

Social Bond / Social Bond Programme Information Template

Issuer name: Far Eastern New Century Corporation (FENC)

Date of completion or of latest update: May 4th 2021

SBP component 1: Use of proceeds

Please describe alignment with this SBP component:

FENC has established the Framework for Sustainable Bonds in alignment with Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), administered by the International Capital Market Association (ICMA), and Taipei Exchange Operation Directions for Sustainable Bonds (the “Operation Directions”), administered by the TPEX. The Framework is composed of the four core components: Use of proceeds, Process for evaluation and selection, Management of proceeds, and Reporting. When issuing Green Bond, Social Bond, and Sustainability Bond (“the Sustainable Bonds”), we will follow the scope of application, related operations, and management procedures mentioned in this Framework, and make the assessment to confirm if the proceeds allocation and the intended benefits from the Eligible Projects meet the requirement in this Framework.

We intend to allocate an amount equal to the net proceeds from the sale of the Sustainable Bonds issuance to finance or refinance, in whole or in part, one or more new or existing green and/or social Eligible Projects.

For the social bond issued in 2021, we will apply the following social eligible projects;

Social eligible project category	Example projects	Eligibility Criteria
Affordable basic infrastructure	To Construct the underground drainage pipes and sewage pipes, traffic roads and public recreational parks, including but not limited to the construction of parks and roads in and near T-Park (Banqiao)	In large-scale park construction cases, the construction and related maintenance of underground drainage pipes and sewage pipes, traffic roads, and public recreational parks are fully arranged. It can enhance local neighbors with more comprehensive infrastructure. The proceeds are expected to be invested in the related construction expenses and annual maintenance expenditure.

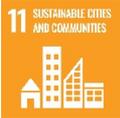
Social eligible project category	Example projects	Eligibility Criteria
Access to essential services	To provide school opportunities and provide medical services, including but not limited to the establishment of barrier-free spaces in schools and hospitals and inclusive services for disadvantaged groups	Yuan Ze University and Far Eastern Memorial Hospital, both of which belong to Far Eastern Group, have assisted the disadvantaged groups to obtain equal education and medical services in the long term. The proceeds will be invested in infrastructure (such as barrier-free spaces) to serve disadvantaged groups and expenditures on education or medical subsidies and loans.
	To supply 90%-100% of the mask inner materials in Taiwan during the Covid-19 epidemic with full production and scheduling, to focusing on the research and development of anti-epidemic functional products, including anti-fog masks using recycled PET bottles as raw materials, protective clothing fabrics that meet the highest medical standards, and polyester (PET) blood collection tubes, to provide stable quality in the global medical and health industry medical equipment	The proceeds are used for the production of relevant raw materials for the national team of masks during the epidemic, and the production of raw materials for cheap medical devices outside the national team, including mask fabrics, protective clothing and mask plastics, and plastics for blood collection tubes. To provide affordable raw materials for medical equipment to help the society survive the Covid-19 epidemic and stabilize social development.

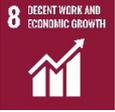
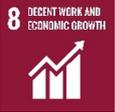
Social eligible project category	Example projects	Eligibility Criteria
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	To provide regular employment opportunities for disadvantaged groups and organize irregular activities to help alleviate economic pressure, including but not limited to the employment of labor employees in the T-Park (Banqiao)	The large-scale parks of Far Eastern Group provide certain jobs in the parks for disadvantaged groups to ensure employment opportunities, and funds will be invested in the salary expenditures for such employment opportunities.
	To support domestic small and medium-sized enterprises during the Covid-19 epidemic, to maintain the employment of important employees of small and medium-sized enterprises, to assist in getting through the epidemic, and to avoid economic crises and unemployment caused by the epidemic	The proceeds will be invested in maintaining the jobs of local SME employees during the epidemic. FENC will strictly define the SMEs affected by the epidemic in accordance with the SME standards defined by the World Bank Group, and continue to conduct transactions with domestic SMEs that consider FENC as its main customers to avoid the epidemic. Severance of employees due to decline in income or bankruptcy.

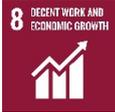
Social eligible project category	Example projects	Eligibility Criteria
Socioeconomic advancement and empowerment	To increase employment opportunities and salary guarantees for disadvantaged groups to ensure their basic human rights	The proceeds will be invested in purchasing recycled PET bottles and PET bottle bales with local recyclers in the country, and working with local recyclers in the country to identify independent recycling self-employed individuals of disadvantaged groups, and assist in the purchase of recycled PET to protect the income of disadvantaged groups during the epidemic. Maintain local economic growth and employment opportunities.
	To hold charity sales and various public welfare activities from time to time to help alleviate the economic pressure of disadvantaged groups and help the public to establish a sustainable concept, including but not limited to the guidance of the sustainable concept of the student population and the expenses for holding the bazaar and related venue construction and maintenance expenses	Provide space for disadvantaged groups to hold public welfare activities and markets in large parks. The proceeds will be invested in the space construction and maintenance expenditures.

Please provide related online information if available:
https://cg.fenc.com/upload/cg/cg_20211004012.pdf

Please describe evaluation of use of proceeds against specific Sustainable Development Goals:

Social eligible project category	Eligibility criteria and example projects	Intended social benefit	Sustainable development goal (SDGs)
Affordable basic infrastructure	To Construct the underground drainage pipes and sewage pipes, traffic roads and public leisure parks	Hope that through the establishment of drainage and sewage pipes and traffic roads around the company's buildings, it will assist the surrounding residents to achieve the purpose of flood prevention and traffic improvement. Also, through the establishment of public recreational parks, it will provide the surrounding residents with games places for the elderly and young.	SDG 6  SDG 11 
Access to essential services	To provide school opportunities and provide medical services	Establish , maintain, and update the hardware and software equipment of schools and hospitals, continue to provide services to the general public, and additionally assist the disadvantaged groups to obtain the same quality of service.	SDG 3  SDG 4 
	To provide the relevant raw materials to masks producers in the epidemic and other cheap raw materials to medical equipment suppliers	During the epidemic, assist the government to provide medical equipment manufacturers sufficient raw materials to produce affordable medical equipment, including mask fabrics, protective clothing and mask plastics, and plastics for blood collection tubes, so as to provide high-quality and affordable medical equipment for the local people and medical personnel. The spread of the epidemic caused by people's inability to obtain medical equipment.	SDG 3 

Social eligible project category	Eligibility criteria and example projects	Intended social benefit	Sustainable development goal (SDGs)
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	To provide regular employment opportunities for disadvantaged groups	Provide disadvantaged groups with certain positions in the company and assist environmental protection business suppliers to hire disadvantaged groups to create relevant jobs.	SDG 1  SDG 8 
	To support local SMEs	The proceeds will be invested in transactions with domestic small and medium-sized enterprises that regard FENC as their main customers to avoid dismissal of employees due to decline in income or bankruptcy caused by the epidemic.	SDG 8 

Social eligible project category	Eligibility criteria and example projects	Intended social benefit	Sustainable development goal (SDGs)
	To Ensure independent recyclers from disadvantaged groups	The proceeds will be prioritized in use to the purchase of recycled PET bottles from independent recyclers from disadvantaged groups to assist the disadvantaged groups in their economic independence and social rights.	SDG 1  SDG 8  SDG 10 
Socioeconomic advancement and empowerment	To hold charity sales and various public welfare activities from time to time to help alleviate the economic pressure of disadvantaged groups and help the public to establish and advocate the concept of sustainability	Provide venues to hold public welfare fairs in T- Park (Banqiao) from time to time, invite disadvantaged groups to participate in the booths and donate all the company's market proceeds to disadvantaged groups to alleviate their economic pressure. Provide T-Park (Banqiao) for students to register and visit, and provide professional interpretation services in the disaster prevention center and green building model room to establish the concept of disaster prevention and sustainability for the student population.	SDG 1  SDG 4  SDG 10 

SBP component 2: Process for project evaluation & selection

Please describe alignment with this SBP component:

The eligible projects are evaluated and selected in compliance of the company’s direction of the long-term development strategy of the business units and our corporate social responsibility report, aligned with the green bond principles, social bond principles, and sustainability bond guidelines administered by ICMA; for certain green investment plans we further refer to the CBI Green Bond Database Methodology administered by the Climate Bond Initiative (CBI). These green and social eligible projects are conducted in accordance with the company's internal process and management procedures. Our Sustainability Committee has been established and responsible for identifying, evaluating and selecting based on the eligibility criteria in this Framework to ensure alignment with this Framework for Sustainable Bonds. Eligible Projects will be reviewed periodically.

Please provide related online information if available:

https://cg.fenc.com/upload/cg/cg_20211004012.pdf

SBP component 3: Management of proceeds

Please describe alignment with this SBP component:

An amount equivalent to the net proceeds from the Sustainable Bonds issuances will be allocated in accordance to the company's internal process and management procedures to the Eligible Sustainable Projects as mentioned above. The sole bank account is opened and managed to track the allocation of proceeds to the Eligible Sustainable Projects. Pending proceeds from the Sustainable Bonds issuances may be temporarily invested or otherwise maintained in cash, cash equivalents, short-term investments or any other short-term money market operations that do not involve any equity. The use of proceeds will be reported to the authority concerned annually in compliance to relevant regulations.

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SBP component 4: Reporting

Please describe alignment with this SBP component:

During the life of the Sustainable Bonds or the period of allocation of the proceeds raised by the bonds, the company will commission an independent review and disclose with the intention of confirming that the proceeds have been allocated in accordance with the Uses of Proceeds specified in this Framework document, including the list of the environmental or (and) social benefit investment plans, the allocation among the eligible project categories, the intended benefits of environmental or/and social eligible projects, the allocation between financing and refinancing ratio, and the use of pending proceeds. The independent review shall be conducted by a qualified certification body.

FENC will strive to report on the environmental or/and social impacts of Eligible Projects financed by the issuance of sustainable bonds based on the Framework when feasible and subject to data availability:

Eligible Project Category KPI	KPI
Affordable basic infrastructure	1. Estimated number of beneficiaries (#) 2. Construction road length (KM)
Access to essential services	1. Number of schools or hospitals (#) 2. Total value of services provided to disadvantaged groups (NTD) 3. Number of beneficiaries of affordable medical equipment (#)
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	1. Number of employees employed by disadvantaged groups (#) 2. Total salary provided each year (New Taiwan Dollar) 3. Number of SME jobs assisted in maintenance (#)
Socioeconomic advancement and empowerment	1. Estimated number of beneficiaries (#) 2. The total number of public welfare activities held each year (#) 3. Estimated number of beneficiaries of public welfare activities (#) 4. Assisted independent PET bottle recycling merchant times (#)

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SBP recommendation: External review

Please describe the alignment with this recommendation:

FENC has engaged Ernst & Young (“EY”) to perform limited assurance procedures to confirm the alignment of its Social Bond issued in 2021 with Social Bond Principles (2020). During the period of allocation of the proceeds of the Bonds, the use of proceeds and project social impacts benefits disclosed will be verified by EY.

Please provide related online information if available:

https://cg.fenc.com/upload/cg/cg_20211004014.pdf

Additional information

Please provide any further information you may deem appropriate:

None