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Chairman's Message



Far Eastern New Century Corporation

Chairman

徐旭東
Douglas Tong Hsu

Since its inception 68 years ago, FENC has benefited greatly from society and has been giving back accordingly. In order to fulfill our social responsibilities with our core strength, we have introduced the world's best CSR practices, set various targets for the environment, governance and society as well as formulated corresponding management policies and execution guidelines. In addition to promoting CSR practices throughout the Company, we have continued to communicate and engage with stakeholders to build great rapport with them.

Last year, thanks to the hard work of every member of the Company, the FENC's CSR performance was widely recognized. For example, the Company was selected as a constituent of the MSGI Global Sustainability Index Series, FTSE4Good Emerging Index and TWSE Corporate Governance 100 Index. We also received the Global Views Magazine CSR Grand Prize in the category of traditional manufacturing and Asia Responsibility Entrepreneur Award. Every year, we publish a CSR report to communicate with our stakeholders. Our 2015 report was recognized as "CSR Report of the Year" by the Taiwan Corporate Sustainability Award, standing apart from more than 120 competitors in Taiwan.

In order to develop the Company sustainably, we have continued to pay close attention to major sustainability issues and important trends, including the United Nations' Climate Change Conference and Sustainable Development Goals (SDGs), and incorporated the critical ones into our development plan. Our development strategies are in line with 14 SDGs, including inclusive and sustainable economic development, sustainable production model, gender equality, climate change action, just to name a few. We aim to create new values on our way toward these goals and ultimately achieve corporate sustainability.

As a member of the global village, FENC has incorporated sustainability development into our long-term policy. Our achievements in developing green products and enabling green manufacturing process are widely recognized. Our CSR Committee has carried out various projects, such as requiring our suppliers to sign the Supplier CSR Commitment Statement, introducing SROI, continuing to engage with external stakeholders, reducing greenhouse gases, etc.

In 2016, there were some occasions demonstrating our CSR practices are acknowledged by our stakeholders. Norges Bank Investment Management is a company that manages the world's largest sovereign wealth fund and is one of FENC's major foreign investors. The company invited FENC representatives to attend a forum in Europe last year to share our experience on human rights and labor management policy. The invitation was the greatest recognition of our efforts in corporate sustainability.

To be more environmentally friendly, FENC overcame technical bottlenecks and introduced new green products to the world in 2016. For example, we succeeded in turning ocean plastic into eco-friendly yarns and thus helped Adidas and Parley for the Oceans to launch new sneakers and jerseys. The new products made of recycled materials sold out fast and received a lot of international media's attention. This indicates that the Company embraces challenges and is capable of relying on its core strength to create new values and support circular economy.

Moreover, Far Eastern Dyeing & Finishing (Suzhou) launched its five-year energy conservation plan in 2016, to reduce water usage and energy purchased from external sources by at least 30% by 2020, thereby minimizing environmental impact. In addition, the company joined the Better Mill Initiative launched by Solidaridad Network that promotes sustainable development and received the Outstanding Award for its comprehensive efforts. Its achievements in innovation and environmental protection were also recognized by H&M, which led the Global Change Award winners to visit the company. For its outstanding performance, Far Eastern Dyeing & Finishing (Suzhou) was recommended to be a partner to China Multi-stakeholder Advisory Committee (MAC). The 8th MAC meeting was convened at the company where its executives were invited to join in the discussions on behalf of an exemplar production plant.

In order to consolidate our leading position in the industry, we have continued to expand production capacity. For the first phase of our investment project in Vietnam, production is about to commence in 2017. The new lines for Taiwan PTA will begin operations in 2018. In addition, we have selected new production equipment to meet the highest standards of green manufacturing. For instance, Vietnam Dyeing & Finishing Plant's clean production is exemplary with its water usage and energy consumption down by 30% and 40% respectively during the manufacturing process. In addition, our land development projects all focus on minimizing carbon emissions and ensure environmental and corporate sustainability.

With a global vision and flexible strategies, FENC is a bellwether of the new century that aspires to flourish with our society and environment. We will continue to surpass ourselves, lead the industry in the right direction and create a brighter future for all.