



CARED

2026 SUPPLY CHAIN ESG SUMMARY

Circular Economic — Awareness — Risk Management — Empowering — De-carbonization



Color Application Guide



FET Red

#b73028

Circular Economic



Vibrant Yellow

#f1cd48

Awareness



Flora Green

#c1c846

Risk Management



Sustainable Green

#578949

Empowering



Net-Zero White

#efefef

De-carbonization



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TRANSCENDENT FAR EASTONE CARED



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1.1 About This Report

From the Editor

Through years of dedicated effort in cultivating sustainable supply chain management, the Procurement Department of FET achieved third-party verification for compliance with the ISO 20400 Sustainable Procurement Guidance in 2022, becoming the first telecommunications company in Taiwan to achieve such certification. In 2024, it also published the first supply chain sustainability report in the Taiwanese telecommunications industry, verified by a third-party accountant, which has garnered numerous awards in recognition of its efforts. In 2025, the Dow Jones Best-in-Class Indices (DJBIC) awarded Far EasTone the highest honor in the supply chain management category, with a perfect score of 100 in all six subcategories. This was the highest score in the global telecommunications industry. FET received this distinction for two consecutive years.

FET's Procurement Department continues to embrace a commitment that goes beyond excellence, building upon the CARED ESG framework developed in 2023, comprising five key pillars: Circular Economy (C), Awareness (A), Risk Management (R), Empowerment (E), and Decarbonization (D). We will work hand in hand with our supply chain partners, making steady progress together towards sustainable operations. We also hope this report not only highlights the proactive efforts of FET's Procurement Department, but also serves as a valuable resource and benchmark for best practices in supply chain management.

Report Period

January 1, 2025 to December 31, 2025

Scope of Report

This report discloses the sustainability performance of Far EasTone Telecommunications' supply chain management. The scope of disclosure covers Far EasTone Telecommunications Co., Ltd. (hereinafter referred to as Far EasTone) as the parent company, as well as its key subsidiary, New Century InfoComm Tech Co., Ltd. (hereinafter referred to as New Century InfoComm), specifically regarding their procurement activities. Procurement activities and supply chain management are primarily overseen by the Procurement Department of FET's Legal, Regulatory, and Procurement Group, with the highest supervisory authority being the Board of Directors. Execution is carried out by the FET Corporate Sustainability Committee, led by the Chairman and President. Operational control falls under FET, NCIC, and KGEX.com, and all procurement activities follow the established procedures and standards set forth by FET.

Publication Information

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Company Overview

FET was established in Taiwan in 1997, providing information and communication technology as well as digital application services. Its core business areas include mobile communications, domestic fixed-line services, international communications, data communications, product sales, and other related services. The Company is committed to bridging the gap between people through technology, fulfilling its brand promise of "FET – Bringing You Closer."

Sustainability Vision and Strategy

In 2024, FET launched an updated Sustainability Strategy Blueprint covering the three ESG pillars – Environmental, Social, and Governance – with medium- to long-term goals set through 2030. The strategy actively aligns with the United Nations Sustainable Development Goals (UN SDGs), focusing on those most relevant to FET's core business and areas where the company can exert significant influence. FET is committed to maximizing its positive impact on the economy, environment, and society, striving to realize its vision of "Connected Living with FET, Seamless Communication, Enriched Lives, and a More Sustainable Planet" – becoming a trusted partner for all consumers.



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Blueprint for ESG Strategy

Corporate Vision

FET Connects You and Your World, Enriches Your Life and Protects Our Earth



	Environmental Energy Conservation and Carbon Reduction	Social Safety and Inclusion	Governance Sustainable Management
Internally	- Advancing Low-Carbon Operations - Developing Smart ESG Applications	- Fostering a Healthy & Inclusive Workplace - Employee Feedback & Subordinate Feedback - Diverse Communication Channels	- Digital Governance - Managing Information Security Risk - AI Empowerment to Enhance Productivity - Continuous Innovation and Expansion into New Applications
Externally	- Driving Carbon Reduction across the Supply Chain - Promoting ESG Applications to Support Enterprises & Public Sector in Energy Conservation and Carbon Reduction	- Unwavering Commitment to AI-Powered Fraud Prevention - Expanding Network Coverage in Rural Areas - Ensuring Both Environmental Sustainability and Security in Network Infrastructure 5G Telemedicine & Diverse Applications	- FET's 5G Metaverse Accelerator - Industry-Academia Collaboration - Sustainable Supply Chain

For detailed information on Far EasTone Telecommunications' main products and services, please refer to the Far EasTone Telecommunications Sustainability Report available at: <https://corporate.fetnet.net/content/corp/tw/CSR/ReportDownload.html>



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1.3 Awards and Recognitions in Recent Years

1.3.1 2025 International Evaluation Results

Far EasTone ranked first globally in the telecommunications sector within the 2025 Dow Jones Best-in-Class Indices (DJBIC) World Index. Furthermore, the company achieved a score of 96 in the Corporate Sustainability Assessment (CSA), marking the highest performance in the global telecommunications industry. Within this assessment, the supply chain management category earned top honors, with all six major topics achieving a perfect score of 100. Far EasTone is also the only telecommunications company in Taiwan to have received the CDP Supplier Engagement Rating (SER) 'A' Leadership Level for six consecutive years.

DJBIC Supply Chain Assessment Score Table

	Score	Score Discrepancy from Last Year	Percentage Ranking	Percentage Discrepancy from Last Year	Industry Average	Industry Leader
Supply Chain Management	100	0	100	0	26	100
Supplier Code of Conduct	100	0			51	100
Supplier ESG Programs	100	0			21	100
Supplier Screening	100	0			27	100
Supplier Assessment and Development	100	0			29	100
KPIs for Supplier Screening	100	0			19	100
KPIs for Supplier Assessment and/or Development	100	0			19	100

Note: The Dow Jones Sustainability Index (DJSI) was officially renamed the Dow Jones Best-in-Class Indices (DJBIC) in February 2025.

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1.3.2 Overview of Major Achievements in 2025

Far EasTone (FET) actively responds to the global trend of sustainable supply chain management. In 2025, FET established nine major sustainability goals (detailed on [page 57 of the 2025 Supply Chain Report](#)). Through collaborative efforts between the Procurement Department and cross-functional teams, the Procurement Department has achieved nine significant outcomes. The details are as follows:

- ① Supply Chain ESG Summary: Building on the completion of Taiwan's first third-party verified supply chain sustainability report in 2024, Far EasTone continued to promote supply chain sustainability information disclosure and published the 2025 Supply Chain Sustainability Report.
- ② Using the six dimensions of **QCDDSS** to analyze supply chain resilience capabilities, FET required the three suppliers whose evaluation scores declined to implement.
- ③ Strengthened supply chain carbon reduction efforts by promoting three major carbon reduction tools – sustainable finance, digital capabilities, and green energy development – at the supplier conference, and implemented a digital platform to conduct supplier carbon inventory operations.
- ④ Developed a digital evaluation dashboard for supplier sustainability due diligence, completing digital evaluation analysis for the top 100 suppliers.



- ⑤ Implemented the latest international guideline, Pathfinder V2, to establish supply chain Primary Data Share and Data Quality assessment. Increase the proportion of Level 1 data in supply chain carbon inventories. The proportion of Level 1 data obtained for the 2024 carbon inventory was **39.9%**.
- ⑥ Incorporated third-tier suppliers into the annual **eLearning** program to expand Far EasTone's sustainability impact and integrate key third-tier supply chain management.
- ⑦ In alignment with the company's implementation of the IFRS Sustainability Standards project, an assessment was conducted to identify gaps in supply chain information related to IFRS sustainability risks and opportunities.
- ⑧ In response to the 2026 IFRS requirements under the SASB telecommunications industry standards for product lifecycle management, the circular economy recycling rate for industrial waste in 2025 was **90.0%**.
- ⑨ Incorporated the **ISO 20400** Sustainable Procurement Guidance into the standard procurement operating procedures.

For detailed execution results, please refer to Chapter 4 of this report, which covers the annual performance of the five pillars of CARED.

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1.3.3 Sustainable Supply Chain Management: Significant Awards and Milestones in the Past Three Years

2024

May.

FET held its inaugural Supplier Sustainability Governance Workshop.

Aug.

FET published the **1st** supply chain sustainability report in Taiwan's telecommunications industry, which was also independently verified by a CPA. The verification covered carbon emissions data for Scope 3, Category 1 and Category 2.

Nov.

In the Dow Jones Sustainability Indices (DJSI) assessment, FET ranked **1st** globally among telecommunications companies in the DJSI World Index. The Company's performance in the Supply Chain Management category received the highest distinction, earning perfect scores (**100 / 100**) across all six evaluated criteria – the highest score in the global telecom industry.

Mar.

Received an "A" score (Leadership Level) in CDP's Supplier Engagement Rating for the **4th** consecutive year.



Jul.

A Digital Sustainability Elite Program was conducted, with a total of 67 participants from the Company's nine departments and two subsidiaries.

Oct.

Received **10** major awards at the TCSA Taiwan Corporate Sustainability Awards, maintaining its position as the **top-ranked** telecom company. Notable achievements related to sustainable supply chain management include:

- Sustainable Supply Chain Leadership Award – for advancing net-zero goals through the five CARED sustainability pillars
- Climate Leadership Award – for Scope 3 supply chain carbon inventory and audit initiatives and benchmark-setting metrics
- Circular Economy Leadership Award – for transforming "telecom waste" into circular business opportunities



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May.

FET held the second Supplier Sustainability Governance Workshop.

Jul.

FET conducted a Digital Sustainability Elite Course, with a total of 53 employees from nine major departments and two subsidiaries participating.

Feb.

Far EasTone was selected as the **top** global telecommunications company in the S&P Sustainability Yearbook, ranking within the top 1% of the telecommunications industry.

2026

2025

Jun.

FET was ranked in the top **6%** globally in the CDP Supplier Engagement Rating (SER), earning the highest distinction of "Leadership Level – Grade A," becoming the only telecommunications company in Taiwan to achieve Grade A performance for **five** consecutive years.

Nov.

FET received 13 major awards at the Taiwan Corporate Sustainability Awards (TCSA). For the eighth time, FET was selected among the "Most Prestigious Sustainability Awards - Top Ten Domestic Corporations," earning the highest honors including the Climate Leadership Award, Social Inclusion Leadership Award, Growth through Innovation Leadership Award, Talent Development Leadership Award, and Sustainable Supply Chain Leadership Award. Additionally, FET was awarded the Sustainability Report Platinum Award and the Global Corporate Sustainability Awards Sustainability Report Gold Award, totaling **13** major awards.

Apr.

On April 10, 2026, Far EasTone held the "CDP Score Taiwan Presentation." In the "Climate Change" category, Far EasTone was awarded the highest rating of "Leadership A," an honor achieved by only about **2%** of companies worldwide. FET received the highest A-grade rating in all **12** key categories, demonstrating its outstanding achievements in corporate governance and carbon reduction initiatives.

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VISION AND ENCOURAGEMENT

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Message from Management

Time flies. Since 2024, FET has published Taiwan's first third-party verified supply chain sustainability report, sharing with industry peers our approach to advancing sustainability by collaborating with the ecosystem to jointly improve and expand sustainable capabilities. This marks the third year of our efforts. This year, FET once again discloses our sustainability achievements and outlook through this Supply Chain Sustainability Report, aiming to inspire the industry to actively address sustainability challenges together.

While implementing low-carbon operations through technology, FET also aims to share its experience with supplier partners to jointly enhance sustainability governance effectiveness. We have incorporated the latest international guideline, ISO 20400 Sustainable Procurement Guidance, into the company's standard procurement operating procedures. Additionally, we have enhanced the automation of data collection through technological platforms to improve the quality of carbon inventory data.

Simultaneously, FET established a digital dashboard for supplier sustainability due diligence evaluation. Through precise guidance across six key dimensions – Quality, Cost, Delivery, De-Carbonization, Service, and Sustainability (QCDDSS) – FET completed due diligence and annual performance assessments for its top 100 suppliers.

This year, FET has ranked first globally for the third consecutive year in the Dow Jones Best-in-Class

Chairman

徐旭東

Dr. Douglas Hsu

Indices (DJBIC) World Sustainability Index. Notably, FET maintained a perfect score in the "Supply Chain Management" category, demonstrating that its sustainable practices and achievements are highly recognized by international authoritative organizations. Rather than referring to it as supply chain management, a more accurate description is advancing together with partners toward mutual prosperity. FET leverages three key tools – sustainable finance, digital capabilities, and green energy development – to support carbon reduction efforts, fostering a shared sustainability vision with our supply chain and progressing toward common goals.

FET will next begin establishing a telecommunications industry material carbon footprint coefficient database to further enhance carbon reduction efficiency. Additionally, building on existing achievements and foundations, the established "Supplier Sustainability Due Diligence Digital Evaluation Dashboard" has expanded its monitoring of sustainability risks to cover more suppliers. At the same time, we empower our suppliers through technology, guiding partners to effectively utilize digital tools to prepare their own ESG sustainability reports. In our efforts to strengthen sustainability alongside the supply chain, we aspire for every improvement to serve as a driving force for industry transformation, creating lasting value for the environment and society as we collectively advance toward a low-carbon, mutually beneficial future.



President

井靖

Dr. Chee Ching

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Since 2011, the FET Procurement Department has been engaged in the preparation of corporate social responsibility reports, continuously improving supply chain management practices year by year. The documents such as the "[Supplier Social Responsibility Self-Declaration](#)", "[Supplier Code of Conduct](#)", and "[Supply Chain Management Policy](#)" have been successively published. In response to the growing emphasis on ESG issues and sustainable supply chain management internationally, the Procurement Department passed a third-party review of the "ISO 20400 Sustainable Procurement Guidance" in 2022, becoming the first telecommunications operator in Taiwan to receive third-party certification. Subsequently, the "[Greenhouse Gas Management Regulations for Supply Chains](#)" and the "[Biodiversity Commitment for Supply Chains](#)" were issued,

officially initiating the promotion of sustainable supply chain management centered on the ISO 20400 standard. The Procurement Department of FET continuously strives for self-improvement under the principle of "There is no best, only better," and looks forward to collaborating with supply chain partners to contribute to the sustainability of the Earth.



For more information, please refer to the official website: [FET Supply Chain Management Strategy](#)

3.1 Sustainable Supply Chain Policy and Philosophy

In 2016, FET's Procurement Department initiated efforts to align the company's strategic development with supply chain management, formally launching the first version of its Supply Chain Management Policy. This policy incorporated economic, environmental, and social considerations while also addressing key operational aspects such as Quality, Cost, Delivery, and Service (QCDS), as well as business ethics. As ESG issues gained increasing global importance, FET took further steps toward international alignment. In 2022, the Procurement Division adopted the sustainability guidelines of the Institute for Supply Management (ISM) and revised the policy into the "FET Sustainable Supply Chain Management Policy." The updated version integrated sustainability and carbon reduction into supplier due diligence processes, laying the foundation for a comprehensive, sustainable, and green supply chain. In 2025, FET further advanced the application of the ISO 20400 Sustainable Procurement Guidance by integrating them into the procurement standard operating procedures, thereby strengthening the sustainable procurement management mechanism.



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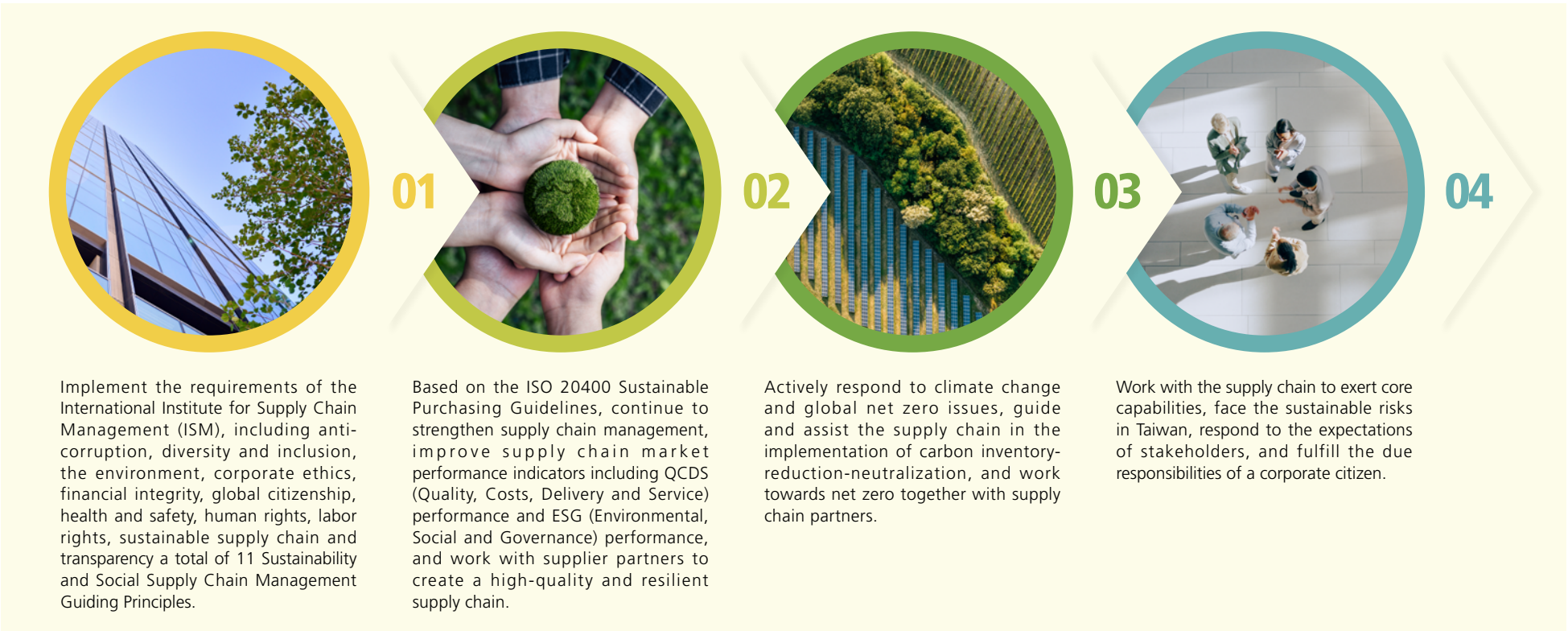
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3.1.1 Sustainable Supply Chain Management Policy

The Supply Chain Sustainability Management Policy serves as the primary document aligning with the Company's sustainability governance objectives and is the highest guiding principle for supply chain management. This policy has been formally approved and announced by the President to serve as the guideline for all procurement management activities.

In light of the continuous evolution of international sustainability frameworks and standards, such as the Taskforce on Nature-related Financial Disclosures (TNFD), the Taskforce on Industry-specific Financial Disclosures (TISFD), the Science Based Targets Network (SBTN), and the International Financial Reporting Standards (IFRS) S1/S2, FET's Procurement Department will continue to focus on critical issues in supply chain management. We will assess the necessity of revising our supply chain sustainability management policies to ensure that FET's sustainable supply chain management meets the highest standards and continues to serve as a benchmark for the industry.

Four Policies for Sustainable Supply Chain Management



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3.1.2 Supplier Code of Conduct

As global dynamics grow increasingly complex, the structure and resilience of supply chains are directly affected. In the face of this complexity, establishing more flexible and resilient management approaches has become a key challenge in supply chain governance. The "FET Supplier Code of Conduct" outlines the fundamental requirements for supply chain behavior, encompassing the four primary aspects of business ethics, human rights and labor rights, health and safety, and environmental considerations. Additionally, it extends to 25 sub-aspects related to sustainability. FET's Procurement Department has integrated the content of the Code of Conduct into supply chain education and training, as well as the annual sustainability due diligence process. This is essential to reduce supply chain risks, ensure compliance, and enhance supply chain quality under the guidelines of the "Supplier Code of Conduct." The Procurement Department will also revise the content of the guidelines based on actual needs.

The "FET Supplier Code of Conduct" is structured as follows (Nov. 2024 Revision)



Business Ethics

- ① Anti-corruption and Anti-bribery
- ② Conflict of Interest
- ③ Anti-competitiveness
- ④ Responsible Procurement
- ⑤ Laws and Regulations



Human Rights Labor Rights

- ① Anti-discrimination
- ② Diversity and Inclusive Culture
- ③ Prohibition of Illegal Child Labor
- ④ Prohibition of Inhumane Treatment
- ⑤ Working Hours
- ⑥ Wages and Benefits
- ⑦ Personal Data Protection
- ⑧ Freedom of Assembly and Collective Bargaining



Occupational Safety and Health

- ① Compliance with Laws and Regulations
- ② Occupational Injury Self-Prevention
- ③ Labor Safety Training
- ④ Health Plan & Insurance



Environment

- ① Greenhouse Gas Emissions and Energy Consumption
- ② Resource Efficiency
- ③ Green Work Environment
- ④ Green Procurement
- ⑤ Management of Toxic and Hazardous Substances
- ⑥ Pollution Prevention
- ⑦ Sustainability Management of Suppliers
- ⑧ Biodiversity, Prevention Any Deforestation Activities, or Land Conservation

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3.2 Sustainable Supply Chain Management Mechanism

This section outlines the sustainable supply chain management mechanism of FET. By applying the 5W1H framework – Who (management supervision level), Why (management objectives), What (management methods), When (management frequency), Where (on-site management), and How (execution actions) – it clearly outlines how FET's Procurement Department effectively manages the supply chain to reduce risks and enhance sustainable resilience.

3.2.1 Levels of Sustainable Supply Chain Management

According to the current structure of the FET Sustainable Development Committee, in response to the increasing importance of carbon inventory in the supply chain under Scope 3, sustainable supply chain management is governed under the environmental aspect. However, it is also necessary to submit relevant reports under the governance aspect. The highest supervisory level of the Sustainable Development Committee is the Board of Directors.

ESG Committee Organizational Structure



The source of the image above is: <https://corporate.fetnet.net/content/corp/tw/CSR/CSRManagement/SocietyManage.html>

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3.2.2 Sustainable Supply Chain Management Standards

The sustainable supply chain management of FET is primarily based on international management requirements and evaluation criteria, including the ISO 20400 Sustainable Procurement Guidance, the Organisation for Economic Co-operation and Development (OECD), Life Cycle Analysis (LCA), the Responsible Business Alliance (RBA), and Ecovadis assessments. Guided by operational realities, FET has further structured this framework around three complementary mechanisms: "Registration Threshold Management," "Regular Management," and "Compliance Management."

FET has established its "Supply Chain Sustainable Management Policy" as the basis for supplier management, and the "Supplier Code of Conduct" have also been introduced to encompass economic, social, and governance requirements in supplier standards. Suppliers are required to sign the "FET Supply Chain Sustainable Operation Self Declaration" and the "Code of Business Conduct Agreement" with punitive penalties.

Guided by the ISO 20400 Sustainable Procurement Guidance, the sustainable supply chain management at FET aims to achieve the following five major objectives. Through the interaction of these five goals, FET's supply chain is expected to grow steadily and robustly.

Objectives of FET Sustainable Supply Chain Management



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Registration Threshold Management

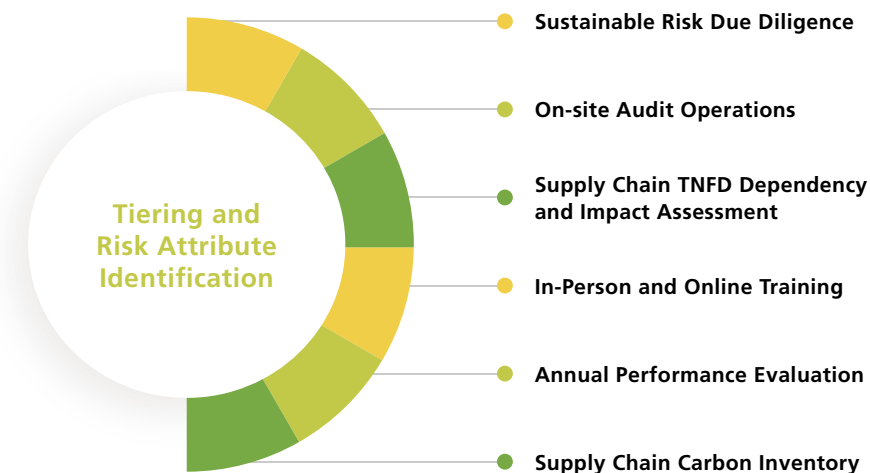
To strengthen management, all new suppliers must pass a nine-level evaluation conducted by the Company's Credit Department, which includes assessments of company information, project transaction records, credit history, and other aspects. Suppliers rated at levels 8 or 9 will not be considered for selection. This credit evaluation is linked to the Far Eastern Group and government-sanctioned suppliers, ensuring that suppliers listed as disqualified will not be engaged. Additionally, new suppliers are required to sign the "Code of Business Conduct Agreement," the "New Supplier Social Responsibility Self-Declaration," and the "Biodiversity Commitment Statement." Those who have not signed will be unable to access system functions or process orders and payments and must also undergo the "ESG quantitative assessment threshold process." If they do not meet the threshold requirements, they must implement improvements; failure to do so will result in suspension until the necessary improvements are completed. Active suppliers must renew their contracts every 360 days to ensure their ongoing commitment to ethical corporate management. Registration Threshold management ensures the credibility and reliability of all partners and secures their compliance with FET's requirements for a sustainable supply chain.

Regular Management

Regular Management can be divided into the following seven major operations:

- **Classification and Risk Attribute Identification:** This includes ESG-critical, business-critical, and high-risk suppliers. Suppliers are assessed across ESG risk dimensions through factors such as specific country/region risks, industry-specific risks, and product-specific risks to identify ESG-Significant Suppliers.
- **Sustainable Risk Due Diligence:** ESG due diligence is structured around three major themes, 17 sub-dimensions, and 23. Suppliers are required to complete an online questionnaire, which is further supported by manual document review and verification. A due diligence score is assigned to each supplier based on this evaluation.
- **Field Audits:** For Significant Suppliers identified annually, on-site review are conducted to verify supporting documentation and ensure compliance through physical inspections.
- **Supply Chain Carbon Inventory and Audit:** In accordance with the "FET Supply Chain Greenhouse Gas Management Regulations," suppliers undergo greenhouse gas emission audits aligned with the Company's Scope 3, Category 1 and 2 emissions.
- **Supply Chain TNFD Dependency and Impact Assessment:** In accordance with the Company's TNFD reporting requirements, suppliers with significant biodiversity impacts are subject to dependency and impact assessments.

- **Annual Performance Evaluation:** Each year, performance evaluations are conducted for approximately 95% of the accumulated procurement amount, involving around 194 suppliers.
- **In-person and Online Training:** Annually, capacity-building training is provided to supply chain partners, focusing on various sustainability topics relevant to the year.



The annual implementation results of regular management will be presented in Chapter 4 of this report under the CARED Five Pillars Annual Performance.

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Compliance Management

The core principle is to implement both the "stick" (temporary suspension) and the "carrot" (incentive measures) simultaneously, demonstrating FET's commitment and strength in sustainable supply chain management. In relation to the operations of threshold management and regular management, the Procurement Department will establish performance indicators based on different management requirements. Those who do not meet these indicators will be subject to temporary suspension of rights, accompanied by guidance and improvement measures to assist supply chain partners in keeping pace with FET. In terms of incentives, FET's Procurement Department has designed incentive programs that meet the needs of suppliers based on three aspects: Management Framework, Commercial Support, and Recognition & Partnership, with the goal of providing meaningful support and encouragement to supply chain partners as they strive to meet sustainability objectives.

All FET procurement contracts clearly set out that suppliers must adhere to relevant regional, environmental, and labor safety and health laws and regulations. Construction suppliers must sign the Contractors Occupational Safety and Health and Environment Commitment, the Declaration on Announcement of Contractors Worksite Environmental Hazards, and carefully review the Occupational Safety and Health Management Implementation Points for Contractors. Additionally, suppliers must fulfill relevant management and hazard prevention responsibilities in accordance with the Regulations for Occupational Safety and Health Organization Management and Self-Check to ensure the safety and health of workers and prevent occupational hazards.

In addition to regularly assessing suppliers to ensure their compliance with the aforementioned regulations, FET also suspends the accounts of suppliers who have not conducted any transactions with the company for three years or more. This is done to ensure that the information regarding suppliers' creditworthiness and corporate social responsibility remains up-to-date.

Supply Chain Sustainability Incentivizing Program



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FET Sustainable Supply Chain Management Framework

New Supplier Screening	Supplier Management and Maintenance				
Registration Threshold Management	Regular Management				Compliance Management
New Supplier Screening	Supplier Grading and Classification	Supplier Screening	Supplier Assessment	Risk Analysis and Improvements	Reinstatement and Suspension Management
9-level Credit Assessment ESG Quantitative Assessment Threshold for New Suppliers Sign the Code of Business Conduct Agreement Sign the New Supplier Social Responsibility Self-Declaration Sign the Biodiversity Commitment ESG Quantitative Assessment Threshold for RFP Suppliers	Supplier Grading - Tier 1, Tier 2 - Significant / Non-significant Supplier Categories - ICT - Handsets - Construction - Admin - Media / Non-Media - And Other Professional Service	Aspects of Suppliers Screening - Environmental - Social - Governance - Business relevance Methodology for Suppliers Screening - Country-specific Risk - Sector-specific Risk - Commodity-specific Risk	Supply Chain ESG Sustainability Risk Due Diligence Document Review - Reviewed by FET - Reviewed by Third-party On-Site Review - Reviewed by FET - Reviewed by Third-party Supply Chain Carbon Management GHG Protocol Supply Chain Inventory, Audit, Data Supply Chain TNFD Dependency and Impact Assessment	ESG Risk Identification (High/Medium/Low Risk) Result Analysis and Reporting Improvement Recommendations and Follow-up Supply Chain Carbon Management Data Quality Improvement QCDS Annual Performance Evaluation Supply Chain Resilience Analysis	Suppliers who have not Engaged in Transactions with FET for Three years will be Suspended Top 500 Suppliers who do not Participate in the Risk Assessment will be Suspended High-risk Suppliers who Fail to Make Required Improvements will be Suspended Incentive & Transaction Management Provide Incentive & Transaction Control
Supplier Training, Consultation and Communication, FET Procurement Employee Training					
Digital Sustainability Platform					
ISO 20400, OECD, LCA(Life Cycle analysis), RBA , EcoVadis					

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Sustainable Supply Chain Execution Guidelines and Performance Indicators (CARED)

Sections 3.2.1 and 3.2.2 primarily outline the planning and framework for the sustainable management of the FET supply chain. In terms of execution, the Procurement Department, guided by the sustainable management policy, has integrated the five pillars of CARED ESG in 2023: Circular Economy (C), Awareness (A), Risk Management (R), Empowering (E), and De-carbonization (D). This integration addresses all significant issues of concern to key stakeholders. Furthermore, the management practices outlined in Section 3.2.2 serve as the implementation of these five pillars. Each pillar is supported by specific execution strategies and collaborative engagement with the supply chain. Through FET's sustainability capabilities and influence, the company aims to empower and lead supply chain partners on their own sustainable transformation journey.

The terminology of CARED has been revised as follows:

Sustainable DNA – CARED Sustainable Performance Linkage

FET is committed to advancing its "CARED" sustainability strategy by establishing a mechanism that links sustainability performance with compensation, thereby enhancing corporate resilience. Management-level personnel (manager and above) are required to set annual ESG targets based on the nature of their business and incorporate these targets into their individual performance evaluations, with a weighting of no less than 5%, to concretely fulfill their commitment to the CARED strategy. The Procurement Department has incorporated international benchmarks such as DJBIC/CDP, supply chain carbon inventory and audit, and biodiversity protection into the Company's procurement performance tracking dashboard at the management level, establishing quantitative indicators integrated into daily operations. At least 5% of the compensation assessment for frontline procurement staff is linked to sustainable supply chain management KPIs; for management, 10-30% of the sustainability performance weighting is set according to the intensity of supply chain management.

FET will continue to conduct rolling reviews of performance indicator design in accordance with the CARED strategic direction and international sustainable supply chain development trends, and provide necessary training to strengthen the linkage between performance evaluation and sustainable supply chain management.





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CARED Annual KPI Tracking and Evaluation Table

Sustainability Strategy	KPI	2025 Objectives / Actions	2025 Actual Achievements	2026 Objectives / Actions	2030 Objectives / Actions
CARED Driving Low carbon Transition Across the Value Chain	A. Number of new suppliers completing third-party on-site review for the year	35 companies	35 companies	35 companies	35 companies
	B. Number of new suppliers completing FET's independent on-site review for the year	55 companies	84 companies	55 companies	55 companies
	C. Percentage of Tier 1 Significant Supplier document audit	100%	100%	100%	100%
	D. Percentage of Tier 1 Significant Supplier On-site audit	100%	100%	100%	100%
	E. Performance improvement rate of high-risk suppliers for the year	90%	100%	90%	95%
	F. Proportion of signatories to the Biodiversity Commitment of the Top 100 suppliers in the supply chain	95%	97%	97%	97%
	G. Circular economy recycling rate	Decommissioned equipment recycled > 80% (incl. furniture)	Decommissioned equipment recycling percentage 90.0% (incl. furniture)	Decommissioned equipment recycled > 87% (incl. furniture)	Decommissioned equipment recycled > 87% (incl. furniture)
	H. Supply chain carbon reduction in Scope 3 Cat 1 & 2	5% reduction in carbon emissions compared to the previous year	11.9% reduction in carbon emissions compared to the previous year	5% reduction in carbon emissions compared to the previous year	42% reduction in carbon emissions compared to the 2021 baseline year

Definition of Circular Economy Recycling Rate: The proportion of total weight of recyclable materials to the annual total weight of decommissioned telecom equipment, mobile devices, and administrative facility assets.

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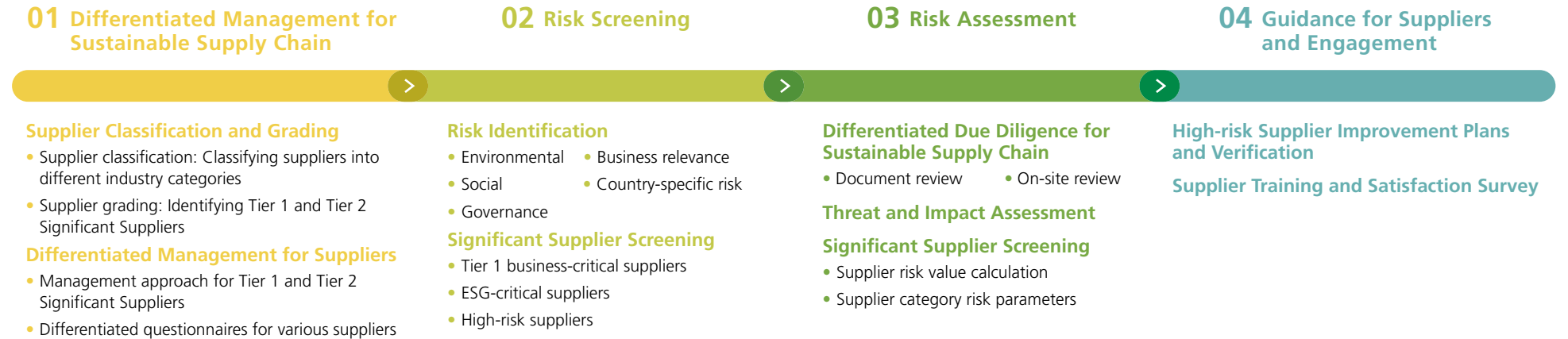
3.3 Supplier Risk Management and Screening

The Procurement Department of FET integrates the ISO 31000 Risk Management Guidelines and the ISO 20400 Sustainable Procurement Risk Assessment processes to conduct significant screening and analysis of vendors involved in annual transactions, serving as a priority management focus for due diligence and on-site review. By classifying transaction types and segmenting procurement amounts, and referencing international risk attribute indicators, suppliers are categorized into three main groups: "Business-Significant Suppliers," "ESG-Significant Suppliers," and "Annual High-Risk Suppliers." The following sections will provide detailed explanations of these steps.

3.3.1 Supply Chain Risk Management Methodology and Steps

FET implements sustainable supply chain management through four key processes, as described below:

FET Sustainable Supply Chain Management Cycle



FET SUPPLIERS

For supplier categories, to accurately manage suppliers and identify supply chain risks, we categorizes suppliers based on their industry type and the content of transactions with them. FET further categorizes suppliers into the following five major types for more refined management:



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As a telecommunications company deeply committed to sustainable supply chain management, FET understands the challenges faced by suppliers in sustainability management. Therefore, in 2023, the Company introduced the DISCO digital sustainability management platform, aiming to leverage digital capabilities to obtain higher quality sustainability information more efficiently and accurately. The digital sustainability management platform has brought multiple benefits to FET: improving internal supplier management efficiency by using ESG data to make precise decisions; enhancing confidence among customers, investors, and consumers; continuously providing early warnings on supply chain risks; uncovering opportunities for sustainable collaboration; and shaping FET's supply chain management highlights.

3.3.2 Significant Supplier Selection

The FET Procurement Department conducts a systematic and logical selection of Significant Suppliers each year. The purpose is to understand supply chain risks and dependencies from ESG (Environmental, Social, and Governance) as well as business operations perspectives. Once Significant Suppliers are identified, monitoring and development efforts can be focused on those suppliers with the highest risk and greatest business relevance. Priority should be given to their risk management, and proactive risk response measures should be implemented.

After classifying suppliers, the Procurement Department filters out three key categories of major suppliers based on annual procurement amounts, supplier location, transaction attributes, and due diligence results: "Business-Significant Suppliers," "ESG-Significant Suppliers," and "Annual High-Risk Suppliers." Corresponding risk management measures are then applied to each category. Explanations are provided below respectively.

The three major benefits of the digital platform are as follows:



Governance Benefits

Deepen Engagement
Data Driven



Management Benefits

Precise Management
Minimize Risk



Operational Benefits

Resource Maximization
High Efficiency

Definition of Tier 1 Significant Supplier	Quantitative and qualitative criteria are used to identify Tier 1 Significant Suppliers	Tier 2 Significant Suppliers are selected through Tier 1 Significant Suppliers identifying
FET Tier 1 Significant Suppliers include Tier 1 business-critical suppliers, ESG-critical suppliers and high-risk suppliers.	Total 88 Companies Admin ————— 2 Companies Construction ————— 32 Companies Handsets ————— 4 Companies ICT ————— 44 Companies Media/Non-Media & Other Professional Service ————— 4 Companies	55 Companies

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3.3.2.1 Business-Critical Supplier

Business-critical suppliers are primarily selected based on procurement amounts, with cumulative annual procurement exceeding 80%. The above-mentioned suppliers will be further evaluated according to the following criteria. The screening criteria in the diagram below have been adjusted. The content in the right column of the quantitative screening criteria in the diagram below has been changed as above; other parts of the diagram were created by Deloitte.

FET Critical Supplier Screening Criteria

Tier 1 Critical Suppliers	Quantitative Screening Criteria	• ICT: Two consecutive years of transactions totaling more than NT\$70 million. • Construction: Two consecutive years of transactions totaling more than NT\$80 million. • Media / non-media and other professional services: Two consecutive years of transactions totaling more than NT\$50 million. • Handsets: Total amount exceeds NT\$100 million in two years. • General administration: Total amount exceeds NT\$20 million in two years.
	Qualitative Screening Criteria	Irreplaceability, high replacement cost, limited qualifications, exclusive supply, equipment binding
Tier 2 Critical Suppliers	Screening Method	Distribute questionnaires to Tier 1 critical suppliers, and screen upstream suppliers of Tier 1 suppliers according to qualitative standards.
	Qualitative Screening Criteria	Whether the directly related products provided are exclusive, with limited qualifications, bound with important equipment, and the cost of replacing the brand is too high.

Business-critical suppliers are the main supplier sources for FET's annual operations. They are the primary focus of management efforts, including risk due diligence, on-site inspections, and supply chain carbon audits.

3.3.2.2 ESG Critical Suppliers

In the section on ESG critical supplier selection, the Procurement Department, in addition to considering the three major aspects of environment, society, and governance, also references international and local regulations and other risk attributes. These are further categorized into "country-specific risks," "industry-specific risks," and "product-specific risks." The individual screening criteria are as follows:

Country-Specific Risk	• Ensuring compliance with the NCC's Regulations for Administration of Mobile Broadband Businesses and banning the companies on the blacklist. • Paying attention to suppliers located in high sustainability risk countries as identified by the United Nations and European Union reports, including countries with poor ranking in Corruption Perceptions Index and Climate Risk Index, high climate vulnerability, and high rates of child labor employment.
Sector-Specific Risk	According to the reports from S&P, GRI, and SASB, it is crucial to monitor if suppliers in various categories pose sustainability issues/risks during transactions with FET, such as: • ICT suppliers who are integrating APIs may pose information security risks. • Construction suppliers carrying out base station projects may involve community engagement risks, greenhouse gas emissions, and industrial waste management issues. • Media/non-media and other professional service suppliers engaged in marketing campaigns may pose intellectual property risks and sensitive information protection concerns.
Commodity-Specific Risk	According to S&P, CBAM, CCA, and international sustainability regulations, attention is required for sourcing critical raw materials from suppliers who may be involved in ESG issues, such as precision manufacturing equipment involving the use of conflict minerals, cable production involving waste management, and system integration services potentially involving labor rights issues.

Once a supplier is included as an ESG critical supplier, it must confirm its sustainability risks and dependencies through an annual risk due diligence process, ensuring that its sustainability risks remain within a controllable range.

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3.3.2.3 Annual High-Risk Suppliers

High-risk suppliers for the year are those identified as high risk in the previous year's risk assessment, indicating that these suppliers carry significant ESG risks. Suppliers identified as high risk are required to implement mandatory improvements within a specified timeframe for their high-risk categories. They are also designated as major suppliers for the following year to ensure continuous management of their ESG risk mitigation.

3.3.3 Supplier Sustainability Risk Due Diligence and Guidance

3.3.3.1 Supplier Sustainability Risk Due Diligence

FET conducts sustainability risk due diligence for its major annual suppliers and selected Tier 1 suppliers (Note) through the following six-step process outlined below:

Risk Identification and Assessment

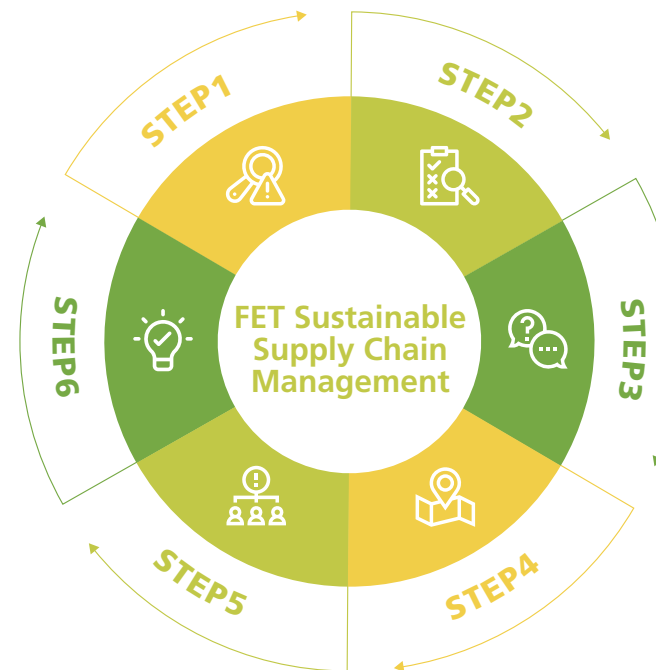
- ESG Risk Identification
- Analysis of Supplier Threats and Impacts

Recommendations for Improvement

- Proposals for Improvement on High-Profile Issues
- Establish a Mechanism for Tracking Improvements

Risk Assessment

- Setting Management Parameters
- Screening ESG Risk Suppliers



Supplier ESG Self-Assessment

- Conducting Supplier Grading and Classification
- Distributing the ESG Questionnaire for Suppliers to Conduct Self-Assessment Based on their Current Status

Self-Assessment Questionnaire Review

- Confirming the Validity, Consistency, and Absence of Duplicate Entries in the Attached Questionnaire Data
- Adjusting Scores Based on Data Integrity

On-site Audit

- Selecting Suppliers for On-Site Auditing
- Understanding Suppliers' Sustainability Practices and Issues

Note: The Procurement Department conducts sustainability risk due diligence on the top 500 vendors selected annually. Vendors that do not participate in the investigation will be temporarily suspended until the investigation has been completed.

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STEP 1 & 2

Each year, FET's Procurement Division identifies risks and conducts threat impact analysis based on international sustainability issues and emerging risks. The results of this analysis are then incorporated into that year's due diligence questionnaire. To more accurately detect sustainability risks within the supply chain, FET has taken the lead in the industry by adopting a differentiated supplier management questionnaire in 2023, which is divided into a general industry questionnaire and an engineering industry questionnaire. For suppliers in the engineering sector, the questionnaire includes key sustainability issues such as supply chain disruption risk, heat-related hazards, and advanced occupational safety and health concerns. In 2024, the questionnaires were further refined into four differentiated versions: Information and Communications Technology, Engineering, Terminal Equipment, and General Affairs & Media. This tailored approach aims to more accurately reflect industry-specific risk profiles and provide a more realistic distribution of sustainability risks across sectors.

The questionnaire is structured around the three core ESG pillars – Environmental, Social, and Governance – and further divided into five key themes: sustainable governance, supplier management, environmental management, labor rights, and community relations. The assessment questions are updated periodically in line with emerging trends and issues, such as biodiversity, conflict minerals management, and geopolitical risks. Suppliers are also required to provide supporting documentation that complies with relevant international standards, including ISO 27001, ISO 9000, ISO 14001, ISO 50001, ISO 14064, and ISO 45001.

STEP 3 & 4

Since 2020, the number of suppliers evaluated has exceeded 300. By 2025, this number reached 494 suppliers, covering over 90% of the total annual procurement spending.

Document Review:

Reviewers assess suppliers' implementation status by examining four tiers of documentation provided by the suppliers, scoring their compliance accordingly. The review process includes both internal evaluations conducted by FET and assessments commissioned to third-party consultants. Since its inception in 2020, a total of 494 (Note) suppliers were reviewed as of 2025, achieving a 100% review rate for Significant Suppliers.

Note: The figure of 494 represents the number of questionnaire responses compiled by the Deloitte system as of the annual statistical cutoff date; it does not include suppliers who completed the questionnaire after that date.

On-site review:

The on-site review use a semi-structured interview format combined with a review of supporting documents provided by suppliers to confirm their current implementation status. These audits are carried out either internally by FET or by commissioned third-party consultants. In 2025, a total of 80 suppliers underwent on-site review – 35 by third-party consultants and 45 by FET. on-site review are not merely a one-way inspection; they also involve visiting suppliers to understand the challenges they face in implementing sustainable practices, while providing consultation and relevant assistance.

Step 5 Supply Chain Sustainability Risk Assessment

Supplier Risk Value Calculation:

Each year, FET conducts a quantitative assessment of sustainability threat events for different categories of suppliers based on the results of its sustainable supply chain due diligence. This assessment is carried out in collaboration with internal procurement personnel, ensuring that each supplier's ESG (Environmental, Social, and Governance) aspects are assigned a risk value.

Supplier Category Risk Parameters:

FET sets specific risk parameters for each supplier category based on their assessment scores. These parameters serve as thresholds for classifying suppliers into high-risk, medium-risk, or low-risk groups within their respective categories.





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Annual Performance Evaluation:

In addition to the aforementioned sustainability risk assessment, the Procurement Department conducts an annual performance evaluation covering approximately 95% of the total annual procurement amount. The evaluation not only assesses traditional QCDS dimensions – quality, cost, delivery, and service – but also incorporates new indicators in 2024 related to market resilience and competitiveness. Just as differentiated questionnaires are used in ESG risk assessments for various supplier categories, the annual performance evaluation adopts a refined segmentation across 11 supplier categories to ensure alignment with each supplier's role within FET's operations. Evaluation results are categorized into five performance tiers, which guide tiered supplier management strategies. The detailed grading and management framework is described as follows:

Grade	Score	Type	Action Plan	Count
A	90 or Above	Excellent	Outstanding suppliers	6
B	70-89	Good	Qualified suppliers	183
C	60-69	Fair	Reduce procurement costs and propose improvement plans	4
D	50-59	Poor	Suspend new procurements; supplier must implement improvement plan. Can resume only upon approval by Procurement and User Departments	0
E	Below 50	Unqualified	Non-compliant supplier; procurement terminated	1

STEP 6 Supply Chain Guidance and Improvement

Supply Chain Guidance:

FET provides various training on sustainability issues to its supply chain partners each year through different learning channels. This includes in-person courses, practical workshops, online courses, individual coaching, and supplier conference sessions. The content of the support is tailored according to the supplier's category, company size, and current sustainability issues.

Supply Chain Improvement:

Suppliers identified as either high-risk in sustainable supply chain due diligence or non-compliant in the annual performance evaluation are required to implement improvement measures. For sustainability high-risk suppliers, FET will provide recommended improvement actions based on their specific risk profiles. These suppliers must follow the recommendations, and FET will offer necessary guidance during the process. The improvement outcomes must be validated by both FET and a third-party consultant. Only upon successful verification can the supplier resume business transactions. Failure to improve within the designated timeframe will result in suspension until improvement is completed. For suppliers rated as non-compliant in the annual performance evaluation, they must proactively propose an improvement plan. The plan must be approved by both the user department and the procurement team before the supplier can continue transactions.

3.4 Annual Refinement and Enhancement of Risk Management Performance Indicators

You can measure, You can manage. FET's Procurement Department has consistently adhered to data-driven management, supplemented by the SMART principles: Specific, Measurable, Achievable, Realistic, and Time-bound. These principles are applied to establish quantifiable and communicable performance indicators. The goal is to enable stakeholders and investors to clearly and effectively understand the objectives that procurement aims to achieve in sustainable supply chain management.

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3.4.1 2025 Sustainable Risk Assessment Results

Annual Procurement and Supply Chain Screening Performance

In 2025, FET's total procurement expenditure reached NT\$46.57 billion, accounting for 37.17% of the overall amount. The total number of supplier transactions was 990, with the top 100 suppliers accounting for 93.2% of FET's annual procurement spending. FET has divided supplier procurement into five distinct categories: ICT, handsets, construction, general administration, as well as media/non-media and other professional services. FET has identified a total of 88 critical suppliers based on quantitative and qualitative criteria. Through a Tier 1 critical supplier survey, 55 Tier 2 critical suppliers were selected and incorporated into FET's sustainable supply chain management requirements.

In 2025, the total number of unique suppliers for sustainability risk assessment was 1,045, comprising 990 Tier 1 suppliers and 55 Tier 2 critical suppliers. The evaluation results are as follows:

No.	Criteria	FY 2025
1.1	Total number of unique suppliers	1045
1.2	Number of unique significant suppliers	88
1.3	Number of unique significant suppliers supported with development measures (as a subset of 1.2)	88
1.4	Number of unique significant suppliers assessed via desk assessments/on-site assessments (as a subset of 1.2)	88
1.5	Number of unique significant suppliers assessed with substantial actual/potential negative impacts (as a subset of 1.4)	18
1.6	Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan (as a subset of 1.5)	18
1.7	Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated (as a subset of 1.5)	0

Note: 1. All 88 significant suppliers completed the ESG questionnaire. Completion methods included submission through the Deloitte system, consolidated responses submitted by suppliers on behalf of their parent and subsidiary companies, or submission through the RFP portal. Accordingly, the assessment completion rate for significant suppliers reached 100%.
2. Scope of 1.1 reporting cover Tier-1 suppliers only and non-Tier-1 suppliers

Total number of trading suppliers in 2025

990 Companies



Total Procurement Expenditure Accounts for 37.17% of the Overall Expenses
US\$1,481,479,889 (Note)

Top 100 Suppliers' Procurement Spend as a Percentage of FET's Annual Procurement Spend
93.2%

Note: The amount is calculated using the exchange rate of USD to TWD at 31.438, as of December 31, 2025, per the Central Bank.

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Five Major Categories	Overall Procurement Ratio	Proportion of Suppliers
Admin	0.9%	5.0%
Construction	11.9%	21.6%
Handsets	58.4%	0.6%
Information and Communications Technology (ICT)	27.0%	57.8%
Media/Non-Media and Other Professional Service	1.8%	15.0%
Total	100%	100%

Supplier Categories	Number of Significant Suppliers
Admin	2
Construction	31
Handsets	4
Information and Communications Technology (ICT)	47
Media/Non-Media and Other Professional Service	4
Total	88

Critical Tier 1 Business Suppliers in 2025

76 Companies



List of Last Year's High-Risk Vendors

18 Companies



ESG Significant Suppliers

8 Companies



Number of Tier 1 Key and High-Risk Vendors

14 Companies



Number of Significant Suppliers in 2025

88 Companies



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2025 Tier 1 Supplier and Unique Significant Supplier Review and Improvement Plan Proportion Data Table

Supplier Assessment	FY 2025
1.1 Total number of suppliers assessed via desk assessments/on-site assessments Total Number of Suppliers Subject to Document Review or On-site Audit	494 (Note)
1.2 % of unique significant suppliers assessed Proportion of Major Supplier Assessments	100%
1.3 Number of suppliers assessed with substantial actual/potential negative impacts Number of High-Risk Suppliers in Sustainability	18
1.4 % of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan Improvement Rate of High-Risk Suppliers in Sustainability	100%
1.5 Number of suppliers with substantial actual/potential negative impacts that were terminated Number of High-Risk Vendors Suspended	0
1.6 Percentage of Tier-1 critical suppliers that have undergone human rights due diligence Proportion of Tier 1 Key Suppliers Undergoing Human Rights Due Diligence	100%

Note: A total of 494 suppliers accounted for 92.5% of the total annual procurement spend.

Performance Improvement of High-Risk Suppliers in 2025

Corrective action plan support	FY 2025	Target for FY 2025
2.1 Total number of suppliers supported in corrective action plan implementation	18	100% of Significant
2.2 % of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%	

For detailed information on supplier empowerment performance, please refer to Chapter 4, "Enhancing FET's CARED Five Pillars Annual Performance," Section 4-4, "Empowering."

Supply Chain Capability Development Performance

FET's Procurement Department focuses on supplier capacity building through multiple formats, including in-person training courses, practical workshops, online courses, one-on-one coaching, and supplier conference sessions.

Capacity building programs	FY 2025	Target for FY 2025
3.1 Total number of suppliers in capacity building programs	1185	100% of Significant Suppliers
3.2 % of unique significant suppliers in capacity building programs	100%	

The number 1185 represents the unduplicated count of suppliers (based on the highest number of participation per supplier).

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03. VISIONARY
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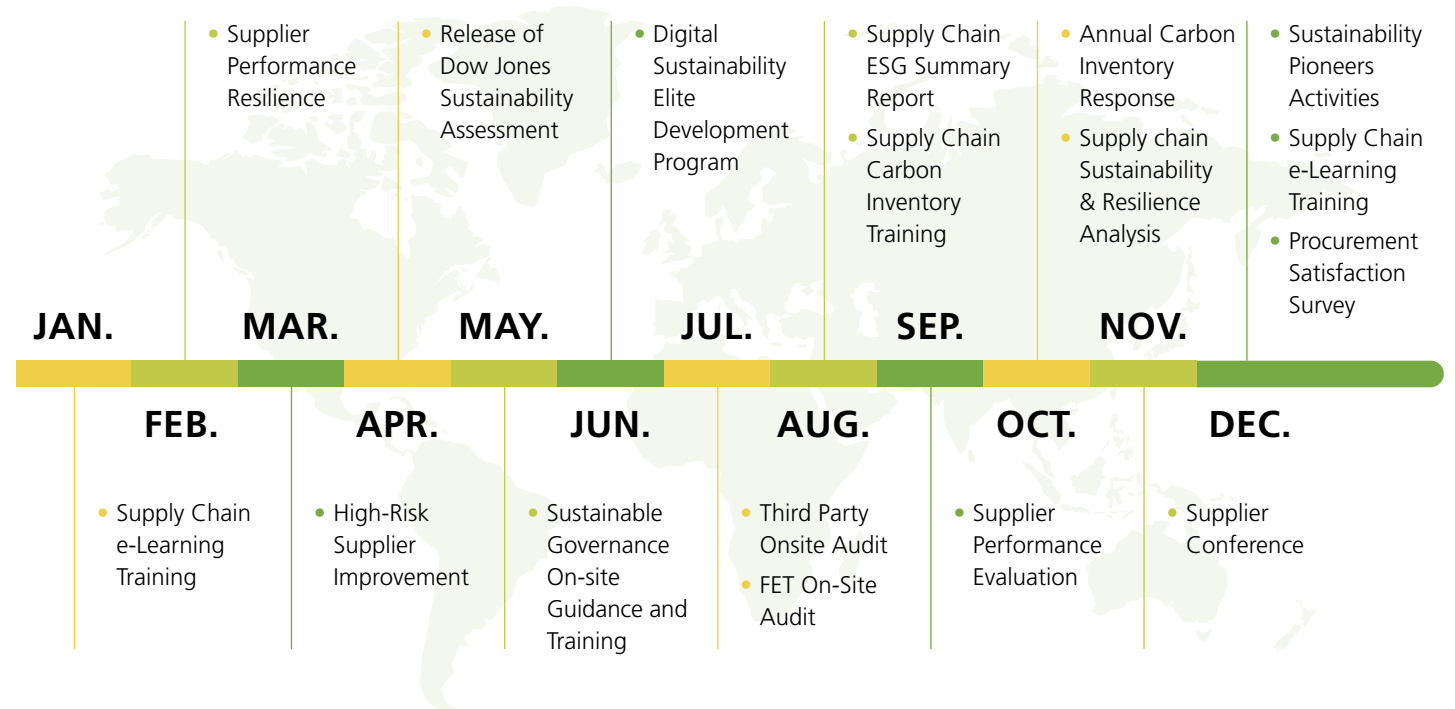
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Chapter three provided a comprehensive explanation of the structure, methodology, and some key annual performance indicators of the sustainable supply chain management at FET's Procurement Department. This chapter provides a detailed explanation from the perspective of stakeholder concerns through the five pillars of CARED ESG: Circular Economy (C), Awareness (A), Risk Management (R), Empowering (E), and De-carbonization (D). It highlights the actions, execution details, and performance demonstrated by FET during the reporting period.

The chapter begins with an explanation of the annual timeline for sustainable supply chain project management. In addition to incorporating registration threshold management into daily procurement operations, the Procurement Department conducts various key projects, such as high-risk supplier improvement plans, online supplier training, sustainability risk due diligence, performance evaluation, supply chain carbon inventory and audit, and supplier conferences. The schedule for these projects is flexibly adjusted based on the annual workload.

Annual Project Schedule for Sustainable Supply Chain Management



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4.1 Circular Economy Annual Performance

As stated in 3.2.3, the Procurement Department establishes circular economy recycling targets for decommissioned equipment each year, requiring recycling vendors to accurately report the recycling rates. The target for 2025 was set at 87%, and the final achievement rate reached 90.0%. An overview of the circular economy projects is provided below.

Project 1: Building on the key conclusions from two internal and external circular economy workshops held consecutively in 2022 and 2023, the Procurement Department has launched concrete implementation actions.

First, a comprehensive inventory and action plan was developed to enhance the recycling rate of decoration materials and equipment in retail stores. This project has received support from the Sustainability Committee, with the goal of increasing the current in-store recycling rate of 40-45% on an annual basis.



Project 2: Establishment of a circular economy sharing platform

In the spirit of transparency, openness, and sharing, we invite our supply chain partners to collaboratively enhance opportunities for material recycling. The primary purpose of the platform's establishment is to provide all supply chain partners with opportunities for reuse, based on the thousands of tons of decommissioned usable equipment and materials from FET each year. A noteworthy example of reuse includes the decommissioned batteries from the FET's base stations have been repurposed as backup power sources for streetlight control signals, while the decommissioned tables and chairs have been transformed into essential furnishings for the new office building of a Significant Supplier. These instances illustrate FET's commitment to implementing a circular economy. Looking ahead, the platform is expected to allow supply chain partners to upload their own materials, leveraging FET's resources to help small and medium-sized enterprises find new uses for valuable materials.

Operation Description of the Circular Economy Sharing Platform



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Project 3: Supply Chain Take Back Program

The supply chain take back program is one of the key indicators required for disclosure by the telecommunications industry under the Sustainability Accounting Standards Board (SASB). FET and its Significant Supplier, Ericsson, began developing a supply chain take back program in 2022, achieving an effective weight recovery rate of 98%. In 2025, FET continued to promote the Ericsson product take-back initiative, with a total recovered weight of 315,987 kilograms.

Project 4: Implementation of Product End of Life Management

TWSE/TPEX-listed companies will implement the S1 and S2 disclosure standards issued by the International Financial Reporting Standards Foundation (IFRS Foundation) in 2026. These IFRS standards also mandate adherence to SASB disclosure indicators, among which Product End of Life Management is a designated disclosure item for the telecommunications industry. Currently, FET has been managing retired equipment for many years and has achieved considerable results. However, the Procurement Department aims to integrate sustainability concepts into inventory and end-of-life management in a more detailed manner. This includes managing carbon emissions in the supply chain, promoting circular economy practices, handling hazardous waste, and overseeing end-of-life disposal. FET refers specifically to the International Telecommunication Union (ITU) publication "Product End of Life Management for ICT Equipment" as a guiding document and follows the outlined 10-step process to systematically improve management practices. The goal is to achieve comprehensive end-to-end control of all product flows.



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4.2 Awareness

Project 1: Annual Supplier Conference

The Procurement Department holds a supplier conference each year to achieve the following five key sustainable supply chain management goals:

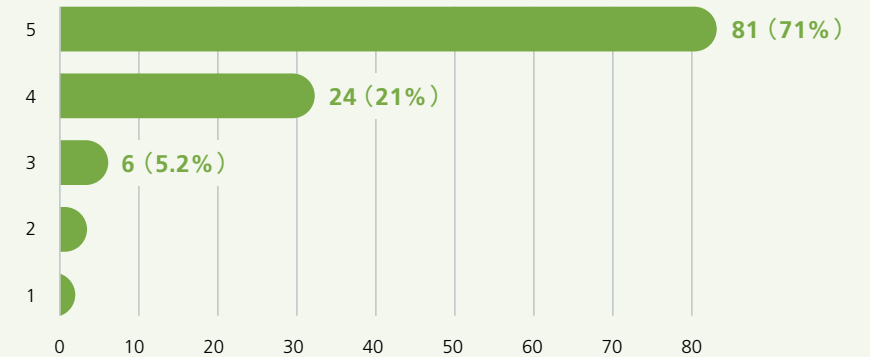
- Reward outstanding suppliers and encourage mutual learning among supply chain partners
- Communicate the latest sustainability trends to establish a sustainable culture and awareness within the supply chain
- Announce FET's execution goals and policies to strengthen supply chain engagement
- Integrate FET's resources to provide necessary support to partners
- Disseminate the results of the annual risk survey to raise supply chain risk awareness and communicate improvement targets

The 2025 Supplier Conference, themed "Linking Sustainability, Co-Creating Net Zero," was held in a hybrid format combining online and offline participation. To continuously enhance the sustainability knowledge of supplier partners, FET invited Deloitte to deliver a keynote speech on advancing supplier sustainability management. Additionally, Sustaihub, supported by FET's startup accelerator, shared how to utilize digital tools to complete ESG reports. Supplier HPI Corp. was also invited to share practical experiences in sustainability. The President expressed gratitude for the support of our supplier partners and emphasized a commitment to promoting sustainability through the power of our ecosystem. A total of 234 vendors participated, comprising 70 on-site and 164 online attendees. Concurrently, President Ching, Chee presented awards to 26 suppliers in recognition of their outstanding sustainability performance. Rewarded suppliers for their dedication and contribution to the Company with awards including the "Sustainability Pioneers – Flipped Education Contribution Award," "Annual Supplier Evaluation – Outstanding Achievement Award," "Annual Supplier Evaluation – Improved Achievement Award," "Net Zero Role Model Award," "Circular Economy Pioneer Award," "Biodiversity Pioneer Award," "Outstanding Occupational Safety Performance Award," "Sustainable Management Role Model Award," and "Corporate Social Responsibility Role Model Award."



After the meeting, FET distributed an anonymous satisfaction survey and a carbon reduction participation intention survey. The satisfaction survey received responses from 114 companies, achieving a satisfaction rate of 92.0%.

Overall Satisfaction of the Supplier Conference (5 = very satisfied, 4 = satisfied)



Feedback from the minority of participants who were not fully satisfied will also be taken into consideration by the Procurement Department as targets for future improvement.

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Project 2: Biodiversity Across the Supply Chain

FET Procurement is committed to working closely with its supplier partners to advance biodiversity conservation and address environment-related operational impacts. In 2023, FET organized the "Biodiversity Impacts of Economic Activities in the Telecommunications Industry Workshop," inviting researchers from the Biodiversity Research Center of Academia Sinica to share their expertise. More than 300 supplier partners participated in the event, demonstrating broad engagement across the supply chain.

In 2024, FET launched a Taskforce on Nature-related Financial Disclosures (TNFD) initiative. Through this project, FET Procurement collected the geographic coordinates of the primary operating sites of engineering suppliers and used national biodiversity datasets to assess whether their operations could affect ecologically important species. Based on the assessment, FET developed mitigation measures to reduce potential impacts. The analysis indicated that the current operating locations of FET's engineering suppliers have a relatively low level of biodiversity impact.

At the same time, FET conducted a supply chain TNFD dependency and impact assessment, assisting 21 Significant Engineering Suppliers in identifying their dependencies on natural resources and evaluating their environmental impacts. The assessment showed that FET's Significant Engineering Suppliers have relatively high dependencies related to energy and employee health and safety, while the impact of their operations on GHG emissions was assessed as moderate.

Project 3: Sustainability Pioneer Team

The FET Procurement Department collaborates with supply chain partners to contribute to society and address issues such as the unequal distribution of educational resources. In 2020, FET established the Supply Chain Sustainability Pioneer Team, which has collaborated with supply chain partners for many years. Together, they have contributed resources and efforts to assist schools and disadvantaged groups in need across Taiwan, focusing on various aspects such as educational environments, sports development, and digital capabilities.

The participating supply chain partners also provided feedback, stating that it is a great honor to collaborate with FET in this charitable initiative. The results for each year are as follows:

Summary of Annual Achievements of the Sustainability Pioneer Team					
Year	2021	2022	2023	2024	2025
Project	Establishment of the "Big Figures Classroom" and Computer Classroom at Wanli Elementary School	Hualien Food Bank and Assistance for Disadvantaged Communities in Rural Areas	Renovation of the Luyeh Care Classroom	Ruiyuan Elementary School Archery Team "Hou Yi Training Program"	Disaster Prevention Microgrid at Nanao Elementary School, Yilan
Number of Sponsored Suppliers	24	38	23	21	12

In addition, FET partnered with the Biodiversity Research Center of Academia Sinica in 2024 to successfully develop Taiwan's first "5G AI Eco-Acoustic Monitoring Device." In 2025, supplier partners further supported this initiative by working with the FET 5G Laboratory to advance innovation in ecological monitoring technologies and biodiversity conservation. FET not only leverages its core telecommunications technologies to support biodiversity research, but also actively engages supply chain partners in ecosystem conservation initiatives. Through management mechanisms such as the Biodiversity Commitment Statement, FET continues to deepen biodiversity awareness and environmental stewardship across the supply chain.



FET has collaborated with the Sustainability Vanguard Team to support remote areas and strengthen energy resilience, through the installation of a disaster-prevention microgrid at Nanao Elementary School.

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Project 4: FET Invited to TASS AGM to Share Experience in Developing a Sustainable Supply Chain

FET has collaborated with its supply chain to promote sustainable transformation, utilizing a "large-leading-small" approach to guide suppliers toward sustainable development. As the first telecommunications operator in Taiwan to achieve third-party verification for the ISO 20400 Sustainable Procurement Guidance, the Procurement Department of Far EasTone Telecommunications was invited to the Taiwan Alliance for Sustainable Supply AGM on July 24, 2025, to share its experience in promoting green sustainable procurement, further demonstrating the company's leadership in sustainable supply chain management. A representative from the Procurement Department explained that FET's sustainable supply chain management has undergone three stages of transformation. Finally, four key recommendations were presented: sustainable supply chain management is highly industry-specific and must be customized according to the characteristics of each industry and company operations; regular empowerment and authorization of personnel are necessary; the effective use of digital tools is essential; and timely identification and management of supply chain risks and opportunities are imperative.



Project 5: Interviewed by Commonwealth Magazine About the Implementation of a New Digital Governance Model for Supply Chain ESG Management

In November 2025, the Procurement Department and Sustaihub were interviewed by Commonwealth Magazine, during which they introduced a new digital governance model for supply chain ESG management. Jason Chen, Senior Assistant Vice President of the Procurement Division within the Legal, Regulatory, and Procurement Group at Far EasTone Telecommunications, stated, "While ESG initiatives were previously voluntary, they are now mandatory to ensure regulatory compliance". As the Financial Supervisory Commission requires listed companies to implement IFRS Sustainability Disclosure Standards No. S1, "General Requirements for Disclosure of Sustainability-related Financial Information," and No. S2, "Climate-related Disclosures," by 2027, the previously ambiguous areas for enterprises are rapidly disappearing. Lucas Lee, CEO of Sustaihub, stated that stricter regulations have brought two major pressures: time and data quality. In the past, corporate sustainability reports could be submitted in August each year. However, with the integration of sustainability information into the annual report framework, the publication schedule has been significantly compressed to the first quarter, leaving companies little time for gradual adaptation. At the same time, the reliability of sustainability information is required to meet the rigorous standards applied to financial data and can no longer be recorded arbitrarily. Therefore, FET has collaborated with Sustaihub to utilize the Sustaihub cloud-based SaaS carbon inventory system and the Syber sustainability management system, addressing key challenges in carbon accounting and accelerating report preparation with AI, thereby improving efficiency and accuracy.



Interviewed by Commonwealth Magazine
About the Implementation of a New
Digital Governance Model for Supply
Chain ESG Management

4.3 Risk Management

The outcomes of risk management will be explained based on the sustainable supply chain management framework of FET as described in Chapter 3, integrating results from "Registration Threshold Management," "Regular Management," and "Compliance Management."

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Registration Threshold Management

Project 1: New Supplier Quantitative Assessment Threshold

During the supplier registration audit period from August 1, 2024 to July 31, 2025, a total of 205 new suppliers underwent ESG quantitative assessment threshold. Among them, 30 suppliers initially did not meet the qualification threshold, and improvement actions were initiated. As of the end of March 2026, 11 entities had completed the required improvements. The results of new supplier ESG quantitative assessment thresholds over the past three years are as follows:

New Supplier Quantitative Assessment Threshold

Number of Managed Suppliers \ Year	2023	2024	2025
Number of Screened Suppliers	298	288	205
Number of Initially Non-compliant Suppliers	35	25	30
Number of Suppliers Improved	7	10	11
Number of Suppliers Suspended	28	15	19

Special Note: The number of improved and suspended suppliers is a dynamic figure that changes over time as suppliers complete their improvement processes.

Project 2: Code of Business Conduct Agreement / Biodiversity Agreement for New Supplier

The Procurement Department of FET has established a mandatory signature system within its electronic procurement system. This system requires both new suppliers and annual trading suppliers to sign the Code of Business Conduct Agreement and the Biodiversity Agreement every 360 days. This measure ensures that suppliers, regardless of personnel changes, continue to adhere to FET's commitments to ethical corporate management and biodiversity. The number of signed agreements for each year is as follows:

Annual Agreement Statistics

Agreement Category \ Year	2024	2025
Code of Business Conduct Agreement	1885	1042
Biodiversity Commitment Statement	1146	1054

Project 3: FET Supplier Social Responsibility Self-Declaration

The Supplier Social Responsibility Self-Declaration is primarily signed to establish awareness among supply chain partners regarding their own sustainable operations. It also provides the Procurement Department with a preliminary understanding of the sustainable execution within the supply chain. The Procurement Department monitors the signing rate among active suppliers for the year (Note), as well as among Significant Suppliers, new suppliers, and the top 200 suppliers. If the KPI target is not met, the suppliers will be required to sign the declaration. The management statistics for the 2025 Supplier Social Responsibility Self-Declaration are as follows:

FET Supply Chain ESG Sustainable Operation Self-Declaration

Supplier Category	Total Number of Suppliers	Total Number of Signage	Signage Ratio	% of Annual Procurement Amount
Active Suppliers (Note 1)	988	933	94.4%	98.4%
Significant Suppliers	88	88	100.00%	88.7%
New Suppliers	197	195	98.98%	2.3%
200 Significant Suppliers	200	200	100.00%	97.1%

Note 1: FET considers suppliers with transactions for two consecutive years as active suppliers, and suppliers that have signed the Sustainable Operation Self-Declaration do not include foreign and Chinese companies.

Regular Management

Annual regular risk control management is mainly divided into four aspects: "Supply Chain Sustainability Risk Due Diligence," "Supply Chain Performance Evaluation," "Supply Chain Resilience Analysis," and "High-Risk Supplier Improvement Operations." The Procurement Department aims to understand the capabilities of supply chain partners from various perspectives, including ESG sustainability, QCDS performance, and overall resilience. This understanding will be used to implement necessary improvements to enhance the overall resilience of the FET supply chain in the face of change. The detailed execution results are explained as follows:

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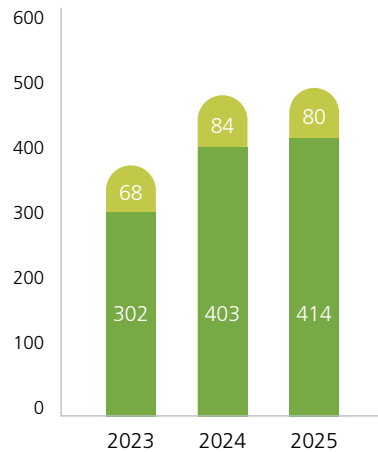
Project 1-1: Supply Chain ESG Sustainability Risk Due Diligence

The methodology for supply chain sustainable risk due diligence can be found in Section 3.3.3 of this report. In 2024, the Procurement Department expanded both the breadth and depth of the due diligence by extending the survey scope to include the top 600 suppliers by annual procurement amount, with mandatory completion required for the top 500. Additionally, the questionnaire categories were increased from two to four types, aiming for a more precise and in-depth understanding of the sustainability profiles presented by different categories of suppliers. The total number of due diligence investigations for 2025 was 494. The results for each aspect are as follows:

	2022	2023	2024	2025
Total number of ESG questionnaires	350	370	487	494
Number of suppliers under document review only	275	302	403	414
Number of suppliers that have undergone on-site review	75	68	84	80
Review Coverage Rate	33%	32%	42%	49.9%

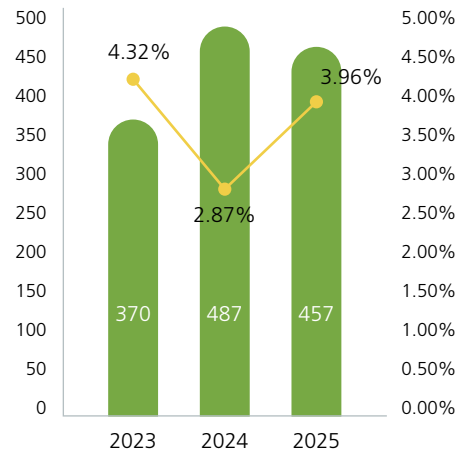
Note: The audit coverage rate is calculated by dividing the number of audited entities by the total number of supplier transactions for the year.

Number of Questionnaires Reviewed Over Three Years



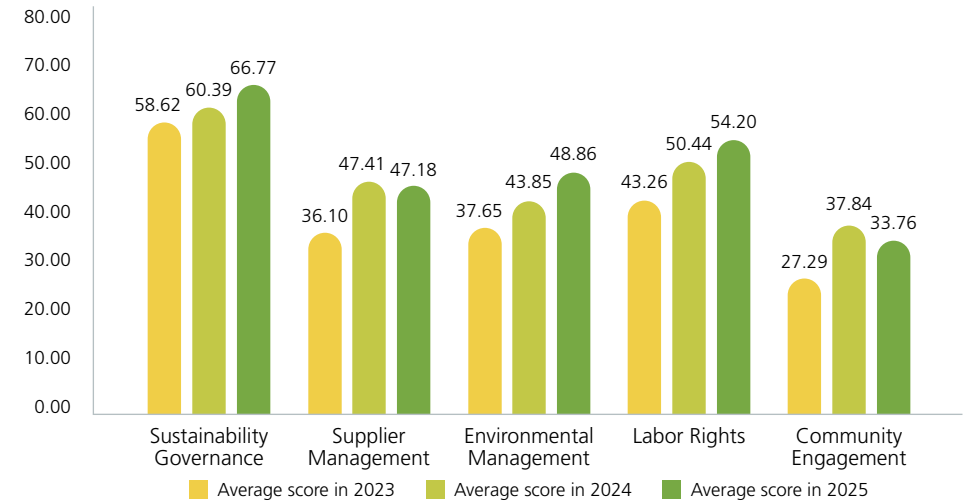
■ Number of suppliers under document review only
■ Number of suppliers that have undergone on-site review

Number of Suppliers Reviewed in Risk Assessment and Change in Percentage of Suppliers at High Risk



■ Number of suppliers reviewed
● Percentage of suppliers at high risk

Analysis Results of Supplier Sustainability Review



The Procurement Department places great emphasis on supplier risk management. For suppliers identified as high risk, FET adopts a "prioritize guidance, penalize afterward" approach, aiming to assist them in addressing deficiencies and enhancing overall management capabilities. Improvement tasks shall be overseen and monitored for progress and effectiveness by the responsible procurement personnel. Specific improvement targets shall be set according to the type of risk, with a required achievement rate of over 90% for all improvement items. The 2025 outcomes are as follows:

2025 High-Risk Supplier Improvement Tracking			
Item	Number of High-Risk Suppliers	Number of Improvements Completed	Improvement Rate
Sustainability Risk Assessment	18	18	100%

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Project 1-2: Data-Driven Resilient Supply Chain – Comprehensive ESG Due Diligence Analysis

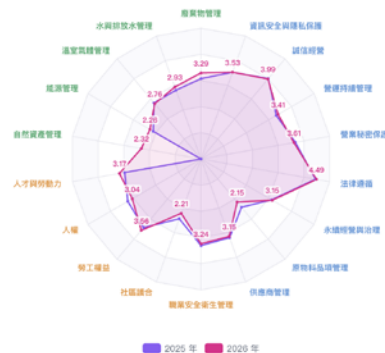
We have analyzed the sustainability risks and opportunities for improvement within the value chain, based on survey data collected from 153 suppliers.

Building upon the 2025 "Data-Driven Resilient Supply Chain" project, Far EasTone Telecommunications has continued to deepen its supply chain ESG due diligence throughout 2026. The number of evaluated suppliers has increased from 108 to 153, spanning more than ten industry sectors – including engineering construction, system integration, and electronic equipment – thereby maintaining a comprehensive focus on a diverse supply chain. In addition to expanding the scope of coverage, this survey distinguishes between existing and new suppliers to address two distinct sets of questions:

1. Whether the existing supply chain management of Far EasTone Telecommunications has driven improvements;
2. and whether, following the expansion of our coverage, certain previously overlooked supply chain nodes have begun to exhibit gaps in ESG maturity.

For Far EasTone, supplier due diligence serves as a strategic decision-making tool rather than a routine annual operation. The value of the questionnaire and scoring lies in clearly identifying the direction for next steps: categorizing suppliers according to risk types, allocating support resources to address institutional weaknesses, and proactively preparing for risks that may impact operational stability and supply continuity. By cross-referencing digital analytical dashboards, we have transformed due diligence findings into concrete management decisions, thereby supporting the continuous improvement of our supply chain resilience.

Figure 1: Complete Issue Radar (18 Sub-issues)



Evaluated Suppliers

108 → 153 Companies

(+42%)

Average Consecutive Evaluations

66.2 → 71.2 Points

+5.0 points / 54 companies improved

Analysis of Sub-Issues

18 Issues

Spanning E, S, and G

The six key insights from this report are as follows:

- Transitioning from broad coverage to precision identification
- Stability is merely superficial: 54 continuing suppliers firms have shown improvement, whereas 61 new entrants have performed at a lower level.
- Governance has matured, whereas the environment represents a systemic gap across industries.
- Two signals behind low scores: Is the system not established, or is the risk already occurring?
- Vulnerability map: Environmental issues have been rated as low across the industry, while engineering and construction have lagged overall.
- The next step is not only to decide whom to manage, but also whom to grow with.

Insight 1: Scope and Segmentation

Transitioning from broad coverage to precision identification

The most significant change to due diligence in 2026 has been in its scope. The number of companies under evaluation has increased from 108 to 153, representing a net growth of 45. An analysis of the list's composition indicates that of the 108 companies evaluated in the previous year, 92 remain under evaluation, 16 have been removed, and 61 new companies have been added. This structure indicates that Far EasTone is not merely expanding its list; rather, while broadening its coverage, the company is replacing entities with reduced transaction volumes to ensure the evaluated list more accurately reflects its current supplier structure.

The distribution of new suppliers illustrates the direction in which the scope of our survey has expanded. The number of information service companies increased from 10 to 28, representing the highest growth among all categories and reflecting the telecommunications industry's operational transformation from basic communications to digital service platforms. Wholesale trade companies rose from 1 to 11, engineering and construction firms increased by 9, and system integration service providers grew by 3. Additionally, the "Other" category included vendors evaluated for the first time, indicating that the survey scope is gradually expanding to cover previously overlooked counterparties.

The list is clearly divided into 92 continuing evaluated suppliers and 61 newly added suppliers. This distinction aims to enable subsequent analyses to more accurately reflect the varying levels of ESG preparedness and maturity among different suppliers. The continuing evaluated suppliers allow for the assessment of whether existing management practices have driven improvements year over year, while the newly added suppliers represent supply chain nodes that have been less frequently assessed in the past, thus reflecting their current baseline status.

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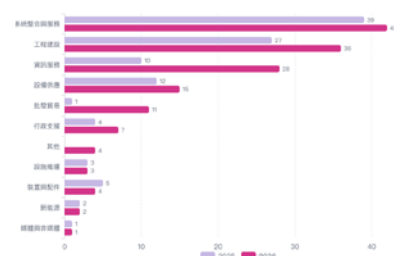
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In terms of analytical methodology, this survey was conducted following a four-tiered insight framework: expanded coverage, multi-year trends, key issues, and risk prioritization. Utilizing an interactive dashboard, the extensive questionnaire data were organized into an actionable risk map. Specifically, radar charts compare the maturity levels across various dimensions; slope charts track year-over-year changes among continuously assessed companies; and heat maps cross-analyze score distributions by industry and topic group. This structured approach serves as the basis for subsequent management resource allocation and guides the reading sequence of the following insights.

The increase in the number of branches does not merely represent administrative expansion but reflects an enhancement in risk visibility. FET has incorporated previously overlooked supply chain nodes into its management, which serves as the foundation for subsequent tiered management.

Figure 2: Distribution of Supplier Types



Presentation of changes in the supplier structure included in the survey from 2025 to 2026

Figure 3: Composition Waterfall Chart of the List



How 108 companies became 153 companies

Insight 2: Scores and Distribution

Stability is merely superficial: 54 continuing suppliers have shown improvement, whereas 61 new entrants have performed at a lower level.

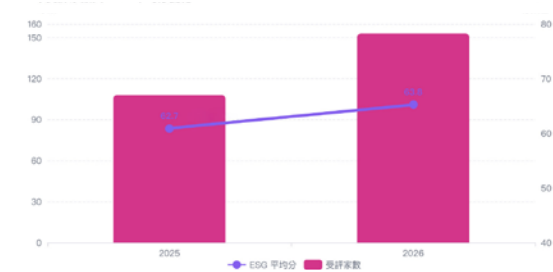
The overall average score slightly increased from 62.7 to 63.8, which may superficially suggest limited improvement. However, when suppliers are divided into two groups, the difference becomes clear: among the 92 existing suppliers continuously evaluated, the average score rose from 66.2 to 71.2 (+5.0). Of these, 54 suppliers showed significant improvement (annual increase ≥ 2 points), while only 27 suppliers showed significant decline (annual decrease ≥ 2 points), demonstrating that FarEasTone's past assistance and guidance have effectively driven improvement.

The 61 newly added suppliers this year scored an average of only 52.7 points, significantly lower than existing suppliers. This indicates that the expanded coverage has brought to light lower-maturity suppliers that were previously less visible. These suppliers are mostly involved in on-site engineering, information services, maintenance support, or outsourcing operations, thus being closer to FarEasTone's operational resilience and reputational risk boundaries.

The number of high-risk cases increased from 27 to 39; the risk stratification defines high risk as the bottom (lowest) 25% based on ESG scores each year ($39 \approx 153 \times 25\%$). The increase in cases mainly reflects the expanded sample size and should not be interpreted as a decline in management. Rather, it results from improved risk identification capabilities following the broader scope of the assessment. This signifies that FarEasTone's supply chain management is transitioning from an "annual survey" approach to "continuous data-driven governance."

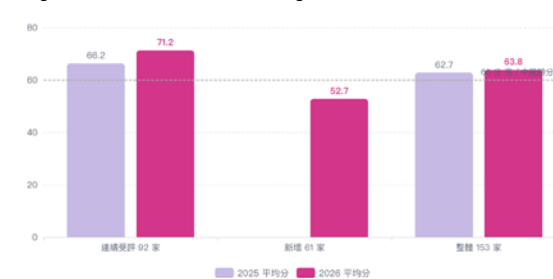
The overall average of "stable" is actually the result of two opposing forces: existing suppliers improving and new suppliers performing below average. Management focus should shift from uniform, company-wide promotion to segmented guidance targeting newly added and underperforming suppliers, as well as high-risk monitoring.

Figure 4: Number of Evaluated Companies and Changes in Average ESG Scores



The number of evaluated companies and the average ESG scores reflect an overall trend amid the expanded coverage.

Figure 5: Two Stories of the Average Score



Among the 92 continuously evaluated companies, the average score improved to 71.2 points, while the 61 newly added companies scored only 52.7 points (below the 60-point risk threshold).

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Insight 3: Key Issues

Governance has matured, whereas the environment dimension remains a systemic gap across industries.

Based on the average scores across the three dimensions, suppliers' ESG maturity exhibits a clear hierarchical pattern, which remained consistent over the two years: governance is the most advanced dimension, reflecting that most suppliers have established a solid foundation in regulatory compliance, organizational management, and ethical business practices; the environmental dimension lags behind, primarily due to the need for more comprehensive data and expertise in areas such as greenhouse gas inventories, energy management, and reduction targets, which are still under development for small and medium-sized suppliers.

A breakdown by industry further reveals that environmental performance is a common weakness across sectors: the environmental scores of all seven major industries are lower than their respective governance scores. Even the best-performing sector, Equipment Supply, scored only 3.13, while the weakest sectors, Wholesale Trade (2.42) and Engineering Construction (2.57), scored below 2.6. In contrast, governance scores generally remain above 3, with Equipment Supply and System Integration & Services achieving 3.89 and 3.95, respectively.

The root of the gap lies, on one hand, in the capital and time required for energy and greenhouse gas management, which cannot be quickly achieved; on the other hand, it stems from two common shortcomings across various aspects: international certifications such as ISO 14064 and 14067, as well as specific items related to renewable energy, generally score only around 1.5 points. This reflects that while most companies have policies in place, they lack actual implementation and third-party verification.

Compliance with laws and ethical business practices have consistently maintained scores above 4 for two consecutive years, generally meeting targets. Therefore, future support resources should be prioritized toward managing raw material categories, energy management, and natural asset management – areas identified as the weakest issues. Efforts will focus on assisting suppliers in transforming "existing policies" into "verifiable implementation outcomes."

The core issue lies in "having policies but lacking verification," rather than any particular industry being behind. Systemic environmental shortcomings are widespread across all industries. The fundamental issue lies not in the scores themselves, but in certifications and renewable energy commitments remaining at the level of written promises. Focusing on completing third-party verification and actual implementation can more effectively reduce supply chain risks than merely improving scores.

Figure 6: Average Scores for the Three Key Dimensions E / S / G (2025 vs. 2026)

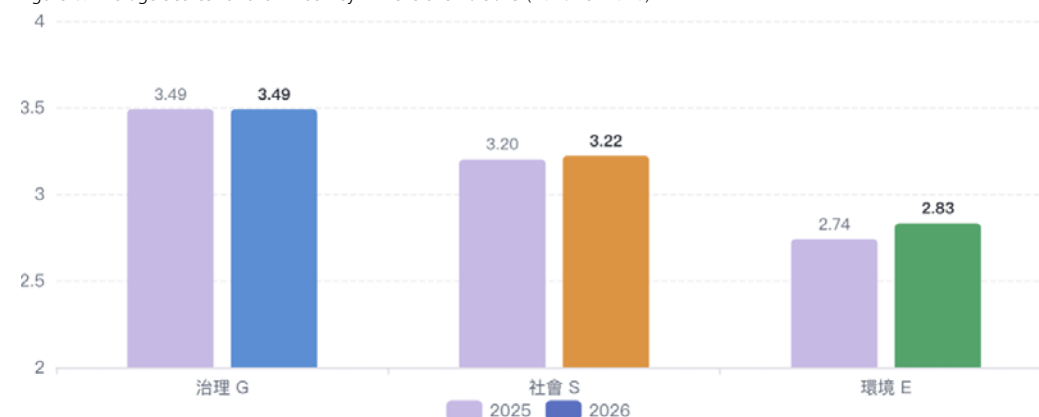
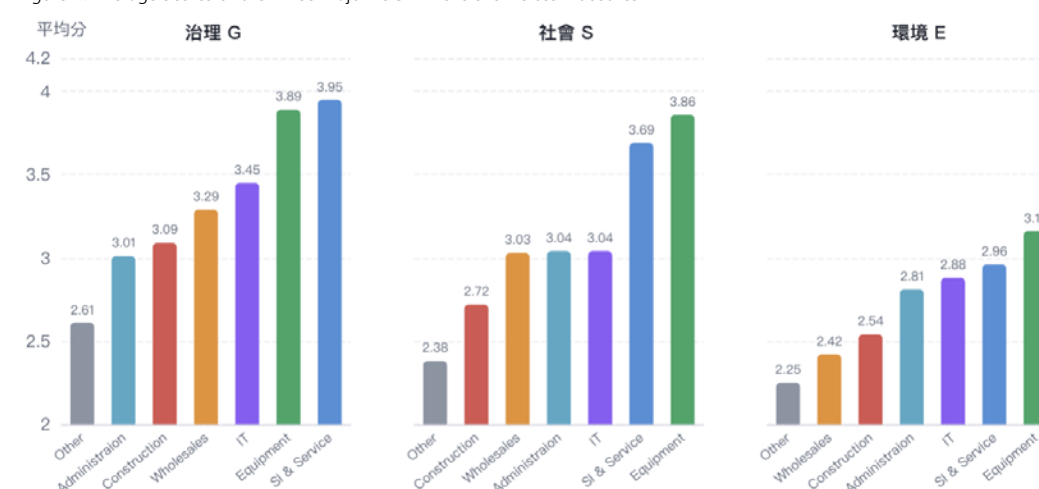


Figure 7: Average Scores of the Three Major ESG Dimensions Across Industries



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Insight 4: The Dual Implications of Low Scores

Two signals behind low scores: Is the system not established, or is the risk already occurring?

Due diligence should not be limited to the evaluation of scores alone; it is also essential to assess the underlying causes of low scores. Distinguishing between "systems not yet established" and "risks currently occurring" requires fundamentally different responses.

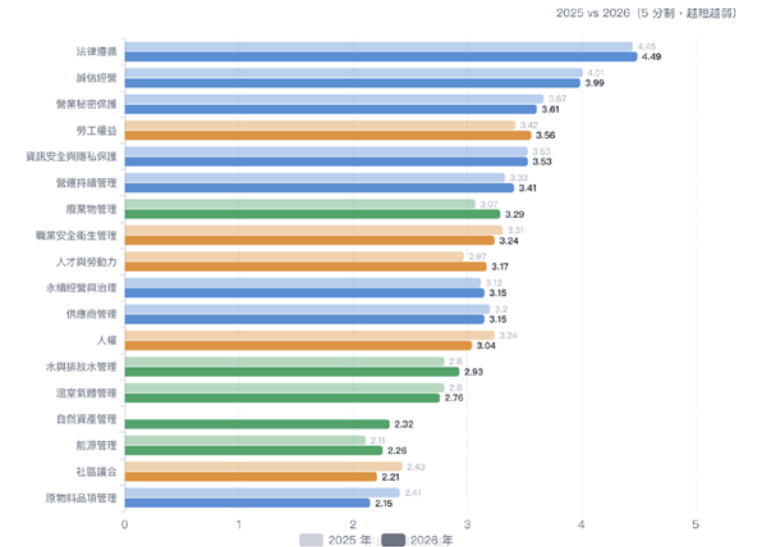
The first category is the "Management Maturity Gap." In 2026, the average scores ranked in the lower half, with the exception of raw material management (2.15) and community engagement (2.21). Most of the lower scores were concentrated in environmental issues: energy management (2.26), natural asset management (2.32), greenhouse gas management (2.76), and water and wastewater management (2.93) all fell within the 2 to 3 range, indicating a generally low and systemic trend across these areas. In contrast, governance aspects such as legal compliance (4.49) and ethical business practices (3.99) remained around 4 points, showing a significant disparity. This environmental gap reflects that suppliers generally have yet to establish policies, targets, and GHG inventory capabilities. These can be strengthened through education and training, digital tools, and template frameworks.

The second category is "Substantive Risk Signals." Comparing the same topics evaluated in both years, most issue scores showed limited changes. However, Occupational Safety and Health Management (−0.23) and Community Engagement (−0.22) experienced significant declines over the two years, with decreases far exceeding those of other topics. A drop in scores rather than an increase often signals lax management by individual companies and warrants further on-site review.

At the same time, there were significant improvements concentrated in social and environmental aspects: Talent and Workforce (+0.20), Energy Management (+0.16), and Human Rights (+0.10) showed the largest gains. This demonstrates that with proper documentation and guidance, previously weak areas can recover within one year.

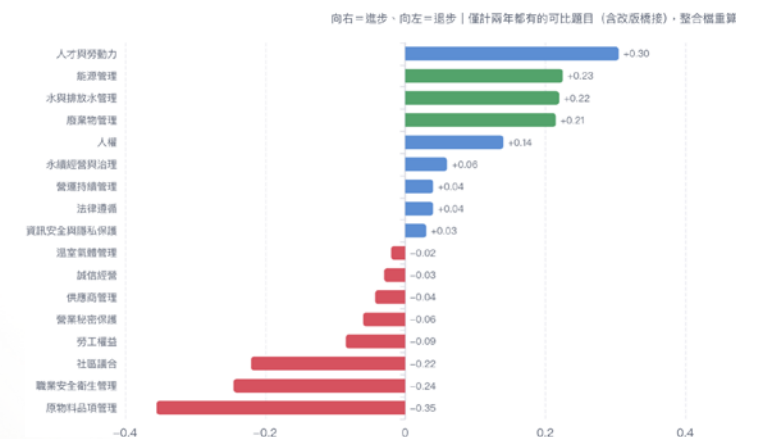
The data analysis further categorizes low-scoring suppliers into two groups: "capabilities not yet established, eligible for guidance" and "substantially increased risk, requiring monitoring." The subsequent actions for these two groups are entirely different.

Figure 8: Average Scores and Rankings of Sub-issues



The 18 issues are ranked from lowest to highest based on the 2026 average scores; the lower the position, the higher the score.

Figure 9: Score Changes of Each Issue Over Two Years



Score changes over two years for each topic; rightward = improvement, leftward = decline

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Insight 5: Supplier Segmentation

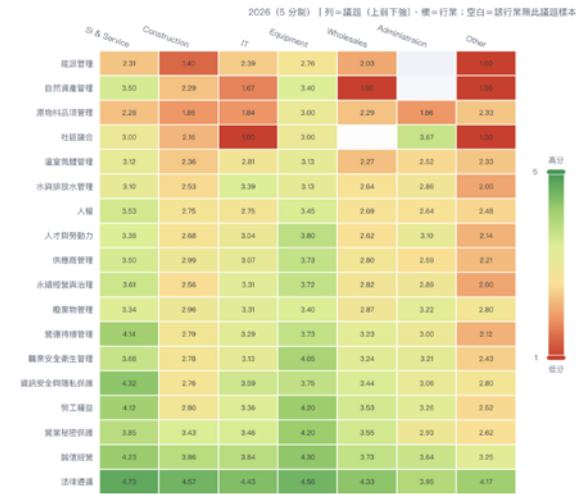
Vulnerability map: Environmental issues have been rated as low across the industry, while engineering and construction have lagged overall.

After cross-referencing 18 issues with seven major industries in a heat map, two distinct patterns of weaknesses can be observed. First, there is a "common cross-industry weakness": environmental issues such as natural asset management, energy management, and raw material management appear prominently in red at the top of the heat map, indicating low performance across nearly all industries. Second, there is an "overall lag in specific industries," with the Construction sector showing widespread red shading in almost all areas except legal compliance and ethical operations, making it the only industry clearly underperforming across all three major dimensions. In contrast, the Equipment supply and System Integration & Service sectors demonstrate relatively higher maturity.

However, when interpreting low scores, industry characteristics must also be taken into account: the relatively low performance on certain issues is inherent to the nature of the industry. For environmental topics such as "renewable energy" and "conflict minerals," the lowest scores across the entire industry were not found in engineering and construction but in system integration services. As service providers, these companies are not involved in manufacturing, plant electricity consumption, or raw material procurement. The materiality of these issues in their operations is inherently low. Therefore, the low scores reflect low issue significance rather than management deficiencies. The items that truly require warning are those that are highly relevant to the industry's operations yet remain weak.

There are two types of weaknesses that require targeted remediation: environmental issues are a common shortcoming across the entire industry and should be addressed through FarEasTone's leadership in mobilizing shared resources; deficiencies in engineering and construction are more widespread and require comprehensive support. Resources should be allocated according to industry risk profiles, focusing on substantive weaknesses closely related to operations rather than applying a uniform approach.

Figure 10: Industry × Issue Score Overview (Redder Color = Lower Score)



Average ESG Scores by Category (2026)

Figure 11: Top 12 Issues with the Greatest Industry Differences



High-Risk Ratios by Category (2026)

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Insight 6: Risk Prioritization and the Promotion of Mutual Prosperity Across the Supply Chain

The next step is not only to decide whom to manage, but also whom to grow with.

Due diligence aims to identify the supply chain segments most in need of assistance. After categorizing all 153 suppliers into four quadrants based on "Procurement Criticality × ESG Maturity," the priority order became clearly apparent:

- The top priority for intervention is the group of four suppliers classified as "High Criticality × Low Score." These suppliers have large transaction volumes but have not met ESG standards, making them the primary focus for resource allocation and support.
- There are an additional 28 strategic partners classified as "High Criticality × High Score" with potential for deeper collaboration.
- The remaining 121 suppliers with lower criticality were assigned either basic requirements (57 suppliers with low criticality and low scores) or maintained cooperation (64 suppliers with low criticality and high scores) based on their scores.

If assessed using an absolute threshold (ESG total score below 50 points), among the 153 companies, 46 are classified as high risk and 15 require improvement. However, FarEasTone did not mobilize all high-risk suppliers uniformly. Instead, it applied two additional screening criteria – "criticality" and "multi-year trends" – ultimately identifying 19 suppliers requiring upgraded management: 4 high-criticality, low-score suppliers were prioritized for targeted assistance; the remaining 15, having been high-risk for two consecutive years or showing significant score deterioration, were subject to on-site inspections to verify actual operational conditions beyond the questionnaire.

These suppliers are primarily engineering and construction providers, which corresponds with the earlier observation that environmental data foundations in this industry are still being established. Although their scores remain low, most have shown improvement year-over-year (e.g., Supplier S25 increased from 20.4 to 39.5, and S09 from 40.5 to 49.9), indicating that the guidance provided is gradually taking effect, though they have yet to reach the passing threshold. As for how to gain on-site access to these suppliers and clearly understand the underlying causes behind their scores, this will be the focus of the upcoming case studies.

The goal of due diligence is "mutual benefit," not "elimination": prioritizing resources for a small number of potentially high-risk suppliers while maintaining collaboration with others through tiered management, thereby strengthening the overall resilience of the supply chain.

Figure 12: Supplier Risk Matrix (including only 63 suppliers with procurement amounts in 2025; all others are classified as low criticality)



Figure 13: Number of Companies in the Four Quadrants and Corresponding Management Actions and Priority Support List



Case Study | Advancing Data-Driven Sustainable Supply Chain Management

AI analyzed historical survey data to generate customized improvement reports for 153 suppliers.

Suppliers are important partners in FarEasTone's sustainability efforts. In 2026, FarEasTone continued to deepen its sustainable supply chain collaboration project with Sustaihub. After completing four stages of due diligence – supplier self-assessment, document review, on-site inspection, and verification – conducted by FarEasTone and the accounting firm, Sustaihub utilized AI technology to integrate and analyze hundreds of thousands of accumulated due diligence scoring records from previous years. This process generated customized ESG analysis reports and improvement plans for each evaluated supplier, serving as the basis for their subsequent enhancements.

Each customized report is structured into three levels to help suppliers accurately identify the next steps for improvement:

- Relative Positioning: Present the supplier's own ESG score alongside the average scores of all evaluated suppliers and the industry average under the same benchmark, enabling a clear understanding of strengths and gaps.
- Annual Performance Tracking: We monitor score changes over two consecutive years using comparable assessment items with consistent themes. Items showing significant increases or decreases are accompanied by current evaluation explanations, enabling suppliers to clearly understand the specific reasons for their progress or decline.

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- Improvement Prioritization Recommendations: Prioritize items that the majority of industry peers have already implemented but have not yet been established internally. Next, address areas where performance lags behind the overall industry average. At the same time, consider industry-specific characteristics; for issues less relevant to the core operations of the industry, clearly indicate that immediate investment is not required and that ongoing monitoring is sufficient. This approach assists suppliers in allocating improvement resources to the most effective areas.

Subsequent annual surveys will use this year's report as a baseline to continuously track the improvement trajectories of each supplier. FarEasTone, in collaboration with Sustaihub, provides digital platforms, training, templates, and consulting resources to assist suppliers in gradually enhancing their sustainability management capabilities.



Supplier-Specific ESG Analysis Report (Sample): Overview and Relative Positioning (Your Company vs. Industry Peers / Overall Average)

評分項目	2025	2026	變化	當年達成目標說明
目標 1: 已制定資源管理政策	5	1	-4.0	2025：經討論，有資源管理政策，但尚未完全符合 / 2026：經審議，尚未有相關作為，故評為不符合
目標 2: 已有智慧財產權及營業秘密保護政策及管理制度	3	1	-2.0	2025：經討論，有提供之保護資料，但有相關責任規定，但未包含智慧財產權保護，故評為部分符合 / 2026：經審議，尚未有相關作為，故評為不符合
目標 3: 要求供應商簽署保密協議(MDA)	3	1	-2.0	2025：經討論了解公司狀況，主要供應商為 3M 公司已和相關廠商簽署保密協議，故評為部分符合 / 2026：經審議，尚未有相關作為，故評為不符合
目標 4: 定期辦理內部營業秘密保護相關教育訓練	3	1	-2.0	2025：經討論，公司不定期辦理內部營業秘密保護相關教育訓練，故評為部分符合 / 2026：經審議，尚未有相關作為，故評為不符合

Annual Trajectory: Significant increases and decreases are presented with comparable items over two years, accompanied by review explanations.

Project 2: Annual Supplier Performance Evaluation

The purpose of the annual performance evaluation is to assess the performance of supplier partners in terms of quality delivery and overall project coordination. In 2024, the evaluation further included assessments of specific suppliers' market dominance and influence. The Procurement Department conducts annual performance evaluations based on 11 detailed supplier categories. In 2025, a total of 194 suppliers underwent evaluation. Among them, one supplier was suspended, and four suppliers were required to submit improvement plans.

FET Supplier Annual Performance Evaluation Results Over the Past Three Years

Evaluation Results	Number of Suppliers in 2023	Number of Suppliers in 2024	Number of Suppliers in 2025	Corresponding Measures
Outstanding Suppliers (90 to 100 points)	4	9	6	Consider these suppliers as preferred suppliers in the price negotiation stage or adopt technical price weighting in procurement transactions with these suppliers.
Qualified Suppliers (70 to 89 points)	179	203	183	Require these suppliers to strive for greater progress.
Suppliers Requiring Improvement (60 to 69 points)	7	5	4	Require these suppliers to propose an improvement plan.
Unqualified Suppliers (50 to 59 points)	4	0	0	Suspend new procurements; supplier must implement improvement plan. Can resume only upon approval by Procurement and User Departments.
Suspended Suppliers (50 points below)	1	1	1	Suspend these suppliers
Total	195	218	194	

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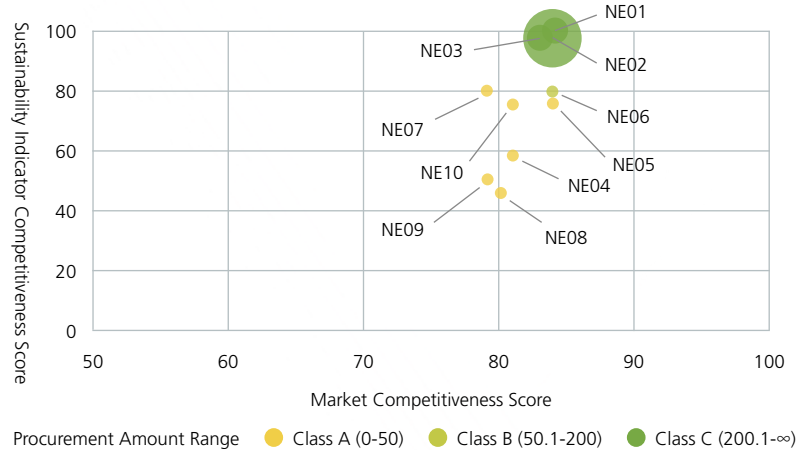
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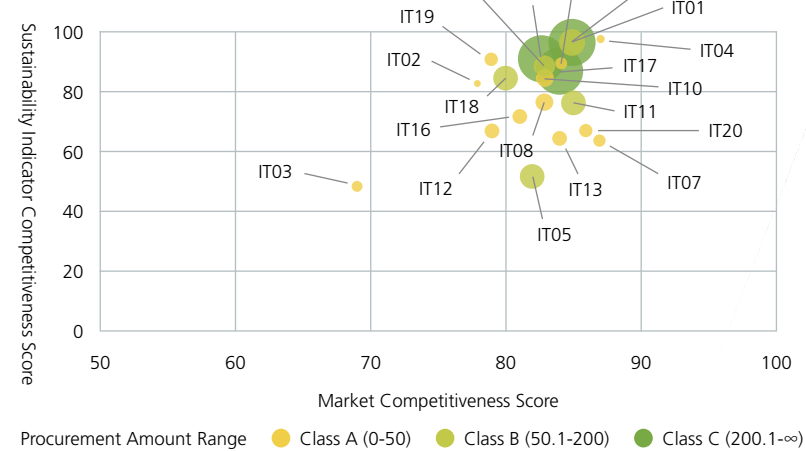
Project 3: Supply Chain Resilience Analysis

In order to more accurately grasp the different supplier categories within the FET supply chain and their overall resilience in a highly variable environment, the Procurement Department began planning a supply chain resilience analysis in 2023. This analysis was completed in 2024 for three major categories of Significant Suppliers: network equipment, information technology equipment, and electromechanical air conditioning equipment. We continued to complete the analysis of engineering-related and information service categories in 2025. The detailed analysis results are presented below. Based on the analysis:

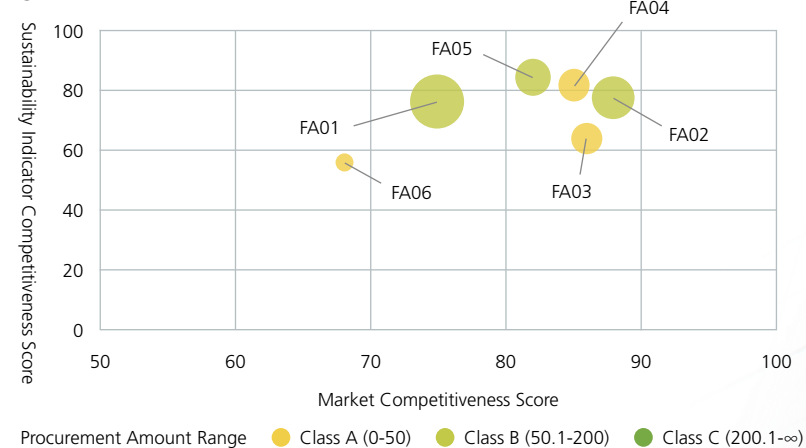
Among the ten network equipment suppliers, the sustainability competitiveness index for NE08 remains relatively low; consequently, it has been determined that continued monitoring is required.



Among the 20 information equipment suppliers, IT03 Company has scored low on both market and sustainable competitiveness indicators; consequently, it remains under continuous monitoring and guidance.



Among the six suppliers of electromechanical facilities and equipment, the market competitiveness index for FA06 is relatively low; consequently, the supplier remains under continuous monitoring and guidance.



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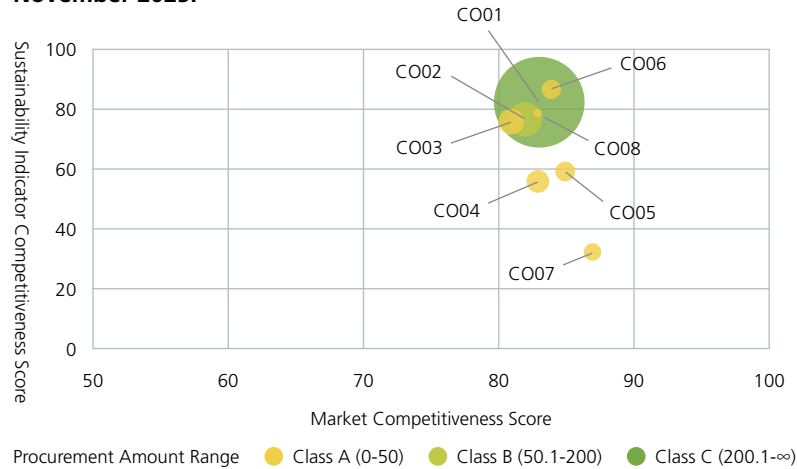
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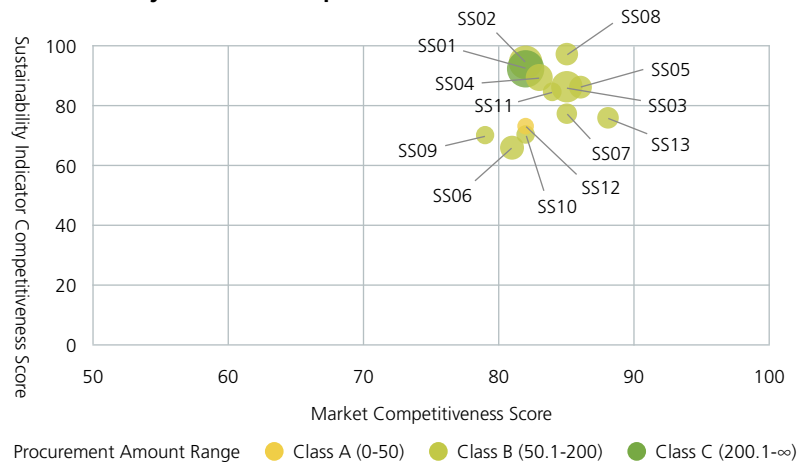
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Among the eight engineering-related suppliers, CO07 failed to meet the sustainability competitiveness index, necessitating the initiation of improvement guidance. These improvements were completed in November 2025.



There are 13 suppliers in the information services category, all of which have met the required scores for Y25 market competitiveness, sustainability indicator competitiveness, and resilience.



Outlook for 2025: The Procurement Department will continue to evaluate supply chain resilience using the six dimensions of QCDDSS, track performance across the year, and provide targeted guidance for improvement.

Compliance Management

The Procurement Department of FET will temporarily suspend the trading rights of suppliers who do not improve or have not engaged in transactions for several years, in order to mitigate trading risks. Please refer to the table below for the various aspects of suspension management.

Annual Suspended Supplier Management Table

No.	Reason for Suspension	Number of Suppliers Suspended
1	No transactions for three years (Note)	290
2	Did not participate in mandatory sustainability due diligence	57
3	Failed new supplier ESG quantitative assessment threshold without improvement	19
4	Failed to improve high sustainability risk	0
5	Failed annual performance evaluation	1

Note: To ensure the accuracy of supply chain information and the accountability of vendor contact points, the Procurement Department conducts an annual review of the supplier master file, suspending vendors that have not engaged in transactions for three years. In the future, when there is a demand for transactions to be reinstated, these suppliers must undergo credit re-evaluation, update their relevant information, and re-sign both the "Code of Business Conduct Agreement" and the "Biodiversity Commitment Statement" in the procurement system. This ensures the supply chain continues to uphold its commitments to FET.

The five compliance management measures mentioned above are complemented by FET's establishment of various reinstatement management procedures, aimed at ensuring that suspension operations achieve the goals of supplier improvement and risk reduction.

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4.4 Empowering

Project 1: Digital Sustainability Elite Training

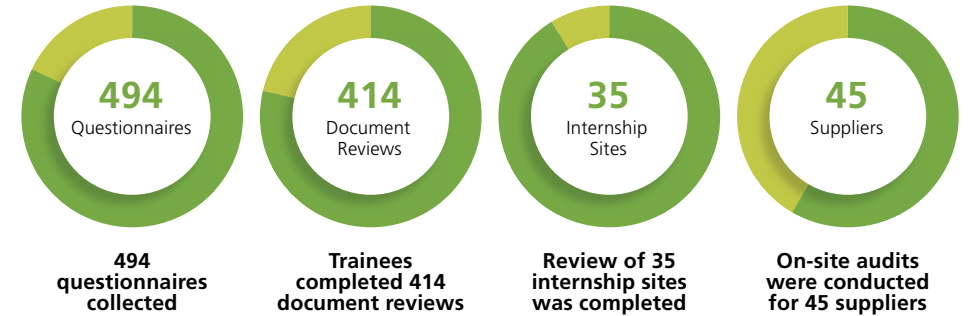
To enhance the effectiveness of sustainable supply chain governance and digital management capabilities, the Procurement Department launched the "Digital Sustainability Elite Training Program" in 2024. This program expands the scope and depth of due diligence through digital means and promotes the embedding of a sustainability culture within the organization. In 2025, FET coordinated nine major departments across the company, with a total of 53 employees participating to form a cross-departmental "Digital Sustainability Elite Team," cultivating ESG sustainability talent within the organization.

This project introduced a digital platform and designed a 36-hour hybrid course combined with on-site internships to help employees master supply chain due diligence processes and practical skills. After completing the training, participating employees further engaged in the practical implementation of supplier document reviews and on-site audits, enhancing the integrated application of digital tools and review processes.

- Management framework and theoretical basis for due diligence
- An analysis of core issues and practical applications across the three ESG dimensions

- Supplier document review procedures and data interpretation techniques
- Operational guidelines for on-site audits and effective communication strategies
- International trends and future directions in sustainable supply chain management

The overall outcomes of the training program are as follows:



On-Site Supplier Audit



Course Photo



Training Completion Ceremony

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Project 2: Supplier Sustainability Governance Workshop

In 2023, the Procurement Department held an online briefing on sustainable governance for small and medium-sized enterprises (SMEs), receiving positive feedback from many supply chain partners, who expressed a desire for more practical guidance and assistance. Therefore, on May 31, 2024, the Procurement Department invited sustainability transformation experts and consultants to conduct the first in-person sustainable governance workshop for 20 SMEs, involving 24 supply chain partners. On May 28, 2025, FET held the second "Sustainable Governance Workshop," inviting 20 small and medium-sized enterprise suppliers to participate. A professional sustainability transformation consulting team shared the latest international sustainability trends and provided systematic guidance and expert resources to help supplier partners enhance their capabilities in meeting global sustainability requirements. Together, they are embracing the global ESG wave, steadily advancing toward sustainability goals, and establishing key competitive advantages for future development.



Project 3: e-Learning Training on 2025 Supply Chain Code of Conduct

As the importance of sustainability issues grows and international standards for supply chain sustainability management become more stringent, the Procurement Department continuously updates the requirements in the "Supplier Code of Conduct." In response, the Procurement Department developed an online learning course on the "Supplier Code of Conduct" in 2024. Supply chain vendors must pass the course assessment to be considered as having completed the training. The Procurement Department also set a course completion rate KPI to ensure supply chain partners fully understand FET's expectations and responsibilities within the supply chain. In 2025, 1,185 suppliers completed the online training course regarding the Supplier Code of Conduct.



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The overall internal and external empowerment outcomes of FET's Procurement Department are presented as follows:

2025 Procurement Department Sustainability Internal Training Course Statistics

No.	Course Title	Date	Course Hours	Number of Participants	Total Training Hours
1	Supply Chain Carbon Inventory Operation Training	2025/1/9	6	35	210
2	Supply Chain Carbon Inventory System Operation Training	2025/2/10	2	16	32
3	Sustainable Governance Workshop for SMEs	2025/5/28	3	17	51
4	Taiwan Sustainable Supply Association Seminar	2025/7/24	3	2	6
5	2025 ESG Summit	2025/8/26	3	2	6
6	2025 Supply Chain Carbon Inventory Operation Launch and Training	2025/10/14	2	15	30
7	Digital Sustainability Elite Development Program Training	2025/ Aug-Oct	36	53	1908
8	Green Digital Service Development Expert Seminar	2025/10/30	2	1	2
9	Annual Supplier Conference	2025/11/8	3	15	45
10	2025 8th Global Corporate Sustainability Forum (GCSF)	2025/11/26	3	4	12
				Total hours	2302

2025 Supply Chain Training Course Statistics

No.	Course Title	Date	Course Hours	Number of Participants
1	Supply Chain Carbon Inventory Operation Training	2025/1/9	6	67
2	Supply Chain Carbon Inventory System Operation Training	2025/2/10	2	90
3	Sustainable Governance Workshop for SMEs	2025/5/28	3	20
4	2025 Supply Chain Carbon Inventory Operation Launch and Training	2025/10/20	2	452
5	Annual Supplier Conference	2025/11/8	3	234
6	Supplier Code of Conduct Training – E-learning	2025	1	1185
			Total	2048

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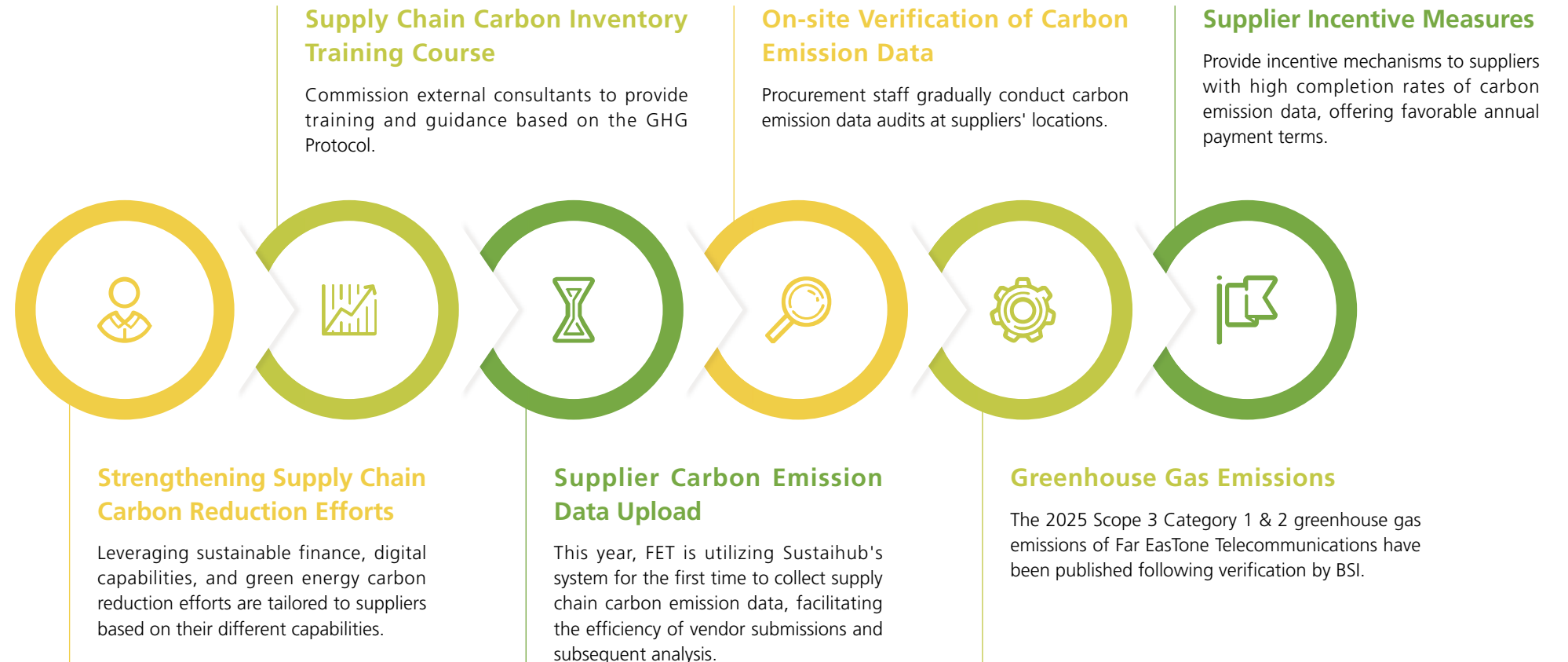
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4.5 De-Carbonization: Annual Supply Chain Carbon Reduction Performance

Supply chain carbon reduction performance is a core requirement of FET's emission reduction plan. In 2024, supply chain emissions accounted for 67.0% of FET's total value chain emissions (Scope 3). As a key focus within Scope 3, FET, as a major telecom operator in Taiwan, aims to lead by example and assist suppliers in advancing toward a low-carbon industrial chain. FET will implement the following six measures to ensure the supply chain meets the SBTi carbon reduction goals.



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Project 1: Strengthening Supply Chain Carbon Reduction Efforts—Leveraging Sustainable Finance, Digital Capabilities, and Green Energy Carbon Reduction Efforts are Tailored to Suppliers Based on Their Different Capabilities.

FET has partnered with Mizuho Bank to launch the "Sustainable Supplier Financing Program." In collaboration with Sustaihub, FET provides "Supply Chain Carbon Inventory System Support and Consulting Services." Additionally, FET works with Nature Energy Electric to promote the "Taiwan Green Electricity Market and Supply Chain Small-Scale Green Electricity Joint Procurement Program." By integrating the core strengths of digital technology, green energy, and sustainable finance, FET aims to create a carbon reduction ecosystem within its supply chain. With FET's resources, the company and its supply chain partners are jointly advancing toward the goal of net-zero carbon emissions. Manufacturers have already begun to procure green electricity. FET will continue to invest resources to assist its supply chain partners in implementing carbon reduction efforts through these three key approaches and will report on the execution results.

Project 2: FET Supply Chain Carbon Inventory and Audit Training Program

FET aims to achieve net zero by the year 2048. The Company has initiated short, medium, and long-term carbon reduction plans for its supply chain and commenced carbon inventory work in 2022. This includes holding informational sessions on supply chain carbon inventory and audit, planning training courses, providing carbon reduction operational guidance to suppliers, and executing carbon inventories. Suppliers are required to adhere to the five principles of the GHG Protocol: relevance, completeness, consistency, transparency, and accuracy, while continuously improving carbon reduction through the PDCA (Plan-Do-Check-Act) cycle.

This year, FET invited 50 suppliers with annual transaction amounts exceeding NT\$40 million to participate in the program, with a total of 102 attendees. External consultants were commissioned to provide training and guidance based on the GHG Protocol. Additionally, Sustaihub explained the data submission process, offering supply chain partners various scientific methods to calculate their annual carbon emissions, thereby empowering and supporting them.



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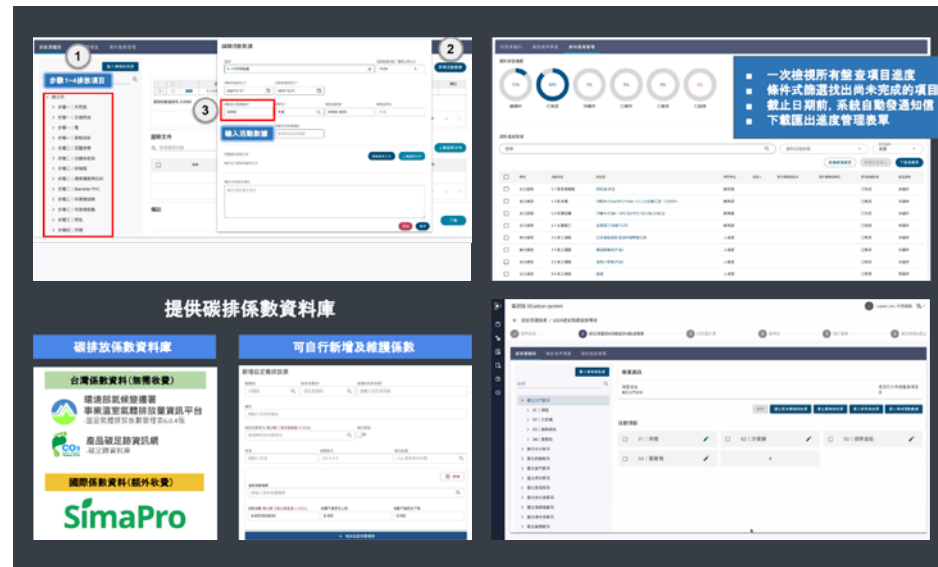
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Project 3: Supplier Carbon Emission Data Submission and Upload System

To comply with the company's implementation of the Financial Supervisory Commission's IFRS S1 and S2 disclosure requirements, the Procurement Department must advance the collection of Scope 3 Category 1 and Category 2 carbon inventory information for the 2025 supply chain to begin in the third quarter of 2025. The Procurement Department held an online briefing session on October 20, 2025, to launch the supply chain carbon inventory. Suppliers accounting for 95% of the annual procurement amount were invited to understand the submission and upload procedures for the supplier carbon emission data system.

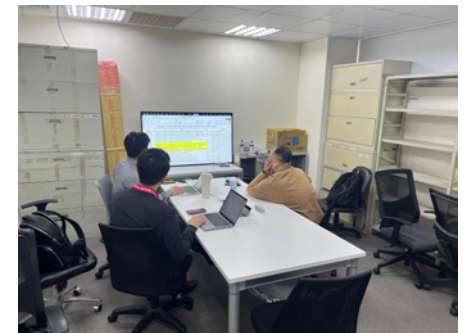
With three years of audit experience accumulated, along with the continuous development of carbon emission factors for each supplier's equipment. This year marked the first time that the Procurement Department implemented a process of analyzing and categorizing millions of orders individually before submitting them to suppliers for verification and calculation. Suppliers then uploaded the emission data for each category (see the chart below) to the Sustaihub system for collection, significantly improving operational efficiency.



Project 4: FET On-Site Audit of Supplier Carbon Emission Data

For the 2025 fiscal year, FET's scope includes Apple and the top 80 suppliers (accounting for an estimated 95% of the supply chain's carbon emissions) to implement a supply chain carbon inventory assessment. Suppliers are required to follow the "FET Supply Chain Greenhouse Gas Management Regulations" and related training guidelines, and must upload their carbon inventory lists by the end of the same year. Subsequently, procurement personnel will conduct a carbon emissions data review with each supplier.

On-site audits were conducted through semi-structured interviews, complemented by a review of supporting documents provided by suppliers to verify their current implementation status. Through these visits, FET also gained insights into the challenges suppliers face in executing sustainability initiatives and provided consultation and relevant assistance.



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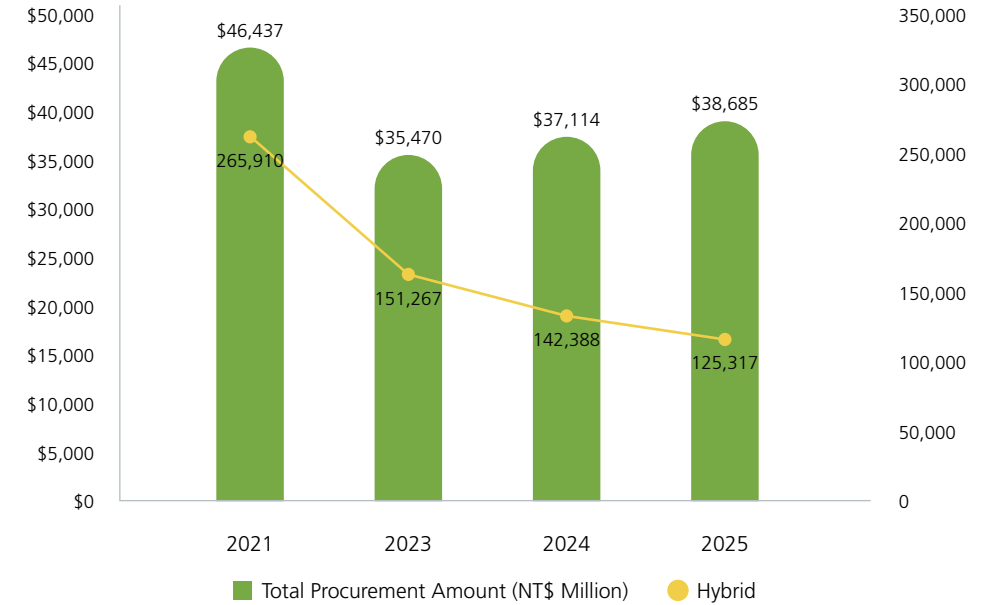
Project 5: Scope 3 Category 1 & 2 Greenhouse Gas Emissions

In 2025, FET conducted the Scope 3 Category 1 and 2 greenhouse gas accounting (Note: covering FET only). Through activities including "Strengthening Supply Chain Carbon Reduction Measures: Utilizing Three Key Tools – Sustainable Finance, Digital Capabilities, and Green Energy Development to Support Carbon Reduction," "Supply Chain Carbon Inventory Training Courses," "Supplier Carbon Emission Data Submission and Upload System," "On-site Verification of Supplier Carbon Emission Data," and "Incentive Programs," the final verified Scope 3 Category 1 and 2 greenhouse gas emissions for FET in 2025 amounted to 125,317 tons. This figure was audited by the Taiwan branch of BSI. The details are as follows:

First, the proportion of suppliers reporting primary data on carbon emissions this year was 52%, compared to 39.9% in 2024.

Second, starting this year, FET has implemented a purchase order (PO) analysis to examine suppliers' annual procurement items on a transaction-by-transaction basis. Procurement categories previously included in the EEIO (Environmentally-Extended Input-Output) carbon emission model – such as services, electronic tickets, and gift certificates – are now separated and reported separately to suppliers for inclusion in their total carbon emissions. This approach enhances data accuracy.

Third, for the first time this year, suppliers purchased green power certificates to reduce carbon emissions.



Scope 3 Cat1 & Cat 2					
No.	Annual (Metric Tone CO ₂ e)	2021	2023	2024	2025
1	Total Procurement Amount (NT\$Million), Excluding Tax	\$46,437	\$35,470	\$37,114	\$38,685
2	Annual Actual Total Emissions	265,910	151,267	142,388	125,317
3	Decreased by % Compared to the Previous Year			-5.9%	-11.99%
4	2025 Carbon Reduction Target (Metric Tone CO ₂ e)			143,703	135,269

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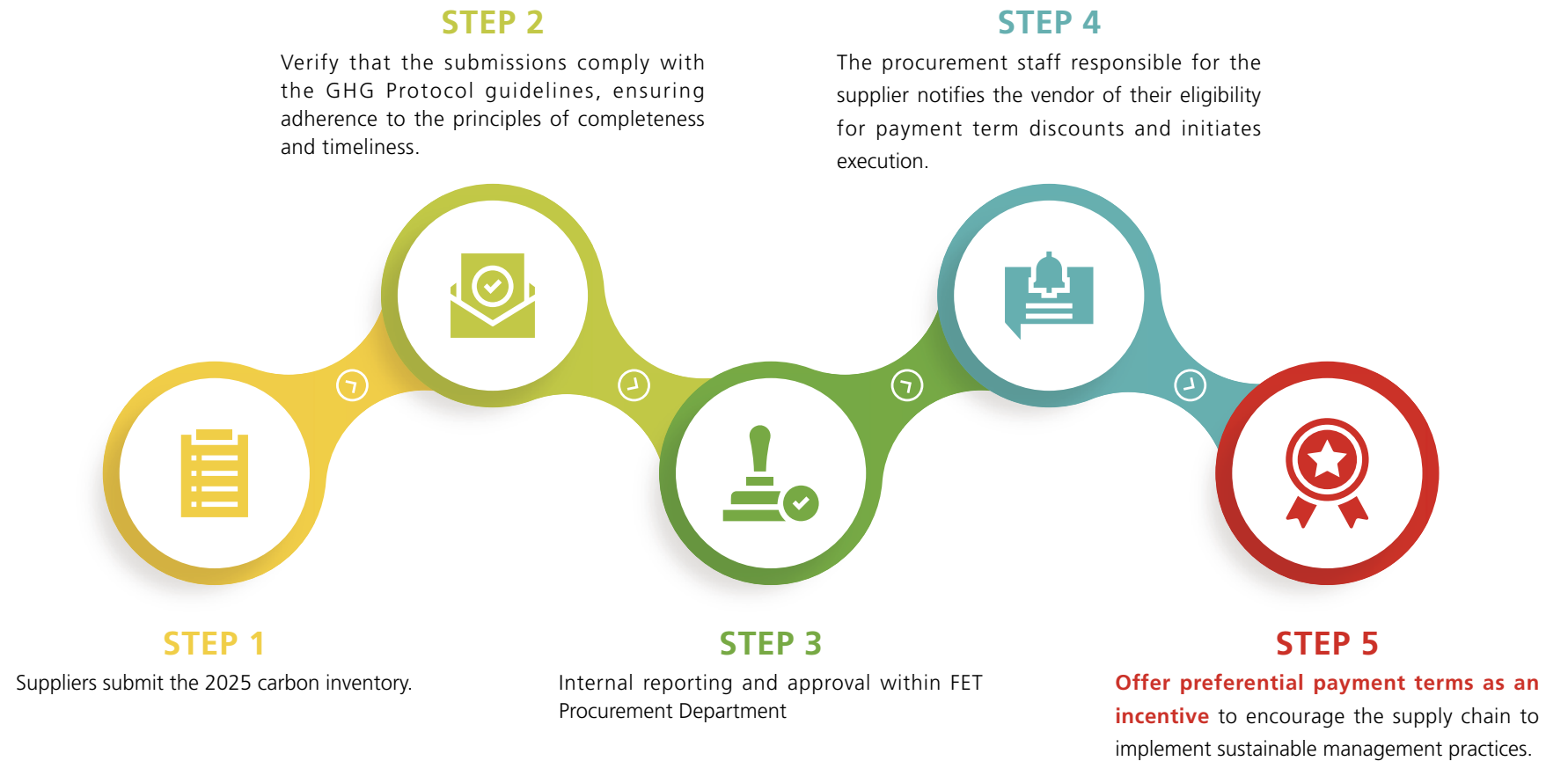
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Project 6: Sustainable Supply Chain Management Support – Supplier Incentive Measures

FET offers an incentive mechanism that grants favorable annual payment terms to suppliers with high completeness in carbon emissions data. This financial incentive supports supplier partners and FET in jointly striving toward net zero, while alleviating the burden on small and medium-sized enterprises. The confirmation procedures and approval process for this year's incentive mechanism are illustrated in the diagram below.



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In 2025, the Procurement Department has outlined nine key areas of focus, aiming to advance with international sustainability trends and deepen supply chain practices. Through these initiatives, FET seeks to better meet the expectations of its stakeholders – a mission that defines a true benchmark enterprise.



Assurance Statement



Independent Limited Assurance Report

To Far EasTone Telecommunications Co., Ltd.:

We were engaged by Far EasTone Telecommunications Co., Ltd. (Far EasTone) to provide limited assurance on selected non-financial information (including the Greenhouse Gas attached as Appendix A (the Subject Matter) of the 2026 SUPPLY CHAIN ESG SUMMARY.

Subject Matter and Applicable Criteria

Our assurance engagement relates to limited level of assurance on the selected non-financial information disclosed in the non-financial reporting section published on the 2026 SUPPLY CHAIN ESG SUMMARY, as set out in the Appendix A: Summary of Assurance Subject Matters.

The standard is based on the 2026 SUPPLY CHAIN ESG SUMMARY and based on industry characteristics, survey results and collected supplier information.

Management's Responsibilities

The management of Far EasTone are responsible for the preparation, content, and presentation on the selected non-financial information disclosed in the non-financial reporting section published on the 2026 SUPPLY CHAIN ESG SUMMARY. They need to consider relevant laws and regulations and using the applicable criteria to fairly prepare and present the Subject Matter. It is also their responsibility to maintain necessary internal controls related to the preparation of 2026 SUPPLY CHAIN ESG SUMMARY to ensure that the performance indicators are not materially misrepresented due to fraud or error.

Independence and Standards on Quality Management

We have complied with the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting as related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm also applies the Standards on Quality Control 1 (TWSQC 1), Quality Control for Public Accounting Firms and therefore has in place a quality control system which includes documented policies and procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory provisions.

Our Responsibilities

Our responsibility is to perform a limited assurance engagement and to express a conclusion on the selected non-financial information of the 2026 SUPPLY CHAIN ESG SUMMARY. We conducted our engagement in accordance with the Standard on Assurance Engagements (TWSAE) 3000*Assurance engagements other than audits or

reviews of historical financial information', issued by the Accounting Research and Development Foundation. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected non-financial information as published on 2026 SUPPLY CHAIN ESG SUMMARY was prepared.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under TWSAE 3000 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following assurance procedures, among others:

- Review the rationality of internal preparation of non-financial information reporting standards.
- Interviews with relevant staff at the corporate and business unit level responsible for providing the information in the Report to inquiries about the design and implementation of the internal control systems and methods used to collect and report.
- Obtaining the original supporting documentation, quantitative or qualitative, obtained from the information management systems of Far EasTone's main operations or from external sources, used in the preparation of the non-financial indicators.
- Based on our understanding of the above matters and the identified areas, we conducted inquiries, observations, examinations, and re-performance tests on the selected samples of the subject matter to obtain limited assurance evidence.
- Verification, by means of tests, based on the selection of a sample of quantitative information on the non-financial indicators of Far EasTone's main operators. We have also checked that they are adequately compiled from the data supplied by the information sources of Far EasTone's main operators.
- Obtainment of a management representation letter from the directors and the management of Far EasTone.

This report does not provide any assurance on the effectiveness of the design or implementation of internal control systems related to the 2026 SUPPLY CHAIN ESG SUMMARY.

Inherent Restrictions

There are inherent limitations in this project, particularly in relation to non-financial indicators, which are subject to more inherent restrictions compared to financial information. The qualitative interpretation of data, including its relevance, materiality, and accuracy, depends more on individual assumptions and judgments.

Conclusion

Based on our procedures and the evidence obtained as described in this report, nothing has come to our attention that causes us to believe that the selected non-financial information of Far EasTone disclosed on the 2026 SUPPLY CHAIN ESG SUMMARY has not been prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

The maintenance of Far EasTone's website is the responsibility of Far EasTone's management. Following the publication of our assurance report on Far EasTone's website, we do not assume responsibility for performing further assurance procedures on any subsequent changes to the subject matter information or applicable criteria disclosed on Far EasTone's website.

GREEN MOUNTAIN SUSTAINABILITY

Alfred Du

Public Accountants and Chartered Accountants

The reference number of the FSC (Financial Supervisory Commission) approval letter:7775

3 July 2026

Appendix A: Summary of Assurance Subject Matters

No.	Subject Matters	Pages	Selected standards
	Criteria	FY 2025	
	1.1 Total number of unique suppliers	1045	
	1.2 Number of unique significant suppliers	88	
	1.4 Number of unique significant suppliers assessed via desk assessments/on-site assessments (as a subset of 1.2)	88	
	1.5 Number of unique significant suppliers assessed with substantial actual/potential negative impacts (as a subset of 1.4)	18	
	1.6 Number of unique significant suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan (as a subset of 1.5)	18	
	1.7 Number of unique significant suppliers with substantial actual/potential negative impacts that were terminated (as a subset of 1.5)	0	
1	Note: 1. All 88 significant suppliers completed the ESG questionnaire. Completion methods included submission through the Deloitte system, consolidated responses submitted by suppliers on behalf of their parent and subsidiary companies, or submission through the RFP portal. Accordingly, the assessment completion rate for significant suppliers reached 100%.		31

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No.	Subject Matters		Pages	Selected standards	
6	Evaluation Results	Number of Suppliers in 2025	Corresponding Measures	49	
	Outstanding Suppliers (90 to 100 points)	6	Consider these suppliers as preferred suppliers in the price negotiation stage or adopt technical price weighting in procurement transactions with these suppliers.		The number of assessed suppliers is calculated based on the total procurement amount of 95% suppliers, the on-site visit suppliers and other internally selected suppliers.
	Qualified Suppliers (70 to 89 points)	183	Require these suppliers to strive for greater progress.		
	Suppliers Requiring Improvement (60 to 69 points)	4	Require these suppliers to propose an improvement plan.		
	Unqualified Suppliers (50 to 59 points)	0	Suspend new procurements; supplier must implement improvement plan. Can resume only upon approval by Procurement and User Departments.		
	Suspended Suppliers (50 points below)	1	Suspend these suppliers		



FET Connects You and Your World, Enriches Your Life and Protects Our Earth
This report is printed on FSC-certified paper, supporting environmental protection.