



2022 ESG Report

Fudy
Sustainability
Report

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About this Report

This report is the first sustainability report issued by Fudy Printing Co., Ltd, which is prepared in accordance with the 2021 edition of the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Reporting Initiative (GRI). It echoes the United Nations Sustainable Development Goals (SDGs) and aims to inform stakeholders of Fudy's corporate governance, social and environmental performance, as well as its approach to sustainability issues.

Report Boundaries and Data GRI 2-2

This report discloses the performance data for the economic, environmental, and social aspects for the fiscal year 2022 (January 1, 2022, to December 31, 2022). In order to ensure information completeness and comparability, some performance data is traced back to December 31, 2021, and earlier periods. The scope of this report includes Fudy Printing Co., Ltd. and its affiliated enterprises. The operational regions covered are Fudy Printing Co., Ltd. in Taiwan (referred to as "Taipei Fudy Headquarters" or "Taipei"), Fuyang Packaging Materials (Suzhou) Co., Ltd. in mainland China (referred to as "Suzhou Fuyang Plant" or "Suzhou"), and Dongguan Fuyang Color Printing Co., Ltd. (referred to as "Dongguan Fuyang Plant" or "Dongguan"). The data collection, measurement, and calculation methods disclosed in this report have been reviewed for content integrity by Fudy Sustainable Development Working Group.

Release Date GRI 2-3

Fudy will issue a sustainability report once a year to be disclosed on the company's website.

Current date of issue: July 2023

Next issue date: circa July 2024

Report Feedback

If you have any questions or suggestions regarding this report, please feel free to contact us through the following channels:

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富迪永續資訊



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Chairman's Message GRI 2-22

The world in 2022 is not yet fully recovered from the COVID-19 pandemic and the subsequent inflation as a result of the Russia-Ukraine War. At the same time, global climate change, geopolitical issues, energy conflicts, market competition, and other changes have brought a lot of uncertainty to enterprises. In this challenging era, Fudy deeply recognizes that in addition to pursuing growth and performance, companies must also fulfill their corporate social responsibility and take proactive actions in ESG issues such as corporate governance, environmental protection, and social participation to achieve sustainable development.

Since its founding, Fudy has been upholding the core values of "integrity", "care" and "sustainability." In 2022, we introduced the RBA (Responsible Business Alliance) management system and implemented the carbon inventory verification process. The Fuyang plant in Dongguan has already completed third-party verification of "greenhouse gas and carbon emissions of products," while the Fudy headquarters in Taipei and the Fuyang plant in Suzhou plan to compile a similar data report in 2023 which could be used as the basis and starting point for low carbon emission and formulate carbon reduction action strategies based on the results of the report to demonstrate Fudy's commitment and determination to sustainable development.

All of us at Fudy are committed to reducing waste in our daily work. We strive to increase the use of "non-hazardous, easily decomposable or renewable raw materials" and promote innovative designs and the use of recycled materials. We prioritize reusable materials in our product manufacturing process and extend this action throughout our value chain. In 2022, we successfully transformed organic waste (such as eggshells) into bio-calcium resins to mass-produce packaging products to help customers achieve their carbon reduction goals.

In the pursuit of sustainable operations, Fudy has also placed great importance on the health and safety of its employees. We are committed to providing our employees with the occupational safety and health education and training courses, with

"zero disasters and zero accidents" as our top priority. During the Covid-19 pandemic, we actively took outbreak control measures, including split operation, off-site work, and vaccination leave.

In terms of community involvement, we understand that our company's ability to achieve sustainable development and profitability is due to the opportunities and support that society has allowed us to succeed. Therefore, with the spirit of giving back to society, Fudy has been doing its part to contribute to society through charity donations, sponsorships, and participation in community activities. However, we are also aware that there is still room for improvement, so Fudy is dedicated to giving back to the community through our field of expertise in the years to come.

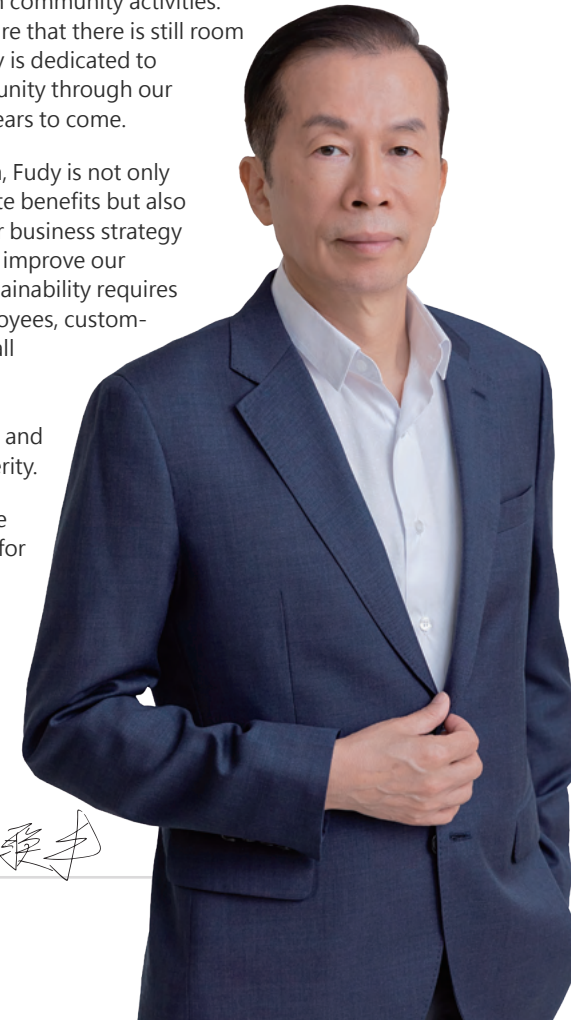
In this post-pandemic era, Fudy is not only concerned with immediate benefits but also incorporates ESG into our business strategy planning to continuously improve our business operations. Sustainability requires us to work with our employees, customers, the value chain, and all stakeholders to achieve sustainable development goals and promote social and environmental co-prosperity.

Once again, we would like to thank all stakeholders for their interest, and we will continue to pursue sustainable management and take positive actions in all areas of ESG.

Fudy Printing Enterprise Co.

Chairman

Huang Lienfeng



Sustainability Management

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Chapter I. Sustainability Management

1.1 About Fudy Printing GRI 2-1、2-6

About Us

Fudy was founded in 1978 (formerly known as Fu-Chai Enterprise) and has been dedicated to providing complete packaging solutions for more than 40 years. Headquartered in Taiwan, Fudy has manufacturing facilities in Taiwan, Thailand, the United States, Vietnam, and China. In addition, Fudy has set up design and R&D centers in California, Taipei, Suzhou, and Shanghai to expand its business to cover the global market.

We offer a wide range of products, including color boxes, corrugated boxes, hardcover boxes, corrugated cartons, cardboard, bubble wrap, stickers, brochures, bags, posters, various packaging and cushioning materials, and complete packaging services.

With "integrity," "care," and "sustainability" as our core values, Fudy values employee development and encourages self-improvement, and provides a comprehensive career development and promotional path to support employees' career growth.

In order to achieve the mission of sustainable development for the environment, Fudy has invested in green packaging technology and techniques. The company combines innovative eco-friendly materials and production processes with mineral oil-free inks and FSCTM paper products to provide customers with more choices of eco-friendly packaging products. These efforts aim to contribute effectively to the sustainable development of the environment with our customers.

Since its inception, Fudy has established partnerships with leading brand customers in various industries to

achieve mutual benefits and prosperity. The total revenue of Fudy and its affiliates in 2022 is approximately NT\$2.332 billion, a decrease of roughly 6% from 2021. This is mainly due to global changes that have caused some customers to move their business southward to Southeast Asia and the COVID-19 pandemic, which led to the suspension of economic activities in China due to strict regional closure policies that resulted in a partial decline in revenue.

In order to avoid over-reliance on a single supply chain that would limit our growth, we have expanded our operations to Southeast Asia by investing in packaging plants in Vietnam and Thailand. This adjustment gives our customers more flexibility and choice, ensuring that Fudy can continue consistently providing them with quality services and products.

Fudy understands that packaging plays an important role in our customers' sustainable supply chain. To fulfill its responsibility, Fudy has developed strategies and action plans in three areas: environment, social and corporate governance (ESG). We are committed to expanding our business activities while creating sustainability in all three categories.



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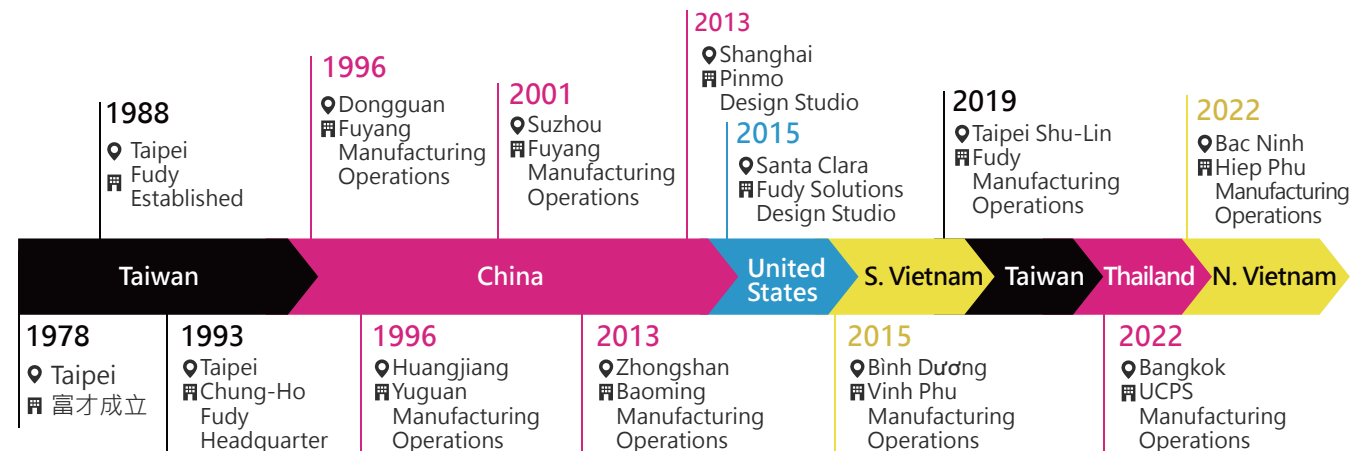
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Particulars	2022 Organizational Information		
Company Name	FUDY PRINTING CO., LTD.	Dongguan Fuyang Printing Co., Ltd.	Suzhou Fuyang Printing Co., Ltd.
Form of Shareholding	Non-publicly traded company		
Capitalization	NT\$60 million	US\$5.1 million	US\$9.19 million
Year of Establishment	1988	2008	2001
Chairman	Huang Lian Feng		
General Manager	Wu Hui Ming	Hsu Yin Po	Huang Yu Yuen
Business Address	7F-5, No. 496, Ban Nan Road, Zhonghe District, New Taipei City, Taiwan (R.O.C.)	No.3, Heng Street, Baotun Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, China	No. 42, Qiye Road, Suzhou Industrial Park, Suzhou, China
Main Products	Color Boxes, Corrugated Boxes, Hardcover Boxes, Corrugated Cartons, Molded Pulp, Blister, Stickers, Manuals, Bags, Posters, Various Cushioning Materials		
Principal Place of Business	Taiwan, China, Vietnam, Thailand, USA California		
Markets Served	Europe, USA, Mexico, Japan, Vietnam, Thailand, China		

Important milestones of Fudy and its affiliated companies



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Locations of Operation



Fudy's Products and Services

With years of experience in the industry, Fudy provides a complete one-stop service, including design, prototyping, quality control, manufacturing, molding and assembly, and logistics. We are committed to delivering products and services that meet our customers' needs on time. For packaging production, Fudy's products are developed and designed by structural designers, and samples are efficiently produced to reach customers' approval. We strictly follow industry-standard testing procedures for product quality management. In order to increase production, Fudy has a variety of printing automation equipment to meet our customers' delivery needs. Fudy has also established a comprehensive storage management and logistics system to ensure that products arrive on time for delivery.

TOTAL SOLUTIONS PROVIDER

<p>Design</p> <p>Design centers in North America and Asia to support structural package development. Creative design engagements between brand owners and Fudy designers.</p>	<p>Prototype</p> <p>Rapid prototyping to support unboxing analysis and package qualification</p>	<p>Qualification</p> <p>Package performance testing in accordance with industry standards</p>
<p>Production</p> <p>In-house manufacturing with unrivaled precision and accuracy</p>	<p>Assembly</p> <p>Secure workshops with customized assembly procedures focused on finalizing your complete solution</p>	<p>Logistics</p> <p>Warehouse solutions and transportation management to support JIT delivery</p>

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Fudy recognizes that the creation, management, and use of intellectual property significantly impact business operations and leadership and is thus actively engaged in the management thereof. According to statistics, by December 31, 2022, Fudy and its affiliates had accumulated a total of 63 patents.

Patents for the last 3 years	2020	2021	2022
	4	1	11

Most of the patents filed in 2022 will focus on the optimization of equipment processes. In the future, Valiant will continue to manage and adhere to intellectual property rights to enhance market competitiveness.

Since its establishment, Fudy has focused on the development of innovative materials and products. In 2022, the Fuyang plant in Suzhou invested approximately NTD 65.54 million in R&D to offer a wide selection of material and product combinations, including sustainable packaging options such as FSC™ paper products, bio-based plastic materials GEX/G-MX, molded pulp, all-paper structural design, paper cushioning materials, and mineral oil-free ink printing to meet our customers' needs.

Sustainable Packaging



- ◆ GEX/GMX bio based
- ◆ FSC™ fiber solutions
- ◆ Plastic free lamination
- ◆ Fiber based tape
- ◆ Other



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1.2 Continuing Vision

Sustainable Development Strategy GRI 2-13

Recognizing that the packaging industry plays an important role in the sustainable supply chain, Fudy initiated the operation of ESG strategies in 2022 with the belief that sustainability is a responsibility that cannot be ignored. In our daily operations, we actively implement all aspects of ESG to create sustainable value in packaging, and work together with our customers, employees, shareholders, supplier partners, authorities, community/non-profit organizations, and other stakeholders to achieve a sustainable future.



In order to enhance corporate sustainability competitiveness and effectively implement sustainability-related strategies, in 2022, under the leadership of Chairman Huang Lienfeng, six task forces in the Fudy Sustainable Development Working Group have been formed accordingly: "Corporate Governance," "Customer Care," "Environmental Sustainability," "Employee Care," "Social Care" and "Supply Chain," with regular meetings held to ensure the achievement of ESG sustainability goals.

Fudy follows the RBA code of conduct and has developed a "Social Responsibility Management Manual" that all Fudy members follow. In order to implement sustainability in a more concrete manner, it is expected that a Sustainability Code will be developed and submitted to the Board of Directors for approval and issuance in 2023.

Organizational Structure of the Sustainable Development Working Group



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Membership of associations and external initiatives



Fudy actively participates in industry associations and external organizations in its operating regions. Through related activities and sharing, we build cooperation and relationships to pursue sustainable development, promote industry co-prosperity, practice ESG, and make a positive impact.

Name of the Association or External Initiative	Region
Taiwan Climate Coalition	Taiwan
New Taipei City Industrial Association	Taiwan
E.SUN ESG Initiative	Taiwan
Dongguan Taiwanese Investment Enterprise Association Houjie Branch	China
Dongguan Social Security Association	China
Dongguan Publishing and Printing Industry Association	China
Dongguan City Houjie Township General Union	China
Suzhou Printing Industry Association	China
Suzhou Industrial Park Taiwanese Enterprises Association	China
Suzhou Industrial Park Foreign Investment Enterprises Association	China
Suzhou Industrial Park General Chamber of Commerce	China

1.3 Stakeholder Management

Identification of Stakeholder

Fudy follows the AA1000 SES Stakeholder Engagement Standard for stakeholder identification and recognition. The Sustainable Development Facilitation Team meets to identify and validate seven categories of stakeholders, including "customers, employees, shareholders, banks, suppliers, authorities, and community/non-profit organizations." These stakeholders play an important role in Fudy's operations and development, and we value the interaction and communication between them to ensure the realization of common interests and sustainable development.

Stakeholders	importance to Fudy
Customers	Customers are the core of Fudy's operation and the main source of profit.
Staff	Our employees are the cornerstone of our operations and the key to our industry competitiveness.
Shareholders	Shareholders are our growth supporters and we are committed to protecting their interests.
Bank	Banks provide capital support and financial services to ensure the financial stability of the business.
Suppliers	Suppliers provide the necessary raw materials and services that are vital to the stability and sustainability of the supply chain.
Authority	Government policies highly influence the direction of business operations, and Fudy follows the regulations of the competent authorities.
Community/non-profit organizations	Fudy invests resources needed in community activities, responding to community needs and promoting community recognition.

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Stakeholder engagement GRI 2-29

Fudy values the views and suggestions of its stakeholders on ESG, understands their needs and expectations through communication, and actively responds to inquiries. While pursuing sustainable management and profitability, we also pay attention to environmental protection, society and employees, and corporate governance issues. Through appropriate channels, we negotiate with our stakeholders to create harmonious relationships and achieve sustainable goals for the common good.

2022 Stakeholder Engagement and Communication

Stakeholders	Focus	Communication	Communication performance
 Customers	<ul style="list-style-type: none"> ◆ Green Products ◆ Product Quality ◆ Customer Relationship Management ◆ Product Service and Innovation ◆ Customer Health and Safety 	<ul style="list-style-type: none"> ◆ in-person client visits (daily or weekly depending on client importance) ◆ Video conference (irregularly) ◆ Email contact (immediately) ◆ Telephone contact (immediately) ◆ Customer Satisfaction Surveys (annually) ◆ Design proposal presentations (irregularly) ◆ Website with corporate sustainability information (irregularly) ◆ Validations (annually) ◆ Customer supplier meetings (irregularly) 	<ul style="list-style-type: none"> ◆ According to the customer requirements, relevant certificates were issued. ◆ Customer satisfaction surveys were conducted and relevant departments were formed for improvement and rewards. ◆ Cooperation with customers on green energy, environmental protection, and social responsibility issues was planned and continuously improved. ◆ Environmental materials and green technology information were provided to assist customers in transitioning their packaging materials.
 Staff	<ul style="list-style-type: none"> ◆ Occupational Safety and Health ◆ Human Rights Protection ◆ Talent attraction and retention ◆ Employee Training and Development 	<ul style="list-style-type: none"> ◆ Employee Benefits Committee (quarterly) ◆ Labor Meetings (quarterly) ◆ Education and Training (irregularly) ◆ Employee Reporting Mailbox (immediately) ◆ Employee Grievance Line (immediately) 	<ul style="list-style-type: none"> ◆ Organized 17 Welfare Committee meetings for employees (9 in Taipei, 7 in Suzhou, and 2 in Dongguan) ◆ Organized 6 labor-management meetings (4 in Taipei, 1 in Suzhou, and 1 in Dongguan) ◆ In 2022, the total training hours reached 12,932, with a total of 1,047 participants. ◆ Handled 5 internal communication issues.
 Shareholders	<ul style="list-style-type: none"> ◆ Waste Management ◆ Product and Service Innovation ◆ Integrity in Business ◆ Water Resources Management ◆ Information Security Management 	<ul style="list-style-type: none"> ◆ Financial statements for each plant (monthly) ◆ Annual consolidated reports for each plant (annually) ◆ Strategy discussions by telephone/video (irregularly) ◆ Routine Board of Directors / Shareholders Meeting (annually) 	<ul style="list-style-type: none"> ◆ 1 Annual General Meeting of Shareholders ◆ 4 board meetings (3 online) ◆ 1 management strategy discussion by phone/video ◆ 1 annual management meeting
 Bank	<ul style="list-style-type: none"> ◆ Customer Health and Safety ◆ Green Products ◆ Customer Relationship Management 	<ul style="list-style-type: none"> ◆ Discussions with the bank to plan the company's capital allocation and dispatch (irregularly) 	<ul style="list-style-type: none"> ◆ Held at least 16 meetings in 2022 and provided immediate responses to all calls and emails.

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2022 Stakeholder Engagement and Communication

Stakeholders	Focus	Communication	Communication performance
 <p>Suppliers</p>	<ul style="list-style-type: none"> ◆ Information Security Management ◆ Product Quality ◆ Integrity ◆ Occupational Safety and Health ◆ Human Rights 	<ul style="list-style-type: none"> ◆ New products' raw materials discussion meetings (irregularly) ◆ Supplier audits (annually) ◆ Supplier meetings (irregularly) ◆ Inspection discussions (immediately) ◆ Quality issues handling (immediately) ◆ Delivery tracking (immediately) 	<ul style="list-style-type: none"> ◆ Invited suppliers to the plants for discussion on new materials and technologies for at least 13 times. ◆ Conducted routine audits of 75 suppliers. ◆ Based on the actual needs, suppliers were invited to discuss price, delivery time, quality, service, etc. for more than 26 times.
 <p>Authority</p>	<ul style="list-style-type: none"> ◆ Occupational Safety and Health ◆ Waste Management ◆ Emissions 	<ul style="list-style-type: none"> ◆ Contact with the competent authorities for direct communication on various matters, with a dedicated contact window (irregularly) ◆ Official documents to respond to requests from government agencies (immediate) ◆ Telephone/visit communication (irregularly) ◆ Labor safety/environmental protection/fire-fighting equipment inspection (irregularly) ◆ Questionnaires and interviews (irregularly) ◆ Participation of government agency-related activities or meetings (irregularly) ◆ Inspection arrangements and reporting operations in accordance with relevant laws and regulations, as follows: <ul style="list-style-type: none"> ▶ Inspection of waste gas, waste water and waste residues (annually) ▶ Occupational hazards evaluation (every three years) ▶ Safety evaluation (every three years) ▶ Fire facilities inspection (annually) ▶ Comprehensive emergency plan (every three years) ▶ Environmental emergency plan (every three years) 	<p>In accordance with government regulations, provided regular reports or responses:</p> <ul style="list-style-type: none"> ◆ Completed 15 fire safety audits with zero deficiencies. ◆ Conducted 12 fire escape drills. ◆ All 5 deficiencies in safety and environmental inspections have been improved (Suzhou) ◆ Complied with relevant regulations, completed relevant inspections and submitted reports on schedule. ◆ Participated in 15 manufacturing safety meetings in 2022
 <p>Community/ non-profit organizations</p>	<ul style="list-style-type: none"> ◆ Occupational Safety and Health ◆ Human Rights Protection ◆ Circular Economy ◆ Climate Change Response ◆ Emissions 	<ul style="list-style-type: none"> ◆ Charitable Donation (irregularly) ◆ Charity and social Events (irregularly) 	<ul style="list-style-type: none"> ◆ 52 donations with the total amount NT\$692,241 ◆ Charity and social activities – supported community to do pandemic prevention and control work total 39 times. ◆ Charity and social activities – started a new course of Summer School 2022 for 11 students (Suzhou) ◆ Organized employee blood donation activities with 94 donations (Suzhou).

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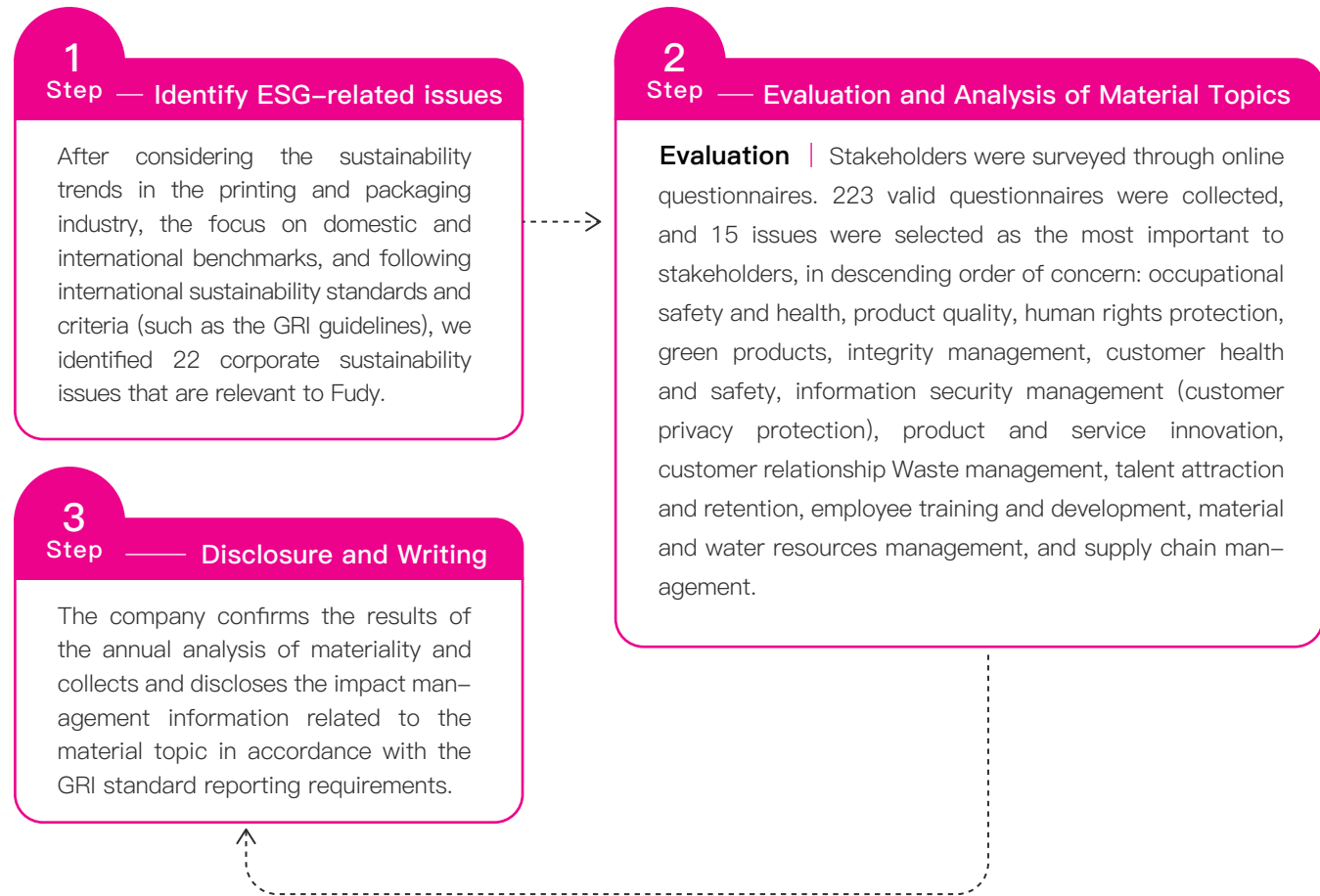
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1.4 Materiality Analysis

Material topics Identification Process GRI 2-14, 3-1

Fudy conducts a three-stage process for identifying material issues: identification, assessment and analysis, and disclosure. Based on the results of the identification and assessment, we identify the key economic, environmental, and social (including labor rights) concerns of our stakeholders that may have a potential or actual significant impact on the company. We refer to the GRI, the international sustainability reporting disclosure standard, and examine international trends in the industry and issues of concern to our peers. After identifying common sustainability issues through a cross-sectional approach, we conduct an online questionnaire to gauge the level of concern and assess the impact of these issues among key stakeholders.



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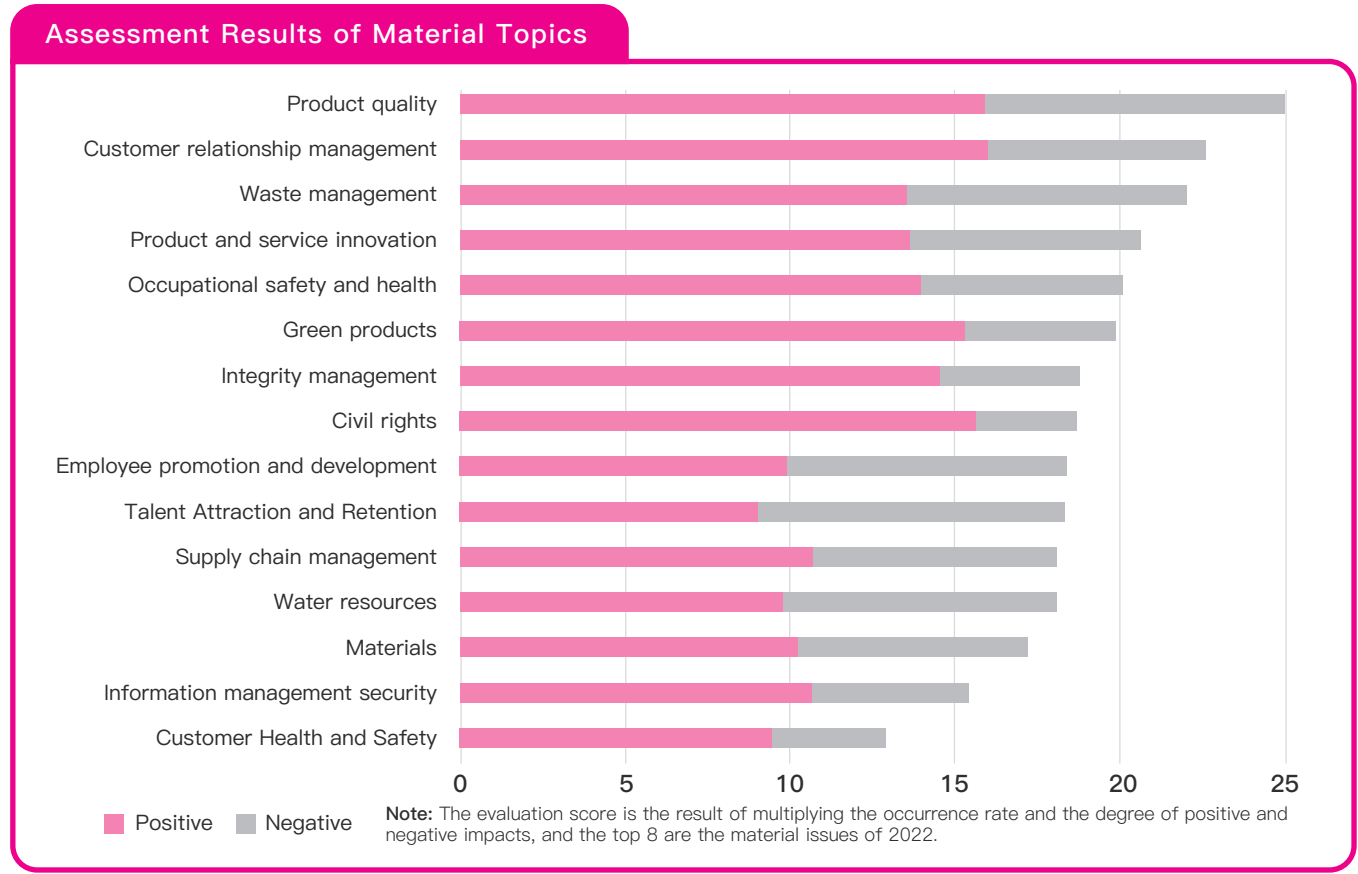
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Materiality Analysis Results

Fudy Sustainable Development Working Group conducted impact assessment analyses and used external experts to help assess the potential positive and negative impacts on the economy, environment, and people (including human rights). Based on the level of impact and likelihood of occurrence, a weighted score of positive and negative impacts was assigned to rank the key ESG topics and compile preliminary results.

After the stakeholder questionnaire and the internal impact assessment questionnaire, the Working Group decided to fine-tune the materiality of the topics based on 15 sustainability issues for 2022, taking into account the current status and vision of the company’s business development. The Working Group eventually identified eight material topics based on the sum of the positive and negative impact scores: “product quality, customer relationship management, waste management, product and service innovation, occupational safety and health, green products, integrity management, and civil rights.”

Other topics include corporate governance, regulatory compliance, operational performance, risk management, information management security, supply chain management, greenhouse gas emissions, water resources, materials, employee promotion and development, and social engagement.



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Material Issues and Scope of Impact

GRI 3-2

Orientation	2022 Material Issues	GRI Specific Theme Indicators Self-Defined Material Issues	Impact Descriptions	Corresponding Chapters
 Corporate Governance	Integrity Management	GRI 205	"Integrity and honesty "is the basis of sustainable management, and Fudy strictly adheres to the ethical guidelines in the "RBA Social Responsibility Management Manual. "The internal audit unit is responsible for auditing the company's compliance with the Code of Ethics for Integrity and reporting to the Board of Directors on a regular basis to assist the Board of Directors in fulfilling its commitment to integrity management, which has a positive impact on various business activities. An external "Violation of the Code of Conduct for Integrity Management "is available and is handled directly by the Chairman's Office to reduce the operational impact of negative issues.	2.2 Integrity Management
 Environment	Waste Management	GRI 306	Fudy actively promotes waste management, such as source reduction and recycling, to promote the vision of environmental sustainability and reduce the impact on the surrounding environment. A lack of proper	3.4 Waste management and recycling
 Staff	Occupational Safety and Health	GRI 403	Fudy and its affiliated companies strictly comply with occupational safety and health regulations and the RBA Code of Conduct, and through education and training, help employees strengthen their awareness of workplace hazards, protect the health and safety of workplace workers, and reduce the risk of accidents. The safety management of each plant is carried out by the safety and health unit and the supervisor of each plant, setting applicable performance targets and promoting the participation of all employees to achieve a zero-hazard, safe and healthy workplace.	4.3 Occupational Health and Safety
 Staff	Human Rights Protection	Important Themes	Fudy and its affiliated companies are committed to protecting the basic human rights of employees, complying with labor laws and regulations in the regions in which they operate, and following international human rights conventions to create a work environment that values and respects the dignity of individuals. We have established the "Human Rights Management Policy" and "RBA Social Responsibility Management Manual," which cover human rights policy, free employment, gender equality, anti-discrimination, workplace stress adjustment and emotional management (workplace health and safety), wages and benefits, etc., in order to fulfill our corporate social responsibility and protect the basic human rights of all employees, customers, suppliers, and stakeholders. In accordance with labor laws and regulations and the RBA 7.0 Code of Conduct, Fudy and its affiliated companies have no child labor, no forced labor incidents, and no cases of discrimination.	4.4 Human Rights Protection

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Material Issues and Scope of Impact

Orientation	2022 Material Issues	GRI Specific Theme Indicators Self-Defined Material Issues	Impact Descriptions	Corresponding Chapters
 Products	Customer Relationship Management	GRI 418	Meeting the needs of our customers and providing the services they require is the key foundation of Fudy's long-term operations and will affect the company's performance and profitability. We continue to protect the rights of our customers and pursue the best interests of our company.	2.5 Information Security
 Products	Product Quality	GRI 416	Product quality assurance is a prerequisite for customer satisfaction. Products must be manufactured in compliance with regulations and customer requirements, and compliance must be confirmed through various inspections.	3.6 Product Quality and Innovation
 Products	Product Service and Innovation	GRI 418 GRI 416 Important Themes	Fudy is committed to using innovative technology and green design concepts to achieve the goal of reducing plastic usage and volume, making easy disassembly and decomposition products, and promoting recycling of products, creating a virtuous cycle for the environment together with our customers.	3.6 Product Quality and Innovation
 Products	Green Products	Important Themes	Fudy is committed to using more professional technology and more environmental friendly materials to achieve the goal of no harmful substances in products, reducing the impact on the environment, ecology, and human body, in order to fulfill the corporate responsibility for environmental sustainability.	3.6 Product Quality and Innovation

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2022 Outcomes and Performance in Response to SDGs

Fudy and its affiliates respond to external demands for sustainable development and take practical actions to implement ESG objectives. For us, being environmental friendly is not only a corporate social responsibility but also our original intention and constant motivation. Fudy has invested in the research and development of packaging products and obtained many patents. Our sites of operation have been certified with the ISO 14001:2015 environmental management system and the IECQ QC08000:2017 hazardous material management system to provide customers with green and non-toxic products.

2022 Fudy's Results of Carrying out SDGs		
Area	Responding to the United Nations Sustainable Development Goals	Sustainable Performance
E Environment	<p>SDG 6 Water and Sanitation</p>	<ul style="list-style-type: none"> → Established the "Water Resources Control Management Code" and other related codes, and implemented water conservation actions in accordance with the code. → Constructed and used a water recycling system to reduce water consumption by approximately 392,862 tons. → Conducted 15 water conservation-related education and training sessions for 312 participants.
	<p>SDG 7 Affordable and Clean Energy</p>	<ul style="list-style-type: none"> → Implementation of energy saving and carbon reduction actions: <ul style="list-style-type: none"> ▲ Fuyang plant in Suzhou built a solar photovoltaic power station, which officially opened in December 2022, generating 66,080 kWh of electricity; estimated to generate 840,000 kWh of electricity annually. ▲ Installed 74 additional electric vehicle and motorcycle charging piles (Dongguan and Suzhou) → Replaced all fluorescent lamps with LED energy-saving lights, with a total of 2,500 units, which saves 40% of electricity consumption.
	<p>SDG 9 Industry, Innovation & Infrastructure</p>	<ul style="list-style-type: none"> → 11 patent applications completed in 2022. → R&D investment in 2022 reached NT\$65.54 million, an increase of 43.57% compared to last year.
	<p>SDG 12 Responsible Consumption and Production</p>	<ul style="list-style-type: none"> → Implemented the 3R principles of circular economy Reduce, reuse and recycle in all production processes. → The types of materials used for recycling include paper and PE film, accounting for 84.42% of the main raw materials used. → Obtained IECQ QC080000:2017 certification for hazardous materials management system. → ISO 14001:2015 certification obtained
	<p>SDG 13 Climate Action</p>	<ul style="list-style-type: none"> → Dongguan Fuyang plant obtained ISO 14064-1:2018 third-party GHG (greenhouse gas) verification.

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2022 Fudy's Results of Carrying out SDGs

Area	Responding to the United Nations Sustainable Development Goals	Sustainable Performance
S Society	SDG 3 Health and Well-Being	<ul style="list-style-type: none"> Employees are the key to the company's sustainable operation. Fudy and its affiliated companies are committed to creating a healthy and happy working environment with a balanced mind and body. We also provide employee health checkups and offer special health checkups for employees in high-risk positions. The safety of workers is our primary goal. <ul style="list-style-type: none"> ▲ 0 severer occupational incidents in 2022 ▲ 2 minor occupational incidents in 2022 Fudy's disabling injury frequency rate (FR) and severity rate (SR) were both 0 in 2022.
	SDG 5 Gender Equality	<ul style="list-style-type: none"> Fudy values gender equality, with 43.4% of female employees and 30% of female executives in 2022.
	SDG 8 Education and Economic Growth	<ul style="list-style-type: none"> The proportion of aboriginal and ethnic minorities, foreign employees, and people with disabilities in Fudy's workforce was 6.4% in 2022. Employee education and training to enhance their professional skills and innovative thinking. Training hours by plant in 2022: <ul style="list-style-type: none"> ▲ Taipei: 484 hours in total / 4.36 hours per person on average ▲ Dongguan: 7,440 hours in total / 24 hours per person on average ▲ Suzhou: 5,008 hours in total / 8 hours per person on average
	SDG 17 Partnerships for the Goals	<ul style="list-style-type: none"> Social inclusion activities included charitable donations and community participation, with an investment of over NT\$692,241 in 2022
G Governance	SDG 12 Responsible Consumption and Production	<ul style="list-style-type: none"> 1,140 employees participated in anti-corruption courses in 2022 In 2022, no anti-corruption cases were reported to Fudy headquarters in Taipei, Fuyang plant in Suzhou and Fuyang plant in Dongguan.
	SDG 17 Partnerships for the Goals	<ul style="list-style-type: none"> The "RBA Social Responsibility Management Manual" is used as a basis to establish the "Code of Ethics and Conduct" and "Communication Management Procedures," which the Board of Directors, senior executives, and all employees of the Group are required to follow. In 2022, we completed regular audits of 75 suppliers, and no supplier terminated their relationship due to non-compliance with Fudy's ESG regulations. In 2022, local procurement amounted to NT\$700 million, accounting for 83.55% of the total procurement amount. Zero customer privacy breaches in 2022

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Response to SDGs and Sustainability Performance

Contributing to the UN SDGs

Sustainability Performance



SDG 12 Responsible Consumption and Production

- 1,140 employees participated in anti-corruption programs in 2022
- No anti-corruption cases were reported to Fudy or its affiliates in 2022



SDG 17 Partnership for the Goals

- The "RBA Social Responsibility Management Manual" is used as a basis to establish the "Code of Ethics and Conduct" and "Communication Management Procedures," which the board of directors, senior executives, and all employees are required to follow.
- In 2022, routine audits were conducted on 75 suppliers, and no supplier were terminated due to non-compliance with Fudy's ESG requirements.
- In 2022, local procurement amounted to NT\$700 million, accounting for 83.55% of the total procurement amount.
- Zero customer privacy breaches in 2022

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Management Approach – Integrity Management

GRI GRI 205-2, GRI 205-3

Integrity management
Material Issue

Impact Description	
<p>As “integrity” is the basis of sustainable management, Fudy strictly adheres to the ethical guidelines in the “RBA Social Responsibility Management Manual.” The internal audit unit is responsible for auditing the company’s compliance with ethical standards of integrity and reporting to the Board of Directors on a regular basis to assist the Board of Directors in fulfilling its commitment to operate with integrity, which has a positive impact on various business activities. An external “Violation of the Code of Conduct for Integrity Management” is set up and handled directly by the Chairman’s Office to reduce the operational impact of negative issues.</p>	
Policy/Commitment	Objective
<p>Fudy attaches great importance to integrity management. From the inside to the outside, from top to bottom, we deepen integrity management as our corporate culture and set up guidelines for Fudy employees to follow.</p>	<p>Short-term Goals</p> <ul style="list-style-type: none"> ◆ Complete the “Employee Integrity Pledge” by June 2023 ◆ 80% of employees sign the Employee Integrity Pledge by 2023 ◆ 50% of suppliers sign Supplier Social Responsibility Pledge by 2023 ◆ At least once a year, the Board of Directors, senior executives and all employees conduct integrity education and training to ensure that all employees at Fudy know integrity management. <p>Mid-Term Goals</p> <ul style="list-style-type: none"> ◆ 100% of employees sign the “Employee Integrity Pledge.” ◆ Achieve 80% of suppliers signing the Supplier Social Responsibility Pledge by 2025. <p>Long-Term Goals</p> <ul style="list-style-type: none"> ◆ All Fudy employees internalize integrity in their daily work ◆ Over 95% of suppliers sign the Supplier Social Responsibility Pledge
Responsible Unit	
<p>Chairman’s Office, Human Resources Department, Purchasing Department</p>	
Complaint Mechanism	Action
<p>Complaint Email: fudy_esg@mail.fudy.com.tw</p> <p>Complaint telephone number: +886-2-2226-5868#301 (Taipei Fudy headquarters); +86-769-85824620#178 (Dongguan Fuyang Plant); +86-512-62716091#328 (Suzhou Fuyang Plant)</p>	<ul style="list-style-type: none"> ◆ Negative Impact Management for Prevention and Mitigation: <ul style="list-style-type: none"> ▲ Comply with Chapter 8 of the “RBA Social Responsibility Management Manual” and establish the “Code of Ethics and Conduct,” “Communication Management Procedures,” and “Information Disclosure Management Regulations” based on this. ▲ Establish the “Employee Grievance and Whistleblower Management Regulations” and set up and announce an anonymous email address for whistleblowers on the official and internal website for use by internal colleagues and external personnel. ◆ Positive Impact Management: Conduct regular employee education and training to deepen the corporate culture of integrity and require employees to sign the “Employee Integrity Pledge.”
	Evaluation Mechanism
	<ul style="list-style-type: none"> ◆ In 2022, Taipei Fudy Headquarters conducted one internal audit and one external third-party verification in accordance with the RBA audit system. ◆ There were no anti-corruption reported in 2021 and 2022 at Fudy and its affiliates. The internal audit unit regularly audits the company’s internal compliance with the Code of Ethics and Integrity and reports to the Board of Directors.

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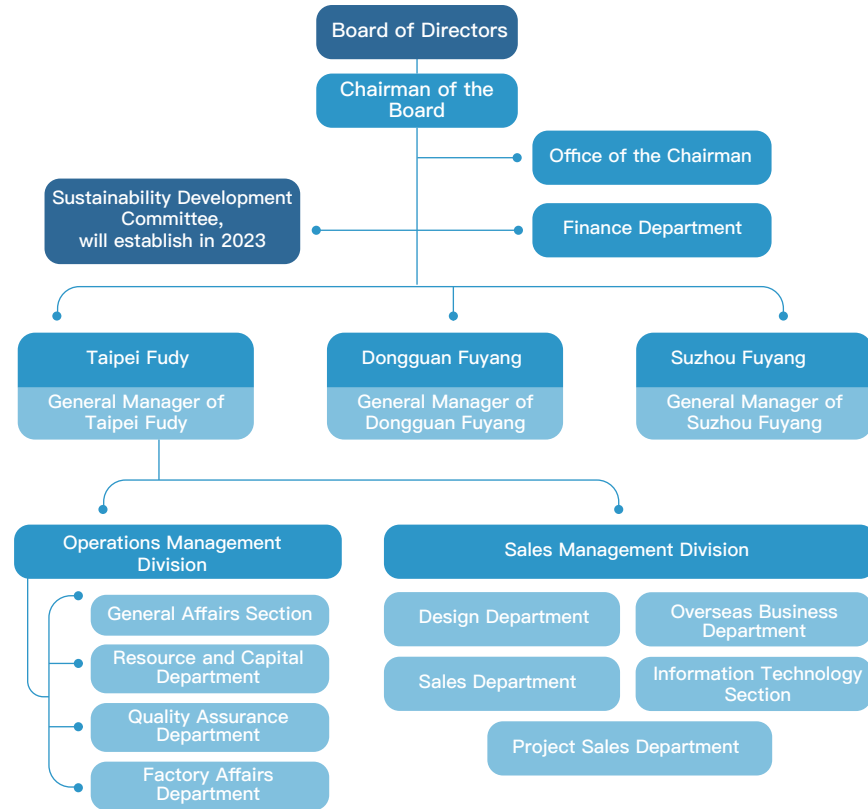
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Corporate Governance

Fudy’s ESG was initiated in the year of 2022. In addition to issuing the first sustainability report, Fudy examines the inseparable relationship between the company and the environment through top-to-bottom governance and oversight by the Board of Directors. Fudy’s mission is “to provide perfect service, to grow steadily, and to pursue sustainable corporate development.”Chairman Lienfeng Huang and other leaders are committed to identifying and evaluating sustainability issues and setting short, medium, and long-term goals through by communicating of values and visions. At the same time, we will integrate our resources to gradually increase the proportion of environmentally friendly materials used in our products and committo a better life for society.



Organizational Structure for Governance and Management of Fudy and its Affiliates



Note: For details of the composition of the Board of Directors, please refer to the “Description of the Composition of the Board of Directors.”



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Composition and Operation of the Board of Directors

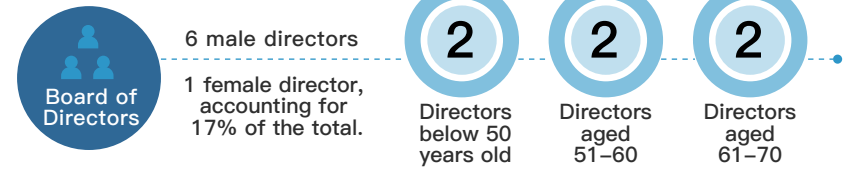
GRI 2-9, 2-11, 2-12, 2-16

Diversity of the Board

Fudy and its affiliates are non-public limited companies. There are six members on the board of directors, one of whom is a female director(17%). We hope to add further diversity to the board of directors to ensure inclusiveness and equality at all levels of the company.

The Board of Directors currently does not have an independent director position. In order to ensure the effectiveness of corporate governance, Fudy will work toward adding an outside independent director. All directors currently involved in actual operations possess the expertise needed to support the pursuit of the company’s vision and strict regulations in operational management, which undoubtedly increase operational efficiency, risk management, and industry trend insight, thereby contributing to the company’s overall sustainability. The Chairman of Fudy and its affiliates, Mr. Huang Lienfeng, is not holding the position of the company’s General Manager.

Members of the Board of Directors are selected in accordance with the relevant regulations in place. Board members possess a wide range of competencies, including expertise in industry intelligence, strategic operations, financial analysis management, production processes, and sustainable development.



Board of Directors		Title	Name	Gender	Part-time	Age	Professional and Industry
Taipei Fudy Head-quarters	Dongguan Fuyang Suzhou Fuyang						
V	V	Chairman of the Board	Huang Lienfeng	Male	-	61-70	Strategic Operations
V	V	Director	Huang Yu-Yuan	Male	Y	51-60	Management
V		Director	Huang Chengyu	Femal	N	31-40	Sustainable Development
	V	Director	Hsu Yin Bao	Male	Y	51-60	Production Process
	V	Director	Liao Shui Chung	Male	N	61-70	Industry Intelligence
	V	Director	Wu Wanglong	Male	Y	41-50	Accounting and financial analysis

Fudy’s Board of Directors will continue to enhance their knowledge and experience in environmental sustainability, climate risk, labor management, and humanity efforts to better oversee and monitor the international trend of sustainable development. A “Rules and Regulations for Nomination to the Board of Directors” will be crafted to further uphold corporate management and establish better systems and procedures.

In 2022, the Board of Directors held four meetings with an attendance rate of 80%. In addition to discussing and resolving matters such as the company’s investment and capital increase proposals, the meetings focused mainly on the establishment of the Fudy Sustainable Development Working Group and the resolution of the issuance of the ESG Report.

2022 Board of Directors Meeting

Number of meetings held in 2022	4(three online, one physical meeting)	Average attendance rate(%)	80%
Important Resolution in 2022	<ol style="list-style-type: none"> 1. Investment case of North Vietnam plant 2. Thailand plant capital increasement 3. Sale of investment plant shares 4. 2022 ESG sustainability report issuance 5. Carbon inventory time planning for Dongguan, Taipei and Suzhou 		

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Board and Executive Education GRI 2-17

Fudy attaches great importance to the continuing education of its directors and senior managers. In a fast-paced business environment, we strongly encourage our directors and senior managers to participate in professional training courses or seminars to achieve optimal performance.

2022 Fudy Board of Directors and Executive Training Development

Training Course	Organizer	Number of hours	Advanced Training Management
EMBA in Industrial Management	National Taipei Univer-	4 semesters	Huang Lian-Feng Chairman
Sustainable Development	R20 Regions of Climate Action	12	Wu Wang-Long Director/Treasurer
Sustainable Development	R20 Regions of Climate Action	12	Wu Hui-Ming General Manager
Sustainable Development	R20 Regions of Climate Action	12	Wan Hsien-Jung Vice President
Corporate Sustainability Management Training Course	Taiwan Institute for Sustainable Energy	80	Huang Chengyu Director

In the future, Fudy will continue to arrange for its directors and senior managers to receive irregular advanced training, especially on economic, environmental, and social issues related to operations, in order to enhance the company's expertise and capabilities in sustainable development.

Board Performance Evaluation and Remuneration GRI 2-19、2-20、2-21

The Board of Directors of Fudy does not have a specific performance evaluation template. In 2023, the Board of Directors will develop a performance evaluation method to monitor the effectiveness of the Board.

The annual total compensation ratio of the highest-paid individual to the median of all employees(excluding the highest-paid individual) for each operating location ranges from 10.49 to 20.28:1. In addition, based on the information for 2022, the median ratio of the percentage increase in annual total compensation of the highest-paid individual in Taiwan to the percentage increase in all employees(excluding the highest-paid individual) is 0.76:1.

The directors' compensation is determined primarily based on the company's profitability. We evaluate the salaries of our senior management in accordance with the company's Salary Management Plan. The evaluation criteria include fiscal performance, achievement of performance goals, leadership, and contribution.

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Conflict of Interest GRI 2-15

The Code of Ethics and Conduct, which has been approved and announced by the Chairman of the Board of Directors, explicitly requires all company employees to be vigilant in avoiding situations in which a conflict of interest may arise. In the future, we plan to develop a Code of Ethical Conduct for board members that will include a code for preventing conflicts of interest. This will help further define the actions of board members in the event of a conflict of interest and create a more transparent and ethical corporate culture.

Operating Performances GRI 201-1

Fudy and its affiliated companies have adopted a prudent business strategy. In 2021, we reached a substantial revenue of a combined high of nearly NT\$2.3 billion. However, with the global economic recession in 2022, a decline in overall demand resulted in a decline of approximately 3% in revenue compared to 2021.

In view of this, Fudy has set up a team to analyze the current external factors at play and propose corresponding risk assessments. These analyses cover the environment, industry, customers, competitors, and supplier conditions. Based on the results of these analyses, we will adjust our strategies to adapt to the changing landscape, including developing new clientele, developing green alternative materials, optimizing talent and resource allocation, and building stronger partnerships. Fudy continues monitoring market change to maintain competitiveness and pursue sustainable development goals.

Items (Unit: NT\$ _000)		2020	2021	2022
Direct economic value generated	Operating income	1,865,653.6	2,285,015.4	2,223,426.7
	Operating costs	1,452,542	1,847,684	1,712,741
Economic value distributed	Employee salary	248,574	268,653	267,774
	Payments to funders	3,706	4,062	5,357
	Payments to government	47,762	38,572	35,070
	Community Investment	170	162	308
	Total economic value	1,752,754	2,159,133	2,021,250
Retained economic value		217,269	258,012	256,775

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2.2 Integrity Management

Integrity and Commitment GRI 2-23、2-24、205-2

Fudy places great importance on "integrity" as one of its core business principles. We insist that all members of our company abide by the principles of integrity and compliance with laws and regulations. We do not tolerate unethical behavior such as bribery or blackmail, and we strictly prohibit unfair trade practices and the infringement of intellectual property rights or products and services that endanger the health and safety of others.

Programs	Target	Content	Execution	Achieved	Estimated Implementation Year	Objectives
Internal Training and Commitment	Employees	To promote the corporate culture of integrity in the new employee orientation program.	Irregularly	Y	Implemented	◆ To ensure that all employees fully understand the importance of integrity management
		Anti-Corruption Program	Annually	Y		
		Employee Integrity Pledge	Irregularly	N	2023年	◆ 100% employee sign-up rate by
Value Chain Agreements	Suppliers	Signing "Supplier's Social Responsibility Pledge"	Irregularly	N	2023年	◆ 50% suppliers sign-up rate by 2023 ◆ 90% suppliers sign-up rate by 2025

To ensure that the standard of integrity is upheld, Fudy has established a Code of Ethics and Conduct for all levels of personnel. This code covers the prevention of conflicts of interest and opportunities for personal gain, an awareness of confidentiality and fair transactions, and the protection and proper use of company assets. It requires all levels of personnel to conduct their business activities with integrity and transparency.

The code communicates the importance of operating with integrity through various channels, with Human Resources playing a key role in ensuring that company members fully understand, accept, and comply with anti-corruption practices. This is accomplished through active training and awareness campaigns and by ensuring employee participation. According to 2022 statistics, 71% of employees, or 1,140, participated in anti-corruption courses.

In order to continuously strengthen the corporate culture of integrity management, we have set the following actions:

Through actions and efforts such as education, training, and value chain negotiations, Fudy aims to build an honest and transparent business environment where all Fudy stakeholders clearly understand our commitment and determination to operate with integrity.

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Detection and Prevention System GRI 2-25、2-26、205-3

Fudy has established a Code of Ethics and Conduct which clearly defines the procedures for handling integrity violations. We make our reporting channels available on our corporate website to provide stakeholders with transparent and convenient access.

We encourage employees to use various channels of communication to file complaints or report cases of unreasonable and unfair treatment. Fudy has established the "Employee Grievance and Whistleblower Policy" to protect employees from any improper treatment or retaliation.

Fudy did not engage in any corrupt or unethical practices in 2022.

Reporting email: fudy_esg@mail.fudy.com.tw
 Reporting hotline: +886-2-2226-5868#301
 Please report any wrongdoing to the Chairman's Office of Fudy.

2.3 Risk Management GRI 2-23

Risk Identification and Key Issues

Fudy conducts risk management in finance, operations, raw materials, human resources, employee health, the environment, and energy, to reduce the risk to the company's operations and achieve sustainable development.

After the aforementioned risks are identified, the Board of Directors, together with the senior management of the company, will discuss and formulate measures to mitigate or reduce the impact of the risks.

Risk Category	Risk Identification Issues	Risk Description	Current and future measures
Financial	Financing Transactions	Possible risks include financing, investment, liquidity management, exchange rate, and interest rate hedging.	◆ We have established the "Financial Risk Management Regulations," and the Finance Department and the heads of each unit control the related risks in accordance with the regulations.
	Bad Debt	Bad debts from customers may result in delays in collection, which may affect the company's cash flow.	◆ For new customers, Finance and Sales conduct investigations on the contract and creditworthiness of both parties in accordance with the procedures and strictly control the final payment terms.
Operations	Operations, regional politics	Regional political tensions may affect operations to a certain extent, resulting in increased costs and even the relocation of key customers.	<ul style="list-style-type: none"> ◆ Fudy is actively expanding its presence in the ASEAN region and has set up plants in Thailand, South Vietnam, and North Vietnam to diversify the possible operational risks of regional political instability. ◆ We continuously maintain the customer relationship management of our existing major electronics customers, and make sustainable commitments and changes in response to customers' ESG performance requirements. ◆ We increase the proportion of new customer development, reduce reliance on large customers, and continue to refine the application of technology, talent, equipment and other supporting resources in different industry sectors.

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Risk Category	Risk Identification Issues	Risk Description	Current and future measures
Raw Materials	Material breakage, raw materials not meeting environment	There may be a risk that a supplier may not be able to supply materials in a timely manner, or that a quality incident may cause a material failure. The use of illegal materials may also occur.	<ul style="list-style-type: none"> ◆ "Procedures for Emergency Response to Supply Interruptions" was established to ensure a stable supply of raw materials. ◆ We actively develop new supplier partners, establish multiple sources of material supply, and flexibly adjust transportation modes. ◆ We require suppliers to conduct regular environmental testing and provide legal and valid third-party official reports on products. ◆ Quality assurance strictly follows incoming material inspection procedures to ensure that incoming materials meet the standards. ◆ The responsible unit conducts the inspection and selection of new incoming materials in strict accordance with the testing procedures and required environmental reports.
People	Labor shortage, talent gap	Aging management and talent gap.	<ul style="list-style-type: none"> ◆ Mapping: Conduct organization, position, and talent reorganization to ensure that the team is consistent with future strategic goals. ◆ Motivation: Distinguish talents from ordinary employees, create a standard-bearer culture, stimulate team morale, and attract outstanding talents. ◆ Recruitment: Expand recruitment channels to online apps, college cooperation, etc. ◆ Cultivation: Cultivate and educate the core talents and key positions.
Environment and Health & Safety	Environment, occupational safety, employee health	<p>Incomplete knowledge of laws and regulations may lead to violation of laws and regulations, which may affect business reputation and lead to loss of orders.</p> <p>Employees' physical and mental health of will directly affect productivity and company operations.</p>	<ul style="list-style-type: none"> ◆ In order to ensure the legal compliance of environmental management, environmental management procedures were established: "Environmental Safety and Health Risk Identification Management Procedures," "Water Pollution Management Procedures," "Rainwater Management Procedures," "Energy Resources Management Procedures," "Greenhouse Gas Inventory Procedures," "Waste Management Procedures," "Chemical Substances Management Procedures" are announced on the internal website and implemented by all employees. ◆ In order to maintain the health of all employees, we have adopted preventive and comprehensive employee health management, set up a clinical medical staff, and formulated relevant management measures such as "Safety and Health Work Rules," "Maternal Health Protection Plan," "Prevention of Human Causal Musculoskeletal Hazards Plan," "Abnormal Workload-Promoted Disease Prevention Plan," and "Workplace Unlawful Infringement Prevention Plan" for the best employee health management.
Climate Change and	Greenhouse gas emissions, climate disasters, higher operating costs due to carbon taxes	Extreme weather may cause raw material prices to rise, increasing operating costs.	<ul style="list-style-type: none"> ◆ A "greenhouse gas inventory program" was set up to conduct comprehensive inventories and promote third-party verification (Dongguan Fuyang plant completed the 2021 third-party greenhouse gas inventory verification in 2022). Taipei Fudy and Suzhou Fuyang are expected to complete the first greenhouse gas inventory verification in 2023. ◆ "Emergency Preparedness and Response Management Procedures" was set up to respond to climate disasters. ◆ Solar power generation was introduced, and the solar power project in Suzhou Fuyang plant has started operation in 2022 to reduce carbon emissions.

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ISO Management System and Related Certification

In order to implement effective risk management, Fudy and its affiliates have introduced various management systems and methods of validation. These management systems and validations help us to assess and manage risks ,ensuring that our operations are in compliance with the relevant regulatory requirements.

Type of Validation	Certification	Issuing Organization	Affiliated companies/certificate validity		
			Taipei Fudy	Dongguan Fuyang	Suzhou Fuyang
Management System	ISO 9001: 2015 Quality Management System	BSI	2023/10/2		
	ISO 14001: 2015 Environmental Management		2023/10/2		
	IECQ QC080000: 2017 Hazardous Substance Process Management System		2026/1/23	-	-
	ISO 45001: 2018 Occupational Safety and Health Management System	ACM	-	-	2025/6/20
Social	RBA7.0	TUV	2024/9/30	-	-
	Sedex Social Audit	EST	-	2024/3/23	2023/12/26
Material	FSCTM CoC	SGS	2024/7/10	-	-
			-	2025/4/2	-
			-	-	2027/9/7
	BRCGS Packaging Materials Certification	EST	-	2023/6/2	2023/12/31
Professional Certification	G7 Certification	IDEALLIANCE	-	2023/8/1	2023/5/31
	GMI(THD) certification (Lowe’s, Target, Bestbuy)	GMI	-	2018/06/20 passed with annual reviews	-
Sustainable Development	ISO 14064-1: 2018 Organizational Level Greenhouse Gas Verification Statement	China Test	-	Once a year	-
	ISO 14067: 2018 Product Carbon Footprint Certification		-		-

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Auditing System

In order to fulfill our commitment to sustainable management, we introduced the RBA(Responsible Business Alliance) management system in 2022 and established the "RBA Social Responsibility Management Manual" with reference to the RBA Code of Conduct. The manual was approved by the Chairman of the Board of Directors, and each responsible unit is responsible for implementing CSR policies, systems, or related management approaches and specific promotion plans.

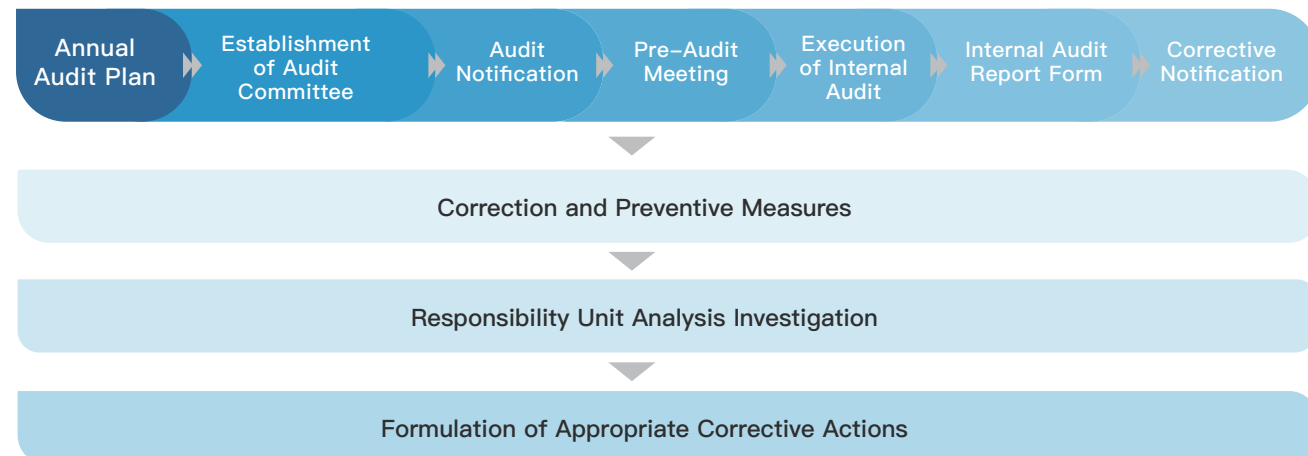
Fudy is committed to communicating labor, ethical, environmental, and safety-related information to its employees, suppliers, customers, and other partners in the value chain to ensure environmentally friendly and ethical business operations. In the second half of 2022, Fudy initiated its first Responsible Business Alliance(RBA) third-party factory audit(VAP) to verify its performance in corporate social responsibility. To ensure the sustainable and effective implementation of Fudy's management systems and to identify problems and take corrective actions in a timely manner, we have established an "Internal Audit Procedure" to conduct regular internal audits.

The audit includes compliance with the "Hazardous Substances Free(HSF)" requirement for plants and suppliers and addressing past ineffective audit issues. Through the implementation of the audit system, we are able to maintain the effectiveness and continuous improvement of the management systems adopted by Fudy and its affiliates.

In 2022, the systems of Fudy and its affiliates were externally audited by a third-party certification body, and no major deficiencies were found. The certificates remain valid(see "ISO Management System and Related Certification").

In 2022, the Dongguan Fuyang plant obtained an ISO 14064-1:2018 third-party certification and completed the first greenhouse gas inventory. It is expected that Taipei Fudy and Suzhou Fuyang will also receive greenhouse gas inventory certification in 2023. This marks the starting point for our low-carbon transformation and enables us to more precisely formulate carbon reduction strategies to address high carbon emissions in the future, demonstrating Fudy's commitment to environmental sustainability.

Internal Audit Flowchart



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2.4 Regulatory Compliance GRI 2-27

Fudy takes its regulations seriously and complies with local government regulations in order to achieve sustainable operations and demonstrate responsibility to our employees, neighboring communities, authorities, and other stakeholders. We regularly take stock of regulatory requirements, translate them into company policies or practices, and disseminate them to employees through relevant education and training programs.

Since the 2020 environmental incident involving the illegal dumping of hazardous waste at Suzhou Fuyang plant, we have invested approximately NT\$12.675 million (RMB 2.823 million) in environmental restoration as required by the government. Since the incident, Fudy and its affiliated companies have taken this as a warning to strengthen internal affairs management and tighten environmental protection regulations. To date, no violations or penalties have been issued to Fudy and affiliates related to the illegal dumping of hazardous waste.

In 2022, Fudy and its affiliates have not violated any significant regulations.

Environmental Violation Historical Event Description

Suzhou Fuyang Plant: 2020 Hazardous Waste Dumping Incident

Amount	Approximately NT\$12,675,000
Follow-up corrective measures	<ul style="list-style-type: none"> ◆ Contaminated land was immediately repaired by professional contractors at the time, and acceptance inspections were conducted by designated government agencies. ◆ The "waste management procedures" were implemented to ensure that compliance with regulations and professional personnel were hired to manage waste. ◆ Fences were added to vacant areas for better security. ◆ Training and education were provided to all employees, which included relevant laws and policies on hazardous waste, daily management and storage, and pollution control standards for hazardous waste storage/transfer, etc. ◆ Employees were required to sign the "Safety, Environmental Protection and Information Security Pledge." ◆ EHS management meetings are held regularly (weekly and monthly). ◆ Departmental self-inspection and internal audits were implemented.

2022 Regulatory Education Training Course Content

Course	Off ice Location	Training Hours	Training Attendance
RBA Education and Training – Integrity in Business	Taipei Fudy Headquarters	159	109
Environmental Regulations	Taipei Fudy Headquarters	41	19
Business Ethics	Dongguan Fuyang	227.5	218
Environmental Regulations		666	367
Occupational Health and Safety		2,898	708
Social Responsibility Training		371	232
Business Ethics	Suzhou Fuyang	2,504	626
Environmental Safety Laws and Regulations			
Occupational Health and Safety			
Social Responsibility Training			



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2.5 Information Security

Information Security

Each plant’s information security management department is responsible for information security control and management and periodically reports the management status and information security planning to top management.

Document Security

In order to maintain the integrity of Fudy’s data storage and ensure the confidentiality of maintenance documents, all documents related to the company’s operations are managed in accordance with our internal “Document and Data Management Procedures.”

Fudy follows the “Information Disclosure Management Regulations” to ensure the transparency of company information, avoid leakage of confidential information and protect the rights of stakeholders.

Moving forward, we will conduct network line security planning, strengthen server firewalls and enhance employee training on information security.

Information Security Management Measures

- ◆ Provide employee education and training on information security and promoting awareness
- ◆ Manage information Equipment Security
- ◆ Manage network security
- ◆ Controll access to Information system
- ◆ Establish special confidential operation management process for customer needs
- ◆ Supervise information security department
- ◆ Send aperiodic information security messages to strengthen security awareness
- ◆ Regular back up mportant data
- ◆ Regularly update server and computer programs
- ◆ Regular count software licenses
- ◆ Regularly update anti-virus software and set up firewalls
- ◆ Design email filtering system to prevent spam and phishing emails from entering

Information security management refinement plan

- ◆ Establish off-site data backup
- ◆ Phase out oldated software and hardware
- ◆ Continuously strengthen remote VPN access security
- ◆ Enhance information security education and training
- ◆ Strengthen the control and encryption mechanism of network accounts

2022 Information Security Education and Training Results



Protecting Customer Privacy

GRI 418-1

In 2022, we did not receive any complaints related to invasion of customer privacy or loss of customer information.

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2.6 Sustainable Supply Chain Management

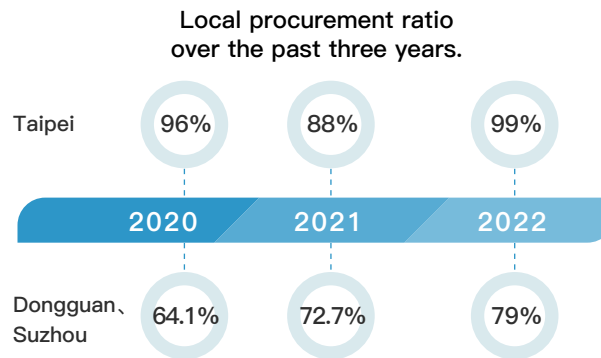
GRI 2-6、204-1

Fudy specializes in packaging for electronic consumer products as its core business. In 2022, packaging sales for electronic consumer products accounted for 90% of the total revenue, serving industry-leading brand customers. Our services cover clients from all over the world, including electronics, pharmaceuticals, food processing, supermarket chains, etc. Our products are mainly sold Europe, the U.S., Japan, Vietnam, Thailand, and other regions.

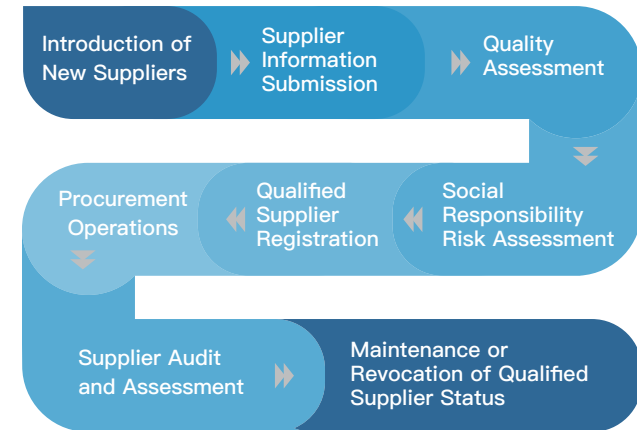
Fudy is in the middle of the paper packaging industry chain, with suppliers of paper and auxiliary materials upstream and corporate customers and product users downstream. The supply chain is managed by the procurement unit, which is responsible for sourcing, evaluating and managing suppliers and executing procurement operations.

In 2022, Fudy cooperated with 304 global raw material suppliers with a total procurement amount of NT\$838 million. Approximately NT\$700 million came from local suppliers, accounting for 83.55% of the amount purchased. In the past three years, 99% of the purchases at Taipei Fudy headquarters came from local suppliers, and the percentage of local purchases at the mainland China plant has increased annually, reaching 79% in 2022.

Through collaboration with suppliers and local sourcing strategies, we are able to ensure supply chain stability and quality control while supporting the development of the local economy.



Supplier Management Process



Fudy has established a "Supplier Management Operating Procedure," which requires suppliers to comply with our quality requirements and operational standards. In addition, suppliers are required to fulfill their corporate social responsibility, including the economy and governance, environmental protection, and social inclusion, to achieve sustainable goals jointly.

New Supplier Qualifications

GRI 2-25、2-26、205-3

1. Compliance with the supplier selection principle of the "Supplier Management Operating Procedure."
2. Compliance with the "Supplier Quality Assessment Form": The evaluation items include management capabilities in business, production capacity, quality, and environment. The assessment results must reach 75 points.
3. Compliance with the "Supplier Social Responsibility Risk Assessment Form": The assessment items include human rights, work safety, environmental protection, legality, and business ethics. The assessment result must be at medium or low-risk. They can be considered qualified suppliers, if they meet the aforementioned three assessment criteria.



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New suppliers are required to submit supporting information for qualification

- ◆ Supplier Quality Assessment Form
- ◆ Supplier Social Responsibility Risk Assessment Form
- ◆ Restricted Substance Commitment Letter
- ◆ Third party notarized testing report
- ◆ Supplier's Social Responsibility Commitment Letter
- ◆ Basic information of the supplier
- ◆ Qualified Supplier Quality Approval Sheet

Taipei Fudy headquarters requires suppliers to sign the "Supplier Social Responsibility Pledge," which reached a signing rate of 33.3% in 2022. The Dongguan Fuyang and Suzhou Fuyang Plant referred to the "RBA Code of Conduct" and developed a "Supplier Compliance with Labor and Business Ethics Acknowledgment Letter," which requires suppliers to sign. Suzhou Fuyang Factory has achieved a 100% signing rate, and Dongguan Fuyang Factory is expected to reach a 100% signing rate by June 2023. Suppliers and Fudy work together to assume CSR on issues such as environmental protection, occupational safety and health, labor and human rights, and integrity management.



If a supplier violates CSR or behaves in a way that significantly impacts the environment and society negatively, the supply chain will be severed and the partnership terminated.

Fudy has the following principles when selecting qualified suppliers:

1. Priority is given to suppliers who have been verified in quality, environment, and occupational safety and health through ISO 9001, ISO 14001, and ISO 45001.
2. Suppliers provide third-party notarized testing reports or sign a "Restricted Substance Commitment Letter" for raw materials and regularly update them.
3. Suppliers' product quality, delivery time, price, and performance are evaluated to meet Fudy's requirements.

Fudy values the realization of suppliers' corporate social responsibility to achieve its vision of building a sustainable supply chain.

Supplier Audits and Assessments

Fudy conducts regular supplier audits every year. The audits include six ESG aspects: environment, social responsibility, occupational safety, production and delivery accuracy, raw material quality management, and compliance.

Six main audits:

Environmental	Social Responsibility	Occupational Safety
Are there any evident environmental pollution incidents? (Air, water, waste, etc.)	Labor	Fire Safety
Are Safety Data Sheets (SDS) complete and available?	Occupational Safety and Health	Employee Protection
	Environmental Pollution	Emergency Response Procedures and Drills
	Business Ethics and Management Systems	Adequacy of First Aid Measures
		Workplace Hygiene
Production and Delivery Accuracy	Raw Material Quality Management	Compliance
Production and Response Speed	Competitiveness of quoted prices	Do raw materials and additives comply with HSF regulations and Fudy requirements?
Delivery Speed compliance with requirements	Frequency of occurrence of defective products	政府稽查或開罰的矯正處
Adherence to specified production requirements	Compliance of product shipping methods with requirements	
Ability to accommodate urgent orders		

Those who score 70 points or more in the evaluation are qualified, and suppliers who fail to meet the standards are required to provide improvement explanations. If a supplier fails to meet the standard in two consecutive years, they will be removed from the list of qualified suppliers.

In 2022, Fudy and its affiliates routinely audited 75 suppliers, and no supplier partnership was terminated due to non-compliance with Fudy's ESG requirements.

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Supplier Social Responsibility Assessment

Fudy highly values sustainability and expects its supplier partners can fulfill their social responsibilities together.

Audit aspect

Compliance with labor, occupational health and safety, environmental pollution, business ethics, and management systems.

Audit frequency

Fudy's material department assesses suppliers' risks based on factors such as transaction amounts, criticality, and scale, and classifies them into high, medium, and low-risk levels. The frequency of supplier on-site audits is adjusted according to their risk level.

Once a supplier is found to be in violation of the commitments made in the agreement, the supplier will be required to make adjustments immediately. If the situation is severe and the supplier fails to show improvement, the partnership with the supplier will be terminated.

Supplier Social Responsibility Risk Assessment and Frequency of Field Audits

Supplier	Supplier Social Responsibility	Field audits
Top 30 Trading Companies	Once every two years	–
Indirect Providers (security, housekeeping, cleaning, group catering, human resource agency and dormitory)	Once every two years	Once a year
Key suppliers (major raw materials, processing outsourcing suppliers)	Once every two years	Once a year
High risk (after supplier social responsibility risk assessment)	–	Once a year (at least 3 companies)
Medium risk (after supplier social responsibility risk assessment)	–	Once a year
Low risk (after supplier social responsibility risk assessment)	–	Once every two years



Criteria

Grade A(Excellent): 90–100

Grade B(pass): 80–89

C grade(pass): 70–79

Grade D(unqualified): 70 points

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51	3.4 Waste Management
56	3.5 Water Resource Management
60	3.6 Product Quality and Innovation
66	3.7 Customer Service

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Response to SDGs and Sustainability Performance	
Contributing to the UN SDGs	Sustainability Performance
 <p>SDG 6 Water and Sanitation</p>	<ul style="list-style-type: none"> Established the “Water Control Management Code” and implemented water conservation actions in accordance with the code: <ul style="list-style-type: none"> Constructed and used a water recycling system to reduce water consumption by approximately 392,862 metric tons. Conducted 15 water conservation-related education and training sessions for 312 participants.
 <p>SDG 7 Affordable and Clean Energy</p>	<ul style="list-style-type: none"> Implementation of energy saving and carbon reduction actions: <ul style="list-style-type: none"> Suzhou Fuyang plant built a photovoltaic power station, which officially opened in December 2022 and generate a total of 66,080 kWh of electricity; estimated that 840,000 kWh of electricity will be generated annually. Installed 74 electric vehicle and motorcycle charging piles (Dongguan and Suzhou) Replaced all daylight lamps in Dongguan with LED energy-saving lamps, with a total of 2,500 units, which saves 40% of electricity consumption.
 <p>SDG 9 Industry, Innovation & Infrastructure</p>	<ul style="list-style-type: none"> Completed 11 patent applications in 2022. R&D investment in 2022 reached NT\$65.54 million in 2022, an increase of 43.57% compared to last year.
 <p>SDG 12 Responsible Consumption and Production</p>	<ul style="list-style-type: none"> Implemented the 3R principles of circular economy, Reduce, Reuse, and Recycle, in all production processes. The types of recycled materials used include paper and PE film, which account for 84.42% of all raw materials used. Obtained IECQ QC080000:2017 Hazardous Substance Management System Certification(Taipei). Obtained ISO 14001:2015 environmental management system certification.
 <p>SDG 13 Climate Action</p>	<ul style="list-style-type: none"> Dongguan Fuyang plant obtained ISO 14064-1:2018 third-party GHG(greenhouse gas) verification.

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Management Approach: Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Waste Management

Material Issue

Impact Description		
<p>Fudy actively improves waste management, such as source reduction and recycling, to promote the vision of environmental sustainability and minimize the impact on the surrounding environment. Lack of proper waste management will increase disposal costs and cause negative impacts on the environment.</p>		
Policy/Commitment	Objective	Resource
<p>Fudy and its affiliates are committed to increasing the use of environmentally friendly materials in products, increasing the recycling rate, and setting waste reduction targets.</p>	<p>2022 is set as the base year.</p> <ul style="list-style-type: none"> Short-term Goals <ul style="list-style-type: none"> ◆ Increase recyclable waste intensity by 1%. ◆ Decrease non-recyclable waste intensity by 1%. Mid-term Goals <ul style="list-style-type: none"> ◆ Increase recyclable waste intensity by 3%. ◆ Decrease non-recyclable waste intensity by 3%. Long-term Goals <ul style="list-style-type: none"> ◆ Increase recyclable waste intensity by 5%. ◆ Reduce non-recyclable waste intensity by 5%. ◆ Fudy continues to pursue a circular economy model to increase the intensity of recyclable waste and reduce the amount of non-recyclable waste. 	<ul style="list-style-type: none"> ◆ Taipei Fudy Headquarter: Waste disposal cost of approximately NT\$195,000 and environmental improvement equipment cost of NT\$530,000 ◆ Dongguan Fuyang Plant: Invested approximately NT\$1.08 million in environmental expenditures related to waste materials. ◆ Suzhou Fuyang Plant: Invested NT\$3 million in environmental improvement equipment.
Responsible Unit		
<p>Taipei Fudy Headquarters: General Affairs Division</p> <p>Dongguan Fuyang Plant: Management Department</p> <p>Suzhou Fuyang Plant: Management Department</p>		
Complaint Mechanism	Action	
<p>Reporting email: fudy_esg@mail.fudy.com.tw</p> <p>Complaint hotline: +886-2-2226-5868#301 (Taipei Fudy Headquarters); +86-769-85824620#178 (Dongguan Fuyang Plant); +86-512-62716091#328 (Suzhou Fuyang Plant).</p>	<ul style="list-style-type: none"> ◆ Negative impact management for prevention and mitigation: Waste classification and internal audits, with improvement plans submitted annually to enhance resource reuse capabilities. Trimmings and leftover materials generated during manufacturing were recycled and reused. The 3R principle for waste in all production processes was implemented. A full lifecycle monitoring system was used to control hazardous waste(Suzhou). ◆ Positive impact management: Through green design, recycled and environmentally friendly packaging materials were introduced to reduce the use of energy resources and achieve a circular economy and waste reduction. A trade-in strategy was implemented to quantitatively control the replacement of office supplies and labor protective equipment. 	
	Evaluation Mechanism	
	<ul style="list-style-type: none"> ◆ At the end of each quarter, the responsible unit will review the amount of waste generated ◆ and waste intensity, and report to the Fudy Sustainable Development Working Group(restruc- 	

Note: The 3Rs,Reduce, Reuse, Recycle

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Management Approach: Quality Control

GRI 416-1, 416-2

Product Quality

Material Issue

Impact Description		
Product quality assurance is a prerequisite for customer satisfaction; the production of products must comply with laws and regulations and customer requirements. Through the various inspections to confirm compliance with the requirements of the product, when quality problems occur, we must immediately improve, and continue to track to ensure that the same problem does not happen again.		
Policy/Commitment	Objective	Resource
We follow customer requirements and develop internal management procedures with reference to domestic and international product regulations and standards to ensure product quality compliance.	2022 is set as the base year. Short-term Goals <ul style="list-style-type: none"> ◆ Taipei Fudy Headquarters: Product yield rate reaches 97.5%. ◆ Dongguan Fuyang Plant: Product yield rate reaches 98%. ◆ Suzhou Fuyang Plant: Product yield rate reaches 96%. Mid-term Goals <ul style="list-style-type: none"> ◆ Taipei Fudy: Product yield rate reaches 97.6%. ◆ Dongguan Fuyang Plant: Product yield rate reaches 98.5%. ◆ Suzhou Fuyang Plant: Product yield rate reaches 96.5%. Long-term Goals <ul style="list-style-type: none"> ◆ Taipei Fudy Headquarters: Product yield rate reaches 97.8%. ◆ Dongguan Fuyang Plant: Product yield rate reaches 99%. ◆ Suzhou Fuyang Plant: product yield rate reaches 97%. ◆ Cooperate with suppliers to find alternative low-carbon and plastic-reducing raw materials to ensure product quality and build a low-carbon and green production supply chain. 	<ul style="list-style-type: none"> ◆ Taipei Fudy Headquarter: 26 QA employees, including supervisors, QA engineers, IPQC and QC inspectors. ◆ Dongguan Fuyang Plant: Established Product Innovation Management System – 8 employees and 13 quality inspectors. ◆ Suzhou Fuyang Plant: 12 QIT quality inspectors.
Responsible Unit		
Taipei Fudy Headquarters: Material Department, Quality Assurance Department Dongguan Fuyang Plant: Engineering Product Design Team, Quality Assurance Dept. Suzhou Fuyang Plant: Management Department, Quality Assurance Department		
Complaint Mechanism	Action	
Complaint Email: fudy_esp@mail.fudy.com.tw	<ul style="list-style-type: none"> ◆ Negative impact management for prevention and mitigation: Implementation of Lean Production Management(6S Management) The supply chain and third-party management were strengthened to improve product quality and the quality assessment and control mechanism. ◆ Positive Impact Management: The ERP system management was introduced to implement IPQC to monitor product quality and strengthen production process management. Both Dongguan and Suzhou are equipped with BRC (Brand Reputation Compliance) certified cleanrooms, allowing us to expand our business to areas other than industrial packaging, such as cosmetics, food, etc. In 2023 we plan to introduce QS production license(Note) to prepare for more demanding industry sectors(Suzhou). 	
	Evaluation Mechanism	
	<ul style="list-style-type: none"> ◆ Monthly tracking of product quality goal achievement rate. ◆ Monthly tracking of HSF target achievement rate. 	

Note: The QS mark (from Qiye Shipin shengchan xuke, meaning authorised manufacturing for enterprises) is a Chinese quality and safety mark for food, beverages and other products. This mark shows that an enterprise promises that its products have been inspected and qualified to meet the basic requirements of food quality and safety.

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Management Approach: Product Service & Innovation

This is a theme customized by Fudy, there is no corresponding GRI indicator at this time.

Product Service & Innovation

Material Issue

Impact Explanation		
<p>Fudy is committed to using innovative technology and green design concepts to achieve the goals of plastic reduction, volume reduction, easy disassembly, decomposition and recycling, and to work with customers to create a virtuous cycle for the environment.</p>		
Policy/Commitment	Objective	Resource
<p>We actively develop environmentally friendly materials and innovative designs to reduce the size of packaging materials and the use of raw materials, providing customers with more diversified choices of green products and creating sustainable competitiveness of the company's products.</p>	<p>Short-term Goals</p> <ul style="list-style-type: none"> The Design Department will strengthen its ability to collect and utilize new environmentally friendly materials and work with the Materials Department to find qualified suppliers for sustainable product development. 	<ul style="list-style-type: none"> Establishment of the R&D Design Center: 5 people in total.
	<p>Mid and Long-term Goals</p> <ul style="list-style-type: none"> The R&D and design center cooperated with the plant to develop and use new materials to strengthen product design and innovation. Developed 15 innovative products (five sustainable packaging products and ten green material products). 	
Responsible Unit		
<p>Taipei Fudy Headquarter: Design Department Dongguan Fuyang Plant: Engineering Department Suzhou Fuyang Plant: Engineering Department</p>	Action	
Complaint Mechanism	<ul style="list-style-type: none"> Negative Impact Management for Prevention and Mitigation: Developed water-based varnish as a substitute for plastic film to meet customers' demand for plastic reduction. Positive Impact Management: Invested in hardware and software equipment, cultivated design professionals, and conducted product R&D trials to provide innovative products that are friendly to the environment. 	
<p>Compliant Email: fudy_esg@mail.fudy.com.tw</p>	Evaluation Mechanism	
	<ul style="list-style-type: none"> Number of Patent Applications for Innovative Products 	

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Management Approach: Green Products

GRI 416-1, 416-2

Green Products

Material Issue

Impact Description		
<p>Fudy endeavors to use more professional technology and more friendly materials to achieve the goal of no hazardous substances in its products, to reduce the impact on the environment, ecology and human body, in order to fulfill its corporate responsibility for environmental sustainability.</p>		
Policy/Commitment	Objective	Resource
<p>We are committed to implementing green design and production, reducing the use of plastics, avoiding excessive packaging, and proactively promote the use of environmentally friendly materials in products to customers.</p>	<p>2022 is set as the base year.</p> <p>Short-term Goals</p> <ul style="list-style-type: none"> Green Purchases Increase 1% Purchases of raw materials for plastics decreased by 1%. 	<ul style="list-style-type: none"> Partnering with a biotech company to invest in the R&D of environmentally friendly packaging materials, investing NT\$1.9 million in Taipei Fudy. Conducting carbon footprint inventory, investing RMB 60,000(NT\$269,400) in he Dongguan Fuyang Plantinspectors. Obtaining FSC™ certification, investing a total of NT\$351,161 and 26 personnel and providing education for 162 employees.
	<p>Mid-term Goals</p> <ul style="list-style-type: none"> Green Purchases Increase 3% Purchases of raw materials for plastics decreased by 3%. 	
	<p>Long-term Goals</p> <ul style="list-style-type: none"> Green Purchases Increase 5% Purchases of raw materials for plastics decreased by 5% 	
Responsible Unit	<p>Action</p> <ul style="list-style-type: none"> Negative Impact Management for Prevention and Mitigation: Established the "Chemical Substance Management Program" for raw material control in accordance with IECQ QC 080000:2017 Standard. Enhanced the use of environmentally friendly materials and purchase local raw materials to reduce product lifecycle carbon emissions. Positive Impact Management: Proactive management of hazardous substances in accordance with international environmental laws and regulations. Adopting environmentally friendly materials such as de-plasticized films, bio-based plastic materials, FSC™ certified forest products, and mineral-free inks. sectors(Suzhou). Note: FSC™ is a certification issued by the Forest Stewardship Council(FSC). 	
<p>Taipei Fudy Headquarters: Design Department, Material Department</p> <p>Dongguan Fuyang Plant: Engineering Department, Purchasing Department</p> <p>Suzhou Fuyang Plant: Engineering Department,</p>		
Complaint Mechanism	<p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Evaluation of raw materials used to comply with RoHS and REACH SVHC requirements. Quantity of new environmentally friendly material development, FSC™ certified raw material procurement amount, quantity of alternative plastic product cases, green procurement amount evaluation. 	
<p>Compliant Email: fudy_esg@mail.fudy.com.tw</p>		

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Management Approach: Customer Relationship Management

GRI 418-1

Customer Relationship Management

Material Issue

Impact Explanation		
<p>Satisfying our customers' needs and providing them with the services they require is the key foundation of Fudy's long-term operations and will affect the company's performance and profitability. We continue to protect our customers' interests and pursue the company's best interests.</p>		
Policy/Commitment	Objective	Resource
<p>We are committed to enhancing customer satisfaction and building a multi-functional service team to provide complete, effective, and real-time services to customers.</p>	<p>Short-term Goals</p> <ul style="list-style-type: none"> Average Customer Satisfaction Score of 90 or Above 	<ul style="list-style-type: none"> Introduction of customer complaint handling into ERP system, investing in 16 personnel in Taipei, 23 personnel in Dongguan, and 18 personnel in Suzhou.
	<p>Mid-term Goals</p> <ul style="list-style-type: none"> Continuously improve the customer service management process to maximize customer satisfaction. 	
	<p>Long-term Goals</p> <ul style="list-style-type: none"> To collaborate with our customers to achieve the vision of sustainable coexistence. 	
Responsible Unit	<p>Action</p> <ul style="list-style-type: none"> Negative Impact Management for Prevention and Mitigation: Conducted customer satisfaction surveys to understand customer feedback and establish improvement plans accordingly. Established a complete in-house production process and quality inspection process to ensure product quality meets customer requirements. Positive Impact Management: Providing customers with multiple communication channels to track project progress and collect customer feedback on a regular basis to strengthen two-way communication. 	
<p>Taipei Fudy Headquarters: Business Management Department</p> <p>Dongguan Fuyang Plant: Sales Department</p> <p>Suzhou Fuyang Plant: Sales Department</p>		
Complaint Mechanism	<p>Evaluation Mechanism</p> <ul style="list-style-type: none"> Evaluation of Customer Satisfaction Survey Results 	
<p>Compliant Email: fudy_esg@mail.fudy.com.tw</p>		

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3.1 Environmental Sustainable Management

Environmental Policy

In compliance with the ISO 14001:2015 Environmental Management System standard, Fudy has established an internal "Environmental Manual" and is committed to minimizing its impact on the environment and natural resources. Our core environmental policy is "pollution prevention and waste minimization; efficient resource utilization and energy conservation; compliance with environmental regulations; continuous environmental improvement; education, participation, and giving back to the community." The following are the four major environmental sustainability management goals and management actions for 2022:

Environmental Sustainability Management Objectives	Management Actions
Waste gas, noise, and wastewater discharge management	<ul style="list-style-type: none"> Emissions are monitored and treated according to the requirements of the competent authorities.
Disposal of hazardous waste	<ul style="list-style-type: none"> Ensure that hazardous materials are handled by qualified suppliers and are properly handled, transported, stored, recycled or reused.
Chemical Substance Management	<ul style="list-style-type: none"> Establish "Chemical Substance Management Program," and control raw materials according to IECQ QC 080000:2017 standard. The purchase and application of chemicals are made by the user unit by filling out the application form and keeping relevant records, requesting the supplier to provide the safety data sheet(SDS), and loading and unloading the chemicals in a way that complies with the transportation requirements of the laws and regulations. After checking and confirming that the SDS is correct, chemicals are stored, used, and disposed of in accordance with the SDS requirements.
Management of potential fire hazards	<ul style="list-style-type: none"> Conduct quarterly/semi-annual fire drills.



Valid until: 2023.10.24

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In order to effectively manage the impacts that our business activities' impacts the surrounding environment, Fudy has established the "Environmental Consideration Identification Management Program" to determine the environmental impacts that may be caused by the products or services provided by our business activities. The evaluation factors include the type of environmental impact, frequency of occurrence, area of impact, characteristics of energy resources used, characteristics of waste generated, hazardousness, quantitative data, and severity of response. Significant environmental considerations are determined based on the evaluation results, and priorities for environmental management are developed. Before the actual construction of an environmental management system, the following five impact factors of operational activities must be considered:

1

The consumption of energy and resources required for production, as well as the emission of waste, wastewater, air pollutants, etc.

2

The possible environmental impacts caused by raw material suppliers, waste treatment companies, and product transportation operators related to product production.

3

The plant's regular and non-routine operation status, such as plant start-ups or emergency events resulting in work stoppages.

4

Past or existing negative environmental impacts and potential future environmental compliance issues.

5

Environmental impacts associated with the product or service life cycle are also considered, including the supply of raw materials, energy consumption during manufacturing processes, outsourced services, transportation and storage of products, customer use of products, and final disposal of products.

In 2022, Fudy spent more than NT\$6.11 million on environmental management, with the purchase of environmental improvement equipment being the largest item of expenditure.

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The environmental management inputs

Plant	Expenses	Detailed description	Amount(NT\$)
Taipei Fudy Headquarter	Waste treatment	Outsourced waste treatment	29,190
		General household waste	166,440
	Regular wastewater testing	Outsourced wastewater testing	13,886
	EPD reporting	Waste and air pollution declaration fees	51,080
Dongguan Fuyang Plant	Waste treatment	Purchase and replacement of environmental improvement equipment	537,701
		Outsourced hazardous waste treatment	493,900
		Outsourced industrial solid material waste treatment	40,410
	General household waste	43,104	
	Waste water treatment	Wastewater treatment for plant operation	193,968
	Regular testing of three wastes	Outsourced testing of three wastes	88,902
Equipment maintenance	Online monitoring and maintenance costs	228,092	
Suzhou Fuyang Plant	Waste treatment	Outsourced Hazardous waste treatment	782,700
		Outsourced industrial solid material waste treatment.	45,200
	Outsourced treatment of general household waste (municipal garbage collection spot)	285,800	
	Waste water treatment	Outsourced treatment of operational wastewater (municipal wastewater treatment plant)	87,950
	Periodic inspection of three wastes	Outsourced testing of three wastes	26,400
Equipment replacement	Purchase and replacement of environmental improvement equipment	3,000,000	
Total Environmental Expenditures			6,114,723

Fudy deeply understands the importance of waste management, which is why waste management is one of the material topics of ESG in 2022.(Refer to section 3.4 Waste Management for more details on management and target-setting.)

Fudy has implemented the “Education and Training Management Operating Procedure” to enhance the environmental awareness of all employees and further embed the environmental management policy in various plant areas and departmental units.

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3.2 Energy Management

With energy constraints and awareness of energy conservation on the rise, energy management has become an aspect of business operations that cannot be ignored. Data-based and intelligent energy management can effectively improve energy utilization efficiency. This not only helps reduce energy costs and enhances operational efficiency but also promotes energy-saving and carbon-reduction activities. The main types of energy used by Forte are gasoline, diesel, LPG, and electricity, with the latter accounting for the highest percentage (approximately 88.68%). In order to effectively measure and compare the efficiency of energy usage, Fudy also takes into account the annual operating revenue as a basis for energy calculation and management.

Energy use status GRI 302-1、302-3

Locations	Energy Type	Energy consumption (GJ)			
		2020	2021	2022	Percentage of energy
Taipei Fudy Headquarters	Gasoline	625.38	512.52	591.38	1.34%
	Diesel	232.18	198.11	173.46	0.39%
	Purchased	2,171.22	2,164.25	2,039.37	4.61%
Dongguan Fuyang Plant	Gasoline	737.10	707.93	701.04	1.58%
	Diesel	189.92	177.79	182.89	0.41%
	Liquefied	118.04	118.04	71.10	0.16%
	Purchased	15,120.87	15,679.12	11,798.20	26.64%
Suzhou Fuyang Plant	Gasoline	827.31	817.67	645.99	1.46%
	Diesel	1,230.34	1,216.03	960.69	2.17%
	Solar Energy	0	0	237.94	0.54%
	Purchased	25,251.07	28,783.80	26,877.24	60.70%
Total		46,503.43	50,375.26	44,279.30	100%

Note: 1. Data are rounded to the second decimal place.
 2. Purchased electricity was converted based on 3.6 GJ kWh, while gasoline, diesel fuel and natural gas were converted by referring to the "Heat Content of Energy Products" announced by the Bureau of Energy of the Ministry of Economic Affairs of the ROC.

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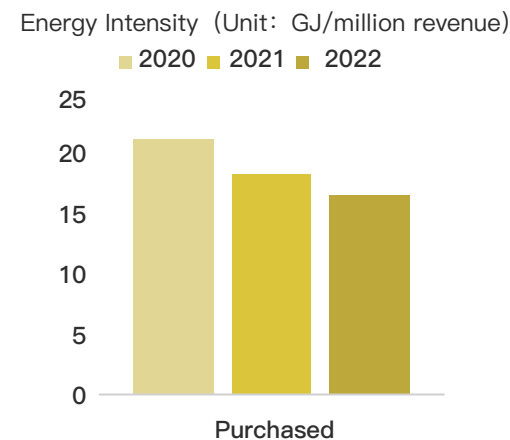
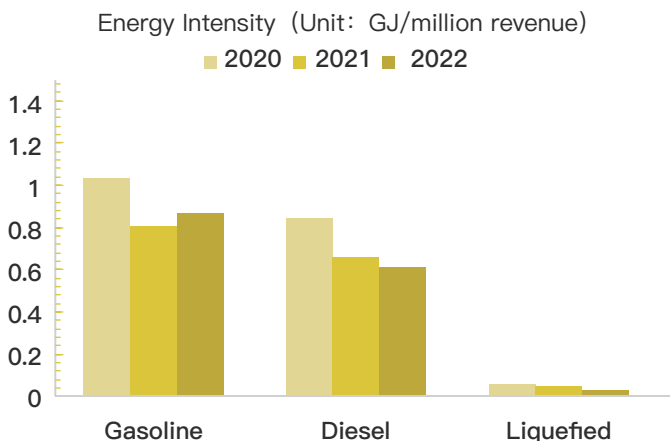
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Energy Intensity Graph



Energy management related actions and achievements

GRI 302-4, 302-5

In response to global climate change-related actions and the rising cost of energy, Fudy launched a number of energy-saving initiatives in 2022.



▲ (Fuyang Plant, Suzhou, China)

Locations	Energy Saving Actions	2022 Achievements
Taipei Fudy Headquarters	Replacement of lighting fixtures with LED energy-saving fixtures	Replacement of LED energy-saving lighting fixtures in the whole district
Dongguan Fuyang Plant	Installation of charging piles	Installation of 24 additional electric motorcycle charging piles
	Replacement of lighting fixtures with LED energy-saving fixtures	Replacement of all fluorescent lamps with LED energy-saving lights, with a total of 2,500 lamps, which saves 40% of electricity consumption.
Suzhou Fuyang Plant	Installation of solar photovoltaic station	Installation of solar photovoltaic power station, officially launched in December 2022, generating 66,080 kWh of electricity; estimated annual power generation capacity of 840,000 kWh.
	Installation of charging piles	Installation of 50 additional electric motorcycle charging piles
	Replacement of light switches with voice or timer-activated switches	Upgrade conventional light switches to voice-activated or timer-activated switches

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3.3 Management of Greenhouse Gases and other Major Air Pollutant Emissions

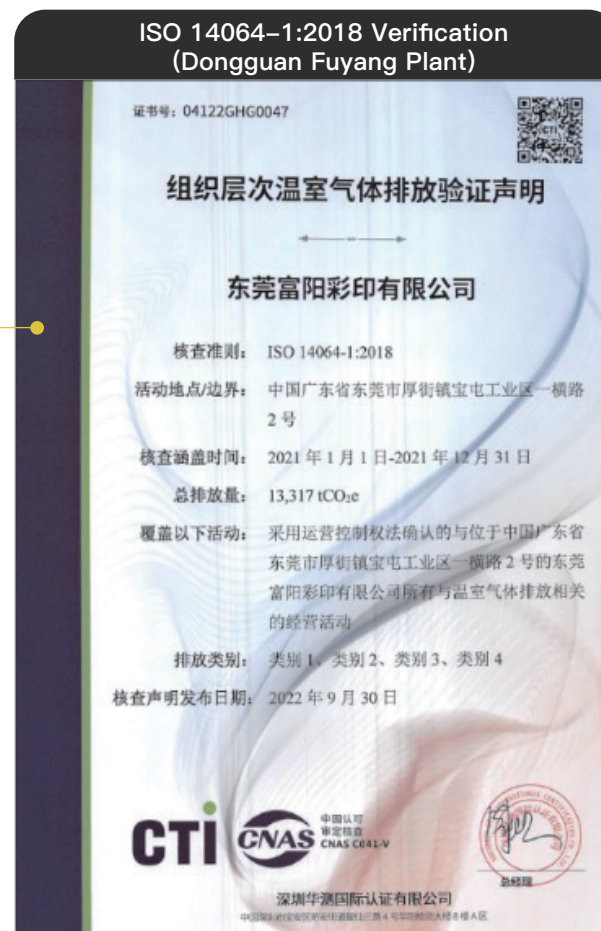
Management of greenhouse gas GRI 305-1、305-2、305-3

In view of the global wave of net-zero emissions and the net-zero emissions pathway announced by Taiwan's government in 2022, a company's energy-saving and carbon reduction performance has become one of the key indicators of its competitiveness. In order to implement corporate sustainability and respond to domestic and international trends, Fudy has introduced carbon-related management tools such as a greenhouse gas inventory and product carbon footprint inventory, utilizing the process of introducing relevant standards to identify the company's carbon emissions during its operating activities to understand the company's major energy consumption and carbon emission items and to plan and track energy saving and carbon reduction performances effectively.

Dongguan Fuyang plant completed its 2021 GHG emissions inventory in 2022 and passed the ISO 14064-1:2018 external third-party verification. We plan to complete the 2022 GHG inventory in September 2023 and will gradually introduce the GHG inventory planning for Taipei Fudy headquarters and Suzhou Fuyang plant.

Note: Dongguan Fuyang Plant completed the 2021 inventory and obtained the verification statement in 2022, with Scope 1 emissions at 492.13 tCO₂e, Scope 2 at 2,529.86 tCO₂e, and Scope 3 at 10,295.03 tCO₂e; Scope 3 inventory include Category 3 (Indirect GHG emissions from transport) and Category 4 (Indirect GHG emissions from products used by rganizations).

The company first inventoried the main types of fuels used in its operations: automotive gasoline, diesel, and liquefied petroleum gas(LPG). Based on the amount of fuel consumed in 2022, the company calculated the GHG emissions of each plant in Scope 1, and the amount of purchased electricity in 2022 was used to calculate the Scope 2 emissions. Looking at the data for overall GHG emissions, indirect GHG emissions account for 96% of all Scope 1 and Scope 2 emissions, naming purchased electricity as the main source of total emissions.



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Greenhouse gas emissions in 2022

Emission Scope	Locations	Emission equivalent(tCO ₂ e)
Scope I	Taipei Fudy Headquarters	67.25
	Dongguan Fuyang Plant	68.69
	Suzhou Fuyang Plant	118.05
Scope II	Taipei Fudy Headquarters	288.28
	Dongguan Fuyang Plant	1,667.75
	Suzhou Fuyang Plant	3,799.28

Note: The average of the GWP centennial values from the "Emission Factor Table Version 6.0.4" and the IPCC 6th Assessment Report were used as the basis to calculate the CO₂ equivalent. GHG emission factors: 2.6147 kg CO₂e/L for diesel, 2.3572 kg CO₂e/L for gasoline, and 1.754 kg CO₂e/L for liquefied petroleum gas(LPG); the emission factor for the electric power grid was calculated by using the "110th Annual Emission Factor for Electricity" announced by the Bureau of Energy of the Ministry of Economic Affairs(MOEA). Since the electricity emission factor for 2022 has not yet been announced, Scope 2 for 2022 was calculated using the previous year's emission factor(0.509 kg CO₂e/kWh).

Carbon Emission Intensity in 2022

Emission Scope	Locations	Emission equivalent(tCO ₂ e)
Scope I	Taipei Fudy Headquarters	0.03
	Dongguan Fuyang Plant	0.03
	Suzhou Fuyang Plant	0.05
Scope II	Taipei Fudy Headquarters	0.12
	Dongguan Fuyang Plant	0.72
	Suzhou Fuyang Plant	1.63

Other Major Air Pollutants Emissions

GRI 305-7

Since some of the raw materials used in the printing production process contain volatile organic compounds(VOCs), which are measured and reported to the local authorities to ensure emissions remain compliant with regulations. The amount of inks and organic solvents used in the Taipei Fudy headquarters is below control requirements, and Taipei Fudy fully introduced mineral oil-free inks in 2022.

The Dongguan Fuyang Plant has applied for an emission permit to discharge emissions in accordance with regulations to continue to exclude the use of raw materials with high VOC content and replacing them with raw materials with low VOCs(e.g., introducing the use of non-mineralized oil inks).

The Suzhou Fuyang plant has planned to upgrade its "Waste Gas Treatment Equipment" to manage the VOCs emitted from using raw materials/auxiliary materials.

Note: Conventional solvent-based inks produce a large amount of chemical sludge during production, which is prone to VOC emissions when used in production. Although alternative vegetable-based inks requires more investment in research and development and have a higher unit price, they contain fewer VOCs and are relatively non-toxic.





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Emission Permit(Dongguan Fuyang Plant)



Valid until : 2023.07.30

Emission Permit(Suzhou Fuyang Plant)



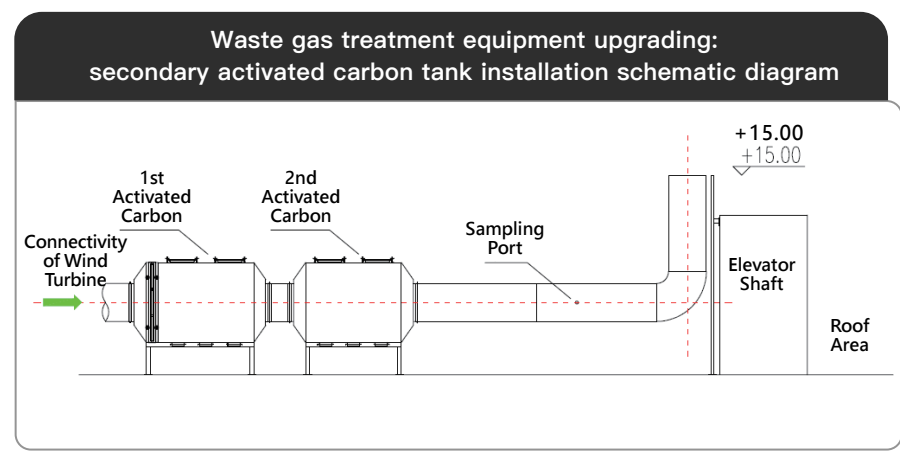
Valid until : 2025.10.14

Air Pollutants	Locations	2022 emissions(tons)
Volatile Organic Compounds (VOCs)	Taipei Fudy Headquarters(Note 1)	1.27
	Dongguan Fuyang Plant(Note 2)	0.37
	Fuyang Plant, Suzhou(Note 3)	15.17
Total		16.81

Note 1: VOC emissions data is calculated based on the ink and organic solvent usage in the printing process.

Note 2: The source of data is third-party verification on-site measurement reports.

Note 3: The source of data is the government's annual reporting data.



Upgrading of waste gas treatment equipment

Suzhou Fuyang plant is expected to complete the upgrading of the waste gas treatment equipment by June 2023, and has already consulted a professional third-party organization for the planning and construction. The updated equipment will replace the original photocatalytic technology with secondary activated carbon filtration technology and use raw materials and auxiliary materials with low or no VOC emission to effectively reduce the emission of VOCs and air pollutants.

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3.4 Waste Management

Waste Management GRI 306-1, 306-2, 306-3, 306-4, 306-5

Fudy's waste management strategy for own operations is to promote a circular economy and waste recycling to implement the recovery and reuse of resources and reduce waste generation. In order to effectively achieve the set targets for waste reduction, Fudy has not only developed its own operational waste management policy but also manages its suppliers and qualified waste treatment companies by regularly reporting the amount of waste generated to the competent authorities and compiling monthly statistics and changes to management according to the type of waste generated.

Suppliers must sign a "Supplier Social Responsibility Pledge" and conduct regular supplier ESG assessments. These measures are designed to ensure suppliers' waste management complies with laws and regulations and meets Fudy's ESG commitments to minimize negative impact on the environment.

In addition to general household waste, business waste, and waste paper from printing and cutting, Fudy also produces hazardous waste such as waste ink, waste glue, waste organic solvents, waste tarpaulins, and waste filter cartridges. Fudy follows the checklist below to check for and control hazardous material disposal. The checklist includes:

1

Hazardous waste transportation and packaging:
confirm whether labeling is correct or damaged.

2

Storage sites:
confirm whether gas collection or purification devices are installed.(Dongguan, Suzhou)

3

Disposal methods:
confirm whether personnel and waste transportation records are complete and relevant education and training are carried out.

4

Operation process:
confirm whether hazardous waste copies are well kept(five copies, three copies, or electronic), waste disposal time records are correct, and waste types and weight data are verified.

Dongguan Fuyang Plant has installed an online monitoring system for general utility waste which is connected to the environmental waste monitoring unit for control and management. Suzhou Fuyang Plant has also introduced a "complete life-cycle monitoring system" for hazardous waste, which utilizes mobile barcode scanning records at each stage of waste production, storage, transfer, and disposal, and a real-time APP(Solid Waste APP) to monitor the handling of hazardous materials.

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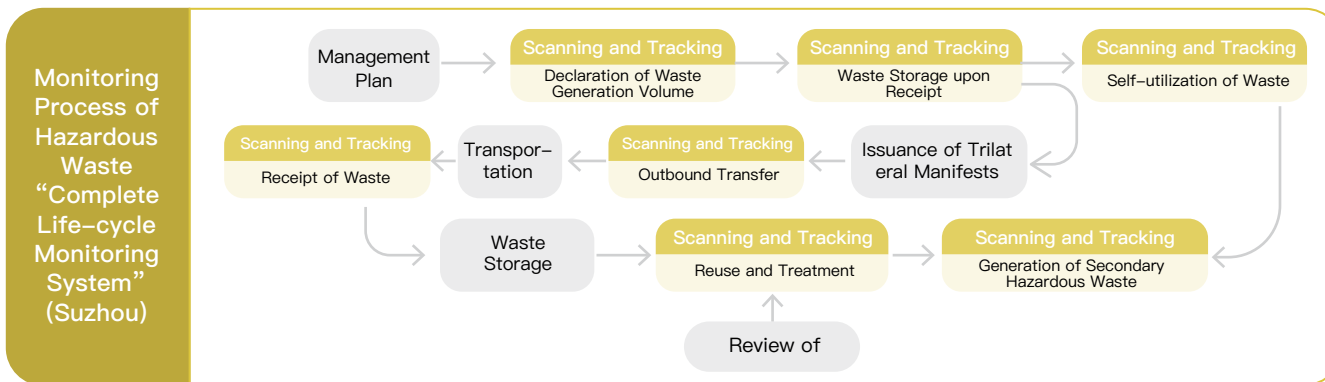
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Fudyand its affiliates' waste flow and management throughout the value chain



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All waste generated by Fudy and affiliates must be weighed before leaving the plant. In 2022, Fudy's total waste generation was 1,832.33 tons. Non-hazardous waste accounted for 1,782.45 tons (97.28%), while hazardous waste accounted for 49.89 tons (2.72%). All off-site waste produced by Fudy is handled by qualified and professional external suppliers. At the same time, garbage classification is fully implemented on-site through periodic audits to enhance the execution of garbage classification.

According to statistics, the percentage of recycling(excluding energy recovery from incineration) of off-site disposals reached 89.5%(all non-hazardous waste), reinforcing our strategic model of a circular economy.

2022 Waste Generation and Disposal Methods

Unit: tons

	Type of Waste	Breakdown	Locations			Total amount generated		Methods of Waste Disposal	
			Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Off-site disposal	On-site disposal		
Non-recyclable	Non-hazardous waste	General household waste	0.00	0.00	0.00	0.00	0.00	Incineration (non-energy recovery)	
		General business waste (general industrial solid waste)	3.60	21.90	61.00	86.50	0.00	Incineration (Energy Recovery)	
			2.59	19.19	34.30	56.08	0.00	Third Party Treatment / Off-site waste disposal	
		Subtotal of non-hazardous waste weight		6.19	41.09	95.30	142.58		
		Density of non-hazardous waste		0.01	0.08	0.09	0.18		
		Hazardous waste	Hazardous waste(including waste cloth, waste ink, waste glue, waste organic solvents, waste filter cartridges, waste packaging containers, waste plastic paper, waste glue sticks)	2.63	20.15	27.11	49.89	0.00	Third Party Processing
		Subtotal of Hazardous Waste		2.63	20.15	27.11	49.89		
		Hazardous Waste Intensity		0.00	0.04	0.03	0.07		
		Total		8.82	61.24	122.41	192.46		
		Waste Intensity (Total)		0.01	0,12	0.12	0.08		

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	Type of Waste	Breakdown	Locations			Total amount generated		Methods of Waste Disposal
			Taipei Fudy Headquarters	Dongguan Fuyang	Suzhou Fuyang	Off-site disposal	On-site disposal	
Recyclable	Recyclable Waste (waste Paper, waste Iron, waste PS plates)		337.15	380.58	922.14	1,639.87	0.00	Recycle and reuse *
		Recyclables Subtotal	337.15	380.58	922.14	1,639.87		

Note: 1. Waste filter cartridges, PS plates, adhesive papers and glue sticks are disposed of by specialized treatment plants.
2. Waste intensity = Waste generation(tons) ÷ Annual turnover(NT\$ million)

Waste Reduction Initiative

Fudy implements the 3R principles of a circular economy—Reduce, Reuse, and Recycle—in all production processes. Due to the characteristics of the industry, a large amount of waste paper is produced during the manufacturing process. Fudy implements recycling technology at the production stage; trimmings, finished products, and leftover raw materials or stagnant products during the manufacturing process are further recycled using cutting or shredding machines after confirmation of classification or quality. Printing and box trimmings are cut to the required size and then utilized, while shredded paper that cannot be reused is entrusted to a recycling plant for disposal.

Fudy promotes the replacement and elimination of office and labor protection supplies quantitatively to avoid unnecessary purchases or disposal. Each department collects consumables to be replaced by the responsible unit and replaces them with new ones in a quantitative manner. The main items under management include office consumables(e.g., lamps, light bulbs, ink cartridges, batteries, razor blades, etc.), labor protection products(e.g., gloves, goggles, masks, etc.), and rags required for the production process.

In addition to waste reduction in our operations, Fudy's business colleagues actively promote using recycled and reusable materials in our products to our existing customers. Through the green design of our products, we are able to reduce the amount of paper used and the amount of waste produced, thus expanding our waste reduction initiatives throughout the entire value chain. GEXTM a bioplastic resons made from recycled eco-waste(e.g., eggshells), was successfully promoted to select customers in 2022 and is now in mass production.

Material Use and Recycling

Currently, Fudy mainly utilizes recycled materials such as paper and PE film, which account for 84.42% of the materials used. In the future, Fudy will continue to increase the use of non-toxic, low-toxic, low-hazard, easily decomposable, or renewable raw materials.

In recent years, Fudy has been actively promoting the reduction of plastics in its products. It has identified procurement items for raw materials, including green procurement (environmentally friendly materials) and the amount of plastic procurement. In 2022, the proportion of environmentally friendly materials procurement amounted to approximately 65%, and short-, medium-, and long-term goals were set to increase the proportion of environmentally friendly materials procurement and reduce the overall proportion of plastic procurement compared to the baseline year of 2022.

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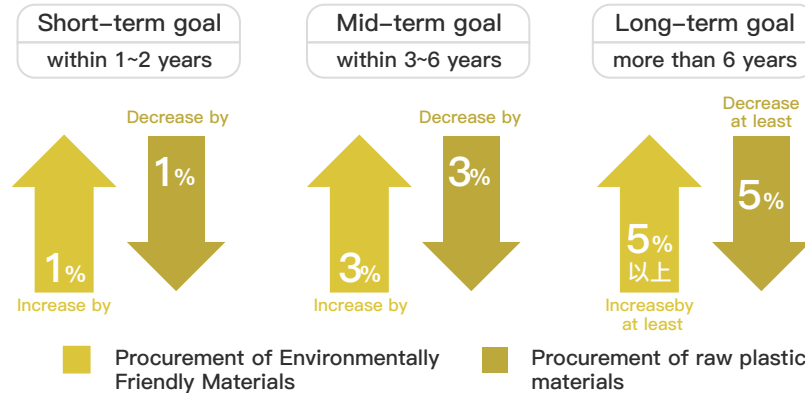
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Green Purchasing Goal Setting



Note: Please refer to Appendix II for details of the green

2022 Major Material Usage GRI 301-1、301-2

Recycled/ Non-Recycled	Material Type	Total Usage (metric tons)	Percentage
Recycled Materials	Paper	7,150.0	84.4%
	PE Film	0.3	0.0%
Non-Recycled Materials	Auxiliary Materials	626.0	7.4%
	Consumables	685.0	8.1%
	Tape	7.8	0.1%
Total		8469.1	100%

Note:

1. Material recycling statistics only calculate the amount of off-site recycling.
2. Auxiliary materials such as inks, organic solvents
3. Consumables such as filter cartridges

Recycling of packaging materials

GRI 301-3

Fudy has implemented a recycling and reuse mechanism for chemical material drums. After the materials are used up, all the drums are returned to the supplier to reduce the consumption of raw material packaging and achieve the effect of circular reuse. In 2022, over 4,300 plastic drums were returned.

Auxiliary Raw Material Substitution Program

In line with the local government's environmental policy, Suzhou Fuyang plant started an "Auxiliary Material Replacement Program" in 2022 to replace solvent-based auxiliary materials with more environmentally friendly water-based or semi-water-based chemicals. Presently, the company has identified seven types of auxiliary materials for replacement, including inks, adhesives, varnishes, car washes, isopropyl alcohol, thinners, and reducing agents, among which inks, adhesives, varnishes, car washes, and four other chemicals have been successfully replaced with a substitution rate of 57%. The Fuyang Suzhou plant has established an annual plan in accordance with the implementation of this program, in which the usage of each substance by each department is graded, reported, and reviewed in monthly meetings. The findings are shared with the rest of the Fudy plants to aid advancement towards the mutual goal of sustainability.

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3.5 Water Resource Management

Access to Water GRI 303-1、303-2、303-3、303-4、303-5

Climate change has heightened the water scarcity crisis in certain places, including Taiwan and China; both have not received sufficient rainfall for a long time and are suffering from an increased frequency in the occurrence of droughts due to global warming. However, the production process demands a large amount of water resources for operations within the printing and packaging industry to run smoothly. Thus, the printing and packaging industry is consequential in managing water resources and extraction.

Fudy's water consumption and management is carried out in accordance with the company's internal "Water Resource Control Management Regulations." The General Affairs Department is responsible for monitoring and recording the company's water consumption, reviewing the status of water intake and discharge daily, and completing a daily water consumption report to assess current trends and formulate water conservation measures to hit relevant water intake and consumption targets. In 2022, the company's water intake was completely sourced from tap water, with a total input of 90.93 million liters(megaliters), a total discharge of 57.58 million liters, and a total water consumption of 33.36 million liters.

Water Intake, Discharge and Consumption at Operating Sites in 2022

Item	Type of Water Source	Water volume(millions of liters)			
		Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Total
Water Intake	Tap Water	1.74	60.86	28.33	90.93
Discharge		1.74	36.01	19.83	57.58
Water Consumption		0.00	24.86	8.50	33.36

The Aqueduct, an open database developed by the World Resources Institute(WRI), was used to conduct a water risk analysis to identify the baseline water stress levels in the regions where our global plants are located and to assess whether the water supply meets the local water use or the natural environmental needs(water stress). The overall water risk classification of Taipei Fudy Headquarters is low to medium(1-2), with the Dongguan Fuyang Plant scoring medium to high risk(2-3) and the Suzhou Fuyang Plant placed at high risk(3-4). The water stress assessment results of Taipei Fudy Headquarters and the Dongguan Fuyang Plant are low(less than 10%), while the assessment results of the Suzhou Fuyang Plant are higher(falling between 40-80%).

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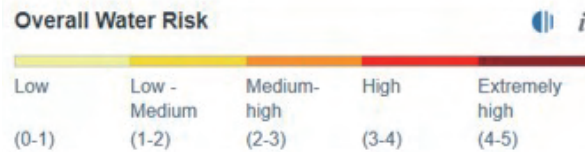
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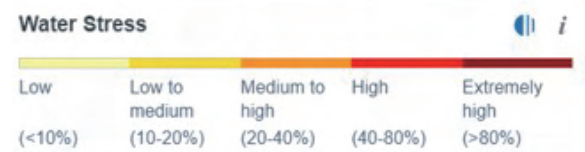
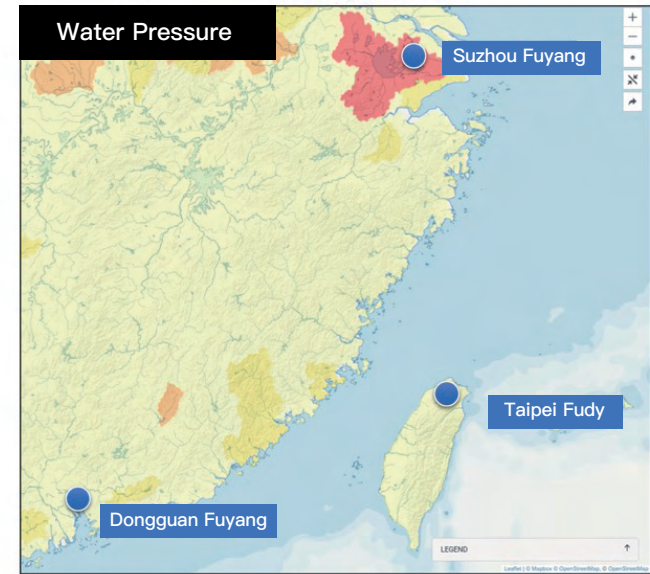
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Sites	Overall Water Risk Assessment (Baseline)
Taipei Fudy	Low-Medium
Dongguan Fuyang	Medium-high
Suzhou Fuyang	High



Sites	Water Pressure Assessment
Taipei Fudy	Low <10%
Dongguan Fuyang	Low <10%
Suzhou Fuyang	High 40-80%

We have established water resource control targets for Suzhou Fuyang Factory in 2022, setting a goal to reduce total water usage by 6 tons (0.006 million cubic meters) compared to the previous year, and strengthening supervision to ensure that all departments close taps when required.

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Water Risk and Pressure Assessment at Operational Sites

In order to cope with possible water-related risk events(e.g., drought, flooding, heavy rainfall, etc.), Fudy will develop a diversified contingency plan for Suzhou Fuyang plant, which has been assessed to be at medium-to-high risk according to the water risk level and the results of the water stress assessment. For example, a "Flood Prevention and Emergency Response Plan" has been formulated to ensure the company can immediately prevent or mitigate flood damage upon receiving a flood forecast. The flood prevention procedures include naming each unit's rescue, liaison, and command units during a flood, identifying the members and division of labor of the flood prevention and relief team, and preparing the flood prevention equipment as well as planning for disaster prevention and procedures.

In the event of severe weather changes that result in water-related risks, Fudy will manage and respond in accordance with the "Emergency Preparedness and Response Management Procedures" and "Storm water Management Procedures" and will require each plant to pay close attention to weather forecasts, inspect storm drains weekly and increase the frequency of inspections before and after heavy rainfalls. In heavy rainfalls, the drainage system will be shut down immediately to prevent raw materials or pollutants from being washed away, resulting in further pollution(Dongguan and Suzhou).

Fudy did not experience any natural disasters related to droughts or floods in 2022.

Water Conservation and Performance

In addition to daily monitoring of water resources, the company has taken the initiative to take actions related to water conservation from product development, design, technology research, and development to product manufacturing processes, incorporating the concept of water conservation in each. In 2021, the company purchased a water filtration recycling system, which recycles water in the plate processing and printing cleanrooms at Dongguan Fuyang Plant and Suzhou Fuyang Plant, to reduce water consumption by about 392,862 metric tons in 2022 compared with that of 2021. Fudy actively promotes water conservation by notifying its employees, raising their awareness of the issue, and installing water-saving valves in the plants to better the overall operating environment in view of water conservation efforts.

Water Resource Management Measurements and Water Conservation Actions:

- ◆ Incorporate water conservation thinking into product development, design, technology development, and manufacturing processes.
- ◆ Reduce the frequency of cleaning equipment in relevant departments to save water.
- ◆ Promote the concept of water conservation, with responsibility units providing relevant education, training, and promotion to all employees.
- ◆ Conduct regular inspections of water consumption in each plant and immediately improve the situation if there is any wastage of water resources.
- ◆ Install water-saving equipment such as water recycling system equipment and water-saving valves.

Wastewater Discharge Management

GRI 303-2

In order to ensure the quality of water resources and maintain the ecosystem in water resources, Fudy manages the quality of wastewater discharged in accordance with the local water quality standards and regulations of each operation. Fudy Taipei headquarters follows the established "Water Pollution Management Procedures;" wastewater in the plant must go through wastewater treatment before being discharged into the sewers. When the quality of the discharged water fails to meet the standard, water quality will be improved using the "Corrective and Preventive Measures Procedures."

Dongguan Fuyang Plant and Suzhou Fuyang plant manage water quality in accordance with regional regulations(as stated in the notes) and follow the "Water Pollution Management Procedures" established by the two plants. In order to prevent the discharge of hazardous wastewater as a result of the manufacturing process from polluting water sources, the plate-flushing and developing wastewater generated during the manufacturing process is treated by the "solid-liquid separation and environmental protection treatment equipment" and then washed out and rinsed before being recycled to be reused in the water recycling printing cleanroom. Solid waste is then separated and handed over to qualified recycling operators for disposal. General domestic wastewater is treated in Class III septic tanks before being discharged into the sewers.

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Taipei Fudy Headquarters	Item	Drainage Standards	Actual Drainage Data
	Hydrogen Ion Concentration Index(pH)	6-9	8.3
	Temperature	Below 38°C(May-Sep); below 35°C(Oct-Apr)	33.4°C
	BOD	30 mg/L	<1.0 mg/L
	COD	100 mg/L	68.9 mg/L
	SS	30 mg/L	<1.25 mg/L
	True Color Chromaticity	400	<25
	Free residual chlorine	2 mg/L	ND

Dongguan Fuyang Plant	Item	Drainage Standards	Actual Drainage Data
	Hydrogen Ion Concentration Index(pH)	6-9	7.1
	Temperature	Below 38°C(May-Sep); below 35°C(Oct-Apr)	23.8°C(during measurement)
	BOD	≤ 300mg/L	≤ 95.5 mg/L
	COD	≤ 500mg/L	≤ 195 mg/L
	SS	≤ 400mg/L	≤ 44 mg/L
	True Color Chromaticity	-	-

Note 1: Discharged into the municipal sewage network in accordance with the Guangdong Province's "Limits of Emission of Water Pollutants"(DB44/26-2001). After period two of standard three, the sewage is processed by the municipal network and taken to the Houjie Shatang Sewage Treatment Plant of Dongguan City for in-depth treatment. Water with quality reaching the "Pollutant Emission Standards for Sewage Treatment Plants in Cities and Towns"(GB18918-2002) is discharged into the Dongyin Canal.

Suzhou Fuyang Plant	Item	Drainage Standards	Actual Drainage Data
	Hydrogen Ion Concentration Index(pH)	6-9	7.6
	Temperature	Below 38°C(May-Sep); below 35°C(Oct-Apr)	25°C
	BOD	300 mg/L	167 mg/L
	COD	500 mg/L	402 mg/L
	SS	400 mg/L	96 mg/L
	True Color Chromaticity	400	ND
	Free residual chlorine	2 mg/L	ND

Note 1: In accordance with the "Comprehensive Sewage Discharge Standards"(GB8978-1996).

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Handling of incidents related to wastewater pollution

In 2020, there was an incident of environmental pollution caused by the illegal dumping of hazardous waste(waste adhesive) at Suzhou Fuyang plant. After timely and appropriate corrective actions, a professional third party has examined and verified the environment to be fully recovered. Nevertheless, in order to prevent the same incident from occurring in the future, the following management and preventive corrective measures have been implemented:

1 Installation of surveillance cameras and fences to prevent employees from entering vacant areas.

2 Regular audits on the implementation of waste and wastewater recycling and tightening of the control of relevant personnel.

3 Emphasis on the education and training of employees with more precise definitions of the responsibilities of relevant personnel and adherence to the "Environmental Safety Commitment,"

4 Monthly EHS management meetings chaired by the senior management at Fuyang Suzhou to review environmental management-related matters.

3.6 Product Quality and Innovation

Product Quality Control GRI 416-1, 416-2

In accordance with ISO 9001:2015, Fudy has established the "Quality Manual," internally formulated a product quality management system, and required the relevant management or operating personnel in the product manufacturing process to sign environmental protection commitments to ensure that the manufacturing process complies with safe production and environmental protection standards and that the quality and safety of the products meet the requirements of the customers. There were no violations of any health or safety related regulations in 2022.

Fudy Taipei manages hazardous substances through the IECQ QC080000:2017 Hazardous Substances Management System to mitigate the potential for health and safety-related issues. Fu-Yang in Dongguan and Suzhou have set up "Environmentally Related Substances Management Guidelines" in accordance with international standards such as SONY:SS-00259, RoHS, WEEE, REACH, HF, and others. The inks used throughout our manufacturing process go through strict selections. Based on the data provided by third-party testing organizations, 100% of the inks currently used by Fudy meet 2023 regulations, with the total composition of Mineral Oil Saturated Hydrocarbons(MOSH) and Mineral Oil Aromatic Hydrocarbons(MOAH) at <1%. We continue to search for alternative inks that comply with the 2025 French Packaging Materials and Mineral Oil Requirements(French EPA).



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Valid until:2023.10.24



Valid until:2026.01.23



Inspection Day 2022.09.30



Valid until: 2023.12.31(Suzhou)

Valid until:2023.06.22(Dongguan)

Product Quality Correction & Prevention

In order to ensure the consistency and reliability of our products, Fudy has established "Corrective and Preventive Measures Procedures" and "Continuous Improvement Procedures." When a quality abnormality occurs, corrections are made in accordance with the relevant procedures, and potential problems are identified to prevent recurrence.

After identification and evaluation, quality anomalies that occurred in 2022 can be classified into five types, namely: printing color differences, mixing, hot stamping errors, breakage and dirt, and the "Corrective and Preventive Measures Procedures" and "Continuous Improvement Procedures" were followed by the responsible units to deal with and follow up subsequently.

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Product Quality Management Actions and Performance

In order to implement precise and methodical product quality management, we are committed to obtaining professional quality management certifications, including the G7 color management certification and the GMI(Graphic Measures International) professional printing certification to highlight our professional competence and commitment to product management.



Valid until:2023.08.31



Valid until:2023.05.31



verified at 2018/06/20

Product Innovation and Green Products

In the competitive consumer market, the function of product packaging is not only to provide product protection but also to attract consumers' attention, strengthen brand recognition and realize brand value, and thus stand out among competitors. The selection of environmentally friendly packaging materials and lightweight designs can help reduce energy consumption in production, transportation, and even at the disposal stage, minimizing carbon emissions and increasing the added value of products. Fudy is committed to developing green products, using environmentally friendly materials, and utilizing Fudy's own professional printing technology and packaging structure design capabilities to reach sustainability actively.

Using Environmentally Friendly Materials

Fudy developed GEX™ resins, a bio-based raw material that can replace plastics. GEX™ resins are made from recycled eco-waste(e.g., egg shells), which can replace petrochemicals, and are environmentally safe and non-toxic in compliance with the European Union's REACH requirements.

Products are made from FSC™ certified paper to ensure that the raw materials used come from well-managed forests.

Aqueous dispersion coating is VOC-free and has better abrasion resistance than traditional matte films.

Using all-vegetable oil inks eliminates the air pollution problem of VOC emissions during manufacturing compared to mineral inks. It is considered as a sustainable and biodegradable resource, making it an environmentally friendly material for sustainable operations.



Aqueous dispersion coating is mainly used to replace PP film, with abrasion-resistant, fold-resistant and highly functional features. This water-based alternative has passed international environmental standards such as RoHS, REACH, and VOCs, and can be widely used in various packaging.

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Environmentally Friendly Workmanship and Green Designs



Lightweight & All-paper structural design

- ◆ Molded pulp products, made of natural fiber, can be used in outer packaging and inner packaging protection layers.
- ◆ The all-paper structural design achieves the advantages of plastic reduction and lightweight packaging and meets the testing standards of ISTA in the United States.
- ◆ Structural design reduces the weight and volume of product packaging, effectively reducing the cost of transportation carbon emissions.
- ◆ Fudy helped a well-known brand replace greyboard with corrugated paper to reduce the weight of mouse rigid gift boxes.
- ◆ Paper bags made of pulp replace plastic packaging and protective layers are 100% biodegradable, good quality, no flakes, and can be used for electronic products.



Note : ISTA International Safe Transit Associate

2022 Low Carbon Energy Saving Products and Services in 2022

Location	Products/Services	Description of Product Benefits	Percentage of Revenue	Example
Taipei Fudy Headquarters	Bioplastic Material Applications (GEX™)	The GEX™ bioplastic technology is applied to packaging manufacturing, creating durable and eco-friendly packaging liners and trays that reduce carbon and plastic waste and are recyclable.	1%	
	Mineral Oil Free Ink Applications	Regular inspection reports with VOCs content in line with international standards to minimize environmental impact.	11.55%	
	Boutique Branded Paper Structured Product Packaging	Replace EPE/PU/EVA and other plastic materials with paper structure design and use FSC™ certified materials.	1.5%	

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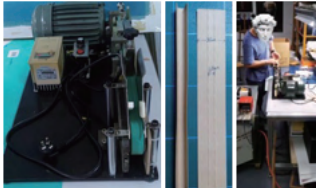
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Location	Products/Services	Description of Product Benefits	Percentage of Revenue	Example
Taipei Fudy Headquarters	All-paper structural design	Plastic packaging bags and liners are replaced with paper with the advantages of eco-friendliness, less weight, and easy recycling. And they successfully pass the ISTA testing.	30.39%	
Dongguan Fuyang Plant	Replacement of film with plasticizer	The total film replacement rate is 10%, reducing plastic use to minimize the environment impact while meeting the demand for moisture-proof packaging.	1%	
	Mineral oil free ink application	100% mineral-free ink is used, with VOCs content in line with international standards, reducing environmental impact.	5%	
	Use of water-based blister oil	We replaced 100% of oil-based blister oil with environmentally friendly water-based blister oil to minimize the harm organic solvents may cause to the human body.	3%	
Suzhou Fuyang Plant	Customized Plastic & Paper Reduction Design	The structure is redesigned according to customer product needs, using lightweight materials, and successfully passed the ISTA testing.	5%	
	Automatic folding machine for kraft cartons	We used idle folder-gluer accessories and motors to make simple automatic folding equipment. The folding efficiency is 30 times that of manual folding, effectively improving production capacity. The patent was applied.	3.875%	

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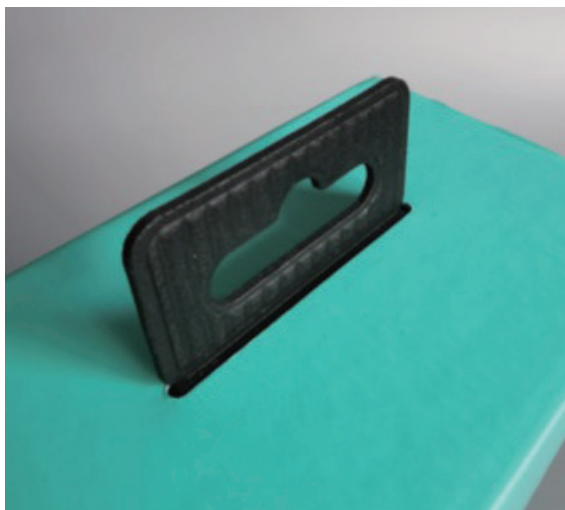
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Innovative Product Examples – Paper Carrying Handle/Hook, Paper Cushioning Material

The handle is completely made of paper from wood pulp, which can be completely decomposed or recycled to become the source of pulp material and is tested to be able to withstand up to 15 kilograms in weight, providing customers with both environmentally friendly and tough packaging material options



Future product innovation and planning

In order to realize our vision of sustainable packaging materials, we will continue to develop and utilize green and environmentally friendly materials. Fudy and its affiliates have set up an incentive system to encourage employees to submit innovative proposals for improvement related to product development by offering a bonus based on the actual benefits of the proposed improvement.

In addition to the continuous launch of innovative product research and development projects, Fudy continues to proactively negotiate and discuss with customers the possibility of using environmentally friendly materials while using our expertise in packaging structure design to assist customers in effectively reducing the volume and weight of product packaging and thereby reduce the carbon footprint in a product's lifecycle.

Patent Applications and R&D Funding in 2022

year	Number of Patent	Amount of R&D Investment (NT\$_million)
2020	4	1,343
2021	19	4,614
2022	11	6,554

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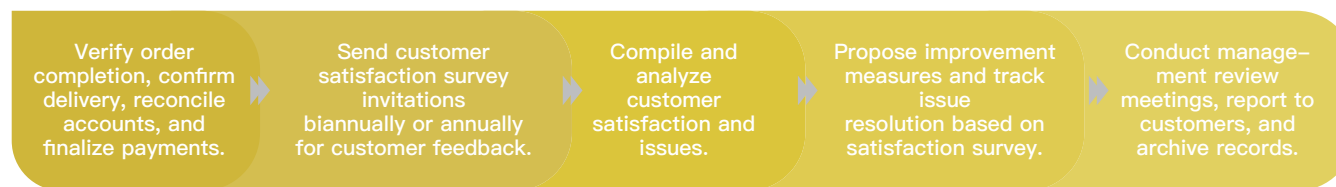
In order to maintain a good relationship with our customers, Fudy provides diversified and transparent communication channels(e.g., face-to-face interviews, emails, phone calls, and online communication). If we receive any complaints or problems from our customers, we will handle them through the customer complaint handling process in accordance with "Customer Service Handling Procedures" and other relevant internal regulations.

The customer complaint handling process is as follows:



Fudy and its affiliates conduct customer satisfaction surveys every year. Each year, at least 10(or more) customers are randomly selected from each plant and sent customer satisfaction survey questionnaires, of which two are chosen to make up the top ten customers in terms of turnover. Satisfaction surveys include service attitude, staff response and professional knowledge, product quality, product quotation, quality control staff services, quality control, the handling of abnormalities, delivery speeds, delivery staff services, plant environments, and green products.

The customer satisfaction survey process is as follows:



Fudy and its affiliates have assigned a unit dedicated to customer relationship management whose main responsibilities are to track and manage customer satisfaction scores, conduct reviews and improvements based on customer suggestions, and promote the implementation of sustainable issues and policies in a timely manner in order to uphold the company's reputation.

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Customer Satisfaction Survey Results by Operating Location, 2020–2022

In 2022, the customer satisfaction score of the Dongguan Fuyang Plant reached 92(out of a possible 100 points, a score higher than the 80 points is considered satisfactory), while that of Suzhou Fuyang plant is 8 points(out of a possible 10 points), and that of Fudy Headquarters in Taipei is 53.8 points(out of 60 points)—an improvement of 1.3% compared to that of 2021 and a marker of an upward trend.

Locations	Full Score Setting Points	Overall Average		
		2020	2021	2022
Taipei Fudy Headquarters	100	87	88.7	89.7
Dongguan Fuyang Plant	100	96.8	96.8	92
Suzhou Fuyang Plant	100	88	86	80

Note: The three plants use different point systems(Taipei: 60, Dongguan: 100, and Suzhou: 10). In order to make the report easy to read, numbers have been adjusted to be shown as percentages.

Suzhou scored relatively low on “Business Response Satisfaction” and “Delivery Quality.” As a result, it will continue to improve relevant departments and track their performances through utilization of the “Customer Service Defect Improvement Form.”



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83	4.3 Occupational Health and Safety
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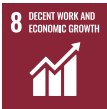

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Response to SDGs and Sustainability Performance	
Contributing to the UN SDGs	Sustainability Performance
 <p>SDG 3 Good Health and Well-being</p>	<ul style="list-style-type: none"> → Employees are the key to the company's sustainable operation. Fudy and its affiliated companies are committed to creating a healthy and happy working environment with a balanced mind and body. We also provide employee health checkups and offer special health checkups for employees in high-risk positions. The safety of workers is our primary goal. → 0 severer occupational incidents in 2022 → 2 minor occupational incidents in 2022 → Disabling injury frequency rate (FR) and severity rate (SR) were both 0 in 2022.
 <p>SDG 5 Gender Equality</p>	<ul style="list-style-type: none"> → In terms of employee recruitment, gender equality is highly valued for both senior executive and general employees. In 2022, the proportion of female employees reached 43.4%, and the proportion of female senior executives will be 30%.
 <p>SDG 8 Decent Work and Economic Growth</p>	<ul style="list-style-type: none"> → The proportion of a boriginal people, ethnic minorities, foreign employees, and people with disabilities was 6.4% in 2022. → Employee education and training are emphasized to enhance professional skills and innovative thinking, <ul style="list-style-type: none"> Taipei: 484 hours in total, with an average of 4.36 hours per person Dongguan: 7,440 hours in total, with an average of 24 hours per person Suzhou: 5,008 hours in total, with an average of 8 hours per person
 <p>SDG 17 Partnerships for the Goals</p>	<ul style="list-style-type: none"> → Social inclusion activities include charitable donations and community participation, with an investment of over NT\$692,241 in 2022.

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Management Approach–Occupational Safety and Health GRI 403

Occupational Safety and Health
 Material Issue

Impact Description

Fudy and its affiliates strictly comply with the Occupational Safety and Health Regulations and the RBA Code of Conduct. Through education and training, Fudy helps its employees to strengthen their awareness of workplace hazards, protect their health and safety, and reduce the risk of accidents. The safety and health units and supervisors of each plant are responsible for the implementation of occupational safety and health management, setting up applicable performance targets and promoting the participation of all employees in order to achieve an accident-free, safe and healthy workplace.

Policy/Commitment	Objective
<p>Fudy and its affiliates are committed to building a “healthy, safe and reliable working environment.” Each plant follows the occupational safety and health management framework of each region and, through a comprehensive health management system, draws up an implementation plan each year for employee health care and health needs. The occupational safety and health personnel, plant nurses, and occupational physicians working together on health management to actively create a healthy workplace. At the same time, they strengthen the management of hygiene and personnel health risks in response to pandemics, in order to create an all-around circle of health protection.</p>	<p>The ultimate goal is to achieve “Zero hazards and Zero Accidents” in accordance with domestic occupational hazards related regulations and definitions, and to create a safe working environment.</p> <div style="background-color: #e0f2f1; padding: 5px; margin-bottom: 10px;"> Short-term Goals (2023) <ul style="list-style-type: none"> ◆ 0 serious or above industrial safety incidents. ◆ The number of minor or above accidents is ≤4. </div> <div style="background-color: #e0f2f1; padding: 5px; margin-bottom: 10px;"> Mid-term Goals (2024–2026) <ul style="list-style-type: none"> ◆ 0 workplace accidents per year. ◆ The frequency of incapacitating injuries(FR) and the severity of incapacitating injuries(SR) are both zero. </div> <div style="background-color: #e0f2f1; padding: 5px;"> Long-term Goals (2027–2030) <ul style="list-style-type: none"> ◆ 0 workplace accidents per year. ◆ The frequency of incapacitating injuries(FR) and the severity of incapacitating injuries(SR) are both zero. </div>
Resource	
Responsible Unit	<div style="border: 1px solid #00a651; border-radius: 10px; padding: 5px; margin-bottom: 10px;"> Taipei Fudy Headquarters <ul style="list-style-type: none"> ◆ External training license: Fire Safety Manager: NT\$7,200 and 3 licenses. Occupational Safety and Health Supervisor: NT\$2,400 and 2 licenses. Safety and health education and training: NT\$4,500 and 1 license. ◆ Third Party Inspection: Fire Safety Equipment Inspection and Repair Report: NT\$36,698. Inspection of Fire Safety Evacuation Facilities and Equipment in Buildings: NT\$18,375. </div>
<p>Taipei Fudy Headquarters: General Affairs Division, Operations Management Department</p> <p>Dongguan Fuyang Plant: Management Department</p> <p>Suzhou Fuyang Plant: Management Department</p>	

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Complaint Mechanism	Resource
<p>External Complaint Email: fudy_esg@mail.fudy.com.tw (Taipei) audit@fuyangprint.com (Dongguan) nj@mail.fuyangpacking.com (Suzhou)</p> <p>Employee Suggestion Box is located on the Bulletin Board.</p> <p>Employee Complaint Email: Fudy_hr@mail.Fudy.com.tw (Taipei) person@fuyangprint.com (Dongguan) hr@mail.fuyangpacking.com (Suzhou)</p> <p>Emergency Contact Number for Workplace Safety: +886-2-2226-5868 #607 (Taipei) +86-769-85824620#178 (Dongguan) +86-512-62716091#328 (Suzhou)</p>	<p>Dongguan Fuyang Plant</p> <ul style="list-style-type: none"> ◆ External training license: Fire Safety Manager: NT\$9,000 and 2 licenses. Occupational Safety and Health Supervisor: NT\$9,000 for 2 licenses. Organic solvent operation supervisor: NT\$9,000 for 2 licenses. Safety and Health Education and Training: NT\$13,500 for 3 licenses. ◆ Third Party Inspection: Fire Safety Equipment Inspection and Repair Report: NT\$138,020 Inspection of Fire Safety Evacuation Facilities and Equipment in Buildings: NT\$92,250 <p>Suzhou Fuyang Plant</p> <ul style="list-style-type: none"> ◆ External training license: Fire Safety Manager: NT\$3,544 and 2 licenses. Occupational Safety and Health Supervisor: NT\$1,772 and obtained 1 license. Organic solvent operation supervisor: NT\$2,658, obtained 2 licenses. Safety and health education and training: NT\$3,544, 2 licenses. ◆ Third Party Inspection: Fire Safety Equipment Inspection and Repair Report: NT\$79,740 Inspection of Fire Safety Evacuation Facilities and Equipment in Buildings: NT\$44,300
Action	
<ul style="list-style-type: none"> ◆ Negative Impact Prevention and Mitigation: Established emergency response measures and regularly conduct emergency drills to minimize losses caused by emergencies. Conducted annual internal and external audits of occupational safety and health to review and improved areas that may lead to occupational safety accidents. Fudy and its affiliates implemented occupational safety and health management and disaster prevention through the PDCA management cycle in accordance with the occupational safety and health regulations at each business location. Taipei Fudy headquarters follows RBA Code of Conduct 7.0, Suzhou Fuyang follows ISO 45001:2018 Occupational Safety and Health Management System and Supplier Ethical Trade Audit(SMETA-4P), and Dongguan Fuyang follows Supplier Ethical Trade Audit(SMETA-2P) for occupational safety and health management. 	

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Action

◆ **Occupational Safety and Health Management:**

Implement risk, opportunity and regulatory and other compliance management process requirements / Identify operational hazards and eliminate or control them / Improve organization risk awareness / Establish monitoring and measurement processes for continuous improvement.

◆ **Positive Impact Management:**

Continuous improvement of occupational safety and health, conducting occupational safety education and training and promotion to improve employee safety awareness and reduce the accident rate.

Evaluation Mechanism

◆ **2022:**

0 severer occupational incidents; 2 minor occupational incidents in 2022
Disabling injury frequency rate(FR) and severity rate(SR) were both 0 in 2022.



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Management Approach – Human Rights Protection GRI 406-1、408-1、409-1

Human rights protection
Material Issue

Impact Description	
<p>Fudy and its affiliates are committed to upholding the basic human rights of employees, complying with labor laws and regulations in the operating regions, and following international human rights conventions, in order to create a work environment that values individual dignity and worth. We have formulated the "Human Rights Management Policy" and the "RBA Social Responsibility Management Manual," which cover human rights policy, freedom of employment, gender equality, non-discrimination, workplace stress management and emotional management(workplace health and safety), wages and benefits, etc., in order to fulfill corporate social responsibility and protect the basic human rights of all employees, customers, suppliers and stakeholders. Fudy and its affiliates comply with labor laws and the provision of the RBA 7.0 Code of Conduct, with no child labor, forced labor, or discrimination.</p>	
Policu/Commitment	Objective
<p>Fudy and its affiliates comply with relevant labor laws and regulations and international human rights conventions, protect gender equality, the right to work and prohibit any form of discrimination, prohibit the use of child labor and forced labor, respect employees' freedom of association and the right to collective bargaining, appropriately arrange working hours and rest, and provide reasonable wages and benefits.</p>	<p>Short-term goals ♦ Employee completion rate for human rights-related courses in the three plants: 90%</p>
	<p>Mid-term goals ♦ Employee completion rate for human rights-related courses in the three plants: 95%.</p>
	<p>Long-term goals ♦ Employee completion rate for human rights-related courses in the three plants: 99%.</p>
Responsible Unit	Resource
<p>Taipei Fudy Headquarters: Finance Department Dongguan Fuyang Plant: Management Department Suzhou Fuyang Plant: Management Department</p>	<p>♦ Implementation of the Responsible Business Alliance Code of Conduct(R-BA7.0) and education training: Taipei Fudy Headquarters invested NT\$227,500 and conducted 227 hours of education training with a total of 89 participants.</p> <p>♦ Implementation of Supplier Ethical Trade Testing(SMETA-4P): Dongguan Fuyang Plant and Fuyang Plant in Suzhou invested a total of NT\$203,780 to conduct high-standard inspections on labor rights, health and safety, environmental protection, and business ethical practices, and obtained certification.</p> <p>♦ Disney ILS Audit Checklist: Suzhou Fuyang plant invested NT\$150,620 to pass the Disney ILS audit checklist, which includes human rights checks such as no child labor, prohibition of forced labor, and anti-coercion work.</p>
Complaint Mechanism	
<p>Complaint hotline for sexual harassment: +886-2-2226-5868 #106(Taipei) +86-769-85824620#178(Dongguan) +86-512-62716091#328(Suzhou)</p> <p>Complaint Email : fudy_hr@mail.fudy.com.tw(Taipei) person@fuyangprint.com(Dongguan) nj@mail.fuyangpacking.com(Suzhou)</p>	

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Actions

◆ **Negative Impact for Prevention and Mitigation:**

Implemented the RBA Code of Conduct on Labor and Worker's Rights

Prohibition of forced labor and child labor: strengthening human rights management, optimizing the hiring process and management of foreign employees, refusing to hire child laborers under the age of 15 and prohibiting young employees under the age of 18 from performing hazardous work and working overtime at night.

Completed notification procedures for changes in labor conditions in accordance with regulations.

Wages and benefits: Provide fair and reasonable wages and working conditions. In 2022, employee salaries were increased more than 4%.

Working hour management: To control working hours and arrange vacation to avoid employees working excessive overtime.

◆ **Impact Management:**

Freedom of Association: The RBA Social Responsibility Management Manual was developed to respect employees' rights to freedom of association and collective bargaining.

Evaluation Mechanism

◆ In 2022, Fudy Taipei headquarters was audited for the first time by a third-party inspection organization for RBA 7.0 VAP. The company was highly compliant with local laws and regulations in Taiwan in terms of human rights, health and safety, environmental protection, and business ethics.

Global Human Rights Standard Audit: 4 internal audits and 3 external audits in 2022, with no major abnormalities found during the audits.

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4.1 Friendly Workplace Environment

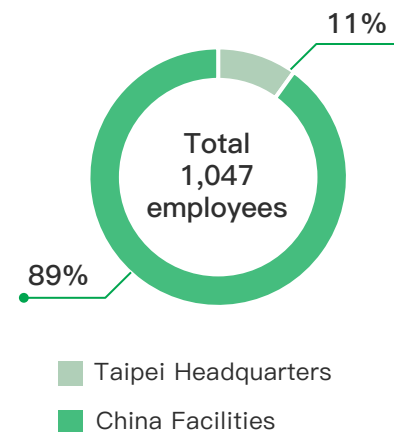
Employee Structure

GRI 2-7、2-8、405-1

At the core of Fudy's sustainable business is the belief that " We use the same machines as our competitors, but our greatest strength is people." The employees are Fudy's most important assets and also our important partners in the development of sustainability, and only by taking good care of our employees, providing a good working environment, and perfecting the company's system can a sustainable business model be achieved. Fudy recruits talents and employs people with disabilities as well as ethnic minorities to create a friendly workplace filled with diversity and equality.

In 2022, Fudy had a total of 1,047 employees, with 111 employees based at the Taipei headquarters and 310 and 626 employees at the Dongguan Fuyang Plant and Suzhou Fuyang Plant in mainland China, respectively. Based on the percentage of employees, the Taipei headquarters accounted for 10.6%, while the mainland China plants accounted for 89.4%. The proportion of male employees was 56.6%, and female employees accounted for 43.4%.

Personnel Distribution by Region



Gender	Age			Total	
	<30	30-50	>50	Gender	Percentage (%)
Male	115	382	96	593	56.6%
Female	65	329	60	454	43.4%
Total	180	711	156	1047	100.0%

By Region, Age and Contract Type

In 2022, Fudy and its affiliated companies had a total of and 789 full-time employees, with 540 permanent employees and 249 temporary employees. Additionally, there were 258 non-guaranteed hours part-time employees. In terms of job level, there were 73 male supervisors (manager level or above), 31 female supervisors (manager level or above), and a total of 104 supervisors, with female supervisors accounting for 30%.

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Number of full-time and contract Employee

Region	Age	Taipei Fudy Headquarters				Dongguan Fuyang Plant				Suzhou Fuyang Plant				Position	
		<30	30-50	>50	Total	<30	30-50	>50	Total	<30	30-50	>50	Total	Super-visors	Non-su-pervisors
Male	Full-tim	2	28	8	38	17	134	39	190	5	75	26	106	71	263
	Contract	2	5	0	0	0	0	0	0	56	93	1	150	2	155
	Non-guaranteed hours	0	0	0	0	1	1	1	3	32	46	21	99	0	102
Female	Full-tim	4	50	6	60	13	80	17	110	0	36	0	36	30	176
	Contract	2	4	0	6	0	0	0	0	29	57	0	86	1	91
	Non-guaranteed hours	0	0	0	0	0	4	3	7	17	98	34	149	0	156
Total		10	87	14	111	31	219	60	310	139	405	82	626	104	943

Diverse Workforce

Fudy supports employee diversity and equal employment opportunities through action. In 2022, Fudy employed 44 ethnic minority employees (including aboriginal people), 21 expatriates and 2 people with disabilities, accounting for 6.4% of the total workforce.

Category	2020	2021	2022
Aboriginal and Minority Ethnic	41	40	44
People with Disabilities	2	2	2
Foreign Workers	22	22	21
Total	65	64	67
Percentage of all Employees	5.34%	5.40%	6.4%

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4.2 Talent Cultivation and Development

Talent Retention and Remuneration Mechanism

Fudy emphasizes employee education and training and effectively takes action to educate and train employees to encourage them to continuously learn new knowledge and skills to assist in their career development. When employees join the company, the HR department explains the company’s system and culture to the new recruits while taking their adjustment period and process into account to make the transition smooth. When employees encounter difficulties in their daily lives, the company provides internal counseling and assistance to help them overcome them. When employees leave the company, Fudy tries to understand the key reasons for their departure through interviews. If the problem lies with the company, we will seek to rectify the issue to minimize the employee turnover rate. Regarding the compensation system, Fudy provides competitive salaries, bonuses, and employee benefits, caring for and taking care of employees to ensure the retention of excellent talents.



New Employees and Employee Turnover

GRI 401-1

In 2022, the total number of new employees was 235, with male new employees accounting for 24.6% of the total male employees, and female new employees accounting for 19.6% of the total female employees. There were 256 resigned employees, 29.2% of which were men of the total male employees and 18.3% female of the total female employees.

Category	Gender	New Employee Hires		Employee Turnover	
		Number	Ratio	Number	Ratio
Gender	Male	146	24.6%	173	29.2%
	Female	89	19.6%	83	18.3%
Total		235		256	

Note: Ratio of new male employees = 146/593(total number of male employees) *100%; Ratio of new female employees = 89/454(total number of female employees) *100%; Ratio of male employees left = 173/593(total number of male employees) *100%; Ratio of female employees left = 83/454(total number of female employees)*100%.

Category	Age	New Employee Hires		Employee Turnover	
		Number	Ratio	Number	Ratio
Gender	<30	58	32.3%	41	22.8%
	30-50	168	23.6%	201	28.3%
	>50	9	5.8%	14	9.0%
Total		235		256	

Notes: Ratio of new employees aged <30 = 58/180(total number of employees aged <30)*100%; Ratio of new employees aged 30-50 = 168/711(total number of employees aged 30-50)*100%; Ratio of new employees aged >50 = 9/156(total number of employees aged >50)*100%. Ratio of employees aged <30 left = 41/180(total number of employees aged <30)*100%; Ratio of employees aged 30-50 left = 201/711(total number of employees aged 30-50)*100%; Ratio of employees aged >50 left = 14/156(total number of employees aged >50)*100%.

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Reasonable and Competitive Pay

Fudy provides reasonable and competitive salaries and implements various fair compensation systems. At the same time, we strictly comply with the relevant labor laws and regulations to ensure that the annual salary level is higher than that of a minimal wage to protect the rights and interests of the junior employee. Employees' salaries are determined by their education, professional knowledge and skills, years of professional experience, and individual performance, without gender being a factor. There are also no differences among employees of different races, religions, political affiliations, or marital statuses at any of our operating locations.

Since Fudy is a traditional printing manufacturer, the gender composition of talents in the industrial chain has its characteristics. Printing plants mainly employ professionals with mechanical/printing-related positions, primarily male, while female employees hold administrative/general affairs positions. Higher salaries and compensation reflect higher professional and technical skills, resulting in a more significant difference between men and women at the Dongguan Fuyang plant than at Taipei Fudy headquarters.

To manage the compensation of employees at the Taipei Fudy Headquarters, the Dongguan Fuyang Plant, and the Suzhou Fuyang Plant, the HR department regularly adjusts the average salary ratio to strive for equal pay for equal work between men and women, ensuring the reasonableness and fairness of compensation.

Ratio of average salary of male to female supervisors/non-supervisors(male: female) GRI 405-2

Category	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Supervisor	0.57:1	1.21:1	1.10:1
Non-Supervi-	1.40:1	1.66:1	1.18:1

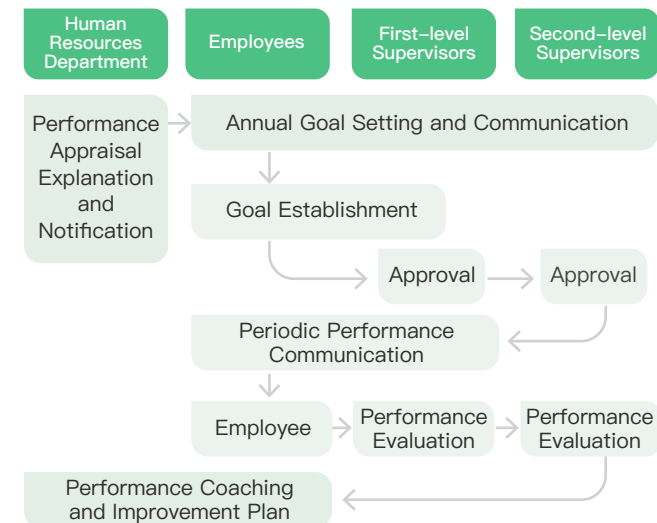
Note: Supervisor is defined as an officer with managerial responsibilities(at manager level or above).

Employee Performance Appraisal GRI 404-3

In order to encourage employees to pursue excellent performance and achieve goals such as mutual communication, work improvement, training and development, salary adjustments, and promotions, Fudy and its affiliates have set up a comprehensive performance appraisal system and formulated performance evaluation management procedures. All Fudy employees are required to undergo regular probationary and annual performance appraisals. The appraisal system enables Fudy and its affiliates to identify suitable and potential talents, and employees can become more committed to their work.

1 Probationary Appraisal | New employees are evaluated before the end of their probationary period, and the appraisal results are used as the basis for formal employment and salary adjustments.

2 Annual Appraisal | Employees receive regular appraisals twice a year. The appraisals' results are used not only as a basis for salary adjustments and promotions but also to help Fudy and its affiliates identify outstanding talents and develop training programs.



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Performance Appraisal Ratio GRI 401-3

Fudy and its affiliates mainly conduct performance appraisals for full-time employees. The percentage of employees subject to performance appraisal is 100% at the Dongguan Fuyang Plant and Suzhou Fuyang plant and approximately 87.4% for personnel subject to performance appraisal at Fudy's headquarters in Taipei. Newly hired employees are not subject to appraisal.

Location	Gender Position	Male			Female		
		Number of completed appraisals	Total	Ratio (%)	Number of completed appraisals	Total	Ratio (%)
Taipei Fudy Headquarters	Supervisor	7	8	87.5	6	6	100
	Non-Supervisor	33	37	89.2	51	60	85
Dongguan Fuyang Plant	Supervisor	33	33	100	16	16	100
	Non-Supervisor	160	160	100	101	101	100
Suzhou Fuyang Plant	Supervisor	32	32	100	9	9	100
	Non-Supervisor	323	323	100	262	262	100

Employee Benefits

GRI 401-2

Fudy recognizes the importance of employee welfare and physical and mental health, and we provide employees with corresponding life and physical and mental support so that they can maintain a work-life balance. The company's welfare programs are in compliance with or exceed local regulations, and some of the programs are adjusted according to the situation of different operating sites.

Employee Benefit Programs at each Operating			
Category	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Statutory employee benefits	▲	▲	▲
Employee group insurance	▲	▲	▲
Birthday gift	▲	▲	▲
Employee education subsidies	▲	▲	▲
Regular health checkups	▲	▲	▲
Holiday Benefits	▲	▲	▲
Employee Maternity Subsidies	▲	▲	▲
Five insurances and one fund (pension insurance, medical insurance, work injury)	—	▲	▲
Employee travel subsidies	▲	—	—
Employee Wedding Gift	▲	—	—
Employee hospitalization consolation payment	▲	—	—
Employee bereavement allowance	▲	—	—
Nursing room	▲	—	—
Monetary incentives for senior/excellent employees	▲	—	—
Employee Luncheon	▲	—	▲

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Retirement System

Fudy and its affiliates allocate retirement benefits to employees based on the local retirement system and related regulations of each global operating site. In accordance with the Labor Standards Act and the Labor Pension Act, Taipei Fudy Headquarters makes regular contributions to the statutory pension accounts for employees who joined the company before June 30, 2005(inclusive) and are entitled to the old pension plan, which is a monthly deposit into the Taiwan Bank Trust Department's old pension plan reserve account. The amounts of the payments are in compliance with retirement requirements. Employees who are eligible for the New Pension Scheme of the new Labor Retirement System receive a monthly contribution of 6% from employers to their individual pension accounts. Employees may also choose to contribute 0% to 6% of their retirement pension to their individual pension accounts according to their personal preference.

Category	2020	2021	2022
Number of Employees in Service	98	115	111
Average pension cost per person(NTD)	29,875	27,658	75,857
Pension Cost Growth Rate	-	-8%	64%



Note: Sourced from Taipei Fudy Headquarters

Parental Leave

GRI 401-3

Fudy and its affiliates provide practical care and support for employees with childcare needs, including providing parental leave, flexible work arrangements, related benefits and subsidies, as well as breastfeeding rooms at the workplace. In 2022, there was only one application for parental leave at Taipei Fudy headquarters with a 100% reinstatement rate, which signifies the level of care and satisfaction provided by the current mechanism in place.

Item	Male	Female	Total
A: Total number of employees entitled to parental leave in 2022	1	2	3
B: Total number of employees who used parental leave in 2022	0	1	1
C: Total number of employees applying for reinstatement in 2022	0	1	1
D: Total number of employees who should have been reinstated in 2022 and applied for extension of leave.	0	0	0
E: Total number of employees reinstated in 2022	0	1	1
F: Total number of employees who were reinstated in 2021 after parental leave.	0	1	1
G: Total number of employees who continued to work for one year after reinstatement of parental leave in 2021	0	1	1
Rate of application for parental leave without pay = B/A	0	50%	33%
Reinstatement rate = E/(C-D)	0	100%	100%
Retention rate = G/F	0	100%	100%

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2022 Annual Employee Training Content

Topic	Training Content	Delivery Methods	Frequency
ESG Corporate Sustainability Program	Understand the impact of climate change on enterprises and how to respond to it.	Physical and online	Irregular
RBA Code of Conduct Orientation Program	Introduce RBA system to implement integrity management and occupational safety and fulfill corporate social responsibility.	Physical	Irregular
	RBA concepts(including anti-discrimination, anti-corruption, and integrity management).	Physical	Once a year
New Employee Education and Training Program	Human resources related systems and service standards, computer and information security education, company profile, and integrity management.	Physical	Irregular
Safety and Health Education and Training Program	Labor and health protection rules, plant noise and chemical hazards, occupational disease prevention and control methods.	Physical	Irregular
ISO System Management Program	ISO9001, ISO14001, ISO45001, QC08000 qualification training.	Physical	Once a year

ESG Sustainability Related Courses Training



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4.3 Occupational Health and Safety

Creating a safe and healthy working environment is Fudy's key responsibility to its employees. In order to prevent any work-related injuries, illnesses or accidents, Fudy has established the company's occupational health and safety policies and commitments based on the occupational safety and health regulations of each operating location. This includes appointing occupational safety and health supervisors, arranging for onsite medical services, and providing education and training programs to build a healthy and safe working environment in which the employee's occupational safety concepts are understood and realized so that the integrity of the safety and health management could be upheld.

Occupational Safety and Health Management Systems GRI 403-1

In order to ensure the safety of personnel, Fudy and its affiliates have established an Occupational Safety and Health Management Policy and have implemented the relevant management systems at each of our operating sites. Fudy follows the "RBA 7.0 Code of Conduct" and ISO 45001:2018 Occupational Safety and Health Management System—the SMETA-4P for occupational safety and health management. Through the P-D-C-A management cycle, we hope to implement various work programs to achieve continuous improvement and reduce the occurrence of occupational accidents. Currently, our headquarters in Taipei, Taiwan has obtained the Responsible Business Alliance Code of Conduct(RBA7.0), Dongguan Fuyang Plant has obtained the Supplier Ethical Trade Audit(SMETA-2P), and Fuyang, Suzhou has obtained the ISO 45001:2018 Occupational Safety and Health Management System and Supplier Ethical Trade Audit(SMETA-4P) certification.



Valid to:2025.06.20

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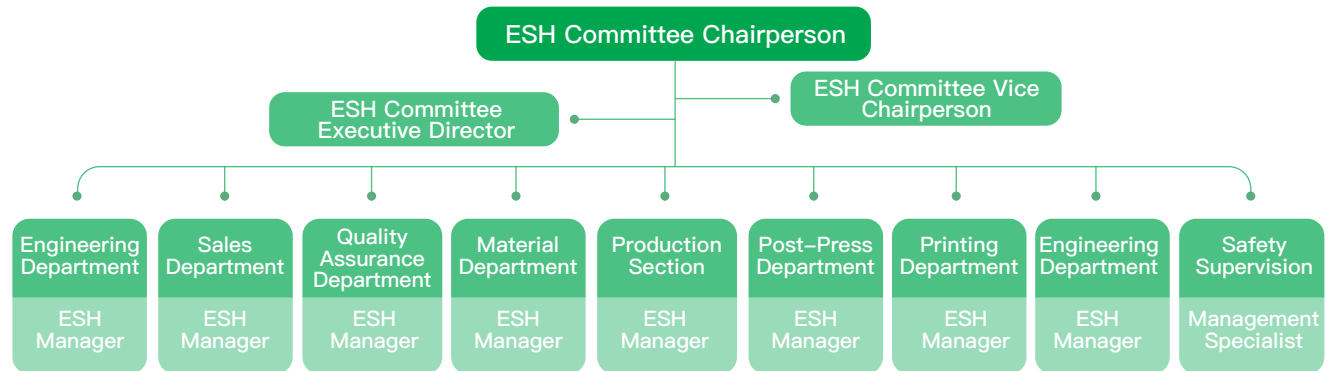
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Occupational Safety and Health Council GRI 403-4

The Occupational Safety and Health Management at Fudy Taipei Headquarters is currently planned and executed by the General Affairs Division of the Operations Management Department, which is directly responsible to the General Manager and meets the requirements of the local authorities. The Fuyang Suzhou and Dongguan plants have set up Occupational Safety and Health Committees in accordance with the Occupational Safety and Health Management Regulations, with labor representatives electing 85% and 12% of the committee members, respectively. The committee meets regularly monthly for the labor representatives to speak on behalf of all employees to discuss issues regarding work-related safety, health, and occupational disease identification with the management.



Workers covered by the Occupational Safety and Health Management System GRI 403-8

Occupational Safety and Health Management System – Employees			
Region	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Number of employees covered by the Occupational Safety and Health Management System(a)	111	310	626
Number of employees audited internally under this management system(b)	111	310	626
Number of employees audited or certified by external organizations under this management system(c)	111	310	626
Total number of employees(d)	111	310	626
Coverage ratio of occupational safety and health management system(a/d)	1	1	1
Ratio of internal audits under this management system(b/a)	1	1	1

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Occupational Safety and Health Management System –Non–Employee Workers

Region	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant
Number of non–employees covered by the Occupational Safety and Health Management	68	10	10
Number of non–employees audited internally under this management system(b)	6	10	10
Number of non–employees audited or verified by external organizations under this management	0	10	10
Total number of workers(d)	74	10	10
Coverage ratio of occupational safety and health management system(a/d)	0.918	1	1
Ratio of internal audits under this management system(b/a)	0.088	1	1

Note: Workers who are not employees include dispatchers and contractors.

Occupational Hazard Identification and Risk Assessment

GRI 403–2

In the spirit of “zero accident/disaster,” Fudy has set up hazard identification and risk assessment procedures that are reviewed and approved by the management representatives of each plant and then carried out by the relative safety and health units and supervisors. We perform occupational safety risk assessments annually according to environmental safety risk identification management procedures. Our safety and health management personnel perform internal education and training to enable each unit to focus on the identification of the relevant raw materials, products, activities, and services to assess, classify and control the degree of risk, set up improvement targets, and supervise the implementation of control measures to reduce the occurrence of hazards that may cause injuries to personnel or result in equipment damage.



Currently, the company classifies the severity and probability of occurrences to determine the level of risk. In accordance with our internal protective gear management procedures and environmental and occupational health and safety management implementation and operation procedures, we provide earmuffs for personnel who work in loud environments, and safety masks, protective clothing, gloves, and goggles for printing personnel. Our machine operators carry out spot checks of the devices to confirm their degree of safety and provide relevant personnel with pre-operational safety instructions. In addition to the mapping out of safe routes, we provide protective footwear for our freight forwarding personnel. Fudy arranges regular training for occupational safety personnel, conducts regular workplace safety inspections and environmental disinfections every year to maintain the safety of all involved, and actively promotes and educates employees to stop operations and provide assistance should a crisis arise.

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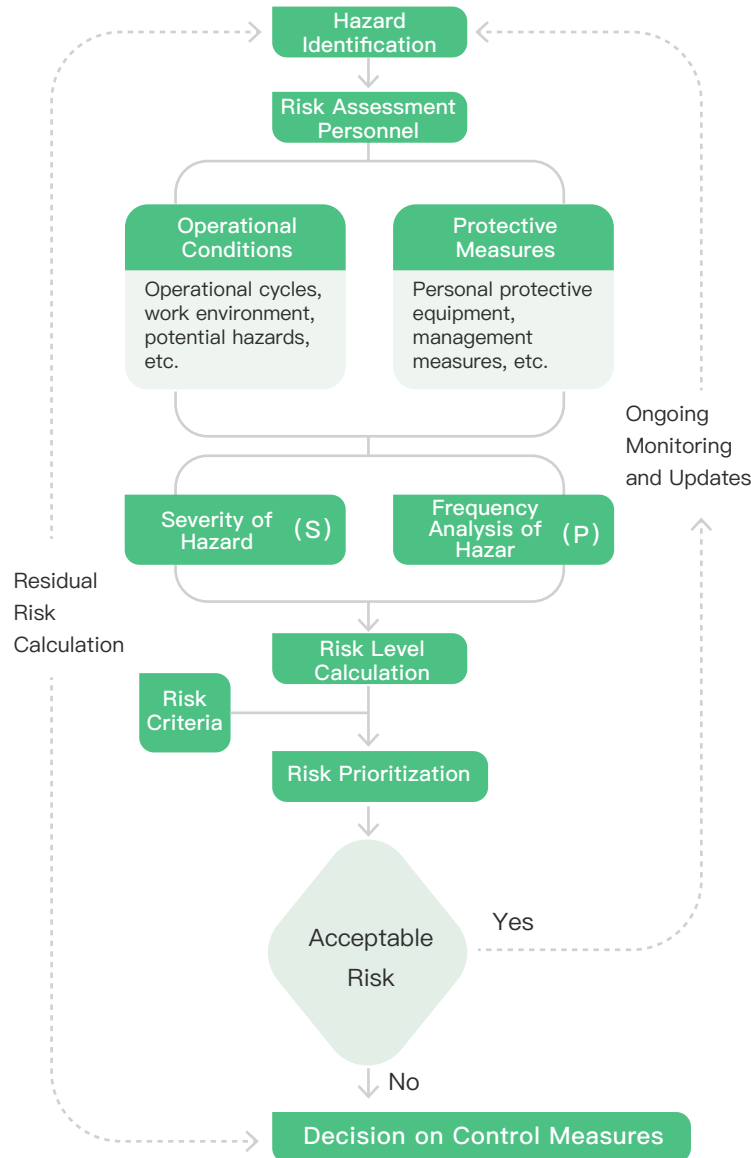
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Occupational Hazard Identification and Risk Assessment Procedures



Risk Level and Countermeasures

Risk Level	Risk Control Plan
5 Significant Risk	Risk reduction measures should be taken immediately, and operations should not commence or continue until the risk has been reduced.
4 High Risk	Risk control measures should be taken within a certain period of time, and the operation should not be started before the risk is reduced.
3 Medium Risk	Commitment to risk reduction is required, e.g., for cost or financial considerations, risk reduction measures should be taken gradually to reduce the proportion of moderate risks. For significant or very significant risks, the likelihood of occurrence should be further assessed as a basis for improving control facilities.
2 Low Risk	Risk reduction measures are not required for the time being, but the effectiveness of existing protective facilities should be ensured.
1 Mild Risk	Risk reduction measures are not required, but the effectiveness of protective facilities must be ensured.

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Significant Occupational Safety Risks and Control Measures

GRI 403-3

Significant Occupational Safety Risks	Occupational Health and Safety	Occupational Health and Safety Objectives	Control Measures
Improper operation and breakdown of elevator	Zero fatalities and serious injuries, and the frequency of minor injuries is less than 0.1‰	Obtain a certificate of conformity for the use of elevators.	Regular monthly inspection and maintenance by qualified suppliers.
Falling cargo during loading and unloading		Restrictions on stacking heights of goods to avoid accidents.	Promote and post safety warning signs on site.
Chemical leakage, causing a fire	Zero fire accidents	Post chemical safety flyers and promote related awareness.	Conduct regular chemical spillage drills, and smoke in designated places in the company.
Disease caused by chemical odor in cleanroom	Zero occupational disease injuries	Wear activated carbon masks in chemical cleanrooms.	Wear activated carbon masks, conduct monitoring in accordance with the “Environmental Monitoring and Measurement Management Program,” and conduct employee health checkups.
Loud noise, affecting employees’ hearing		Distribute earplugs to all employees and monitor noise on site.	Wear earplugs, conduct monitoring according to “Environmental Monitoring and Measurement Management Program,” and conduct employee health checkups.



Occupational Accident Reporting

Fudy and its affiliates have established procedures for the handling of occupational accidents. When an accident occurs, in addition to first aid and rescue measures in accordance with the emergency response plan, the employer, workplace supervisor, labor safety and health personnel, and other relevant personnel should be notified immediately in the fastest manner possible. If a major occupational accident should occur, in addition to taking emergency first aid and rescue measures, the person in charge should also notify the competent authority within the statutory time limit.

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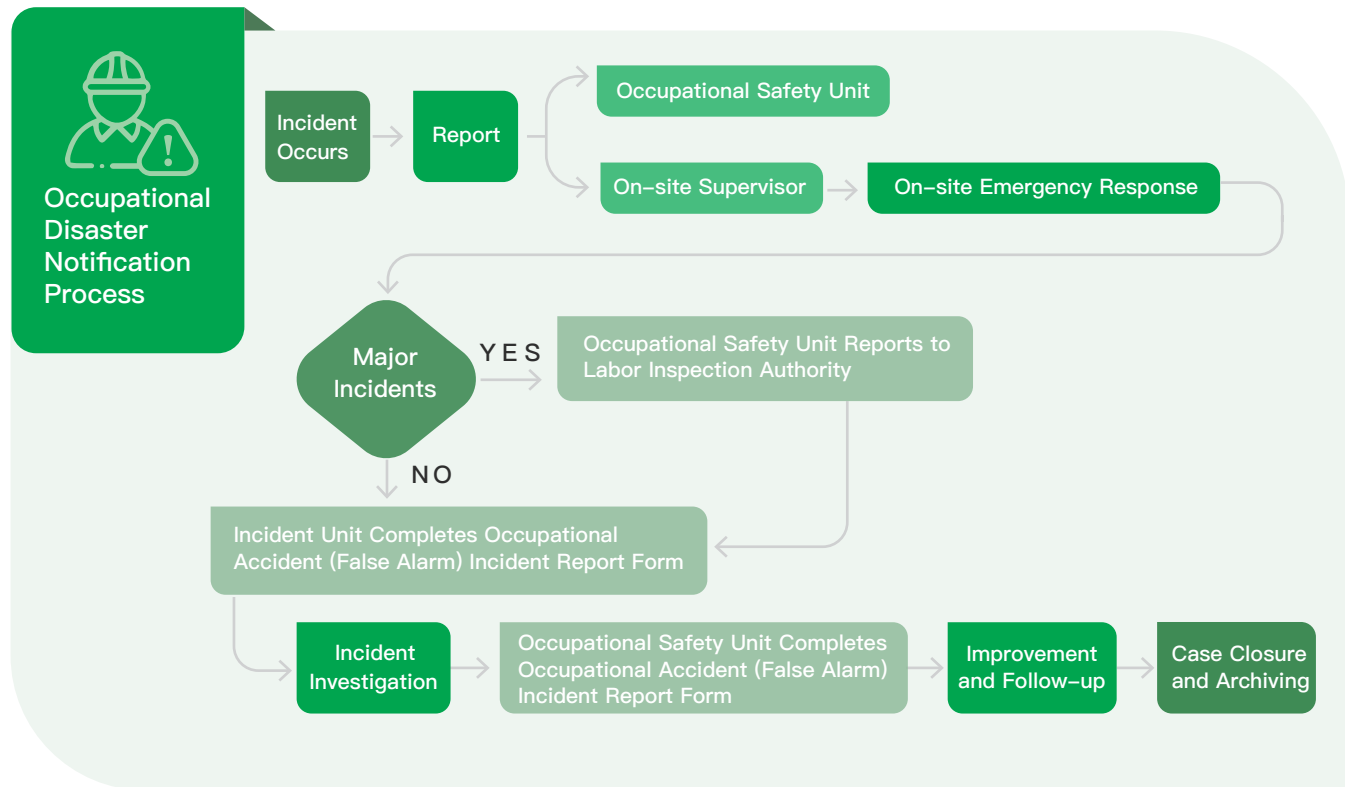
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Prevention and Mitigation of Occupational Safety and Health Impacts GRI 403-7

Preventing and mitigating occupational safety and health impacts directly related to business operations.

Procedures and operations for preventing or mitigating occupational safety and health:

- 1 Fudy commissions hospitals to conduct health checkups (and special examinations if needed) for all employees in accordance with laws and regulations. Fudy has developed four major health promotion programs and carries out care and advice on employee health through grading by healthcare professionals.
- 2 For the safety of machinery and equipment to prevent occupational accidents, an automatic inspection implementation procedures is formulated to ensure the safety of employees.

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Preventive or Mitigation Measures for Occupational Safety and Health

Preventive or Mitigation Measures	Practice
Protective equipment management procedure	Provide protective equipment to protect employees' work safety and reduce hazards in the workplace.
Inspection of working environment	The purpose is to provide employees with a healthy and safe working environment to avoid occupational diseases or injuries.
Lockout/tagout management procedure	To prevent equipment from accidentally starting or operating and causing injuries to provide a safer working environment.
Labor protection	Distribution of labor protection supplies and on-site supervisors to monitor the correct wearing of protective equipment.
Strengthening employee safety and occupational health knowledge	Enhancement of training, with two training sessions per month in each department focusing on safety knowledge.
Supervision and inspection of employee cafeteria hygiene	Conduct weekly inspections of employee cafeteria hygiene.
Increase the number of water purification and drinking water facilities in the cleanroom.	Prevent harmful health effects from drinking raw water.
Machinery and equipment inspection	Inspection of machinery and equipment and safety protections.
Regular inspection of firefighting and electrical equipment	Check whether the firefighting equipment is in good condition, and electrical equipment is in compliance with regulations, and is safe.

Contractor Management

Fudy and its affiliated companies have established safety and health management procedures for contractors. Before construction, potential hazards are explained, and contractors are required to provide a written safety commitment to minimize risks. When signing a contract with a contractor, the contractor's safety commitment is a necessary document, which includes general provisions, precautions during operation, elevated operation matters, electrical operation safety, transportation vehicle regulations, and accident reporting methods. Before construction begins, an environmental management survey of the contractor must be conducted. Fudy's internal procedures require the completion of an environmental management questionnaire survey form, which includes the project name, construction date, construction area, work content, and possible situations that may occur during the construction period, and the contractor is informed of safety precautions.

Necessary management measures and regulations are followed by Fudy to ensure that contractors enjoy a safe and healthy working environment in the company. To wit, safety regulations are included within the contracts, and contractors are required to comply with regional occupational safety and health regulations and the safety and health management measures implemented by Fudy and its affiliates, such as hazard notification and safety supervision.

Occupational Safety and Health Education and Training GRI 403-5

Fudy complies with all regional regulations and provides the necessary safety and health education and training to all employees upon joining the company. In addition, Fudy regularly organizes safety and health training courses and fire emergency drills to raise employees' awareness of occupational safety and improve workplace safety. In 2022, a comprehensive employee occupational safety education and training course was held, with 3 hours of participation per person and a total of 1,879 attendees.

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Training Courses

Theme	Training Course Content	Number of training hours	Number of participants
Occupational Health and Safety Training	1. Hidden risk Identification in occupational safety and health production 2. Definition of work injury	10410	1334
General Employee Safety Training	Rules for occupational safety and health education and training	2904	726
Fire Drill (Emergency Drill)	Employee emergency response and fire extinguishing equipment operation.	6408	1926
Fire Safety Training	Fire accident prevention and self-rescue in case of fire	3074.5	938
Chemical Management Training	The use and management of hazardous chemicals.	2410.5	772
Training on the use of protective gear	Training on gas masks and protective clothing	934	467
Workplace Injury Prevention Training	1. Responsibilities for work injury prevention and occupational safety production. 2. Common operational risks and preventive measures. 3. Basic knowledge of work injury and emergency response.	5856	796
Fire prevention management training (external training)	Fire safety management personnel's professional knowledge of fire prevention, fire laws, and fire safety management	24	4
Occupational Safety and Health Supervisor (external training)	Occupational safety and health-related regulations and occupational injury prevention.	30	5

Occupational Safety Education and Training



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Occupational Accidents and Diseases

GRI 403-9, 403-10

In order to effectively prevent the occurrence of occupational diseases and injuries, each plant has a team heading the promotion of work environment safety and health, combined with internal and external audits (regular annual environmental, safety, health, and fire audit activities), oversees the company's environmental, safety and hygienic operations. Zero accidents in the workplace is Fudy's continuous goal. By adhering to the environmental, safety, and health regulations and in accordance with the operations of the management system, Fudy tracks work injury accident statistics. In 2022, there were zero serious work safety accidents, two minor work safety accidents, and the frequency rate (FR) and severity rate of disability injuries were both zero.

2022 Mindr industrial safety accidents

Plant	Dongguan Fuyang Plant	Fuyang Plant, Suzhou
Incident Description	Employee fell from a ladder while operating a machine in the cleanroom, resulting in a work-related injury.	An employee did not follow the requirements of the "Safety Operation Plan for Automatic Molding Machines" when operating the machine, resulting in an abnormal condition of the machine and accidentally pinched the employee's hand.
Review	After the incident, Fudy conducted an internal safety inspection.	Fudy immediately conducted an internal investigation into the injury and proposed improvement measures.
Improvement	<ol style="list-style-type: none"> 1. Strengthen training on production safety and improve staff's ability to work safely. 2. Implement occupational safety and health systems and strengthen on-site management. 3. Implement safety responsibilities and establish a performance assessment mechanism. 	<ol style="list-style-type: none"> 1. Implement on-site education and guidance. on-site leaders and machine operators must strictly require employees to follow the instructions and prioritize safety. 2. Re-evaluate the safety performance of the equipment and improve the machine's safety protection devices. 3. Strengthen the training on safety operation of machinery equipment.



Replacement of a herringbone ladder with a double-sided escalator, which originally posed a risk of falls



Posting of safety warning notices at conspicuous places on escalators

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Occupational Injuries Statistics:

Year	Employee			Non-employee Workers
Region	Taipei Fudy Headquarters	Dongguan Fuyang Plant	Suzhou Fuyang Plant	
Total working hours Note: sum of working hours.	208,200	592,388.5	798,336	52,800
Number of general occupation injuries Note: lost workdays for less than 180 days.	0	1	1	0
Note: lost workdays for more than 180 days, excluding deaths.	0	0	0	0
Number of deaths Note: counted from the day after the incident.	0	0	0	0
Number of recordable injuries	0	1	1	0
Rate of fatalities as a result of work-related injury	0	0	0	0
Rate of high-consequence work-related injuries	0	0	0	0

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Occupational diseases

Occupational Disease	Description	Control and improvement measures
Ionizing Radiation	The X-ray machine operated for a short period of time is a low radiation model with a permit.	X-ray operators receive position physical examinations every year.
Occupational hearing loss	Noise generated by the operation of the machine.	Relevant protective equipment is provided to minimize harm.
n-Hexane poisoning	The use of solvents containing n-hexane is required in printing operations.	Environmental inspections are conducted every six months, and all comply with regulations. The equipment suppliers were required to change to n-alkane-free solvent formulations by September 2022.
Benzene poisoning	Benzene solvent is required for printing.	Environmental inspections are conducted every six months, and all comply with regulations. The suppliers were required to change to benzene-free solvent formulations by September 2022.
Acrylic Hazard	Acrylic solvent is required for printing.	Annual occupational health inspection and provision of related protective equipment.
Noise	High-frequency pure tones cause hearing abnormalities.	Distribution of protective equipment and on-site noise detection.

Preventive Measures against Occupational Diseases

1. The workplace is inspected for occupational hazards.
2. The working environment is inspected for compliance with regulatory requirements.
3. Protective gear is provided to minimize occupational injuries to employees.
4. Implement pre-job, on-job, and off-job health checks for positions exposed to occupational hazards.
5. Establish employee health record management.
6. Provide qualified workplaces and adopt effective management measures, labeling occupational hazards in workplaces and notification of occupational hazards.
7. Strengthen occupational hygiene and sanitation.
8. Strengthen the training of occupational health knowledge and raise awareness of occupational health prevention and treatment.
9. Improvement of technology and equipment.
10. Participate in occupational injury insurance in accordance with the law.
11. Notify of occupational hazards.

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Employee Health Promotion

GRI 403-6

Employee Health Screening and Special Position Health Screening

Fudy and its affiliates provide regular health check-ups for employees, and also arrange special health checkups for employees in special positions, such as checkups for exposure to benzene, noise and radiation and dust-related hazards in order to protect the health of employees. Taipei Fudy has clinical medical staff on site to provide employee health services, medical assistance, and occupational disease prevention and counseling.

預防措施或減輕職業安全衛生之項目

Location	General Health Checkup (Attendance)	Special Health Checkup (Attendance)
Taipei Fudy Headquarters (Note 1)	94	11
Dongguan Fuyang Plant (Note 2)	173	82
Suzhou Fuyang Plant (Note 2)	124	47

Note: 1. Employees of Taipei Fudy Headquarters are required to undergo regular checkups every three years; employees over 65 years of age are required to undergo checkups once a year; and special operational health checkups are required once a year.
2. Special health checkups(occupational health checkups) are required once a year for the Fuyang Dongguan Plant and Suzhou Fuyang Plant.

Employee Health Promotion Programs

Health Promotion Program	Program Content and Purpose
Maternal Health Protection	In order to prevent physical, chemical, biological, human-caused, and psychosocial hazards in the workplace from affecting the health of female employees during pregnancy and childbirth, Fudy provides maternal health protection stickers and conducts hazard assessments and appropriate work arrangements for them from the day they become pregnant until one year after childbirth, or while still breastfeeding.
Prevention of human-caused musculoskeletal disorders	For employees who have long-term workplace exposure to long-term musculoskeletal hazards, which may cause discomfort and diseases, necessary preventive measures are taken. For example, individual health risk assessments and work hazard risk assessments are conducted for employees who engage in tasks such as lifting heavy objects, monotonous high-repetitive limb movements, and long periods of unnatural postures. Work suitability adjustments are made, including limiting weight-bearing, changing job duties, restricting overtime hours, and changing personal
Prevention of Diseases Caused by Abnormal Workloads	In order to prevent the occurrence of cerebral and cardiovascular diseases among employees due to abnormal workloads, such as shift work, night work, and long hours of work, health management measures are provided to ensure the physical and mental health of the employees, and to achieve protection for overworked employees and stress management.
Prevention of Workplace Assault	In order to prevent employees from being subjected to unlawful acts of aggression by supervisors, co-workers, and service recipients in the workplace due to the performance of their duties, such as physical violence, psychological violence, verbal abuse, and sexual harassment, which may cause bodily or mental injuries, individual health risk assessments are provided to affected employees. Medical advice and job suitability advice are also provided, such as changing job duties and adjusting the shift schedules for rotating personnel. We also strengthen the promotion of prevention and complaint channels for illegal violations in the workplace.

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Frequency of health awareness activities and campaigns			
Health Promotion Activities and Advocacy	Description of Activities	Frequency	Number of Participants
Health Care	Medical personnel are stationed in the company to provide health counseling and proactive care for human factors, abnormal workloads, and workplace assaults.	3 times/Month	63
Outbreak Prevention	In response to the outbreak, the "Severe Specific Infectious Pneumonia Preparedness and Response	Irregular	1047
Health Education Bulletin Board	Work Safety and Health Information	Irregular	1047

Note: The on-site health care service for employees, initiated by Fudy Taipei in June 2022.

COVID-19-Related Protective Measures

In the wake of the COVID-19 outbreak, Fudy put forth various pandemic prevention measures, including wearing masks, taking body temperatures and hand sanitization for all personnel entering the plant, prohibiting those who did not comply with pandemic prevention regulations and whose body temperature exceeded the control value from entering the plant, holding inter-plant and external meetings digitally as much as possible, and conducting relevant pandemic prevention surveys for visitors prior to entry to the plant so as to prevent high-risk groups from coming into contact with other personnel.

Fudy and its affiliates installed disinfecting and temperature-taking equipment at all entrances and exits and have strengthened environmental disinfection and various pandemic prevention campaigns within the plant. For those who met the government's criteria for home quarantine, Fudy took the initiative to care for and assist them by providing

them with the option to work from home. In addition, to protect all employees' health, the company has purchased rapid screening tests and pandemic prevention materials free of use for all employees. In order to encourage employees to vaccinate, the head office in Taipei, Taiwan, provided one day of paid vaccination leave.

Pandemic Prevention Measures	Description
Personnel Control	Temperature measurement at the entrance, wearing masks for all employees, video meetings, and suspending visits to clients and
Environmental and Food Hygiene	Sterilization at irregular intervals, prohibition of sharing meals at the same table, uniform ordering to reduce eating out.
Personnel Care	For home quarantine personnel, the company actively cared for and tracked them.
Off-site Work	Fudy promoted home-based work and off-site diversion measures to reduce risks and avoid business interruption.
Distribution of pandemic prevention kits	Regularly disinfecting office areas and distributing pandemic prevention materials in accordance with pandemic control requirements.
Assistance in vaccination for employees	Taipei Fudy headquarters encouraged employees to get vaccinated and provided vaccination leave to facilitate the arrangement of vaccination for employees. Dongguan Fuyang plant and Suzhou Fuyang Plant arranged buses to transport employees to receive vaccinations, with 360 and 400 people completing three vaccination doses.
Improvement of plant dormitories to meet home quarantine	Some floors of employee dormitories in certain plants were used as isolation rooms for confirmed employees, and meal delivery and corresponding care were assisted by logistical personnel.

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4.4 Human Rights Policies

GRI 406-1, 408-1, 409-1

Fudy has formulated a human rights policy to declare its support for and compliance with labor laws and regulations, both domestic and international, in the regions where it operates. Our policies stipulate the protection of gender equality, work right, and the prohibition of discrimination in any form. Fudy also prohibits the use of child labor and forced labor, respects for employees' freedom of association and collective bargaining rights, arranges proper working hours and breaks, and the provision of reasonable wages and benefits.

Fudy and its affiliates value every employee and have established multiple communication channels, including labor-management meetings, opinion mailboxes, complaint mailboxes, etc., to provide employees with open and transparent ways to understand their voices and assist where needed. Human rights-related courses are also provided, with 70% of all employees having partaken in them in 2022.

Locations	Number of people received human rights policy training in 2022 (a)	Number of people needed human rights policy training in 2022 (b)	Percentage of staff trained (a/b)
Taipei Fudy Headquarters	78	111	70%
Dongguan Fuyang Plant	232	310	75%
Suzhou Fuyang Plant	626	626	100%

Fudy's human rights advocacy and training programs are as follows:

Theme	Content	Delivery Method	Number of Participants	Course Hours
New Employee Orientation	Managing Working Hours	Education and Training	704	4
	Preventing Discrimination and Sexual Harassment	Education and Training	704	4
RBA Training	Ethics of Integrity	Education and Training	296	3.5
	Ethics of Integrity	Declarations and statements	388	2
	Preventing Discrimination and Sexual Harassment	Declarations and statements	388	2

4.5 Social Engagement

GRI 413-1

Fudy understands that an enterprise's success and sustainable development come from the opportunities and support provided by society. Therefore, based on the belief that "what is taken from society should be used in society," when an enterprise has the ability to do so, it should give back to the society on a long-term and regular basis, which is Fudy's core concept when it comes to social engagement. Fudy and its affiliates have long focused on caring for children, the underprivileged, and animals through donations, sponsorships, and participation in charitable and social activities. In the future, Fudy will encourage and lead its employees to actively participate in community activities or programs, initiate the cycle of kindness, and leverage corporate influence. We look forward to working together with all employees to create a better society.

Fudy makes regular donations to six charitable organizations, which can be categorized into three main categories:



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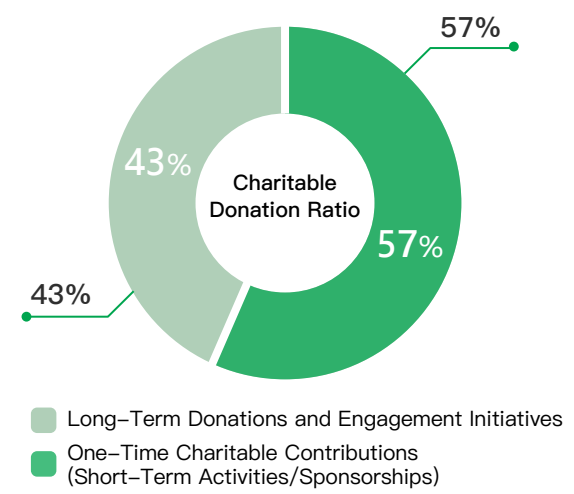
1. Early Childhood Education: Fudy understands the importance of education and believes that education is the key to a child's future. Therefore, Fudy has been caring for children for a long time and continues to do so by regularly donating to “Miner's Children” and the “Miaoli County Private Early Childhood Education and Nursing Home” in hopes of doing its part to help the underprivileged and letting each and every child grow up healthily and happily. Donations in 2022 will have amounted to NTD 200,000.

In 2022, Suzhou Fuyang plant organized the “Mystery Printing: Ancient Craftsmanship” event for local schools at the Institute of Creative Intelligence to promote green packaging and environmental creativity. Participants learned how to extend the lifespan of packaging products through recycling, reusing, and creativity, and at the same time, helped to spread awareness of environmental protection.

2. Helping the disadvantaged: Fudy has been cooperating with the Foundation for the Love of the Blind and the Sunshine Social Welfare Foundation to help the physically and mentally challenged reintegrate into society through a donor support program. Our 2022 contributions reached a total of NT\$444,241.

3. Goodness from the heart: Fudy is good to people and concerned about animal protection. Respecting life and being kind to animals is essential to education and an important indicator of a civilized society. Fudy cooperates with the Red Cross Society of the R.O.C. and the Heart of Taiwan Animal Protection Association to facilitate humane rescue and animal protection. A total of NT\$48,000 was donated in this category in 2022.

Fudy Charity Donation Amount and Percentage



Donation Type	Expenses Expenses NT\$	Expenses % of Expenses
Long-term Donations and Participation Programs	296,000	43%
One-time Charitable Donations (Short-term Programs/ Sponsorships)	396,241	57%
Total Community Expenditures in 2022	692,241	100%

Looking forward

By seizing every small opportunity to do good and continuing to do good, we hope that Fudy will become a force in the support the underprivileged in society. In the future, Fudy will integrate its field of expertise to serve and assist in more social welfare activities to give back to the community.

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4.1 Friendly Workplace
Environment


4.2 Talent Cultivation and
Development

4.3 Occupational Health
and Safety

4.4 Human Rights Policies

4.5 Social Engagement

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Power for the possible!
We are Fudy,
your product packaging consultant!

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I. GRI Index Tables

GRI Criteria Disclosure Program

GRI Standards	Exposure Programs	Corresponding Chapters	Page	Supplementary Notes
General Disclosure				
GRI 2 General Disclosure (2021)	2-1 Organization Details	1.1 About Fudy	5	
	2-2 Entities Included in Organization Sustainability Reporting	About this Report	3	
	2-3 Reporting Periods, Frequency, and Contacts	About this Report	3	
	2-4 Information Redaction			The current year was the first time the report was published
	2-5 External Assurance/Confidence			No external assurance/confirmation was performed during the year
	2-6 Activities, Value Chains, and Other Business Relationships	1.1 About Fudy	5	
	2-7 Employees	4.1 Friendly Workplace Environment	76	
	2-8 Non-Employee Workers	4.1 Friendly Workplace Environment	76	
	2-9 Governance Structure and Composition	2.1 Operative Overview	22	
	2-10 Nomination and Selection of Top Governance Units			Fudy has not yet made the relevant rules and regulations for the selection of the Board of Directors.
	2-11 Chair of the Highest Governance Body	2.1 Operative Overview	22	
	2-12 Role of the Highest Governance Body in Overseeing the Management of Impacts	2.1 Operative Overview	22	
	2-13 Delegation of Responsibility for Managing Impacts	1.2 Sustainable Vision and Strategy	8	
	2-14 Role of the Highest Governance Body in Sustainability Reporting	1.4 Materiality Analysis	13	
	2-15 Conflicts of Interests	2.1 Operative Overview	25	
	2-16 Communication of Critical Concerns	2.1 Operative Overview	22	
	2-17 Collective Knowledge of the Highest Governance body	2.1 Operative Overview	24	
	2-18 Evaluation the Performance of the Highest Governance Body			Fudy Board does not yet have a specific performance evaluation mechanism and will develop a board performance evaluation method in 2023

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GRI Standards	Exposure Programs	Corresponding Chapters	Page	Supplementary Notes
General Disclosure				
GRI 2 General Disclosure (2021)	2-19 Remuneration Policies	2.1 Operative Overview	24	
	2-20 Process to Determine Remuneration	2.1 Operative Overview	24	
	2-21 Annual Total Compensation Ratio	2.1 Operative Overview	24	
	2-22 Statement of Sustainable Development Strategy	About this Report	4	
	2-23 Policy Commitments	2.2 Integrity Management Management	26	
	2-24 Embedding Policy Commitments	2.2 Integrity Management Management	26	
	2-25 Procedures to Remediate Negative Impacts	2.2 Integrity Management Management	26	
	2-26 Mechanism for Seeking Advice and Raising Concerns	2.2 Integrity Management Management	26	
	2-27 Compliance with Laws and Regulations	2.4 Compliance	30	
	2-28 Membership Associations	1.2 Sustainable Vision and Strategy	8	
2-29 Approach to Stakeholder Engagement	1.3 Stakeholder Management	10		
2-30 Collective Bargaining Agreements	The following is a summary of the results of our operations.			The company does not have a trade union organization and therefore has not signed a group agreement.
Material Topics				
GRI3: Material Topics (2021)	3-1 Process to Determine Material Topics	1.4 Materiality Analysis	13	
	3-2 List of Material Topics	1.4 Materiality Analysis	15	
Integrity				
Management Approach	3-3 Management of Material Topics	Management Approach – Integrity Management	20	
GRI 205 Anti- Corruption (2016)	205-2 Communication and Training on Anti-Corruption Policies and Procedures	2.2 Integrity Management Management	26	
	205-3 Identified Corruption Incidents and Actions Taken	2.2 Integrity Management Management	26	No corruption or ethical violations at Fudy in 2022

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GRI Standards	Exposure Programs	Corresponding Chapters	Page	Supplementary Notes
Waste Management				
No corruption or ethical violations at Fudy in 2022	3-3 Critical Theme Management	Management Approach – Waste Management	38	
	306-1 Waste Generation and Waste-related Significant Impacts	3.4 Waste Management	53	
No corruption or ethical violations at Fudy in 2022	306-2 Management of Significant Impacts Related to Waste	3.4 Waste Management	53	
	306-3 Waste Generation	3.4 Waste Management	53	
	306-4 Disposal and Transfer of Wastes	3.4 Waste Management	53	
	306-5 Direct Disposal of Waste	3.4 Waste Management	53	
Occupational Safety and Health				
GRI3: Material Topics (2021)	3-3 Management of Material Topics	Management Approach – Occupational Safety and Health	71	
GRI 403 Occupational Safety and Health (2018)	403-1 Occupational Safety and Health Management Systems	4.3 Occupational Health and Safety	84	
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation	4.3 Occupational Health and Safety	86	
	403-3 Occupational Health Services	4.3 Occupational Health and Safety	88	
	403-4 Occupational Safety and Health Worker Participation, Consultation, and Communication	4.3 Occupational Health and Safety	85	
	403-5 Occupational Safety and Health Worker Training	4.3 Occupational Health and Safety	90	
	403-6 Worker Health Promotion	4.3 Occupational Health and Safety	94	
	403-7 Prevention and Mitigation of Occupational Safety and Health Impacts Directly Related to Business Relationships	4.3 Occupational Health and Safety	89	
	403-8 Workers Covered by the Occupational Safety and Health Management System	4.3 Occupational Health and Safety	85	

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GRI 403 Occupational Safety and Health (2018)	403-9 Occupational Injuries	4.3 Occupational Health and Safety	91	
	403-10 Occupational Diseases	4.3 Occupational Health and Safety	91	
Human Rights Protection(Fuddy's Custom Topics)				
GRI3: Material Topics (2021)	3-3 Critical Topic Management	Management Approach- Human Rights Protection	74	
GRI 406 Non-Discrimination (2016)	406-1 Incidents of Discrimination and Improvement Actions Taken by the Organization	4.4 Human Rights Protection	96	No relevant events occurred during the year
GRI 408 Child Labor (2016)	408-1 Significant Risks of Child Labor at Operations and Suppliers	4.4 Human Rights Protection	96	No relevant events occurred during the year
GRI 409 Forced or Compulsory Labor(2016)	409-1 Locations and Suppliers at Significant Risk for Incidents of Forced and Compulsory	4.4 Human Rights Protection	96	No relevant events occurred during the year
Customer Relationship Management				
GRI3: Material Topics (2021)	3-3 Management of Material Topics	Management Approach - Customer Relationship Management	43	
GRI 418 Customer Privacy (2016)	406-1 Complaints of Substantiated Violations of Customer Privacy or Loss of Customer Data	2.4 Regulatory Compliance	33	
Product Quality, Green Products(Fudy Customized Theme)				
GRI3: Material Topics (2021)	3-3 Management of Material Topics	Management Approach-Product Quality	39	
			41	
GRI 416 Customer Health and Safety (2016)	406-1 Evaluating Health and Safety Impacts of Product and Service Categories	Management Approach - Green Products	62	
		416-2 Violations of Health and Safety Regulations for Products and Services	3.6 Product Quality and Innovation	62
Product Service and Innovation(Fudy Customized Topic)				
GRI3: Material Topics (2021)	3-3 Management of Material Topics	Management Approach - Product Service and Innovation	40	

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GRI 200: Economy				
GRI 201 Economic Performance (2016)	201-1 Direct economic value generated and distributed by the organization	2.1 Operative Overview	25	
GRI 204 Procurement Practices (2016)	204-1 Proportion of Purchase Expenditures from Local Suppliers	2.6 Sustainable Supply Chain Management	33	
GRI 300: Environment				
GRI 301 Materials (2016)	301-1 Weight or Volume of Material Used	3.4 Waste Management	57	
	301-2 Use of Recycled Materials	3.4 Waste Management	57	
	301-3 Recycled Products and Their Packaging Materials	3.4 Waste Management	58	
GRI 302 Energy (2016)	302-1 Energy Consumption within the Organization	3.2 Energy Management	48	
	302-3 Energy Intensity	3.2 Energy Management	48	
	302-4 Reducing Energy Consumption	3.2 Energy Management	49	
	302-5 Reducing Energy Demand for Products and Services	3.2 Energy Management	49	
GRI 303 Water and Discharge (2018)	303-1 Interaction of Shared Water Resources	3.5 Water Resource Management	58	
	303-2 Management of Impacts Related to Drainage	3.5 Water Resource Management	58	
	303-3 Water Abstraction	3.5 Water Resource Management	58	
	303-4 Discharge	3.5 Water Resource Management	58	
	303-5 Water Consumption	3.5 Water Resource Management	58	
GRI 305 Emissions (2016)	305-1 Direct(Scope 1) Greenhouse Gas Emissions	3.3 Management of Greenhouse Gases and other Major Air Pollutants Emissions	50	
	305-2 Energy Indirect(Scope 2) Greenhouse Gas Emissions	3.3 Management of Greenhouse Gases and other Major Air Pollutants Emissions	50	
	305-3 Other Indirect(Scope 3) GHG Emissions	3.3 Management of Greenhouse Gases and other Major Air Pollutants Emissions	50	

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GRI 305 Emissions (2016)	305-4 GHG Emission Intensity	3.3 Management of Greenhouse Gases and other Major Air Pollutants Emissions	51	
	305-7 Nitrogen Oxides(NOx), Sulfur Oxides(SOx), and Other Significant Emissions	3.3 Management of Greenhouse Gases and other Major Air Pollutants Emissions	51	
GRI 308 Supplier Environmental Assessment (2016)	308-1 Screening of New Suppliers Using Environmental Criteria	2.6 Sustainable Supply Chain Management	34	
GRI 400: Society-Community				
GRI 401 Labor-Employment Relations (2016)	401-1 New and Former Employees	4.2 Talent Cultivation and Development	78	
	401-2 Benefits Provided to Full-Time Employees(Not Including Temporary or Part-Time Employees)	4.2 Talent Cultivation and Development	81	
	401-3 Parental Leave	4.2 Talent Cultivation and Development	81	
GRI 404 Training and Education (2016)	404-1 Average Hours of Training per Employee per Year	4.2 Talent Cultivation and Development	82	
	404-2 Employee Functional Enhancement and Transition Assistance Programs	4.2 Talent Cultivation and Development	82	
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews	4.2 Talent Cultivation and Development	79	
GRI 405 Employee Diversity and Equal Opportunity (2016)	405-1 Diversity in Governance Units and Staff	4.1 Friendly Workplace Environment	76	
	405-2 Ratio of Female to Male Base Salary to Compensation	4.2 Talent Cultivation and Development	78	
GRI 413 Local Community (2016)	413-1 Operations with Local Community Communication, Impact Assessment, and Development Programs	4.5 Social Involvement	97	
GRI 414 Supplier Social Assessment (2016)	414-1 Screening New Suppliers Using Social Criteria	2.6 Sustainable Supply Chain Management	34	

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II . Sustainability Statistics

Statistics on Green Procurement Items and Amounts of Fudy and Related Enterprises

2022 ESG Green Product Procurement Statistics(Unit: NTD)

	Item	Category	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Taipei Fudy Headquarters	Total of three plants	
Environ- mentally Friendly Materials	FSC™ Verified Forestry Product Purchases	Raw Paper (Unprocessed paper)	2,628,387.63	15,837,940.69	4,666,606.00	23132934.32	
		Wave paper (Raw paper/Rubble paper)	3,484,087.34	89,133,706.45	1,879,369.00	94497162.79	
		Gray board	1,602,588.76	4,826,274.06	–	6428862.82	
		Outer box	9,694,305.12	5,159.01	–	9699464.13	
		Paper Plastic	1,519,595.60	3,063,679.66	–	4583275.26	
		Recycled content paper	–	–	–	0	
		Pure pulp products	–	–	–	0	
		Subtotal FSC™ Purchases (in millions of NT dollars)		18.93	112.87	6.55	138.3416993
		Percentage of purchases		12.94	31.79	2.23	17.40988126
		Raw Materials		–	–	3,113,206.00	
		Subtotal raw materials(NT\$ million)		–	–	3.11	3.113206
		Percentage of Procurement		–	–	1.06	0.391787487
		Purchase amount of recycled pulp products (recycled pulp content above 10%)	Gray Copper (except FSC™)	11,814,873.75	48,797,813.90	3,491,889.00	
			Wave Paper (except FSC™)	32,826,821.04	19,122,941.43	84,126,911.00	
			Wave Paper (except FSC™)	2,065,121.62	24,441,458.68	7,112,473.00	
	Outer box/carton (except FSC™)		8,603,302.47	37,910,295.77	43,620,355.00		
	Paper Plastic (except FSC™)		1,136,194.50	7,078,884.61	2,957,666.00		
	Kraft paper				47,392,726.00		

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2022 ESG Green Product Procurement Statistics(Unit: NTD)						
	Item	Category	Dongguan Fuyang Plant	Suzhou Fuyang Plant	Taipei Fudy Headquarters	Total of three plants
Environmentally Friendly Materials	Sub-total of purchases of recovered pulp products(S\$ million)		56.45	137.35	188.70	382.4997278
	Percentage of purchases		38.59	38.69	64.34	16.7740798
	Total Purchases of Environmentally Friendly Materials (NT\$ million)		75.38	250.22	198.36	523.9546331
	Percentage of purchases		51.53	70.47	67.63	65.93809379
Plastic	Plastic Purchase Amount	PP Film	6,711,625.06	14,335,205.04	92,440.00	
		PET Film	2,190,796.72	121,454.50	98,048.00	
		Plastic Hook/Handle	321,129.29	4,062,192.80	490,706.00	
		EPE/EVA/PU	2,531,502.41	5,387,110.98	37,155,326.00	
		HDPETRAY	—	—	18,512,764.00	
		PE Bags	—	—	1,324,871.00	
		Blister Molding	156,683.04	—	10,195,877.00	
		Injection Molding	10,609.87	—	—	
		Others	531,903.36	136,716.01	3,997,965.00	
	Subtotal of Plastic Purchases (in millions of New Taiwan dollars)		11.92	23.91	71.87	107.6963067
Percentage of Procurement		8.15	6.73	24.50	13.55325199	