Content

- **About This Report**
- Chairman's Message
- Performance Highlights in 2017
- **Sustainable Development**
- Sustainable Goals
- Establishing Strong Governance
- Creating Diversified Values
- 💋 Nourishing Sustainable Environment
- **ODE** Creating Employee Passion
- **W** Building Altruistic Society
- Starting Futuristic Parks
- Appendix

## FAR EASTERN NEW CENTURY CORPORATION 2017 CSR Report

Performance

**Highlights in** 

The convener of FENC's CSR committee, President of Corporate Management Humphrey Cheng supervises the

committee's operations, formulates the CSR strategies

based on the visions and guidelines decided by the Board, implements CSR projects and reports to the Board. Over the past year, as President Cheng indicates, the Company

completed many projects and achieved various milestones

in terms of governance, environment and society. The followings are the main performance highlights:

2017

Performance Highlights in 2017

# **Governance**

#### FENC received a number of

p.24

- 2017 Taiwan Corporate Sustainability Awards: p.24 p.48 p.61
  - · Best Report of the Year • TOP 50 Sustainable Corporates Award · Social Inclusion Award
- · Circular Economy Leadership Award
- · Sustainable Water Management Award
  - · Growth through Innovation Award

### FENC was incorporated as a constituent of the following indexes:

- · MSCI ESG Leaders Indexes (MSCI ESG Rating Industrial Conglomerates: A) · FTSE4Good Emerging Index
- · FTSE4Good TIP Taiwan ESG Index
- TWSE Corporate Governance 100 Index

#### FENC was placed on CDP Climate Change Management level. n.24

FENC received from Global Views Monthly the Corporate Social Responsibility Award – Excellent at Manufacturing Industry.

The operation of the CSR Committee, comprising 154 members, is governed by **3 dedicated officers** under the supervision of the Board.

The report discloses the performance of **21 operational sites**, accounting for over 90% of our consolidated revenue.

FAR EASTERN NEW CENTURY CORPORATION 2017 CSR Report

Performance Highlights in 2017

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Sustainable Goals

Sustainable Development

About This Report Chairman's Message

Content

- **Establishing Strong** Governance
- (\*) Creating Diversified Values
- 🕺 Nourishing Sustainable Environment
- **Operating Employee Passion**
- **W** Building Altruistic Society
- Starting Futuristic Parks
- 🙆 Appendix

p.18	We ranked among the top 5% in the TWSE Corporate Governance Evaluation.	p.8 p.21	We developed the Sustainability Strategy Blueprint.
			CCD Latest Trends Analysis
p.31	We were the first corporation in Taiwan to issue the <b>green bond</b> , targeted at green projects, certified by a third party.	p.21	We held the workshop on CSR Latest Trends Analyses and Sustainability Strategy Blueprint for 5 times wit attendance of 165.
p.25	The structure of the <b>risk alert system</b> and risk items were <b>optimized</b> .	p.47	The sales of our <b>green products</b> amounted to <b>NT\$23.43</b> accounting for <b>26%</b> of our revenue from Production Business.
	Climate Change		
p.30	Hsinpu Chemical Fiber Plant established the Climate Change Risk Countermeasure.	p.46	In 2017, we recycled over <b>1,000 metric tons</b> of <b>ocean pla</b> and in 2018, we expect to recycle 1,600 metric tons.
p.42	We have signed a MOU with the U.S. outdoor sport brand L. L. Bean and the Swiss professional medical brand Valmed for collaboration in the application of DynaFeed <sup>®</sup> .	p.44	FENC was the first in the industry to launch a series of <b>PFC-free</b>
		n 57	We implemented 101 energy conservation and carbo

- The sales of our new products increased 100% to NT\$3.4 billion. p.41
- In 2017, our **R&D budget grew** for the **5**<sup>th</sup> consecutive year and reached **NT\$862 million**. p.41
- We participated **SROI forums** twice, showcasing the results of our project p.23 and raising public awareness.

- ity Strategy Blueprint for 5 times with a total en products amounted to NT\$23.43 billion, of our revenue from Production Business. l over 1,000 metric tons of ocean plastic wastes ect to recycle 1,600 metric tons. the industry to launch a series of **PFC-free solutions**. 01 energy conservation and carbon reduction projects, with avoided GHG emissions accounting for 8% of the total.
- All production sites in the reporting scope completed GHG external p.63 verification
- We promoted **GHG scope 3 inventory**—employees' air travel n.64 as well as waste disposal and transportation.

FAR EASTERN NEW CENTURY CORPORATION 2017 CSR Report

Content

- About This Report
- Chairman's Message
- Performance Highlights in 2017
- Sustainable Development
- Sustainable Goals
- Establishing Strong
  Governance
- Creating Diversified Values
- **Solution** Sustainable Environment
- 😔 Creating Employee Passion
- **W** Building Altruistic Society
- Starting Futuristic Parks
- 🙆 Appendix

p.60 p.61	Water Withdrawal 46%, Recycled Water Volume 14%, Recycled Water Percentage 42%	p.72	FENC was selected by <b>Forbes</b> as one of the <b>Top 500 Best Employers</b> .
p.61	Water Withdrawal: Water Recycled = 1 : 1.2 (Textile Business)	p.79	We received the <b>silver medal</b> in <b>Human Resource Development</b> <b>Quality Evaluation</b> from Workforce Development Agency, Ministry of Labor.
p.60	In the <b>water-saving projects</b> , the water saved accounts for <b>13%</b> of the water withdrawal.	p.74	The percentage of our <b>employees' salary</b> is higher than market average. <b>Taiwan &gt; 43%, China &gt; 9%, Vietnam &gt; 69%</b>
p.66	Wastewater Discharge 4 11%	p.78	Our employee <b>satisfaction survey</b> indicates that the overall satisfaction was <b>84%</b> , 7 percentage points up from the previous survey.
p.99	We have obtained the <b>EEWH candidate mark</b> for the ongoing construction of TPKC/D at Tpark and will apply for the EEWH gold level upon completion of the buildings.	p.79	The number of <b>employee training hours increased</b> for the <b>6</b> <sup>th</sup> consecutive year. In 2017, the number our average training hours was <b>22 hours</b> .
p.49 p.50	FENC received <b>H&amp;M's</b> recognition as a <b>gold supplier</b> , <b>Nike's</b> recognition as a <b>silver supplier</b> and <b>Hasbro Excellence in Sustainability</b> .	p.79	FENC invested <b>NT\$15 million</b> to build a brand-new <b>human resources development center</b> .
p.51	Purchase from <b>local suppliers</b> accounts for <b>80%</b> of the total purchase.	p.82	We arranged <b>60 Vietnamese employees</b> to do their internships in Taiwan for 6 months.
p.101 p.102	We invested nearly <b>NT\$23 million</b> in building <b>smart surveillance</b> <b>management system</b> in the Northern Park at Tpark.	p.86	Far Eastern Apparel (Vietnam) received <b>Excellent Performance Award</b> from Fire Department of Binh Dương Province, Vietnam.