

Directions for Supplier Management of FFHC and its Subsidiaries

Chapter I General Provisions

- Article 1 In order to fulfill the corporate social responsibilities and promote the sustainable development of economies, environment and society jointly with suppliers, the “Directions for Supplier Management of FFHC and its Subsidiaries” (hereinafter referred to as the “Directions”) are thus enacted to serve as a principle and guideline for screening and management of suppliers by the Company and its subsidiaries (hereinafter jointly referred to as “all companies”).
- Article 2 Suppliers of all companies shall agree to comply with the Directions while both parties enter into a contract.
- Article 3 All companies shall conduct on-site inspections, provide trainings or engage an independent third party in verification in order to understand the implementation of the Directions by suppliers. Audits of suppliers shall be regularly conducted to check for environmental issues, occupational accidents, or labor rights violations. In the event that a compliance violation is identified, the supplier is required to propose an improvement plan; otherwise its contract is terminated and the supplier is added to the monitoring list.

Chapter II Basic Labor Rights

- Article 4 Supplier shall comply with the Universal Declaration of Human Rights, generally accepted basic labor rights principles and relevant labor laws and regulations to ensure all human rights of workers are protected.
- Article 5 Suppliers’ human resources policy shall not discriminate against people based on race, nationality, gender, religion, age, marital status, class, language, thinking, appearance, sexual orientation, family status, and political affiliation, and they shall conduct hiring, employment conditions, remuneration, benefits, training, evaluation, and opportunities for advancement in an equitable and impartial manner. Furthermore, the fundamental human rights protection of workers are respected and observed at all times and appropriate management methods and procedures are in place.
- Article 6 Suppliers shall not deprive workers of their freedom of association and right to conduct collective bargaining; workers are entitled to organize or participate in labor unions in order to promote and protect their economic and social interests.
- Article 7 Suppliers shall eliminate all forms of forced labor and shall not have workers take forced or compulsory labor, neither shall they hire child workers who are under the age of sixteen. With consideration of the physical and psychological

development, they shall not engage workers under the age of eighteen in tasks deemed hazardous or harmful in accordance with the laws and regulations.

Article 8 Suppliers shall ensure disabled people's right to work and to be employed and establish an open and inclusive work environment that will not cause hindrance.

Chapter III Occupational Safety and Health

Article 9 Suppliers shall comply with the laws related to occupational safety and health, and shall, within a reasonable and feasible scope, adopt necessary preventive infrastructure or measures to keep workers from encountering occupational accidents, as well as protect their safety and health.

Article 10 Prior to the commencement of construction work at any business locations all companies, supplier shall realistically identify potential hazards in the work environment and advise the preventive measures and matters to be paid attention to for occupational accidents.

Article 11 Suppliers shall implement maternal health protection measures by adopting hazard assessments, controls and a management system by level for tasks that may prejudice the maternal health. For pregnant female workers or those who have given birth in the previous twelve months, suppliers shall follow doctors' suggestions on suitability assessment to make work adjustments or changes, or other health protective measures.

Chapter IV Corporate Social Responsibilities

Article 12 Suppliers shall endeavor to fulfill corporate social responsibilities while running the business in order to stay in line with the trend of international development. They shall also serve as corporate civilians to contribute to the country's economy, and improve the living quality of employees, social communities and society, thereby strengthening their competitive edge of prioritizing corporate responsibilities.

Article 13 Over the course of fulfillment of corporate social responsibilities, suppliers shall pay attention to the rights and interests of stakeholders; while they pursue sustainable operations and profits, an emphasis shall be put on factors such as environment, society and corporate governance, and the said factors shall be included in the management guidelines and operating activities of their companies.

Article 14 Suppliers are advised to follow the following principles in the fulfillment of corporate social responsibilities:

- I. Implement corporate governance.
- II. Develop sustainable environment.

- III. Safeguard public welfare.
- IV. Strengthen information disclosure of corporate social responsibilities.

Chapter V Environmental Protection

- Article 15 Suppliers shall follow relevant environmental laws and regulations and international standards to properly protect the natural environment and shall endeavor to promote a sustainable environment when engaging in business activities.
- Article 16 Suppliers shall establish a concrete environmental protection and energy-saving management system, and effectively implement a corporate culture of environmentally sustainable development in order to protect the earth, conserve resources, and conserve energy.
- Article 17 During the course of business operations, suppliers shall endeavor to refrain from introducing pollutants into the water, air, and land. Where such pollution is unavoidable, the supplier shall, in a way which accounts for a cost-benefit analysis, available technologies, and fiscal feasibility, put forth their utmost effort to reduce its negative impact on the health of human beings and the environment and adopt the most feasible pollution preventive measures and control mechanisms.

Chapter VI Ethical Corporate Management

- Article 18 Suppliers shall engage in business activities based on fairness, integrity, fidelity, and transparency, establish a corporate culture of ethical management, and endeavor to prevent unethical activities from happening. Neither shall they directly or indirectly offer, promise, request for or receive improper gains, or engage in other unethical acts, such as breach of fiduciary duty, crimes or breach of obligations, in order to gain or maintain profits. In the event that a supplier is in breach of the requirements, all companies may terminate or rescind the contract, or deduct the over-valued portion and any other benefits from the contract amount.
- Article 19 Suppliers shall realistically comply with the confidentiality requirements of all companies, and maintain strict confidentiality of all classified information learned or gained from all companies, such as techniques, R&D and/or business market movements; unless with a preliminary written approval by all companies or otherwise prescribed by the laws, they shall not disclose the said information to external parties. Furthermore, they shall not explore or gather the company's commercial secrets unrelated to their duties, and non-public material information.

- Article 20 The Directions, and any amendments hereto, shall be implemented after approval by the President.
- Article 21 The Directions were established on February 12, 2019.