



2023 FET Human Rights Due Diligence Report

2023.05

Human Rights Identification and Commitment

Human Rights Identification and Commitment



Background

Since 2016, FET has launched a series of human rights due diligence processes, and gradually incorporates it into part of formal sustainability management approaches.

Survey Scope

The process encompasses FET' s own operations, suppliers, community residents, and consumers

Survey Frequency

FET comply with the human rights principles of international conventions of human rights, such as the United Nations' Universal Declaration of Human Rights (UDHR), The United Nations Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work, where applicable to business, and regularly reviews the human rights management status according to the guiding principles of the above-mentioned regulations. At least every two years, FET will implement Due Diligence survey to identify significant human rights issues, review the management performance of human rights issues, develop improvement plans, and publicly disclose due diligence reports.

Assessed Groups

Due to the nature of telecom industry, a service-oriented, personal data intensive, and its extended value chain, FET includes groups such as children, indigenous people, migrant labor, 3rd party contracted labor, and local communities as assessed groups, in addition to employees. This assessment approach made it possible for FET to have constant and regular interactions with stakeholders, and feedback to FET' s human rights management approaches with real scenarios.

Note: Far EastOne did not engage in mergers and acquisitions in the past year nor has any joint venture in which it holds at least 10% of the shares.

Risk Identification – Human rights issue list

Following “Directives of the United Nations Guiding Principles on Human Rights” , FET created a drafted list of potential human rights issues, which was further supplemented based on industry specific issues and human rights concerned noticed from relevant departments. The finalized list is then further provided to all relevant departments to be included in their own due diligence process.

Human rights issue list	
User Privacy Protection	Child Protection
Personal Freedom and Safety (including Human Trafficking)	Non-discrimination
Guarantee of Job and Labor Conditions	Basic Standard of Living
Health Right	Forced or Compulsory Labor
Autonomy	Technology Inclusiveness
Freedom of Speech and Expression	Environmental and Cultural Property
Freedom of Assembly and Association	Right to Family Life

UN Human Rights Risk Checklist 3-1



Human Rights Issues	Scenario Description of Human Rights Incidents	Targets		
		Employees /Suppliers	Customers	Community
1.User Privacy Protection	The leakage of personal information of users and employees due to system flaws, security negligence, or failures to give due notification; also, including requests proposed by the competent authority regarding the establishment or installment of equipment and content of software which are not in accordance with international human right norms, in order to obtain personal information.	V	V	
2.Personal Freedom and Safety	Occurrences of threat, personal attack and harassment (such as sexual harassment), which lead to physically and mentally negative impacts on employees.	V	V	V
3.Guarantee of Job and Labor Conditions	The working environment or labor conditions do not meet the regulation, which lead to the basic working rights of employees (such as working hour, wages, health and safety, equal treatment, etc.) are not guaranteed; or, deprivation of legitimate work needs through unreasonable use of other types of employment contracts (such as a large number of contracted employees, dispatchers, foreign workers, etc.)	V		
4.Health Right	Workers are not provided with sufficient operation training and safety education, or are working overtime in high-pressured environment without providing legal health measures, leading to negative impacts on the mental and physical health of employees. On the other hand, it also includes the pollution of natural resources (such as land and water resources) caused by daily operation or improper disposal of electronic waste which may endanger the health of local citizens.	V	V	V

UN Human Rights Risk Checklist 3-2



Human Rights Issues	Scenario Description of Human Rights Incidents	Targets		
		Employees /Suppliers	Customers	Community
5.Autonomy	Impact on the autonomy of local citizens due to activities such as land requisition, construction and operation. For example, the process of land acquisition during the installation of network infrastructure is not negotiated with the local community, resulting in insufficient compensation or cease of local cultural activities.			√
6.Freedom of Speech and Expression	Safe and effective channels are not installed for employees, suppliers and customers to express their opinions, or suppressing various parties from expression with coercive means, such as terrorizing the being, work or life of those who express the opinion through litigation, intimidation, or threats.	√	√	√
7.Freedom of Assembly and Association	Workers do not have the freedom to participate in trade unions, or lack the mechanism to engage in collective bargaining; union cadres, participated employees and legal strikers are unreasonably and unequally treated.	√		
8.Child Protection	Illegal employment of laborers who are under the legal age to work, or request for minor workers to participate in dangerous/harmful operations; also, electronic/communication operators fail to establish appropriate protection measures against Internet content not suitable for children. Personal data of children may be abused or that they may even be harassed.	√	√	
9.Non-discrimination	Workers in the company or its value chain suffer from discrimination that is not relevant to their performances, such as discrimination against nationality, race, gender, age, political inclination, physical disabilities, etc., in recruitment, promotion and treatment given to them, or when selection of suppliers or customers.	√	√	

UN Human Rights Risk Checklist 3-3



Human Rights Issues	Scenario Description of Human Rights Incidents	Targets		
		Employees /Suppliers	Customers	Community
10.Basic Standard of Living	Improper development and construction, improper disposal of electronic wastes, excessive consumption of resources (such as the consumption of water by server cooling systems), leakage of toxic/pollutant materials from factories, etc., affecting access of residents to clean natural resources (such as water, air and land), creating negative impact on the quality of life or livelihoods.			√
11.Forced or Compulsory Labor	Forced labor (such as compulsory overtime working, under-reporting of working hours, etc.) through improper requests or threats (such as detention of ID/wages, mental and physical violence, etc.).	√		
12.Technology Inclusiveness	Providing inclusive and friendly products/services/strategies to enable the citizens in remote area and the disadvantaged to enjoy the benefits of technology and basic rights of medical treatment and education.		√	
13.Environmental and Cultural Property	Activities involving the extraction of resources or new construction projects (such as the laying of pipelines, installation of infrastructure networks) may insulate a certain group of people from culturally significant and knowledgeable areas or isolate their cultural heritage and thereby affect this right.			√
14.Right to Family Life	It is difficult to get the chance to marry or have home care support. For example, they can not apply for the parental leave, or get the support regarding nursery room or child rearing.	√		

Human Rights Due Diligence Procedure

Human Rights Due Diligence Procedure



1

- Through the channels below, FET included all evaluated aspects of potential human right issues:
- Directives of the United Nations Guiding Principles on Human Rights.
- Domestic labor related acts
- Interviews, complaints system
- Human right issues concerning industry development (e.g. privacy protections)

2

- Identify all the possible infected groups across FET value chain, including employees (evaluated criteria: gender, age, races, etc.), suppliers & contractors, consumers, and community.
- FET gathers the corresponding divisions to prioritize the human rights issues with a matrix: level of “severity” and level of “likelihood.”

3

- FET will start investigations toward a series of high risk issues to check scenarios.
- The department in charge will need to develop relevant precautions and effective management measures, so as to reduce the impacts from HR risks.

4

- Update FET’s impact on Human Rights’ matrix and Policy, so to adapt it to the reality of the sector, our strategy and the context in which FET operates.

5

- Publicly disclose the result of Human Rights due diligence for at least every three years.

Human Rights Due Diligence -Employees

■ Survey Method

- Initially, FET identified 10 potential human rights risks associated with stakeholders from the potential human rights issues list. These 7 risks including 1) privacy protections, 2) Personal Freedom and Safety,3) Guarantee of Job and Labor Conditions,4) Health Right,5) Freedom of Speech and Expression,6)Freedom of Assembly and Association 7)Child Protection,8) Non-discrimination,9) Forced or Compulsory Labor,10) Right to Family Life.
- Assisted by Sustainability Consultant, FET development Online Questionnaire consists of two parts. (1) Human Rights Risk Identification: Identify the risk situation of each BU based on the probability of occurrence of the risk situation and the degree of impact; (2) Risk due diligence: Understand each BU' s remedial measures or preventive mitigation measures for high-risk projects.
- Combining the level of likelihood(1= N/A 、 2 = Low (1% - 30%) 、 3=Medium (31% - 60%) 、 4= High (above 61%)),level of Severity(1= N/A 、 2 = Low 、 3 = Medium 、 4 = High) score, FET conducted a human right risk assessment and identified human right high-risk issues.

■ Respondents / Coverage & representative rate

- The survey targeted L1 supervisor as representative of respondents of all FET employees. With this definition, 48 respondents have been selected with 48 people provided feedbacks based on management observations, engagement and interviews with employees. The response rate amounts up to 100%.
- The representative rate is around 100% (48 supervisor representative manages 4,951 people, while the total FET employees are 4,951 people, $4,951/4,951 = 100\%$)

Due Diligence Sample description- Employees

- One-time survey was conducted via eLearning.
- The survey targeted 48 L1 supervisor as representative of respondents of all FET employees. 48 L1 supervisors responded validly, with a response rate of 100%.
- As of May 22, 2023, 48 L1 supervisors were representative of respondents of all 4,951 FET employees.
 - Number of representatives responded: 48, on behalf of 4,951 employees
 - Representative rate: $4,951 / 4,951 * 100\% = 100\%$

BU	To be Responded	Responded	Coverage
CBU-DS	5	5	100%
CBU-TB	5	5	100%
CCM	6	6	100%
EBU	6	6	100%
F&FS	5	5	100%
IDTT	7	7	100%
LR&P	2	2	100%
NT	4	4	100%
PO	2	2	100%
PO&HR	6	6	100%

Due Diligence Sample description- Employees



- As the question number is a category variable, scenarios of human rights incidents where the level of likelihood above 1% (2 or more) and the level of severity as severe and very severe (3 or more) cross were identified as high risk below:

Question	User Privacy Protection	Personal Freedom and Safety	Guarantee of Job and Labor	Health Right		Freedom of Speech and Expression		Freedom of Assembly and Association		Child Protection	Non-discrimination		Forced or Compulsory Labor	Right to Family Life	
	Q1,2	Q3,4	Q5,6	Q7,8	Q9,10	Q11,12	Q13,14	Q15,16	Q17,18	Q19,20	Q21,22	Q23,24	Q25,26	Q27,28	Q29,30
Level of Likelihood (2 or More)	46%	48%	27%	21%	44%	31%	23%	17%	19%	0%	25%	44%	8%	8%	52%
Level of Severity (3 or More)	33%	38%	33%	29%	25%	21%	25%	23%	25%	25%	27%	25%	25%	23%	27%
High Risk Identification	15%	18%	9%	6%	11%	7%	6%	4%	5%	0%	7%	11%	2%	2%	14%

Survey Result

- Top 3 Issues Identified : 1)Personal Freedom and Safety 、2)User Privacy Protection 、3) Right to Family Life.
- 18% of the risk ratio of Personal Freedom and Safety is the first in the ranking of identified risks, so this is regarded as the proportion of employees who identify and issue risks.
- In order to achieve the purpose of mitigating human rights risks, FET has established Standard Operation Process for handling human rights incidents, which fully cover the FET value chain and all operating locations. There are no related human rights disputes or violations of relevant laws and regulations in 2022, so no compensation actions have been taken

Mitigations and Precautions – Employees 3-1

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Incident	Remedial measures	Risk Level	2022 Due Diligence Result		
							Scope of Survey (%)	Identified with Risks (%)	Remedial Actions Taken (%)
All Employees	Personal Freedom and Safety	Threats, personal attacks or harassment; requirements of domestic competent authorities and laws and regulations	<ul style="list-style-type: none"> Establish safe and confidential accesses for complaints Establish a professional procedures for handling complaints Establish protection mechanism for victims/employees, such as access control and call screening Promote policies and trainings on the awareness of equal rights and workplace safety Increase measures on cares for employees 	0	<ul style="list-style-type: none"> Enhance the promotion of workplace misconduct, sexual harassment, and anti-discrimination policies, and provide relevant education and training Strengthen employees' cross-department communication skills and conflict management to prevent conflicts from arising. 	1	100%	18%	100%

Note: The mitigation plan was implemented in 100% of FET's all locations on a trial basis, covering 7 office buildings and 653 retail locations across Taiwan

Mitigations and Precautions – Employees 3-2

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Incident	Remedial measures	Risk Level	2022 Due Diligence Result		
							Scope of Survey (%)	Identified with Risks (%)	Remedial Actions Taken (%)
All Employees	User Privacy Protection	System or security breaches caused the leak of personal information of employees.	<ul style="list-style-type: none"> Introduce the third-party audit, such as ISO 27001 (information security) certification to review the implementation status Promote the information security policy/information security training Implement data encryption and warning measures Conduct regular internal audits on computer and storage devices/formulate the internal audit sop Control account/user access 	0	<ul style="list-style-type: none"> Establish institutional norms Enhance system protection, system permission control, and strengthen measures to protect sensitive data Continuously provide staff education and training to strengthen employees' awareness of cybersecurity. 	2	100%	15%	100%

Note: The mitigation plan was implemented in 100% of FET's all locations on a trial basis, covering 7 office buildings and 653 retail locations across Taiwan

Mitigations and Precautions – Employees 3-3

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Incident	Remedial measures	Risk Level	2022 Due Diligence Result		
							Scope of Survey (%)	Identified with Risks (%)	Remedial Actions Taken (%)
All Employees	Right to Family Life- Does not harm the right to family life	It is difficult to get the chance to marry or have home care support	<ul style="list-style-type: none"> • Provide stress relief courses • Motivate employees to take days off in accordance with regulations, and respect and encourage employees to strike a balance between work and life • Ensure employees' right to take care of their families, fully communicate and understand employees' pain points in their family life, and show care actively and discuss solutions • Introduce a smart scheduling mechanism to reduce the chance of overtime work, and provide a more flexible day-off policy for employees to arrange family activities by themselves <ol style="list-style-type: none"> 1. The leave management is carried out in accordance with the labor leave system 2. Implement personnel working hours management in accordance with labor safety standards 3. Regularly check whether employees' working hours in each department exceed the requirement 4. Encourage employees' family to participate in the company's employee events and activities 	0	<ul style="list-style-type: none"> • Enhance digitization and optimize employees' workflow. • Implement measures to care for employees' overtime attendance and management. 	3	100 %	14%	100%

Note: The mitigation plan was implemented in 100% of FET' s all locations on a trial basis, covering 7 office buildings and 653 retail locations across Taiwan

Human Rights Due Diligence - Communities & Customers



■ Survey Method

- Initially, related department in charge of external relations identified the following risks of human rights respectively from the human rights issue list
 - ✓ Community: 1) Personal Freedom and Safety, 2) Health Right, 3) Autonomy, 4) Freedom of Speech and Expression, 5) Basic Standard of Living, 6) Environmental and Cultural Property.
 - ✓ Consumers: 1) User Privacy Protection, 2) Personal Freedom and Safety, 3) Health Right, 4) Freedom of Speech and Expression, 5) Child Protection, 6) Non-Discrimination, 7) Technology Inclusiveness.
- Based on the list of identified human rights issues, analyze whether FET's customer complaints are related to human rights issues on the list.

■ Coverage & representative rate

All the cases from external relations and complaints from authority concerned were assessed during the dealing processes.

■ Survey Result

- Community: 1) Personal Freedom and Safety, 2) Autonomy
- Consumers: 1) User Privacy Protection, 2) Personal Freedom and Safety
- In order to achieve the purpose of mitigating human rights risks, FET has established Standard Operation Process for handling human rights incidents, which fully cover the FET value chain and all operating locations. There are no related human rights disputes or violations of relevant laws and regulations in 2022, so no compensation actions have been taken.

Mitigations and Precautions – Communities

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Incident	Remedial measures	Risk Level	2022 Due Diligence Result	
							Scope of Survey	Remedial Actions Taken
Communities	Personal Freedom and Safety	Threats, personal attacks or harassment; requirements of domestic competent authorities and laws and regulations	Engaged in the appearance design of base stations for them to blend into the buildings in accordance with the Regulations for Administration of Base Stations of Mobile Communications Network Businesses set out by the National Communications Commission (NCC). As such, residents will not have negative impression of the antenna equipment.	24	Cooperate with the National Communications Commission (NCC) to attend protest scenes and handle crises.	1	100%	100%
	Autonomy	Impact on the autonomy of local citizens due to activities such as land requisition, construction and operation.	<ul style="list-style-type: none"> All the construction in the community is based on the "Technical Specifications for Installation of Telecommunications Equipment Inside and Outside Buildings" to facilitate discussion and negotiation with local residents. Installed noise-canceling measurement equipment and smoke eliminators according to equipment requirements to avoid inconvenience caused to local residents when the data center is in a power outage and the generator is turned on. 	9	If there are any objections regarding the leased area, the company will be responsible for arranging visits by leasing colleagues to provide explanations and clarify any concerns.	2	100%	100%

Mitigations and Precautions – Customers

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Incident	Remedial measures	Risk Level	2022 Due Diligence Result	
							Scope of Survey	Remedial Actions Taken
Customers	User Privacy Protection	System or security breaches caused the leak of personal information of customers	<ul style="list-style-type: none"> • Introduce third-party reviews to ensure compliance with ISO 27001 standards, and undergo external certification to assess implementation. • Promote company information security policies and provide information security education and training. • Implement data transmission encryption and warning measures. • Conduct regular internal audits and establish internal audit SOPs for computers and department-related archival devices. • Implement account and data access controls. 	0	<ul style="list-style-type: none"> • Establish institutional norms. • Enhance system protection, system permission control, and strengthen measures to protect sensitive data. • Conduct employee education and training to strengthen employees' awareness of cybersecurity. 	1	100%	100%
	Personal Freedom and Safety	Incidents of threats, physical attacks, and harassment that pose a risk to the personal safety of customers	<ul style="list-style-type: none"> • Regularly plan and execute drills for critical service operation continuity. • Enhance the operation and functioning of the emergency response organization and mechanisms, ensuring real-time response to various event situations and risk management. • Implement customer environment safety and care. • Establish a professional complaint handling process. 	0	<ul style="list-style-type: none"> • In regards to customer safety, report to emergency response units and manage risks. • Handle related operations and media impact appropriately. • Enhance operational norms and conduct drills for service personnel. 	2	100%	100%

Human Rights Due Diligence - Suppliers

■ Survey Method

- Initially, Department of Procurement identified 5 potential risks of human rights in the supply chain from the potential human rights issue list. These 5 risks including 1) working conditions, 2) health rights, 3) self-autonomy, 4) Non-discrimination, 5) Freedom of Speech and Expression . High-risk suppliers are required to provide improvement status.
- The 5 potential human right risks were integrated into FET' s suppliers' CSR self-assessment forms to know further about the management measures taken toward human right risks.
- Combining the likelihood, impact and vulnerability score, FET conducted a SC human right risk assessment and identified human right high-risk suppliers.

■ Coverage & representative rate

In 2022, 350 tier-1 suppliers were assessed, accounting for 95.16% of 2022 procurement amount.

■ Survey Result

- Top 3 Issues Identified : 1) Guarantee of Job and Labor Conditions 、 2) Health Right 、 3) Forced or Compulsory Labor
- 3 supplier was identified as with high human rights risks during these years' DD, which accounts for less than 0.033% of the assessment suppliers (in 2022 procurement amount). The main risk is around violating Labor Standard Laws.
- Corrective action plans are provided by 3rd party consultant the October 2022. By March 2023, all three high-risk suppliers had submitted improvement plans, which were subsequently approved through the reevaluation process conducted by the third-party consultant.
- FET will conduct on-site audits on future high-risk suppliers to fully ensure correction plans when needed.

Mitigations and Precautions – Suppliers

Value Chain	Issues Identified	Human Rights Risk Assessment	Management and Mitigations & Precautions	Risk Level	2022 Due Diligence Result		
					Scope of Survey	Identified with Risks(%)	Remedial Actions Taken
Suppliers	Guarantee of Job and Labor Conditions	The working environment or labor conditions do not meet the regulation, which lead to the basic working rights of employees are not guaranteed; or, deprivation of legitimate work needs through unreasonable use of other types of employment contracts .	Require suppliers to establish internal policies to guarantee employee's labor right.	1	95.16%	0.033%	100%
	Health Right	Workers are not provided with sufficient operation training and safety education, or are working overtime in high-pressured environment without providing legal health measures, leading to negative impacts on the mental and physical health of employees. On the other hand, it also includes the pollution of natural caused by daily operation or improper disposal of electronic waste which may endanger the health of local citizens.	Require suppliers to establish EHS management mechanism	2			
	Forced or Compulsory Labor	Forced labor through improper requests or threats (such as detention of ID/wages, mental and physical violence, etc.).	Require suppliers to establish human right policies to ensure basic rights	3			

Feedback to Policy & Public Disclosure

	Feedback to Policy	Public Disclosure
All Employees	<ul style="list-style-type: none"> Establish protection mechanism for victims/employees, such as access control and call screening Promote policies and trainings on the awareness of equal rights and workplace safety Establish safe and confidential accesses for complaints Human Rights Policy Review labor relations, pay overtime better than statutory requirements. 	<ul style="list-style-type: none"> https://www.fetnet.net/corporate/en/Engagement.html https://www.fetnet.net/corporate/en/Growthanddevelopment.html https://corporate.fetnet.net/content/corp/en/CSR/Engagement/WelfareAndArchivement.html https://www.fetnet.net/corporate/en/Diversity.html https://www.fetnet.net/corporate/en/Humanrights.html
Customers, Community and General	<ul style="list-style-type: none"> Establish a professional procedures for handling complaints Privacy Policy 	<ul style="list-style-type: none"> https://www.fetnet.net/corporate/en/Privacy.html https://www.fetnet.net/content/cbu/tw/help-center/customer-service.html https://www.fetnet.net/information/privacy.html
Suppliers	<ul style="list-style-type: none"> supply chain management (SCM) FET Supplier Corporate Social Responsibility Guidelines Refer to the ISO 20400 Sustainable Procurement Guidelines. 	<ul style="list-style-type: none"> https://corporate.fetnet.net/content/corp/tw/CSR/ValueSharing/SupplyPolicy.html



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Appendix

Survey conducting evidence

List & Matrix of Human Rights Due Diligence

Human Rights Issues	Scenario Description of Human Rights Incidents	The level of severity and likelihood of occurrence of issue in your department	
		Level of Severity	Level of Likelihood
User Privacy Protection	The leakage of personal information of users and employees due to system flaws, security negligence, or failures to give due notification; also, including requests proposed by the competent authority regarding the establishment or installment of equipment and content of software which are not in accordance with international human right norms, in order to obtain personal information.	<p>Level of Severity 0 = no influence; 1 = not severe; 2 = severe; 3 = very severe</p>	<p>N = not clear; 0 = no occurrence; 1 = low probability; 2 = certain level of probability; 3 = high probability</p>
Personal Freedom and Safety	Occurrences of threat, personal attack and harassment (such as sexual harassment), which lead physically and mentally negative impacts on employees.		
Guarantee of Job and Labor Conditions	The working environment or labor conditions do not meet the regulation, which lead to the basic working rights of employees (such as working hour, wages, health and safety, equal treatment, etc.) are not guaranteed; or, deprivation of legitimate work needs through unreasonable use of other types of employment contracts (such as a large number of contracted employees, dispatchers, foreign workers, etc.)		
Health Right	Workers are not provided with sufficient operation training and safety education, or are working overtime in high-pressured environment without providing legal health measures, leading to negative impacts on the mental and physical health of employees. On the other hand, it also includes the pollution of natural resources (such as land and water resources) caused by daily operation or improper disposal of electronic waste which may endanger the health of local citizens.		