, in hopes of engaging in transition with the dual mission of carbon reduction and profitability.

Green Operations, Robust Governance

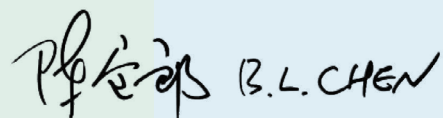
With the enactment of the Climate Change Response Act and sub-laws related to carbon trading being put in place, following these new regulations is not only a top priority in response to sustainable development, but also one of the requirements for strategy planning. As a pioneer in the industry, we continue to improve various sustainability projects and factories are accelerating the introduction of low-carbon business models, starting from raw materials, processes, fuel, and transportation, in hopes of creating new value in the industry through green energy and high-value products. Facing the wave of AI, FPCC utilizes digital technology to build the two pillars of "digital" and "sustainability," and works with value chain partners in hopes of driving the entire industry towards low-carbon, green business models, working together to develop sustainable supply chains. Furthermore, we firmly believe that sound governance and risk management will help increase the Company's value, and actively strengthen various corporate governance indicators. We have made progress in treating shareholders equally, safeguarding shareholders' rights and interests, strengthening the structure and operation of the Board of Directors, and information transparency, and have ranked in the top 20% of listed companies in the "Corporate Governance Evaluation" for consecutive years, while working towards the top 5%.

Social Inclusion, People-centric

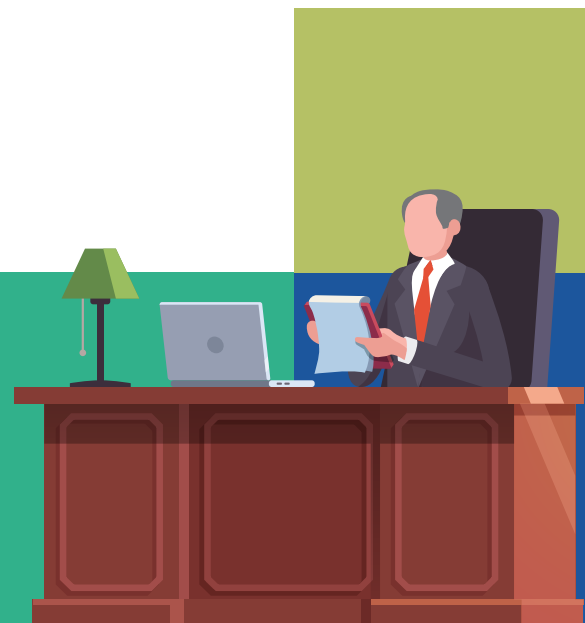
FPCC emphasizes a people-oriented occupational safety and health culture, and provides employees with a safe and healthy workplace environment to achieve the goal of zero accidents. We firmly believe that talents are the key to becoming the industry leader. We value human rights, promote a culture of diversity, equality, and inclusion, and focus on cultivating talents and caring for the community. By supporting local development, we stimulate local innovation and sustainability, strengthen dialogue between industry and society, and develop various arts and cultural activities through the foundation to create a warmer, happier, and peaceful society.

The road to sustainability has no end. FPCC listens to and responds to the needs of all stakeholders, creates competitive advantages through active carbon reduction, strengthens the ESG execution capabilities of all employees, and injects the spirit of sustainability into governance, social, and environmental aspects, in order to initiate truly meaningful changes and positive cycles, and continue to work hard to create a sustainable new prosperity.

Formosa Petrochemical Corporation
Chairman

 B.L. CHEN

Sincerely
2024



New Path to Sustainability

2023 Recognition and Performance

Economic

Top **20%** in Corporate Governance Evaluation

Female directors account for **6.7%** of all directors



Environmental



Reduced GHG emissions by **24%** compared to the baseline year

Reduced unit energy consumption by **6.2%**,
and waste burial by **4.7%**

CDP Climate Change and Water Security **A-**

98.7% rainwater recycling rate,
one drop of water can be used **13.3 times**

People (including their human rights)

Rated in the Top **10%** of companies for "excellence in active evaluation of occupational safety and health" by the Occupational Safety and Health Administration

2023 Manufacturing Industry Happy Enterprise

Gold Award of 1111 Job Bank



Business Strategy

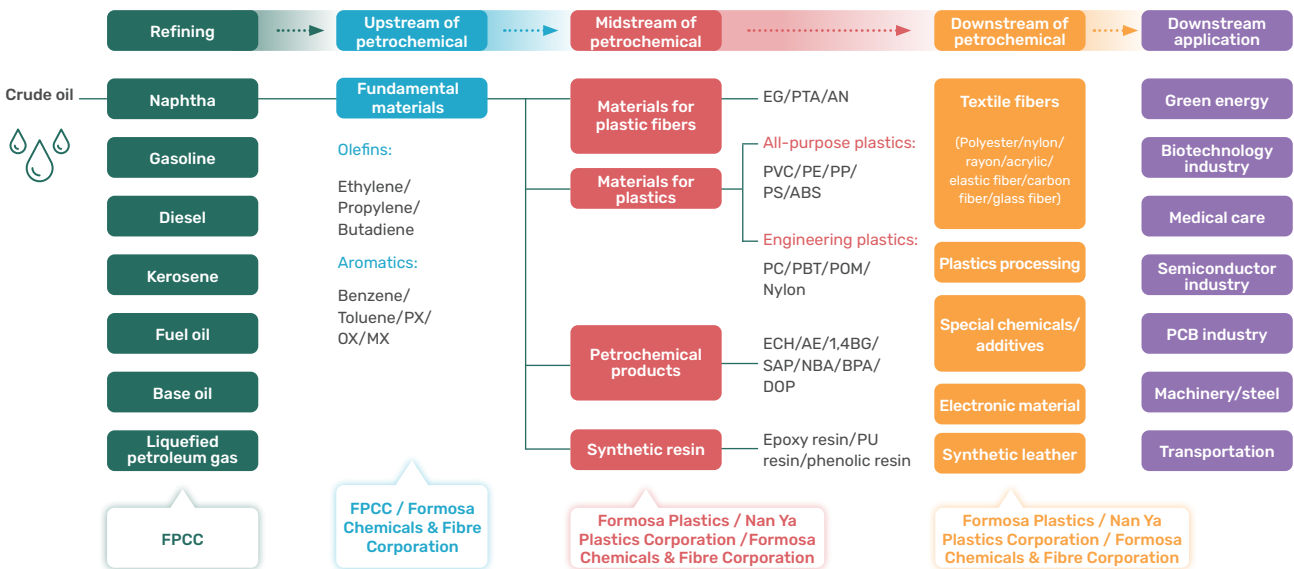
All sectors are highly concerned about developments in corporate sustainability due to the impact of the pandemic and extreme weather events in recent years. FPCC is working to become aligned with international standards with the group's past and future in mind, and is actively combining its sustainable development strategy with its core business as it continues to expand markets.

Industry Value Chain

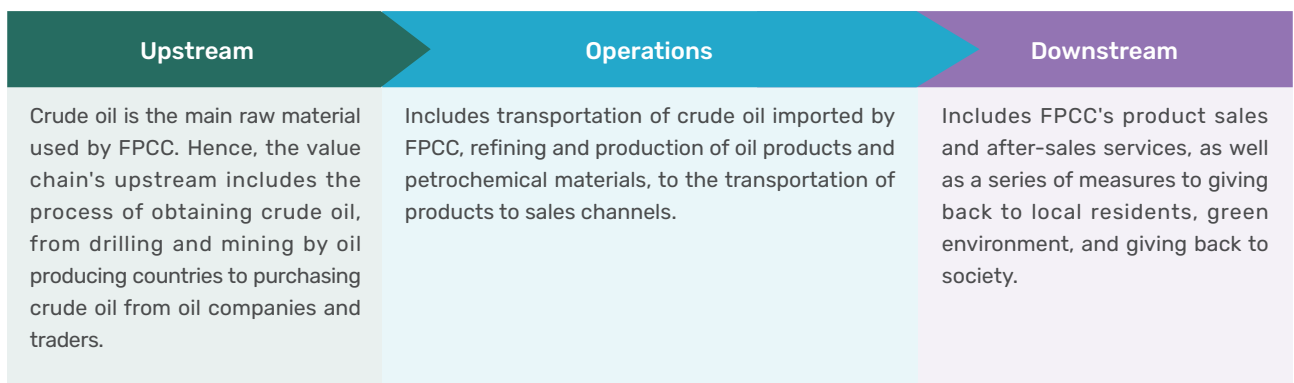
The industry in which FPCC operates and the role it plays in the value chain remain the same as in previous years. We hope to analyze the industry from a macro perspective through the identification and evaluation of the industry chain, evaluate the future direction of our operations, formulate related action plans, and continue to communicate with and engage stakeholders.

Correlation Map of Products Manufactured by the Formosa Plastics Group

The petrochemical industry generally consists of fundamental materials, intermediate materials, and applied and processed products in the Downstream, which are quite closely related with one another. FPCC is located at the upstream of the industrial chain and its main material is crude oil imported from overseas. Main products include a variety of oil products and petrochemical raw materials.

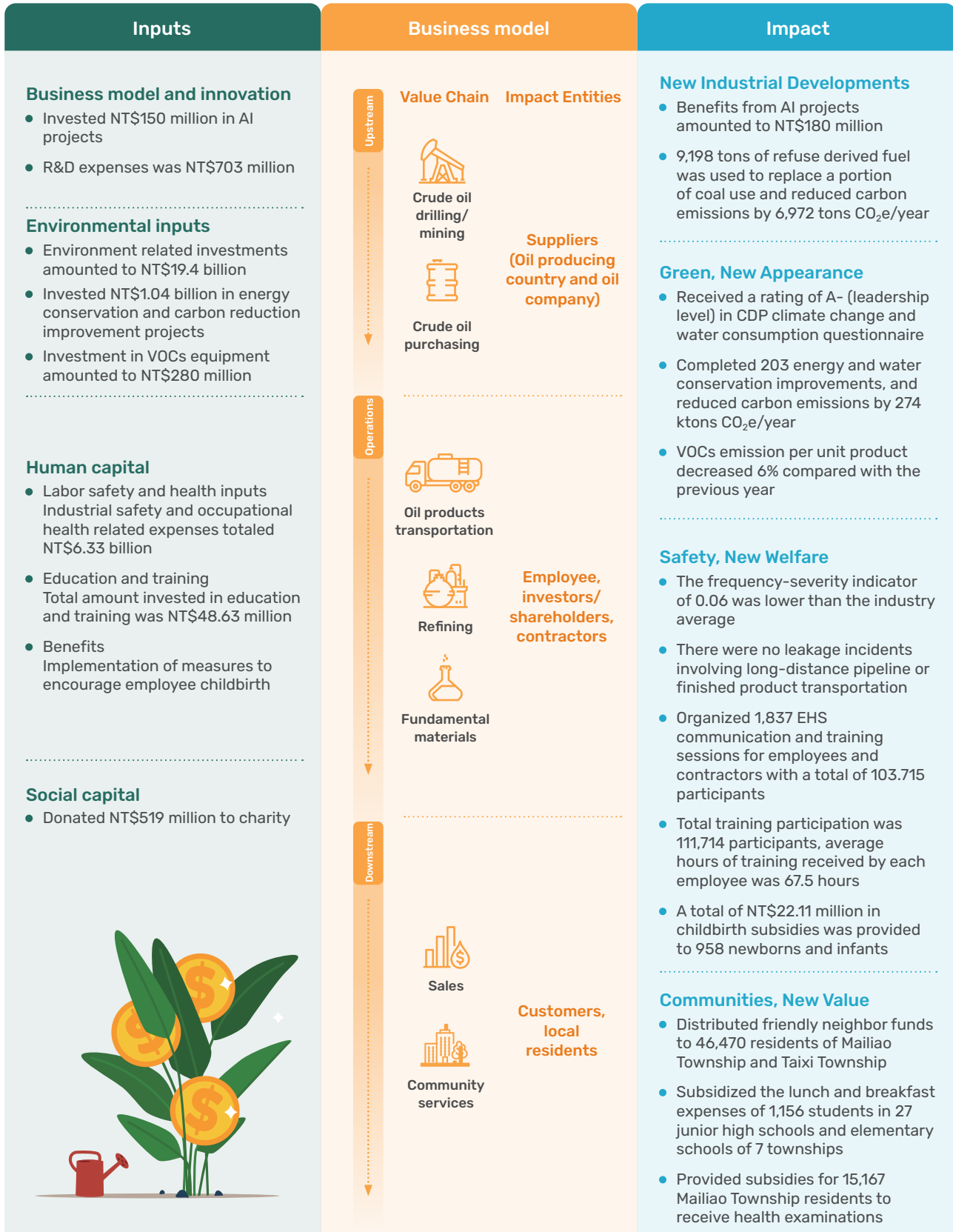


FPCC's Industry Value Chain



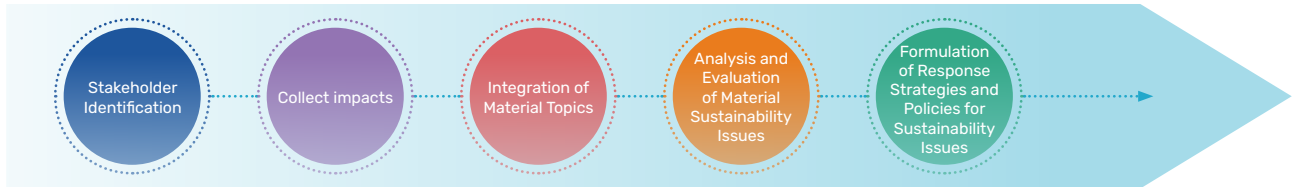
Industry Value Chain Results

FPCC understands the needs of stakeholders in the industry value chain through smooth communication and exchanges, and evaluates which fields to invest resources in. We periodically review the benefits obtained to achieve a meaningful positive cycle, maximizing the synergies from resource use. FPCC's performance in 2023 is described below.



Sustainability Issue Management


We are fully aware that management of sustainability issues is key to making continuous improvement and achieving long-term development. It includes how companies integrate internal resources to formulate a management approach and engage and communicate with stakeholders when facing issues. We collect related responses and recommendations through different channels and include them into the Company's business plan.



Stakeholder Communication and Engagement


The Company comprehensively evaluates global sustainability trends and FPCC's business development goals, and collects sustainability issues that stakeholders are concerned about through different communication channels. FPCC's 8 main stakeholders were jointly identified by departments and the President's Office.


◆ Stakeholder Identification Method

	Phase 1 Identification	Initial Review of Stakeholder Groups		Reorganize stakeholder groups and definitions based on international trends, overview of industry peers, and changes to the situation of stakeholders. A total of 11 stakeholder categories were defined	11 categories of stakeholders
		Feedback from departments	Questionnaire for supervisors	Target: FPCC Business managers (Senior manager, vice president, assistant vice president, factory director/team leader) Through the distribution of questionnaires, we understand the status of engagement with the Company's existing and new stakeholders' by executive management, and gain an in-depth understanding of important communication targets in the feedback category. 54 questionnaires were returned	95% response rate
			Focus interview meeting	Target: Sustainability Committee Core Group Referencing the AA1000 Stakeholder Engagement Standard (SES), the stakeholder communication process was established based on five principles, namely dependence, level of concern, influence, responsibility, and diverse perspective. The core group and consultants convene meetings for discussions and to evaluate the importance of stakeholders, and determine the types, definitions, and scope of stakeholders. 8 categories of stakeholders were determined	8 categories of stakeholders
Phase 2 Rank and respond	Importance ranking and response to issues of concern		Through the analysis, we understand the importance ranking of eight types of key stakeholders by senior management, and determined responsible departments to improve and deepen communication strategies based on key issues of concern to stakeholders.		

Stakeholder Identification and Communication Results

FPCC has a corresponding department that mainly communicates with each type of stakeholder, and tracks and evaluates the effectiveness of communication. The purpose of engagement is to evaluate the overall communication effectiveness and improve the quality of two-way engagement, in which the highest governance unit directly participates in communication with employees and shareholders/investors, and verifies the results of communication with other stakeholders through the sustainability report every year.

Employees		Presentation of Results	
		<ul style="list-style-type: none"> 6 labor-management meetings 111,714 employees received education and training 94% completion of proposals at employer-employee meetings 100% completion of Welfare Committee proposals 	
Material Topics of Concern	Communication Method and Frequency	Responsible Department	
Corporate Governance Economic Performance Occupational Health and Safety Employee Profile and Benefits	<ul style="list-style-type: none"> Complaint Form Establishing Systems and Rules Self-discipline document signing Employee Welfare Committee (6 times/year) Labor-Management Meeting (6 times/year) 	<ul style="list-style-type: none"> Labor Union (4 times/year) Discussions (As needed) Employee-employer Coordination Meetings (Once/2 months) Opinion Box/Email (Whenever they occur) Release Letter (As needed) 	President's Office
Purpose of Engagement and Focus Information		FPCC's Response	
Strengthen employees' concept of professional ethics and prevent corruption cases		Completed 53 audit plans, including lending to others, internal control and audit, related party transactions, and land management; improvement of deficiencies reached 100%	
Employees' salary is linked to FPCC's business performance		In the structure of employee compensation, the efficiency bonus calculation method includes department profit and loss, work safety assessment, and other business performance-related items. In addition, the year-end bonus calculation also includes the company-wide profit and loss performance into the weighted calculation.	
Prevent workers from being exposed to health hazards in the workplace		All 17 commercially available products (paint thinners, rust-removing paint penetrants, etc.) were banned and substitutes are used.	
Provide good salaries and benefits, diverse communication channels to attract and retain outstanding talents		<ul style="list-style-type: none"> Subsidies for electric scooter purchase (trade-in) were provided to 60 people and amount to NT\$774,000. Childbirth subsidies were provided for 958 newborns and young children and amounted to NT\$22.11 million. 	

Investors/Shareholders		Presentation of Results	
		<ul style="list-style-type: none"> We were not fined for any violations of our reporting obligation in 2023 Top 20% in the Corporate Governance Review for 10 consecutive years Distributed cash dividends for 22 consecutive years 	
Material Topics of Concern	Communication Method and Frequency	Responsible Department	
Economic Performance Risk and Crisis Management Climate Change Strategy	<ul style="list-style-type: none"> Shareholders' Meeting (1 times/year) The Company's Annual Report/Sustainability Report (1 times/year) The Company's Official Website (Whenever they occur) Investor Conferences (4 times/year) Market Observation Post System (Whenever they occur) 	President's Office	
Purpose of Engagement and Focus Information		FPCC's Response	
Industrial supply and demand and the impact of operational risks on profitability		Explain the impact of the political and economic situation and relevant regulations on supply and demand at investor conferences/shareholders' meetings	
Climate change response measures		Actively join the CDP and continue to strengthen the development of a low-carbon supply chain	



Surrounding communities of operations

Presentation of Results

- Community care subsidy of NT\$519 million
- 69,000 people and above

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Industrial and Public Safety Air Pollution Prevention Community Development and Communication	<ul style="list-style-type: none"> • Visits/As needed • Email/Phone number/As needed 	Regional Management Department
Purpose of Engagement and Focus Information	FPCC's Response	
Complaints of odor from plants	There were no complaints of odor. We reduced SOx and NOx emissions and improved air quality.	



Customers

Presentation of Results

- There were no long-distance pipeline leakage incidents for 11 consecutive years
- 0 traffic accident per million kilometers

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Product Quality Oil Products Transportation and Storage Safety	<ul style="list-style-type: none"> • Customer Meetings (As needed) • Security Training and Promotion Meetings (12 times/year) 	Operation units under each business department
Purpose of Engagement and Focus Information	FPCC's Response	
Customer Relations	Our satisfaction survey performance was all higher than "Satisfied"	
Transportation safety of oil products	Safety inspections are conducted every time transport vehicles enter storage and shipping stations for loading, in order to prevent non-conforming vehicles/drivers from going on the road and lower the risk of hazards to other road users	



Government Agencies

Presentation of Results

- The Company was not fined for any violation of reporting obligation in 2023
- Used 9,198 tons of solid recycled fuel (RDF or SRF) to replace coal Reduced GHG emissions by approximately 6,972 tons CO₂e

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Corporate Governance GHG Management Climate Change Strategy Oil Products Transportation and Storage Safety	<ul style="list-style-type: none"> • Official Correspondence and Visits (As needed) • Meeting (As needed) • Safety Promotion Meetings (12 times/year) • Regulations Promotion Meetings (Whenever they occur) 	President's Office, and Safety and Health Management Office
Purpose of Engagement and Focus Information	FPCC's Response	
Support the industry GHG reduction audit by the government	Reduced GHG emissions by 202,325 tons CO ₂ e in 2023	
Plans of subsidiaries to compile a GHG inventory	The Board of Directors approved the inventory schedule on December 7, 2023	
Compliance with carbon trading related sub-laws	A carbon credit trading account has been opened	

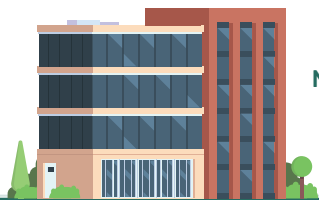


Suppliers and Contractors

Presentation of Results

- 777 safety and health training sessions with 31,180 participants from 1,725 contractors
- 450 people of contractors obtained professional technology certifications

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Occupational Health and Safety	<ul style="list-style-type: none"> • On-site Guidance and Audit (As needed) • Toolbox Meetings (Daily) • Coordination Organization Meetings (12 times) 	Safety and Health Management Office
Purpose of Engagement and Focus Information		FPCC's Response
Supplier/Contractor Code of Conduct		97.9% signed the Social Responsibility Commitment
Contractor audit		Promote self-management



Non-Governmental Organizations

Presentation of Results

- Scope 1+2 GHG emissions in 2023 was reduced by 24% compared to the baseline year (2007)
- Environment related investments amounted to NT\$19.5 billion

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Air Pollution Prevention GHG Management	<ul style="list-style-type: none"> • Meeting (As needed) • Email/phone number (Whenever they occur) 	President's Office
Purpose of Engagement and Focus Information		FPCC's Response
Installation of air pollution prevention equipment		In 2023, 8 WESP and 11 tail gas closed recovery systems were completed.



Experts and Scholars/ Industry associations

Presentation of Results

- Planned 32 solar power sites with total installed capacity of 19 MW

Material Topics of Concern	Communication Method and Frequency	Responsible Department
Green transition and investment in innovation Climate Change Strategy	<ul style="list-style-type: none"> • Academic exchanges and conferences (As needed) • Industry-academia collaboration (As needed) 	President's Office
Purpose of Engagement and Focus Information		FPCC's Response
Low carbon transformation		FPCC and Toyota Tsusho Corporation (Taiwan) installed 6 wind turbines outside the Mailiao Plant, and environmental impact assessment is currently being carried out
Ecological conservation		FPCC signed a MOU with the Research Center for Global Change Biology to carry out Zhuoshui River estuary ecological conservation

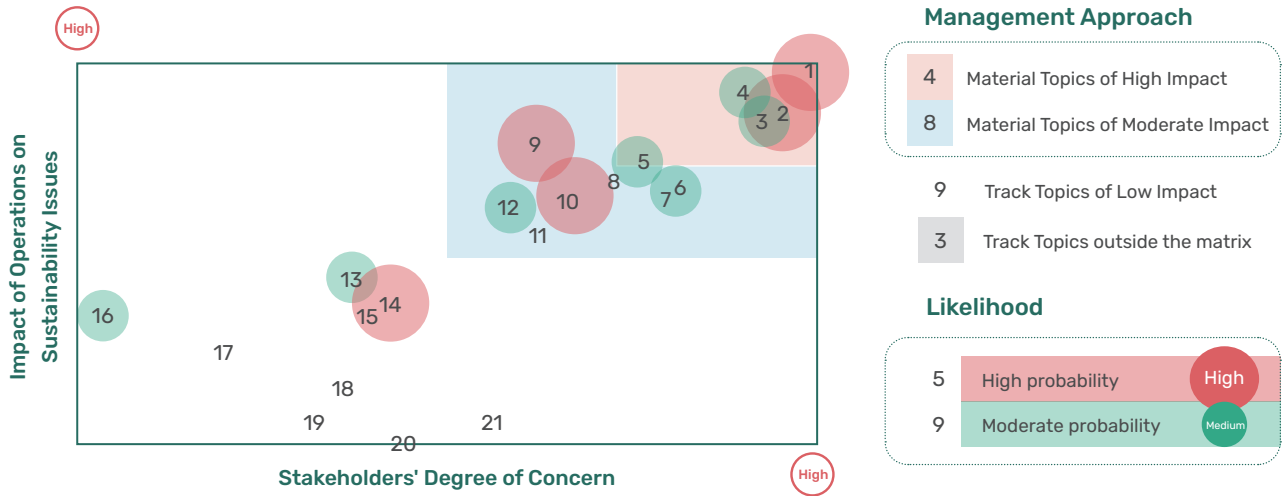
Material Topic Analysis Process

FPCC analyzes issues of concern to stakeholders through the materiality analysis process, and ranks issues based on level of concern to effectively respond to the issues that stakeholders are most concerned about.



Material Topics Analysis Matrix

After distributing questionnaires and discussions between each unit and the President's Office, 12 material topics with moderate and high levels of impact were used as the foundation for preparing this report, and their management method and performance results are disclosed in this report.



No.	Material Topics	Level of Concern	Likelihood	GRI 11	Chapter
1	Economic Performance	High	High	11.14.1-11.14.6	1.2 Operational Performance 1.4 Partnership Maintenance 3.1 Employee Structure
2	Risk and Crisis Management	High	High	Self-defined material topics	1.2 Operational Performance
3	Oil products transportation safety	High	Medium	11.8.1-11.8.2	1.4 Partnership Maintenance
4	Industrial and Public Safety	High	Medium	11.9.1-11.9.11	3.4 Occupational Health and Safety
5	Air Pollution Prevention	Medium	Medium	11.3.1-11.3.3	1.2 Operational Performance 2.3 Air Pollution Management and Prevention
6	Corporate Governance	Medium	Medium	Self-defined material topics	1.1 Corporate Governance
7	Green Transition and Investment In Innovation	Medium	-	Self-defined material topics	1.3 Creating a Green Future
8	Occupational Health and Safety	Medium	-	11.9.1-11.9.11	3.4 Occupational Health and Safety
9	GHG Management	Medium	High	11.1.1-11.1.8	2.2 GHG Management
10	Stability of Imported Materials	Medium	High		1.4 Partnership Maintenance
11	Employee Profile and Benefits	Medium	-	11.10.1-11.10.9	1.4 Partnership Maintenance 3.1 Employee Structure 3.2 Employee Career Development 3.3 Employee Benefits and Care 3.4.4 Worker participation, consultation and communications
12	Climate Change Strategy	Medium	Medium	11.2.1-11.2.3	2.1 Climate Change Mitigation and Adaptation 2.2 GHG Management

No.	Material Topics	Level of Concern	Likelihood	GRI 11	Chapter
13	Education, Training, and Talent Cultivation			Tracked topic	
14	Compliance with Global Energy and Environmental Laws			Tracked topic	
15	Water Resource Management			Tracked topic	
16	Smart Management			Tracked topic	
17	Employee Diversity and Equal Opportunity			Tracked topic	
18	Information Security			Tracked topic	
19	Community Development and Communication			Tracked topic	
20	Supply Chain Management			Tracked topic	
21	Waste Management			Tracked topic	

Note : Tracked topics are topics that FPCC will continue to track, and relevant issues are explained in this report.

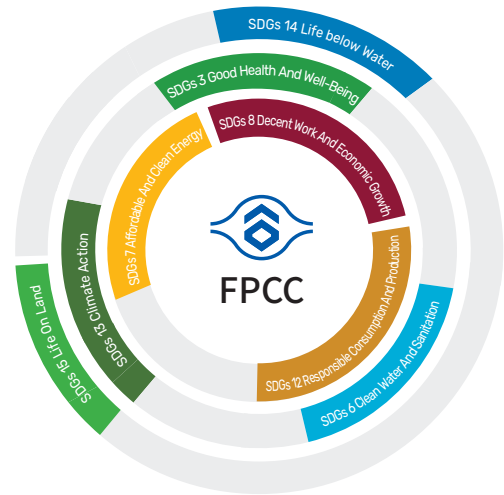
✦ Explanation of the List of Changes To Sustainability Issues

2023 Questionnaire Issues	Materiality of Topic		Description of Changes To Issues
	2023	2022	
Risk and Crisis Management	High	Medium	<p>Rise</p> <p>New issue. The priority of "Compliance with global energy and environmental laws" increased the most compared with last year due to changes in energy policies and regulations of domestic and foreign governments. FPCC continues to improve its operational strategies and competitiveness in the industry by holding itself to higher standards than required by law</p>
GHG Management	Medium	High	<p>Decline</p> <p>Stakeholders have become more concerned about this issue due to global regulatory changes and sustainability trends. FPCC continues to implement carbon reduction strategies with the vision to achieve carbon neutrality by 2050; improves the efficiency of energy and resource use through green factories, green energy, and green innovation; accelerates the development of AI applications, clean energy, and decarbonization technology in response to the concerns of stakeholders. FPCC will continue to observe the impact on issues.</p>
Air Pollution Prevention	Medium	High	<p>Decline</p> <p>FPCC continues invest resources in related issues and achieved excellent performance in recent years, without any major incidents. Hence, stakeholders' level of concern has somewhat declined, and FPCC will continue to observe the impact on issues.</p>

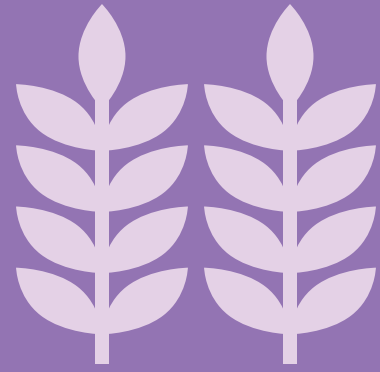
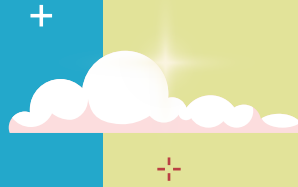


Impact on the Sustainable Development Goals (SDGs)

FPCC sets out from its core business on the path towards sustainable development, closely follows international trends in sustainability issues, and comprehensively reviewed the connection between its sustainability practices and the 17 SDGs of the UN, actively responding to targets of each SDG. SDGs are integrated with FPCC's material sustainability issues for a comprehensive evaluation, sequentially incorporating the SDGs into the decision-making process for corporate sustainability, laying out the blueprint for sustainability. The Company identified 8 SDGs to provide the framework for the sustainability blueprint. After a comprehensive evaluation of global sustainability trends, industry issues, and material sustainability issues, the SDGs are prioritized and incorporated into the sustainability strategies and policies of business plans.



Aspects of Sustainability Strategies	SDGs	Target	Target of FPCC	Actual Actions and Outcomes in 2023	Corresponding Chapter
(E) Environmental Energy conservation and carbon reduction, low-carbon energy, air pollution prevention, and zero waste		6.3 6.4	Increase water usage and properly carry out wastewater treatment to protect water ecological systems	Water reuse rate (R1) is 98.7% Water footprint inventory is in accordance with ISO 14046:2014	2.4 Water Resources and Waste Management
		7.3	Expand the provision of sustainable energy worldwide through the improvement of energy efficiency	<ul style="list-style-type: none"> 203 improvement cases in total Investment amount of NT\$1.04 billion Reduced emissions by 274 thousand tons CO₂e 	2.2 GHG Management
(S) Social Care for the disadvantaged, health protection, education and growth, and mutual prosperity with ecology		3.9	Used the electronic evaluation system and health examination data management software to manage and track cases	<ul style="list-style-type: none"> 100% Special health examination rate There were no occupational disease cases 	3.4 Occupational Health and Safety
		14.1 14.2	Reduce the impact of land waste on the ocean to protect marine ecology	86 underwater species at Mailiao Port were added compared with 2017	4.2 Local ecological conservation
		15.a	Reduce actions that damage natural habitats to protect ecological resources and species on land	Brown Land Crab (Xeruca formosensis) Conservation Plan	
(G) Governance Strengthen the connection between climate and business models		8.2 8.8	<ul style="list-style-type: none"> Use AI to build smart factories and optimize production to improve productivity and product value Promote local employment development, and improve work environment safety 	<ul style="list-style-type: none"> Completed 58 projects Benefits amounted to approximately NT\$181 million Frequency-severity indicator of 0.06 was far lower than the industry 	1.3 Creating a Green Future 3.4 Occupational Health and Safety
		12.2 12.4 12.5	Engage in low carbon transformation and evaluate investments in renewable energy generation facilities	Used RDF to replace coal and reduced GHG emissions by approximately 6,972 tons CO ₂ e	2.1 Climate Change Mitigation and Adaptation
		13.1 13.3	Reduce the impact on climate change through the control and reduction of GHG emissions, and set short-, mid-, and long-term goals	<ul style="list-style-type: none"> GHG emissions in 2023 was reduced by 1% compared to the previous year TCFD impact assessment 	



CH1 ✨

Driving New Industrial Developments

In terms of corporate governance, FPCC referenced Corporate Governance Blueprint 3.0 of the FSC and global trends, and actively disclose information in accordance with international standards, while strengthening competencies, risk management, and information transparency. Furthermore, we systematically formulated sustainability strategies in response to the international trend of net zero emissions. As we improved the production efficiency of current products based on the three themes – green factories, green energy, and green innovation, we are also accelerating the development of digital transformation, AI applications, clean energy, and decarbonization technologies, in hopes of increasing the Company's resilience to external risks and diversifying revenue aligned with sustainability trends.

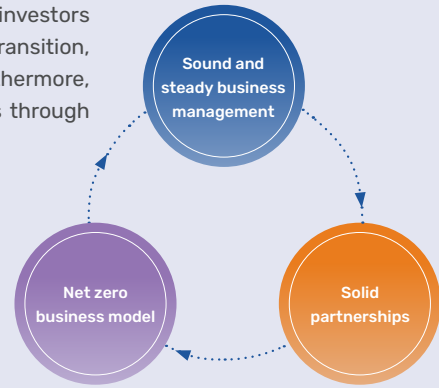


Strategic Actions



Commitment in Operations

FPCC's core value is sustainable development in hopes of protecting stakeholders' interests while developing the Company. Hence, we continue to improve our corporate governance performance, provide transparent information to shareholders/investors in a timely manner, and develop green investments and innovations for transition, showing our determination to achieve environmental sustainability. Furthermore, we maintain good relationships with customers, suppliers, and contractors through related management policies, growing together on the path to sustainability.



Development Strategy

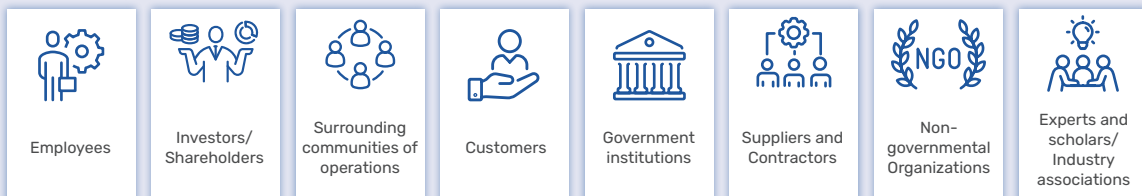
- Steady operation – Improve corporate governance, increase information transparency, and protect the rights and interests of shareholders
- Sustainable development – Continued business expansion, develop green factories, green energy, and green innovation
- Strong partnerships – Strict supply chain management and customer relations for joint growth

Scope of Impact of Material Topic

Material Topics	Financial Impact	Value Chain						
		Crude oil drilling/mining	Crude oil purchasing	Oil products transportation	Refining	Fundamental materials	Sales	Community services
Corporate Governance	Low	-			●			◆
Risk and Crisis Management	High	●			●			●
Economic Performance	High	●			●			●
Green transition and investment in innovation	High	●			●			●
Stability of Imported Materials	High	●			●			◆
Oil Products Transportation and Storage Safety	Low	-			●			●

● **cause:** An organization's activities cause an impact
 ◆ **contribute to:** The activities of an organization causes, contributes to, or induces another entity to cause an impact
 ▲ **directly linked to:** Despite an organization not causing or contributing to an impact, its operations, products, or services may still cause an impact through business relationships

Stakeholders



✔ Achieved ⚠ Ongoing

Targets in 2023

Corporate Governance

- ✔ Maintain in the Top 20% in the Corporate Governance Evaluation
- ✔ Completed the internal audit plan approved by the Board of Directors, and effectively improved 100% of deficiencies
- ✔ Evaluate the effectiveness of the internal control system.
- ✔ We fulfilled our obligation of information disclosure and were not fined for any violation of this obligation
- ✔ Continue to strengthen supervision mechanisms of the Board of Directors and Sustainable Development Committee for climate-related risks and opportunities

Risk and Crisis Management

- ✔ Complete the assessment of the risk management operating status and report to the Board of Directors

Economic Performance

- ✔ Stable dividends, implement the dividend policy set forth in the Articles of Incorporation

Partnership Maintenance

- ✔ e-Invoice use reached 90%
- ✔ Electronic operations for concentrated delivery by suppliers reached 90%
- ✔ Indicators that reached "Satisfied" in the customer satisfaction survey
- ✔ Organize traffic safety personnel training and meetings at least once a month

Creating a Green Future

- ✔ Promote the use of AI technology to build smart factories, and plan to implement 417 circular economy and low-carbon transition project improvements
- ⚠ Make progress in the environmental impact assessment for the 6 wind turbines outside Mailiao Plant, and expand solar power plants in factory areas, on the rooftop of offices, and in parking lots.

Targets in 2024

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Mid-term and Long-term Goals

Corporate Governance

- Ensure that corporate governance operations strictly comply with regulatory requirements, that the Company's material information is immediately and transparently disclosed according to regulatory requirements, and that plans are made in advance to achieve the goal of steady operation

Risk and Crisis Management

- We will respond to and analyze business risks in a timely manner, and understand the probability and subsequent impact of the risks

Economic Performance

- Stable operations, seek to maximize stockholders' equity while giving consideration corporate social responsibility

Partnership Maintenance


- Work closely with supply chain partners to build a sustainable supply chain while maintaining quality and lower risk

Creating a Green Future

- To achieve sustainable development, besides ensuring the competitiveness of the Company's current products and further developing eco-friendly green products, we are also searching for new investment and development opportunities

1.1 Corporate Governance


Management Approach (MA) for Material Topic

Material Topics  Corporate Governance	Material Topic Management Policy The Board of Directors is the highest level governance unit of FPCC and complies with the law, Articles of Incorporation, and internal control system, so that corporate governance affairs are handled in accordance with regulations, and stakeholders can access important information on the Company in a timely manner.			International Frameworks and Corresponding Indicators GRI 3-3
Description of Impact	Strict corporate governance and effective internal controls help to reasonably ensure the effectiveness and efficiency of operations, achieve the reliability, timeliness, transparency and compliance of reporting with relevant laws and regulations, and allow deficiencies in the Company's systems to be immediately discovered, so that necessary corrections and adjustments can be made.			
	Actual	Potential	Positive	Negative
		✔	✔	
Management Actions	Operations of functional committees	Internal control and audit		Strengthen information disclosure and transparency
Performance of Actions in 2023	<ul style="list-style-type: none"> In 2023, 6 Board meetings, 5 Audit Committee meetings, 2 Remuneration Committee meetings, and 2 Sustainable Development Committee meetings were held, during which documents such as sustainability reports and statements of internal control's effectiveness were issued. Board performance evaluation results show that meetings are operating smoothly, and directors all approved of their implementation performance. 	<ul style="list-style-type: none"> Completed 53 audit plans and the 13 deficiencies found have all been improved. Completed an internal control effectiveness assessment, and the assessment results confirmed that the design and implementation of the internal control system are effective and can reasonably ensure the achievement of goals. 		<ul style="list-style-type: none"> A total of 4 investor conferences were held in 2023, and the Company's operations were explained at least once every quarter. We reported information and disclosed material information in accordance with the law, and were not fined for any violation of this obligation in 2023.

Organizational Structure, Ethical Corporate Management

Company Overview

Formosa Petrochemical Corporation (FPCC) was founded in 1992 and deals mainly with the production and sales of oil products and fundamental petrochemical materials. It was the first private oil refining business in Taiwan to produce and sell oil products such as gasoline and diesel. Its naphtha crackers, on the other hand, produce fundamental petrochemical materials such as ethylene, propylene, and butadiene, with a throughput scale topping the domestic list. In addition, there are the qualified heat and power combined co-generation system to supply various public utility fluids such as steam and power at its facilities in the Formosa Plastics Group Mailiao Industrial Park.

Company Name	 Formosa Petrochemical Corporation
Date of Establishment	April 6, 1992
Listing Date	December 26, 2003
Capital	NT\$95,259,596,520
Number of Employees in 2023	5,208
2023 Consolidated Revenue	NT\$712,576,194 thousand

FPCC Location of Operations

Name	Address
Headquarters	No. 1-1, Formosa Plastics Group Industrial Zone, Zhongxing Village, Mailiao Township, Yunlin County
Taipei Office	No. 380, Sec. 6, Nanjing E. Rd., Neihu District, Taipei City (4F, Building A2, Neihu Building, Formosa Plastics Group)
Mailiao Plant 1	No. 7 and No. 15, Formosa Plastics Group Industrial Zone, Zhongxing Village, Mailiao Township, Yunlin County
Mailiao Plant 2	No. 8 and No. 8-5, Formosa Plastics Group Industrial Zone, Zhongxing Village, Mailiao Township, Yunlin County
Mailiao Plant 3	No. 17 and No. 39, Formosa Plastics Group Industrial Zone, Zhongxing Village, Mailiao Township, Yunlin County

Subsidiaries

Name	Address	Shareholding ratio
Formosa Oil (Asia Pacific) Corporation	5F, No. 201-34, Dunhua North Road, Taipei City	100%
Formosa Petrochemical Transportation Corp.	No. 42, Biaofu Road, Maifeng Village, Mailiao Township, Yunlin County	88%
Whalehome International Co., Ltd.	No. 294, Xinshu Road, Xinzhuang District, New Taipei City	69.49%
Formosa Grandseas Bunkering and Trading Corporation	Rm. 1, 26F., No. 29, Haibian Road, Lingya District, Kaohsiung City	60%
FPCC USA, Inc.	1235 North Loop West, Suite 930, Houston, Texas 77008	100%
FG INC	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801	57%
FG LA LLC	301 Main Street Suite 2000 Baton Rouge, LA 70825	57%
FPCC DILIGENCE Corp.	80 Broad Street, Monrovia, Liberia.	100%
FPCC MAJESTY Corp.	80 Broad Street, Monrovia, Liberia.	100%
FPCC NATURE Corp.	80 Broad Street, Monrovia, Liberia.	100%

Credit Rating

Taiwan Ratings: twAA; Standard & Poor's BBB+

CDP Rating Overview

Climate change	A-
Water Resources	A-

Note: As of December 31, 2023



FPCC is a member of the Formosa Plastics Group Identification System. The corporate identification system features a stylized chain as its common symbol, indicating the horizontal and longitudinal connections, assistance and cooperation, harmony and smooth fusion among all members, and is symbolic of the consistency, sustainability, and continuous development power of the Formosa Plastics Group.

Business Philosophy

The Formosa Plastics Group has now developed into a comprehensive industrial group, and is active in a variety of fields. The momentum that drives the organization to constantly expand itself, grow, and become strong is exactly the underlying spirit that its two founders, Mr. Yung-Ching Wang and Mr. Yung-Tsai Wang, have emphasized and lived up to: hard work, being down-to-earth, aiming at perfection, sustainable management, and giving back to society.



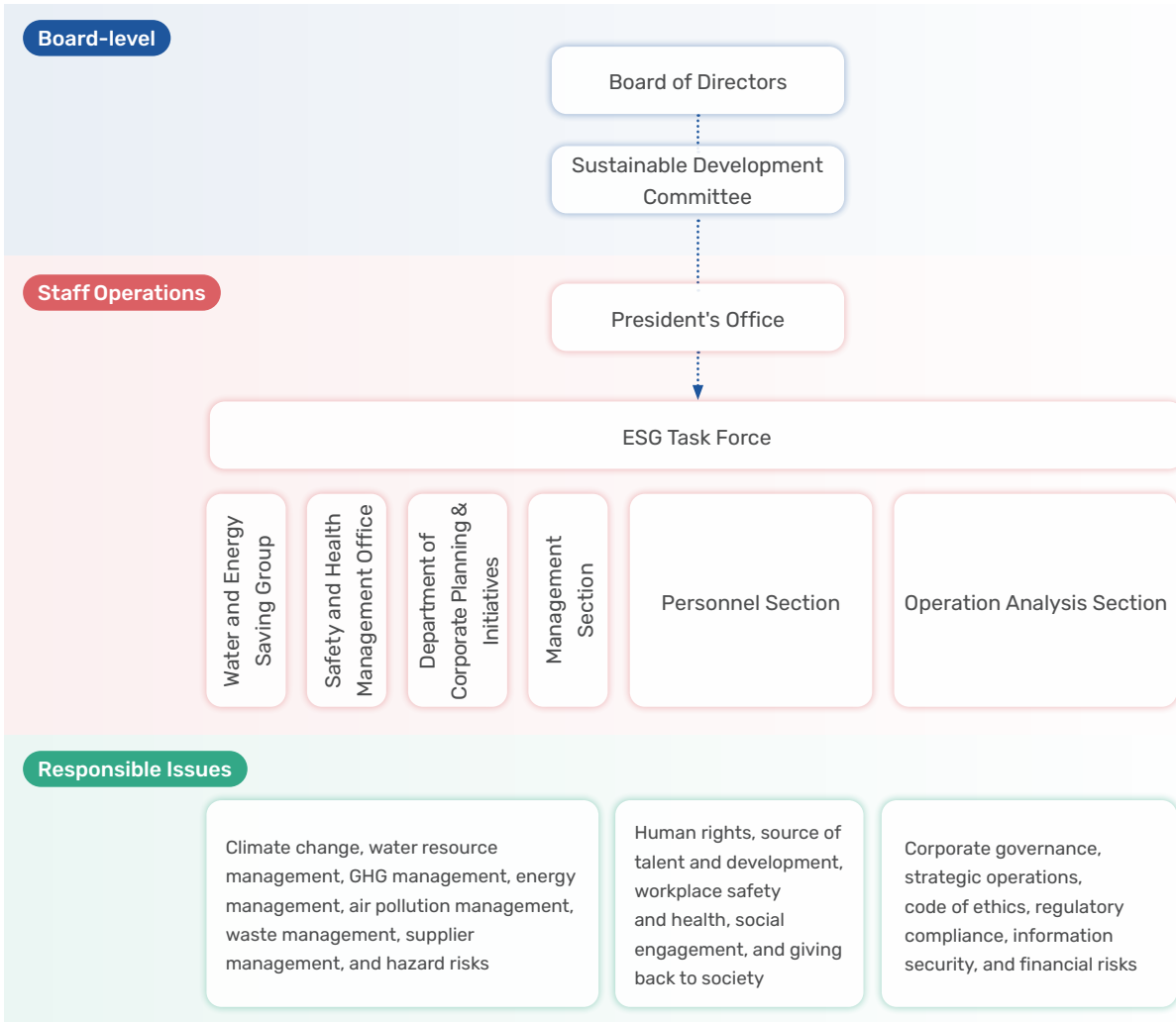
Governance Structure and Sustainable Governance Organization

The Board of Directors is the highest level governance unit of FPCC. Bao-Lang Chen serves as the chairman and is responsible for convening board meetings and represents the Company externally. To ensure clear responsibilities in the organizational structure and the independence of company operations, the chairman does not hold any managerial positions. For the Company's organizational structure, please visit the company website (<http://www.fpcc.com.tw/tw/about/organization>). The Board of Directors passed the Corporate Social Responsibility Code of Practice in 2020 to set forth the CSR policy, system, management approach, and communicate and disclose information to stakeholders. Please refer to the company website (<http://www.fpcc.com.tw/tw/corporate/policies>) and annual report for the shareholders' meeting.

 Purpose of the Board of Directors	 Sustainable Development Vision	 Strategies and Policies for facing ESG
<ul style="list-style-type: none"> Establish the Company's sustainable development vision and ensure that the Company maximizes value within a reasonable risk appetite Supervise manager to ensure operational effectiveness and efficiency goals are achieved Listen to stakeholders' needs and evaluate the reliability, immediacy, and transparency of reporting, as well as compliance with laws and regulations. The board of directors reviews the company's organizational procedures through the internal control system, and evaluates the system's effectiveness on an annual basis. 	<p>Implement corporate governance, develop a green environment, maintain social welfare, and strengthen disclosures of CSR information to achieve the goal of sustainable development</p>	<p>Authorize senior managers conduct evaluations based on the principle of materiality according to the vision established by the Board of Directors, and periodically report the implementation status of ESG to the Board of Directors to ensure that policies are implemented</p>

To promote and implement the vision of sustainable development, FPCC's Board of Directors approved the establishment of a Sustainable Development Committee in May 2022, and appointed the President's Office as the staff department responsible for handling tasks related to risk management, corporate social responsibility, and climate change adaptation. Multiple smooth communication channels are used to understand what stakeholders are concerned about and their needs, and serve as an important basis for establishing the corporate sustainability policy. The sustainability report prepared by the Company each year is reviewed by the Sustainable Development Committee and submitted to the Board of Directors for verification before being released to the public.

Organizational Chart of the Sustainable Development Committee



Overview of Board Operations



FPCC's director election adopts a candidate nomination system. The qualifications of director candidates are verified in accordance with the Company Act. The term of directors is three years. Requirements to ensure that the Board of Directors diversity policy is implemented and that directors have the knowledge, skills, competencies, and conflicts of interest avoidance mechanisms required to perform their duties are set forth in Article 32 of the Corporate Governance Best Practice Principles and Article 15 of the Rules of Procedure for the Board of Directors Meetings. Please see the company website (<http://www.fpcc.com.tw/tw/corporate/policies>).

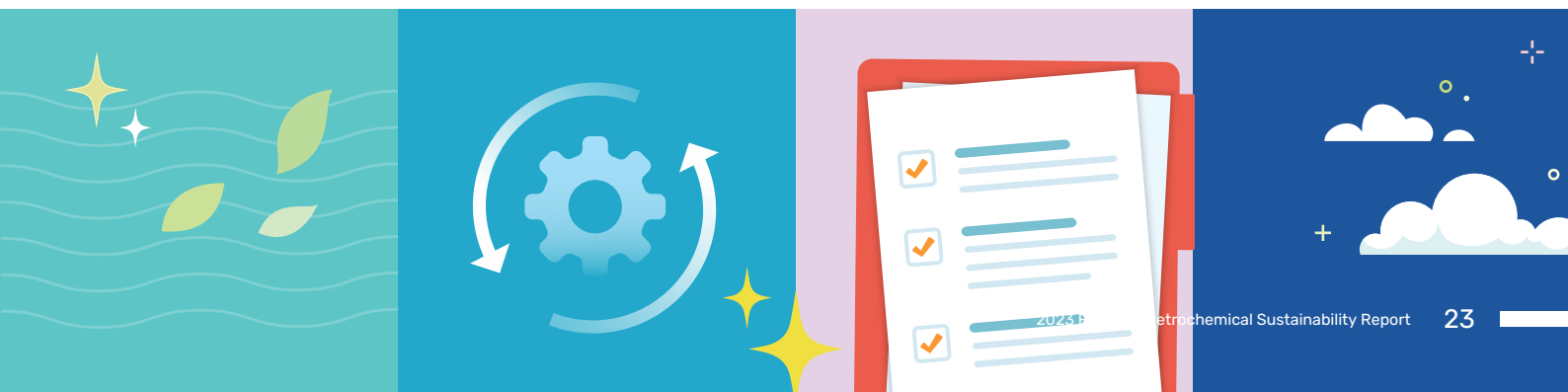
The Board of Directors currently has 15 members with an average age of 70 years old. Directors on average serve about 13 years at FPCC, in which 6.7% of directors are female. Board members include related parties of the Company, such as employees, investors/shareholders, customers, experts and scholars, providing the most suitable strategies and guidance for the Company's development. To improve directors' professional competencies, legal literacy, and sensitivity to sustainability trends and green technology development, FPCC arranges courses for directors to gain new knowledge each year. Continuing education courses arranged in 2023 were related to impact management for material topics, such as the Company's economic performance and environment. The education, experience, and professional knowledge of the Company's directors have been evaluated to be sufficient to handle the impact management of material topics. For details on their independence, continuing education, and conflicts of interest (including concurrent positions, cross-shareholdings, controlling shareholders, and related party transactions) please refer to the company's website (<http://www.fpcc.com.tw/tw/corporate/board-of-directors>), the "Corporate Governance Report" chapter of the annual report, and the notes to the financial statements disclosing "Related Party Transactions."

The Board of Directors, in principle, meets at least once a quarter. A total of 6 board meetings were held in 2023 with an attendance rate of 88%. The Board of Directors established the "Board of Directors Performance Evaluation Guidelines" in 2020. Annual performance self-evaluations are conducted for the Board of Directors and functional committees, in which evaluations of the Company's major strategic goals include management results of various sustainability issues. Performance results of the overall Board of Directors and individual directors were excellent in 2023, and were submitted to the Board of Directors on December 7, 2023.

The Company's major key events and the communication method with the Board of Directors are mainly summarized in the sustainability report, which is reported to the Sustainable Development Committee every year and then reported to the Board of Directors. If a major project that requires urgent communication occurs during the period, it will be first reported to independent directors through the Audit Committee, and then reported to the Board of Directors. The Company did not have any major key events in 2023.

Company	Number of directors	Independent directors		Female directors		Average age	Average period that directors serve at FPCC
	(including independent directors)	Number of seats	Percentage	Number of seats	Percentage		
FPCC	15	3	20%	1	6.7%	70 years old	13 years

The shareholding ratios of directors and supervisors at FPCC has been around 76% for the past five years, which is far greater than the FSC's requirement of 2% at minimum for public offering companies of the same size. Meanwhile, the shareholding pledge ratio of directors and supervisors is 0%. These ratios show that the Board of Directors and shareholders of FPCC are highly correlated in terms of interest and the former is thus trustworthy for the latter. The shareholding structure is disclosed on the company website (<http://www.fpcc.com.tw/tw/corporate/ownership>).



Overview of Audit Committee Operations

FPCC's Audit Committee is formed by 3 independent directors. The Audit Committee supervises the Company's business condition and financial position based on the principles of integrity and independence. It helps the Board of Directors carry out supervisory and other duties as set forth in the Company Act, the Securities and Exchange Act, and other related laws. Detailed information on operations of the Audit Committee is disclosed on the Company's website (<http://www.fpcc.com.tw/tw/corporate/board-of-directors>)

2023

- The Audit Committee convened **5** meetings
- Actual attendance rate reached **100%**

Title	Name	2021		2022		2023	
		Actual attendance	Attendance rate	Actual attendance	Attendance rate	Actual attendance	Attendance rate
Convener	C.P. Chang	4	100%	5	100%	5	100%
Committee Members	Sush-der Lee	4	100%	5	100%	5	100%
Committee Members	Yu Cheng	4	100%	5	100%	5	100%
Total		12	100%	15	100%	15	100%

Overview of Operation of the Remuneration Committee

The Remuneration Committee's 3 members are all independent directors and do not involve any other stakeholders. The committee is responsible for evaluating the remuneration policy and system for the Company's directors and managers, and provides the Board of Directors with suggestions. This prevents remuneration policies from guiding directors and managers to violate business ethics and engage in behavior that exceeds the Company's risk appetite. Detailed data is disclosed in the company website - Corporate Governance Section (<http://www.fpcc.com.tw/tw/corporate/committee/>).

2023

- The Remuneration Committee convened **2** meetings
- Actual attendance rate reached **100%**

Title	Name	2021		2022		2023	
		Actual attendance	Attendance rate	Actual attendance	Attendance rate	Actual attendance	Attendance rate
Convener	C.P. Chang	2	100%	2	100%	2	100%
Committee Members	Sush-der Lee	2	100%	2	100%	2	100%
Committee Members	Yu Cheng	2	100%	2	100%	2	100%
Total		6	100%	6	100%	6	100%



Operating Status of the Sustainable Development Committee

To meet requirements of the Corporate Governance Evaluation, the Sustainable Development Committee has 5 members, including the Company's chairman, president, and all independent directors, and is responsible for reviewing the Company's sustainable development policy and management approach. The committee also supervises the implementation of tasks related to sustainable development, in order to strengthen the Company's resilience to climate change risks. Implementation results of the Company's sustainable development work are reviewed by the Sustainable Development Committee and then reported to the Board of Directors each year. The Sustainability Report is then published to communicate with employees.

2023

- The Sustainable Development Committee convened **2** meetings
- Actual attendance rate reached **100%**



Resolutions in 2023

- Approved the Company's "2022 Sustainability Report" (May 23, 2023).
- Confirmed the Company's 2022 Greenhouse Gas Verification Results Report and 2023 Greenhouse Gas Inventory Plan (December 7, 2023).

Title	Name	2022		2023	
		Actual attendance	Attendance rate	Actual attendance	Attendance rate
Convener	Bao-Lang Chen	2	100%	2	100%
Committee Members	Mihn Tsao	2	100%	2	100%
Committee Members	C.P. Chang	2	100%	2	100%
Committee Members	Sush-der Lee	2	100%	2	100%
Committee Members	Yu Cheng	2	100%	2	100%
Total		10	100%	10	100%

Compensation for Directors and Managers

Currently, only independent directors receive fixed compensation on a monthly basis. All directors do not receive variable compensation, and only receive transportation subsidies based on their actual attendance in Board meetings. Annual compensation for managers mainly includes the salary, incentives, and bonuses in addition to the pension fund and the welfare fund. The chairperson rates managers' overall performance and attainment of personal "annual objectives at work" within the scope of responsibilities, such as business performance, labor safety incidents, and energy and water conservation, so as to ensure that executives understand and work together to accomplish corporate strategic goals and to link the incentive system to the personal performance of supervisors as well as the overall corporate performance. The total value of compensation and its ratio in after-tax net income for directors and managers at FPCC are disclosed on the company website.

	2021	2022	2023
Total value of compensation for directors and managers (Thousand NTD)	113,099	133,246	130,067
Ratio in after-tax net income	0.23%	0.92%	0.59

Strengthening Information Transparency

FPCC's measures to strengthen two-way communication with stakeholders:

- Information is regularly and irregularly disclosed on the Market Observation Post System in accordance with the law. All information was disclosed in accordance with the law in 2023, and we were not fined by the Taiwan Stock Exchange and Financial Supervisory Commission for violating our reporting obligation.
- Attend 4 investor seminars each year.
- Continue to optimize the Company website and strengthen information disclosures, including disclosing the human rights policy in the corporate governance section, employee compensation and salary adjustment mechanism, and implementing ethical corporate management education.
- Set up an Investor Section on the company's website to provide investors with related information, appoint a dedicated contact person to answer related questions,
- and appoint a spokesperson as the liaison with shareholders and institutional investors.

Concrete results are reflected in each accreditation performance review. In the Information Disclosure and Transparency Ranking System of the Taiwan Stock Exchange, FPCC has secured a Grade A or higher rating for ten consecutive years, starting from the 3rd session of the ranking system in 2006. In addition, in the first corporate governance accreditation that started in 2014, FPCC ranked in the Top 20% for 10 consecutive years among listed companies that took part in the rating. Improvement are made in response to evaluation results and disclosed in the annual report for the shareholders' meeting (<http://www.fpcc.com.tw/tw/ir/shareholders-meeting>).

Code of Conduct, Anti-corruption Policy, Internal Audit System

Code of Conduct

We established 17 rules and regulations, including the Corporate Governance Best Practice Principles and Ethical Corporate Management Best Practice Principles based on anti-corruption, prevention against malfeasance, and strict discipline, to ensure that the business philosophy is upheld. We also organize education and training, sign self-discipline documents, and provide grievance channels in coordination. The regulations are disclosed in the corporate governance section and investor section of the Company website (<http://www.fpcc.com.tw/tw/corporate/policies>).

Anti-corruption Policy





★ **Execution**

Based on the policy described above, we conducted a corruption risk assessment for all of our business locations in 2023. The assessment results did not find any risks that may affect the effectiveness of the internal control system. No corruption cases were found in any locations of operations in 2023. In addition to physical courses, we further promoted online training courses and sent information on online courses to all employees, in hopes further promoting online courses.

2023

Corruption risk assessment

The corruption risk assessment did not find any risks that may affect the effectiveness of the internal control system

Internal Audit

FPCC has computerized all operations, and uses technology-based management to link together six major functions, namely personnel, finance, business operation, production, materials, and engineering. The effectiveness of the internal control system is evaluated by the Board of Directors each year, and a statement of the internal control system's effectiveness is issued.

According to the 2023 audit plan approved by the Board of Directors, items to be audited include sales and receivables, purchase and payment, production, salaries and wages, financing, fixed assets, computer information, and investment in a transaction cycle – 53 items in total, in order to accomplish goals relating operational effectiveness and efficiency, reliability of financial reports, and compliance with applicable laws. Results of the actual audit showed 13 areas with deficiency and most of them had to do with documentation or incomplete data; there were no major deficiencies that affected the effectiveness of internal controls. Internal control system deficiencies and abnormalities found in the inspection were already included in the produced audit report and have been followed up periodically, and have been completed corrected as of now. The improvement rate is 100%.



Implementation Status of Internal Audits

	2021	2022	2023
Audit projects	52 items	52 items	53 items
Number of deficiencies found	11 projects	11 projects	13 projects
Number of improvements completed	11 projects	11 projects	13 projects
Improvement rate	100%	100%	100%

Intellectual Property Management

The Company established a virtual laboratory and installed an R&D digital management system to accelerate the development of new high-value and differentiated products or technologies. We are actively developing Industry 4.0 and AI production, and established the "Regulations Governing Incentives for Research and Development Results of Research and Development Personnel," specifying incentives for R&D of key products and patent licensing, in order to encourage R&D personnel to actively engage in innovative R&D that will further enhance the Company's competitiveness.

With regard to patent and trademark management, the Company established "Computerized Operations for Patent and Trademark Management" to manage related applications, review, and implementation progress. This allows us to monitor the progress of patent and trademark cases, and handle extensions of period of exclusive use for trademarks according to schedule. Furthermore, the Company requires all employees to issue a statement that they will respect intellectual property rights and also provides training courses on regulations governing intellectual property rights, so as to improve employees' understanding of intellectual property rights.




The Company obtained a total of 14 trademarks (56 certificates) in 2023.



1.2 Operational Performance



Risk and Crisis Management

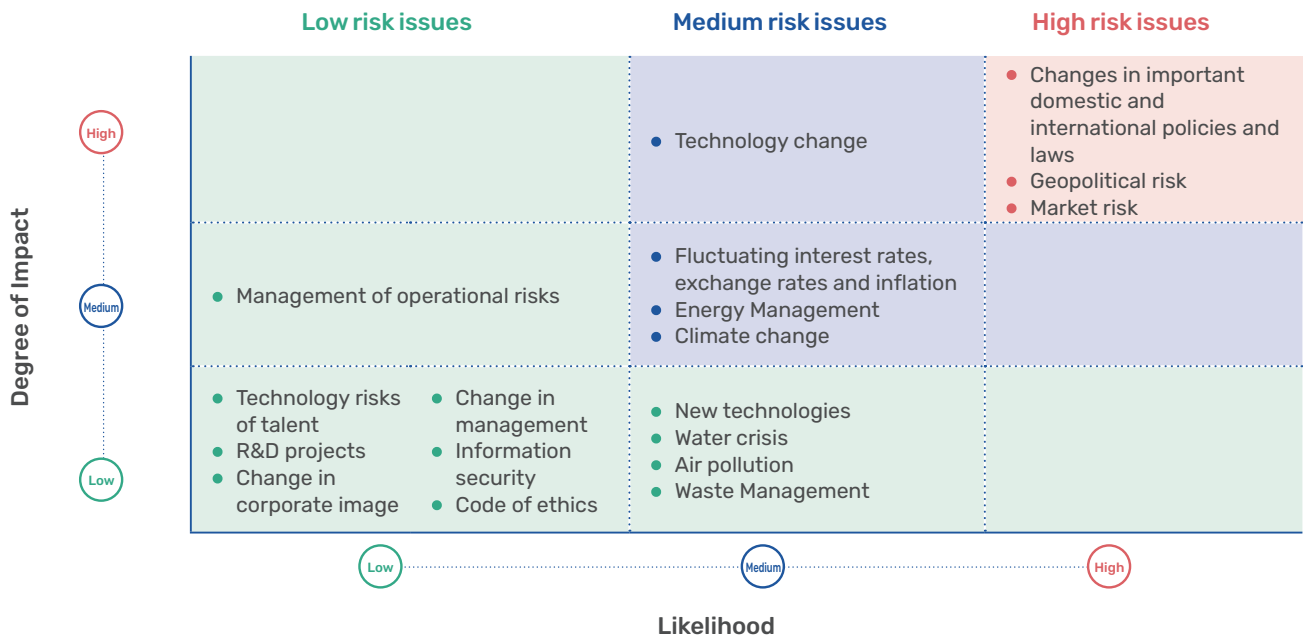
Material Topics	Material Topic Management Policy		International Frameworks and Corresponding Indicators	
 Risk and Crisis Management	We will respond to and analyze business risks in a timely manner, and understand the probability and subsequent impact of the risks to implement appropriate risk aversion strategies.		GRI 2-6,3-3	
Description of Impact	If potential operational risks are not identified and response strategies are not formulated in advance, the Company will pay corresponding costs when a risk event occurs in the future.			
	Actual	Potential	Positive	Negative
				
Management Actions	Risk Identification and Formulation of Countermeasures		The status of management is periodically reported to the Board of Directors	
Results Tracking	<ul style="list-style-type: none"> Weekly meetings are convened to review and evaluate the Company's business situation, including various risks (strategic risks, operational risks, financial risks, hazardous risks, information security risks, and other risks) 		<ul style="list-style-type: none"> The operating status of risk management was reported to the Board of Directors on May 25, 2023. 	

Risk Management System

FPCC continues to observe trends in global risks to achieve sustainable development. The Board of Directors passed the Risk Management Regulations on December 10, 2020, in which FPCC's risk management is mainly carried out by the Sustainable Development. The committee identifies potential business risks and jointly evaluates the probability and impact of the risks together with related business departments based on the nature of the risks, appropriately informing management to adjust the Company's business strategy.

Pursuant to the Risk Management Regulations, our risk management system shall include risk identification, risk analysis and assessment, risk management and response, risk management and response, and risk information communication and reporting.

Risk Analysis Matrix



Risk Management and Response

Response measures for issued that were assessed to have high risk are disclosed below. Please refer to FPCC's official website and annual report for shareholders' meeting for response methods to other risks (<https://www.fpcc.com.tw/tw/corporate/risk-management>).

Risk assessment item	Risk management unit	Risk review	Response measure
Risk of changes in important domestic and international policies and laws	President's Office, Legal Office	The Company is significantly affected by the government's energy policy, and the Petroleum Administration Act, Electricity Act, and various environmental protection related laws and regulations all have a significant effect on the Company.	FPCC remains highly attentive to any changes to domestic and international political and economic situations, establishment of major policies, and regulatory changes, and arranges staff to receive professional training if necessary.
Geopolitical risk	President's Office	The Company's main source of raw materials is major oil producing countries in the Middle East, which occasionally has the risk of supply being cut off and shipping risks resulting in unstable raw material supply. We have signed sales contracts with major customers, which are relatively concentrated.	<ul style="list-style-type: none"> In response to the risk of purchase concentration, we utilize refining technologies and processes that allow flexible feed, and sign long-term contracts with foreign suppliers to disperse risk. With regard to sales risks, we periodically respond to customers' credit checks for domestic sales, which has been stable; for exports, we make adjustments based on the production and sales of oil refineries and the international market for oil products.
Market risk	President's Office, Manager's Office at each business department	Mainly due to the change in energy use structure, such as more energy-efficient electric vehicles and regular vehicles, and many competitors have gained the support of policies from their local government, increasing the difficulty of competition.	We are seeking to increase the value of products, diversify products, and find new opportunities for investment in other regions, so as to diversify our market risk.

Risk Supervision and Review

We established risk monitoring mechanisms and performance assessment indicators for risk assessment results. This is to ensure the efficiency and benefits from implementing risk management, and suitable adjustments are made in a timely manner to continue making improvements.


Risk Information Communication and Reporting

With regard to the Company's risk management policy and implementation status, besides submitting risk information management reports to the authorized supervisor, we convene risk management meetings for reporting, review, and supervision of risk management. When necessary, we report major risks to the Board of Directors based on the attributes and impact of the risk. Our risk management information is disclosed on the Market Observation Post System, FPCC's official website, and the annual report in shareholders' meetings for stakeholder communication in accordance with related laws and regulations.



Economic Performance

Management Approach (MA) for Material Topic

<p>Material Topics</p>  <p>Economic Performance</p>	<p>Material Topic Management Policy</p> <p>Our operations focus on steady production, and we make flexible adjustments to production and sales based on the market situation, aiming to maximize shareholder equity and maintain stable finances. We do not engage in unrelated financial operations to maintain the Company's stability</p>		<p>International Frameworks and Corresponding Indicators</p> <p>GRI3-3,11.14 ~ 11.22 SASB EM-RM-000.A, EM-RM-001.B</p>	
<p>Description of Impact</p>	<p>The Company fulfills its corporate social responsibility while pursuing sustainable operation and long-term profits. We actively communicate with stakeholders to ensure that our business strategies and future development meets expectations.</p>			
<p>Management Actions</p>	<p>Management reviews the business situation on a monthly basis and adjusts production and sales based on the market situation</p>		<p>Continuous to invest in R&D to improve technologies</p>	
<p>Results Tracking</p>	<ul style="list-style-type: none"> Stable dividend distribution every year, distributing cash dividends for 22 consecutive years 		<ul style="list-style-type: none"> R&D expenses was NT\$703,015 thousand 	

Company Business Model, Products, and Production Capacity

FPCC's Business Items

FPCC is located at the upstream of the industrial chain; gasoline, diesel, and aviation fuel produced by oil refining plants are sold domestically and overseas; ethylene propylene, and butadiene produced by naphtha crackers are mainly supplied to downstream companies in the group; the co-generation plant's primary goal is to provide steady and adequate supply of electricity and steam to meet the needs of the Sixth Naphtha Cracker. For details on the Company's supply of main raw materials and main suppliers/customers, please refer to the contents disclosed in the Company's annual report for the shareholders' meeting (<http://www.fpcc.com.tw/tw/ir/shareholders-meeting>).

FPCC's production capacity and organizational scale in 2023

Business Department	Main Production Capacity	
Refining business	Daily volume refined of crude oil	54 thousand barrels
Olefins business	Ethylene	2,935 thousand tons/year
Utilities business	Power generated	2.75 million KW

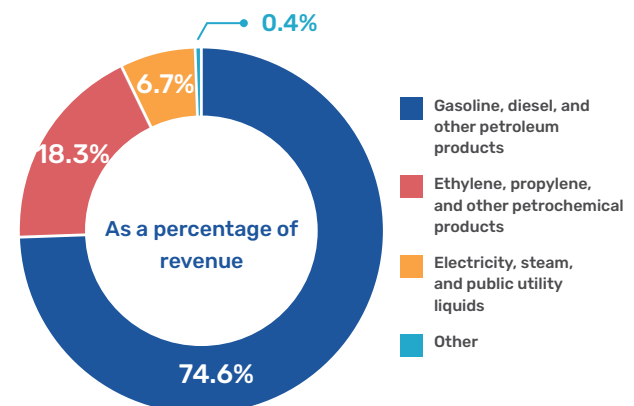
Main products and services

FPCC's main products and services include gasoline, diesel, and other petroleum products, ethylene, propylene, and other petrochemical products, and public utility fluids. For details on products and services, please refer to our website (<http://www.fpcc.com.tw/>) and the annual report disclosed at shareholders' meetings.

2023 Production volume

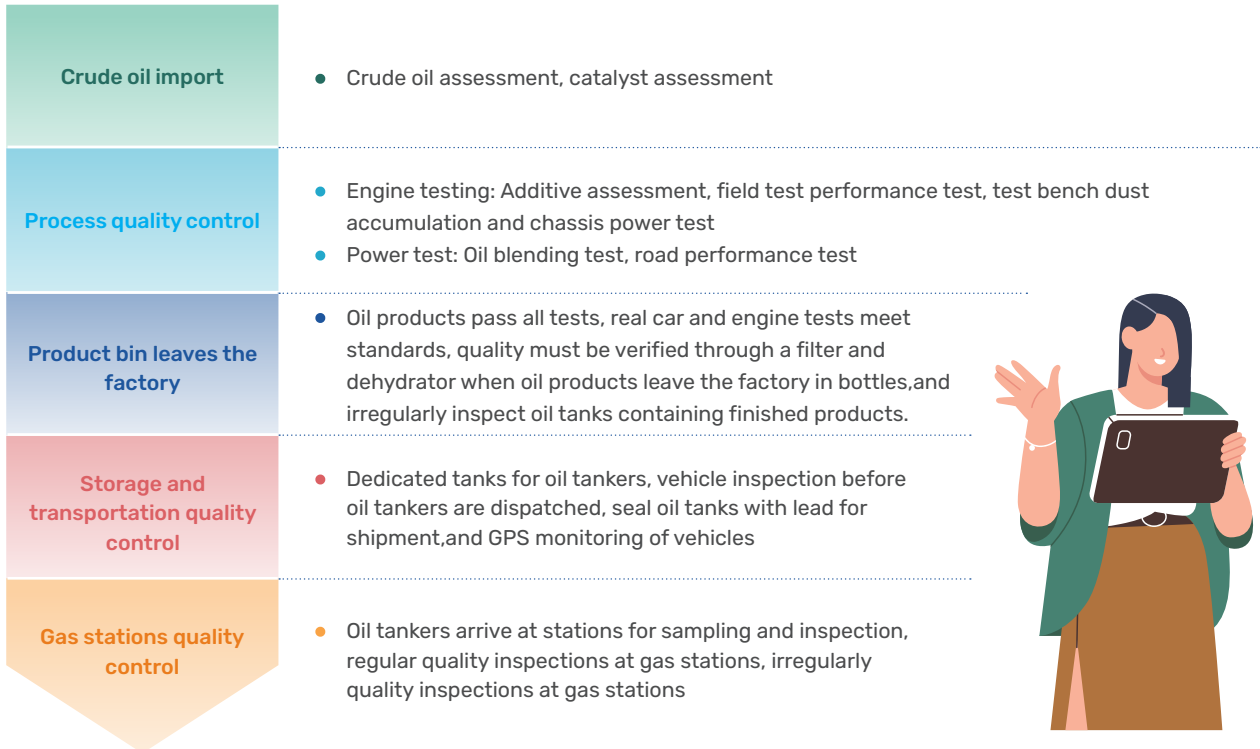
In terms of production volume, we maintained stable production throughout 2023, and refining volume increased 3.2% compared with 2022. For details, please refer to our website (<http://www.fpcc.com.tw/>) and the annual report disclosed at shareholders' meetings.

Refining Volume
Refining volume increased 3.2% compared with 2022



◆ Assessment of the impact and hazard of products to customer health

All products of FPCC comply with the National Standards of the Republic of China (CNS), and passed the inspection of the Bureau of Standards, Metrology and Inspection. We strictly assess and manage products from raw materials until products are delivered. Please refer to the company website for related inspections and certification (<http://www.fpcc.com.tw/tw/guarantee>).



◆ Quality certified products and services

We strive to provide high quality products and services. In oil products, we developed the new formula "95 Plus Lead-free Gasoline" through process improvement, as well as experiments and actual road tests conducted by an international engine laboratory. The new formula super diesel meets the standards for the highest level diesel used in Japan and Europe; food-grade white oil products 380N and 550N were certified by the JHOSPA; petrochemical products ethylene propylene, butadiene, IPM, PIPS, and DCPD obtained REACH Registration of Chemicals, which will aid product sales to the EU.

With regard to services, the Flow Calibration Laboratory at FPCC's Maintenance Center and the Gasoline and Diesel Engine Laboratory under the Refining Department both obtained the Chinese National Laboratory Accreditation (CNLA) certification, which certifies that the laboratories have technical capabilities and quality standards mutually recognized by international institutions. Once certified, test reports and calibration certificates issued by the laboratories can bear the certification symbol to prove applicable capabilities. For contents of products and services, please see the company website (<http://www.fpcc.com.tw/>).

Creative Thinking, Integrated Research and Development, Lower Risk

Individual facilities under FPCC are configured with their own process improvement department, where professional chemical engineering technicians are devoted to researching process improvements; they research and develop technologies to improve specific items so as to stabilize production, enhance the production volume, bring down costs, increase the production value, reduce energy consumption, and minimize pollution and emissions, among other goals to lower operating risks.

◆ R&D expenses

Unit: Thousand NTD

Year	2021	2022	2023
R&D expenses	640,753	764,406	703,015

Operational Performance

FPCC's consolidated revenue was NT\$712,576,194 thousand in 2023, down 16% compared to 2022. Consolidated net profit before tax was NT\$24,693,679 thousand, up 45.5% compared to the previous year.

Operational performance

Unit: Thousand NTD

Item	2021	2022	2023
Operating income	620,062,326	848,048,496	712,576,194
Operating cost	554,282,477	831,832,945	685,553,532
Net operating margin (loss)	65,779,849	16,215,551	27,022,662
Total operating expenses	10,602,464	10,795,414	11,618,107
Operating profit (loss)	55,177,385	5,420,137	15,404,555
Total non-operating income and expenses	5,307,590	11,548,259	9,289,124
Pre-tax profit	60,484,975	16,968,396	24,693,679
Income tax costs (profit)	11,121,093	2,568,734	2,817,825
Current after-tax net profit	49,363,882	14,399,662	21,875,854

Unit: Thousand NTD

Item	2023
Operating income (A)	712,576,194
Non-operating income (B)	9,289,124
Economic value distributed (C)	719,041,343
Operating costs	687,686,317
Employee salaries and benefits	8,966,051
Payment to investors	19,051,919
Payment to governments by country	2,817,825
Social investment	519,271
Economic value retained (A)+(B)-(C)	2,823,935



Financial ratios


Item	2021	2022	2023
Return on assets (%)	11.83	3.37	5.32
Return on equity (%)	14.64	4.24	6.64
Profit margin (%)	7.96	1.70	3.07
After-tax earnings per share (NTD)	5.19	1.51	2.30

Dividend distribution

Item	2021	2022	2023
Dividend per share	3.78	1.05	2
Average closing price	99.81	88.78	82.97
Dividend yield	3.79%	1.18%	2.41%
Interest rate of one-year term deposit	0.78%	1.11%	1.6%

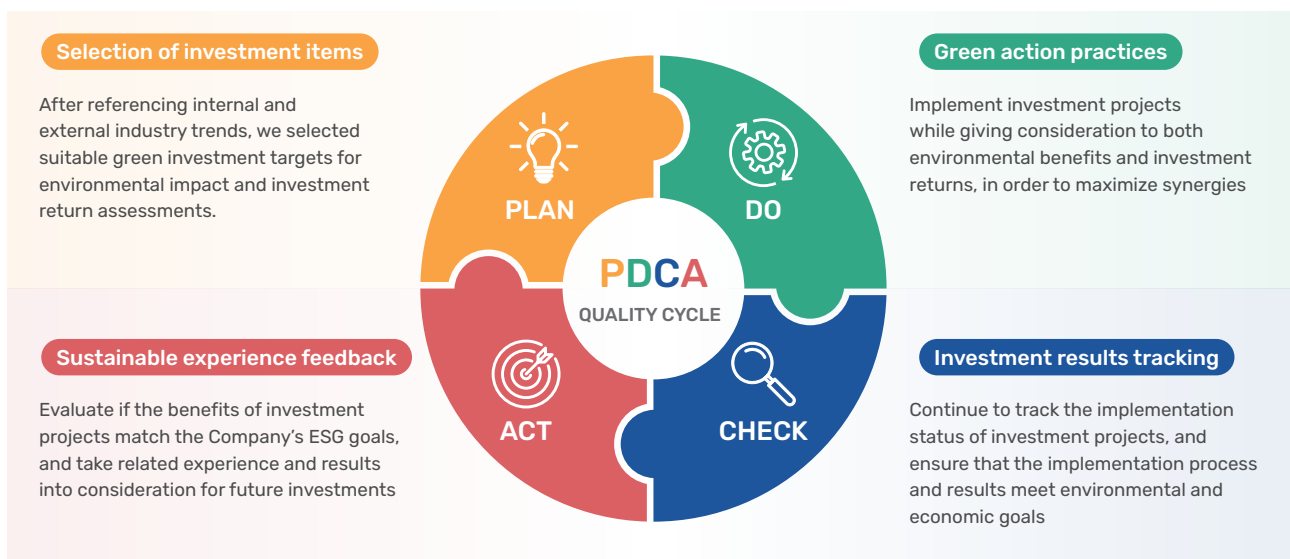
1.3 Creating a Green Future

Management Approach (MA) for Material Topic

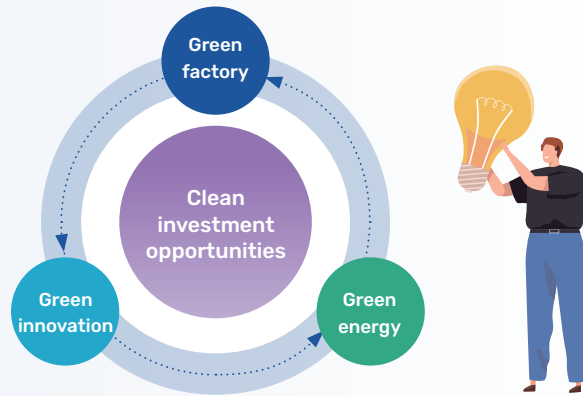
<p>Material Topics</p>  <p>Green transition and investment in innovation</p>	<p>Material Topic Management Policy</p> <p>Combine the trend of circular economy and green processes, continue to improve production efficiency and product value, and improve energy use efficiency through clean energy investments to lower external environmental costs and achieve the vision of sustainable development</p>			<p>International Frameworks and Corresponding Indicators</p> <p>GRI3-3</p>
<p>Description of Impact</p>	<p>Green transition and investment in innovation enhances the Company's competitiveness and enables the Company to respond to changes in regulations and trends related to climate change. However, it may cause a change in the Company's production and sales structure, and some technologies are not yet mature or have not reached commercial scale, so it will have a negative impact on short-term business performance.</p>			
	<p>Actual</p>	<p>Potential</p> <p>✓</p>	<p>Positive</p> <p>✓</p>	<p>Negative</p>
<p>Management Actions</p>	<p>Increases production efficiency and product value</p>		<p>Promote circular economy and low-carbon transition</p>	
<p>Results Tracking</p>	<ul style="list-style-type: none"> Use AI technology to build smart factories. A total of 58 projects were completed in 2023, with annual benefits of approximately NT\$181 million. 		<ul style="list-style-type: none"> Achieved emission reduction of 274,000 tons CO₂e/year, saved 184,713 MWh of electricity/year, and saved 57,000 tons of water/year. 	

Meaning to FPCC and Management Approach

The economic outlook is still full of uncertainties due to the potential recession brought by inflation and rising interest rates, as well as the geopolitical risks brought by the Russo-Ukrainian War and deteriorating U.S.-China relations. To maintain FPCC's leadership, we have monitored the progress in clean technology and industry innovations, and comprehensively evaluated market trends, investment conditions, and expected benefits according to internal investment management regulations. We conduct rolling reviews of investment results to protect stakeholders' interests while obtaining environmental benefits.



The Company has dedicated years of effort to AI process optimization, and has made eco-friendly improvements. We have focused on process optimization and circular economy to improve the efficiency of resource use and mitigate environmental impact. In response to the trend of environmental protection in recent years, we further planned an energy conservation and carbon reduction path and searched for more active and comprehensive environmental measures, including green factory, green energy, and green innovation.



Green factory

Item	2023 Performance	Short-term plans (1 to 2 years)	Mid-term plans (3 to 5 years)	Long-term plans (5 years and above)
Smart factory	Use AI technology to build smart factories and optimize production to improve productivity and product value. A total of 58 projects were completed in 2023, with annual benefits of approximately NT\$181 million.	Continue to deepen the application of AI, Internet, and automated production technologies in process optimization, equipment warning, abnormality monitoring, and quality inspection, and exert every effort in digital transformation to improve production/sales efficiency.		Continue to expand the application of digital technology in production/sales and management, and evaluate application scenarios and the necessity of adopting emerging technologies, such as 5G and blockchain
Circular economy and low carbon transformation	In 2023, a total of 229 improvement related to circular economy and low-carbon transition were completed, achieving emission reduction of 274,000 tons CO ₂ e/year, saving 184,713 MWh of electricity/year, and saving 57,000 tons of water/year.	<ol style="list-style-type: none"> A total of 417 projects related to circular economy and low-carbon transition are expected to be completed, which is expected to reduce emissions by 372,000 tons CO₂e/year. Continue to promote the reduction of process energy use, manufacturing process optimization, equipment efficiency improvement, and various energy conservation and carbon reduction projects at each factory 	There are currently 610 ongoing improvement cases, and their effectiveness will be evaluated after completion.	<ol style="list-style-type: none"> Continue to look into the recycling and reuse methods of process resources through industry-government-academia collaboration and international exchanges, in order to achieve carbon reduction, decontamination, and maximization of resource efficiency Continue to implement process optimization and improvement, and use more efficient production technologies and equipment based on industry trends
Green buildings	Use LED lights in offices and process areas, and improvement projects that have been completed can reduce electricity consumption by 9,930 thousand kWh/year	<ol style="list-style-type: none"> There are currently 59 ongoing electricity and lighting system improvement projects, which is expected to reduce electricity consumption by 1,330 thousand kWh/year Gradually adopt the use of solar power in administrative areas and dormitories 		Implement improvements for building energy conservation, waste reduction, and eco-friendly goals according to the 9 indicators of green buildings

Green energy



Item	2023 Performance	Short-term plans (1 to 2 years)	Mid-term plans (3 to 5 years)	Long-term plans (5 years and above)
Solar power	Inventorized all rooftops of plants and land owned by the Company, reviewed the feasibility of establishing solar power plants after comprehensively considering safety and benefits, and then include them in future plans for renewable energy	Expected to complete 13 solar power plants with total installed capacity of 25.6MW and reduce carbon emission by 28,000 tons CO ₂ e/year	Expected to complete 22 solar power plants with total installed capacity of 5MW and reduce carbon emission by 5,000 tons CO ₂ e/year	17 solar power plants with total installed capacity of 15.4 MW are currently being evaluated, and are expected to reduce carbon emission by 17,000 tons CO ₂ e/year
Wind power	Planned the installation of 6 wind turbines with total installed capacity of 25.2 MW outside the Mailiao Plant, which is expected to reduce carbon emissions by 50,000 tons CO ₂ e/year	<ol style="list-style-type: none"> Continue to make progress in the environmental impact for the wind turbines Carry out geological exploration, airline survey, preliminary engineering design, and construction of wind power plants 		Continue to evaluate the feasibility of independently or jointly investing in onshore and offshore wind power plants
Hydroelectric power	Complete the feasibility evaluation for constructing a 300 kW S-type hydroturbine at Luchangke canal and small hydroelectric power plant in Yunlin County	Handle tasks related to the construction of a 300 kW S-type hydroturbine at Luchangke canal and small hydroelectric power plant in Yunlin County, including equipment requisition, land permit application, electricity purchase contract, and construction; the power plant is expected to be completed and begin electricity generation in 2025		Continue to evaluate the feasibility of hydroelectric power applications at each site
Low carbon energy development	9,198 tons of refuse derived fuel was used to replace a portion of coal use and reduced carbon emissions by 6,972 tons CO ₂ e/year, while reducing waste	<ol style="list-style-type: none"> Continue to conduct review and communicate with government agencies to increase the ratio of mass-burning of fuel derived from waste Evaluate the feasibility of mass-burning biomass fuel, such as wood pellets, from the Utilities Department 		<ol style="list-style-type: none"> Evaluate the feasibility of applying hydrogen power, including hydrogen power generation, hydrogen fuel cells, and related applications Evaluate the use of ammonia to replace a portion of coal used by the Utilities Department as fuel for electricity generation

Green innovation

Item	2023 Performance	Short-term plans (1 to 2 years)	Mid-term plans (3 to 5 years)	Long-term plans (5 years and above)
Carbon capture/sequestration	Evaluate the development and application of carbon capture/sequestration technology around the world, and engage in industry-academia collaboration in evaluating the potential of Yunlin's land-sea coastal border for geological storage of carbon dioxide and conducting seismic tests	<ol style="list-style-type: none"> Continue to engage in industry-academia collaboration; carry out the construction, grouting, and monitoring of a small scale carbon storage testing site to evaluate the feasibility of developing commercial operations; related tasks include site selection, geological modeling, reflection profiling on land, drilling design, environmental assessment, and related construction work In the future, we will cooperate with the government's net zero path and strategy, continue to track global development trends in carbon capture/sequestration technology, as well as related reuse paths, and then gradually apply them when technologies are relatively mature. 		

1.4 Partnership Maintenance

Management Approach (MA) for Material Topic

<p>Material Topics</p>  <p>Stability of Imported Materials</p>  <p>Oil Products Transportation and Storage Safety</p>	<p>Material Topic Management Policy</p> <p>Our main raw materials include crude oil and naphtha. Raw material purchase affects the steady operation and production cost of our processes. Hence, it is necessary to effectively maintain stable raw material supply.</p> <p>We use long-distance pipelines to replace oil tankers for domestic oil product transportation, in order to achieve energy conservation and carbon reduction and reduce traffic accidents</p>			<p>International Frameworks and Corresponding Indicators</p> <p>GRI3-3</p> <p>GRI3-3; 11.8</p>
<p>Description of Impact</p>	<p>Actual</p>	<p>Potential</p>	<p>Positive</p>	<p>Negative</p>
<p>Management Actions</p>	<p>Supply chain management</p>	<p>Transportation safety</p>		<p>Customer Relationship Management</p>
<p>Results Tracking</p>	<ul style="list-style-type: none"> Supplier/Contractors did not have any major risks, such as child labor, forced labor, freedom of association, and collective bargaining in 2023. The commitment's response rate was 99% and the questionnaire's response rate was 97% in 2023. 	<ul style="list-style-type: none"> The "AI identification system for abnormal intrusion by personnel along long-distance pipelines" was installed to manage the safety of long-distance pipelines. No leakage incidents occurred in 2023. Implementation of driving safety improvement measures, including personnel training and communication meetings, 12 times a year. 	<ul style="list-style-type: none"> We did not receive any customer complaints about privacy violation or data leakage in 2023. All indicators were higher than "Satisfied" in the 2023 customer satisfaction survey. 	

Supply Chain Management

In the industrial value chain, FPCC has been keeping a desirable relationship with all partners. Our suppliers and contractors mainly include manufacturers, distributors, or dealers and engineering contractors (construction or outsourced design, etc.).

Management Policy

We have MAs in place for the management of suppliers and contractors. These policies fulfill quality and industrial safety requirements. In addition, efforts are made to require that manufacturers doing business with us meet environmental protection, industrial safety, and human right requirements in compliance with fair trade principles. Suppliers are required to 100% comply with the Company's suppliers and contractors management policy. If suppliers are found to have a negative impact on the environment and do not comply with the Company's regulations, they will be rejected and rated for subsequent dispositions. It is our hope to jointly pay attention to and minimize environmental impacts associated with operations with the value chain, and help each other on the road to sustainability.



Raw Materials Procurement Management Policy

Local procurements accounted for 7% of the Company's total procurement amount in 2023 due to the special nature of the industry, which relies on imports for the main raw materials (crude oil, naphtha), accounting for 90% of all procurements. If the main raw materials are excluded, local procurements account for 74% of procurements. Hence, raw material procurement has a massive effect on the Company, and the Company has adopted the following methods to maintain stable raw materials supply:

Raw materials import	FPCC, with our optimal refining techniques and sufficiently flexible processes, can purchase different types of crude oil from different oil producing countries. We have entered into long-term purchase agreements with overseas oil and coal suppliers to diverge risks.
Development of diversified feed	We replaced part of naphtha operations with LPG, and minimized our dependency on naphtha. This helps properly mitigate the effects of an unstable supply of raw materials and controls our material purchase costs.
Adjustment of own capabilities	Ensures stable supply for processes.

Implementation of Management and Evaluation

Suppliers that intend to apply for business dealings with the Company must pass a documentary evaluation, and will be subjected to an on-site evaluation when necessary. We will only begin business dealings with suppliers that pass the evaluation and a profile is set up. If a supplier makes a late delivery, delivers products with poor quality, or is found in violation of labor safety rules, the supplier will be automatically listed in the supplier evaluation mechanism, and the Procurement Department will evaluate whether or not to blacklist the supplier. This allows us to select excellent partners for long-term cooperation.

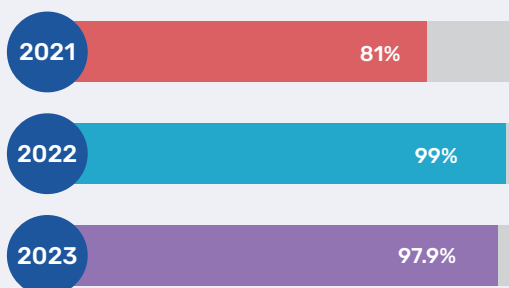
We require suppliers to comply with government laws and regulations during each procurement, including: applicable industrial safety qualification, ISO qualification, indication of hazardous materials, and illustration. Manufacturers need to properly recycle used containers or carrying aids, and give priority to products made by organizations for persons with disabilities. Suppliers are asked to precisely follow the requirements in the Quotation and Order Notice, and the Company's stance on upholding the spirit of sustainable management and requirements to comply with fair trade principles is stated in the forms above. Our goal is for vendors we do business with to meet requirements on environmental protection, labor safety, and human right, otherwise we will reject their products.

We began requiring vendors to sign the "supplier/contractor social responsibility commitment" and administering the "supplier/contractor social responsibility questionnaire" in 2019, so that vendors will understand our philosophy and jointly fulfill their social responsibility. Vendors are required the sign the commitment and respond to the questionnaire when they log into Formosa Technology E-Market Place or after placing an order, and are required to comply with related regulations. The environmental and social impact assessment was based on 1,579 commitment letters and 1,575 questionnaires, and the assessment results found no significant or potential negative impacts.

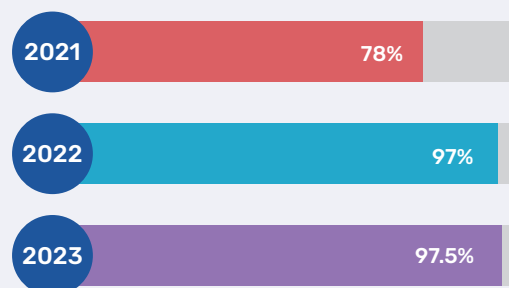
Vendor evaluations are arranged in the following year as needed based on the response to the "supplier/contractor social responsibility commitment" and "supplier/contractor social responsibility questionnaire" in the previous year, ensuring that our vendors fulfill their CSR according to requirements. Supplier evaluation results in 2023 showed that there were no major risks, such as child labor, forced labor, freedom of association, and collective bargaining.

Response rate

Supplier/Contractor Corporate Social Responsibility Commitment

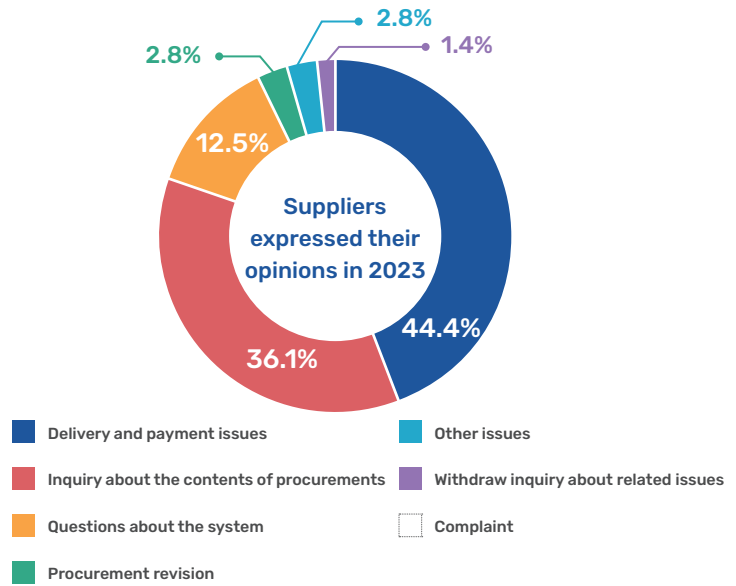


Supplier/Contractor Corporate Social Responsibility Questionnaire



Supplier Opinion/Complaint Mechanism

Formosa Technology E-Market Place has a professional customer service center to provide suppliers with complete consultation services around the clock for questions regarding use of the Company's online price quotation platform or questions about the Company. Furthermore, Formosa Technology E-Market Place has a report and complaint platform with dedicated personnel to look into and respond to reports. Suppliers expressed their opinions in 72 cases in 2023, which can be broken down as follows:



Green Procurement

To reduce carbon emissions from vehicles making deliveries, we worked together with freight forwarders in implementing electronic operations for concentrated delivery by suppliers. As of the end of 2023, electronic operations for concentrated delivery by suppliers reached 97.23%.

Furthermore, we have replaced paper invoices with electronic invoices, and 91.6% of the vendors we do business with are also using electronic invoices as of the end of 2023.

The use of products with the Green Mark reduces resource consumption, reduces environmental pollution, and mitigates the impact on Earth. It can also drive suppliers to develop green products, and elevate the production of green products in Taiwan. We procure 307 green products, including plastic pallets, toner cartridges, and fluorescent lamps, and the procurement amount of green products recognized by the government was NT\$107 million in 2023.



Ratio of electronic invoices over the years



Authorized Economic Operator (AEO) Certification

AEO certification means that government-approved businesses and their Upstream and Downstream partners, that is, the overall supply chain, are safe and the trade safety measures meet the criteria for quality businesses. This will be a growing trend for international trade in the future, and also one of the prioritized policies to be promoted by our customs authority.

We started the AEO certification process in June 2013 and completed all the items requiring certification in less than six months. We became a certified AEO on December 6, and also became the largest business to obtain the AEO certification in Taichung Customs' history.



Raw Materials and Oil Products Transportation Safety

The Company transports raw materials and oil products via land and sea transport, in which land transport includes underground long-distance pipelines and tank trucks. There were no leakage incidents due to transport in 2023.

Land Transport

Underground long-distance pipeline transportation

The Company's four 12" underground pipelines for long-distance transportation stretch 226 km along the west coast highway from the Mailiao Plant to the storage and shipping station at Taipei Harbor in Bali, New Taipei City, transporting unleaded gasoline, aviation fuel, and diesel.

Segment	Length	Type of Oil Product
Mailiao Plant to Changhua Coastal Station	48km	Lead free gasoline, diesel, aviation fuels
Changhua Coastal Station to Taoyuan Station	144km	
Taoyuan Station to Taipei Station	34km	
Total	226km	
Branch to Taoyuan International Airport	24km	Aviation fuel

Underground long-distance pipeline safety management

To ensure that transportation through long-distance pipelines outside the premises is safe, we inspect the pipelines on a daily basis. In addition, we perform cathodic protection potential tests on a quarterly basis. To effectively protect the pipelines from corrosion-resultant leaks, we periodically commission professional service providers to do pipeline current mapping (PCM) or close interval potential survey (CIPS) for the testing of the integrity of the enveloping layer of underground pipelines, and use a smart pipeline inspection gauge (PIG) to inspect the thickness of pipelines. Meanwhile, we have set up surveillance systems at important facilities in addition to transportation and storage monitoring systems. In 2023, we collaborated with Chang Gung University in implementing AI image recognition technology to prevent people from stealing oil from valve boxes along the long-distance pipeline from Mailiao Plant to Taipei or damaging important facilities such as the converting station. If someone intrudes into the restricted area for over 40 seconds, the system will accurately identify the person and immediately send a warning, the control room will broadcast and sound the alarm to drive away the person, and then inspection personnel will go to the site to handle the situation, in order to ensure the safety of transportation operations.

There were no long-distance pipeline leakage incidents for **11** consecutive years



Tank Trucks Transportation

There was 0 traffic accident in 2023. The land transportation company (Sixth Naphtha Cracker Forwarding) we have worked with for years has been involved in fewer traffic accidents compared with the average in Taiwan at 0 accidents per million kilometers in 2023.

2023

There were no leakage incidents involving finished product transportation in 2023

Statistical Analysis of Accidents in the Past 3 Years

Year	Number of Traffic Accidents	Number of Traffic Accidents per Million Kilometers ^{Note}	
		Transportation Company	Taiwan
2021	0	0	3.38
2022	1	0.12	4.71
2023	0	0	5.30

Note: Using the data announced by the Department of Statistics, Ministry of Transportation and Communications for calculation, we multiplied the number of traffic accidents by the ratio of trucks to all registered vehicles, and divided it by a million kilometers to obtain the number of traffic accidents per million kilometers.

Implementation of Driving Safety Improvement Measures

To ensure traffic safety and lower the number of traffic accidents, we required our subordinate transportation company (Sixth Naphtha Cracker Forwarding) to make improvements in personnel training, equipment upgrade, in hopes of maintaining zero accidents and reducing the hazards and risks of drivers.

◆ Carrying out tank truck accident emergency response drills



◆ Transportation safety meetings for transportation companies



Safety training: We periodically organized transportation company safety meetings, including descriptions of the implementation of the Management Regulations for External Vehicles Assisting with Transportation, vehicle safety device explanation, implementation of joint defense organization for emergency response to hazardous objects, and review of abnormalities in driving and loading/unloading operations, in hopes of jointly improving traffic safety capabilities.

Maritime Transportation

To ensure the smooth transportation of crude oil and oil products to their destinations, Formosa Plastics Marine Corporation, a subsidiary of the Formosa Plastics Group, is responsible for transportation. The company's oil tankers and oil & chemical tankers are certified by the OCIMF, CDI, ENOC (oil company of the United Arab Emirates), and Chevron (the second largest oil company in the United States), and have reached international management standards. There were no ocean pollution incidents in 2023.

There were no ocean
pollution incidents for
13 consecutive years

◆ Ship emergency response drills

Coastal drills are regularly held, and review and training is conducted after the drills end to correct deficiencies in the drill.



Customer Relationship Management

Building good partnerships is an important issue that FPCC has always been highly concerned about. We are constantly engaging in innovation and assist customers in obtaining high quality competitive products. We strive to become a trustworthy business partner of our customers that grows together with them. In order to strengthen customer relations, representatives from our business department will periodically visit customers and create interactive and timely communication channels that help include feedback from customers in our operations, and use the feedback to make future improvements.

Disclosure of Product Information

On the FPCC's official website (<http://www.fpcc.com.tw/tc/products1.php>), descriptions of specifications and safety data sheets of various oil products and the latest oil price information are available in the "Products and Services" section.

Customer Feedback and Management

To understand the precious opinions of our customers, we have defined specific procedures for customers to file complaints, return or exchange goods, and apply for compensation. Customers can express their opinions through the Customer Feedback Form, service hotline provided on our website, and e-mail. We will periodically summarize issues of concern to customers, and then classify and analyze the issues based on their importance and urgency. The priority of improvements that need to be made is determined on this basis. For complaints about products, sales representatives fill out the "Complaint Handling Form" and keep records of the handling status in the computer. With regard to channels for customers to express their opinions, we did not receive any customer complaints about privacy violation or data leakage in 2023.

Customer Satisfaction Survey

In order to enhance customer satisfaction, opinions about and suggestions for various products and services of FPCC are collected from customers. Meanwhile, to fulfill the commitment to quality of ISO 9001 and to demonstrate our emphasis on customer satisfaction, we will perform customer satisfaction survey at least once a year at present targeting domestic and international customers. The survey covers eight major domains, namely, product characteristics, product quality, product lead time, product price, service attitude, technical service, brand image, and overall satisfaction. Questions included in the survey will be modified as per issues of concern for customers. Revise issues that customers are concerned about.

The results of the 2023 Customer Satisfaction Survey show that we received a score higher than "Satisfied" (4 points) in all aspects. FPCC will include the suggestions provided by customers into our operational policy in order to live up to the expectations of the general public.

Results of customer satisfaction questionnaire surveys over the years

Year	Product Characteristics	Product Quality	Product Lead Time	Product Price	Service Attitude	Technical Service	Brand Image	Overall Satisfaction	Average
2021	4.6	4.7	4.6	4.6	4.6	4.6	4.4	4.6	4.6
2022	4.6	4.6	4.6	4.3	4.7	4.6	4.6	4.6	4.6
2023	4.7	4.7	4.7	4.4	4.8	4.7	4.7	4.7	4.7

Customer Feedback

We attach great importance to the feedback of all customers. It is the greatest motivation for us to make progress. Besides strictly maintaining quality to provide high quality products, we are also developing employees' character and service attitude, transforming slogans into actual actions, so that customers will gain a satisfying experience through every interaction in the purchase process, and thereby build trust in our brand.

Public Policy and Membership in Associations

Donation and Political Contribution Policy

Our donations are based on considerations to give back to communities and fulfill our CSR. We did not make any political donations for lobbying, and any donations to a related party or a major donation, which exceeds NT\$100 million, to a non-related party must be approved by the Board of Directors.

The Company's donation proposals approved by the Board of Directors in 2023

Unit: Thousand NTD

Date approved by the Board of Directors	Recipient	Donated value
2023.02.24	Kaohsiung City Formosa Wang Brothers Park Cultural Foundation	90,382

Participation in Non-Profit Organizations

In order to help industries in Taiwan improve their operation outlook, FPCC has been proactively participating in various industrial associations and societies by serving as chairman, director/supervisor, and representative at the said organizations. We conduct exchanges with counterparts on operational experience through associations and organizations, and share the latest market intelligence, supply and demand changes, and technical information, in hopes of making contributions to the industry as a whole. Important positions held by the Company in various associations are described below:

Name	Role	The Company's Representative
Chinese Petroleum Institute	Standing director	Chairman Bao Lang Chen
	Director	President Mihn Tsao
Petrochemical Industry Association of Taiwan	Director	President Mihn Tsao
	Consultant	Chairman Bao Lang Chen
Sino-Arabian Cultural & Economic Association	Standing director	Chairman Bao Lang Chen
Taiwan Institute of Chemical Engineers	Director	President Mihn Tsao
Center for Corporate Sustainability	Director representative	Chairman Bao Lang Chen
Taiwan Russia Association	Director	President Mihn Tsao
Taiwan Chemical Industry Association	Standing director	President Mihn Tsao
Taiwan Cogeneration Association	Director	Senior Vice President Chia-Hsien Hsu
Taiwan Responsible Care Association	Director	Team leader Ming-Che Weng

Procedures for Communicating Critical Concerns

Explanation of the Company's investment in Louisiana, USA

The Company originally planned to invest a total of US\$9.4 billion in Louisiana, USA. We originally planned to build an ethane cracker and downstream plants in St. James Parish, Louisiana. It was originally expected to create 1,200 jobs and make massive economic contribution to local communities.

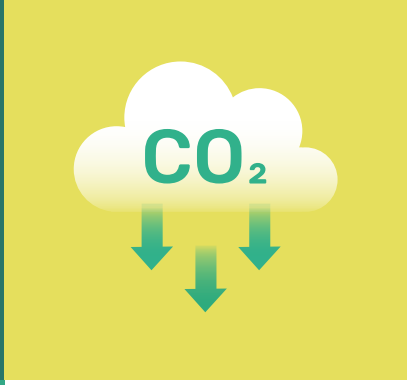
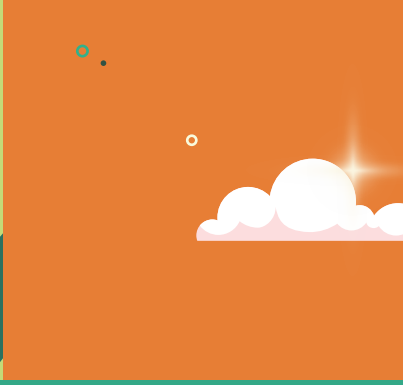
The investment was carried out by the Delaware-based company "FG INC" and its wholly-owned Louisiana-based subsidiary "FG LA LLC." FG INC is a subsidiary in which the Company holds 57% shares and has a capital of US\$377 million; the Company's capital contribution was US\$215 million. The investment project had already obtained all of the environmental impact assessment permits needed in 2020. However, the project was impacted by the COVID-19 pandemic and protests from environmental protection groups, in which the court ruled that "emission permit" to be valid in the lawsuit brought by the state government, but the "development permit" issued by the Army Corps of Engineers has yet to be resolved. The entire project is currently on hold, and the Company will re-evaluate after related issues are clarified.

I. Regarding the emission permit:

The State of Louisiana Government appealed against the ruling of the district court of Louisiana to revoke the exhaust emission permit issued by the environmental protection department. On January 19, 2024, the Louisiana First Circuit Court of Appeals ruled to overturn the original decision of the 19th Judicial District Court to revoke the emission permit. The emission permit obtained by FG INC is still valid. The parties in this case are the State of Louisiana Government against the local environmental protection group, FG INC only assisted by providing relevant information to the state government and is not a party to the litigation.

II. Regarding the development permit:

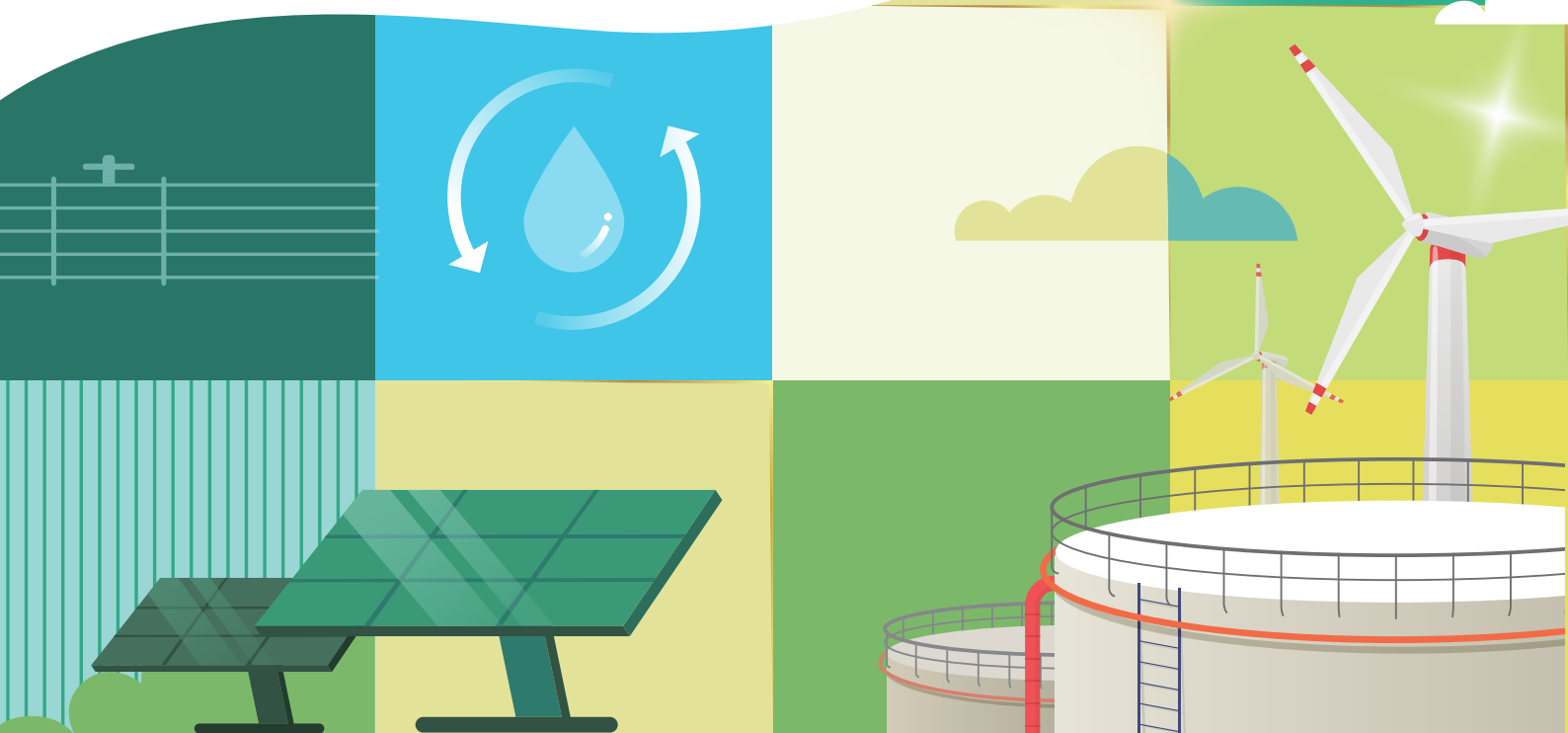
Due to the environmental protection policy of the Biden administration, U.S. federal officials requested the regional branch of the Army Corps of Engineers issue an Environmental Impact Statement (EIS) for the Louisiana investment project, and the land development permit issued by the Army Corps of Engineers was temporarily put on hold.



CH2 ✨

Creating a New Green Appearance

To achieve sustainable development, FPCC promotes the circular economy of raw materials, water resources, energy, and waste across plants and companies, and aims to achieve energy conservation and carbon reduction, resource integration, and zero waste.



Strategic Actions

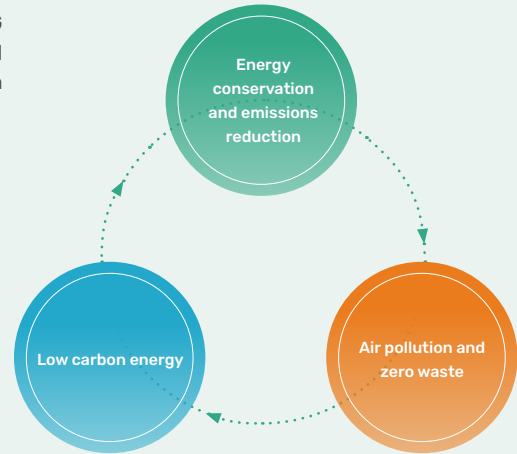


Commitment in Operations

Effective management is carried out in four aspects, namely GHG reduction, air pollution prevention, water resource treatment, and waste reduction, to achieve water conservation, energy conservation and emission reduction, low carbon energy, and zero waste.

Development Strategy

- Energy conservation and emissions reduction: Continue to implement projects for process improvement, circular economy, and energy management to improve carbon reduction, water conservation, and electricity conservation performance
- Low carbon energy: Accelerate the development of renewable energy, continue to develop low carbon fuel and materials, improve energy use efficiency, and develop multiple streams of revenue
- Air pollution prevention and zero waste: Use advanced process equipment to reduce air pollution and waste, and strengthen air pollution monitoring and waste disposal ability

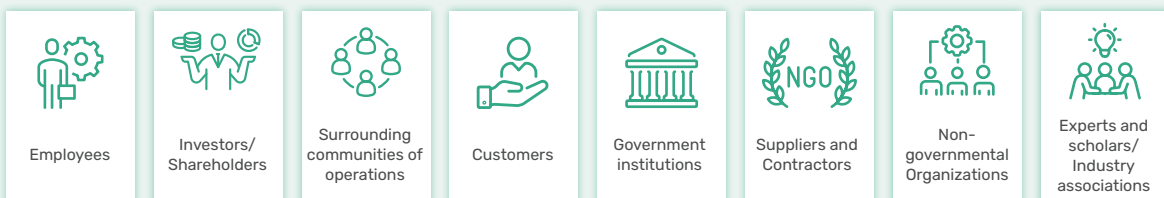


Scope of Impact of Material Topic

Material Topics	Financial Impact	Value Chain						
		Crude oil drilling/mining	Crude oil purchasing	Oil products transportation	Refining	Fundamental materials	Sales	Community services
Climate Change Strategy	Medium	-	-	-	●	-	-	◆
GHG Management	High	-	-	-	●	-	-	◆
Air Pollution Prevention	Low	-	-	-	●	-	-	◆

- **cause:** An organization's activities cause an impact
- ◆ **contribute to:** The activities of an organization causes, contributes to, or induces another entity to cause an impact
- ▲ **directly linked to:** Despite an organization not causing or contributing to an impact, its operations, products, or services may still cause an impact through business relationships

Stakeholders





✓ Achieved ⚠ Ongoing

Targets in 2023

Climate Change Strategy and GHG Management

- ✓ • Participate in the Carbon Disclosure Project (CDP)
- ⚠ • Reduce unit energy consumption by 6.2%, unit water consumption by 0.3%, waste burial by 4.7%, and unit electricity consumption by 3.5% each year
- ✓ • Invested approximately NT\$1.04 billion in energy conservation and carbon reduction plans in 2023, and reduced GHG emissions by approximately 274,000 tons CO₂e
- ✓ • Reduced GHG emissions by 202,325 tons CO₂e in 2023 in response to the GHG reduction audit by the Industrial Development Administration, Ministry of Economic Affairs
- ✓ • Used 9,198 tons of solid recycled fuel (RDF or SRF) to replace coal in 2023, and reduced GHG emissions by approximately 6,972 tons CO₂e

Air Pollution Prevention

- ⚠ • WESP is expected to be installed in a total of 17 units and the installation of 8 units have been completed
- ⚠ • A total of 15 units are expected to improve the optimal dosage of ammonia injection, and 4 units have been completed.
- ⚠ • Of the 30 inner float tanks undergoing tail gas recovery improvements, 11 have been completed

Targets in 2024

Climate Change Strategy and GHG Management

- Continue to participate in the Carbon Disclosure Project (CDP)
- Continue to reduce unit energy consumption by 1%, water consumption by 1%, waste burial by 1%, and electricity consumption by 1% each year
- Continue to implement energy conservation measures
- Continue to support the industry GHG reduction audit by the Industrial Development Administration, Ministry of Economic Affairs
- Continue to engage in low carbon transformation

Air Pollution Prevention

- Arrange for the installation of WESP during regular inspections of units
- Replace the ammonia injector and improve the optimal dosage of ammonia injection during regular inspections of units
- Continue to improve tail gas recovery from inner float tanks

Mid-term and Long-term Goals

Climate Change Strategy and GHG Management

- Evaluate investments in renewable energy generation facilities (wind power, solar power) and energy storage systems
- Evaluate investments in hydrogen power and ammonia industries
- Evaluate investments in carbon capture and use (CCU)
- Evaluate investments in the recycling and reuse of waste oil and plastic
- Cooperate with the long-term goal of achieving carbon neutrality by 2050



2.1 Climate Change Mitigation and Adaptation



Management Approach (MA) for Material Topic

<p>Material Topics</p> <p>Climate Change Strategy</p>	<p>Material Topic Management Policy</p> <p>Formulate and plan the Company’s sustainability strategies based on the risks and opportunities brought by climate change according to the four-core framework of the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)</p>				<p>International Frameworks and Corresponding Indicators</p> <p>GRI3-3, 11.2</p>
<p>Description of Impact</p>	<p>By formulating climate strategies, FPCC can immediately understand major “transition” and “physical” risks caused by the climate, and further formulate “mitigation” and “adaptation” action plans to reduce the overall risks related to climate change, while improving the efficiency of resource use and effectively reducing costs.</p>				
	<p>Actual</p> <p>✓</p>	<p>Potential</p>	<p>Positive</p> <p>✓</p>	<p>Negative</p>	
<p>Management Actions</p>	<p>Regular climate scenario analysis</p>	<p>Green factory</p>	<p>Green energy</p>	<p>Green innovation</p>	
<p>Performance of Actions in 2023</p>	<p>For the first time, IPCC AR6 was used to conduct climate risk scenario analysis to understand the physical and transition challenges faced.</p>	<p>Reduction of process energy consumption: Reduced GHG emissions by 95,169 (tons) in 2023, and completed a total of 89 carbon reduction projects</p>	<p>The planning of green electricity in plants includes 32 solar power sites with total installed capacity of 19 MW</p>	<p>Industry-academia collaboration in the development of carbon sequestration technology and a survey of the Mailiao coastal area.</p>	

FPCC discloses information on climate change and the risks and opportunities they bring according to the four-core framework of the TCFD, and formulates adaptation and mitigation strategies on this basis. Disclosures are as follows:

Management Strategies and Action Plans	Implementation status
<p>Governance</p> <p>The chairperson serves as the convener and supervisors are separately appointed for environmental (E), social (S), and governance (G) affairs.</p>	<ul style="list-style-type: none"> Cooperate with policies to achieve the goal of carbon neutrality by 2050 Disclosed the Company’s “2023 TCFD Report” in June 2024. Convene quarterly work meetings to supervise environmental protection plans and report implementation results to the chairman
<p>Strategy</p> <ol style="list-style-type: none"> Understand the impact of climate change on FPCC through scenario analysis Adjust FPCC’s business direction in response to the government’s carbon reduction policy Incorporate the SDGs into the decision-making process 	<ul style="list-style-type: none"> Identify the impact of acute extreme weather events and chronic climate trends on financial risks Develop low carbon products
<p>Risk Management</p> <p>Use the risk make and reference recommendations in the TCFD report to identify and assess risks and opportunities</p>	<ul style="list-style-type: none"> Consider transition risks and physical risks, and describe the risk of events that may potentially occur, including the degree of financial impact, time of impact (short-, mid-, and long-term), subjects impacted in the value chain, and probability of risk. Aspects considered in the evaluation of opportunities include: improving the efficiency of resources, other alternative energy, low carbon products and services, low carbon product market, and adaptability.
<p>Indicators and Goals</p> <ol style="list-style-type: none"> Departments reduce energy consumption by 1%, water consumption by 1%, waste by 1%, and electricity consumption by 1% each year Set short-, mid-, and long-term goals for GHG emissions Plan and implement energy conservation and carbon reduction measures 	<ul style="list-style-type: none"> Conduct energy conservation and carbon reduction performance evaluations of factories in the Company, and distribute rewards to factories with excellent performance. GHG emissions in 2023 was reduced by 24.0% compared to 2007 Invested approximately NT\$1.04 billion in energy conservation and carbon reduction plans in 2023

2.1.1 Climate Governance and Strategy

The Company established the Sustainable Development Committee with the chairperson as the convener (as shown in Section 1.1 Corporate Governance), and is a functional committee under the Board of Directors. The President's Office serves as the staff department that brings together supervisors of business units for cross-departmental communication. We identified climate change related risks, and formulated management strategies for strategic risk management.

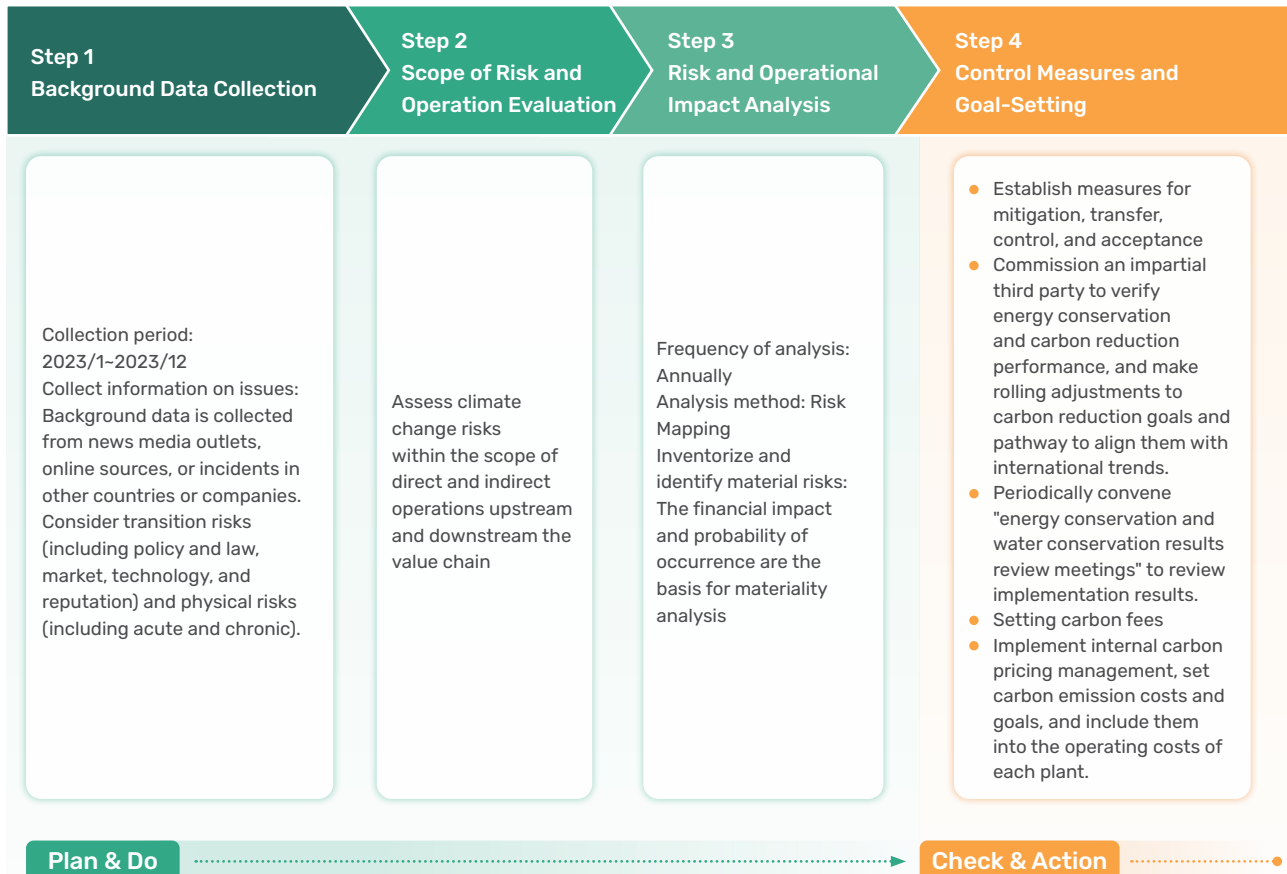
Division of authority and responsibility under the TCFD is shown in the figure below:



2.1.2 Climate Risks and Opportunities

After identifying climate risks and opportunities, risk indicators are evaluated based on the degree of impact and probability. After determining the level of risk and opportunity, short-, mid-, and long-term goals are set for mitigation, transfer, control, and acceptance.

Analysis Process for Climate Change Risk Issues



Analyze results for climate change risk

✦ Climate Change Risk Issue Management Method

Risk Type	Risk Identification Bracket		Describe the Risk Management Approach	Occurrence of events in 2023
	Financial Impact	Likelihood		
High risk	Over NT\$1 billion	Probability of greater than 80%	A corresponding management plan must be prepared to reduce the losses caused by risks, such as reducing the frequency, reducing the financial impact, transferring risks, and avoiding risks	The third reading of the Climate Change Response Act was passed in January 2023, and carbon fees will be collected in 2025.
Moderate risk	Over NT\$500 million	Probability of greater than 50%	No actions currently need to be taken, but changes still need to be monitored	No Occurrence of Events
Low Risk	Remaining issues	Remaining issues	Acceptable risk	No Occurrence of Events

Financial Impact of Climate Change Risk Issue

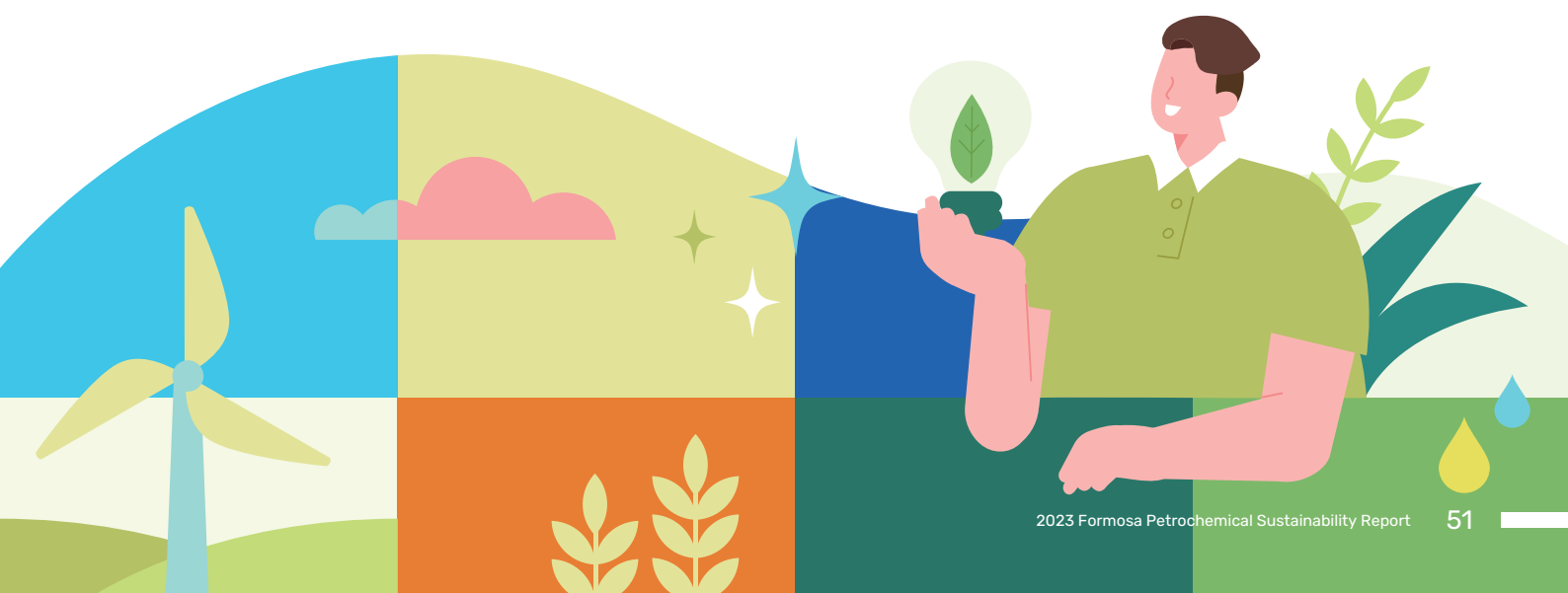
Risk Issues	Risk Type	Main Climate-Related Risk Factors	Business and Financial Impact			Risk Management Plan
			Short-term (2025)	Mid-term (2030)	Long-Term (2050)	
Transition risks						
Policies and Regulations	High risk	Greenhouse Gas Reduction and Management Act – Carbon fee collection: if carbon reduction measures are not implemented, [Carbon emissions not exceeding the quota] each year assuming that carbon fee is NT\$300 per metric ton [Carbon emissions exceeding the quota] For carbon emissions exceeding the quota allocated by the central competent authority, the limit on fines for the volume exceeding the quota is maintained at NT\$1,500 per metric ton.	Estimating based on the GHG emissions of approximately 24.18 million metric tons CO ₂ e in 2023 [Carbon emissions not exceeding the quota] The Company will need to pay NT\$4.6 billion in carbon fees.		[Carbon emissions not exceeding the quota] The Company will need to pay NT\$4.6 billion in carbon fees. [Carbon emissions exceeding the quota] The Company will need to pay NT\$4.6 billion in carbon fees.	The Company already established an internal carbon pricing system and included the cost of carbon emissions in the profit and loss statement. Implementation of energy conservation and carbon reduction plans, gradually transition towards low carbon emissions, and evaluate investments in: <ul style="list-style-type: none"> Renewable energy generation facilities (wind power, solar power) and energy storage systems Recycling and reuse of waste oil and plastic Hydrogen power and ammonia industries

Risk Issues	Risk Type	Main Climate-Related Risk Factors	Business and Financial Impact			Risk Management Plan
			Short-term (2025)	Mid-term (2030)	Long-Term (2050)	
Transition risks						
Policies and Regulations	Low Risk	The Ministry of Economic Affairs announced that starting from February 1, 2023, major water users that consume more than 9,000 m ³ of water in a single month during the dry season will be levied a water conservation charge of NT\$3 per m ³ . The rate can be reduced to NT\$2 or NT\$1 for users who reach the target recycling rate. A grace period will also be given, and water consumption charges for major water users will be halved before June 30, 2025.	Based on the estimated water consumption of 19.33 million tons in the dry season (January to April and November to December) in 2023, the financial impact is estimated at NT\$9.64 million per year.			The Company formulated two strategies for water resources management in response to risks such as drought, water shortage, and water conservation charge. The two strategies are diversification of water sources and water conservation management. In the short-term, we have planned a seawater desalination plant to increase our water sources, and also planned the following water conservation measures: <ol style="list-style-type: none"> Established a desalination plant In order to increase the source of water resources and reduce dependence on fresh water resources, the Company has set up a desalination plant with daily water production of 100,000 tons. Annual water production will reach 17 million tons and can reduce fresh water consumption by 17 million tons per year, which is expected to save NT\$2.89 million in water conservation charges. Implement water conservation measures every year The Company invested a total of NT\$12.1 million to implement 27 water conservation improvement plans in 2023, which saved 157 tons a day with annual improvement benefits reaching NT\$604,000.
Changes in customer behavior	Medium Risk	The International Energy Agency indicated that there will be approximately 240 million electric vehicles on the road before 2040, and will lower global demand on oil by 5 million barrels a day.	-	Estimating based on the daily demand of 26.6 million barrels a day for transportation in 2023, the demand on oil for transportation will decrease by 18.8%, causing the fuel market to shrink, reducing revenue, and causing asset loss.		The Company plans to produce high value products in response to the decrease in demand on oil for transportation, increasing production of high value products in response to the asset losses caused by changes in customer behavior.



Financial Benefits of Climate Change Opportunity Issue

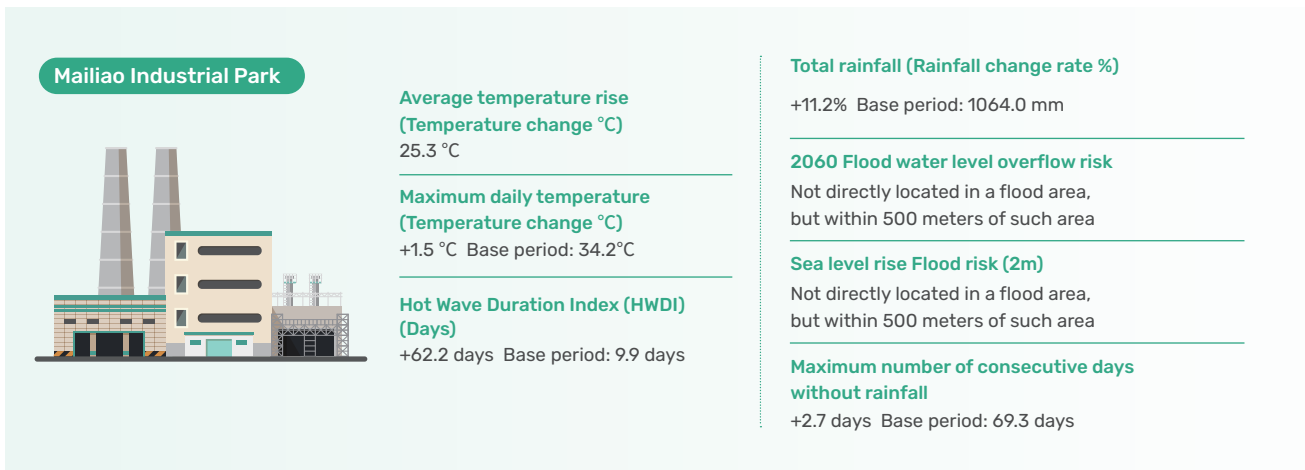
Opportunity Issues	Opportunity Category	Main Climate-Related Risk Factors	Risk Management Plan
Low-carbon energy technology transition	Transformation opportunity	Low Temperature Thermal Power System and Waste Heat Recycling Technology Project	We plan to implement a ten-year GHG offset project (waste heat recycling at low temperatures for electricity generation), and currently expect to obtain carbon rights for 13,220 tons CO ₂ e. Using a carbon fee of NT\$300/ton CO ₂ e for estimation, the potential profit is approximately NT\$3.96 million. The project will generate 1,559,160 kWh of electricity, and the cost of electricity will be reduced by NT\$4.865 million over 10 years using an average price of NT\$3.12/kWh for calculation.
		Refuse Derived Fuel Project	We began using refuse derived fuel to replace a portion of coal consumption starting in 2019, and up to 49,932 metric tons of refuse derived fuel is expected to be used each year. With the cost of each metric ton at NT\$900, we expect this to increase fuel cost by NT\$44.94 million. It will reduce coal consumption by 23,349 metric tons. Calculating the price of coal at US\$132 per metric ton, this will reduce energy purchasing cost by NT\$47.52 million. Furthermore, we reduced GHG emissions by approximately 72,000 tons, if carbon fee is NT\$300/ton, then carbon fees will be reduced by NT\$21.6 million and the potential financial income of the project is approximately NT\$69.12 million.
Increased energy efficiency	Transformation opportunity	The Company uses the concept of circular economy and considers the reduction opportunities brought by improving energy efficiency. The recovery and reuse of tail gas generated by the production process reduces air pollution and converts tail gas into fuel, which reduces fuel consumption.	We recycled 40,986 tons of excess process gas in 2023, reducing GHG emissions by an average of approximately 68,070 tons CO ₂ e a year, and further reducing coal use by approximately 56,006 tons. If each ton of coal is calculated at US\$132, it will reduce coal expenses by approximately NT\$220 million (using an exchange rate of 1 USD to 30 NTD)
Installation of renewable energy facilities	Transformation opportunity	The installation and purchase of renewable energy are all considerations of the Company's carbon reduction strategy, and aim to reduce fuel consumption.	<ol style="list-style-type: none"> 1. The Renewable Energy Electricity Generation System Establishment Project: Planned 32 solar power sites with total installed capacity of 19 MW 2. The total investment amount of the solar power sites is NT\$1.37 billion, and is expected to generate 25,300 MWh of electricity each year, reducing electricity fees by NT\$79 million each year (the solar power capacity factor in Yunlin in 2021 = 14.67% and each kWh is NT\$3.12).



Climate Physical and Transition Scenario Analysis

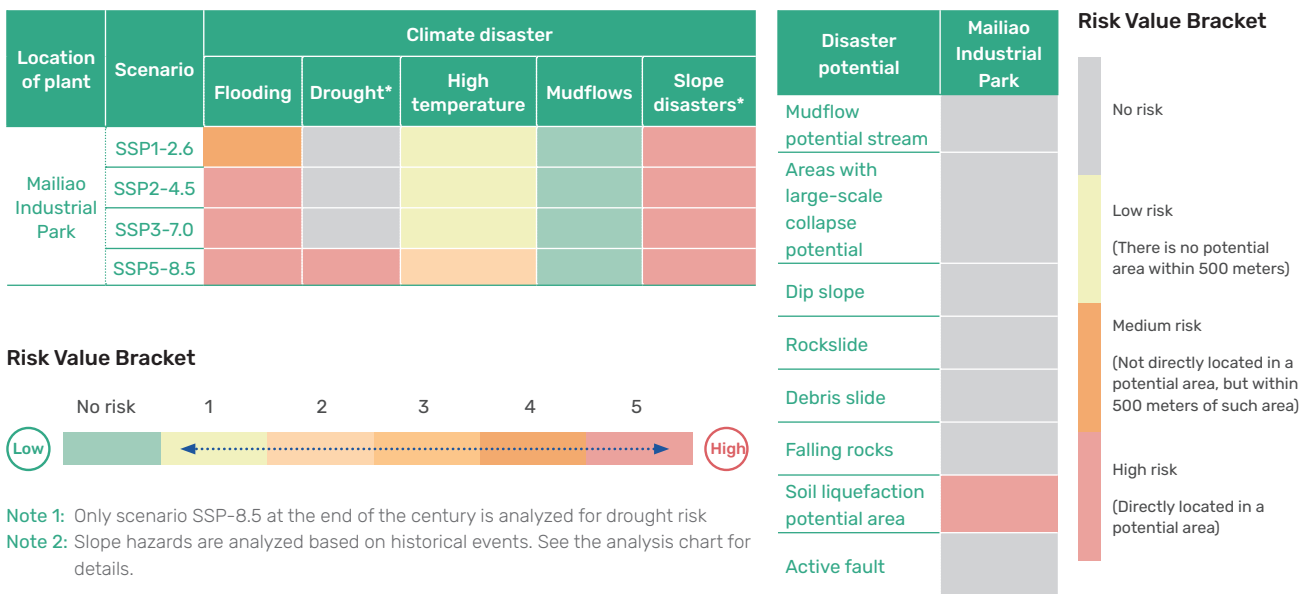
The physical risk scenario adopts the "Shared Socioeconomic Pathway" (SSP) proposed in the IPCC AR6 (The Sixth Assessment Report of the Intergovernmental Panel on Climate Change), including five scenarios (SSP1, SSP2, SSP3, SSP4, SSP5). In different GHG emission scenarios, domestic annual average temperature, total rainfall, and days without rainfall are used to evaluate physical risks, such as flooding, drought, high temperature, and debris flow, in 2040 to 2060, analyzing the hazard of climate risks. Sources of data include the World Bank (Climate Change Knowledge Portal), Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), and National Science and Technology Center for Disaster Reduction (NCDR). The risk of climate disaster is determined based on the results of key climate change indicators. Please refer to the table below for a summary of scenarios.

✦ Summary of Climate Change Physical Risk Scenario Analysis



Note: The values in this table are based on scenario SSP5-8.5, extreme weather risk management is carried out in the climate change medium-term scenario (2050).

✦ Summary of Climate Change Physical Risk Scenario Analysis (Depends on plant and scenario)



✦ Climate Change Physical Risk Adaptation Method

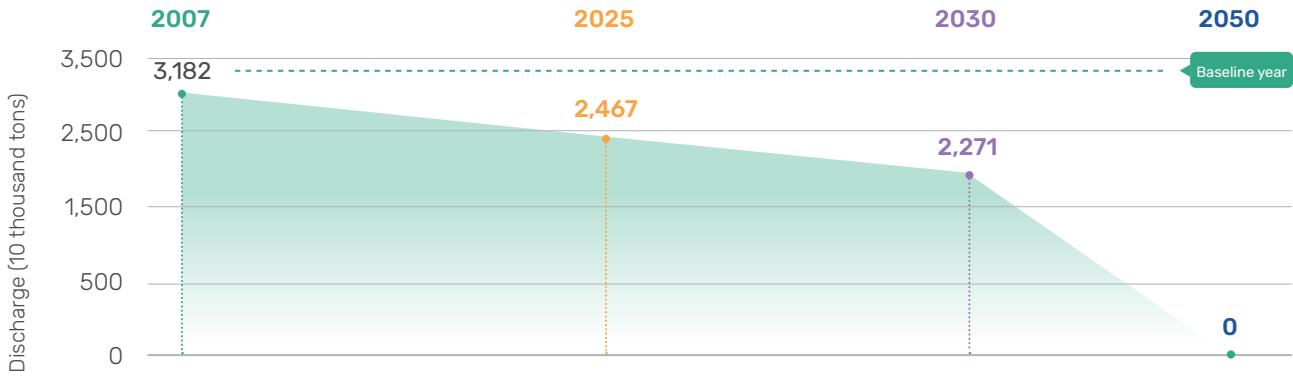


		Scenario 1	Scenario 2	Scenario 3
Scenario Description		Low Greenhouse Gas Emissions Achieve carbon neutrality by 2075	Moderate GHG emissions Maintain current emission levels in 2050, then gradually reduce them to reach carbon neutrality in 2100	Very high GHG emissions CO ₂ emissions triple by 2075
Path		SSP1-2.6 path	SSP2-4.5 path	SSP5-8.5 path
Temperature increase by the end of the century		1.8 °C	2.7 °C	4.4 °C
Scenario analysis results (Mid-term)	Total annual rainfall (Percentage change)	Base period: 1064.0mm +2.5mm	Base period: 1064.0mm -1mm	Base period: 1064.0mm +19.8mm
	Average single day maximum rainstorm intensity	Base period: 169.4 mm +17.7mm	Base period: 169.4 mm +3.5mm	Base period: 169.4 mm +10.6mm
	Maximum number of consecutive days without rainfall	Base period: 69.3 days +2.5 days	Base period: 69.3 days -2.3 days	Base period: 69.3 days +4.7 days
	Average temperature	+1.5°C	+1.7°C	+2.0°C
	Extremely high temperature (>36°C)	Base period: 9.9 days +40.7 days	Base period: 9.9 days +45.5 days	Base period: 9.9 days +62.2 days
Risks faced		<ul style="list-style-type: none"> • Flooding in plants or surrounding areas • Water resources adaptation - Drought risk causes water shortage in plants • Employee health - Continued high temperature causes thermal hazard events • Energy - High electricity consumption due to high temperatures 		
Action Plans		<ul style="list-style-type: none"> • Water resource management strategies formulated in the initial phase include water conservation plans, wastewater recycling and reuse plans and rainwater recycling and reuse plans. Flood disaster prevention measures were completed in 2019, and the 100,000 ton/day desalination plant establishment project was implemented in recent years. We planned a budget of NT\$40 million or more every year to implement water conservation plans, which can be divided into the following 3 categories: <ol style="list-style-type: none"> 1. Rainwater-sewage separation increased rainwater collection to approximately 2.331 million tons in 2023 2. Processed discharged water is used for cleaning and shaft seal 3. Process water recycling reduces refill and discharge with water recycling rate at 98.7% • Planned energy conservation and carbon reduction circular economy improvements (1. Process energy use reduction, 2. Equipment efficiency improvement, 3. Heat recovery, 4. Energy management) and renewable energy installation (solar power, small hydroelectric). In the mid-term and long-term, we will evaluate replacing 5% of coal consumption by coal-fired power plants with RDF, evaluate investments in the recycling and reuse of waste oil and plastic, evaluate investments in the hydrogen power industry, evaluate the adoption of CCU technology, further develop high value petrochemical products, and search for new investment and development opportunities. • Soil improvement methods, such as the pre-consolidation method, sand drain method, or mechanical engineering method, are used in the initial stages of plant construction to avoid the impact of soil liquefaction. In addition, special attention is paid to seismic-resistant design in the construction of buildings or facilities. • Establish management regulations for the prevention and management of thermal hazards in high-temperature operations, and take preventive measures (such as setting up sunshade devices, adjusting workers' rest time, etc.) based on the classification results of the high-temperature thermal hazard indicator, in order to prevent thermal hazard incidents of personnel. <p>Due to the impact of global climate change, the frequency of extreme weather events (such as heavy rainfall/flooding) increases, and equipment may be flooded and damaged due to torrential rains, affecting the operation. Based on the 2023 revenue estimation, one day of work suspension due to heavy rainfall and flooding can cause a revenue loss of NT\$2 billion</p>		

2.1.3 Climate Goals and Indicators

To achieve the vision of low carbon economic transition, FPCC set the long-term goal to achieve carbon neutrality by 2050, and also set short-term and mid-term indicators (short-term is 2025 and mid-term is 2030) to examine the progress of goal attainment. The timeline and target emissions are shown in the table below.

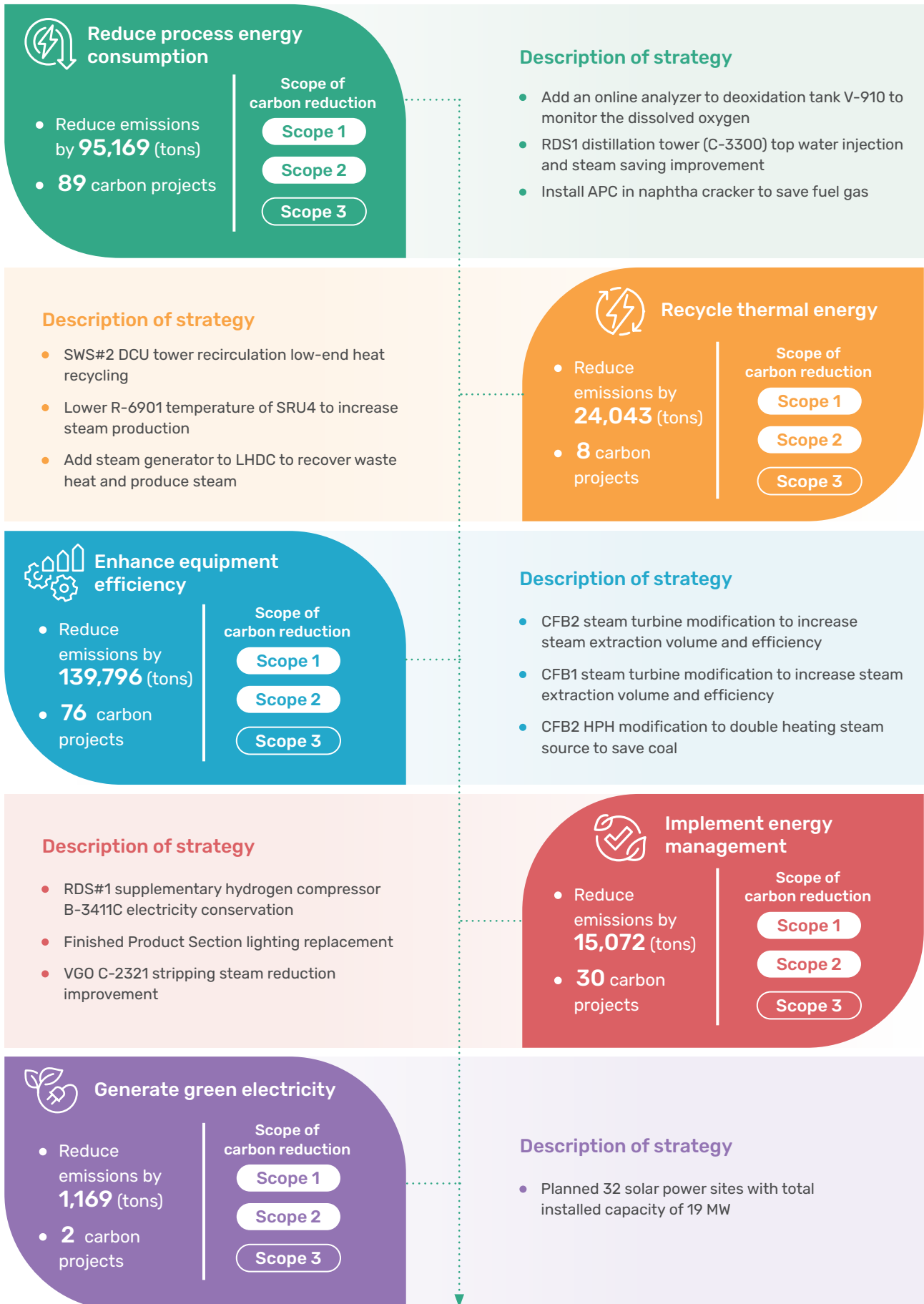
◆ FPCC's roadmap to Carbon neutrality by 2050



◆ 3 Major Aspects of the Roadmap to Carbon Neutrality


Cumulative results		2025 Goals	2030 Goals	2050 Carbon neutrality
Reduced carbon emissions by 24% compared to the baseline year		Reduce carbon emissions by 22% compared to the baseline year	Reduce carbon emissions by 28% compared to the baseline year	
-7.64 million tons		-7.15 million tons	-9.11 million tons	
Green factory	Reduce process energy consumption	Improve AI and automated control Distillation tower recirculation gas conservation improvement Optimize production processes to reduce fuel and material input	Improve unit heat exchange efficiency, distillation tower optimization, AI instrumentation, and feed concentration adjustment to reduce steam and electricity consumption Equipment replacement, pipeline optimization, and improve heat exchange efficiency to reduce steam and electricity consumption	
	Enhanced equipment efficiency	Provide an AI operation navigation window for the distillation tower, in order to adjust equipment to the most energy efficient state Add a booster pump for the separation tower cooler to increase cooling water flow and reduce steam use by the compressor of the heat pump	Upgrade the compressor valves, replace pumps, redesign the size of blades to reduce motor load, replace the blades of air cooler with composite materials that have better performance, optimize coating material to reduce friction and wear, and thereby improve production efficiency and reduce energy consumption	
	Recycling of waste heat	Add heat recirculation pipelines for steam generated by waste heat recycled from the waste heat boiler system, increasing feed temperature and reducing fuel and material use Bottom product waste heat recycling	Increase channels for recycling waste heat and add preheating of heat exchanger and waste heat recycling equipment to better integrate resources between different plants and reduce steam use	
	Implement energy management	Separate high and low pressure cooling water pumps to reduce the electricity used by pumps Replace the hub and blades of rotating equipment with carbon fiber to reduce electricity consumption	Add a continuous load increase system to reduce recirculation and supplemental hydrogen compressor for electricity conservation Adjust the stirring time from when products are added until the tank is full, so as to reduce electricity consumption	
Green energy	Generate green electricity	The environmental impact assessment for wind turbines with an installed capacity of 25.2 MW is currently being reviewed. Plan the installation of solar power generation on rooftops of the Company's plants and land	<ul style="list-style-type: none"> Install solar power plants on rooftops of the Company's plants and land Increase the use of RDF and biomass fuel to replace coal use R&D of energy storage system Evaluate the development of the hydrogen power industry, ammonia industry, high quality, and investment in innovative industries Application of CCS technology 	
	Low carbon energy development	Use RDF to reduce coal use Use biomass fuel to replace a portion of coal consumption		
Green innovation		Engage in industry-academia collaboration in evaluating the potential of Yunlin's land-sea coastal border for geological storage of carbon dioxide and conducting seismic tests		

✦ Carbon Reduction Strategy, Results, and Performance in 2023



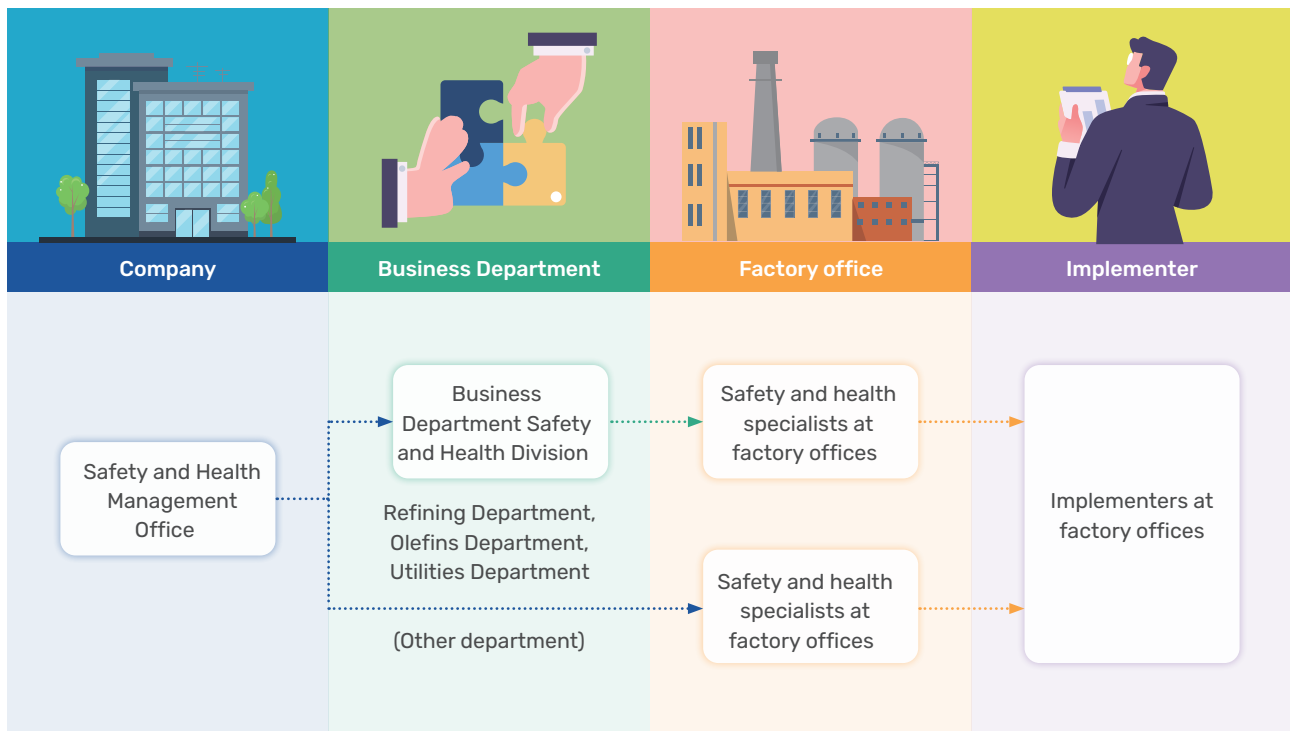
2.2 GHG Management

Management Approach (MA) for Material Topic

Material Topics	Material Topic Management Policy		International Frameworks and Corresponding Indicators		
 GHG Management	We will continue to implement low carbon measures, lower electricity consumption per unit product, and establish (invest in) renewable energy generation facilities to achieve carbon neutrality by 2050.		GRI3-3,11.1, 302, 305 SASB Greenhouse Gas Emissions		
	Description of Impact Increasingly stringent emission reduction actions emphasize the path to carbon reduction. FPCC examines past emission reductions and formulates long-term emission reduction strategies for the future, responding to potential compliance risks as early as possible, and enabling the effective assessment and control of carbon fee costs.				
		Actual	Potential	Positive	Negative
		✓		✓	
Management Actions	We began to compile our GHG inventory in 2005, and passed third-party ISO 14064 verification to track GHG emissions at each location of operations. We continue to actively seek carbon reduction and low-carbon solutions. At the same time, we are gradually compiling the inventory of subsidiaries.				
Performance of Actions in 2023	The subsidiaries' schedule was reported to the Board of Directors on December 7, 2023				

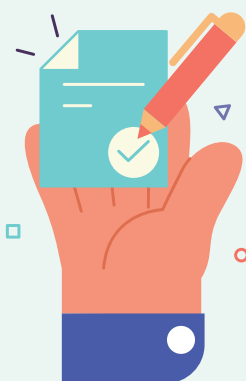
Inventory Framework

The Company compiles its GHG inventory in accordance with ISO 14064-1:2018, and commissioned BSI Taiwan to carry out verification according to ISO 14064-3.



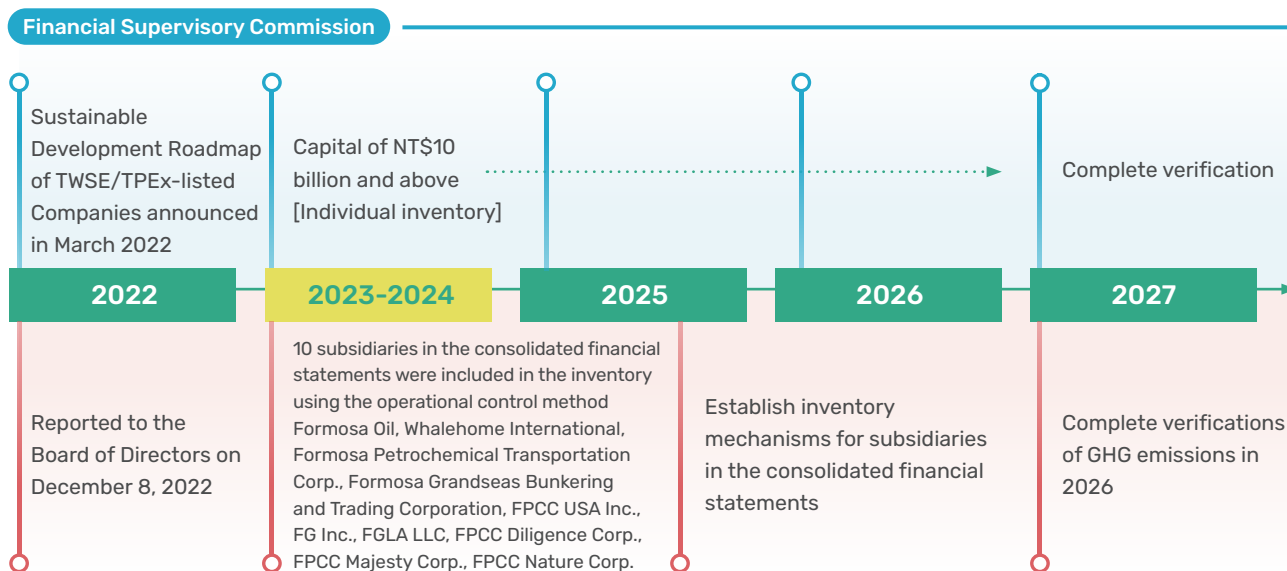
GHG Inventory Method

	Scope 1+2	Scope 3
Inventory Reference Guidelines	ISO 14064-1:2018 Organization GHG inventory Ministry of Environment Greenhouse Gas Inventory and Registration Guidelines	ISO 14064-1:2018 Organization GHG inventory GHG protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard
Boundaries of the Organization	The boundaries of the organization are based on control over operations, including: Mailiao Plant 1, Mailiao Plant 2, Mailiao Plant 3, Changbin Blending Plant, Taipei Storage and Shipping Station, and Taoyuan Storage and Shipping Station	
Type of Inventory	ISO 14064-1 defines 7 types of GHGs, including CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , and NF ₃ .	<p>According to the GHG protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard, a total of 15 categories are defined, including:</p> <ul style="list-style-type: none"> Category 1–Purchased goods and services Category 2–Capital goods Category 3–Fuel and energy-related activities Category 4–Upstream transportation and distribution Category 5–Waste generated in operations Category 6–Business travel Category 7–Employee commuting Category 8–Upstream leased assets Category 9–Downstream transportation and distribution Category 10–Processing of sold products Category 11–Use of sold products Category 12–End-of-life treatment of sold products Category 13–Downstream leased assets Category 14–Franchises Category 15–Investments
Period of Inventory	Verification of GHG emissions (Scope 1+2) in 2023 was completed in May 2024.	
Calculation Method	<p>Mainly calculated using the emission factor method, the calculation method is as follows:</p> <div style="border: 1px solid #008080; padding: 10px; text-align: center; margin: 10px 0;"> <p>Activity data × Emission factor × GWP = CO₂e</p> </div> <ul style="list-style-type: none"> • Depending on the source of activity data for different GHG emission sources, the unit is converted to metric ton or kL for weight and volume, and the source is recorded. • Global warming potential (GWP) before 2016 is based on the second assessment report of the IPCC in 1995. GWP between 2016–2022 (inclusive) is based on the fourth assessment report of the IPCC in 2007. GWP 2023 is based on the fifth assessment report of the IPCC in 2013. The emission factors for electricity and steam are in-house factors that have been validated by verification institutions. 	



Plans of Subsidiaries to Compile an Inventory

According to the "Sustainable Development Roadmap of TWSE/TPEX-listed Companies" announced by the FSC in March 2022, companies with a capital of NT\$10 billion and above must complete their GHG inventory in 2025 and complete verification in 2027. The Company's schedule was reported to the Board of Directors on December 7, 2023, and the implementation method planned is as follows:



Plans of FPCC subsidiaries to compile an inventory

Greenhouse Gas Emission Status

Unit: tons CO₂e

	2007 (Baseline year)	2021	2022	2023
Scope 1	31,680,876	26,482,767	24,000,547	24,004,680
Scope 2	143,113	119,051	423,554	181,692
Gross emissions (Scope 1 + Scope 2)	31,823,989	26,601,818	24,424,101	24,186,372
Scope 3	Began compiling the inventory in 2019	60,285,232	57,911,749	Expected to be completed in September 2024

Note 1: Scope 1 refers to direct emissions from energy, i.e., GHG emissions from burning fuel.

Note 2: Scope 2 refers to indirect emissions from energy, i.e., GHG emissions from steam and electricity.

Note 3: Global warming potential (GWP) before 2016 is based on the second assessment report (SAR) of IPCC in 1995. GWP between 2016-2022 (inclusive) is based on the fourth assessment report of the IPCC in 2007. GWP 2023 is based on the fifth assessment report of the IPCC in 2013. The emission factors for electricity and steam are in-house factors that have been validated by verification institutions.

Note 4: Scope 1 and 2 GHG inventory are based on right of control. GHG included in the inventory includes carbon dioxide, methane, nitrous oxide, HFCs, PFCs, sulfur hexafluoride, and nitrogen trifluoride.

Note 5: Scope 3 refers to other indirect emissions, e.g. Products and services purchased, fuel and energy related activities, and upstream (downstream) transportation and delivery

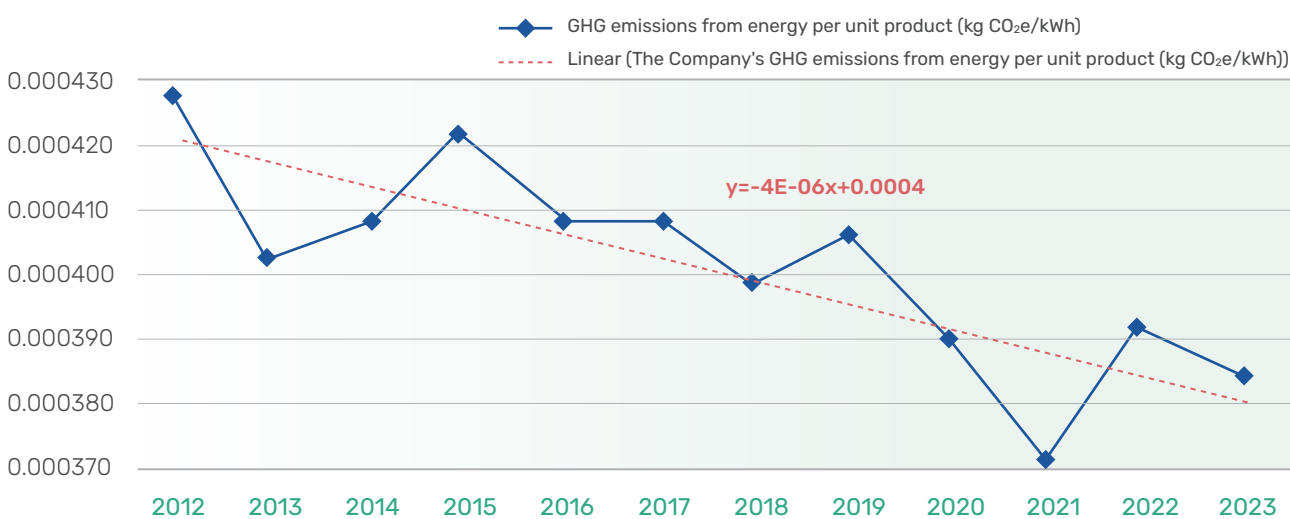
Note 6: The following items were added to Scope 3 GHG emissions in 2020: capital goods, processing of products sold, use of products sold, and ultimate disposal of products sold. The decrease in Scope 3 emissions in 2022 was due to the decrease in downstream transportation and distribution.



GHG Emission Intensity over the years

	2021	2022	2023
Company-Wide Greenhouse gas emissions (Metric tons CO ₂ e)	26,601,818	24,424,101	24,186,372
Company-Wide GHG emissions from energy per unit product (kg CO ₂ e/kWh)	0.000371	0.000391	0.000384
Oil & Gas Industry Greenhouse gas emissions (Metric tons CO ₂ e)	11,316,020	10,959,790	10,300,725
Oil & Gas Industry GHG emissions per unit of product (Metric tons CO ₂ e/Metric tons)	0.4043	0.3966	0.3956

FPCC's GHG Emissions from energy per unit product (kg CO₂e/kWh)



GHG emissions in 2023 decreased 1.0% compared with the previous year, and was due to the decrease in total production capacity to 30,234.8 thousand tons in 2023, which was 31,192.7 thousand tons lower than in 2022. Hence, GHG emissions from energy per unit product decreased to 0.000384 kg CO₂e/kWh.

Breakdown of GHG Emissions in 2023

Greenhouse Gas	CO ₂	CH ₄	N ₂ O	HFCs	PFCs	SFs	NFs
Boundaries of Calculation							
Company-Wide (%)	99.620	0.054	0.299	0.003	0	0.024	0
Oil & Gas Industry (%)	99.770	0.078	0.143	0.005	0	0.004	0

Note: The boundaries of calculation is Scope 1+2

Breakdown of GHG Emissions by source in 2023

Emission Source	Fixed	Process	Movement	Fugitive
Boundaries of Calculation				
Company-Wide (%)	99.878	0.065	0.003	0.054
Oil & Gas Industry (%)	99.891	0	0.004	0.105

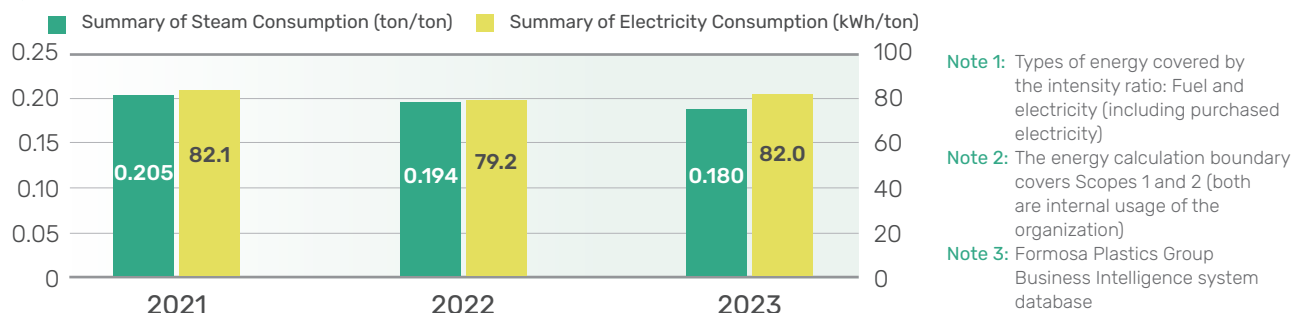
Note: The boundaries of calculation is Scope 1.

Energy Management

Energy Use and Consumption

We appointed dedicated personnel at business departments and factory offices to implement numerous process improvement and energy management projects, so as to continue reducing emissions.

✦ Energy Intensity per unit product over the years



In 2023, the Company's total production capacity was 30,234.8 thousand tons, used 5,431,899 tons of steam, and used an average of 620 tons of steam per hour, which is the equivalent of 0.180 ton/ton per unit. Total electricity consumption for the entire year was 2,480 million kWh, and hourly average electricity consumption was 283,081 kWh, which is a unit electricity consumption of 82.0 kWh/ton. Steam consumption and electricity consumption per unit product in 2023 were both lower than the previous year. The electricity consumption per unit product fluctuated stably in 2023. We will continue to implement various steam and electricity saving measures in the future to reduce steam and electricity consumption per unit product.

Implementation Status of Main Energy Conservation Projects

✦ Energy Conservation Action Plans

Project Name	Year/Schedule	Expected Benefits	Actual Outcomes in 2023
CFB2 Steam turbine modification to increase steam extraction volume and efficiency	20210531-20231221	Reduce electricity consumption by 7,759.5 kWh/hour	Reduce electricity consumption by 8,404.67 kWh/hour CO ₂ reduction of 45,898 tons/year
CFB1 Steam turbine modification to increase steam extraction volume and efficiency	20210607-20231221	Reduce electricity consumption by 7,759.5 kWh/hour	Reduce electricity consumption by 7,854.43 kWh/hour CO ₂ reduction of 32,998 tons/year
Add an online analyzer to OL-3 deoxidation tank (V-910) to monitor the dissolved oxygen	20171027-20230119	Reduce steam consumption by 8.7 tons/hour	Reduce steam consumption by 8.7 tons/hour CO ₂ reduction of 19,955 tons/year
RDS1 distillation tower (C-3300) top water injection and steam saving improvement	20220531- 20230831	Reduce steam consumption by 5.84 tons/hour	Reduce steam consumption by 6 tons/hour CO ₂ reduction of 13,762 tons/year
Lowered the pressure in the OL-2 deoxidation tank (V-910) to 3K to save steam	20220114-20230629	Reduce steam consumption by 2.39 tons/hour	Reduce steam consumption by 2.39 tons/hour CO ₂ reduction of 5,481 tons/year

✦ Summary of Historical Energy-Saving Performance

	Accumulated volume (1999-2022)	2023	Accumulated Volume (1999-2023)	Ongoing	Total
Number of cases improved	1,985	203	2,188	530	2,718
Steam Saved (ton/hour)	1,014	39.8	1,053.8	95.0	1,148.8
Electricity Saved (Thousand kWh/hour)	153	21.1	174	19.5	194
Fuels Saved (ton/hour)	1,001	4.4	1,005	15.9	1,021
CO ₂ e Reduction (10 thousand tons)	569	27.4	596.4	55.6	652.0
Investment Amount (NTD 100 million)	98.1	10.4	108.5	39.8	148.3

Note 1: Source: The Formosa Plastics Group computer-based database for environmental protection improvements

Note 2: Type of fuel: Coal, fuel gas, etc. are all converted to standard coal.

✦ Total Energy Consumption over the years


Energy category (x10 ⁶ MJ)	Non-renewable energy	Renewable energy	Natural gas	Diesel
2021	251,553 (83.1%)	0	77,840(16.9%)	0
2022	247,038(86.3%)	0	58,406(13.6%)	0
2023	232,966(83.2%)	0.13	47,100(16.8%)	0

Note 1: Source: The Formosa Plastics Group computer-based database for environmental protection improvements

Note 2: Type of fuel: Coal, fuel gas, etc. are all converted to standard coal.

2.3 Air Pollution Management and Prevention

Management Approach (MA) for Material Topic

Material Topics	 <p>Air Pollution Prevention</p>		<p>Material Topic Management Policy</p> <p>We will continue to reduce pollution and prevent odor, and will also execute pollution emission inspections (monitoring) to achieve environmental and corporate sustainability goals.</p>		<p>International Frameworks and Corresponding Indicators</p> <p>GRI 3-3, 11.3, 305 SASB Air Quality</p>	
Description of Impact	<p>We adopted the best available control technology (BACT), as well as advanced processes and improvement and pollution prevention technologies, and implemented well-rounded management to reduce environmental hazards and compliance risks.</p>					
	Actual	Potential	Positive	Negative		
		✔		✔		
Management Actions	<p>Regularly monitor and implement reduction</p>					
Performance of Actions in 2023	<p>Completed the installation of 8 additional WESP</p>					


Air Quality Impacts Evaluation and Consultation Committee

Due to public concern of air pollutant emission from Mailiao Industrial Park affecting the air quality in Yunlin, Chiayi, and Tainan, we established the "Evaluation and Consultation Committee for Impacts on Air Quality by Mailiao Industrial Park," and actively communicate with stakeholders through industry-academia collaboration and community communication.

Air Pollution and Waste Gas Management

To understand the impacts of emissions on the environment and people's health, we comprehensively adopted the best available control technology (BACT), as well as the world's most advanced process improvement and pollution prevention technologies.

Best Available Control Technology (BACT)	Monitoring (Inspection) Operations Management	Volume Reduction Measures Management	Pollution Emission Control
<p>Low-contamination gases and fuels are used. Oil-gas recycling systems are established. Static dust collectors and bagged dust collectors are set up. Low nitrogen oxide burners and denitrification exhaust facilities as well as desulfurization exhaust facilities (FGD) are created. There is also other advanced equipment available to prevent air pollution, such as high-temperature oxidizers, active carbon absorption systems, and closed-end coal pocket and transmission systems. Along with precise prevention and care and training and operation, individual pieces of equipment can perform optimally in terms of the treatment efficacy to effectively prevent contamination.</p>	<p>Continuous Emission Monitoring System (CEMS), factory-wide chimney monitoring and filming, Fourier Transform InfraRed (FTIR) surrounding surveillance, (GasFindIR) gas detection infrared camera, external air quality monitoring, weekly joint (roving) testing for foreign odors, periodic testing of equipment elements, periodic testing of discharge channels, waste gas burning tower monitoring facilities.</p>	<p>The wastewater site is covered and waste gases are collected and treated. Tail gases that contain sulfur from the manufacturing process are recycled, treated, and reused. Residual fuels from the manufacturing process are supplied to other plants to be reused. The amount of required equipment is reduced. Waste gases from the cleaning of storage tanks are collected and treated. Tail gases from storage tank nitrogen sealing and waste gas burning towers are all recycled and reused.</p>	<p>Air pollutant emissions cap, fixed air pollutant operation certificate control, environmental evaluation-based commitment to emission control.</p>



The Company began complying with international standards and follows the government's policy to ban the use of halons, CFC-11, and CFC-12 since it was established in 1992. Now, R-134a, R-401a, and R-410a are the main coolants used, and sulfur and benzene contents in gasoline and diesel products strictly follow regulations of the European Union.

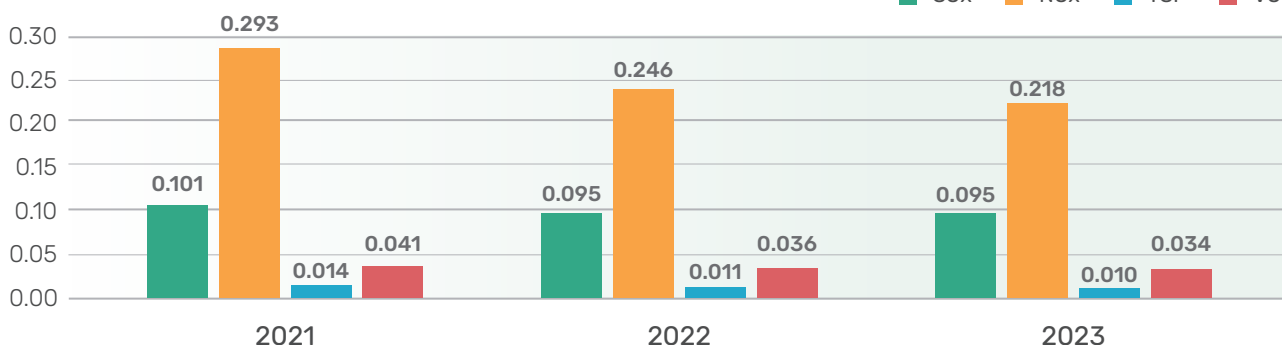
Category	Ingredient	Domestic Market		International Market	
		Guidelines	Actual Value in 2023	Guidelines	Actual Value in 2023
Gasoline	Benzene	0.9 vol%,max	0.46	1.5 vol%,max	0.69
	Lead	0.013 g/l,max	<0.003	0.01 g/l,max	<0.003
	Sulfur	10ppm,max	5.3	50ppm,max	39
Diesel	Sulfur	10ppm,max	8.2	10ppm,max	7.5
				500ppm,max	465

The best available pollution prevention equipment is used for air pollution prevention. In 2023, the total production capacity was 30,234.8 thousand tons, sulfur oxides (SOx) emission per unit of product was 0.095 kg/tons and nitrogen oxides (NOx) was 0.218 kg/tons.

✦ **Historical SOx, NOx, TSP and VOC Emissions Per Unit of Product**

Unit: kg/ton

SOx NOx TSP VOC



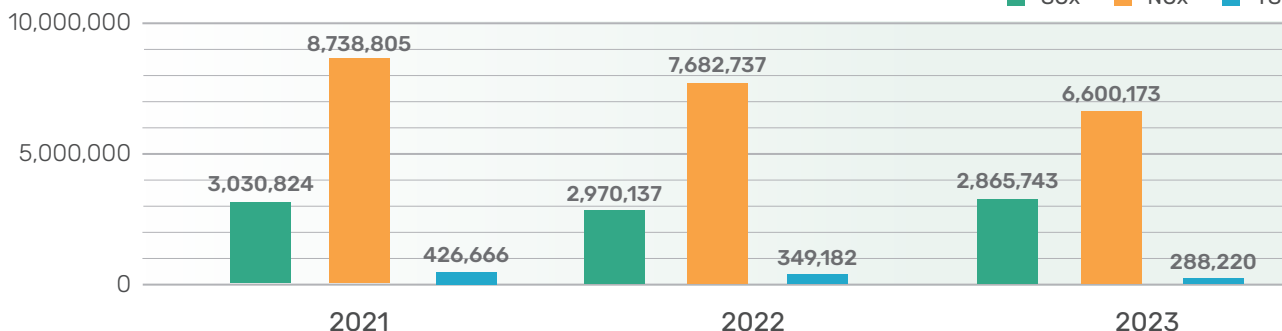
Note: Source: Summary of total volume of air pollutants discharged by FPCC

SOx emissions was 2,865,743 kg, NOx emissions was 6,600,173 kg, and TSP emissions was 288,220 kg in 2023.

✦ **Historical SOx, NOx, and TSP Emissions**

Unit: kg

SOx NOx TSP



Note: Source: Summary of total volume of air pollutants discharged by FPCC

Our SO_x, NO_x, and TSP emissions in 2023 were lower than 2022, and was mainly due to the total production capacity of 30,234.8 thousand tons in 2023 being lower than the 31,192.7 thousand tons in 2022. In the future, we will continue to reduce emissions of SO_x, NO_x, and TSP per unit product, continue to add air pollution reduction equipment, add the most suitable amount of ammonia, and plan the use of low sulfur fuels in processes.

Park_Air Quality Assessment

The sixth naphtha cracker has an eight-layer intensive environmental monitoring grid for rapidly tracing emissions to the source and ensuring the quality of the local environment.

Illustration of the geographical location of the eight-layer environmental monitoring grid of the sixth naphtha cracker



Air quality monitoring stations of the sixth naphtha cracker and air quality monitoring stations of Ministry of Environment

Locations of monitoring equipment inside the premises

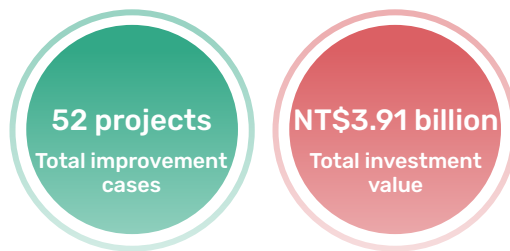


1. There are 8 fixed Fourier-transform infrared spectroscopy (FTIRs) set up on the borders of the premises. Along with six mobile FTIRs within the premises, they can effectively monitor fugitive VOC inside and outside the premises.
2. There are 8,109 gas detectors on the premises. Once abnormalities are found, related staff will immediately be notified to handle the situation and control the leakage from the source.
3. There are 34 large emission pipelines installed with CEMS on the premises and connected to the Environmental Protection Bureau, providing real-time monitoring data for effective control.



✦ **VOCs Reduction and Foreign Odor Control**

Mailiao Industrial Park is the first of its kind throughout Taiwan that implements cap control. Apart from the pollutants that have already fulfilled environmental assessment requirements, FPCC continues to actively make improvements to reduce the quantity of volatile organic compounds (VOCs). FPCC invested a total of approximately NT\$3.91 billion in 52 improvement projects as of 2023.



✦ **VOCs Discharge Reduction and Improvement Over the Years**

Year	2021	2022	2023	Accumulated Volume 1999~2023
Item				
Number of Cases Improved	1	1	1	52
Discharge Channels (Tons)	0	0	0	174.46
Equipment Elements (Tons)	0	0	0	5.25
Storage Tanks (Tons)	130.2	36.42	62.86	324.02
Loading Facilities (Tons)	0	0	0	0.31
Total (Tons)	130.2	36.42	62.86	504.04
Investment Amount (NT\$1,000)	361,123	219,656	281,640	3,912,538

Note: Source: The Formosa Plastics Group computer-based database for environmental protection improvements

✦ **Complaints of odor by nearby residents**

Number of Odor Complaints by Nearby Residents over the Years

Unit: Event



✦ Discharge Management of VOCs

VOCs mainly come from processes (discharge channels), storage tanks, loading operations, wastewater treatment area, and grease-water separation pond, waste gas burning tower, and equipment elements. In 2023, total production capacity was 30,234.8 thousand tons, and VOCs discharge per unit product decreased 6.71% compared with the previous year. In the future, we will continue to increase air pollution reduction measures (oil gas collection from inner float tank to CFB or oil gas recycling facilities), and continue to reduce VOCs discharge per unit product.

Monitoring of Moving Pollution Sources

To maintain the air quality in Yunlin County, we require diesel vehicles that enter Mailiao Industrial Park to submit exhaust inspection qualification documents when applying for an entry permit. If a diesel vehicle is reported by the competent authority due to its exhaust, the vendor must be re-inspected to obtain a qualification document, otherwise the vehicle will be prohibited from entering the premises. According to diesel vehicle exhaust inspection statistics of the Environmental Protection Bureau of Yunlin County, of the 212 diesel vehicles stopped on roads, 82 were inspected (the exhaust inspection was performed if the vehicle has not yet been inspected for the year) near Mailiao Industrial Park in 2023, 0 did not conform to standards; the non-conforming rate of inspections was 0%, and the non-conforming rate of stopped vehicles was 0%. Results of stopping diesel vehicles in recent years are as follows:

Year	2021	2022	2023
Traffic Flow (A)	1,502	1,341	2,470
Number of Diesel Vehicles Stopped (B)	167	163	212
Number of Inspections (C)	85	82	82
Number of Non-Conforming Vehicles (D)	1	0	0
Non-Conforming Rate of Inspections (D/C)	1.18%	0.0%	0%
Non-Conforming Rate of Stopped Vehicles (D/B)	0.60%	0.0%	0.0%
Non-Conforming Rate of Traffic Flow (D/A)	0.07%	0.0%	0.0%

Note 1: Number of Diesel Vehicles Stopped: Refers to the number of diesel vehicles stopped and inspected by the Environmental Protection Bureau on the roadside.

Note 2: Number of vehicles inspected: Of the number of diesel vehicles stopped on the roadside, refers to the number of diesel vehicles inspected for emitting black smoke.

Note 3: Number of Non-Conforming Vehicles: Of the number of diesel vehicles inspected, refers to the number of diesel vehicles not meeting exhaust smoke and opacity emission standards.

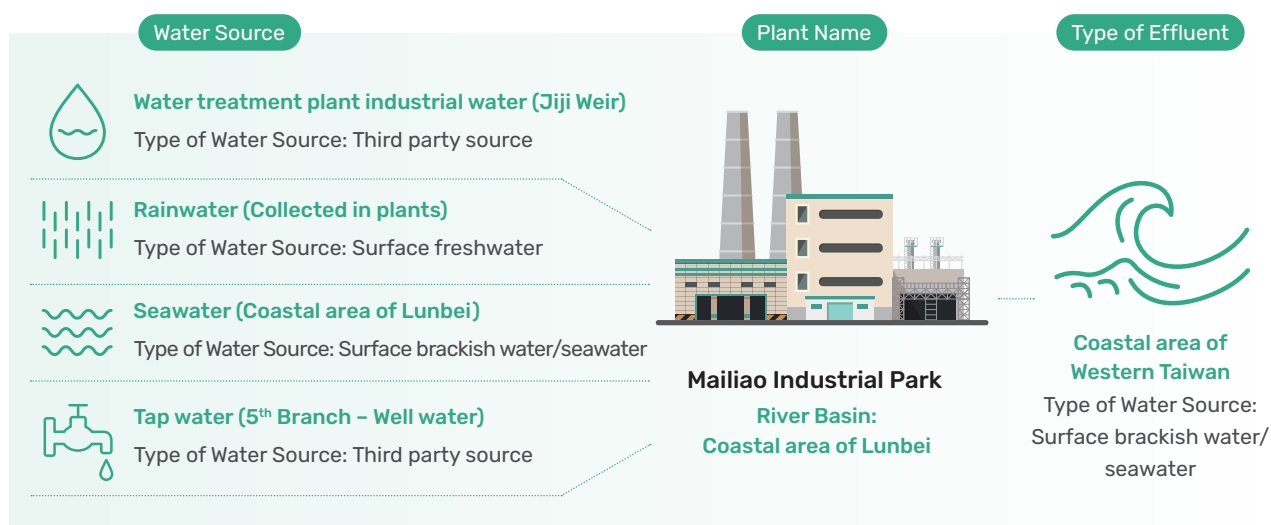
2.4 Water Resources and Waste Management

2.4.1 Water Resource Management

Source of Water Resources and Water Consumption

Our plants have three types of water sources, specifically third party sources, surface freshwater, and seawater. The wastewater (sludge) discharged after treatment along Taiwan's west coast includes third party terminals and seawater.

Water Withdrawal and Discharge Scenario



Water Withdrawal From Source

Unit: Million L

Water Source	2021	2022	2023
Surface water (Industrial water)	43,367.213	40,982.802	40,549.307
Rainwater	3,601.497	2,796.383	2,330.759
Tap water	89.460	178.207	143.682
Total freshwater withdrawal	47,058.170	43,957.392	43,023.748
Seawater	2,166,124.800	1,939,488.000	2,057,164.800

Note 1: Seawater is only used as uncontacted cooling water and for desulfurization in co-generation boilers. Seawater does not take part in process reaction.

Note 2: The Company began compiling its water footprint inventory in accordance with ISO 14046:2014 in 2017, and commissioned SGS to carry out verification.

Water Consumption Over the Years

Unit: Million L

	2021	2022	2023
Water consumption	47,058.170	43,957.392	43,023.748
Wastewater treatment volume	16,787.033	16,846.500	17,168.230

Note: Wastewater treatment volume is the same as its water discharge.

Water Resource Risk and Impact Assessment

The AWARE method is used for assessing water resource risk and impact assessment. The method assumes decreasing water supply in each area to assess the potential effect of water shortage on human beings or the ecosystem (Boulay et al. 2016). The method divides Taiwan into 23 areas, which are shown in the figure below, in which Yunlin County is not an area with high risk of water shortage (water consumption is lower than the global average 75% of the time). Based on the method proposed by Boulay et al. (2016), we divided Mailiao Plant into the following areas:

Plants Included	River Basin	WULCA (Water Use Life Cycle Assessment) Coefficient	
		2022	2023
Mailiao Plant 1	Coastal area of Lunbei	7375	0.70
Mailiao Plant 2			
Mailiao Plant 3			

✦ Water Situation Response Measures

Unit: Days

Water Situation Light	FPCC's Water Situation Response Measures	Situations in 2023
Normal water supply	<ul style="list-style-type: none"> Water rationing not necessary 	365
Slight water shortage	<ul style="list-style-type: none"> Water conservation management measures Reduction of process water usage Reduce evaporation loss Recycling and reuse of wastewater 	0
Reduced pressure water supply	<ul style="list-style-type: none"> Suspend industrial water consumption unrelated to production 	0
Reduced water supply	<ul style="list-style-type: none"> Increase the concentration times of cooling water tower Gradually suspend the operations of some processes 	0
Water supply by area or at fixed location	<ul style="list-style-type: none"> Suspend the operations of at least half of all processes and only provide necessary water for process safety and fire safety 	0

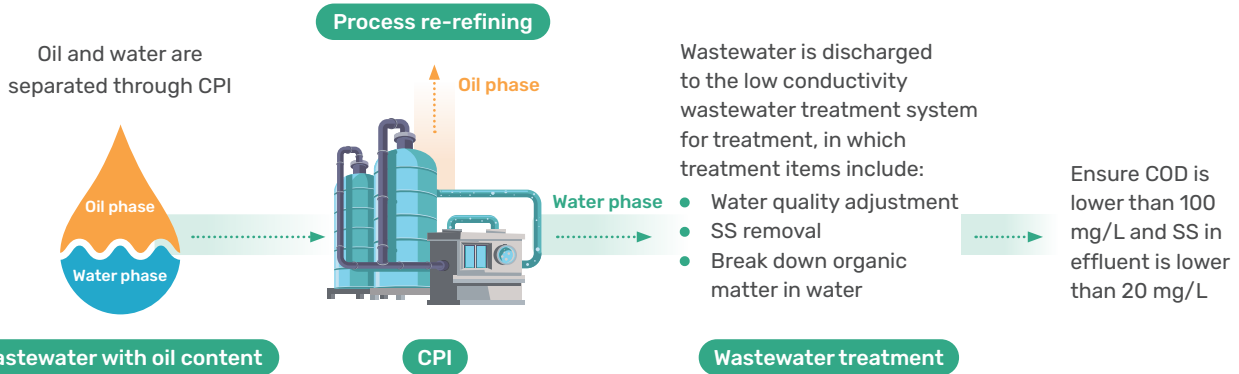
Source: Website of the Water Resources Agency (<https://www.wra.gov.tw/EarlyWarning.aspx?n=18804&sms=0>)

✦ Water Improvements Over the Years

Item	Accumulated Volume (1999-2022)	2023	Accumulated Volume (1999-2023)	Ongoing	Total
Number of cases improved	622	27	649	95	744
Volume of Water Conserved (Million liters/Day)	97.2	0.15	97.35	9.27	106.62
Investment Amount (NTD 100 million)	18.88	0.12	19.0	4.87	23.87
Improvement Results (NTD 100 million)	4.24	0.006	4.246	0.42	4.666

Water Pollution Prevention and Treatment Guidelines and Wastewater Management

Waste oil is channeled to the Refining Department's process for re-refining



Water resources used in product manufacturing include industrial ultra pure water and steam, which are mainly used for equipment heating, heat exchange, heat recovery, equipment cooling, and power generation facilities, allowing raw materials to be made into high quality products through the manufacturing process. The Company's wastewater is treated by its own wastewater treatment plant.

COD discharge per unit of product was 0.0043 kg/ton and SS discharge per unit of product was 0.0016 kg/ton, stably fluctuating compared with the past few years. This shows that biological treatment of wastewater has been mostly stable, but we will continue to improve the performance of wastewater treatment to ensure compliance with regulatory standards.

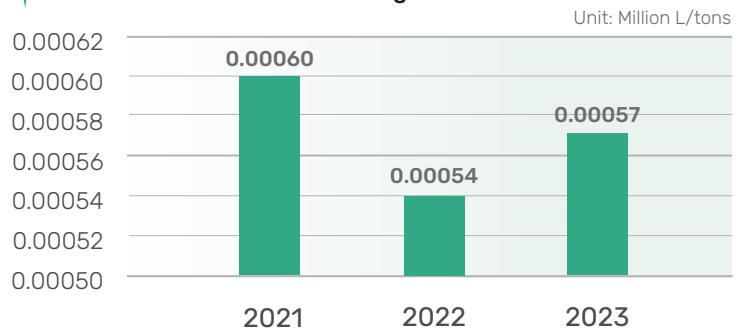
	2021	2022	2023
COD Discharge Per Unit of Product	0.0117	0.0113	0.0043
Historical SS Discharge Per Unit of Product	0.0040	0.0037	0.0016

Unit: kg/ton

Note: Source: The Formosa Plastics Group water pollution prevention and treatment management computer-based database

The effluent volume generated throughout 2023 was 47,000 tons per day. The quality of water eventually discharged into the Taiwan Strait met effluent standards after wastewater treatment. The volume of wastewater discharged per unit of product in 2023 was 0.00057 million L/ton, showing steady fluctuation. In the future, we will continue to evaluate and develop wastewater recycling and reuse (e.g., collecting process sour water to the FGD system) and wastewater treatment facility modification to increase the volume recycled, in order to continue reducing the wastewater discharge per unit product.

Historical Wastewater Discharge Per Unit of Product



Note: Source: The Formosa Plastics Group water pollution prevention and treatment management computer-based database

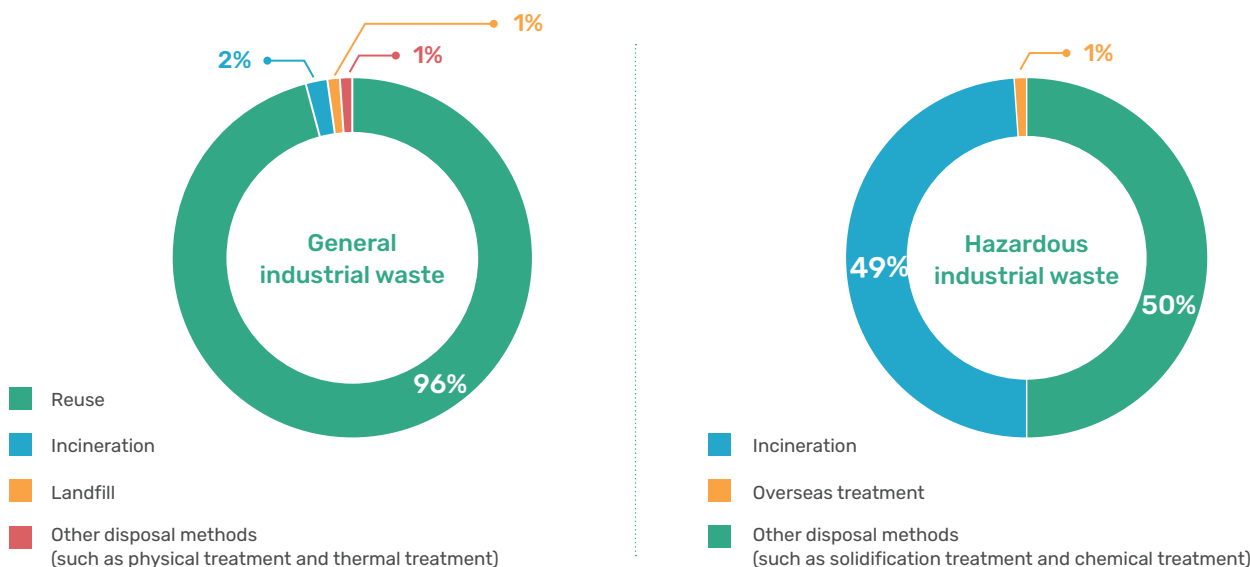
Effluent Water Quality Control Statistics

Year	Water Volume (CMD)				pH value			COD(mg/L)		SS(mg/L)	
	Permitted volume	Discharge	Regulation (environmental impact assessment)	Internal control value	Average value	Regulation (environmental impact assessment)	Internal control value	Average value	Regulation (environmental impact assessment)	Internal control value	Average value
2021	123,828	45,991	6-9	6.5-8.5	7.6	100	80	18.09	20	16	7.25
2022	123,828	46,155	6-9	6.5-8.5	7.5	100	80	16.39	20	16	7.56
2023	124,156	47,036	6-9	6.5-8.5	7.6	100	80	18.41	20	16	4.88

2.4.2 Waste Management

We hope to achieve the vision of zero waste through source classification, process waste reduction, recycling and reuse, and incineration and landfill. Industrial waste cleared in 2023 totaled 1,517,891.53 tons, in which general industrial waste accounted for 1,517,451.16 tons and hazardous waste accounted for 440.37 tons. All waste were disposed offsite. There were no severe leakages of waste in 2023.

✦ Overview of Waste Management over the Years



Of the general industrial waste, 96% (1,465,345.88 tons) was reused, including reusing sandblasting waste in cement products and reusing waste wood as fuel, 2% (28,682.18 tons) was incinerated, 1% (12,529.89 tons) was landfilled, and 1% (10,893.21 tons) was treated using other methods (e.g., physical treatment and thermal treatment). Of the hazardous industrial waste, 49% (217.30 tons) was incinerated, 1% (3.30 tons) was treated overseas, and 50% (219.77 tons) was treated using other methods (e.g., solidification and chemical treatment).

The volume of waste cleared per unit of product was 50.19 kg/ton in 2023, an increase of 7.11 kg/ton compared with last year. Due to the different periodic maintenance items this year, general industrial waste increased by approximately 139,800 tons, and the volume of waste cleared per unit of product also increased. The volume of waste incinerated and buried per unit of product was 1.37 kg/ton, up 0.04 kg/ton compared with last year. Efforts are still directed in recycling for waste reduction, in order to reduce the volume of waste incinerated and buried.

✦ Overview of Waste Management over the Years

Item	2021	2022	2023
General industrial waste (Tons)	1,216,709	1,342,943	1,517,451
Hazardous industrial waste (Tons)	423	613	440
Waste clearance quantity (Tons)	1,217,132	1,343,556	1,517,892
Product (Tons)	29,864,862	31,192,728	30,234,782
The volume of waste cleared per unit of product (Kg/Ton)	40.75	43.08	50.19
Incineration and landfill (Kg)	43,342,889	41,486,329	41,429,370
The volume of waste incinerated or land filled per unit of product (Kg/Ton)	1.45	1.33	1.37

Note: Source: The Formosa Plastics Group waste management computer-based database

2.5 Environmental Expenditures and Benefits

The environmental accounting system ensures specific documentation of financial information concerning environmental activities such as the investment, maintenance of environmental equipment, research and development, and processing fees so that FPCC can make decisions and perform analyses from the perspective of environmental protection; it helps increase FPCC's competitive advantages.

Breakdown of Environmental Cost in Past Years

Unit: NT\$ million

Item	2021	2022	2023
Business overhead	13,845	18,553	17,628
Related costs from the downstream and upstream of suppliers and customers	21	21	26
Activity management cost	380	397	387
R&D cost	4	5	0
Social events cost	131	72	67
Losses and compensation	6	3	5
Other expenses such as processing fees, taxes, and energy tax	1,391	1,394	1,371
Total	15,778	20,445	19,484



19,484 million

Total expenditures in 2023



2.7%

As a percentage of revenue

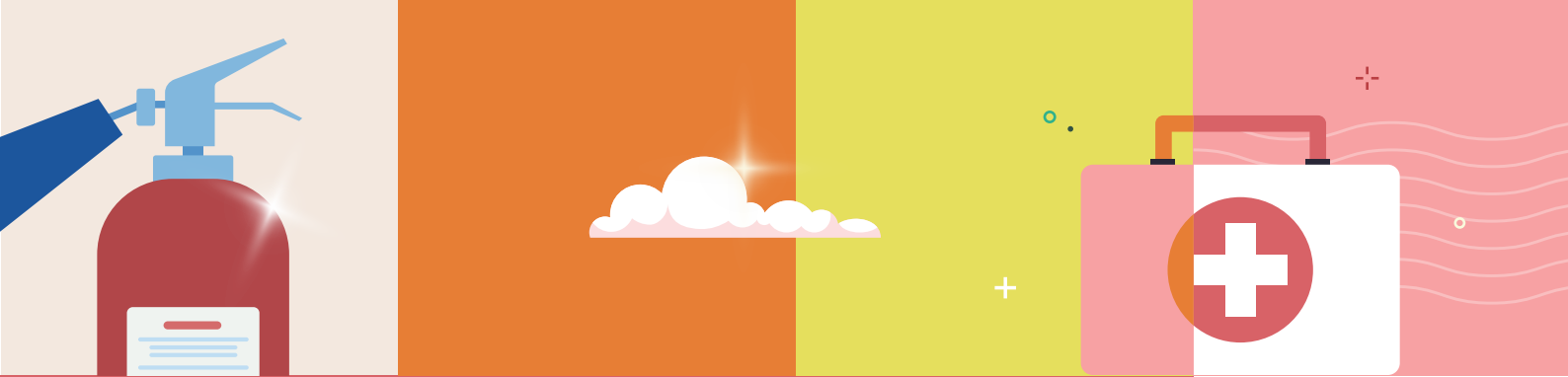
Note: Business overhead in the table includes costs derived from green purchases, recycling and reproduction of manufactured or sold products, and product services as part of the environmental protection effort.

Environmental Violations

We received 6 environmental protection fines in 2023, in which 3 were major environmental protection violations (major events involving NT\$1 million or more disclosed on the Market Observation Post System). Our violations were mainly due to abnormal emissions from equipment components, and we have thus strengthened management mechanisms for equipment components. We further analyzed our fines, and found that it was mainly due to disputes over the determination of products and waste, we have filed administrative appeals in accordance with the law.

Environmental Violations over the Years

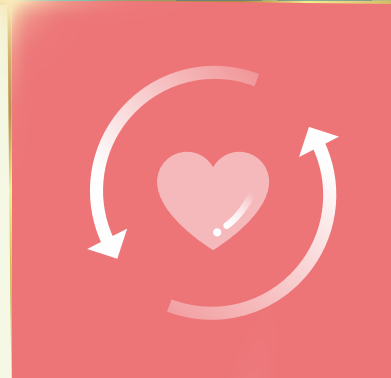
	2021		2022		2023	
	Number of Cases	Amount (NT\$10,000)	Number of Cases	Amount (NT\$10,000)	Number of Cases	Amount (NT\$10,000)
Air pollution	3	61.5	4	117.5	2	32.5
Water pollution	1	23.1	0	0	1	7.8
Waste pollution	7	1,201.8	4	1,200	3	900
Other	1	60	0	0	0	0
Total	12	1,317.5	8	1,346.4	6	940.3



CH3 ✨ Establishing Safe New Welfare



FPCC spares no effort in caring for employees. Besides providing employees with good salaries, benefits, education and training, communication channels, and friendly measures, we also care for employees' mental and physical health and provide assistance. We continue develop the employee care and protection net and created a healthy and happy culture of care. We implement risk grading management of processes, equipment, and personnel to eliminate existing risks on site, actively introduce international standards, technology and professional training, and provide a safe and secure working environment for employees and stakeholders that enter the Company.



Strategic Actions



Commitment in Operations

Lead the development of safety and health in the industry, improve the workplace environment and maintain employee health through the implementation of safety and health management at all levels, and by creating a safety and health culture in the Company.



Development Strategy

FPCC provides employees with good salaries, benefits, education and training, communication channels, and friendly measures, continues to develop the employee care and protection net, and creates a healthy and happy culture of care. Manage processes, equipment, and personnel based on their risk level, and more quickly eliminate current risks.

Scope of Impact of Material Topic

Value Chain: Upstream → Operations → Downstream

Material Topics	Financial Impact	Crude oil drilling/mining	Crude oil purchasing	Oil products transportation	Oil products transportation	Fundamental materials	Sales	Community services
Employee Profile and Benefits	Low	-				●		-
Industrial and Public Safety	High	-				●		◆
Occupational Health and Safety	Low	-				●		-

- **cause:** An organization's activities cause an impact
- ◆ **contribute to:** The activities of an organization causes, contributes to, or induces another entity to cause an impact
- ▲ **directly linked to:** Despite an organization not causing or contributing to an impact, its operations, products, or services may still cause an impact through business relationships

Stakeholders

Employees

Government agencies

Non-government organizations

Suppliers and Contractors

Industry associations/ Experts and Scholars



✔ Achieved ⚠ Ongoing

Targets in 2023

Employee Profile and Benefits

- ✔ • Online training courses were offered to reduce contact between personnel during the pandemic
- ⚠ • Employee turnover rate of 3% and under (excluding retirement)
- ⚠ • Continue to provide incentives to encourage employee childbirth
- ⚠ • Continue to provide employees with one day of annual health examination leave (paid) for employees to manage their own health

Occupational Health and Safety

- ✔ • Formulate and implement countermeasures for causes of accidents in the previous year, and prevent accidents from occurring again.
- ✔ • Personnel at each level carry out tasks according to regulations before, during, and after operations.
- ⚠ • Continue to implement contractor self-management:
 1. Improve the implementation of JSA spot inspections.
 2. Improve the implementation of spot inspections by supervisors.
 3. Reduce the accident and abnormality rate of elevated and lifting operations.
- ⚠ • Implement procedural HazOp.

Targets in 2024

Employee Profile and Benefits

- Employee turnover rate of 5% and under (including retirees)
- Continue to provide incentives to encourage employee childbirth
- Continue to promote subsidies for electric scooter purchase/trade-in
- Care for employees' physical and mental health through multiple channels



Occupational Health and Safety

- Employees: Number of days lost due to disability (excluding traffic accidents) < 100 days
Comprehensive injury index < 0.5
Number of days lost due to traffic accidents < 600 days
- Contractors: Frequency of disabling injuries < 0.4
Severity of disabling injuries < 0.1
- Procedural HazOp: Implementation rate 100%
- Percentage of employees self-assessed to have high workload < 4%
- Substitutes for Level 1 chemicals that are chronic health hazards: 9 items (Total: 10 items, 1 item involves international flight safety and cannot be replaced)
- Special health examination rate: 100%
- No cases of occupational diseases caused by exposure to chemicals and noise

Mid-term and Long-term Goals

Employee Profile and Benefits

- Meals: Continue to improve the environment and quality of food served in the employee cafeteria
- Clothing: Continue to improve the form and materials of employee uniforms
- Accommodations: Continued improvement of employee dormitories and the indoor activity center
- Transportation: Continue to improve transportation planning and shuttle bus arrangements for commuting to work at Mailiao Industrial Park
- Create an excellent work environment to attract and retain outstanding talent
- Maintain employee turnover rate at 5% and under (including retirees)

Occupational Health and Safety

- Aim to achieve zero accidents
- Promote self-management by contractors and lower their accident rate.
- Continue to improve the completeness of PHA
- Track cases through an electronic health management system, combine group resources, and engage in cross-departmental cooperation to systematically implement workplace health management projects, establish employees' independent health management concepts, and implement occupational disease prevention.
- Provide a safe and healthy working environment to avoid health hazards to personnel caused by occupational exposure to chemicals or noise.

3.1 Employee Structure

FPCC views employees as its most important asset and provides good work and environment

FPCC supports and complies with the Universal Declaration of Human Rights, UN Global Compact, and International Labour Organization Declaration on Fundamental Principles and Rights at Work, and established the Human Rights Policy to protect employees' rights (see the website for details on the [Human Rights Policy](#) and [Human Rights Concerns and Methods](#)). All FPCC employees are protected by the Human Rights Policy and Human Rights Concerns and Methods.



Human Resource Structure

In 2023, the total number of full-time employees at FPCC was 5,208 with an average age of 44.2. Due to industry characteristics, the men-women ratio was around 9.15:1. The ratio of employees with a bachelor degree or above was around 67.7%. 76.6% of employees hold an entry-level supervisor or a lower-level position, 81.8% are working in Central Taiwan, and the mean number of years employees have worked for FPCC was 16.4 years.

The 5,052 formal employees accounted for 97% of all employees in 2023, and 100% were R.O.C. citizens. The 156 informal employees (e.g., consultants, fixed-term contract-based personnel, work-study students, and directors) accounted for 3%. Except for directors, all informal employees hold full-time positions.

The nature of the work of the Company's workers who are not employees (contractors) is mainly equipment maintenance, construction, and environmental cleaning. The number of contractors in 2023 is the equivalent of 4,582 people based on the total annual working hours.

The overall fluctuation of FPCC employees and non-employees was below 5% in 2023 compared with the previous year, so there was no significant fluctuation.

Human Resource Structure - Gender

Year	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of permanent employees ^{Note 1}	428	4,683	5,111	431	4,624	5,055	460	4,592	5,052
Number of temporary employees ^{Note 2}	48	115	163	52	111	163	53	103	156
Number of non-guaranteed hours employees ^{Note 3}	0	0	0	0	0	0	0	0	0
Number of full-time employees ^{Note 4}	476	4,798	5,274	483	4,735	5,218	513	4,695	5,208
Number of part-time employees ^{Note 5}	0	0	0	0	0	0	0	0	0
Number of employees	476	4,798	5,274	483	4,735	5,218	513	4,695	5,208

Human Resource Structure - Region

Year	2021		2022		2023	
	Northern Taiwan	Central Taiwan	Northern Taiwan	Central Taiwan	Northern Taiwan	Central Taiwan
Number of permanent employees ^{Note 1}	915	4,196	899	4,156	913	4,139
Number of temporary employees ^{Note 2}	20	143	29	134	33	123
Number of non-guaranteed hours employees ^{Note 3}	0	0	0	0	0	0
Number of full-time employees ^{Note 4}	934	4,340	928	4,290	946	4,262
Number of part-time employees ^{Note 5}	0	0	0	0	0	0
Number of employees	934	4,340	928	4,290	946	4,262

Note 1: Permanent employees: Full-time or part-time employees who signed a perpetual contract

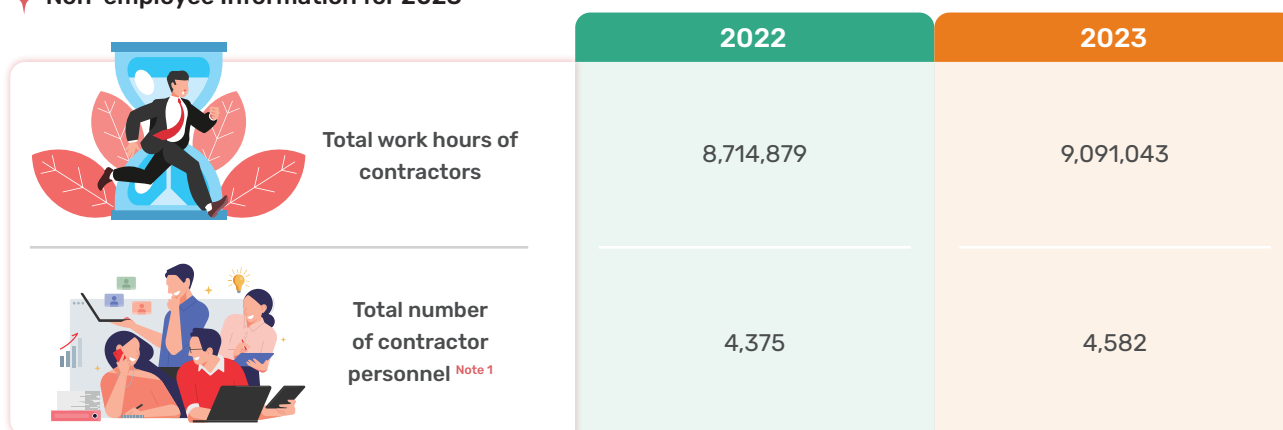
Note 2: Temporary employees: Employees who signed a fixed-term contract. The contract expires at a fixed time, has a specific task with an assessed time or is terminated when an event is completed (e.g. when a work project is concluded or the employee that originally held the position returns).

Note 3: Non-guaranteed hours employees: Employees who are not guaranteed a minimum or fixed number of hours of work every day, week, or month, but may be in a state where they can work as needed, such as temporary employees, zero-hour contract employees, and on-call employees

Note 4: Full-time employees: Employees who work a certain number of hours each week, month, or year according to legal and practical definitions of work hours

Note 5: Part-time employees: Employees who work fewer hours each week, month, or year compared with full-time employees

◆ Non-employee Information for 2023



Note 1: The number of non-employees is estimated using the full-time equivalent (FTE) method. Number of people = working hours/daily working hours/ number of working days in the whole year. If the number of people is less than 1, it will be counted as 1 person. The number of working days in 2022 is estimated as 249 days, and the number of working days in 2023 is estimated as 248 days.

We continue to implement innovative organization management and streamline the organizational structure. In 2023, a total of 164 formal FPCC employees were separated (including 67 retirees), which is an employee turnover rate of 3.25%, better than the petrochemical industry's 12.21%, and fully demonstrates what we have accomplished in taking care of our employees and their trust in and identification with the Company. We expect the number of employees that retire will increase year, and set the target employee turnover rate of under 5%.

◆ Age Distribution of Separated Formal Employees

Year	Age Group	Male		Female		Average Separation Rate in Taiwan's Industries Petroleum and Coal Product Manufacturing Sector
		Head count	As a percentage of total	Head count	As a percentage of total	
2021	Age 30 and below	29	0.57%	6	0.12%	9.78%
	Ages 31-50	36	0.70%	1	0.02%	
	Age 51 and above	45	0.88%	2	0.04%	
	Subtotal	110	2.15%	9	0.18%	
2022	Age 30 and below	33	0.65%	8	0.16%	8.08%
	Ages 31-50	41	0.81%	7	0.14%	
	Age 51 and above	38	0.75%	1	0.02%	
	Subtotal	112	2.22%	16	0.32%	
2023	Age 30 and below	32	0.63%	8	0.16%	12.21%
	Ages 31-50	55	1.09%	11	0.22%	
	Age 51 and above	57	1.13%	1	0.02%	
	Subtotal	144	2.85%	20	0.40%	

Note: Source of industry information: Directorate-General of Budget, Accounting and Statistics (time series data inquiry - exit rate)
Formula: Number of male (female) employees separated/Number of formal employees

FPCC has been fair, impartial, and open with its recruiting operation and has never hired child labor to do any work. We maximize our recruitment sources through multiple channels and hire according to the performance of each examinee. The number of new formal employees totaled 152 in 2023, accounting for 3.01% of all employees. Most new employees were under the age of 30, and accounted for 2.53% of all employees. We will continue to recruit new employees as the source of organizational innovation.



✦ New Formal Employees of FPCC in 2023

Category	Group	Male		Female	
		Head count	As a percentage of total	Head count	As a percentage of total
Age	Age 30 and below	97	1.92%	31	0.61%
	Ages 31-50	13	0.26%	10	0.20%
	Age 51 and above	1	0.02%	0	0.00%
	Subtotal	111	2.20%	41	0.81%

Formula: Number of new male (female) employees/Number of formal employees

There are specific regulations in place for the promotion, evaluating, training, and reward or punishment systems for all employees, so that everyone is treated fairly. As such, no discrimination, violation of human rights, or forced labor incidents occurred in 2023. The ratio of people with physical or mental disorders hired over the most recent 3 years meets the requirement set forth in the People with Disabilities Rights Protection Act of no less than 1% of the total number of employees.

FPCC takes gender equality very seriously. Even though the ratio of female employees is relatively low due to industry characteristics, female supervisors account for 9.96% level 2 supervisors in 2023, promotion channels are transparent and standardized. The number of second level female supervisors has increased in recent years, and shows our efforts in creating a workplace environment with gender equality. Percentage of senior management hired locally in Taiwan was 100%.

✦ Number of Female Second Level Supervisors or Higher

Year	2021	2022	2023
Number of female second level supervisors or higher	95	115	123
Percentage (%)	8.02%	9.45%	9.96%

Unpaid Parental Leave

In order to realize the idea of a happy workplace, we set up the nursery room on the premises and created friendly offices to meet the needs of colleagues who need to breastfeed or collect their breast milk during business hours and offers child care leave; colleagues who meet the criteria may adjust their work hours to reflect their needs.

✦ Statistics of Unpaid Parental Leave

Unit: persons

Status	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for parental leave	165	7	172	284	8	292	272	6	278
The actual number of employees who applied for parental leave	3	8	11	9	4	13	1	4	5
Number of employees expected to reinstate their employment status for the year (A)	2	6	8	5	1	6	4	3	7
Number of employees who applied for reinstatement of their employment status for the year (B)	2	6	8	5	1	6	1	3	4
Reinstatement rate % (B/A)	100%	100%	100%	100%	100%	100%	25%	100%	57%
Number of employees retained	2	4	6	1	3	4	2	1	3
Retention rate	100%	100%	100%	50%	50%	50%	40%	100%	50%

Note 1: Retention rate refers to the ratio of employees who were reinstated after parental leave and stayed for at least one year.

Note 2: Retention rate formula: Number of employees still active 12 months after being reinstated from parental leave/Number of employees reinstated from parental leave in the previous reporting period

Hiring Local Workers

FPCC's principle is to prioritize local residents when recruiting entry-level employees in order to give back to local communities. We also proactively develop local residents to become outstanding management staff. The ratio of local residents in second level or higher managerial positions was maintained above 37% in the most recent 3 years.

Unit: persons

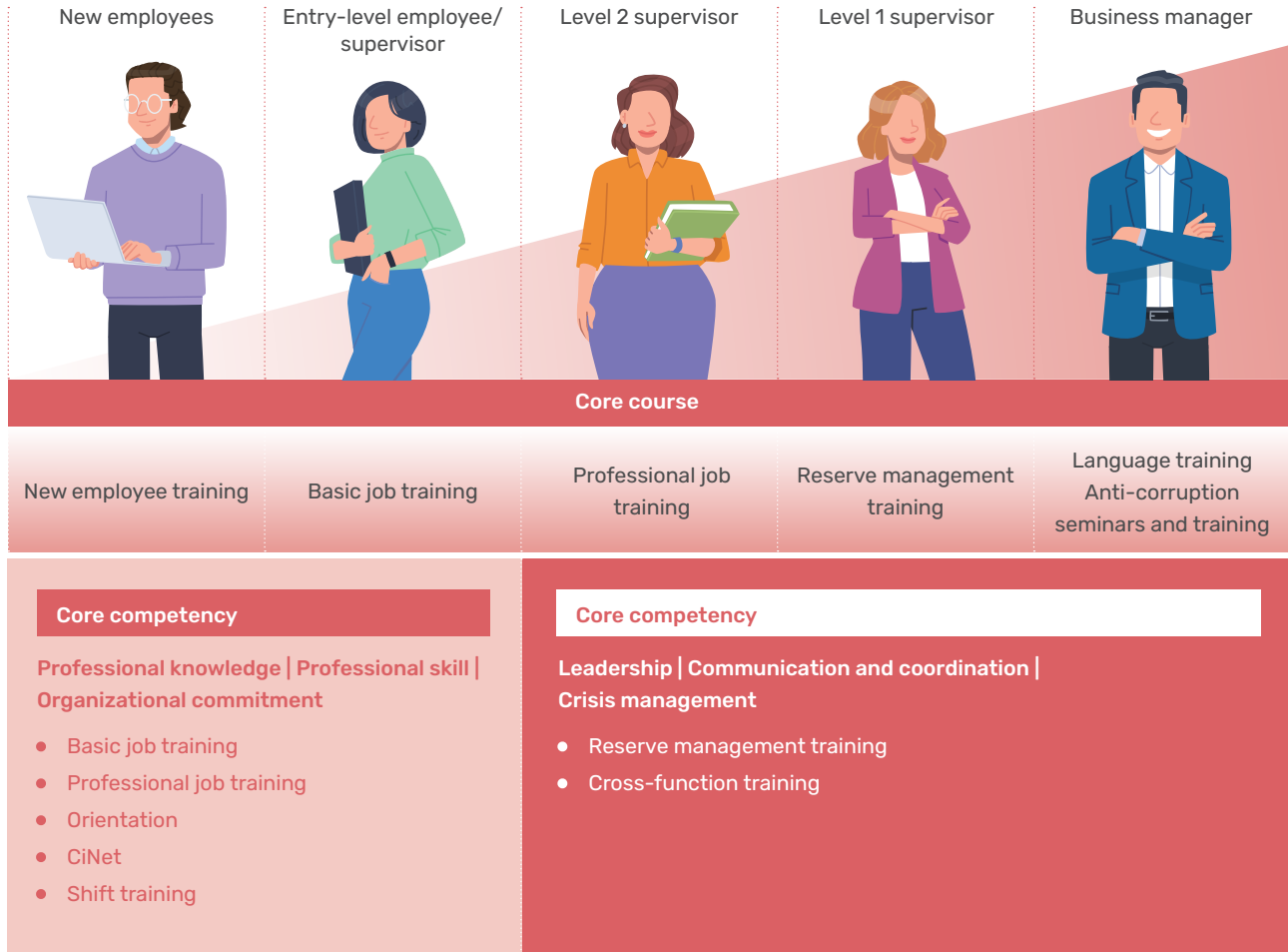
Year	2021	2022	2023
Head count	429	433	441
Ratio of local residents (%)	37.2%	37.0%	37.1%

Note: "Local residents" refers to senior managers whose permanent residence is registered in Yunlin, Chiayi, and Changhua County



3.2 Employee Career Development

Career Learning Map



Employee Learning Framework



Overall Performance



Major Education and Training Results in 2023

Type of Education and Training	2023 Results	
<p>Position-specific certification programs</p>	<p>Provided 104 position-specific certifications and 3,701 participants completed certification</p>	<p>We implemented a system with dedicated personnel for each position to improve the quality of operations. Employees are required to obtain certifications for certain positions before being appointed. Our technical training center began providing 104 position-specific certifications in 2023.</p>
<p>Information security training</p>	<p>All employees received 11,979 hours of training</p>	<p>To raise employees' information security awareness and instill every employee with information security concepts, the Company provides online information security courses and conducts social engineering exercises every six months, which simulates phishing mail from hackers, to test employees' information security awareness. Information security promotion and training is also provided to raise employees' awareness and alertness for information security.</p>

3.2.1 Average education and training at each level


The number of training hours received by each male employee in 2023 was around 71.7 and it was around 21.6 for each female employee. This is mainly due to our emphasis on professional training for on-site operations. Female employees required relatively little professional training because most of them held office positions. Management focuses on leadership and management ability training, so the number of training hours is lower than entry-level supervisors and under.

Average Education and Training at Each Level in the Past 3 Years

Year	Management Level			Entry-Level Supervisors and under			Company-wide mean number of hours		
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal
2021	20.7	6.4	19.6	63.1	7.71	58.5	53.2	7.4	49.5
2022	32.4	9.5	30.2	87.3	18.5	81.8	74.3	16.0	69.4
2023	36.9	19.1	35.1	83.1	22.6	78.3	71.7	21.6	67.5

3.3 Employee Benefits and Care

Management Approach (MA) for Material Topic

<p>Material Topics</p>  <p>Employee Profile and Benefits</p>	<p>Material Topic Management Policy</p> <p>FPCCC views employees as the foundation stone of sustainable development. We protect labor rights through our salary and benefits system and diverse communication channels, and achieve gender equality. Furthermore, we strive to create a high quality work environment to attract and retain outstanding talent and develop a happy enterprise.</p>			<p>International Frameworks and Corresponding Indicators</p> <p>GRI 2-30, 11.9, 11.10</p>
<p>Description of Impact</p>	<p>Good benefits and communication channels and continued monitoring of employees' physical and mental condition effectively improves employee engagement and avoids talent loss.</p>			
<p>Management Actions</p>	<p>Benefits</p>		<p>Diverse communication channels</p>	
<p>Performance of Actions in 2023</p>	<ol style="list-style-type: none"> Subsidies for electric scooter purchase (trade-in) were provided to 60 people in 2023 and amount to NT\$774,000. Childbirth subsidies were provided for 958 newborns and young children in 2023 and amounted to NT\$22.11 million 		<ol style="list-style-type: none"> In 2023, the Company's dedicated counselors provided counseling to 139 new employees and conducted 11 exit interviews. The Teacher Chang Foundation employee consultation hotline provided counseling services to 252 cases and psychological consultation services 123 person-times. 	

3.3.1 Salary System

Our remuneration policy does not discriminate against gender, religion, race, or political party. To attract and retain outstanding talent, we established a complete reward system, and offer salaries far higher than the minimum wage and at a medium-to-high salary level in the industry.

In the case of junior college graduates, their starting salary as basic-level employees is about 146% the minimum wage, and starting salary as a specialist is about 127% the minimum wage. Compensation criteria are established to reflect the required education and experience for the specific talent. They are not different between men and women. We established a Remuneration Committee and the policy to periodically review whether if the compensation of management and individuals is reasonable.

Job Level	Female	Male
Level 2 Supervisors and Above (Inclusive)	1	1.28
Entry-Level Supervisors and Under (Inclusive)	1	1.30

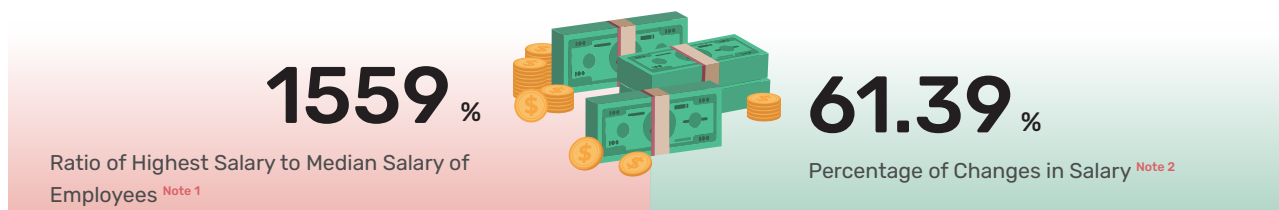
Note: Male employees had higher salaries than female employees in 2023 because of the difference in seniority for second level supervisors and above. As for entry-level managers and under (inclusive) most shift workers are male and additionally received allowances for shifts.

Our "Information on Salaries of Full-time Employees in Non-managerial Positions," which was audited by an accountant and disclosed to improve the quality of corporate governance information disclosures and better fulfill our social responsibility.



★ Information on Salaries of Full Time Employees in Non-Managerial Positions in the past 3 years

Item	Year	Information on Salaries of Full Time Employees in Non-Managerial Positions		
		Number of Full-Time Employees	Average Salary of Full-Time Employees	Median Annual Salary
	2021	5,178	NT\$ 1,545,594	NT\$ 1,451,975
	2022	5,144	NT\$ 1,467,126	NT\$ 1,352,730
	2023	5,150	NT\$ 1,435,093	NT\$ 1,322,721



Note 1: Annual total compensation ratio = Annual salary of the highest paid employee/Median annual salary of all employees (excluding the highest paid employee)

Note 2: Changes in ratio to annual salary = Changes in annual salary of highest paid employee/Changes in median annual salary of all employees (excluding the highest paid employee)


3.3.2 Welfare System

In order to serve and care for the needs of all employees, there is a Management Office on the premises to take charge of related tasks such as logistic support and welfare services. In addition, a service satisfaction survey is conducted each year to improve quality of services. The Employee Welfare Committee is formed in accordance with the law and handles employee welfare related affairs. For details on the benefits system, please visit our [website](#).



3.4 Occupational Health and Safety

Management Approach (MA) for Material Topic

<p>Material Topics</p>  <p>Industrial and Public Safety Occupational Health and Safety</p>	<p>Material Topic Management Policy</p> <p>We are committed to achieving zero accidents, and will actively comply with international standards, technologies, and provide personnel with professional training to improve the industry's work environment. The employees and non-employees all comply with requirements of the Occupational Safety and Health Act and comprehensively implement ISO 45001:2018 to ensure the safety and health of all workers and stakeholders.</p>		<p>International Frameworks and Corresponding Indicators</p> <p>GRI 3-3 GRI 403 GRI 11.9</p>	
<p>Description of Impact</p>	<p>Provide a safe and healthy work environment to reduce the risk of health hazards and prevent workers from being exposed to hazard factors in the workplace</p>			
	<p>Actual</p> <p>✓</p>	<p>Potential</p>	<p>Positive</p> <p>✓</p>	<p>Negative</p>
<p>Management Actions</p>	<p>Eliminate the impact of hazardous substances on human health risks</p>		<p>Comprehensive participation, consultation and communication</p>	
<p>Performance of Actions in 2023</p>	<p>All 17 commercially available products (paint thinners, rust-removing paint penetrants, etc.) were banned and substitutes are used.</p>		<p>Communication is carried out by the Welfare Committee, labor-management meetings, and Occupational Safety and Health Committee, and the coverage of two-way communication with employees is 100%</p>	

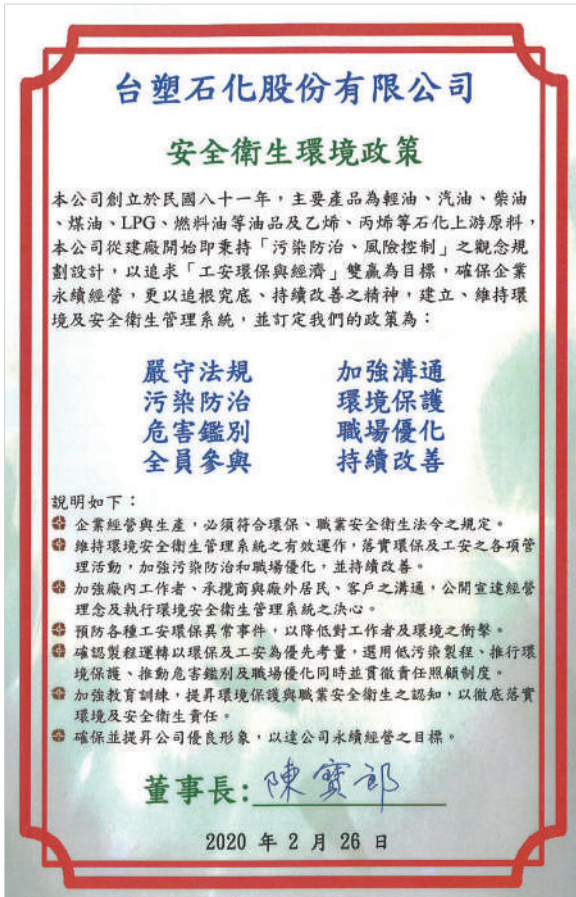
3.4.1 Systematic Management

The Company adheres to the concept of "pollution prevention and risk control" in the design of new plants to ensure sustainable operations. We also established and maintain an EHS management system with the spirit of getting to the bottom of things and continuous improvement. In 2014, we adopted the EHS policy to "strictly abide by the law, strengthen communication, pollution prevention, environmental protection, hazard identification, workplace optimization, involvement of all employees, and continuous improvement," and the entire company passed OHSAS-18001 and ISO-45001 management system verification.

Besides complying with government regulations, we implement process safety management (PSM) based on technical documents issued by the U.S. OSHA, PSM laws and regulations, and the CCPS of the AIChE.

We regularly review and communicate implementation results of safety and health goals through the EHS management review meeting and Occupational Safety and Health Committee, make adjustments at any time, and track the improvements in implementation measures achieved through PCDA.





3.4.2 Risk Assessment, Management and Incident Investigation

Implementation of Procedural HazOp

The 3-year Procedural HazOp Project was formulated to prevent potential process hazards or accidents from occurring during process equipment repair/maintenance, period with relatively unstable process conditions, such as when operations commence/cease or early stages after resuming operations, when switching between processes, or during non-routine operations, such as modifying process conditions and tank cleaning. A total of 82 operations were completed this year with an implementation rate of 100%, and focused on key rotating equipment switching platform.



Ensure the Health of Employees and Stakeholders and Reduce the Risk of Exposure to Hazardous Substances

To reduce the health risks of employees and related stakeholders, the Company comprehensively reduces the use of Level 1 chemicals that are chronic health hazards (including carcinogens, genetic mutations, and reproductive toxicity) by banning their use or developing alternatives with suppliers (hereinafter referred to as "CMR Substances").



Occupational Accidents and Accident Prevention Management

In 2023, our death rate due to occupational accidents was 0, frequency of disabling injuries was 0.19, severity of disabling injuries was 17, and comprehensive injury index was 0.06, the number of occupational accidents was 1 more than in 2022.

There were 2 occupational accidents involving employees and 1 occupational accidents involving contractors, resulting in 3 disabling injuries; 73% of days lost due to disability was from traffic accidents while commuting.

- 2 occupational accidents involving employees: There was 1 fall (1 person) and 1 traffic accident in the plant (1 person).
- 1 occupational accidents involving contractors: There was 1 fall (1 person, not hospitalized).

✦ Ratio of Occupational Injuries of Employees

Year	Mean Number of Employees throughout the Year			Total work hours and days elapsed		No. of Injuries	Total Days Lost	Frequency of Disabling Injuries	Severity of Disabling Injuries	Comprehensive injury index
	Male	Female	Total	Total work days	Total Work Hours Elapsed					
2021	4,693	425	5,118	1,287,022	10,311,445	2	12	0.19	1	0.02
2022	4,644	429	5,073	1,255,441	10,043,528	1	112	0.10	11	0.03
2023	4,599	444	5,043	1,235,394	10,372,405	2	176	0.19	17	0.06

Ratio of Occupational Injuries of Contractors

Year	Total work hours and days elapsed		No. of Injuries	Total Days Lost	Frequency of Disabling Injuries	Severity of Disabling Injuries	Comprehensive injury index
	Total work days	Total Work Hours Elapsed					
2021	1,130,317	9,042,533	4	31	0.44	3.43	0.04
2022	1,089,360	8,714,879	5	6,021	0.57	690.89	0.63
2023	1,136,380	9,091,043	1	0	0.00	0.11	0.00

Note 1: Severity of disabling injuries (SR) = (Total number of days lost × 10⁶)/Total work hours elapsed

Note 2: Frequency of disabling injuries (FR) = (Number of disabling injuries × 10⁶)/Total work hours elapsed

Note 3: Comprehensive injury index = ((FR*SR)/1,000)^(1/2)

Note 4: For the past 3 years, accidents at work have only happened to men and all of them happened in our Mailiao Plant in Yunlin County; the number of employees injured at work in 2023 was 2.

Note 5: Statistics are only for formal employees of FPCC. The contractor fell and sprained his ankle and was not hospitalized.

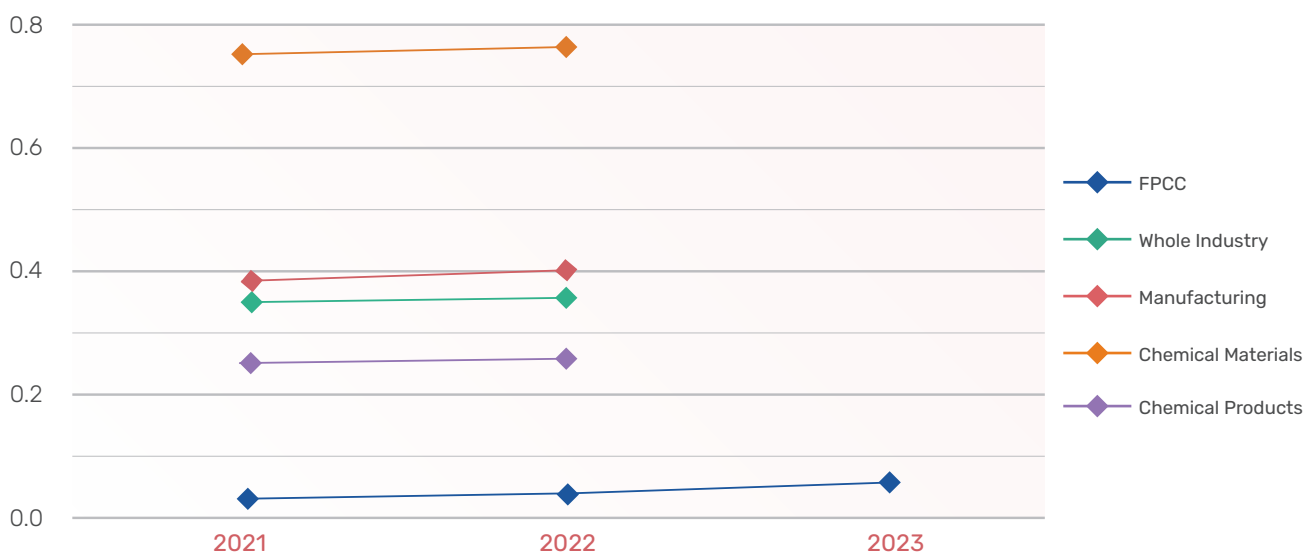
Number of Employee Traffic Accidents and Days Lost

Year	Number of cases		At Work	Days Lost	
	Going to Work	Leaving Work		Commuting	At Work
2021	6 (50%)	6 (50%)	-	6,553	-
2022	14 (54%)	12 (46%)	-	418	-
2023	7 (58.3%)	4 (33.3%)	1 (8.3%)	485	120

Comparison of FPCC and the Industry's Comprehensive Injury Index in 2021-2023

	2021	2022	2023
FPCC	0.02	0.03	0.06
Whole Industry	0.36	0.38	-
Manufacturing	0.39	0.40	-
Chemical Materials	0.76	0.77	-

Comparison of Petrochemical Companies and the Industry's Comprehensive Injury Index in 2021-2023



Note: Industry data for 2023 was not provided because it has not been announced by the Ministry of Labor yet.

Occupational Accident Prevention

We analyzed the cause of incidents and formulated prevention plans based on investigation results for parallel implementation. We assess and control risks through JSA and PHA to discover potential hazards and implement controls in advance, thereby ensuring employee safety and health.

Findings from analyzing the 2 accidents involving employees are as follows: Failure to consider the hazards to personnel when installing pipelines and ignoring defensive driving requirements on roads within the plant are the main causes of employee accidents.

Occupational accidents in 2023 were one-time events, so our primary goal in 2024 is to "Reexamine standard operating procedures – Standards for wearing PPE when handling abnormalities."

Prevention of occupational accidents involving contractors: Our primary goal is for "labor safety personnel and supervisors of contractors to conduct self-inspections, and related management personnel (supervisor, construction safety personnel, safety supervisors, and construction supervisors) to maintain safety standards before, during, and after operations."

Traffic Accident Prevention

The majority of employee work hours lost was due to "traffic accidents during commute." Employees were involved in a total of 11 traffic accidents in 2023, and the number of days lost was 485 days. After analysis, we were responsible in the majority of traffic accidents (6 cases). Hence, we periodically announce traffic accident hotspots in the previous year, have the parties involved share their experience, raise the awareness of supervisors of departments with a higher number of traffic accidents during quarterly Occupational Safety and Health Committee meetings, edit promotional clips each quarter, provide defensive driving training, and use video to raise employees' safety awareness. We encourage employees to actively report roads with poor conditions in plant areas, in order to improve traffic safety in plant areas. For employees who regularly clock in five minutes before work, their department head will talk with them and advise them to leave home early, in order to avoid rushing to work. We reward departments with excellent traffic accident prevention performance, in hopes that the collective efforts of all employees will continue to lower the rate of traffic accidents.

✦ Raise Awareness of Traffic Accident Hotspots



Promotional traffic videos and tests of the corporate online teaching platform



Implement new approaches to traffic safety management - Full year



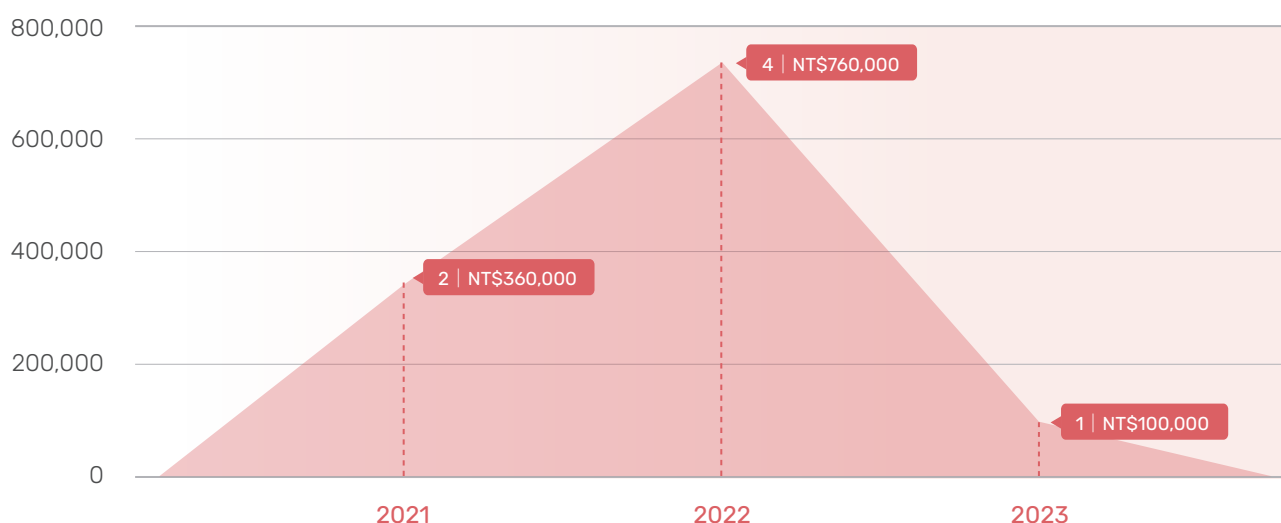
There were no major violations (NT\$1 million and above) in 2023, and the competent authority imposed 1 fines for violations of regulations.

Details of Violations of the Occupational Safety and Health Act in 2023

Item	Reason for Fine Due to Violation of Regulations	Amount of Fine (NT\$10,000)	2023
01	A worker tripped over an unused temporary pipe on the floor and fell.	NT\$100,000	Conducted a thorough inspection of work areas for similar pipes that pose a tripping hazard and removed them.

Note: Matters are disclosed by the date of occurrence.

Statistics of Fines Imposed by the Competent Authority in 2021-2023




3.4.3 Worker Participation, Consultation and Communications

FPCC ensures that employees are informed in advance of any major changes to its operation in accordance with the Labor Standards Act and other laws and regulations. Employees can provide FPCC with suggestions through the Welfare Committee, labor-management meetings, labor union, and Occupational Safety and Health Committee; they may also reflect issues through the complaint system ([Complaint Regulations](#)). All employees are 100% protected by any agreement reached in labor-management meetings or with labor unions on salary increase or year-end bonus, for example.

The Company's labor conditions and employee welfare system are better than required by current laws, and the Company's managers participate in all labor organizations, such as the Welfare Committee and labor-management meetings. Issues raised by employees are regularly reviewed and explained. For major labor-management issues, the Company will first listen to opinions of the labor union, and senior managers discuss and negotiate with the labor unit to reach a consensus. For example, the labor/management meetings and Welfare Committee made a total of 69 proposals in 2023. Except for 3 proposals that are still being discussed, the remaining 66 have been properly concluded (95% and above), implementing the spirit of the "Collective Agreement Act" that labor and management should engage in collective bargaining based on the principle of good faith, and protecting employees' collective bargaining rights.

Committee	Welfare Committee		Labor-Management Meeting		Pension Fund Supervisory Committee		Labor Union	Occupational Safety and Health Committee	
	Management	Employee	Management	Employee	Management	Employee	Member	Management	Employee
Tenets	To promote employee benefits		To strengthen labor relations		Ensure that pensions are used legally		To protect rights of employees	As per the Occupational Health and Safety Management guideline requirements	
Head count	5	12	9	9	3	6	3,555	26	13
Ratio	30%	70%	50%	50%	33%	67%	80%	67%	33%
Target of Communication	All employees		All employees		All employees		All members	All employees	

Note 1: The percentage of union membership is the number of members/the total number of employees in the Mailiao Industrial Park




Welfare Committee

Statutory use of the employee welfare fund

Frequency of Communication
Once every two months

Target of Communication
All employees

2023 Communication Results
A total of 33 proposals were submitted. Except for the annual company trip that still needs to be planned and voted on, all of the proposals were resolved and properly handled.




Labor-Management Meeting

Coordination of labor relations

Frequency of Communication
Once every two months

Target of Communication
All employees

2023 Communication Results
A total of 36 proposals were submitted, and except for 2 cases that need to be considered for the Company as a whole, all cases have been properly concluded.




Pension Fund Supervisory Committee

Review of pension fund use

Frequency of Communication
Once every three months

Target of Communication
All employees

2023 Communication Results
42 people will retire in 2024 and will be reviewed and calculated one by one by the committee members. The balance of the pension fund will be announced every quarter to facilitate the understanding of all employees.




Occupational Safety and Health Committee

As per the Occupational Health and Safety Management guideline requirements

Frequency of Communication
Once every three months

Target of Communication
All employees

2023 Communication Results
A total of 3 proposals were made, all of the proposals were properly handled and concluded.




Dedicated Personnel for Providing Employee Guidance

Providing employee consultation channels

Frequency of Communication
Any time

Target of Communication
All employees

2023 Communication Results
A total of 139 interviews with new employees were conducted.
11 exit interviews were conducted.




Teacher Chang Foundation Taichung Branch

Providing employee consultation channels

Frequency of Communication
Any time

Target of Communication
All employees

2023 Communication Results
Provided counseling services to 252 cases and psychological consultation services 123 person-times (123 hours).

 The Company received 1 fine notification (NT\$50,000 fine) for violation of the Labor Standards Act in 2023. The fine was due to employee overtime exceeding the legal limit. The Company has enhanced management. There were no violations in 2022.

3.4.4 Employee and Contractor Professional Training and Certification

We improve the specialized knowledge and skills of employees and contractors through solid training, and further improve operational safety and quality, lower abnormality rate, and achieve process safety, stability, and continuous operation.



Trainees

Employees

Training and Certification Category	Safety and Health Training Required by Law	EHS Promotion and Training	Position-Specific Certification
Training Item	Employee Safety and Health Training Required by Law	EHS Promotion and Training	Employee Position-Specific Certification
Training Direction and Purpose	To strengthen employees' safety and health knowledge, and ensure that employees (from Occupational Health and Safety supervisors to basic level operators) have the necessary professional knowledge and skills. To enable employees to actively discover potential hazards during operations, and take precautions to lower operating risks.	For employees to understand company regulations and systems, occupational safety and health related laws, general knowledge on hazards, personal protective equipment/first aid equipment, traffic safety, accident examples, emergency response drills, and health seminars	To improve employees' work ability and quality and ensure their professional competency
2023 Training Results	152 batches of training were held; 27 types of training were organized with a total of 1,068 participants.	908 training sessions were held with 71,467 participants.	For the 56 types of certifications, 689 employees passed the test and obtained certification.



Trainees

Contractors

Training and Certification Category	On-Site Education and Training	Contractor Certification	
Training Item	On-Site Education and Training	Safety and Health Management Personnel Certification	Professional Technology Certification
Training Direction and Purpose	Contractors must complete "safety and health education and training" and pass tests organized by each business department (second line of access control) to obtain formal construction qualifications.	Strengthen the basic management skills of contractors' safety and health management personnel	For contractors' construction workers to gain professional skills for construction scaffold installation and dismantling, general machinery installation and dismantling, bolt installation and removal, control valve repair, switchgear repair, general meter calibration, wiring repair, painting, electric welding, temperature control, steel bars, and piping, so as to improve construction quality
2023 Training Results	777 access control safety and health training sessions with 31,180 participants from 1,725 contractors.	A total of 108 people obtained the certification.	450 people obtained professional technology certifications.



Execution of Emergency Response Drills

Besides organizing emergency response drills every six months, the Sixth Naphtha Cracker conducts joint drills with the county government every year, expanded joint drills with Mailiao Association for Safety & Health, ocean pollution response drills, public area pipe carrier drills, irregular national toxic chemical substance disaster response drills, national key infrastructure protection drills, and joint chemical disaster training with Yunlin County Fire Department. The cross-departmental joint drills allow departments to work better together in disaster relief, while strengthening the mutual assistance and joint defense mechanisms of joint defense organizations.

Starting from the second half of 2023, we will not only achieve rescue after an accident, but also immediately respond to abnormal temperature, pressure or vibration in the process system and spray water as a preventive measure. When necessary, the highest level commander on site (factory director or section chief during the day shift; the supervisor on duty during the middle and night shifts or during holidays) orders the process to be halted to avoid accidents and ensure the safety of personnel and assets.

To strengthen the disaster relief capabilities of front-line response personnel, we also continue to conduct nighttime drills, when there are fewer personnel on duty and lighting is poor, to improve the emergency response and disaster relief abilities of personnel who are on duty.

✦ Statistics on Related Drills Conducted in 2023



✦ National key infrastructure protection drills

The drill is jointly conducted by the central competent authority, Ministry of National Defense, local government, and departments of companies, strengthening the industrial park's anti-terrorism ability.



✦ Nationwide toxic chemical incident drills

Led by the Ministry of Environment, the drill is jointly conducted with local governments and personnel from toxic chemical disaster prevention organizations to strengthen the ability to respond to toxic chemical disasters.



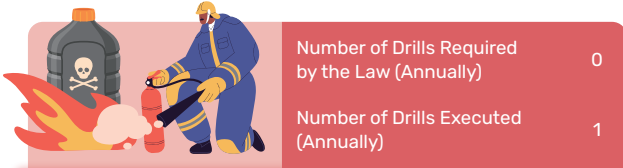
✦ Marine pollution prevention drills

Led by the Environmental Protection Bureau of the county government, and jointly carried out by the Coast Guard Administration, Fire Bureau, and FPCC.



✦ Joint emergency response drills with the county government

Drills are jointly conducted with the county government's Fire Bureau and Environmental Protection Bureau to build chemistry during disaster relief operations.



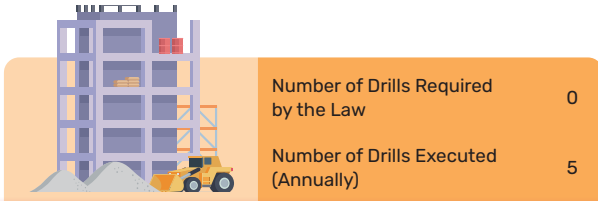
Fire department chemical disaster joint training

Branches of the fire department and the Company's process plant jointly conduct drills to strengthen joint disaster relief capabilities.



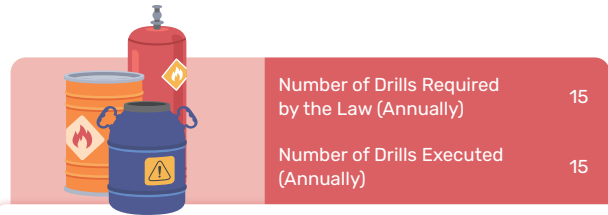
Expanded joint drills with Mailiao Association for Safety & Health

Co-organized with the Industrial Development Bureau Service Center and joint defense plants (divisions) to enhance regional joint defense and disaster relief capabilities.



Public area pipe carrier drills

Drills are jointly conducted with the Main Management Office and nearby pipe carrier plants (divisions) for faster disaster relief when an incident first occurs.



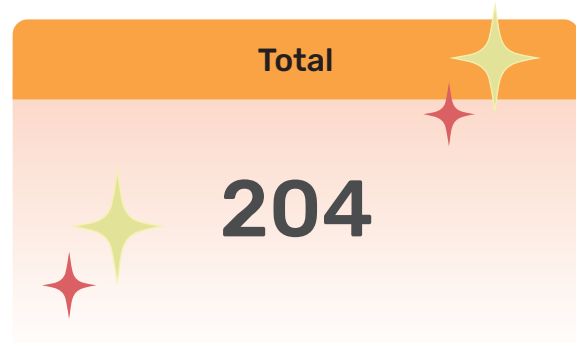
Toxic chemical incident response drills

Includes 1 formal and 2 unscheduled drills.



Factory office emergency response drills

Led by the Ministry of Environment, the drill is jointly conducted with local governments and personnel from toxic chemical disaster prevention organizations to strengthen the ability to respond to toxic chemical disasters.



Annual marine pollution prevention and response drills



Expanded joint drills with Mailiao Association for Safety & Health



Toxic chemical leakage response drill (nighttime)



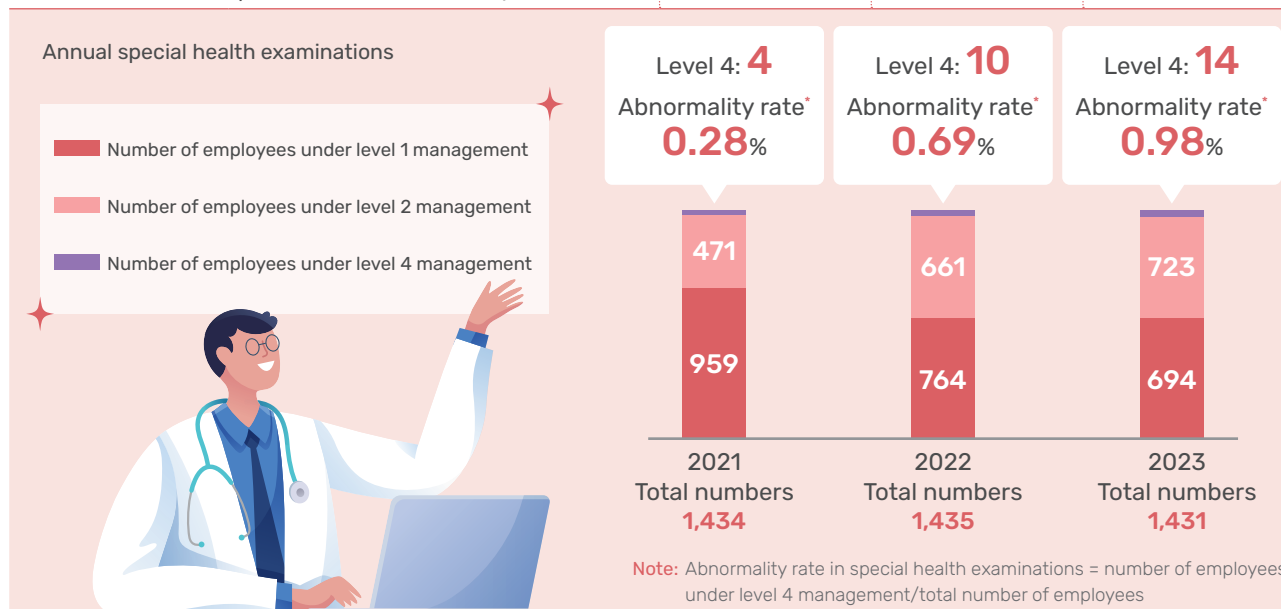
Fire department chemical disaster joint training

3.4.5 Health Management, Service, and Promotion

Employees are the Company's greatest assets. We integrate resources from all parties, actively promote health promotion-related activities, use science-based health risk assessment results to implement case management and tracking, and systematically carry out multiple workplace health management projects through cross-department cooperation. This will instill employees with the concept of health self-management, raise employees' health awareness, and increase employee engagement. At the same time, we strengthened the employee care and protection network to jointly create a happy atmosphere at the Company, create a workplace culture that is happy, healthy, and balanced with work, and create a happy and safe workplace.

✦ Employee Health Management and Occupational Disease Prevention Results in the Past 3 Years

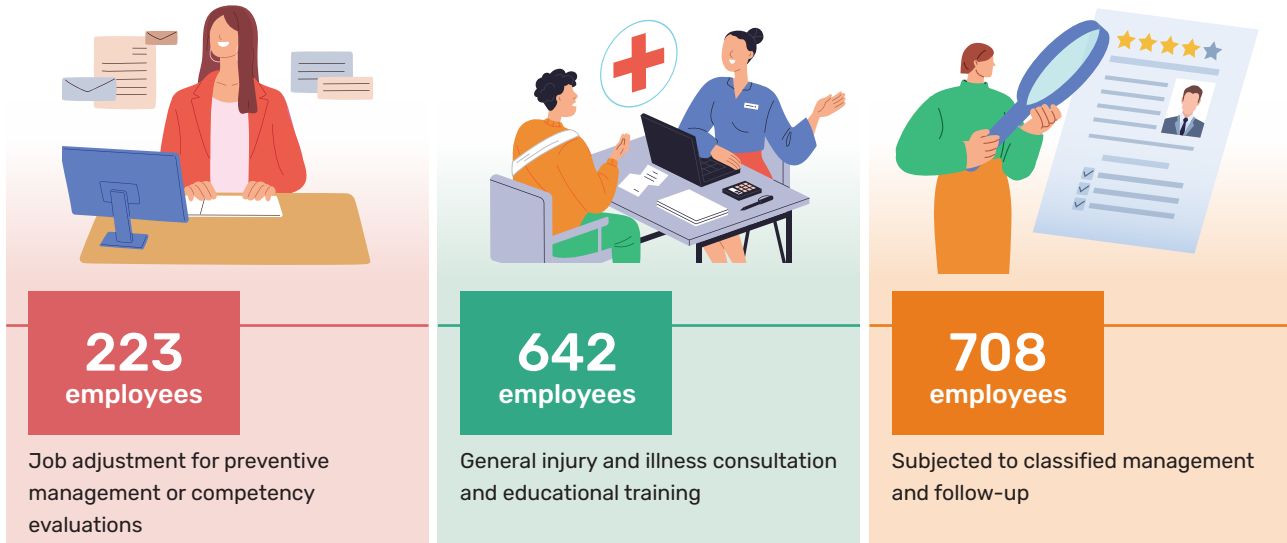
Item		2021	2022	2023
Physician provides on-site services	Number of people subjected to job adjustment for preventive management or competency evaluations	147	146	223
	Number of people who received general injury and illness consultation and educational training	679	814	642
Nurses carry out graded management based on examination results and number of people tracked (employees with abnormal results in special health examinations)		660	671	708



Special Operations that are Hazardous to Health

The Company has 16 statutory special operation sites (high temperature, noise, ionizing radiation, carbon disulfide, tri(tetra)chloroethylene, dimethyl formamide, n-hexane, vinyl chloride, benzene, manganese, dust, chromic acid and other salts, cadmium, nickel, 1,3-butadiene, mercury and its inorganic compounds). Doctors will visit our sites according to the frequency required by the law, and will evaluate the health of employees performing special operations and the association with their work. The evaluations are jointly conducted together with supervisors, employees, nurses, safety and health personnel, and personnel representatives on site. We continue to prevent occupational illnesses through health examination follow-up, individual healthcare for employees, and operating environment and individual exposure monitoring.

★ Overall Results in 2023



Abnormal results in special health examinations increased 0.29% in 2023

Note: The number of employees listed by the medical examination hospital as under grade 4 management increased due to changes in the classification standard of the Ministry of Labor.

Implement Hearing Protection Work

The Company's employees under grade 4 management are all engaged in noise operations. In addition to purchasing low-noise equipment, the Company launched the Hearing Protection Project and conducted a review. Employees under grade 4 management were interviewed by an occupational medicine specialist one by one to verify their work environment and followed recommendations of the specialist: Reduce the exposure time, change the workplace, or wear a communications headset with higher protective effects. In addition, "use of protective equipment" is included in the supervisor's SWAT.

★ **100% Special health examination rate**
There were no occupational disease cases as of 2023



★ **Assessment Results of Diseases Caused by Abnormal Workload in 2023**

Unit: Number of people (abnormality rate)

Risk Level of Cerebral and Cardiovascular Diseases Caused by Work		Workload		
		Low Workload	Medium Workload	High Workload
Occurrence Cerebral and Cardiovascular Diseases in the Past 10 Years	<10%	989(56.7%)	353(20.2%)	64(3.7%)
	10-19%	241(13.8%)	57(3.3%)	11(0.6%)
	≥20%	22(1.2%)	8(0.5)	0

Low risk Medium risk High risk

Analysis of data in the past 2 years showed that "smoking" is an important risk factor for employees with a high risk of "cerebral and cardiovascular disease." In order to prevent cerebral and cardiovascular disease, reduce the incidence and achieve early discovery and treatment, we invited Director Yu-Chih Lin of the Division of Family Medicine, Yunlin Chang Gung Memorial Hospital to deliver a lecture on "Preventing Cerebral and Cardiovascular Diseases." We also cooperated with Mailiao Health Center to assist employees on site with carbon monoxide concentration screening and smoking cessation promotion.



Lecture on the prevention of cerebral and cardiovascular disease

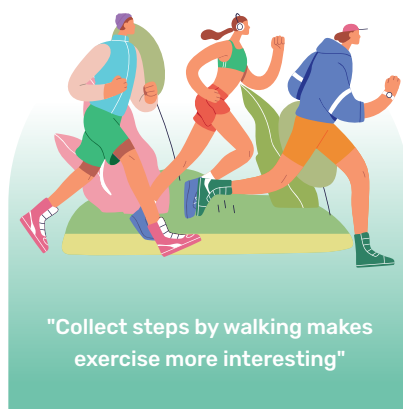


Smoking cessation promotion lecture and CO testing

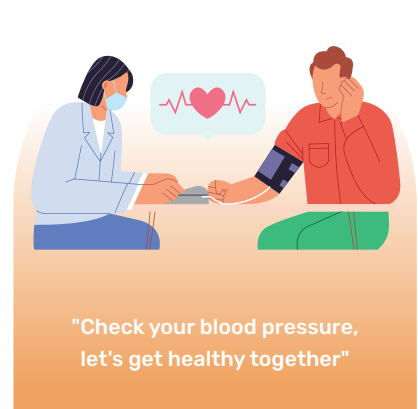
Health Promotion Activities that Encourage Healthy Lifestyles



Among the top ten causes of death in the country, obesity is a critical risk factor that is related to many chronic diseases. Diseases may easily lead to disability, reduced productivity, and occupational disease controversies. We will continue to organize the healthy lifestyle challenge to develop a healthy diet and a good lifestyle.



During the event, the total number of steps taken by all employees starting from the Mailiao Plant is enough to walk 262 laps around the island. On average, each person lost 4.6 kg of weight.



High blood pressure is an important risk factor for cerebral and cardiovascular diseases. To get employees into the habit of regularly measuring and paying attention to their blood pressure, nurses successfully referred 10 employees with abnormal blood pressure for treatment through the physical fitness management platform of Formosa Biomedical Technology Corporation.

✦ **Weight Loss Results in the Past 3 Years are as Follows: (Suspended in 2021 due to the pandemic)**



	2020 Fifth	2022 Sixth	2023 Seventh
Number of People Who Completed Measurement	1,155	993	1,355
Weight Loss (kg)	1,846	1,887.5	2,758.4
Weight Loss Per Person (kg)	1.6	1.9	2.0

✦ **Health Promotion Events in 2023**



Healthy Workplace Lecture/Regain Your Muscle Strength/Fascial Health

Campaign to stay away from tobacco, betel nut, and alcohol

Promoting a hepatitis C-free workplace in response to the Ministry of Health and Welfare's "National Program to Eliminate Hepatitis C"

According to data of the Ministry of Health and Welfare, the coastal area of Yunlin is a high-risk area for hepatitis C. Considering that most of the employees in the Company's Mailiao Plant are residents of Yunlin's coastal area, early discovery and treatment can prevent liver cancer. The Company's health examinations in 2023 to 2024 will also include hepatitis C antibody screening, and those that test positive for antibodies will be further provided with a hepatitis C antigen test. The total cost in 2023 was: NT\$477,440. In 2023, three employees were found to have hepatitis C and were immediately referred to Yunlin Chang Gung Memorial Hospital Liver Disease Prevention and Treatment Center to receive hepatitis C antiviral drug treatment, contributing to the "National Program to Eliminate Hepatitis C" of the Ministry of Health and Welfare.

Periodic Re-training of First Aid Personnel and Equipment Upgrade

Appointment of first aid personnel in accordance with the law

We appoint one first aid personnel for every 50 employees in accordance with the Occupational Safety and Health Act, and appoint EMT-1 personnel better than required by occupational safety and health laws, while also maintaining the effectiveness of their professional certification and their first aid skills to protect the lives of employees and contractors.

- 1 EMT-1 training in 2023: Initial training: 60 participants, re-training: 1,045 participants.
- 2 Four chemical disaster first aid training sessions were organized in 2023: Improved the first aid abilities of personnel on site when accidents and injuries occur.
- 3 Three high-altitude rescue training sessions were organized in 2023.

Upgrade first aid equipment in plants

Purchase additional high-altitude rescue equipment and Automated External Defibrillators (AED).

- 1 A total of 54 AEDs are available for the entire Company. (Purchased 20 additional units)
- 2 Prepared 324 inhalers and 27 injections of antidotes for hydrogen sulfide poisoning on site and at a chemical incident responsibility hospital nearby.
- 3 Purchased 25 sets of high-altitude rescue equipment (including rollable stretchers) for the entire Company.



EMT-1 CPR training.



Simulated high-altitude rescue on site.

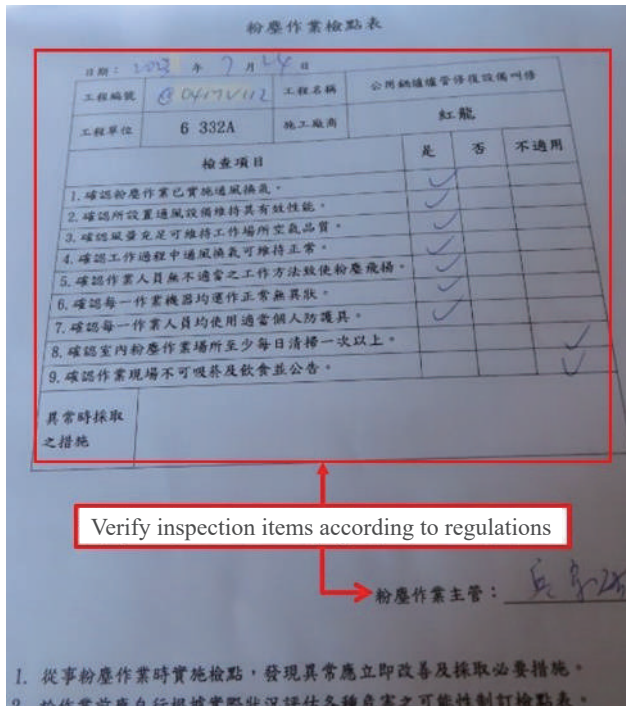
3.4.6 Contractor Management

The Company convenes daily toolbox meetings and monthly coordination organization meetings to communicate, promote, and discuss safety and health with contractors. Requirements that must be immediately met are communicated through the messaging group between the Company's engineering department and contractors. Contractors can use the group to ask questions at any time, and the Company's personnel will immediately respond and provide assistance.

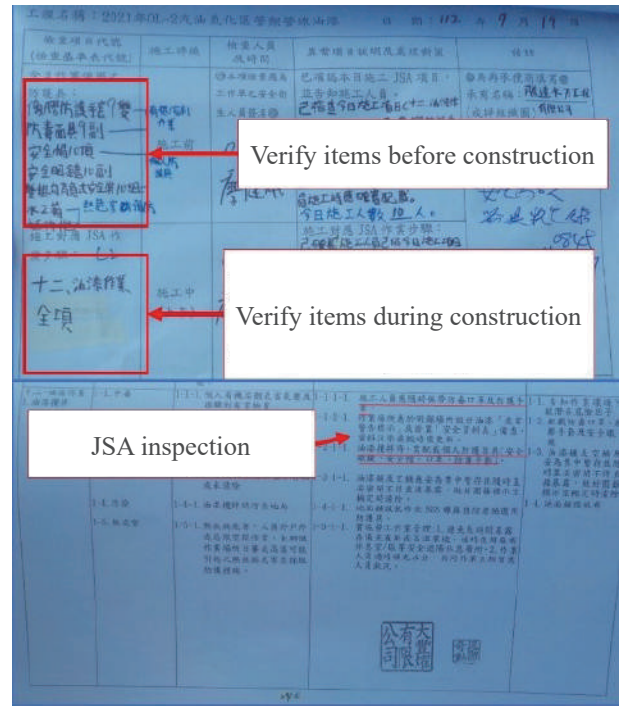


Continue to Implement Contractor Self-Management and Jointly Improve Self-Management Abilities of Suppliers

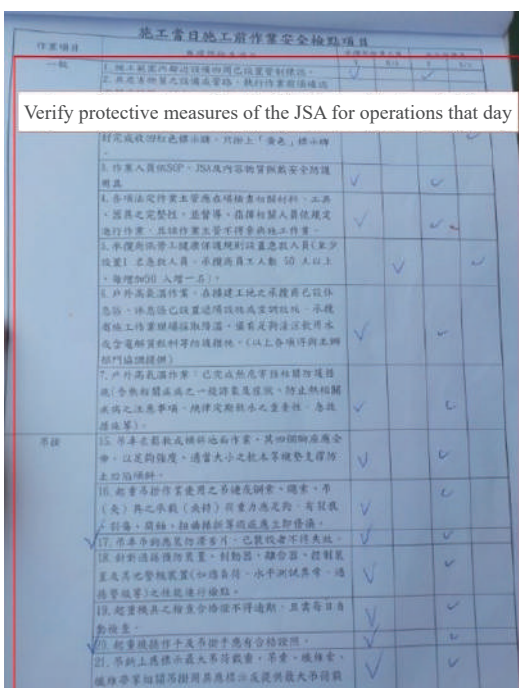
1. Self-inspections before, during, and after construction by labor safety personnel of contractors.
2. JSA inspection of protective equipment worn by labor safety personnel of contractors.
Before construction, check if all protective equipment required for JSA that day equipment is prepared and effective. During construction, check if personnel are properly using protective equipment for the procedure.
3. Inspection by operations supervisor of contractor:
The supervisor of operations by contractors performs inspections using the checklist before construction commences each day and supervises operations on site according to the Occupational Health and Safety Act.



Example of checklist for supervisors



Example of JSA inspection



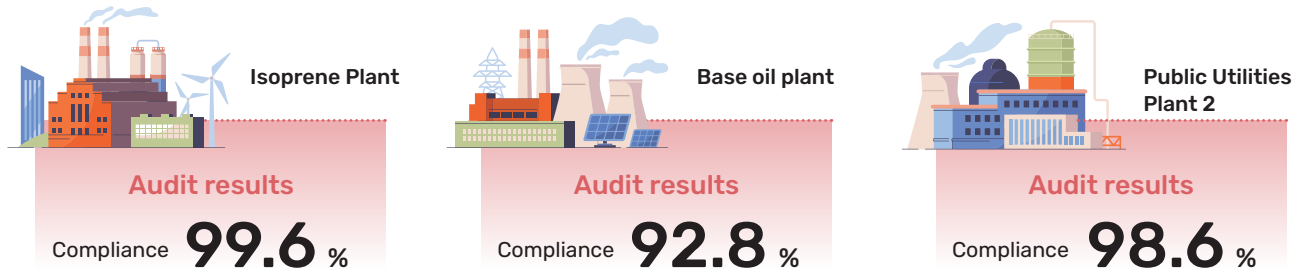
Example of inspection before, during, and after construction



Compliance Audit

✦ Process Safety

To verify the implementation status of PSM, an external agency is engaged every 5 years starting in 2023 to complete compliance audits of each unit. In 2023, 3 factory audits (3 days per factory) were completed with an average compliance of 97%.



✦ Occupational Safety

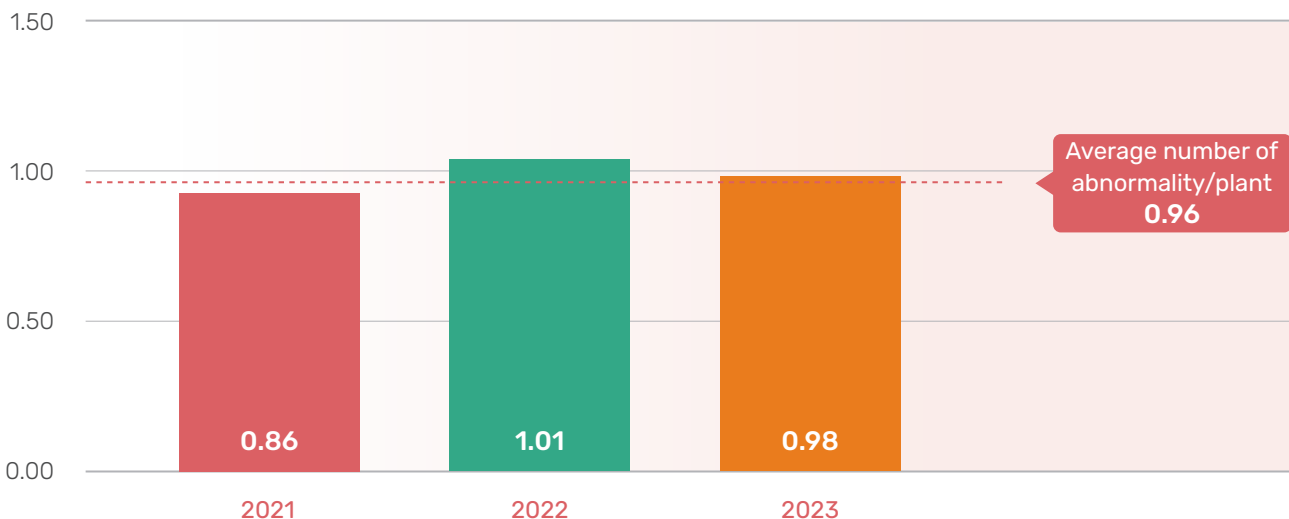
We verify the implementation results of safety and health management systems and compliance of units through monthly compliance audits and project audits. Average number of abnormalities was 0.98 abnormalities/plant in 2023, higher than the average of 0.96 abnormalities/plant in the most recent three years.

In addition to regular inspections this year, the inspection of contractor operations during regular inspections was also strengthened, and "contractor self-management and inspection implementation" was listed as a key audit item. The number of abnormalities increased slightly (the total number of abnormal cases increased from 18% to 27%). The number of abnormal cases in elevated operations (including scaffold management) decreased (the total number of abnormal cases decreased from 26% to 22%), and will continue to be included as a key audit item in 2024 after review.

✦ Average Number of Abnormalities in the Past 3 Years

Year	2021	2022	2023	Total
Number of abnormalities	76	74	126	276
Number of times at the plant	88	73	128	289
Number of abnormalities/plant	0.86	1.01	0.98	0.96

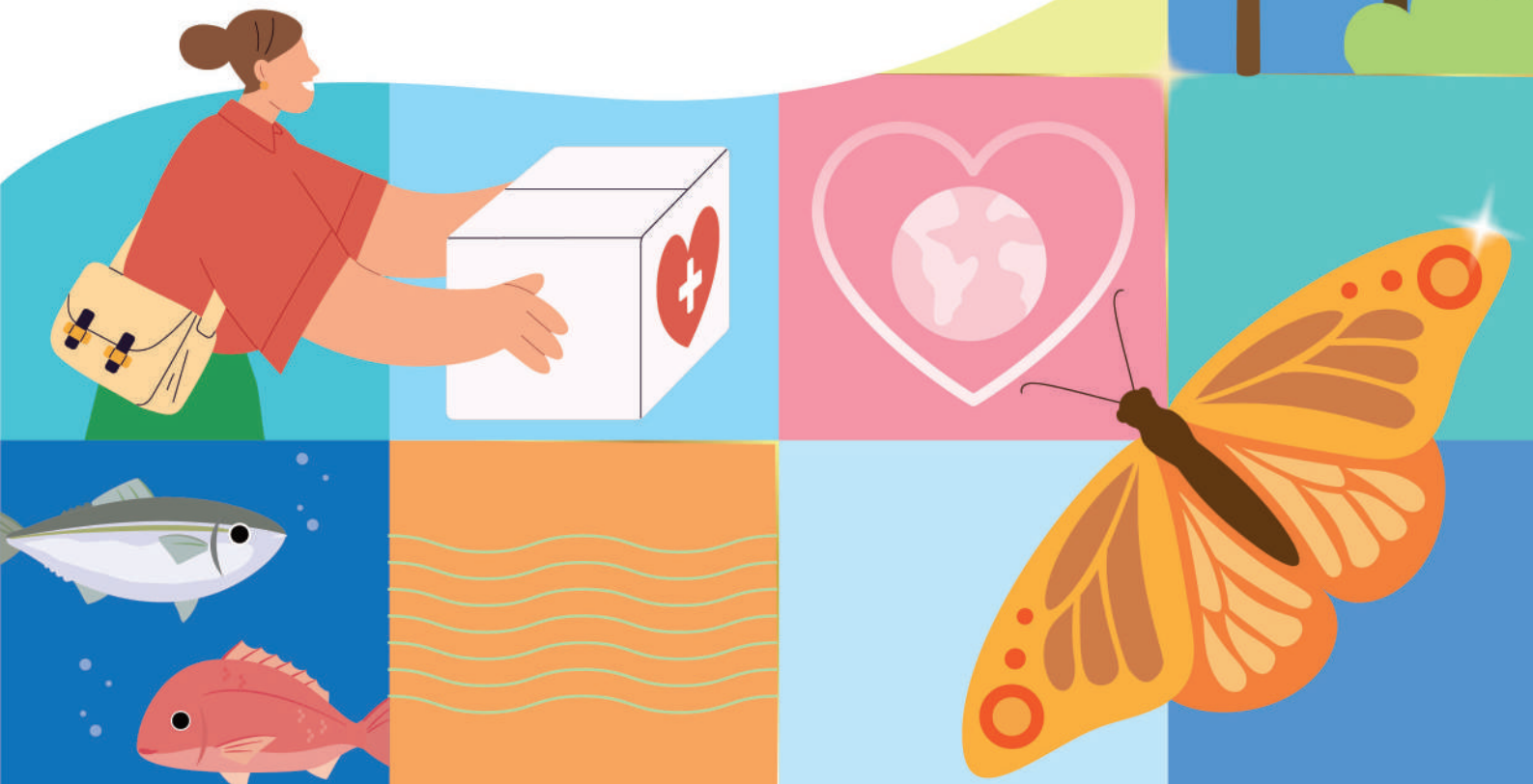
✦ Number of Abnormalities/Plant





CH4 New Value of Connecting with Society

FPCC upholds the core value of "giving back to society what is taken from society," while engaging in charity events to care for the disadvantaged under the four themes: "care for the disadvantaged," "health protection," "education and growth," and "mutual prosperity with ecology," the Company also provides residents of surrounding areas with guidance and subsidies in health, education, local industries, and environment. We hope to make society and our living environment better through action.



Strategic Actions

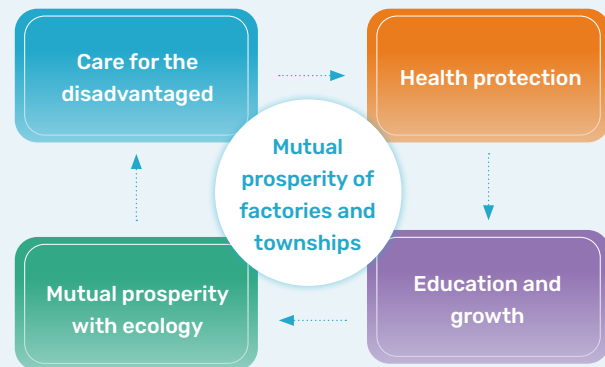


Commitment in Operations

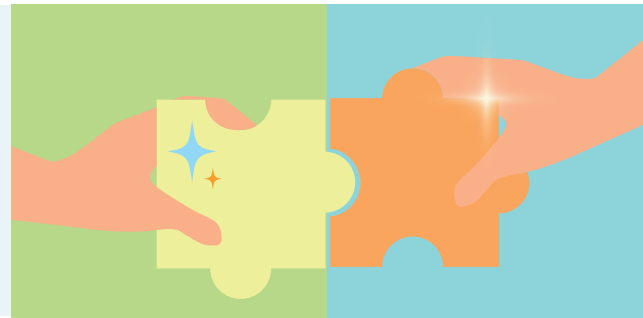
FPCC pays close attention to social trends, and shares the fruits of its efforts with society and the environment. Besides working with different institutions to improve the lives of the underprivileged and the quality of education for children, we also provide subsidies and industry guidance to give back to local residents and environment, continuing to work towards mutual prosperity of factories and townships.

Development Strategy

- Care for the disadvantaged: Continue to make donations and organize events to help improve the lives of the disadvantaged, and attract public attention to related issues
- Health protection: Provide local residents with free health examinations, lectures, and communication to raise their health awareness, and assist families or individuals that need emergency aid by paying for their medical expenses.
- Education and growth: Provide scholarships to encourage students to learn, and provide students with diverse learning opportunities and environment through industry-academia collaboration
- Mutual prosperity with ecology: Engage in local ecological conservation, and provide the general public with a suitable environmental education platform through industry-academia collaboration



Stakeholders



✔ Achieved ⚠ Ongoing

- ✔ Continue to engage in charity events
- ✔ Cooperate with the remediation of Zhuoshui River by the Water Resources Agency, and participate in the establishment of environmental education facilities (measures)

Targets in 2023

- We set out from four themes "care for the disadvantaged," "health protection," "education and growth," and "mutual prosperity with ecology", and continue to engage in charity and ecological conservation events.

Targets in 2024

- Be like family to local residents so that the Company can co-exist and mutually prosper with local communities
- Continue to monitor urban and rural development, education, underprivileged groups, and environmental and ecological issues, provide assistance to people in need, and expand the scope of participation in charity

Mid-term and Long-term Goals

4.1 Social Development and Communication

Social care - FPCC gas stations cheer for you

For years FPCC has cared for the underprivileged. We have set out from our core business with the goal of creating harmony in society in recent years. We began a long-term partnership with the Taiwan Fund for Children and Families in 2019, and combined gas station resources in different counties/cities to join the Child Protection Good Neighbor Project and Project to End Poverty.

<p>Project Purpose</p>	<p>To create a good and safe living environment for the underprivileged</p>	
<p>Partnering/ Execution Unit</p>	<p>Child Protection Good Neighbor</p>	<p>Formosa Oil helps people with disabilities find employment</p>
<p>Subjects</p>	<p>Abused children</p>	<p>Yu-Cheng Social Welfare Foundation</p>
<p>Target of Communication</p>	<p>General public and cardholders of Formosa Oil</p>	
<p>Content</p>	<p>Chinese New Year event: The event "FPCC makes donations when you fill up your tank" was held during the 9-day Chinese New Year holiday in 2023 in response to the Kids First Project of the Taiwan Fund for Children and Families. The event combined 500 Formosa Oil, Formosa Taffeta, Sure, and Smile gas stations, and Formosa Oil donated NT\$2 to the Taiwan Fund for Children and Families for every transaction of 25 L and above (inclusive). If you use the Cathay United Bank and Formosa co-branded credit card, FPCC will donate an additional NT\$2 for each transaction.</p>	<p>Formosa Oil hopes to use this opportunity to change the role of "enterprise" from a donor who indirectly invests resources to a nurturer that accompanies talents. Extend a helping hand to people with disabilities who are able to make a living by providing them with job opportunities and help them successfully enter the workplace.</p>
<p>Presentation of Results</p>	<p>The funds raised were donated on Child Protection Day on April 28 in response to the Kids First Project, and a total of NT\$2 million was earmarked for psychological trauma recovery and child protection services for abused children.</p>	<p>Formosa Oil has an average of approximately 1,300 employees. We provide a total of 187 job opportunities to people with disabilities, accounting for 14% of employees.</p>
<p>Event Photos</p>		
<p>Special Report on Civil Affairs</p>		

Local Efforts in Mailiao - Giving Back to Communities

FPCC has worked with local communities for years. Besides continuing to engage environmental and ecological protection, we are also assisting the development of surrounding areas, including subsidies for the disadvantaged, educational resources, giving back to residents, and medical assistance.

Subsidies for breakfast of underprivileged families

Target of Communication | Residents of townships near Mailiao Township

FPCC provides (NT\$40/breakfast) on school days for the children of middle and low income households and families in crisis. The school finds a vendor and the Company pays for the breakfasts.

Presentation of Results

Inputs NT\$4.16 million in total in 2023

Outputs Provided subsidies to 1,156 students in 27 elementary and junior high schools in 7 townships in 2023

Impact Having balanced and nutritious breakfast growing up will benefit normal physical development, and the Company accompanying children as they grow will instill them with the value of giving back to society, creating a positive cycle in society.



Scholarships for employees' children

Target of Communication | Residents of townships near Mailiao Township

Subsidy standards

Divided into first and second semester; distributed by employees with village heads to each eligible household

- NT\$5,000 for high school students and NT\$10,000 for college students from low income households
- NT\$3,000 for high school students and NT\$5,000 for college students from medium income households
- NT\$1,500 for high school students and NT\$2,500 for college students from regular income households

Presentation of Results

Inputs Provided a total of NT\$6.36 million in subsidies to medium and low income households in Taixi and Mailiao Townships in 2023

Outputs Number of recipients reached 2,336 in 2023

Impact Different amounts of scholarships are provided based on family situation. Besides encouraging students to focus on their studies, it will lift the burden of tuition on families and give children of underprivileged families the attitude that others will help them if they help themselves.



Gifts for low income household during the three holidays

Target of Communication | Residents of townships near Mailiao Township

On the night before Mid-Autumn Festival, Dragon Boat Festival, and Chinese New Year, the Company's products are given as gifts and NT\$3,000 of consolation money is distributed along with village heads.

Presentation of Results

Inputs Consolation money for low income households in 7 townships during the three holidays amounted to NT\$13.72 million in 2023

Outputs 3,963 people received subsidies in 2023

Impact Organized before holidays, employees personally deliver gifts to underprivileged families so that the recipients experience warm charity events.



Emergency aid

Target of Communication | Residents of townships near Mailiao Township

Divided into medical expenses and funeral expenses. The amount of emergency aid is determined by the Company's employees after examining the actual situation, in which funeral subsidies is limited to NT\$55,000, medical subsidies is limited to NT\$100,000, and living subsidies is limited to 3 months.

Presentation of Results

Inputs Provided a total of NT\$4.206 million in subsidies for emergency aid applications from seven townships in 2023

Outputs Total of 76 cases up to 2023

Impact The Company sends employees to look into and provide timely assistance for families or individuals that are in crisis, fully showing how much we care about the underprivileged.



Friendly neighbor funds distributed each year

Target of Communication | Residents of townships near Mailiao and Taixi Townships

The Company subsidizes National Health Insurance premiums, electricity fees, and administrative fees of residents based on permanent household registration data of township offices.

Presentation of Results

Inputs Provided NT\$320 million in subsidies in 2023

Outputs Benefited 46,470 residents in 2023

Impact The number of people that register their permanent address has increased each year, and the population has rapidly grown, increasing local business activity and making the region growingly prosperous.

Support Domestic Cultural Development - Film and Television Development

Film and Television Development

The Company has dedicated years of effort to ESG and sustainable development, and has spared no effort in social inclusion. In recent years, we continued to support the development of various cultures. In order to promote the film and television industry, support local drama production, improve the quality of domestic film and television dramas, and improve people's participation and understanding of art, sports, and local culture, in 2023, we sponsored well-known domestic TV channels (e.g., GTV, SET, FTV, EBC, TVBS, etc.).

◆ Presentation of Results

Inputs The Company was the title sponsor of well-known domestic TV channels in 2023, providing a total of NT\$22 million for the purpose of producing and broadcasting programs.

Outputs Variety show: Taiwan's No. 1, James' Going Places
Drama: Billionaire Story
Sports: P.LEAGUE game broadcast

Impact By sponsoring TV stations, we use funds to support local drama creations and various artistic performances, encourage local TV stations to continue to produce high-quality programs, strengthen diversified content production, promote film and television talents, technology and scale, and drive the development of various drama, art, and sports, giving people access to more high-quality works while developing the nation's cultural soft power

Taking Root in Art and Culture - Supporting the Rebirth of Domestic Cultural Assets

Regeneration of cultural assets

The Company is committed to the preservation and maintenance of cultural assets and the promotion of cultural development. The Company jointly invested NT\$500 million together with Formosa Plastics, Nanya, and Formosa Chemicals & Fibre Corporation in July 2018 to establish the "Kaohsiung City Formosa Wang Brothers Park Cultural Foundation," which is responsible for the planning, design, and construction of cultural asset restoration and reuse, so that the old factory site can show its historical significance in another way. At the end of 2018, it was successfully registered as a historical building and memorial building with Kaohsiung City Government.



◆ Presentation of Results

Inputs The Company donated NT\$125 million to establish the foundation in 2018, and donated another NT\$92.76 million to the foundation in 2023 for daily operations and restoration of historic sites.

Outputs In coordination with the event on the "International Day for Monuments and Sites" organized by the Bureau of Cultural Affairs, Kaohsiung City Government, the entire "Formosa Wang Brothers Park" was opened to the public on April 15, 2023.

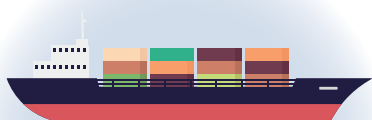
Impact The original plastic factory was transformed into the current "Formosa Wang Brothers Park," becoming Kaohsiung City's first industrial heritage cultural park, an educational, cultural, and creative space developed by the plastics industry.

4.2 Local Ecological Conservation

EcoPorts – Mailiao Port

Mailiao Port continues to maintain the port environment and ecology, and implements green port control measures.

Mailiao Port began implementing a plan to apply for the EcoPorts Certification of the European Sea Ports Organization in October 2016, in hopes changing the trend of port facilities and activities causing the environment to deteriorate. After years of efforts, Mailiao Port passed the EcoPorts Certification and obtained the certificate on September 7, 2018. It is the first industrial port in Asia to receive this recognition, and obtained the certificate for the third time in 2022.



Promotion of Green Transportation and Harbor Safety

- Shore power facilities
- Ships use low sulfur fuel
- Control of wastewater discharge by ships
- Strengthen control of port trash
- Harbor service boat revetment protection road elevation project resolves the issue of seawater flooding the port during high tide every month



Preparation of the Environmental Report

We implemented management measures for 10 major environmental concerns (air quality improvement, operations and management of hazardous substances, etc.) according to the latest certifications and standards (including environment changes, green services, etc.) of the European SeaPorts Organization



On-site Review and Certification

Lloyd's Register Quality Assurance sends personnel to conduct an on-site inspection and examine the completeness of application documents and conformity with the site, and then it issues an EcoPort certificate after verifying compliance with relevant standards

Mailiao Port – Marine Ecology

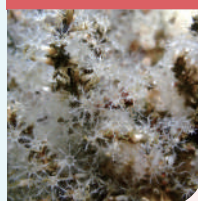
Mailiao Port has abundant underwater ecology, and 86 new species were added after summer and autumn 2023 compared with 2017. A total of 159 marine species have been identified, including 23 species of corals, 24 species of molluscs, 29 species of shrimps and crabs, 6 species of echinoderms, 71 species of fish, 2 species of sponges, and 1 species each of other species (ctenophores, annelids, mosses, and seaweeds). The stable distribution of species groups in each region shows that underwater ecology at Mailiao is maintained in good condition with diverse and abundant species.



Pterois volitans

Common name Red Lionfish, Butterfly Cod, Red Firefish

Distributed in the central and western Pacific and Indian Oceans, in coral reef areas or sand and mud bottoms at water depths of 1-55 meters. It is a nocturnal species that swims slowly during the day and hides in sheltered places. It often stays still in the water or attaches its belly to a rock wall for protection. It sometimes rests next to rocks or on sandy and muddy seabed.



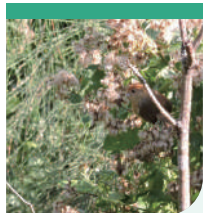
Carijoa riisei

Common name Snowflake Coral

Coral colonies are composed of many branches, which can reach a height of more than ten centimeters. The branches are often in the shape of a net and formed by creeping roots growing upward. There are larger polyps at the tip of the main branch and smaller polyps on the sides. Coral polyps are tubular and retractable. The spicules are small, rod-shaped, with protrusions on the surface. Coral polyps and stolons are white or milky white.

Intertidal Zone and Land Ecology Around Mailiao Industrial Park

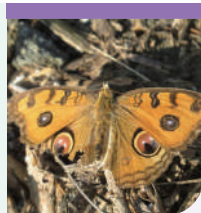
- **Birds:** Photography of migrant birds in areas around Mailiao Port is listed in the Mailiao Port Marine Ecology and Environment Photography Project. Based on records of bird distribution over the years, there is a wide variety of bird species
- **Beef wood windbreak forest:** Mailiao Port has the largest beef wood forestation land in Taiwan.
- **Intertidal zone:** Mailiao Township is by the sea and has an intertidal zone that covers about 47 km². The continental shelf is flat and has an abundance of marine organisms, such as fiddler crabs and soldier crabs are everywhere to be seen. There are also many resident birds and migrant birds, which represent the good condition of the marine ecological environment around Mailiao Port.



Paradoxornis webbianus

Common name Vinous-throated Parrotbill

Endemic subspecies of Taiwan. Energetic and likes to be on branches or bushes close to the ground. Likes to live in groups. Usually found in large groups of dozens of birds during the non-breeding season. Has a wide range of dietary items, mainly grass seeds, nectar, fruits, and insects.

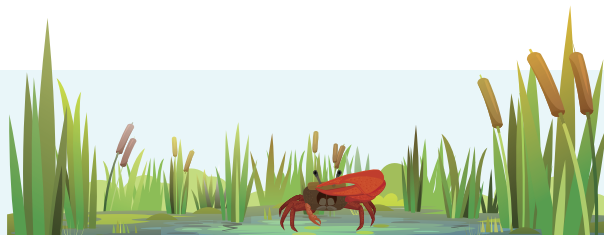


Junonia almanac

Common name Peacock pansy

Multivoltine butterfly species. The habitat of adults is in the plains and low mountains and usually flies near the ground with clear flower-visiting habits. Its habitat is on riverbanks, fields, grasslands, and swamps.

Highlight case: Protecting Brown Land Crab (*Xeruca formosensis*)



The brown land crab (*Xeruca formosensis*) is an endemic species of Taiwan, but its population has decreased and even disappeared in many places in recent years. FPCC and the Research Center for Global Change Biology, National Chung Hsing University, signed a MOU on October 18, 2022 to protect this rare endemic species of Taiwan, and jointly carry out conservation and environmental protection work for brown land crab at Zhuoshui River estuary.

According to a survey by National Chung Hsing University, the population of the endemic species *Xeruca formosensis* at the estuary of Zhuoshui River is about 870,000, accounting for 90% of the entire population in Taiwan. Among them, there are as many as 600,000 in Mailiao on the south bank of Zhuoshui River estuary. However, the "*Spartina alterniflora*" and "*Avicennia marina*" (a type of mangrove) populations in the habitat on the south bank of Zhuoshui River are gradually expanding, posing the threat of degrading the habitat of the brown land crab.

On September 7, 2023, the Company's employees cooperated with Yunlin County Government and the Society of Wilderness, and hundreds of volunteers removed nearly 2 hectares of mangrove to maintain the habitat of the brown land crab for ecological diversity.





Appendix

Content

- Appendix 1** Corresponding appendices for international frameworks
- Appendix 2** Disclosure of indicators in the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- Appendix 3** Corporate Governance Evaluation_ESG Indicator Disclosure
- Appendix 4** Third Party Assurance Statement



Appendix 1 Corresponding appendices for international frameworks

Corresponding GRI Indicators

Usage Statement	FPC reports matters between January 1 and December 31, 2023 according to the GRI Standards.
GRI Universal Standards	GRI 2: General Disclosures 2021
GRI Sector Standards	GRI 11 Oil and Gas Sector Disclosures: GRI 11 2021

GRI Universal Standards 2021

Disclosure Indicator	Corresponding Chapter in the Report	Note
2-1 Organizational details	1.1 Corporate Governance – Company Overview	
2-2 Entities Included in the Organization's Sustainability Report	About this Report – Report Boundaries and Scope	
2-3 Time and Frequency of Reporting and Contact Person	About this Report – Overview of Issuance About this Report – Contact Information	
2-4 Restatements of Information	-	There was no restatement of information
2-5 External Assurance	About this Report – Report Verification and Assurance About this Report – Sustainability Report Management Method	
2-6 Activity, Value Chain, and Other Business Relationships	New Path to Sustainability – Business Strategy 1.2 Operational Performance – Economic Performance	
2-7 Employees	3.1 Employee Structure	
2-8 Non-employee workers	3.1 Employee Structure	
2-9 Governance Structure and Composition	1.1 Corporate Governance – Governance Structure and Sustainable Governance Organization	
2-10 Nominating and Selecting the Highest Governance Body	1.1 Corporate Governance – Governance Structure and Sustainable Governance Organization	
2-11 Chair of the Highest Governance Body	1.1 Corporate Governance – Governance Structure and Sustainable Governance Organization	
2-12 Role of the highest governance body in overseeing the management of impacts	New Path to Sustainability – Sustainability Issue Management	
2-13 Delegation of responsibility for managing impacts	New Path to Sustainability – Sustainability Issue Management 1.1 Corporate Governance – Governance Structure and Sustainable Governance Organization	
2-14 Role of the highest governance unit in sustainability reporting	1.1 Corporate Governance – Governance Structure and Sustainable Governance Organization	
2-15 Conflicts of Interest	1.1 Corporate Governance – Code of Conduct, Anti-corruption Policy, Internal Audit System	
Disclosure Indicator	Corresponding Chapter in the Report	Note

2-16 Procedures for Communicating Critical Concerns	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization 1.1 Corporate Governance - Operating Status of the Sustainable Development Committee
2-17 Collective Knowledge of Highest Governance Body	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization
2-18 Performance Evaluation of the Highest Governance Body	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization
2-19 Remuneration Policy	1.1 Corporate Governance - Overview of Operation of the Remuneration Committee
2-20 Process for Determining Remuneration	1.1 Corporate Governance - Overview of Operation of the Remuneration Committee
2-21 Annual Salary Ratios	3.3 Employee Benefits and Care
2-22 Statement of the Sustainable Development Strategy	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization
2-23 Policy and Commitment	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization 3.1 Employee Structure
2-24 Included in Policy and Commitment	1.1 Corporate Governance - Governance Structure and Sustainable Governance Organization 1.4 Partnership Maintenance - Supplier Opinion/ Complaint Mechanism 3.4.4 Employee and Contractor Professional Training and Certification
2-25 Procedures for Remediating Negative Impacts	1.4 Partnership Maintenance - Supplier Opinion/ Complaint Mechanism 3.3 Employee Benefits and Care
2-26 Mechanisms for Seeking Advice and Raising Concerns	1.2 Operational Performance 1.4 Partnership Maintenance - Supplier Opinion/ Complaint Mechanism
2-27 Environmental Compliance	2.5 Environmental Expenditures and Benefits 3.4.2 Risk Assessment, Management and Incident Investigation
2-28 Membership of Associations	1.4 Partnership Maintenance - Participation in Non-Profit Organizations
2-29 Approach to stakeholder engagement	Management of sustainability issues - Stakeholder identification and communication results
2-30 Collective Bargaining Agreement	3.4 Occupational Health and Safety

GRI Oil and Gas Sector Disclosures: GRI 11(2021)

GRI No.	Issue	Sector Standard No.	Corresponding GRI Topic	Corresponding Chapter in the Report
GRI 3-1	Management Approach	-	-	New Path to Sustainability - Sustainability Issue Management
GRI 3-2		-	-	
Sustainability Issue: Corporate Governance				
GRI 3-3	Management Approach	-	-	1.1 Corporate Governance
Sustainability Issue: Green Investment and Innovative Transformation				
GRI 3-3	Management Approach	-	-	1.3 Creating a Green Future
Sustainability Issue: Risk and Crisis Management				
GRI 3-3	Management Approach	-	-	1.2 Operational Performance

GRI No.	Issue	Sector Standard No.	Corresponding GRI Topic	Corresponding Chapter in the Report
Sustainability Issue: Stability of Imported Materials				
GRI 3-3	Management Approach	-	-	1.4 Partnership Maintenance
Sustainability Issue: GHG Management				
GRI 3-3	Management Approach	11.1.1	GRI 3: Material Topics in 2021	2.2 GHG Management
11.1	Greenhouse Gas Emissions	11.1.2	GRI 302-1 ~ GRI 302-3: Energy 2016	
		11.1.3		
		11.1.4		
		11.1.5	GRI 305-1 ~ GRI 305-4: Emissions 2016	
		11.1.6		
		11.1.7		
		11.1.8		
*11.1.3 Information Unavailable/Incomplete and Boundaries of Statistics for External Energy Consumption are being Summarized				
Sustainability Issue: Climate Change Strategy				
GRI 3-3	Management Approach	11.2.1	GRI 3: Material Topics in 2021	2.1 Climate Change Mitigation and Adaptation
11.2	Climate Adaptation, Recovery, and Transition	11.2.2	GRI 201-2: Economic Performance 2016	
		11.2.3	GRI 305-5: Emissions 2016	2.2 GHG Management
Sustainability Issue: Air Pollution Prevention				
GRI 3-3	Management Approach	11.3.1	GRI 3: Material Topics in 2021	2.3 Air Pollution Management and Prevention
11.3	Gas Emissions	11.3.2	GRI 305-7: Emissions 2016	2.3 Air Pollution Management and Prevention
		11.3.3	GRI 416-1: Customer Health and Safety 2016	1.2 Operational Performance
11.4	Biodiversity	11.4.1	GRI 3: Material Topics in 2021	N/A No location of operations is in an ecological protected area
		11.4.2		
		11.4.3	GRI 304-1 ~ GRI 304-4: Biodiversity 2016	
		11.4.4		
11.5	Waste	11.5.1	GRI 3: Material Topics in 2021	
		11.5.2	GRI 306-1 ~ GRI 306-5: Waste 2020	
		11.5.3		
		11.5.4		
		11.5.5		
		11.5.6		

GRI No.	Issue	Sector Standard No.	Corresponding GRI Topic	Corresponding Chapter in the Report
11.6	Water and Effluents	11.6.1	GRI 3: Material Topics in 2021	2.4 Water Resources and Waste Management
		11.6.2	GRI 303-1 ~ GRI 303-5: Water and Effluents 2018	
		11.6.3		
		11.6.4		
		11.6.5		
		11.6.6		
11.7	Water and Effluents	11.7.1	GRI 3: Material Topics in 2021	N/A No closure or restoration in 2023
		11.7.2	GRI 402-1: Labor/ Management Relations 2016	
		11.7.3	GRI 404-2: Training and Education 2016	
Sustainability Issue: Oil Products Transportation and Storage Safety				
GRI 3-3	Management Approach	11.8.1	GRI 3: Material Topics in 2021	1.4 Partnership Maintenance
11.8	Asset Completeness and Material Event Management	11.8.2	GRI 306-3: Effluents and Waste 2016	
Sustainability Issue: Industrial and Public Safety, Occupational Health and Safety				
GRI 3-3	Management Approach	11.9.1	GRI 3: Material Topics in 2021	3.4 Occupational Health and Safety Management
11.9	Occupational Health and Safety	11.9.2	GRI 403-1 ~ GRI 403-10: Occupational Health and Safety 2018	
		11.9.3		
		11.9.4		
		11.9.5		
		11.9.6		
		11.9.7		
		11.9.8		
		11.9.9		
		11.9.10		
11.9.11				
Sustainability Issue: Employee Profile and Benefits				
GRI 3-3	Management Approach	11.10.1	GRI 3: Material Topics in 2021	3.1 Employee Structure 3.3 Employee Benefits and Care
11.10	Labor Employment Practices	11.10.2	GRI 401-1 ~ GRI 401-3: Employment 2016	
		11.10.3		
		11.10.4		
		11.10.5	GRI 402-1: Labor/ Management Relations 2016	3.4.4 Worker participation, consultation and communications
		11.10.6	GRI 404-1 ~ GRI 404-2: Training and Education 2016	3.2 Employee Career Development
		11.10.7	GRI 414-1 ~ GRI 414-2: Supplier Social Assessment 2016	1.4 Partnership Maintenance
		11.10.8		
11.10.9				

GRI No.	Issue	Sector Standard No.	Corresponding GRI Topic	Corresponding Chapter in the Report
Sustainability Issue: Employee Profile and Benefits				
11.11	Discrimination and Equal Opportunity	11.11.1	GRI 3: Material Topics in 2021	3.1 Employee Structure
		11.11.2	GRI 202-2: Market Presence 2016	
		11.11.3	GRI 401-3: Employment 2016	
		11.11.4	GRI 404-1: Training and Education 2016	
		11.11.5	GRI 405-1: Diversity and Equal Opportunity 2016	
		11.11.6		
		11.11.7	GRI 406-1: Non-Discrimination 2016	
11.12	Forced Labor and Modern Slavery	11.12.1	GRI 3: Material Topics in 2021	Not applicable, details are in 3.1 Employee Structure
		11.12.2	GRI 409-1: Forced or Compulsory Labor 2016	
		11.12.3	GRI 414-1: Supplier Social Assessment 2016	1.4 Partnership Maintenance
11.13	Freedom of Association and Collective Bargaining	11.13.1	GRI 3: Material Topics in 2021	Not applicable, details are in 3.4.3 Worker participation, consultation and communications
		11.13.2	GRI 407-1: Freedom of Association and Collective Bargaining 2016	
Sustainability Issue: Economic Performance				
GRI 3-3	Management Approach	11.14.1	GRI 3: Material Topics in 2021	1.2 Operational Performance
11.14	Economic Impact	11.14.2	GRI 201-1: Economic Performance 2016	1.2 Operational Performance
		11.14.3	GRI 202-2: Market Presence 2016	3.1 Employee Structure
		11.14.4	GRI 203-1, 203-2: Indirect Economic Impact 2016	N/A
		11.14.5		Not included within the boundaries of the Sustainability Report
		11.14.6	GRI 204-1: Procurement Practices 2016	1.4 Partnership Maintenance
11.15	Local Communities	11.15.1	GRI 3: Material Topics in 2021	There were no major operational changes that require communication with the local community in 2023. For details, please see 4.1 Social Development and Communication
		11.15.2	GRI 413-1 ~ GRI 413-2: Local Communities 2016	
		11.15.3		
11.16	Land and Resource Rights	11.16.1	GRI 413-1 ~ GRI 413-2: Local Communities 2016	N/A
11.17	Rights of Indigenous People	11.17.1	GRI 3: Material Topics in 2021	N/A Operating activities do not involve crude oil extraction business
		11.17.2	GRI 411-1: Rights of Indigenous Peoples 2016	
11.18	Conflict and Safety	11.18.1	GRI 3: Material Topics in 2021	N/A Locations of operations do not have such issue
		11.18.2	GRI 410-1: Security Practices 2016	

GRI No.	Issue	Sector Standard No.	Corresponding GRI Topic	Corresponding Chapter in the Report
Sustainability Issue: Economic Performance				
11.19	Anti-Competitive Behavior	11.19.1	GRI 3: Material Topics in 2021	N/A We have not engaged in anti-competitive behavior in accordance with the Fair Trade Act
		11.19.2	GRI 206-1: Anti-Competitive Behavior 2016	
11.20	Anti-Corruption	11.20.1	GRI 3: Material Topics in 2021	N/A No reports of corruption were received in the past 3 years
		11.20.2	GRI 205-1 ~ GRI 205-3: Anti-Corruption 2016	
		11.20.3		
		11.20.4		
11.21	Payment of Government Funds	11.20.1	GRI 3: Material Topics in 2021	N/A The Company only has a single location of operations and does not have this issue.
		11.20.2	GRI 201-1, GRI 201-4: Economic Performance 2016 GRI 207-1 ~ GRI 207-4: Tax 2019	
		11.20.3		
		11.20.4		
		11.20.5		
		11.20.6		
		11.20.7		
11.22	Public Policy	11.20.1	GRI 3: Material Topics in 2021	N/A No political contributions
		11.20.2	GRI 415-1: Public Policy 2016	

Corresponding SASB Indicators

FPCC adopted the SASB and uses contents of the Refining & Marketing Industry under Oil & Gas that correspond to sustainability issues in 2023.

Indicator Code	Disclosure Indicator	Corresponding Disclosure in 2023			Chapter
Topic of Disclosure: Greenhouse Gas Emissions					
EM-RM-110a.1	Year	2021	2022	2023	2.2 GHG Management
	Total Scope 1 emissions (Unit: Metric tons CO ₂ e)	26,482,767	24,000,547	24,004,680	
	Emissions as a percentage of regulatory restrictions/ internal regulations (Unit: %)	100%	100%	100%	
EM-RM-110a.2	Long- and short-term carbon reduction management strategies or plans for Scope 1 GHG emissions, carbon reduction goals, and performance analysis with respect to the goals	Carbon Disclosure Project (CDP)			
Topic of Disclosure: Air Quality					
EM-RM-120a.1	Air pollutant emissions: (Unit: Metric ton)	2021	2022	2023	2.3 Air Pollution Management and Prevention
	(1) NOx (excluding N2O)	0.293	0.246	0.218	
	(2) Sox	0.101	0.095	0.095	
	(3) Particulate matter (PM10)	0.014	0.011	0.01	
	(4) H2S	Not disclosed			
	(5) Volatile organic compounds (VOCs) (Unit product: kg/ton)	0.041	0.036	0.034	
EM-RM-120a.2	Number of refineries in densely populated areas or nearby areas	Total population of Mailiao Township in 2023 was 49,490			
Topic of Disclosure: Water Management					
EM-RM-140a.1	Year	2021	2022	2023	2.4.1 Water Resource Management
	1. Total freshwater extraction (Unit: cubic meters)	47,058,170	43,957,392	43,023,748	
	2. Percentage recycled (Unit: %): R1 = Recycling rate of plant (reuse rate) = (Total recycling water + Total reuse water) ÷ Gross water × 100%	98.9%	98.6%	98.7%	
	3. Percentage of area with high or very high baseline water stress (Unit: %)	0%	0%	0%	
EM-RM-110a.2	Number of violations relating to water quality permit, standards, and regulations	No violations			

Indicator Code	Disclosure Indicator	Corresponding Disclosure in 2023			Chapter
Topic of Disclosure: Hazardous Materials Management					
EM-RM-150a.1	Year	2021	2022	2023	2.4.2 Waste Management
	Total amount of hazardous waste generated (Unit: Metric ton)	423	613	440	
	Percentage of hazardous waste recycled (Unit: %)	N/A			
EM-RM-150a.2	1. Total number of USTs	N/A			
	2. Number of cases requiring cleaning due to UST oil leakage				
	3. Percentage of states with a UST guarantee fund (Unit: %)				
Topic of Disclosure: Workforce Health & Safety					
EM-RM-320a.1	Year	2021	2022	2023	3.4.2 Risk Assessment, Management and Incident Investigation
	1. Total recordable incident rate (TRIR) (Unit: %) *Remarks: Occupational injury statistics are used to calculate the disabling injury frequency rate. The formula is as follows: Frequency of disabling injuries (FR) = (Number of disabling injuries × 10 ⁶)/Total work hours elapsed	0.19	0.10	0.19	
	2. Fatality rate (Unit: %)	0	0	0	
	3. Near Miss Frequency Rate (NMFR) (Unit: %)	0.0194	0.0199	0.0386	
EM-RM-320a.2	Description of the management system used to create a safety culture	Disclosed in the report <ul style="list-style-type: none"> • Safety and Health Management System • Smart Positioning System 			3.4.1 Systematic Management 1.4.3 Finished Goods Transportation and Traffic Safety
Topic of Disclosure: Product Specifications & Clean Fuel Blends					
EM-RM-410a.1	Percentage of renewable volume obligation (RVO) achieved: (Unit: %)	2021	2022	2023	
	1. Manufacturing of renewable fuel	Related internal data is currently being summarized			
2. Purchase of renewable identification number (RIN)					
EM-RM-410a.2	Total addressable market and share of market for advanced biofuels and associated infrastructure				

Indicator Code	Disclosure Indicator	Corresponding Disclosure in 2023			Chapter	
Topic of Disclosure: Pricing Integrity & Transparency						
EM-RM-520a.1	Total amount of monetary losses as a result of legal proceeding associated with price fixing or price manipulation	There were no violations				
Topic of Disclosure: Management of the Legal & Regularly Environment						
EM-RM-530a.1	Discussion of corporate positions related to government regulations and/or policy proposals that address environmental and social factors affecting the industry	FPCC reflects its advice regarding the energy industry mainly through the annual advice white paper of the Chinese National Federation of Industries and expresses its opinions and viewpoints on applicable industrial regulations when consulted by government authorities to keep smooth communications with government authorities going. The white paper of the Chinese National Federation of Industries provides recommendations for the allocation of centrally-funded tax revenues, energy policy, and labor issues to the government.			1.4 Partnership Maintenance	
Operation Indicators						
EM-RM-000.A	The total volume of crude oil and other feedstocks processed in the refinery system	Year	2021	2022	2023	1.2 Operational Performance
		Daily volume refined of crude oil (barrels/day)	540,000	540,000	540,000	
		Ethylene (thousand tons/year)	2,935	2,935	2,935	
		Power generated (million KW)	2.75	2.75	2.75	
EM-RM-001.B	Refining capacity	See the annual report to the shareholders' meeting				

Appendix 2 Disclosure of indicators in the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Industry-Specific Sustainability Disclosure Indicator – Oil and gas industry

No.	Indicator	Type of indicator	Disclosure Status in 2023	Unit	Note
I	Number of refineries in densely populated areas ^{Note1}	Quantified	540,000 barrels/day	Number	
II	Total water withdrawal	Quantified	43,023.748	1,000 m ³	
	Total Water Consumption	Quantified	43,023.748	1,000 m ³	
III	Weight of hazardous waste generated	Quantified	440	Metric ton (t)	
	Percentage of hazardous waste generated	Quantified	0	Percentage (%)	
IV	Describe the number of people involved in occupational accidents	Quantified	2	Number	
	Describe the ratio of occupational accidents	Quantified	0.19	Percentage (%)	Frequency of disabling injuries (FR)
V	Risk management policy for material events	Qualitative description	1.2 Business Performance - Risk and Crisis Management 3.4.4 Employee and Contractor Professional Training and Certification	N/A	
VI	Quantity of Main Products by Category	Quantified	See the annual report to the shareholders' meeting	Varies with product category	

Note 1: Densely populated area is based on Taiwan's definition of urbanization:

An area that meets any one of the following standards is an urban area:

a. A place with a population of 20,000 and above and population density reaching 300 people/km² and above.

b. Two or more adjacent cities or townships with a total population of 20,000 and above and population density reaching 300 people/km² and above.

Climate-related Information of Listed Companies

items		Execution Status
I	Description on the Board and Management's oversight and governance on climate-related risks and opportunities	See 2.1 Climate Change Mitigation and Adaptation
II	Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term)	See 2.1.2 Climate Risks and Opportunities
III	Description on the impact extreme climate events and transitional actions have on finance	See 2.1.2 Climate Risks and Opportunities
IV	Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	See 2.1.2 Climate Risks and Opportunities
V	Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	See 2.1.2 Climate Risks and Opportunities
VI	Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks	See 2.1.2 Climate Risks and Opportunities
VII	Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained	Through the Company's self-developed greenhouse gas calculation system, the cost of greenhouse gas carbon emissions (including cost of excess carbon emissions) will be included in the monthly operational performance calculation, aiming to deepen the greenhouse gas reduction efforts in all sites and departments. At the same time, to promote carbon reduction in the supply chain, an "Equipment Selection Analysis Form" for high-carbon emission equipment procurement cases has been developed. The purchase requisitioning department estimates the carbon emissions of the equipment to be purchased and incorporates the carbon emission cost into the procurement evaluation.
VIII	Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated	See 2.1.3 Climate goals and indicators
IX	Carbon inventory and assurance efforts	See chart on the next page

1-1 The Company's greenhouse gas inventory and assurance in the recent two years

1-1-1 Information on greenhouse gas inventory

State the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e/million), and scope of data coverage in the recent two years

Unit: tCO₂e

Year	Scope of data coverage	Scope 1	Scope 2	Emission intensity (tCO ₂ e/million)
2022	All plants in Taiwan	24,000,547	423,554	28
2023	All plants in Taiwan	24,004,680	181,692	34

Explanation : 1.Emission intensity = (Scope 1 + Scope 2)/operating revenue of the parent company only financial report for the current year (million)

2.Standard for greenhouse gas inventory: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

1-1-2 Information on greenhouse gas assurance

State the explanation of assurance during the recent two years up to the date of publication of the annual report, including the scope of assurance, assurance agencies, assurance standards, and assurance opinions

2022	The Scope 1 and Scope 2 greenhouse gas emissions from all the Company's plants in Taiwan totaled 24,424,101 tCO ₂ e, and were verified by the British Standards Institution (BSI) in accordance with the ISO 14064 standard, and the assurance opinions were reasonable assurance.
2023	Complete assurance information see P56~P57.

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

State the base year and its data, reduction goals, strategies and specific action plans, as well as the achievement of reduction goals of greenhouse gas reduction

See 2.1.3 Climate goals and indicators \ 2.2 GHG Management

Appendix 3 Corporate Governance Evaluation_ESG Indicator Disclosure

Topics	Indicator	Description	Results in 2023	Remarks
Environmental Issues				
Greenhouse Gas Emissions	Direct (Scope 1) GHG emissions	Tons CO ₂	24,004,680	
	Energy indirect (Scope 2) GHG emissions	Tons CO ₂	181,692	
	Indirect (Scope 3) GHG emissions	Tons CO ₂	Expected to be completed in September 2024	
	GHG emissions intensity	Ton CO ₂ /Unit product, service, or NT\$1 million in revenue	34 tons/million NTD	
	Strategies, methods, and goals of GHG management	Qualitative description	2.2 GHG Management	
Energy Management	Renewable energy usage rate	Renewable energy/ Total energy	0.00006%	The total solar power generation is 36,927 kilowatt-hours
	Energy usage efficiency	Qualitative description	2.2 GHG Management	
	Policy to use recycled materials	Qualitative description		
Water Resources	Water consumption	Metric ton	43,023,748	
	Water unit intensity	Waste consumption/Unit product, service, or NT\$1 million in revenue	60 tons/million NTD	
	Water resource management or reduction goals	Qualitative description	2.4.1 Water Resource Management	
Waste	Amount of hazardous waste	Metric ton	440	Includes toxic hazardous industrial waste (Category B) and waste determined to have hazardous characteristics (Category C)
	Amount of non-hazardous waste	Metric ton	1,517,451	Includes general industrial waste (Category D) and recyclable or reusable waste (Category R)
	Total weight (hazardous + non-hazardous)	Metric ton	1,517,892	
	Waste intensity	Waste/Unit product, service, or NT\$1 million in revenue	2.13 tons/million NTD	
	Waste management or reduction goals	Qualitative description	2.4.2 Waste Management	

Topics	Indicator	Description	Results in 2023	Remarks
Social Issues				
Human resource development	Average employee benefits	NT\$1,000/person	1,562	According to the 2023 standalone financial statements
	Average salary of employees	NT\$1,000/person	1,364	
	Average salary of non-managerial full-time employees	NT\$1,000/person	1,435	
	Median salary of non-managerial full-time employees	NT\$1,000/person	1,323	
	Percentage of female managers	Percentage	9.96%	Calculated based on level 2 supervisors and above
	Number of people involved in occupational accidents	Head count	2	
	Ratio of occupational accidents	Percentage	0.038%	Number of employees involved in occupational accidents/Total number of employees
Governance Issues				
Board of Directors	Number of director seats	Head count	15	
	Number of independent director seats	Head count	3	
	Ratio of female directors	Percentage	6.7	
	Attendance rate of Board meetings	Percentage	87%	Including attendance by proxy
	Ratio of directors and supervisors that completed the required number of continuing education hours	Percentage	80%	
Communication with Investors	Number of investor conferences convened by the Company	No. of sessions	4	

Appendix 4 Third Party Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Formosa Petrochemical Corporation 2023 Sustainability Report

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

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

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

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

Scope

The scope of engagement agreed upon with FPCC includes the following:

1. The assurance scope is consistent with the description of Formosa Petrochemical Corporation 2023 Sustainability Report.
2. The evaluation of the nature and extent of the FPCC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

Opinion Statement

We conclude that the Formosa Petrochemical Corporation 2023 Sustainability Report provides a fair view of the FPCC sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the FPCC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate FPCC's efforts recognized by its stakeholders.

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

Methodology

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

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

Conclusions

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

Inclusivity

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

Materiality

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

Responsiveness

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

Impact

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

GRI Sustainability Reporting Standards (GRI Standards)

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

Assurance level

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

Responsibility

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

Competency and Independence

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

For and on behalf of BSI:


Peter Pu, Managing Director BSI Taiwan

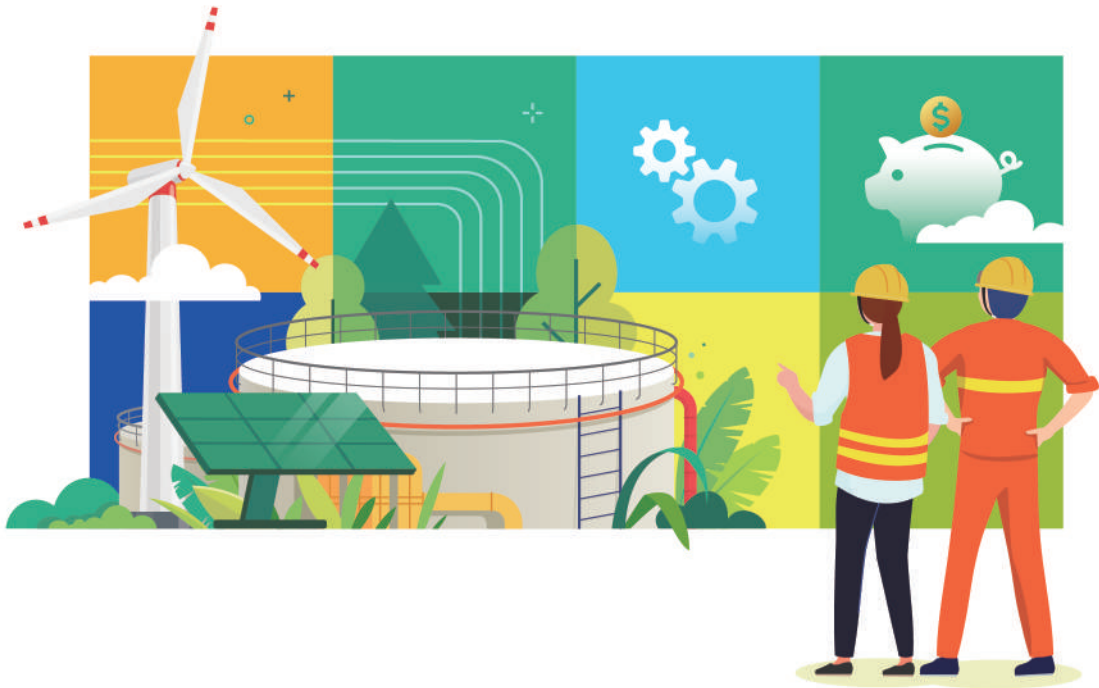


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