

Message from the Chairman

We are happy to introduce the first Corporate Social Responsibility Report of Far Eastern New Century (FENC) for everyone. In 2012 the consumption abilities of Taiwan and China reawakened, the prices of raw materials have risen, the Asian currency has appreciated. The effect on supply chain management of natural disaster, environmental protection considerations, quick displacement of global industries, demographic change, and consumption habit changes caused by technological innovation have caused corporate operation to face more complicated factors and challenges.

The potential impacts on Far Eastern New Century of the above trends include: quick transformation of economic abilities for the elderly and female, the upgrade of consumption abilities of emerging markets, greater global competition, shortened life span of products, lack of resources/ increase in prices, and unstable corporate governance and regional politics... etc. Facing these uncertain and high risk topics, we never tried to dodge or avoid them. We even think that, through the fulfillment of social responsibility, and by integrating core competency and advantages, we gradually build the foundation for sustainable development, and this is the correct thing to do.

If we can find the right direction, the risks today can become opportunities tomorrow, and the potential business opportunities are tremendous. In order to grasp the business opportunities brought by the changing times, the goals of Far Eastern New Century are to create a smart enterprise, and create smart lifestyle. Through the establishment of a smart team, we create smart tools and procedures, in order to upgrade operating efficiency, and speed up corporate growth. We also hope, through interaction and cooperation, we can use smarter and quicker methods to respond to the challenges of sustainable development with our employees, shareholders, clients, and partners in the environment of rapid change.

In addition, in recent years, Far Eastern New Century has deviated from the thinking of traditional industries. We have promoted all kinds of sustainability projects that focus on products and production processes.

In addition to reducing the influences of products' life cycles on the environment and society, and reducing the use of energy and resources, through the active innovation of technology and expansion of the application range of products we have created greater social value, and raised the people's quality of life.

I think the only and sustainable competitiveness of an enterprise is the possession of the learning ability to allow it to quickly overcome the competition and challenges it faces.

I think the only and sustainable competitiveness of an enterprise is the possession of the learning ability to allow it to quickly overcome the competition and challenges it faces. Therefore, we use the 3 Rs: Rethink, Reinvent, and Rebuild as the foundations. With the 3Rs in combination with the 3 Es: Excellent, Ethical, and Engaged as our mission principles, we pursue the achievements and quality of all kinds of sustainability projects. In the future, we also promise to continue to fulfill a three-pronged strategy, continuing to strengthen the energy behind the enterprise's sustainable development.



Continue to reinforce corporate governance and human resources training

We strive to establish a more complete corporate governance structure, continue to reinforce organizational structure, and constantly review and evaluate to check they are appropriate. In addition, in order to continue to develop human resources our efforts include trainings of basic employees, managerial staff, and future leaders. This will allow us to accumulate the human resources foundation for the sustainable operation of the enterprise.

Establish a culture of accountability and fulfil social responsibility

In order for enterprises to develop continuously, they must establish a culture of accountability. Therefore, we must exhibit a positive and reasonable attitude and persistently hold the correct beliefs as we make strict demands of ourselves. At the same time, we must continuously bear our social responsibilities, be active in the protection of the environment, care for communities, and strengthen promotions of charity and educational work.

Speed up informationization transformation, and establish a low carbon environment

We continue to use informationization technology, in order to optimize operational procedures. For example, through the internet of things, warehouse management is carried out and distribution improved; the managerial efficiency of energy is upgraded. In addition, through cloud computing services, we can save the costs of establishing information facilities. This not only is beneficial for employee training, it also increases the communication within the organization, and upgrades the cohesiveness of employees. We can also reduce the energy use for transportation, helping create a low carbon environment.

We are proud of Far Eastern New Century's corporate spirit of "Sincerity, Diligence, Thrift, Prudence, and Innovation" There are approximately 5,000 employees in our enterprise. Internally, we continue to coagulate employees' perspectives and consensus through education and communication in order to reinforce execution. Externally, with a transparent and sincerity attitude, we communicate with stakeholders, boldly accepting challenges and marching toward our goals. We actively strive to create a team that is cohesive, efficient, and able to compete with global corporations. The advantages of human resources are helpful for creating sustainable solution plan.

With respect to social participation, Far Eastern New Century is socially obligated. We engage deeply with industry, and spread the seeds of charity. We have established the Far Eastern Medical Foundation, Far Eastern Memorial Foundation, Far Eastern Memorial Hospital, Oriental Institute of Technology, Yuan Ze University, and Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation; the Far Eastern Y.Z. Hsu Science and Technology Memorial Foundation has held the Y. Z. Hsu Scientific Award for 10 straight years, in order to make a contribution to upgrading the innovative standards of emerging technology in Taiwan.

I believe good business awareness can lead to sustained growth. This is also the operational method and principle of Far Eastern New Century. The effort we spend in the area of corporate social responsibility is not only is beneficial for corporate growth, it can also increase the happiness of employees and the public. In the future, we hope to work hard together with those who care about us, striving for a great future vision. We hope to contribute more to the Earth, Taiwan, and the people. We hope that everyone can provide us with more advice and encouragement.

Far Eastern New Century Corporation, Chairman

徐旭東

