

Labor and Management Relations



Far Eastern New Century understands the promotion of corporate developmental strategies, the team and execution power are critical.

Excellent talent is the most important key to assuring execution.

When the industry is expanding,

Good quality of human resources as strong backup is needed.

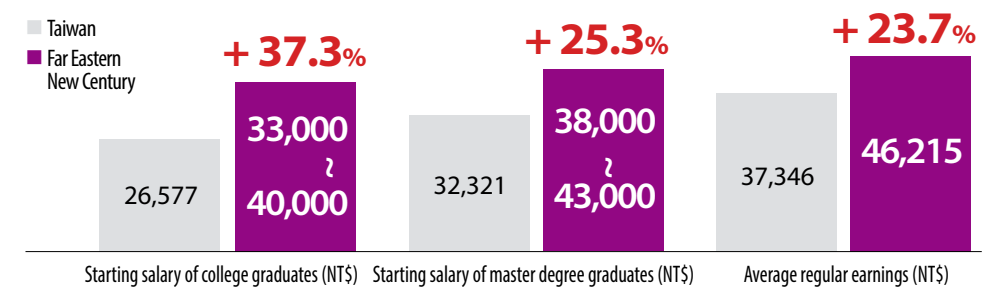
So the dynamics of economic environments can be closely connected, and this boosts and supports diverse corporate development and growth.



Salary and Welfare

Far Eastern New Century understands that stable and excellent human resources are important capitals of sustainable corporate development. In order to continue to maintain the leading position in the industry, in addition to actively recruiting excellent professional talent, we also grasp current labor market information, appropriately adjust salary and welfare, all in order to attract and retain excellent talent.

We value the compensation and treatment of our employees. Regarding the remuneration standard for new employees, we will consider market price level, areas of expertise for the job applicants, and relevance of work content, and levels of difficulty of work characteristics, and conduct comprehensive evaluation. If new employees have previous related work experience, or have certificates related to the positions they apply for, their salaries will be adjusted as well.



Remarks: According to the statistics of Directorate-General of Budget, Accounting and Statistics, Executive Yuan in 2011, entry level employees with no experience and college degrees, the starting salary is NT\$ 26,577, and the starting salary for employees with masters degrees or above is NT\$ 32,321.

For employees that are college graduates with no experience, the starting salary at Far Eastern New Century is 37.3% higher than the market level. For employees with a masters degree it is 25.3% higher. PhD graduates are compensated after being compared to people with relative work and educational experience in the market.

The Human Resource Department will recruit online, on campuses, through personal contacts, or by hunting high-level managers. The employing unit will fill out an online request to fill vacant positions, and after their request is approved, employment of staff at each operating site will begin. We regard all our employees as equal and will not treat them differently because of race, sex, religious belief, nationality or social background.

We regularly participate with the internationally renowned salary inspection institute—Taiwan Towers Watson Company to conduct salary inspection, and we grasp the salary status in the industry. We regularly inspect the salary level of Far Eastern New Century employees to fulfill the effects and benefits of talent retention. In 2012, the statistics of Council of Labor Affairs showed that the annual average regular earnings in Taiwan was NT\$37,346. The annual average regular earnings for Far Eastern New Century was NT\$46,215, which was 23.7% higher than the market average.

As for the expense of employee benefits, Far Eastern New Century has established the employee welfare committee in accordance with law, and each labor union and employee decides all items of expense and distribution. In addition, as for the employee bonuses, according to Articles of Incorporation, Far Eastern New Century also takes 4% of the corporate net income as a bonus expense for employees.

Employee Welfare	2010	2011	2012
Welfare related expenses	189,923	208,543	207,857
Employee bonuses	470,346	421,266	325,428
Total	660,269	629,809	533,285

Unit: Thousands of NT\$

We have a reasonable and fair human resources system and a complete corporate internal organization, and exhibit the practice of "placing the right talent at the right place" and "giving full scope to talent." When we hire our employees, we place the right talent at the right position and right place. Regarding salary and compensation, we make sure our employees are compensated according to the effort they put in. Regarding promotion, we choose the right people, and reasonably promote them. We hope to establish trust, love, and support between our employees. We emphasize the spirit of team work for the operational development of the corporation.

With the emphasis of human resources demand of future industrial development, we have also established the human resources shifting system, talent retention project, planning of successor development, and nurture of middle and high level managers. According to the direction of future corporate development, we provided professional courses to reinforce the efficiency of organizational operations and expand the synergy of human resources in order to assure a strong foundation of human resources capital for Far Eastern New Century.

Through the implementation of complete human resources system, and humane managerial spirits, Far Eastern New Century not only strictly complies with all kinds of labor legal policies, continues to follow the status of legal policies, and adjusts the internal managerial system, we also continue to provide legal policy explanation and guidance for employees, and regularly implement relative courses regarding employee safety and health to provide employees with healthy and safe work environments.

In 2011-2012, Far Eastern New Century Has Garnered Many Human Resources Awards

Names of Awards	Award by
Silver medal for Taiwan TrainQuali System in Enterprises	Bureau of Employment and Vocational Training Council of Labor Affairs, Executive Yuan
Hiring Disable Employees Lable Twin certifications of excellent and good	Department of Labor, Taipei City Government

We Have Garnered the Taipei City Government Excellent Corporate Award of "Hiring Disable Employees Lable"

Far Eastern New Century respects and accepts people with physical and mental disabilities who can work. We use their work attitudes and spirit to encourage other employees, and we are proud to have excellent employees with physical and mental disabilities.

As for work environment and life, not only do we appropriately arrange work training and environmental introduction, we also hire psychologists to help relieve the psychological pressure of employees with physical and psychological disabilities. Special parking spaces are not named disabled parking spaces, but are arranged in numbers. In addition, we also focus on the transportation need of employees with physical and psychological disabilities and establish software and hardware facilities. For example, electric motorcycles are provided with charging outlets in the factory, and shuttle buses are arranged to take them to and from work.

As for the hearing disabled employees, we use color labels to distinguish work procedures to help them quickly get used to the work environment. Employees will also go to the homes of disabled employees and help their children do homework so they can concentrate on working. If employees with physical and psychological disabilities perform well, we will award them accordingly, and thank them for their effort.

Information sources
Name of publication/Glory, because of you
Publication unit/Department of Labor, Taipei City Government
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Human Resource Structures

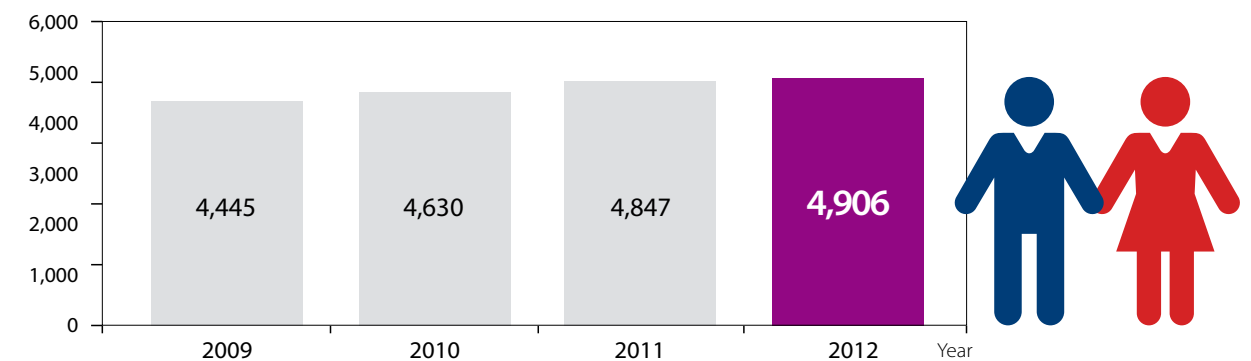
At the end of 2012, the total number of Far Eastern New Century employees is 4,906, with 832 of them being foreigners. Because the factories are scattered in different counties and cities of Taiwan, the employees are mostly local residents of the respective regions. For example, the Headquarters is situated in Taipei City and approximately 70% of employees are residents of Taipei City or New Taipei City. For the factories in Taoyuan, Hsinchu, and Miaoli areas, approximately 70%~80% of the employees are local residents of Neili, Hukou, Kuanyin, and Hsinpu. For the Yilan Garment Factory, 98% of the employees are residents of Yilan.

Besides making good use of local talent, we also support people with physical or mental disabilities to find employment and provide friendly work environment for them. In 2012, we garnered the Taipei City Government excellent corporate certificate for "hiring a certain number of people with physical or mental disabilities." In 2011, there were a total of 64 individuals with physical or mental disabilities working for Far Eastern New Century. In 2012, there were 65.

The operation of Far Eastern New Century is one of the manufacturing system. Most employees in the chemical fiber industry have background in chemical engineering, and most of them are male. However, Far Eastern New Century treats all the male and female employees equally. There are no disparities in work, salary, welfare, and promotion based on gender.



Total Number of Employees



Domestic Employees (Staff and Factory Workers)

	2009	2010	2011	2012
Male employees	73%	74%	74%	67%
Female employees	27%	26%	26%	33%

Explanation: In 2012, the ratio of female employees has increased considerably.

Foreign Employees (Foreign Labors)

	2009	2010	2011	2012
Male employees	85%	84%	85%	82%
Female employees	15%	16%	15%	18%

Explanation: In 2012, the ratio of foreign female employees has increased considerably.

Managerial Staff

	2009	2010	2011	2012
Male managers (%)	85%	84%	84%	84%
Female managers (%)	15%	16%	16%	16%
Total number of managers	481	630	635	656

Employee Turnover

Male Employee Turnover Rate (%)

	2009	2010	2011	2012
<30-year-olds	3.7	2.5	3.6	3.7
30~50-year-olds	2.2	1.0	1.9	1.7
>50-year-olds	2.3	0.5	0.6	1.3
Total turnover rate	8.2	4.0	6.1	6.7

Explanation:
In 2012, the overall turnover rate for male employees at Far Eastern New Century was 6.7%. The turnover rate for employees under 30 years of age was a little higher. For 30 to 50-year-old employees, the overall turnover rate shows stability.

Female Employee Turnover Rate (%)

	2009	2010	2011	2012
<30-year-olds	2.7	2.0	1.6	0.8
30~50-year-olds	2.3	1.1	0.7	0.9
>50-year-olds	1.4	0.3	0.3	0.2
Total turnover rate	6.4	3.4	2.6	1.9

Explanation:
In 2012, the overall turnover rate for female employees at Far Eastern New Century was 1.9%. In recent years, we have endeavored to care for our female employees and as a result the turnover rate for female employees has decreased considerably compared to 2009.



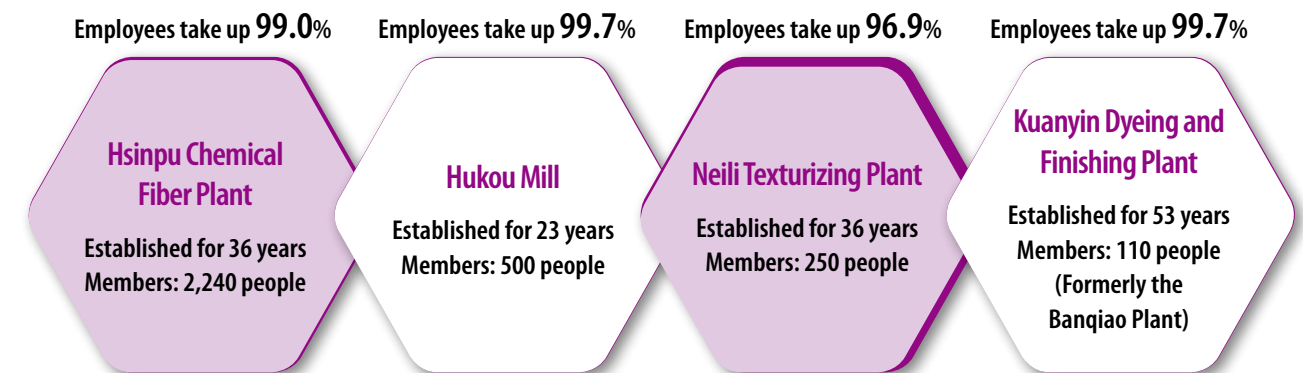
Union Organization



We value the employees' freedom to associate and rights to collective bargaining. The establishment of "The Labor Union of FENC" maintains the rights and interest of labors, and ensures labor safety and work conditions. We believe that a sound union plays the role of a mediator. Regarding labor issues, the union can represent the employees in expressing their perspectives and recommendations, and strive for reasonable work environment, rights, welfare, and development, allowing the two sides drive the corporate internally and execute corporate social responsibility.

Far Eastern New Century Union has been established for 36 years, with a total of 3,100 union members. In 2012, the union regularly conducted board meetings, temporary board meetings, member representative meetings, and in the meantime many events to promote the physical and mental health of employees.

The Organizational Status of Far Eastern New Century Union



The Hsinpu Chemical Fiber Plant Union Conducted Labor Events in 2012

Events	Content Description
Conducting labor educational courses	In order for employees to deeply understand their welfare, new union regulations and other relevant labor safety policies, we conducted a two-day-one-night laborer educational course. A total of 11 echelons were conducted, and 471 employees participated.
Promotion physical and mental health of employees	"Hsinchu County Hsinpu Riverside Park" has conducted the "2012 Far Eastern New Century Cup Marathon and Safety and Health Fair." More than 5,500 people participated.
Giving out consolation money and mutual fund	Console employees who are sick or injured due to work or personal reasons and the family members of deceased employees, and present them with consolation gifts.
Selection of exemplary labors	In 2012, we have selected a total of 47 exemplary labors. Other than giving out awards and medals, we also conducted an amity banquet.
Group insurance	A total of 482 people, including the employees of the factory and their family members, are insured at a discount.
Case of assistance request	We process special matters according to the needs of union members.

Measures of Employee Welfare



Far Eastern New Century has established an "Employee Welfare Committee" that, other than paying welfare funds and conducting all kinds of welfare events for employees, also provides holiday bonuses and children educational scholarship (biannual basis) and bonuses and welfare for birthday, wedding, funeral, childbirth, New Year, and group insurance.

As for the physical and mental health of employees, other than employee health checkup, we also regularly conduct employee tourist trips and sports events each year. As for employees who are single, we also provide them with free singles dormitory, which takes away the burden of house rental for employees who are working far away from home.

- | | |
|--|---|
| 1. Leisure and travel | 7. Scholarship for the children of employees |
| 2. Birthday celebration events | 8. Educational training fees |
| 3. New Year consolation | 9. Labor Day activities |
| 4. Club activities | 10. Injury and sickness consolation, emergency assistance |
| 5. Wedding, funeral, festival, and gifts | 11. Other consolation and subsidies |
| 6. Assistance of club activities | |

The operation
of employee welfare
committee at each factory

A total of
NT\$ 46,107
Thousands of NT\$

Vitality Clubs

In order to promote the physical and mental health of employees, we provide many channels of workout and stress relief. We have established diverse clubs, which include: rhythm dance club, yoga club, badminton club, softball club, bowling club, mountain climbing club, bicycle club, and basketball club, etc. The clubs are subsidized according to the need of each club, ranging from NT\$30,000 to 100,000. We regularly conduct all kinds of club activities. From 2011~2012, we have subsidized a total of NT\$2,775,000. Employees not only actively participate in these club activities, but also have outstanding performance in sports events organized by government institutions and labors. They fully exhibit the vitality of Far Eastern New Century employees.





Respect for Female Employees

Due to the factors of industrial characteristics, the number of male employees at Far Eastern New Century is more than the female employees. However, in the aspect of work system and environment, we actively construct friendly software and hardware environments for female employees. As for the hardware part, in order to respect the rights and welfare of female employees, we comply with the spirit of "Gender Equality Law." We have established breast feeding rooms at the Headquarters and all the factories. As for the software part, we have conducted relative educational training according to the contents of sexual harassment prevention law. We have provided educational training in sexual harassment prevention for managers and employees, in order to prevent cases of sexual harassment. We consider the personal safety of female employees working late at night. We provide dormitories for female employees who work night shifts, and we conduct female breast cancer and cervical cancer screenings. In the meantime, the union also provides NT\$ 3,000 in subsidy for each pregnant female employee.

The Reinstatement Rate and Retention Rate for Position Retained without Pay Due to Birth

	2009	2010	2011	2012
Reinstatement (Remark 1)	100%	100%	60%	45%
Retention rate (Remark 1)	-	100%	100%	n/a

Remark 1: Reinstatement rate refers to the number of employees reinstated within 2 years out of all of the employees that applied for parental leave that year. In 2012, some of the employees who took parental leave were not reinstated because they have not met the deadline of parental leave.

Remark 2: Retention rate refers to the number of employees that remain in position for over a year out of all of the employees reinstated that year. In 2009, no employees were reinstated. The 2012 retention rate has to be calculated in 2014.

Retirement Measures

We conduct the matters of retired employees according to Labor Standards Laws, and thus we established the "The Supervisory Committee of Workers' Retirement Fund", in order to review and supervise the status of use of retirement funds. Monthly, we allocate the retirement fund to each retirement accounts, and ensure the rights and welfare of retired employees. For employees who choose Implementation Rules of the Labor Pension, according to the "laborer retirement fund policies", we allocate the retirement fund to each retirement accounts monthly.

In addition, special events for retired employees are organized at each factory. In 2012, the Polyester Industry conducted the event of "old friends coming home." We invited all the retired employees from the chemical fiber plant to a banquet, and conducted birthday celebrations, elderly health seminars, briefing of factory expansion plan, and nostalgic factory trips. We have received favorable comments and support from the retired employees. In 2013, we furthered the planning of a retired employees association, and upgrade the services and care for them.

"Retirees Association" at Far Eastern New Century Polyester Industry

In order to appreciate the contributions of retired employees, the Polyester Industry has established the "Retirees Association" platform. We hope to communicate and interact with them through the events, care for their daily living needs and health. such that they can feel our love even after retirement.

Members of the "Retirees Association" include the retired employees of the chemical fiber plant, and individuals that were once employed by Far Eastern New Century and were invited to the Association. Not only can they use the reading rooms, swimming pool, and fitness facilities, and enjoy coffee house meals at the Hsinpu Chemical Fiber Plant Recreational Center, they can also receive discounted services at Far Eastern Polyclinic and Far Eastern Memorial Hospital.

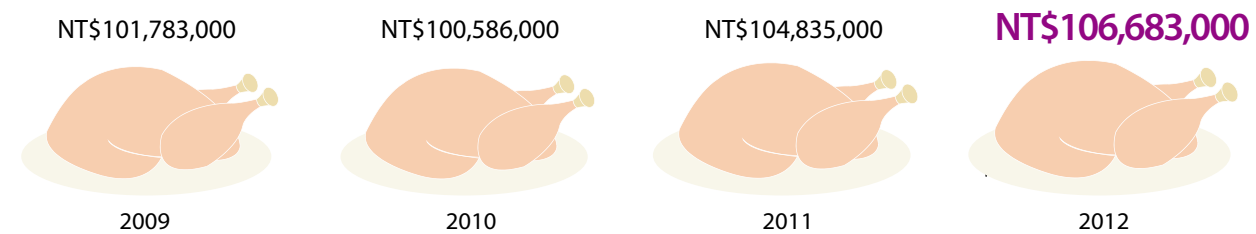
Members can apply for car services in the factory when they need to attend wedding, funeral, and festival events, participate in the annual year-end banquets, sports events, and all kinds of health promoting events. This allows retired employees to continue to maintain the development of physical and mental health.



Care for Employee Dining

Not only do we care for health, safety, and corporate development, we also care for employee meals. Our goals are to pursue employee satisfaction and lower the economic burden. Headquarters and all factories have staff dining rooms. Employees pay only part of the dining fee, and the corporation take responsible for the rest of it. This allows the employees to have diverse and economic meal selections.

Meal Allowance Subsidies



We take the Headquarters as an example of saving precious lunch time for employees, and not wasting time selecting main and side dishes. We directly provide nutritional meals specially made for employees. Throughout the whole month, the main dish does not repeat.

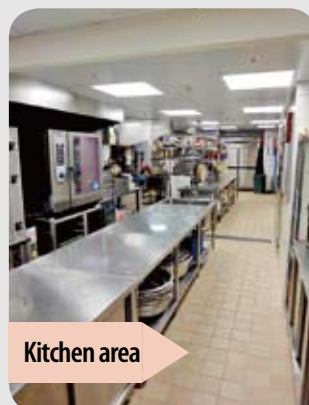
In addition, in order to respond to the healthy concepts, since March, 2011, the headquarters has started labeling calories on the menus. This allows the employees to be able to select the calories they need, so they can eat happily without worry. A meal at the headquarters staff dining room is NT\$83. The employees pay NT\$33, and the corporation subsidizes for NT\$50. In 2009 and 2012, the total amount of headquarters dining subsidy was NT\$11,253,000.



Upgrade Plan for Headquarters Dining Room

The 7th floor staff dining room at The Taipei Metro Tower was activated in 1994. After decades of use, the facilities and pipes are old. The floor tiles are not slip-proof. The specifications of stoves do not meet the current standard.

In order to provide employees with a better dining environment and more quality, we have invested NT\$ 15.65 million to promote redecoration and facility renewal of the staff dining room. Other than adding seats at the dining area, we also increased hardware facilities for multi-functional meetings to promote food hygiene and environmental comfort at the dining room.





Treatment of Foreign Workers

Currently, Far Eastern New Century has hired nearly 800 foreign employees. For these foreign employees who left their countries to work in Taiwan, we pay special attention to their leisure and relief outside of work. When they face difficulties, we provide appropriate support, and hope they can work happily in Taiwan.

In order for us to respond to the standards that the International Labor Organization has set for foreign employees, we value and assure the human rights and living conditions of foreign labors within the factory. Other than providing food, clothes, housing, transportation, leisure, and entertainment according to religion, faith, physical and mental health, educational training, and feedback, and provide appropriate support. In order to have barrier free communication, the factory also hired counselors for foreign employees. When foreign employees face problems at work or in life, they can immediately solve the problems through the help of counselors. For example, the guide will accompany when diagnosis conducted.

In 2012, we have conducted a one day barbecue trip for foreign labors at the Ba Shien Water Park, Jumping Happily in Taoyuan, Christmas and New Year Festival for foreign labors, and rich and diverse events such as birthday celebration. There are also kitchens and cooking utensils in the factory, so the foreign labors can cook homemade meals. We also provide Chinese learning courses for foreign labors and help them get used to local culture.



Administrator

There are Vietnamese and Filipino counselors in the factory. They can help foreign labors with work and life in the factory.

Housing

There is 24 hour security on duty as well as special staff members who assist with dormitory management. The male and female dormitories are separated independently. There are surveillance systems at the public areas and entrances of the female dormitories where personal privacy is not invaded. There are surveillance checkpoints at the male dormitory with humane management. There are air conditioners at all the dormitories.

Dining Room

There are additional menu items for foreign employees every Friday. Homemade meals are provided. There is also the cafeteria that provides inexpensive products for foreign employees to select and purchase.

Condolence Payments

When family members of the foreign employees die, not only do the counselors provide psychological counseling, the factory also gives out condolence payments, and arranges a trip back home for the foreign labors as soon as possible.

Regular Meetings

We regularly conduct two meetings annually, and help foreign labors to communicate with the corporation.

Sports and Leisure

There are internet cafes, fitness facilities, ping-pong table, basketball court, softball field, and tennis court in the factory. Basketball and pool competitions are conducted every year. This provides foreign labors with normal recreational activities.

Commendation

We conduct the best exemplary foreign laborer selection. We provide award certificates and prize money according to seniority, performance, and dormitory management to lift the working spirits of foreign labors.

Employee Education and Training



Facing stiff future challenges, lifelong learning is the best way for employees and the organization to maintain innovation and vitality. For this reason we attach special importance to employee education and training and career development; in line with the company's development direction, we strengthen talent nurturing and advanced study for managers, providing systematic and continuing courses and actively assisting employees raise their ability and quality level to strengthen the competitiveness of the individual and the enterprise.

To increase the overall level of enterprise employees, nurture professional management talent and meet the operational needs of the organization, as early as 1972 and before the announcement of the Vocational Training Fund Regulations, Far Eastern New Century had established the Occupational Training Center, which was formally renamed the Human Resources Development Center in February 2008.

As well as providing employees with corporate management, factory management and other related management skill training, to meet the needs of each rapidly growing business division various specialized technical courses are also held by Far Eastern New Century Human Resources Development Center to nurture the specialized talent needed.

In 2012, Far Eastern New Century spent a total of NT\$19.4 million on employee education and training and provided 91,244 hours of training. As a result of the increase in employee number by 200 since 2010 the average number of training hours per employee fell slightly, however, after we adjusted resources and mechanisms the average number of training hours per employee in 2012 had recovered to 18.60 hours. In the future, we will continue to carry out optimized allocation of training resources so that the quality of our human resources is continually raised.

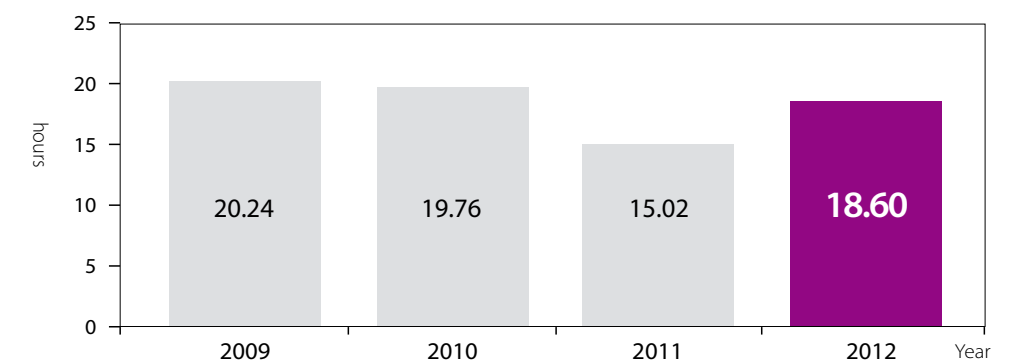
Far Eastern Enterprise University

Far Eastern Enterprise University was established in 1998. Integrating the various resources of the Far Eastern Group and Yuan Ze University and case study discussion, complete lifelong learning courses that are in line with the needs of the enterprise and employee career planning are jointly planned, fully establishing a new model for good industry-academia cooperation. The EMBA degree course and credit course were formally established in 1999; in 2012 the fifth group of degree course students was enrolled, 64 people graduated from the degree course and 408 people took part in the credit course.

Far Eastern University is not just the concrete realization of Far Eastern's lifelong learning, its educational form which pays attention to both knowledge and development allows individual career planning and the company's development strategy to be combined. In the future, it is hoped through the Far Eastern University model to effectively promote talent nurturing and implement knowledge management to increase the overall competitiveness of the Far Eastern Group.



Average Number of Training Hours Per Employee



Training Situation for Employees of Each Position



Our core objective is building a learning organization. Further to this we have implemented 6 education and training systems. In 2013, in addition to holding the sixth Far Eastern Enterprise University EMBA course as well as various management and specialized courses, to focus on the needs of the organization, we also hold special project type courses for various departments to allow Far Eastern New Century to achieve its strategic objectives; we have also introduced KPI and objective management training courses to support the improvement of the performance management system; to nurture various levels of cross-field specialized personnel at an early date we have strengthened the cross-ability training courses and system to ensure that operational objectives are met.

With respect to talent management, we have already completed the talent information for managers in each department. In the future this information will be the basis for carrying out an inventory of the internal human resource situation and establishing success models and capability assessments for each position beginning with the most key units, the aim being to tightly link talent management and strategic development, increasing the enterprise's management effectiveness and overall competitiveness.

Factory Education and Training

Hsinpu Chemical Fiber Plant	<ul style="list-style-type: none"> On the job training was carried out as well as holding evening GEPT English courses. In February 2012 four courses were held in which 58 people took part. In July two course were held in which 39 people took part. The Hsinpu Chemical Fiber Plant has 1875 employees who engaged in a total of 49,226 training in 2012, an average of 26.3 hours per employee. (the standard is 16 hours a year)
Kuanyin Chemical Fiber Plant	Apart from the certificates required by government regulations, exams are held for workplace unit employees in accordance with their nature and certificates area issued. The production unit has a work certification system and only those who pass the exam can do the work.
Hukou Mill	<ul style="list-style-type: none"> The courses provided by the occupational training center (including occupational safety training) include 4-6 hours of operator vocational training and labor health and safety training a year; every year, in accordance with job grade, employees are required to attend 3-14 hours of training per year. A variety of other courses can also be taken voluntarily by employees. In coronation with special projects, foreign lecturers are brought to Taiwan and overseas visits arranged for employees. In 2012 NT\$3.98 million was spent.
Neili Texturizing Plant	<ul style="list-style-type: none"> Training for new employees, two training courses for existing employees every year Subsidy provided for obtaining professional certification: In 2012 four people competed gas boiler operator initial training, and one completed repeated training, two people completed health and safety manager training repeated training, one person completed fire prevention management initial training and one repeated training. In total NT\$45,440 was spent.
Kuanyin Dyeing and Finishing Plant	<ul style="list-style-type: none"> Education and training for new employees, three training courses, fire prevention education and training and emergency fire drill annually for existing employees Subsidy provided for obtaining professional certification: In 2012, three employees were sent for the above 1 Ton level fork lift truck operator technician test and passed. Also, an organic solvent work manager safety supervisor, fire prevention manager and a labor safety manager also received professional certification successfully.

Potential Talent Training

To meet the rapid changes in the industry, Far Eastern New Century continues to implement a high level human resource succession plan, by strategic, stage by stage nurturing of talent we are accelerating the lowering of the age of talent to meet new market changes.

With respect to potential future talent, we will, in accordance with the needs of each position, plan a series of management skill upgrading courses so that talent demand and enterprise development planning are closely linked.

Rotation

Far Eastern New Century believes that job rotation is an effective form of on the job training that allows employees to understand different jobs and continually engage in on the job training, growing their ability through different work. At present, we implement internal and external rotation. Departments, adjust human resource allocation in accordance the new organizational framework and human resource requirements and in coordination with annual personnel rotation.

External rotation	<ul style="list-style-type: none"> Manager contacts related unit and assist the rotation for different shifts. The unit that confirms rotation sends a letter asking the aspiration of the employee.
Internal rotation	<ul style="list-style-type: none"> The organizational personnel complement is adjusted taking into consideration the length of time the employee has done the same time of job and task requirement. An employee who has been doing the same type of work for over two years can apply for rotation



Table of Potential Talent Training

Far Eastern Group High Level Manager AMP course:

The targets of the course were high level managers over associate general manager level.

Accounting, online marketing, financial statement analysis and human resources management modules were offered.

Following on from the AMP course, seven modules were offered: strategic planning, financial knowledge a manager required, e-commerce, human resources management, international finance and industry analysis, marketing management, organizational effectiveness and leadership.

Following on from the Mini MBA Program, six modules were offered: financial knowledge a manager must have, competition analysis and strategic planning, sales personnel management, human resources management, group information integration and digital marketing strategy, leadership skills development and organizational innovation.

Planned for managers of different levels:

1. Employee problem handling and conflict management
2. Recognizing and playing the role of quality manager
3. Change management
4. Strategic planning and other courses, with 478 participants

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

Following on from the AMP course, six modules were offered: accounting decision making, and financial statement analysis, strategic planning, human resources management, marketing management, financial planning and management, organizational effectiveness and leadership.

The Mini MBA Program was offered. As well as ordinary teaching, new management thinking was added, introducing case study discussion to the courses to strengthen the core capabilities that a middle level manager must have.

The Enterprise Case Study Practical Study Series courses aimed, through studying case studies and discussion between teacher and students, to actually apply management knowledge in enterprise operations; six modules: leadership, financial management and financial risk, consumer and marketing, competition strategy, strategic marketing, enterprise operation and team building were offered.

To build up a reserve of future business unit or functional managers, at present we are planning the two year New Century Leader Development Plan, targeted at managers and assistant managers with potential.

Employee Health and Safety

Whether in the factory or the office, Far Eastern New Century hopes that all employees can enjoy a healthy and safe work environment, and realize their full potential at work. For this, we hold to a zero-hazard core principle; according to the work environment and status of employees, we take proper action to promote the employees' health and safety. Far Eastern New Century emphasizes the following key managerial points of employee health, safety, and hygiene.

1. Health and safety workplace
2. Employee physical and psychological health

1. Health and Safety Workplace

In order to create a safe work environment, Far Eastern New Century takes the following measures:

Work Environment Maintenance

Starting from the purchase of tools and materials, we insist upon high standards of safety and health. We conduct strict supervision when machinery is installed; we regularly conduct all kinds of operational environmental monitoring according to various laws and regulations. If we see that conditions do not meet these standards, we immediately eliminate the problem or improve the situation. We also look for risks in operational areas, and install appropriate protection facilities.

Employee Health Maintenance

As well as cooperating government occupational hazard checks, we arrange regular health checkups for employees. We inspect the results, and conduct health management with company hospitals. Every factory is equipped with medicine, healthcare materials, and simple medical facilities. Some factories hire contracted doctors and medical staff for regular services.

Training and Practice

All new employees must take a compulsory labor safety seminar. Current employees regularly take refresher courses, and are evaluated after class to see if they really understand the materials. We renew hazard prevention and fire drill plans (staff organization, status handling, evacuating flows etc.) every quarter, while also conducting emergency evacuation drills.

Safety Management

Labor safety is one of the topics included in monthly reports for review and improvement. Labor safety staff from each factory present the problems that need to be improved, to ensure that safety systems operate normally and effectively. We also provide group insurance for employees, in order to increase their labor security.

Table of Factories That Have Introduced Environmental Safety and Health Management

Factory	Description
Hsinpu Chemical Fiber Plant	OHSAS18001, TOSHMS, ISO14001, ISO22000
Kuanyin Chemical Fiber Plant	OHSAS18001, TOSHMS, ISO 14001

Safety and Health Seminar

On February 25th 2011, Hsinpu Chemical Fiber Plant and Kuanyin Chemical Fiber Plant collectively conducted a "Safety and Health Seminar" for senior managers. We analyzed accident statistics of occupational hazards and slightest accidents over the past ten years. We discussed how to minimize occupational hazards and improve the efficiency of labor safety. Every department pledged to minimize hazards and signed the "safety and health promise contract."



The Labor Safety and Health Project

In order to minimize health, safety, and health risks, every factory at Far Eastern New Century has advocated individual labor health and safety plans. Under strict supervision and leadership, we ensure that every factory employee feels safe and is able to fulfill their full potential in their work.

Factory	Description
Hsinpu Chemical Fiber Plant	<ul style="list-style-type: none"> ● We have 40 personnel with certified emergency training licenses. ● A total of 281 employees have completed CPR course training.
Hukou Mill	<ul style="list-style-type: none"> ● We conduct alcohol tests on employees (including foreign employees). If they are found to have consumed alcohol, they are not allowed to enter the factory. ● We have 24 personnel with certified emergency training licenses. ● A total of 60 employees on the various work shifts have completed CPR training.
Kuanyin Dyeing and Finishing Plant	<ul style="list-style-type: none"> ● We have requested that all the employees (including foreign employees) wear safety vests when riding scooters or bicycles in and out of the factory. ● We have recommended that foreign employees be accompanied when going out after 17:00, to prevent avoid unwanted harassment.

2. Employee Physical and Psychological Health

Employee Psychological Counseling

With rapid changes in industrial competition and environments, work pressures and employee health have become important topics of discussion. If psychological pressure on employees is not expressed properly, it will possibly affect their psychological health, leading to lower productivity, and could even affect work behaviors and occupational hazards.

In order to provide employees with diverse channels for expression, we have arranged psychological counselors to provide psychological counseling for employees who need counseling from 10 AM to 3 PM every Wednesday. Whether work pressures or family problems, if employees need to share or express how they feel, or relieve mental burden, they can communicate with psychological counselors. In 2012, Hsinpu Chemical Fiber Plant arranged psychological counseling for 63 people, all paid by the corporation.

Health Checkups

We understand that only with healthy employees can the corporation continue to be competitive. To this end, every factory at Far Eastern New Century has a clear-cut system: we make sure that every employee is aware of and understands his or her health conditions. We also provide general employees with health checkups that better than those demanded by laws and regulations. For managerial level employees, we also provide comprehensive health checkups, to ensure that corporate managers can lead and manage employees from a position of health in body and mind.

Faced with potential threats of emerging infectious diseases in recent years, including seasonal flu and other infectious diseases overseas, Far Eastern New Century provides basic protection and advice while continuing to minimize the possible risks posed by all kinds of diseases by arming employees and family members with basic knowledge and skills in disease prevention.



Health Promotion Actions

Every factory at Far Eastern New Century holds to the principles of promoting workplace health and improving employee welfare. It takes us great effort to improve employees' physical and psychological health in our factories through various events and healthcare equipment.

Hsinpu Chemical Fiber Plant	<ul style="list-style-type: none"> • We organize triathlon events every month, as well as in-factory marathons, sports events, and fairs. • We organize regular blood donations. In 2012, a total of 200 people donated blood. • We have installed a gymnasium and swimming pool for factory employees to use.
Kuanyin Chemical Fiber Plant	<ul style="list-style-type: none"> • We have established factory provision of health counseling, and regularly conduct health seminars. • Due to the high average age of factory employees, every unit is equipped with sphygmomanometer, and employees are asked to measure their blood pressure. Subcontractors are also asked to measure their blood pressure before conducting overhead operations. • We organize social activities such as mountain climbing and hiking.
Hukou Mill	We organize parent-and-child walks and prize-drawing events every year on May 1st Labor Day. In 2012, approximately 250 people participated. Through those events, we increase interaction and the physical health of parents and children.
Neili Texturizing Plant	<ul style="list-style-type: none"> • Every year in March and September, we conduct noise and CO₂ level inspections. • Every week, from 12:00 to 13:30 Tuesday and Friday, we arrange factory medical counseling. The factories pay for all related cost.
Kuanyin Dyeing and Finishing Plant	<ul style="list-style-type: none"> • We conduct occasional free, simple health checkups. • There are basketball courts, ping pong tables, and a billiard room for employees to use. We also organize occasional basketball and ping pong games.

Emergency Response Drill

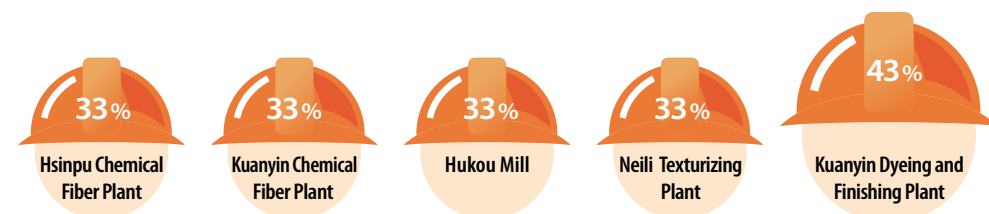
Factory	Implementation Plan
Headquarters	We occasionally conduct fire drills and integrated safety training, reinforcing staff concepts of self-protection, rescue, and reaction, in order to minimize hazard and ensure the safety of staff and property.
Hsinpu Chemical Fiber Plant	We have organized a volunteer fire team. We conduct factory fire drills twice a year. The drill procedure consists of initial drills for fire team and all the volunteer firemen of the factory itself, followed by cooperative drills with fire teams from outside the factory.
Kuanyin Chemical Fiber Plant	<ul style="list-style-type: none"> • We conduct quarterly fire prevention drills • We work together with fire authorities to conduct a large-scale fire drill at least once a year
Hukou Mill	<ul style="list-style-type: none"> • Frequency of fire drills depends on the unit. All factories conduct collective training twice a year • Fire drill: we conduct precautionary fire drills in the first and second halves of the year. We invite local fire authorities to send their staff and provide educational training for factory employees, and cooperate with fire authority staff and vehicles in on-site training
Neili Texturizing Plant	<ul style="list-style-type: none"> • Fire and evacuation drill • We conduct precautionary factory fire drills every six months
Kuanyin Dyeing and Finishing Plant	<ul style="list-style-type: none"> • Fire extinguishing and evacuation training • We conduct precautionary factory fire drills every six months

Employee Satisfaction

Every factory at Far Eastern New Century has a "Safety and Health Committee" of labor. Members are voted by labor and management representatives. They are responsible for the stipulation, coordination, and supervision of factory environment/safety and hygiene/health related issues.

Each factory "Safety and Health Committee" conducts a meeting once every three months and communicates with the employees. The topics include: 1. Health and safety (a. occupational hazard status, b. educational training status, c. self-checkup status, d. contracted management, e. operational environment monitoring status, f. hygiene/health promotion); 2. Resident complaints and environmental management status; 3. Fire management, and 4. Topic reports, etc.

Ratios of Labor Representatives in Safety and Health Committees



Occupational Injuries and Losses Ratios

Year	Occupational Injury (Cases)	Loss of Work Days (Days)	Total Work Hours	GRI Ratio of Occupational Injuries Causing the Losses of Work Hours	GRI Ratio of Losses of Work Days	Disabling Frequency Rate (FR)	Occupational Hazard and Total Hazard Indices
2009	14	1,560	8,587,924	0.30	36.33	1.51	2,361.46
2010	9	615	8,350,454	0.22	14.73	1.08	662.84
2011	6	269	8,321,523	0.14	6.47	0.72	193.95
2012	7	106	5,631,622	0.25	3.75	1.24	131.13

Remarks:

1. GRI ratio of occupational injuries causing the losses of work hours/ Cases of occupational hazard/ Total work hours x 200,000*

2. GRI ratio of loss of work days = Loss of work days/Total work hours x 200,000*

3. Disabling frequency rate (FR) = Cases of occupational hazards x 1,000,000/ Total work hours

4. Occupational hazard and total hazard indices = (Cases of occupational hazard x losses of work days) x 1,000,000/ Total work hours

(*: According to the ratios of 50 weeks per year, 40 work hours a week, and 100 hired employees)

In order for Far Eastern New Century employees to enjoy better quality of workplace, Far Eastern New Century regularly conducts employee satisfaction surveys. We hope that through scientific and systematic statistics, we can understand the recommendations and opinions of different employees, acting as a references for the development of promotion and improvement measures, thereby improving employee satisfaction and trust.



10 Facets of Employee Satisfaction Surveys of Far Eastern New Century Employees



In 2012, we added "health promotion workplace indices" into employee satisfaction surveys. The results show that employees believe Far Eastern New Century is equipped with a thriving work environment which nurtures multi-functional employees. In addition, the overall work satisfaction in 2012 is higher than that of 2011.

We have communicated the results of the survey to unit managers, to help units to fully understand the feedback and opinions of employees, and adopt responsive improvement measures. In 2011, we emphasized salary, welfare and motivation in implementing improvement upgrade measures. Because of this employee satisfaction in the areas of salaries, compensation, welfare and motivations have shown an improvement in the 2012 survey.

Remark: According to Harvard Business Review (2012) Creating Sustainable Performance, organizations can utilize four workplace environmental factors to encourage staff to form a thriving workforce. The four workplace environmental factors include: 1. Bestow a level of authority to those carrying out work. 2. Understand clearly the contribution of personal work achievements to the efficiency of the organization. 3. Mutual trust and respect. 4. Provide work performance feedback.

Security Team



The Far Eastern New Century security team is made up of 119 members of staff. They are all full-time employees, working on three different shifts. We provide better pension compensation for our staff who maintain the safety of factories and offices compared to general employees. In addition, we conduct annual health regimen seminars, in order to ensure their welfare.

Aside from factory security itself, the security team also plays the role of good neighbors. They work together with area surveillance teams consisting of residents from the areas surrounding the factories. Security drivers execute cooperative area surveillance in company cars. We conduct staff training twice a year, in order to reinforce self-defense and practice fitness and counter-violence techniques.



Project Improvement System

Since 1984, Far Eastern New Century has actively encouraged employees "to think how to make their work better" through our system design. We established the project improvement meeting to actively promote the project improvement activities of the corporation. We hope to encourage employees to actively provide constructive, creative ideas and to establish official, continuous, and open channels for well communications.

Since the implementation of this project improvement system and with the cooperation of all business units and factories, the number of projects increases every year, bringing the corporation tangible benefits. In order to encourage employees to put forward creative ideas and concepts related to improving company operational efficiency, we have also created seven areas of motivational awards, related to participation, implementation, special projects, patents, quality of the projects, presentation and quantity of individual projects.

In 2012, Far Eastern New Century gave out bonuses of a total sum of NT\$2.12 million, to encourage every member of the corporation to think systematically and with initiative, to discover potential hidden wastages. Through the project improvement system, everyone can realize the full potential of their intelligence and ability.



Performance Evaluation

In order to implement talent development and wage differentiation, Far Eastern New Century has clear standards regarding employee performance evaluation, training, award, and punishment. In addition, in order to balance fairness and employee development, managers at every level discuss daily performance with employees during the evaluation period, as an appropriate medium for communication between labor and management.

The categories of employee evaluation at Far Eastern New Century include: trial evaluation, normal evaluation, project evaluation, and annual performance evaluation. Employees who have been in the corporation for at least one year must attend. Annual performance evaluations include attendance, educational training and participation, leadership, self-advancement, competency, and performance. We integrate the employees' annual performance evaluation as the final measure for salary adjustment. In addition, if employees have important achievements, they should be evaluated by the general managers immediately, so the employees who perform well can have the opportunity for a salary increase during the year.