

Chairman's Message

It is our pleasure to announce the publication of the second *Far Eastern New Century Corporate Social Responsibility Report*. 2013 and 2014 were the years when the Taiwanese public selected “fake” and “unethical” as Taiwan’s Word of the Year in an annual selection event jointly organized by the Far Eastern Memorial Foundation and United Daily News. This clearly indicates public mistrust and sense of frustration in the aftermath of the successive food safety scandals. At this critical juncture, enterprises must play a more proactive and positive role. They must show firm commitment to the fulfillment of corporate social responsibility in order to regain public trust. They must discard the myth that public welfare equals corporate social responsibility. Instead, they must maximize their positive influence and focus on social responsibility through their corporate core values. They should also effectively join hands with their cooperation partners in promoting sustainable development. With these aforementioned beliefs as a benchmark for its operations, FENC continues to invest in sustainable development. FENC’s first CSR Report has received the annual award for best sustainability reporting. FENC embraces a spirit of constant advancement and thus the scope of disclosure in the second report has been expanded. In addition to the Taiwan sites covered in the first report, our China subsidiaries have also been included to a coverage that accounts for 92% of the total consolidated revenues of the Company.

Our corporate spirit summarized in the words *Sincerity, Diligence, Thrift, Prudence, and Innovation* has served as the keystone in the continuous and stable development of FENC for more than sixty years. Innovations have been realized through effective utilization of our core capabilities. We now provide more eco-friendly alternatives for our customers and the general public in particular in the fields of technology breakthroughs and products innovation. We constantly upgrade our internal management procedures and measures, implement effective risk controls, and maximize production and energy efficiency. We are firmly committed to transforming our polyester operations into a green industry and providing the general public with green product alternatives. At FENC, we fully dedicate our efforts to sustainable development and to lead the industry in this great joint undertaking by making full use of our core capabilities.

We are honored to share with you that FENC has achieved several accomplishments in the area of development and promotion of green products. For instance, we are currently the largest supplier of food-grade rPET (Recycled PET) to renowned international brands. Our green packaging materials help our clients to realize their sustainability goals. After overcoming many technical obstacles, we cooperated with Coca-Cola and successfully developed the world’s first recyclable PET bottle made from 100% biomass in 2014. This signals our transformation into a leader in the green material development. In 2013, we received the Coca-Cola “2013 Supplier of the Year” Award for our excellent supply chain management that outperformed 900 other suppliers.

FENC’s unique and exclusive technologies have injected a new life into the post-consumer PET bottles. In 2014 FIFA World Cup, the players of five national teams (including Brazil and the USA) wore jerseys made of regenerated fiber from recycled bottles. As we promoted environmental protection concepts, we also provided global exposure to Taiwanese know-how. On the eve of the World Cup Opening Ceremony, Nike officially launched products manufactured by adopting a waterless dyeing technology called ColorDry, which we developed in cooperation with Nike.

In 2014, we reorganized the Far Eastern Group R&D Center to upgrade our innovation capabilities. We have invested more funding and manpower to satisfy the R&D needs of our production units in a more rapid and effective manner. We have also strengthened strategic cooperation with our partners in initiating a green industry trend through our R&D capacity and influence.



At the same time as we remain committed to combining our core capabilities with efforts to promote sustainable development, we at FENC also place great emphasis on the cultivation of human resources so as to realize the goal of sustainable operations. We firmly believe that the growth of the company is inextricably linked to the personal growths of our employees. FENC likewise cultivates future leaders through the establishment of a sound human resource management and training system. In addition, the Company takes full advantage of the group’s academic institutions such as Yuan Ze University to organize programs for the training of outstanding managers to accelerate the cultivation of the next generation of company leaders. FENC has also included the concepts of sustainable development and CSR in these programs to make managers more aware of the goals of FENC in the field of corporate sustainable development.

FENC aims to achieve better synergy by relying on our core industry capabilities and through an effective utilization of our influence in coordination with our partners and other companies in the Group. At the same time, we are also firmly committed to the concept of “giving back to society” and continue to invest resources in the fields of education, medical care, art and culture, and technology by cooperating with foundations, medical care and the academia. We strive to optimize the quality of life and its contents, aim to broaden international outlook and enhance the competitiveness of our younger generation.

We at FENC are fully aware of the importance of information transparency and communication, through which we strive to implement full disclosure of information. In 2014, FENC earned the highest A++ rating in the *11th Information Disclosure and Transparency Rankings Evaluation*. This report serves the purpose of disclosing our efforts and achievements in CSR to all our stakeholders and friends. We firmly believe that this report shows how much emphasis we place on corporate social responsibility and it strongly attests to our commitment to usher in a New Age in this regard.

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Douglas Tong Hsu

Chairman
Far Eastern New Century Corporation