

Supplier Corporate Social Responsibility Policy

Far Eastern Group upholds its founding motto of "Sincerity, Diligence, Thrift, and Prudence" as its guiding principle for business development. This principle is the cornerstone for the Group's management, manufacturing operations, environmental protection and social care initiatives. We are committed to do everything precisely, honestly, openly and constantly improve the operation, in order to fulfill our corporate social responsibility.

We expect our suppliers to follow our spirit, such that during the provision of services the supplier shall respect social and ethical standards, comply with applicable laws, respond actively to environmental and social issues by being accountable and responsible in pursuit of pursue continuous improvement.

A. Labor and Human Rights

Suppliers are committed to uphold the human rights of employees, and to treat them with dignity and respect as recognized by the international community. This applies to all employees including direct, temporary, migrant, student employees, and any other type of employees.

1. Voluntary Employment

There is to be no use of forced labor, which includes (but is not limited to): involuntary overtime, imprisoned labor, and indentured/bonded labor.

2. No Child Labor

Employees are to be over the age for completion of compulsory education or the minimum age for employment under the local law, whichever is greater. Employees under the age of 18 shall not perform work that is likely to jeopardize their health or safety, including night shifts, overtime, and other work deemed hazardous by local law.

3. Wages and Benefits

Wages shall not be lower than the minimum wages regulated under the local law. Special pay rates and benefits shall be provided to employees in accordance with the applicable local laws.

4. Working Hours and Breaks

Working hours shall be in accordance with local laws, including those relating to annual leave and statutory holidays. All overtime must be voluntary and employees shall be compensated accordingly with pay and breaks.

5. Freedom of Association and Collective Bargaining

Employees are to have the right to choose, form, belong to or refuse to join a union, or any other type of employees' organization, and take part in related activities.

6. Harassment, Abuse and Disciplinary Action

The workplace is to be free from sexual, psychological, physical, and verbal harassment, abuse, or intimidation. Every employee is to be treated with respect and dignity.

7. Respect and Non-discrimination

Employees are not to be subjected to any discrimination in employment, including hiring, assignment, wages, advancement, access to training, termination or retirement, on the basis of gender, sexual orientation, race, religion, age, disability, illness, marital status, pregnancy, nationality, political opinion, social or ethnic origin, or other protected status.

8. Protection of Female Employees

Appropriate and reasonable facilities and maternity leave for women employees during pregnancy, childbirth and nursing are to be provided. Suppliers shall comply with any working hour limits or other work restrictions for pregnant employees required by local law and take other reasonable measures to protect pregnant women from hazardous work.

B. Health and Safety

Suppliers recognize that in addition to minimizing the incidence of work-related injury and illness, continuous investment and training for employees are essential to identifying and solving health and safety issues in the workplace.

1. Occupational Safety

Prevention of employees' exposure to potential safety hazards are to be controlled in workplace through proper design, engineering and administrative controls, preventative maintenance, safe work procedures, and ongoing safety training.

2. Occupational Injury and Illness

Procedures and systems are to be in place to prevent, manage, track and report occupational injury and illness. These should include, but not limited to, provisions to: encourage employees reporting, classify and record injury/illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and assist employees return to work.

3. Emergency Measures

Potential emergency situations and events are to be identified and assessed, and their impacts on life, environment and property are minimized by implementing emergency plans and response procedures including (but not limited to): emergency report and alarm system, employee training and drills, and appropriate fire detection and suppression equipment.

4. Medical Services and First Aid

Processes and procedures responding to incidents that require first aid or other medical attention are to be developed and implemented. These include (but are not limited to): first aid trained employees, adequate materials (e.g. first aid kits, etc), and safekeeping of medical records.

5. Industrial Hygiene

Impacts arising from employee exposure to chemical, biological and physical agents are to be identified, evaluated, and controlled. Engineering or administrative controls must be used to prevent contacts. When hazards cannot be adequately prevented by such means, employees' health must be protected by appropriate personal protective equipment.

6. Physically Demanding Work

Impacts arising from employee engaging in physically demanding tasks are to be identified, evaluated and controlled, and provide opportunities for breaks or changes in activity; moreover, ergonomics designs are incorporated into equipment and processes. Physically demanding tasks include (but are not limited to): manual material handling, heavy or repetitive lifting, prolonged standing and highly repetitive or strenuous assembly tasks.

7. Machine Guarding

Physical guards, interlocks and barriers are to be provided and properly maintained to prevent potential injury hazard to employees.

8. Sanitation, Food, and Housing

Employees are to be provided with ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating utensils. Dormitories provided by the suppliers are to be clean, and safe with appropriate emergency exit, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space with reasonable entry and exit privileges.

9. Health and Safety Communication

Employees are to be provided with appropriate workplace health and safety training in their native language and the relevant health and safety information shall be displayed at eye-catching location in workplace. In areas where chemicals are utilized, relevant safety data sheet (SDS) in employees' native language shall be clearly displayed in the workplace.

C. Environmental

Suppliers recognize in manufacturing operations, adverse effects on the community, environment and natural resources are to be minimized while safeguarding the health and safety of the public and all local environmental protection laws shall be followed.

1. Environmental Permits and Reporting

All required environmental permits, approvals and registrations shall be obtained, maintained and kept current under the all applicable law. Furthermore, operational and reporting requirements prescribed under the permit are to be complied.

2. Pollution Prevention and Resource Saving

The use of resources and generation of waste of all types are to be reduced or eliminated by means including, but not limited to, process modification, maintenance and facility processes improvement, material substitution, conservation, recycling and re-using materials.

3. Hazardous Substances

Chemicals and other materials posing a hazard if released to the environment are to be identified and managed, and engineering or administrative controls must be used to ensure their safe handling, transport, storage, use, recycling or reuse and disposal.

4. Wastewater, Non-Hazardous Solid Waste and Noise

A systematic approach to identify, manage, reduce wastewater, non-hazardous solid waste and noise is

to be implemented. Wastewater and non-hazardous solid waste from operation, manufacturing process and sanitation facilities are to be responsibly disposed of or recycled.

5. Air Emissions

Air emissions including (but not limited to) volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, routinely monitored, controlled and treated as required by law prior to discharge. Supplier shall monitor the performance of its air emission control systems regularly.

6. Materials and Services Restrictions

Adhere to all applicable laws, regulations and the Company requirements regarding prohibition or restriction of specific substances in products and manufacturing.

7. Energy Consumption and Greenhouse Gas Emissions

Energy consumption and greenhouse gas emissions are to be tracked and documented at the facility and/or corporate level. Cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions are to be investigated.

D. Ethics

To fulfill social responsibilities, suppliers and their agents are to uphold the highest standards of ethics.

1. Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Any forms of bribery, corruption, extortion, theft, abuse of power and improper benefit are prohibited, including money, gifts, commissions, positions, services, preferential treatment or rebates of any type or in any name.

2. Transparent Disclosure of Information and Cooperation

Data regarding participant labor, health and safety, business activities, structure, financial situation, cost analysis and other related information shall be disclosed in accordance with applicable regulations and prevailing industry practices. Suppliers are to allow the Company or partnered third parties to conduct audits in order to determine if there are any breaches of this commitment Statement.

3. Intellectual Property and Confidential Information

Intellectual property rights are to be respected; transfer of technology and know-how are to be done in a manner that protects intellectual property rights. Suppliers shall have commercial and ethical responsibility to safeguard the confidentiality of the techniques, quality, products, services and other information related to the case.

4. Grievance Mechanism with Protection of Identity

Programs that ensure the confidentiality, anonymity and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers should have in place a communicated process for their personnel to be able to raise any concerns without fear of retaliation.

5. Privacy

Commit to reasonable protection of the privacy and personal information of everyone they do business with, including suppliers, customers, consumers and employees. Suppliers shall comply with privacy and

information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

6. Unconsented Subcontracting

Suppliers shall attend to performance of contract or purchase order directly without subcontracting or passing on the performance obligations to another party unless otherwise agreed by the Company.

7. Shipping and Transportation Law Compliance

Know and follow all laws related to shipping, handling and transportation of products to or on behalf of the Company. This includes source country's export and customs laws, destination country's import and customs laws, paying all necessary duties and taxes and following local transportation laws. Suppliers shall provide their employees and contracted service providers operation procedures and training to ensure their compliance with the aforesaid laws and regulations.

8. Avoid Conflicts of Interest

Any potential conflicts of interest should be avoided in all business dealings between suppliers and the Company. If a potential conflict is discovered, supplier shall report such incident immediately to the Company and take appropriate actions to prevent misconduct that may result from the conflict.

Reporting Channel

Audit Committee e-mail: auditcommittee@fenc.com

Audit Department e-mail: feaudit@fenc.com

Vice President,
Far Eastern Group
Purchasing Department

