

Formosa Plastics Group Letter of Commitment for Supplier/Contractor to Corporate Social Responsibility

Formosa Plastics Group (hereinafter referred as “FPG”) requires their suppliers and contractors (hereinafter referred as “Suppliers/Contractors”) to operate in compliance with this Commitment and all applicable laws and regulations.

FPG will assess Suppliers/Contractors’ compliance with this Commitment, and any violations of this Commitment may jeopardize the Suppliers/Contractors’ business relationship with FPG, up to and including termination of business relationship. This Commitment applies to Suppliers/Contractors supplying products and services to FPG, including Suppliers/Contractors’ subsidiaries, affiliates, and subcontractors.

***Labor and Human Rights**

Suppliers/Contractors must respect workers and protect workers’ human rights.

Antidiscrimination

Suppliers/Contractors commit that workers will be free from harassment or illegal discrimination. Suppliers/Contractors shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable law. Suppliers/Contractors shall not request pregnancy or medical tests, except where required by applicable laws or regulations or out of consideration of workplace safety conditions and shall not discriminate against workers based on such test results.

Prohibition of Involuntary Labor and Human Trafficking

Suppliers/Contractors shall do their utmost to ensure that all work is voluntary. Suppliers/Contractors shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any third party to control over workers for the purpose of exploitation.

Suppliers/Contractors commit that they shall not withhold workers’ original government-issued identification or travel documents and shall ensure that workers’ employment contract(s) clearly stipulates conditions of employment in a language understood by the workers. Suppliers/Contractors shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities.

Prohibition of Child Labor and Protection of Juvenile Worker

Suppliers/Contractors shall employ only workers who are at least 16 years of age.

Suppliers/Contractors shall not request juvenile workers who are younger than 18 years of age to work overtime or perform night work and shall not assign them to perform work that might jeopardize their health, safety, or morality.

Student Worker Protections

Suppliers/Contractors shall ensure proper management of student workers through proper maintenance of student records and shall prudently evaluate whether educational partners manage student workers in compliance with applicable laws and regulations in order to protect student workers' rights. Suppliers/Contractors shall provide appropriate support and training to all student workers.

Working Hours

Suppliers/Contractors shall follow all local applicable laws and regulations with respect to working hours and rest hours. All overtime shall be voluntary, and workers shall take at least one day off every seven days, except in emergencies or special cases stipulated by applicable laws and regulations.

Wages and Benefits

Suppliers/Contractors shall ensure that all workers receive at least the legally mandated minimum wages and benefits. Suppliers/Contractors shall offer all legally-mandated benefits and vacation time, leave periods, and time off for legally recognized holidays. Suppliers/Contractors shall compensate workers for overtime hours at the legal premium rate, shall inform pay structure and pay periods to all workers, and shall pay accurate wages in a timely manner. Wage deductions shall not be used as a disciplinary measure.

Freedom of Association and Labor Negotiation

As legally permitted, Suppliers/Contractors shall allow workers to associate with others, form, and join (or refrain from joining) organizations of their own choosing and engage collective bargaining without interference, discrimination, retaliation, or harassment. Suppliers/Contractors shall set up grievance mechanism for workers to facilitate open communication between managers and workers.

*** Health and Safety**

Suppliers/Contractors shall provide and maintain a safe work environment and integrate sound health and safety management practices into their business. Workers shall have the right to refuse working under unsafe environment and to report unhealthy working conditions.

Occupational Health, Safety, and Hazard Prevention

Suppliers/Contractors shall identify, evaluate, and manage occupational health and safety

hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls. Suppliers/Contractors shall provide workers job-related and appropriately maintained personal protective equipment and shall provide equipment instructions for proper use.

Emergency Prevention, Preparedness, and Response

Suppliers/Contractors shall identify and assess potential emergency situations and events. For each situation, Suppliers/Contractors shall develop and implement emergency plans and response procedures that minimize emergency situations' harm to life, the environment, and property.

Incident Management

Suppliers/Contractors shall set up a system for workers to report health and safety incidents and near-misses and shall investigate, track, and manage such reports. Suppliers/Contractors shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers returning to work.

Ergonomics

Suppliers/Contractors shall identify, evaluate, and control worker exposure to tasks that pose ergonomic risk such as excessive exertion, improper lifting positions, or repetitiveness. Suppliers and Contractors shall integrate this process into all new or modified production lines, equipment, tools, and workstations.

Machine Safeguarding

Suppliers/Contractors shall evaluate safety hazards in production and other machinery. Physical guards, interlocks and barriers shall be provided and properly maintained where machinery may presents an injury hazard to workers.

Working and Living Conditions

Suppliers/Contractors shall provide workers accessible and clean toilet facilities and potable water. sanitary Meals, food preparation, and storage facilities provided by Suppliers/Contractors shall be clean and sanitary. Worker dormitories provided by Suppliers/Contractors or a third party shall be clean and safe with reasonable living space.

Health and Safety Communication

Suppliers/Contractors shall provide workers appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in all their facility(ies).

Worker Health and Safety Committees

Suppliers/Contractors are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input on and participation in health and safety issues in the workplace.

*** Environment**

Suppliers/Contractors shall develop, implement, and maintain environmentally responsible business practices.

Hazardous Substance Management and Restriction

Suppliers/Contractors shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle hazardous substances.

Non-Hazardous Waste Management

Suppliers/Contractors shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle nonhazardous waste.

Wastewater Management

Suppliers/Contractors shall implement a systematic approach to identify, control, and reduce wastewater produced by their operations. Suppliers/Contractors shall conduct routine monitoring of the performance of their wastewater treatment systems.

Stormwater Management

Suppliers/Contractors shall implement a systematic approach to prevent contamination of stormwater runoff. Suppliers/Contractors shall prevent illegal discharges and spills from entering stormwater drains.

Air Emissions Management

Suppliers/Contractors shall identify, manage, reduce, and responsibly control air emissions emanating from their operations that pose a hazard to the environment. Suppliers and Contractors shall conduct routine monitoring of the performance of their air emission control systems.

Boundary Noise

Suppliers/Contractors shall identify, control, monitor, and reduce boundary noise generated by the facility.

Environmental Permits and Reporting

Suppliers/Contractors shall obtain keep current, and comply with all required environmental permits. Suppliers/Contractors shall comply with applicable permits and regulations.

Pollution Prevention and Resource Reduction

Suppliers/Contractors shall reduce energy, water, and natural resource consumption by implementing conservation and substitution measures. Suppliers/Contractors shall minimize hazardous substance consumption by implementing reduction and substitution measures.

Ethics and Business Integrity

Suppliers/Contractors shall uphold integrity and ethics in every aspect of their business, including relationships, practices, sourcing, and operations.

Suppliers/Contractors shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Suppliers/Contractors shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, for example the US Foreign Corrupt Practices Act (FCPA), and applicable international anti-corruption conventions.

Disclosure of Information

Suppliers/Contractors shall accurately record information regarding their business activities, labor, health and safety, and environmental practices and shall disclose such information, without falsification, alteration, or misrepresentation, to all appropriate parties.

Protection of Intellectual Property

Suppliers/Contractors shall respect intellectual property rights and safeguard customer information. Suppliers/Contractors shall manage technology and know-how in a manner that protects intellectual property rights.

Whistleblower Protection and Anonymous Complaints

Suppliers/Contractors shall set up an anonymous complaint mechanism for managers and workers to report workplace grievances. Suppliers/Contractors shall protect confidentiality of whistleblowers as well as reported information and shall prohibit any kind of retaliation.

Community Engagement

Suppliers/Contractors are encouraged to help foster social and economic development and contribute to the sustainability of local communities.

Responsible Sourcing of Minerals

Suppliers/Contractors shall exercise due diligence, in compliance with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, on their entire supply chain with respect to the sourcing of all tin, tantalum, tungsten, and gold contained in their products, to determine whether those metals are from the Democratic Republic of the Congo (“DRC”) or any adjoining country and, if so, to guarantee that those minerals do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country. Countries that adjoin the DRC are Angola, Burundi, the Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

*** Management Commitment**

Suppliers/Contractors shall abide by this Commitment and be responsible to FPG. Suppliers/Contractors shall implement or maintain, as applicable, a management system that facilitates compliance with this Commitment and the law, shall identify and mitigate related operational risks, and shall facilitate continuous improvement.

Company Statement

Suppliers/Contractors shall develop a company statement affirming their commitment to high standards of social and environmental responsibility, ethical conduct, and continuous improvement. Suppliers/Contractors shall post this statement in the primary local language in all their facility(ies).

Management Accountability and Responsibility

Suppliers/Contractors shall appoint representative(s) responsible for ensuring implementation and periodically review of their management systems. Suppliers/Contractors shall appoint Corporate Social Responsibility (CSR) representative(s) who reports directly to executive managers and has the responsibility and authority to manage social and environmental compliance requirements for the business.

Risk Assessment and Management

Suppliers/Contractors shall develop and maintain procedure(s) to identify labor and human rights, health and safety, environmental, business integrity, and legal compliance risks associated with their operations, shall investigate and determine the relative significance of each risk, and shall implement appropriate procedure(s) to manage and control identified risks.

Performance Objectives with Implementation Plans and Measures

Suppliers/Contractors shall formulate relevant plans, performance objectives, targets, and implementation plans that include periodic assessment.

Audits and Assessments

Suppliers/Contractors shall perform periodic evaluations of their facilities and operations, and the facilities and operations of their subcontractors and down-stream suppliers to ensure compliance with this Commitment and applicable laws and regulations.

Documentation and Records

Suppliers/Contractors shall have processes to identify, understand, and implement applicable laws and regulations and the requirements of this Commitment. Suppliers/Contractors shall maintain documents and records to ensure compliance with applicable laws and regulations.

Training and Communication

Suppliers/Contractors shall develop and maintain management and worker training programs to facilitate proper implementation of their policies and procedures and to fulfill the objective of continuous improvement. Suppliers/Contractors shall have procedure(s) for communicating clear and accurate information about their performance targets, strategies, policies, and expectations to their workers, down-stream supplier(s), and customers. Suppliers/Contractors shall have an ongoing process to obtain feedback on their practices related to implementation of this Commitment and to foster continuous improvement.

Corrective Action Process

Suppliers/ Contractors shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.

☐ **I hereby acknowledge that I have read and agreed the contents of this Formosa Plastics Group Letter of Commitment for Supplier/Contractor to Corporate Social Responsibility.**

The representative of the Company signed to

_____(Company)

_____(Signature)

_____y_____m_____d(Date)