

About This Report

This report is the Corporate Social Responsibility Report published by Far Eastern New Century Corporation, hereinafter referred to as "FENC" or "the Company", which describes FENC's CSR implementation and performance from January 1 to December 31 in 2018. In the future, the CSR report will continue to be released as an annual publication.

Publication Information

First issue date: July 2013

Last issue date: June 2018

Current issue date: June 2019

Next issue date: June 2020

Reporting Guidelines

This report was prepared in accordance with AA1000 standards and the comprehensive option of the Global Reporting Initiative (GRI) Standards and was assured by a third party at a Type 1, Moderate Level of scrutiny. (Please refer to "7.1 Assurance Statement.") Data of our financial performance herein have been audited and validated by Deloitte & Touche. Unless otherwise specified, all amounts in this report are denominated in New Taiwan Dollars.

Significance of Report Subjects and Sustainability to FENC

FENC regards sincerity, diligence, thrift, prudence and innovation as the highest principles guiding its operation and management. Among them, innovation has become the cornerstone for corporate sustainability, which is why we have chosen "Inventing New Century" as the title of the Company's CSR report, and "Striving for Sustainability" as the subtitle. They underscore our conviction of never-ending pursuit of innovation, and our long-term commitment to fulfill social responsibilities. To align the goals of corporate sustainability with the direction of corporate management, FENC established the sustainability strategy blueprint in 2017, which solidifies the four major directions for corporate sustainability. The blueprint is also further developed into the chapters within this report.

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FENC CSR Website

Information for the Readers

The chapters on 2 Enabling Unlimited Innovation, 3 Navigating a Green Future and 4 Creating Inclusive Society correspond to Production Business; 6 Advocating Balanced Coexistence corresponds to Land Development Business; the remaining chapters cover both Businesses.

FENC has prepared this report in a conscientious manner with utmost attention to details. We continue to improve and refine the scope and process of data collection to elevate data quality. Discrepancies in historical data between the latest report and the previous version exist for the reasons stated below:

Chapter	Detail
Fostering Robust Governance	Corrections were made to the 2017 investments in community after the records were audited by CPA.
Enabling Unlimited Innovation	The scope of statistics on the revenue of green products is adjusted and historical data is corrected.
Navigating a Green Future	<ol style="list-style-type: none"> Historical data and reference coefficient are updated: <ul style="list-style-type: none"> The 2017 GHG emission data is updated to reflect changes made after being verified externally. Conversion factors are updated to reflect the most current version. Calculation of production from Hsinpu Chemical Fiber Plant under Polyester Business was updated. Estimates were replaced with actual values. Expansion of scope of statistics: The calculation of recycled and reused water has been expanded this year to include circulating water and recycled water, and the historical data is corrected. Corrections were made to errors from the previous version.
Creating Inclusive Society	<ol style="list-style-type: none"> Corrections were made to errors in the 2016 (Taiwan) and 2017 (China) percentage of salary over market rate. Corrections were made to errors in the number of permanent and temporary employees as well as training sessions conducted and attendees in Vietnam in 2017. Corrections were made to errors in 2017 occupational injuries occurred to employees in China.
Cultivating Compassionate Bonds	Corrections were made to 2017 cash investment in social engagement after the records were audited by CPA.
Advocating Balanced Coexistence	Corrections were made to errors in outdoor power usage in Tpark from the last year's report.

- 1 Fostering Robust Governance
- 2 Enabling Unlimited Innovation
- 3 Navigating a Green Future
- 4 Creating Inclusive Society
- 5 Cultivating Compassionate Bonds
- 6 Advocating Balanced Coexistence
- 7 Appendix

FAR EASTERN NEW CENTURY CORPORATION
2018 CSR Report

Scope

FENC is a business entity that spans across several industries. The conglomerate covers Production Business (petrochemical, polyester and textile), Land Development Business and Investment Business. The scope of this CSR report encompasses 21 production and business sites as well as non-profit foundations, with disclosure amounting to 95% of the 2018 revenues on the consolidated statement. The scope of disclosure for each business is described as follows:

- Production Business: Considering the materiality principle, subsidiaries of the Production Business covered within the report are those reaching the threshold of NT\$2 billion in annual revenues. (See note) The 2018 report excludes FEIZ since the plant had ceased operation when the property was acquired by the city through eminent domain for urban development. The second plant of OPTC is newly added, and data collection period for this plant starts from July 2018, which is when production began, and ends in December 2018.
- Land Development Business: FENC's subsidiary, Far Eastern Resources Development Co., Ltd. (FERD), develops and manages the Company's real estate for investment purposes.
- Investment Business: The listed companies of Far Eastern Group (FEG) are FENC's primary targets of investment, and these companies have published their own CSR reports. Please refer to their major CSR websites for details.

Note:

- 1. To maintain consistency, once included in this report, companies remain in the report even when their annual revenues fall under NT\$2 billion.
- 2. Explanations are provided in the report if the scope is defined differently.

Scope of 2018 CSR Report

<p>Far Eastern New Century Corporation (FENC)</p> <ul style="list-style-type: none"> • Headquarters • Far Eastern Group R&D Center (R&D Center) • Hsinpu Chemical Fiber Plant • Kuanyin Chemical Fiber Plant • Kuanyin Dyeing and Finishing Plant • Neili Texturizing Plant • Hukou Mill 	<p>Wuhan Far Eastern New Material Ltd. (WHFE)</p> <hr/> <p>Oriental Industries (Suzhou) Ltd. (OTIZ)</p> <hr/> <p>Far Eastern Industries (Wuxi) Ltd. (FEIW)</p> <hr/> <p>Far Eastern Dyeing & Finishing (Suzhou) Ltd. (FEDZ)</p> <hr/> <p>Far Eastern Apparel (Suzhou) Co., Ltd. (FEAZ)</p> <hr/> <p>Far Eastern Apparel (Vietnam) Ltd. (FEAV)</p> <hr/> <p>Far Eastern Resources Development Co., Ltd. (FERD)</p> <hr/> <p>Far Eastern Memorial Foundation</p> <hr/> <p>Far Eastern Y. Z. Hsu Science and Technology Memorial Foundation</p>
<p>Oriental Petrochemical (Taiwan) Co., Ltd. (OPTC)</p> <ul style="list-style-type: none"> • First Plant • Second Plant 	
<p>Far Eastern Fibertech Co., Ltd. (FEFC)</p>	
<p>Oriental Petrochemical (Shanghai) Corp. (OPSC)</p>	
<p>Far Eastern Industries (Shanghai) Ltd. (FEIS)</p>	

CSR Websites of the Company Under Far Eastern Group



Note:

- 1. The companies are listed in a chronological order of their establishment.
- 2. The link to each company's CSR website may change. Please use the link provided by the company's official website.