



### Regarding Chicony Group's "Corporate Social Responsibility" Report

The geographic scope of this report GRI 102-48, GRI 102-49

- 1 Chicony Electronics Co., Ltd. (hereinafter referred to as Chicony): Chicony-Taipei Headquarters, Chicony-DongGuan Factory, Chicony-MaoRui Factory, Chicony-SuZhou Factory, Chicony-ChongQing Factory and Chicony-Thailand Factory.
- 2 Chicony Power Technology Co., Ltd. (hereinafter referred to as Chicony Power): Chicony Power-Taipei Head Office, Chicony Power-DongGuan Factory, Chicony Power-SuZhou Factory, Chicony Power-ChongQing Factory and Chicony Power-Thailand Factory; the Thailand Factory was included in 2020.
- 3 XAVi Technologies Co., Ltd. (hereinafter referred to as XAVi): XAVi-Taipei Head Office (including the Hsinchu Office), XAVi-SuZhou Factory and XAVi-Thailand Factory (the Thailand Factory was founded in the first half 2020, and its complete information is to be disclosed in the next edition of the report).

(Compared with the previous 2017-2018 report, in considering the operational needs and the completeness of information disclosure, Chicony-MaoRui Factory and Chicony-Thailand Factory were added to Chicony Electronics' scope; Chicony Power-Thailand Factory was added to Chicony Power's scope; and XAVi-Thailand Factory was added to XAVi Technologies' scope.)

### CSR Reporting Principles GRI 102-54

This report was written based on the frame of GRI Standards Core Option 2016. Please refer to the GRI Content Index summarized in Appendix 1 of this report.

### Reporting Period GRI 102-50

The disclosed time period of this report is the years 2019-2020 (1st January 2019 to 31st December 2020); the disclosed content includes Chicony Group's CSR activities and performances in connection with aspects of corporate governance, environmental protection and society, etc. as well as the responses to stakeholders' issues of concern.

### Quality of Information and Data

The disclosed statistics of this report were obtained from the Company's own statistics and surveys except the financial data which was open information certified by CPAs and was presented in values commonly used for description.

### Verification of the Report

This report was formulated by following the core items of GRI Standards set by Global Reporting Initiative (GRI). The disclosure of information also agrees with the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies", " The United Nations Global Compact" and other international standards.

Bureau Veritas Taiwan Branch was entrusted to conduct verification on this report and to issue the assurance statement. The verification results showed that the report complies with the core items disclosed in GRI Standards and AA1000 Series of Standards for Type 1- moderate level assurance.

### Contact Us GRI 102-51 GRI 102-52 GRI 102-53

You are welcome to read Chicony Group's 2019-2020 CSR Report. This Report has been built with the GRI Content Index service and Material Issue Disclosure service. The issuance of the report shall be continued at intervals of two years. Date of issuance of the most recent report was July 2019. The next report shall be issued in July 2022.

We welcome any comments and suggestions on this report. Please feel free to contact us.





2019-2020 Sustainability Achievements of Chicony Group

### Corporate Governance Performance

- Being included as a constituent in "FTSE TWSE Taiwan Mid-Cap 100 index" and "Taiwan Sustainability Value Index" and ranked in Taiwan's top 50 manufacturers for three consecutive years by CommonWealth Magazine Survey- Taiwan Top 100-Industry-Manufacturing
- 2 Being selected as a constituent of the 2020 FTSE4 Good Index
- 3 Chicony Electronics' 2020 EPS was NT\$7.80; the revenue, gross profit and operating profit all hit record highs.
- 4 Chicony Power Technology's 2020 EPS was NT\$5.52; the revenue, gross profit and operating profit all hit record highs. The stock had paid dividends for 9 consecutive years from 2012 to 2020, and the stock/cash dividend payout ratios were both higher than 70%.
- **S**Chicony Power the result of the 6th Corporate Governance Evaluation in 2019 was TOP 6%-20%.
- 6 No illegal act or corruption incident that violates the principle of integrity occurred in 2020.

### Sustainable Value Chain Performance

- ■Input device products and mobile keyboard modules have started increasing the use of recycled plastics (10%~30%) in production.
- 2 Increase the use of Post-Consumer Recycled Plastic for the production of plastic shells of power adapters year by year. Currently the percentage is about 10%.

Utilization of Post-Consumer	Percentage	Percentage	Percentage
	in 2018	in 2019	in 2020
Recycled Plastic (PCR)	< 1%	8.8%	9.6%

- 3 100% of new or existing suppliers have all signed "Commitment Statement on RBA Code of Conduct", "Letter of Undertaking of Integrity for Suppliers" and "Declaration of Conflict-free Minerals".
- 4 The IECQ QC 080000:2017 Hazardous Substance Process Management System has been introduced and approved in some factories.

### **Invironmental Protection and Sustainability Performance** (Chicony, Chicony Power)

- 1 The SBTi and TCFD projects were introduced in 2020 for the regular inventory and disclosure of climate change risk and opportunity management. Currently, 10 major climate risks and 8 opportunities have been identified.
- 2 The Headquarters and factories in China and Thailand all completed ISO 14064-1:2018 validation and verification, which shall be the basis for the implementation of SBTi reduction.

### **D** Employee Care Performance

- 1) The work resumption rate and retention rate of unpaid paternity leaves in 2020 both reached 60% and higher.
- 2 Employee Housing: Houses are sold at a nearly as cheap as the cost price to employees; the occupancy rate was as high as 84%.

### **Safe Work Environment Performance**

- 1) The migration to ISO 45001:2018 has been completed in Taipei Headquarters and all factories. With the structure provided by ISO 45001:2018, a safety and health culture that can continuously improve occupational safety and health performance shall be created.
- 2 Carry out comprehensive hazard identification every year for various department work items that may cause personnel's injuries or accidents. In addition to employees, the targets of risk identification also include contractors, suppliers and canteen support staff.



### Message from Chairman

By focusing on four core aspects of "Sound corporate governance", "Protecting workers' human rights and welfare", "Protecting the environment of the earth while creating product value and profit" and "Social and cultural participation", Chicony Group pursues the highest value of corporate sustainability through ongoing innovation and continuous improvement. Chicony is committed to promoting the concept of corporate social responsibility in "environmental, social and corporate governance" dimensions and other aspects while pursuing the company's revenue and profit growth based on the belief that an enterprise should not only keep progressing and growing for itself, but also gradually facilitate the realization of corporate sustainability and responsibility and actively exert positive influence to create the value for its sustainability.

Therefore, by extending the report for the previous year and following GRI's framework for sustainability reporting, Chicony Group presented its 2019-2020 environmental protection perspectives through its product development and production, in which green R&D thinking is upheld to meet customers' needs and reduce the impacts of products on the global environment. Diversified training programs were planned for employees' personal growth to promote knowledge sharing and soft power cultivation; Guidelines and facilities for workplace health and safety were established by laws in the hope of reinforcing the efforts in employee care and workplace safety. Chicony Group commits itself to social benefit activities and disadvantaged groups care, and also encourages employees to voluntarily participate in different charitable activities to give back to the society.

### Corporate Governance

Due to the impacts of COVID-19 pandemic in 2020, new lifestyles such as remote work and distance learning become more and more common in people's lives, by which a high demand for NB was driven and Chicony Group's sales of NB parts/components/products in 2020 including keyboards, camera modules, power supply units and so on, all increased substantially. Chicony Electronics has been ranked in Taiwan's top 50 manufacturers for three consecutive years by CommonWealth Magazine Survey-Taiwan Top 100- Industry-Manufacturing, and Chicony Power's ranking is also approaching 100. With steady business growth, Chicony Electronics has been included in TWSE's "Taiwan Sustainability Value Index" and selected as a constituent of "TIP Taiwan Market CSR Small/Mid-Cap Index" for the first time, indicating the external recognition of the company's efforts in sustainable development and corporate social responsibility. Moreover, Chicony Group has been actively planning for global manufacturing chain deployment since 2019 to reduce the operational risks arising from the China–United States trade war. The newly founded Thailand Factory has become Chicony Group's new manufacturing center in Southeast Asia, and shall help the company deploy global manufacturing capacities and diversify risks in response to customers' needs

### Green Product Design and Sustainable Value Chain

Chicony Group is committed to introducing green thinking to all stages of new product development, and demands that the finished products should comply with the environmental laws and regulations of various countries such as RoHS and the use of "Halogen Free materials" or be certified by a third-party impartial organization to fulfill corporate social responsibility and achieve the goal of sustainable operation and environmental sustainability. Chicony Group also supports the concept of resource recycling by introducing the concept of Green Product Design into the R&D of new products and actively using "Post-Consumer Recycled Plastics (PCR)" in products. Through continuous improvement and assessment, it can be ensured that relevant management requirements and regulations in relation to quality assurance and environmental protection can be followed after the products are mass produced. In addition, through the sampling and testing for every batch of products, it can be ensured that the products shall comply with relevant requirements and regulations after they are mass produced. which not only facilitates the utilization of recycled plastics in production but also reduces impacts on the environment through the reduction of plastic waste in landfills. Currently, three of Chicony Group's product lines—input device products, mobile keyboard modules and power supply units have started increasing the use of recycled plastics in production.

### Environmental Protection and Sustainability

When facing the global climate extremes and anomalies, it is also one of the company's responsibilities for sustainable operations to cope with internal operational impacts caused by climate/natural environment deterioration. Chicony Group also strives to mitigate the impacts of greenhouse gas emissions on the external stakeholders. Chicony Group adheres to the spirit of "Corporate Social Responsibility Best Practice Principles", and has introduced the SBTi and TCFD projects in 2020 for the regular conduct inventory and disclosure of climate change risk and opportunity management. Currently, 10 major climate risks and 8 opportunities have been identified. It is hoped that the Group can do its part for sustainability and environmental protection.

### **Employee Care and Community Participation**

Chicony Group has employees all over the world. We are committed to actively creating a healthy environment suitable for employees' work and life, and promise to offer employees comprehensive care. Chicony Group follows "Universal Declaration of Human Rights" and the fundamental Conventions of "International Labour Organization", and formulates Chicony Group's human rights policies accordingly. It is hoped that with the disclosure of human rights protection spirit and basic principles, the company shall fully manifest its responsibility to respect and protect human rights by treating and respecting all salaried employees. Both male and female employees can have the same opportunities and receive equal treatment.

By upholding the belief of "Take from society, give back to society", corporate sustainability responsibility also includes the commitment to the society and the community. Chicony Group not only makes donations in the name of the company, but also actively participates in activities to support disadvantaged groups. Therefore, in addition to the various charitable activities promoted by the company, many employees also voluntarily founded "People Caring Club", In addition to the internally initiated social benefit activities, the Group also participates in external charitable activities in the hope of integrating and exerting our resources to give back to the society.

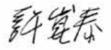
### Safe Work Environment

Chicony Group places great emphasis on employee education and training by providing different training courses corresponding to different operational settings in the Headquarters and the factories and the Headquarters, especially for different work environments. In addition, regular occupational safety workshops and health care services are also organized for different work environments. "Improving the safety and health of work environment, protecting employees and reducing occupational injuries" is always a principle upheld by Chicony Group. Therefore, a "Safety Officer" mechanism has been established in the Headquarters and all factories to carry out regular inspections and step-by-step improve employees' work environment for employees to commit themselves in the workplace with ease. Moreover, the company demands that every part of the production must strictly abide by the safety operating standards, employees' safety awareness must be reinforced, and workplace safety should never be overlooked to ensure every employee's safety and health in the workplace.

As a member of the global village, Chicony Group strives to continue the sustainable business operations by echoing with the standards of United Nations Sustainable Development Goals (SDGs) in relation to employee health and development, sustainable economic growth, green product innovation and response to climate change. The Group sincerely hopes to continue the collaboration with all the stakeholders (including employees, customers, shareholders, suppliers, contractors, communities, social groups, governments, etc.) to move towards the sustainable development of the corporation.



Chairman





General Manager





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# Communication with Stakeholders



## 01

### **Communication with Stakeholders**

### Chicony Group's corporate social responsibility/sustainability commitment and guidelines:

- Oreate company value and enhance the benefits/gains for investors and stakeholders.
- 2 Maintain good corporate governance, strictly abide by standards of ethics and integrity, and comply with laws and regulations.
- 3 Provide employees with a safe and healthy work environment and encourage employees to participate in social benefit activities.
- 4 Strive to promote the concept of corporate social responsibility and seek sustainable development with partner companies and customers.
- 6 Develop energy-efficient products, implement environmental regulations, and reduce environmental impacts.

With a view to implementing sustainable development and facilitating practical CSR operations, Chicony Group has set up the CSR Committee, which has been authorized by the Board of Directors since it was established and is chaired by the company's top management personnel, with the senior managers of each company serving as committee members. Committee meetings are called in an irregular basis to promote various issues of concerns of stakeholders, and to urge the corporation to maintain flexibility in implementing strategies in corporate governance, customer relationships and supplier management, green products, environmental protection, employee care, public benefit and so on. The Group has participated in the Responsible Business Alliance (RBA) and followed its Code of Conduct to establish various regulations and comply with related principles for many years. In addition to the Taipei Headquarters, the Group also sets up SER teams in factories in Mainland China and Thailand (the Thailand Factory was just founded in 2020) to assist in the audits/management and implementation of the Five Major Standards to facilitate the sustainable operation of the corporation.

Moreover, the Group has responded to the responsibility and attention on climate change required for a corporation with solid actions and full participation since 2020. We adopt "Science Based Targets" to set medium- and long-term carbon emission reduction objectives, and make pledges to support the Task Force Climate-Related Financial Disclosures (TCFD) by following its climate-related information to identify the risks and opportunities so as to uphold the initiative of Carbon Disclosures Project (CDP).

### 1-1 Identify Stakeholders and Communication GRI 102-40

Chicony Group has diverse and extensive stakeholders. It is believed that through the communication with stakeholders, understanding and responding to their demands and expectations shall assist the company in reviewing and developing medium-long term strategies, and shall also create corporate value for stakeholders so as to bring about new business opportunities for the company's sustainable operations.

Chicony Group's major stakeholders are identified through internal meetings and by reference to peer companies' experiences. The identified major stakeholders include employees, customers, suppliers, government and competent authorities, investors (shareholders), communities, nonprofit organizations, etc. We continue to interact with different stakeholders through regular and irregular communication channels, and communicate with stakeholders on each issue of concern through the corresponding chapters of this report.



Stakeholder	Communication Channel	Frequency	Issues of Concern	
	Annual shareholders meetings	Once a year		
Investors (Shareholders)	Regularly publish quarterly financial reports/ annual reports in accordance with regulations	Four times a year		
	Respond to the inquiries and needs received via phones or e-mails	Irregular; any time	Corporate Governance     The company's business strategies	
	Disclose important information on the company's external websites	Irregular; any time	and sustainable development  The company's financial status and	
Investors (board of directors)	Board of directors	4 ~ 6 times/year	profitability	
	2 Audit Report	Regular	Technological R&D and Innovation     Information disclosure and transparency	
	3 Annual internal control declaration	Regular	Information disclosure and transparer	
	4 Remuneration Committee	Twice/year		
Competent authority (Financial Supervisory Commission or Taiwan Stock Exchange)	Market Observation Post System     Telephones     E-mail     Official documents     nformation meetings	Irregular	Sustainable development strategies     Risk management     Ethics and Integrity	
Competent authority (Environmental Protection Administration)  Competent authority (Labor inspection agencies)	Competent authority (Environmental Protection Administration)  Policy advocacy meetings Competent authority (Labor inspection		Pollution source management (exhau  1) gas/waste water/waste/greenhouse gremissions)  2) Energy Management  3) Compliance with environmental regulations  1) Occupational safety and health management  2) Occupational accident/work injury  3) Compliance with occupational safety regulations	
Customers	Customer Audits Various business meetings Suppliers Annual/Quarterly Review (QBR/CBR) Technical seminars RBA VAP audits CSR Report	Regular/Irregular	Ethical Management     ESH management     Product quality     Information Security     Customer relationship management	

Stakeholder	Communication Channel	Frequency	lssues of Concern
Suppliers	<ol> <li>Regular meetings with suppliers</li> <li>Regular audits, appraisals and guidance</li> <li>Suppliers' grievance channels</li> <li>Technical seminars</li> <li>Project Horizontal Deployment</li> </ol>	Regular/Irregular	Corporate Governance     Supply chain management     The company's financial status and profitability     Information disclosure and transparence
Neighboring communities	Grievance hotline	Irregular	Community Participation and Feedbace     Legal compliance
Employees	Direct supervisors Dedicated personnel of the Human Resources Department The company's website The company's bulletin board Employee Mailbox Employee Workshops /Regular labor-management workshops Monthly Meeting/Weekly Meeting/Labor Representatives Meeting of each plant area Employees' grievance channels Employees' Welfare Committee Training courses and policy advocacy meetings	Irregular	Labor-management relations and employee care     Occupational safety and health care of employees     Legal compliance     Human Rights     Corporate Image     Employee Career Development     Employee Salary and Benefits
Nonprofit organizations	<ol> <li>CSR websites and reports</li> <li>Participation in community activities</li> <li>Telephone</li> <li>E-mail</li> </ol>	Irregular	Corporate Image Human Rights Employment Climate change strategies and energy management Corporate social responsibility actions

### 1-2 Identification and Management of Material Issues GRI 102-44 GRI 102-47

Chicony Group follows the global standards for sustainability reporting (GRI Standards) issued by the Global Reporting Initiative (GRI) to carry out materiality analysis based on the steps of identification, sequencing, confirmation and reviewing, thereby confirming the scope of report disclosure and the major challenges to sustainable development faced by the company internally and externally so as to comprehensively review the effectiveness of the company's sustainability-related operations.

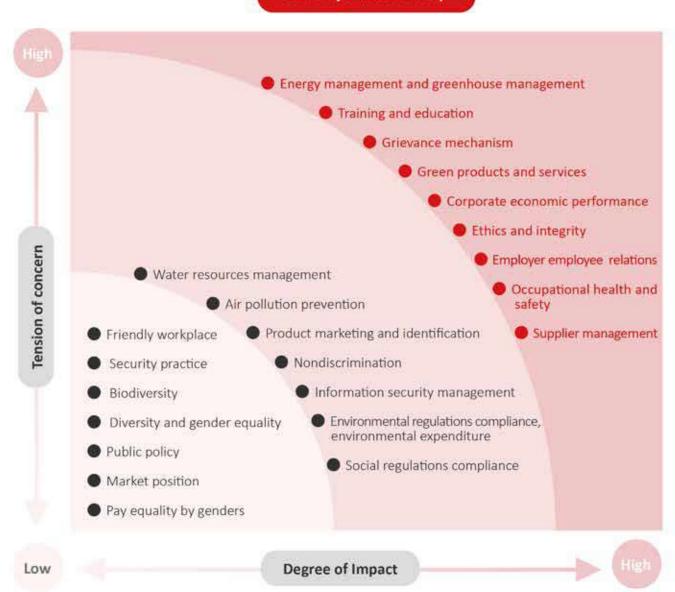
### The four steps to identify material issues are as follows:

### STEP 02 STEP OF The CSR committee The identified material classifies the issues into According to the content issues to GRI Standards of the set issues, each unit dimensions of corporate are targeted, on which the disclosures of Corporate governance, economic conducts a matrix analysis performance, environmental based on the tension of Sustainability Report shall Material issues are concern of each issue protection, employees, be based so as to precisely raised by different human rights, society, respond to stakeholders products and services, and stakeholders and the with management immediate or potential so on, according to the programs for each GRI Standards, and defines impacts on the company. material issue. the content of the issues.

There were 9 material issues identified during 2019-2020. The significance of these 9 material issues to Chicony Group is as follows: GRI 102-46

Dimension	Material Issue	Significance for Chicony Group
	Ethics and Integrity	Incorporate stability, honesty and integrity in business operation, establish a sound corporate governance structure and promote
	Grievance Mechanism	related work to protect the rights and interests of all stakeholders
Corporate Governance	Economic Performance	Maintaining stable financial performance is Chicony Group's commitment to all stakeholders.
Supply Chain Management out sus risks ar quality	View suppliers as important partners for sustainable growth; carry out sustainable supply chain management to reduce operating risks and costs, thereby continuing to provide responsible and quality services to our customers.	
Environmental _	Energy and Greenhouse Gas Management	Chicony Group is committed to developing green energy products, reducing the use of harmful substances and creating lead-free processes/production lines. The
	Green Products and Services	company is also committed to reducing the consumption of energy and resources during business operation to achieve the goal of Saving Energy and Saving Earth,
	Occupational Health and Safety	Maintaining workplace safety and health and creating employee health management programs are the first-line guarantee of Chicony Group for employees.
Social	Training and Education	With the aim of achieving the ultimate goal that promotes employees' long-term development, the company cultivates employees' talents from the very beginning through complete support mechanisms and cultivation plans to accelerate the growth of employees' abilities and the expansion of their vision.
Social	Employment	Employees are Chicony Group's most important partners we attach great importance to the work environment, development and care of employees. Chicony establishes diversified internal communication channels and continues to promote various projects that improve employee relations in the hope of creating a good work environment for staff.

### **CSR Major Issues Survey**



18

Scope of Material Issue Impact GRI 102-46

<ul> <li>Direct Impact (i) Induced Impact (i) Busin</li> </ul>	0	Direct	mpact	0	Induced	Impact	O Busine	55
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sion	Material Corresponding GRI Standards				Degree of involvement and scope of impact					
Dimen			Corresponding Chapters	Investor	Competent Authority	Customer	Supplier	Non-profit organization	Neighboring Community	Employee
	Ethics and Integrity	GRI 102-11	2-5 Ethical Management, Complaint/Whistleblowing	•	0	•	•	0		•
9	Grievance Mechanism	GRI 102-11	Management System and Legal Compliance	•	0	•	•	0		•
ernand	Economic Performance	GRI 201-1	2-4 Operational Performance	•	0	•	0			•
Corporate Governance	Supply Chain Management	GRI 102-9 GRI 102-10 GRI 204-1 GRI 308-1 GRI 414-1	<b>3-2</b> Supply Chain Management	•		•	•			0
Environmental	Climate change strategies and energy management	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	<b>4-1-2</b> Greenhouse Gas Management	•	•	•	0	0	0	•
Enviro	Green Products and Services	GRI 102-11	<b>3-1</b> Green Product Design	0	0	•	0			•
Social	Occupational Health and Safety	GRI 403-1- GRI 403-10	6-1 Occupational Safety and Health Management System 6-2 Hazard Identification & Risk Assessment 6-3 Educational Training on Occupational Safety and Health 6-4 Reduction of ESH Impacts on Internal Operations 5-4 Employee Communication and Care 5-5 Comprehensive Employee Health Management	0	•	•	0	0		•
	Training and Education	GRI 404-1 GRI 404-3	5-3 Talent Development and Educational Training 5-3-2 Performance Appraisal System	0	0	0				•
	Employment	GRI 405-1	5-1-1 Structure and Distribution of Employee Diversity	•		0			0	•



### **1-3** Responses to the United Nations Sustainable Development (SDGs)

	SDGs	Chicony Group approaches in response to SDGs	Corresponding Chapters
3 GOOD HEALTH AND WILL BEING	Ensure people's health and promote the well-being of all ages	<ol> <li>Regular health checks</li> <li>Organize health lectures</li> <li>On-site doctor services</li> </ol>	<b>5-5</b> Comprehensive Employee Health Management
4 QUALITY ESUCATION	Ensure non- discriminatory, fair and high-quality education, and promote lifelong learning	Ensure that all levels of staff can receive relevant training     Provide placement opportunities to facilitate industry-academia collaboration	5-3 Talent Development and Educational Training
8 DEDENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth to achieve comprehensive and productive employment and to help people have a good job.	Set up Occupational Safety and Health Committee to create a safe and healthy work environment      Ensure the compliance with Child Labor Prohibition Policy and regulations related to labor, health & safety, environment, corporate ethics, and so on.	5 · Employee Care and Community Participation 6 · Safe Work Environment

	SDGs	Chicony Group approaches in response to SDGs	Corresponding Chapters
11 SECUMENTES  ABOCOMMUNICES	Promote the inclusiveness, safety, resilience and sustainability of cities and human settlements	<ul><li>1 Employee Housing</li><li>2 Chicony Green Building</li></ul>	<b>5-2-2</b> Employee Benefits
12 ELPONSIBLE CONCLINENT AND PRODUCTION	Ensure a sustainable consumption and production model	<ol> <li>Support the concept of resource recycling and actively use "Post-Consumer Recycled Plastics (PCR)" in products</li> <li>Be committed to introducing green thinking to all stages; the finished products should comply with the environmental laws and regulations of various countries such as RoHS and the use of "Halogen Free materials" or be certified by a third-party impartial organization to fulfill corporate social responsibility and achieve the goal of sustainable operation and environmental sustainability</li> </ol>	<b>3-1</b> Green Product Design
13 CEPMANE ACTION	Adopt emergency measures to respond to climate change and its impacts	1 Introduce TCFD, conduct regular inventory and disclosure of climate change risk and opportunity management, and build a comprehensive climate risk management and communication mechanism	<b>4-1</b> Climate Change and Greenhouse Gas Management

# Corporate Governance







### Theme of this chapter

Ethics and Integrity, Grievance Mechanism and Economic Performance

### **Responsible units**

Finance Management Department/Finance Center, Office of Investor Relations, Auditing Office, Administration Management Division/Office of Administration Management

### Management Mechanism

Chicony Group has set up a CSR Committee and a Corporate Sustainability Working Group to promote various issues that stakeholders are concerned about, which include six major aspects: corporate governance, customer relationships and supplier management, green products, environmental protection, employee care and public benefit.

### Corporate Governance Performance

- 1 The company has been included as a constituent in "FTSE TWSE Taiwan Mid-Cap 100 index" and "Taiwan Sustainability Value Index". In addition, it has also been ranked in Taiwan's top 50 manufacturers for three consecutive years by CommonWealth Magazine Survey-Taiwan Top 100-Industry-Manufacturing.
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- 6 Chicony Power the result of the 6th Corporate Governance Evaluation in 2019 was TOP 6%-20%.
- 6 No illegal act or corruption incident that violates the principle of integrity occurred in 2020.

### Future Strategic Objectives

- 1 Keep recruiting talented personnel and reinforce competencies of marketing, R&D, production and global logistics to maintain the company's overall competitiveness.
- 2 Actively develop the business of non-traditional PC products such as gaming, server, video game console, AI technologies, Smart Home, IoT, etc.
- 3 Expand the existing global marketing bases in the U.S. and Japan.
- The market shares of NB-related products, including keyboards, camera modules and power supply units, are expected to keep breaking records of previous years and maintain their leading positions in the global market.

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### 2-1Chicony Group Profile GRI 102-1, GRI 102-2 and GRI 102-3

Chicony Group is a global enterprise with around 27,000 employees at the end of 2020. It has factories located in DongGuan (Maninland China), SuZhou (Maninland China), ChongQing (Maninland China) and Czech as well as branches in the U.S. and Japan. Its investee businesses include Chicony Power Technology Co., Ltd. and XAVi Technologies Co., Ltd., with which the Chicony Group was formed, creating an annual turnover of more than NT\$90 billion.

Group's Basic Information						
Name of Company	Chicony Electronics Chicony Power XAVi Technology Co., Ltd. Co., Ltd.					
Date of establishment	February 1983	October 1997				
Location of headquarters	No.69, Sec. 2, Guangfu Rd., Sanchong District, New Taipei City, Taiwan (Chicony Smart & Green Building)					
Group's consolidated revenue in 2019	NT\$92,552,325 thousand					
Group's consolidated revenue in 2020	NT\$95,082,227 thousand					
Total number of employees in 2019	18,051 (Statistics as of 2019.12.31)	7,500 (Statistics as of 2019.12.31)	458 (Statistics as of 2019.12.31)			
Total number of employees in 2020	17,056 (Statistics as of 2020.12.31)	8,925 (Statistics as of 2020.12.31)	535 (Statistics as of 2020.12.31 including data of the Thailand Factory)			

### Major Products

### Chicony Electronics Co., Ltd.

Main items: Electronic parts & components, consumer and other electronics and others; Four major product lines:

- Input device products
- Mobile keyboard modules
- 3 Video/image products
- Camera modules



Chicony Electronics is engaged in the manufacturing of computer peripheral products and consumer video/image products. The four major product lines are input device products, mobile keyboard modules, video/image products and camera modules, among which the production of keyboards, webcams and NB camera modules has made the company a leading manufacturer in the world. Sports DV and external tablet/NB keyboards are also very promising. The company plays a role of mid-market company of the computer and peripheral equipment industry chain. The upstream portion of the chain is the parts/components suppliers, while the downstream portion is the suppliers of computer terminal application products and other computer peripheral equipment.

### Chicony Power Technology Co., Ltd.

The major products are

- Power supply units
- LED applications
- 3 The company started investing in the new industrial field of Smart Building in 2016.



The major products are power supply units and LED applications, and started investing in the new industrial field of Smart Building from 2016. Chicony Power is one of the world's leading power supply brands, which provides one stop total solutions in notebook, desk-top, gaming, servers, cloud applications, smart home applications and consumer products.

### XAVi Technologies Co., Ltd.

The company is engaged in the R&D, manufacturing and sale of digital communication equipment, including leading and professional products of high-speed digital optical fiber, Digital Subscriber Line (DSL)/Customer Premise Equipment (CPE) & Residential Gateway and IP Set-Top Box products. The major products are

- 1 Broadband Residential Gateway
- FTTx (Fiber To The X)
- 3 Home Networking
- 4 IP Set-Top Box



XAVI Technologies Corporation is a professional and leading supplier of high-speed optical fiber, Digital Subscriber Line (DSL)/Customer Premise Equipment (CPE), Residential Gateway and IP Set-Top Box. The company was established in Sanchong City of Taipei County in 1997, of which a R&D center was also set up in Hsinchu City in 1998. The company's manufacturing plants are located in Suzhou (China) and Thailand, and an overseas office has been set in San José in the United States.

XAVi Technologies is committed to the development, production and marketing of products for broadband access, IP video, wireless connection/communication and Internet of Things for various customers including telecom companies, enterprises, small businesses, SOHO, homes and general home-based Internet users, etc. With the untiring efforts of the company's outstanding engineers, XAVi Technologies has become one of the world's successful network and telecommunications equipment suppliers. Its technologies and products cover 10G PON, GPON, 10G Ethernet, G.fast, WiFi6/6E, IP & OTT STB, IP-CAM, Tracker, LoRA Gateway and other IoT products, with which the company can provide end customers with high-speed networks and integrated solutions for networked multimedia systems. In order to continuously provide users with state-of-the-art functions in high-speed network products, the company has invested a lot of resources in strengthening the R&D department, hoping to create a win-win situation with strategic suppliers and customers.

The ultimate goal we hope to achieve is to satisfy the needs of all customers and to meet the highest quality requirements. Through the strategic alliance with the world's leading chip suppliers, the company provides high-speed network product designs and manufacturing services (EMS / OEM / ODM) for telecom companies and network service providers all over the world including Europe, North America, China, CALA, Australia and Japan. "Zero Defect" has been a decades-long tradition of XAVI Technologies in quality management. We spare no effort in every part of the product cycle starting from design, manufacturing, delivery to after-sales services based on the belief that prevention is better than cure.

### 2-2 Chicony Group's Global Market Operations GRI 102-4



Chicony Electronics and Chicony Power have become global businesses after three-decade efforts and have set production bases in DongGuan, SuZhou and ChongQing in Maninland China and Czech in Europe as well as branches in the U.S. and Japan. In response to the rapid changes of global economy and industrial development, the expansion plan for the Thailand Factory has been reactivated for the company to actively facilitate the business layout in Southeast Asia. The production was started in 2020.

### 2-3 Chicony Group's Organizational Structure and Operation of Board of Directors GRI 102-5 and GRI 102-18

Except "Board of Directors", Chicony Group has set up "Remuneration Committee" \ "Audit Committee" and "CSR Committee", in which directors and committee members are regularly selected in accordance with related guidelines to make the best decisions for Chicony Electronics' sustainable development.

### Board of Directors

Chicony Group, in accordance with 《Corporate Governance Code》 and by considering members' gender, age, nationality and cultural background, etc., appoints professionals with rich operational or academic experiences in various industries to be members of the Board. Six and four meetings were called by the Board in 2019 and 2020 respectively to review and supervise the company's critical decisions regarding economic, social and environmental issues to maximize benefit for shareholders. If the meeting items involve stakeholder issues related to certain directors or the corporations such directors represent, the critical content of the stakeholder issues should be explained in that board meeting. If there is a concern that the company's interest may be affected, the directors should not join discussion and voting, and should avoid being present during the discussion and voting, nor should they vote on behalf of other directors.

Position Title	Name	Gender	Education	Main Experiences		
Chairman	Hsu, Kun-Tai	Male	Graduated from National Taipei Institute of Technology, Honorary Doctorate of National Taipei University of Technology	Chairman of Chicony Electronics Co., Ltd., Clevo Co., Buynow Group, ChicoBuy Group and Hongwell Group		
President	Lu, Chin-Chung	Male	Graduated from Department of Business Administration & Graduate School of Business Administration, National Chengchi University	President of Chicony Electronics Co., Ltd., Chairman (Legal Representative) of Chicony Power Technology Co., Ltd., XAVI Technologies Co., Ltd. and Unikey Electronics Co., Ltd.		
	Hsu, Kun-Tai	Male	Same as above			
Director	Lu, Chin-Chung	Male	same as above			
	Tsai, Ming-Hsien	Male	Graduated from National Taipei Institute of Technology,	Executives Program, Graduate School of Business Administration, National		
			Executives Program, Graduate School of Business Administration, National Chengchi University	Chengchi University, Vice chairman and President of Clevo Co. and President of Buynow Group		
	Li, Cih-Jing	Female	Graduated from National Taipei University of Business	Senior accountant of Beitou Huanan Hotel and Accounting Director of Taipei City Mingcheng Hotel		
	Liu, Chia-Sheng	Male	Graduated from National Taipei Institute of Technology	Director of Kuofong Motors		
Independent director	Lee, Yen Sung	Male	Graduated from Graduate School of Accounting, Soochow University	Vice Director of CPA Associations R.O.C., Lecturer of accounting, National Taiwan University & Soochow University, Vice Director of PwC Accounting Firm and Director of Taiwan Accounting Association		
	Lin, Ming-Jie	Male	Doctor of Business Administration, National Chengchi University, Postdoctoral Research, Scholar of Fulbright program, Harvard University Visiting	Researcher of Japan Yoshida Hideo Memorial Foundation, Member of Industry Consultancy Committee, Ministry of Economy Affairs, Consultant of Taiyen Biotech Co., Ltd. and Director of Taipower Company		
	Variot.		Graduated from Department of Electrical Engineering, National Tsing Hua University			
	Chu, Jia- Siang		Graduated from Graduate School of Business Administration, National Cheng Kung University	Manager of Hewlett Packard Enterprise Grou		

Note: There was one female director in the board; the number of directors aged 30~35 years old was zero, and the number of directors aged 50 and over was 8; the total number of directors was 8.

### **Board of Directors**

Company	Position Title	Name	
	Chairman	Hsu, Kun-Tai	
and the same than the	President	Lu, Chin-Chung	
Chicony Electronics Co., Ltd.	Director	Hsu, Kun-Tai; Lu, Chin-Chung; Tsai, Ming-Hsien; Li, Cih-Jing; and Liu, Chia-Sheng	
	Independent director	Lee, Yen Sung; Lin, Ming-Jie and Chu, Jia-Siang	

The Chairman does not concurrently hold any position in the company's senior management. The board of directors consists of 8 directors, including 5 directors and 3 independent directors serving a term of 3 years. Directors are elected and appointed by shareholders from/among the Director Candidate List in shareholder meetings based on the candidate nomination system in accordance with Article 192-1 of the Company Act. The percentage of independent directors was about 37.5%; the percentage of directors with a status of employment was about 25%; and the percentage of female directors was 12.5%.

	Chairman	Lu, Chin-Chung
Chicony Power	President	Tseng, Kuo_Hua
Technology Co., Ltd.	Director	Tseng, Kuo_Hua; Huang, Chung-Ming; and Li, Cih- Jing
	Independent director	Fu, Yow-Shiuan; Tsai, Duh-Kung; and Chiu, Te-Chen

The Chairman does not concurrently hold any position in the company's senior management. The board of directors consists of 7 directors, including 4 directors and 3 independent directors serving a term of 3 years. Directors are elected and appointed by shareholders from/among the Director Candidate List in shareholder meetings based on the candidate nomination system in accordance with Article 192-1 of the Company Act. The percentage of independent directors was about 42%; the percentage of directors with a status of employment was about 28%; and the percentage of female directors was 14%.

	Chairman	Lu, Chin-Chung
	President	Chen, Qiu-Long
XAVi Technologies Co., Ltd.	Director	Lu, Chin-Chung; Hsu, Kun-Tai; Chen, Qiu-Long; Huang, Qian-Yu; Zhou, Yong-Chang; Li, Hui-Qin; and Xu, Zhen-Yao
	Supervisor	Cai, Mei-Yi; Lin, Yu-Ling; and Li, Cih- Jing

The Chairman does not concurrently hold any position in the company's senior management. The board of directors consists of 7 directors serving a term of 3 years (Directors are elected and appointed by shareholders from/among the Director Candidate List in shareholder meetings based on the candidate nomination system in accordance with Article 192-1 of the Company Act). The percentage of directors with a status of employment was about 29%; and the percentage of female directors was 0%.

Six board meetings were called in 2019. The attendance/guest attendance status of directors and supervisors is listed in the table below:

Position Title	Name	Actual attendance (or guest attendance) (B)	Proxy attendance (or guest attendance)	Supposed attendance (or guest attendance) (A)	Actual attendance (or guest attendance) Rate (B/A)	Remark
Chairman (in person)	Hsu, Kun-Tai	6	.0	6	100%	Re-appointed on 2019.6.5
Director (in person)	Lu, Chin-Chung	6	0	6	100%	Re-appointed on 2019.6.5
Director (in person)	Wei, Chuan-Pin	2	0	2	100%	Stepped down on 2019.6.5
Director (in person)	Tsai, Ming-Hsien	4	0	6	67%	Re-appointed on 2019.6.5
Director (in person)	Liu, Chia-Sheng	2	0	2	100%	Re-elected as legal representative of Dong Ling Investment Co., Ltd. on 2019/6/5
Legal representative of director	Liu, Chia-Sheng	4	0	4	100%	Newly-appointed on 2019.6.5
Director (in person)	Li, Cih- Jing	4	0	4	100%	Newly-appointed on 2019.6.5
Independent director (in person)	Lee, Yen Sung	6	0	6	100%	Re-appointed on 2019.6.5
Independent director (in person)	Lin, Ming-Jie	6	0	6	100%	Re-appointed on 2019.6.5
Independent director (in person)	Chu, Jia-Siang	4	0	4	100%	Newly-appointed on 2019.6.5
Supervisor (in person)	Huang, Chin-Hsuan	2	0	2	100%	Stepped down on 2019.6.5
Legal representative of supervisor	Chang, Su-Tien	1	0	2	50%	Stepped down on 2019.6.5
Supervisor (in person)	Huang, Chen-Chih	2	0	2	100%	Stepped down on 2019.6.5

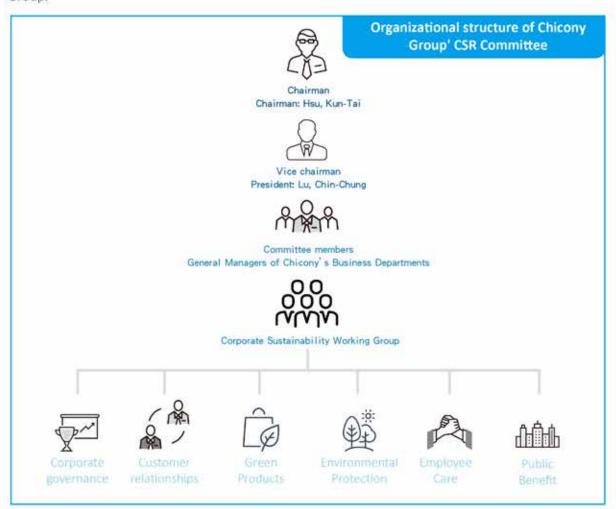
Four board meetings were called in 2020. The attendance/guest attendance status of directors and supervisors is listed in the table below:

Position Title	Name	Actual attendance (or guest attendance) (B)	Proxy attendance (or guest attendance)	Supposed attendance (or guest attendance) (A)	Actual attendance (or guest attendance) Rate(B/A)	Remark
Chairman (in person)	Hsu, Kun-Tai	4	0	4	100%	Re- appointed
Director (in person)	Lu, Chin-Chung	4	0	4	100%	Re- appointed
Director (in person)	Tsai, Ming-Hsien	4	0	4	100%	Re- appointed
Legal representative of director	Liu, Chia-Sheng	4	0	4	100%	Re- appointed
Director (in person)	Li, Cih- Jing	4	0	4	100%	Re- appointed
Independent director (in person)	Lee, Yen Sung	4	0	4	100%	Re- appointed
Independent director (in person)	Lin, Ming-Jie	4	0	4	100%	Re- appointed
Independent director (in person)	Chu, Jia-Siang	4	0	4	100%	Re- appointed



### CSR Committee

Chicony Group sets up a CSR Committee, which is chaired by the company's Chairman, with the top manager of the corporate group (the President) serving as the vice-chairman and the company's top managers serving as committee members. A Corporate Sustainability Working Group is also set to promote various issues that stakeholders are concerned about, which include six major aspects: corporate governance, customer relationships and supplier management, green products, environmental protection, employee care and public benefit. The factories in Mainland China also set up SER teams to assist in the audit of management/implementation of the Five Major Standards to facilitate the sustainable operation of the company. International regulations are reviewed annually to ensure Chicony Group's compliance with international standards, and communications with stakeholders are conducted on an irregular basis to take notice of the issues that stakeholders are concerned about. The TCFD was introduced in 2020, based on which regular inventories and disclosures of climate change risk and opportunity management are carried out and a comprehensive climate risk management and communication mechanism is established. Issues of climate change adaptation/management and renewable energy management have been added to the tasks undertaken by the Environmental Protection Working Group.



### ■ Membership of Associations GRI 102-12 and GRI 102-13

With the aggravating environmental impacts caused by global climate changes, more and more standards have been formulated around the globe to regulate the impacts that corporations create on the environment, which also makes the issues that stakeholders are concerned about keep changing with time. In response to such situation, Chicony Group has been reviewing relevant standards applicable in global markets and the issues that stakeholders are concerned about in recent years to re-assess the company's internal sustainable operations strategies. In the meanwhile, we also pay attention to the regulations related to the organization and strive to maintain good relationships with customers, suppliers and peer companies. Moreover, professional advisors and some nonprofit organizations are also appointed to offer advice to the company for the ongoing achievements of the company's sustainable development goals. The organizations which Chicony Group had joined and the standards implemented during 2019-2020 are as follows:

Title of Initiative	Organizations Joined in 2020	Degrees of participation
	Taiwan Electrical and Electronic Manufacturers' Association	Member
Responsible Business	R.O.C. CIO-Chief Information Officer Association	Member
Alliance (RBA)	Taipei Computer Association	Member
Carbon Disclosure	New Taipei City Nurses' Association	Member
Project (CDP)	R.O.C. Occupational Safety And Health Association	Member
	Taipei Bar Association	Member

### 2-4 Operational Performance GRI 102-45 and GRI 201-1

The outbreak of COVID-19 pandemic in 2020 was indeed a significant crisis for the global economy. However, the crisis can still become a turning point for those who can grasp opportunities. From macroeconomic perspective, this pandemic has obviously contributed to the rapid transfer of resources and business opportunities between industries.

In 2020, with the loosening monetary policies adopted by major central banks in the world and the fiscal stimulus policies of some countries in response to the economic downturn, the momentum of the global economic growth will be slowing down. In addition, the impacts of uncertainties arising from the COVID-19 pandemic, trade protectionism and geopolitical conflicts, etc. also contribute risks to global economic fluctuations. Fortunately, the global electronic parts/components industry still demonstrates a positive development trend in sections closely related to big data such as 5G mobile communication technology & cloud applications, industrial automation, AI (artificial intelligence), Smart Home, electric vehicles and blockchain, etc., indicating that the integration of network, software, hardware and data will be an inevitable trend in the future. Moreover, the expansion and upgrade of emerging applications also promote the vigorous development of key electronic parts/components. As the internet technology drives the remote business opportunities after the pandemic outbreak, Chicony Group's revenue reached a record high in 2020 due to the high growth of NB market.



Chicony Electronics Co., Ltd. (This is also the consolidated financial statement of Chicony Group)

ltem Year	2019	2020	
Operating Revenue	92,552,325	95,082,227	
Operating Cost	76,270,837	77,306,598	
Gross Profit	16,281,488	17,775,629	
Operating Expenses	10,012,023	10,112,929	
Operating Profit	6,269,465	7,662,700	
Non-operating Revenue and Expenditure	1,919,271	555,490	
R&D Expense	3,369,287	3,515,726	
Profit before tax	8,188,736	8,218,190	
Income Tax Expense	1,385,984	1,650,419	
Net Income	6,802,752	6,567,771	
Earnings per share (NT\$ Dollars)	8.45	7.80	

Unit: NT\$ (in thousand)

### **Proportions of Major Products in Operating Revenue**

Revenue and	2019		2020		
Item	Operating Revenue	Proportion in operating revenue (%)	Operating Revenue	Proportion in operating revenue (%)	
Electronic parts & components	46,307,795	50.03%	53,329,615	56.09%	
Consumer and other electronics	46,015,236	49.72%	41,214,646	43.35%	
Others	229,294	0.25%	537,966	0.56%	
Total	92,552,325	100%	95,082,227	100%	

Unit: NT\$ (in thousand)

Scope and Boundaries						
Name of the invested company	Name of Subsidiary	Nature of business				
	Chicony Overseas Inc. (COI)	Distribution of computer peripheral parts/components and relevant reinvestment management				
	Unikey Electronics Co., Ltd. (Unikey Corporation)	Production and sale of computer peripheral parts/compone				
Chicony	Hipro Overseas(BVI) Inc.(HOI)	Distribution of power supply units and related electronic products and relevant reinvestment management				
Electronics	Hipro Electronics Co., Ltd. (Hipro Corporation)	Imports and exports of power supply units and related electronic produ				
Co., Ltd.	XAVI Technologies Co., Ltd. (XAVI Technologies Corporation)	R&D, manufacturing and sale of digital communication equipme				
	Chicony Elec.(Thailand) Co.,Ltd.(CET)	Production and sale of computer peripheral products				
	Chicony Global Inc.(CGI)	Sale of computer peripheral products				
	Chicony Power Technology Co., Ltd. (Chicony Power)	R&D, manufacturing and trade of switching power supply units, other electronic parts/components/equipment and lighting devices as well as the business of intelligent building system				

Note: Please refer to the company's annual report for more information.





### Chicony Power Technology Co., Ltd.

Year	2019	2020
Operating Revenue	34,415,370	34,863,027
Operating Cost	28,780,982	28,443,674
Gross Profit	5,634,388	6,419,353
Operating Expenses	3,434,219	3,593,434
Operating Profit	2,200,169	2,825,919
n-operating Revenue and Expenditure	19,638	-104,462
R&D Expense	1,649,361	1,964,482
Profit before tax	2,219,807	2,721,457
Income Tax Expense	501,917	594,237
Net Income	1,717,890	2,127,220
arnings per share (NT\$ Dollars)	4.51	5.52

Unit: NT\$ (in thousand)

Revenue and proportion	2	019	2020		
Item	Operating Revenue	Proportion in operating revenue (%)	Operating Revenue	Proportion in operating revenue (%	
Electronic parts & components	25,538,856	74.21%	27,708,029	79.48%	
Consumer electronics and other electronics	8,666,264	25.18%	6,700,552	19.22%	
Others	210,250	0.61%	454,446	1.3%	
Total	34,415,370	100%	34,863,027	100%	

Unit: NT\$ (in thousand)



#### XAVi Technologies Co., Ltd.

Taiwan's communications industry has demonstrated brilliant performance in recent years due to the growth of high-end WLAN router market driven by the rapid growth of video streaming data usage as well as the demand for wireless communication modules boosted by IoT applications. In addition, the development of the emerging virtualized network architecture has also accelerated the sale of high-performance switches used in data centers, which has increased the OEM orders and contributed to the continuous growth of XAVi Technologies' business performance.

Year Item	2019	2020
Operating Revenue	2,311,063	2,823,474
Operating Cost	2,011,368	2,384,791
Gross Profit	299,695	438,683
Operating Expenses	238,699	314,125
Operating Profit	60,996	124,558
Non-operating Revenue and Expenditure	121,237	43,431
R&D Expense	124,552	131,677
Profit before tax	182,233	167,989
Income Tax Expense	2,633	18,251
Net Income	179,600	149,738
Earnings per share (NT\$ Dollars)	1.81	1.57

Unit: NT\$ (in thousand)

#### **Proportions of Major Products in Operating Revenue**

Revenue and	2	019	2020		
proportion	Operating Revenue	Proportion in operating revenue (%)	Operating Revenue	Proportion in operating revenue (%)	
Digital audio/video products	1,128,893	48.85	1,061,397	37.59	
Broadband communication products	949,497	41.08	862,291	30.54	
Wireless products	92,910	4.02	200,882	7.12	
Al and IoT Products	77,178	3.34	625,772	22.16	
Others	62,585	2.71	73,132	2.59	
Total	2,311,063	100.00	2,823,474	100.00	

Unit: NT\$ (in thousand)

# 2-5 Ethical Management, Grievance Management System and Legal Compliance GRI 102-16

#### 2-5-1 Conduct ethical management advocacy meetings

"Quality is the priority & Customers come first" is always a goal that Chicony Group strives to attain. Chicony Electronics not only publishes internal control declaration to earnestly demand the management of operations and qualities but also conducts ethical management advocacy meetings for external vendors and regularly demands suppliers of their conformity with the company's requirements, by which the ultimate goal of customers' full satisfaction shall be achieved.

The number of participants in the ethical management advocacy meetings held by Chicony Electronics in all factories in 2019 reached 1,759, and the number of participants in 2020 was 1,488. Since the Thailand Factory was just founded in 2020, its supply chain network is still being established and it needs to rely on overseas supply chains (existing supply chains) to provide most of the raw materials. Therefore, educational training related to external vendors has not been carried out. Moreover, being affected by the pandemic, most of its internal training for employees is implemented by combined courses with other training programs.

In order to carry out ethical management and to prevent the occurrence of conflicts of interest between employees and employees' interested parties, Chicony Power established a management mechanism and formulated the "Management Measures for Anti-collusion and Conflicts of Interest" for the prevention of conflicts of interest in the Head Office and all factories in 2020. In order to prevent collusion, all employees of indirect labor (IDL) category are required to sign the "Letter of Undertaking of Integrity", promising to be conscientious and responsible for their jobs, and not to receive any benefit for the purpose of obtaining transactions, signing contracts, promotion opportunities, salary increase, training opportunities or other improper advantages. Four sessions of "Information Workshop on Ethical Management and Insider Trading" were organized in 2020, and the number of participants reached 653.

## 2-5-2 Grievance Management System and Its Channels

Chicony Group sets up channels for whistleblowing and complaints with the aim of reinforcing the company's ethical management and establishing a complete internal/external communication platform through such management system. In order to timely grasp and respond to employees' suggestions, whistleblowing and complaints, and to facilitate a two-way communication between managers and employees as well as strengthen the promotion of various labor issues and messages related to integrity and ethics, diverse communication channels have been provided, which include:

- "CEO's Mailbox": The Auditing Office takes the responsibility for investigation and review.
- 2 "Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties":Office of Human Resource/Office of Administrative Management takes the main responsibility for reviewing and handling. These procedures are formulated to facilitate the communication and information propagation between team leaders and employees to avoid workplace violence. No such incidents/cases occurred in 2019 and 2020.
- "Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment": Office of Human Resource/Office of Administrative Management takes the main responsibility for receiving the submission of grievance, investigation and review. Strengthen the establishment of a gender-friendly work environment and strictly prohibit any form of sexual harassment; and formulate these management directions to create a friendly work environment for employees to work at ease. Moreover, according to these management directions, information about the complainants is strictly protected to ensure the rights and interests of the staff who raise a grievance or make a complaint. No grievances/complaints of sexual harassment were received in 2019 and 2020.



4 "Annual Employee Workshop": All employees have a two-way conversation with top level managers, which is mainly organized by administrative departments and jointly implemented by all related units. Employees can freely ask questions and put forward opinions on various issues such as employee group meals, shuttle buses for commuters, new preferential programs offered by Employees' Welfare Committee, open hours of the Health Center and charging stations in parking lots, etc., by which a LOHAS work environment shall be created and improved.

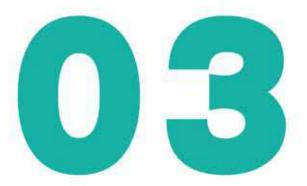
	Chicony Electronics		Chicony	Power	XAVi Technologies		
	Number of sessions	Number of participants	Number of sessions	Number of participants	Number of sessions	Number of participants	
2019	5	727	4	612	1	117	
2020	5	773	4	653	1	130	

Relevant dedicated investigation units and standard operating procedures are all defined in the formulated management directions and procedures to ensure the confidentiality of the whistle-blower's or direct complainant's identity and the content of whistle-blowing and investigation-related data. In order to protect well-intentioned reporting actions and whistle-blowers from being attacked or retaliated on account of the whistleblowing or grievances, the company follows various management procedures and directions to truly abide by the principles related to the protection of whistle-blowers and the confidentiality of investigation content. The internal and external whistleblowing and grievances/complaints out of good intentions are encouraged as long as the content of the whistleblowing is verified to be true according to the formulated procedures and directions for the implementation of policies for ethical management.

## 2-5-3 Legal/Regulatory Compliance

A company's strict compliance with laws and regulations in its operations is a manifestation of its social responsibility practice and also a key to its sustainable operation. Since Chicony Group's products and services exist in various markets around the globe, with a view to ensuring the compliance with regulations applicable in the global market, Chicony Group has set up legal affairs units to pay close attention to any regulatory formulation and development which may influence the company. Besides, a conformity assessment system has also been established to assist all units in implementing various laws and regulations. Moreover, the "ESH Regulations Identification & Management Procedures" have been formulated in accordance with ISO 14001 and ISO 45001 systems to identify and manage regulations relating to aspects of environmental protection and OSH for the company to implement regulatory monitoring. Furthermore, in order to fulfill the principle and objective of balanced reporting and information transparency, any administrative legal cases which bring sanction/fines or severely damage the company's operation shall be disclosed in CSR Report.

Documents regarding legal signing and conclusion of the agreements with customers or suppliers are all reviewed and confirmed by legal affairs departments to minimize possible risks and attain a win-win outcome for the company and the customers. We also ensure that all operational activities should comply with relevant local and foreign laws and regulations, on which the company's capabilities of continual operation shall be based.



Green Product Design and Sustainable Value Chain



# 03

# Green Product Design and Sustainable Value Chain

#### Theme of this chapter

Green Products and Services, Supplier Management

#### Responsible units

Business Department and Central Purchasing Center

#### Management Mechanism

- 1 Be committed to introducing green thinking to all stages; the finished products should comply with the environmental laws and regulations of various countries such as RoHS and the use of "Halogen Free materials" or be certified by a third-party impartial organization to fulfill corporate social responsibility and achieve the goal of sustainable operation and environmental sustainability.
- 2 Formulated "Patent Management and Incentive Regulations" to motivate employees' creativity and enhance innovation in skills and techniques and transfer them into patent applications.
- 3 According to the "Supplier Management Procedures" and IECQ QC 080000:2017 standards, all major raw material suppliers need to be reviewed, assessed and audited to control their risks and ensure their sustainable management. By reviewing, assessing and auditing suppliers' environmental/labor/human rights/social performances, appropriate suppliers can be selected and the responsibility of a prudent administrator can be fulfilled.

#### Sustainable Supply Chain Performance

- Input device products and mobile keyboard modules have started increasing the use of recycled plastics (10%~30%) in production.
- 2 Increase the use of Post-Consumer Recycled Plastic for the production of plastic shells of power adapters year by year. Currently the percentage is about 10%.

Utilization of Post-Consumer	Percentage	Percentage	Percentage
	in 2018	in 2019	in 2020
Recycled (PCR) Plastic	<1%	8.8%	9.6%

- 3 100% of new or existing suppliers have all signed "Commitment Statement on RBA Code of Conduct", "Letter of Undertaking of Integrity for Suppliers" and "Declaration of Conflict-free Minerals."
- 4 The IECQ QC 080000:2017 Hazardous Substance Process Management System has been introduced and approved in some factories.

## Future Strategic Objectives

- Chicony Group supports the concept of resource recycling and actively uses "Post-Consumer Recycled Plastics (PCR)" in products; the use of recycled plastics in products shall be continuously increased in the future.
- 2 Create complete local supply chain strategies to attain a win-win outcome.



#### 3-1 Green Product Design

#### 3-1-1 Green Product Design GRI 102-11

By following Chicony Group's corporate social responsibility/sustainability commitment and guidelines, the Group "develops energy-efficient products, carries out environmental regulations and reduces environmental impacts", and upholds UN's Sustainable Development Goals (SDG 12) by introducing green thinking to all stages to ensure that all finished products comply with the environmental laws and regulations of related countries.

Chicony Group supports the concept of resource recycling and actively uses "Post-Consumer Recycled Plastics (PCR)" in products, which not only facilitates the utilization of recycled plastics in production but also reduces impacts on the environment through the reduction of plastic waste in landfills. Currently, two of Chicony Electronics' four major product lines—input device products and mobile keyboard modules have started increasing the use of recycled plastics in production.

Chicony Power has formulated "Substance Standards for Environmental Management" as a guideline for the control and management of hazardous substances conducted by suppliers and the company's internal procurement, quality control and R&D teams. These standards specify the substances that should be managed for Chicony Power's environment (including prohibited substances, restricted substances, self-managed substances and items other than applicable targets) to prevent parts materials, components, modules, secondary materials and packaging materials containing hazardous substances from being mixed into Chicony Power's products, thereby achieving the purposes of complying with domestic/foreign laws & regulations and customers' specifications, protecting the global environment and reducing impacts on the ecosystem.

In recent years, energy efficiency, carbon reduction and green energy have become the focuses of the requirements for many industries. In terms of all types of power products, relevant international organizations have defined the efficiency standards for future requirements, for example, the 80 Plus computer power supplies efficiency standards, particularly the Titanium standard at 10%, 20%, 50%, and 100%, which shall be 90%, 94%, 96% and 94% energy efficient respectively. Under this trend, higher efficiency shall be a key focus for the R&D of power products. Aiming at the efficiency trend in the future and upholding the principle of innovation, the company invests human and material resources in developing power products with efficiency performance that surpasses the Titanium standard. With respect to NB adapters, the focus of development lies in the standby mode and overall power efficiency and the realization of the design appeals of lightweight, thinness and aesthetics.

In the past two years, the use of Post-Consumer Recycled (PCR) Plastic has been added to the design of various plastic shells of power adapters. The percentage of PCR plastics used in production was less than 1% in 2018, then 8.8% in 2019, and reached about 9.6% by the end of 2020, which effectively reduces burdens on the environment by less production of plastics and waste of resources. Through continuous improvement and assessment, it can be ensured that relevant management requirements and regulations in relation to quality assurance and environmental protection can be followed after the products are mass produced. In addition, through the sampling and testing for every batch of products, it can be ensured that the products shall comply with relevant requirements and regulations after they are mass produced so that the sustainability of Chicony Power's products can be achieved.

riostics	hells of power	adapters
	tion of Post-Co	
Percentage in 2018	Percentage in 2019	Percentage in 2020



Taiwan's communications industry has demonstrated brilliant performance in recent years due to the growth of high-end WLAN router market driven by the rapid growth of video streaming data usage as well as the demand for wireless communication modules boosted by IoT applications. In addition, the development of the emerging virtualized network architecture has also accelerated the sale of high-performance switches used in data centers, which has increased the OEM orders and contributed to the continuous growth of Taiwan's communications industry's 2018 business performance.

XAVi Technologies completed the following products development in 2019 and 2020:

#### 2019 2020 Early-stage development of the 10G/10G XGSPON Mass production and shipment of 10G/10G XGSPON BoB (BoSA on Board) technology BoB (BoSA on Board) products Early-stage development of Wi-Fi 11ax 4x4 Residential Mass production and shipment of WiFi-6 11ax 4x4 Gateway products Residential Gateway products; development of advanced WiFi-6E products Middle-stage development and commercialization of G.fast 212 1-port bridge CPE, 1-port DPU products Commercialization and production of G.fast 212 1-port bridge CPE, 1-port DPU products Introduction of the mass production of Smart Home Security Sensor Early-stage development of Smart Home Gateway and outdoor 4G/LTE LoRA Gateway products STB with 4K high-level integrated MOCA Mass production of multi-platform Android 4K high-end Development of multi-platform Android 4K high-end STB products STB products

Chicony Electronics' Suzhou Factory and ChongQing Factory, Chicony Power's Suzhou Factory and XAVi Technologies' Suzhou Factory have all been QC 080000 certified. The "process-oriented" approach is adopted for the management of the use of hazardous substances in products, by which the hazardous substances contained in the manufactured or supplied products can be identified, managed, controlled, quantified and reported when new manufacturing processes or operations are being developed.



for Environmental Management"



XAVi Technologies' QC 080000 certificate



#### 3-1-2 Patent application

In order to encourage employees to develop R&D ability, Chicony Group has formulated "Patent Management and Incentive Regulations" applicable within the Group to motivate employees' creativity and enhance innovation in skills and techniques, and further transfer them into patent applications by applying for patents in Taiwan, Mainland China and the U.S. and receiving patent certificates. The above mentioned approaches indicate Chicony Group's emphasis on intellectual property, in which relevant incentive programs have been developed for patent proposals, applications, acquisition and implementation. Moreover, in order to encourage invention within the Group, inventors with excellent performance in patent quantity and quality are selected on a yearly basis, to whom "Award for Best Inventor of the Year" is rewarded and bonuses and medals are given in year-end parties as an encouragement.



#### **Chicony Electronics**

Besides the incentives provided for internal patent proposals, Chicony Electronics also submit patents to governing agencies if they can be applied in actual product development in the future. The number of internal patent proposals reached 124 in 2020, in which 51 cases were submitted for external patent application after being reviewed and decided by intellectual property units of the company (also submitted to patent offices of several countries). The total number of patent acquisitions from various countries in 2020 was 105.

	2018			2019			2020		
	Invention	Utility	Design	Invention	Utility	Design	Invention	Utility	Design
Patent application	145	42	2	139	0	0	125	2	0
Total number of patent application		189			139			127	
Patent acquisition	33	62	0	66	10	0	104	1	0
Total number of patent acquisition		95			76			105	
Top 100 rankings of R.O.C. Corporation Patent Application		43			84			76	

# 2 Chicony Power

Chicony Power has been ranked among Top 100 Patent Applications in Taiwan (The ranking of Top 100 Patent Applications in each year is shown as the Table below) for consecutive years since it was ranked first time in 2017. That indicates the achievements of the company's implementation of patent policy in which the patent quality is prioritized.

		2017			2018			2019			2020	
	Invention	Utility	Design									
Patent application	104	28	2	114	3	0	126	12	4	113	13	0
Total number of patent application		134			117			142			126	
Patent acquisition	59	33	2	57	12	2	82	42	2	102	10	2
Total number of patent acquisition		94			71			126			114	

The statistics indicated the number of patents in all countries or regions including Taiwan, Mainland China, the United States, the European Union, Japan, etc.

Indicator	2017	2018	2019	2020
Domestic Corporation Patent Application (including invention, utility and design)	76	86	76	Not ranked
Domestic Corporation Patent Certificate/License Acquisition (including invention, utility and design)	90	Not ranked	85	78
Domestic Corporation Invention Patent Application	81	62	55	80
Domestic Corporation Invention Patent Certificate/License Acquisition	Not ranked	83	62	48

## 3-2 Supply Chain Management

#### 3-2-1 Composition of Supply Chain GRI 102-9 GRI 102-10

In order to reduce production costs, Chicony Group's products are mainly manufactured in factories located in Mainland China and a factory in Thailand which was added in 2020. Chicony Group has maintained a good collaborative relationship with suppliers of major raw materials and parts/components for many years, by which the supply of goods can be fully ensured, the delivery time can be shortened, and the quality of goods can be more strictly controlled so that the company can respond to customers' needs in a prompt way. Moreover, in order to reduce the risk arising from the concentration of raw material suppliers, the Company is actively looking for alternative suppliers of major raw materials at home and abroad to achieve the purpose of diversifying sources of supply. The current major suppliers all have achieved economies of scale in manufacturing, and the quality of their products meets international standards and the price is reasonable, by which a good and stable supply-demand relationship has been established.

The procurement prices are determined by the Headquarters' Central Purchasing Center, while procurement quantities are set by individual subsidiary in its orders. With the positive and stable codependent relationships built through long term strategic collaboration with major suppliers, and having at least two suppliers for each raw material, the raw materials can be supplied at the right time, in the right quantity and at the right price even when a supply and demand imbalance occurs in the market, which shall help the Company's long term development. No significant changes in major suppliers' data were found in 2019 and 2020 consolidated financial reports (the "major suppliers" refer to suppliers which counted for 10% or more of net purchases within the last two years)

## 3-2-2 Local Procurement Policy GRI 204-1

The main production factories of Chicony Group are located in Mainland China. In order to reduce carbon emissions from transportation, Chicony Group upholds the principle of "local procurement" and strives to find the nearest suppliers according to the production needs of individual factory to minimize the transportation distance of raw materials. Purchase percentages from local suppliers and overseas suppliers in 2020 are as below.



# 1 Chicony Electronics

Factory	Item	Amount Percentage	Item	Amount Percentage
DongGuan		82%		18%
MaoRui	Purchase	41.0%	Purchase	59.0%
SuZhou	percentage from local	86.87%	percentage - from overseas -	13.13%
ChongQing	suppliers	93.3%	suppliers	6.7%
Thailand	a levert dut elever e	1.43%		98.57%

Since the Chicony-Thailand Factory was just founded in 2020, its supply chain network is still being established and it needs to rely on overseas supply chains to provide raw materials. Thus, importing is one of the main procurement methods. In regards to MaoRui Factory, a large part of the raw materials for its major products (mainly high-end products) such as chips are specified by customers or need to be purchased from overseas.

# 2 Chicony Power

Factory	Item	Amount Percentage	Item	Amount Percentage
Chicony Power- DongGuan Factory	Purchase	41%	Purchase	59%
Chicony Power- SuZhou Factory	percentage	43%	percentage	57%
Chicony Power- ChongQing Factory	from local	36%	from overseas	64%
Chicony Power- Thailand Factory	suppliers	7%	suppliers	93%

The supply chain network of Chicony Power-Thailand Factory, being the same as that of Chicony-Thailand Factory, is still being established.

# 3 XAVi Technologies

Factory	item	Amount Percentage	Item	Amount Percentage
XAVi- SuZhou Factory	Purchase percentage from local suppliers	41%	Purchase percentage from overseas suppliers	59%

A large part of the raw materials used in XAVi-SuZhou Factory are electronic parts/components with high unit prices due to the product attributes and need to be purchased from overseas.

#### 3-2-3 Criteria for New Supplier Assessment GRI 308-1 and GRI 414-1

Chicony Group demands the highest standards of every supplier. In addition to the emphasis on quality, the Group is also committed to carrying out real-time quality control and audits in every part of the supply chain and seeking the optimization of energy efficiency and maximization of environmental/sustainable values. Besides the "Commitment Statement on RBA Code of Conduct" which should be signed by all new suppliers, we also establish three raw material management mechanisms, which are "Substance Standards for Environmental Management", "Prohibited and Restricted Substances" and "Conflict Minerals", and set up the Industrial Safety & Health Office serving as a supervisory department for environmental protection to ensure that the procurement from suppliers complies with international regulations and customers' requirements, thereby achieving the sustainability of the green value chain.

Chicony Group also requests all new and existing suppliers to sign "Commitment Statement on RBA Code of Conduct", "Letter of Undertaking of Integrity" and "Declaration of Conflict-free Minerals" and to complete relevant background surveys. In order to implement RBA Code of Conduct and carry out the current regulatory and customers' requirements, human rights inspections of the next-tier major suppliers shall be conducted within two years, and suppliers are required to give reports on the problems raised in onsite inspections.

For suppliers who are found to be involved in any zero-tolerance items and significant CSR risks such as child labor, involuntary labor, physical punishment, bribery, underpayment of wages or falsification of document, etc., if they refuse to improve the defects immediately or refuse to undergo inspections, the procurement department should be immediately notified to take further action and be recommended to suspend or terminate the transactions with such suppliers.





A new supplier can only be approved by the general manager of a business department when the above three screening steps are completed. Regular inspections and irregular onsite factory audits shall also be conducted and self-assessment mechanisms shall be established in the future to achieve the loop growth momentum with suppliers.

	Chicony Electronics	Chicony Power	XAVi Technologies
2018: Number of suppliers underwen onsite audits	60	17	42
2019: Number of suppliers underwent onsite audits	72	48	43
2020: Number of suppliers underwent onsite audits	59	48	49

Note: With the impact of COVID-19 pandemic in 2020, the "supplier self-assessment" approach was adopted as an alternative to onsite audits.

In terms of quality control, we carry out onsite evaluation, inspections and audits in suppliers' factories to implement strict ranking and grading based on criteria such as quality, delivery punctuality, price, yield rate, environmental health & safety and social responsibility, etc., and conduct QQR (Quarterly Quality Review) on some suppliers. Moreover, with the SCAR (Supplier Corrective Action Request) mechanism, prompt measures can be taken to respond to anomalies so that suppliers and Chicony Group Engineering Team can contain the problems, improve the mechanism and manage the manufacturing processes in a timely manner.

- Regular Assessment: Ensure quality stability
- 2 The Annual Supplier Conference: Communicate current situations and give out awards to outstanding suppliers.

#### 3-3 Customer Management and Feedback

Customer management and maintenance of customer satisfaction are important bases for Chicony Group's continuous improvement of its products and services. The regular appraisal/feedback and positive audit results received from customers are Chicony Group's main motivation to achieve continuous customer service improvement, maintenance of high-performance output and comprehensive quality control. As the best partner of customers, Chicony Group aims to maximize customer satisfaction by grasping market trends and providing professional product designs. Chicony Group received many awards from partners in 2020 for its response to climate change, employee care & pandemic prevention and product design engineering. Moreover, Chicony Group was also highly recognized in various regular appraisals ratings (for example, QBR, CBR, and Scorecard).













2019 Panasonic Quality Contribution Award



2019 Xevox Excellent Supplier Award





2020 Compal Best Supplier Award

# 

Environmental Protection and Sustainability





# **Environmental Protection and Sustainability**

#### Theme of this chapter

Energy and Greenhouse Gas Management (Climate Change)

#### Responsible units

Finance Management Department/Finance Center and Administration Management Division/Office of Administration Management

#### Management Mechanism

- 1 The company implements the management in accordance with various standard procedures required by ISO 14001:2015 Environmental Management System to seek business growth and achieve the goal of environmental protection. In response to global climate change, diminishing water resources and all sorts of environmental pollution issues, the company thoroughly reviews all business activities involving raw materials, production, services and recycling, etc. and carefully considers the impacts of these activities on the society and environment so as to develop various strategies and objectives for the creation of green competitiveness.
- 2 The TCFD was introduce in 2020 for the company to conduct regular inventory and disclosure of climate change risk and opportunity management, and to build a comprehensive climate risk management and communication mechanism.
- Regularly confirm the compliance status with EHS-related regulations according to "Identification & Management Procedures for EHS Regulations and other Requirements".

#### Environmental Protection and Sustainability Performance

- 1 The SBTi and TCFD projects were introduced in 2020 for the regular inventory and disclosure of climate change risk and opportunity management. Currently, 10 major climate risks and 8 opportunities have been identified.
- 2 The Headquarters and the factories in China as well as Chicony-Thailand Factory will complete ISO 14064-1:2018 validation and verification one after another, which shall be the basis for the implementation of SBTi reduction. ".

## Future Strategic Objectives

- 1 Conduct regular inventory and disclosure of climate change risk and opportunity management according to the TCFD conclusions, and to build a comprehensive climate risk management and communication mechanism.
- 2 In response to the opportunities and risks of climate change, the company also promises to develop greenhouse gas emission reduction targets in line with the SBTi's criteria when introducing TCFD.

## 3 4-1 Climate Change and Greenhouse Gas Emissions Management

#### 4-1-1 Climate-related Financial Disclosures GRI 201-2

#### The Structure of "Task Force on Climate-related Financial Disclosures" (TCFD)

With the introduction of the Task Force on Climate-related Financial Disclosures (TCFD) framework into the CDP scoring mechanism in 2018, in order to positively respond to this trend, Chicony Group also introduced the TCFD framework in 2020, based on which regular inventory and disclosure of climate change risk and opportunity management are implemented, and a comprehensive climate risk management and communication mechanism is established.





When facing the possible operational impacts brought about by climate change, in addition to strengthening the ability to adapt to climate resilience and reducing the possible impacts caused by disasters, Chicony Group also strives to mitigate the impacts of greenhouse gas emissions on the external stakeholders. Moreover, by adhering to the spirit of "Corporate Social Responsibility Best Practice Principles", the Group regards that responding to climate change is a company's responsibility for sustainable operations, and thus commits itself to becoming a leading manufacturer of green parts/components and consumer electronics.

Chicony Group believes that climate change is one of the major risk factors affecting business operations. The Group has submitted responses to the Carbon Disclosure Project (CDP) questionnaire every year since 2010, thereby responding to the concerns of international investors on the Group's climate governance. In 2020, the Group introduced the Task Force on Climate-related Financial Disclosures (TCFD) framework established by the International Financial Stability Board (FSB) to identify the climate change impacts and opportunities faced by the Group, and to set up measurement indicators and target management approaches based on the identification results so as to control and reduce the possible operational impacts brought about by climate change.



#### Climate Governance

Chicony Group sets up a CSR Committee under the board of directors to serve as the highest management organization responsible for climate issues. The committee is chaired by the company's Chairman, with the President serves as the vice-chairman and the company's top managers serve as committee members. The committee regularly reports to the board of directors and accepts supervision and suggestions from the board. There are six teams under the CSR Committee to be in charge of climate issues related to their respective responsibilities, among which the "Environmental Protection Team" and "Corporate Governance Team" integrate the Group's internal daily management activities related to climate change and energy issues, check the quality and effectiveness of the implementation, and report to the Committee on a yearly basis. In order to actively manage climate issues, an inter-departmental working group on climate change was set in the fourth quarter of 2020 to take the responsibility for the identification of climate risks and to assess and respond to the climate impacts within their respective responsibility scopes. It is expected that relevant information and reports shall be submitted to the CSR Committee on a yearly basis in the future.



#### **Climate Strategies**

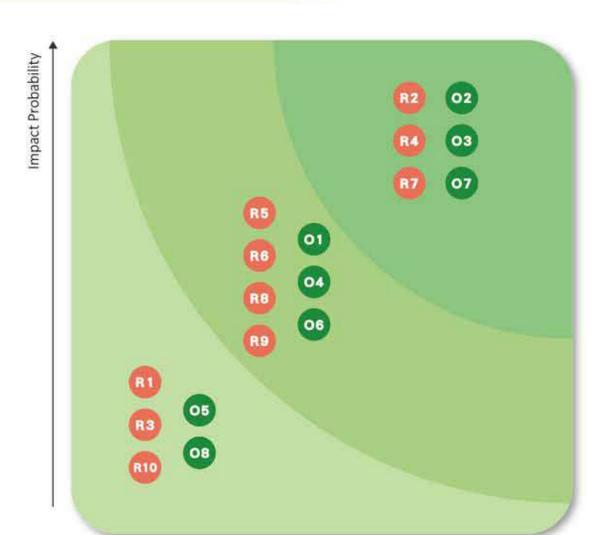
Chicony Group introduces a climate-related risks and opportunities identification system to take complete inventory of and evaluate the short-, medium- and long-term impacts of various risk and opportunity issues on the group's operations. According to the existing internal target-management schedules "short-term" is defined as a term of less than 3 years, "medium-term" is 3-5 years and "long-term" is a term of more than 5 years. Currently, 10 major climate risks and 8 opportunities for Chicony Group have been identified.

In addition, in order to reduce the greenhouse gas emission impacts on external stakeholders, Chicony Electronics, by basing on the "2°C Scenario (2DS)" developed by the International Energy Agency (IEA), estimated the carbon reduction responsibility of Chicony Electronics in 2020 and developed reduction strategies to respond to the Science Based Target (SBT) criteria.

# Climate Risk Management

In 2020, through the discussions conducted by the inter-departmental working group on climate change, Chicony Group identified the significant risks and opportunities by considering the possibility and extent of the impacts, and assessed the impacts of each climate risk and opportunity on the company's operations, strategies and financial planning. The results of assessment were submitted to the CSR Committee on a yearly basis for related members and teams to develop management approaches for the significant risks. With respect to the identification results and response strategies for Chicony Group's 2020 significant climate risks and opportunities, please refer to the climate-related sections of Chicony Electronics' 2020 Corporate Social Responsibility Report. Chicony Electronics views the climate change risk as one of the material risks faced by the company's operations, and thus integrates operational risk into the company's risk management system and environmental management system.





Impact Degree

#### Climate Risk

- R1 The price increases in greenhouse gas emission
- R2 Mandates on and regulation of existing products and services
- R3 Renewable energy and water related law regulations
- R4 Changing customer behavior
- R5 Increased cost of raw materials
- R6 Substitution of existing products and services with lower emissions options
- R7 Shifts in consumer preferences
- R8 Increased severity and frequency of extreme weather such as cyclones and floods
- R9 Changes in precipitation patterns and extreme variability in weather patterns
- R10 Rising mean temperatures

#### Climate Opportunities

- Opp1 Use of more efficient modes of transport
- Opp2 Use of more efficient production and distribution
- Opp3 Move to more efficient buildings
- Opp4 Developments and/or expansion of low emission Opp7 Access to new markets goods and services
- Opp5 Developments of climate adaption, resilience and insurance risk solutions
- Opp6 Developments of new products or services through R&D and innovation
- - Opp8 Participation in renewable energy programs and adoption of energy-efficiency measures

# [ Chicony Group's Climate Risk and Opportunity Assessment Matrix ]

Climate Risk	Issue Description	Term	Impact Pathway	Response Strategies
Transformation risk-Changes in customer behavior	With the changes in climate or the increasing awareness of climate changes, customers change their preferences for products/services, for example, the use of eco-friendly materials and renewable energy.	Short	Increased operating costs (Raw materials and R&D)	✓ Increase R&D investment ✓ Change product design ✓ Develop eco-friendly materials
Transformation risk-Shifts of consumers/ customers/ investors preferences	In recent years, ESG performance has become one of the important considerations when investors make investing decisions. Matters of high concern such as sustainability ratings, ESG-related performance and communication may affect investors' intentions.	Medium	Reputation and image damage (decline in stock price)	✓ Introduce sustainability projects such as TCFD, SBT and ICP (Internal Carbon Pricing).  ✓ Set up a TCFD working group to develop climate response strategies
Transformation risk-Requirements and supervision of existing products and services	Increasing awareness of climate change triggers changes in government policies for the places where production bases are located, for example, requirements for energy efficiency, water consumption efficiency or compliance of controlled substances.	Short	Decreased revenue(order value decrease)	✓ Adjust supplier management/ procurement strategy  ✓ Strengthen customer partnership  ✓ Adjust product pricing strategies

Climate Opportunity	Issue Description	Term	Impact Pathway	Response Strategies
Market-Entering new markets	Research and develop product lines associated with climate change mitigation, and expand new applications of existing products to meet the needs of new markets and new customers in response to climate policies.	Medium	Increased revenue (order value increase)	<ul> <li>✓ Increase R&amp;D investment</li> <li>✓ Pay attention to market trends</li> <li>✓ Obtain low-carbon certification</li> </ul>
Resource utilization efficiency-Adopting more efficient production and distribution procedures	Employ automation and applications of intelligence and new technologies to improve yield and reduce material consumption and waste generation, thereby reducing operating costs and increasing productivity	Medium	Increased revenue (order value increase)	✓ Increase investment in automation equipment  ✓ Set automation goals  ✓ Develop quality control plans
Resource efficiency- Switching to buildings with better energy efficiency	Adopt green building design in new buildings to reduce energy/resource consumption and pollutant emission/ discharge, thereby reducing operating costs and increasing the value of assets	Medium	Reduced operating costs (energy)	<ul> <li>✓ Increase R&amp;D investment</li> <li>✓ Expand the application of intelligent control technology</li> <li>✓ Gradually introduce intelligent control system</li> </ul>

#### 3 4-1-2 Greenhouse Gas Management GRI 305-1, GRI 305-2, GRI 305-3 and GRI 305-4

Chicony Group controls the greenhouse gas emissions of the Headquarters and other factories by reference to the results of GHG emissions inventory conducted in accordance with ISO 14061-1:2018 standards. With the greenhouse gas inventory system, the Group can stay on top of greenhouse gas emission status and develop feasible solutions for greenhouse gas reduction. In order to enhance the information and reports credibility of GHG inventory and to improve the quality of GHG inventory, an impartial third-party inspection agency is appointed to perform external verification in accordance with set standards after the internal verification is completed so as to establish complete inventory procedures and improve data quality.

The company calculates greenhouse gas emissions by means of operational control methods, the original base year was 2017; however, owing to the addition of Chicony-MaoRui Factory and Chicony-& Chicony Power-Thailand Factory during 2019 to 2020 as well as the revision of ISO 14064-1 in 2020, 2020 was considered as the new base year and the GWP values stated in the IPCC Fifth Assessment Report (2013) was used in the calculation.

In order to effectively grasp the amount of greenhouse gas emissions, the "greenhouse gas emission intensity (metric tons CO2 e/total consolidated revenue (NT\$ thousands))" is used as an indicator for greenhouse gas management

#### 4-1-2-1 Chicony Electronics' Greenhouse Gas Emissions Status

The scope of 2017 and 2018 reports included Chicony-Taipei Headquarters, Chicony-DongGuan Factory, Chicony-SuZhou Factory (XAVi-SuZhou Factory was included) and Chicony-ChongQing Factory. The scope of 2019 report included Chicony-Taipei Headquarters, Chicony-DongGuan Factory, Chicony-SuZhou Factory, Chicony-ChongQing Factory and Chicony-MaoRui Factory.

The scope of 2020 report included Chicony-Taipei Headquarters, Chicony-DongGuan Factory, Chicony-SuZhou Factory, Chicony-ChongQing Factory, Chicony-MaoRui Factory and Chicony-Thailand Factory.

Category 1 and Category 2 Greenhouse Gas Emissions Status:

Year	2017	2018	2019	2020
Category 1 Direct greenhouse gases (metric tons CO2e/year)	5,289.26	5,821.75	6,055.72	5,793.02
CO2 (metric tons CO2e/year)	3100.51	2183.42	2385.33	2,419.61
CH4 (metric tons COze/year)	1,539.57	1,482.27	1,440.82	1,255.72
N2O (metric tons COze/year)	27.61	24.15	32.71	17.00
HFCs (metric tons CO2e/year)	828.92	2,131.91	2,097.34	2,100.68
PFCs (metric tons CO2e/year)	0	0	0	0
SF <sub>6</sub> (metric tons COze/year)	0	0	0	0
NF3 (metric tons CO2e/year)	0	0	0	0
Category Z Indirect greenhouse gas from purchased electricity (metric tons COze/year)	58,471.27	84,436.10	83,803.83	83,606.00
Category 1 + Category 2 Total greenhouse gas emissions (metric tons COze/year)	63,760.53	90,257.85	89,859.55	89,399.02
Total consolidated revenue (Unit: NT\$ Thousands)	78,155,686	87,260,406	92,552,325	95,082,227
Category 1 + Category 2 Total greenhouse gas emission intensity (metric tons CO2e/Total consolidated revenue (NT\$ Thousands))	0.00082	0.00103	0.00097	0.00094



Category 3~Category 6 Other indirect greenhouse gas

	100 - 100 h
Year	2020 (metric tons CO₂e/year
Category 3: Indirect greenhouse gas emissions from upstream transportation	106,682.95
3-1 Upstream raw material transportation and distribution	31,349.28
3-2 Business trips	566.47
3-3 Employees' commuting	1,396.30
3-4 Downstream transportation and distribution	73,370.90
Category 4: Indirect greenhouse gas emissions from products used by the organization	248,353.20
4-1Procurement of goods and services	229,452.03
4-2 Capital goods	10,119.15
4-3 Fuel- and energy-related activities	6,748.86
4-4 Waste generated in operations	633.68
4-5 Upstream leased assets	1,399.47
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	2,652,365.55
5-1 Processing of sold products	311573.97
5-2 Use of sold products	2,306,610.82
5-3 End-of-life treatment of sold products	11,804.10
5-4 Downstream leased assets	22,376.67
Category 6: Other indirect emissions	Non-significant and unquantified

#### 3 4-1-2-2 Chicony Power's Greenhouse Gas Emissions Status

The scope of 2017, 2018 and 2019 reports included Chicony Power-Taipei Head Office, Chicony Power-DongGuan Factory, Chicony Power-SuZhou Factory and Chicony Power-ChongQing Factory.

The scope of 2020 report included Chicony Power-Taipei Head Office, Chicony Power-DongGuan Factory, Chicony Power-SuZhou Factory, Chicony Power-ChongQing Factory and Chicony Power-Thailand Factory; yet the Thailand Factory was still being established so that the inventory and quantification had not been completed.

#### Category 1 and Category 2 Greenhouse Gas Emissions Status:

Year	2017	2018	2019	2020
Category 1 Direct greenhouse gases (metric tons CO2e/year)	1,114.80	1205.8	1,148.50	1,560.61
CO <sub>2</sub> (metric tons CO <sub>2</sub> e/year)	107.68	115.08	161.74	574.66
CH₄ (metric tons CO₂e/year)	539,1	618.9	477.79	258.10
N <sub>2</sub> O (metric tons CO <sub>2</sub> e/year)	1.92	2.22	4.77	6.51
HFCs (metric tons COze/year)	466.1	469.6	504.24	673.31
HFCs (metric tons COze/year)	0	0	0	0
PFCs (metric tons CO>e/year)	0	0	0	0
SF <sub>6</sub> (metric tons CO <sub>2</sub> e/year)	0	0	0	0
NF <sub>3</sub> (metric tons CO <sub>2</sub> e/year)	0	0	0	0
Category 2 Indirect greenhouse gas from purchased electricity (metric tons CO <sub>2</sub> e/year)	51,391.2	55,697.8	53,464.36	44,957.71
Category 1 + Category 2 Total greenhouse gas emissions(metric tons CO2e/year)	52,506.00	56,903.6	54,612.86	46,521.01
Total consolidated revenue (Unit: NT\$ Thousands)	27,874,928	31,292,361	34,415,370	34,863,027
Category 1 + Category 2 Total greenhouse gas emission intensity (metric tons CO2e/Total consolidated revenue (NT\$ Thousands))	0.001884	0.001818	0.001587	0.001334

#### 2 Category 3~Category 6 Other indirect greenhouse gas emissions

Year	2020 (metric tons COze/year
Category 3: Indirect greenhouse gas emissions from upstream transportation	289,582.25
3-1 Upstream raw material transportation and distribution	273,110.93
3-2 Business trips	91.66
3-3 Employees' commuting	1,713.91
3-4 Downstream transportation and distribution	14,666.79
Category 4: Indirect greenhouse gas emissions from products used by the organization	476,549.62
4-1Procurement of goods and services	466,400.24
4-2 Capital goods	4,198.60
4-3 Fuel- and energy-related activities	4,055.47
4-4 Waste generated in operations	251.84
4-5 Upstream leased assets	1,643.47
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	34,957,921.94
5-1 Processing of sold products	Non-significant and unquantified
5-2 Use of sold products	34,943,501.31
5-3 End-of-life treatment of sold products	141,216.78
5-4 Downstream leased assets	137.11
Category 6: Other indirect emissions	Non-significant and unquantified

#### 3 4-1-2-3 XAVI Technologies' Greenhouse Gas Emissions Status

1 The greenhouse gas emissions of XAVi Technologies-Taipei Head Office and SuZhou Factory are shown in the table below:

The greenhouse gas emissions data for 2017, 2018, and 2019 only indicated emissions of the Taipei Head Office with the emissions data of SuZhou Factory combined with that of Chicony-SuZhou Factory. The emissions data for 2020 included emissions of the Taipei Head Office as well as XAVi-SuZhou Factory.

Year	2017	2018	2019	2020
Category 1 Direct greenhouse gases (metric tons CO2e/year)	9.3	0.9	0.9	187.6
CO <sub>2</sub> (metric tons CO <sub>2</sub> e/year)	0	0	0	0
CH4 (metric tons CO2e/year)	8.4	0	0	183.2
N2O (metric tons CO2e/year)	0	0	0	0
HFCs (metric tons CO₂e/year)	0.9	0.9	0.9	4.4
HFCs (metric tons CO₂e/year)	0	0	0	0
PFCs (metric tons CO <sub>2</sub> e/year)	0	Ö	0	0
SF <sub>6</sub> (metric tons CO <sub>2</sub> e/year)	0	õ	0	0
NF: (metric tons CO:e/year)	0	0	0	0
Category 2 Indirect greenhouse gas from purchased electricity (metric tons CO <sub>2</sub> e/year)	167.4	154.4	156.8	2537,0
Category 1 + Category 2 Total greenhouse gas emissions(metric tons CO2e/year)	176.7	155.3	157.7	2724.6
Total consolidated revenue (Unit: NT\$ Thousands)	4,115,720	3,182,208	2,311,063	2,823,474
Category 1 + Category 2 Total greenhouse gas emission intensity (metric tons CO2e/Total consolidated revenue (NT\$ Thousands))	0.000043	0.000049	0.000068	0.000965



The calculation and disclosure of Category 3-Category 6 Other Indirect Greenhouse Gas Emissions only included the emissions of the Taipei Head Office; the emissions data of SuZhou Factory was not calculated in time for the report publishing and shall be disclosed in next report.

Year	2020
Category 3: Indirect greenhouse gas emissions from upstream transportation	70.31
3-1 Upstream raw material transportation and distribution	222
3-2 Business trips	19,65
3-3 Employees' commuting	50.66
3-4 Downstream transportation and distribution	
Category 4: Indirect greenhouse gas emissions from products used by the organization	34.31
4-1Procurement of goods and services	1222
4-2 Capital goods	444
4-3 Fuel- and energy-related activities	34.31
4-4 Waste generated in operations	(Combined with Chicony Headquarters
4-5 Upstream leased assets	
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	Not quantified
5-1 Processing of sold products	
5-2 Use of sold products	-77
5-3 End-of-life treatment of sold products	
5-4 Downstream leased assets	
Category 6: Other indirect emissions	Non-significant and unquantified

#### 3 4-1-3 Energy Management GRI 302-1 and GRI 302-3

The energy used in Chicony Group Headquarters and other factories primarily comes from electricity purchased from external providers. Other fuels such as liquefied petroleum gas, petrol and diesel, etc. are mainly used in company vehicles, forklifts, canteens and boilers in dormitories, etc.

#### 3 4-1-3-1 Chicony Electronics' Energy Consumption Status:

Year	2019	2020
1-1 Electricity (1000 kWh/year)	102,227.93	115,365.14
1-2 Electricity (G joule/year)	368,016.46	415,309.89
2-1 Liquefied Petroleum Gas (LPG) (kg/year)	4,713.80	3,572.10
2-2 Liquefied Petroleum Gas (G joule/year)	238.01	180.36
3-1 Natural gas (NG) (cubic meters/year)	574,006.00	758,350.23
3-2 Natural gas (G joule/year)	21,625.10	28,570.09
4-1 Petrol (1000 liters/year)	170.47	163.19
4-2 Petrol (G joule/year)	5.57	5.33
5-1 Diesel (1000 liters/year)	203.54	159.97
5-2 Diesel (G joule/year)	7.16	5.62
6. Total energy consumption (GJ)	389,892.30	444,071.29
7. Total consolidated revenue (Unit: NT\$ Thousands)	92,552,325	95,082,227
8, Total energy consumption intensity (GJ/Total consolidated revenue (Unit: NT\$ Thousands))	0.0042	0.0047

Reference for factor conversion; Bureau of Energy (MOEA) - Table of Energy Products Heating Value (Updated on 2020-05-15)

Electricity: 860,000 kcal/1000 kWh, Liquefied Petroleum Gas (LPG): 12062 kcal/kg, Natural Gas (NG): 9,000 kcal/ m3,

Petrol: 7,800 kcal/L, diesel: 8,400 kcal/L, 1 kcal = 4,186 joules

## ▶ 4-1-3-2 Chicony Power's Energy Consumption Status:

Year	2019	2020
1-1 Electricity (1000 kWh/year)	65,664.56	62,671.173
1-2 Electricity (G joule/year)	236,389.79	225,613.72
2-1 Liquefied Petroleum Gas (LPG) (kg/year)	4,730.000	4,280.000
2-2 Liquefied Petroleum Gas (G joule/year)	238.82	216.10
3-1 Natural gas (NG) (cubic meters/year)	73,426.000	55,864.000
3-2 Natural gas (G joule/year)	2,766.25	2,104.62
4-1 Petrol (1000 liters/year)	49,359.800	44,463.420
4-2 Petrol (G joule/year)	1.61	1.34
5-1 Diesel (1000 liters/year)	1,773.440	10,759.960
5-2 Diesel (G joule/year)	0.13	0.38
6. Total energy consumption (GJ)	239,396.61	227,936.16
7. Total consolidated revenue (Unit: NT\$ Thousands)	34,415,370	34,863,027
B. Total energy consumption intensity (GJ/Total consolidated revenue (Unit: NT\$ Thousands))	0.0070	0.0065

# 4-1-3-2 XAVi Technologies' Energy Consumption Status:

Year	2019	2020
1-1 Electricity (1000 kWh/year)	3,756.28	3,309.43
1-2 Electricity (G joule/year)	13,522.61	11,913.83
2-1 Natural gas (NG) (cubic meters/year)	35,888.280	41,213.589
2-2 Natural gas (G joule/year)	1,352.06	1,552.68
3. Total energy used (G joule/year)	14,874.67	13,466.51
4. Total consolidated revenue (Unit: NT\$ Thousands))	2,311,063	2,823,474
4. Total energy consumption intensity (GJ/Total consolidated revenue (Unit: NT\$ Thousands))	0.0064	0.0048



Besides giving priority to products of less impact on the environment in the initial step of the procurement process and reducing the use of harmful substances, Chicony Group's factories also compile statistics on waste generation every year. In addition to controlling from the source, the company also ensures the proper final disposal of the waste and minimizes waste generation without affecting the company's operations. The wastes produced in Chicony Electronics' Headquarters and factories are all disposed of in accordance with local environmental regulations. The wastes produced in Chicony Group's Headquarters and factories are all disposed of in accordance with local environmental regulations.

Chicony Group Headquarters and other factories have all obtained the ISO 14001:2015 certification. The operations of various pollution sources are all regulated by laws and regulations, based on which the amount of waste generated is regularly tracked and reported, and waste reduction goals are set. The waste removal & disposal service providers had not been involved in any violation of laws/regulations and contracts in 2020. The amount of waste generated and disposal methods from 2018 to 2020 are shown in the table below.

#### 3 4-2-1 Chicony Electronics' Waste Management Status:

Chicony- Taipei Headquarters (including Chicony Power's and XAVi Technologies' Head Offices)

Year (Unit:	metric tons)	2018	2019	2020	Final disposal method
	Reusable	8.6	8.2	12.9	Recycling
waste	Non-reusable	99.2	117.5	113.4	Incineration
	Total	107.8	125.7	126.3	: <del>appe</del>
Hazardous waste	Reusable	6	15	15	Temporary storage
	Non-reusable	0	0	0	5.7775
	Total	6	15	15	(See )

#### Chicony- DongGuan Factory

Year (Unit:	metric tons)	2018	2019	2020	Final disposa method
General waste	Reusable	136.8	103.7	27.75	Recycling
	Non-reusable	576	576	576	Landfill
	Total	712.8	679.7	603.75	( <del>214</del> )
Hazardous waste	Reusable	0	0	0	1
	Non-reusable	6	4.9	4.6	Incineration
	Total	6	4.9	4.6	( <del></del> -

(Primarily, the non-reusable general waste is domestic waste; the disposal contract is signed with the service provider based on the number of transportation by vehicles)

#### 3 Chicony- MaoRui Factory

Year (Unit:	metric tons)	2018	2019	2020	Final disposal method
General waste	Reusable	37.6	302.1	302.1	Recycling
	Non-reusable	48	480.0	480.0	Landfill
	Total	85.6	782.1	782.1	222
Hazardous waste	Reusable	0	200	0	
	Non-reusable	0	0	147.23	Landfill, Incineration
	Total	0	200	147.23	

(The disposal contract of general waste is signed with the service provider based on the number of transportation by vehicles)

#### 4 Chicony-Suzhou Factory

Year (Unit:	metric tons)	2018	2019	2020	Final disposa method
General waste	Reusable	310.68	289.71	289.91	Recycling
	Non-reusable	318.39	290.79	295.27	Incineration
	Total	629.07	580.51	585.18	
	Reusable	0	0	0	222
Hazardous waste	Non-reusable	8.37	8.09	8.52	Incineration
	Total	8.37	8.09	8.52	

#### S Chicony- ChongQing Factory

Year (Unit:	metric tons)	2018	2019	2020	Final disposa method
8 11	Reusable	223.4	293	264.8	Recycling
General waste	Non-reusable	116	114	413.3	Incineration
	Total	339.4	407	678.1	
	Reusable	0	0	0	F##;
Hazardous waste	Non-reusable	5.2	2.8	1.9	Incineration
	Total	5.2	2.8	1.9	

#### 6 Chicony-Thailand Factory

Year (Unit: metric tons)		2018	2019	2020	Final disposal method	
E 20	Reusable				Recycling	
General waste	Non-reusable	Chicony-Thailand's data was first disclosed in 2020		337.4	Landfill	
	Total			840.6	555	
**	Reusable			0		
Hazardous waste	Non-reusable			6.04	Landfill, Incineration	
	Total			6.04	_	



#### 4-2-2 Chicony Power's Waste Management Status:

The waste management of Chicony Power-Taipei Head Office is uniformly implemented by Chicony Taipei Headquarters.

Chicony Power-DongGuan Factory

Year (Unit:	metric tons)	2017	2018	2019	2020	Final disposal method
	Reusable	518.15	473.23	439.65	378.87	Recycling
General waste	Non-reusable	230	210	190	180	Incineration
	Total	748.15	683.23	629.65	558.87	***
	Reusable	2	2	8	18	Recycling
Hazardous waste	Non-reusable	3	5	0	0	Incineration
	Total	5	7	8	18	

#### 2 Chicony Power-SuZhou Factory

Year (Unit:	metric tons)	2017	2018	2019	2020	Final disposal method
	Reusable	798.8	795.4	1,002.3	835.8	Recycling
General waste	Non-reusable	380	540	179	175	Incineration
	Total	1178.8	1335.4	1,181.3	1010.8	****
	Reusable	3.8	6.12	13.51	8.23	Recycling
Hazardous waste	Non-reusable	0	0	0	0	<del>-</del>
	Total	0	0	13.51	8.23	



Chicony Power-ChongQing Factory

Year (Unit:	metric tons)	2017	2018	2019	2020	Final disposal method
	Reusable	933	1030.5	1031.64	1220.39	Recycling
General waste	Non-reusable	90.3	120	150.0	199.0	Incineration
	Total	1023.3	1150.5	1181.64	1419.39	1777.5
	Reusable	0	0	0	0	1000
Hazardous waste	Non-reusable	6.03	6.00	25.34	26.27	Incineration
	Total	6.03	6.00	25.34	26.27	1.000

#### 4 Chicony Power-Thailand Factory

Year (Unit:	metric tons)	2017	2018	2019	2020	Final disposal method
	Reusable				17.78	Recycling
General waste	Non-reusable				21.52	Incineration
	Total		ower-Thailan	39.30	1944	
	Reusable	data was f	irst disclosed	in 2020	0	****
Hazardous waste	Non-reusable				0	-
	Total				0	1225

### 4-2-3 XAVi Technologies' Waste Management Status:

The waste management of XAVi Technologies-Taipei Head Office is uniformly implemented by Chicony Taipei Headquarters.

1 XAVi-SuZhou Factory

Year (Unit:	Year (Unit: metric tons)		2018	2019	2020	Final disposal method
	Reusable				47.372	Recycling
General waste	Non-reusable				0	
	Total		nou Factory's	data was	47.372	5772
	Reusable	first disclo	osed in 2020		4.575	Incineration
Hazardous waste	Non-reusable				0	944
71.1.4.2.1.2.1.1.2.1	Total				4.575	***

# 3 4-3 Energy Efficiency Improvement Measures Taken in Each the Headquarters and Factory GRI 302-4

### ■ 4-3-1 Energy Efficiency Improvement Measures Taken in Each Factory

Energy conservation and carbon reduction is a goal shared by the globe and is also a responsibility to be undertaken by all employees of Chicony Group. Chicony Group has set up departments in charge of the supervision of environmental protection and the integration of Green Component Database System as well as the establishment of a comprehensive independent green management system which covers R&D, procurement, manufacturing and the entire supply chain. Besides the Chicony Smart & Green Building (Taipei Headquarters'), factories abroad are also committed to the reduction of annual energy consumption to contribute efforts to global sustainable development.

Chicony Group Headquarters and factories always pay attention to the impacts of their production and operation activities on climate change. Besides the strategies and goals formulated for the company's energy conservation and carbon & greenhouse gas reduction, the factories also carried out improvement projects for energy conservation and emission reduction in 2020, by which a total energy saving of 7,000 MWh was achieved. In response to customers' participation in RE 100, a total of 15,223 MWh of renewable energy was purchased in Chicony-DongGuan, MaoRui and SuZhou factories. Moreover, Chicony- and Chicony Power-DongGuan Factory obtained ISO 50001:2018 certification in 2020.

Power saving measures	Chicony Electronics	Chicony Power	XAVi
Recovering waste heat from air compressors	✓	<b>V</b>	✓
2. Using LED to replace traditional lighting devices	✓.	✓	
3. Reducing water scaling for air conditioning systems	✓	1	
4. Increasing the chilled water leaving temperature of water chillers (6°C-7°C)	✓	<b>√</b>	1
5. Detecting compressed air leaks	✓	✓	
6. Lighting energy-savings (increasing control loops)	✓	1	J
7. Using automatic temperature controlled fans fo water cooling towers	✓	√	✓
8. Installing timer switches for street lights	<b>√</b>	1	✓
Using timer switches for toilet ventilation system in office areas	✓	✓	✓
10. Using Level 2 energy-efficient devices (Injection molding machine improvement/ update, air conditioning update)	✓	✓	
<ol> <li>Recovering water chillers waste heat to heat water for workshop air-conditioning equipment to adjust temperature/humidity</li> </ol>	✓	✓	✓
12. Adding timer switches to drinking fountains	✓	√	
13. Solar power generation	√ (Chic	ony Group Headquarters	Building)
14. Wind power generation	√ (Chic	ony Group Headquarters	Building)
15. Purchasing renewable energy	√(DongGuan Factory, MaoRui Factory and SuZhou Factory)		
16. Introducing ISO 50001:2018	√(DongGuan Factory)	√(DongGuan Factory)	✓ (SuZhou Factory is expected to obtain the certification by the end of 2021)



SuZhou Factory purchased 6,123 MWh of renewable energy



DongGuan Factory purchased 400 MWh of renewable energy



MaoRui Factory purchased 8,700 MWh of renewable energy



DongGuan Factory obtained ISO 50001:2018 certification

#### 3 4-3-2 Chicony Group Headquarters Building Power Saving Measures

By mastering and researching thoroughly the "IWA Smart Building Integrated Management Platform" applied in the Chicony Group Headquarters Building, the Chicony Power's R&D Team has developed an Al-based core algorithm which can provide users with a series of software/hardware products and system solutions such as "Improvement of Equipment Operational Efficiency", "Environmental Optimization" and "Energy Efficiency Optimization", etc., based on which the smart control of buildings/equipment and environmental systems can be realized, and professional application services for a range of fields such as Smart City, Smart Park, Smart Building, Smart Shopping Center, Smart Home, Smart Transportation and Smart Tourism, etc. can be provided.

The Chicony Group Headquarters Building is located in Sanchong District of New Taipei City, which is a diamond-grade green smart building and had represented Taiwan to participate in the "Asia Pacific Intelligent Green Building Alliance" for APIGBA Awards and won the highest "Platinum Award". The Chicony Building is a 39-story building plus 4 stories underground with a total floor area of 98,398.5 square meters, which includes parking lot, gym, sauna, swimming pool, coffee shop and staff canteen. There are also green spaces and parks around the building.

Chicony Power's IWA system builds up "computer vision ability", "environmental perception ability", "natural language understanding ability", "analytic learning ability" and "facility control ability" for buildings through "Smart Perception", "Smart Computing", "Smart Control" and "Smart Interaction" to effectively assist users in controlling important equipment in buildings in a smart way, and to effectively manage and apply various building data to improve users' comfort and productivity and reduce building operations costs so as to achieve the purposes of sustainability and energy-saving.



#### IWA Smart Building Integrated Management Platform

The Chicony Smart Green Building had been designed to be a smart building that can "sense, think, be controlled and converse" in its initial development stage. In addition to the aim of receiving the Diamond Grade Smart Green Building Label, the building also strives to truly realize the concepts of people-orientation, coexistence with nature, and sustainable operation for being a smart green building. The Chicony Building is equipped with several smart systems to achieve a balance between users' comfort and energy consumption, which include:

# 1 Smart Lighting

There are 13,000 dimmable LED lights in the Building, which can be controlled by 0~100% stepless dimming controllers through ZigBee wireless control technology. Besides, different control strategies can be created for different areas, for example, to develop lighting control plans according to the outdoor light intensity, the number of people on indoor sites, or the scheduled work hours. More importantly, the lighting system can be integrated with other systems such as parking management system, elevator system and security/monitoring system, etc. Through such strategic lighting configurations, the Chicony Building can save about 40% of power consumption for lighting.

# 2 Smart Curtain

Double-layer insulating glass is used for the exterior of Chicony Building, which can isolate the radiant heat in summer and store the heat in winter. Additionally, with our Smart Curtain, devices/equipment can be optimally set according to the logic calculation results of weather data collected through outdoor sensors, based on which the Smart Curtain shall be notified to automatically adjust for the quantitative control of the shining distance of outdoor sunlight into the building. Moreover, the settings of lighting and air conditioning shall be modified at the same time to effectively adjust energy consumption without sacrificing people's comfort. By employing such comprehensive strategies, the air-conditioning covered area in Chicony Building can be effectively increased by approximately 52%.

# 3 Optimization of Air Conditioning System

Actively collect relevant indoor/outdoor information, including indoor/outdoor temperature, humidity, number of people inside and the status of building/ equipment. The optimal settings of relevant systems can be determined after the said data is logically calculated to achieve a balance between users' comfort and energy consumption. With the aid of air conditioning optimization calculation, the Building's costs of air conditioning energy consumption can be reduced by about 35% and the load efficiency of air conditioning system/ice storage equipment can be increased by about 18%.



#### Renewable Energy

Wind turbines and solar panels have been installed in the east, north and top floors of the Chicony Building for the collection of solar energy, by which more than 36,000 kW of electricity is expected to be saved annually and 22,000 kg of carbon emissions can be reduced. By using Energy Recovery System for high-speed elevators to generate renewable energy, theoretically 30% of the power can be recovered. In addition, the water collected from rainwater harvesting systems can be used to water the surrounding green space for the Building's Ops to realize the spirit of sustainability.



#### **Energy Management**

The Chicony Building is equipped with energy management system, in which electricity consumption information of all equipment in the building is sent back to a central monitoring system through digital meters, and thus real-time and effective monitoring and management can be implemented. When abnormal power consumption of equipment is detected, alarms shall be immediately initiated to notify maintenance personnel to promptly deal with the problems. In addition, energy consumption models and power consumption baselines can also be set through this energy management system for management personnel to formulate effective energy-saving strategies.

Moreover, the energy management system can also produce historical reports, which can be used by relevant personnel for analysis and other purposes. The equipment life cycle can also be estimated through data analysis, based on which reasonable equipment Ops and update plans can be developed to greatly assist in the allocation of funds invested in buildings and equipment.



#### Smart Curtain System

- The solar tracking system can precisely track the sun and effectively block the
- Wireless control system for flexible adjustment of curtain status
- Schedule control to provide simple management mechanism

#### Smart Lighting System

- Lighting applications for different areas can be provided through the IWA integrated system platform
- Combining with image recognition system to detect the movement of people for lighting and air conditioning control
- Saving up to 40% energy



# 0-5

Employee Care and Community Participation



# 05

# **Employee Care and Community Participation**

### Theme of this chapter

Employment, Training and Education

#### Responsible Units

Administration Management Division/Office of Administration Management



#### Management Mechanism

- ① Formulate "Measures for Education and Training Management" and establish a learning blueprint with different modules based on employees' fields of expertise and positions aligned with the company's operating goals. Moreover, with OJT (on-the job training), job rotation; knowledge sharing; soft power cultivation; and other arrangements create a Competition Capability Academy of Chicony Group.
- Value and respect employee voice and set up various communication channels for employees to understand the company's ongoing and real-time status, and to express their opinions or concerns regarding work and workplace.

# **D** Employee Care Performance

- Employee Housing: Houses are sold at a nearly as cheap as the cost price to employees; the occupancy rate was as high as 84%.
- The work resumption rate and retention rate of Parental Leaves can reach 60% and higher.

# Future Strategic Objectives

- 1 The short-term aim of the company's employee training is to reinforce the corporate cohesion to reduce the turnover rate and increase the retention rate. The scope of training will then be expanded to entry level, middle level and top-level of management to cultivate successors for the positions.
- 2 The short-term aim of the company's employee care is to help new employees adapt to the work environment, thereby promoting a sense of identity within the company. The long-term aim is to improve care for employees, provide appropriate advice on employees' situations and in hope that employees' sense of belonging to the company can be strengthened.

## 3 5-1 Employees Overview

#### ■ 5-1-1 Structure and Distribution of Employee Diversity GRI 405-1

Chicony Group has employees all over the world with a total number about 27,000, who work together for the Chicony family. By strictly abiding by RBA Code of Conduct, International Labor Convention and the Global Sullivan Principles, Chicony Group does not engage in any discrimination on the basis of race, gender, age, religion or political affiliation, gender identity, disability and nationality in determining employment retention, working hours, salary & benefits, performance evaluation and job promotion. The company also strives to ensure that all members in different regions can accurately comply with local laws and standards.

On account of industry characteristics, job market status and other factors, male employees account for a high percentage of management and R&D staff of the Headquarters in Taiwan, while the percentages of male and female employees in other plant areas differ from each other due to local work patterns and job market factors. The human resource structure of Chicony Group has become younger in recent years, in which employees aged 50 and younger account for more than 95% on average.

Number of employees of Chicony Group

No	umber of emp	oloyees (calcula	ated at the end	d of the year)	
	Year	2017	2018	2019	2020
	Total	27,413	26,225	26,009	26,516
Employee Structure by Nationality	Taiwan	1,602	1,661	1,758	1,852
, rutionality	China	25,800	24,556	24,244	21,312
-	Others	11	8	7	3,352

Note: The disclosed statistics only include the number of employees within the scope of disclosure of this report, not including employees in Europe and the United States.

#### Chicony Electronics

N	Number of employees (calculated at the end of the year)								
Ye	ar	2019	2020						
To	tal	18,051	17,056						
Employee	Taiwan	854	925						
Structure by	China	17,196	13,013						
Nationality	Others	1	3,118 <sup>Note</sup>						

Note: The Thailand Factory was added in 2020.

#### Employment Rate

		Chicony-Taipei Headquarter			Chicony-DongGuan Factory				Chicony-MaoRui Factory				
Facto	ριγ	2019		2020		2019		2020		2019		2020	
Number of e		7	67	8	11	3,8	395	2,3	319	2,855		2,3	352
Gender structure	Male	535	69.75%	569	70.16%	2,197	56.41%	1,269	54.72%	1,562	54.71%	1,058	44.98%
(%) (Domestic)	Female	231	30.12%	242	29.84%	1,675	43.00%	1,029	44.37%	1,284	44.97%	1,283	54.55%
Gender structure	Male	1	0.13%	0	0%	23	0.59%	21	0.91%	9	0,32%	11	0.47%
(%) (Overseas)	Female	0	0%	0	0%	0	0%	0	0%	0	0%	0	Ö
-	<30	62	8.08%	79	9.74%	2,162	55.51%	888	37.29%	687	24.06%	494	21.00%
Age structure (%)	30~50	595	77.57%	621	76.57%	1,679	43.11%	1,365	58.86%	2,043	71.56%	1,713	72.83%
	>50	110	14.34%	111	13.69%	54	1.39%	66	2.85%	125	4.38%	145	6,16%

East		Chic	ony-SuZ	hou Fa	ctory	Chico	ny-Chon	gQing I	Factory	Chicony-Tha	iland Fa	ictory
Facto	Jr <b>y</b>	20	)19	20	)20	20	)19	2(	)20	2019	20	)20
Number of e		8,0	060	5,	610	2,4	174	2,8	322		3,:	142
Gender structure	Male	4,084	50.67%	2,792	49.77%	1,377	55.66%	1,106	39.19%		566	18.01%
(%) (Domestic)	Female	3,928	48.73%	2,772	49.42%	1,084	43.82%	1,703	60.35%		2,450	77.98%
Gender structure	Male	48	0.60%	46	0.80%	13	0.53%	13	0.46%	First	53	1.69%
(%) (Overseas)	Female	0	0%	0	0%	0	0%	0	0%	disclosure in 2020	73	2.32%
	<30	4,201	52.12%	2,489	44.37%	1,510	61.03%	1,503	53,26%		2,184	69.51%
Age structure (%)	30~50	3,784	46.95%	3,022	53.87%	948	38.32%	1,292	45.78%		951	30,27%
	>50	75	0.93%	99	1.76%	16	0.65%	27	0.96%		7	0.22%

Year		2018	2019	2020
Fixed term contract	Male	7,550	5,683	5,318
employees	Female	7,147	5,645	5,979
Non fixed term contract	Male	622	3,619	2,186
employees	Female	321	3,104	3,573
Sex ratio		1.09	1.06	0.79
Number of employees with (Taipei Headquart	With Control of the C	7	7	7
Number of employees with (Overseas factori		NA <sup>Note</sup>	NA <sup>Note</sup>	26

Note: No statistics of the year

# Chicony Power Technology

N	umber of employees (calc	ulated at the end of the ye	ar)
Ye	ar	2019	2020
To	tal	7,500	8,925
mployee	Taiwan	787	795
ructure by	China	6,707	8,018
ationality	Others	6	112

Facto	orv	Taipei Hea		dquar	ter	Chicony Power- DongGuan Factory			Chicony Power- SuZhou Factory				
			2019		2020		2019		2020		19	2020	
Number of e		7.	42	7.	46	3,1	133	2,942		2,1	188	3,39	
Gender structure	Male	516	69.5%	526	70.5%	1,713	54.68%	1,528	51.94%	1,160	53.02%	1,665	48.9%
(%) (Domestic)	Female	226	30.5%	220	29.5%	1,397	44,59%	1,391	47.28%	998	45.61%	1,705	50.2%
Gender structure	Male	0	0%	0	0%	23	0.73%	23	0.78%	29	1.33%	28	0.82%
(%) (Overseas)	Female	0	0%	0	0%	0	0%	0	0%	1	0.05%	1	0.08%
2	<30	111	14.9%	107	14.3%	1,197	37.63%	885	30,08%	1,534	70.11%	2,160	63.55%
Age structure (%)	30~50	573	77.2%	571	76.5%	1,864	59.5%	1,947	66.18%	641	29.30%	1,223	35.98%
	>50	58	7.9%	68	9.2%	67	2.14%	87	2.96%	13	0,59%	16	0.47%

Facto	nov.		Chicony ChongQir			Chicony Power- Thailand Factory			
racio	/1 ¥	20	19	2020		2019	20	20	
Number of e at the end of		1,4	437	1,7	21	0	1	17	
Gender structure	Male	660	45.93%	816	47.41%		23	19.66%	
(%) (Domestic)	Female	777	54.07%	905	52.59%		84	71.79%	
Gender structure	Male	0	0%	0	0%		7	5.98%	
(%) (Overseas)	Female	0	0%	0	0%	First disclosure in 2020	3	2.56%	
1997-1	<30	863	60.06%	1,045	60.72%	111 2 2 2 3	87	74.36%	
Age structure (%)	30~50	568	39.53%	670	38.93%		26	22.22%	
	>50	6	0.42%	6	0.35%		4	3.42%	

Year		2019	2020	
Fixed term contract	Male	1,964	2,573	
employees	Female	1,789	2,562	
Non fixed term contract	Male	2,137	2,043	
employees	Female	1,610	1,747	
Sex ratio		1.21:1	1.07 : 1	
Number of employees with (Taipei Headquarte	Control of the Contro	5	6	
Number of employees with disabilities (Overseas factories)		12	19	

# 3XAVi Technologies

		_ ^ 2	
	by Thailand (Date interval of data:	2019	2020
	Total	458	535
	Taiwan	117	132
Employee Structure by	China	341	281
Nationality		First disclosure in 2020	121
	Others	0	1

· ·		Taipei Headquarter				XAVi-SuZhou Factory				XAVi-Thailand Factory			
Facto	ory	2019		2019 2020		2	2019 2020		2019	2020			
Number of employees at the end of the year		109		121		349		289			125		
Gender structure	Male	86	79.0%	92	77.0%	172	50.4%	140	49.8%		27	22.3%	
(%) (Domestic)	Female	23	21.0%	28	23.0%	169	49.5%	141	50.2%		94	77.7%	
Gender structure	Male	0	0%	1	100,0%	7	88.0%	7	86.0%	First disclosure	4	100%	
(%) (Overseas)	Female	0	0%	0	0%	1	12.0%	1	14.0%	in 2020	0	0%	
	<30	14	12,8%	13	10.7%	162	46.4%	87	30.1%		75	60.0%	
Age structure (%)	30~50	80	73.4%	87	71.9%	181	51.9%	196	67.8%		49	39.2%	
(1/2)	>50	15	13.8%	21	17.4%	6	1.7%	6	2.1%		1	0.8%	

Year		2019	2020	
Fixed term contract	Male	163	156	
employees	Female	160	224	
Non fixed term contract	Male	102	115	
employees	Female	33	40	
Sex ratio		1.38:1	1.04:1	
Number of employees with (Taipei Headquarte		1	<u>o</u>	
Number of employees with disabilities (Overseas factories)		0	0	

<sup>\*</sup> Thailand Factory's data (2020 3/1~12/31) was included.

#### 5-1-2 Personnel Recruitment GRI 401-1

Chicony Group recruits excellent workforce from all over the world through various channels on the basis of employees' career development and the company's operational strategies, which include industry-academia collaboration training programs with colleges and universities, and the employment promotion programs launched by the government. At the beginning of 2020, the COVID-19 pandemic began to spread from Wuhan, which also indirectly affected the production of the company's factories in China and resulted in an unprecedented turnover. Fortunately, as the pandemic came under control, the number of employees of factories in China has gradually become stabilized. Moreover, in response to the need of production momentum, the Thailand Factory was established in 2020.



- Recruitment is implemented in accordance with "Regulations on Employee Recruitment and Appointment"
- Targets: Employees of Headquarters, expatriate employees in overseas factories and overseas branches
  - Human Resource Department takes full charge of determining manpower demand and formulating annual human resource plans. Release job vacancy information through diversified recruitment channels.
- 8 Implement recruitment and review in accordance with local regulations and according to the needs of various units.



- The unit supervisor and Human Resource Department make the suggestion. The supervisor shall consult the employee about the job transfer and obtain consent from the employee.
- After the employee's consent is obtained, the "Application Form for Change in Position Designation" shall be filled out by human resource personnel, which shall then be signed and approved by supervisors of outgoing and incoming units.



- 1 The Company should be informed of the information about resignation and unpaid leave within the announcement period required by local regulations
- 8 Human Resource Department assists in conducting resignation interviews to find out reasons for resignation and the possibility of retention.
- Set up substitutes for all positions in response to employee turnover so that the Company's operation would not be affected by personnel's resignation.



# **Chicony Electronics**

📵 Statistics of 2019 Worldwide Employees Employment Rate and Turnover Rate

Fa	actory	Taipei Headquarter	DongGuan Factory	MaoRui Factory	SuZhou Factory	ChongQing Factory	
Number of e	mployees at the	767	3,895	2,855	8,060	2,474	
Number of	new employees	115	8,231	2,903	14,949	4,263	
Male		83	5,473	1,616	8,226	2,570	
Gender	Female	32	2,758	1,287	6,723	1,693	
	<30	41	6,498	1,536	11,061	3,581	
Age	30~50	74	1,733	1,367	3,887	682	
	>50	0	0	0	1	0	
Total number	er of employees jobs	52	8,385	1,590	8,623	3,986	
Candon	Male	33	5,607	991	5,084	2,487	
Gender	Female	19	2,778	599	3,539	1,499	
	<30	7	6,456	986	6,898	3,426	
Age	30~50	44	1,929	604	1,725	558	
>50		1	0	0	0	2	
Employe	e turnover	7%	215%	56%	107%	161%	

Statistics of 2020 Worldwide Employees Employment Rate and Turnover Rate

	Factory	Taipei Headquarter	DongGuan Factory	MaoRui Factory	SuZhou Factory	ChongQing Factory	Thailand Factory
	of employees at f the year	811	2,319	2,352	5,610	2,822	3,142
Number o	f new employees	110	2,995	1,662	6,065	5,362	5,210
Male		79	2,002	967	939	3,021	871
Gender	Female	31	993	695	5,126	2,341	4,339
	<30	39	2,305	950	4,035	4,052	3,778
Age	30~50 70		690	712	2,024	1,308	1,427
	>50	1	0	0	6	2	5
Number of leaving th	of employees eir jobs	68	4,570	1,898	12,364	5,025	2,648
25050150	Male	39	2,952	1,097	6,726	3,007	361
Gender	Female	29	1,618	801	5,638	2,018	2,287
	<30	12	3,447	1,012	8,486	3,975	1,935
Age	30~50	45	1,119	873	3,870	1,046	711
	>50	11	4	13	8	4	2
Employee	s Turnover Rate	8.38%	197.07%	80.7%	220.39%	178.07%	84.28%

# 2 Chicony Power Technology

Statistics of 2019 Worldwide Employees Employment Rate and Turnover Rate

Į.	Factory	Taipei Headquarter	DongGuan Factory	SuZhou Factory	ChongQing Facto	
Number of end of the y	employees at the year	742	3,133	2,188	1,437	
Number o	f new employees	175	5,462	6,941	1,369	
Gender Male Female		121	3,863	2,616	790	
		52	1,599	4,325	579	
	<30	44	3,397	5,555	1,076	
Age	30~50	121	2,060	1,385	293	
	>50	8	5	1	0	
Total num leaving the	ber of employees eir jobs	100	5,594	3,298	1,065	
Gender	Male	75	3,985	1,854	614	
Genuer	Female	24	1,609	1,444	451	
	<30	15	3,446	2,633	843	
Age	30~50	76	2,135	665	222	
>50		8	13	0	0	
Emplo	yee turnover	13.48%	178.55%	150.73%	74.11%	

Statistics of 2020 Worldwide Employees Employment Rate and Turnover Rate

F	actory	Taipei Headquarter	DongGuan Factory	SuZhou Factory	ChongQing Factory	Thailand Factory	
Number of e	employees at the ear	746	2,942	3,399	1,721	117	
Number of	new employees	132	5,345	8,266	1,570	117	
Cd	Male	100	3,134	4,637	891	34	
Gender	Female	30	2,211	3,629	679	83	
	<30	56	2,475	5,862	1,272	88	
Age	30~50	69	2,861	2,399	298	38	
	>50	5	9	5	0	4	
Total numb leaving thei	er of employees Ir jobs	131	5,536	3,595	1,235	41	
Gender	Male	93	2,183	1,873	700	4	
ociloci.	Female	36	3,353	1,722	535	37	
	<30	33	2,644	2,580	1017	39	
Age	30~50	86	2,870	1,013	218	2	
	>50	10	22	2	0	0	
Employ	yee turnover	17.52%	188.17%	105.77%	71.76%	35.04%	



# XAVi Technologies

📵 Statistics of 2019 Worldwide Employees Employment Rate and Turnover Rate

	Factory	Taipei Headquarter	SuZhou Factory	
ımber of emplo	oyees at the end of the year	109	349	
Number	of new employees	16	790	
	Male	10	375	
Gender	Female	6	415	
Age	<30	4	670	
	30~50	12	120	
	>50	0	0	
mber of emp	loyees leaving their jobs	15	676	
211	Male	10	316	
Gender	Female	5	360	
	<30	1	582	
Age	30~50	13	94	
	>50	1	0	
Empl	oyee Turnover	13.8%	193.7%	

Statistics of 2020 Worldwide Employees Employment Rate and Turnover Rate

	Factory	Taipei Headquarter	SuZhou Factory	Thailand Factor	
Number of end	employees at the of the year	121	289	125	
Number o	f new employees	23	440	182	
	Male	16	207	39	
Gender	Female	7	233	143	
	<30	4	307	111	
Age	30~50	16	133	70	
	>50	3	0	1	
	f new employees ng their jobs	0	394	55	
Gender	Male	0	183	8	
	Female	0	211	47	
	<30	0	285	33	
Age	30~50	0	109	22	
	>50	0	0	0	
Emplo	yee Turnover	0%	89.55%	30.22%	
Total num leavi	ber of employees ng their jobs	11	499	57	
Canda	Male	8	238	8	
Gender	Female	3	261	49	
	<30	3	350	34	
Age	30~50	8	148	23	
	>50	0	1	0	
Emplo	yee Turnover	9.1%	172.7%	45.6%	

Date interval of Thailand Factory's data: 2020 3/1~12/31



#### 5-1-3 Parental Leave GRI 401-3

Chicony Group provides substantial care and assistance to the employees who need to take care of their children, which include unpaid leave arrangements and related subsidies, etc. With the uncertainties brought by the COVID-19 pandemic, the work resumption rate was lower than the previous year. Chicony Group has been committed to providing employees with complete employee care mechanisms in hope that the employees who need to look after their children can take care of family and concentrate on work at the same time.

#### Parental Leave statistics of Chicony Group

Year		2019		2020			
Gender	Male	Female	Total	Male	Female	Total	
Number of employees eligible for Parental Leave	136	50	186	121	53	174	
Number of employees applying for Parental Leave during the year	Ť	9	10	î	12	13	
Number of employees supposed to resume work in the year (A)	9	8	9	0	11	12	
Number of employees resuming work in the year (B)	0	7	7	0	8	8	
Work resumption rate (B/A)		87,5%	77.8%	122	72.7%	66.7%	
Number of employees who resumed work after taking Parental Leave in the previous year (C)	0	7	7	0	6	6	
Number of employees who resumed work after taking Parental Leave in the previous year and had been working for one year after work resumption (D)	0	7	7	0	4	4	
Retention rate (D/C)	HH	100%	100%	175	66.7%	66.7%	

Note: The Parental Leave statistics shown in this report only demonstrated data gathered from Taipei Headquarter (including Chicony Electronics, Chicony Power Technology and XAVI Technologies).

Note: Number of employees eligible for Parental Leave of the year: Calculate the total number of employees eligible for Parental Leave of the year

#### ▶ 5-2-1 Employee Remuneration

Chicony Group employee salary standards are formulated by human resource units based on market salary, the company's financial status and organizational structure. The overall remuneration is determined according to employees' individual professional competencies, job responsibilities, work performances and achievement status of the company's operating goals. The salaries of new employees will not differ on account of gender, race, political affiliation, ideology, religious beliefs, gender identity or marital status. The starting salary is higher than the basic salary regulated by the government. The basis for salary calculation lies in a comprehensive consideration of employees' expertise and the positions being held.

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### 5-2-2 Measures to Enhance Employee Benefits

With the aim of taking care of employees, reinforcing corporate cohesion and maintaining harmonious labor-management relations, Chicony Group sets up Employees' Welfare Committee to take the responsibility for the planning and implementation of various benefits programs through a complete benefits system and various employee activities. The ongoing employee benefits programs being promoted are as follows:

# Employee Insurance

Insurance: Besides Labor/Health Insurance, the company also provides Group Insurance, Life Insurance, Hospital Insurance, Accident Medical Insurance and Cancer Insurance. "Out-of-pocket Program" for employee family members is also provided.

Group Insurance: for all employees; the insurance is paid by the corporate group

# **Employee Assistance Programs**

Employee Retirement Arrangement, Employee Emergency Allowances & Condolences Program and Employee Travel Allowances

### Festival Bonus

Give out bonuses of NT\$ 1,000~3,000 every time based on annual budget, including May 1st Coupon, Chinese New Year Coupon, Dragon Boat Festival Coupon, Moon Festival Coupon and Birthday Coupon.



Library in Factory



Mooncake Gifts



# **Employee Activities**

Sports activities: Fitness Test; Basketball, badminton and table tennis friendly matches, etc. Charitable activities: Liver Disease Prevention & Treatment Research Foundation, Orphan Welfare Foundation and Scholarship/Guardian Angel Project

Other activities encouraging communication and exchanges: Chicony Starts (a tour of Taiwan for outstanding employees from Mainland China) and Family Day



Badminton matches held in Suzhou factory



Table tennis friendly matches held in Suzhou factory



Rhythmic exercise classes in the Headquarters



Chicony Group's Gala Night

# Employe

# **Employee Housing**

Houses are sold at a nearly as cheap as the cost price to employees; the current occupancy rate is as high as 84%







#### ▶ 5-3 Talent Development and Training GRI 404-1

#### 5-3-1 Diversified Training Courses

Chicony Group attaches great importance to employees' development and regards talent cultivation and development as a competitive advantage. Thus, the group has organized a complete training system and developed training courses to help employees improve their professional skills and management capabilities and encourage employees' self-growth. Besides, the group has also established a learning blueprint with different modules based on employees' fields of expertise and positions aligned with the group's operating goals. Moreover, with OJT (on-the job training), job rotation, knowledge sharing, soft power cultivation and other arrangements, a Competition Capability Academy of Chicony is created in hope that all employees can be skillful both in theory and practice and can keep growing with the group. The structure of course planning is explained as follows:

#### 01 New Employee Orientation

In order to help new employees get to know Chicony more quickly, the company conducts training for new employees from three aspects so that new employees will not panic when starting a new job in Chicony and can immediately demonstrate their professional capabilities.

- Basic knowledge: Provide courses such as "Group Introduction", "Introduction to Personnel System" and "Introduction to Company's Benefits Policy" to assist new employees in fitting in at new job and adjust to the work environment in Chicony.
- Environment introduction: Provide courses such as "Instructions on the Chicony Building System", "Introduction to the Internal Environment of Chicony Building" and "Fire Safety/Fire Fighting Training," to help new employees get familiar with the new environment.
- 3 Corporate governance: Provide courses such as "Regulations on Anti-collusion and Conflicts of Interest" and "Advocacy of Human Rights Commitment," to help new employees understand the company's norms.

#### 02 | Professional Skill Training

By pivoting on strengthening employees' various professional skills, the company develops a range of professional courses and relevant license/certificate training programs combined with a variety of general courses and thematic lectures. It is hoped that Chicony's overall knowledge/production capabilities and core competitiveness can be enhanced through employees' participation in professional and non-professional courses and lectures.

- O Professional courses: Design and implement on-the-job training for different professional fields; for example, R&D personnel's "R&D Creativity Stimulation Techniques," business/sales personnel's "Business Presentation Skills," and PM personnel's "Project Management." Four to seven professional courses are designed for each field so that employees can update their professional abilities and give full play to their strengths in the workplace through these professional courses.
- @ General courses: A range of general courses such as "Language Training," "Communication Skills," and "Emotion and EQ Management," are organized every year according to the internal and external environments of the company for employees to develop their own soft power while enhancing their hard power. In addition, multiple sessions of "ESH Workshops," "Fire Safety Training," and "First Aid Training" are also organized every year so that employees can be aware of the hygiene, safety and health conditions of their work environment.
- Thematic lectures: There are diversified lectures provided by the company; for example, legal lectures for skill enhancement, health lectures focusing on employees' health enhancement, and parenting lectures aiming at family relationships. The lecturers being invited are also very diverse, including university professors, Internet celebrities and psychological counselors, by which employees can acquired new knowledge for their work and life. In addition, lectures on "Sexual Harassment Prevention," "Anti Workplace Bullying," and other workshops are also organized to implement and advocate Chicony's human rights policies.ompany's norms.

#### 03 | Management Capability Training

The levels of management are divided into entry level, middle level, and top level management. Managers of different levels of management should possess different competencies required for their positions according to their scope of management and participation in the company's decision-making. The Company has developed on-the-job education and training for managers at all levels according to this functional requirement.

- 1 Top level managers: Cultivate their leadership, decision-making ability and innovation skills by means of courses such as "Leadership Techniques," "Systematic Thinking and Decision-making," and "Innovative Thinking and Creative Management"
- Middle level managers: Cultivate their team management ability, subordinate cultivation ability and planning ability by means of courses such as "Personnel Selection and Interview Skills," "Techniques to Guide and Motivate Subordinates," and "Discover and Solve Employee Problems."
- 8 Entry level managers: Cultivate their problem-solving skills, expression skills and instructional skills by means of courses such as "Problem Analyzing and Solving," "Expression and Presentation Skills," and "Instructional Techniques for Work."
- 1 Statistics of Chicony Electronics' 2019-2020 Training Implementation

Year	Tai	Taipei Headquarter			Chicony-DongGuan Factory				Chicony-MaoRui Factory			
Operation Unit	2019		2020		2019		2020		2019		2020	
Gender	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Femal
Average training hour for managerial position	6.5	8.5	8.1	8.5	21.1	14.7	12.0	8.7	14.5	9.9	16.2	11.4
Average training hour for general position	7.2	8.1	4:9	5.2	16.2	14.2	18.3	16.9	12.0	13.7	21.4	24.7
Average training hour for dedicated personnel	3.3	0.0	12.3	6.0	81,4	51.2	49.8	21.8	49.3	NA	49.3	NA

Year	C	hicony Fact		ou	Chi	cony-Cl Fact	COLUMN TO SERVICE STATE OF THE PARTY OF THE	ing	Chicor Thailar				tal rage
Operation Unit	20	19	20	20	20	19	20	20	2019	20	20	hours	500 w (CT)
Gender	Male	Femal	Male	Femal	Male	Femal	Male	Femal		Male	Femal	2019	2020
Average training hour for managerial position	26.9	17.1	30.4	19.2	1.7	0.9	2.6	1,3	First	5.1	4.6	12.2	10.7
Average training hour for general position	23.3	24.6	26.3	27.8	5.7	8.2	7.0	8.9	disclosure in 2020	14.9	33.4	13.3	17.5
Average training hour for dedicated personnel	39,8	32.3	27.0	15.6	20.4	NA	26.6	NA		51,9	83.9	34.7	34.4

Note 1: Managerial personnel refer to managers/deputy managers or above.

Note 2: The "Dedicated personnel" shown in the table refer to the personnel that should receive training required by their professions or relevant regulations.

Note 3: NA represents no statistics or no corresponding dedicated personnel in the current year



#### Statistics of Chicony Power Technology's 2019-2020 Training Implementation

Year	Tai	pei He	adqua	rter	ı	Chicony OongGua				Chicony uZhou	Power- Factory	
Operation Unit	20	19	20	20	20	19	20	20	20	19	20	20
Gender	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Fema
Average training hour for managerial position	7.54	3.85	2.13	0.9	42	40	40	35	20.19	15.5	13.5	12.5
Average training hour for general position	13.54	10.08	12.29	9.08	38	37	35	34	23.3	21.6	20.5	18.4
Average training hour for dedicated personnel	11.51	7.82	18.95	9.17	32	31	38	36	13.2	10.7	20.3	16

Year	c	Chicony hongQir				cony- d Factor	y	То	tal aver	age ho	urs
Operation Unit	20	)19	20	20	2019	20	20	20	19	20	20
Gender	Male	Femal	Male	Femal		Male	Femal	Male	Femal	Male	Fema
Average training hour for managerial position	27	26	18	16	First	1.78	0.89	23.63	23.35	17.24	18.88
Average training hour for general position	48	46	69	64	in 2020	8	8.17	33.49	33.00	36.67	33.49
Average training hour for dedicated personnel	34	24	24	24		6.05	4.97	30.02	28.61	32.83	26.51

#### 8 Statistics of XAVi Technologies' 2019-2020 Training Implementation

Year	Tai	Taipei Headquarter		XAVi-SuZhou Factory				Total average hours				
Operation Unit	20	19	20	20	20	19	20	20	20	19	20	20
Gender	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Femal	Male	Fema
Average training hour for managerial position	9.70	3.10	6.73	2.49	16.80	15.80	14.54	13.53	13.25	9.95	10,64	8.01
Average training hour for general position	4.50	2.90	9.82	6.77	18.30	19.00	12.78	11.77	11.40	10.95	11.30	9.27
Average training hour for dedicated personnel	0	3	5	0	8	0	8	0	4	1.5	6.5	0

Note 1: Managerial personnel refer to managers/deputy managers or above.

Note 2: The "Dedicated personnel" shown in the table refer to the personnel that should receive training required by their professions or relevant regulations

#### ₱ 5-3-2 Performance Appraisal System GRI 404-3.

Chicony Group has set up a complete performance appraisal system with objective performance standards fair appraisal procedures, reasonable appraisal results and continuous system improvement. Team leaders shall regularly evaluate and give feedback on the actual work achievements of their employees. In addition to praising excellent employees to inspire staff morale, high potential employees are also identified so that job-fitness planning can be conducted to help employees make progress. In order to encourage employees to make continuous improvement, the company uses the annual performance appraisal results as the main basis for salary adjustment, bonus distribution, job transfer/appointment, training/development and job improvement.

Structure of Employee Appraisal	Item for Appraisal	Timing of Appraisal	Appraisal Procedures
End of Probation Appraisal	Competence	3 months after the job is taken	HR issues the appraisal form to the appraisee for him/her to write end-of-probation report → Unit Leader's Review → Approval of Business Department/First-level Leader of the Unit → Human-resource process (official appointment/extended probation/dismissal/salary adjustment)
Interim Appraisal	Competence	July ~ August	HR issues the appraisal form→Self-evaluation→Review→ Approval→Basis for promotion, salary adjustment and bonus distribution
End-of-Period Appraisal	Competence	December ~ January	HR issues the appraisal form→Self-evaluation→Review→ Approval→Basis for promotion, salary adjustment and bonus distribution

Appraisals are carried out according to scheduled timings during employees' tenure. All employees have completed 100% of the appraisals.

# 5-4 Employee Communication and Care GRI 403-4

# ▶ 5-4-1 Smooth Communication Channels

Chicony Group respects and values employees' opinions and sets up various communication channels ' for employees to stay on top of the company's ongoing status and to express their opinions and concerns regarding workplace issues. Human Resource Department has provided several two-way channels including:

- Employee Mailbox: Receiving and responding to employees' grievances
- Email notification: Informing employees about the Group's announcements and forwarding letters from top management to employees
- Employee Communication Meeting: All employees have a two-way conversation with top level managers, mainly organized by the administrative management departments and jointly implemented by all related units.
- Bulletin board: Providing information about employee-related policies, health & safety and corporate activities
- Consulting Room: Providing one-on-one consultation
- 6 Employee Representatives Meeting: HR communicates with labor representatives on a quarterly basis
- "CEO' s Mailbox": The Auditing Office takes the responsibility for investigation and review.
- (8) "Management Procedures for the Prevention of illegal treatment during the Execution of Job Duties": Office of Human Resource / Office of Administrative Management take the main responsibility for reviewing and handling
- "Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment": Office of Human Resources/Office of Administration Management takes the main responsibility for receiving the submission of grievance, investigation and review.

Chicony Group's committee representatives are elected in accordance with China's "Regulations on Labor Union's Fundamental Organization Election Affairs" to facilitate communication through internal meetings held on an irregular basis. The Labor Union status of the factories is listed in the table below: GRI 102-41

# Of Chicony Electronics

Factory	Taipei Headquarter	DongGuan Factory	MaoRui Factory	SuZhou Factory	ChongQing Factory	Thailand Factory
Total number of employees	No labor union has been set in Headquarters, so no collective bargaining agreement has been signed. The communication is carried out in the form of — Labor-Management Meeting (composed of five management representatives and five labor representatives)	2,319	2,341	5,610	2,809	The communication is carried out in the
Number of committee representatives		125	15	221	123	form of Employees' Welfare Committee in Thailand Factory,

# O2 Chicony Power Technology

Factory	Taipei Headquarter	DongGuan Factory	SuZhou Factory	ChongQing Factory	Thailand Factory
Total number of employees	No labor union has been set in Headquarters, so no collective bargaining agreement has been signed. The communication is carried out in the form of	2,942	3,399	1,721	The communication is carried out in the
Number of committee representatives	Labor-Management Meeting (composed of five management representatives and five labor representatives	13	171	88	form of Employees' Welfare Committee in Thailand Factory.

# XAVi Technologies

Factory	Taipei Headquarter (including Hsinchu Office)	SuZhou Factory	Thailand Factory
Total number of employees	No labor union has been set in Headquarters, so no collective bargaining agreement has been signed. The communication is	289	The communication is carried out in the form of Employees'
Number of committee representatives	carried out in the form of Labor-Management Meeting, with — five management representatives and seven labor representa- tives (Taipei: 5; Hsinchu: 2)	41	Welfare Committee in Thailand Factory.

Currently no labor union has been set in the Headquarters, so employees' benefits and rights are all described in the Company's administrative regulations, and decisions are made in the quarterly labor-management meetings. Besides, CEO's Mailbox is also set with the aim of carrying out the principles of "Fairness, Honesty, Promise-keeping and Transparency" to disclose and manage the dishonest practices in workplace in an anonymous manner. CEO's Mailbox is not only open to Chicony Group's employees but also available for all Chicony Group's stakeholders such as customers/ suppliers, directors/supervisors, managers and shareholders, etc. to directly submit messages and information to the CEO.

In order to let every stakeholder understand how CEO's Mailbox works, Chicony Group holds at least one promotion meeting every year for each stakeholder group, or holds the meeting during the Annual Supplier Conference to make it known to employees in all factories. Besides the promotion card of CEO's Mailbox, the responsible people of supplier partners are required to bring their company's seals when attending the promotion meetings and sign and stamp on the "Integrity Commitment Letter" for suppliers. Responsible people of other external organizations are also required to sign and stamp on the reply letters and the "Letter of Undertaking of Integrity" for suppliers, and send them back to the Company to express their resolution to uphold business integrity and anti-corruption.

Management Departments in factories also conduct propagation meetings for procurement-related personnel and ensure that the propagation cards have been handed and received (signature upon receipt is required) and the "Integrity Commitment Letter" should also be signed. This regulation is also propagated in new employees' training meetings to ensure that all new employees have received the propagation cards and signed the "Integrity Commitment Letter".

#### 5-4-2 Employee Care

#### Pandemic Preventive Measures

With the outbreak of COVID-19 pandemic after the Lunar New Year in 2020 when all work was supposed to be re-activated, the factories in China had no choice but to announce the extension of New Year holiday and postpone operations resume. The Headquarters and factories in Dongguan, in Suzhou and Chongqing in China all seriously prepared for this event and issued management measures for the pandemic to take care of all employees. Employees are assets for a business seeking sustainable development; and it is a responsibility of the business owner to protect the company's assets. Although the Taipei Headquarter has not been significantly impacted by the epidemic, yet considering that family members of some employees might have suffered impacts of the pandemic, the company still decided to give out "pandemic prevention bonus" to reward employees as well as take care of employees' families. ( The bonuses were offered to medium- and base-level employees; the lower the salary is, the higher amount of bonus is paid. )



Masks and sanitizers are distributed every week



Keep a safe distance while dining at the staff canteen



Conduct disinfection and body temperature measurement before entering the factory



Conduct disinfection and body temperature measurement before entering the factor



Staff from Taipei go on a business trip



Staff from Taipei go on a business trip

#### Thoughtful Facilities

With the increasing acceptance of gender diversity (LGBTQ groups) in society, the value arising from the inclusion of gender diversity has gradually become an important indicator of corporate social responsibility (CSR), and even become an important part of friendly workplace and a company's sustainable development. In order to realize this concept, Chicony Group started to create friendly workplace in the company by offering training courses(such as "Prevention and Handling for Workplace Sexual Harassment" and building up facilities in hope that "friendliness" and "inclusiveness" can be integrated into employees' daily life and will also prevail in the workplace.







Set up friendly rest rooms

Training course on "Prevention and Handling for Workplace Sexual Harassment"

Moreover, in order to ensure the physical and mental health of female employees during pregnancy and to implement maternal health protection, basing on the concept of "Workplace Friendliness Promotion" in business practice and management, business entities should set up workplace friendly facilities for employees with special needs caused by occupational accidents or personal injuries. That includes friendly rest rooms, friendly parking spaces for cars and motorcycles to support and meet employees' essential needs.



Friendly parking space (basement parking lot)



Friendly parking space (east parking lot)

### 5-5 Comprehensive Employee Health Management GRI 403-3, GRI 403-6

Chicony Group attaches great importance to the health of employees. The company regards that employees' work competencies = employee's health = corporate competitiveness, and firmly believes that employees are an indispensable element of a company's success. By viewing employees as valuable assets, the company has created a high-quality leisure environment with a full range of sports and recreation facilities such as Health Center, swimming pool, swim SPA and various club activities. Onsite clinics regularly serviced by physicians have been set and regular health checks and health-related workshops are held. Visually impaired masseurs are appointed to offer massage services to employees, by which the disadvantaged workers can contribute their professional skills and sustain their living without being isolated from the society and employees can get themselves off stress at work as well. Chicony group strives to provide employees with the most comprehensive care, the safest and healthiest work environment and complete training.

Employee health is always an issue greatly emphasized by Chicony Group. Onsite clinics and consulting rooms have been set and doctors and nurses have been appointed in factories to constantly take care of employees' physical and mental health (The items of health care that Chicony Group provides to full-time employees are listed in the table below).

- I. Employee Health Management and Emergency Care
- Promote workplace health programs and take the responsibility for workplace emergency care
- Measure employees' height, weight, body fat and blood pressure on an irregular basis, give vaccines and keep employees' nursing records.
- B Develop measures to improve employees' physical problems
- Four major prevention plans





In addition to general health check items, other items added include:

Smear tests

	Chicony Electronics	Chicony Power Technology	XAVi Technologies
Number of employees having smear tests	32	31	4

② Giving flu vaccines (company-paid/self-paid)

	Chicony Electronics	Chicony Power Technology	Total
Number of employees being vaccinated (company-paid)	40	19	59
Number of employees being vaccinated (self-paid)	73	61	134
Number of registered employees	113	80	193
Total number of employees being vaccinated	113	80	193
Actual vaccination rate	100%	100%	100%



- II. Health checks and abnormality grading and follow-ups
- Take charge of workplace health checks, measure employees' height, weight, body fat and blood pressure on an irregular basis, and give vaccines
- Mealth status grading and abnormality follow-ups
- On-site doctor services
- III. On-site doctor services and the prevention of infectious diseases
- On-site doctor services
- 2 Advocacy of the prevention of workplace infectious diseases





- IV. Health enhancement activities and health education sessions (the content may be adjusted according to the operational status of individual factories)
- Health enhancement workshops
- Stress Relieving Station
- 8 Blood donation campaign
- Fitness tests

- Aerobic Exercise
- 6 Club activities
- 81 Health Center

ecks and ity grading v-ups



Massage Station



Massage Station



Aerobic exercise in the Headquarters



Mountaineering held by Chongqing Factory



Badminton activities in the Headquarters



Table tennis matches held in Suzhou factory

# 5-6 Community Participation

#### Giving Back to Community

The Chicony Park is located in the Erchong Floodway (left bank) rezoned area, that is, Lane 175 of Zhongxing North Street behind Chicony Headquarters Building, the area of which is about 3074.72 square meters. Chicony Electronics Co., Ltd. currently takes the responsibility for the park maintenance Chicony Electronics takes the responsibility for the park maintenance including cleaning, facility maintenance and vegetation management, etc. There are pavilions, children's play facilities, stone sculptures and public toilets, etc. in the park, which are all available for nearby residents and communities. By participating in the Adopt-a-Park program, Chicony Group donated land for community residents to have a space for leisure activities, and signed an agreement with Sanchong District Office to undertake the park maintenance work, thereby demonstrating the company's commitment in green space protection and promotion of community recreation.





#### Talent Cultivation

In order to cultivate talents in fields of mechanical engineering, electrical/electronic engineering and communications, etc., and encourage outstanding students to devote themselves to related academic research and technological innovation, Chicony group carry out industry-academia collaboration with National Taipei University of Technology to develop Taiwan's hi-tech human resources, and offer scholarships to graduate students (including students of Direct-entry Master's Program) and doctoral students (including students of Direct-entry Doctoral Program and Professional Practice Program). Also participate in the GOLF (Gap of Learning & Field) Alliance by providing multiple digital learning courses to promote the link-up between school education and industry needs

	Chicony Electronics		Chicony Pow	er Technology	XAVi Technologies		
Year	2019	2020	2019	2020	2019	2020	
Amount (NT\$:Dollars)	400,000	2,100,000	3,180,952	7,200,000	500,000	250,000	
Total			13,63	0,952			



Carry out industry-academia collaboration with National Taipei University of Technology to cultivate Taiwan's hi-tech human resources



Participate in the GOLF (Gap of Learning & Field) Alliance by providing multiple digital learning courses to promote the link-up between school education and industry needs

#### Caring Disadvantaged Groups

By upholding the belief of "Take from society, give back to society", Chicony Group makes donations in the name of the company to support disadvantaged groups. It is because the company deeply believes that the commitment to society should be included in Chicony's corporate responsibilities. Chicony Electronics' sustainable corporate social responsibility strategies are developed based on the company's core values. In addition to the various charitable activities promoted by the company, many employees also voluntarily founded "People Caring Club," which collaborates with the external charitable activities in the hope of integrating and exerting the company's resources to give back to the society and to expand the influence on the social value system

Taipei Orphan Welfare Foundation visiting the Company









#### 2020 Charity Sale

- ①Yu-Cheng Social Welfare Foundation-Year of the Ox Red Envelope.
- Polio & Agape Shelter Workshop--Little Prince Biscuit Piggy Bank.
- ③Polio & Agape Shelter Workshop (charity rice)—Rice of Hope.
- (4) Taiwan Foundation for the Blind--Chen Yuan Ho Premium Soy Sauce.
- ⑤Autism Society of Taiwan, R.O.C.--Star Child Workshop-Potted Plants.



**Charity Fairs** 







Chicony Power "Charity Potted Plant Subscription Campaign": A total of 63 potted plants were subscribed.





# 06 Safe Work Environment

#### Theme of this chapter

Occupational Safety and Health

#### Responsible Units

Administration Management Division/Office of Administration Management

#### Management Mechanism

- 1 The company is committed to building a safe workplace in accordance with various standard procedures required by ISO 45001:2018 Occupational Safety Management System to enable every employee to work under safe conditions. A safe work environment requires not only the establishment of relevant soft and hard safety facilities, but also the coordination of every company member.
- Office of Industrial Safety and on-site units of all factories establish standard operating procedures for workplace safety and employees health management. Besides, regular training on safety and health and simulation exercises aiming at the education, training and promotion of management related to work environment, equipment and hazardous substances are also held to ensure the safety and health of employees. The company also focuses on equipment operation management, personnel training and inspection /maintenance routines as well as improvement of dust collection system so as to ensure the normal operation of all environmental protection equipment. With the aim of carrying out the occupational safety policy, relevant investments are made and objectives are set every year based on annual goals to examine the effectiveness of the implementation.

#### Safe Work Environment Performance

- The migration to ISO 45001:2018 has been completed in Taipei Headquarters and all factories. With thestructure provided by ISO 45001:2018, a safety and health culture that can continuously improve occupational safety and health performance shall be created.
- Carry out comprehensive hazard identification every year for various department work items that may cause personnel's injuries or accidents. In addition to employees, the targets of risk identification also

#### Future Strategic Objectives

- Chicony Group carries out comprehensive construction projects based on the principles of "improving the safety and health of work environment, protecting employees and reducing occupational injuries" to step-by-step improve employees' work environment for employees to commit themselves in the workplace with ease.
- Chicony Group demands that every part of the production must strictly abide by the safety principles, employees' safety awareness must be reinforced, and workplace safety should never be overlooked. The internal managerial units must thoroughly analyze the causes of every occupational accident, and figure out prevention strategies and post-incident management measures.
- 6 All units should make work safety as one of their strategic objectives and aim to achieve the goal of "zero work hour loss due to occupational safety issues".
- Continuously care about employees' health, assist in tracking health risk factors, and provide care.



#### 6-1 Occupational Safety and Health Management System GRI 403-1

Chicony Group gives importance to the occupational safety and health management performance and is committed to providing efficient operating services which emphasize the safety and comfort of stakeholders such as employees, customers, contractors and operating partners, etc. The Group views occupational safety and health management as a basic requirement of business operations and internalizes it in the organization's operations management system. Rights/obligations such as labor safety, hygiene and health are clearly regulated in labor contracts and safety & health work rules. All units should make work safety as one of their strategic objectives and aim to achieve the goal of "zero work hour loss due to occupational safety issues" in the long run.

In order to effectively manage and improve the work environment safety of Chicony Group's Headquarters and all factories, and to reduce or even eliminate workplace hazards and related diseases, and to comply with Taiwan's regulations governing occupational safety and health management the Occupational Safety and Health Management System has been set in the Headquarters and all factories. Moreover, with the announcement of ISO 45001:2018, the migration to ISO 45001:2018 has also been completed in Taipei Headquarters and all factories since 2020. The framework provided by ISO 45001:2018 is applied throughout the whole supply chain to create a safety and health culture that can continuously improve occupational safety and health performance.

#### The objectives to be achieved through the Occupational Safety and Health Management System include:

- Avoid or minimize the risks arising from events that may cause physical, mental or adverse health effects on the personnel who are affected by the organization's activities.
- Ensure that changes or alterations to the Occupational Safety and Health Management System, procedures, products, materials, organizational structures, etc. will not create new hazards or OSH risks.
- √ Promote safe operating (work) habits
- Obtain financial and operational benefits or advantages derived from OSH performance improvements such as reduction of work-related injuries, insurance premium rates, etc.



#### 6-1-1 Chicony Electronics Co., Ltd.



Taipei Headquarters



Chicony-DongGuan Factory



Chicony-MaoRui Factory



Chicony-SuZhou Factory



Chicony-ChongQing Factory



Chicony-Thailand Factory

#### 6-1-2 Chicony Power Technology Co., Ltd.

The Thailand Factory just started operating in 2020 and is currently in the under-guidance stage. The certification is expected to be obtained in 2021.



Taipei Head Office



Chicony Power-DongGuan Factory



Chicony Power-SuZhou Factory



Chicony Power-ChongQing Factory

#### 6-1-3 XAVi Technologies



Taipei Head Office



XAVi-SuZhou Factory

#### 6-2 Hazard Identification and Risk Assessment GRI 403-2

In order to effectively implement the company's safety and health management, Chicony Group improves safety and health management efficiency by means of ongoing hazard identification and risk assessment as well as proper preventive measures or necessary control measures to avoid the occurrence of workers' injuries or accidents in relation to operation procedures, activities, products, services, facilities, etc., in which factory personnel's and stakeholders' safety, health and financial losses may be involved. The above mentioned 'workers' include employees (fixed/non fixed term contract employees), contractors, suppliers, interns, etc. The main hazards and risks identified in accordance with the "Procedures for Hazard Identification and Risk Assessment" applied in the Headquarters and the company's factories are listed in the table below:

Reporting and investigation should be conducted in accordance with "Management Procedures for Accident Reporting and Investigation" in the event of occupational accidents in the factories as the basis for improvement. The reporting grievance submission must follow the principles of objectivity, fairness and impartiality, and the rights and privacy of the victims and whistleblowers must be completely protected. No major occupational safety accidents occurred in the companies of Chicony Group during 2019-2020. There were traffic accidents during employees' commute to work in Taipei Headquarters. What happened in other factories were sporadic injuries caused by being caught/drawn in or pressed/smashed, and so on. The statistics are shown in the table below:

Numbers and types of work-related injuries in Chicony Electronics Taipei Headquarters and other factories

Year	2019	2020
Number of cases	14	28
Туре	Traffic accidents, injuries by being caught/drawn in, being pressed/smashed, being pricked/gashed/scratched, being hit, contact with high (low) temperature, falling/tumbling and contact with hazardous substances	Traffic accidents, injuries by being caught/drawn in, being pressed/smashed, being pricked/gashed/scratched, being hit, contact with high (low) temperature and falling/tumbling



The statistical information about occupational accidents and occupational injuries in Chicony Electronics Taipei Headquarters and other factories is listed in the table below:

				320		
Company/Factory	Headq	juarters	DongGua	an Factory	MaoRu	i Factory
Company/Factory	2019	2020	2019	2020	2019	2020
Disabling Frequency Rate- FR (number of disability injuries /million work hours)	0	0	0.36	0.43	0.26	1.69
Disabling Severity Rate- SR (loss of work days/ million work hours)	0	0	3.69	4.08	12.14	50.39
Total Injury Severity Score	0	0	0.04	0.04	0.06	0.29
Loss of work days	0	0	31	31	279	238
Number of accidents	0	0	3	8	6	8
Hours of leaves	8,957.50	10,274.00	40,272.00	28,032.00	39,721.00	26,452.00
Total attendance hours	1,534,000	1,622,000	3,322,656	4,656,552	5,710,000	4,722,81
Absence rate (AR)	0.58%	0.63%	1.21%	0.60%	0.70%	0.56%
Percentage of fatal occupational injuries	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0%	0%	0%	0%	0%	0%
1000	SuZhou	Factory	ChongQir	ChongQing Factory Thailand Fa		d Factory
Company/Factory	2019	2020	2019	2020	2019	2020
Disabling Frequency Rate- FR (number of disability Injuries /million work hours)	0.26	0.44	0.33	0.71		0.44
Disabling Severity Rate- SR (loss of work days/ million work hours)	12.14	23.35	13.20	36.18	Literation	3.34
Total Injury Severity Score	0.05	0.10	0.00	0.16	02200	0.03
Loss of work days	279	263	80	205	-	23
Number of accidents	6	5	2	4	(222)	3
Hours of leaves	75,857.60	63,352.00	31,244.50	32,556.00	1.5772	128,638.0
Total attendance hours	16,024,000	11,264,880	4,948,000	5,666,576	1 646	6,887,26
Absence rate (AR)	0.47%	0.56%	0.63%	0.57%		1,87%
Percentage of fatal occupational injuries	0	0	0	0	Litter()	0
Occupational Disease Rate (ODR)	0%	0%	0%	0%	(577)	0%

2 Numbers and types of work-related injuries in Chicony Power Technology Taipei Head Office and other factories

Year	2019	2020
Number of cases	11	15
Туре	Injuries by being pressed/smashed, being pricked/ gashed/scratched and falling/tumbling	Injuries by being pressed/smashed, being pricked/ gashed/scratched and falling/tumbling

The statistical information about occupational accidents and occupational injuries in Chicony Power Technology Taipei Head Office and other factories is listed in the table below:

(encommittees)	Headq	<sub>l</sub> uarters	DongGu	an Factory	SuZho	u Factory
Company/Factory	2019	2020	2019	2020	2019	2020
Disabling Frequency Rate- FR (number of disability injuries /million work hours)	0	o	0.7862	0.8589	0.9141	1.0256
Disabling Severity Rate- SR (loss of work days/ million work hours)	O	0	13,25	12.78	28.34	15.38
Total Injury Severity Score	0	0	0.0117	0.0118	0.0259	0.0158
Loss of work days	0	0	83	74	124	105
Number of accidents	0	0	7	6	4	7
Hours of leaves	18,026	19123.5	309,615.4	315,567.2	10965.4	12047.6
Total attendance hours	1,478,064	1,492,000	6,266,000	5,789,856	4,376,000	6,825,193
Absence rate (AR)	1.22%	1.28%	4.94%	5.45%	0.25%	0.18%
Percentage of fatal occupational injuries	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0%	0%	0%	0%	0%	0%
Company/Factory		SuZhou Factory			Thailand Factory	
Company/ractory	2019		2020	2019		2020
Disabling Frequency Rate-FR (number of disability injuries /million work hours)	o		0.7636	(****)		o
Disabling Severity Rate- SR (loss of work days/ million work hours)	0		1.91	944		0
Total Injury Severity Score	0		0.0382	1 ***		0
Loss of work days	0		5			0
Number of accidents	0		2	02227		0
Hours of leaves	45,948	Š	48,103	[exec]		2,877
Total attendance hours	2,567,97	74	2,619,219		į.	175,712
Absence rate (AR)	1.79%	4	1.84%	2,777.5		0.13%
Percentage of fatal occupational injuries	0		0	·		0
Occupational Disease Rate (ODR)	0%		0%	5***		0%

#### SNumbers and types of work-related injuries in XAVi Technologies and SuZhou Factory

Year	2019	2020
Number of cases	0	ō
Туре	(1875)	188

The statistical information about occupational accidents and occupational injuries in XAVI Technologies and SuZhou Factory is listed in the table below:

PARAMETER (EAST NAME OF THE CONTROL	Head	Office	SuZhou	Factory
Company/Factory	2019	2020	2019	2020
Disabling Frequency Rate- FR (number of disability injuries /million work hours)	Ö	O	0	0
Disabling Severity Rate- SR (loss of work days/ million work hours)	0	0	0	0
Total Injury Severity Score	0	0	0	0
Loss of work days	0	0	0	0
Number of accidents	0	0	0	0
Hours of leaves	1,260	1,138.5	97,674.69	32,367
Total attendance hours	214,248	237,536	1,077,676.25	858,580
Absence rate (AR)	0.59%	0.48%	9.06%	3.77%
Percentage of fatal occupational injuries	0	0	0	0
Occupational Disease Rate (ODR)	0%	0%	0%	0%

Note: The work-related injury incidents included in the statistics refer to those occur within the plant areas.

Absence rate (AR) = Hours of sick leaves/Total attendance hours × 100% (calculating sick leave, work-injury leave and menstrual leave)

#### Calculation explanation:

- 1. Disabling Frequency Rate (FR) = Number of Disabling Injuries\*10"/Total work hours
- 2. Disabling Severity Rate (SR) = Loss of work days\* 10° Total work hours
- 3. Total Injury Severity Score =V(FR\*SR/1000)
- 4. Absence rate (AR) = Days of Sick/Personal Leave / Total work days × 100%
- Occupational Disease Rate (ODR) = Total number of people with occupational diseases ×10° / total work hours.

#### 6-3 Training on Occupational Safety and Health GRI 403-5

Chicony Group provides new employees with occupational safety and health training by complying with OSH training rules and related regulations. The company also organizes regular safety and health training courses related to the use and management of hazardous chemicals and first aid, etc. With respect to fire safety, the company holds regular fire drills to promote essential fire safety concepts among employees. The training courses offered by the company are all conducted during normal hours of duty. Employees will not suffer punitive treatments such as pay deduction, salary cut or leave deprivation, etc. for their participation in related training. For workers other than employees, the safety and health training for hazard awareness, work safety analysis and safety tips are provided before they enter the plant areas. In addition, through the safety supervision conducted during the process of work operations, the safety and health concepts and knowledge are conveyed in an irregular manner in the hope of helping other workers pay more attention to the culture of safety and health.

In order to deepen the safety culture, a "Safety Officer/Safety Staff System" has been established in the Headquarters and all factories to conduct regular/irregular on-site audits and provide reminders/corrections when necessary. The occupational safety units in all factories assist in the routine audits of safety and health management, and the results of audits are reviewed in monthly meetings. The targets of audits include all employees (fixed/non fixed term contract employees), contractors, suppliers, interns, etc.



#### ■ 6-3-1 Achievements of the Group

Chicony Electronics acts as the organizer to invite safety officers of Chicony Power Technology and XAVI Technologies for regular meetings that aim to carry out the training for pre-plant-entry hazard awareness and Consultative Organization Meetings.







#### 5 6-3-2 Factories in China and Thailand

Chicony Group, with the aim of fulfilling the main responsibility for safety and social responsibility, always puts employee safety and the company's financial safety first. For personnel engaging in activities whose nature is different from that of work at the Headquarters, in addition to the General ESH training for on-the-job personnel, different training programs are also organized for personnel working on special/key worksites (such as canteen, dormitory and wastewater treatment station), and workers other than employees such as outsourced contractors (suppliers, chemicals, canteen food providers, etc.) are also included. The training items & frequency and participants are summarized in the table below:

Training Item	Training Hours	Participants
General ESH training	48 Hours (4 sessions per month, each session: 1 Hour)	Team leaders
New employee training	on need basis	New employees
Safety Staff Monthly Meeting	12 Hours (once per month; 1 Hour)	All safety staff
Plant area fire drills	2 Hours (once every 6 months; 1Hour)	All factory staff
Local key area drills	4 Hours (once per quarter; 1 Hour)	Canteen, dormitory and wastewater treatment station, etc.
On-the-job safety education (fire safety; chemicals)	1 Hour (once per year; 1 Hour)	Employees of key work positions
Fraud prevention, road safety and water safety training	4 Hours (once per quarter; 1 Hour)	All factory staff
Education for outsourced contractors (suppliers, chemicals and canteen food providers)	1 Hour (once per year; 1 Hour)	Suppliers and canteen support staff









#### 6-4 Reduction of ESH Impacts on Internal Operations GRI 403-7

The results of hazard identification and risk assessment show that except for the Headquarters, the hazards in the factories mostly come from being pricked/gashed. In order to reduce the injuries to employees, in addition to the introduction of safety systems and the training on personnel, the company also constantly updates machines and facilities so as to control hazards from the sources. The factories have completed several improvement programs in 2019 and 2020 in the hope of giving employees a safe work environment.

Upgrade machines from manual to automatic to reduce hazards caused by personnel's direct contact.



Manual screen printing machine (before improvement)



Modified automated screen printing machine





The printing machine process and CCD process have been automated to reduce the safety concerns caused by personnel's manual operation.





Introduce automation system to ICT process and add sensors and protective devices to moving-head cutting machines to reduce hazards caused by personnel's manual operation

#### Control hazards from the sources by adding photoelectric sensors





Add photoelectric sensors to the chip mounters to prevent work injuries caused by misoperation

#### 8 Add protective cover

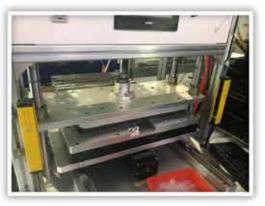


There was no protective cover in the operation area of the cutting machine before modification



Add protective cover and reduce noise





The density of the photoelectric sensors of 11 one-stage type press machines and 21 two-stage type press machines used in the injection production line have been changed from 2 cm to 1 cm, among which the robot arms of 11 one-stage type press machines have been programed to a "Reach and Stop!" safety module to prevent personnel from being injured by misoperation.

GRI Content IndexDisclosures	Chapter	Disclosure Status
General Disclosures (2016)		
102-1 Name of the organization		
102-2 Major Brands, products and services	2-1 Chicony Group Profile	
102-3 Location of organization headquarters	7 - 17 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	
102-4 Number of countries where the organization operate	2-2 Global Market Operations	
102-5 Ownership and legal form	2-3 Chicony Group's Organizational Structure and Operation of Board of Directors	
102-6 Markets served by the organization	2-2 Global Market Operations	
102-7 Scale of the organization	2-1 Chicony Group Profile	
102-8 Information on employees and other workers	5-1 Employees Overview	
102-9 Supply chain	3-2 Supply Chain Management	
102-10 Significant changes to the organization or its supply chain	3-2 Supply Chain Management	
102-11 How the organization applies the precautionary principle or approach	3-1-1 Green Product Design	
102-12 External initiatives	2-3 Chicony Group's	
102-13 Membership of associations	Organizational Structure and Operation of Board of Directors	
102-14 Statement from senior decision -maker in relation to the	0-3 Message from the	
sustainability of the organization and its strategies	Chairman	
102-16 Organization values, principles, standards and conduct norms	2-5 Ethical Management, Grievance Management System and Legal Compliance	
102-18 Organization governance structure	2-3 Chicony Group's Organizational Structure and Operation of Board of Directors	
102-40 Stakeholder groups engaged by the organization	1-1 Identification of Stakeholders	
102-41 Collective bargaining agreements	5-4 Employee Communication and Care	
102-42 Identifying and selecting stakeholders	1-1 Identification of Stakeholders	

GRI Content IndexDisclosures	Chapter	Disclosure Status
General Disclosures (2016)		
102-43 Approach to stakeholder engagement	1-1 Identification of Stakeholders	
102-44 Key topics and concerns that have been raised	1-2 Identification of Theme and Scope Boundaries	
102-45 Entities included in organization's consolidated financial statements	2-4 Operational Performance	
102-46 Defining the report content and the topic boundaries	1-2 Identification of	
102-47 List of material topics	Theme and Scope Boundaries	
102-48 Restatements of information		
102-49 Changes from previous report		
102-50 Reporting period	Regarding Chicony Group's	
102-51 Date of most recent report	"Corporate Social	
102-52 Reporting cycle	Responsibility" Report	
102-53 Contact person for questions regarding the report		
102-54 Claims of reporting in accordance with the GRI Standards		
102-55 The GRI content index	Appendix 1 GRI Content Index	
102-56 External assurance for the report	Appendix 2	

GRI Content IndexDisclosures	Chapter	Remark
GRI Management Guidelines (2016)		
103-1 Explanation of the material topic and its Boundaries		
103-2 Management Guidelines and its components	Explanation on the first	
103-3 Evaluation of the management guidelines	chapter	

Chapter	Remark
Specific Standard Disclosure 200/300/400	
omic	
2-4 Operational Performance	
4-1-1 Climate-related Financial Disclosures	
3-2-2 Local Procurement Policy	
	2-4 Operational Performance 4-1-1 Climate-related Financial Disclosures

GRI Content IndexDisclosures	Chapter	Remark
Specific Standard Disclosure	e 200/300/400	
GRI 300 Environm	ental	
GRI 302 Energy (2016)		
302-1 Energy consumption within the organization	4-1-3 Energy Management	
302-3 Energy intensity	4-1-3 Energy Management	
302-4 Reduction of energy consumption	4-3 Energy Efficiency Improvement Measures Taken in the Headquarters and Plant Areas	
GRI 305 Emissions (2016)		
305-1 Direct (Scope 1) GHG emissions		
305-2 Energy indirect (Scope 2) GHG emissions	4-1-2 Greenhouse Gas	
305-3 Other indirect (Scope 3) GHG emissions	4-2 Waste Management  3-2-3 Criteria for New Supplie Assessment	
305-4 GHG emissions intensity		
GRI 306 Effluents and Waste (2016)		
306-2 Waste by type and disposal method	4-2 Waste Management	
GRI 308 SupplierEnvironmental Assessment (2016)		
308-1 New suppliers that were screened using	3-2-3 Criteria for New Supplier	
environmental criteria	Assessment	
GRI 400 Socia	I	
GRI 401 Employment (2016)		
401-1 New employees and resigned employees	5-1-2 Personnel Recruitment	
401-2 Benefits provided to full-time employees that are not	5-2 Employee Remuneration	
provided to temporary or part-time employees	and Benefits	
401-3 Parental leave	5-1-3 Parental Leave	
GRI 403 Occupational Safety and Health (2018)		
403-1 Occupational safety and health management system	6-1 Occupational Safety and Health Management System	
403-2 Hazard identification, risk assessment and incident investigation	6-2 Hazard Identification & Risk Assessment	
403-3 Occupational health services	5-5 Comprehensive Employee Health Management	
403-4 Worker participation, consultation and communication	5-4 Employee Communication	
on occupational safety and health	and Care	
403-5 Worker training on occupational safety and health	6-3 Training on Occupational Safety and Health	
403-6 Promotion of worker health	5-5 Comprehensive Employee Health Management	
403-7 Prevention and mitigation of occupational safety and	6-4 Reduction of ESH Impacts	
health impacts directly linked by business relationships	on Internal Operations	

<b>GRI Content IndexDisclosures</b>	Chapter	Remark			
Specific Standard Disclosur	e 200/300/400				
GRI 400 Social					
403-8 Workers covered by an occupational safety and health management system	6-2 Hazard Identification & Risk Assessment				
403-9 Work-related injuries	6-2 Hazard Identification & Risk Assessment				
403-10 Work-related ill health	6-2 Hazard Identification & Risk Assessment				
GRI 404 Training and Education (2016)					
404-1 Average hours of training per year per employee	5-3 Talent Development and Training				
404-3 Percentage of employees receiving regular performance and career development reviews	5-3-2 Performance Appraisal System				
GRI 405 Diversity and Equal Opportunity					
405-1 Diversity of governance bodies and employees	5-1-1 Structure and Distribution of Employee Diversity	/			
GRI 414 Supplier Social Assessment					
414-1 New suppliers that were screened using social criteria	3-2-3 Criteria for New Supplier Assessment				





### 獨立機構保證聲明書

致:群光集團之利害關係人

#### 簡介及工作目標

台灣衛理國際品保驗證股份有限公司(以下簡稱台灣衛理)受群光集團之委託,執行2019-2020群光集團企業社會責任報告書(2019-2020 Chicony Group Corporate Social Responsibility Report)之獨立公正第三方的評估及查證。本保證聲明適用於涵蓋在下述工作範疇之內的相關資訊。

本資訊及其呈現在2019-2020群光集團企業社會責任報告書(2019-2020 Chicony Group Corporate Social Responsibility Report)之內容由群光集團管理階層全權負責;台灣衛理並未參與此報告書的擬定工作。我們的職責在於為其內容提供獨立保證。

#### 工作範疇

保證過程依循AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum,第1類型-AA1000當責性原則及績效資訊查證的要求執行。工作範疇包括:

2019-2020 群光集團企業社會責任報告書 (2019-2020 Chicony Group Corporate Social Responsibility Report) 中所含數據與資訊:

用於收集、分析及審查報告資訊之基本報告系統和過程的適當性與穩健性;

評估報告書相對於AA1000 Accountability Principle (2018)的主要原則:

- 0 包容性
- 0 重大性
- 0 回應性
- 衝擊性

評估報告書相對於GRI永續性報導準則(GRI Sustainability Reporting Standards)中所定義之利害關係人包容性、永續性的脈絡、重大性、完整性、平衡性、可比較性、準確性、時效性、清晰性及可靠性的原則。

應用的保證等級為中度保證(Moderate Level Assurance)。





#### 保證方法

台灣衛理執行下列活動,以作為獨立保證的一部分:

- 1. 訪談群光集團相關人員;
- 2. 審查群光集團所產出的文件證據;
- 3. 在抽樣基礎上稽核群光集團之績效數據;
- 4. 現場訪視位於台灣(新北市)共1處地點;
- 5. 審查群光集團數據及收集、統合、分析與審查的資訊系統。

我們的工作係依循母公司Bureau Veritas 對永續性報告的外部保證標準程序與指引執行,基於現行最佳實務之獨立保證。

本次工作的規劃及執行方向是提供合理,但非絕對的保證,我們相信此為我們的結論提供合理 的基礎。

#### 我們的發現

依據我們方法的基礎及上述活動,我們的意見如下:

- 1. 2019-2020群光集團企業社會責任報告書(2019-2020 Chicony Group Corporate Social Responsibility Report) 所包括的資訊及數據無重大誤解或錯誤陳述。
- 2019-2020群光集團企業社會責任報告書(2019-2020 Chicony Group Corporate Social Responsibility Report) 於報告期間的活動提供了公平的陳述。
- 資訊以清晰、容易理解及可獲取的方式呈現,使讀者對群光集團於報告期間的績效及 狀態能作出平衡的意見。
- 4. 群光集團已建立用以蒐集、統合及分析相關資訊的系統。
- 報告適當的反映了組織其運作對AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum中包容性、重大性、回應性及衝擊性原則的依循與執行。詳如下述;

#### AA1000 Accountability Principle (2018)原則遵循

#### 包容性

群光集團已建立與主要利害相關人合作的過程,包括投資人、客戶、員工、供應鏈和當地社區,並識別出涉及經濟、社會和環境面向之重大主題。





#### 重大性

報告書載明群光集團所關注環境、社會和經濟等被認為最重大的議題。重大主題的鑑別考慮風險的內部評估,也考慮了企業的機會,以及利害相關人的觀點和關注點。

#### 回應性

群光集團對於所鑑別出的重大主題均做出回應,報告亦展現出組織據此所擬定的政策、目標及 績效指標要求。報告所展現的資訊足以提供利害相關人一個合理的基礎以做出決策。

#### 衝擊性

群光集團的管理系統能監督、量測並對其行動如何影響其更廣泛的生態系統負責。

#### GRI報告架構

群光集團完整提供了達成GRI 標準中核心依循(core in accordance)所需要的資訊。其報告中的績效指標有指出相對應的章節及對應GRI報告架構的相關處。

#### 持續發展的關鍵領域

基於已執行的工作, 我們建議群光集團:

- 因涉及不同集團公司,於資源可行下,利害相關人識別可依不同集團公司屬性適當分別;(包容性)
- 資訊收集系統的有效性可建立適當自我檢核機制提升資料品質:(回應性)
- 針對鑑別之重大議題的管理方針在集團公司內的傳遞可思考更有效的方式。(衝擊性)

#### 限制和排除

我們工作所保證的資訊不包括:

- 所定義保證期間外的活動;
- 立場聲明(群光集團意見的表達、信仰、目標或將來的意圖)以及未來承諾的聲明。

本獨立聲明不應被仰賴用於偵測報告中可能存在的所有錯誤,遺漏或錯誤陳述。



#### 獨立、公正性及能力的聲明

Bureau Veritas是一家專請於品質、健康、安全、社會及環境管理的獨立專業服務公司,超過190年的歷史中提供獨立保證服務,2020年的全球營收為46億歐元。

Bureau Veritas在整個企業中執行道德準則以使成員在日常活動中維持高道德標準。我們在防止 利益衝突方面特別警惕。

保證團隊的成員無任何人和群光集團有商業關係,其主管或經理排除在本次指派的要求之外, 我們獨立地執行本次查證,無利益衝突事件發生。

保證團隊在執行環境、社會、道德及健康安全資訊、系統及過程單元的保證具有豐富的經驗。 且充份理解Bureau Veritas永續性報告保證的標準方法。

Bureau Veritas Certification Taiwan 台灣衛理國際品保驗證股份有限公司

地址:台北市松山區南京東路四段16號3樓B室

日期:2021年6月21日





技術審查: 日期: 2021年6月21日



#### INDEPENDENT ASSURANCE STATEMENT

To: The stakeholders of CHICONY GROUP

#### Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by CHICONY GROUP to conduct an independent assurance of its 2019-2020 Chicony Group Corporate Social Responsibility Report. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the 2019-2020 Chicony Group Corporate Social Responsibility Report are the sole responsibility of the management of CHICONY GROUP. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

#### Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum, Type 1 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in 2019-2020 Chicony Group Corporate Social Responsibility Report for the 1<sup>st</sup> January, 2019 to 31<sup>st</sup> December, 2020;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)<sup>1</sup>
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as moderate level assurance.

<sup>&</sup>lt;sup>1</sup> Published by AccountAbility: The Institute of Social and Ethical Accountability http://www.accountability.org



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#### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

- 1. Interviews with relevant personnel of CHICONY GROUP;
- Review of documentary evidence produced by CHICONY GROUP;
- 3. Review performance data listed in report with sampling basis;
- Visits to head office located in Taiwan, New Taipei City;
- Review of CHICONY GROUP data and information systems for collection, aggregation, analysis and review.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The work was planned and carried out to provide reasonable, rather than absolute assurance and we believe it provides a reasonable basis for our conclusions.

#### Our findings

On the basis of our methodology and the activities described above, it is our opinion that:

- The information and data included in 2019-2020 Chicony Group Corporate Social Responsibility Report are accurate, reliable and free from material mistake or misstatement:
- The Report provides a fair representation of CHICONY GROUP's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over CHICONY GROUP's performance and status during the 1st January, 2019 to 31st December, 2020;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS, 2008) with 2018 addendum's principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- CHICONY GROUP has established appropriate systems for the collection, aggregation and analysis of relevant information;

## Alignment with the principles of AA1000 Accountability Principle (2018) Inclusivity

CHICONY GROUP has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and covering material topics such as Economic, Social and Environment.





#### Materiality

The Report addresses the range of environmental, social and economic issues of concern that CHICONY GROUP has identified as being of highest material importance. The identification of material topics has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

#### Responsiveness

CHICONY GROUP is responding to those issues identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making.

#### Impact

CHICONY GROUP's management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

#### **GRI** report structure

CHICONY GROUP does fully provide the information to achieve the GRI Standards 'core' in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

#### Key areas for ongoing development

Based on the work conducted, we recommend:

- Stakeholder engagement could consider different business nature of companies within group. (INCLUSIVITY)
- Self-checking mechanism of collected data could be enhanced appropriately. (RESPONSIVENESS)
- Delivery of management approach of identified material topic(s) within group could be more effective. (IMPACT)

#### Limitations and Exclusions

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period;
- Positional statements (expressions of opinion, belief, aim or future intention by CHICONY GROUP) and statements of future commitment.

This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.





#### Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 190 years history in providing independent assurance services. Bureau Veritas 2020 full year revenues reached 4.6 billion euros.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with CHICONY GROUP, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health and safety information, systems and processes, has over years combined experience in this field and an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

#### **Bureau Veritas Certification Taiwan**

3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C. 21 June, 2021





Technical Reviewer: / Challette Date: 21/June/2021

Assurer :\_\_\_\_\_ Date: 21/June/2021



