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 Governance



Mr. Humphrey Cheng, President of Corporate Management, is the convener of FENC's CSR Committee. He oversees the operation of the Committee, formulates CSR strategies based on the visions and guidelines set forth by the Board, implements CSR projects and reports to the Board. As President Cheng indicates, the Company has completed many projects in the past year and reached milestones in governance, environment and society. The accomplishments have been widely acknowledged. The followings are the main highlights:

<p>The 2018 revenue grew by <b>5%</b> the net income grew by <b>49%</b>. P15</p>	<p>FENC production sites span <b>6</b> countries, including the U.S. P13, 17</p>	<p>FENC received a number of <b>2018 Taiwan Corporate Sustainability Awards</b> • The Most Prestigious Sustainability Awards - Top Ten Domestic Corporates • Best Report of the Year • English Reportage Award • Climate Leadership Award • Growth through Innovation Award • People Development Award • Circular Economy Leadership Award P23</p>	<p>FENC received the <b>Corporate Social Responsibility Award-Winner at Manufacturing Industry</b> from Global Views Monthly. P23</p>
<p>Sales of new products generated <b>NT\$ 9.5 billion</b> in revenue, which grew by <b>179%</b>. P39</p>	<p>FENC receives a <b>twA+</b> rating from Taiwan Ratings. P15</p>	<p><b>Chairman Douglas Tong Hsu</b> received 2018 TCSA-The Outstanding Corporate Sustainability Professionals Award. P23</p>	<p>FENC introduced <b>TCFD</b> as the reporting framework on climate-related risks and opportunities. P27-30</p>
<p>The CSR Committee is under the supervision of the Board. The Committee has <b>149</b> members with 3 designated staff. P20</p>	<p>FENC conducted over <b>9,300</b> stakeholder dialogues with over <b>216,000</b> participants. P34</p>	<p>FENC received 2018 <b>GCSA Reporting Award</b>. P23</p>	<p><b>CDP</b> Climate Change Management Level P23</p>
<p>The CSR report discloses the performance of <b>21</b> business units, amounting to <b>95%</b> of the consolidated revenue. P3</p>	<p>FENC joined <b>Alliance for Sustainable Development Goals (A · SDGs)</b> and <b>Center for Corporate Sustainability (CCS)</b>. P21, 22, 36</p>	<p>FENC representatives <b>lectured at 6</b> CSR training and forums. P22, 23, 35, 45</p>	<p>FENC was incorporated as a constituent of <b>5</b> sustainability indexes. P23</p>

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**Governance**

New Taipei City – Amazon Web Service Joint Innovation Center and Google moved into

**Tpark**

P4, 109

FENC launched the risk ranking project that covers

**21** aspects in  
**44** plants.

P24

FENC established **Control System on Preventing Economic Sanction from Financing of Terrorism.**

P25

The Company replaced conventional plastic bags with **biodegradable bags**. A total of **350 million** biodegradable bags were used in 2018.

P54

The green products generated NT\$ **31.47 billion** in revenue, which is an annual growth of **16%**.

P44

FENC recycles PET bottles from the ocean for remanufacturing. As of 2018, the Company **reduced** **↓1,600** metric tons of plastic waste from the ocean.

P42

FENC launched textile chemical recycling technology development project – **r-TEX Process.**

P43

The Company has deployed the **best energy conserving production process.** The third PTA production line in Taiwan starts operation.

P65

**Environment**

FENC implemented **95** energy conservation and carbon reduction projects, which avoided **5%** of GHG emission.

P52

Energy consumption reduced by **↓0.5%** and energy consumption per unit production reduced by **↓3.3%**.

P51, 52

Recycled and reused water increased by **↑14%** and the percentage of recycled and reused water reached **98%**.

P56, 57

Water conserved from the water conservation projects accounts for **10%** of the total water withdrawal.

P57



GHG emission reduced by **↓4.5%** and GHG emission per unit production reduced by **↓5.7%**.

P58, 59

Air pollutant emission dropped by **↓12%** and the emission of air pollutants per unit production reduced by **↓15%**.

P61

Waste generated per unit production dropped by **↓3.7%** and **83%** of the waste is recycled and reused.

P63, 64

Production sites in China added **2** solar power stations, which brings the total to **5 solar power stations.**

P59

Hukou Mill was awarded the **Energy Saving Benchmarking Silver Award** and the third consecutive **GHG Voluntary Reduction Award.**

P67

FEIS and OPSC were chosen as **Water-saving Enterprise** in Shanghai.

P68

FEAV received the highest honor of **Green Enterprise.**

P68

FENC has accumulated a total of **900,000 kWh** of **renewable energy** purchase in Taiwan.

P59

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 **Environment**

Tpark retains **49%** of the existing **green space**.  
TPKA building and the North Park will capture **4,405** metric tons of **CO<sub>2</sub>**.  
P105, 106

Tpark replaced **386** conventional lightbulbs with **LED lighting** which translates to **40,000 kWh** of annual energy saving. P106

A total of **86** supervisors completed New Century Executive Training in 2 separate sessions.



P80

Staff training hours rose for **7** years in a row  
In 2018, the average annual training reached **25** hours.  
P80

For the second consecutive year, FENC ranks among **Forbes World's Best Employers** and rose to the **first place in Taiwan**.



P71

The average regular salary exceeds the market rate by **47%** in Taiwan, **8%** in China and **62%** in Vietnam. P73

FENC enacted **FENC Human Rights Policy**.



P74

FEIW is certified as enterprise with **double prevention mechanism** and OPSC received the honor of **2018 Advanced Production Safety Entity**.

P86

FENC established **Safety, Health, Environmental Protection and Firefighting Task Force** in China.

 **Society**



P82

A total of **2,302** suppliers signed **Supplier CSR Commitment Statement**. P88

The second plant of OPTC is certified with **ISO 45001** Occupational Safety and Health Management System.



P86

There were **no occurrences of fatal occupational accident among workers and contractors** in all production and business sites. P87-88

FENC was chosen as **NIKE** garment supplier for global digitization and modernization, received the accreditation of Gold Supplier from **H&M** and won **Hasbro** Excellence in Sustainability. P46, 47

FEG Purchasing Department received recognition from the Environmental Protection Administration and Department of Environmental Protection of Taipei City Government for its efforts in **green procurement**. P90

FENC hosted the **10<sup>th</sup> FENC Classic Marathon**. P95

FENC donated the **3<sup>rd</sup> generation educational display** for Egret Academy of Beitou Refuse Incineration Plant. P93

FENC devoted **NT\$ 73.88 million** in cash investment for social engagement. P92

FENC helped install the **water purification tower** in a remote village in Vietnam, which provides water for drinking and personal hygiene for **1,000** students. P94

FENC participated in **3 beach-cleaning events** and cleaned **2.5** metric tons of waste. P94

FENC hosted **Far Eastern International Forum for Architecture** with a focus on sustainable buildings. P98