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# Sustainable Development Goals

Sustainability Strategy Blueprint	Short-term Goals (1 to 2 years)	Mid-term Goals (3 years and over)
 <p>Fostering robust governance</p>	<ul style="list-style-type: none"> <li>• Publish CSR report every year and maintain stakeholder dialogue.</li> <li>• Regularly conduct stakeholder survey.</li> <li>• Regularly conduct risk ranking for plants.</li> <li>• Evaluate the financial impact of climate-related risks using TCFD framework.</li> <li>• Strengthen the risk alert system.</li> <li>• Maintain zero bad debts.</li> <li>• Rank among the top 5% for Corporate Governance Evaluation.</li> <li>• Designate Chief of Corporate Governance officer.</li> <li>• Implement remote data backup project.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue to expand production capacity and maintain the Company’s status as the industry leader.</li> <li>• Revitalize land use.</li> </ul>
 <p>Enabling unlimited innovation</p>	<ul style="list-style-type: none"> <li>• Introduce Industry 4.0 applications for the production line.</li> <li>• Expand online smart energy management platform.</li> <li>• Generate revenue growth from green products.</li> <li>• Generate revenue growth from new products.</li> </ul>	<ul style="list-style-type: none"> <li>• Increase rPET production to 20% of total polyester production.</li> <li>• Devote NT\$1 billion in capital expenditure for smart production.</li> <li>• Establish smart pilot plant.</li> </ul>
 <p>Navigating a green future</p>	<ul style="list-style-type: none"> <li>• Reduce 5% energy consumption per unit production by 2020 with 2017 as the base year.</li> <li>• Reduce 10% water withdrawal per unit production by 2020 with 2017 as the base year.</li> <li>• Reduce 10% waste by 2020 with 2017 as the base year.</li> <li>• Reduce 20% air pollutant emission by 2020 with 2017 as the base year.</li> <li>• Establish the target for GHG emission reduction.</li> <li>• Identify major sources of indirect GHG emission.</li> <li>• Elevate water recycling and reuse rate.</li> <li>• Reach 1% energy conservation rate for production sites in Taiwan.</li> <li>• Promote energy conservation projects.</li> <li>• Promote ISO 50001 third party certification.</li> <li>• Purchase Taiwan Renewable Energy Certificate (T-REC) for production sites in Taiwan.</li> <li>• Promote the utilization of renewable energy.</li> <li>• Build co-generation plant.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce 15% energy consumption per unit production by 2025 and 25% by 2030 with 2017 as the base year.</li> <li>• Reduce 20% water withdrawal per unit production by 2025 and 30% by 2030 with 2017 as the base year.</li> <li>• Reduce 20% waste by 2025 and 30% by 2030 with 2017 as the base year.</li> <li>• Reduce 30% air pollutant emission by 2025 and 35% by 2030 with 2017 as the base year.</li> <li>• NT\$1 billion in capital expenditure for environmental protection.</li> <li>• NT\$2 billion in capital expenditure for energy conservation.</li> <li>• Calculate indirect GHG emission from major sources.</li> <li>• The design and planning of land development meet the EEWH silver level standards.</li> </ul>
 <p>Creating inclusive society</p>	<ul style="list-style-type: none"> <li>• Promote New Century Executive Training and the Competency Program.</li> <li>• Promote industry-academia internship and the Talent Pool Program.</li> <li>• Promote ISO 45001 third party certification.</li> <li>• 80% signing rate for Supplier CSR Commitment Statement.</li> <li>• Promote various charity events and sponsorship.</li> </ul>	<ul style="list-style-type: none"> <li>• Optimize supplier performance evaluation and audit system.</li> <li>• Establish corporate volunteer system.</li> <li>• 100% signing rate for Supplier CSR Commitment Statement.</li> </ul>

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Progress Made in 2018

● Completed ○ Ongoing

Sustainability Strategy Blueprint	Goals	Progress	Chapter
 <p>Fostering robust governance</p>	Publish annual CSR report and maintain stakeholder dialogue.	● The Company published the 5 <sup>th</sup> CSR report in June 2018.	About This Report
	Regularly conduct surveys to assess stakeholder opinion.	○ The survey started in 2018 and is expected to conclude in 2019.	1.4.2 Identification and Responses of Material Topics
	Launch online legal education system.	● A total of 1,873 employees finished the regulatory compliance courses and the tests as of the end of 2018.	1.3 Risk Management
	Regularly conduct risk ranking for plants.	○ Launched in 2018, the audit covers 44 aspects and was conducted in 21 plants in Taiwan and overseas. The audit is expected to be completed by July 2019.	1.3 Risk Management
	Enhance risk alert system.	● Under the risk alert framework, the Company formulated corresponding measures for the various irregularities in the indicator, and established Control System on Preventing Economic Sanction from Financing of Terrorism in 2018.	1.3 Risk Management
	Evaluate the financial impact of climate-related risks using TCFD framework.	○ In 2018, the Company assessed climate-related risks and opportunities according to the TCFD framework. In 2019, the financial impacts of major risks will be quantified for evaluation.	1.3.1 Climate Change Risks and Opportunities
	Production began at the polyester plant in Vietnam.	● In 2018, phase I production began with 400,000 metric tons of PET.	1.1 FENC Profile
	Continue to expand production capacity and maintaining the status as industry leader.	○ Multiple projects are ongoing in Taiwan, China, Japan, Vietnam, Southeast Asia and the U.S.	1.1 FENC Profile
 <p>Enabling unlimited innovation</p>	Revitalize land use.	○ Multiple land development projects, including Tpark, are ongoing.	6.1.1 Progress of Major Development Projects
	Generate revenue growth from green products.	○ The 2018 revenue from green products reached NT\$31.47 billion, an increase of 16% from the previous year.	2.2.3 Sales Performance and Certification of Green Products
	Generate revenue growth from new products.	○ The 2018 revenue from new products reached NT\$9.5 billion, which rose 179% comparing to 2017.	2.1 Innovative Momentum
	Increase rPET production to 20% of total polyester production.	○ The 2018 percentage is 9%. Plans are in place to expand the rPET plants in Japan and Southeast Asia.	
	Establish smart pilot plant.	○ The Company was chosen by NIKE as partner for manufacturing modernization. The modernized apparel factory was completed in the first quarter of 2019.	2.3 Customer Relationship Management
	Introduce Industry 4.0 applications for the production line.	○ The production lines for Petrochemical, Polyester and Textile Business are starting to incorporate Industry 4.0 applications, including equipment and production process, production solutions, energy management system as well as cloud platform and big data.	
	Expand online smart energy management platform.	○ In 2018, the platform is expanded to include the data on water resources and waste.	3.2.1 Energy Management

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## FAR EASTERN NEW CENTURY CORPORATION 2018 CSR Report

## Sustainable Development Goals

### Progress Made in 2018

● Completed ○ Ongoing

Sustainability Strategy Blueprint	Goals	Progress	Chapter
 Navigating a green future	Issue NT\$3 billion green bonds.	○ The green bond was launched on December 4th, 2017. As of December 31st, 2018, NT\$1.9 billion has been allocated.	1.1.1 Financial Performance
	Reach 1% energy conservation rate per year.	○ The energy conservation rate in 2015 is 1.9%; 2.3% in 2016; 2.0% in 2017; 2.0% in 2018.	3.2.1 Energy Management
	Promote energy conservation projects.	● The Company implemented 95 energy conservation and carbon reduction projects in 2018.	3.2.1 Energy Management
	NT\$2 billion in capital expenditure for energy conservation.	○ In 2018, NT\$880 million was deployed for the special budget. As of the end of 2018, NT\$380 million was spent. The budget appropriated for 2019 is NT\$870 million.	3.2.1 Energy Management
	NT\$1 billion in capital expenditure for environmental protection.	○ A total of NT\$330 million was appropriated as environmental protection budget. As of the end of 2018, NT\$32 million has been spent. In 2019, 80 special environmental protection projects will be implemented.	3.4 Pollutant Prevention and Waste Management
	Reduce 5% energy consumption per unit production by 2020 with 2017 as the base year.	○ The 2018 energy consumption per unit production decreased by 3.3% comparing to 2017.	3.2.1 Energy Management
	Promote ISO 50001 third party certification.	○ In 2018, the second plant of OPTC obtained ISO 50001 certification for energy management system, becoming the 4th site to obtain this certification.	3.2.1 Energy Management
	Purchase green power for production sites in Taiwan.	● Production sites in Taiwan purchased 100,000 kWh of green power in 2018.	3.3.2 Incorporate Renewable Energy
	Promote the utilization of renewable energy.	○ In 2018, plants in Taiwan purchased Taiwan Renewable Energy Certification (T-REC). One production site in China constructed the solar power station, and one constructed phase II solar power station.	3.3.2 Incorporate Renewable Energy
	Establish the target for GHG emission reduction.	○ Some production sites have finished setting GHG reduction goals.	3.3 GHG Management
	Establish inventory of scope 3 GHG emissions.	○ Conduct inventory of GHG emission from staff business trips and waste disposal. In 2018, the scope of calculation for carbon emission of waste disposal is expanded to include 16 production sites.	3.3.1 GHG Inventory
	Reduce 20% air pollutant emission by 2020 with 2017 as the base year.	○ In 2018, air pollutant emission was reduced by 12% comparing to 2017.	3.4.1 Air Pollutant Management
	Invest in the second water-free dyeing machine.	● Installation completed in 2018.	3.5 Green Production
	Build co-generation plant.	○ The co-generation plant was constructed in Hsinpu Chemical Fiber Plant and operation is expected to start in 2019. The co-generation plant in OPTC is currently under evaluation.	3.2.1 Energy Management
	The design and planning of land development meet the EEWH silver level standards.	○ TPKC/D buildings and residential building Zone B in Tpark are under construction and have obtained EEWH candidate mark in Taiwan. Once completed, the project will apply for EEWH gold and silver levels.	6.2.2 Energy Conservation and Carbon Reduction
 Creating inclusive society	Promote New Century Executive Training and the Competency Program.	● In 2018, 86 supervisors completed the New Century Executive Training in 2 separate sessions, and 440 participants went through training in the 19 courses offered in the Competency Program.	4.4.2 Training
	Promote industry-academia internship and the Talent Pool Program.	● In 2018, the program provided 89 students with outstanding academic records to receive field training in production sites in Taiwan and China.	4.1.2 Employment Policy
	Promote Yuan Ze University Think Tank Program.	● A total of 266 professors have registered with the program and implemented 63 projects.	
	Strengthen occupational safety and health management.	○ Established Safety, Health, Environmental Protection and Firefighting Task Force in China.	4.5.1 Implement Occupational Safety and Health Management
	80% of suppliers sign "Supplier CSR Commitment Statement".	○ As of the end of 2018, 2,302 suppliers have signed the Statement, which account for 50% of total suppliers.	4.6 Sustainable Development of Supply Chain
	Promote various charity events and sponsorship.	● Social engagement and cash investment amounted to NT\$73.88 million in 2018.	5. Cultivating Compassionate Bonds