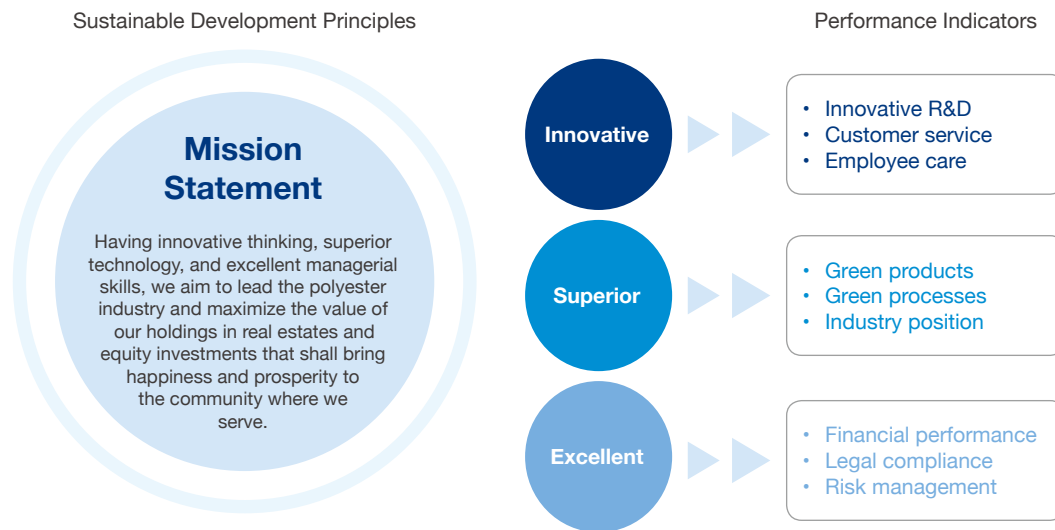


FENC Sustainable Development

Sustainable Development Framework



ESG Management Principles

- Top-down: Setting of high-level strategies, policies, goals, and formulation of action plans by all units
- Clear division of duties: Detailed definition of responsibilities and authorization
- Verification of implementation: Regular tracking and review of progress as well as rolling readjustment of action plans

Short-term and Medium/Long-term Goals

Dimension	Short-term Goals (1-2 years)	Medium/Long-term Goals
Environment (E)	<ul style="list-style-type: none"> Expansion of the implementation of GHG inventories to more sites and subsidiaries Setting of energy reduction goals Promotion of the use of renewable energy sources (solar energy) Continued promotion of energy conservation projects Mutual technology exchanges between energy task forces in Taiwan and China Optimization of the waste management system Strengthening of daily energy and resources management to reduce waste 	<ul style="list-style-type: none"> Constant increase of the proportion of green products Setting of GHG reduction goals Full implementation of regular external verifications of GHG emissions Integration of regional energy sources Construction of co-generation plants Average annual electricity savings of 1% in plants and subsidiaries located in Taiwan
Society (S)	<ul style="list-style-type: none"> Amendment of supplier code of conducts and procurement regulations Setting of annual KPI for supplier visits Expansion of opinion surveys of external stakeholders Optimization of the customer satisfaction survey mechanism Continued promotion of FENC's management training program and competency course Continued promotion of academic cooperative internships and training programs Continued promotion of various public welfare sponsorship activities 	<ul style="list-style-type: none"> Optimization of the supplier performance appraisal and audit system Optimization of the stakeholder grievance system Establishment of a corporate volunteer system Adoption of a road transportation safety and quality assessment system
Governance (G)	<ul style="list-style-type: none"> Annual publication of CSR reports and improving communication with stakeholders Continued strengthening of corporate governance and maintenance of position within the top 20% ranking in corporate governance appraisals Promotion of climate change risk identification and adaptation Gradual expansion of the legal compliance system to subsidiaries Increase of R&D manpower by 20% 	<ul style="list-style-type: none"> Establishment of an accounting system for environmental management Revision of the management system in accordance with international factory certification standards Continued expansion of production capacities and maintenance of the industry leadership position