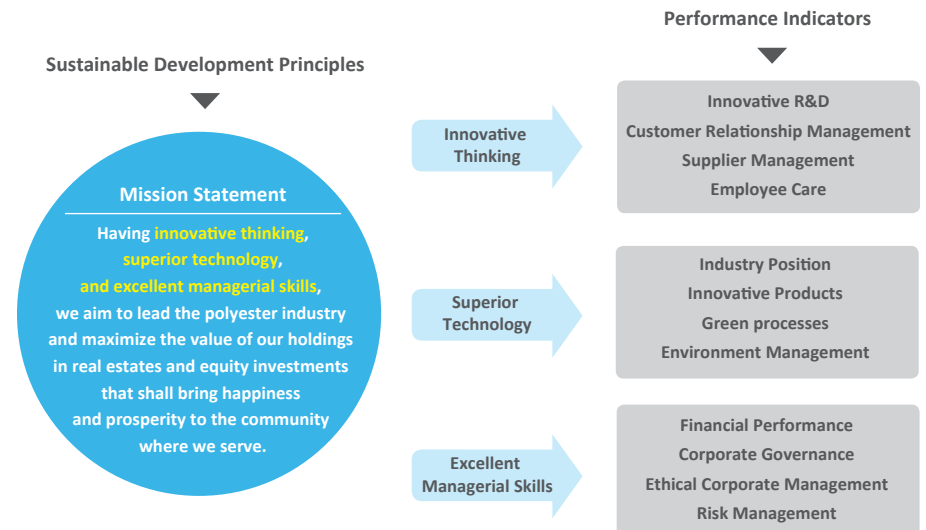


FENC'S SUSTAINABLE DEVELOPMENT



Overall Structure






Principles






- Top-down approach-The management and the Board of Directors set goals and formulate policies and strategies. Each department develops action plans to meet the goals.
- Clear division of work-We clearly define each staff member's role and responsibilities.
- Thorough execution-We track the progress of our plans periodically and make adjustments using Rolling Wave Planning.








Short-term, Mid-term and Long-term Goals

Goal Setting

Aspect	Short-term Goals (1 - 2 years)	Mid-term and Long-term Goals (More than 3 years)
 Environmental	<ul style="list-style-type: none"> • Set targets for reducing energy consumption • Purchase green electricity for production sites in Taiwan • Establish 4 solar power stations for production sites in China • Continue to run campaigns to conserve energy • Strengthen energy and resources management to minimize waste • Ensure periodic external verification of our GHG emissions • Conduct a life cycle assessment for our products • Introduce a smart energy data analysis system • Ensure the projects of our Land Development Business meet the EEWB silver level's requirements 	<ul style="list-style-type: none"> • Increase the percentage of green products • Increase the production capacity for rPET to around 20% of the total polyester capacity. • Promote the use of renewable energy • Establish cogeneration power plants • Set targets for reducing greenhouse gas emissions • Reduce electricity consumption at productions sites in Taiwan by an average of 1% every year
 Social	<ul style="list-style-type: none"> • Implement the "Supplier CSR Commitment Statement" program • Expand the scope of our survey to cover more external stakeholders • Continue to provide New Century Executive Training Program and Competency Program • Continue to collaborate with universities to offer internships and training programs • Continue to sponsor various activities that advance public interest • Carry out Social Return on Investment (SROI) analyses 	<ul style="list-style-type: none"> • Optimize the supplier performance evaluation and audit system • Optimize the management of stakeholder complaints • Establish a corporate volunteer system
 Governance	<ul style="list-style-type: none"> • Publish CSR report every year to communicate with stakeholders • Strengthen corporate governance to remain among the top 20% ranking in the TWSE's corporate governance evaluation • Set out guidelines to evaluate the performance of the Board of Directors • Continue to implement the regulatory compliance program and increase its scope of application • Implement a risk alert system 	<ul style="list-style-type: none"> • Establish an environmental managerial accounting system • Refine our plant management system based on international standards • Implement the climate change risk identification and adaptation programs to all production sites in Taiwan • Expand production capacity to consolidate our position as the industry leader

Progress of Our Goals

Aspect	Goals	Status and Progress	Chapter
 Environmental	Expand the scope of the GHG emission inventory to cover all our production sites	Completed In 2015, we increased the number of production sites for GHG emission inventory from 8 to 15.	 Nourishing Sustainable Environment
	Set targets for reducing energy consumption	Ongoing A total of 5% of electricity will be saved at the production sites in Taiwan from 2015 to 2019.	
	Promote the use of renewable energy	Ongoing Solar power — In 2015, we completed assessments and planned to build 4 solar power stations for our production sites. Now 2 are under construction. Green electricity — In 2015, we purchased 200,000 kWh of green electricity.	
	Hold a meeting to facilitate technical exchanges between Taiwan and China (organizer: Energy Task Force)	Completed The meetings took place in May and June, 2015.	
	Continue to run energy conservation campaigns to strengthen resources and energy management and to minimize waste	Ongoing We ran 144 campaigns to conserve energy and cut carbon emissions in 2015. The volume of our recycled water was 5,381,000 kiloliters. The ratio of recycled water to non-recycled water is 31 : 100.	
	Optimize waste management	Ongoing We have divided general business waste into manufacturing process waste and domestic waste.	
	Ensure external verification of our greenhouse gas emissions	Ongoing Verification was completed in 10 of our 15 production sites for 2014. The verification for the additional 4 sites are ongoing for 2015.	
 Social	Amend the supplier code of conduct and the procurement protocol	Ongoing We have developed the "Supplier CSR Commitment Statement" program, which is set to be implemented in 2016.	 Creating Diversified Values
	Continue to provide New Century Executive Training Program and Competency Program for our employees	Ongoing In 2015, We offered the New Century Executive Training Program (55 classes) and the Competency Program (29 classes) with 2,061 and 1,200 attendances respectively.	 Creating Employee Passion

Aspect	Goals	Status and Progress	Chapter	
 Social	Continue to collaborate with universities to offer internships and training programs	Ongoing In 2015, we offered practical training to 33 outstanding university students.	 Building Altruistic Society	
	Continue to sponsor various activities that advance public interest	Ongoing In 2015, we invested NT\$116,813,000 in activities that benefit our society.		
 Governance	Publish CSR report every year to communicate with stakeholders	Ongoing	 Establishing Strong Governance	
	Strengthen corporate governance to remain among the top 20% ranking in the TWSE's Corporate Governance Evaluation	Ongoing We ranked among the top 20% in the TWSE's Corporate Governance Evaluation in 2015 and 2016.		
	Implement the Climate Change Risk Identification and Adaptation Program	Completed We carried out the "Climate Change Risk Identification and Adaptation Program" in Hukou Mill.		
	Extend the Company's regulatory compliance system to our subsidiaries	Completed We expanded our regulatory compliance program to cover 4 of our subsidiaries in 2015.		
	Increase our R&D manpower by 20%	Partially completed In 2015, we increased our R&D manpower by 11%.		 Creating Diversified Values
	Refine our plant management system based on international standards	Ongoing Hukou Mill, Neili Texturizing Plant and Kuanyin Dyeing and Finishing Plant have met OHSAS 18001 : 2007 requirements and Taiwan's CNS15506 standards. In March, 2016, Hsinpu Chemical Fiber Plant, Kuanyin Chemical Fiber Plant and Far Eastern Industries (Shanghai) Ltd. completed SEDEX SMETA.		 Creating Employee Passion  Creating Diversified Values
Expand production capacity to consolidate position as the industry leader	Ongoing In 2015, we launched the Vietnam Investment Project.			