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2024 Formosan Rubber Group Inc. Sustainability Report

ENVIRONMENTAL | SOCIAL | GOVERNANCE

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Message from the Chairman

In 2024, Formosan Rubber Group demonstrated robust operational performance, with its three business units achieving outstanding results despite the complicated global situation and intense market competition. The Company achieved operating revenue of NT\$1.48239 billion, net operating income of NT\$580 million, and EPS of NT\$1.89, a growth of 17.39% from 2023. At the same time, the Company continues to publish the “Sustainability Report” based on the GRI Standards, reporting the Company’s management performance in the areas of environment, society, and corporate governance, to investors, customers, the general public, and other stakeholders.

The Company upholds the business philosophy of continuous innovation. In 2024, we were granted two new patents—one or protective clothing and its manufacturing method, a main product of our company, and the other for low-temperature resistant rubber composite adhesive tape and its manufacturing method. We also have at least four patents currently under review, further enhancing our core competitiveness and differentiating us from competitors.

The Production Business Division has invested in the research and development of 3D wire drawing fabric, a key material for the jacks used for lifting aircrafts involved in accidents at airports. The production of such fabric is complex and the certification process is complicated. The Company has not only successfully entered the market and obtained customer certification, but is also actively developing the fabric for use in other products, such as a new generation of lifeboats. The Company’s products offer versatile combinations and are continuously improved through advancement in technologies and services in order to create a diverse range of functional products tailored to different materials and customer needs. In 2024, we continued to participate in international exhibitions, and expanded into new emerging markets such as Europe and the US, in order to maintain competitiveness and promote sustainable growth.

Warehousing and logistics are also moving towards smart and automated solutions. To improve the system, we have also introduced equipment, optimized workflow, reduced manual work and enhanced efficiency. The first phase of Longtan Intelligent Park is to be completed in 2024. Its new, high-quality, customized factory spaces have attracted significant interest from potential clients, and investment promotion is expected to be completed in 2025. Accordingly, a new warehousing industry cluster will be established in Longtan.

Employees have long been considered the foundation of Formosan since its establishment, with the founder even incorporating this concept into Formosan’s logo. We steadfastly uphold the commitment of caring for our employees. The Consumer Price Index (CPI) has continued to rise in recent years, indicating an increase in the prices of consumer goods and daily necessities, placing heavy burden on salaried employees. All industries have adjusted employee salaries to enhance the cohesion and to actively retain talents in order to meet future challenges and pursue corporate sustainable development. Accordingly, the Company has also comprehensively adjusted the salaries and benefits of entry-level employees, with an adjustment ratio of approximately 2.59%. Future reviews will be conducted annually to ensure the benefits of employees and their families.

Looking ahead, we will continue to uphold the concept of corporate sustainability and strive to make progress in environmental protection, social responsibility and corporate governance.

Formosan Rubber Group Inc. Chairman

徐正才

About Formosan Rubber Group’s Trademark



Formosan’s logo was designed by Mr. Feng-He Hsu, the founder’s father, symbolizing the dependency and mutually beneficial relationship among the customers, shareholders, and employees. The logo shows three elephants—one large elephant and two smaller elephants. The large elephant holds a flag representing customers to convey the family motto and philosophy of “social contribution, community welfare, customer satisfaction”. The two smaller elephants represent shareholders and employees respectively. The outer circle symbolizes harmony among the three elephants as well as representing sustainable operation and continuity.



About The Report

Report Overview and Publication Frequency

We appreciate readers for taking the time to view the Sustainability Report published by Formosan Rubber Group Inc. (hereinafter referred to as “Formosan Rubber Group”, “Formosan” or “the Company”). We publish this report annually to continuously disclose our environmental, social, and corporate governance performance, in addition to our financial results, thereby demonstrating our commitment to the sustainability through actual actions. This Report is released in August 2025, and the release of the next issue of the Report is expected to be in August 2026.

Report Boundary and Scope

The reporting period of this Report is from January 1, 2024 to December 31, 2024. The scope of the Report covers the headquarters and all business units of Formosan Rubber Group Inc., excluding overseas operating locations and offices. The disclosure scope accounts for 99.88% of the consolidated net revenue.

The financial data in this Report is sourced from Formosan’s consolidated financial statements for 2024, covering Formosan Rubber Group and its subsidiaries. The scope of disclosure for environmental and social information is limited to Formosan Rubber Group’s Taoyuan Longtan Plant, Taipei Headquarters and Construction Department, and Nankan Logistics Center, excluding its subsidiaries. The organizational scale, structure, ownership and supply chain of the Company have remained unchanged during the reporting period, and there is no restatement of information in this Report.

Report Preparation Guideline

This report was compiled in accordance with the latest version of the GRI Standards (GRI Standards 1) of the Global Reporting Initiative (GRI), adopting the Universal Standards 2021 version. The topic standards for GRI 403 refer to the 2018 version, those for GRI 306 refer to the 2020 version, and the rest of the topic standards refer to the 2016 version. In addition, GRI content index is provided in the Appendix.

¹ GRI Sustainability Reporting Standards



Main Responsible Unit and Quality Management Method for the Report

To enhance the completeness and credibility of Formosan’s health and safety reporting, the Company follows the “Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” in preparing the sustainability report and implementing internal audit or external verification procedures. This procedure is incorporated into the Company’s “Internal Control System” and is also submitted to the Board of Directors for review and approval, in order to ensure the system appropriateness.

Operation Procedure	Method
Report Compilation	This Report is planned by the performance and sustainable development team, following which the sustainable development team then complies, reviews, and edits the Report for further publication.
Internal Review	After the Report is completed, it is submitted to the highest supervisor for review and approval. Once the integrity and accuracy of the content of the Report is verified, it is submitted for approval.
External Assurance	The Sustainability Report is verified according to the International Financial Reporting Standards; however, it has yet to be verified by a third party certification body.
Approval and Finalization	The Sustainable Development Team submits the final version of the Report to the Board of Directors, and once it is reviewed and approved by the Board of Directors, the final version is released and published.

Contact Information

If you have any suggestions or questions regarding the “Formosan Rubber Group 2024 Sustainability Report”, please feel free to contact us via the following methods. To fulfill the responsibility of corporate information disclosure, we have also published this Report on our company website for easy access and inquiry.

Formosan Rubber Group Inc.

Address: 8F, No. 82, Sec. 1, Hankou St., Zhongzheng Dist., Taipei City

Company Website: <http://www.frg.com.tw/m/st-aboutus.html>








Contact Person: Kuo-Lun Hsu

Tel No.: 03-4893456

E-mail: 1101@frgco.com.tw

Sustainability Highlights and Performance

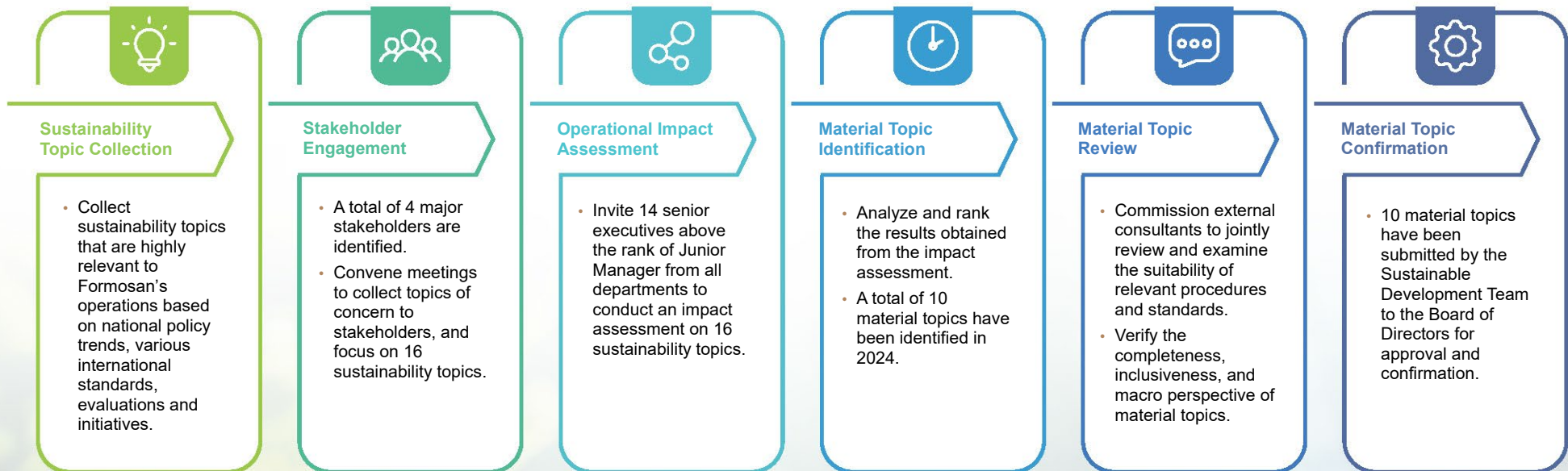
SDGs x ESG Action Performance

Aspect	United Nations SDGs	SDGs Action Initiatives
Environmental Protection	  	<ul style="list-style-type: none"> Energy consumption in 2024 decreased by 15% from 2023. All of the steam boiler and hot oil boiler used for the production business uses green biomass fuel (wood pellets) or liquefied petroleum gas (LPG). Black rubber products are now made from recycled "eco-friendly carbon black" instead of conventional carbon black. Reclaimed rubber granules from small tires are used to fabricate soundproofing materials.
Social Responsibility	 	<ul style="list-style-type: none"> Improvement is made through regular occupational hazard risk assessments performed according to internal control system standards and conducted by each department. In 2024, the Company provided an average year-end bonus equivalent to 85–105 days of salary to all employees. In 2024, an amount of NT\$100,800 was distributed as process improvement bonuses, an amount of NT\$108,000 was distributed as outstanding employee bonuses, an amount of NT\$72,000 was distributed as merchandise bonuses, and an amount of NT\$16,000 was distributed as childcare subsidies. In 2024, a total of 52 sessions of on-site health services were organized, at an expenditure of approximately NT\$2.4 million. In 2024, a total of 28 senior executives and employees completed the health examination for senior executives, and 8 senior executives completed the precision health examination. In 2024, Formosan's total number of hours of health and safety education and training was 1,224 hours. Installation of protective measures at pneumatic shaft locations.
Corporate Governance	 	<ul style="list-style-type: none"> In 2024, the Formosan Rubber Group's operating revenue was approximately NT\$1.48 billion, and net profit after tax was approximately NT\$580 million, with earnings per share (EPS) reaching NT\$1.89. Sales of construction projects in 2024 increased by 50% from the previous year. In 2024, 30 suppliers were expected to undergo a written assessment, and 100% of these suppliers completed the evaluation according to plan. By the end of 2024, 17 items of the Company's key products were verified by an independent third-party verification institution. In 2024, 20 satisfaction surveys were distributed by the Warehousing Business Unit, and the response rate was 100%. The average satisfaction score was 99 points, and no customer complaints were received.



Material Topic Analysis

According to the sustainable topics listed in the Global Reporting Initiative (GRI), and with reference to the AA 1000 AccountAbility Principle (AA1000, 2018), Formosan Rubber Group identifies sustainable topics having significant impact on the Company's operations based on the four main principles of inclusiveness, materiality, responsiveness, and influence. Subsequently, the Company prioritizes the topics based on the requirements of the GRI Standards (2021), and discloses the substantial impacts, management strategies, and implementation status related to each material topic. Through the identification and disclosure process, Formosan is able to calibrate its corporate sustainability goals and strategic direction, while strengthening communication with external stakeholders and enhancing information transparency and the sustainable governance effectiveness at the same time.




Stakeholder Engagement




The Company has assessed various aspects of dependence, responsibility, concern level, influence, and diverse perspectives of stakeholders according to the operating activity characteristics and industry attribute, and with reference to the five principles of the AA1000 Stakeholder Engagement Standard (SES) 2015 version, in order to identify four key stakeholders: (1) Employees, (2) Customers, (3) Suppliers, and (4) Investors.

To fully understand the issues stakeholders are concerned about and their actual or potential impacts, the Company actively communicates with various stakeholders through a variety of two-way channels in its daily operations, and collects and responds to their concerns at the same time.

The Company summarized the focus of stakeholders' concerns through engagement with department heads and representatives (including meetings, face-to-face interviews, telephone interviews, and the feedback mailbox, etc.), and has also combined the domestic and international policy trends and international standards (such as the Task Force on Climate-related Financial Disclosures, or TCFD) and initiatives (such as the United Nations Sustainable Development Goals, or SDGs) to identify 16 sustainability topics of high relevance to the Company, covering the main aspects of economy, environment and society. The Company then further assessed the impact of each topic on the economy, environment, people and human rights, based on its development strategy, industry status, practical value chain experience and opinions of external experts, in order to identify and rank the material topics for the year. These topics are the main focus of information disclosure in this Sustainability Report, in order to assist stakeholders and information users to make proper assessments and decisions.

Formosan Rubber Group Inc. Stakeholder Engagement Status

Stakeholder	Meaning to Formosan Rubber Group	Engagement Method	Communication Frequency	Concerned Topics	Communication Channel	Annual Communication Performance
 Employees	Employees are the foundation to Formosan's sustainable growth. We are committed to creating a friendly workplace, protecting employees' rights and interests, and discovering and developing outstanding talents, in order to promote the Company's sustainable development.	Labor-management meetings	Quarterly	Economic performance, compensation and benefits, diversity and inclusion, talent management, employee training and development, occupational safety and social participation	1. Directly reporting to department head or the head of Personnel Department 2. Monthly proposal on improvement activities 3. Personnel Department mailbox 4. Employee Contact: Ms. Chou, TEL: (03) 489-3456, Ext. 317	<ul style="list-style-type: none">In 2024, Formosan convened a total of 5 labor-management meetings, with a total of 10 attendees.12 sessions of improvement activity proposals were held, and a total of 540 improvement suggestions were collected.All employees completed the performance evaluations conducted twice annually, and a total of 367 employees were evaluated.
		Department meetings	As needed			
		Manager interviews	As needed			
		Performance evaluation	Twice annually			

Stakeholder	Meaning to Formosan Rubber Group	Engagement Method	Communication Frequency	Concerned Topics	Communication Channel	Annual Communication Performance
 Customers	Formosan has changed from passive sales to active services by engaging in in-depth interactions to understand customer needs and to provide customized solutions, thereby achieving a win-win outcome and enhancing brand value and market competitiveness.	Domestic customers	Weekly visits	Customer service, climate change countermeasures, green product/service supply chain management, waste management, water resource management	1. Plastic Rubber Customer Contact Telephone: (03) 489-3456 2. Warehouse Business Unit Contact Telephone: (03) 321-6533 3. Construction Development Unit Contact Telephone: (02) 2370-0988	<ul style="list-style-type: none"> Irregular phone calls and online meetings with domestic and international customers. The average score for the 2024 customer satisfaction questionnaire was 92 points.
		Overseas customers	Quarterly visits			
		Exhibitions and technology visits	Irregular services			
 Suppliers	Formosan values strong relationships with our suppliers, maintains stable cooperation and a robust evaluation system to ensure raw material supply and quality, and collaboratively strengthens supply chain resilience and efficiency.	Price trend of raw materials	Procurement Department provides information monthly	Economic performance, ethical business practices, supply chain management, information security and privacy, waste management, water resource management	1. Plastic Rubber Customer Contact Telephone: (03) 489-3456 2. Warehouse Business Unit Contact Telephone: (03) 321-6533 3. Construction Development Unit Contact Telephone: (02) 2370-0988	<ul style="list-style-type: none"> In 2024, the supplier audit completion rate was 100%. Maintain contact with suppliers through on-site inspections / questionnaires / telephone / E-mail irregularly.
		Contact with suppliers	Regularly contact suppliers to ensure smooth supply channels.			
 Investors	Support from shareholders and investors has positive effect on Formosan's sustainable operation.	General shareholders' meetings	Once annually	Economic performance, climate change countermeasures, supply chain management, air pollution control, social participation	1. Spokesperson/Assistant Vice President: Ms. Hui-Lan Huang TEL: (02) 2370-0988 2. Shareholder Service Office Contact: Ms. Lin TEL: (02) 2370-0988 3. Investor Mailbox: invest@frgco.com.tw 4. Shareholder Service Agency: Taishin International Bank Co., Ltd. Shareholder Service Department, Address: B1F, No. 96, Sec. 1, Jianguo N. Rd., Taipei City. Tel: (02) 2504-8125	<ul style="list-style-type: none"> Convene 1 session of shareholders' meeting annually Convene 1 session of investor conference annually Shareholders may make inquiries via telephone and e-mail at any time, and all questions are answered 1 Annual Report is released annually 4 Financial Reports are released annually
		Annual Report	One issue annually			
		Investor conference	Once annually			
		Monthly revenue	Monthly announcement			
		Market Observation Post System (MOPS) website	As needed			

Identification and Ranking of Material Topics

After completing stakeholder engagement, Formosan immediately conducts the operational impact assessment and proceeds to identify, review, and confirm the final material topics according to the procedures. Through continuous communication with stakeholders and compiling a list of topics of concern from various sectors, and by referencing national policy trends and international standards and initiatives (including SASB, TCFD, and the SDGs, etc.), the internal senior executives focus on sustainability topics of the economic, environmental, and social aspects that are highly relevant to the Company's development strategy, the current industry landscape, and value chain practices.

After further discussion with external consultants, we assessed and ranked the impact of each issue on the economy, environment, and people and human rights to determine the material topics for the year, which are also used as the core framework for information disclosure in this Report. In 2024, 10 material topics were identified, covering 4 topics for the environmental aspect, 3 topics for the social aspect, and 3 topics for the economic aspects. The sustainability team and external consultants jointly reviewed the identification process and standards to ensure their appropriateness, confirmed that no material topics had been omitted, and submitted the confirmed list to the Board of Directors for approval before the preparation stage of the Report.

The material topics and their boundaries for the current year are the same as those in the previous year's report (2023 Sustainability Report) and remain unchanged.

In addition, to ensure effective communication with stakeholders through our sustainability report, we have also set up a dedicated [stakeholder section](#) on our website and provided a direct contact channel: invest@frgco.com.tw. Accordingly, any questions, suggestions, or complaints regarding the material topics or other report content can be submitted via such channel, in order to ensure open and constructive communication and interaction.

Formosan's 16 Topics of Concern for 2024



Economic Governance aspect

1. Economic performance
2. Ethical Management
3. Supply Chain Management
4. Customer Service
5. Information Security and Privacy



Environmental Aspect

6. Climate Change Countermeasures
7. Green Products/Services
8. Air Pollution Control
9. Water Resource Management
10. Waste Management



Social Aspect

11. Employee Diversity and Inclusion
12. Talent Management for Strong Generation
13. Employee Training and Education
14. Remuneration and Benefits
15. Occupational Safety and Health
16. Corporate Social Engagement

List of Material Topics

Aspect	Material Topic	Importance of Material Topic	Actual or Potential Positive/ Negative Impact	Value Chain Impact			Corresponding Chapter
				Upstream Suppliers	Formosan Rubber Group	Downstream Customers	
Economy (G)	Economic performance	Economic performance is the foundation of a company's stable operation and long-term development. Through strengthening operational management, promoting innovation, and enhancing financial transparency, we consolidate market competitiveness, in order to ensure operational stability and respond to stakeholder expectations.	<ul style="list-style-type: none"> Strengthen operational strategy basis Enhance financial statement transparency and investor confidence Promote overall value chain development 	√	√	√	Chapter 1 About Formosan Rubber Group Economic performance
	Supply Chain Management	Through sound supply chain management, Formosan is able to effectively allocate resources, reduce operating costs, improve customer satisfaction and establish the foundation for stable supply and economic performance.	<ul style="list-style-type: none"> Stabilize supply chain Reduce supply chain risk Establish responsible supply chain 	√	√		Chapter 3 Supply Chain Management Supply Chain Management
	Customer Service	Formosan Rubber Group views customers as its operational core, and is dedicated to enhancing service quality and technical support capabilities. The Company also provides customized, environmentally friendly products tailored to meet customer needs, in order to maintain its excellent reputation and brand recognition.	<ul style="list-style-type: none"> Establish brand reputation Expand green services Increase market share 		√	√	Chapter 4 Environmental Protection Air Pollution Control

Aspect	Material Topic	Importance of Material Topic	Actual or Potential Positive/ Negative Impact	Value Chain Impact			Corresponding Chapter
				Upstream Suppliers	Formosan Rubber Group	Downstream Customers	
Environment (E)	Air Pollution Control	Given the characteristics of the industry, organic volatile emissions are generated. Formosan continuously establishes and optimizes the air pollution prevention system to reduce pollution emissions, complies with legal requirements, and enhances the Company's environmental protection image and fulfills its social responsibility.	<ul style="list-style-type: none"> • Increase investment equipment costs • Reduce emissions effectively to lower air pollution fees and fines • Enhance corporate image and operational efficiency 		√		Chapter 4 Environmental Protection Air Pollution Control
	Green products/ services	Keeping up to date with the trend of green transformation, we are actively incorporating environmental protection elements into our core rubber and construction products, in order to seize green business opportunities and to demonstrate our commitment to sustainable innovation.	<ul style="list-style-type: none"> • Increase R&D investment • Create sustainable business opportunities and competitive advantage 		√	√	Chapter 1 About Formosan Rubber Group Innovative R&D
	Waste Management	Proper waste management is able to effectively reduce environmental burdens and legal compliance risks. Formosan promotes refined sorting and increases recycling rates to achieve the sustainable goal of "zero waste".	<ul style="list-style-type: none"> • Reduce environmental risks and processing costs • Enhance resource reuse and brand image 		√		Chapter 4 Environmental Protection Waste Management
	Climate Change Countermeasures	Climate risk has become a key issue to corporate operations. In response to the international trend of carbon reduction, Formosan has introduced climate risk management and low-carbon technologies to enhance energy efficiency and strengthen operational resilience, thereby creating sustainable value.	<ul style="list-style-type: none"> • Increase investment cost of low-carbon equipment • Increase of operating costs due to carbon fee • Increase energy efficiency, reduce carbon emissions and lower costs 		√		Chapter 4 Environmental Protection Task Force on Climate-related Financial Disclosure (TCFD)

Aspect	Material Topic	Importance of Material Topic	Actual or Potential Positive/ Negative Impact	Value Chain Impact			Corresponding Chapter
				Upstream Suppliers	Formosan Rubber Group	Downstream Customers	
Society (S)	Remuneration and Benefits	A fair and competitive compensation and benefits system is key to attracting and retaining talents. Formosan actively promotes diverse benefits and employee support programs to enhance employee cohesion and retention.	<ul style="list-style-type: none"> Stabilize organization and attract talents Retain key talents to support corporate development 		✓		Chapter 5 Social Inclusion Remuneration and Benefits
	Occupational Safety and Health	Employee safety is the cornerstone of corporate operations. Formosan strengthens safety management and risk prevention mechanisms, creates a safe workplace culture, and reduces the risks of occupational accidents and employee turnover.	<ul style="list-style-type: none"> Occupational accidents and health issues may lead to operational disruptions and legal liabilities Proactive prevention enhances safety culture and work efficiency Reduce indirect costs such as insurance and training, etc. 		✓	✓	Chapter 5 Social Inclusion Safe Working Environment
	Talent Management for Strong Generation	In the face of an aging society and internal workforce structure challenges, Formosan promotes age-friendly workplace policies, implements career planning, knowledge transfer, and establishes an inclusive culture to enhance the engagement and stability of the middle-aged and older workforce.	<ul style="list-style-type: none"> Stable human resource structure Enhance diverse and inclusive culture Implement knowledge passing-on and organizational knowledge development Establish friendly workplace 	✓	✓	✓	Chapter 5 Social Inclusion Corporate Manpower Overview

Chapter 1

About Formosan Rubber Group

Company Profile

Global Business Location

Economic Performance

- Operation Status

Major Business Items

- Plastic Production Business
- Construction Business
- Warehousing Business

Innovative R&D



Company Profile

Founded on January 20, 1952, Formosan Rubber Group Inc. derives its name from the allusion of “Morality, Utilization, Welfare, Harmony” described in the “Book of History” and adopts the mission statement of “Beauty and Goodness in Creation” to realize the spirit of continuous innovation. The Company completed its IPO (Stock Code: 2107) in 1992. The headquarters is located at 8F, No. 82, Sec. 1, Hankou St., Taipei City. The Company’s main business covers the production and sale of plastic sheet, rubber sheet, and green plastic sheet. The Company is actively expanding its business into the construction and logistics warehousing sectors, and is committed to promoting diversified operations, in order to strengthen corporate competitiveness and sustainable development.

Up to the end of 2024, the Company has a total of 193 formal employees. The Company is a legal entity, and for the ownership status, please refer to the section of Shareholder Structure and Major Shareholders of the Company’s “2024 Annual Report” for details. The capital in 2024 was NT\$3,035,934 thousand, and the consolidated revenue reached NT\$1,481,243 thousand, with annual sales of the main product of “rubber sheet” reaching 8,110 thousand yards.

With extensive business development in Taiwan for over 70 years, Formosan has deeply rooted its business in six main sectors of medical supplies, functional apparel, inflatable materials, industrial applications, light-emitting silicon gel specialty chemicals, and materials for bags and shoes. Our three core visions are “to become Asia’s first and only green and environmentally friendly rubber and plastic supplier”, “to provide a one-stop shop for functional materials”, and “to secure annual sales contracts with key customers, generating over 60% stable revenue”. Over the past two decades, the Company has upheld its original mission and further expanded into international logistics and the construction industry, driving all-around development with outstanding quality.

In 2024, Formosan has made significant progress in green building materials and smart logistics, and has successfully completed the construction of Phase 1 of the Longtan Intelligent Park, in order to further secure the Company’s leading position in the logistics and warehousing market. In the future, we will continue to strive to become Asia’s leading green and eco-friendly rubber and plastic supplier, and provide greater high-quality products and services meeting market needs, in order to establish a solid foundation of innovation and environmental protection.

Basic Information of Formosan Rubber Group Inc.

Company Name	Formosan Rubber Group Inc.
Date of Establishment	January 20, 1952
Headquarters Location	8F, No. 82, Sec. 1, Hankou St., Zhongzheng Dist., Taipei City
Total Number of Employees Worldwide	193 people
Paid-In Capital	NT\$3,035,934 thousand
Main Products	Plastic sheet, rubber sheet, green plastic sheet, building construction, warehousing
Net Sales	NT\$1,481,243 thousand
Main Product Sales Volume	8,110 thousand yards of rubber sheet

Global Business Locations

The Company currently sells its main products and services primarily in the regions of Taipei City, Longtan District of Taoyuan City, and Luzhu District of Taoyuan City. Detailed information on the services provided is described below:

Formosan Rubber Group Inc. Global Business Locations


Business Location Name	Address	Telephone
Headquarters	8F, No. 82, Sec. 1, Hankou St., Zhongzheng Dist., Taipei City	(02) 2370-0988
Taoyuan Plant	No. 1, Chaofeng Rd., Longtan Dist., Taoyuan City	(03) 489-3456
Formosan Rubber Group Logistics Center	1F~4F, No. 53, Housheng Rd., Luzhu Dist., Taoyuan City	(03) 321-6533
Longtan Chemical Logistics Center	No. 1, Chaofeng Rd., Longtan Dist., Taoyuan City	(03) 480-8433
Construction Department	7F, No. 82, Sec. 1, Hankou St., Zhongzheng Dist., Taipei City	(02) 2370-0988

Formosan Rubber Group Inc. Important Participation in Union, Association and Advocacy Organizations

Item number	Organization Name	Strategic Significance	Membership
1	Taiwan Rubber & Elastomer Industries Association	By combining the self-discipline and initiative within the rubber industry, we promote positive and harmonious collaboration and a division of labor among industry peers. This serves as a crucial bridge for communication, proposal submission, and offering suggestions across the rubber industry, industry associations, and the government.	Member, Director of the Association (President Cheng-Chi Hsu)
2	Taiwan Industrial Holding Association	Enables the Company to understand how to pursue scale-up growth through collaborative alliances and competitive development to deal with the rapidly changing business environment.	Member
3	Taiwan Listed Companies Association	It is the most important association for listed companies in Taiwan. By learning from the operations and market dynamics of other listed companies, the association seeks opportunities for joint collaboration.	Member
4	The Real Estate Development Association of Taipei	The Association acts as a communication platform between the Company and real estate developers as well as government agencies, in order to enhance the Company's ability to adapt to changes in the real estate environment.	Member

Economic performance

Formosan Rubber Group 2024 Material Topic “Economic Performance” Management Status

Material Topic	Economic performance
Corresponding GRI Standard	GRI 201-1 Direct economic value generated and distributed GRI 201-4 Financial assistance received from government
SDGs linked	
Policies or Commitments	Formosan pursues economic performance and sustainable values based on a steady and sound approach. We continuously review the effectiveness of our business strategies, identifying their strengths and weaknesses through regular disclosure of operational and financial information, thereby allowing us to seize opportunities and expand new business opportunities in a rapidly changing and competitive market. At the same time, we also strengthen our financial position, improve economic performance, and further protect and enhance the overall rights and interests of shareholders and stakeholders.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none">• Maintain stable profitability and ensure operational results meet the expectations of all stakeholders.• Comply with relevant laws and regulations fully, strengthen internal control mechanisms, and continue to improve the corporate governance system. <div>Medium and long-term goals</div> <ul style="list-style-type: none">• We have been making steady progress toward our vision of a century-long enterprise with annual profits as our foundation and sustainability as our guiding principle.• Use financial tools to perform fund movements and to manage risks, in order to ensure that the Company maintains long-term resilience in a dynamic environment.
Tracking and Management Mechanism	Through a comprehensive financial management system, coupled with practical implementation strategies, we continuously monitor operational performance and adjust resource allocation, in order to achieve financial stability, maximize efficiency, and to ensure long-term competitiveness and sustainable development.
Annual Actions and Results	<ul style="list-style-type: none">• In 2024, the Formosan Rubber Group's operating revenue was approximately NT\$1.48 billion, and net profit after tax was approximately NT\$580 million, with earnings per share (EPS) reaching NT\$1.89.• In 2024, relevant tax savings under the “Statute for Industrial Innovation” of the Republic of China government was approximately NT\$11.55 million.• The government’s medical emergency service and childcare subsidy received in 2024 was approximately NT\$120,000.• Sales of construction projects in 2024 increased by 50% from the previous year.

We are committed to sound management, and continuously adjust our business strategies based on the diverse operations of each department, in order to achieve diversification and a stable financial structure. The 2024 the operating revenue was NT\$1,481,243 thousand, net profit after tax was NT\$573,460,000, and earnings per share (EPS) reached NT\$1.89.

Direct economic value generated and distributed

(Unit: NT\$ thousand)

Item		2022	2023	2024
Direct economic value generated	Operating income	1,937,243	1,359,718	1,481,243
	Non-operating income	326,867	410,948	394,916
Economic value distributed	Operating costs	1,312,316	939,388	1,008,556
	Employee salary and benefits	169,119	206,171	204,735
	Payment to investors	410,791	394,671	414,830
	Payment of government fees	80,349	16,395	16,005
	Community contribution	9,300	1,500	1,502
Retained economic value		288,235	212,541	230,531

Note: Retained economic value = Direct economic value generated - Economic value distributed

Formosan Rubber Group Inc. Government Financial Subsidies Status in 2024

(Unit: NT\$)

Government	Subsidy Item	Amount
Republic of China	Undistributed earnings under Article 23-3 of the Statute for Industrial Innovation less the amount of actual investment	Tax refund of NT\$11,556,645
	Childcare allowance	Subsidy of NT\$12,800

Formosan Rubber Group Inc. Condensed Statement of Comprehensive for Last 3 Years

Note 1

(Unit: NT\$ thousand)

Year	Unit	2022	2023	2024
Operating income	thousand	1,937,243	1,359,718	1,481,243
Operating margin	thousand	625,209	420,611	472,808
Net Operating Income	thousand	370,870	199,606	247,746
Non-Operating Income and Expenses	thousand	459,427	392,594	405,884
Pre-Tax Income	thousand	830,297	592,200	653,630
Net Income for Continuing Operation	thousand	711,684	518,877	573,460
Loss of Discontinued Operation	thousand	0	0	0
Net Income (Loss)	thousand	711,684	518,877	573,460
Other Comprehensive Income, Net	thousand	(270,318)	762,927	559,895
Total Comprehensive Income	thousand	441,366	1,281,804	1,133,355
Profit Attributable to the Equity Holders of the Parent Company	thousand	711,684	518,877	573,460
Net Profit Attributable to Non-Controlling Interests	thousand	0	0	0
Comprehensive Income Attributable to the Equity Holders of the Parent Company	thousand	441,366	1,281,804	1,133,355
Comprehensive Income Attributable to Non-Controlling Interests	thousand	0	0	00
Earnings Per Share	NT\$	2.09	1.61	1.89

Note: The entities included in the consolidated financial statements include: Formosan Rubber Group and its controlled entities (subsidiaries). Please refer to the 2024 Annual Report for details.

Operation Status

In 2024, Formosan's production business sales totaled NT\$884,540 thousand, accounting for 59.72% of all sales; construction business sales totaled NT\$294,753 thousand, accounting for 19.90%; and warehousing business sales totaled NT\$301,950 thousand, accounting for 20.38%. In addition, Formosan's main product, rubber sheet, is sold in the domestic market, Asia, Europe, North America and other regions. The domestic sales and export sales ratio is 31% and 69%, respectively.

In terms of rubber and plastic production, the Company's operations in 2024 were affected by the unfavorable factors of inflation, high interest rates, and shortages of raw materials and labor. To strengthen capital preservation and profit stability, we performed financial management of operating income with time deposits and investments in USD. The economy in China has weakened and orders have fallen sharply due to the US-China trade war and the Russia-Ukraine war, affecting the bag market. The supply and prices of some raw materials in Europe have also fluctuated, increasing the supply chain risks. In the face of changing conditions, the Company will continue to monitor market dynamics, flexibly adjust its strategies, strengthen supply chain resilience, and actively expand into new emerging markets to maintain our competitiveness and drive sustainable growth.

In terms of warehousing, the domestic market benefits from continued investment in advanced processes by semiconductor companies and the accelerating relocation of Taiwanese businesses returning to Taiwan. The industry is experiencing strong recovery momentum. While external demand gradually increases along with opportunities in 5G communication, artificial intelligence and post-pandemic order shifts, we will continue to closely monitor the global supply chain risks arising from the Russia-Ukraine war and high inflation. In response to the growing trend of smart logistics, the Company is proactively applying for and constructing logistics centers complying with the sustainability standards. We are also digitizing and automating operational processes to enhance efficiency, lower labor costs and minimize the use of paper, toner, and energy, thereby achieving the environmental sustainability objectives. In addition, due to the China-US trade war, some export customers have shifted their export destinations from Hong Kong to Taiwan, further driving local logistics demand.

In terms of the construction business, no new projects were completed in 2024, with revenue recognition limited to the sale of remaining units, resulting in a substantial decrease in operating income. Nevertheless, the Company has maintained its commitment to selling at fair prices to protect the rights and interests of shareholders and to preserve overall asset value.

Formosan Rubber Group Inc. Product Sales Status and Market Over View for Last 3 Years (Unit: NT\$ thousand)

Main product type	Sales market	2022		2023		2024	
		Sales revenue	Percentage (%)	Sales revenue	Percentage (%)	Sales revenue	Percentage (%)
Construction	Taiwan	668,816	34.52	192,350	14.15	294,753	19.90
Rubber Sheet	Taiwan, Europe and America, Asia	483,304	24.95	498,076	36.63	534,939	36.12
Plastic	Taiwan, Europe and America, Asia	248,081	12.81	203,432	14.96	165,760	11.19
Eco-Friendly Synthetic Leather	Taiwan, Europe and America, Asia	203,683	10.51	152,456	11.21	162,930	11.00
Warehouse	Taiwan, U.S.	282,088	14.56	287,202	21.12	301,950	20.38
Others	Taiwan	51,271	2.65	26,202	1.93	20,911	1.41
Total		1,937,243	100	1,359,718	100	1,481,243	100

2024 Formosan's Rubber Sheet Product Sales Ratio by Region (Unit: NT\$ thousand)

Sales	Region	Sales revenue (NT\$ thousand)	Ratio (%)
Domestic sales	Taiwan	277,390	31
Overseas sales	Asia	331,252	38
	Europe	164,756	19
	North America	108,246	12
	Other regions	2,896	0

Major Business Items

Formosan Rubber Group Inc. is a professional rubber and plastic sheet manufacturer in Taiwan, and continues to promote sustainable development through outstanding manufacturing and innovation. To fulfill the expectations of all stakeholders, all employees of the Company work diligently to uphold the principles of integrity and pragmatism in achieving the organization's goals. Formosan has established three main business units: the Production Business Division, the Construction Business Division, and the Warehousing Business Division.

Production Business Division

R&D and manufacturing of rubber and plastic sheets, and other types of sheet materials.

Warehousing Division

Mainly engaged in logistics center (bonded warehouse) operation, warehouse construction, and lease management, and other related businesses.

Construction Division

Coordinate and manage real estate development projects, entrusted construction projects, real estate lease and sales business.

Plastic Production Business

In 2024, the Formosan's Production Business Division continued to strengthen its focus on six main application fields of medical supplies, functional apparel, inflatable materials, industrial applications, photovoltaic silicone rubber specialty chemicals, and luggage & shoe materials. Through strengthening of R&D capabilities and composite material processing technologies, we are able to comprehensively enhance product value and market competitiveness. Formosan has continued to build on its recent technological breakthroughs in key materials for aircraft accident applications – specifically, 3D woven fabric. Despite the complex manufacturing process and high certification barriers, Formosan has successfully gained market recognition and customer validation for this material product, and we also continue to optimize the production efficiency and expand product applications to high-specification products, such as new lifeboats and industrial protective equipment, thereby exploiting the lightweight properties, high strength, and excellent weather resistance of such material.

In addition, the Production Business Unit actively develops the integrated strengths of Formosan in composite materials by providing highly customized, multi-functional process conversion services, in order to achieve diverse material characteristics and to satisfy customer needs, thereby expanding diverse range of market solutions. In 2024, we also continued to participate in international exhibitions and actively expanded into emerging markets in Europe and the United States, in order to strengthen our international visibility and to maintain our technological leadership while driving long-term sustainable growth.



In terms of environmental protection, Formosan continued to promote green processes and the application of circular materials in 2024, and used recycling rubber granules for fabrication of rubber mats, and obtained high-performance green building material certification, demonstrating practical outcomes in resource reuse and environmental friendliness. At the same time, for some products, eco-friendly carbon black has been introduced to replace traditional carbon black, in order to gradually reduce environmental impact. Looking into the future, the Production Business Division will focus on high-end application areas such as soundproofing materials, high-efficiency consumables for the electronics industry, and safety protective clothing fabrics with strong acid and alkali resistance for high-end application fields. We will also continue to strengthen product quality and green innovation services, in order to bring intelligence, energy savings, and sustainability into life.

Recycling rubber granules for fabrication into rubber mats



Main rubber and plastic products



Construction Division

The Construction Business Division primarily coordinates and manages the planning and construction of real estate developments, and the entrusted construction projects, leasing and sales businesses. Projects implemented and promoted over the past years include “World Garden Qiaofeng” and “Qianyue” in Banqiao District, “Fuyihe” in Xindian District, “55Timeless” in the Xinyi District of Taipei City, “Regal” in the Taichung’s 7th Redevelopment Zone, and “SERIF Apartment” in San Francisco, USA. The Ambassador project in Kaohsiung City State is currently undergoing architectural design, environmental impact assessment and urban design review.



2010

Banqiao Qiaofeng



2013

Banqiao Qianyue



2016

Xindian Fuyi



2018

Xinyi 55Timeless



2020

Taichung Regal



2021

San Francisco Serif

Warehousing Division

Formosan's Warehousing Business Division is mainly responsible for the real estate lease management of the Nankan Park and the Banqiao Qiaofeng Shopping Center, as well as land development and construction in the Longtan Park. Warehousing business is also aligned with the logistics center's operating license to provide diverse space selections and space planning recommendations. We also integrate one-stop services including customs clearance, freight pickup, container unpacking, goods inbound and outbound, returns processing, and taxation. Accordingly, we aim to deliver goods to customers safely and rapidly through a highly efficient and reliable logistics model, demonstrating our exceptional logistics expertise.

Lease Business

Nankan Park

Currently, there are six buildings for a total of approximately 30 thousand pings in area. The facilities are mostly SRC structure, and turning lanes are constructed to allow 3.5T trucks to access each floor directly for loading and unloading. The facilities offer bright, well-proportioned spaces at prime locations that fully satisfy clients' expectations. Presently, the facilities are completely leased out.



Qiaofeng Shopping Center

Located in the New Taipei Banqiao Special District, the site offers convenient access to the four-way intermodal transportation hub and is the largest building base in the New Taipei Banqiao Special District. The building's structural design adopts the new SC seismic standard, making it the first building in New Taipei City to receive seismic certification. The shopping center area is approximately 1,882 ping and is fully leased out.



Longtan Park

The R&D building is located on a major transportation route in Longtan, Taoyuan, with access to both the National Highway No. 1 and Northern Second Freeway. The plant is a two-story reinforced concrete structure with an area of 2,000 ping, and both the first and second floors can be used for warehousing, and several international companies have stationed in the Park.



Logistic Center

In 2003, we obtained the logistics license from the Taipei Customs Logistics Center and officially began operating the business of logistics center. We offer customized solutions and service strategies, including customs clearance, tax handling, warehousing management and information system integration, in order to meet diverse customer needs, enhance logistics performance, and establish mutually beneficial partnerships with trust and reliability.

Introduction to Logistics Center Warehouse No. 1 and No. 2

- Logistics Center Warehouse No. 1: Established in 1993, located at 1F~4F, No. 53, Housheng Road, at an area of: 11,658 square meters.
- Logistics Center Warehouse No. 2: Established in 2015, located at 7F, No. 2, Huosheng Road, at an area of: 3,328 square meters.
- The Company's storage products are mainly high-value electronic products of semiconductor components. Presently, the warehouse is fully loaded.



Customs affairs, information and warehousing management

- Customs affairs: With extensive years of expertise in the business of bonded warehousing and import/export clearance, we act as a single window to offer customers efficient and integrated customs clearance services.
- Information: We integrate the customer, customs broker, and warehouse operating systems, in order to ensure accurate and smooth information transmission and to improve overall operational efficiency.
- Warehousing management: We provide comprehensive services of procurement, shipping, container loading and unloading, processing, inventory management, and transportation and delivery, with a commitment to meeting the diverse needs of customers through professional management.



Longtan Intelligent Park

The total development area of Longtan Intelligent Park is 19,000 ping, with the first phase development of 2,976 ping, and the medium to long-term development phase of 15,345 ping. The park will adopt a dedicated warehouse collaboration model to promote the establishment of industrial cluster. To improve operational management and safety, intelligent identification systems and area-wide monitoring facilities have been installed in the Park. For these systems, pedestrian and vehicle segregation are implemented, along with real-time information management, in order to comprehensively protect logistics center operations. Formosan will collaborate with our customers to build a modern smart logistics base that meets future needs jointly.

Transportation and Industrial Advantages of Two National Highways

- National Highway No. 1: Yangmei Interchange, Yangmei Exit of Wugu-Yangmei Elevated Expressway (approximately 10-15 minutes driving).
- Northern Second Freeway: Longtan Interchange, Gaohua Interchange (approximately 15-20 minutes driving).
- Adjacent to Longtan Science Park, Aspire Park, and container yards, etc., to form an industrial cluster.



Phase 1 Development and Building Introduction

- Park Location: Intersection of Chaofeng Road and Yangtong Road at Longtan District, Taoyuan City.
- Building: Planning for construction of a building with one basement floor and four ground floors.
- Floor area: 5,467 ping
- Building use permit has been obtained on February 21, 2025.



Building Structure

- Steel structure, rigid and seismic-resistant and with high safety factor.
- Reinforced concrete floor with surface hardener.
- Height + large column spacing: Featuring a large area with high ceilings and 12x10 meter column spacing, to satisfy the demand for warehousing capacity and to reserve future usage flexibility. Facilities comply with fire regulations and an additional sprinkler system is installed throughout the area.
- Facilities comply with fire regulations and an additional sprinkler system is installed throughout the area.



Energy-Efficient and Carbon-Reducing Green Building

- Eco-friendly and energy-saving building materials are used.
- Candidate Green Building Certification obtained on July 16, 2024.
- The outer wall is constructed with a three-in-one composite metal panel, with the inner layer of rock wool insulation core, in order to achieve the advantages of for thermal insulation and soundproof.
- Future plans include installation of solar panels and charging stations.



Innovative R&D

With extensive professional knowledge and innovative R&D, Formosan is committed to providing innovative solutions to all our customers, assisting them in expanding their business through close collaboration. We dedicate ourselves to meeting customer needs and improving their R&D and production processes. We also actively utilize innovative cooperative models with customers and industry partners to jointly develop materials meeting specific requirements, to enhance product performance and durability, to pursue aesthetic advancements, and to improve production efficiency. Furthermore, we also assist our partners to reduce the environmental impact of their products. In 2024, Formosan's R&D expenses reached NT\$9.8 million, accounting for 0.66% of the operating revenue, and we were also granted with two new patents to reach an accumulated number of 53 granted patents in total.

Formosan's Patent Acquisition Status in Past 3 Years

Country	Number of new patents granted			Cumulative number of valid patents up to 2024
	2022	2023	2024	
Taiwan	4	5	2	53

Formosan Rubber Group Inc. R&D investment Status in Last 3 Years (Unit: NT\$ thousand)

Year	2022	2023	2024
Investment amount	9,634	9,270	9,801
As a percentage of revenue	0.50%	0.68%	0.66%
Annual increase/decrease rate	(7.96%)	(3.78%)	5.73%

Established 72 years ago, Formosan Rubber Group Inc. has continued to conduct research and innovation and industry development based on the Company's founding mission of "Beauty and Goodness in Creation". Two new patents were granted in 2024: ROC Patent No. 1853198: Protective Clothing Fabric and Manufacturing Method Thereof, and ROC Patent No.1856392: Low-Temperature Resistant, and Abrasion-Resistant Rubber Composite Tape and Manufacturing Method Thereof. Additionally, there are four patent applications currently under review. In addition, the rise of the stay-at-home economy following the pandemic has changed the business models of e-commerce operators, including "smart warehousing and logistics". The Company will continue to improve its logistics system and introduce some automation equipment, such that through optimization of the workflows and intelligent management, repetitive tasks can be reduced and the efficiency of logistics and warehousing can be increased.

In 2024, Formosan's new products included rubber soundproofing panels for building apartments, 3D woven fabric for aircraft engine jacks, and PVC and PU for stand-up paddleboards, marine swimming pools, and disaster relief floating bridges. Currently, the industry typically can apply only one single material attached to products, whereas Formosan's products are able to achieve composite construction. We will continue to improve our technical services to meet diverse material properties and customer needs, thereby transforming them into a wide range of functional products. In addition, the Company also actively participates in international exhibitions to enhance its international presence. In 2022, we participated in the Marine Equipment Trade Show held in Amsterdam.

PVC and PU for stand-up paddleboards, marine swimming pools, and rescue floating bridges



3D woven fabric for aircraft engine jacks



Rubber granules used to fabricate floor mats



The Company is a technology-oriented company with its a research and development center established during the early 1990s. We recruit researchers with PhDs and Master’s degrees to perform development of new applications, materials, and manufacturing processes with dedication. Accordingly, we have advanced technology R&D capabilities and have become a successful model for traditional industry transformation. The Company was the only company in Taiwan to win the National Quality Award for five consecutive years (1991–1995), as organized by the Industrial Development Administration of the Ministry of Economic Affairs. In addition to maintaining consistent production quality of existing products, we plan to further develop products for the sectors of, such as, defense, medical care, industry, safety maintenance, specialized environmental airtight applications, green energy, electrical protection, and nuclear and chemical protection.

Energy saving and environmental protection, complying with future environmental regulations, low carbon emissions	<ul style="list-style-type: none">• Energy consumption, advanced design (low-carbon emissions)• Low SOx, NOx, and particulate matter emissions• Low carbon emissions
Development of consumables (replacing kraft paper) for electronic industry manufacturing process	<ul style="list-style-type: none">• Consumables for PCB & CCL molding fabrication• Consumables for solar panel molding fabrication• Consumables for 5G product molding fabrication
Development of high-level and multi-functional protective clothing fabrics	<ul style="list-style-type: none">• Acid-resistant, alkali-resistant and chemical-resistant protective clothing fabrics• Anti-arc, flame-resistant, oil-resistant, abrasion-resistant protective clothing fabrics• Dry, flame-retardant and durable diving suit fabrics
Development of marine automatic inflatable escape equipment backup materials	<ul style="list-style-type: none">• Comply with the materials used for lifeboats and escape slides under M0 zero (-70°C) and environmental life jackets (-50°C) specified by the International Maritime Organization.• Development of new inflatable escape boats for cruises with use of 3D woven rubber materials. EU BV (ISO15372) certification for the main inflatable boat main body rubber material has been obtained. Investment in overseas application markets.
Cooperate with the national policy of supporting domestically manufactured vehicles	<ul style="list-style-type: none">• Development of flame-retardant, low-smoke, low-toxicity and abrasion-resistant materials for railcars (high-speed rail, MRT, light rail) carriage interior wall linings, eco-friendly semi-transparent windshield materials, and low-noise and anti-slip rubber flooring for train carriages. Direct or indirect involvement in the local application market.

Recent annual plans	Current process	R&D expenses that should be further invested	Time to complete mass production	Major factors for the future R&D to succeed
Product development of rubber soundproofing pad products	<ol style="list-style-type: none"> 1. The rubber soundproofing pad product has obtained the "High-Performance Green Building Material Mark Certification" and is currently applying for the "Healthy Green Building Material" certification. 2. Production equipment construction is complete, and production will commence in batches based on order requirements for delivery to customers. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. Production equipment in operation meets production needs and improves production efficiency. 2. Effective control of product ripening time to increase yield.
Flame-retardant, heat-resistant, anti-static and fire-resistant knee and elbow protection project	<ol style="list-style-type: none"> 1. Use Kevlar fabric along with flame-retardant, heat-resistant and anti-static (<10⁹) adhesive for bonding. 2. Bulk samples have been produced and delivered to customers for confirmation and testing. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. Customers indicate that the appearance of the bulk products can be further improved. 2. Customers confirmed the schedule has impacted the quantity of existing orders.
Rubber and TPUDrop-Stitch inflatable air cushion product development project	<ol style="list-style-type: none"> 1. Completed several high Drop-Stitch rubber and TPU inflatable air cushions, and delivered to customers for trial use on aircraft jacks. 2. Drop-Stitch now has a second supplier, and due to long lead times on the fabric, we will be building a regular stock for the fabrics. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. Completed several high Drop-Stitch rubber and TPU inflatable air cushions, and delivered to customers for trial use on aircraft jacks. 2. Drop-Stitch now has a second supplier, and due to long lead times on the fabric, we will be building a regular stock for the fabrics.
National-level - national vehicles manufactured in Taiwan plan	<ol style="list-style-type: none"> 1. TRC Taiwan Railway 2.0mm rubber coin pattern floor mat product. 2. Special texture, produced using existing machines, length of 3Y per set, ready for trial production. 	USD \$ 5,000	June 2025	<ol style="list-style-type: none"> 1. Cooperate in the replacement of rubber flooring materials for railway carriages. 2. Work closely with customers to enhance technology and increase orders for rubber flooring of train carriages.
Development project for diversified products such as joint seam materials used in carriages.	<ol style="list-style-type: none"> 1. Existing customers have placed regular orders, which will be continuously monitored. 2. The molding press site has been set up, and operators are trained to become familiar with machine operation in order to improve yield. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. Customers extend the development based on their existing core expertises by combining the stitching materials and bending corners for use. 2. Bending and vulcanization are coordinated with each in use.
TPU high-performance, lightweight and soft-touch product development project	<ol style="list-style-type: none"> 1. Use of special TPU raw materials for production of bulk products is currently pending customer's durability verification. 2. Ensure the stable supply of TPU raw materials. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. Adjust TPU raw material processing properties to meet the requirements of the existing production equipment. 2. Confirm the quality required by customers.
Develop high transmissive carriage connection seam materials for standard electrical vehicles in compliance with EN & BS standards	<ol style="list-style-type: none"> 1. The bulk production has been completed and sample cards are produced for promotion. 2. European and American competitors have developed carriage connection seam materials meeting the EN & BS standards. 	USD \$ 5,000	December 2025	<ol style="list-style-type: none"> 1. The high transmissive carriage connection seam material complying with EN & BS standards are verified to meet customer's requirements. 2. Work closely with customers to improve technical level, and increase orders for carriage connection seams.



Chapter 2

Corporate Governance

Management Commitment

- Board Composition
- Continuing Education of Board of Directors
- Board Performance Evaluation
- Remuneration Policy for Senior Managerial Officers

Functional Committees

- Audit Committee
- Remuneration Committee

Sustainable Development Team

Legal Compliance

Complaint and Recommendation Channels

Risk Management

Management Commitment

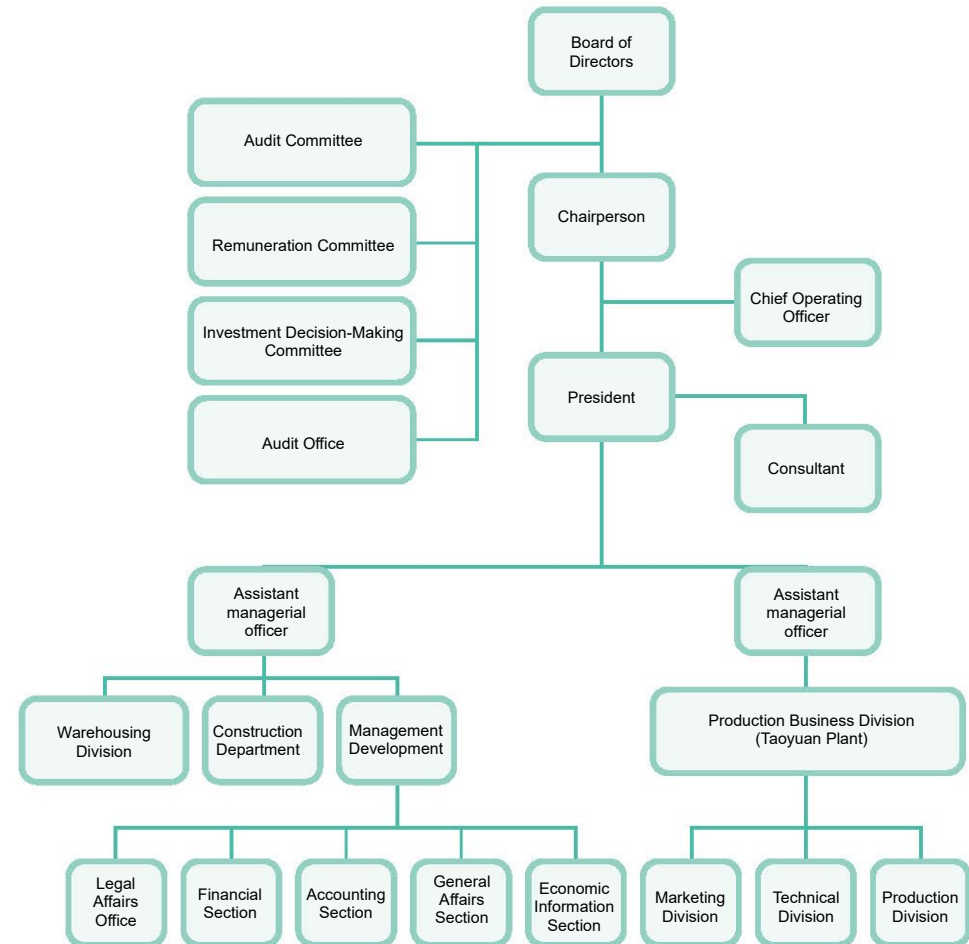
We treat every shareholder, employee, customer and all stakeholders responsibly, in order to achieve our corporate mission while aligning with the global sustainability trends and national regulations. We are committed to sustainable development and continue to demonstrate our care for the economy (governance), society (human rights), and environmental protection in line with the ESG development direction. We support and comply with the philosophy and basic principles of international human rights treaties, including the “United Nations Global Compact”, the “United Nations Declaration of Human Rights”, and the “International Labor Organization Declaration of Basic Principles and Rights of Workers”, and are committed to respecting employee rights and eliminating any form of human rights violation, such as discrimination and forced labor. Furthermore, relevant labor regulations, employee appointments and dismissals, and remuneration are all handled in accordance with the Company’s employee management regulations, in order to protect basic rights and interests of employees.

FRG has been striving to improve the efficiency of resources consumed including: no paper provided and requirement to prepare personal cup by employees; requirement for employees to bring their own environmentally friendly utensils; use envelopes and Kraft paper bags repeatedly for document delivery. The factory boiler uses LPG and wood pellets as fuel, and is committed to waste sorting and recycling reusable resources, in order to contribute efforts in environmental protection, energy conservation, and carbon reduction.

During the implementation of our sustainability policy commitments, we incorporate relevant content into our internal control system by including it in the Formosan Rubber Group Inc.’s “Articles of Incorporation”, “Corporate Governance Best Practice Principles”, and “Internal Control System Description”, and publish such content on [the Company’s website](#). We explicitly protect the rights of employees, including legal requirements, freedom of employment, humane treatment, prohibition of inappropriate discrimination and harassment, and the guarantee of employee complaint filing mechanisms. In addition, we also incorporate corporate social responsibility policy in the contract contents with external suppliers, in order to jointly implement sustainable practices.

We also incorporate sustainability-related regulations and commitments into our internal education and training programs, and regularly promote the concepts of environment, human rights, and governance internally through these programs. In the future, we will continue to conduct and improve relevant training to fully implement our commitments and policies across all aspects of Formosan’s operations. Accordingly, we aim to ensure that all levels of personnel are able to maintain the awareness of sustainability at work.

Organizational Structure of Formosan Rubber Group Inc.



For more information about the corporate governance structure and the business responsibilities of each department, please refer to the company's annual report, "Formosan Rubber Group Inc. 2024 Annual Report."

Board Composition

The highest governance body of Formosan Rubber Group Inc. is the Board of Directors, which is responsible for decision-making, supervision, and managing the Company's impacts on economic, environmental, and social (human rights) aspects. The current Board of Directors of Formosan Rubber Group Inc. consists of 9 directors, including 3 independent directors, representing one-third of the total number of directors. The current term of Board of Directors was elected in June 2022 with the term of office extending from June 2022 to June 2025.

The Company values the diversity of industry experience, professional backgrounds, and capabilities of its Board members and continues to actively seek input from individuals of different genders, ages and disadvantaged groups. In terms of the Board composition, the current Board of Directors consists of one female director, one director between 40–50 years old, one director between 51–59 years old, five directors between 60–69 years old, and two directors between 70–75 years old. We aim to continue promoting the youth and gender diversity of the Board of Directors, in order to promote diverse perspectives and reduce overall enterprise operational risk.

The Board of Directors of Formosan Rubber Group Inc. held a total of 7 Board meetings in 2024, with meetings convened at least once every 1–2 months on average. Board meetings are primarily held to review corporate performance, make investment decisions, approve capital expenditures, discuss ESG-related strategies and key material events (such as significant reports and complaints, negative impacts, and public opinions, etc.). In addition, the Board also assigns and confirms the responsibility for related matters, and performs ongoing follow-up and monitoring of actual progress and resolution in subsequent meetings. In 2024, there were no key material events requiring communication with the Board of Directors. Please refer to the section of "Information on Board of Directors Operations" in the 2024 Annual Report for details.

Board Members of Formosan Rubber Group Inc.

Title	Name	Gender	Age	Number times of director attendance	Attendance rate
Chairperson	Cheng-Tsai Hsu	Male	68	7	100%
Director	Cheng-Chi Hsu	Male	65	7	100%
Representative of Quan Xing Feng Ltd. (Position assumption date: 2022/06/08)	Hsu Zhen-Xin	Male	65	7	100%
Corporate Director Representative of Zheng Yang Development Co., Ltd.	Hsu Wei-Zhi	Male	66	7	100%
Corporate Director Representative of Formosan Construction Co., Ltd.	Lin Kun-Rong	Male	75	7	100%
Representative of Ascend Gear International Inc. (Position assumption date: 2022/06/08)	Lung-Tsung Chu	Male	71	7	100%
Independent director	Chun-Lai Wu	Male	64	7	100%
Independent Director (Resignation date: 2023/07/01)	Xiao Sheng-Xian	Male	63	Not applicable	Not applicable
Independent director (Position assumption date: 2022/06/08)	Lorraine Yao	Female	49	7	100%
Independent Director (Position assumption date: 2024/06/07) (required attendance is 4 times)	Chu, Shih-Yi	Male	58	4	100%

Board Nomination and Election

On March 18, 2022, the Board of Directors of Formosan Rubber Group approved the list of candidates for the 21st term of directors (Sheng-Hsien Hsiao, Chun-Lai Wu and Yu-Lin Yao as independent director candidates). In addition, the election of 9 directors (including 3 independent directors) was completed at the 2022 annual shareholders' meeting. On June 14, 2022, an extraordinary board meeting passed a resolution to elect Cheng-Tsai Hsu as the Chairman with the unanimous consent of all attending directors.

On March 18, 2022, following a review by the Business Management Department of Formosan Rubber Group, Cheng-Tsai Hsu and the aforementioned 8 director and independent director candidates were considered to meet the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and the Company Act regarding the requirements of diversity, independence, experience, industry background and professional capabilities relevant to organizational impact. Consequently, Cheng-Tsai Hsu was elected as the Chairman, and Sheng-Hsien Hsiao, Chun-Lai Wu, and Yu-Lin Yao were included in the Company's list of independent director candidates for 2022.

In addition, Mr. Cheng-Tsai Hsu has served as the Chairman of Formosan Rubber Group Inc. for over 28 years, and is nominated as a candidate for the 22nd term based on the consideration of his expertise in operational judgment, business management, leadership, decision-making, and crisis resolution. Moreover, during his time acting as the Chairman, he has provided professional and comprehensive guidance on the Company's operations and investment decisions, significantly contributing to the management of Formosan Rubber Group Inc. Therefore, he has been nominated for the position of Chairman. For more information on the core competencies of the Board of Directors and its committees, please refer to the Annual Report for details.

Conflict of Interest

The highest governance body of Formosan Rubber Group Inc. is the Board of Directors, chaired by the Chairman Cheng-Tai Hsu, who also serves as the Chief Strategy Officer. All members of the Board of Directors are elected through a nomination process, and the "Rules of Procedure for Board of Directors' Meetings" are established in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to clearly define the principle of directors' recusal for conflicts of interest.

To prevent and mitigate potential conflicts of interest, the Company has established a comprehensive conflict of interest recusal mechanism, requiring Board members to uphold a high level of self-discipline and prudence, to fulfill the due care of a prudent administrator, and to faithfully perform their duties and responsibilities. If a director has a personal or representational interest in any matter to be discussed at a meeting, they must fully disclose the nature of that interest during the meeting. In the event that a director's personal or representational interest may harm the Company's interests, they must recuse themselves from discussion and voting and may not exercise voting rights on behalf of other directors, in order to ensure fairness and transparency in corporate governance.

Continuing Education of Board of Directors

To stay informed of the global business management trends and to enhance corporate governance and risk management capabilities, the Board members of Formosan Rubber Group Inc. continuously refines the industry expertise of Board members and enriches their corporate governance experience, demonstrating its commitment to improving the collective knowledge of the highest governing unit in the area of sustainable development. The Company arranges training courses covering economic, environmental, and social aspects for the Board of Directors irregularly, in order to comprehensively enhance the governance capabilities and insights of Board members.

In addition, to ensure independent directors are able to obtain the Company information in a timely manner, the Company regularly sends Board meeting agendas and provides updates on the latest laws and regulations according to the needs of each Board member. We also continuously optimize information sharing and professional development planning based on individual director feedback, thereby ensuring that all Board members possess the expertise necessary to effectively fulfill their responsibilities in leadership and supervision. In 2024, the Board of Directors completed a total of 63 hours of continuing education, and each director completed an average of 7 hours of training.

2024 Continuing Education Courses for Directors of Formosan Rubber Group Inc.

Topic Category	Course Name	Course Hours
Environmental Courses	New trends in circular economy and sustainable operation	3
	2024 WIW Forum – Digital and Sustainable Finance Concerto: The AI Boom	3
	Zero-carbon deployment: ESG thinking and energy practices for enterprises	3
	Trend of corporate governance and sustainable development of the Company	3
Social Courses	Application, legal aspects and audit of AI	3
	Legal rules and regulations governing the preparation of sustainability reports	3
Economic/ Governance Courses	The introduction of the corporate governance personnel system and the role of legal personnel in corporate governance	3
	Remuneration of senior managerial officers and ESG performance system design	3
	Analysis of unethical management and securities illegal cases	3
	AI Era - Corporate growth and innovative thinking	3
	Digital marketing	3
	Challenges posed by Trump 2.0 to the world	3
	Related laws and regulations for the Board of Directors to consider under the ESG trend	3
	Supervision strategy for the governance of information security of the Board of Directors	3
	The overall innovation and growth of enterprises are fully initiated - the overall innovation of enterprises is conducted in five major aspects.	3
	Remuneration of senior managerial officers and ESG performance system design	3
	Analysis of unethical management and securities illegal cases	3
	New directors and supervisors (Including independent directors) and corporate governance officers 12-Hour practical seminar	12

2024 Individual Training Status of Directors

Title	Name	Environmental Courses	Social Courses	Economic/ Governance Courses	Total Training Hours
Chairperson	Cheng-Tsai Hsu			V	6
Director	Cheng-Chi Hsu			V	6
Director	Hsu Zhen-Xin	V		V	9
Director	Hsu Wei-Zhi	V		V	6
Director	Lin Kun-Rong	V	V		6
Director	Lung-Tsung Chu		V	V	6
Independent director	Chun-Lai Wu			V	6
Independent director	Lorraine Yao	V		V	6
Independent director	Chu, Shih-Yi			V	12

Board Performance Evaluation

To implement corporate governance and enhance the functions of the Board of Directors, we have established the "Procedures for Performance Evaluation of the Board of Directors" to set performance goals and improve the efficiency of the Board. We conduct an external evaluation of the Board of Directors once every 3 years and also conduct an annual self-evaluation of the Board and its functional committees (including the Audit Committee and Remuneration Committee). The self-evaluation also includes individual director self-evaluation (questionnaire method is adopted). The Board of Directors' performance evaluation indicators cover 5 key aspects of "Participation Level in Company Operations", "Enhancement of Board Decision Quality", "Board Composition and Structure", "Director Selection and Continuing Education", and "Internal Control". In 2024, the Board of Directors self-evaluated their performance with a score of 98.6 points, Board member self-evaluation indicated a score of 99.7 points, and the Remuneration Committee self-assessed their performance with a score of 93.7 points. The performance evaluation score of the Audit Committee was 99.7 points, indicating a positive review by the Board of Directors in terms of the efficiency and effectiveness. In addition, the report was submitted to the Board of Directors in March 2025.

Remuneration Policy for Senior Managerial Officers

The remuneration policy and structure for the directors and senior managerial officers of the Company are determined by the Remuneration Committee, which regularly reviews and adjusts the policy to align with the corporate governance and market trend. The annual remuneration of directors includes director compensation, salary and bonuses (salary and bonuses are applied only to those who also serve as employees); senior managerial officer compensation includes salary, bonus, and severance, which is disclosed annually in the Annual Report in accordance with the laws, in order to ensure information transparency. In addition to the remuneration structure mentioned above, senior managerial officers of the Company do not receive any additional special benefits. Their retirement system is the same as that of general employees and is handled in accordance with applicable laws and regulations, in order to maintain internal consistency and fairness.

To ensure that the Board of Directors and senior management are able to effectively lead the Company towards the sustainable management goals, Formosan has included the "Participation of the Board of Directors in Corporate Social Responsibility System" as one of the core indicators in the Board performance evaluation, in order to strengthen the link between the Board members and the Company's sustainable development goals. The remuneration of senior managerial officers is determined by considering individual performance, the Company's operating results, and market compensation levels adopted in the industry.

Looking forward to the future, Formosan will continue to strengthen the link between the remuneration system of directors and senior managerial officers and the sustainable performance indicators, in order to encourage senior managerial officers to focus on long-term value creation and to enhance the Company's resilience and response capability to sustainable challenges of climate change, such that the Company is able to gradually implement responsible governance and optimize corporate structure at the same time.

Functional Committees

To effectively promote operational risk management and to implement the identification and monitoring of the Company's impacts in terms of the economic, environmental and social aspects, Formosan Rubber Group Inc. has established the Audit Committee, Remuneration Committee, and Investment Decision Committee under the Board of Directors. Through daily business communication, internal meetings, questionnaires and surveys, document signing and the existing complaint filing mechanism, each functional committee conducts due diligence to systematically collect feedbacks from stakeholders with regard to positive or negative impacts and material events related to the Company's operations and relevant recommendations. Each functional committee is responsible for formulating, approving, and updating relevant strategies and policies based on the information collected. The Board of Directors provides overall coordination and supervision of each committee's impact management procedures and implementation effectiveness, in order to strengthen the overall governance mechanism and sustainability resilience.

Audit Committee

The Audit Committee's primary responsibility is to execute corporate risk management. The Committee members consist of the 3 independent directors elected by the general shareholders' meeting. The Audit Committee convenes 5 times throughout the year to ensure the fair presentation of the Company's financial statements, to determine the selection and independence/performance of the CPAs, to review the effective implementation of the Company's internal controls and compliance with applicable laws and regulations, and to also control the Company's existing or potential risks. The Audit Committee convened a total of 5 meetings in 2024, with an average member attendance rate of 100%.

Audit Committee Members of Formosan Rubber Group Inc.

Name	Title	Gender	Term of office
Chun-Lai Wu	Independent director	Male	2022/06/08-2025/06/07
Lorraine Yao	Independent director	Female	2022/06/08-2025/06/07
Chu, Shih-Yi	Independent director	Male	2024/06/07-2025/06/07
Xiao Sheng-Xian	Independent director	Male	Resignation was effective on July 1, 2023

Remuneration Committee

To strengthen corporate governance and to enhance the Board of Directors' remuneration management capabilities, the Company assists the Board in implementing and evaluating its overall remuneration and benefit policy, as well as the remuneration of directors and senior management, in order to ensure compliance with applicable laws and regulations and to attract outstanding talents. Formosan Rubber Group Inc. has established the Remuneration Committee and has also stipulated the "Remuneration Committee Charter".

The Remuneration Committee evaluates and reviews senior management compensation and the employee remuneration appropriation ratio. The Committee has established the table, "Ratio of Remuneration of Directors, President and Vice President to Individual or Individual Financial Report After-tax Profit"; please refer to the Company's "2024 Annual Report" for details. The committee assesses and reviews the salary and remuneration of the management team based on individual competence, contribution to the Company, and job performance, in order to effectively manage the risk of talent loss. The Remuneration Committee convened a total of 4 meetings during the period from January 1, 2024, to December 31, 2024, and the average member attendance rate was 100%.

Remuneration Committee Members

Title	Name	Gender	Term of office
Convener	Chun-Lai Wu	Male	2022/06/14-2025/06/07
Member	Lorraine Yao	Female	2022/06/14-2025/06/07
Member	Ying-Chi Lin	Male	2023/09/22-2025/06/07
Member	Xiao Sheng-Xian	Male	Resignation was effective on July 1, 2023

Sustainable Development Team

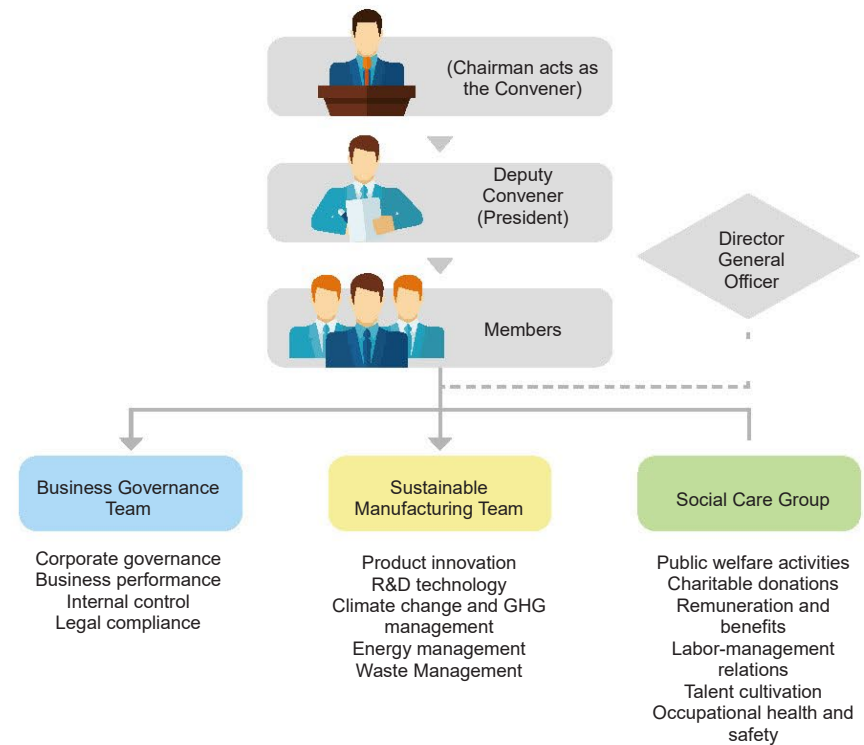
To implement sound sustainable development policies and promote related measures, the Company has established a Sustainable Development Team responsible for achieving the annual ESG goals in all aspects, including implementation outcome and greenhouse gas (GHG) inventory work. The Chairman acts as the Convener of the Sustainable Development Team and the President acts as the Deputy Convener, with Assistant Vice Presidents and Consultants acting as the team members. In addition, a Secretary General and an Executive Secretary are elected from among the team members. The team is divided into three sub-teams: Corporate Governance, Sustainable Manufacturing, and Social Care. Each sub-team has been designated with a clearly defined scope of responsibilities and enjoys close collaboration and communication with various departments.

The Sustainable Development Team assists the Board of Directors in its operations, and proposes policies, systems, and relevant management guidelines, and also implements specific plans to drive execution. It also regularly reports implementation results to the Board of Directors to facilitate the implementation of the Company's overall sustainable management strategy. In terms of the environment aspect, in 2024, we have focused on reducing energy consumption and strengthening greenhouse gas (GHG) emission management. We implemented energy-saving and carbon reduction plans, in order to successfully reduce energy consumption by 15% and to further reduce the environmental impact. Looking ahead to 2025, we will continue to improve energy efficiency and to achieve higher environmental standards.

In terms of corporate governance, in 2024, we have fully implemented the "Sustainable Development Best Practice Principles" and established internal regulations with regard to the human rights protection, ethical management, information security, and risk management. Regarding social care, the Company has increased its local donations and strengthened its engagement with the community through scholarships and factory tours, in order to establish a harmonious relationship with local communities.

Looking ahead to 2025, we will continue to refine our sustainable development strategy, adjust our environmental management measures to align with domestic and international trends, and further fulfill our corporate social responsibility to contribute to the sustainable development of the enterprise and society.

"Sustainable Development Team" Organizational Structure



Legal Compliance

To ensure compliance with all applicable laws and regulations, Formosan has established the Legal Affairs Office to monitor legal developments and amendments that may affect the Company's operations, and to verify that all departments comply with legal requirements. In 2023, the Company established the "Procedures for Ethical Management and Guidelines for Conduct".

In 2024, we began implementing integrity management initiatives, such as requiring employees to sign the Agreement to Compliance with Ethical Corporate Management Best Practice Principles. In addition, the Legal Affairs Office also prepares the integrity management report annually for enhanced educational promotion, and has reported policy implementation to the Board of Directors annually since 2024.

The Company has also established various channels for the filing of complaints, reports, and recommendations, encouraging both internal and external stakeholders to report any unethical conduct or activities that may have an impact on the environment, economy, society and human rights. In 2024, Formosan Rubber Group did not receive any complaints or reports.

According to the Regulations Governing the Verification and Public Disclosure of Material Information by Public Companies, an individual event that results in an accumulated fine of NT\$1,000,000 or more shall be deemed a material event. In 2024, due to operational deficiencies, there was one major fine of NT\$1.92 million along with required corresponding environmental education hours imposed by the authority. Formosan Rubber Group Inc. immediately implemented response measures and an improvement plan.

Details of the violation are as follows:

1. Date of occurrence: 2024/11/01
2. Subject of occurrence: The Company
3. Background (event description): The dioxin concentration discharged from the Company's factory located at No. 1 Chaofeng Rd., Sanhe Vil., Longtan Dist., Taoyuan City, failed to comply with the requirements of the Air Pollution Control Act, after the audit conducted by the Environmental Protection Bureau of Taoyuan City Government.
4. Response process: The Company immediately took action to conduct a comprehensive inspection and improvement of the issues, and submitted an improvement plan to the Environmental Protection Bureau of Taoyuan City Government.
5. Disciplinary action: According to the provisions of the ruling, payment of a penalty fine of NT\$1,920,000 was required along with the completion of a 2-hour environmental lecture course.
6. Improvement measures:
 - Replaced old equipment with natural gas boilers to reduce dioxin emissions.
 - Strengthened the emission monitoring system to ensure compliance with environmental standards.

Financial and operational impacts:

- Penalty fine: NT\$1,920,000.
- Insurance claims: None.

In the future, we will continue to optimize the production process and promote higher environmental management standards to ensure that all operations comply with environmental regulations and sustainability goals.



Major Laws and Regulations for Formosan Rubber Group Inc.

Governance/Operations	Environment	Labor	Products and Services
<ul style="list-style-type: none">Corporate governance related laws and regulations: Company Act, Business Entity Accounting ActEthical management related laws and regulations: Consumer Protection ActFair trade related laws and regulations: Fair Trade ActSecurities exchange related laws and regulations: Securities and Exchange Act, Securities Investor and Futures Trader Protection Act	<ul style="list-style-type: none">Air pollution control related laws and regulationsWater pollution control related laws and regulationsWaste disposal related laws and regulationsToxic and concerned chemical substances laws and regulations	<ul style="list-style-type: none">Labor standards related laws and regulations: Labor Standards ActLabor contract related laws and regulationsLabor-management dispute related laws and regulations	<ul style="list-style-type: none">Product health and safety related laws and regulationsProduct and service advertisement labeling related laws and regulationsPersonal data protection related laws and regulations: Personal Data Protection Act

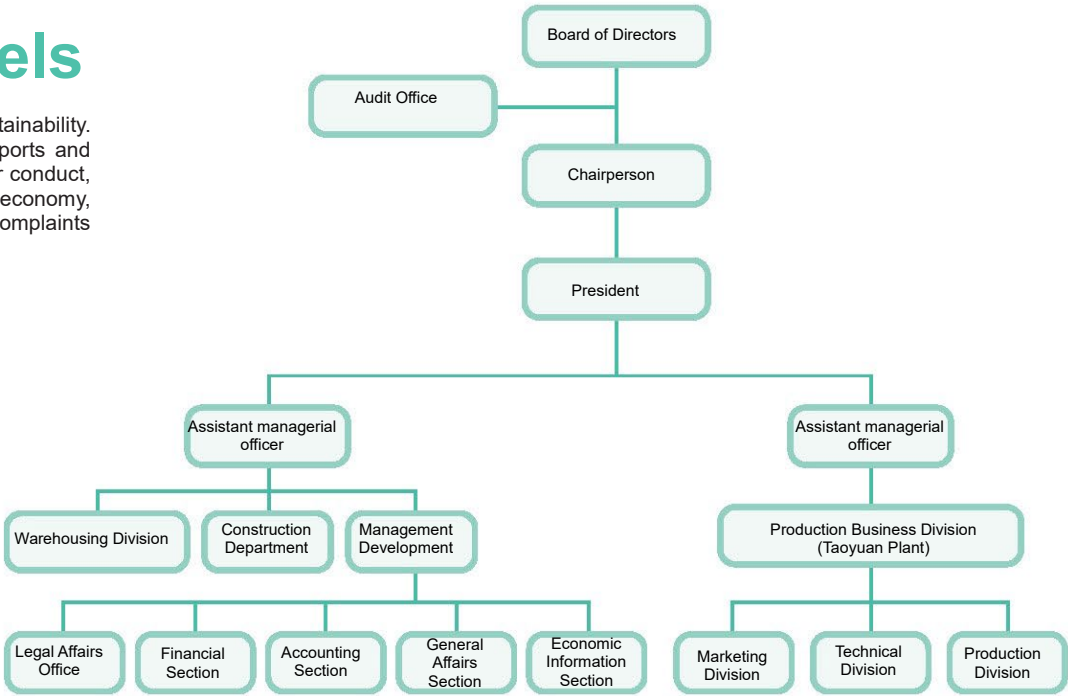
Complaint and Recommendation Channels

Ethical and responsible business conduct is the foundation of corporate sustainability. Accordingly, we have established various channels for filing of complaints, reports and recommendations, encouraging stakeholders to report any unethical or improper conduct, or operational activities that may have an impact on the aspects of environment, economy, society and human rights. In 2024, Formosan Rubber Group did not receive any complaints or reports.

Risk Management

To strengthen internal controls and to improve enterprise risk management effectiveness, Formosan Rubber Group Inc. has established the Risk Management Policy, covering risk identification, assessment, and reporting and handling mechanisms. The Company has established a three-level risk management organizational structure, with risk management responsibilities assigned to different major departments, the Audit Office, and the Board of Directors at different levels. The operating model for each level has also been clearly defined. Risk management goals are achieved through comprehensive risk control carried out by all employees of the Company. At the same time, based on the annual risk management results, we also make timely corrections and adjustments to the internal control system and the following year's audit plan, in order to continuously strengthen the overall corporate governance system.

Safety Risk Management Organizational Structure of Formosan Rubber Group



Risk Impact and Response Strategies & Actions of Formosan Rubber Group Inc.

Risk type	Description of cause of risk	Response strategies and actions	Responsible department
Risk of business or service	<ol style="list-style-type: none"> 1. Risk of indemnification liability arising from disputes or non-compliance with laws and regulations due to poor quality of services or products delivered. 2. If environmental pollution or safety incidents occur during the course of business or service, there is a risk for relevant indemnification or liability. 3. Risk of direct or indirect operational losses or decrease in service quality due to improper staffing of business or service personnel. 4. Under the rapid change of industrial trend, if the Company fails to respond to market demands timely, it may result in customer loss and operational impact. 	<ol style="list-style-type: none"> 1. Strictly control the production process to improve yield. 2. Regularly review any laws and regulations related to the Company, make timely corrections, and communicate such changes to relevant personnel clearly. 3. The Company's salary and performance evaluations are determined based on individual performance and overall Company business performance, and regular labor-management meetings are also held periodically. 4. By developing low-carbon warehouses, we are able to attract more industries to move their products into our warehouse. 5. Continue to develop and innovate and expand into new customer groups and market segments. 	Management Department and related Business Divisions
Financial risk	<ol style="list-style-type: none"> 1. Accounts receivable with insufficient guarantee or collection and payment 2. Accumulated loss unrecognized this year 3. Engage in high-risk operations (e.g., lending funds to others), providing endorsement for others, Engage in derivatives transactions (transactions with related parties and others) 	<ol style="list-style-type: none"> 1. The credit limit and payment terms are provided upon approval in accordance with the Credit Management Regulations. 2. Regularly review the current status of collateral and its value. 3. The Company does not engage in high-risk, high-leverage investments and transactions involving related derivative products. 4. If there is any loaning of fund to others or endorsements/guarantees provided to others, it must be handled strictly in accordance with the laws and regulations of the competent authority and the Company's internal regulations. 	Management Development
Regulatory risk	Risks associated with government regulations for related industries, such as wastewater and waste discharge, or restrictions on raw material content.	<ol style="list-style-type: none"> 1. The management department and relevant business units regularly review laws and regulations related to the Company, and also communicate and take appropriate action. 2. Chen, Tsai & Partners has been retained as the Company's legal counsel to provide professional legal assistance. 	Management Department and related Business Divisions

Risk type	Description of cause of risk	Response strategies and actions	Responsible department
Asset risk (including climate change risk)	<ol style="list-style-type: none"> 1. Increased operating costs due to climate change 2. The risk of increased overall operating burden due to business interruption or increased maintenance costs resulting from extreme weather events (such as floods, typhoons, etc.) affecting assets owned by the Company. 	<ol style="list-style-type: none"> 1. Logistics centers cooperate with several delivery operators to mitigate and address risks caused by climate change. 2. Replace energy-saving equipment, such as LED lighting in the office and warehouse, and change the air conditioning to a variable frequency system, in order to reduce electricity consumption and lower costs. Employees are encouraged to turn off the office lights and equipment when leaving work. 3. New construction projects are designed as low-energy buildings, and smart solutions are integrated to achieve energy saving, flood prevention, and mitigation of the urban heat island effect. 4. Discuss with suppliers in advance to address extreme climate change and to jointly establish action plans. 	Management Department and related Business Divisions
Occupational safety risk	<ol style="list-style-type: none"> 1. Personnel injuries and property loss may occur due to improper operation or inadequate protective measures during the operation of various machineries. 2. If the buildings or plant facilities of the Company are not regularly inspected or are poorly designed, it may cause safety hazards, resulting in the risk of personnel injury or business interruption. 	<ol style="list-style-type: none"> 1. New employee training courses include industrial safety awareness, and necessary knowledge is conveyed to employees periodically. 2. Regular inspection, check and maintenance of the Company's real estate, facilities and equipment to ensure proper functioning and reduce workplace safety risks. 	Management Department and related Business Divisions





Chapter 3

Supply Chain Management

- Supply Chain Management
 - Supply Chain Introduction
 - Local Procurement
- Supplier Evaluation and Audit
- Quality Management
- Customer Service
 - Satisfaction Survey

Supply Chain Management

Formosan Rubber Group Inc. 2024 Material Topic “Supply Chain Management” Management Status

Material Topic	Supply Chain Management
Corresponding GRI Standard	GRI 204-1 Proportion of spending on local suppliers GRI 308-1 Adopt Environmental Standard for Screening New Suppliers
SDGs linked	 
Policies or Commitments	To ensure a stable supply of raw materials and to verify quality, regulatory requirements, and ethical concerns, we maintain long-term partnerships with suppliers domestically and internationally, and all products meet relevant regulatory standards.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none"> Discuss and establish the Company's supply chain management policies, and strengthen the foundation of the supply chain governance. Suppliers having significant impact on the Company's operations are required to complete relevant training, or assistance is provided by the Company in order to improve their sustainability management capabilities. <div>Medium and long-term goals</div> <ul style="list-style-type: none"> Continue to promote suppliers and contractors to pay attention to and improve sustainability actions in the aspects of environment (E), society (S), and corporate governance (G).
Tracking and Management Mechanism	<ul style="list-style-type: none"> Annual supplier evaluation is conducted annually by the procurement unit in collaboration with the quality assurance and technical units. If the supplier evaluation indicates a result of Grade B (inclusive) or lower, we will request that supplier to make improvements within a specified time-limit, and also follow up with re-evaluation depending upon the actual condition, in order to ensure supply chain quality and risk control stability.
Annual Actions and Results	<ul style="list-style-type: none"> The local procurement ratio of the Production Business Division has increased year by year for the past 3 years, and the local procurement ratio has reached 80.3% in 2024. In 2024, written evaluations are expected to be completed for 30 suppliers, and 100% of supplier evaluations have finished on schedule. In 2024, the Company completed audits of 3 customs brokers and 4 freight forwarders according to the schedule, with a 100% completion rate. By the end of 2024, 17 of the Company's key products have been verified by an independent third-party institution.

Supply Chain Introduction

Formosan Rubber Group Inc. is specialized in the research & development and manufacturing of rubber, plastic, and green synthetic sheets for the production business. As a mid-stream manufacturer in the rubber and plastic industry chain, we purchase key raw materials for rubber, plastic, and green plastic from upstream suppliers. These materials are then processed and manufactured into products for downstream manufacturers in the consumer goods, electronics, medical, transportation, and eco-friendly material markets. In 2024, there were no significant changes to the Company's supply chain or its business relationships with upstream and downstream suppliers and customers.

In addition, Formosan actively promotes diversified business strategies. The Construction Business Division engages in real estate development and planning through the acquisition of land or use of its own land, and collaborates with professional construction companies and various contractors to execute construction, sales and lease businesses. The Warehousing Business Division manages and leases out its warehouse spaces, and extends its operations to include logistics center operation and the provision of integrated logistics services.

To strengthen the supply chain management mechanism, we continue to improve operational efficiency and quality in the core business areas of rubber and plastic production, construction, and warehousing. Furthermore, we also actively enhance our collaboration with upstream and downstream partners. At the same time, we encourage suppliers and contractors to jointly participate in sustainable development actions through the promotion of various aspects of ESG and practical improvements. Through regular exchanges with the management, self-assessments, management audits and experience sharing, Formosan aims to collaborate with our major suppliers and contractors to enhance the overall resilience and responsibility of our supply chain, to provide high-quality products and services, and to jointly achieve competitive and sustainable operational results.

Overview of Operating Business Supply Chain of Formosan Rubber Group

Operating Item	Upstream	Midstream	Downstream
Production Business	<ul style="list-style-type: none"> Rubber raw material manufacturers (e.g., Denka, Tsh) 	<ul style="list-style-type: none"> Synthetic rubber manufacturers 	<ul style="list-style-type: none"> Rubber product processing factories
	<ul style="list-style-type: none"> Plastic raw material manufacturers (e.g., Formosa Plastics) 	<ul style="list-style-type: none"> Synthetic sheet manufacturers 	<ul style="list-style-type: none"> Plastic product processing factories
	<ul style="list-style-type: none"> Green plastic raw material manufacturers (e.g., Merquins) 	<ul style="list-style-type: none"> Green PU synthetic sheet manufacturers (Formosan Rubber Group) 	<ul style="list-style-type: none"> Green plastic product processing factories
Construction Business	<ul style="list-style-type: none"> Land development and acquisition (Formosan Rubber Group) 	<ul style="list-style-type: none"> Construction engineering 	<ul style="list-style-type: none"> Sales and customer services (e.g., Formosan Rubber Group, Newland Enterprise, More Worth Advertising)
	<ul style="list-style-type: none"> Real estate development planning (e.g., Formosan Rubber Group, Continental Development Corporation) 	<ul style="list-style-type: none"> Construction contractors and various subcontractors (e.g., Continental Engineering Corporation) 	
Warehousing Business	<ul style="list-style-type: none"> Warehouse construction (Formosan Rubber Group) 	<ul style="list-style-type: none"> Logistics center (Formosan Rubber Group) 	<ul style="list-style-type: none"> Customers

Product Key Raw Materials of Formosan Rubber Group

Raw material type	Content	Usage
Rubber raw materials	Synthetic glue, natural glue, nylon fabric	Raincoats, windbreakers, snowsuits, shoes, waterproof construction, air mattress, boats, floating bridges, aircraft fuel tanks, water tanks, conveyor belts, wearing apparel, life vests, medical supplies, automotive materials, dry diving suits, etc.
Plastic raw materials	PVC powder, DPHP, nylon fabric	Raincoats, windbreakers, wallets, briefcases, furniture, wallpaper, tents, air mattress, sofas, car seat cushions, canvas, wearing apparel, life jackets, school bags, car seats, medical supplies, and automotive materials.
Green PU raw materials	PU glue, nylon fabric	High-end wearing apparel, raincoats, windbreakers, ski-wear, medical materials, and automotive materials.

Local Procurement

We strive to prioritize local procurement at our key operating locations (including the operating boundary mentioned in this Report), in order to minimize carbon emissions due to long-distance transport and to support the growth of local businesses. In 2024, local procurement accounted for approximately 80.3% of our total expenditure. In the future, Formosan Rubber Group Inc. will continue to maintain such ratio of local procurement and will also further evaluate opportunities, in order to increase the proportion of local procurement and to set specific goals accordingly.

The Company also actively promotes a low-carbon procurement strategy and prioritizes the selection of products with environmental labels or energy-saving certifications. Actual actions in practice include: Replacing air conditioners with energy-efficient models certified with the Energy Label and changing lighting fixtures in warehouses and offices to LED lights completely. We also encourage customers to use eco-friendly papers, cardboards, and packaging materials, and use hybrid vehicles for outsourced transportation services in priority, in order to promote the overall supply chain's environmental upgrade.

We also implement energy conservation and carbon reduction measures for internal operations and employees' daily routines, such as promoting "Meatless Mondays", encouraging the use of personal reusable tableware, and reducing the use of disposable plastic products. At the same time, the digitalization and system integration of internal processes are also enhanced to further reduce paper and toner consumption, to implement a low-carbon office, and to demonstrate our commitment to sustainability.

Formosan Rubber Group Inc.'s Local Procurement Ratio in Last 3 Years (Unit: NT\$ thousand)

Year	2022	2023	2024
Local procurement amount	433,509	362,878	373,684
Total procurement amount	552,997	449,408	465,332
Local procurement ratio	78.4%	80.7%	80.3%

Supply Chain Assessment and Audit

The Company has established the "Supplier Assessment and Evaluation Procedures" and "Contractor Management Regulations", and conducts annual evaluations and irregular audits on raw material and fabric suppliers. During the construction period, contractors are required to comply with both the contract terms and relevant government labor safety and health regulations, as well as the Company's internal occupational safety and health regulations, in order to reduce the risk of occupational accidents and to protect worker safety and health.

To ensure the stable quality and reliable delivery of raw materials purchased by Formosan, and to maintain smooth production processes, the Company has strengthened its on-site inspection and communication mechanisms with suppliers, in order to have a deeper understanding of suppliers' implementation of regulatory compliance, thereby ensuring effective enforcement of relevant laws and regulations and improving the overall compliance and operational resilience of the supply chain.

All suppliers supplying raw materials directly to the Company must first qualify the evaluation. The Company conducts an annual evaluation of suppliers and contractors once annually. The procurement unit performs the investigation and evaluation along with the quality assurance and technical units. After evaluation, the results are classified into the ratings of Excellent (90 points or higher) and Grade A (75 points-89 points), Grade B (60-74 points), and Grade C (below 59 points). Suppliers are notified and asked to improve if they receive a rating of Grade B or below. And re-evaluation may be required. If the evaluation results for suppliers of key raw materials (designated suppliers) fail to reach the rating of Excellent, the suppliers are notified of the results, and enhanced guidance, evaluation, and correction are also provided. In addition, re-evaluation is performed within 2 months.

We have adjusted the weight of the supplier evaluation items based on the level of impact on the operation. The supplier evaluation items and their weights include: 24% for quality system, 16% for technical level, 16% for manufacturing capability, 8% for machinery and equipment, 8% for delivery management, 8% for environmental management, and 20% for business management. In 2024, written evaluations were completed for 30 suppliers, with the completion rate of 100%.

Supplier and Contractor Evaluation Results of Formosan Rubber Group Inc. in Last 3 Years.

(Unit: Number of suppliers)

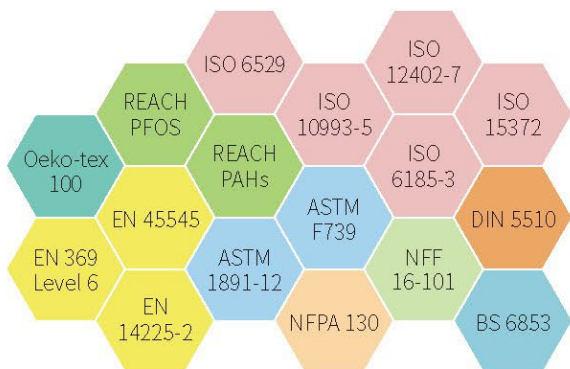
Evaluation method	2022	2023	2024
Expected number of suppliers for written evaluation	27	30	30
Actual number of suppliers completing evaluation	27	30	30
Completion rate	100%	100%	100%



Quality management

Formosan Rubber Group Inc. values product quality and user health and safety, and therefore invests significant resources in building a quality management system throughout the entire product lifecycle from R&D, production, transportation and sales to use. As of the end of 2024, we have obtained 17 certifications from independent third-party authentication institutions, in order to ensure that our main rubber and plastic products meet a certain standard of quality control.

Formosan upholds the quality policy of "Technology-oriented Formosan, Quality for Formosan-Quality speaks for Formosan". Our quality statement includes seven key elements: Formosan values quality, thorough organization and tidiness, rigorous source inspection, compliance with operating standards, sufficient coordination and communication, and customer satisfaction, in order to maintain its product quality guarantee. With the implementation of various certifications of ISO 9001:2015 and ISO 14001:2015, etc., we implement various steps and procedures for operations, thereby establishing an effective product quality management system.




Product Testing and Certification of Formosan Rubber Group Inc.

	Testing (certification) standard	Testing standard description	Company's product scope qualifying testing standard
1	Oeko-Tex 100	Eco-Label for Textiles	High-performance apparel materials
2	EN 45545	Fire-resistant and flame-retardant testing standards for railway vehicle materials (EU)	Railway vehicle materials, carriage connection windshield materials
3	BS 6853	Fire-resistant and flame-retardant testing standards for railway vehicle materials (UK)	Railway vehicle materials, carriage connection windshield materials
4	DIN 5510	Fire-resistant and flame-retardant testing standards (Germany)	Railway vehicle materials, rubber bellows and pipeline materials for machines (Bellow)
5	NFF 16-101	Fire-resistant and flame-retardant testing standard (France)	Railway vehicle materials, rubber bellows and pipeline materials for machines (Bellow)
6	NFPA 130	Fire-resistant and flame-retardant testing standard (U.S.)	Railway vehicle materials, rubber bellows and pipeline materials for machines (Bellow) (Bellow)
7	EN14225-2	European dry diving suits standard	Dry diving suit
8	ISO 15372	Ships and marine technology - Inflatable - standard	Inflatable boat materials
9	ISO 6185-3	Inflatable boat testing standard	Inflatable boat materials
10	ISO 12402-7	Marine lifeboat inflation product testing standard	Lifeboat inflation materials
11	ISO 10993-5	Bio-compatibility evaluation of medical devices	Medical mattress, air tube material
12	ISO 6529	Protective clothing material permeation-resistance standard	Protective clothing materials
13	ASTM F739	Protective clothing material permeation-resistance standard (U.S.)	Protective clothing materials
14	EN 369 Level 6	Protective clothing chemical protection standard	Protective clothing materials
15	ASTM 1891-12	Electric arc and flame protection testing standard	Electric arc protective clothing materials
16	REACH PFOS	Perfluorooctanoic acid testing standard	No detection of PFOA
17	REACH PAHs	Polycyclic aromatic (PAHs) compound testing standard	No polycyclic aromatic compounds detected

Customer Service

Formosan Rubber Group Inc. 2024 Material Topic “Customer Service” Management Status

Material Topic	Customer Service
Corresponding GRI Standard	Self-specified Topic
SDGs linked	
Policies or Commitments	Formosan has established the customer satisfaction survey measures to understand customer opinions and feedback, and to maintain good product quality and service levels, in order to establish cooperative relationships.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none"> The average customer satisfaction score of the Production Business Division > 75 points. The Warehousing Business Division maintains 100% customer satisfaction. <div>Medium and long-term goals</div> <ul style="list-style-type: none"> The average customer satisfaction score of the Production Business Division > 85 points. The Warehousing Business Division maintains 100% customer satisfaction.
Tracking and Management Mechanism	Regularly conduct customer satisfaction surveys annually.
Annual Actions and Results	<ul style="list-style-type: none"> In 2024, the Production Business Division received 41 survey responses, with a 100% response rate, and an average customer satisfaction score of 89 points, an increase of approximately 4.7% from last year. In 2024, 22 copies of satisfaction surveys were distributed by the Warehousing Business Division, and the response rate was 100%, the average satisfaction score was 99 points, and no customer complaints were received.

Customer satisfaction survey

To maintain and strengthen customer relationships, Formosan Rubber Group Inc. regularly visits customers to understand their needs and market changes continuously, and also conducts annual customer satisfaction surveys annually. The audit office is responsible for the statistical analysis of the survey results, identifying deficiencies in current operations, and establishing improvement directions and specific countermeasures.

If a customer complaint occurs, the Company will request the customer return relevant samples for cause analysis and respond actively according to established procedures. In addition, we also provide a compensation plan depending upon the situation, in order to protect customers' interests and rights and to continuously improve service quality.

For the Production Business Division of the Company, the customer satisfaction survey includes: 6 main items of quality, price, technology, delivery time, service attitude, and R&D capability. In 2024, we received a total of 41 survey responses, and the response rate was 100%, with an average customer satisfaction score of 89 points. Customer satisfaction has been improved year-over-year for the past three years. All of these results demonstrate our continued efforts in customer service. Compared to the previous year, the average customer satisfaction score increased by approximately 4.7%.

For the Warehousing Business, the Warehouse Business Division upholds the quality policy of "comprehensive service, 100% quality", to provide a full range of professional services including logistics handling, warehousing, customs clearance and distribution. In addition, we also continuously enhance our operational quality to improve customer satisfaction, confidence and loyalty. To strengthen customer relationship management, Formosan has established a customer satisfaction survey procedure. In 2024, a total of 22 customer satisfaction surveys were distributed, achieving a 100% response rate with a satisfaction score of 99 points. No customer complaints were received.

To improve customer satisfaction and service efficiency, the Warehousing Business Division has introduced the PDA cycle to enhance operational accuracy and efficiency. To further develop the professional skills of our staff, we actively organize education and training, including training and refresher courses for autonomous management personnel in the customs bonded warehouse logistics center, in-service training for forklift operators, occupational health and safety training, and initial first responder training, thereby ensuring that every staff is able to gain confidence and expertise necessary to work independently through comprehensive training programs.

Customer Satisfaction Survey Results of Formosan Rubber Group Inc. in Last 3 Years

Year	2022	2023	2024
Number of responses	22	22	63
Recovery Rate	100%	100%	100%
Customer satisfaction average score	73	85	92



Chapter 4

Environmental Protection

Task Force on Climate-related Financial Disclosure (TCFD)

- TCFD Four Core Elements
- Climate-related Risks and Financial Impact
- Climate-related Opportunities and Financial Impact

Energy management

GHG Emissions


- Energy Saving and Carbon Reduction

Air Pollution Control

Waste Management

Green Products and Services

Formosan Rubber Group Inc. 2024 Material Topic “Climate Change Response” Management Status



Material Topic	Climate Change Countermeasures
Corresponding GRI Standard	GRI 201-2 Financial implications and other risks and opportunities due to climate change GRI 302-1 Energy consumption within the organization GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption GRI 305-1 Direct (Scope 1) GHG emissions GRI 305-2 Energy indirect (Scope 2) GHG emissions GRI 305-4 GHG emissions intensity GRI 305-5 Reduction of GHG emissions
SDGs linked	
Policies or Commitments	To effectively manage the operational impacts of extreme climate, we have incorporated the management framework of climate-related financial disclosures (TCFD) into our organizational management processes, in order to identify climate risks and opportunities affecting our operations, thereby mitigating related risks, seizing new opportunities, and achieving the objective of maintaining profitability and protecting shareholder rights.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none"> Complete GHG inventory for all business divisions <div>Medium and long-term goals</div> <ul style="list-style-type: none"> Completed GHG inventory assurance for all business divisions and establish the reduction plan completely
Tracking and Management Mechanism	Perform GHG inventory in accordance with the “ISO 14064-1 GHG Inventory Standards”, continue to conduct inventory with 2022 as the base year, and complete GHG inventory and assurance in accordance with the “Sustainable Development Roadmap for Listed Companies” before the specified time-limit.
Annual Actions and Results	<ul style="list-style-type: none"> In 2024, the total energy consumption was approximately 92,409.7309 GJ, and the energy intensity was 0.06232 GJ/NT\$1,000. The total energy consumption in 2024 decreased by 14,427.4591 GJ from 2023. In 2024, the GHG emissions of Formosan were 6,135.39 metric tons (Scope 1, 2, and 3 emissions were 2,415.5993 metric tons, 3,093.1707 metric tons, and 626.62 metric tons, respectively). The steam boilers and hot oil boilers used by the production business all adopt green biomass fuel of “wood pellets” or liquefied petroleum gas (LPG).

Task Force on Climate-related Financial Disclosure (TCFD)



In recent years, climate-related disasters have become increasingly frequent. To proactively address these disasters and prevent associated financial losses, we have voluntarily disclosed our response policies and preventative measures for climate-related risks, as well as their financial impacts, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), established by the Financial Stability Board (FSB) in 2015. Furthermore, we have identified opportunities to enhance our climate resilience and to ensure profitability through appropriate climate adaptation and disaster recovery efforts, in order to cope with future climate-related disasters.

TCFD Four Core Elements

TCFD Core Elements

Core element	Action plan
 <p>Governance</p>	<p>The Sustainable Development Team of Formosan Rubber Group Inc. calls ESG team members in different fields to convene meetings regularly or irregularly, in order to discuss potential impacts of various issues on the potential internal and external impacts on the Company, and to also identify risks and impacts related to climate change. The Sustainable Development Team will engage in in-depth discussions with senior executives regarding identified climate risks and opportunities. The President assigns, guides and supervises each department's implementation of relevant response measures. Each department is responsible for implementation within its scope of responsibility, and the Audit Office also establishes audit standards based on implementation progress, in order to ensure effective mitigation of climate risks and realization of financial opportunities.</p> <p>The Board of Directors serves as the highest governance body overseeing the Company's response to climate change. The Sustainable Development Team provides regular updates to the Board on the annual progress of sustainability and climate actions, and also submits quarterly reports on carbon inventory progress for the Board's review and evaluation on goal achievement status.</p>
 <p>Strategy</p>	<p>In response to the Company's major climate-related risks, including the tightening of domestic GHG emission regulations and tougher requirements from overseas customers for GHG and energy efficiency, Formosan has established risk response and mitigation plans and crisis management mechanisms. The countermeasures focus on three main aspects of "GHG emissions and energy management", "environmental protection regulatory compliance" and "green products and services", and relevant measures are also actively promoted.</p> <p>In addition, the Company also refers to the IPCC's climate change assessment report's warming scenarios to analyze the impact of future climate change on operations, and has established specific countermeasures for flood prevention, disaster prevention and GHG and energy management. In the future, the Company will continue to adjust its operational strategies flexibly based on the warming scenarios.</p> <p>For the Company's identification of short-term, mid-term and long-term climate-related risks and opportunities, please refer to the section of "Impact of Climate-Related Risks and Opportunities on Finance".</p>

² Financial Stability Board

Core element	Action plan
 <p data-bbox="239 437 416 459">Risk Management</p>	<p data-bbox="434 271 1989 367">Formosan Rubber Group Inc. has incorporated the potential impacts of climate change into its overall operational risk management system. In 2023, the Company revised the "Risk Management Policies and Procedures" to formally incorporate climate impacts into the risk identification and assessment framework. In addition, we also continue to track changes in laws and regulations. We assess the probability and impact of climate risks based on different business types and financial planning situations, in order to further identify physical risks and transition risks, as well as relevant financial opportunities.</p> <p data-bbox="434 379 2024 475">The Company ranks risks according to the severity and probability of occurrence, and establishes corresponding strategies and action plans with responsible units jointly, in order to effectively manage material climate risks. After the major risks have been identified, management progress is reviewed regularly or irregularly through internal risk management meetings, and is also reported to the Board of Directors periodically, in order to ensure the effectiveness of the overall risk management framework and operational functions.</p>
 <p data-bbox="230 876 423 898">Indicators and Goals</p>	<p data-bbox="434 534 1995 606">Formosan uses energy consumption as a key indicator to climate change mitigation, and also regularly monitors and manages related indicators annually, in order to continuously correct management strategies and enhance energy management effectiveness. The Company expects to set goals related to energy saving and carbon reduction, waste management, and also establishes action plans, in order to strengthen the climate change assessment and response measures.</p> <p data-bbox="434 619 2024 691">In 2024, the total GHG emissions of Formosan were 6,135.39 metric tons (Scope 1, 2, and 3 emissions were 2,415.5993 metric tons, 3,093.1707 metric tons, and 626.62 metric tons, respectively). The main energy-saving and carbon reduction measures for the year are as follows, and please refer to the "Energy Reduction" section of this Report for further details.</p> <ol data-bbox="434 711 2007 986" style="list-style-type: none"> 1. For the heavy equipment rollers used in the manufacturing process, traditional bronze bearings are gradually replaced by roller bearings, in order to improve energy efficiency and to reduce energy consumption. 2. All water chillers and air conditioner motors are replaced by variable frequency motors, in order to optimize energy efficiency. 3. Energy-saving lighting and equipment equipped with energy-efficiency labels are used for the office area entirely, in order to reduce daily electricity consumption. 4. A temperature control policy is implemented for the air conditioning system to ensure an energy efficient and comfortable indoor environment. 5. Steam boilers and heat oil boilers at the production end have been changed to use wood pellets as a biomass fuel, in order to promote low-carbon manufacturing processes. 6. Production equipment is turned on according to the operational demands, in order to avoid unnecessary energy consumption. 7. We actively promote shared transportation to reduce empty trips and low-occupancy transportation, in order to improve transportation efficiency and reduce carbon emissions. <p data-bbox="434 1011 2024 1083">In 2024, the Company demonstrated its commitment to reducing energy and resource consumption during the operations, and has implemented relevant waste reduction and emission control measures to reduce the environmental impact. In particular, with regard to energy use and consumption, the Company has reduced energy consumption by 15% from 2023.</p>

Impact of Climate-related Risks and Opportunities on Finance

After review of the risks, the Company analyzed the impact of climate change on the Company's financial status and has made adaptation and response actions for the year as described in the "Impact of Climate-related Risks and Financial Impact" and "Climate-related Opportunities and Financial Impact" below:

Climate-related Risks and Financial Impact

Type	Climate-related risk	Impact period	Risk description	Potential financial impact	Adaptation and response actions
Transformation risk	Policies and regulations				
	Energy-saving related laws	Long-term	<ul style="list-style-type: none"> According to the regulations for large electricity consumption users specified in the Renewable Energy Development Act enacted in 2021, electricity consumption users of a contract capacity above 5,000 kW are required to self-prepare or use 10% green power within five years Carbon fees will be imposed according to the "Climate Change Response Act" 	<ul style="list-style-type: none"> Increase of energy costs Logistics centers are replacing old lighting equipment and incorporating green building concepts into new facilities, in order to cope with the anticipated increase of energy costs in the future. Possible fines 	<ul style="list-style-type: none"> Replace old, energy-consuming lighting equipment with LED energy-saving lamps, and install sensor-controlled lighting facilities. Construct a new and qualified green building warehouse in Longtan, Taoyuan. Install charging piles. Introduce green building concepts to new projects and facilities. Promote carbon inventory operation, and establish relevant plans.
	Technology				
	Cost of low-carbon technology transformation	Medium-term	<ul style="list-style-type: none"> It is difficult to achieve zero carbon emissions in the manufacturing of rubber products; however, recycling rubber for re-fabrication is able to reduce carbon emissions 	<ul style="list-style-type: none"> Increase in R&D costs 	<ul style="list-style-type: none"> Use recycled rubber granules for R&D and manufacturing of products
	Market				
	Change of market demand	Medium-term	<ul style="list-style-type: none"> The market is increasingly demanding green products, and low-carbon & low-energy buildings. 	<ul style="list-style-type: none"> Poor product sales and reduced profits Increase in R&D costs 	<ul style="list-style-type: none"> Investment in R&D of green products Use recycled materials and design to construct energy circulation residential houses. Establishment of a green building logistics warehouse: New business opportunities and cooperation

Type	Climate-related risk	Impact period	Risk description	Potential financial impact	Adaptation and response actions
Physical risk	Extreme weather events	Short-term	<ul style="list-style-type: none"> Possible loss of equipment, personnel injuries, and facility damages Personnel attendance rate being affected Disruption of transportation, loss of goods 	Immediate	
				<ul style="list-style-type: none"> Annual insurance budget required Production capacity affected Machinery, plant, and personnel losses 	<ul style="list-style-type: none"> Each typhoon-resistant roll-up door and entrance must be equipped with a waterproof gate to ensure the safety of goods. Establish a multi-function mechanism to prevent impact on attendance to work
	Changes in rainfall patterns	Medium-term	<ul style="list-style-type: none"> Damage to machinery, equipment, and factory facilities caused by flooding can result in property loss and production interruption. Drought Road water and traffic blockages can cause delays in material supply and product delivery, affecting logistics operations. Goods stored in warehouses or during transportation can be damaged and economic losses may be incurred due to flooding or water seepage. 	Long-term	
				<ul style="list-style-type: none"> Purchase of water in advance can cause increase in manufacturing costs Purchase sandbags, water pumps and other equipment Construction of reservoir for use as domestic water in the plant site. 	<ul style="list-style-type: none"> Install fire pools to provide a temporary water supply for domestic use. Construct water reservoir capable of receiving rainwater Install typhoon-resistant steel rolling doors and waterproof gates at the entrances to the basement parking lot and the first-floor public work area
	Annual average temperature increase	Long-term	<ul style="list-style-type: none"> Decrease in instrument and equipment lifespan Requiring higher cooling capacity of air conditioning 	<ul style="list-style-type: none"> Increase equipment purchasing expenditure Increase of electricity bills; Logistics Department turns on the air conditioner to control the indoor temperature in the control room when the temperature exceeds 28 degrees Celsius. For the Logistics Department, each degree can result in a 6% increase in electricity consumption. 	<ul style="list-style-type: none"> Continuous replacement and installation of variable frequency air conditioners, and install additional fans to regulate indoor and outdoor temperatures and to save energy consumption. Construct new logistics factory with SRC technology, in order to achieve both earthquake resistance and reduced indoor temperatures.

Climate-related Opportunities and Financial Impact

Type	Climate-related opportunities	Potential financial impact	Response actions
Resource use efficiency	<ul style="list-style-type: none"> Paper and waste recycling and reuse Change to use electrical equipment of higher efficiency Reduce water consumption Circular economy Green building Laws and standards for energy-saving products 	<ul style="list-style-type: none"> Reduce consumable purchase amount Reduce electricity consumption and carbon emissions Reduce water consumption costs Circular economy enhances the sustainability benefits of products Subsidies for purchase of energy-saving appliances Subsidies for manufacturing of energy-saving products 	<ul style="list-style-type: none"> Replace energy-consuming lamps with LED lamps Replace energy-consuming air conditioners with variable-frequency air conditioners Encouraging employees to bring their own eco-friendly tableware Introduce electronic system Recycle papers, and print papers on double sides Reuse envelopes and bags Recycle resources for reuse, and implement circular economy actions Use the e-Notice system to notify shareholders of cash dividend distributions via electronic means
Energy source	<ul style="list-style-type: none"> Low-carbon energy use Self-generate low-carbon energies and implement renewable energy projects Implement energy-saving measures Energy alternatives/diversity 	<ul style="list-style-type: none"> Reduce carbon emissions and save on carbon reduction costs Use self-generated green power, and sell surplus electricity Save energy and reduce operating expenditure Use diverse energy sources to enhance energy supply resilience 	<ul style="list-style-type: none"> Recover waste heat from RTO residual heat, and introduce to the boiler (250°C → 240°C) Install solar panels Use LPG, wood chips as fuels
Products and services	<ul style="list-style-type: none"> In the face of the risks of climate change, provide the latest information and improve service quality Development and/or increase low-carbon products and services, and develop climate adaptation and insurance risk solutions R&D development and innovation of new products and services 	<ul style="list-style-type: none"> Provide diverse services and products to meet market demands, and enhance the Company's reputation and brand awareness Bring business opportunities from new products or services to increase revenue 	<ul style="list-style-type: none"> Fabricate soundproofing building materials, floor mats and eco-friendly carbon black with the use of recycled rubber granules Apply 3D-woven fabric widely in industries of aviation, medical, and rescue operations Introduce automated equipment
Market	<ul style="list-style-type: none"> Develop new markets Enter new industries Received incentives from the public sector 	<ul style="list-style-type: none"> Develop new products with green energy technology and explore new markets Obtain government incentives from the public sector to increase the Company's revenue 	<ul style="list-style-type: none"> Obtain government tax credits according to Article 10 of the Statute for Industrial Innovation
Resilience	<ul style="list-style-type: none"> Consolidate climate change risks and response measures to enhance the Company's response capability 	<ul style="list-style-type: none"> Strengthen corporate resilience, reduce losses from climate change, and minimize customer losses (waterproof gate) 	<ul style="list-style-type: none"> Continue to monitor climate change risks and related topics, and discuss and plan countermeasures and actions

Energy management

The Company's energy consumption is primarily related to the Production Business Division's use, and the steam and heat oil boilers operated during the production process utilize "wood pellets" as a green biomass fuel. The wood pellets are made from wood scraps and sawdust from wood mills, which are pressed into shape at high temperature and high pressure with natural wood lignin released during the process, and no chemical adhesives are used during such process, in order to ensure the product purity. Wood chips have a low moisture content, large surface area and low ash content, such that they have high combustion efficiency. In addition, since they contain low amounts of sulfur, nitrogen and chlorine, the boiler equipment lifespan can be increased while ensuring compliance with environmental protection standards at the same time.

In terms of energy consumption in 2024, the production business unit experienced slow inventory reduction due to excessive purchase by customers in the previous year. Additionally, the bag market in China was indirectly impacted by the US-China trade war and the Russia-Ukraine war, leading to a significant decrease in orders and a corresponding decline in annual revenue and energy consumption. In 2024, the total energy consumption was approximately 92,409.73 GJ, with an energy intensity of 0.06232 GJ per NT\$ thousand of revenue, a decrease of 14,427.46 GJ from 2023.

Organization Internal Energy Consumption (Scope 1 + Scope 2) of Formosan Rubber Group Inc.

(Unit: Gigajoules, GJ)

Energy type		2022	2023	2024
Non-renewable energy	Externally purchased electricity	56,317.947.1	22,846.06	22,541.3249
	Diesel	531.577,2	482.48	391.2000
	Liquefied natural gas (liquefied petroleum gas)	12,426.931.9	17,953.65	39,442.1500
	Total	69,276.4562	41,282.19	62,374.6749
Renewable energy	Externally purchased renewable energy (electricity)	0	0	0
	Solar photovoltaic	0	0	0
	Biomass fuel	68,737.262.4	65,555.00	30,035.0560
	Total	68,737.262.4	65,555.00	30,035.0560
Total energy consumption		138,013.718.6	106,837.19	92,409.7309
Revenue (NT\$ thousand)		1,937,243	1,359,718	1,482,720
Energy intensity		0.07124	0.07857	0.06232

Note 1: The source for the energy conversion coefficient is from the Greenhouse Gas Emission Factor Management Table, version 6.0.4 announced by the Environmental Protection Administration.

Note 2: Energy intensity calculation equation: Energy consumption / Annual total revenue.

GHG Emissions

Since 2022, Formosan has complied with the ISO 14064-1 GHG inventory standards to conduct GHG inventories for Scope 1 (Category 1) and Scope 2 (Category 2) emissions, and the year of 2022 has been set as the base year. In the future, Formosan will follow regulations and plan to obtain ISO 14064-1:2018 Greenhouse Gas Inventory Statement.

In 2024, Formosan Rubber Group Inc.'s GHG emissions were as follows: Scope 1 emissions were 2,415.5993 tons; Scope 2 emissions were 2,967.9412 tons; and Scope 3 (Categories 3-6) emissions were 626.62 tons, for a total of 6,010.1605 tons.

GHG Emissions and GHG Emission Intensity of Formosan Rubber Group Inc.

(Unit: Metric Tons CO₂e)

Total emissions		2023	2024	Compared to previous year
Scope 1 (Category 1)	Total GHG emissions from company vehicles-gasoline, boilers-liquid petroleum gas, forklifts-diesel, septic tanks-fertilizer, other cutting equipment-welding rods, acetylene, rust remover-CO ₂ , etc.	604.818	2,415.5993	1811.4183
Scope 2 (Category 2)	Externally purchased electricity	3,141.333	2,967.9412	-173.3918
Scope 3 (Category 3-6)	Other indirect emissions ("4.1 Emissions from purchased goods" and "4.3 Emissions from solid and liquid waste disposal")	616.8012	626.62	9.8188
Total GHG emissions		4362.9529	6,010.1605	1,647.2076
Revenue (NT\$ thousand)		1,359,718	1,482,720	123,002
GHG emission intensity		0.003209	0.004053	0.000844

Note 1: The source for the conversion coefficient is from the Greenhouse Gas Emission Factor Management Table, version 6.0.4 announced by the Environmental Protection Administration.

Note 2: The method for compiling GHG emissions adopts the operational control approach.

Note 3: The Global Warming Potential (GWP) of each type of GHG is based on the values indicated in the IPCC Fifth Assessment Report.

Note 4: The carbon emission coefficient for electricity in 2021 was 0.509 kg CO₂e/kWh; in 2022, the carbon emission coefficient for electricity was 0.495 kg CO₂e/kWh; and in 2023, the carbon emission coefficient for electricity was 0.494 kg CO₂e/kWh.

Note 5: Carbon intensity calculation equation is: Total GHG emissions (metric tons CO₂e) / Revenue (NT\$ thousand).

Note 6: The base year for GHG emissions is 2022. The reason for selecting 2022 as the base year is that the year is the first year when the carbon emission inventory was conducted, and the GHG emissions for that year totaled 8,634.565 metric tons of CO₂e.

Note 7: The calculation of the Company's greenhouse gas emission intensity has been conducted in accordance with the ISO 14064-1:2018 methodology, covering CO₂, CH₄, N₂O, HFCs and all other relevant gases, which are converted into CO₂e.

Energy Saving and Carbon Reduction


Formosan has implemented various action plans to contribute to environmental protection, energy conservation and carbon reduction:

1. Formosan's Taoyuan Plant provides employees with Taipei-Taoyuan shuttle bus services to reduce commuting costs and driving stress, to alleviate traffic congestion, to reduce greenhouse gas emissions, and to lower the demand for parking spaces.
2. In 2022, the Taipei office optimized its office environment with by replacing all old lighting with LED lamps and changing air conditioners to VRV variable frequency systems, in order to reduce energy consumption. The employee clock in/out system has changed to an electronic reading method, and internal reference documents use double-sided printing as much as possible to reduce paper waste. Employees actively implement garbage classification and resource recycling.
3. Employees are encouraged to bring their own drinking cups and to use reusable bowls and chopsticks, in order to reduce the use of disposable tableware, and to implement food waste recycling and garbage sorting properly.
4. We reuse envelopes and kraft paper bags for office operations, and continue to use such envelopes and bags as document carriers, in order to reduce paper waste and promote circular reuse.
5. Factory boilers use liquefied petroleum gas (LPG) and wood pellets as fuel, in order to implement carbon reduction in fuel consumption.



Air Pollution Control

Formosan Rubber Group Inc. 2024 Material Topic "Air Pollution Control" Management Status

Material Topic	Air Pollution Control
Corresponding GRI Standard	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
SDGs linked	
Policies or Commitments	To prevent air pollution caused by waste gas emissions during production capable of affecting the health of the environment and the public, Formosan has established Air Pollution Management Regulations to manage gas emissions from manufacturing processes through RTO process, in order to prevent the release of harmful gases.
Indicators and Goals	<div>Continuous goals</div> <ul style="list-style-type: none"> Each year, the Company implements emission channel inspection according to the inspection plan and complies with regulatory requirements.
Tracking and Management Mechanism	<ul style="list-style-type: none"> Inspect all emissions pipes once annually. Cooperate with government inspections annually. Report air pollution emissions quarterly.
Annual Actions and Results	Regular inspection of each emission pipe once in 2024.

Through various air pollution improvement measures, and in accordance with the Air Pollution Control Act, Formosan Rubber Group Inc. reports its air pollution emissions quarterly. The organic solvent waste gas generated by the Company's production process is collected and treated through RTO air pollution control equipment for compliance with emission standards. RTO air pollution control equipment consists of two tanks combined to each other, and each tank is filled with multiple layers of heat storage ceramics. By repeatedly circulating hot fluid through the two tanks, heating and cooling functions can be achieved, in order to eliminate organic solvent waste gas. The heat recovery system is able to achieve the objective of energy saving. The system has the advantages of simple operation, high operational flexibility, high removal efficiency, high heat recovery efficiency, low fuel consumption, user-friendly program control, long equipment life, and ease of maintenance and repair.

Air Pollutant Emissions Status

Rubber Production / PU Production / Steam Boiler Gas Emissions Status (Unit: ppm)


Gas type	Regulatory emissions standard	2022	2023	2024
Nitrogen oxides (NOx)	100	7 / 40 / 88	3 / No testing required for this year / 87	3 / 3 / 22.5
Sulfur oxides (SOx)	50	2 / 1.8 / 5	2 / No testing required for this year / 5	4/4/1.8
Particulate matter (PM)	30	1 / 2 / 4	1 / 3 / 5	1 / 1 / 1.8

M08 Thermal Oil Boiler (Unit: ppm)

	2021	2023	2024	Emissions standards specified
Nitrogen oxides (NOx)	76	86	53	100
Sulfur oxides (SOx)	50	3	1	50
Hazardous air pollutants (HAP)	10	18	4	30

Waste Management

Formosan Rubber Group Inc. 2024 Material Topic “Waste Management” Management Status

Material Topic	Waste Management
Corresponding GRI Standard	GRI 306-3 Waste generated GRI 306-5 Waste directed to disposal
SDGs linked	
Policies or Commitments	For waste generated during production and operations, Formosan has established the “Waste Management Regulations” and collaborates with qualified environmental protection companies for waste disposal, in order to minimize its negative impact on the environment and society.
Indicators and Goals	<div>Continuous goals</div> Industrial waste of 45 tons per quarter, with an annual goal of 180 tons.
Tracking and Management Mechanism	Convene quality control meetings (QCC) for each production line annually, and continue to promote waste reduction and implement waste classification.
Annual Actions and Results	Total waste generated from manufacturing processes in 2024 was 73.74 tons. Increase the recycling rate by 37%.

To avoid negative impacts on the environment and personnel health, all business units of Formosan have commissioned qualified domestic vendors to handle waste disposal in accordance with the law.

In terms of production business, the waste primarily consists of general fly ash or slag mixtures, waste fibers or other cotton fabric mixtures, and general waste from operating activities.

With regard to the warehousing business, the primary types of waste are packaging materials and waste pallets, and no hazardous waste is generated. All wastes are handled by licensed waste disposal operators. General waste is classified and disposed separately. Industrial wastes are sorted into categories such as waste papers, waste cardboard boxes, plastic films and waste pallets, in order to reduce waste volume and disposal costs, and to further improve waste disposal efficiency.

Waste Disposal Status of Formosan Rubber Group Inc. in Last 3 Years

Gas type		Regulatory emissions standard		2022		2023		2024	
Classification	Main type of waste	Disposal site ^{Note 1}	Disposal method ^{Note 2}	Output volume (tons)	Percentage (%)	Output volume (tons)	Percentage (%)	Output volume (tons)	Percentage (%)
General industrial waste	D-0899 (Waste fibers or mixtures of cotton and other fabrics)	Offsite	Z05 (incineration)	17.5	21.62%	32.5	43.06%	47.5	47.24%
	D-1801 (General waste from operating activities)	Offsite	Z05 (incineration)	25	30.88%	4	5.03%	0	0
	D-1199 (General fly ash or slag mixture)	Offsite	Z06 (physical processing)	18.15	22.42%	41.26	51.91%	26.24	26.10%
General waste	R-0601 (Waste paper)	Offsite	Other (no final disposal method)	20.3	25.08%	19	19.29%	26.8	26.66
Total waste				80.95		96.76		100.54	
Recycling and reuse rate ^{Note 3}				25.08%		19.29%		26.66%	

Note 1: Disposal onsite (self-handled by the factory) or offsite (outsourced for handling).

Note 2: Disposal method: Reuse (reuse for the same purpose), recycling (reprocessed into new materials), Incineration (including energy recovery), Incineration (excluding energy recovery), landfill, others.

Note 3: Recycling and reuse rate (%) = (Total recycled and reused volume / Total waste volume) * 100%

Note 4: Hazardous industrial waste and general industrial waste are determined according to the Republic of China's "Waste Disposal Act" and "Standards for Defining Hazardous Industrial Waste".

2024 Total Waste Overview (Unit: Tons)

Year		2024		
Classification	Disposal site	Disposal method	Output	Percentage
Hazardous industrial waste	Offsite	Incineration (without energy recovery)	0	0
Non-hazardous business waste	Offsite	Incineration (without energy recovery)	47.5	64.42%
		Landfill	26.24	35.58%
		Other disposal	0	0
Total waste			100%	

General waste classification




Electronic inbound and outbound operations



Green Products and Services

Formosan Rubber Group Inc. 2024 Material Topic "Green Products/Services" Management Status

Material Topic	Green Products / Services
Corresponding GRI Standard	Self-specified Topic
SDGs linked	
Policies or Commitments	In terms of planning and development of real estate projects, the Construction Business Division of Formosan has begun to use green building materials and to incorporate relevant regulations in collaborative developments, in order to comply with increasingly stringent regulatory requirements. By constructing environmentally and socially responsible buildings, we aim to move towards the goal of low-carbon buildings.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none">The logistics warehouse developed in Phase 1 of Longtan received the candidate for Green Building Candidate Certificate on July 16, 2024, and it is expected to obtain the Green Building Label in the third quarter of 2025. <div>Continuous goals</div> <ul style="list-style-type: none">Actively seek alternative eco-friendly materials to replace the white carbon used in the rubber process, in order to reduce the environmental burden.Incorporate sustainable design standards that reduce energy consumption, bolster flood prevention, and respond to the heat island effect in construction project assessment and design consideration in the future.
Tracking and Management Mechanism	<ul style="list-style-type: none">Number of eco-friendly material patents or certifications obtainedTotal use of carbon black for environmental protectionReplacement of white carbon with eco-friendly substances.Number of green building labels obtained.
Annual Actions and Results	<ul style="list-style-type: none">Black rubber products are now made from recycled "eco-friendly carbon black" instead of conventional carbon black.Eco-friendly carbon black complies with REACH and RoHS regulations.Reclaimed rubber granules from small tires are used to fabricate soundproofing materials.Production of bio-based rubber products from bioethanol derived from sugarcane distillation.Recycle yarns from recycled PET bottles to produce fabrics.

■ Main Product Certification Status of Formosan Rubber Group Inc.

Certifications/Permits	Qiaofeng	Qianyue	Fuyihe	55Timeless	La Bella Vita
Seismic design	√	√	√	√	√
Reinforcing bar chloride ion testing	√	√	√	√	√
Reinforcing bar radiation testing	√	√	√	√	√
Green building label				√ (Golden class)	√ (Silver class)

Production Business

To make green products and services aligned with market demand and international sustainability trends, the Production Business Division of Formosan Rubber Group Inc. has actively promoted the management and control of hazardous substances. It has completed the establishment of a list of hazardous substances, specifying prohibited and restricted items, and has formulated relevant control plans to ensure implementation.

In 2023, the Company replaced traditional carbon black in general black rubber products with recycled "eco-friendly carbon black". This material complies with the European Union's REACH and RoHS regulations and is classified as a non-industrial consumable material. It is widely used in bags, briefcases, suitcases, and other luggage products, as well as for reinforcement in shoes and outdoor sports products.

In addition to eco-friendly carbon black, the Company is also actively exploring other eco-friendly material alternatives, including bio-based rubber products made from bioethanol extracted from sugarcane and fabrics made from recycled PET yarn, in order to reduce product carbon emissions, minimize resource consumption, and promote the development of circular economy technologies.

In addition, in the field of soundproofing materials, we are continuously promoting material innovation and environmental protection through recycling and reuse of materials. We have successfully developed soundproofing materials made of recycled rubber granules from small waste tires, which can be applied to floating floors in condominium buildings. All tests have confirmed that these materials are able to effectively reduce noise levels by 18 to 21 decibels, and these materials have been incorporated into the designs of new construction projects.

Construction Business

To enhance the sustainable value of the building projects, Formosan Rubber Group Inc. incorporates safety assessments and environmentally friendly design concepts into its construction development investments in priority. The main projects of "Qiaofeng", "Qianyue", "Fuyihe", "55Timeless", and "La Bella Vita", have all passed the seismic design standards, reinforcing bar chloride ion testing and reinforcing bar radiation testing, in order to ensure the building quality and structural safety.

In terms of building material selection, the Company is committed to using eco-friendly materials complying with environmental standards or circular economy requirements in principle. The design emphasizes energy saving and water conservation, with the introduction of energy-saving lighting systems and high-efficiency insulation materials. Furthermore, solar power generation facilities, rainwater reclamation systems, and electric vehicle charging stations with associated infrastructure are installed, in order to effectively enhance energy utilization and reduce resource consumption.

Currently, the Company's "55Timeless" project has obtained the Golden Grad of Green Building Certification, and the first phase of the logistics warehouse in Longtan Intelligent Park is expected to obtain the Bronze Grade of Green Building Certification in 2025. Looking forward to the future, Formosan will continue to uphold the core objectives of "comfort, health, environmental protection" and promote comprehensive and systematic eco-friendly building design, in order to head towards the vision of sustainable development.

We will use the golden grade green building of “55Timeless” and silver grade green building of “Regal” as examples to introduce our ESG measures and techniques implemented:

55Timeless

Use of recycled construction materials

Use building materials with eco-friendly labels to reduce the impact on the environment



Daily energy saving

Energy-saving glass design to reduce UV penetration and increase natural lighting



Use of healthy and green building materials

Use eco-labeled paints to reduce hazardous chemicals



La Bella Vita

Use of water-retaining pavement materials

Part of the pavement is made of permeable grass bricks, in order to mitigate the urban heat island effect



Use of renewable energy

Installation of solar equipment to reduce use of traditional energy.



Installation of rainwater reclamation facilities

Rainwater collected at reclamation pool and filtered for spraying to achieve then rainwater reclamation for reuse





Chapter 5

Social Inclusion

Corporate Manpower Overview

- Employee Turnover
- Workplace Diversity
- Parental Leave

Labor Rights Protection

- Care for the Strong Generation
- Labor Rights of Migrant Workers
- Gender Equality

Remuneration and Benefits

- Welfare Measures

Human Resource Development

- Diverse Training Channels
- Employee Performance Review

Safe Working Environment

- Occupational Health and Safety Management System
- Hazard Identification and Risk Control
- Accident Response Handling
- Accident Statistics and Improvement
- Occupational Health Services

Social Care and Common Good

Corporate Manpower Overview

Formosan is committed to establishing a diverse, equitable and inclusive workplace culture, prohibiting discrimination, valuing equality, and respecting diverse values for all. Our talent selection, development, and retention policies prohibit any discrimination due to race, nationality, gender, age, political affiliation or religious belief. We value employee growth and provide comprehensive benefits, in order to allow employees to reach their full potential and contribute to our collective success.

As of the end of 2024, Formosan Rubber Group Inc. has a total of 193 employees, a decrease of 1 person from the previous year. The distribution of number of employees in different regions are as follows: 79.8% at Taoyuan Plant, 10.9% at Logistics Center, 9.3% at Taipei office. The gender distribution is 146 male employees (75.6%) and 47 female employees (24.4%). We are also committed to developing a diverse and inclusive talent pool, including the protection of employment opportunities for people with disabilities and increase of the proportion of local employees for senior management positions at overseas locations, in order to promote mutual prosperity and enhance the Company's overall competitiveness.

Employment Type of Different Regions of Formosan Rubber Group Inc. in 2024

Employee classification		Taoyuan Plant		Logistic Center		Taipei Office		Total		
		Male	Female	Male	Female	Male	Female	Male	Female	Total
According to contract	Permanent employees (open-ended contract)	125	28	8	12	12	6	145	46	191
	Temporary employees (fixed-term contract)	-	1	1	-	-	-	1	1	2
According to working hours	Full-time employees	125	28	8	12	12	6	145	46	191
	Part-time employees	-	1	1	-	-	-	1	1	2
Total of employees by region and gender		125	29	9	12	12	6	146	47	193

Note 1: Full-time employees: According to the definition specified in the Labor Standards Act in Taiwan, they refer to employees who work 40 hours per week.

Note 2: Part-time employees: Employees with working hours less than 40 hours per week.

Note 3: Employees without guaranteed working hours: Employees not subject to minimum or fixed working hours, such as temporary workers and on-call workers.

Employee Number Change Status of Formosan Rubber Group Inc. in Last 3 Years

Type of workers	2022	2023	2024
Employees	195	194	193
Non-employees (Guangyang Security, cleaning Staff, dispatched workers)	13	13	13
Total	208	207	206

Note 1: Employee headcount is calculated by the number of personnel.

Note 2: It is calculated based on the figures as of December 31, 2024.

Note 3: Workers who are not employees: Workers not directly hired by the Company but whose works are controlled by the Company, including temporary workers from staffing agencies and contract workers. Their primary work types include environmental cleaning and meal services.

Employee Turnover

New employees

In 2024, we hired 8 new employees to support the Company's continued growth. Among which, there are 6 male and 2 female employees, and the number of employees between 30-50 of age represented the largest group at 3.10%.

Distribution of new employees by gender and age (GRI 401-1: New employee hires and employee turnover) (for Taiwan only: classified according to by gender and age)

Type	Male		Female		Subtotal	
	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Under 30 years old	3	37.50%	0	0.00%	3	1.55%
31-50 years old	1	12.50%	2	25.00%	3	1.55%
Over 51 years old	2	25.00%	0	0.00%	2	1.04%
New employee subtotal	6	75.00%	2	25.00%	8	4.15%

Note 1: New employment rate by category = (Number of new employees in each category / Total number of new employees) × 100%, calculated to two decimal places with standard rounding method.

Note 2: New employment rate of all categories = (Total number of new employees + Total number of employees at the end of the period × 100%, calculated to two decimal places with standard rounding method.

Resignation and Retention

With regard to employee retention, 10 employees resigned in 2024, including 8 male employees and 2 female employees, for a total turnover rate of approximately 5.18%. The Company will continue to strengthen work-life balance, improve management skills, and provide employees with career development opportunities, in order to promote employee retention.

Resigned Employee Gender and Age Distribution Statistics

Type	Male		Female		Subtotal	
	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Under 30 years old	2	20.00%	1	10.00%	3	1.55%
31-50 years old	3	30.00%	1	10.00%	4	2.07%
Over 51 years old	3	30.00%	0	0.00%	3	1.55%
Resigned employees subtotal	8	80.00%	2	20.00%	10	5.18%


Note 1: Turnover rate by category = (Number of resigned employees in each category / Total number of resigned employees) × 100%, calculated to two decimal places with standard rounding method.
Note 2: Resigned employment rate of all categories = (Total number of resigned employees + Total number of employees at the end of the period × 100%, calculated to two decimal places with standard rounding method.
Note 3: Resigned employees include those who leave the organization voluntarily or due to dismissal, retirement, or death in the line of duty.

Workplace Diversity

Formosan Rubber Group Inc. believes that a diverse and inclusive workforce is key to promoting internal innovation and corporate growth. To create a diverse and inclusive workplace, the Company actively implements diversity recruitment policies, with employees over 65 years old not being required to retire and the recruitment of foreign workers and people with disabilities. We also uphold the principles of gender neutrality and prohibit all forms of discrimination.

As of the end of 2024, there are 101 employees of the strong generation—those aged 51 years old and over—representing 52.33% of the total workforce, or approximately half of all employees; there are 9 foreign migrant workers, accounting for 4.64% of all employees; and 7 employees with disabilities, accounting for 3.63% of the workforce and exceeding the statutory requirement (requiring the employment of 1 person with disability). As the Company is mainly in the manufacturing industry, the number of female employees is 47 employees, representing 24.35% of the workforce.

Formosan Rubber Group Inc. 2024 Material Topic "Talent of the Generation" Management Status

Material Topic	Strong Generation Talents
Corresponding GRI Standard	GRI404-2 Programs for upgrading employee skills and transition assistance programs GR I405-1 Diversity of governance bodies and employees
SDGs linked	
Policies or Commitments	In response to the challenges of demographic change and labor shortage resulting from Taiwan's declining birth rate and aging population, the Company is actively promoting the "Mature Helper" policy and establishing related workplace initiatives to hire employees who have reached the statutory retirement age (over 65 years old) and respect their willingness to work continuously until voluntary retirement. At the same time, the Company provides long-serving employees with comprehensive health examination, demonstrating our commitment to and care for the senior workforce. Through cross-generational collaboration, the Company is committed to creating a friendly and inclusive workplace where employees of all ages can thrive, and to achieving an age-neutral employment environment.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none"> Plan for providing senior health examinations to employees aged 51 and above. <div>Medium and long-term goals</div> <ul style="list-style-type: none"> Enhance on-site health care for employees who are eligible for retirement but plan to continue working, and adjust their work responsibilities as needed.
Tracking and Management Mechanism	Each year, the Human Resource Department tracks the list of senior employees and employees of middle age, and arranges health examination for these employees.
Annual Actions and Results	<ul style="list-style-type: none"> In 2024, 36 employees participated in the welfare health examination for the mature generation. 28 employees participated in the senior executive health examination, and 8 employees participated in the precision health examination. In 2024, the proportion of Formosan's employees aged 51 and over was 52.33%.

Employee Job Category Distribution of Formosan Rubber Group Inc. in 2024

Job category / diverse category		Gender		Age			Other disclosure content determined according to corporate status		
		Male	Female	Under 30 years old	31-50 years old	Over 51 years old	Indigenous peoples	Foreign migrant workers	People with disabilities
Executives (Total 23 people)	Number of people	20	3	0	9	14	0	0	0
	Ratio	10.36%	1.55%	0	4.66%	7.25%	0	0	0
Employees (Total 76 people)	Number of people	39	37	10	34	32	0	1	1
	Ratio	20.21%	19.17%	5.18%	17.62%	16.58%	0	0.52%	0.52%
Operators (Total 94 people)	Number of people	87	7	7	32	55	6	8	6
	Ratio	45.08%	3.63%	3.63%	16.58%	28.50%	3.11%	4.15%	3.11%
Including number of staff of diverse category		146	47	17	75	101	6	9	7
As a percentage of total number of employees		75.65%	24.35%	8.81%	38.86%	52.33%	3.11%	4.66%	3.63%



Parental Leave

The Company implements the “Gender Equality in Employment Act” in accordance with the law and promotes SDG Goal 5 for gender equality while supporting employees’ rights to start a family and protecting their rights to apply for unpaid parental leave. All employees may apply for unpaid parental leave before their children reaches 3 years of age. The leave period can be taken until the children reach 3 years old, but may not exceed a maximum period of 2 years. Employees are entitled to continue their enrollment in the social insurance during the unpaid parental leave.

2024 Parental Leave Statistics

	Male	Female	Total
Number of employees eligible for applying for unpaid parental leave in 2024 1(a)	1	0	1
Number of employees actually applied for unpaid parental leave in 2024 (b)	1	0	1
Parental leave application rate (b/a)	100%	0	1
Number of employees expected to be reinstated from parental leave in 2022 (c)	0	0	0
Number of employees actual reinstated from parental leave in 2024 (d)	0	0	0
Reinstatement rate after parental leave (d/c)	0	0	0
Number of employees actually reinstated from parental leave in 2022 (e)	0	0	0
Number of employees continued to work for one year after reinstatement from parental leave in 2022 2(f)	0	0	0
Parental leave retention rate (f/e)	0	0	0

Note 1: It is calculated based on the number of employees who applied for parental leave or paternity leave in the last 3 years (2021-2024).

Note 2: Actual reinstatement dates were in 2022, and these employees also worked for one year after the reinstatement.

Formosan's breastfeeding room



Labor Rights Protection

The Company complies with international human rights conventions of the “United Nations Global Compact”, the “United Nations Declaration of Human Rights” and the “International Labour Organization’s Declaration of Fundamental Principles and Rights at Work”, and is also committed to respect the rights of all workers, and prohibits any form of discrimination, forced labor and other human rights violations. Relevant labor laws, employee hiring and dismissal, and remuneration are implemented in accordance with the Company’s Employee Management Regulations, in order to protect the basic rights and interest of employees.

The Company prohibits the employment of child labor under the age of 16, forced labor, and any inappropriate hiring discrimination. In addition, the Company also requires suppliers to comply with international standards and the labor employment laws applicable to their business locations. We protect the rights of all workers, including minimum wages, working hours (including overtime), insurance, leaves, pension systems, notice periods for contract termination, freedom of association and collective bargaining rights. We also provide equal employment opportunities and treatment, without any discrimination due to race, skin color, gender, religion, political affiliation, nationality, or social origin. In 2024, the Company and its suppliers were not subject to any material risks or incidents related to discrimination, child labor, forced labor, or other violations of labor rights.

Description of Labor Rights and Related Measures of Formosan Rubber Group Inc.

Working hours	<ul style="list-style-type: none"> The standard daily working hours for full-time employees is 8 hours per day and 40 hours per week. If overtime is required due to special circumstances, total working hours per day shall not exceed 12 hours, and the maximum overtime hours per month is 46 hours. According to the Labor Standards Act, employees are entitled to overtime pay if they work for more than 8 hours on a given day, and they must not be forced to work overtime.
Resignation and retirement procedures	<ul style="list-style-type: none"> In accordance with the new labor pension contribution system, for employees who have selected the pension regulations under the Labor Standards Act (old system), the Company has legally established a Labor Pension Reserve Supervisory Committee. We appropriate 2% of the total monthly salary to the pension reserve fund, which is deposited into a dedicated account at the Trust Department of the Bank of Taiwan. All pension payments are made through this fund, and if the balance is ever insufficient, the Company is responsible for making up such deficiency. Employee retirement conditions shall be handled in accordance with the Labor Standards Act. In accordance with the new labor pension contribution system, for employees who choose the portable labor pension scheme (new system) of Labor Pension Act, an amount of 6% of their insured monthly salary is contributed to their individual accounts opened at the Bureau of Labor Insurance.
Labor-management agreement	<ul style="list-style-type: none"> Quarterly labor-management meetings are held regularly, and extraordinary meetings are convened whenever necessary. The meeting agenda covers topics such as promoting labor-management cooperation, coordinating labor relations, improving working conditions, and planning employee welfare. Through two-way communication and negotiation, an effective channel for feedback has been established. Although a collective agreement has not yet been signed, relevant issues can be addressed and resolved through labor-management meetings to safeguard employee rights and interests. In 2024, Formosan convened a total of 5 labor-management meetings, and the resolutions from these meetings applied to 100% of Formosan Rubber Group’s employees.
Material operational changes	<ul style="list-style-type: none"> Material changes in operations affecting employee rights and corresponding countermeasures are implemented after discussion at the labor-management meetings. During the reporting period, there have been no significant operational changes within the Company.

Care for the Strong Generation

To address the changing domestic demographic structure and labor shortages, and to retain the valuable job experience of senior employees, Formosan proactively hires “strong generation” employees and does not enforce mandatory retirement for employees aged 65 or above. In 2024, the proportion of employees of age above 50 and above reached 52%. We believe that the professional skills of senior employees do not diminish with age, but rather mature and become more refined. Their extensive work experience and network of contacts are valuable assets for the Company's continued success. These employees are rightly called the “strong generation”.

Senior employees' job content or business scope are not adjusted arbitrarily unless requested, given their solid understanding and extensive experience with the Company. To increase the retention of senior employees, we offer benefits to those who have served the Company for over 30 years that are equivalent to those of senior executives. These benefits include a comprehensive health examination valued at NT\$60,000 every two years. A precision health examination valued at NT\$20,000 is provided to employees with 20 to 30 years of service. We also present long-service awards and cash prizes to our long-serving employees at the year-end party, with the Chairman or the President personally presenting these awards, thereby demonstrating the Company's gratitude for their dedication and contribution.

In addition, Formosan also strengthens on-site health care and adjusts the work assignments of middle-aged and older employees according to their needs, in order to protect their health and rights, and to create a diverse and inclusive working environment. In 2024, a total of 28 employees with over 30 years of service completed a comprehensive senior health examination, and 8 employees with 20 to 30 years of service completed a precision health examination. A total of 36 employees benefited from the health examination service for the strong generation.

Presented the 2024 Long-Service Award at the annual Thanksgiving dinner party to recognize long-serving employees for their continued dedication and contribution to the Company



Labor Rights of Migrant Workers

To address business expansion and the industry's labor shortage, Formosan's Production Business Division introduced 9 Indonesian migrant workers in 2024 and is actively implementing diverse human resource management strategies. The Company upholds the principles of equality and friendliness, and the salary calculation standard for foreign migrant workers is consistent with that for local employees, ensuring no discrimination in employment treatment. In addition, we also provide various measures to assist them to adapt smoothly to the Taiwanese workplace culture and living environment.

In terms of work arrangements, Formosan and organizing units jointly conduct occupational skills training and life guidance courses, including language instruction and cultural orientation. Pre-employment training is also provided before workers perform their assignments, along with Indonesian-language written materials and workplace hazard signage. The plant site also has provided mobile translation applications to facilitate real-time communication, in order to enhance work understanding and safety protection. If there is a need for overtime work, at least one local employee must accompany the on-duty personnel, and all machines and equipment must be labeled with safety warnings in their native language, in order to reduce the risk of workplace accidents and to ensure a safe working environment.

In terms of daily living support, the Company respects the religious beliefs and dietary cultures of migrant workers by adjusting menus as needed and providing transportation to and from medical appointments or health examinations. For accommodation, we provide clean, bright, and private dormitory spaces to ensure quality of life. Furthermore, the Company also assists with handling of remittances, savings, and other financial matters to help migrant workers establish a stable living foundation and to enhance their willingness to stay at work.

Labels for on-site hazards indicated provided in the native languages of foreign migrant workers



Clean and bright private dormitory provided to foreign migrant workers



Foreign migrant workers participated at year-end party



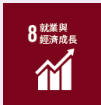
Gender Equality

To provide a working place and service environment free of sexual harassment to employees, job seekers or service recipients, Formosan implements appropriate prevention, correction, disciplinary, and response measures. In addition, the Company has established the "Sexual Harassment Prevention Measures, Complaint and Disciplinary Procedures" in accordance with the Sexual Harassment Prevention Act. Furthermore, the Sexual Harassment Complaint Handling Committee has also been established to handle sexual harassment complaints. The Committee consists of representatives from both employer and employees, and the Committee's female representatives must not be less than one-half of total number of members. Investigations are conducted according to the principles stipulated in the Procedures. The investigation results, once resolved, may serve as the basis for disciplinary action or other actions. The Company also conducts regular harassment prevention education and training, in order to prevent sexual harassment in workplace.

Remuneration and Benefits

Formosan offers competitive remuneration, with salary levels determined by the job duty, professional competence, education background, experience, and years of service. We also consider the salary level adopted by business operators in the same industry. In addition, we value the importance of equal pay for equal work, in order to ensure that there are no gender-based salary disparities. The ratio of basic salary plus compensation for male and female employees in 2024 is 1.215 : 1.

Material Topic “Remuneration and Benefits” Management Status in 2024

Material Topic	Remuneration and Benefits
Corresponding GRI Standard	GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
SDGs linked	
Policies or Commitments	Employee salary: Employee remuneration mainly includes basic salary (comprising base salary and food allowance), performance bonus, annual salary adjustment and year-end bonus, with reference to the market level adopted by business operators in the same industry. The remuneration policy for managerial officers is based on the payment level adopted by business operators in the same industry, along with the consideration of the reasonableness of the connection to individual performance and the Company's business performance and future risks. The Remuneration Committee proposes recommendations and submitted to the Board of Directors for approval and further implementation.
Indicators and Goals	<div>Short-term goals</div> <ul style="list-style-type: none"> Incorporate ESG elements into employee activities and promote employee health. <div>Medium and long-term goals</div> <ul style="list-style-type: none"> Dynamic evaluation of the Company's remuneration and benefit program to ensure that the Company's benefits system attracts and retains outstanding talents.
Tracking and Management Mechanism	The Remuneration Committee provides assistance in the assessment of the Company's overall remuneration and benefit policies, in order to ensure that the Company's remuneration system complies with relevant laws and regulations and is sufficient to attract outstanding talents. Establish the Employee Welfare Committee to improve employee benefits.
Annual Actions and Results	<ul style="list-style-type: none"> The ratio of basic salary plus compensation for male and female employees in 2024 is 1.215 : 1. In 2024, the Company provided an average year-end bonus equivalent to 85–105 days of salary to all employees. In 2024, an amount of NT\$100,800 was distributed in process improvement bonuses, an amount of NT\$108,000 was distributed as outstanding employee bonuses. In 2024, an amount of NT\$72,000 was distributed as merchandise bonuses, and an amount of NT\$16,000 was distributed as childcare subsidies. In 2024, a total of 48 sessions of on-site health services were organized. In 2024, an expenditure of approximately NT\$2.4 million was spent on the employee health examinations. In 2024, an amount of NT\$2,257,784 was spent on welfare benefits, with a remaining balance of NT\$1,773,465.

Male-to-female remuneration ratio of each employee category of Formosan Rubber Group in last 3 years

Year	2022		2023		2024	
Employee category	Male	Female	Male	Female	Male	Female
Executives	1.2113	1	1.1157	1	1.0219	1
Employees	1.2529	1	1.1736	1	1.2061	1
Operators	1.2256	1	1.2229	1	1.2150	1

Note 1: Calculation method: Average remuneration of male employees in each category / Average salary of female employees in each category.

Note 2: Remuneration: refers to annual salary, including basic salary, food allowance, year-end bonus, performance bonus, overtime pay and stock dividends.

Salary level of entry-level personnel at key operating locations of Formosan Rubber Group in last 3 years

Year	Entry-level employee	average standard salary	Entry-level employee average standard salary / local minimum wage	
	Male	Female	Male	Female
2022	30,722	30,713	1.2167	1.2164
2023	31,633	31,796	1.1982	1.2044
2024	32,316	32,377	1.1764	1.1786

Note 1: The Company defines "important operating locations" as the operational boundaries disclosed in this Report.

Note 2: The Company specifies the salaries of employee and other workers based on the minimum wage announced by the Ministry of Labor, in order to ensure compliance with said minimum wage.

Note 3: Standard salary: it includes the basic salary, food allowance, and other recurring compensation.

Note 4: The local minimum wages for 2022–2024 were NT\$25,250, NT\$26,400, and NT\$27,470, respectively.

Number of full-time employees of non-supervisor positions, average salary and median salary of full-time employees of non-supervisor positions of the Company

Salary data for full-time employees in non-managerial positions (Unit: persons, NT\$ thousand/year)			
Year	2022	2023	2024
Number of non-managerial employees (persons)	178	175	181
Average salary of non-managerial employees (NT\$ thousand/year)	662	663	657
Median salary of non-managerial employees (NT\$ thousand/year)	612	604	603

Welfare Measures

The Company is committed to protecting employees' rights and interests and promotes cohesion by providing benefits exceeding legal requirements for full-time employees. In addition to statutory benefits of labor and health insurance, annual leave, maternity leave and parental leave, all employees are entitled to meal services or meal allowances during the employment period. To create a happy workplace, the Company has established the Employee Welfare Committee to coordinate and implement a variety of welfare benefits, including leave arrangements, group insurance, pension contributions, emergency relieves, wedding and funeral subsidies, childcare allowances, birthday and holiday gift money, fellowship and scholarship for children, etc. These benefits support employees' careers, lives, and families.

At the same time, Formosan Rubber Group also values the physical and mental health of our employees, and provides periodic executive health examinations to senior executives and employees who have served for 20 years or more, thereby demonstrating the Company's appreciation for their long-term dedication and commitment to employee welfare.

Employee Welfare Measures of Formosan Rubber Group Inc.

Basic benefits	Insurance	Basic labor and health insurance, and employee benefits (including life, medical, accident, and business travel insurance).
	Leaves	Paid national holidays, annual leave, leave for marriage/funeral, sick leave, personal leave and parental leave are provided according to the Labor Standards Act.
	Pension system	<ul style="list-style-type: none"> Applicable to those choosing the old system under the "Labor Standards Act": 2% of the total monthly salary is allocated for retirement and deposited into a special account in the name of the Labor Pension Reserve Supervisory Committee at the Bank of Taiwan. The balance of this account in 2024 was NT\$3,264 thousand. Applicable to those choosing the new system under the "Labor Pension Act": Pension contributions are made at a rate of 6% of the employee's monthly salary, and based on the monthly salary grade table approved by the Executive Yuan, and deposited into the employee's individual pension account. Pension expenses recognized for 2024 totaled NT\$ 6,120 thousand.
Rewards and benefits	Process improvement bonus	Employees are encouraged to submit suggestions for improvements related to processes and equipment. After evaluation, proposals determined to be beneficial are rewarded, and such reward is applicable to all employees at the Taoyuan Plant. For the process improvement bonus, an amount of NT\$108,000 was distributed in 2024.
	Outstanding operator bonus	3 employees per month who make contributions to the production process are awarded with a bonus, and such reward is applicable to the entire Taoyuan Plant. For the outstanding operator bonus, an amount of NT\$108,000 was distributed in 2024.
	Merchandise bonus	After the meeting on inventory issues, it has been decided to encourage active promotion of existing stock to avoid obsolete inventory or waste. For the merchandise bonus, an amount of NT\$72,000 was distributed in 2024.
	Childcare allowance	To reduce the burden of childcare on employees and to improve their childcare benefits, an amount of NT\$16,000 of childcare allowance was distributed in 2024 (NT\$2,000 per person, for a total of 8 employees).

Health promotion	On-site health services	In addition to the statutory and routine occupational health examination, on-site health services are also provided. In 2024, a total of 48 on-site health services were organized, including labor health examination management consultation, health protection for middle-aged and senior workers, prevention of abnormal workload, prevention of ergonomic hazards, occupational health hazard and personal health consultation, etc.
	Employee health examination	Regular health examination are provided for employees, and advanced imaging examinations are also provided to senior executives and long-serving employees (over 20 years of service), with the Company bearing all relevant costs. In 2024, Formosan spent NT\$2,408,661 on employee health examination. In addition, 32 senior executives and senior employees benefited from the high-end examination service.
Comprehensive facilities	Hardware facilities	Breastfeeding (milk-collection) room, free use of fitness equipment, and library book borrowing and access.
Welfare committee	Welfare fund	The Company's employee welfare fund is established based on the contribution of 0.5% from employee salaries, 0.11% from total operating revenue, and 20% from the sale of scrap materials, which is deposited into a special account and managed and utilized by the "Employee Welfare Committee", jointly established by the employer and employees. The balance of the welfare fund account in 2024 was NT\$ 1,773,465, and the total amount spent for the year was NT\$ 2,257,784. The fund is primarily used for festival and holiday bonuses, birthday gift money, children's education scholarships, hospitalization subsidies, scholarships, military service congratulatory gifts, wedding/funeral and childbirth subsidies, group insurance subsidies, and club and corporate department activity expenses. By providing diverse and flexible range of expenditures, we aim to support employees' lives and improve their overall benefits.
	Annual activities	Organize year-end party to celebrate long-serving and outstanding employees, and present them with awards and rewards.

2024 Formosan Rubber Group Outstanding Employee List



Fenghe Library of Formosan Rubber Group Inc.



Human Resource Development

Diverse Training Channels

To effectively improve personnel quality, Formosan Rubber Group inc. is committed to conveying and promoting correct quality concepts and professional techniques, and also organizes appropriate education and training for employees whose job may significantly impact the environment. Training methods include internal courses organized by the Company and external courses provided by external parties, in order to enhance employees' professional knowledge, to strengthen management efficiency, and to promote efficient corporate management.

The Company is also committed to ensuring the effective implementation and promotion of quality and environmental management systems. To support employee self-learning and continuous improvement, we have established the "Fenghe Library" as a resource for acquiring new knowledge and strengthening professional skills and sustainability awareness.

Training Channels of Formosan Rubber Group Inc.

Item	Internal training	External training
Training request application	The training course proposal is submitted by the requesting unit, and the content shall include course details, the number of training hours, attendees, instructors, and any other required information, which shall also be submitted to the President for approval.	All employees participating in external training shall fill out the "External Training Application (Follow-up) Form" and attach a course description and relevant materials for approval by their department head, after which the form shall be submitted to the President for approval.
Training result report	<ol style="list-style-type: none"> 1. Training results are archived by the human resource personnel to be used as an important reference for promotion and employment. 2. Unexplained absences, lateness, and early departures must be indicated in the corresponding fields on the sign-in sheet. 	<ol style="list-style-type: none"> 1. Employees who attend external training or workshops are required to submit a training report to their department head for review, and then to the human resource unit for archive. 2. Employees shall submit copies of certificates or relevant documentation obtained from external training to the human resource unit for archive. 3. The human resource unit may request employees receiving externally training to summarize the knowledge learned during training to help create training materials for relevant personnel.

Formosan actively encourages employees to participate in external training courses each year in order to continuously strengthen their professional skills and sustainability awareness. In 2024, a total of NT\$52,228 was invested in training, providing opportunities for 10 employees to participate in external training. The total training hours reached 140.5 hours, with an average of 14 hours per employee. The course content covers all aspects of ESG, including investment and finance, internal audit and control, and sustainable reporting practices of the governance aspect, occupational health and safety management of the environmental aspect, first aid training and occupational safety knowledge of the social aspect, and practical operation skills of forklift and crane operations, and equipment retraining, etc., thereby demonstrating Formosan's strong commitment to employee professional development and sustainable development.

2024 Employee External Training Status of Formosan Rubber Group Inc.

Employee category	Calculation method	Male	Female	Subtotal
Executives	Actual number of people reported during the reporting period (A1)	5	0	5
	Training hours during the reporting period (B1)	77.5	0	77.5
	Average training hours (B1/A1) during the reporting period	15.5	0	15.5
Employees	Actual number of people reported during the reporting period (A2)	2	3	5
	Training hours during the reporting period (B2)	36	27	63
	Average training hours (B2/A2) during the reporting period	18	9	12.6
Total	Training hours during reporting period (Q)	113.5	27	140.5
	Total number of employees at the end of the reporting period (R)	7	3	10
	Average training hours per employee (Q/R)	16.21	9	14.05

2024 Employee External Training Content of Formosan Rubber Group Inc.

Course type	Course Hours	Number of participants	Completion rate
Departmental skill training	51	5	100%
Network security awareness	3.5	1	100%
Occupational safety and health training	86	4	100%

2024 On-Job Training Course Organization and Participation Status of Formosan Rubber Group

Item number	Item	Unit	Total hours (hours)	Amount (NT\$)
1	Category A Occupational Safety and Health Business Supervisor	Technical Division	42	7,000
2	Training class of fork-lift truck operator	Logistic Center	18	6,164
3	Training class of fork-lift truck operator	Logistic Center	18	6,164
4	Accounting supervisor advance training courses	Accounting Section	12	8,000
5	Internal Audit Course	Audit Office	12	6,600
6	Internal Audit Course	Audit Office	12	6,600
7	Basic training for security inspectors	General Affairs Section	8	2,700
8	Internal Audit Course	Audit Office	12	2,000
9	Taxation for International Diversified Management	Accounting Section	3	2,000
10	Public Cyber Security Management System Guidelines Explanation	Information Office	3.5	0

Employee Performance Review

Formosan Rubber Group Inc. values employee career development, has established a complete promotion and compensation system, and regularly implements an employee performance evaluation mechanism. All employees who have been employed for three months or more will receive two performance reviews annually, covering in-depth discussions and evaluations of their work performance, personal career development plans and training demands.


The results of the evaluation will serve as a key basis for human resource management practices, informing decisions related to salary adjustments, job promotions, bonus distribution and job transfers, in order to optimize organizational structure and to continuously enhance human capital development.

2024 Employee Performance Evaluation Status of Formosan Rubber Group Inc.

Employee category	Calculation method	Male	Female	Subtotal
Executives	Total number of employees at the end of the reporting period (A1)	20	3	23
	Number of employees receiving periodic performance and career development reviews (B1)	20	3	23
	Percentage (B1/A1)	100%	100%	100%
Employees	Total number of employees at the end of the reporting period (A2)	39	37	76
	Number of employees receiving periodic performance and career development reviews (B2)	39	37	76
	Percentage (B2/A2)	100%	100%	100%
Operators	Total number of employees at the end of the reporting period (A3)	87	7	87
	Number of employees receiving periodic performance and career development reviews (B3)	87	7	87
	Percentage (B3/A3)	100%	100%	100%
Total	Total number of employees at the end of the reporting period (R)	146	47	193
	Total number of employees receiving periodic performance and career development reviews (Q)	146	47	193
	Percentage of employees receiving periodic performance and career development reviews (Q/R)	100%	100%	100%

Safe Working Environment

Formosan Rubber Group Inc. 2024 Material Topic "Occupational Health and Safety" Management Status

Material Topic	Occupational Safety and Health
Corresponding GRI Standard	GRI 403: Occupational Health and Safety 2018
SDGs linked	
Policies or Commitments	To strengthen occupational health and safety management, Formosan Rubber Group Inc. has established the "Formosan Rubber Group Safety and Health Work Rules" and "Formosan Rubber Group Working Environment and Employee Personal Safety Protection Measures". We regularly conduct occupational hazard risk assessments and improve internal control systems for each business unit, and have established the "Occupational Health and Safety Management Committee, in order to ensure the implementation of the Company's occupational health and safety policy and to protect employee health and safety.
Indicators and Goals	<div>Continuous goals</div> <ul style="list-style-type: none">Implement comprehensive employee occupational safety protection mechanisms, continuously strengthen preventative measures, reduce and prevent workplace accidents, and establish a safe and healthy working environment.
Tracking and Management Mechanism	<ul style="list-style-type: none">The Industrial Safety and Labor Safety and Health Committee convenes meeting once quarterly, in order to plan, implement, evaluate and improve the occupational safety and health environment.The Company conducts on-site audits according to the ISO 9001 quality management system and ISO 14001 environmental management system in July of each year.
Annual Actions and Results	<ul style="list-style-type: none">In 2024, Formosan's total number of hours of health and safety education and training was 1,224 hours.In 2024, the recordable occupational injury rate was 0.52.In 2024, a total of 52 sessions of on-site health services were organized.The pressure cylinder has been equipped with protective improvements.

Occupational Health and Safety Management System

The Company strictly complies with the Occupational Safety and Health Act and relevant laws and regulations to maintain employee safety and to prevent occupational accidents, and has established the “Formosan Rubber Group Safety and Health Work Rules” and “Formosan Rubber Group Working Environment and Employee Safety Protective Measures”. We regularly conduct occupational hazard risk assessments and internal control improvements for each unit under each business division, and have established the “Occupational Health and Safety Management Committee” to implement occupational safety policies and reduce the risk of occupational accidents.

The Company's work rules cover the Production Business Division and Warehousing Business Division. For working environments involving high-risk machinery and frequent contact with hazardous materials, we have explicitly specified the safety standards and production guidelines for operators. These two divisions consist of 90% of the Company's workforce and are therefore key focus areas for labor safety management.

For non-company operators, Formosan has established the “Contractor Management Regulations” in accordance with the “Occupational Safety and Health Act”, in order to regulate contractors' personnel entering the Company's operating sites to perform work. Contractors shall comply with the contract terms, relevant laws and regulations, as well as the Company's internal occupational safety and health system during the construction period, in order to ensure operational safety and labor health.

The management regulations specify legal requirements, operating instructions, and precautions, and corresponding safety regulations have also been established for different types of operations, in order to ensure that risks are controllable and occupational disasters are prevented. At the same time, contractors are required to provide necessary safety education and disaster prevention training to their personnel, in order to ensure that non-employees are able to correctly implement safety measures, possess emergency response capabilities, and assist in reporting incidents during emergencies, thereby effectively implementing occupational safety management throughout the plant site.

Workers Covered by the Occupational Safety and Health Management Guidelines

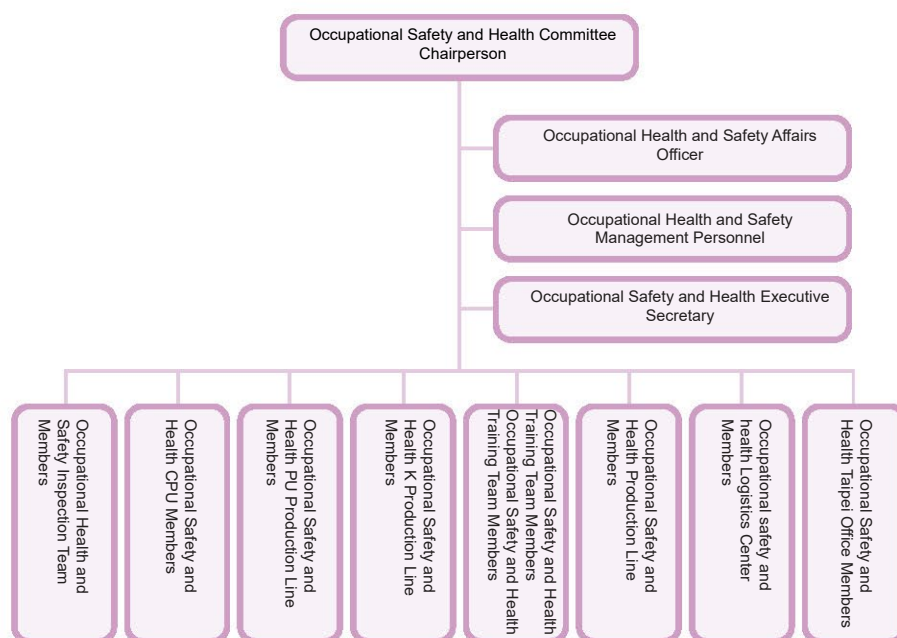
Plant Site	Number of Employees	Number of non-employee personnel	Subtotal	Coverage ratio
Taipei Office	18	3	21	10%
Nankan Logistics	21	4	25	12%
Taoyuan Plant	154	6	160	78%
Total	193	13	260	100%



Occupational Safety and Health Committee

According to the Regulations for Occupational Safety and Health Management of the Ministry of Labor, we have established the Occupational Safety and Health Committee consisting of 12 members, including the committee chairperson, the occupational safety and health officer, the occupational safety and health manager, the occupational safety and health executive secretary, and the production line leaders. The committee convenes meetings quarterly to plan, implement, evaluate and improve the occupational safety and health environment, to enhance the level of safety and health management, and to achieve our safety management goals.

We organize safety and health monthly events in June and December of each year to strictly implement inspections and to organize education and training related to the working environment and safety and health. All personnel are required to participate in these events. The audit unit of ISO 9001 and ISO 14001 also conducts on-site inspections of the working environment, safety measures, and implementation status during July of each year. We also apply labor insurance, occupational accident and group insurance for employees, in order to ensure that they are compensated in the event of occupational safety or health accidents.



According to the "Regulations for Occupational Safety and Health Management", Formosan Rubber Group Inc. has appointed one Class A occupational safety and health officer and one occupational safety and health management specialist, and has also established a dedicated Class 1 occupational safety and health management unit directly under the employer.

The Company's occupational safety and health officer and manager also establish a comprehensive occupational safety and health management system in accordance with the Occupational Safety and Health Act and relevant regulations and based on the scale and nature of the business. Through the cycle of planning, execution, evaluation and continuous improvement, we implement various safety and health management functions and are committed to improve the level of occupational safety and health management, in order to prevent occupational accidents and to comprehensively protect the safety and health of all workers.

Occupational Health and Safety, Environmental Protection, and Fire Protection Organizational Chart of Taoyuan Plant of Formosan Rubber Group Inc.

Assistant Vice President, Cheng-Chung Hsiao		
Occupational Safety and Health Team	Environmental Protection Team	Firefighting Team
<ul style="list-style-type: none"> Occupational Safety and Health Management Specialist Class A Labor Safety and Health Affairs Officer Organic Solvent Operation Officer Oxygen Deficiency Operation Officer High-Pressure Gas Specific Equipment Operators Dusty Operation Officer First Aid Personnel Health Risk Assessment Personnel 	<ul style="list-style-type: none"> Class A Air Pollution Control Personnel Class B Air Pollution Control Personnel Class B Toxic and Concerned Chemical Substances Personnel Class B Waste Treatment Professional Technician General Knowledge-Level Toxic and Concerned Chemical Substance Response Personnel 	<ul style="list-style-type: none"> Security Monitoring Personnel Fire Prevention Administrator

Occupational Safety and Health Education and Training

To strengthen employees' occupational safety awareness, Formosan Rubber Group Inc. regularly organizes occupational safety education and training for new employees and on-job training for existing employees, in order to ensure that all personnel are fully aware of potential occupational safety risks and countermeasures.

For environmental management education and training, the Company requires that environmental management representatives must be individuals with firefighting capabilities and must have received necessary training to identify potential occupational safety risks within the factory. These representatives are also responsible for promoting occupational safety policies, developing emergency response plans, conducting drills, and providing post-accident response training, in order to ensure that employees are adequately prepared for emergencies and to establish a safe and healthy working environment.

In 2024, Formosan's total hours of occupational safety and health education and training reached 1,224 hours, demonstrating the Company's strong commitment to and continuous improvement of occupational safety education.

2024 Formosan Rubber Group Inc. Fire Safety Training (including evacuation drills and fire extinguishing)



2024 Personnel Occupational Safety and Health Education and Training

Employee type	Training type	2024 Training course	Course hours	Number of training participants	Total training hours
New employees	General training	General labor safety and health training (new employees)	4	12	48
Full-time employees	General training	Self-defense fire team training and hazardous materials disaster prevention training	8	147	1176
Total			12	159	1224

Formosan Rubber Group inc. organizes periodic quality management meetings and occupational safety education sessions



Occupational safety and health promotion implementation meeting



Hazard Identification and Risk Control

The Company conducts hazard identification and risk classification based on the accident records of occupational disasters. Common types of occupational safety hazards and risks include falls/slips, jamming, and cutting injuries. We strengthen occupational safety education and training for overhead crane operators, and ensure the floor is kept clean and dry at all times. In addition, relevant protective measures also include prompt removal of water accumulation and isolation of rotatory parts with protective meshes.

Hazard Identification, Analysis and Improvement Measures of Occupational Health and Safety Management of Formosan Rubber Group Inc.

Hazard identification		Hazard analysis	Risk level	Improvement measures
Machinery hazard	Unsafe environment or facility: Machinery lacks safety protection mechanism.		Low	<ul style="list-style-type: none"> ● Periodic QCC quality meetings to understand quality operations and to organize occupational safety education sessions ● Different protective equipment is provided at each operating sites: <ol style="list-style-type: none"> 1. Full-face masks are provided at dusty operating sites 2. Eye protection and masks are provided at solvent operating sites 3. Activated carbon masks and safety shoes (steel-toe shoes) are provided at general operating sites ● Ventilation and air exchange: Hot and high-temperature environments ● Periodic health examination: dust, ergonomics ● Rotation or temporary change of work: Ergonomics ● Shorten working hours: Ergonomics, hot and high-temperature working environments
Chemical hazards	Employees expose to hazardous operating environment with chemicals/organic solvent leakage		Low	
Physical hazards	Hazards arising from high-temperature operation, noisy and repetitive operations.		Low	
Ergonomic hazards	Musculoskeletal hazards from repetitive operation postures		Low	

Accident Response Handling

Reporting and Investigation

Accident Reporting and Investigation Procedures

Accident occurrence	<ul style="list-style-type: none"> In the event of an accident at the workplace, in addition to providing first aid and rescue as stipulated in the emergency response plan, the Company must immediately report the accident to the employer, the person in charge of the workplace, the occupational safety and health personnel and all relevant parties. Contractors shall notify the supervising unit by phone calls within 30 minutes, and, if necessary, they must also inform the fire department or medical services for assistance according to relevant regulations. If accidental death occurs, or the number of casualties exceeds 3 people, or the number of casualties exceeds 1 person requiring hospitalization, or for other accidents specified by the central competent authority, the Company must report to the labor inspection authority within 8 hours and keep the site of occurrence intact. According to Article 18 of the "Occupational Safety and Health Act", Formosan protects workers' right to refuse unsafe work, and also enhances the promotional education on such right during new employee education and training, in order to ensure that employee health and safety are the top priority at all times.
Investigation on cause of accident	<ul style="list-style-type: none"> In case of occurrence of any major occupational accident, the Occupational Safety Office shall immediately form an "Occupational Accident Investigation and Handling Team", with unit heads or designated personnel serving as conveners, and shall accompany the department head to proceed to the site to investigate and assess the accident. In addition, the "Occupational Accident Notification Letter" must also be reported to the President and a major occupational accident investigation report review meeting must also be convened within one week. Department head or management, directing and supervision related personnel as well as labor safety and health personnel shall cooperate with the investigation, analysis, and statistics of the causes of disasters, formulate appropriate countermeasures, and report them to their supervisors for approval according to administrative procedures before implementation. For the occupational safety and health investigation report review meeting, the Occupational Safety and Health Affairs Officer shall act as the convener to invite representatives from various departments and labor representatives to the meeting. In addition, The Occupational Safety Office shall explain the details of the major occupational disaster and its subsequent handling.
Accident review and improvements	<ul style="list-style-type: none"> According to the improvement measures proposed in the accident investigation and analysis report submitted by the "Occupational Accident Investigation and Handling Team", each unit is required to monitor, track and manage the implementation for completion, and must also conduct comprehensive review and improvement, in order to prevent similar accident from recurring. Photographs of the site of any major occupational accident shall be taken and preserved along with the investigation report for submission to the Occupational Safety Office as a case study materials for education and training purposes, in order to prevent similar accidents from recurring.

Accident Statistics and Improvement

The Company enhances the promotion of occupational safety regulations and establishes a safe working environment through the weekly QCC quality control circle meetings held by each department, in order to reduce the occurrence of occupational accidents. One occupational injury accident occurred in 2024, and it was classified as a jamming injury. The injured employee received treatment and returned home to rest for 4.5 days. The accident was caused by the pneumatic shaft. To prevent similar accidents from occurring again, protective measures have been installed at the pneumatic shaft location, and all units have conducted safety education with regard to the jamming injury accident.

2024 Formosan Rubber Group Pneumatic Shaft Improvement Measures



Statistics Occupational Injuries of Workers of Formosan Rubber Group Inc. in Last 3 Years

Year	2022		2023		2024	
Worker type	Employees	Non-employees	Employees	Non-employees	Employees	Non-employees
Total number of working hours lapsed	401,156	-	379,011	-	387,516	-
Number of deaths	0	-	0	-	0	-
Death rate	0	-	0	-	0	-
Number of severe occupational injuries	0	-	0	-	0	-
Severe occupational injury rate	0	-	0	-	0	-
Number of recordable occupational injuries	2	-	3	-	1	-
Total recordable injury frequency rate	1.00	-	1.58	-	0.52	-
Injury type	Cutting injury	-	Cutting injury	-	Jamming injury	-

Note 1: Occupational injuries refer to accidental injuries occurred when an employee is performing his/her job duties or at the workplace. The statistics exclude "commuting accidents".

Note 2: Total number of working hours lapsed: It is calculated as the sum of all working hours of all employees throughout the year; calculation is made based on the actual working hours and overtime hours of employees.

Note 3: Severe occupational injuries: refer to Injuries resulting in permanent disability or failure to return to pre-injury health within 6 months (excluding death).

Note 4: Death rate = Number of deaths due to occupational injuries ÷ Total number of working hours lapsed × 200,000

Note 5: Severe occupational injury rate = Number of severe occupational injuries / Total number of working hours lapsed × 200,000

Note 6: Total Recordable Injury Frequency Rate (TRIFR) = Number of recordable occupational injuries (including the number severe occupational injuries, number of deaths and other recordable occupational injuries) × 200,000 ÷ Total number of working hours lapsed

Note 7: Calculation method for ratios of Items 4~6: Ratios are calculated to two decimal places, without rounding.

Note 8: The ratio of 200,000 working hours refers to the number of occupational injuries per 100 full-time workers annually, which is calculated based on an assumed 2,000 working hours per full-time worker per year.

Statistics of Frequency and Severity of Occupational Disabling Injuries of Workers of Formosan Rubber Group in Last 3 Years

Year	Worker type	Number of days lost due to disability injury	Disabling frequency rate (FR)	Disabling severity rate (SR)	Frequency-severity indicator (FSI)
2022	Employees	0	0	0	0
	Non-employees	0	0	0	0
2023	Employees	66	1.58	34	0.23
	Non-employees	0	0	0	0
2024	Employees	4.5	0.52	23	0.11
	Non-employees	0	0	0	0

Note 1: Number of days lost: Number of days unable to work (excluding rest days); the calculation basis includes occupational injury leave, but excludes sick leave and menstrual leave.

Note 2: Disabling frequency rate (FR) = (Number of disabling injuries / Total number of working hours lapsed) × 200,000 (calculated to two decimal places, without rounding)

Note 3: Disabling Severity Rate (SR) = (Number of days lost due to disabling injuries ÷ Total number of working hours lapsed) × 200,000 (calculated to the nearest whole number, without rounding)

Note 4: Frequency-severity indicator (FSI) = $\sqrt{[(FR \times SR) \div 1,000]}$

Note 5: The ratio of 200,000 working hours refers to the number of occupational injuries per 100 full-time workers annually, which is calculated based on an assumed 2,000 working hours per full-time worker per year.

Occupational Health Services

Occupational Disease Prevention Management

Formosan Rubber Group Inc. has been actively committed to promoting and prioritizing the healthy workplace environment for a long period of time. To protect the physical and mental health of our employees, we regularly provide health examinations for all staff, including general health examination and specialized examinations for those performing jobs with specific occupational hazards. Physical examination results are reviewed by specialists and physicians, in order to provide health education and follow-up examination.

Health Promotion and Care

We expect our employees to achieve balance in work, health and living. The Company organizes periodic employee health examinations, on-site health services, and labor safety and health education and training, in order to enhance employees' emergency response skills and self-health and safety management capabilities. Additionally, we offer clean drinking water with filter regularly replaced by contracted drinking machine vendors, restrooms for employees and customers have been renovated and optimized, and daily cleaning services maintain a clean and tidy environment. The Company also has established emergency response procedures to handle any unexpected accidents arising from operational activities, in order to ensure a safe and healthy working environment for all employees.

At the same time, we have also established the Fenghe sports center at the plant site to provide employees with a space for exercise during breaks. In addition, during the pandemic period, when rapid test kits were in short supply, the Company purchased test kits for employee use and implemented temperature checks for those entering and leaving the plant site, in compliance with all epidemic prevention guidelines specified by the Central Epidemic Command Center.

Formosan Rubber Group maintains workplace occupational safety and health to provide employees with a clean and comfortable working environment



Formosan Rubber Group Employee Health Examination



Formosan Rubber Group has established Fenghe Health Center to provide free exercise equipment and space for employees' use



Social Care and Common Good

The Company upholds the Formosan's Seven Principles of Social Welfare of "Benefiting Society, Integrity, Courtesy, Responsibility, Accuracy, Diligence, Gratitude" as its highest management standard. In addition, we also require all employees at all levels to comply with relevant regulations. Formosan demonstrates its social responsibility with actual actions to provide assistance to those in need, in order to fulfill our corporate social responsibility.

The Company has established the Formosan Charity Foundation, with the Head of Management Department serving as the Chairman of the Foundation, and participates in the New Taipei City Dream Realization Scholarship Fund Management Committee. Formosan Charity Foundation upholds the principle of "Benefiting Society With Gratitude and Return" and continues to support disadvantaged students in their studies. In 2024, the Foundation donated NT\$800,000 and a total of 170 students received subsidies (including 18 university students, 83 senior high school students, 46 junior high school students, and 23 elementary school students), in order to mitigate the financial burden of disadvantaged families and to help students successfully complete their studies. The Foundation also assists eligible students in enrolling in the Dream-Realization Fund Program. Additionally, NT\$200,000 was donated to the Huashan Social Welfare Foundation to participate in the assistance and services for elderlies experiencing three losses (disability, loss of independence, and dementia).

To further expand the Foundation's public welfare influential power, we have decided to adopt the New Taipei City Dream Realization Fund mechanism in 2024, with plans for full implementation in 2025. Accordingly, funds originally donated to other charitable organizations can be used to support elementary and junior high schools in the Taoyuan community, thereby strengthening the local educational resources and helping more students of disadvantaged backgrounds to gain access to stable learning opportunities. In addition, we will also integrate the principles of Corporate Social Responsibility (CSR) and invite local residents to visit our factory, in order to promote interaction and trust between the Company and the community. Through direct exchange, we aim to strengthen our commitment to local development and to further promote the diversity of our public welfare learning initiatives, thereby expanding the Foundation's impact and realizing the true vision of "Benefiting Society".



A modern office interior featuring several wooden desks with white frames, each equipped with a black ergonomic office chair. The room has large windows on the right side, allowing natural light to enter. The ceiling is white with recessed lighting. The overall design is clean and professional.

Appendix

GRI Standards Index

- General Disclosure
- Disclosures on material topics

Sustainability Disclosure Indicators - Plastics Industry

GRI Standards Index

Statement of Use	Formosan Rubber Group Inc. has disclosed the content for the period from January 1 to December 31, 2024 according to the GRI Standards
GRI 1 Adopted	GRI 1: Foundation 2021
Applicable GRI Sector Standards	None

General Disclosure

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
GRI 2: General Disclosures 2021			
GRI 2-1	Organizational details ^{Note}	Company Profile	P.14
GRI 2-2	Entities included in the organization's sustainability reporting ^{Note}	About The Report	P.3
GRI 2-3	Reporting period, frequency and contact point ^{Note}	About The Report	P.3
GRI 2-4	Restatements of information ^{Note}	None	-
GRI 2-5	External assurance ^{Note}	About The Report	P.3
GRI 2-6	Activities, value chain and other business relationships	Major Business Items	P.20
		Sustainable Value Chain	P.43
GRI 2-7	Employees	Corporate Manpower Overview	P.68
GRI 2-8	Workers who are not employees	Corporate Manpower Overview	P.69
GRI 2-9	Governance structure and composition	Board Composition	P.31
		Functional Committees	P.35

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
GRI 2-10	Nomination and selection of the highest governance body	Board Composition	P.31
GRI 2-11	Chair of the highest governance body	Board Composition	P.31
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	Functional Committees	P.35
GRI 2-13	Delegation of responsibility for managing impacts	Sustainable Development Team	P.36
		Risk Management	P.38
GRI 2-14	Role of the highest governance body in sustainability reporting	About The Report	P.3
GRI 2-15	Conflicts of interest	Board Composition	P.31
		Conflict of Interest	P.32
GRI 2-16	Communication of critical concerns	Board Composition	P.31
GRI 2-17	Collective knowledge of the highest governance body	Continuing Education of Board of Directors	P.33
GRI 2-18	Evaluation of the performance of the highest governance body	Board Performance Evaluation	P.34
GRI 2-19	Remuneration policies	Remuneration Policy for Senior Managerial Officers	P.34
GRI 2-20	Process to determine remuneration	Remuneration Policy for Senior Managerial Officers	P.34
GRI 2-21	Annual total compensation ratio	Reason of Omission: Confidentiality principle	-
GRI 2-22	Statement on sustainable development strategy	Message from the Chairman	P.2
GRI 2-23	Policy commitments	Management Commitment	P.30
GRI 2-24	Embedding policy commitments	Management Commitment	P.30
GRI 2-25	Processes to remediate negative impacts	Legal Compliance	P.37
		Complaint and Recommendation Channels	P.38
GRI 2-26	Mechanisms for seeking advice and raising concerns	Legal Compliance	P.37
		Complaint and Recommendation Channels	P.38

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
GRI 2-27	Legal Compliance	Legal Compliance	P.37
GRI 2-28	Membership associations	Company Profile	P.14
GRI 2-29	Approach to stakeholder engagement	Stakeholder Engagement	P.7
GRI 2-30	Collective bargaining agreements	Labor Rights Protection	P.74

Note: Reasons for inapplicability and omission

Disclosures on material topics

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
GRI 3: Material Topics 2021			
GRI 3-1	Process to determine material topics ^{Note}	Material Topic Analysis	P.9
GRI 3-2	List of material topics ^{Note}	Identification and Ranking of Material Topics	P.10
GRI 3-3	Management of material topics	Please refer to each chapter for details	-

Note: Reasons for inapplicability and omission

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
Economic performance			
GRI 3-3	Management of material topics	About Formosan Rubber Group	P.16
GRI 201-1	Direct economic value generated and distributed	Economic performance	P.17
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Task Force on Climate-related Financial Disclosure (TCFD)	P.51
GRI 201-4	Financial assistance received from government	Financial assistance received from government	P.17

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
Supply Chain Management			
GRI 3-3	Management of material topics	Supply Chain Management	P.42
GRI 204-1	Proportion of spending on local suppliers	Local Procurement	P.44
GRI 308-1	New suppliers that were screened using environmental criteria	Supply Chain Assessment and Audit	P.45
Customer Service			
GRI 3-3	Management of material topics	Supply Chain Management	P.47
Self-specified Topic	Self-specified Topic	Customer Service	P.47
Climate Change Countermeasures			
GRI 3-3	Management of material topics	Environmental Protection	P.50
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Task Force on Climate-related Financial Disclosure (TCFD)	P.53
Air Pollution Control			
GRI 3-3	Management of material topics	Air Pollution Control	P.59
GRI 305-4	Greenhouse Gas (GHG) Emission Intensity	Greenhouse Gas (GHG) Emissions	P.57
GRI 305-7	Emissions of nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air pollutants/emissions	Air Pollution Control	P.59
Waste Management			
GRI 3-3	Management of material topics	Waste Management	P.61
GRI 306-3	Waste generated	Waste Management	P.62
GRI 306-5	Waste directed to disposal	Waste Management	P.63
Green Products / Services			
GRI 3-3	Management of material topics	Green Products and Services	P.64
Self-specified Topic	Self-specified Topic	Green Products and Services	P.65

GRI Code	Disclosure Item	Corresponding Chapter	Page No.
Occupational Safety and Health			
GRI 3-3	Management of material topics	Safe Working Environment	P.84
GRI 403-1	Occupational Health and Safety Management System	Occupational Health and Safety Management System	P.85
GRI 403-2	Hazard identification, risk assessment, and incident investigation	Occupational Accident Response Handling	P.88
GRI 403-3	Occupational health services	Occupational Health Services	P.92
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health Committee	P.86
GRI 403-5	Worker training on occupational health and safety	Occupational Safety and Health Education and Training	P.87
GRI 403-6	Promotion of worker health	Occupational Health Services	P.92
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Disease Prevention Management	P.92
GRI 403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management System	P.85
Remuneration and Benefits			
GRI 3-3	Management of material topics	Remuneration and Benefits	P.77
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Remuneration and Benefits	P.79
Talent Management for Strong Generation			
GRI 3-3	Management of material topics	Workplace Diversity	P.71
Self-specified Topic	Self-specified Topic	Workplace Diversity	P.75

Sustainability Disclosure Indicators - Plastics Industry

No.	Indicator	Indicator Type	Annual Disclosure Status	Unit	Remarks
I	Total energy consumption	Quantitative	92,409.7309	Gigajoule (GJ)	
	Externally purchased electricity percentage	Quantitative	24.39	Percentage (%)	
	Renewable energy utilization rate	Quantitative	32.50	Percentage (%)	
	Total self-generated energy for own use (Note 1)	Quantitative	0	Gigajoule (GJ)	
II.	Total water withdrawal	<u>Quantitative</u>	-	Thousand cubic meters (1000 m³)	Groundwater without records
	Total water consumption	Quantitative	-	Thousand cubic meters (1000 m³)	
III	Weight of hazardous waste generated	Quantitative	0	Tons (t),	
	Recycling percentage	Quantitative	26.6	Percentage (%)	
IV	Number of people of occupational accidents	<u>Quantitative</u>	1	Count	Disabling frequency rate (FR)
	Occupational accident ratio	Quantitative	0.52	Ratio (%)	
V	Production of major plastic products (rubber sheets)	Quantitative	8,110	Thousand yards	