Chicony
POWER TECHNOLOGY

2023
Chicony Power Technology Sustainability Report



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00 About this Report

This report is the third sustainability report independently published by Chicony Power Technology Co. Ltd. (hereinafter referred to as Chicony Power). It covers information about the Company's corporate governance, environmentally sustainable development, employee care, and social participation during the period from January 1, 2023, to December 31, 2023, to disclose the Company's sustainable management philosophy and goals to stakeholders and respond to issues of stakeholder concern.

Reporting Guidelines

1 Sustainability Performance

- This report was compiled based on the compliance items listed in the GRI Standards 2021, announced by the Global Reporting Initiative (GRI). It has passed third-party verification confirming compliance with AA1000 Assurance Standard: v3 - Type 1 moderate level assurance (please refer to Appendix: Assurance Statement).
- Sustainability Accounting Standards Board (SASB) indicators for the Hardware industry
- TCFD (Task Force on Climate-related Financial Disclosures) Framework
- TNFD (Task Force on Nature-related Financial Disclosure) Framework
- Sustainable Development Best Practice Principles for TWSE-/TPEx-Listed Companies

2 Financial Performance

Financial performance is indicated using publicly available information by PwC Taiwan CPAs. All monetary values are presented in New Taiwan Dollars (NT$) unless otherwise stated. The 2021, 2022, and 2023 reference exchange rates for the Chinese Yuan (RMB) are 4.3315, 4.4228, and 4.3939, respectively; the 2021, 2022, and 2023 reference exchange rates for the Thai Baht (THB) are 0.8735, 0.8507, and 0.8954, respectively.

Scope of Disclosure

The financial data presented in this report comes from Chicony Power's consolidated financial statements. The scope of disclosure for non-financial performance data focuses on the production/operating bases listed below, which are the same as the 2022 reporting boundary. For any data revised due to errors generated during the previous reporting period, explanatory notes have been provided in corresponding chapters or sections.

Chicony Power Technology Co., Ltd. 2023 Sustainability Report Scope and Boundary

Performance Disclosure		Name of Unit
Financial Performance	Sustainability Performance	
✓	✓	• Chicony Power Technology Co., Ltd. and various bases • The Taipei Headquarters serves as the R&D Center; the major production/manufacturing bases are listed as follows: Chicony Power **Dongguan Factory** plant area : 63,623 m² Chicony Power **Suzhou Factory** plant area : 96,296 m² Chicony Power **Chongqing Factory** plant area : 39,477 m² Chicony Power **Thailand Factory** plant area : 94,527 m²

00 About this Report

Information and Data Quality

The statistics disclosed in this Report are derived from the Company's self-compiled statistics and surveys, except for the financial data, which is publicly available information attested by CPAs and is presented using common descriptive methods. The figures of the financial statements disclosed in this Report are calculated using New Taiwan Dollars (NT$), whereas occupational safety and health performance figures are expressed through internationally recognized indicators. Estimations or hypothetical conditions are indicated where applicable within the text of this Report.

Report Management and Assurance



Contact Information

We welcome you to read Chicony Power's 2023 Sustainability Report. GRI and SASB content indices and the material issue disclosure index are provided in this Report for ease of access to relevant information.

For any questions or comments about this Report, please contact us at：

Publication date: June, 2024 (The English version is scheduled to be published in August. We will continue to publish the Sustainability Report on a yearly basis.)

Chicony Power Technology Co., Ltd.

ESG Task Force

30F, No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City

+886-6626-0678 #57101

ESG@Chiconypower.com

- Official website (Chinese)：
  https://www.chiconypower.com/zh-tw/home/index
- Sustainability website (Chinese)：
  https://www.chiconypower.com/zh-tw/home/CSR
- Official website (English)：
  https://www.chiconypower.com/en/home/index
- Sustainability website (English)：
  https://www.chiconypower.com/en/home/CSR

Despite facing multiple challenges posed by geopolitical risks and the global economic slump, Chicony Power demonstrated impressive performance in 2023. The Company not only successfully overcame unfavorable situations, but its 2023 gross profit ratio, operating profit margin, and net profit margin also reached historical highs of 21.2%, 10.9%, and 9.1%, respectively, bucking trends to increase gross profit, operating profit, and net profit. In the future, we will actively adjust our product portfolio structure by focusing on high-value and high-growth products while expanding into cloud-intelligence-based applications and other emerging fields. Such efforts will strengthen our ability to respond to global economic fluctuations and enhance our overall profitability.

In addition to seeking business success, Chicony Power also constantly pays attention to climate change and environmental protection issues, incorporating energy saving and carbon reduction into our corporate culture. We have made long-term efforts to develop smart energy-saving solutions, promote green products and energy-saving technologies, and actively implement green-factory, smart-factory, and other related programs. Adhering to core values such as sound corporate governance, safeguarding employees' human rights and welfare, creating product value and protecting the earth, and social and humanistic participation, Chicony Power believes that long-term success is only achievable through the establishment of a sustainable business model and management framework. On the journey ahead, Chicony Power will continue to strive toward innovation, seek excellence, contribute to society, and protect the environment while demonstrating economic success, thereby becoming an exemplar of sustainable development.

Sound Corporate Governance

Chicony Power upholds the principles of integrity, transparency, and sustainability in its business philosophy and has implemented various corporate governance systems. Over the past 10 years, the company has been ranked among the top 20% of TWSE-/TPEx-listed companies in the Corporate Governance Evaluation for 9 years. In response to the increasingly important issue of information security, the Company passed ISO 27001 information security management system certification in 2023, committed to protecting customer information security and safeguarding customer rights and interests. This is regarded as the Company's most important information security management goal, aiming to build long-term partnerships with customers based on mutual trust.

In addition to focusing on product quality and business strategy optimization, Chicony Power, as a leader in the power supply industry, shoulders the mission of promoting sustainable development in response to the global focus on climate change. Regarding ESG (Environmental, Social, and Governance) performance, the Company has received the carbon reduction certification from CommonWealth Magazine, been listed in the Business Weekly Carbon Competitiveness Top 100 for two consecutive years, and honored with the TCSA Taiwan Corporate Sustainability Award - Top 100 Exemplary Sustainability Enterprises. Moreover, the international nonprofit organization CDP (formerly known as the Carbon Disclosure Project) announced in its 2023 evaluation that the Company improved its Climate Change Questionnaire score from B- to B, its Water Security Questionnaire score from D to B, and its Supply Chain Engagement Questionnaire score from B- to B, showcasing the Company's continuous progress and efforts in sustainable development.

Safeguarding Employees' Human Rights and Welfare

Chicony Power strives to fulfill its corporate social responsibilities by supporting and joining the Responsible Business Alliance (RBA), complying with its Code of Conduct to protect employees' human rights and welfare. The Company also abides by the principles of the United Nations Universal Declaration of Human Rights and International Labour Organization conventions, establishing Chicony Power's Human Rights Policy. Through these principles and values, we aim to raise awareness of human rights among our employees and integrate the spirit and values of human rights protection into our corporate culture.

We value employee compensation and welfare, offering salaries above industry standards and being listed in the 'Taiwan High Compensation 100 Index' for several years. Employees are considered important partners in sustainable growth, with a special emphasis on their health and safety. Besides biennial regular health check-ups and long-term provision of advanced health check-up packages for supervisors, last year, the Company expanded this package to senior employees with over 10 years of service and will further extend it to employees with over 5 years of service by 2024, offering comprehensive health care every three years. Additionally, to ensure a safe working environment, we place great importance on employee safety training, providing different training courses tailored to the specific operating environments of our headquarters and various plants, conducting regular safety training and drills.

Creating Product Value and Protecting the Earth

Chicony Power is dedicated to incorporating the concept of green design into new product R&D. To achieve this, the Company's R&D units strive to develop designs that enhance product energy efficiency, comply with relevant chemical or hazardous substance regulations, and utilize renewable and recyclable materials whenever possible. In 2023, we increased our use of Post-Consumer Recycled Plastic (PCR) in the design of plastic shells for power adapters, reaching a usage percentage of 40.5%. For metal materials, recycled copper and aluminum have been gradually introduced into the manufacturing of adapter heat sinks, magnetic components, and wires. For some high-wattage power supply products, Ocean Bound Plastic (OBP) is used in the DC fans, while SGCC RC10% low carbon steel (containing at least 10% scrap metal) is used in the units' shells. Regarding the LED product applications that the Company has been developing for many years, Chicony Power has collaborated with major plastic material manufacturers globally to use PCR materials in backlight module layers. Currently, PCR materials have been incorporated into the black masking for two models of keyboard backlights; mass production verification has been completed and the goods have been shipped.

In addition to focusing on green product design, by integrating the four dimensions of perception, computing, control, and interaction with big data analysis, our IWA (Intelligent Wireless Access) smart integration platform and automated energy and carbon emissions management system can reduce energy consumption, address carbon emission hotspot issues, and reduce GHG emissions to achieve the goals of low-carbon transition and net-zero emissions. We will continue to focus on the R&D and promotion of green products and smart energy-saving solutions, integrating eco-friendliness, social responsibility, and other core values into product design and solutions to actively enhance our products' environmental impact.

Social and Humanistic Participation

Upholding the belief of "take from society, give back to society," Chicony Power is committed to caring for vulnerable groups. Every month, we invite neighborhood social welfare organizations to set up stalls in the lobby of our company building, and we hold charity sales activities on an irregular basis. These public welfare activities receive enthusiastic responses from employees. Additionally, we place great importance on talent cultivation and sustainable development. We have built a long-term and close partnership with Taipei University of Technology and implement various industry-academia collaboration projects to jointly develop innovative technologies, cultivate talent in both industry and academia, and enhance the development potential of our future products. We have also established scholarships for young R&D talents to cultivate high-tech personnel in Taiwan and achieve the unification of industry and academia. Chicony Power will continue to cultivate and recruit outstanding talents to jointly create win-win results.

Conclusion

To actively respond to climate change, we submitted our science-based carbon reduction targets in 2022, which passed SBTi (Science Based Targets initiative) review. In August 2023, the Chicony Group, including parent company Chicony Electronics, Chicony Power, and XAVi Technologies, joined the RE100 Initiative, committing to 100% renewable energy use at the Headquarters in Taiwan and operation bases around the globe by 2030, and the achievement of net-zero emissions goals by 2050. These targets and goals are significant challenges for the Company; however, there can be no achievement without commitment. We hope that such challenging carbon reduction commitments will motivate employees to more actively initiate various actions and plans.

We also hope to convey our determination to customers and suppliers. During the 2023 supplier conference, we highlighted the Company's current ESG progress and performance and further explained the requirements for suppliers to follow and the relevant plans to be implemented in the future. We will collaborate with supplier partners in promoting energy-saving and carbon-reduction measures, abide by the RBA Code of Conduct, and create a sustainable value chain through continuous and tireless efforts.





Chairman
Lu, Chin-Chung



President
Tseng, Kuo-Hua

Sustainability Achievement Highlights

The 16th TCSA, Taiwan's Top 100 Sustainability Exemplary Awards



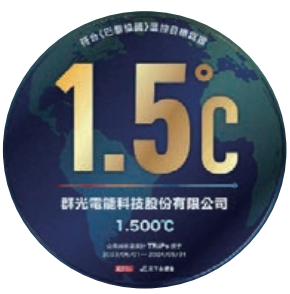
The 16th TCSA, Corporate Sustainability Report Awards： Bronze Award



Sustainability Ratings for Global Supply Chains, EcoVadis Bronze Medal Certification



Awarded by CommonWealth Magazine's Certification in Net-Zero Progress under Paris Agreement



Included in Business Weekly's Carbon Competitiveness 100 list for 2 consecutive years (48% of the list changed in 2023)



Taiwan Circular Economy Awards, Product Award - Nominated



Listed as a constituent stock in the Taiwan High Compensation 100 Index

TIP
Taiwan Index Plus

1111 Job Bank, Happy Business Silver Award



Achieved three B scores from CDP (formerly known as the Carbon Disclosure Project) for the first time.

CDP DISCLOSURE INSIGHT ACTION

B Climate Change

CDP DISCLOSURE INSIGHT ACTION

B Water Security

CDP DISCLOSURE INSIGHT ACTION

B Supply Chain Engagement

Chicony Power has adopted the following measures in response to the United Nations Sustainable Development Goals (SDGs) :



Ensure healthy lives and promote well-being for all at all ages.

3.3 By 2030, eliminate AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases.

3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents.

3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all.

Chicony Power's approaches in response to SDGs

- Onsite clinic nursing services
- Flu vaccinations
- Pap smear/mammogram for female employees
- On-site occupational medicine specialist services
- Regular employee health examination (every 2 years)
- Advanced hospital health check-up packages for supervisory personnel and employees with a tenure of 10 years or longer

Corresponding Chapter 5.5.4 Health Management



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

4.4 By 2030, increase the number of youth and adults who have relevant skills, including technical and vocational skills for employment, decent jobs, and entrepreneurship.

Chicony Power's approaches in response to SDGs

- Diverse and enriched training courses
- Continuously optimize the professional competencies of employees at all levels and organize corresponding training courses
- Engage in long-term industry–academia collaboration with National Taipei University of Technology, providing scholarships and work placement opportunities for outstanding students.

Corresponding Chapter 5.4.1 Cultivating and Developing Diversified Talents

5.6.1 Industry–Academia Collaboration



Ensure access to affordable, reliable, sustainable, and modern energy for all.

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

Chicony Power's approaches in response to SDGs

- The renewable energy (including purchased and self-generated) usage rate in 2023 reached 43.63%.

Corresponding Chapter 4.3.1 Energy Consumption Status



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Chicony Power's approaches in response to SDGs

- The Company has established the Occupational Health and Safety Committee to create a safe and healthy work environment.
- Chicony Power ensures compliance with the Child Labor Prohibition Policy and regulations related to labor, health and safety, the environment, corporate ethics, etc.

Corresponding Chapter 5.1.1 Human Rights Policy

5.5.1 Occupational Health and Safety Management Systems



Ensure sustainable consumption and production patterns.

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Chicony Power's approaches in response to SDGs

- Chicony Power is actively establishing innovative circular economic models in the hope of significantly reducing energy and resource consumption and unnecessary waste generation to achieve the goal of green sustainability.

Corresponding Chapter | 3.2 Sustainable and Circular Economy



Take urgent action to combat climate change and its impacts.

13.2 Integrate climate change measures into national policies, strategies, and planning.

13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

Chicony Power's approaches in response to SDGs

- Upholding the spirit of the CSR Code of Conduct, Chicony Power has joined several initiatives and introduced the Science Based Targets (SBT), Task Force on Climate-related Financial Disclosures (TCFD), Renewable Energy 100 (RE100), and Taskforce on Nature-related Financial Disclosures (TNFD). By following and applying the approaches and standards provided by the initiatives, Chicony Power actively responds to climate change impacts, establishes reduction goals for waste and water resources management, and has committed to becoming a leading manufacturer of green parts, components, and consumer electronics.

Corresponding Chapter | 4. Environmental Protection



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.

16.5 Substantially reduce corruption and bribery in all their forms.

Chicony Power's approaches in response to SDGs

- To establish an ethical-management-oriented corporate culture, Chicony Power requires all current employees and new hires to sign the Integrity Statement and comply with the Company's ethical management policy.
- Suppliers are required to sign the Integrity Statement, which clearly states that all transaction counterparties shall strictly abide by the Company's integrity management regulations without involving themselves in any kickbacks, commissions, improper gifts, or other improper advantages.
- The Company advocates ethical management principles in supervisor meetings and implements related reporting and complaint mechanisms. Several ethical management and reporting/ complaint advocacy meetings have been held at each of the Company's factories.
  - As of 2023, no incidents involving ethical management violations (bribery, corruption, collusion, etc.) have occurred.
  - As of 2023, no external complaints have been confirmed by the Company, nor have any complaints been received from governing agencies.

Corresponding Chapter 2. Corporate Governance

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CHAPTER

Material Issues and Stakeholder Engagement





1.1 Material Issue Analysis

Chicony Power has followed GRI standards and the four principles of Inclusivity, Materiality, Responsiveness, and Impact entailed in AA1000 AP (AA1000 Accountability Principles) to identify the material issues related to the Company's operations. Additionally, the Company has identified its major stakeholders by referencing the five aspects highlighted in AA1000 Stakeholder Engagement Standard 2015, which are Dependency, Responsibility, Tension, Influence, Diverse Perspectives, the Company has assessed the significance of the material issues' impacts on the economy, the environment, and corporate governance in accordance with GRI Standards 2021. The assessment results have been used as the basis for the planning of sustainable development strategies and the foundation for the Report's information disclosure.



Step 1.
Identify targets for communication (stakeholders)

Step 2.
Discuss and determine the list of material issues

Step 3.
Survey the stakeholders' tension: Stakeholder Issues of Concern Assessment Questionnaire

Step 4.
Identify positive/negative and actual/potential impacts: Positive/Negative Impact Issues Assessment Questionnaire

Step 5.
Assess impact significance: Stakeholder Issues of Concern Matrix

Step 5.
Assess impact significance: Positive/Negative Impact and Likelihood Matrix

Step 6.
Identify GRI material topics

Step 7.
Determine the sequence of issues and the disclosure content

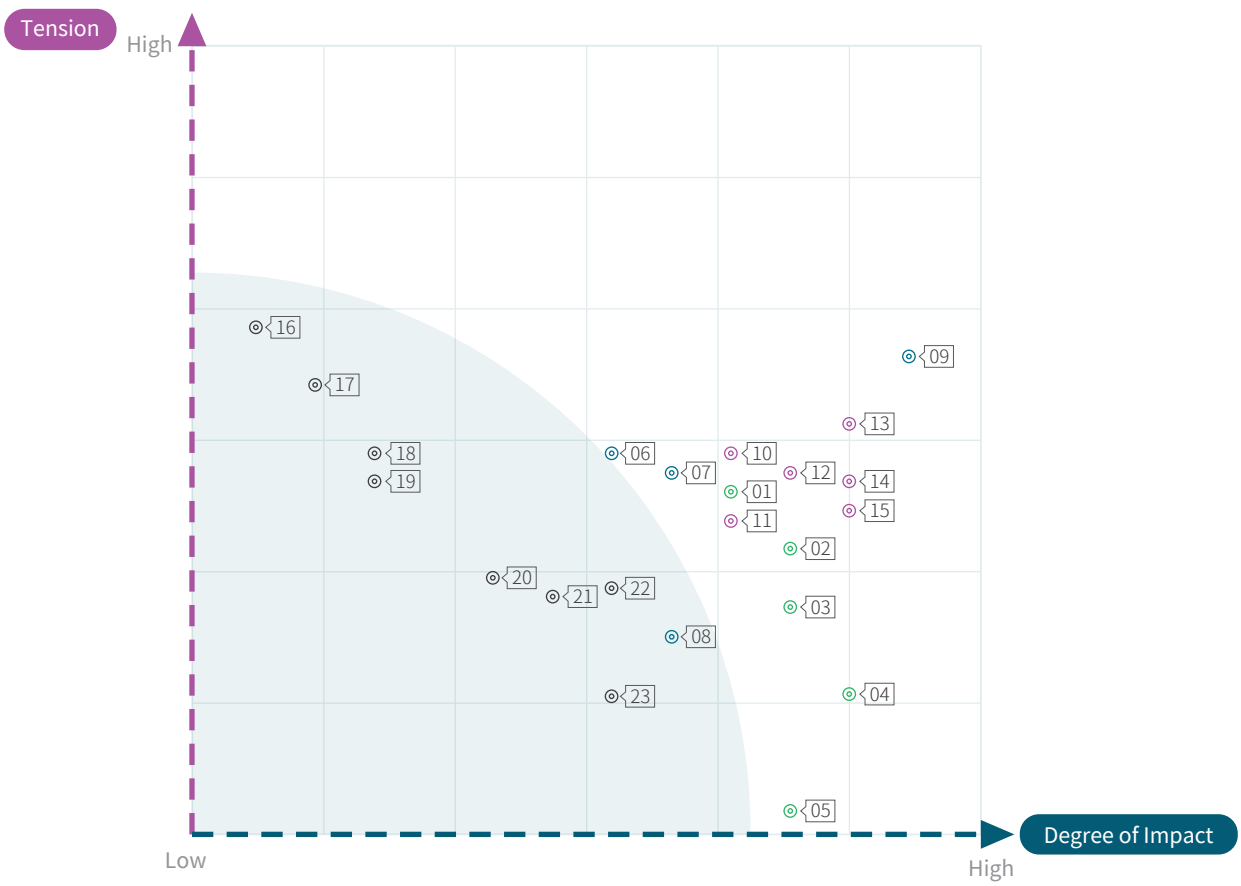
Implementation Steps	Implementation Details	Result
Step 1. Identification of Communication Targets	The company adheres to the five principles of the AA1000 SES stakeholder engagement standards: dependence, responsibility, concern, influence, and diverse perspectives, and distributes a stakeholder identification questionnaire to the working group members. The statistical results are reviewed and approved by the Sustainable Development Committee, which classifies stakeholders into five major groups based on importance: investors/shareholders, regulatory authorities, customers, suppliers, and employees.	5 major stakeholder groups
Step 2. Decision on Major Sustainability Issues	With reference to international sustainability standards, development goals, and norms, including GRI guidelines, SASB standards, the 17 SDGs and their 169 targets, TCFD recommendations, CDP, and through stakeholder communication processes, the working group compiled and listed 23 sustainability issues.	23 sustainability issues
Step 3. Survey the tension of stakeholders' concerns	To identify closely related and influential targets, the taskforce surveyed the five stakeholder groups' tension concerning the 23 sustainability issues using the Material Issue Identification & Assessment Questionnaire, and collected a total of 136 valid questionnaires.	
Step 4. Identify positive/ negative and actual/ potential impacts	The 23 material issues were assessed using the Material Issue Positive Impact Assessment Questionnaire and the Material Issue Negative Impact Assessment Questionnaire.	
Step 5. Assess impact significance	Matrices were created based on the data from the assessment questionnaires to assess impact significance.	Stakeholder Issues of Concern Matrix Positive/ Negative Impact and Likelihood Matrix
Step 6. Identify material topics	Based on the results indicated in related matrices and the management team's adjustment recommendations, the taskforce selected 15 sustainability topics of moderate and high concern as this year's material topics and reported the topics to the Corporate Sustainable Development Committee and the Board of Directors.	15 material topics
Step 7. Determine the sequence of issues and the disclosure content	The taskforce determined the sequence of the material issues based on their impact intensity, and described the response strategies; short, medium, and long-term goals; achievements; and management guidelines for the material issues included in the Report in accordance with each topic's reporting requirements. The 15 material topics correspond to a total of 14 GRI topics.	14 GRI topics

By following internationally accepted sustainability standards and regulations (GRI standards, SASB indicators, TCFD framework, etc.), SDGs, information collected during interactions with stakeholders, and other sustainability-related issues, Chicony Power identified the following 23 sustainability issues and further assessed their impacts.

◉ 23 sustainability issues :

Environment (E)	Society (S)	Corporate Governance (G)
• Energy Management • Green Product Design • Waste Management • Water Resources Management/Wastewater Treatment • Air Pollution Management/ Air Quality • Climate Change • Biodiversity	• Product Quality and Safety • Occupational Health and Safety Management • Talent Development and Cultivation • Human Rights and Employment Workplace • Happiness and Diversity • Diversity and Equal Opportunity • Social Participation	• Sustainable Governance Operations • Legal Compliance and Ethical Management • Business Ethics • Operational Risks • Economic Performance • Innovative Products and Services • Customer Relationship Management • Customer Privacy and Information Security • Supply Chain Management

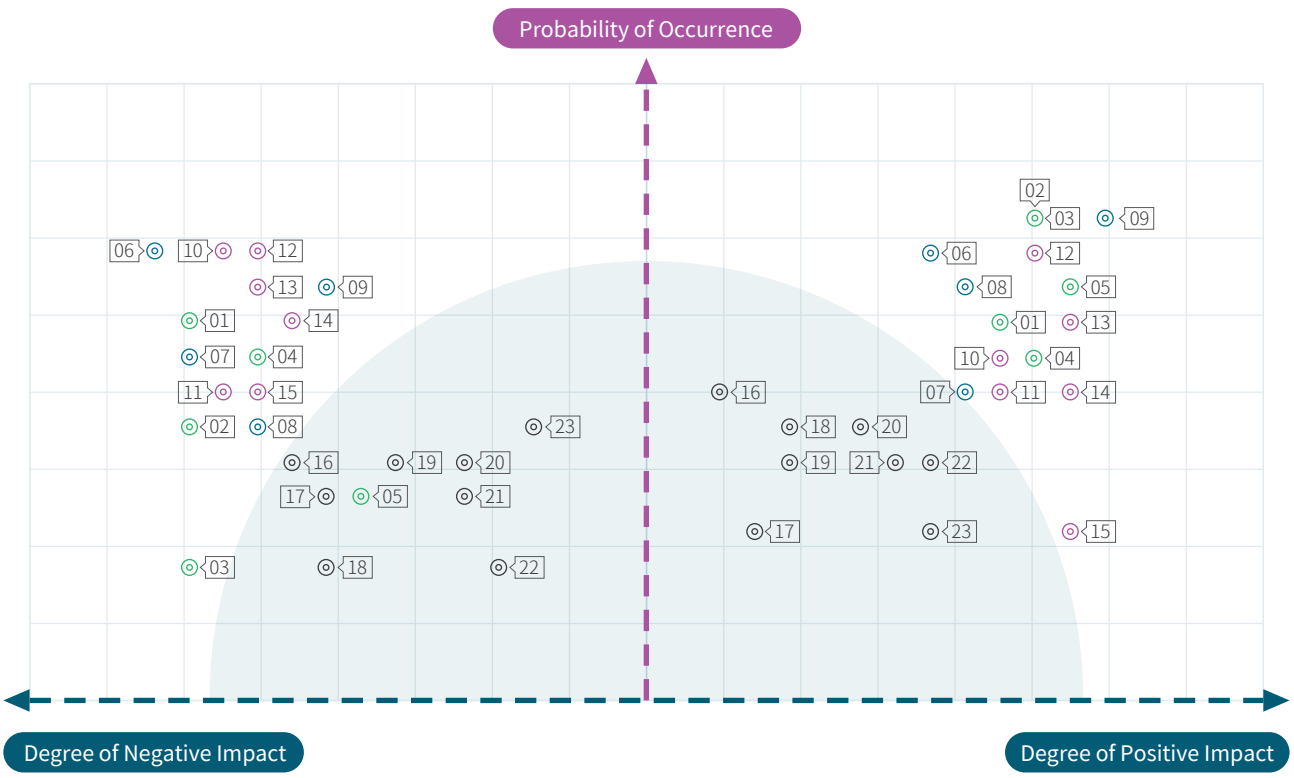
The Material Issue Identification and Assessment Questionnaire was adopted to survey the tension of the five stakeholder groups concerning the 23 sustainability issues. Data on tension and degree of impact revealed by stakeholders through the questionnaire were used to produce the following tension–impact matrix :



Note : Take 70% of the tension/degree values as the boundary

- 01.Energy Management
- 02.Green Product Design
- 03.Water Resources Management /Wastewater Treatment
- 04.Climate Change
- 05.Biodiversity
- 06.Talent Development and Cultivation
- 07.Human Rights and Employment
- 08.Social Participation
- 09.Occupational Health and Safety Management
- 10.Operational Risks
- 11.Supply Chain Management
- 12.Economic Performance
- 13.Legal Compliance and Ethical Management
- 14.Customer Privacy and Information Security
- 15.Customer Relationship
- 16.Product Quality and Safety
- 17.Sustainable Governance Operations
- 18.Business Ethics
- 19.Innovative Products and Services
- 20.Workplace Happiness and Diversity
- 21.Diversity and Equal Opportunity
- 22.Waste Management
- 23.Air Pollution Management/Air Quality

Next, the taskforce compiled the data of the material issues' positive and negative impacts, combined with the corresponding likelihood of occurrence revealed through the questionnaire to produce the following impact–likelihood matrix :



Note: Take 70% of the degree/likelihood values as the boundary

Degree of Negative

- 01. Biodiversity
- 02. Energy Management
- 03. Water Resources Management/Wastewater Treatment
- 04. Green Product Design
- 05. Climate Change
- 06. Talent Development and Cultivation
- 07. Occupational Health and Safety Management
- 08. Social Participation
- 09. Human Rights and Employment
- 10. Economic Performance
- 11. Customer Privacy and Information Security
- 12. Customer Relationship Management
- 13. Legal Compliance and Ethical Management
- 14. Operational Risks
- 15. Supply Chain Management
- 16. Air Pollution Management/Air Quality
- 17. Diversity and Equal Opportunity
- 18. Workplace Happiness and Diversity
- 19. Sustainable Governance Operations
- 20. Product Quality and Safety
- 21. Waste Management
- 22. Innovative Products and Services
- 23. Business Ethics

Degree of Positive

- 01. Energy Management
- 02. Biodiversity
- 03. Green Product Design
- 04. Water Resources Management/Wastewater Treatment
- 05. Climate Change
- 06. Talent Development and Cultivation
- 07. Human Rights and Employment
- 08. Social Participation
- 09. Occupational Health and Safety Management
- 10. Operational Risks
- 11. Supply Chain Management
- 12. Economic Performance
- 13. Legal Compliance and Ethical Management
- 14. Customer Relationship Management
- 15. Customer Privacy and Information Security
- 16. Product Quality and Safety
- 17. Sustainable Governance Operations
- 18. Innovative Products and Services
- 19. Business Ethics
- 20. Workplace Happiness and Diversity
- 21. Diversity and Equal Opportunity
- 22. Waste Management
- 23. Air Pollution Management/Air Quality

By integrating the material topic survey results, Chicony Power identified 15 material topics related to the environmental, social, and corporate governance based on the surveyed topics' stakeholder tension, impact on the organization's operations, and corresponding likelihood.

Environmental (E)	Social (S)	Corporate Governance (G)
• Energy Management • Green Product Design • Water Resources Management/Wastewater Treatment • Climate Change • Biodiversity	• Occupational Health and Safety Management • Talent Development and Cultivation • Human Rights and Employment • Social Participation	• Legal Compliance and Ethical Management • Operational Risks • Economic Performance • Customer Privacy and Information Security • Supply Chain Management • Customer Relationship Management

Regular Reviews

Chicony Power identifies its sustainability issues by conducting internal impact assessments, then integrating stakeholders' viewpoints and performing other related procedures before reporting to the Corporate Sustainable Development Committee and the Board of Directors for confirmation and finalization. The Company will continue to observe stakeholders' tension regarding sustainability issues and macro-environmental changes, and grasp the once-a-year materiality identification opportunity to integrate the viewpoints inside and outside the Company to identify the material topics requiring attention.

Chicony Power has established management guidelines and developed action plans for identified material topics, and it has set up goals and metrics based on datafied measurement strategies to regularly track implementation outcomes. As for non-material topics, the Company follows existing management procedures and measures to disclose related indicators so that stakeholders can understand Chicony Power's overall sustainability achievements.

Chicony Power identified 15 material topics in 2023. In terms of environmental issues, in comparison with 2022, the issues of Water Resources Management/Wastewater Treatment and Biodiversity were added in 2023. With respect to social issues, Social Participation was added, whereas Human Rights was combined with the issue of Employment. In regard to corporate governance issues, the issues of Operational Risks and Customer Relationship Management were added. Although the issue of Waste Management was not listed as a material topic this year, the related information has still been disclosed in the Report so that stakeholders can keep track of the Company's waste reduction achievements.

Dimension	Material Topic	Significance to Chicony Power
Environmental	Energy Management	Chicony Power adopts green product designs to continuously improve the energy efficiency of its products, comply with hazardous-substances-related laws and regulations, and increase its use of renewable and recyclable materials. Additionally, the Company is committed to environmental protection, green production, and green products promotion to reduce carbon emissions and impacts on the environment. Implementation plans and programs are formulated on a yearly basis, and the progress toward each goal is regularly tracked and reviewed to ensure that the Company's products are aligned with sustainable operations, and that the goals are achieved.
	Green Product Design	
	Water Resources Management/ Wastewater Treatment	
	Climate Change	
	Biodiversity	

Dimension	Material Topic	Significance to Chicony Power
Social	Occupational Health and Safety Management	Maintaining workplace health and safety and creating employee health management programs are Chicony Power's first-line guarantee for employees.
	Talent Development and Cultivation	Long-term talent development is the Company's ultimate goal. It adopts comprehensive support mechanisms and training programs to provide outstanding employees with learning opportunities, such as industrial graduate programs for employees to upgrade their knowledge and connect classroom learning with practical applications to solve possible challenges at work. Moreover, Chicony Power also offers soft courses for employees to obtain knowledge outside their work fields. By introducing university student internship programs through industry–academia collaboration and exchange projects, the Company solidifies its foundation for talent cultivation and allows graduands to smoothly connect to their future careers.
	Human Rights and Employment	Employees are Chicony Power's most important partners. The Company attaches great importance to the work environment, career development, and care of employees by establishing diversified internal communication channels and continuously promoting various employee-oriented projects to create a good work environment for employees.
	Social Participation	Chicony Power actively participates in social and public benefits activities to promote social progress and education, and establish a better society for the public.
Corporate Governance	Legal Compliance and Ethical Management	The Ethical Management Promotion Taskforce regularly assesses and monitors changes in laws and regulations and the Company's compliance. It carries out the formulation, supervision, and implementation of the Company's ethical management policy and prevention programs and makes annual reports to the Board of Directors.
	Operational Risks	All responsible units identify, analyze, measure, monitor, respond to, and report their operational risks based on their business-related risk characteristics and impact levels, and improve response measures to reduce risk impacts on the Company.
	Economic Performance	Maintaining stable financial performance is Chicony Power's commitment to all stakeholders.

Dimension	Material Topic	Significance to Chicony Power
Corporate Governance	Customer Privacy and Information Security	Chicony Power attaches great importance to information security. The Company has fortified its cyber (information/communication) security through ISO 27001 Information Security Certification and PDCA (Plan-Do-Check-Act) procedures to protect the confidentiality, integrity, and availability of various information related to customers, employees, and suppliers. This comprehensive information security defense system reduces the leakage risks of Company and customer information to help employees and customers feel secure.
	Customer Relationship Management	The Company views suppliers as important partners for sustainable growth. It has carried out sustainable supply chain management to reduce operational risks and continuously provide responsible and quality services to customers.
	Supply Chain Management	To standardize supply chain management procedures, Chicony Power has formulated the Supplier Management Procedures. Suppliers are assessed and audited on the basis of key factors such as performance in labor rights, environmental protection, and health and safety management. Improvement measures are developed based on the assessment results to assist suppliers in making continuous progress, with the aim of enhancing supply chain sustainability and management capability, reducing supply chain operational risks, and building partnerships for sustainable development.

◉ Scope of 2023 Material Issues Impacts

●Direct Impact ◎Induced Impact ○Business

	Material Issue	Material Topic Corresponding GRI Standards	Corresponding Chapter(s)	Degree of Involvement and Scope of Impact				
				Investors/ Shareholders	Governing agencies	Customers	Suppliers	Employees
Environmental	Energy Management	GRI 302 Energy	4.3 Energy Management	●	◎	●	◎	●
	Green Product Design	-	3.3 Green and Sustainable Design	●	◎	●	◎	●
	Water Resources Management/ Wastewater Treatment	GRI 303 Water and Effluents 2018	4.4 Water Resources Management	◎	◎	●	◎	●

	Material Issue	Material Topic Corresponding GRI Standards	Corresponding Chapter(s)	Degree of Involvement and Scope of Impact				
				Investors/ Shareholders	Governing agencies	Customers	Suppliers	Employees
Environmental	Climate Change	GRI 305 Emissions	4.2.1 Greenhouse Gas Management	●	◎	●	◎	●
	Biodiversity	GRI 304 Biodiversity 2016	4.5 Biodiversity	●	◎	●	◎	●
Social	Occupational Health and Safety Management	GRI 403 Occupational Health and Safety	5.5 Occupational Health and Safety	◎	●	◎	◎	●
	Talent Development and Educational Training	GRI 404 Training and Education	5.4 Talent Cultivation and Training	◎	◎	◎		●
	Employment	GRI 202 Market Presence GRI 401 Employment	5.1 Employee Structure 5.2 Human Rights Protection	●	●	◎		●
	Social Participation	-	5.5 Social Participation	●	◎	●	●	●
Corporate Governance	Legal Compliance and Ethical Management	GRI 2-27 Compliance with laws and regulations GRI 2-15 Conflicts of interest GRI 2-16 Communication of critical concerns	2.6.2 Ethical Management Operations 2.6.3 Legal Compliance	●	◎	●	●	●
	Operational Risks	-	2.6 Risk Management	●	◎	●	◎	●
	Economic Performance	GRI 201 Economic Performance	2.4 Operational Performance	●	◎	●	◎	●
	Customer Privacy and Information Security	GRI 418 Customer Privacy	2.7 Cyber (Information/ Communication) Security Management	●	◎	●		●

	Material Issue	Material Topic Corresponding GRI Standards	Corresponding Chapter(s)	Degree of Involvement and Scope of Impact				
				Investors/ Shareholders	Governing agencies	Customers	Suppliers	Employees
Corporate Governance	Supply Chain Management (Materials Sourcing and Efficiency)	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	3.1 Value Chain Management	●	◎	●	○	●
	Customer Relationship Management	-	3.1 Value Chain Management	●	◎	●	◎	●

1.2 Stakeholder Communication GRI 2-29

Stakeholder demands are crucial to the company's sustainability and success. The company believes that through engaging with stakeholders, understanding their needs and expectations, and responding accordingly, it can assist in reviewing and planning short-, medium-, and long-term strategies, and create value for stakeholders and new business opportunities for sustainable operations.

The company adheres to the principles of "dependence, responsibility, tension, influence, and diverse perspectives" to identify key stakeholders as investors/shareholders, regulatory authorities, customers, suppliers, and employees. Compared to the 2022 report, the company has removed non-profit organizations from the list of key stakeholders because it is not a high-polluting industry, and due to the requirements of international brands, the company leads in many sustainability issues, thus receiving fewer suggestions from non-profit organizations. Through various channels, regular and occasional communications are conducted to understand stakeholders' expectations, serving as sources of feedback and suggestions for sustainability issues and impact assessments.

◉ 2023 Stakeholder Communication Implementation Results :

Stakeholder
Investors/ Shareholders

Issues of Major Concerns

1. Corporate Governance
2. Operational Performance
3. Company Strategies and Future Outlook
4. Interests of Shareholders
5. Sustainable Development

Communication Channels and Frequency

1. Hold a regular shareholders meeting every year
2. Release quarterly financial reports and monthly revenue reports, and irregularly disclose the Company's important financial and business information on the Market Observation Post System (MOPS).
3. Hold at least one investor briefing every quarter.
4. Set up bilingual (Chinese and English) sustainable development and investor service pages on the Company's official website.
5. Issue a sustainability report every year
6. Set up a spokesperson, deputy spokesperson, and investor relations contact for the Company

2023 Stakeholders Communication Practices and Achievements

1. The regular shareholders meeting was held on May 29, 2023, to explain the Company's operational performance to shareholders and respond to shareholders' issues of concern.
2. As of December 31, 2023, the Company had participated in 7 domestic/ international investor briefings.
3. The Company compiled and released a bilingual (Chinese and English) sustainability report.
4. The Company compiled and released English versions of the 2022 annual report and financial report to strengthen information disclosure for international investors.
5. As of December 31, 2023, 28 pieces of material information had been released in both Chinese and English.

Stakeholder
Government and Governing Agencies

Issues of Major Concerns

1. Legal Compliance
2. Corporate Governance
3. Risk Management
4. Communication with Governing Agencies

Communication Channels and Frequency

1. Participate in policy-related information meetings and workshops held by governing agencies on an irregular basis.
2. Cooperate with governing agencies' supervision and audits.
3. Set up contact personnel to maintain good interactive relationships with governing agencies.

2023 Stakeholders Communication Practices and Achievements

1. Continuously listed as a constituent stock in the Taiwan High Compensation 100 Index.
2. Participated in 2023 Corporate Governance Evaluation audiovisual advocacy courses.
3. Participated in TWSE's Advocacy Meeting for Listed Companies in November.

Stakeholder Customers

Issues of Major Concerns

1. Product Competitiveness and Innovation
2. Continuous Supply Ability and Flexibility
3. Workers' Human Rights and Environmental Health and Safety
4. Energy Management and Reduction
5. Risk Management

Communication Channels and Frequency

1. Hold QBR meetings with major customers on a quarterly or biannual basis to understand the Company's competitiveness ranking (according to customers), and improvements to be achieved in terms of product R&D, costs, lead time, and after-sales services.
2. Hold QBR meetings with major customers on a quarterly or biannual basis to understand customer needs and the future orientation of products so that preparations can be made in advance to shorten new products' development timelines.
3. Arrange regular RBA audits to ensure that the Company's factories comply with relevant laws and regulations and meet customers' requirements.
4. Participate in customers' ESG/SER workshops on an irregular basis.
5. Build self-owned plants in Thailand.

2023 Stakeholders Communication Practices and Achievements

1. Held in-person, phone, or video-based QBR (Quarterly Business Review), QTR (Quarterly Technical Review), and EBR (Executive Business Review) meetings with major customers.
2. Suzhou Factory's and Chongqing Factory's RBA VAP audits were conducted in May, and Dongguan Factory's VAP audit was conducted in October. The audit reports have been provided to customers, based on which continuous upgrades and improvements will be carried out.
3. Customers conducted irregular audits of the Company's factories and proposed relevant product quality requirements.
4. Company representatives visited customers on an irregular basis or communicated with them via phone calls and e-mail to confirm customers' needs and the future orientation of products.
5. Participated in customers' in-person or video-based ESG/SER (Social and Environmental Responsibility) workshops to understand customers' goals and directions.
6. Built self-owned plants in Thailand for production capacity expansion in response to customers' China Plus One strategy to meet customers' needs.
7. Deployed mutually-supportive production capacity at the Dongguan Factory, Suzhou Factory, Chongqing Factory and Thailand Factory.

Stakeholder Suppliers

Issues of Major Concerns

1. Products and Services
2. Supplier Management
3. Workers' Human Rights
4. Environmental Health and Safety
5. Material Prices
6. Quality Review

Communication Channels and Frequency

1. Hold quarterly QBR meetings and irregular meetings with suppliers to share market information.
2. Carry out supplier guidance measures in response to quality issues or new issues to seek win–win results.
3. Conduct supplier ratings and monthly received materials quality ratings.
4. Conduct supplier audits and implement annual audits for suppliers determined to have lower quality performance.

2023 Stakeholders Communication Practices and Achievements

1. Required suppliers to develop Business Continuity Plans for various environmental impacts (such as earthquakes, floods, epidemics, etc.).
2. Carried out price negotiation on a quarterly basis, and offered discounted prices for specific projects on an irregular basis to seek win–win results.
3. Held quarterly QBR meetings with major suppliers, and shared each other's operating status and market information.
4. Conducted annual supplier audits.
5. Required suppliers to systematically carry out the ESG practices specified in relevant regulations.

Stakeholder Employees

Issues of Major Concerns

1. Operational Performance
2. Remuneration and Benefits
3. Employee Relations
4. Education and Training
5. Promotion and Development

Communication Channels and Frequency

1. Announcements on the Company's website: Update the information related to the industry and the Company on a daily basis.
2. Hold regular and irregular meetings.
3. Periodically announce information related to employee benefits (such as employee health examinations and group insurance), the Welfare Committee, education and training, promotion/career development, etc.

2023 Stakeholders Communication Practices and Achievements

1. Updated the information related to the industry and the Company on the Company's internal website on a daily basis.
2. Held monthly Canteen Committee meetings and safety officer meetings.
3. Held quarterly labor–management meetings.
4. Held monthly Employee Welfare Committee meetings.
5. Held a conference for the entire employee body in August.
6. Conducted employee education and training on a continuous basis.
7. Announced employee promotion information in May and November.
8. Organized Chicony Group's Family Day activities.

Chicony
POWER TECHNOLOGY

02

CHAPTER

Corporate Governance





02 Corporate Governance

The Company always upholds the principles of "No Quality, No Sales" and "Customers Come First". Chicony Power has made a long-term commitment to actively impart a positive influence on society and the environment while giving full play to the industry's value. The Company will continuously strengthen its corporate governance to protect shareholders' rights and other stakeholders' interests.

Material Issues	Legal compliance and ethical management, operational risks, economic performance, customer privacy, and information security
Commitment /Policy	Establish a sound governance framework to continuously strengthen corporate governance goals and achieve the goals through multiple internal policies. 1. Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, Procedures for Ethical Management and Guidelines for Conduct : Establish an ethical-management-oriented corporate culture, implement ethical management policies, and actively prevent unethical conduct. 2. Regulations for Reporting and Complaint-filing Management: Set up a reporting/complaint-filing mailbox, e-mail address, and hotline for unethical conduct. 3. Risk Management Policy and Procedures: All responsible units identify, analyze, measure, monitor, respond to, and report operational risks based on their business-related risk characteristics and impact levels, and improve response measures to reduce impacts on the Company. 4. Articles of Incorporation of Chicony Power Technology Co., Ltd., Corporate Governance Code, and Sustainable Development Best Practice Principles: Continue to strengthen corporate governance systems, including protecting shareholders' rights and interests, reinforcing Board competencies, and enforcing other related principles to actively realize sustainable governance. 5. Information Security Policy: Fortify the Company's cyber (information/communication) security through ISO 27001 Information Security Certification and PDCA (Plan-Do-Check-Act) procedures to protect the confidentiality, integrity, and availability of various information related to customers, employees, and suppliers.
Action Plan	1. All existing employees and new hires are required to sign the Integrity Statement and comply with the Company's ethical management policy to establish a corporate culture rooted in ethical management. 2. Suppliers are required to sign the Integrity Statement, which clearly states that all transaction counterparties should strictly abide by the Company's integrity management regulations without involving themselves in any kickbacks, commissions, improper gifts, or other improper advantages. 3. Advocate ethical management principles in supervisor meetings and implement related reporting/complaint mechanisms. Several ethical management and reporting/complaint advocacy meetings have been held at the Company's factories. 4. Continue to expand new products' applications and increase the sales proportion of high value-added products to increase the Company's profits. 5. Continue to strengthen the Company's cyber (information/communication) security to ensure the confidentiality, integrity, availability, and compliance of relevant information, thereby protecting the rights and interests of the Company's customers, shareholders, employees, and suppliers.

2023 Achievements	1. 2023 consolidated revenue reached NT$36.311 billion, net income reached NT$3.295 billion, and earnings per share (EPS) reached NT$8.27. 2. Participated in the Taiwan Corporate Sustainability Awards (TCSA) - Sustainable Comprehensive Performance Award for the first time, and won the Taiwan Top 100 Sustainability Exemplary Award. 3. Taiwan Corporate Sustainability Awards (TCSA) - Sustainability Report Bronze Award. 4. In the EcoVadis Business Sustainability Rating, the global supply chain sustainability rating was upgraded from "Needs Improvement" to Bronze Medal Certification. 5. The FTSE Russell ESG rating was upgraded from 2.9 to 3.3. 6. The Corporate Governance Evaluation remained within the top 20%. 7. The headquarters obtained ISO 27001 Information Security Management System Certification on August 2, 2023. 8. Construction of the Thailand plant was completed, dispersing production base risks. 9. As of 2023, no cases involving ethical management violations (bribery, corruption, collusion, etc.) have occurred. 10. As of 2023, no external complaints have been confirmed by the Company, nor have any complaints been received from any governing agencies. 11. No major cyber (information/communication) security incidents occurred in 2023.
Tracking Mechanisms	1. The Ethical Management Promotion Taskforce regularly monitors changes in laws and regulations and assesses the Company's compliance; carries out the formulation, the supervision and implementation of the Company's ethical management policy and prevention programs; and makes annual reports to the Board of Directors. 2. Internal auditors conduct regular audits to ensure compliance with audit systems across various units. 3. The Audit Committee supervises the implementation of various risk management measures and reports to the Board of Directors after completing relevant assessments. 4. The Company has established a reward system for whistleblowers and protects whistleblowers from retaliatory treatment. 5. The Company has established measurable information security goals, and progress toward goal achievement is regularly reviewed and evaluated.
2023 Targets	1. No occurrence of ethical-management-related cases (target achieved). 2. Complete construction of the Thailand plant to disperse operational risks (target achieved). 3. Rank within the top 20% in the Corporate Governance Evaluation (target achieved). 4. No occurrence of major cyber security incidents (target achieved).
2024 Targets	1. No occurrence of ethical-management-related cases. 2. Increase production capacity at the Thailand plant. 3. Maintain a top 20% ranking in the Corporate Governance Evaluation. 4. No occurrence of major cybersecurity incidents.
Responsible Units	Financial Center, Audit Office, MIS Division, Administration Management Division, and business units

2.1 Company Overview

Chicony Power provides customers with one-stop power supply solutions for notebooks, desktops, servers/cloud applications, Smart Home/AIoT products, communication products, video game consoles, consumer products, and other power supply products. By providing advanced technology with cost and quality advantages, the Company assists original design manufacturer (ODM) customers in their manufacturing and systematically integrates supply chain partners and end-customers to meet market needs in a timely manner.

In addition to continuously expanding its share in the power products market, for many years, Chicony Power has applied its leading strength in energy management knowledge and techniques to actively deploy technologies related to Smart & Green Solutions. Core products include "LED applications" and "IWA Smart Building Integration Platform" products and solutions, which integrate eco-friendliness, social responsibility, and related elements into product design and planning, software/hardware application integration, and professional energy consulting services to provide a complete range of solutions with sustainable value.

Name of Company	Chicony Power Technology Co., Ltd.
Date of establishment	December 24, 2008
Stock code	6412
Headquarters	30F, No. 69, Sec. 2, Guangfu Rd., Sanchong Dist., New Taipei City 24161, Taiwan (Chicony Smart Green Building)
Major production bases	Chicony Power Dongguan Factory Chicony Power Suzhou Factory Chicony Power Chongqing Factory Chicony Power Thailand Factory
Number of employees	A total of 9,021 employees work at Chicony Power, with 4,845 males and 4,176 females (as of December 31, 2023), working at the Taipei Headquarters; Dongguan Factory, Suzhou Factory, and Chongqing Factory in China; and Thailand Factory.
Industrial sector	Manufacture of Other Electronic Parts and Components
Date of listing	November 8, 2013
Paid-in capital	NT$3,990,401,000 (as of April 12, 2023)
Operating Revenue	NT$36,310,819,000 (consolidated net operating revenue for 2023)

By upholding the principles of "No Quality, No Sales" and "Customers Come First," Chicony Power designs its power supply products to meet various international safety certifications, including UL, CAS, NEMKO, Japan's PSE, Europe's TUV, China's CCC, and India's BIS. The products also comply with energy efficiency requirements set by NRCan, DoE, CEC, ErP, US FCC Class B/CISPR, and European CE.

Furthermore, through certifications such as ISO 9001, ISO 14001, ISO 45001, ISO 50001, ISO 14064, and ISO 14067, Chicony Power ensures that its product quality, environmental management, occupational safety and health, energy management, and carbon footprint meet international standards.

Chicony Power's products support PCs, notebooks, video game consoles, laser printers, servers, communication equipment, and other devices. As a globally recognized professional power supply manufacturer, the Company's high-quality products are sold to major international brands in Hong Kong, Singapore, Japan, South Korea, the United States, the United Kingdom, and Europe.



Financial Summary

Unit : NT$1,000

	2021	2022	2023
Total assets	30,012,548	27,416,260	29,989,472
Total liabilities	18,899,088	14,721,334	16,184,377
Total shareholders' equity	11,113,460	12,694,926	13,805,095

Note : Data from consolidated statements

Major Products

Power Adapters

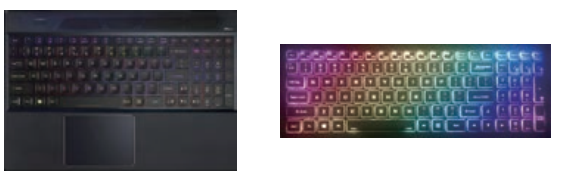


Built-in (embedded) power supply units



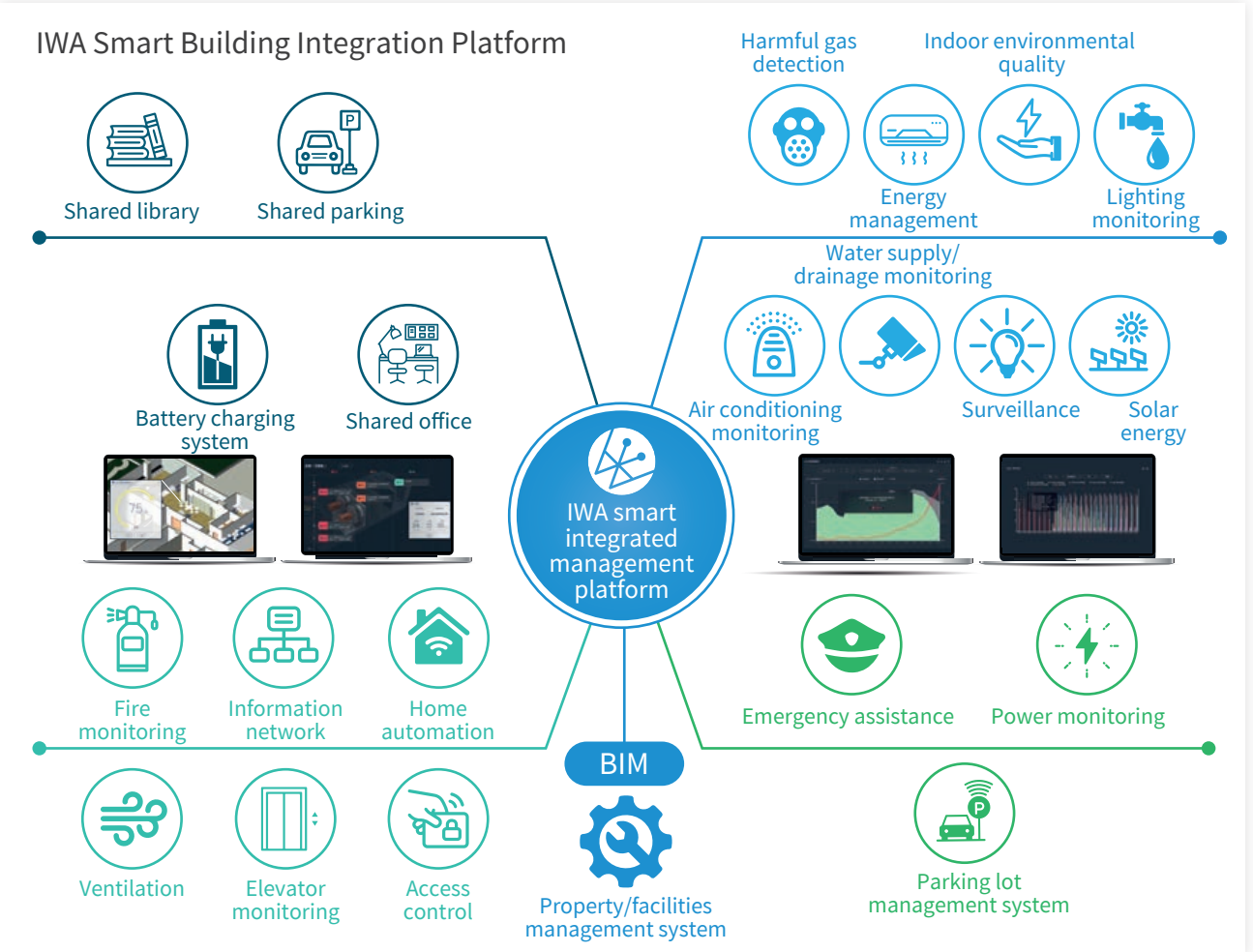
Smart & Green Solutions

LED Backlight Module Applications



LED Automotive Lights





◉ Major Products' Share of Operating Revenue

The Company's major products include electronic parts/components, consumer and other electronics, and other related products. The production volume and sales statistics are listed in the table below :

Unit : Thousand units, NT$1,000

Year / Products	2021		2022		2023	
	Production Volume	Sales Amount	Production Volume	Sales Amount	Production Volume	Sales Amount
Electronic parts and components	155,606	32,745,796	119,198	33,475,699	107,678	30,442,278
Consumer and other electronics	28,810	6,958,037	20,643	6,554,039	15,101	4,086,283
Others	1	660,145	0	1,036,372	0	1,782,258
Total		40,363,978		41,066,110		36,310,819

◉ The Financial Supervisory Commission's (FSC) Reference Guidelines for the Identification of Sustainable Economic Activities.

Although Chicony Power's general economic activities are not currently applicable to the published items under the FSC's Reference Guidelines for Identification of Sustainable Economic Activities, the Company voluntarily discloses the relevant information as follows :

Assessment Steps	Distribution of Chicony Power's Economic Activities			
Step 1: Identify the company's main economic activities and their respective revenue shares in the past year.	Electronic parts and components	Consumer and other electronic	IWA Smart Building Integration Platform	Others
	83.84%	11.25%	4.2%	0.7%
Step 2: Identify whether the main economic activities are applicable to the "General Economic Activities" and "Forward-looking Economic Activities" in this guideline.	Not applicable	Not applicable	Forward-looking Economic Activities	Not applicable
Step 3: Determine whether the economic activities meet the criteria for sustainable economic activities based on the following three conditions.	-	-	-	-
Condition 1: Does it meet the technical screening criteria of "Substantial Contribution to Climate Change Mitigation"? (See Appendix 2 of this guideline)	-	-	Yes	-
Condition 2: Does it meet the criteria of "No Significant Harm to the Other Five Environmental Objectives"? (See Appendix 1 of this guideline)	-	-	Yes	-
Condition 3: Does it meet the criteria of "No Significant Harm to Social Safeguards"?	-	-	Yes	-
Step 4: Is there an improvement plan?	-	-	-	-

Key Disclosures by Chicony Power :

1. Applicable Economic Activities under this Guideline: 1 item - IWA Smart Building Integration Platform, accounting for 4.2% of revenue.
2. Economic Activities in Compliance with this Guideline: 1 item - IWA Smart Building Integration Platform, accounting for 4.2% of revenue.

Note : The revenue share of the IWA Smart Building Integration Platform in 2022 was 1.3%.

2.2 Global Market Layout

According to survey data from U.S. based Micro-Tech Consultants (MTC), in 2023, the Company ranked third in the world in the OEM/Embedded Category, and was one of the leading manufacturers. Chicony Power has made Taiwan the Group's operations center, which is in charge of the Group's overall business strategy development, operational planning, market expansion, and order-taking/sales, and is responsible for the planning, design and development of new products and new technologies. The Company effectively utilizes regional resources in deploying its global marketing, logistics, production, and technical service bases based on an operating model where Taiwan is the main R&D and sales center, whereas China and Thailand are dedicated production bases. With the aim of building local connections with customers and being close to the target market, the Company operates a global just-in-time warehouse system to shorten product delivery time and provide customers with a stable and fast supply of goods. This system helps customers minimize stock and reduce fund illiquidity; meets customers' needs in terms of quality, price, delivery time and location; and provides customers with the best logistics support services and technologies.

Unit : NT$1,000

Sales Area		2021		2022		2023	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Domestic Sales		556,977	1.38	728,063	1.77	2,392,498	6.59
Exports	Asia	34,010,839	84.26	29,780,364	72.52	23,658,699	65.16
	America	3,496,396	8.66	7,432,715	18.10	6,895,612	18.99
	Europe	453,212	1.12	675,674	1.65	452,616	1.25
	Others	1,846,554	4.58	2,449,294	5.96	2,911,394	8.01
	Subtotal	39,807,001	98.62	40,338,047	98.23	33,918,321	93.41
Total		40,363,978	100.00	41,066,110	100.0	36,310,819	100.00

◉ Global Locations (including Headquarters, R&D Center, and Production Bases)





Chicony Smart Green Building

30F, No. 69, Sec. 2, Guangfu Rd., Sanchong Dist., New Taipei City 24161, Taiwan



Suzhou Factory

No. 2589 Tongjin Avenue, Wujiang Economic Development Zone, Jiangsu Province



Chongqing Factory

No. 98, Jiujiang Avenue, Shuangfu Street, Jiangjin District, Chongqing City



Dongguan Factory

No. 353, Liaobu Section, Shida Road, Liaobu Town, Dongguan City



Hong Kong Branch

No. 5, Science Park West Avenue, Hong Kong Science Park



Thailand Factory

No 111, Moo 4, Tha Kham Subdistrict, Bang Pakong District, Chachoengsao Province 24130, Thailand

2.3 Management Guidelines

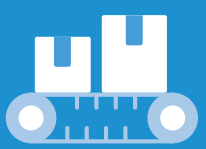
Production

1. Expand close collaboration with suppliers through the Group's centralized procurement to effectively reduce material procurement costs.
2. Continue to increase the automation ratio to improve production efficiency, enhance product quality, and reduce pressure from rising labor costs.
3. Continue R&D and upgrade for product manufacturing processes to improve production efficiency and product quality.
4. Strengthen the advantages of high value-added power supply products from economies of scale, and improve the products' production efficiency.
5. Construct plants in Thailand to disperse production base risks.



R&D

1. Continue to collaborate with internationally renowned manufacturer customers and suppliers, grasp advanced critical technologies, and stay on top of market development directions to create technological advantages.
2. Make continuous efforts in product innovation and technology R&D to enhance the Company's market and technological position.
3. Accelerate products' domestic and international quality certification to enhance the Company's competitiveness in international markets.
4. Continue to recruit outstanding talents and strengthen personnel's professional training to enhance the Company's overall R&D strength.



Products

1. Grasp market trends and develop power supply products for new applications to increase the Company's product items and improve the Company's profitability.
2. Move toward the high-end products market by expanding power solutions for servers and big data centers.
3. Continue to develop smart-home-related power supply products and integrated management platforms for smart buildings to connect with the global smart power-saving trends.
4. Continue to develop high-power power supply products for high-end servers and gaming computers.



ESG

1. Continue to promote energy-saving and carbon-reduction projects, and introduce the self-developed IWA Smart Building System to factories. The system is operated based on four dimensions, which are "perception", "computing", "control", and "interaction", to realize the reduction of energy consumption and GHG emissions.
2. Develop the Company's own carbon management platforms by adopting big data analysis to identify carbon emission hotspots, enhance data quality, improve overall inventory efficiency, etc. to achieve the goals of low-carbon transition and net-zero emissions.
3. Commit to developing high-efficiency and reclaimable (recyclable and reusable) power solutions in recognition of the important role that power supply units play in energy saving and carbon reduction.
4. Continue to focus on the R&D and promotion of smart energy-saving solutions and integrate eco-friendliness, social responsibility, and other core values into product design to actively enhance products' environmentally friendly attributes.

2.4 Operational Performance

Although Chicony Power's revenue was impacted by many macro-economic challenges in 2023, the Company's product portfolio, after years of continuous upgrade, achieved double-digit growth in average sales price in comparison with pre-COVID-19 figures, thereby enhancing the Company's profitability.

Chicony Power also continued to carry out diversified deployment strategies. Among its diversified product lines, the revenue from gaming laptops rated above 230 W and power supply units for satellite communication devices both achieved double-digit annual growth, and smart building revenue increased significantly to NT$1.5 billion—triple the revenue of the previous year, turning the loss-making venture into profit for the first time.

Chicony Power's 2023 consolidated revenue was NT$36.311 billion, a year-over-year decline of 11.6%. However, due to a beneficial exchange rate and product structure optimization, the 2023 gross profit margin reached 21.2%, the operating profit margin reached 10.9%, and the net profit margin reached 9.1%, all representing historical highs and enabling the Company's gross profit, operating profit, and net profit to grow against the overall market trend. EPS was as high as NT$8.27. Overall, Chicony Power's seven important financial indicators, i.e., consolidated gross profit, operating profit, profit after tax, EPS, gross profit margin, operating profit margin, and net profit margin, all hit record highs in 2023.

Operational Performance

Unit : NT$1,000

Item \ Year	2021	2022	2023
Operating Revenue	40,363,978	41,066,110	36,310,819
Operating Cost	33,225,466	33,437,239	28,610,901
Gross Profit	7,138,512	7,628,871	7,699,918
Operating Expenses	3,687,506	3,711,395	3,738,747
Operating Profit	3,451,006	3,917,476	3,961,171
Non-operating Revenue and Expenditure	128,659	145,814	206,805
R&D Expense	1,792,787	1,812,638	1,898,371
Profit before tax	3,579,665	4,063,290	4,167,976
Income Tax Expense	751,190	816,693	873,299
Net Income	2,828,475	3,246,597	3,294,677
Earnings per share (NT$)	7.22	8.22	8.27

Economic Value Distribution

Unit : NT$1,000

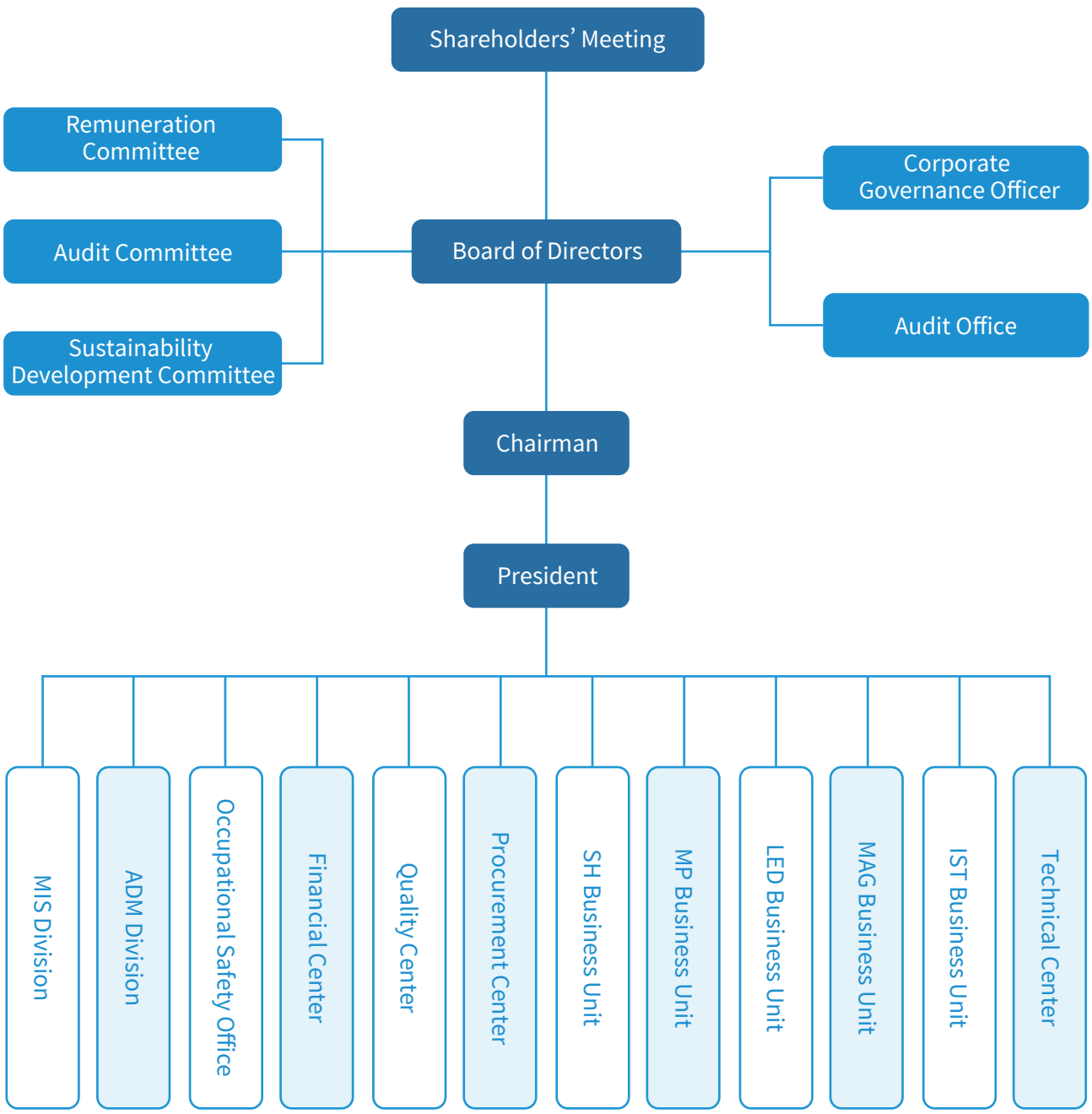
	2021	2022	2023
Direct economic value generated (revenue)	40,363,978	41,066,110	36,310,819
Economic value distributed (total of 1–5)	37,676,231	38,611,122	34,076,789
1. Payments to providers of capital (Interest payments and cash dividends)	1,603,218	2,163,412	2,447,188
2. Operating costs	33,225,466	33,437,239	28,610,901
3.Employee wages and benefits (Operating expenses)	2,051,897	2,184,527	2,136,451
4.Payments to government	751,190	816,693	873,299
(1) Taiwan	582,216	463,928	402,072
(2) China (RMB1,000)	166,572	341,336	461,218
(3) Thailand (THB1,000)	-	-	5,779
(4) Others	2,402	11,429	4,230
5.Community investment	14,460	9,251	8,950
Economic value retained (Retained earnings)	2,687,747	2,454,988	2,234,030

Note : 1. Data from consolidated statements
2. As specified in GRI standards, “payments to government” include various taxes and penalties, but exclude deferred taxes.
3. Regions classified as “Others” include Hong Kong, the U.S.A., etc.



2.5 Corporate Governance Framework

The Board of Directors is the Company's highest governance unit. Three functional committees have been established under its governance: the Remuneration Committee, the Audit Committee, and the Corporate Sustainability Development Committee. The Board of Directors possesses a well-structured governance framework, which helps the Company comprehensively grasp business strategies and operational performance and respond to fluctuations in various risks to create sustainable value for the Company. The Company's corporate governance performance was ranked within the top 6–20% in the 10th (2024) Corporate Governance Evaluation.



◎ 2.5.1 Organization Chart

◉ Functions of Major Divisions



Department	Functions
Server and High Power Business Unit (abbreviated as SH Business Unit)	Organize the R&D, business management, material purchasing, production management, and after sales services for high wattage products of the Company, such as the power supply for desktop computers, game consoles, workstations, servers, storage devices, and satellite communications.
Mini Power Business Unit (abbreviated as MP Business Unit)	Organize the R&D, business management, material purchasing, production management, and after sales services for low wattage products of the Company, such as the power supply for notebooks, printers, smart homes, and consumer products.
LED Business Unit	Organize the R&D, business management, material purchasing, production management and after sales services for LED application products of the Company.
Magnetics Business Unit (abbreviated as MAG Business Unit)	Organize the R&D, business management, material purchasing, production management and after sales services for the magnetic component products of the Company.
Intelligent System Technology Business Unit (abbreviated as IST Business Unit)	Organize the R&D, business management, material purchasing, construction management and after sales services for the intelligent buildings of the Company.
Procurement Center	Organize the purchase of materials for various products.
Quality Center	Organize the quality control, parts engineering, safety certification, and the customer management for after–sales service.
Technical Center	Integrate and make flexible use of the technology resource of the Company, assist each business unit for technology development and have the technology transferred to each unit. Long-term development of new technology to accumulate the technology capability.
Financial Center	Organize the finance, accounting, stock affairs, custom affairs and the import/export business.
Administration Management Division	Organize the human resource, general administration, ethical management and sustainable development business.
Occupational Safety Office	Discuss, plan, monitor and implement the industry safety and health management matters.
MIS Division	Organize MIS and cyber security of the Company.
Audit Office	Audit and evaluate the internal control system of the Company, and the implementation of all regulations and systems.

2.5.2 Board of Directors Operations

Chicony Power's directors are elected in accordance with the Company's relevant internal regulations. In accordance with the Articles of Incorporation of Chicony Power Technology Co., Ltd., director elections are conducted using a candidate nomination system. The candidates' basic qualifications, values, professional knowledge, and skills are considered in accordance with the Corporate Governance Best-Practice Principles to ensure that the entire Board of Directors is equipped with eight major capabilities. Elections are completed at shareholder meetings in accordance with the Regulations on Director Election, and the composition of directors should comply with the Company's Board Diversity Policy.

In 2023, four Board meetings were convened (A). Voting on each proposal adhered to the Procedural Regulations for Board Meetings, which include recusal provisions for conflicts of interest. If a proposal involves the interests of a director or the legal entity they represent, they must disclose the nature of their interest at the board meeting. If there is a risk of harming the Company's interests, the director must abstain from discussion and voting and cannot vote on behalf of other directors. This ensures the protection of stakeholders' best interests.

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) [B/A]
Chairman	Chicony Electronics Co., Ltd. Representative : Lu, Chin-Chung	4	0	100%
Director	Chicony Electronics Co., Ltd. Representative : Huang,Yueh-Chao	3	1	75%
Director	Tseng, Kuo-Hua	4	0	100%
Director	Lee, Tse-Ching	4	0	100%
Independent director	Tsai, Duh-Kung	4	0	100%
Independent director	Hong, Ching-Shan	4	0	100%
Independent director	Sun, Chin-Feng	4	0	100%

Note : For detailed information on the operation of the Board of Directors, please refer to the Company's Annual Report.



Board Diversity and Independence

In 2023, the Company's Board of Directors consisted of seven members, including two female directors, representing 29% of the Board. The Board comprised one executive director (also a Company employee), three non-executive directors, and three independent directors. The Chairman of the Board was a non-executive director, and neither the Chairman nor the General Manager were the same person, spouses, or first-degree relatives. The independence of all Board members, their spouses, and their relatives within the second degree of kinship from the Company was confirmed. No situations as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act were identified.

Diversity core items / Name of Director	Basic Composition								Business Management	Accounting & Finance	Management Administration	Crisis Management	Industrial Knowledge	International Market Knowledge	Leadership Decisiong
	Nationality	Gender	Age		Concurrently serving as an Employee	Term of Office for Independent Director									
			56 – 65	66 – 75		Under 3 years	3–9 years	More than 9 years							
Lu, Chin-Chung	R.O.C.	Male	V						V	V	V	V	V	V	V
Tseng, Kuo-Hua	R.O.C.	Male		V	V				V	V	V	V	V	V	V
Huang, Yueh-Chao	R.O.C.	Female	V						V	V	V		V	V	V
Lee, Tse-Ching	R.O.C.	Female		V						V	V		V	V	V
Tsai, Duh-Kung	R.O.C.	Male		V				V	V	V	V	V	V	V	V
Hong, Ching-Shan	R.O.C.	Male		V		V			V	V	V	V	V	V	V
Sun, Chin-Feng	R.O.C.	Male	V			V			V	V	V	V	V	V	V

Furthermore, the Company emphasizes gender equality in the composition of the Board of Directors. The goal of female director is to maintain at least one. At present, there are 2 female directors, account for 29%. Each director has competent academic background and experience, and satisfies the requirements about work experience and expertise required by the Company’s business. In conclusion, the Company has practiced the board diversity policy.

○ Circumstances of Directors' Training

To ensure that the Board's competencies align with the Company's developmental needs and external trends, all directors participate in various professional development programs annually to enhance their overall knowledge. In 2023, the total training hours for all directors reached 64 hours, averaging 9.14 hours per director, exceeding the recommended standard of 6 hours stipulated in relevant regulations.

Title	Name	Date	Host by	Course Name	Duration
Chairman	Lu, Chin-Chung	2023/3/15	CLEVO CO.	Macroeconomic Trends and Financial Situation of the Age of Uncertainty in 2023.	1
		2023/8/11	Corporate Operating and Sustainable Development Association	Discuss the Business Strategies of Taiwanese Businesses Based on the Global Political and Economic Situation, and also Discuss the Regulations on Insider Trading.	3
		2023/10/31	Taiwan Corporation Governance Association	Practical Analysis of "Sustainability Report" under the Corporate Governance 3.0	6
Director	Huang, Yueh-Chao	2023/11/03	Taiwan Corporation Governance Association	New Version of the Corporate Governance Roadmap and ESG	6
Director	Tseng, Kuo-Hua	2023/11/03	Taiwan Corporation Governance Association	New Version of the Corporate Governance Roadmap and ESG	6
Director	Lee, Tse-Ching	2023/10/31	Taiwan Corporation Governance Association	Practical Analysis of "Sustainability Report" under the Corporate Governance 3.0	6
Independent Director	Tsai, Duh-Kung	2023/11/03	Taiwan Corporation Governance Association	New Version of the Corporate Governance Roadmap and ESG	6
Independent Director	Hong, Ching-Shan	2023/03/16	Institute of Financial Law and Crime Prevention	Anti-Money Laundering and Counter-Financing of Terrorism Practices and The Propaganda of Directors' legal obligations and responsibilities.	3
		2023/04/07	The National Federation of CPA Associations of the R.O.C.	Greenhouse Gases - Assurance of Inventory Statement	3
		2023/05/18	Taiwan Securities Association	Financial Consumer Protection Act and Fair Hospitality	3
		2023/07/13	Taiwan Securities Association	Net Zero Emissions and Corporate Governance	3

Title	Name	Date	Host by	Course Name	Duration
Independent Director	Hong, Ching-Shan	2023/08/07	The National Federation of CPA Associations of the R.O.C.	IFRS2 Share-based Payment and Important Issues in IFRS9, IFRS15 and IFRS16	3
		2023/09/04	The National Federation of CPA Associations of the R.O.C.	Accounting Treatment Under Climate Change	3
		2023/09/07	Taiwan Securities Association	The Assistance and Impact of Emerging Cybersecurity Technology on FinTech digital innovation.	3
Independent Director	Sun, Chin-Feng	2023/04/27	Taiwan Stock Exchange Corporation	Sustainable Development Action Plans for TWSE and TPEx Listed Companies	3
		2023/07/14	Chinese National Association of Industry and Commerce	Practical litigation of Trade Secrets. Non-compete Clause and Cases.	3
		2023/07/31	Chinese National Association of Industry and Commerce	Trends in Fintech Innovative Applications.	3

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Method of Evaluation
Once a year	Jan.1 2023 to Dec. 31 2023	The board of directors as a whole, individual board members, functional committee	Self-Evaluation of Performance of the Board, Self-Evaluation of Performance of Board Members, Self-Evaluation of Performance of the Functional Committee

Evaluation Items

1. Evaluating the performance of the board of directors：
   (1) Participation in the operation of the company
   (2) The quality of the board of directors' decision making
   (3) Composition and structure of the board of directors
   (4) Election and continuing education of the directors
   (5) Internal control
2. Evaluating the performance of the board members：
   (1) Alignment of the goals and missions of the company
   (2) Awareness of the duties of a director
   (3) Participation in the operation of the company
   (4) Management of internal relationship and communication
   (5) The director's professionalism and continuing education
   (6) Internal control
3. Evaluating the performance of functional committees：
   (1) Participation in the operation of the company
   (2) Awareness of the duties of the functional committee
   (3) The quality of decisions made by the functional committee
   (4) Makeup of the functional committee and election of its members
   (5) Internal control



Policy on Director and Manager Remuneration

The evaluation on business performance of the Company's directors and managers will follow the typical pay level adopted by peer companies and also take into consideration the operating results and their contribution to the Company's business performance to consider the high relation between the amount of remuneration, payment method and future risk of the Company and the business liability and entire performance of the Company to be borne by them.

A.The remunerations to directors (including independent directors) of the Company, including wages and remuneration from distribution of earnings. With respect to wages, it is subject to the discussion of the Remuneration Committees and then submitted to the Board of Directors for approval. With respect to remuneration of directors, the Remuneration Committee proposes the amount and discusses the distribution principles, which shall be appropriated within 1% of the current pre-tax benefits in pursuant to the Company's Articles of Incorporation, with reference to their participation in the operations and contributions to the Company and then submits it to the Board of Directors for resolutions.

The remuneration of managers such as President and Vice President includes salary, bonus, employee remuneration and pensions appropriated per regulations. Salaries of managers are proposed by the Remuneration Committee after considering the position, education and work experience, and relevant responsibility of the work with reference to remuneration of the same level of work paid by peers in the same industry, and submitted to the Board of Directors for resolution. The salary increment percentage, bonuses and employee remuneration are proposed by the Remuneration Committee after considering the Company's financial indicators (such as the Company's annual sales revenue, and profitability achievement rate) and non-financial indicators (such as personal annual performance appraisal, personnel management performance and other special contributions or major negative events), as well as reference the standards of peers in the industry, and submits it to the Board of Directors for resolution. In addition, ESG projects are also included in the annual performance appraisal of senior managers to implement the Company's ESG policies and achieve sustainable management goals. The annual performance appraisal of managers includes significant ESG assessment items such as awareness of major ESG themes, promotion of industrial safety and health, implementation of energy conservation and carbon reduction, as well as actual performance of ethical management and moral ethics, which together account for 15% of the total performance appraisal weight. The final evaluation results of the annual performance appraisal will affect bonuses, dividend distributions, annual salary raise and promotions.

The recruitment incentive system is not applicable to managers, but to employees who rank below the director level, through which employees can receive varying recruitment incentives dependent on the recruitment of new employees through their recommendation. The compensation, once paid, cannot be clawed back unless for reasons involving legal violations. Directors' and managers' retirement benefits are the same as those enjoyed by general employees.



◉ Aspects for Manager Performance Evaluation

Corporate Performance Indicators	Future Strategy Indicators	ESG Indicators
70%	15%	15%

Note : The Company's managers refer to the president, vice president, and supervisory personnel with a rank above the assistant general manager, and additionally, one Audit Office senior manager.

○ Shareholders' Rights and Interests

The equality standard of "one share, one vote" is applicable to all shareholders of Chicony Power. Proposals are determined through voting on a one-by-one basis, and the results are announced immediately after the voting is completed. Through shareholder meetings, shareholders can exercise their voting rights to participate in corporate decision-making processes. The Company has commissioned a professional stock agency to handle relevant shareholder services and stock affairs, and it has set up spokespersons, deputy spokespersons, and dedicated Finance Center personnel to deal with issues such as shareholder suggestions, disputes, etc. to strengthen communication with shareholders.

◎ 2.5.3 Audit Committee

The Company's Audit Committee is composed of three independent directors and aims to assist the Board of Directors in overseeing the quality and integrity of the Company's accounting, auditing, financial reporting processes, and financial controls. The Audit Committee holds regular meetings. In 2023, the Audit Committee convened four meetings (A). The attendance of committee members is as follows :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%) [B/A]
Convener	Hong, Ching-Shan	4	0	100%
Member	Tsai, Duh-Kung	4	0	100%
Member	Sun, Chin-Feng	4	0	100%

The main responsibilities during 2023 by the Audit Committee refer to review and processing of the following matters :

- **A** Audited Financial Statement.
- **B** Effectiveness of internal audit plan and internal control system.
- **C** The appointment, compensation and independence assessment of CPAs, etc.
- **D** A material asset or derivatives transaction.
- **E** Lending funds to subsidiaries.
- **F** Distribution of Earnings.
- **G** Application for credit facility with the financial institution.
- **H** To communicate with the CPA of the Company.
- **I** Control over the Company's existing or potential risks.

Note : Please refer to the Company's Annual Report for detailed operation information.

◎ 2.5.4 Remuneration Committee

The Company's Remuneration Committee is composed of three independent directors who assess and examine whether the Company's internal remuneration system complies with relevant regulations and is sufficient to attract and retain excellent talent. Two meetings were convened by the Committee in 2023 (A). Committee members' attendance is listed in the table below :

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate in Person (%)[B/A]
Convener	Sun, Chin-Feng	2	0	100%
Member	Tsai, Duh-Kung	2	0	100%
Member	Hong, Ching-Shan	2	0	100%

Guidelines Governing Functions of Remuneration Committee

A The committee shall exercise the due care of a good administrator to faithfully perform the following duties, and to submit the suggestion for discussion to the Board of Directors.

- **a** Periodically review the organization rules of "Remuneration Committee" of the Company and propose amendments.
- **b** Set up and periodically review the yearly and long-term performance goal of the Directors and managers of the Company, and the policy, system, standard and structure of the remuneration.
- **c** Periodically review the performance of the Directors and managers and the goals achieved, and set up content and amounts of the individual remuneration.

B When the committee exercises the above duties, it shall follow the guidelines as per below :

- **a** Ensure the arrangement of the remuneration meets the requirement of relevant laws and regulations and is good enough to attract the best talent.
- **b** The performance evaluation and remuneration of the Directors and managers shall refer to the ordinary level paid by peers of the same Industry, and taking into consideration factors such as the time devoted by the specific individual, the responsibility assumed, the goal achieved by the individual, the performance of the individual when assuming other position, the remuneration the Company paid to the same position in recent years, as well as the short term and long term business goal achieved by the Company, the financial position of the Company. All these shall be considered when evaluating the reasonableness and correlation of the individual's performance, the Company's performance, and the future risk.

c Directors and managers shall not to engage in behavior beyond the risk tolerance level of the Company for the purpose of pursuing remuneration.

d With respect to the time to distribute bonus in proportion with the short-term performance of Director and senior managers, or remuneration that is partially variable, the Company shall consider the characteristic of the Industry and the business nature to decide the proper time to pay.

e Members of the Committee shall not join the discussion and resolution of their own remuneration.

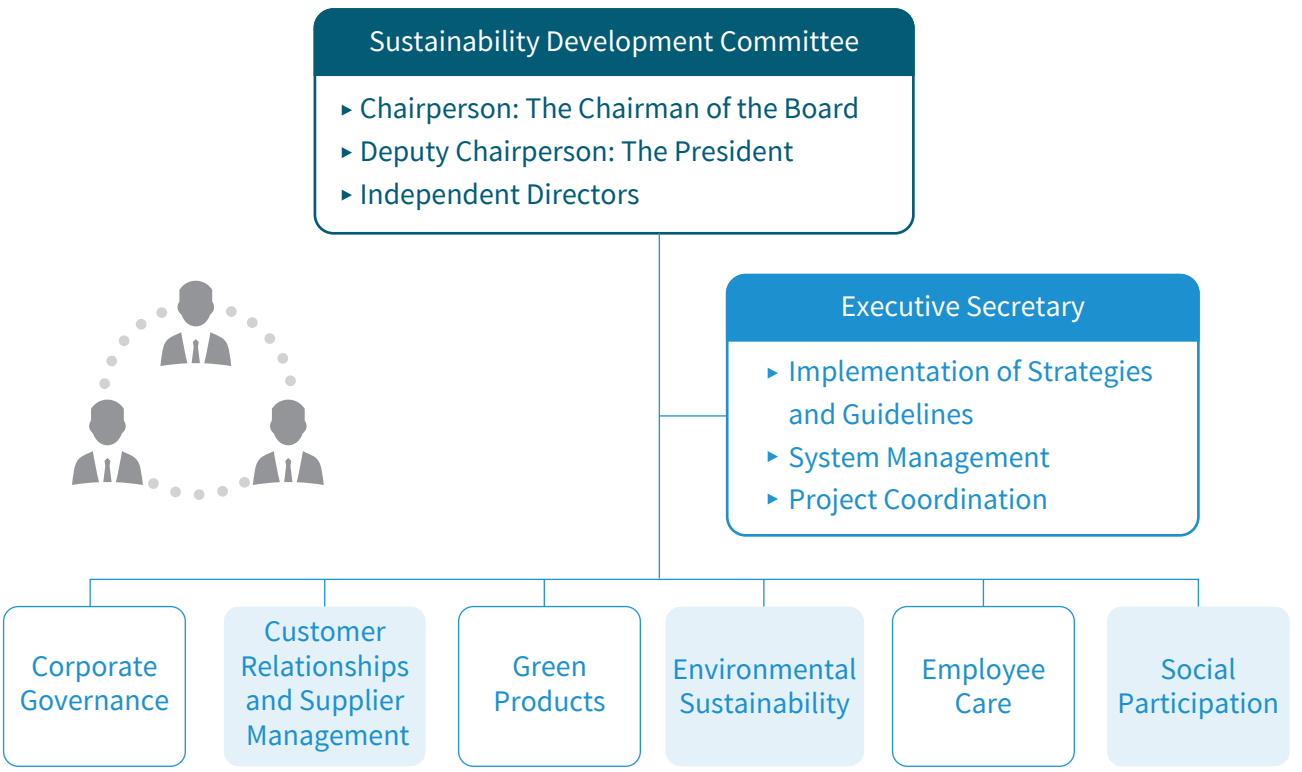
Note : Please refer to the Company's Annual Report for detailed operation information.

◎ 2.5.5 Sustainability Development Committee

The Company established the Corporate Sustainable Development Committee in 2021, with the Chairman of the Board serving as the Committee chairperson, the president as the deputy chairperson, and three independent directors as committee members. An executive secretary has also been set under the Committee; the position is held by the top-level supervisor of the Administrative Management Division.

The Committee is responsible for the formulation and review of the Company’s sustainable development policy, systems, or related management guidelines, and reporting to the Board of Directors every year on annual sustainable development implementation results and the next year’s work plans. The Board of Directors is responsible for supervising the formulation and implementation of the Company’s sustainable development management guidelines, strategies, and goals.

Sustainability Development Committee Framework



Team	Responsible Units	Functions
Corporate Governance	President's Office, Business Department, Procurement Center, Finance Center, Administrative Management Division	Corporate governance, sustainable operation, ethics and integrity, business performance, and risk control
Customer Relations and Supplier Management	Business Department, Procurement Center, Quality Center	Supplier management, customer satisfaction, and product promotion to increase product visibility
Green Products	Business Department, Procurement Center, Quality Center, Intellectual Property Division, Technology Center	Raw materials control, green materials, and product design
Environmental Sustainability	Business Department, Administrative Management Division, Procurement Center	Pollution source management, greenhouse gas management, energy management, climate change response management, and renewable energy management
Employee Care	Business Department, Administrative Management Division, Welfare Committee	Remuneration and benefits, labor–management relations, talent cultivation, and occupational health and safety
Social Participation	Administrative Management Division, Welfare Committee	Communication with local residents, supporting disadvantaged groups, and participation in public benefits activities

The Sustainability Development Committee convened one meeting in 2023. Committee members' expertise and attendance are listed in the table below :

Title	Name	Main Expertise	Attendance in Person	Attendance Rate in Person
Minister	Lu, Chin-Chung	Corporate Governance, Management Administration, Industrial Knowledge, Crisis Management	1	100%
Deputy Minister	Tseng, Kuo-Hua	Corporate Governance, Management Administration, Industrial Knowledge, Crisis Management	1	100%
Member (Independent Director)	Tsai, Duh-Kung	Corporate Governance, Management Administration, Industrial Knowledge, Crisis Management	1	100%
Member (Independent Director)	Hong, Ching-Shan	Corporate Governance, Finance and Audit	1	100%
Member (Independent Director)	Sun, Chin-Feng	Corporate Governance, Finance, Securities Finance	1	100%

Major issues discussed during the 2023 meeting are as follows :

1. Report on the Company's operations with respect to "sustainable development", "ethical management", "stakeholder communication", and "Risk Management Policies and Procedures".
2. Report on the Company's 2022 Sustainability Report compilation result, and work plans for the 2023 Sustainability Report.
3. Report on the Company's GHG inventory and assurance schedule planning.
4. Discussion on the Company's corporate sustainability key tasks implementation plans for 2024.

Scope of management in 2023 :

1. GHG inventory and carbon disclosure
2. Water resources and waste reduction targets implementation status
3. (Promotion of the UL2799 Zero Waste to Landfill certification
4. Environmental management, occupational safety and health, and energy management
5. Employee care and health management
6. Compliance with the RBA Code of Conduct and audit implementation
7. Continuous participation in industry–academia collaboration and public welfare activities
8. Continuous implementation of supply chain management and engagement
9. Enhancing external performance and participation in initiatives
10. Sustainability Report compilation and disclosure

Note: Please refer to the Company's Annual Report for detailed operation information.

◎ 2.5.6 Membership in Associations and Initiatives

As environmental impacts caused by global climate change become more severe, more and more global standards have been set to regulate the impact of enterprises on the environment, and stakeholders' concerns continue to change in response to new regulations. In recent years, Chicony Power has reviewed relevant international standards and issues of stakeholders' concern to reassess the Company's internal sustainable operation strategies. Additionally, the Company has actively participated in external exchange activities related to its main business and sustainable development dimensions to collaborate with industry partners in creating collective benefits and realizing corporate sustainable development goals.

The organizations and initiatives in which Chicony Power participated in 2023 are listed in the tables below :

Organization	Role
◎Taipei Computer Association	Member
◎Taiwan Electrical Contractors Association (TECA)	Member

Carbon Disclosure Project (CDP) scoring system

CDP
DISCLOSURE INSIGHT ACTION

- Started participating in questionnaire response in 2018
  - The 2023 climate change questionnaire obtained a Management-level score.
  - The 2023 water security questionnaire obtained a Management-level score.
  - The 2023 supply chain engagement questionnaire obtained a Management-level score.

Science Based Targets (SBT)

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- Passed SBT review in August 2022
  - Set 2020 as the base year for carbon reduction.
  - Set 2030 as the target achievement year.

RE100 Initiative

RE 100

- Joined RE100 in August 2023

  Committed to 100% renewable energy use at the Headquarters in Taiwan and operation bases around the globe by 2030.

Task Force on Climate-Related Financial Disclosures (TCFD Supporter)

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Agreed to the TCFD initiative and carried out climate change management under the TCFD framework; joined the group of TCFD Supporters in 2022.

Taskforce on Nature-related Financial Disclosures (TNFD Forum)

TNFD Taskforce on Nature-related Financial Disclosures

Agreed to the TNFD initiative and carried out natural environment management under the TNFD. framework; became a member of the TNFD Forum in 2024.

Responsible Business Alliance (RBA)

Responsible Business Alliance
Advancing Sustainability Globally

Started to support and joined the Responsible Business Alliance in 2011 to comply with the RBA Code of Conduct.

Taiwan Climate Partnership

TCP Taiwan Climate Partnership 台灣氣候聯盟

Joined the partnership and became a founding member in 2022; Responded to brand customers' requirements with practical actions when faced with new challenges in the era of climate change.

E.SUN ESG and Sustainability Initiative

玉山金控 E.SUN FHC

Joined the Initiative in 2022; took practical actions to promote SDGs when faced with urgent climate change issues.

2.6 Risk Management

2.6.1 Risk Management Procedures

The scope of Chicony Power's all-levels risk management covers the Company's business activities involving corporate operations, finance, the environment, hazardous events, climate change, etc. The procedures for identifying, measuring, monitoring, and reporting various risks are adjusted in a timely manner to coincide with changes in the business environment, business tasks, and operating activities. In order to realize sound corporate governance, implement risk management for business operations, and ensure the completeness of the Company's risk systems, Chicony Power had formulated the Risk Management Policy and Procedures as the guiding principles for the company's risk management on August 5, 2021. The Board of Directors approved these procedures on August 5, 2021.

The Company's implementation units have proposed relevant approaches for risk identification along with management and control strategies for potential risks. The Company's Corporate Sustainable Development Committee reported to the Board of Directors on November 2, 2023, on the environmental, social, and governance material issues related to the Company's operations and the implementation status of corresponding risk management measures.

Risk Category	Potential Risks	Management/Control Strategies and Approaches
Climate Risk	Dramatic changes in weather patterns; Production affected by natural disasters, water shortages, or power outages	1. Communicate with local governments and request that factories be listed as priority areas for electricity and water supply. 2. Invest resources in disaster prevention facilities and conduct regular service and maintenance. 3. Conduct risk effectiveness assessments for regions where raw material suppliers are located. 4. Introduce relevant energy management systems at all factories, and evaluate the possibility of installing renewable energy facilities. 5. Set up waterproofing, drainage systems, and emergency response measures at all factories.
Environmental Risk	Global warming (increased GHG emissions)	1. Conduct GHG inventory and obtain third-party assurance: The Taipei Headquarters, Dongguan Factory, Suzhou Factory, and Chongqing 2. Factory have all been ISO-14064 certified. 3. Set reduction targets in accordance with the Science Based Targets Initiative (the Company's targets were approved on August 10, 2022). 4. Continue the implementation of energy saving and carbon reduction measures at the Taipei Headquarters and all factories. Increase R&D investment in high-energy-efficiency products to reduce products' carbon emissions. 5. Increase the percentage of eco-friendly materials used in products to reduce the generation of non-recyclable waste.

Risk Category	Potential Risks	Management/Control Strategies and Approaches
Occupational Health and Safety Risk	Employee workplace safety	1. The Taipei Headquarters, Dongguan Factory, Suzhou Factory, Chongqing Factory, and Thailand Factory have all obtained ISO 45001 Occupational Health and Safety Management Systems certification. 2. Regular onsite patrols and inspections are carried out by EHS teams at the Taipei Headquarters and all factories to reduce hazards and risks. Conduct environmental monitoring to ensure that the workplace 3. environment does not affect the health of employees.
	Fire/explosion hazards	1. The Company has formulated relevant regulations and conducts regular advocacy activities on the safe use of electric soldering irons and high-temperature heating equipment (e.g., heat gun, hot glue gun) and requires employees to pay attention to fire/explosion hazards. 2. In addition to the existing management and control measures for soldering irons, a "real-name system" for soldering iron users has been implemented to ensure that every soldering iron is well kept and well maintained. 3. For existing high temperature heating equipment that lacks an automatic cooldown function, an automatic power off timer should be installed and a foolproof cover should be added to reduce the possibility of accidental contact.
	Employee health management	1. Conduct health checks for senior employees. 2. Conduct health care and tracking for high-risk employees and pay constant attention to employees' health. 3. Conduct regular environmental disinfection to provide a healthy environment for employees. 4. Flu vaccination 5. Healthy Workplace Accreditation
Information Risk	1. Information system 2. anomalies Malicious intrusion and destruction of the system by external attacks	1. The Company obtained ISO 27001 Information Security Management System Certification in August 2023 2. Set up system security measures such as firewalls, antivirus software, cloud ATP (Advanced Threat Protection), e-mail protection solutions, etc. IT personnel conduct regular checking and testing, and build up complete anti-intrusion and anti-virus mechanisms. 3. Detect the websites that the Company's users access, and block anomalous connections. 4. Perform firewall and internal network vulnerability scanning on a quarterly basis, and patch vulnerabilities based on the scan results. 5. Strengthen disaster prevention, monitoring, and reporting mechanisms and anomalies management. Conduct regular disaster recovery drills, and correctly implement backup mechanisms. 6. Conduct information security advocacy activities on a quarterly basis to raise awareness among employees.
Financial Risk	Risk of exchange rate fluctuations	For USD receivable/payable positions from goods purchase and sales, natural hedging through mutual offsetting should be adopted. For USD net positions after offsetting and the possible flows generated in the future, the Company continuously monitors global economic conditions, grasps global exchange rate trends, and hedges risks through timely forward foreign exchange transactions.

◎ 2.6.2 Ethical Management

• Ethical Management Operations

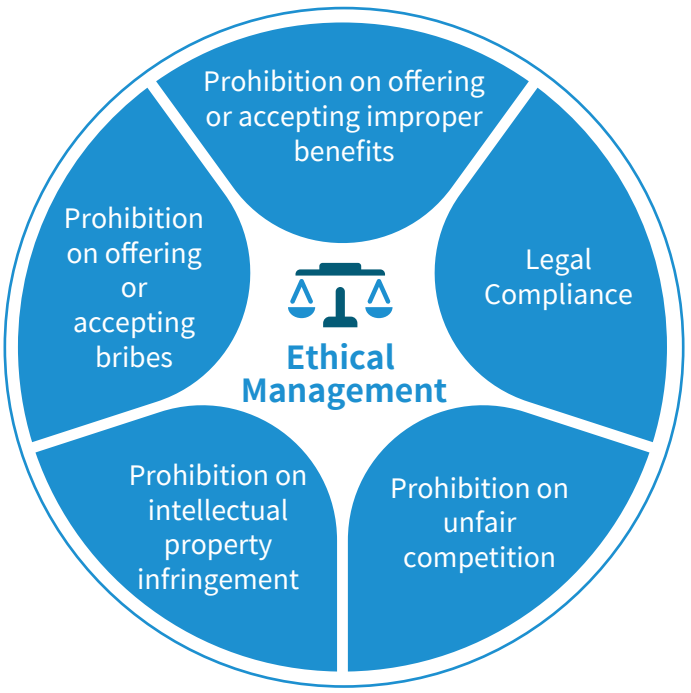
Chicony Power has formulated a Code of Ethical Conduct based on RBA (Responsible Business Alliance) regulations and the Guidelines for the Adoption of Codes of Ethical Conduct for TWSE-/TPEx- Listed Companies, which encompasses regulations related to anti-corruption, bribery, insider trading, intellectual property, proper information preservation and disclosure, etc. With the aim of promoting employees' awareness of business ethics and legal compliance, Chicony Power has incorporated the Code of Ethical Conduct into its required courses for all employees. Retraining is conducted on a yearly basis to deepen employees' consciousness of business ethics. Managerial personnel are required to act as good role models to lead all employees in demonstrating due ethical standards while exercising their professional abilities. Furthermore, employees are required to examine their own understanding of the Code of Ethical Conduct through an annual self-evaluation mechanism for corporate internal control, thereby strengthening the effectiveness of the overall internal control environment.

In 2023, the internal and external education and training on ethical management and business ethics included ethical management advocacy sessions conducted at the Taipei Headquarters during new employee training (122 participants), four sessions at Dongguan Factory (198 participants), four sessions at Suzhou Factory (1,056 participants), and five sessions at Chongqing Factory (594 participants), totaling 14 sessions and 1,970 participants. (The education and training covered 80% of the Company's operating bases. Thailand Factory was busy with plant construction and plant relocation affairs in 2023; therefore, no additional advocacy sessions were conducted during the year.)

◉ 2023 Ethical Management Advocacy Statistics

Site	Taipei	Dongguan	Suzhou	Chongqing	Total
Participants-counts	122	198	1,056	594	**1,970**
Percentage	15.29%	9.73%	33.77%	32.60%	**25.32%**

◉ Items for Ethical Management Advocacy (including but not limited to the items in the diagram)



With the aim of achieving the Company's ethical management goals, the Administrative Management Division, Finance Center, and Audit Office collaboratively formed an Ethical Management Promotion Taskforce to be responsible for the formulation, supervision, and implementation of the ethical management policy and relevant prevention plans. The taskforce reports to the Board of Directors on an annual basis.

The taskforce's main duties are summarized as follows :

1. Formulate relevant misconduct prevention measures to ensure ethical management.
2. Formulate plans to prevent unethical conduct.
3. Develop plans for internal organizations, staffing structures, and duties, and arrange mechanisms for mutual supervision and counterbalancing.
4. Promote and coordinate ethical management policy training and advocacy.
5. Develop plans for the reporting (whistleblowing) system to ensure implementation effectiveness.
6. Assist the Board of Directors and management in auditing and evaluating the implementation of ethical management.

○ Reporting (Whistleblowing) and Complaint System

In order to protect the Company's reputation, ensure property security, and prevent corruption, theft, embezzlement, and other legal and regulatory violations that may infringe upon the rights and interests of the Company, its employees, and its business partners, Chicony Power has provided its employees and business partners with formal channels for reporting illegal and unethical incidents. This system protects the reputation and rights of the Company and other law-abiding people by facilitating the effective processing of reporting letters, deterring illegal and unethical conduct, and preventing malicious and baseless letters that may hurt innocent parties and cause trouble.

(I) Formulate the Regulations on the Implementation of Reporting and Complaint-filing and provide channels for reporting/whistleblowing and complaint-filing, including :

1. Reporting/Complaint-filing Mailbox address :
   - 30F, No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City 241.
2. Reporting/Complaint-filing E-mail :
   - Hotline@chiconypower.com.

The e-mails will be processed by the supervisor of the Administrative Management Division. Reporting personnel's personal information and the content of the report will be kept strictly confidential.

If any of the Company's personnel are found or reported to be involved in any unethical conduct, an investigation team will be formed to investigate related violations. If the alleged violations of relevant laws or the Company's ethical management policy and regulations are verified, the infringer will be immediately asked to cease such conduct, and the case will be handled appropriately according to its severity. When necessary, the Company will enter into legal proceedings to claim damages to protect the Company's reputation and interests. A specific rewarding system for reporting has also been established. For rewarding criteria, please refer to the Employee Rewarding and Disciplinary Measures.

(II) As stipulated in the Regulations on the Implementation of Reporting and Complaint-filing, the Company shall formulate standard operating procedures for the acceptance and investigation of reporting cases. The supervisor of the Administrative Management Division will take charge of the handling, investigation, and response to the report or complaint-filing incidents, and the reporting personnel's personal information and the contents of the report will be kept confidential.
(III) The reporting personnel's personal information and the contents of the report will be kept confidential, and the reporting personnel will be protected from retaliatory treatment.

※Chicony Power was not involved in any cases involving ethical management violations (bribery, corruption, collusion, etc.) in 2023.

◎ 2.6.3 Legal Compliance

Strict compliance with laws and regulations in business operations is an aspect of corporate social responsibility and one of the keys to sustainable operations. Since Chicony Power provides products and services to various markets around the world, the Company has established a legal affairs unit to monitor the formulation and development of regulations that may affect the Company and ensure global regulatory compliance. Additionally, the Company has established a system to assess compliance with laws, policies, and regulations and assist all units in implementing relevant rules. Moreover, relevant personnel have been designated to identify, manage, and monitor the laws and regulations related to business operations, environmental protection, services, etc. Furthermore, to fulfill the goal of balanced reporting and information transparency, a principle has been established that any criminal law incidents or administrative law incidents that pose penalties to the Company, as well as any events that seriously affect the Company's operations, must be disclosed in the CSR Report.

Operation-related laws	Laws related to EHS (environmental health and safety) and labor	Service-related laws
• Business and tax-related laws	• Environmental protection laws • Occupational health and safety laws • Building fire-safety laws • Labor rights laws	• Personal information protection laws

※Chicony Power was not involved in any relevant cases involving material regulatory violations or penalties imposed by the competent authority in 2023.

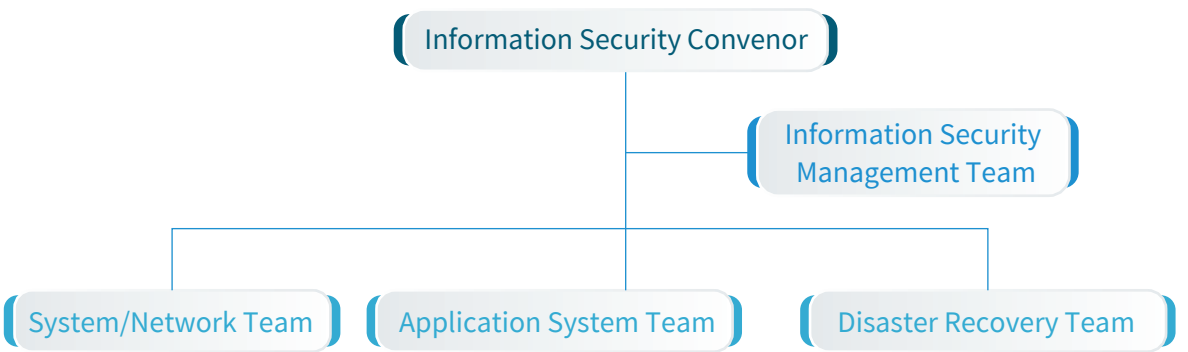
Note: Definition of material regulatory violations: The violations are defined pursuant to requirements stipulated in Article 26 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities.

2.7 Cyber Security Management

Cyber Security Framework

1. The Information Security Management Committee has been established to promote tasks and affairs related to the implementation of the Company's information security management standardization policy. The highest level manager of the Company's Information System Division serves as the Information Security Convener, and the Information System Division is responsible for providing guidance and plans. Various related business units cooperatively implement the formulated plans to confirm the effectiveness of the Company's information security management operations.
2. The Committee is responsible for formulating the information security management policy and carrying out regular review and modification of the policy.
3. The Committee holds regular meetings to review the policy's implementation status, and reports the implementation status and review results to the president on an annual basis.

Information Security Management Committee Framework :



I. Cyber Security Policy

1. Establish and continuously improve the information security management system.
2. Provide related or required resources; allocate responsibilities and authorities appropriately.
3. Ensure the confidentiality, integrity, and availability of the Company's information.
4. Comply with laws and regulations.

II. Cyber Security Goals

In order to protect important information, improve service quality, and ensure the effective achievement of the information security policy, the Company has formulated the following information security goals :

1. Maintain the effectiveness of the information security management system.
2. Ensure the security, integrity, and accuracy of information assets.
3. Ensure the adequacy of information security management resources.
4. Continuing operation of critical businesses.
5. Precise compliance with laws and regulations.

III. Cyber Security Management Actions

1. The Company's employees, contractors, and collaborating companies are all required to sign a confidentiality statement. Those who have pledged to use the Company's information for the purpose of providing information services or perform related information businesses shall be responsible and obligated to protect the Company's information assets they obtain or use and prevent the unauthorized access, tampering, destruction, or improper disclosure of such assets.
2. The Company carries out regular information security advocacy activities and releases information-security-related announcements on a quarterly basis to reinforce employees' information security concepts. Additionally, all employees are required to sign an information confidentiality agreement.
3. Employees' user names, passwords, and authorization details should be carefully kept and used, and be regularly reset. Personnel must comply with laws and regulations as well as information security policy requirements. Supervisors should supervise the implementation of the information security compliance system and strengthen employees' awareness of information security and legal concepts.
4. The Company has established a list of information assets and conducts regular inventory. It carries out risk management based on risk evaluation results to implement various management and control measures. Moreover, standardized response and reporting procedures for information security incidents have been formulated to properly and promptly handle the incidents.

5. In terms of information security incident response and prevention, the Company has introduced an information security defense system with its scope covering network boundaries to computer terminals for important information systems. Additionally, appropriate backup or monitoring mechanisms have been established, and regular drills have been conducted to maintain the systems' availability.
6. With the aim of improving application systems' security and reducing risks, vulnerability scanning is conducted on a yearly basis, and system patching is performed for moderate and high-risk vulnerabilities. Moreover, the MDR (Managed Detection and Response) Service has been introduced to reduce the incidence of anomalies.
7. BEC and APT protection modules have been introduced for e-mail filtering, and cyber security management mechanisms are continuously fortified.
8. The Company has also contracted professional information security service providers to monitor the Company's information security status on a 24/7/365 basis. Should any information security incidents occur, immediate actions can be taken to avoid further damage.
9. Antivirus software is mandatory on all computers used by company employees, and it must be updated on a regular basis. The use of unauthorized software is prohibited. Moreover, hardware replacement and software installation must be carried out by personnel from the Information System Division to avoid information security concerns.
10. Employees are forbidden from bringing their personal computers to work to prevent personal conduct from negatively impacting the Company.



ISO 27001

Obtain the international Information Security Management System Certification, and renew the certification every year



Multi-factor Authentication

Privileged accounts must pass two or more authentication mechanisms before obtaining authorization



Social Engineering Drills

Regularly send phishing e-mails to test and improve Company employees' information security awareness



Information Security Advocacy

Regularly announce information security measures and policies to enhance Company employees' information security awareness

Vulnerability Scanning/Patching

Conduct regular vulnerability scans and patch vulnerabilities and breaches

SOC / MDR

Conduct real-time monitoring of firewalls, anti-virus systems, and endpoint server anomaly records

Intrusion Detection/ Destination Detection

Detect potential malicious activities on the information system or on the network

Record, Manage, and Analyze System Data

Collect three types of maintenance and operation data—SNMP, Flow, and Syslog—for correlation and comparison analysis.

Asset Management System

Computer asset tracking, authorization management, and daily maintenance of application software and operating systems.

E-mail Filtering System

Conduct comparison and analysis to filter and defend against business e-mail compromise (BEC), APT attacks, phishing e-mails, and other threats.

Join Domestic Information Security Organizations

Information security intelligence collection, transnational information security intelligence sharing, and information security incident consultation and coordination.

Information Security Education & Training

Provide training courses and conduct tests for employees with weaker information security awareness.

Backup to the Cloud

Improve the security of the Company's systems backup data storage to align with the 3-2-1 backup rule.

Anti-virus System

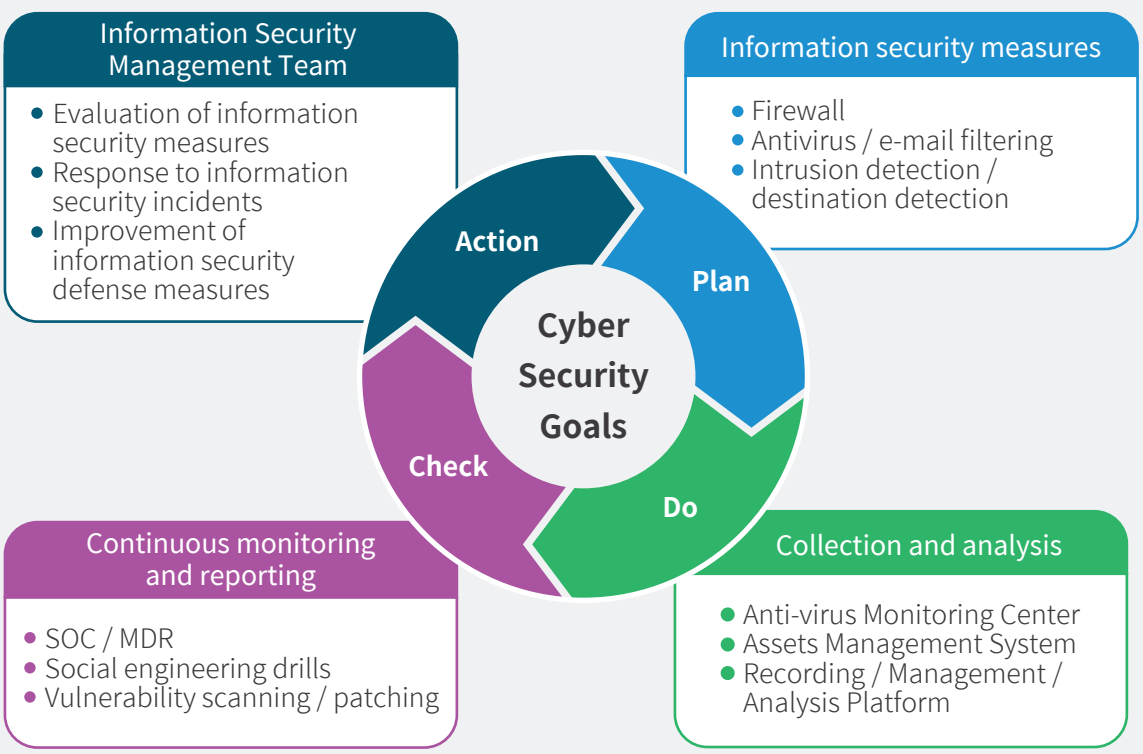
Detect and block malware and viruses to prevent computer equipment from being infected.

IV. Cyber Security Goals Achievement Status

With the aim of continuously ensuring customer privacy and the security of confidential information based on existing well-managed information security management systems, the Company introduced the ISO 27001:2013 Information Security Management System in 2023. It also formulated the Cyber Security Policy and the related four levels' management documents, and it obtains the ISO 27001 certification on a regular basis.

The current certificate is valid until October 31, 2025. Moreover, the Company continues to adopt the PDCA method to improve the overall cyber security environment, establish measurable cyber security goals, and regularly review and evaluate the status of goal achievement. Through annual internal audits, ISO 27001 Information Security Management System Review, and CPA computer-assisted audits, the Company's ability to respond to information security incidents has been strengthened to protect the security of the Company's and customers' assets.

PDCA Method :



Cyber Security Goals :

Short-term Goals

1. Conduct vulnerability scans and system penetration tests every year.
2. Perform two social engineering e-mail drills every year.
3. Announce and advocate four information security concepts every year.
4. Pass external ISO 27001 information security management system certification every year.
5. Conduct employee cyber security training every year.

Goal Achievement

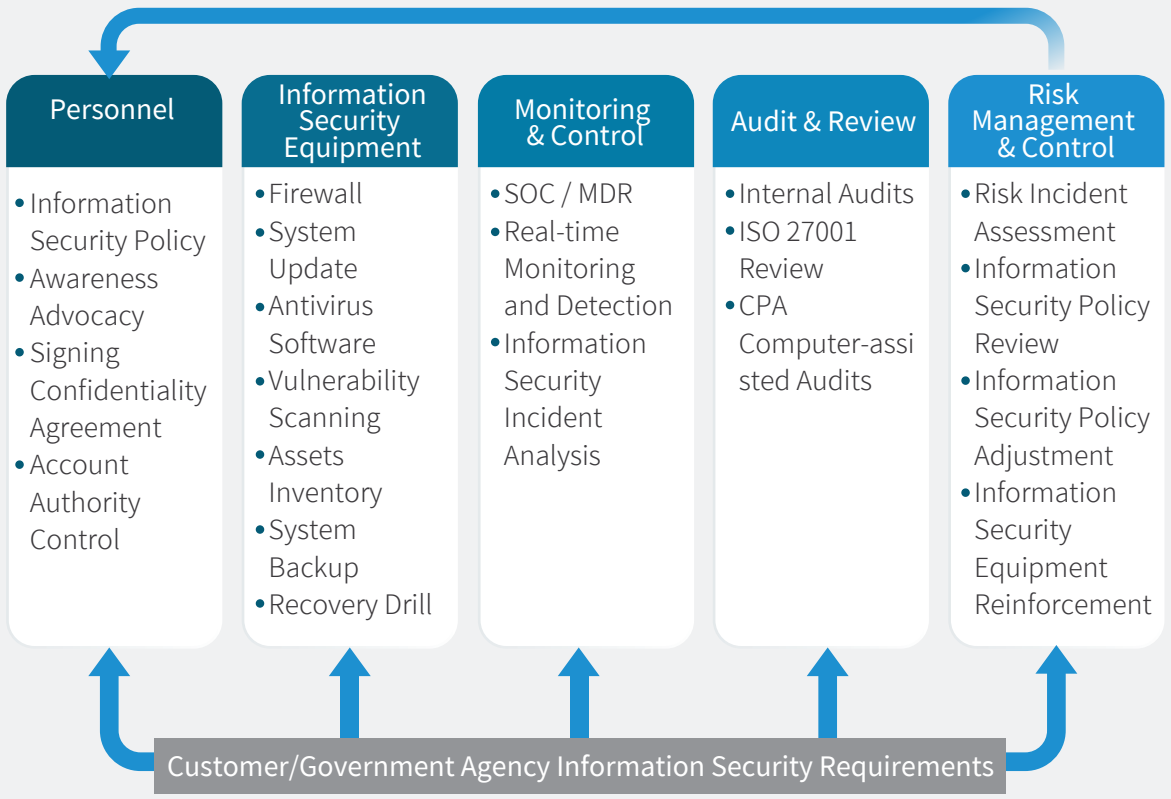
1. The Company's systems passed external ISO 27001 audits and certification.
2. The annual vulnerability scans were completed.
3. Two social engineering e-mail drills were completed during the year.
4. Four information security concepts were announced and advocated during the year.
5. Two online cyber security training sessions were conducted during the year.

Medium- and Long-term Goals

1. Continue to strengthen the Company's cyber security.
2. Ensure the confidentiality, integrity, availability, and compliance of information.
3. Protect the rights and interests of the Company's customers, shareholders, employees, and suppliers.

External information security institutions are also entrusted to conduct regular information security risk reviews for the Company. By incorporating relevant intelligence regarding information security threats, the Company adjusts its information security policy and updates relevant systems and settings of information security equipment to reduce information security risks.

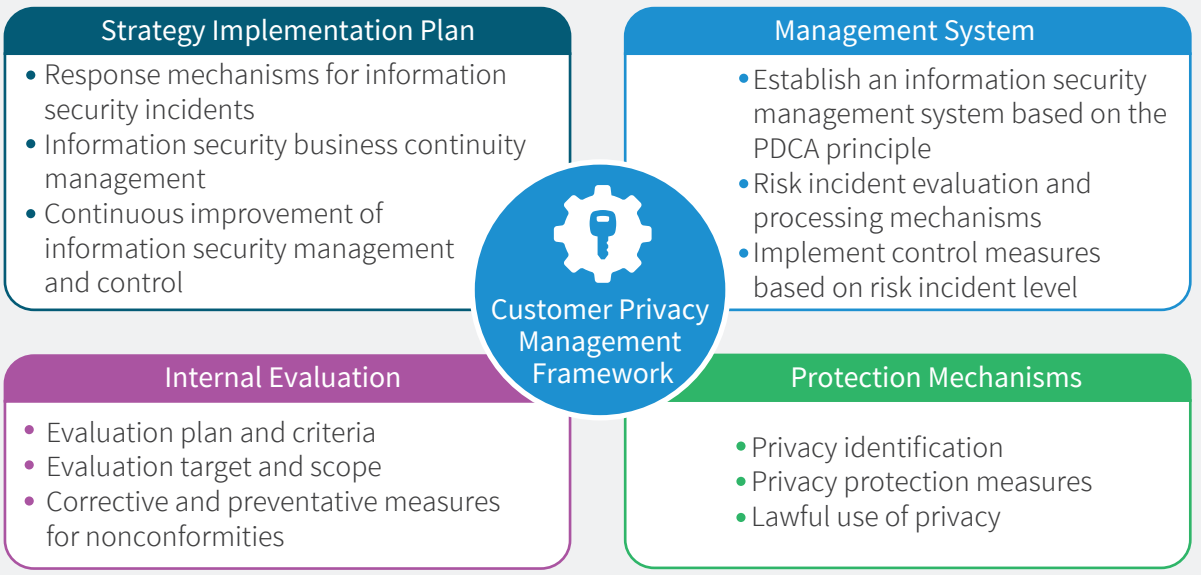
Cyber Security Fortification Cycle :



Through the aforementioned cyber security fortification cycle and compliance with the information security requirements of customers and government agencies, the Company's information security is continuously reinforced.

V. Information Security and Customer Privacy Management Framework

The protection of confidential information and customer privacy is one of the factors that helps maintain the long-term partnership between the Company and its customers.



To protect the rights and interests of customers, the Company is committed to safeguarding customers' information. This is viewed as the Company's most important cyber security management goal and the key to establishing a long-term partnership of mutual trust with customers.

VI. Information Security Risks

The Company has established a complete information security management system in accordance with the Cyber Security Guidelines for TWSE-/TPEx-Listed Companies and the ISO 27001 standards, and it has set up an information security management system, which serves as a basis to establish relevant information systems and information security equipment that meet the Company's needs. Relevant regulations and procedures are reviewed on an annual basis to assess information security risks and ensure the system's effectiveness. However, information security risks are constantly changing; therefore, risks may still exist and may impact the system.

VII. Cyber Security Implementation Status

Announcement are made on a quarterly basis, and advocacy activities may be conducted periodically depending on actual situations. The Company has formulated the Risk Management Policy and Procedures, and it reported information-security-related risks and their associated implementation status to the Board of Directors in 2023.

※Chicony Power was not involved in any material cyber security incidents in 2023.

2.8 Material and Critical Events

As required by Article 26 of the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, Chicony Power shall communicate with and report to the Board of Directors when the following situations, which are regarded as material and critical events, occur.

1. Occurrence of a disaster, group protest, strike, environmental pollution, cyber security incident, or any other material events, resulting in any of the following situations:
   Where the Company suffers a material loss or impact.
2. Where a relevant authority orders the suspension of work, suspension of business, termination of business, or invalidates or revokes pollution-related permits;
3. Where the administrative fines for a single event have reached NT$1 million or more.

Chicony Power was not involved in any material or critical events in 2023.

03

CHAPTER

Sustainable Value Chain



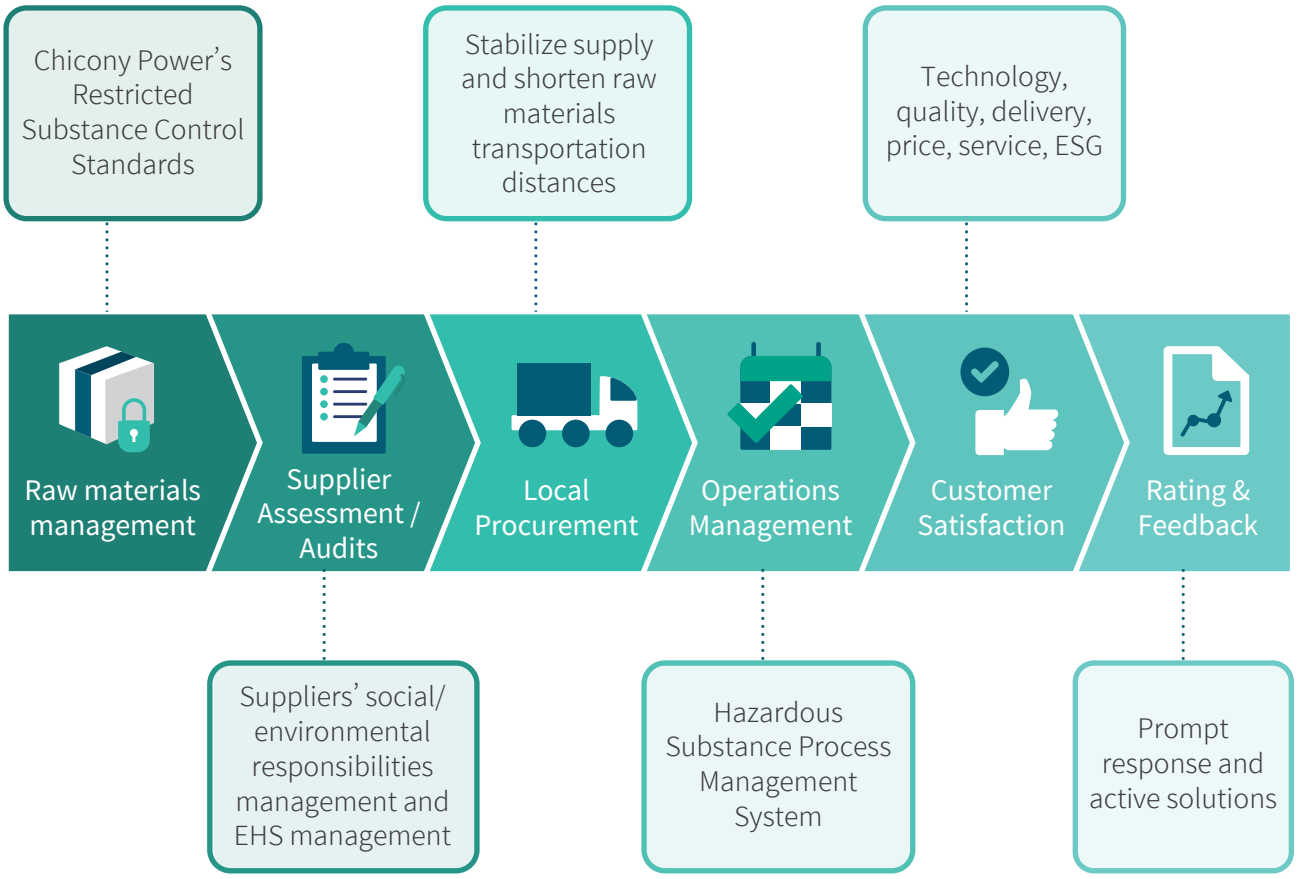
Chicony Power is committed to introducing the concept of green design into the R&D of new products. To realize this concept, the Company's R&D teams endeavor to develop designs that can improve products' energy efficiency, comply with relevant chemical and hazardous substances regulations, and use renewable and recyclable materials whenever possible. By collaborating with suppliers, Chicony Power has formed strong strategic partnerships for mutual development and growth. In addition to providing customers with valuable products and services, the Company also focuses on providing social and environmental value and continuously strives to establish a sustainable value chain. Through a solid foundation built on collaboration, Chicony Power undertakes social and environmental responsibilities with supply chain partners.

Material Issues	Green product design, supply chain management, and customer relationship management
Policy/ Commitment	Adopt green design and improve supply chain sustainability management to reduce operational risks associated with the supply chain and facilitate the establishment of partnerships for sustainable development. 1. Restricted Substance Control Standards: Provide suppliers and internal procurement, quality control, and R&D teams with guidelines for hazardous 2. substances control, and clearly define the substances subject to Chicony Power's environmental management. Supplier Management Procedures and Commitment Statement on RBA Code of 3. Conduct: Assess and audit suppliers' performance in labor rights, environmental protection, and health and safety management, and develop improvement measures based on assessment results to assist suppliers in making continuous progress. Declaration of Conflict-free Metal: Declare not to use any conflict minerals and actively manage possible risks involving the use of conflict minerals.
Action Plan	1. Endeavor to develop green products and reduce the manufacturing processes and production lines involving the use of hazardous substances. 2. Hold supplier conferences to carry out continuous communication and engagement with suppliers. 3. Actively participate in QBR with major customers to obtain customers' comments for continuous improvement.

2023 Achievements	1. From 2019 to 2023 the Company has filed 494 green patents and achieved a cumulative 443 green patent publications. 2. PCR plastics usage accounted for 40.5% of recycled plastics usage. 3. Completed ISO 14067 product carbon footprint verification of one power supply unit model. 4. Held supplier conferences to communicate with suppliers and help them understand the Company's future outlook and requirements. 5. Suzhou Factory won the recognition of RBA Factory of Choice.
Tracking Mechanisms	1. Track and compile patent achievements; actively apply green product design. 2. Increase the usage percentage of PCR plastics to reduce carbon footprints. 3. Continue to verify suppliers' sustainability performance through Supplier Questionnaires, Self-assessment Forms, and onsite audits. 4. Continue to promote the RMI (Responsible Minerals Initiative) Conflict Minerals Due Diligence every year and update molding plate information.
2023 Targets	1. Obtain carbon footprint verification for at least one product (target achieved). 2. PCR plastics usage >30% (target achieved). 3. Hold at least one supplier conference to communicate and engage with suppliers (target achieved). 4. No use of conflict minerals (target achieved).
2024 Targets	1. Obtain carbon footprint verification for at least one product. 2. Maintain the use of PCR plastic at a rate greater than 40%. 3. Hold at least one supplier conference to communicate and engage with suppliers. 4. No use of conflict minerals.
Medium and Long-term Targets	1. Set up Chicony Power's own carbon footprint database to actively develop low-carbon products. 2. Continue to increase the usage percentage of PCR plastics. 3. Continue to hold supplier conferences to assist suppliers in enhancing sustainability performance. 4. No use of conflict minerals.
Responsible Units	R&D Units, Administration Management Division, Procurement Center, and factories' procurement departments

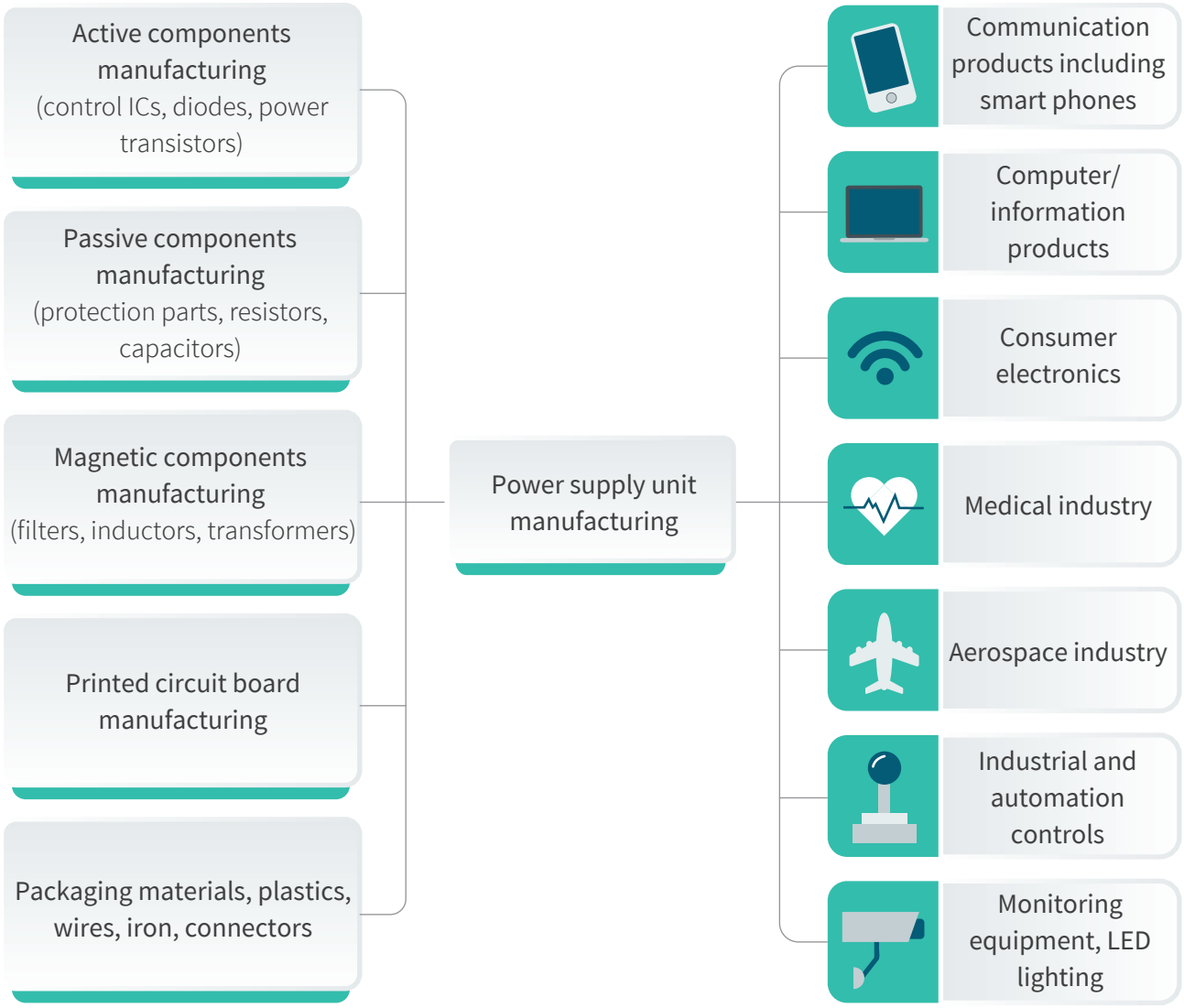
3.1 Value Chain Management

Sustainable Value Chain Management Process



The scope of Chicony Power's products covers power supplies for new applications, servers, big data centers, and smart homes as well as high-power power products for gaming computers. A stable power supply is the heart of an electronic product, which not only facilitates the product's high-performance operations but can also affect its service life.

Upstream, Midstream, and Downstream Relationships in the Power Supply Manufacturing Industry



Chicony Power's sustainability management is not limited to the Company itself. By actively establishing a comprehensive value chain management model, it hopes to properly manage potential indirect environmental and social impacts caused by the supply chain to achieve the goal of green sustainability.

In value chain management, customer satisfaction is the basic responsibility that an enterprise should fulfill in its sustainable operations, and is also the most powerful tool and language for marketing. Through quality pre-sale and after-sale services, Chicony Power assures customers of its products' reliability and assists customers' products in achieving higher value and competitiveness in the global market.

3.2 Green and Sustainable Design

3.2.1 Green R&D

High efficiency and low temperature-rise power solutions

The Company has introduced the third-generation semiconductor materials GaN (gallium nitride) and SiC (silicon carbide) into its product production in phases. With the excellent properties of fast switching speed and low on-resistance, third-generation semiconductors effectively improve power supply conversion efficiency and help reduce the size of transformer—the power supply's core component—to half of its original size. This conserves raw materials, significantly reduces the use of mechanism materials, and lowers carbon emissions during the transportation process.

In response to the heat dissipation problem brought by product miniaturization, the Company's design teams have optimized the products' heat dissipation systems and actively explored new applications of materials to achieve better heat dissipation effects. For example, the assessment of carbon nanotubes and graphene applications indicated that both materials, as carbon allotropes, possess high thermal conductivity and can synergize three forms of heat dissipation—conduction, radiation, and convection—to achieve a more balanced and efficient heat dissipation effect. This effectively reduces the use of metal heat sinks.

Energy-efficient and eco-friendly LED applications

Chicony Power can collaborate with car manufacturers by providing interior/exterior lighting design and carrying out the development of module products. The Company has design teams that can independently develop and produce product designs related to modeling, optics, structure, electronics, heat dissipation, etc. Chicony Power has collaborated with several automobile manufacturers in Mainland China to develop LED headlight module products, for which mass production has been introduced. Taking common heavy-duty commercial trucks as an example, by replacing a traditional 140W H7 high beam/low beam module with a 30W LED high beam/low beam module, energy consumption can be reduced by almost 80%. Furthermore, through the optimization of optical design, road brightness can be enhanced by more than 10%, and the illumination range can be more than doubled.

In recent years, as mini LED technology continues to mature, it has been extensively applied in various display products, including gaming laptops screens, desk-top gaming monitors, and high-end TVs, due to its advantages of more uniform light emission and lower power consumption. Based on these two strengths, Chicony Power has taken the lead among global competitors in introducing mini LED into laptop keyboard backlighting technology, reducing the power consumption of keyboard backlights by more than 50% while achieving better visual effects. This technology has been acknowledged by major international manufacturers and been applied in the latest mid/high-end laptops since mass production was initiated in January 2023.

IWA Smart Integration Platform

As a leader in the field of energy management, Chicony Power actively applies its competitive technological advantages to Smart & Green Solutions. The core product IWA Smart Integration Platform incorporates elements of environmental protection, social responsibility, and corporate governance into product design and planning, soft and hard service application integration systems, and professional energy consulting services. The platform enables the Company to provide comprehensive solutions with sustainable value to customers worldwide.

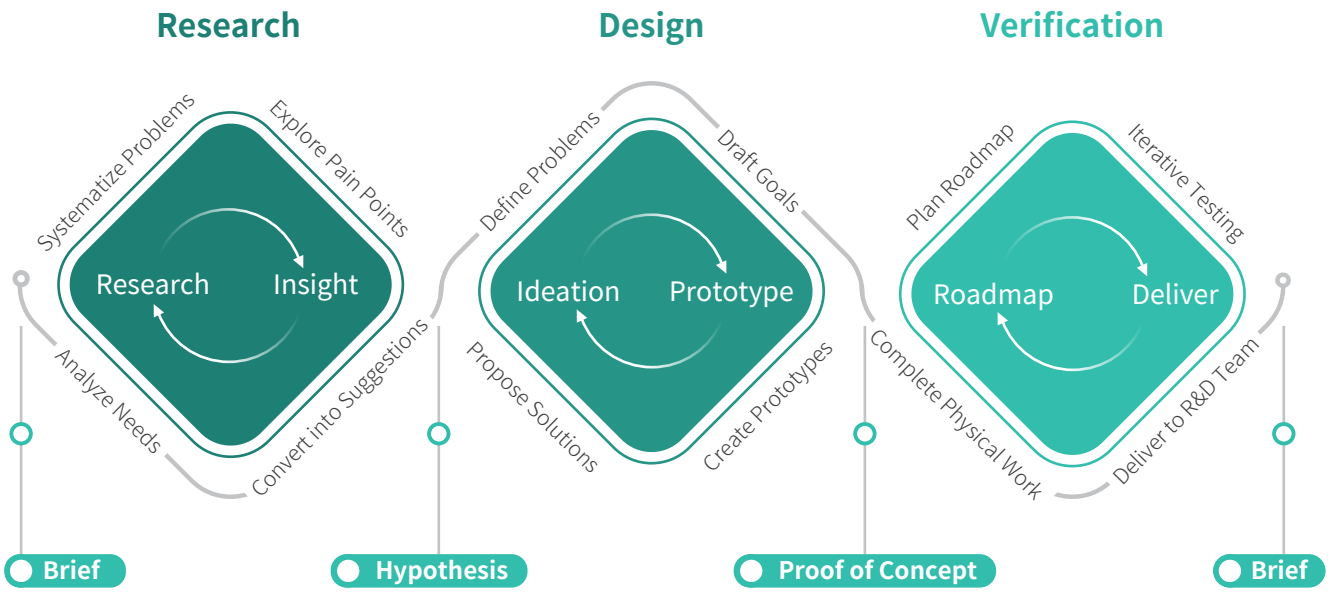
◉ Enterprise ESG Sustainability Solutions - IWA Smart Integration Platform

Goal		Approaches	Applications/Tools
E Low-carbonization	Environment protection and energy efficiency Net-zero Emissions	1. Visualization of carbon emissions and energy consumption	IWA Carbon Management System IWA Energy Management System
		2. Carbon-reduction strategy, diagnosis, and implementation	IWA Remote Equipment Monitoring System IWA Data Analysis System IWA Facilities / Property Management System
S Intelligent-ization	Create a comfortable and safe work environment	1. Monitoring through real-time environmental indicators Air quality Temperature and humidity Access control Imaging	IWA Remote Equipment Monitoring System
		2. Carbon-reduction strategy, diagnosis, and implementation Air conditioning Access control Fire safety	IWA Remote Equipment Monitoring System
G Digitalization	Promote data-thinking-based supervision and governance	1. Visualization of real-time data	IWA Smart Building Integration Management
		2. Data analysis/application	IWA Big Data Analysis SystemPlatform
		3. AI and data-oriented management suggestions	AI algorithms and smart control

Provide one-stop comprehensive services: The services independently developed through the Company's top-down R&D system include project design and planning, smart integration management platforms, smart control systems, smart devices and equipment, etc. The systems provided include energy/carbon emission management systems, smart lighting systems, air conditioning energy saving systems, smart shading systems, facilities and property management systems, etc., which can be operated in a stand-alone fashion or be integrated into Chicony Power's IWA Smart Integration Platform.

System expansion and integration services: Services can be connected to different brands' equipment and devices through an open application programming interface (API). Systems such as air conditioning, lighting, electricity, access control, water supply and drainage, fire safety, surveillance, property management, power, facilities management, etc. can be integrated based on data analysis and Internet of Things technologies. Chicony Power's smart application solutions allow different soft service systems to be operated using the Company's corresponding hard service equipment, including logic controllers, sensors, smart meters, communication converters, and wireless gateways, to seamlessly connect soft and hard services.

Continuously upgraded customer services: Chicony Power's IWA Smart Integration Platform has been employed in several iconic buildings and electronics manufacturing plants in Taiwan. The Company's R&D units have adopted the process of Research → Design → Verification to provide more comprehensive solutions for sustainable near-zero-carbon buildings, improving enterprises' emissions source management and control efficiency by assisting management personnel in effectively monitoring equipment that consumes energy and produces carbon emissions.



Promote IWA platform interface user experience optimization

Enhance the value and services of overall IWA products

Improve IWA customer satisfaction and market share

◎ 3.2.2 Green Patent Deployment

Patents, trademarks, copyrights, and trade secrets are the core constituents of intellectual property rights. Based on product development characteristics, Chicony Power prioritizes patents, and then trade secrets, trademarks, and copyrights to protect the Company's products and technologies.

◉ Three Steps to Protect the Company's Intellectual Property Rights

STEP 1

Goals	Approaches
 Education and training Build up concepts	1. Conduct regular and continuous education, training, and policy advocacy to help employees understand the correct concepts and acts. 2. Offer phased and session-based lectures and practicum to ensure learning effectiveness and concept establishment.

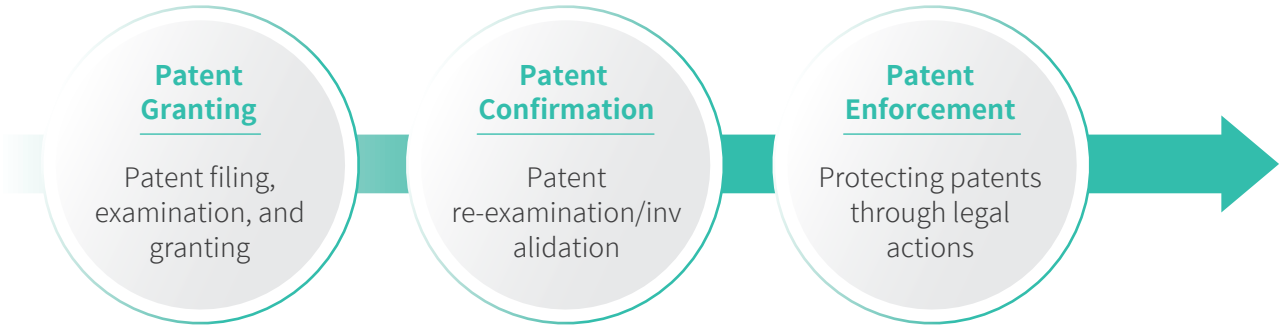
STEP 2

Goals	Approaches
 Intellectual Property Center Choose the prioritized plan	1. The Intellectual Property Center sets up projects, and proactively holds discussions with R&D units to choose the prioritized plan among patents, trade secrets, copyrights, and trademarks based on related characteristics. 2. Conduct Freedom to Operate analysis through patent mining, patent search, patent analysis, and patent map analysis to comprehensively protect all output obtained in the process of product R&D.

STEP 3

Goals	Approaches
 Intellectual property enforcement Enhance competitiveness and reduce IP risks	1. Examine the existing intellectual property rights enforcement status on a yearly basis, and monitor whether there is any infringement of the Company's intellectual property rights. 2. Take appropriate legal action against those who infringe the Company's intellectual property rights.

Energy conservation, carbon reduction, and sustainable development are the core tenets of our company's product and technology development. Through the collaborative efforts of our R&D department and intellectual property center, and in accordance with our patent strategy, we have successfully navigated the three stages of patent licensing, validation, and enforcement. Furthermore, in alignment with our company's medium-term goals (3-5 years), we have reviewed relevant patent data from the past 5 years to map out the future development path of energy-saving technologies.



Chicony Power specializes in the production of power supply units and the R&D of related technology. The Company has accumulated multifaceted technological capacities and integrated experiences. Over the past 5 years, the Company has filed 298 green patents focusing on power-supply-related core products, and the cumulative number of related patent publications has reached 298.

Chicony Power has also worked on green patents related to LED optics. The LED application products can be used in laptops, PCs, smart phones, peripheral electronics, and automotive lights to provide innovative lighting and backlighting solutions and design. These products can be introduced for mass production while maintaining high quality levels. In recent years, the Company has filed 152 green patents related to LED optics, and the cumulative number of related patent publications has reached 87.

Chicony Power’s IWA Smart Integration Platform can assist managing personnel in searching for carbon emission hotspots to achieve the goal of GHG emissions reduction, and it provides comprehensive services for sustainable maintenance and management. The Company has filed 44 green patents related to smart buildings, and the cumulative number of related patent publications has reached 58.

◉ Green Patent Filing and Publication Over the Years

Category		2019~2021		2022		2023		Total	
		Patent Filing	Patent Publication	Patent Filing	Patent Publication	Patent Filing	Patent Publication	Patent Filing	Patent Publication
Power Supply Unit	Circuit	128	141	27	23	38	25	193	189
	Process	96	92	4	14	5	3	105	109
LED Optics		35	43	0	10	9	5	44	58
Smart Buildings		102	49	21	21	29	17	152	87
Total		361	325	52	68	81	50	494	443

Note : The statistics cover all countries and regions in which patents were filed or published, including Taiwan, Mainland China, the United States, the European Union, and Japan.

3.3 Raw Materials and Suppliers Management

3.3.1 Raw Materials Management

Chicony Power has formulated the Restricted Substance Control Standards to provide suppliers and internal procurement, quality control, and R&D teams with guidelines for hazardous substances control. The substances subject to Chicony Power's environmental management include prohibited substances, restricted substances, and self-managed substances. The purpose of substance control is to prevent parts materials, components, modules, secondary materials, and packaging materials that contain hazardous substances from being mixed into Chicony Power's products so that the Company can comply with domestic and international laws and regulations, meet customers' requirements, protect the environment, and reduce its impact on ecosystems.

Chicony Power's major production factories (Suzhou, Chongqing, and Dongguan) have all passed QC 080000 (Hazardous Substance Process Management System) verification. "Process-oriented" approaches have been adopted for the management of hazardous substance use in products, through which the hazardous substances contained in manufactured or supplied products can be identified, managed, controlled, quantified, and reported during process development operations. Additionally, the Company monitors changes in important international regulations, such as RoHS2.0 (2011/65/EU & 2015/863/EU), REACH-SVHC, and Halogen-Free, and promptly updates relevant content in its internal control documents.

◉ Simplified Procedures for Restricted Substance Control Standard Implementation



Steps : Choose materials → Conduct materials testing → Confirm qualified materials
Testing methods : By detecting and analyzing the light emitted and absorbed by the sample, and separating its components.

Steps : Choose suppliers → Provide testing reports → Review and confirm qualified suppliers
Requirements : Comply with RoHS, REACH, and other local regulations

Steps : Conduct regular sampling inspections → Review testing results → Confirm suppliers' continued qualification
Major departments : Procurement, quality control, and R&D

Steps : Monitor changes in regulations → Update standards → Implement new requirements
Responsible departments : Quality control and other related personnel

◎ 3.3.2 Guidelines for Supplier Assessments

Chicony Power has formulated standardized supplier management procedures, which are the basis for assessing and auditing suppliers' performance in labor rights, environmental protection, and health and safety management. Improvement measures are developed based on the assessment results to assist suppliers in making continuous progress, so that the Company can reduce supply chain operational risks and build partnerships for sustainable development. When selecting new suppliers, supplier assessment and audit teams conduct assessments in accordance with the Operating Procedures for New Supplier Assessments, with the aim of choosing suitable and excellent suppliers.

1. Supplier Assessment and Audit Team : The team is composed of personnel from purchasing or procurement, quality control, green products, parts engineering, and R&D units. Auditors' eligibility should be confirmed, and assessments should be completed before orders are officially placed.

2. Timing of Supplier Assessments : Assessments should be conducted when the Company has a need for new technology, new parts, or needs related to quality, costs, or delivery.
3. Content of Supplier Audits :

   The aforementioned Supplier Assessment and Audit Team should conduct assessments focusing on four major dimensions: suppliers' business transaction management system, product design and development or engineering management, management of hazardous substance use, and quality assurance system management. The key points of the assessment are listed in the table below.

◉ Four Major Dimensions

1. Business Transaction Management System

Contents of Assessment

1. Management of orders and lead time/delivery time
2. Supplier management and trade security management
3. Management of information communicated between both parties
4. Supplier's social and environmental responsibility management and EHS management

2. Product Design and Development or Engineering Management

Contents of Assessment

1. Organization and functionality
2. Management and control of raw materials approval
3. Management and control of customer samples approval
4. Trial run management and control
5. Prototype management and control
6. Safety standards management and control
7. Management and control of product reliability implementation
8. Changes management
9. Management and control of product environmental testing reports

3. Quality Assurance System Management

Contents of Assessment

1. Quality system management
2. Document and data management
3. Education and training
4. Procurement quality management
5. Warehouse materials management
6. Process control
7. Management of products final verification
8. Calibration management
9. Storage and transportation control

4. Management of Hazardous Substance Use

Contents of Assessment

1. Planning for Hazardous Substance Process Management System
2. Realization of HSF products
3. Supervision, measurement, analysis, and improvement

4. Supplier Assessments : With the aim of connecting with international regulations, the Company requires that all suppliers must comply with the RBA Code of Conduct in terms of workers' human rights, health and safety, environmental protection, integrity and ethics, and management systems. The Company has formulated Supplier Audit Management Regulations, which are used as a basis for conducting annual RBA compliance audits of major suppliers. Suppliers that fail to reach the scoring standard (70/100) are assisted in meeting RBA requirements.

Chicony Power has conducted audits on all factories' Tier 1 suppliers (50 suppliers total) through online reviews (including SAQ self-assessment) or onsite inspections based on RBA-equivalent standards. All suppliers have been categorized as low-risk. In addition to requiring Tier-1 suppliers to comply with standards and conducting relevant audits, Chicony Power leads by example, all production sites in mainland China have obtained the RBA Silver Award certification (Silver Award requires an RBA VAP score of over 160, correction of all priority non-conformities, and submission of corrective action plans on the RBA Online platform). Moreover, the Suzhou factory has received the Factory Of Choice One Star Award, an RBA accolade (this certification requires an RBA VAP audit score above 160 and no priority non-conformities), becoming a model for suppliers to emulate and collectively creating a sustainable value chain.

◉ RBA Factory of Choice and Silver Award Certification


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology(SuZhou) Co. Ltd

No. 2589, Tongjin Road, Wujiang Economic Development Zone, Jiangsu Province 215200, China

completed the RBA® Factory of Choice

One-Star Level

Award ID*: EylHSfrcd2DxgGV
Issue date: September 22, 2023
Expiration date: June 23, 2024

*To verify this award, send an email to FOC@responsiblebusiness.org

▲ Suzhou Factory – RBA Factory of Choice


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology (SuZhou) Co. Ltd

No. 2589, Tongjin Road, Wujiang Economic Development Zone, Jiangsu P.R.C., 215200 China

Completed the RBA Validated Audit Process, achieving SILVER
Status without any priority findings, earning a score of 174.1

Validated Audit Report: VAR-20220621-CN-07A01-4
Audit date: June 21, 2022
Certificate issue date: July 06, 2022
Expiration date: June 24, 2024

Robert F. Lederer
CEO, RBA

▲ Suzhou Factory – RBA Silver Award Certification


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology (Chongqing) Co., Ltd

18, Jiujiang Road Shuangfu New District Jiangjin Area, ChongQing, 402260 China

Completed the RBA Validated Audit Process, achieving SILVER
Status without any priority findings, earning a score of 174.1

Validated Audit Report: VAR-20230530-CN-05A01-6
Audit date: May 30, 2023
Certificate issue date: June 23, 2023
Expiration date: June 02, 2025

Robert F. Lederer
CEO, RBA

▲ Chongqing Factory – RBA Silver Award Certification


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology (Dong Guan) Co. Ltd

Xincheng Scientific Industrial Garden Liaobu Town, Dong Guan, Guangdong, 523651, China

Completed the RBA Validated Audit Process, achieving SILVER
Status without any priority findings, earning a score of 167.5

Validated Audit Report: VAR-20211013-CN-04A01-1
Audit date: October 13, 2021
Certificate issue date: November 15, 2021
Expiration date: October 15, 2023

Robert F. Lederer
CEO, RBA

▲ Dongguan Factory – RBA Silver Award Certification

◎ 3.3.3 Green Supplier Evaluation Standards

Chicony Power has formulated the Green Supplier Evaluation Standards for Defining Evaluation Content and Methods. Suppliers that fail to meet the standards are required to improve within 1 year and to reach the standards set by Chicony Power.



Evaluation Content	Evaluation Methods
Complies with the requirements of relevant national policies, regulations, and standards	Check qualified suppliers' self-declaration statements to confirm if there have been any serious safety or environmental accidents in the past 3 years
Meets national or local requirements for pollutant emissions and total pollutant control goals, i.e., energy consumption indicator requirements such as wastewater, waste, waste gas and noise standards and carbon emissions indicators	Check qualified suppliers' Environmental Audit Checklist and Environmental Protection Guarantee Declaration
Possesses certifications for ISO 9001 Quality Management Systems, ISO 14001 Environmental Management Systems, and ISO 45001 Occupational Safety and Health Management Systems	Check qualified suppliers' relevant certificates or supporting documents
A Hazardous Substance Management & Control System has been established	Check qualified suppliers' enterprise QC 080000 certificate, or system documents generated in the process of hazardous substance control, such as GP
Products should meet the GB/T 26572 limit requirements for six restricted substances (lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers)	Conduct tests based on the GB/T 29786 or IEC62321-8 standards and issue test reports, or provide proof of compliance, or related agreements
In products' homogeneous materials, the content of diethylhexyl phthalate (DEHP), benzyl butyl phthalate (BBP), di-n-butyl phthalate (DBP), diisobutyl phthalate (DIBP) does not exceed 0.1% of the mass concentration	Conduct tests based on the GB/T 29786 or IEC62321-8 standards and issue test reports, or provide proof of compliance, or related agreements
Products containing refrigerants or foaming agents use eco-friendly refrigerants and foaming agents	Provide the composition list of refrigerants or foaming agents

Evaluation Content	Evaluation Methods
Different raw materials and parts (components) can be easily separated from each other	Check related instructional documents
Reduced or no coating, painting, or other processes on parts (components)	Check related instructional documents
Labelling is required for plastic parts (components)	Check related instructional documents
The total amount of lead, cadmium, mercury, and hexavalent chromium in packaging materials shall not exceed 100mg/kg	Provide packaging materials' hazardous substance test reports
Product packaging is labelled in accordance with GB/T18455 standards	Check the labelling on packaging
Packaging materials of different types can be separated by using general tools or by hand	Check related instructional documents
	The Company has required all suppliers to sign the Commitment Statement on RBA Code of Conduct, the Supplier Integrity Statement, the Declaration of Conflict-free Metal, and other related documents, and demanded supplier partners to carry out reviews and control measures for labor rights, environmental protection, ethical management, safety and health risk management, and other related issues. By taking these actions, the operational risks and costs between the Company and suppliers can be reduced, and it can be ensured that suppliers can understand Chicony Power's sustainability requirements and precisely fulfill their commitments.

Chicony

群光電能科技股份有限公司

無衝突金屬聲明書

Declaration of Conflict-free Metal

群光電能科技股份有限公司 特此聲明所有提供給客戶之產品皆為無衝突金屬之產品：

Chicony Power Technology Co., Ltd. herein declare the metal Conflict-Free on products supplied to customers.

群光電能將致力於詳實調查供應鏈確保金(Au)、鉭(Ta)、鎢(W)、鈷(Co)、錫(Sn) 等金屬原料並非透過無政府軍團或非法集團-由剛果民主共和國衝突區域之礦區開採或是循非法走私途徑取得，此外，下列國家出口之金屬皆不符合「無衝突規範」：剛果民主共和國(DRC)、盧安達(Rwanda)、烏干達(Uganda)、蒲隆地(Burundi)、坦尚尼亞(Tanzania)、肯亞(Kenya)（聯合國安全理事會認定上述國家皆為剛果礦脈之礦產）。

Chicony Power will take due diligence within our supply chain to assure "DRC Conflict-Free" for the metals of gold (Au), tantalum (Ta), tungsten (W), cobalt(Co) and tin (Sn) are not derived from or sourced from mines in conflict areas of the Democratic Republic of Congo (DRC), or illegally taxed on trade routes, either of which are controlled by non-governmental military groups, or unlawful military factions. Trade routes not confirmed to be "Conflict Free" include direct exports from the DRC, as well as exports through Rwanda, Uganda, Burundi, Tanzania and Kenya (countries of whom the U.N. Security Council note are global export routes for DRC-mined minerals).

本公司保證任何出售予客戶之產品所含金屬皆符合無衝突規範 (DRC Conflict-Free)。

We would like to confirm metals used in products by Chicony Power are "DRC Conflict-Free".

企業社會責任代表：

CSR Representative



◎ 3.3.4 Implementation of Local Procurement Principles

The primary raw materials needed for power supply units include power cords, capacitors, fans, heat sinks, semiconductors, transformers, plastic cases, printed circuit boards, insulating plates, sockets, and so on. Chicony Power has established stable supply relationships with major raw material suppliers, thereby ensuring stable material sources, good material quality, and controllable delivery times and trading prices. The Company's materials-related units also strictly control the delivery time of raw materials based on order-taking status to reduce inventory-holding costs, and overcome the fluctuations in the macro environment with suppliers to reduce possible operational risks.

Chicony Power's main production factories are located in Mainland China and Thailand. In order to reduce transportation-related carbon emissions, the Company upholds local procurement principles, and sources raw materials from the nearest suppliers based on each factory's production needs to minimize raw materials' transportation distance. The 2023 material purchase percentages from local suppliers and overseas suppliers in each factory are shown in the table below.

Factory	Percentage of Local Procurement (Amount Spent)	Percentage of Local Procurement (Number of Suppliers)
Business Department A	99.80%	42.86%
Business Department B	42.92%	37.68%
Business Department C	75.11%	76.92%

Note : 1. Three business units account for over 95% of the revenue.
2. Internal transfers were excluded when calculating the above percentages.
3. Definition of "local": The term "local" refers to Taiwan for units in Taiwan, Mainland China for units in Mainland China, and Thailand for units in Thailand.
4. Percentage of local procurement (amount spent) = Total local procurement amount ÷ Total procurement amount x 100%
5. Percentage of local procurement (number of suppliers) = Number of local procurement suppliers ÷ Total number of suppliers x 100%
6. The Smart Building Business Department provides smart solutions rather than products; therefore, its data is not included in the above statistics.
7. Business Department B's overall local procurement percentage is relatively low because many of its high-end materials can only be obtained from overseas suppliers at the current stage.

3.4 Customer Relationship Management

Chicony Power has established sales channels in Asia, Europe, America, and other major markets to actively collect market information, and design and develop products that align with customers' needs. Moreover, through close technical exchanges with downstream customers, Chicony Power has maintained well-established long-term partnerships with customers, based on which R&D and manufacturing strengths have been accumulated.

Customer Relationship Management :

Proactively Communicate and Build Partnerships



- Communicate with customers on a regular basis to understand their needs, feedback, and expectations.
- Provide regularly updated information and new product information to maintain transparent and positive interactions.
- Provide customized solutions to meet customers' specific needs and reinforce the partnership with customers.
- Adjust services in a timely manner to respond to customers' different expectations and situations.
- View customers as collaborative partners for joint development and growth.
- Assist customers in coping with challenges to establish stable long-term partnerships.

After-sales Services and Resource Sharing



- Promptly respond to customer inquiries, concerns, and questions to build up a good customer service image.
- Solve problems in an active manner to demonstrate high attention to customers' needs.
- Provide value on a constant basis and help customers maximize products' utilization benefits through technical support and training.
- Share relevant resources such as white papers, case study information, etc. to help customers understand products' value.
- Conduct regular customer QBR and make improvements accordingly. Propose suggestions on a regular basis to assist customers in achieving their business goals.
- Develop improvement plans based on survey results to enhance customer satisfaction.

The regular ratings feedback and audit scores received from customers are the major impetus for Chicony Power to continuously improve customer service, maintain high-level performance, and implement comprehensive quality control. The best partner of customers, Chicony Power is committed to grasping market trends and providing professional product designs that maximize customer satisfaction. As a result, since its establishment, Chicony Power has continuously received many awards from its partners.

Management Performance

Actively participate in QBR with major customers to understand their various needs and suggestions

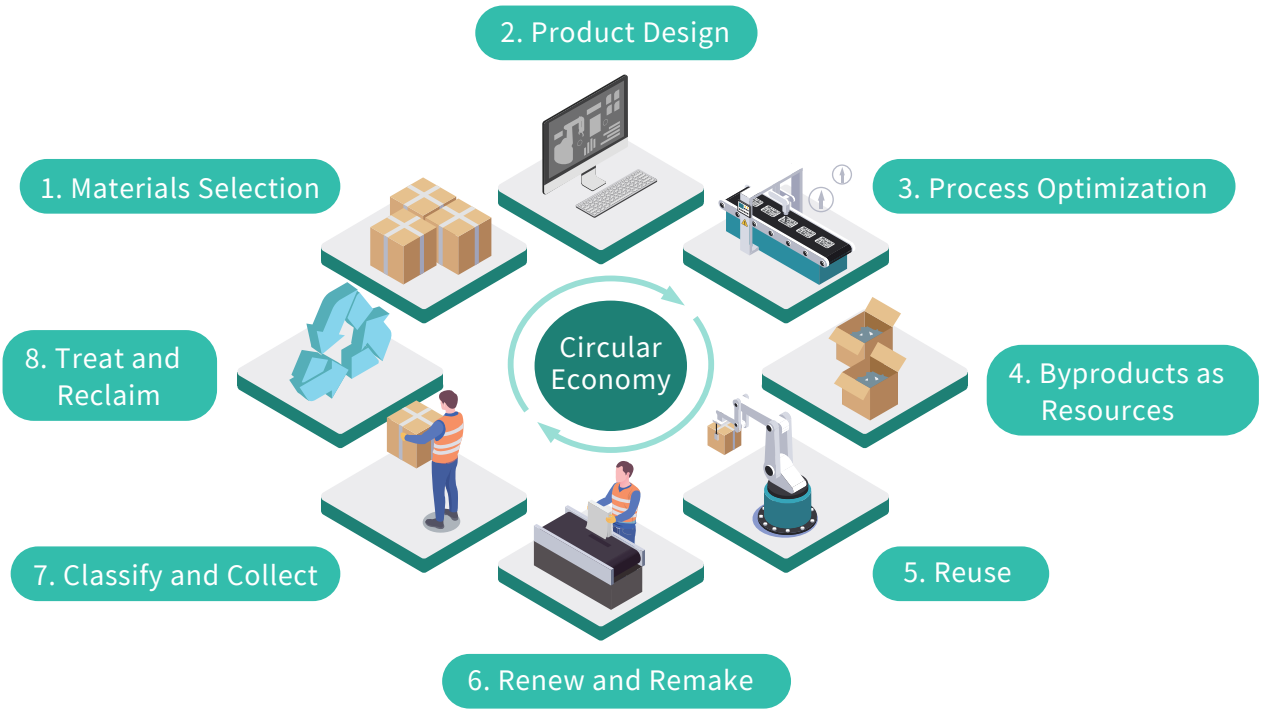
- ★ The quarterly overall score should be ranked among the top two (the quarterly rating score≧ the top two)
- ★ The individual aspect's average rating across four quarters should be ranked among the top two (four quarters' average rating score≧the top two)



3.5 Sustainable and Circular Economy

Chicony Power is active in establishing innovative circular economic models in the hope of significantly reducing energy consumption, resource consumption, and unnecessary waste generation to achieve the goal of green sustainability.

◉Chicony Power's Sustainable and Circular Economy



◉ Chicony Power's 2023 Circular Economy Actions

Action	Characteristics and Sustainable/Environmental Benefits
Materials Selection	Use eco-friendly materials; apply PCR and OBP materials in keyboards, fans, product shells, heat sinks, cords, and other product components. Continue to increase the use of PCR, OBP, and reclaimed metal materials and expand the scope of use to reduce virgin materials consumption and carbon emissions.
Product Design	Develop LED energy-saving technologies and apply the technologies in keyboard mini LED backlight modules and automotive headlights. Additionally, continue to improve energy efficiency and expand the technologies to new models and the full range of mid/high-end laptop products. Introduce new semiconductor materials (SiC/GaN) and use new power-efficient ICs to simplify manufacturing processes; improve energy conversion efficiency; reduce transformer size, the use of aluminum materials, and the energy demands of products and services; achieve product lightness; and reduce the use of virgin materials and carbon emissions.
Process Optimization	Improve the automation rate of newly developed models and optimize manufacturing efficiency and resource utilization. Introduce the ERS energy recovery system into burn-in rooms' aging tests to recover electricity for power recycling and reuse. Use solar panels and inverters to convert sunlight into electricity to improve energy efficiency. Optimize manufacturing processes to improve product energy efficiency, recover energy, and use clean and renewable energy.
Byproducts as Resources	Suzhou Factory employs waste heat recovery technologies to use the waste heat generated by air compressors and chiller units to heat tap water to 50°C and supply the heated water to domestic areas, thereby improving energy conversion efficiency. Recovered rainwater and condensate from air conditioning equipment are used to water plants in factory areas, rinse road surfaces, and refill the water required for air conditioning equipment's cooling systems, thereby conserving water resources and reducing production costs.
Reuse	Collaborate with supply chain partners to promote the recycling and reuse (or reuse after repair or treatment) of cartons, plastic boxes, packaging materials, wooden pallets, scrap/old hardware materials, and other items leftover from manufacturing processes to maximize the use of reclaimed materials and reduce substance consumption and carbon emissions.
Classify and Collect	Design recyclable outer cartons and inner packaging for backlight modules shipment. The outer cartons and inner packaging will be collected for reclamation when the goods are delivered to laptop assembly plants, thereby reducing virgin materials consumption and waste generation.
Treat and Reclaim	Lead-free solder spatters are treated and made into tin bars to reduce virgin materials consumption and waste generation.

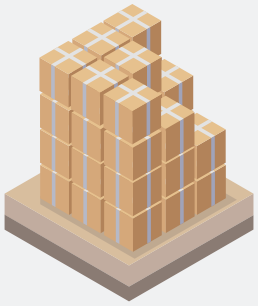
Highlighted Project :

Since 2018, Chicony Power has actively expanded the use of PCR plastic in the design of adapter power plastic housings. The proportion of recycled plastic used has increased from less than 1% in 2018 to 40.5% by the end of 2023, significantly reducing the carbon footprint. Through continuous improvement and evaluation, we ensure that mass production is subject to batch sampling inspections according to quality assurance and environmental management regulations to ensure that products continue to meet relevant requirements and standards. These efforts not only reduce dependence on virgin plastics but also promote the advancement of the circular economy.



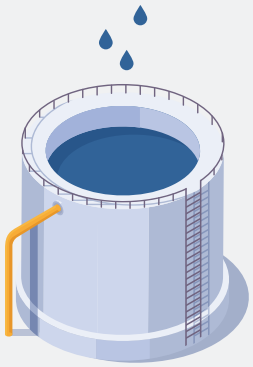
Highlighted Project :

Chongqing Factory collaborates with suppliers to recycle cartons leftover from manufacturing processes and reuse them for goods delivery, achieving a recycling rate of 3%. In term of reusing recycled packaging plastic boxes, a recycling rate of 90% has been achieved by suppliers. Suppliers are also encouraged to collect and reuse packaging materials, or to use the materials for other purposes after undergoing treatment, through which a recycling rate of 15% has been achieved. Furthermore, usable wooden pallets are sorted out, repaired, and reused, achieving a reuse rate of 25%. Scrap/old hardware materials are recycled and reused or used as materials for repair after treatment, through which a reuse rate of 15% has been achieved.



○ Highlighted Project :

Suzhou Factory has introduced a rainwater and condensate recovery project by adopting advanced rainwater recovery systems and installing independent condensate recovery pipelines on air conditioning equipment to collect and store recovered water. The recovered water is used to water plants in factory areas, rinse road surfaces, and refill the water required for air conditioning equipment's cooling systems, achieving more efficient water resources management, water conservation, and operating costs reduction. The project was implemented in 2021, and as of 2023, a total RMB103,000 has been saved through the reduction of tap-water-related energy and indirect energy expenditure. The accumulated recovered water volume has reached 25,159 m^3, indirectly reducing electricity consumption by 265,000 kWh. The water resources recovered in 2023 reached 6,884 m^3, reducing electricity consumption by 79,288 kWh.



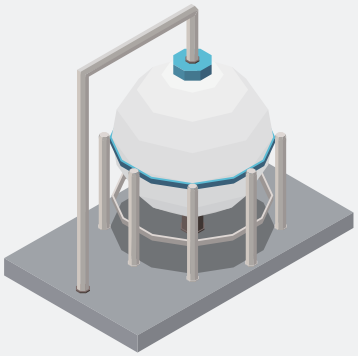
○ Highlighted Project :

Dongguan Factory collected the lead-free solder spatter produced during the manufacturing process and transferred the spatter to another factory for reclamation. The flux residue, adsorbed moisture, and other residues contained in the solder spatter were removed through high-temperature (1250°C) thermal treatment, restoring the solder spatter to a semi-finished product, which was then made into an approved finished product—tin solder bars. The tin solder bars were packed and delivered back to the Company, where onsite measuring was conducted to check the recovered weight and the recovery rate. The entire process involved zero wastewater discharge, and reduced the waste discharge of lead-free solder spatter, achieving a reclamation and reuse rate of 92.2%.



○ Highlighted Project :

Suzhou Factory employs advanced waste heat recovery technology to harness waste heat generated by air compressors and chiller units, and uses it to heat tap water to 50°C or hotter. The heated water is then supplied to domestic areas for employees' domestic use. Through the implementation of this project, the factory can avoid using natural gas boilers to produce hot water 5 months out of the year. This helps to achieve a sustainable economy, recover waste heat, reduce GHG emissions, and lower operating costs for the factory. Since the project launched in 2021, the accumulated natural gas saved has reached 781,087 m^3, which, if converted into electricity consumption, is equal to 7.81 million kWh, implying that the expenditure for that amount of power consumption has been saved. As of 2023, the accumulated natural gas expenditure saved has reached RMB3.09 million. The natural gas saved in 2023 was 227,025 m^3, representing an energy expenditure saving of RMB989,000.



Chicony
POWER TECHNOLOGY

04

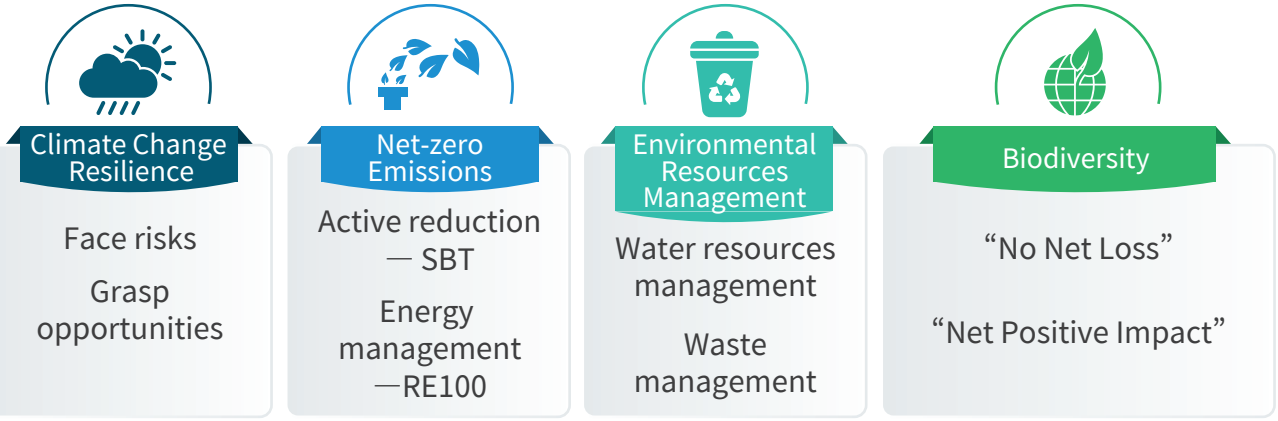
CHAPTER

Environmental Protection



Upholding the spirit of the CSR Code of Conduct, Chicony Power has joined several initiatives and introduced Science Based Targets (SBT), the Task Force on Climate-related Financial Disclosures (TCFD), Renewable Energy 100 (RE100), and Taskforce on Nature-related Financial Disclosures (TNFD) into its operations. By following and applying the approaches and standards provided by the initiatives, Chicony Power has actively responded to climate change impacts and set reduction targets for its waste and water resources management, thereby demonstrating its commitment to become a leading manufacturer of green parts/components and consumer electronics.

Chicony Power proactively addresses environmental management through scenario analysis, advocacy engagement, and goal setting across the following four key areas :



Material Topics	Climate change, energy management, water resources management, waste management, and biodiversity
Commitment /Policy	1. Continuously track the results of SBT carbon reduction targets, with 2020 serving as the base year. 2. Aim to achieve a 3% year over year decrease in waste intensity (unit: metric tons/NT$1,000,000), with 2020 serving as the base year and SBTi carbon reduction methods used as a reference. 3. Aim to achieve a 3% year over year decrease in water withdrawal intensity (unit: cubic meters/NT$1,000,000), with 2020 serving as the base year and SBTi carbon reduction methods used as a reference. 4. Join the RE100 (100% renewable energy) initiative to promote the use of renewable energy; commit to achieving a 100% renewable energy usage rate by 2030.

Action Plan	1. Introduce SBT and TCFD projects to carry out regular inventory and disclosure of climate change risks and opportunities management. 2. Designate suitable personnel in operational bases to continuously promote various energy saving and carbon reduction projects, and regularly track the implementation status. Additionally, be active in enhancing the renewable energy usage rate. 3. Regularly track and declare waste amount and set waste reduction targets in accordance with the ISO 14001 environmental management systems.
2023 Achievements	1. Received the "1.5°C Temperature Control Label" certification from CommonWealth Magazine, which recognizes the Company's alignment with the 1.5°C temperature control target of the Paris Agreement. 2. Listed in Business Weekly's "Carbon Competitiveness 100" for 2 consecutive years. CDP climate change and water security questionnaire received a "B" score. 3. GHG absolute emissions reduction and GHG emissions intensity reduction both achieved the SBTi-reviewed 2023 targets. 4. Renewable energy usage rate reached 43.63%.
Tracking Mechanisms	1. Factories' ESG working groups check task achievements on a quarterly basis and report the results to the Headquarters so that the Company can monitor the effectiveness of measures and confirm the achievement of targets. 2. The Company continues to introduce the ISO 14001 Environmental Management Systems verification to confirm the effectiveness of the environmental management procedures being adopted. 3. The Company continues to introduce the ISO 50001 Energy Management Systems verification to identify material energy facilities and develop an energy baseline, which is then used as a frame of reference for measuring energy-related emissions reduction. 4. Self-developed carbon management platforms and visualization charts have been introduced to track carbon emission hotspots.
2023 Targets	1. Join the RE100 initiative (target achieved). 2. GHG emissions reduction achieves the SBTi-reviewed 2023 target (target achieved).
2024 Targets	1. GHG emissions reduction achieves the SBTi-reviewed 2024 target. 2. The renewable energy usage rate reaches the RE100-reviewed 2024 target.
Medium and Long-term Targets	1. The GHG reduction targets set through SBTi are as follows: (1) By 2030, Scope 1 and Scope 2 GHG absolute emissions will be reduced by 42%, and GHG emissions intensity will be reduced by 56.8%. (2) By 2030, Scope 3 GHG absolute emissions will be reduced by 25%, and GHG emissions intensity will be reduced by 44.2%. 2. Join the RE100 initiative and set the following target for renewable energy consumption: The renewable energy usage rate will reach 100% by 2030 3. Achieve net-zero carbon emissions by 2050.
Responsible Units	Administration Management Division and business units

4.1 Climate-Related Financial Disclosures

Chicony Power is committed to realizing the 2050 net-zero goal and hopes to promote the sustainable development of society. Furthermore, the Company discloses information in accordance with the TCFD-recommended framework so that stakeholders can comprehensively understand its risk management, control, and response measures to cope with climate change. Chicony Power hopes that this concept will be commonly accepted among employees, thereby strengthening the Company's resilience to climate change.

4.1.1 Climate Governance Framework

The Board of Directors is Chicony Power's highest authority on climate governance, and it supervises the Company's decision-making for overall climate-related issues. The Corporate Sustainable Development Committee is the principal management unit for climate governance, under which the ESG Task Force and various ESG working groups have been established. The working groups are led by the ESG Task Force to collaboratively and interdepartmentally manage the climate change issues facing the Company. The ESG Task Force submits relevant documents and data and makes annual reports on implementation results to the Corporate Sustainable Development Committee.

Chicony Power Climate Risks Governance Framework



◎ 4.1.2 Assessment of Climate Change Risks and Opportunities

Chicony Power has followed TCFD recommendations to identify various departments' climate change risks and opportunities, and it has taken effective measures to respond to the extensive issues derived from climate change. Climate-related risks have been incorporated into the Company's overall risk management framework and are managed through the Risk Management Policy and Procedures. The procedures adopted by the Company to identify

Step1.
Identify climate-related risks and opportunities

By consulting the TCFD Implementation Guide and relevant international reports, and considering the Company's operational characteristics, Chicony Power has summarized 9 transitional risks, 5 physical risks, and 7 opportunities, with the overall scope covering product applications, supply chain, adaptation and mitigation activities, emerging technology R&D and investment, and operating processes.

- 9 Transitional Risks

Code	Risk Type	Risk Issue
T1	Current regulations	Respond to local energy control laws and regulations and the Company's reduction goals by implementing response measures and purchasing renewable energy (or installing renewable energy facilities)
T2	Current regulations	Stricter criteria for product energy efficiency certification and low-carbon label verification
T3	Emerging regulations	Carbon fees/taxes charged for GHG emission control
T4	Emerging regulations	Respond to the additional carbon certificate prices arising from the Carbon Border Adjustment Mechanism
T5	Technology	Capital expenditure for transition to low-carbon technologies
T6	Risk – Market	Value chain decarbonization goals that meet customers' requirements
T7	Risk – Market	Government policies promote high power efficiency and electrification, which leads to market structural changes
T8	Reputation	Release of environment-related negative news
T9	Technology	More attention paid to sustainability ratings

- 5 Physical Risks

Code	Risk Type	Risk Issue
P1	Acute	Impacts on production facilities due to extreme weather incidents
P2	Acute	Supply chain deployment costs increased due to extreme weather incident impacts
P3	Chronic	Production processes impacted by water shortages
P4	Chronic	Power consumption increased or personnel attendance affected due to extremely high temperatures
P5	Chronic	Factories located in low-lying areas submerged due to rising sea levels

- 7 Opportunities

Code	Opportunity Type	Opportunity Issue
O1	Resource efficiency	Expand the scale of automated production and collaborate with distributors
O2	Resource efficiency	Improve production facilities' energy and resource utilization efficiency
O3	Products and services	Procure low-carbon raw materials and energy, and surpass customer requirements
O4	Products and services	Develop and optimize climate change adaptation solutions
O5	Opportunity – Market	Continue to develop high-efficiency power supply units to gain higher market share
O6	Opportunity – Market	Deploy resources for electric vehicles and peripheral automotive parts/components market
O7	Opportunity – Market	Participate in local governments' low-carbon factory incentive programs

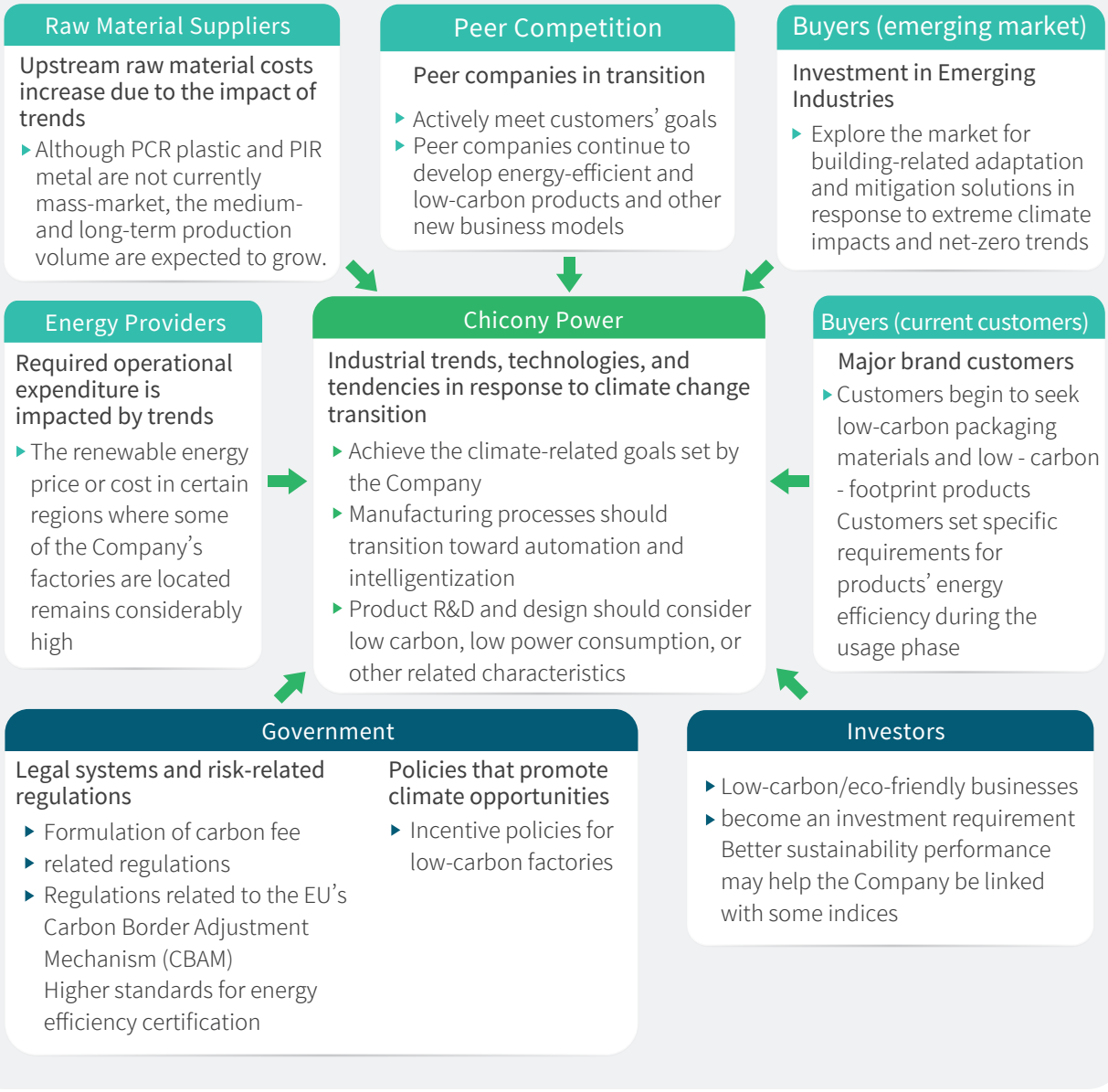
Step2. Scenario Analysis

Since different assessments should be conducted for impacts appearing at different time points along the climate change timeline, Chicony Power has analyzed two scenarios based on the Company's current strategies, with reference to the research reports released by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

Since different assessments should be conducted for impacts appearing at different time points along the climate change timeline, Chicony Power has analyzed two scenarios based on the Company's current strategies, with reference to the research reports released by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

1. IEA's Net Zero Emissions (NZE) scenario: The analysis was conducted under a scenario where the global energy sector has achieved net zero emissions by 2050. Therefore, the analysis focused on how the Company should respond to the impact of a low-carbon economy in various industries on its operations.
2. IPCC's AR6 Very High Emissions Scenario (Shared Socioeconomic Pathways, SSP 5-8.5): The analysis was conducted under a scenario where almost no climate policies had been adopted, and GHG emissions had reached the highest level. Therefore, the analysis focused on simulating the adaptative actions taken by the Company's production bases to respond to the scenario's possible extreme climate factors.

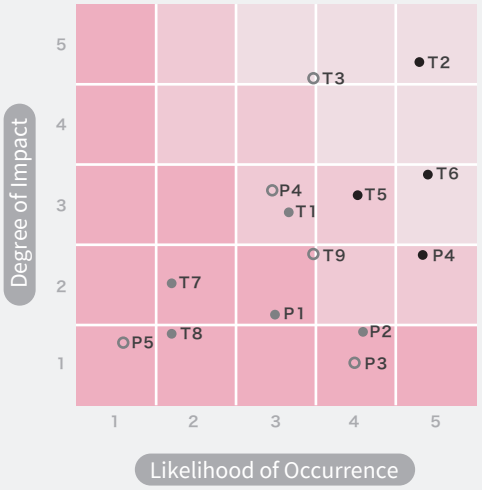
◉ Transition Risk Scenario Analysis Framework



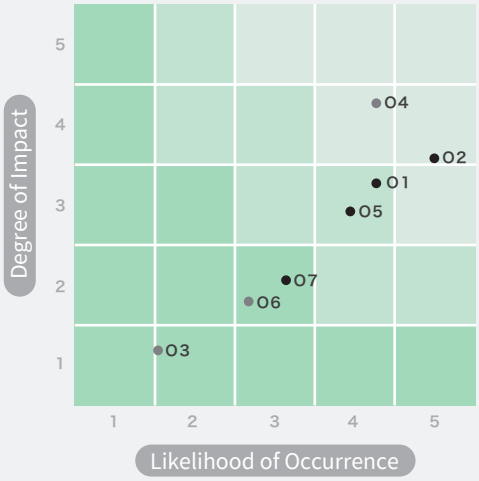
Step3.
Identify material risk and opportunity issues

Chicony Power has conducted risk identification for the aforementioned risk and opportunity issues based on occurrence time interval, likelihood of occurrence, and degree of impact. Additionally, assessments based on each working group's professional duties have been conducted, and 16 meetings have been held to convert the assessment results into climate-related risks and opportunities matrices, thereby completing the identification of material risks and opportunities. Please refer to page 87 for the meaning of the codes in the figure below.

◉ Climate-related Risks Matrix



◉ Climate-related Opportunities Matrix



● Short-term (2024-2025) ● Medium-term (2026-2030) ○ Long-term (2031-2050)

Identified Material Risk and Opportunity Issues :

- 3 Transitional Risks

Code	Risk Type	Risk Issue
T2	Current regulations	Stricter criteria for product energy efficiency certification and low-carbon label verification
T3	Emerging regulations	Carbon fees/taxes charged for GHG emission control
T6	Risk – Market	Value chain decarbonization goals that meet customer requirements

- 1 Physical Risk

Code	Risk Type	Risk Issue
P4	Chronic	Power consumption increased or personnel attendance affected due to extremely high temperatures

- 2 Opportunities

Code	Opportunity Type	Opportunity Issue
O2	Resource efficiency	Improve production facilities' energy and resource utilization efficiency
O4	Products and services	Develop and optimize climate change adaptation solutions

Step4.

Formulate risk management response measures and track implementation progress through indicators and goals

For material climate risks and opportunities, the working groups have formulated response measures, tracking indicators, and short-, medium-, and long-term goals (please refer to the next section, Climate Risk and Financial Impact Analysis). Additionally, relevant implementation progress has been regularly tracked in accordance with risk management procedures.

◎ 4.1.3 Climate Risk and Financial Impact Analysis

Climate-Related Risks and Opportunities	Scenario	Incident Set for Scenario Analysis	Impact on Chicony Power's Operations	Response Strategy	Chicony Power's Management Indicators and Goals
T2 Transition Risk: Stricter criteria for product energy efficiency certification and low-carbon label verification	Temperature rise : 1.5°C (IEA NZE)	• Under the low-emission scenario, most countries' net-zero policies emphasize energy efficiency standards, among which the end use sector's energy efficiency should be improved at a rate of 2.3% every year.	• If Chicony Power's major products fail to meet the market's mainstream power efficiency requirements, the Company's product positioning and market share may be affected.	• Increase R&D investment for high-energy-efficiency products as an early response to the standards and designs required by new regulations.	1. SBTi progress has been adopted as the management indicator and 2020 as the base year. i. Scope 1 & Scope2: Absolute reduction by 2030: 42% Achieve net zero by 2050 ii. Scope 3, Category 11 Absolute reduction by 2030: 25% 2. RE100 has been adopted as the indicator for renewable energy management, with an aim to achieve 100% renewable energy usage by 2030.
T6 Transition Risk: Value chain decarbonization goals that meet customer requirements		• Under the low-emission scenario, the Scope 3 goals set by major customers will impact Chicony Power's products. • Under the low-emission scenario, with medium- and long-term technological advancement, the PCR plastic usage percentage may reach 30% or higher; however, the costs for the use of reclaimed materials will remain comparatively high in the short run.	• Products' failure to meet customer requirements may impact revenue performance. • Utilizing a higher percentage of eco-friendly materials in products will increase operating costs and R&D expenses.	• Business departments' R&D units are continuing to invest resources in the development and strength testing of products made with eco-friendly materials. • Procurement units have responded to the situation by exploring alternative material sources and carrying out advance deployment of new raw materials. • Factories are developing yearly energy conservation plans in accordance with energy management systems to reduce Scope 1 and Scope 2 emissions.	

Climate-Related Risks and Opportunities	Scenario	Incident Set for Scenario Analysis	Impact on Chicony Power's Operations	Response Strategy	Chicony Power's Management Indicators and Goals
T3 Transition Risk : Carbon fees/taxes charged for GHG emission control	Temperature rise : 1.5°C (IEA NZE)	• Under the low-emission scenario, in accordance with various countries' carbon-control policies, carbon-related prices will increase as progress toward net-zero continues.	• Although factories have not been affected by carbon-related pricing policies at the current stage, the prices of some upstream raw materials may be impacted by carbon price transfer, which may increase raw material procurement costs.	• Internal carbon pricing has not yet been implemented in 2023, but it is expected to be introduced within the next two years.	
P4 Physical Risk Power consumption increased or personnel attendance affected due to extremely high temperatures	Temperature rise: 4.4°C (SSP 5-8.5)	• Under the high-emission scenario, the average temperature and days of extremely high temperature will increase in East Asian and South East Asian regions by the end of the 21st century.	• Under the effects of increased temperature, Chicony Power's factories will have higher air-conditioning and chilling demands, which will lead to higher electricity bills and may increase operating costs. The Company has not implemented any internal carbon pricing mechanism as of 2023.	• Factories are introducing energy-saving platforms to optimize air-conditioning system controls and electricity consumption.	The goal is to maintain business continuity and prevent factory production capacity from being affected.
O4 Opportunity: Develop and optimize climate change adaptation solutions	Temperature rise: 1.5°C (IEA NZE)	• To achieve net-zero emissions, the building sector is promoting zero-carbon-ready buildings, which will help create significant growth for the energy saving and carbon reduction market.	• Chicony Power continues to develop smart building system solutions, which has helped increase the Company's share in relevant markets, and will help increase the Company's revenue.	• Continue the development of smart home and green building solutions to connect with global smart energy-saving trends.	Increase the percentage of IWA series revenue in Chicony Power's product portfolio.

Climate-Related Risks and Opportunities	Scenario	Incident Set for Scenario Analysis	Impact on Chicony Power's Operations	Response Strategy	Chicony Power's Management Indicators and Goals
O2 Opportunity: Improve production facilities' energy and resource utilization efficiency	Temperature rise: 1.5°C (IEA NZE)	• Under the low-emission scenario, by improving production efficiency, emissions from the global energy sector can be reduced by 16%.	• Through automation and intelligentization, production efficiency will be enhanced, and raw material consumption will be decreased, thereby reducing operating costs.	• The Automation Engineering Center collaborates with factories to continuously discuss the feasibility of automating various processes.	Introduce one innovative or automated process to the factories every year.

Note :

1. The IEA NZE scenario considers the temperature rise by 2050 at a 50% confidence level.
2. The IPCC SSP5-8.5 scenario considers the temperature rise by the end of the 21st century.
3. Our company plans to complete the financial impact quantification analysis in 2024 and subsequently publish our first "Task Force on Climate-related Financial Disclosures (TCFD) Report," which will detail the results of each analysis.

4.2 Net-zero Pathways

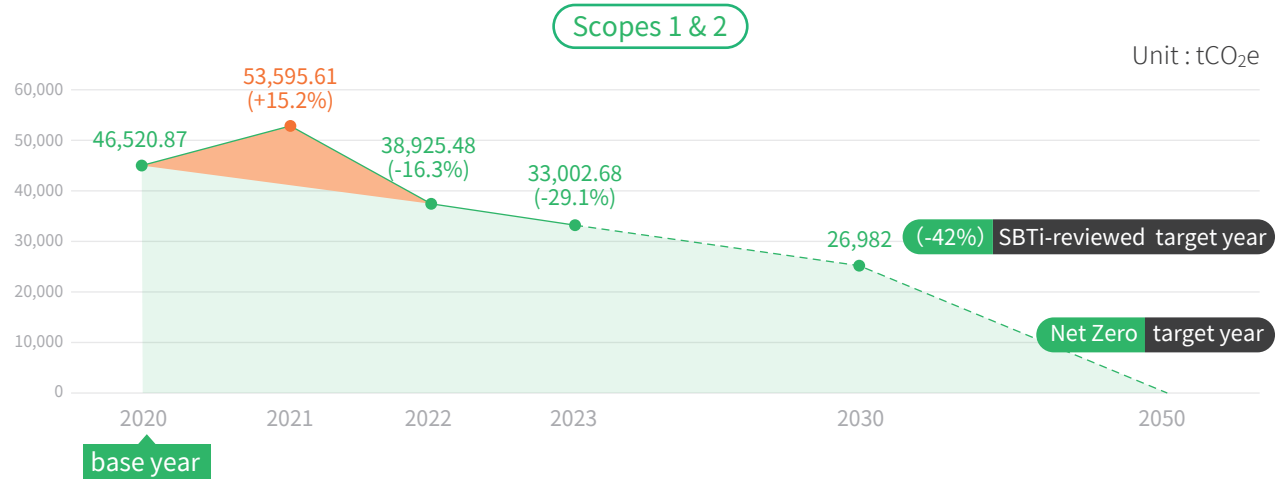
Chicony Power introduced the SBT program into its operations in 2022. Based on the reviewed and approved SBTi targets, which align with the Paris Agreement's 1.5°C goal, Chicony Power has estimated its carbon reduction responsibility to achieve the 1.5°C scenario reduction targets. This includes reducing total Scope 1 and Scope 2 GHG emissions, decreasing GHG emissions intensity, and incorporating Scope 3 emissions from the "use of sold products" into its carbon reduction KPIs.

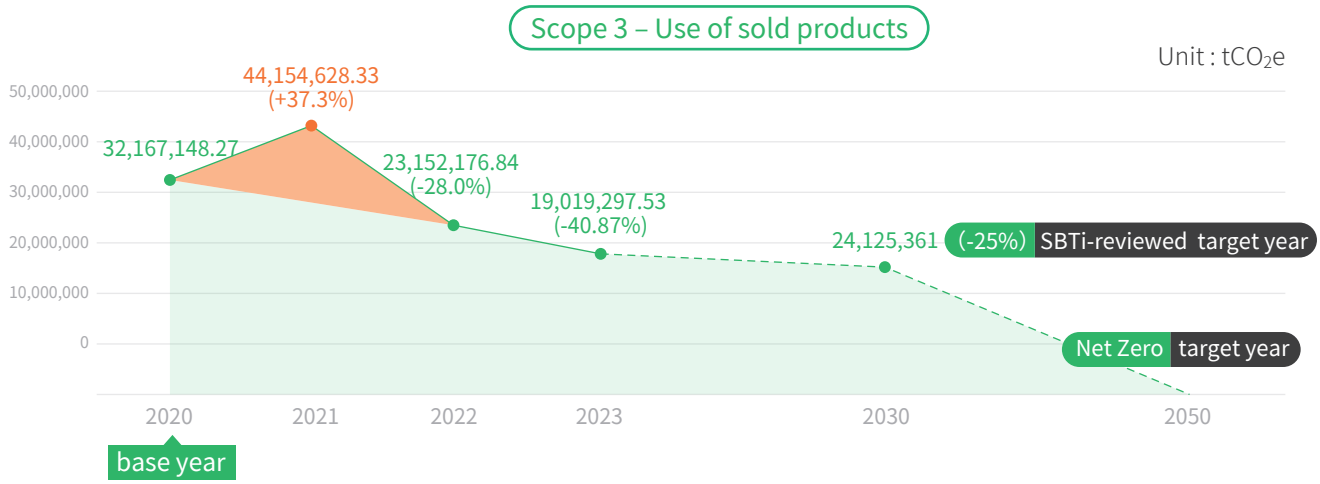
In 2023, Chicony Group made the 2030 RE100 commitment and announced its 2050 net-zero goals.



◉ Chicony Power's Net-zero Pathways

GHG absolute reduction targets







Chicony Power is committed to achieving net-zero emissions by 2050. The company aims to reduce its operational emissions through energy efficiency improvements, energy management, and the use of renewable energy. In addition, Chicony Power is adopting the concept of a circular economy, actively promoting sustainability throughout the value chain to reduce its carbon footprint and offer more environmentally friendly products and services. Finally, unavoidable carbon emissions will be offset through negative carbon technologies such as reforestation and carbon capture. The comprehensive implementation of these strategies will support Chicony Power in reaching its net-zero emissions goal by 2050.

◎ 4.2.1 Greenhouse Gas Management

Chicony Power inventories the GHG emissions at its Headquarters and other factories in accordance with ISO 14064-1: 2018 standards. Implementation of the GHG inventory system has made it possible to accurately grasp the Company's GHG emissions status. After completing the internal verification, the Company entrusts an impartial third-party verifying agency to perform external assurance in accordance with relevant standards to complete the inventory procedure.

Chicony Power's 2023 operational boundaries include: Chicony Power Taipei Headquarters, Chicony Power Dongguan Factory, Chicony Power Suzhou Factory, Chicony Power Chongqing Factory, and Chicony Power Thailand Factory. Due to the fact that construction of Chicony Power Thailand Factory's new plant has just been completed, the ISO 14064-1: 2018 inventory for Thailand Factory has not been performed; however, it is scheduled for completion in 2025. Other operational bases have all completed their inventories. The emissions data and related assured information are as follows :

◉ Category 1 and Category 2 Greenhouse Gas Emissions :

Year	2020	2021	2022	2023
Category 1 (metric tons CO2e/year)	1,563.10	2,715.26	2,937.73	2,607.86
CO_2 (metric tons CO_2e/year)	574.66	899.54	1,022.59	559.40
CH_4 (metric tons CO_2e/year)	264.08	428.57	844.76	215.20
N_2O (metric tons CO_2e/year)	6.51	4.65	2.99	256.55
HFCs (metric tons CO_2e/year)	717.85	1,382.50	1,067.39	1,576.71
PFCs (metric tons CO_2e/year)	0.00	0.00	0.00	0.00
SF_6 (metric tons CO_2e/year)	0.00	0.00	0.00	0.00
NF_3 (metric tons CO_2e/year)	0.00	0.00	0.00	0.00
Category 2 (metric tons CO2e/year)	44,957.89	50,880.35	35,987.75	30,397.17
Category 1 + Category 2 (metric tons CO_2e/year)	46,520.99	53,595.61	38,925.48	33,002.68
Total consolidated revenue (Unit : NT$1,000,000)	34,863.03	40,363.98	41,066.11	36,311.82
Emissions intensity (metric tons CO_2e/NT$1,000,000)	1.33	1.33	0.95	0.91

Note : Some typographical errors from 2020 and 2021 have been corrected in this table.

◉ Category 3 – Category 6 Other Indirect Greenhouse Gas Emissions

Headquarters and other factories	Total			
Year	2020	2021	2022	2023
Category 3: Indirect greenhouse gas emissions from upstream transportation	289,581.72	259,174.08	18,242.66	15,526.82
3-1 Upstream raw material transportation and distribution (4)	280,974.99	253,336.26	13,237.81	7,693.77
3-2 Business travel (6)	90.64	112.40	114.43	286.90
3-3 Employee commuting (7)	1,713.88	722.45	697.46	665.39
3-4 Downstream transportation and distribution (9)	6,802.21	5,002.97	4,192.96	6,880.76

Headquarters and other factories	Total			
Year	2020	2021	2022	2023
Category 4: Indirect greenhouse gas emissions from products used by the organization	475,073.20	993,389.71	421,379.43	1,041,994.45
4-1 Procurement of goods and services (1)	466,400.10	982,775.34	416,975.71	1,035,784.10
4-2 Capital goods (2)	4,198.60	438.00	190.43	284.66
4-3 Fuel and energy-related activities (3)	4,055.46	4,167.15	3,236.19	4,706.84
4-4 Waste generated in operations (5)	232.78	6,009.22	37.15	241.89
4-5 Upstream leased assets (8)	186.26	0.00	939.95	977.07
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	475,073.20	993,389.71	421,379.43	1,041,994.45
5-1 Processing of sold products (10)				
5-2 Use of sold products (11)	34,943,501.30	44,154,628.33	23,152,176.84	19,019,297.53
5-3 End-of-life treatment of sold products (12)	14,216.78	14,218.71	11,924.33	7,715.88
5-4 Downstream leased assets (13)	203.84		37.25	659.94
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization				
Total Scope 3 Emissions	35,722,576.84	45,421,410.84	23,603,760.52	20,085,194.74
Total Scopes 1, 2 and 3 Emissions	35,769,097.84	45,475,066.05	23,642,686.00	20,118,197.42
Total consolidated revenue (Unit: NT$ millions)	34,863.03	40,363.98	41,066.11	36,311.82
Emissions intensity of 5-2 Use of sold products (11)	1,002.31	1,093.91	563.78	523.78

Note 1 : The GHG emissions were calculated using the Operational Control Method.
Note 2 : The original base year was 2017; in response to the revision of ISO 14064-1, 2020 has been adopted as the new base year.
Note 3 : The 2023 GWP values came from the IPCC AR6 Report.
Note 4 : The GHG emissions intensity (metric tons CO2e / Total consolidated revenue [NT$1,000,000]) has been adopted as an indicator for greenhouse gas management.

◉ GHG Assurance Information

Item	Headquarters	Dongguan Factory	Suzhou Factory	Chongqing Factory
Year	2023	2023	2023	2023
Third-party Assurance	Yes	Yes	Yes	Yes
Assurance Institution	SGS	Bureau Veritas	SGS	SGS
Assurance Standards	ISO 14064-3	ISO 14064-3	ISO 14064-3	ISO 14064-3

Note : In response to the Sustainable Development Guidemap for TWSE- and TPEx-Listed Companies, many corporations are seeking GHG assurance; as a result, assurance institutions are extremely busy. The Headquarters anticipates that the Company's assurance will be conducted in June. The complete assurance information and verification statements will be disclosed on the company's website : https://www.chiconypower.com/zh-tw/home/CSR (Path: Environmental Protection).

- Chicony Power's GHG reduction targets set through the SBTi organization are as follows :

  By 2030, Scope 1 and Scope 2 GHG absolute emissions will be reduced by 42%, and GHG emissions intensity will be decreased by 56.8%.

  By 2030, Scope 3 GHG absolute emissions will be reduced by 25%, and GHG emissions intensity will be decreased by 44.2%.

◉ GHG Absolute Emissions Reduction Targets

	2020 (base year)	2023				2030 (target year)	
Item	SBTi-reviewed base year emissions (Unit : tCO_2e)	Emissions (Unit : tCO_2e)	Reduction compared to base year	SBTi-reviewed 2023 target	Target achieved in 2023?	Emissions (Unit : tCO_2e)	Reduction compared to base year
Scopes 1 & 2	46,521	33,002.68	-29.1%	-12.6%	Target achieved	26,075	42%
Scope 3 – Use of sold products	32,167,148	19,019,298	-40.9%	-7.5%	Target achieved	24,125,361	-25%

◉ GHG Emissions Intensity Decrease Target

	2020 (base year)	2023				2030 (target year)	
Item	Emissions intensity (Unit: tCO_2e/ NT$1 million)	Emissions intensity (Unit: tCO_2e/ NT$1 million)	Decrease compared to base year	SBTi-reviewed 2023 target	Target achieved in 2023?	Emissions intensity (Unit: tCO_2e/ NT$1	Decrease compared to base year
Scopes 1 & 2	1.410	0.909	-35.5%	-20.02%	Target achieved	0.607	-56.80%
Scope 3 – Use of sold products	972.77	523.777	-46.2%	-15.35%	Target achieved	542.88	-44.20%

Carbon Footprint

Consumption behaviors may significantly impact climate change. The concept of a carbon footprint can help enterprises, individuals, and households evaluate the carbon footprints left by their decisions, make them aware that they have a say in environmental systems' operating methods, and change their attitudes in response to climate change. Chicony Power believes that the product lifecycle carbon footprint evaluation can help the Company confirm its green development strategies and directions. Thus, the Company carried out carbon footprint verifications for Suzhou Factory and Chongqing Factory in 2022, and for the Company's major product—power supply units produced at the aforementioned factories and Dongguan Factory—in 2023.

Chicony Power Product Carbon Footprint Verification

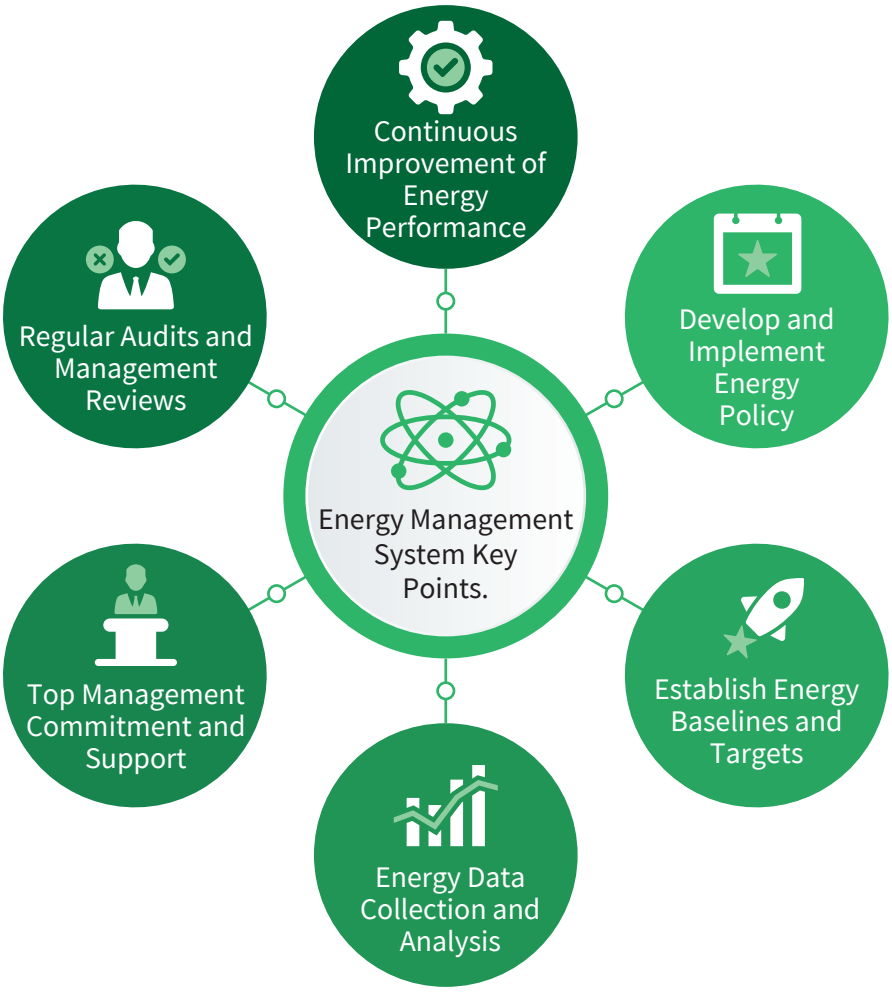
Verification Basis	Product	Model	System Boundary	GHG emissions
Suzhou Factory ISO14067:2018	65 W Switching power supply units 	A065RP57P-DL01-A0	Product lifecycle stages covered in verification: Cradle to Gate Covering the life cycle stages from natural resource extraction to product production	5.24 $kgCO_2e$
Chongqing Factory ISO14067:2018	65 W Switching power supply units 	A065RP25P.HWOI	Product lifecycle stages covered in verification: Cradle to Gate Covering the life cycle stages from natural resource extraction to product production	5.42 $kgCO_2e$
Dongguan Factory ISO14067:2018	260 W Switching power supply units 	D260E006Q-HW01-0A	Product lifecycle stages covered in verification: Cradle to Gate Covering the life cycle stages from natural resource extraction to product production	17.676 $kgCO_2e$

4.3 Energy Management

The energy used by Chicony Power primarily comes from purchased electricity. Other fuels such as liquefied petroleum gas, petrol, and diesel are mainly used in company vehicles, forklifts, canteens, dormitory boilers, etc. The total energy consumption in 2023 was 299,614.90 GJ.

As the factories obtain ISO 50001: 2018 verification one after another, the organization is provided with an integrated framework for the promotion of energy efficiency enhancement and management practices. The logical and consistent standards for energy efficiency improvement can help the organization adopt single-set and balanced internal standards to increase the transparency of energy and resource management and strengthen communication within the organization.

Note : The complete assurance information and verification statements will be disclosed on the company's website: https://www.chiconypower.com/zh-tw/home/CSR (Path: Environmental Protection).



RE100 Promotion

In 2023, Chicony Group announced that it was joining the RE100 Initiative and committed to the comprehensive use of renewable energy. The Company aims to achieve Scope-2-defined carbon neutrality at the Headquarters in Taiwan and all global operation bases by 2030.

Moreover, the construction of solar energy facilities and the introduction of the smart integration platform and automated energy carbon emissions management platform will reduce wasted energy and facilitate the inventorying of carbon emissions hotspots. In terms of external approaches, the Company will sign power purchase agreements (PPAs) with legal and compliant power plants through various local green electricity trading platforms and purchase renewable energy certificates (RECs) to achieve 100% renewable energy use for the entire company.



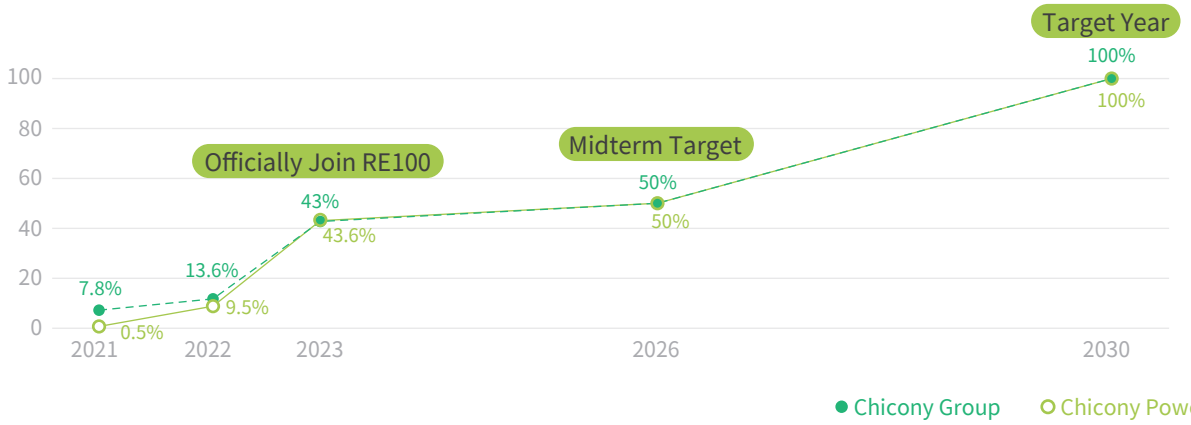
▲ Joined the RE100 Initiative on August 28, 2023



▲ RE100 Taiwan Members Meeting

The total electricity consumption by Chicony Group (including parent company Chicony Electrics and XAVi Technologies) in 2023 was 195,050 MWh, of which renewable electricity consumption accounted for 82,922 MWh(43%). Chicony Power's own total electricity consumption was 80,279 MWh, with renewable electricity usage amounting to 35,027 MWh, achieving a rate of 43.63%. The sources and their proportions of the total electricity consumption are as follows: self-generated solar power 1,680 MWh (2.09%), International Renewable Energy Certificates (I-REC) from hydropower 7,017 MWh (8.74%), I-REC from solar power 8,265 MWh (10.30%), I-REC from wind power 16,565 MWh (20.63%), and China Green Electricity Certificates (GEC) from solar power 1,500 MWh (1.87%).

◉ Chicony Group's Renewable Electricity Consumption Pathway



Note : As required by RE100 regulations, the entire Chicony Group must join the initiative as one entity. Thus, the RE100 targets and the promotional scope cover Chicony Electronics, Chicony Power, and XAVi Technologies.

◎ 4.3.1 Energy Consumption Status

◉ (1) 2020–2023 Energy Consumption Statistics – Headquarters and all factories Energy Consumption (Original units)

	2020	2021	2022	2023
Total electricity consumption (MWh) (1+3)	56,799.03	80,369.00	74,009.92	80,278.82
1. Purchased electricity (MWh)	56,799.03	80,369.00	72,655.80	78,599.10
2. Purchased green electricity certificates (MWh)	0.00	400.00	5,645.00	33,347.00
Percentage of purchased electricity	100%	100%	98.17%	97.91%
3. Self-generated solar power (MWh)	0.00	0.00	1,354.12	1,679.72
Renewable energy usage rate (including purchased and self-generated)	0.00%	0.50%	9.46%	43.63%
Liquefied petroleum gas (LPG) (kg)	4,787.00	5,696.00	5,939.00	3,662.50
Liquefied natural gas (LNG) (cubic meters)	198,381.00	336,750.12	370,961.00	276,688.00
Petrol (1000 liters)	46.58	54.36	30.70	41.35
Diesel (1000 liters)	11.98	13.06	78.91	26.43

◉ Energy Consumption (Unit : GJ)

	2020	2021	2022	2023
Total electricity consumption (GJ) (1+3)	204,476.52	289,328.39	266,435.71	289,003.75
1. Purchased electricity (GJ)	204,476.52	289,328.39	261,560.88	282,956.78
2. Purchased green electricity certificates (GJ)	0.00	1,440.00	20,322.00	120,049.20
Percentage of purchased electricity	100.00%	100.00%	98.17%	97.91%
3. Self-generated solar power (GJ)	0.00	0.00	4,874.83	6,046.97
Renewable energy usage rate (including purchased and self-generated)	0.00%	0.50%	9.46%	43.63%
Liquefied petroleum gas (GJ)	241.71	287.61	299.88	184.93
Liquefied natural gas (GJ)	7,473.81	12,686.72	13,975.58	10,423.94
Petrol (GJ)	1.52	1.77	1.00	1.35
Diesel (GJ)	0.42	0.46	2.77	0.93
Total energy consumption	212,193.98	302,304.96	280,714.95	299,614.90
Total consolidated revenue (Unit: NT$1,000,000)	34,863.03	40,363.98	41,066.11	36,311.82
Energy Consumption Intensity (GJ/NT$1,000,000)	6.09	7.49	6.84	8.25

Note 1 : The heating values were determined by referencing figures announced by the Bureau of Energy, including: Electricity : 860,000 kcal/1000 kWh, Liquefied Petroleum Gas (LPG) : 12,062 kcal/kg, Liquefied Natural Gas (LNG) : 9,000 kcal/m^3, Petrol : 7,800 kcal/L, and Diesel : 8,400 kcal/L. 1 kcal = 4,186 joules ; 1 GJ = 1 billion joules.
Note 2 : Some typographical errors from 2020, 2021, and 2022 have been corrected in this table.

◉ Major factories installed solar panels in 2023

The Suzhou factory had already installed solar panels in 2022 for self-consumption. In 2023, additional solar panels were installed and connected to the grid at the Chongqing and Thailand factories. The Dongguan factory is expected to complete the installation by 2024.



▲ Chongqing Factory



▲ Thailand Factory

◎ 4.3.2 Energy Efficiency Improvement Measures

Chicony Power and all its factories have formulated energy saving and carbon reduction strategies and goals for the Company. The yearly energy consumption reduction statistics listed below have been compiled by comparing the year's energy consumption with the consumption amount before the individual energy-saving measure was taken.

Factory	Power saving measures	2021 Power Saving (MWh)	2022 Power Saving (MWh)	2023 Power Saving (MWh)
Chicony Power Dongguan Factory	1. Air compressor upgrade (replaced an old air compressor with a two-stage rotary screw compressor)	630.00	570.00	437.98
	2. Energy saving lighting for workshop	2,647.00	2,405.60	1,935.37
	3. ESR load recovery rate of 85% or higher		526.03	419.09
	4. Replaced screw chiller units with maglev chiller units to achieve friction-free cooling operations		191.90	178.30
Chicony Power Suzhou Factory	1. Water chiller and air compressor heat recovery system	3,051.30	2,521.40	2,270.25
	2. Passageway lighting improvement	51.49	80.10	77.97
	3. Ventilation time-switch control for street lights and lavatories	65.62	106.73	103.46
	4. Automatic control and operation for cooling towers	115.51	165.21	166.40
	5. Energy-efficiency improvement for air handling unit's permanent-magnet motor	321.49	250.29	241.49
	6. Energy-efficiency improvement for process exhaust ventilation equipment's permanent-magnet motor	193.39	168.84	157.48
	7. New vents added to air handling units	765.98	1,012.19	711.27
	8. Solar power generation	674.21	1,362.13	1,371.40
	9. APF harmonic improvement	1,962.18	1,536.74	1,534.05
	10. ERS power recovery	1,954.14	1,753.57	1,588.13
Chicony Power Chongqing Factory	1. Replaced traditional lighting devices with LEDs	70.52	91.32	114.19
	2. Raised the temperature of water chillers' chilled water	96.35	110.99	97.82
	3. Detection of compressed air leaks	40.00	47.73	2.34
	4. Used automatic temperature-controlled fans in water cooling towers	73.53	395.02	79.28
	5. Installed timer switches for street lights	29.41	48.69	0.00

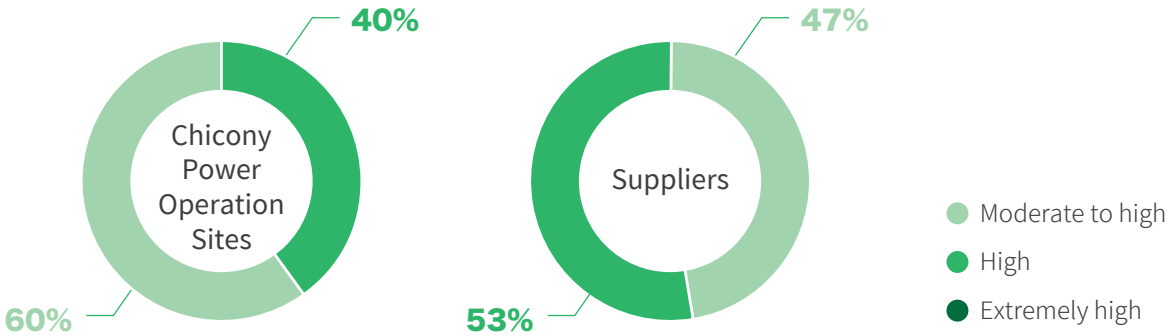
Factory	Power saving measures	2021 Power Saving (MWh)	2022 Power Saving (MWh)	2023 Power Saving (MWh)
Chicony Power Chongqing Factory	6. Lighting improvement in various areas		26.34	38.90
	7. Power-saving energy recovery system for burn-in (aging) cabinet		2,602.00	2,964.65
	8. Replaced adsorption dryers			3.45
	9. Upgraded freezer/chiller pumps			5.74
	10. Solar power generation			27.84
Total power saving (MWh)		12,742.12	15,972.80	14,526.85
Total power saving (GJ)		45,871.62	57,502.09	52,296.66

4.4 Water Resources Management

4.4.1 Water Risk Identification

Chicony Power is actively improving water efficiency and value, reducing environmental impacts on water resources, and increasing its use of recycled water. The Company has adopted the water risk assessment tools provided by the World Resources Institute (WRI), with the aim of precisely identifying the possible water risks faced by its factories worldwide and the production sites of its top 50 major suppliers. The water risk identification was conducted with reference to the water-related physical risks recommended in the TNFD framework, including five major water resources indicators: water stress level, riverine flooding risk, coastal flooding risk, untreated connected wastewater, and coastal eutrophication potential (CEP).

◉ Water resources risk identification for Chicony Power's bases and its top 50 major suppliers



Note 1 : Chicony Power's operation sites: Chicony Power Headquarters and major operation bases, including the Headquarters, Dongguan Factory, Suzhou Factory, Chongqing Factory, and Thailand Factory.
Note 2 : Suppliers: Factory sites of the top 50 major suppliers in terms of procurement amount (not including distributors/agents).
Note 3 : Since most of our suppliers are located in Jiangsu Province, their exposure to high water stress is higher compared to our own operational sites.

Regarding the water stress level indicator, the Company's Suzhou Factory and Thailand Factory have been assessed as being located in high water stress areas. However, water stress is defined as "the ratio of overall water demand to water supply in the area", meaning that water resources risks are increased only when a factory is both located in a high-water-stress area and part of a high water-consumption industry, forcing it to compete with local ecosystems for water resources. Chicony Power's water consumption is mainly for domestic purposes; therefore, although the factories are located in high-water-stress areas, there is no significant impact.

Nevertheless, to ensure the completeness of the assessment, further scenario analyses of local water supply changes in the river basins where the factories are located were conducted based on the Weathernews database, and assessments linked to the water consumption indicators of Suzhou Factory and Thailand Factory were also performed. It was determined that the water consumption of both Suzhou Factory and Thailand Factory constitutes far less than 1% of the overall water consumption in the areas where they are located, inferring a low likelihood of the two factories being impacted by local water resources conditions. Chicony Power will continue to promote various water conservation measures, including internal water saving practices, reinforced wastewater classification systems, process water consumption reduction, and reuse of recycled/reclaimed water to cope with possible water risks.

Factory	Area's water supply under SSP5-8.5 scenario (10,000 tons/day)	Factory's daily water withdrawal (10,000 tons/day)	Percentage of area's overall water supply
Suzhou Factory	1,099.79	0.058	0.0053 %
Thailand Factory	4,508.09	0.007	<0.001 %

Note : Each area's water supply volume has been assessed based on Weathernews analysis results and WRI database information.

◎ 4.4.2 Water Resources Management

Chicony Power's water withdrawal is mainly for employees' daily needs and factory equipment operations, particularly air-conditioning facilities, which account for most of the water consumption. Domestic sewage is treated at proper sewage treatment facilities or directly discharged to sewage systems in accordance with local environmental laws, and it does not cause environmental pollution. None of Chicony Power's bases were fined for reasons involving water resources treatment, wastewater pollution, or related issues in 2023.

◉ 2020–2023 Water Withdrawal Statistics - Headquarters and all factories

Year	2020	2021	2022	2023
Total water withdrawal (m^3/year)	773,222.35	705,361.29	657,267.12	591,135.42
Total consolidated revenue (Unit : NT$1,000,000)	34,863.03	40,363.98	41,066.11	36,311.82
Total water withdrawal intensity (Water withdrawal / Total consolidated revenue)	22.18	17.48	16.01	16.28

◦ Chicony Power has set the following self-defined water withdrawal reduction targets :

To reduce water consumption, achieve a year over year reduction in total water withdrawal, with 2020 serving as the base year 3%

To reduce water consumption, achieve a year over year decrease in water withdrawal for per NT$1,000,000 production value, with 2020 serving as the base year 3%

◉ Results for Water Withdrawal Reduction

	2020	2023				2030 (Target)	
Item	Base year water withdrawal (Unit: m^3/year)	Water withdrawal (Unit: m^3/year)	Reduction compared to base year	2023 Target	Target achieved in 2023?	Water withdrawal (Unit: m^3/year)	Reduction compared to base year
Total water withdrawal	773,222.35	591,135.42	-23.5%	-9.0%	Target achieved	541,256	-30%

◉ Results for Water Withdrawal Intensity Decrease

	2020 (Base Year)	2023				2030 (Target)	
Item	Base year water withdrawal intensity (Total water withdrawal/Total consolidated revenue) (unit : m³/ NT$1,000,000)	Water withdrawal intensity (unit : m³/ NT$1,000,000)	Decrease compared to base year	2023 Target	Target achieved in 2023?	Water withdrawal intensity (unit : m³/ NT$1,000,000)	Decrease compared to base year
Water withdrawal intensity	22.179	17.48	-21.2%	-9.0%	Target achieved	15.53	-30%

◉ 2023 Water Consumption Statistics - Headquarters and all factories

(Unit : m³)

2023	Water Withdrawal	Water Discharge	Water Consumption
Total Volume(Unit : m³)	591,135.42	500,902.80	90,232.62
Total consolidate revenue (Unit : NT$1,000,000)	36,311.82		
Water consumption intensity (Water consumption /Total consolidated revenue)	2.48		

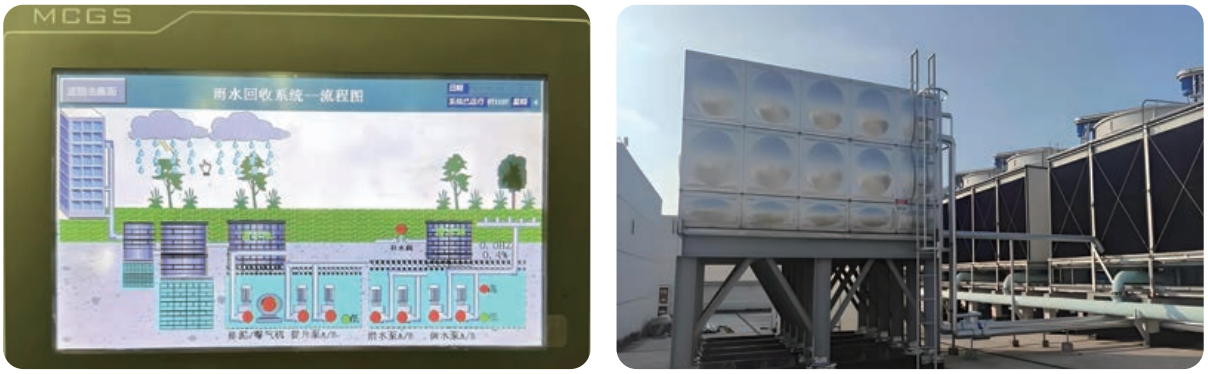
Note 1 : No water volume measuring facilities have been installed at the Taipei Headquarters or the factories. The water discharge volume is estimated to be 80–90% of the water withdrawal volume. (average : 84.8%)

In recent years, the overall rainfall pattern has changed significantly due to climate change. When faced with increasingly severe climate change, a business must evaluate its water demand and production capacity, taking regional water shortages and other related factors into consideration. Chicony Power has proposed solutions to cope with water resources issues. Among them, the most remarkable achievement is the condensate and rainwater recovery system employed at Suzhou Factory, which has recovered a total of 6,884 cubic meters of water.

◉ Chicony Power Suzhou Factory's 2023 Water Recovery Statistics (by month)

(Unit : m^3)

Item	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Recovered rainwater	33	355	194	222	252	48	33	37	11	12	0	6	1,203
Recovered condensate water	99	130	285	211	201	678	1,794	1,074	1,050	91	56	12	5,681
													6,884



▲ Suzhou Factory's water recovery system and storage tanks

4.5 Waste Management

All waste produced by Chicony Power's Headquarters and factories is disposed of in accordance with local environmental regulations. None of the Company's waste removal/disposal service providers were involved in any violation of laws, regulations, or agreements in 2022. Waste management at Chicony Power Taipei Headquarters waste is uniformly implemented by Chicony Electronics Taipei Headquarters. The amount of waste generated and disposal methods at other factories from 2021 to 2023 are shown in the tables below.

◉ Statistics of Waste Recycling Percentages

(Unit : t/year)

Year		2021	2022	2023
General industrial waste	Reusable	2,931.42	2,640.80	3,143.22
	Non-reusable	798.16	685.05	182.79
	Recycling percentage	78.60%	79.40%	94.50%
Hazardous industrial waste	Reusable	0.00	34.77	28.79
	Non-reusable	56.33	40.95	71.90
	Recycling percentage	0.00%	45.92%	28.59%
Total waste		3,785.91	3,401.56	3,426.70
Total waste recycled		2,931.42	2,675.57	3,172.01
Overall recycling percentage		77.43%	78.66%	92.57%

◉ Waste Classification by Disposal Site

(Unit : t/year)

Item			General industrial waste	Hazardous industrial waste
On-site	Waste directed to disposal	Incinerated	-	-
		Landfilled	-	-
Waste diverted from disposal			3,143.22	28.79
Off-site	Waste directed to disposal	Incinerated	165.75	71.9
		Landfilled	17.04	-

Note 1 : Chicony Power did not have any on-site waste disposal in 2023.

The term “on-site” refers to the areas inside the reporting organization’s physical boundary or administrative control scope; “off-site” refers to the areas outside the reporting organization’s physical boundary or administrative control scope

◎ 4.5.1 Chicony Power has set the following self-defined waste reduction targets :

To reduce waste generation, achieve a year over year reduction in total waste, with 2020 serving as the base year 3%

Achieve a year over year decrease in waste intensity (unit: metric tons/NT$1,000,000), with 2020 serving as the base year 3%

◉ Targets for Waste Reduction

	2020	2023				2030 Target	
Item	Base year waste amount (Unit : Metric tons/year)	Waste amount (Unit : Metric tons/year)	Reduction compared to base year	2023 Target	Target achieved in 2023?	Waste amount (Unit : Metric tons/year)	Reduction compared to base year
Total waste	2,452.84	3,426.70	39.7%	-9.0%	NO	1,716.99	-30%

◉ Targets for Waste Intensity Decrease

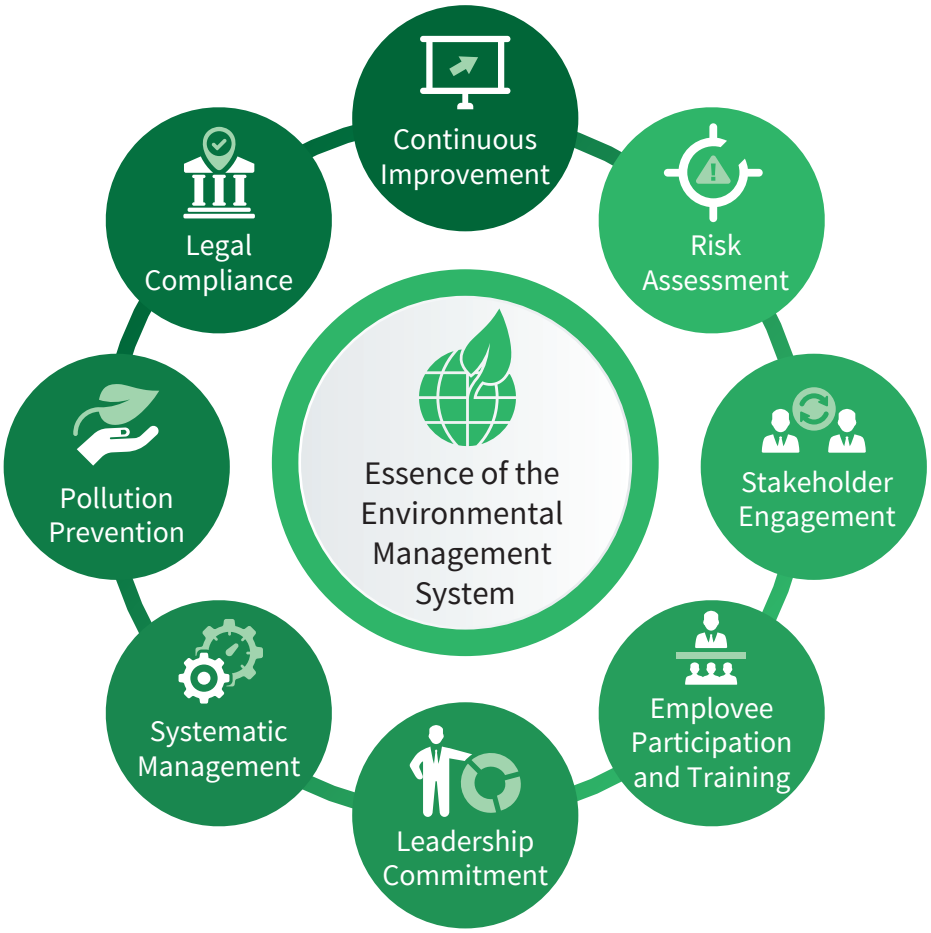
	2020 as base year	2023				2030 Target	
Item	Base year waste intensity (Total waste /Total consolidated revenue) (Unit : Metric tons / NT$1,000,000)	Waste intensity (Unit : Metric tons / NT$1,000,000)	Decrease compared to base year	2023 Target	Target achieved in 2023?	Waste intensity (Unit : Metric tons / NT$1,000,000)	Decrease compared to base year
Waste intensity	0.088	0.094	6.8%	-9.0%	NO	0.062	-30%

Note : The waste increase in 2023 was mainly due to the promotion of the UL2799 Zero Waste to Landfill certification at the Company's factories in Mainland China, which involved complete inventories and statistics compilation for previously unidentified waste items. The Company's Suzhou Factory and Dongguan Factory have obtained the Platinum Award certification, and Chongqing Factory is scheduled to obtain the certification by the end of July 2024. To ensure data accuracy, relevant targets will be reset after UL2799 is introduced at all factories.

◎ 4.5.2 Environmental Management

Operating under the ISO 14001 : 2015 environmental management systems, Chicony Power regularly tracks and reports the amount of waste generated and sets waste reduction goals. The aim of environmental management is to establish systems that assist enterprises in identifying possible environmental issues for improvement and to reduce the environmental impacts of products throughout their entire life cycle, from design and development to production, sale, use, and final disposal. By improving production methods and reducing energy consumption and raw material waste, an enterprise's production efficiency can be improved and its revenue increased. The spirit of environmental management systems focuses on a process of continuous improvement. By formulating environmental policies, setting goals, implementing planned tasks, and conducting audits and reviews, the substantive purpose of environmental improvement can be achieved. Therefore, ISO 14001 emphasizes the establishment of environmental management systems for enterprises to continuously improve their environmental performance.

Note : The complete assurance information and verification statements will be disclosed on the company's website: https://www.chiconypower.com/zh-tw/home/CSR (Path : Environmental Protection).



4.6 Biodiversity

4.6.1 Biodiversity Policy and Initiatives

"Biodiversity" not only reveals the richness of life on Earth but also helps maintain ecological balance and affects climate regulation, water resource circulation, soil fertility, agricultural production, human health, and other critical ecosystem services. According to the consensus of the 15th Conference of the Parties to the Convention on Biological Diversity (COP15) held in 2022, the new Global Biodiversity Framework (GBF) will serve as guidelines for global biodiversity policies and actions by 2030.

Due to the effects of climate change and biodiversity loss, natural resources have depleted drastically in recent years. Chicony Power understands the importance of biodiversity restoration and conservation and believes that in addition to seeking operational development and revenue growth, continuous innovation, constant improvement, step-by-step implementation, and active exertion of positive influence are also key to the Company's sustainable operations. As a member of the TNFD (Taskforce on Nature-related Financial Disclosure) Forum, Chicony Power has introduced the TNFD framework, and it has formulated its Biodiversity and No Deforestation Policy in accordance with the UN Convention on Biological Diversity (CBD), the Kunming–Montreal Global Biodiversity Framework, the United Nations Sustainable Development Goals (SDGs), and other related international conventions and initiatives. Based on these policies, the Company collaborates with upstream suppliers and important business partners to achieve "No Net Loss" and "Net Positive Impact" for a sustainable future.

In addition to introducing the TNFD framework, with the aim of staying on top of global dynamics and biodiversity trends, Chicony Power became a member of the TNFD Forum and a TNFD Adopter in 2024, and it has made a commitment to publish a TNFD Report based on the TNFD framework in 2025.

◎ 4.6.2 Value Chain Location Analysis

Chicony Power conducted a nature-related risk and opportunity assessment based on the TNFD LEAP approach in September 2023. During the assessment, the Company concretely realized that the connection between the natural capital status and a company's operations is often determined based on the "location" and "dependency" of the analysis object. As an electronics manufacturer, the Chicony Power's own operations and the electronics industry's upstream raw material manufacturing both have the potential to impact ecosystems. Therefore, in the Locate step specified in the LEAP approach, Chicony Power analyzed its own operating factories and the factories of identified critical suppliers in the supply chain to determine whether the value chain's "location" puts it in contact with any critical natural ecological zones, and to identify the priority locations of concern.

Step1.
Operation Site Analysis

Locate Chicony Power's sites and the top 50 major suppliers' factories, and determine two buffer zones with a radius of 2.5 kilometers and 5 kilometers as the scope of evaluation to represent the indirectly impacted area and the possibly impacted area, respectively.

Step2.

Overlap biodiversity-related map data to identify biodiversity-sensitive areas

First, identify the spatial connection between the operation sites and ecosystems based on global and regional biodiversity-related map data and the value chain operation site buffer zones determined in Step 1. Next, check if the buffer zones are in contact with any biodiversity-sensitive areas through indicators such as Key Biodiversity Areas (KBA), water stress level, and ecosystem intactness.

◉ Nature-related map data consulted for biodiversity-sensitive area identification

Sensitivity Identification	Name of Map
Key Biodiversity Areas (KBA)	Key Biodiversity Area (KBA)
	World Database on Protected Areas (WDPA)
	Nature2000 protected area network
	Ramsar Convention on Wetlands
	Global Biodiversity Information Facility (GBIF)
	Taiwan Ecological Network
Water Risk	Aqueduct Global Maps
Ecosystem Intactness	Biodiversity Intactness Index (BII)
	Global Biodiversity Information Facility (GBIF)

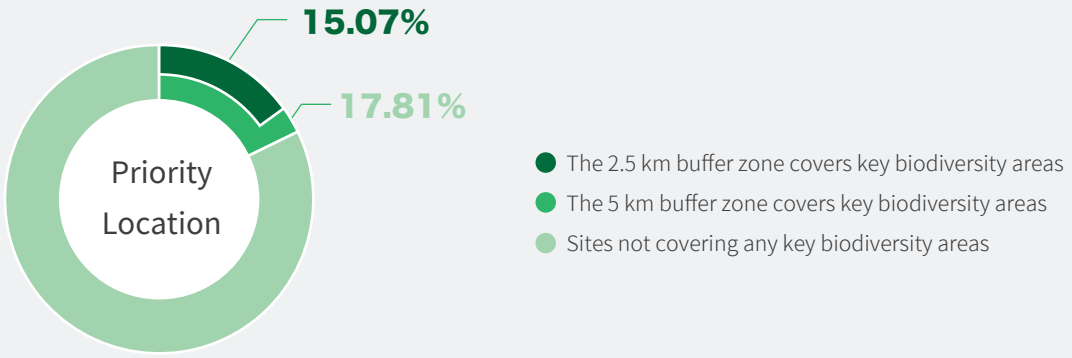
Step3.

Export results and identify priority locations

Finally, set the value chain's critical factory sites and the key biodiversity areas identified in Step 2 as priority locations in accordance with TNFD recommendations so the Company can evaluate the value chain's dependencies and impacts on nature in the next step.

The analysis results are indicated in the chart below :

◉ Value chain priority location identification results



Note : The scope of analysis covers :

1. Chicony Power's operation sites : Chicony Power Headquarters and factories in various locations, including the Headquarters, Dongguan Factory, Suzhou Factory, Chongqing Factory, and Thailand Factory.
2. Suppliers : Factory sites of the top 50 major suppliers in terms of procurement amount (not including distributors/agents).

◎ 4.6.3 Evaluate Dependencies and Impacts

The operations and development of enterprises and their value chains rely on ecosystem services provided by the natural environment. However, the process of operations and development may also have positive or negative impacts on ecosystem services. By bringing positive impacts to the environment, enterprises and their value chains can enhance the reliability and efficiency of ecosystem services, and vice versa. Although Chicony Power identified the suppliers with high dependency in the location analysis step, due to the complexity of the electronics industry's value chains, it is also necessary to carry out departmental-level analysis and incorporate environmental assets and production system services into the analysis to conduct subsequent nature-related risk and opportunity analysis.

◉ Value-chain-level Industry Dependency and Impact Identification

Chicony Power			Scale	Dependency					Impact				
				Supply services		Regulation and support services							
				Energy	Substances	Flow regulation	Maintenance of physical, chemical, and biological conditions	Mitigation of waste, toxic substances, and other nuisances	Changes in the use of land/ freshwater/seawater	Resource overconsumption	Climate change	Pollution	Invasive alien species and other issues
Packaging materials	Cradle to gate	Pulp and paper industry		VL	VH	M	VL	L	L	VH	VH	VH	L
	Manufacturing			VL	H	VL	VL	VL	VL	M	VH	H	VL
Plastic parts	Cradle to gate	Manufacture of chemical products		VL	VH	H	L	M	M	VH	VH	VH	L
	Manufacturing			VL	L	L	VL	VL	VL	L	H	M	VL
	Cradle to gate	Manufacture of rubber products		VL	VH	H	L	H	M	VH	VH	VH	M
	Manufacturing			VL	L	L	VL	VL	VL	M	H	H	VL
Metal parts	Cradle to gate	Manufacture of basic iron and steel		VL	VH	H	L	L	L	VH	VH	VH	VH
	Manufacturing			VL	L	L	VL	VL	VL	M	VH	H	L
	Cradle to gate	Manufacture of fabricated metalproducts		VL	VH	H	L	M	H	VH	VH	VH	VH
	Manufacturing			VL	L	L	VL	VL	L	M	VH	H	L
Electronic parts components	Cradle to gate	Manufacture of machinery		VL	M	M	VL	L	VL	H	VH	VH	H
	Manufacturing			VL	L	VL	VL	VL	VL	L	M	H	L
	Cradle to gate	Manufacture of computers/ electronics/ optical products		VL	H	VL	VL	L	VL	L	M	VH	M
	Manufacturing			VL	L	L	VL	VL	VL	VL	VL	M	L
Chicony Power	Manufacturing	Manufacture of computers/ electronics/ optical products		VL	L	VL	VL	VL	VL	VL	VL	M	L
Downstream	Use-phase	Power supply products		VL	L	VL	VL	VL	VL	L	M	H	L
		LED application products		VL	L	VL	VL	VL	VL	VL	VL	M	L
		Magnetic component products		VL	L	VL	VL	VL	VL	L	M	H	L
		Smart buildings		VL	L	VL	VL	VL	VL	VL	VL	M	L

Note： 1. Dependency and impact are divided into five levels: VL (Very Low), L (Low), M (Medium), H (High), and VH (Very High).
2. The dependency levels are classified based on the Common International Classification of Ecosystem Services (CICES) Framework.
3. The impact levels are classified based on the Natural Capital Protocol.

The Company followed TNFD recommendations and utilized the ENCORE system database to summarize the dependent ecosystem services and impact factors associated with Chicony Power's value chain industries. To trace value chain industries' dependency and impact degrees, the Company followed TNFD recommendations and used the EXIOBASE database to create an input–output model, through which the upstream industries were divided into two categories: Cradle to Gate and Manufacturing. Materiality analysis, hotspot mapping, and sequencing were conducted based on procurement scale data. The Company's value chain industry dependency and impact identification results are as follows :

1. Dependencies

1. "Substances" that supply services: Surface water and groundwater
2. "Flow regulation" that regulates and supports services: Water flow maintenance, quality and quantity stabilization, corrosion prevention and control (CPC), flood-prevention, and wind-protection
3. "Mitigation of waste, toxic substances, and other nuisances" that regulates and supports services: Atmospheric and ecosystem dilution, and mitigation of sensory impacts
4. "Maintenance of physical, chemical, and biological conditions" that regulates and supports services: Water quality

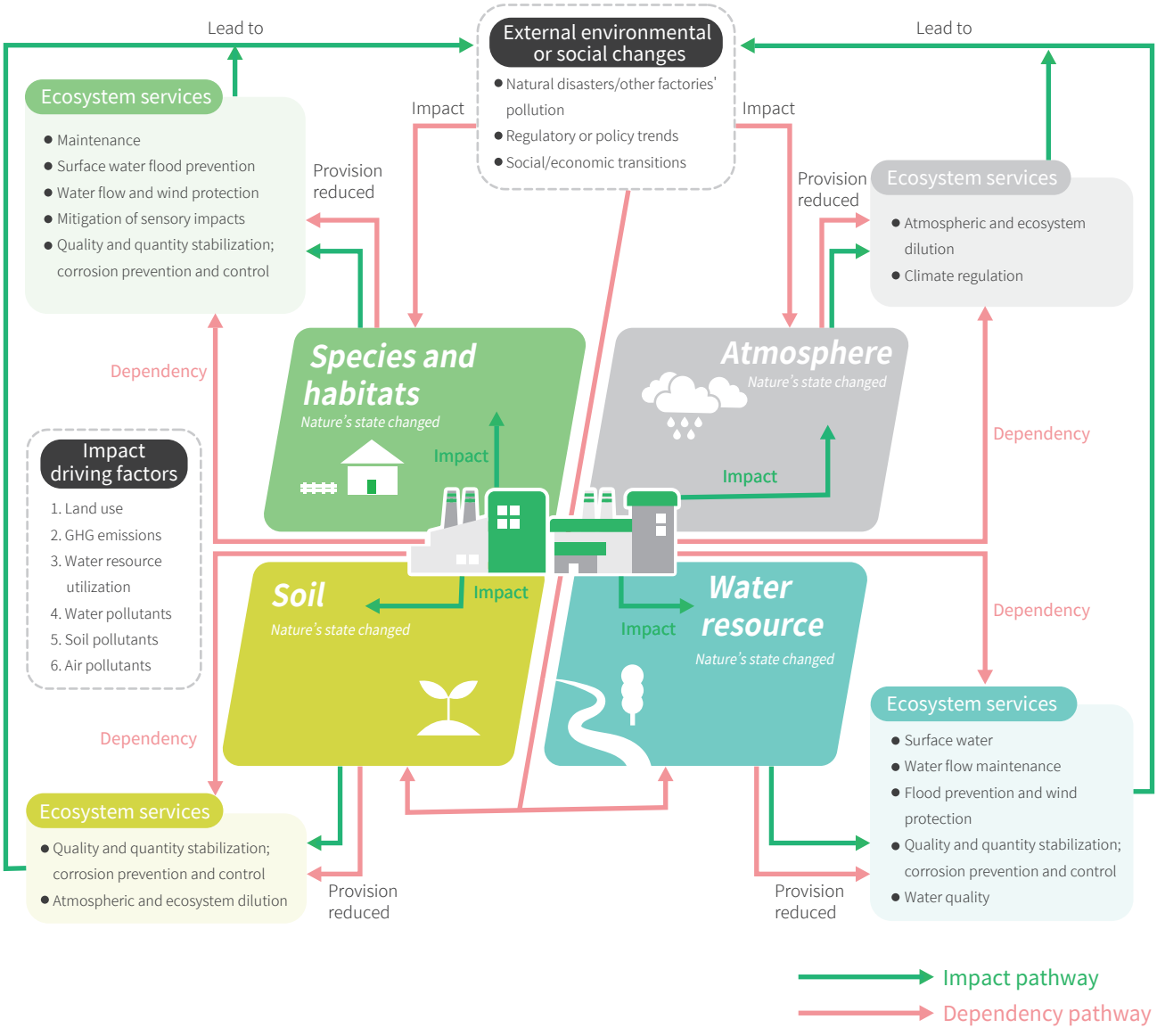
2. Impacts

1. Pollution: Water pollutants, soil pollutants, solid waste, and air pollutants
2. Climate change: Greenhouse gas emissions
3. Resource overconsumption: Water resource utilization

Establishment of Dependency and Impact Pathways for Chicony Power's Operating Activities

In order to understand the correlation of the dependencies and impacts with the Company, Chicony Power established dependency and impact pathways for its factories' operations with reference to the Natural Capital Protocol and the TNFD Implementation Guide. The details are as follows :

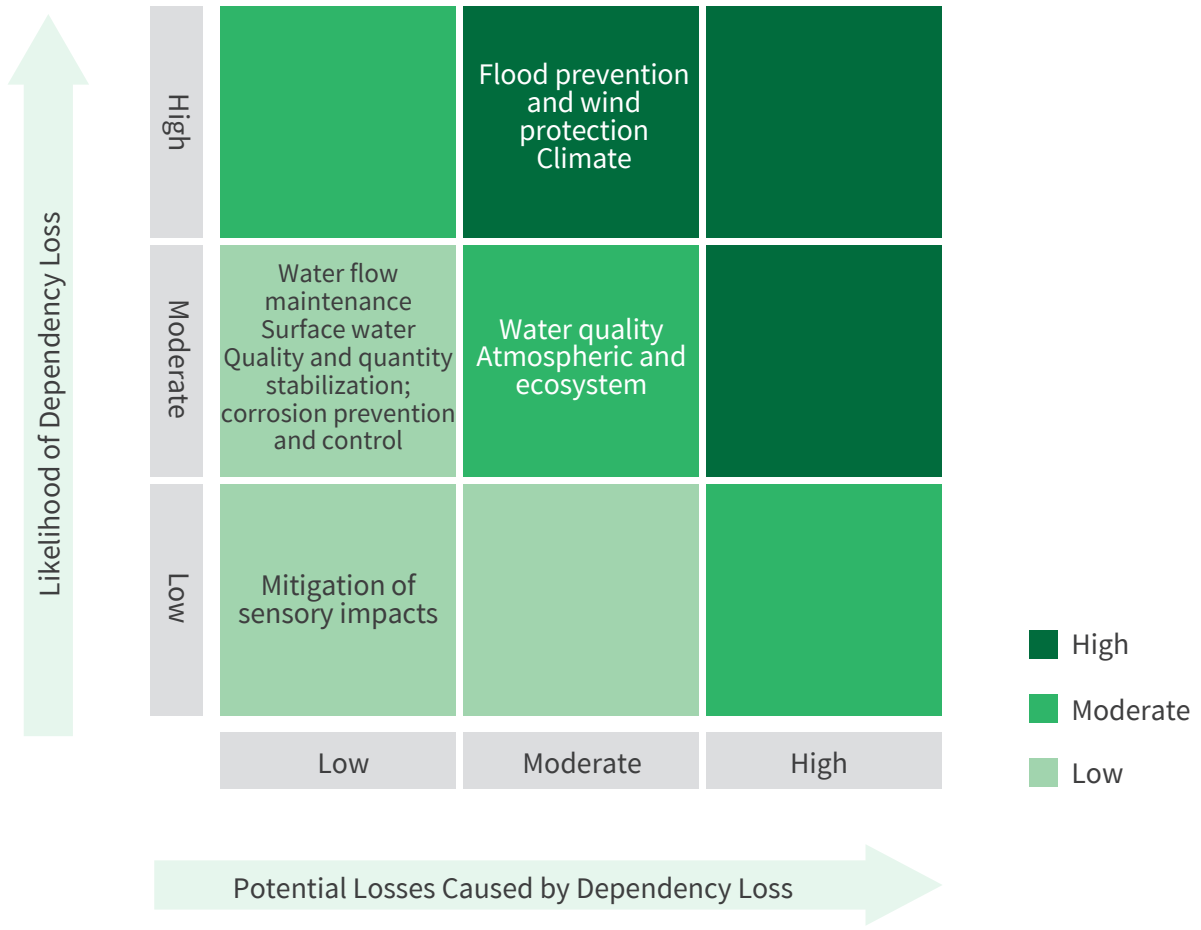
1. Dependency Pathway: Potential external environmental or social changes may impact nature's state, lead to changes in ecosystem services that the Company relies on, and further affect Chicony Power's operating activities.
2. Impact Pathway: The impact driving factors of Chicony Power's operating activities may cause changes to nature's state, lead to reduction or loss of ecosystem services, and further trigger external environmental or social changes.



◦ Dependency and Impact Materiality Analysis

Considering the importance of ecosystem services and the impacts caused by external factors, the Company further evaluated the nature-related risks it faces based on the previously established dependency and impact pathways to see if the risks will result in loss or disruption of ecosystem services, and further cause latent physical and material losses to the Company's operations. For the ecosystem services on which Chicony Power has high dependency, as indicated in evaluation results, monitoring indicators will be established to prevent the loss of relevant ecosystem services and the generation of additional nature-related risks to the Company. Please refer to the Self-operations Material Dependency Matrix for detailed evaluation results.

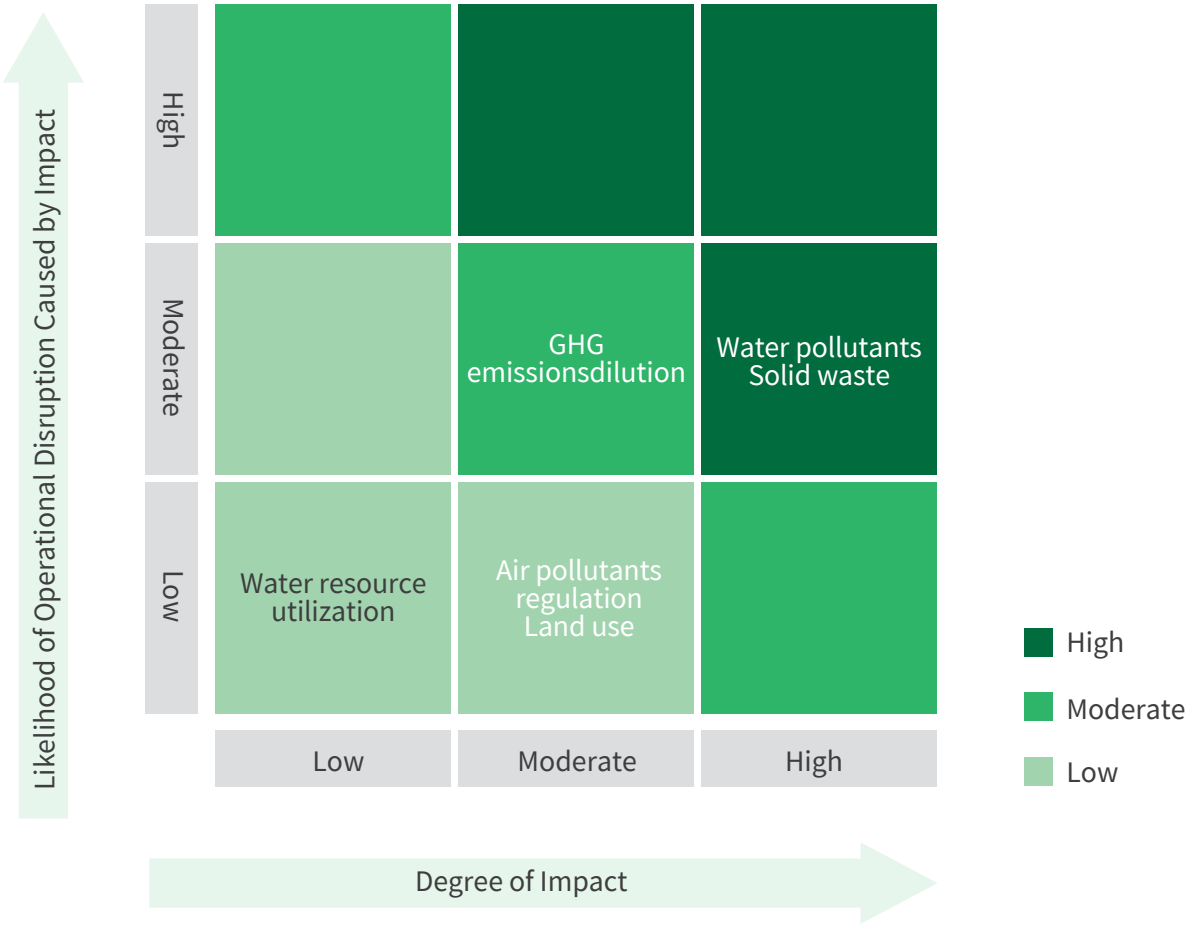
◉ Self-operations Material Dependency Matrix



Evaluation Factor	Concrete Actions
Likelihood of Dependency Loss	Describe whether manufacturing process functionality will suffer any losses in the event that ecosystem services are disrupted, and whether the Company will incorporate the establishment of basic control measures into the scope of evaluation.
Potential Losses Caused by Dependency Loss	Describe the degree of impact in the event that ecosystem services are lost and manufacturing process functionality suffers potential losses. The impact should be evaluated primarily based on financial losses.

By deducing the impact pathway, the Company has predicted that the impact driving factors will lead to ecosystem service reductions, affect society, and further impact the Company's business operations. Therefore, the Company identified material impact driving factors by considering the following evaluation factors together with internal/external stakeholders' perspectives and the information/data identified through the ENCORE system. Chicony Power will formulate indicators and baselines corresponding to the moderate- and high-level impact driving factors, based on which continuous monitoring will be carried out to reduce the impacts on natural capital. Please refer to the Self-operations Material Impact Matrix for the evaluation results.

Self-operations Material Impact Matrix



Evaluation Factor	Concrete Actions
Likelihood of Operational Disruption Caused by Impact	Describe whether the Company's external impact may lead to the disruption of ecosystem services provided by environmental assets.
Degree of Impact	Describe whether the Company's impact may hinder the availability of ecosystem services for external stakeholders.

With respect to land-use-related impact driving factors, the habitat quality model from the InVEST (Integrated Valuation of Ecosystem Services and Tradeoffs) software recommended in the TNFD Implementation Guide was referenced to check for correlations between the Company's operating activities and quality changes in the habitats of critical species in areas where the Company's factories are located. Stakeholders' perspectives were also incorporated into the evaluation. The results of the species and habitat changes evaluation are displayed in the chart below :

	Taipei Headquarters	Thailand Factory
InVEST Model Analysis		
Management Perspective	High-level attention required	Low-level attention required
Stakeholder Perspective	Highly concerned	Moderately concerned

Through a location analysis of our primary operational sites, including the headquarters, Dongguan, Suzhou, Chongqing, and Thailand facilities, we identified that both the Thailand facility and the Taipei headquarters are in proximity to habitats of some key species. The Taipei headquarters, located near Yanya Park, has been assessed using the InVEST model, revealing the presence of species classified as Endangered (EN), Vulnerable (VU), and Near Threatened (NT) according to the IUCN (International Union for Conservation of Nature) Red List. Therefore, this area requires significant attention. However, since the Taipei headquarters is an office space, it does not directly impact these species.

Additionally, from the perspective of external stakeholders, there may be increased focus on biodiversity at these sites by customers within the value chain. We will continue to monitor and pay close attention to biodiversity and habitat changes at the relevant locations.

◦ Subsequent Plan Implementation and Future Outlook

This year, the Company established operational dependency and impact pathways and identified the material ecosystem services and impact driving factors on its operations. Next year, the Company plans to expand the evaluation scope to include the entire value chain. Furthermore, scenario analysis will be adopted to identify nature-related risks and opportunities to complete the identification of material nature-related risks. The identification results will be integrated into the Company's overall risk management systems and procedures to facilitate comprehensive risk management. Meanwhile, the Company will continue to develop collaboration plans to work with value chain partners and stakeholders in factories' surrounding areas to gradually introduce "No Net Loss" and "Net Positive Impact" management strategies.

Chicony
POWER TECHNOLOGY

05

CHAPTER

Happy Workplace and Social Participation





Employees are the backbone of Chicony Power's sustainable operations. The Company values their happiness and growth, and provides competitive remuneration, comprehensive health benefits, and flexible work arrangements to help them feel secure and content. Additionally, the Company attaches great importance to occupational safety and health, and strives to create a safe and healthy work environment for employees. Moreover, through active participation in social welfare activities, Chicony Power promotes social progress and educational care to build a better future for society.

Material Issues	Human rights and employment, talent development and cultivation, occupational health and safety management, and social participation
Commitment /Policy	Employees are the key to a company's sustainable development. With the aim of creating a happy workplace and ensuring occupational health and safety, Chicony Power has established effective mechanisms and procedures to build mutual trust between employees and the Company, benefiting both sides. 1. Human Rights Policy : The policy is aimed at fulfilling corporate social responsibilities and protecting the basic human rights of all employees, suppliers, and business partners. 2. Performance Management Regulations : Effectively improve employees' personal performance and share the Company's business achievements to comprehensively enhance the overall operational performance at the company and organizational levels. 3. Regulations for Education and Training Management : Strengthen employees' job competency and professional knowledge through complete education and training systems, thereby enhancing the Company's overall competitiveness. 4. EHS Policy : Commit to building a safe workplace so every employee can work under safe conditions.
Action Plan	1. Value employees' voices; establish various communication channels so employees can understand the Company's ongoing and real-time status and express their opinions or concerns regarding work and the workplace. 2. Offer competitive salaries and allocate various bonuses/incentives based on the Company's business achievements, departmental work goals, and individual performance so that employees can share in the Company's earnings. Design a complete education and training blueprint; organize education and training based on employees' areas of expertise and job positions to enhance their basic occupational competencies. 3. Continuously improve health and safety performance management ethos in accordance with ISO 45001 Occupational Health and Safety Management Systems standards, the RBA Code of Conduct, and local regulations. Follow PDCA management procedures and promote various measures to effectively prevent accidents. 4. Maintain long-term industry–academia collaboration relationships with National Taipei University of Technology and many well-known professionals and experts, such as Professor Yen-Shin Lai, a famous scholar in the field of electrical and electronic engineering.

2023 Achievements	1. The Administration Department began to organize regular New Employee Communication Meetings in 2023 to help employees further understand the Company's management systems and platforms, while simultaneously allowing the Company to understand if employees are adapting to their new work environment and provide necessary care. These meetings assist the Company in properly addressing employees' concerns about the Company's overall systems and improve employees' ease of adaptation. 2. In response to the #MeToo movement, the Company invited lecturers from the Taiwan Gender Equity Education Association (TGEEA) to conduct a Sexual Harassment Prevention Course Series with the aim of raising employees' and supervisors' understanding and awareness of workplace sexual harassment. 3. Chicony Power's human-rights-related education and training totaled 24,525 hours in 2023. 4. The Incentive Measures for Having and Raising Children were announced in 2013. As of 2023, a total of 86 applicants have benefited, with the total subsidy amount reaching NT$6,134,000. 5. Chicony Power's education and training totaled 169,997 hours in 2023, with a total investment of NT$19,644,894.
Medium and Long-term Targets	1. Create a friendly work environment to foster a sense of belonging and happiness among employees. 2. Continuously increase the education and training hours. 3. Strive to achieve the goals of Zero Work Accidents, Zero Work Safety Incidents, and Zero Accidents.
Responsible Units	Administration Management Division

5.1 Human Rights Protection

5.1.1 Human Rights Policy GRI 2-23 and 406-1

With the aim of fulfilling corporate social responsibility and protecting the basic human rights of all employees, suppliers, and business partners, the Company follows the principles proclaimed in international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the United Nations Global Compact, the International Labour Organization Conventions, and the Electronic Industry Code of Conduct. The Company respects internationally recognized basic human rights, including freedom of association, prohibition of child labor, eradication of all forms of forced labor, elimination of discrimination in hiring and employment, no cruel or inhumane treatment of employees, etc. The details are listed as follows :

Human Rights Policy Framework	Specific Measures
Labor Rights : Protection of labor rights: All labor contracts signed between employees and the Company are formulated in accordance with relevant local laws and regulations.	1. Provide equal employment opportunities in accordance with the Employment Management Measures, regardless of race, gender, religion, color, nationality, age, political affiliation, sexual orientation, pregnancy status, disability status, social background, etc. All employees must complete the signing of labor contracts on the day they start their jobs at the Company. 2. All employment relationship changes are handled in accordance with relevant labor laws.
No Forced Labor : 1. Chicony Power signs written labor contracts in accordance with the law when establishing any employment relationship. These contracts clearly state that the employment relationship is established based on the premise of mutual agreement, and involves no forced labor, human trafficking, or slavery. 2. Chicony Power's supplier partners are also required to eschew all forms of forced labor.	1. Forced overtime is strictly prohibited. When overtime is required for business needs, employees can volunteer for overtime through the online application system. The overtime hours cannot exceed the limits regulated by labor laws. 2. The Company has signed the Declaration of Conflict-free Metal to ensure that its products do not use illegal conflict minerals from the Congo and its neighboring countries and regions. 3. In accordance with the Supplier Management Procedures, all major raw material suppliers shall sign the Declaration of Conflict-free Metal, and they will also be evaluated and audited to confirm if they are involved in any forced labor.
Prohibition of Child Labor : The employment of children under 16 years of age is strictly prohibited by Chicony Power. Young workers over the age of 16 but under the age of 18 are not allowed to engage in work that is potentially dangerous or may involve health hazards, nor are they allowed to work at night or work overtime.	1. The first screening criterion for recruitment is the age requirement. Children under 16 years of age will not be included on the shortlist of candidates. 2. All interviewees are required to fill out a Personnel Information Form prior to the interview, the content of which will be confirmed by interviewing supervisors and HR staff on the day of the interview. 3. The personal data should be double-checked on the day of hiring registration and reviewed before the labor/health insurance application is submitted.
Working Hours : Working hours cannot exceed the maximum permissible by local laws. Unless there is an emergency or an unusual situation, working hours cannot exceed 60 hours per week, and employees must be allowed at least 1 day off every 7 days.	1. Working hour standards are set in accordance with local labor laws to avoid excessive overtime hours that may affect employees' physical and mental health. 2. If working hours must be adjusted, presuming that no laws are violated, the adjustment can be implemented after a consensus is reached through negotiation in labor–management meetings.

Human Rights Policy Framework	Specific Measures
Remuneration and Benefits : Wages paid to employees must comply with relevant wage laws, including regulations on minimum wage, overtime pay, and statutory benefits. Using salary deduction as a punitive disciplinary measure is prohibited.	1. Remuneration standards are set by referencing the overall salary level in the market as well as the Company's financial status and organizational structure. The overall remuneration should be determined based on employees' individual professional competencies, job responsibilities, and work performance, and the achievement status of the Company's operating goals. The starting salary is higher than the basic salary regulated by the government. Employees' expertise and the positions they hold are comprehensively considered when determining their salary levels. 2. Using salary deduction as a punitive disciplinary measure is prohibited.
Humane Treatment : Cruel and inhumane treatment of employees is prohibited, including any form of sexual harassment, sexual abuse, physical punishment, mental or physical oppression, or verbal abuse as well as the threat of any such treatment.	1. Reporting/Complaint-filing Mailbox: The supervisor of the Administration Department is responsible for handling affairs related to the Mailbox. 2. Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties: The Administration Department takes primary responsibility for reviewing and handling relevant cases. Additionally, communication and awareness-promotion between supervisors and employees is conducted to avoid workplace violence. 3. Management Regulations on Prevention Measures, Complaints, and Punishment for Workplace Sexual Harassment: The Administration Department takes primary responsibility for the acceptance, investigation, and review of grievance cases. Additionally, the Company makes efforts to reinforce a gender-friendly work environment and strictly prohibits any form of sexual harassment. Moreover, information about the aggrieved is kept strictly confidential during administrative procedures to protect the rights and interests of employees who file grievances.
Zero Tolerance for Discrimination : Chicony Power prohibits all tangible and intangible forms of discrimination. The Company clearly stipulates that employees' appointment, appraisal, and promotion will not be affected by race, religion, gender beliefs, political affiliation, age, marital status, etc.	1. Salaries for the Company's recruited personnel are determined based on employees' competence, seniority, experience, education level, and other related factors, with no discrimination based on gender, race, etc. 2. Personnel performance appraisals, salary adjustments, promotions, and other related operations are conducted on a yearly basis in accordance with the Performance Management Regulations and the Employee Promotion Management Regulations. Supervisors of various levels determine employees' performance appraisal results based on the employees' work performance, then submit lists of candidates for salary raises and promotions based on the appraisal results, with no discrimination based on gender, race, etc.

The human rights-related education and training hours for 2023 are listed in the table below :

Site	Taipei	Dongguan	Suzhou	Chongqing	Thailand	Total
Hours	176	7,813	8,112	5,272	3,152	24,525

Note : Human rights-related education and training hours increased by 36.18% in 2023 compared with 2022 (the training totaled 18,009 hours in 2022)

Major advocacy topics (including but not limited to the following)



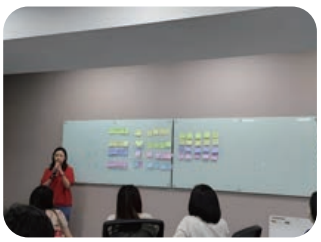
▸ In 2023, there were no internal investigations of facts, reported incidents, or recorded penalties imposed by the competent authority connected to the content of the aforementioned human rights policy framework.

◦ Special Topic — #MeToo Movement - Workplace Sexual Harassment Workshop

In response to the social climate created by the #MeToo movement, in 2023, the Headquarters invited lecturers from the Taiwan Gender Equity Education Association (TGEEA) to conduct a Sexual Harassment Prevention Course Series with the aim of raising employees' and supervisors' understanding and awareness of workplace sexual harassment.

	Course Title	Course Objective	Participants	Hours
Beginner	Here comes the wolf! Are you ready? Overview of Workplace Sexual Harassment	Build employees' concepts of workplace sexual harassment and teach them how to prevent it and protect themselves.	All employees	2 hrs
Advanced	Workplace Challenge for Personnel Managers—Workplace Sexual Harassment	Strengthen supervisors' awareness of gender equality and their ability to deal with related issues; teach them how to avoid becoming perpetrators.	Top managers, Division-level personnel managers	2 hrs
Workshop	Am I handling workplace sexual harassment correctly?	Provide training for incident-handling personnel to upgrade their knowledge and understanding so they are equipped to deal with grievances and handle investigations.	HR, OH&S, ESG, Audit	4 hrs






5.2 Employee Structure and Attraction/Retention GRI 2-7 and GRI 2-8

5.2.1 Employee Diversity Structure and Distribution GRI 405-1

Chicony Power is committed to creating a safe, clean, and happy work environment for employees. The Company treats all employees equally and strives to uphold and respect local labor laws and internationally recognized human rights. The Company also hopes that employees will approach their jobs and work-related personnel with integrity, safeguard the business secrets of the Company and its customers, and provide customers with the highest quality products and services.

As of the end of 2023, the number of employees at Chicony Power had reached 9,021. The majority of employees were aged 50 years and younger, accounting for over 95% of the overall headcount on average. Most managerial personnel were 30 to 50 years old, and all managerial positions were served by local personnel. Due to factors such as industry characteristics and job market conditions, male employees accounted for a relatively high percentage of R&D personnel at the Taipei Headquarters, whereas the gender ratios varied at other factories based on local work patterns and job market conditions.

◉ 2023 Employee Structure

Category	Group	Taipei		Dongguan		Suzhou		Chongqing		Thailand		Total	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Year-end head-count	Male	566	578	1,083	1,041	1,750	2,089	711	768	259	369	4,369	4,845
	Female	211	220	1,047	993	1,293	1,038	1,033	1,054	622	871	4,206	4,176
	Total	777	798	2,130	2,034	3,043	3,127	1,744	1,822	881	1,240	8,575	9,021
Em-ploy-ment type	Non-fixed term contract personnel (Permanent employees)	777	798	2,130	2,034	231	248	1,744	1,822	602	875	5,484	5,777
	Fixed term contract personnel (Temporary employees)	0	0	0	0	0	0	0	0	0	0	0	0
	Casual employees (Case-based employees)	0	0	0	0	0	0	0	0	279	365	279	365
	Full-time employees	0	0	0	0	2,812	2,879	0	0	0	0	2,812	2,879
	Part-time employees	0	0	0	0	0	0	0	0	0	0	0	0
Nation-ality	Local nationals	774	796	2,130	2,034	3,043	3,127	1,744	1,822	861	1,185	8,552	8,964
	Non-local-nationals	3	2	0	0	0	0	0	0	20	55	23	57
Work loca-tion	Taiwan	695	726	0	0	0	0	0	0	0	0	695	726
	China	65	53	2,130	2,034	3,038	3,124	1,744	1,822	0	0	6,977	7,033
	Thailand	13	15	0	0	5	3	0	0	881	1,240	899	1,258
	Asia Pacific	2	1	0	0	0	0	0	0	0	0	2	1
	Europe/America	2	3	0	0	0	0	0	0	0	0	2	3
Disabil-ity	Male	8	8	0	0	0	0	0	0	4	8	12	16
	Female	0	1	0	0	0	0	0	0	7	2	7	3
Rank	Managerial (deputy manager or higher)	185	186	14	16	47	49	1	2	36	52	283	305
	Non-managerial	592	612	2,116	2,018	2,996	3,078	1,743	1,820	845	1,188	8,292	8,716
Posi-tion type	R&D	434	443	28	24	82	86	0	0	0	0	544	553
	Others	343	355	2,102	2,010	2,961	3,041	1,744	1,822	881	1,240	8,031	8,468

Category	Group	Taipei		Dongguan		Suzhou		Chongqing		Thailand		Total	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Age	<30	106	105	486	453	1,752	1,735	804	854	495	475	3,643	3,622
	30–50	547	562	1,447	1,378	1,223	1,308	922	955	376	750	4,515	4,953
	>50	124	131	197	203	68	84	18	13	10	15	417	446
Education level	Ph.D.	5	4	0	0	0	0	0	0	0	0	5	4
	Master	352	351	0	0	15	13	0	0	2	3	369	367
	Bachelor	412	437	331	335	109	115	29	38	279	239	1,160	1,164
	High school (or below)	8	6	1,799	1,699	2,919	2,999	1,715	1,784	600	998	7,041	7,486

* Corrections of 2022 information :

1. Taipei Headquarters' headcount includes expatriate personnel at overseas locations (last year's data did not include such personnel).
2. Taipei Headquarters' R&D personnel headcount covers personnel from all R&D units (last year's data only disclosed some units).
3. Factories' R&D personnel statistics only cover R&D personnel (last year's statistics covered personnel from R&D, engineering, manufacturing, and QA technology units).

◉ Percentage of Female Employees in 2023

Category	Female Headcount		Female Percentage	
	2022	2023	2022	2023
Employees	4,157	4,176	48%	46%
Overall Management	174	196	30%	31%
Junior Management	99	116	34%	36%
Middle Management	74	80	29%	29%
Top Management	1	0	4%	0%
Business Unit Supervisor	54	53	47%	45%
R&D Personnel	96	103	18%	19%

Note :
Junior management: Supervisors
Middle management: Deputy managers to supervisory personnel with a rank below assistant general manager
Top management: Supervisory personnel with a rank of assistant general manager or higher

◉ Percentage by Region in 2023

Region	2022		2023	
	Number	Percentage	Number	Percentage
Taiwan	774	9.03%	796	8.82%
China	6,918	80.68%	6,983	77.41%
Thailand	861	10.04%	1,185	13.14%
Southeast Asia (excluding Thailand)	21	0.24%	56	0.62%
Central America	1	0.01%	1	0.01%
Total	8,575	100%	9,021	100%

The non-employee workers and other non-employed workers who perform operations at Chicony Power's Taipei Headquarters are mainly contractors who have established a contractual relationship with the Company. Chicony Power does not directly engage any dispatched labor. The total number of personnel who entered the Company to perform operations in 2023 was 246, and the monthly average was 20.5.

◉ The 2023 monthly statistics are as follows :

Month	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Number of personnel	37	24	32	23	22	4	17	29	27	7	25	9

◎ 5.2.2 Personnel Recruitment GRI 401-1

Chicony Power recruits excellent talent from different places through various channels based on the Company's operational strategies and employees' career development plans. These include industry–academia collaboration training programs with colleges and universities and employment promotion programs launched by the government. As the COVID-19 pandemic gradually subsided in 2023, employee turnover also stabilized.

◉ Chicony Power's Recruitment, Job Adjustment, Resignation, and Unpaid Leave Mechanisms

Recruitment mechanism

1. Recruitment is implemented in accordance with the Company's Regulations on Employee Recruitment and Appointment.
2. The recruitment mechanisms are applicable to employees of the Headquarters and expatriate employees at overseas factories and overseas branches. The Human Resources Department determines manpower needs and formulates annual human resources plans. Job vacancy information is released through diversified recruitment channels.
3. Recruitment and review are implemented in accordance with local regulations and various units' needs.

Job adjustment (transfer) mechanism

1. Job transfers can be proposed by unit supervisors and the Human Resources Department. The supervisor must consult the employee and obtain their consent before proceeding with the transfer.
2. After obtaining the employee's consent, the Human Resources Department completes the Application Form for Change in Position Designation, which must be signed and confirmed by the supervisor of the employee's original unit as well as the supervisor of the employee's new unit.

Resignation and unpaid leave mechanism

1. Notice of resignation or unpaid-leave suspension must be given within the announcement period required by local laws and regulations.
2. The Human Resources Department assists in conducting exit interviews to understand the reasons for resignation and assess the possibility of retention.
3. Substitutes are installed for all positions in response to employee turnover to ensure that the Company's operations are not affected by personnel resignation or unpaid leave.

2023 New Employees Statistics

Category	Group	Taipei	Dongguan	Suzhou	Chongqing	Thailand	Total
Total number of new employees	Male	61	1,888	418	740	219	3,326
	Female	27	878	225	589	339	2,058
	Total	88	2,766	643	1,329	558	5,384
Nationality	Local nationals	88	2,766	643	1,329	558	5,384
	Non-local-nationals	0	0	0	0	0	0
Disability	Male	0	0	0	0	0	0
	Female	0	0	0	0	0	0
Rank	Managerial	18	3	15	0	0	36
	Non-managerial	70	2,763	628	1,329	0	4,790
Position type	R&D	7	2	36	0	0	45
	Others	81	2,764	607	1,329	558	5,339
Age	<30	32	1,242	502	1,025	179	2,980
	30–50	48	1,500	139	304	379	2,370
	>50	8	24	2	0	0	34
Education level	Ph.D.	0	0	0	0	0	0
	Master	33	0	0	0	0	33
	Bachelor	55	8	41	15	27	146
	High school (or below)	0	2,758	602	1,314	531	5,205

◉ 2022 & 2023 Turnover Rate Statistics

The 2023 employee turnover rate was 56%, a 39% decrease from the 2022 turnover rate of 95%.

Category	Group	Taipei		Dongguan		Suzhou		Chongqing		Thailand		Total	
		2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Turnover headcount	Male	69	59	2,976	1,930	331	382	1,227	716	159	129	4,762	3,216
	Female	23	14	2,124	932	235	177	887	565	109	135	3,378	1,823
	Total	92	73	5,100	2,862	566	559	2,114	1,281	268	264	8,140	5,039
Turnover rate	All employees	11.8%	9.1%	239%	141%	18.6%	17.9%	121.2%	70.3%	30.4%	21.3%	95%	56%
Nationality	Local nationals	92	73	5,100	2,862	566	559	2,114	1,281	268	264	8,140	5,039
	Non-local-nationals	2	1	0	0	0	0	0	0	0	0	2	1
Disability	Male	0	0	0	0	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0	0	0	0	0
Rank	Managerial	18	16	0	0	3	5	0	0	10	13	31	34
	Non-managerial	74	57	5,100	2,862	563	554	2,114	1,281	258	251	8,109	5,005
Position type	R&D	52	43	6	6	29	32	0	0	0	0	87	81
	Others	40	30	5,094	2,856	537	527	2,114	1,281	268	264	8,053	4,958
Age	<30	13	12	1,848	1,215	383	446	1,736	974	75	45	4,055	2,692
	30–50	61	48	3,012	1,575	182	112	378	293	193	219	3,826	2,247
	>50	18	13	240	72	1	1	0	14	0	0	259	100
Education level	Ph.D.	0	1	0	0	0	0	0	0	0	0	0	1
	Master	43	40	0	0	0	1	0	0	0	0	43	41
	Bachelor	48	31	9	9	45	35	10	11	15	10	127	96
	High school (or below)	1	1	5,091	2,853	521	523	2,104	1,270	253	254	7,970	4,901

Note :
1. The turnover headcount refers to the number of formal employees who left the Company.
2. Turnover rate = Turnover headcount ÷ Year-end headcount

◎ 5.2.3 Unpaid Parental Leave GRI 401-3

Chicony Power provides substantive care and assistance, including unpaid leave arrangements and relevant benefits/subsidies, etc. to support employees who need to take care of their children. The retention rate after unpaid parental leave in 2023 was 100%. Chicony Power has provided comprehensive care mechanisms for employees to look after their children and take care of their families while keeping their jobs, thereby encouraging employees to continue working for the Company.

◉ Chicony Power Employee Unpaid Parental Leave Statistics

Year	2021			2022			2023		
Gender	M	F	Total	M	F	Total	M	F	Total
Number of employees entitled to unpaid parental leave	26	7	33	57	18	75	56	16	72
Number of employees who applied for unpaid parental leave	3	2	5	0	5	5	0	3	3
Number of employees expected to return to work (A)	1	2	3	0	3	3	0	3	3
Number of employees who returned to work (B)	1	2	3	0	1	1	0	2	2
Return rate (B/A)	100%	100%	100%	0	33%	33%	0	67%	67%
Number of employees who returned to work in the previous year (C)	0	5	5	2	2	4	0	2	2
Number of employees who returned to work and have remained employed for at least 1 year (D)	0	2	2	1	1	2	0	2	2
Retention rate (D/C)	0	40%	40%	50%	50%	50%	0	100%	100%

Note :

1. The Unpaid Parental Leave statistics shown in this report only present data gathered from the Taipei Headquarters.
2. Number of employees entitled to unpaid parental leave: the total number of employees who are entitled to unpaid parental leave in the year.

5.3 Employee Benefits and Remuneration

5.3.1 Employee Remuneration and Benefits Measures

Chicony Power's employee remuneration standards are set by the Human Resources Department by referencing the overall salary level in the market as well as the Company's financial status and organizational structure. The overall remuneration is determined based on employees' individual professional competencies, job responsibilities, and work performance, and the achievement status of the Company's operating goals. In accordance with the Company's human rights policy, the determination of new employees' salaries is not affected by the employees' gender, race, political affiliation, ideology, religious beliefs, sexual orientation, or marital status. The starting salary is higher than the basic salary regulated by the government. Employees' expertise and the positions they hold are comprehensively considered when determining their salary levels.

Average and Median Remuneration of Non-managerial Employees

Unit : NT$1,000

Year	2020	2021	2022	2023
Average annual remuneration	1,488	1,616	1,771	1,830
Median annual remuneration	1,297	1,352	1,537	1,626
Number of non-managerial full-time employees	764人	768人	716人	742人

Note：

1. The statistical scope is submitted in accordance with the regulations of the Taiwan Stock Exchange. In this context, non-managerial positions refer to employees excluding managerial personnel (assistant manager level and above).
2. The disclosure scope is limited to the headquarters.

2023 Total Compensation Ratio

Total Compensation of the Highest-paid Individual in 2023 : Median of Total Compensation for all Other Employees	29.0
Percentage of Increase in Total Compensation of the Highest-paid Individual : Median Percentage of Increase in Total Compensation for all Other Employees	0.72

Note：

1. The annual total compensation change ratio is calculated as follows:
   Percentage Increase in Annual Total Compensation of the Highest-Paid Individual ÷ Median Percentage Increase in Annual
   Total Compensation of All Employees (excluding the highest-paid individual).
2. The disclosure scope is limited to the headquarters.

Salary Ratio by Gender

	2023
Deputy manager and above (Female : Male)	0.97:1
Other employees (Female : Male)	0.85:1

Note：

1. The ratios are obtained by comparing the basic salary of female employees with the basic salary of male employees of the same rank, excluding other bonuses or incentives.
2. Deputy Manager and above: ranging from Deputy Manager to Director.
3. In terms of other employees' gender ratio, due to the industry's characteristics, most R&D personnel are male, hence the larger gap between female employees and male employees.
4. The disclosure scope is limited to the headquarters.

Salary Comparison to Market Level

	2023
Male Entry-level Salary over Minimum Wage	1.27
Female Entry-level Salary over Minimum Wage	1.30

Note：

1. Data source of market-level wage: the basic minimum wage announced by the Directorate General of Budget, Accounting and Statistics
2. Entry-level personnel: rank 5 and lower, including operators, senior operators, and junior officers.
3. The disclosure scope is limited to the headquarters.

Moreover, to ensure employees' quality of life, Chicony Power offers a salary level exceeding that of industry peers as compensation for employees' hard work. Salaries are adjusted on an annual basis by referencing the prevailing market levels. The Company also rewards outstanding employees through a performance bonus system. Furthermore, with the aim of promoting increased birth rates, the Company also offers childbirth incentives. Relevant details are listed in the table below :

Stock bonus	Allow employees who contribute to the Company's operational performance to share in the Company's business achievements.
Annual salary raise	Annual salary adjustments are conducted based on the Company's business achievements and the prevailing salary levels in the market.
Performance bonus	Performance bonuses for the three major holidays are distributed based on the company's operations and employee performance.
Various allowances	Lunch subsidies, parking subsidies, gym membership subsidies, etc.
Childbirth incentives	Childbirth incentives are offered to encourage employees to have children. A financial incentive of NT$66,000 is offered for the second child; a financial incentive of NT$88,000 is offered for the third child; and a financial incentive of NT$128,000 is offered for the fourth child (or any child born after the fourth). The original tenure requirement for the incentive application was 1 years or longer.

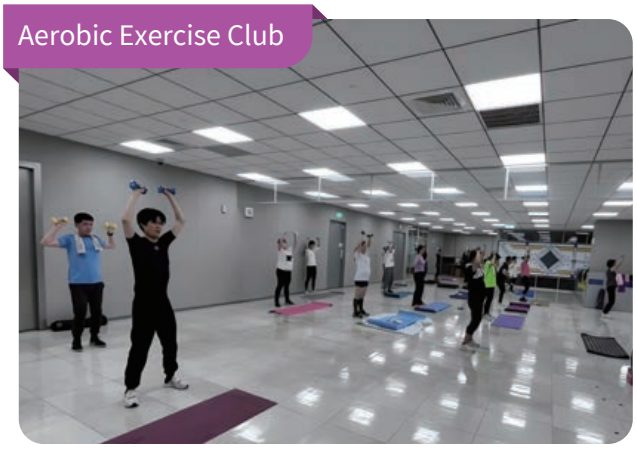
With the aim of taking care of employees, reinforcing corporate cohesion, and maintaining harmonious labor–management relations, Chicony Power has established the Employee Welfare Committee to be responsible for the planning and implementation of various benefits programs and the continuous promotion of employee benefits measures through a complete benefits system and various employee activities. The benefits are listed in the table below :

Employee insurance	In addition to Labor/Health Insurance, the Company also provides Group Insurance, the premium for which is paid by the Company.
Diverse allowances	• Lunch • Parking space • Gym • Travel • Marriage • Funeral • Childbirth
Employee assistance programs	• Hospitalization subsidies • Emergency allowances • Scholarships and education subsidies
Festival vouchers	E-vouchers are offered based on each year's budget (Labor Day, Chinese New Year, Dragon Boat Festival, Mid-autumn Festival, and birthday)
Employee activities	• Diverse club activities • Large-scale fun competitions • Yearly travel benefits • Soft skills courses • Grand year-end banquet

Diverse club activities

The Company has established a diverse range of internal clubs, including the Aerobic Exercise Club, Bowling Club, Board Game Club, E-sports Club, LOHAS Club, and Basketball Club. These clubs offer a variety of leisure and recreation options, allowing employees to enjoy mental and physical relaxation and cultivate hobbies amidst their busy work schedule while also encouraging communication and collaboration among different teams of the Company. Through club activity participation, employees can build closer social relationships with others, and work efficiency and morale can be enhanced to achieve a healthier and richer work–life balance.

Aerobic Exercise Club



▲ promote health and increase energy through aerobic exercise.



Bowling Club



▲ improve bowling skills and enjoy time of leisure and entertainment.

Board Game Club



▲ develop strategic thinking and encourage teamwork through board games.



Basketball Club



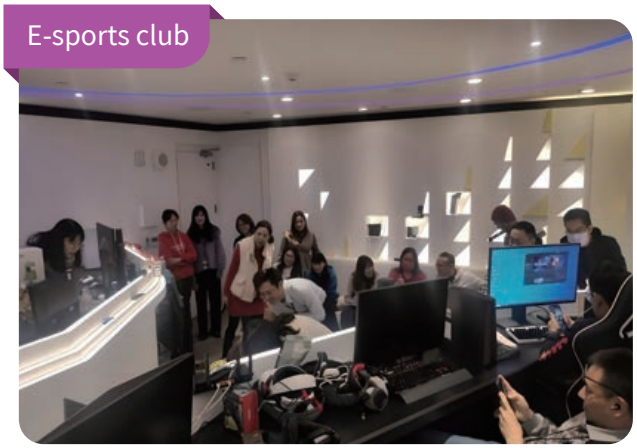
▲ break a sweat and enjoy the enthusiasm of the basketball court.

LOHAS club



▲ take large strides; enjoy healthy strength and the fun of long-distance running.

E-sports club



▲ demonstrate gaming skills and enjoy fun competition together.

◎ 5.3.2 Employee Communication and Care and Complaint Mechanisms GRI 2-25 and GRI 2-30

Chicony Power has always emphasized employee benefits and maintained a harmonious labor–management relationship. In addition to complying with the requirements stipulated in the Labor Standards Act and other relevant laws, the Company also provide employees with benefits exceeding regulatory standards. Chicony Power prioritizes the establishment of good mechanisms for employee communication and complaints, which encourage employees to actively express their opinions and concerns. Multiple channels have been established for employees to comfortably share ideas and solve problems. The combination of regular meetings, feedback channels, and open discussions ensures that employees' voices are heard and valued. Furthermore, anonymous complaint mechanisms have been established to protect employee privacy and security and ensure that employees can confidently raise concerns or complaints. These efforts help promote a good workplace atmosphere and build a culture of trust and respect, making all employees feel valued and supported.



◦ Labor union

Labor unions have been established at Chicony Power's Dongguan Factory, Suzhou Factory, and Chongqing Factory, but no collective bargaining agreement has been signed. Although the Company has not signed any collective bargaining agreement with the unions, various communication channels have been adopted for the unions to fully express their opinions, thereby maintaining a harmonious labor–management relationship and improving employees' welfare.

◉ Detailed operations of various bases are listed in the table below :

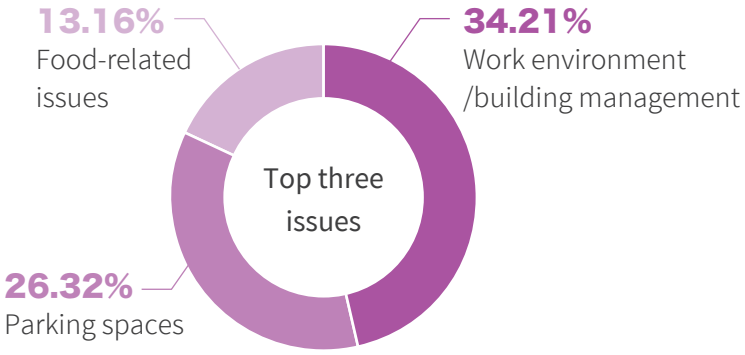
Taipei Headquarters	Dongguan Factory	Suzhou Factory	Chongqing Factory	Thailand Factory
No labor union has been established. Communication is carried out through labor–management meetings and the Employee Welfare Committee.	Unions have been established			Communication is carried out through the Employee Welfare

Note：

Committee representatives are elected in accordance with the Regulations on the Fundamental Organizational Election Affairs of Labor Unions of the People's Republic of China to facilitate communication through regularly convened internal meetings.

◦ Special Topic — Employee Communication Meetings

The Company holds regular employee communication meetings to facilitate internal communication and strengthen team spirit. These meetings provide an open platform for employees to share opinions and discuss the challenges and opportunities encountered at work. Such communication meetings let employees know that their voices are valued and respected, and help them to better comprehend the Company's goals and strategies.



- Number of summarized feedback cases : 38
- Number of closed cases : 36

Note：
the other two cases were issues for open discussion









Complaint/Grievance Mechanisms

Chicony Power has formulated the Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties and the Management Regulations on Prevention Measures, Complaints, and Punishment for Workplace Sexual Harassment to protect all employees from any physical or mental harassment and discrimination at work and prevent physical and mental illnesses. The Company has firmly demonstrated its Zero Tolerance policy toward workplace wrongful harm: the Company will never tolerate any bullying imposed on employees by managerial personnel in the workplace, nor will it tolerate any workplace violence among employees, or violence posed to employees by visitors, customers, or strangers in the workplace.

The Company ensures the confidentiality of complainants' identities and provides required health guidance, work adjustments, or other compensation measures. Any acts of retaliation against complainants, reporting persons, or personnel who assist in investigations are absolutely prohibited. Stern punitive measures will be taken for any violations.

1. The Company has formulated the Regulations on the Implementation of Reporting and Complaint-filing and provides channels for reporting and complaint-filing
2. Report submissions will be processed by the supervisor of the Administration Department. The reporting personnel's personal information and the report content will be kept strictly confidential.
3. If any Company personnel are found or reported to be involved in any unethical conduct, an investigation team will be formed to investigate related violations.
4. The reporting personnel's personal information and the report content will be kept confidential, and the reporting personnel will be protected from retaliatory treatment due to the report.

Complaint Hotline: 02-66260678 #57100

Complaint-filing E-mail Address: Hotline@chiconypower.com

5.4 Talent Cultivation and Training

5.4.1 Cultivating and Developing Diversified Talent GRI 404-1

Chicony Power is committed to cultivating talent and supporting personnel career development to achieve its business goals and sustainable development. The Company's education and training system provides diversified courses covering six dimensions: New Employee Training, Leadership and Management, General Competency, Professional Skills, On-the-job Training, and Self-inspiration. Moreover, the Company engages in industry–academia collaboration to cultivate diversified talent and provide extensive career development opportunities.

Education and Training System

New Employee Training
- Company introduction
- Overview of the personnel system
- Overview of Company's benefits and environment
- Introduction to the information system
- Fire safety and fire fighting training

Leadership and Management
- Top management
- Middle management (advanced-level)
- Middle management (junior-level)
- Junior management

General Competency
- Sales and marketing
- Project management R&D
- Procurement management
- Human resources

Professional Skills
- Power supply units
- LED
- Smart buildings

On-the-job Training
- Mentor System
- Job rotation

Self-inspiration
- On-the-job training
- Foreign language learning
- Life enriching lectures
- Magazines and journals

The Leadership and Management training focuses on talent cultivation and employee career development planning. It provides on-the-job training for managerial personnel of all levels to reinforce their leadership and management mindset so they can lead their teams to achieve the Company's goals. To enhance employees' competitiveness, the Company provides training courses related to professional skills and general competencies and organizes yearly technical seminars based on the organization's operational development needs.

◉ Leadership and Management Courses

	Skills cultivated
Top management	Decision-making and adaptability
Middle management (advanced-level)	Leadership, analytical skills, decisiveness, and creativity
Middle management (junior-level)	Team management, interpersonal communication, talent-recognition, cultivation, leadership, and planning skills
Junior management	Problem-solving, improvement, guidance, and expression skills

◉ General Competency Courses

	Skills cultivated
Sales and marketing	Interpersonal communication, customer service, negotiation skills, and global perspectives
Project management	Interpersonal communication, project control and management, and analytical skills
R&D	Creative thinking, technical writing, and project management
Procurement management	Interpersonal communication, negotiation skills, and global perspectives
Human resources	Interpersonal communication, employee relationships, and profession-related laws and regulations

◉ 2022 & 2023 Summarized Education and Training Statistics for all Operation Bases :

(Unit : hours)

Operational Areas			Taiwan headquarters		Dongguan factory		Suzhou factory		Chongqing factory		Thailand factory		Total Training Hours
Gender			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	
Average Training Hours for Management Positions		2022	7.87	5.91	3.30	3.00	19.90	22.50	16.00	8.00	18.35	1.25	
		2023	9.91	8.87	3.00	2.80	119.48	117.46	5.27	4.00	22.60	5.82	
Average Training Hours for Dedicated Personnel		2022	9.67	5.54	12.30	12.00	21.00	15.50	16.00	18.00	15.00	16.50	
		2023	11.00	6.03	8.30	7.50	16.92	13.33	11.62	11.20	14.60	15.30	
Average Training Hours for General Staff	All	2022	12.48	6.37	16.38	16.00	65.90	47.30	17.00	27.00	8.64	9.68	-
		2023	9.15	6.20	14.69	14.00	58.79	56.44	19.25	17.20	9.80	8.10	
	Technical Engineering	2022	13.04	8.20	18.94	18.50	82.40	48.20	19.00	33.00	10.23	9.92	
		2023	8.92	6.40	16.60	15.30	64.64	64.81	19.85	17.67	12.70	10.30	
	General Administration	2022	8.57	5.35	2.67	2.65	11.00	6.70	12.00	10.00	6.90	5.61	
		2023	11.15	6.09	6.20	5.60	26.32	13.24	8.88	8.57	7.10	5.80	
Total Training Hours in 2022			6,834		40,680		78,208		27,517		13,599		166,838
Total Training Hours in 2023			6,213		29,372		77,543		37,590		19,279		169,997

Note :

1. The term “managerial position” refers to a rank of deputy manager or higher at the Taipei Headquarters, and a rank of deputy section supervisor or higher at the factories.
2. Technical and engineering: personnel of R&D, engineering, manufacturing, and QA technology units.
3. General administration: personnel of business, finance, administration, information technology, legal affairs, customs affairs, and PMC units.
4. Training for dedicated personnel includes courses related to professional skills or regulatory requirements. (EX: accounting personnel, auditing personnel, EHS personnel, first-aid personnel, ISO seed personnel, and other personnel with professional certificates)

Talent is the cornerstone of a company's success. Chicony Power believes that only when employees fully utilize their professional strengths can the Company gain a foothold as a global leader in green technology and make valuable contributions to the world. This is why Chicony Power always emphasizes education and training in its corporate operations. Furthermore, because managers play an important role in education, training, and talent cultivation, Chicony Power has made great efforts to help managers cultivate and develop their management competencies, thereby strengthening management thinking and leadership so they can lead their teams to achieve the operating and strategic goals entrusted by the Company. Chicony Power has collaborated with professional advisors to obtain learning resources, and the Company actively invites middle and top managers to impart their knowledge and experience.

◦ Special Topic — Workshop for Dedicated ESG Personnel

With the aim of comprehensively promoting the Company's ESG sustainable development strategies, the Company organized relevant workshops for ESG personnel from the Headquarters and all factories in 2023. The workshops focused on SDGs, ESG promotion and training, the promotion of energy saving and carbon reduction projects, the Company's sustainability strategies, and other related issues, with an aim to enhance participants' awareness of the Company's sustainability management and improve their implementation capabilities. By sharing case studies and facilitating interactive discussions, the workshops promoted knowledge exchange and experience sharing, and helped dedicated personnel gain deeper ESG-related insight and inspiration.







Special Topic: TCFD and TNFD Education and Training

Chicony Power actively promoted TCFD (Task Force on Climate-related Financial Disclosures) and TNFD (Taskforce on Nature-related Financial Disclosures) projects in 2023 to respond to the impacts of climate change and nature-related risks on the Company's operations. Employees actively supported the projects, participating through a combination of offline and online platforms. The TCFD project aimed to disclose the climate-related risks and opportunities faced by Chicony Power to improve information transparency and the Company's ability to cope with such risks. The TNFD project emphasized the degeneration of natural ecosystems and their impacts, including an assessment of value chain risks. These efforts aided Chicony Power in comprehensively assessing climate- and nature-related risks and opportunities and consolidating the Company's internal consensus and actions.









Special Topic — Diversified Soft Skills Courses

The Company launched a variety of soft skills courses in 2023 to enhance employees' individual capabilities and occupational competencies.

Industry trends courses help employees understand the latest developments in the field; conflict management courses promote teamwork and effective communication; etiquette training emphasizes workplace manners; image aesthetics courses boost external confidence; wine tasting seminars introduce employees to wine appreciation techniques and culture; and health and wellness guidance encourages a healthy lifestyle. These courses not only enhance employees' professional skills and personal charm but also contribute to building a strong corporate culture and improving team cohesion.

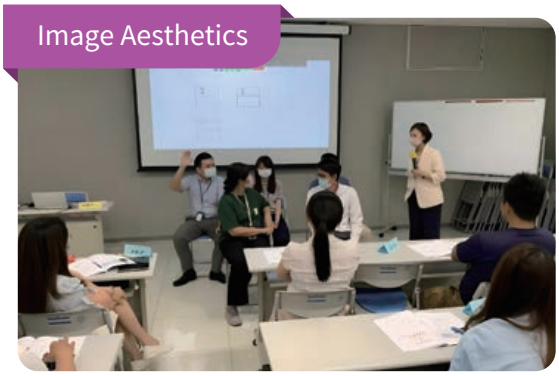
Industry Trends



Conflict Management



Image Aesthetics



Protocol and Etiquette



Wine-tasting Workshop

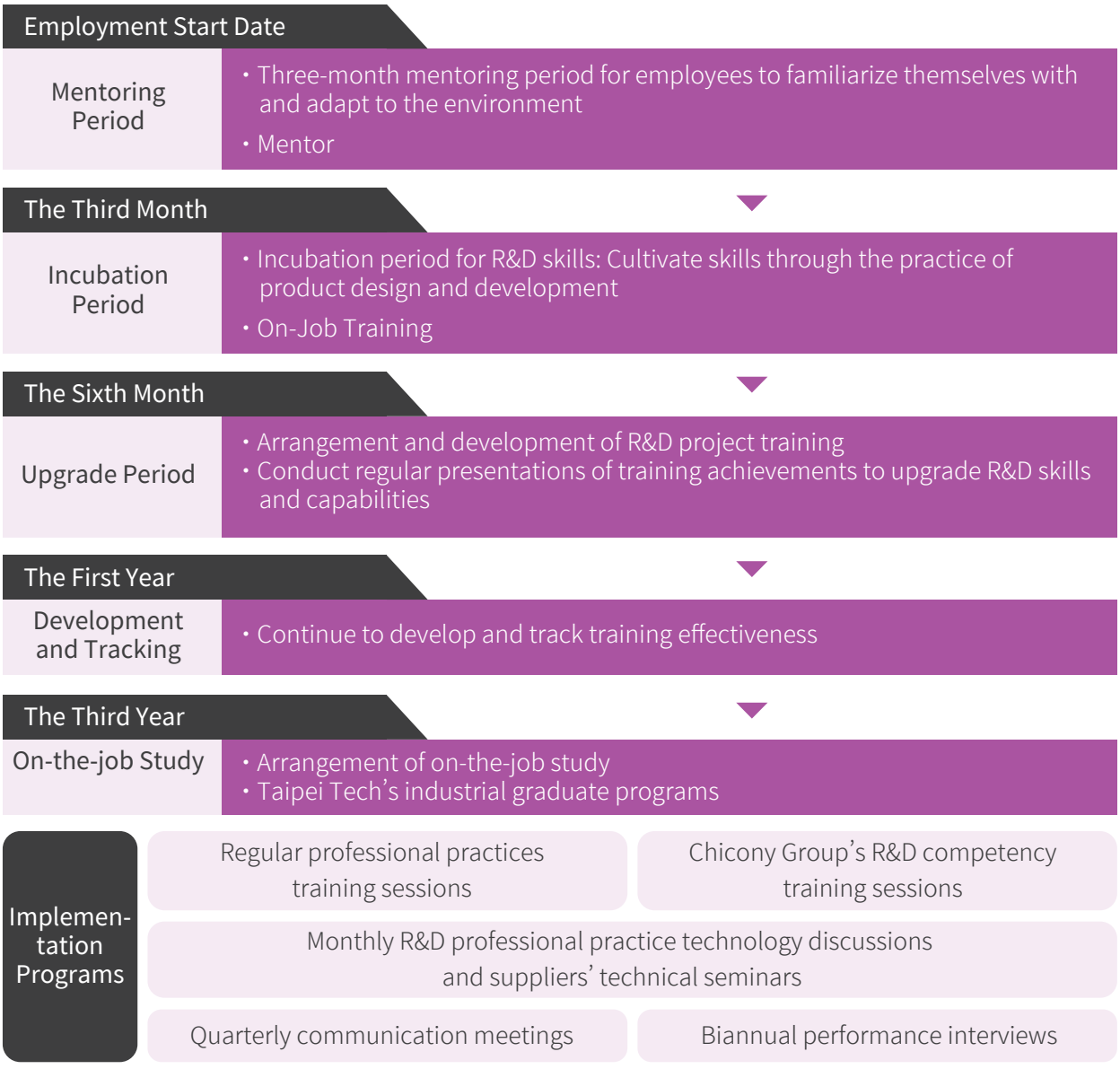


Health Workshop



Special Topic — Deep-cultivation Training and Development Plan for R&D Personnel

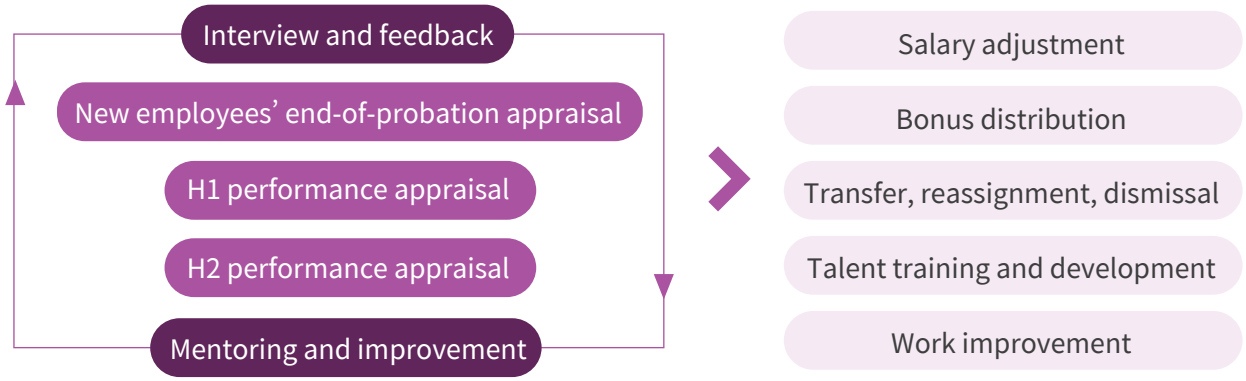
The Company initiated the Deep-cultivation Training and Development Plan for R&D Personnel in 2020 to align with the R&D Department's recruitment of fresh university graduates. The training includes a series of courses, such as Power Supply Unit Design Practices, Design Verification Practices, Safety Certification, and Patent Practices. These courses are delivered by the Company's senior R&D personnel to help junior R&D personnel accelerate and deepen their technical competencies. In 2023, the Company compiled several training courses from recent years into videos, which have been designated as required training courses for R&D personnel. These training videos allow personnel to schedule their learning flexibly and proceed at their own pace.



◎ 5.4.2 Performance Appraisal System GRI 404-3

◦ Employees' Personal Performance and Development

Chicony Power has formulated a comprehensive and objective performance appraisal system to effectively evaluate employees' performance. Team leaders regularly evaluate their subordinates and give feedback on actual work achievements. In addition to praising excellent employees to increase staff morale, employees who demonstrate high potential are also identified so that job-fitness planning can be conducted, which helps employees to progress and enhances the organization's efficiency. To encourage continuous improvement by employees, annual performance appraisal results are used as the main basis for salary adjustment, bonus distribution, transfer, reassignment, appointment, talent training and development, and work improvement.



Employee Appraisal Framework	Timing of Appraisal	Contents
End-of-probation appraisal	3 months after the job is taken	• When new employees start their jobs at the Company, the Company arranges mentors to assist them in adapting to the work environment and carrying out their designated tasks. • After an employee has been at the Company for 3 months, an appraisal is conducted to evaluate the employee's ability, attitude, and moral quality. The supervisor also interviews the employee to understand if they are having problems adapting to the work environment, etc., and provides assistance and feedback in a timely manner.
Interim performance appraisal	July	• The appraisal examines three major dimensions based on employees' job categories and organizational duties, namely common core items, management competency, and professional competency. • Employee self-evaluations, supervisor reviews, and performance interviews are conducted to improve employees' personal and organizational performance. • Feedback and guidance are offered for the improvement suggestions or solutions proposed by employees during performance interviews.
End-of-period performance appraisal	December	

◦ Annual Performance Appraisal

With the aim of achieving the organization's operating goals, the Company conducts two performance appraisals every year. The appraisal items are split into three dimensions based on employees' ranks and competency categories, namely common core items, management competency, and professional competency. The performance appraisals focus on the evaluation of past performance and feedback thereof, and determine the direction and goals for next-stage tasks and development. Furthermore, performance interviews facilitate effective two-way communication and provide constructive feedback, thereby guiding employees to improve and helping the Company achieve sustainable development and talent cultivation.

<table>
<tr><th rowspan="2">Common core appraisal items</th><th rowspan="2">Management competency items</th><th colspan="3">Professional competency items</th></tr>
<tr><th>General positions</th><th>Business</th><th>R&D</th></tr>
<tr><td rowspan="2">• Creativity
• Work/design quality
• Goal setting and achievement
• Effective communication and teamwork
• Support for company policies
• Occupational health and safety
• Energy saving and emission reduction
• Moral integrity</td><td rowspan="2">• Planning and organization
• Problem solving and analysis
• Leadership development ability and successor plans</td><td>Professional knowledge</td><td>Customer relationship</td><td>Professional knowledge</td></tr>
<tr><td colspan="3">• Work efficiency
• Work willingness and attitudes
• Self-growth and learning indicators</td></tr>
</table>





◉ Statistics on the Completion Rate of Performance Evaluations for All Employees

Site		Taiwan Headquarters		Dongguan Factory		Suzhou Factory		Chongqing Factory		Thailand Factory	
Rank		H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
2022	Managerial position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.0%
	General position	100.0%	100.0%	81.7%	91.9%	100.0%	100.0%	100.0%	100.0%	98.1%	98.8%
2023	Managerial position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	96.0%
	General position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.2%	98.7%

◉ Statistics on the Completion Rate of Performance Evaluations for Management Personnel



Site		Taiwan Headquarters		Dongguan Factory		Suzhou Factory		Chongqing Factory		Thailand Factory	
Gender		H1	H2	H1	H2	H1	H2	H1	H2	H1	H2
2022	Male	100.0%	100.0%	78.1%	91.8%	100.0%	100.0%	100.0%	100.0%	98.35%	97.95%
	Female	100.0%	100.0%	87.4%	92.1%	100.0%	100.0%	100.0%	100.0%	97.20%	98.70%
2023	Male	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.10%	98.40%
	Female	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.20%	98.60%

Note :

1. The term "managerial position" refers to a rank of deputy manager or higher at the Taipei Headquarters, and a rank of deputy section supervisor or higher at the factories.
2. Performance appraisal participation and completion rate = Number of performance appraisal participants / Total headcount

5.5 Occupational Health and Safety

5.5.1 Occupational Health and Safety Management System GRI 403-1 and GRI 403-4

As an enterprise, providing employees with a safe and healthy work environment is one of Chicony Power's basic obligations. The Company, including the Headquarters in Taiwan, major production bases in China (Dongguan Factory, Suzhou Factory and Chongqing Factory), and the Thailand Factory, has followed the spirit of occupational health and safety management systems to systematically implement occupational health and safety management tasks, and has obtained ISO 45001 certification for all its operation bases. All factories have established health and safety management units, and appointed professional personnel to be responsible for the planning, promotion, supervision, and auditing of health and safety management affairs. In Mainland China and Thailand, where the Company's major production sites are located, health and safety management units are directly subordinate to the regional top executives. In Taiwan, where the Company's R&D and business center are located, the Occupational Safety Office has been authorized by the Company President to take charge of relevant management affairs. All factories have followed local regulatory requirements to set up their Occupational Health and Safety Committees. The committees have been jointly formed by labor and management, and they are held to standards that exceed regulatory requirements. The committees hold monthly meetings to review, discuss, coordinate, and give suggestions on health and safety management affairs. The goals expected to be achieved through the occupational health and safety management systems are as follows :

1. Avoid or minimize the risks arising from events that may cause physical, mental, or adverse health effects to the personnel who are affected by the organization's activities.
2. Ensure that changes or alterations to the occupational health and safety management systems, procedures, products, materials, organizational framework, etc. do not create new hazards or occupational health and safety risks.
3. Promote safe operating habits.
4. Obtain financial and operational benefits or advantages derived from occupational health and safety performance improvements, such as fewer work-related injuries and reduced insurance premiums.

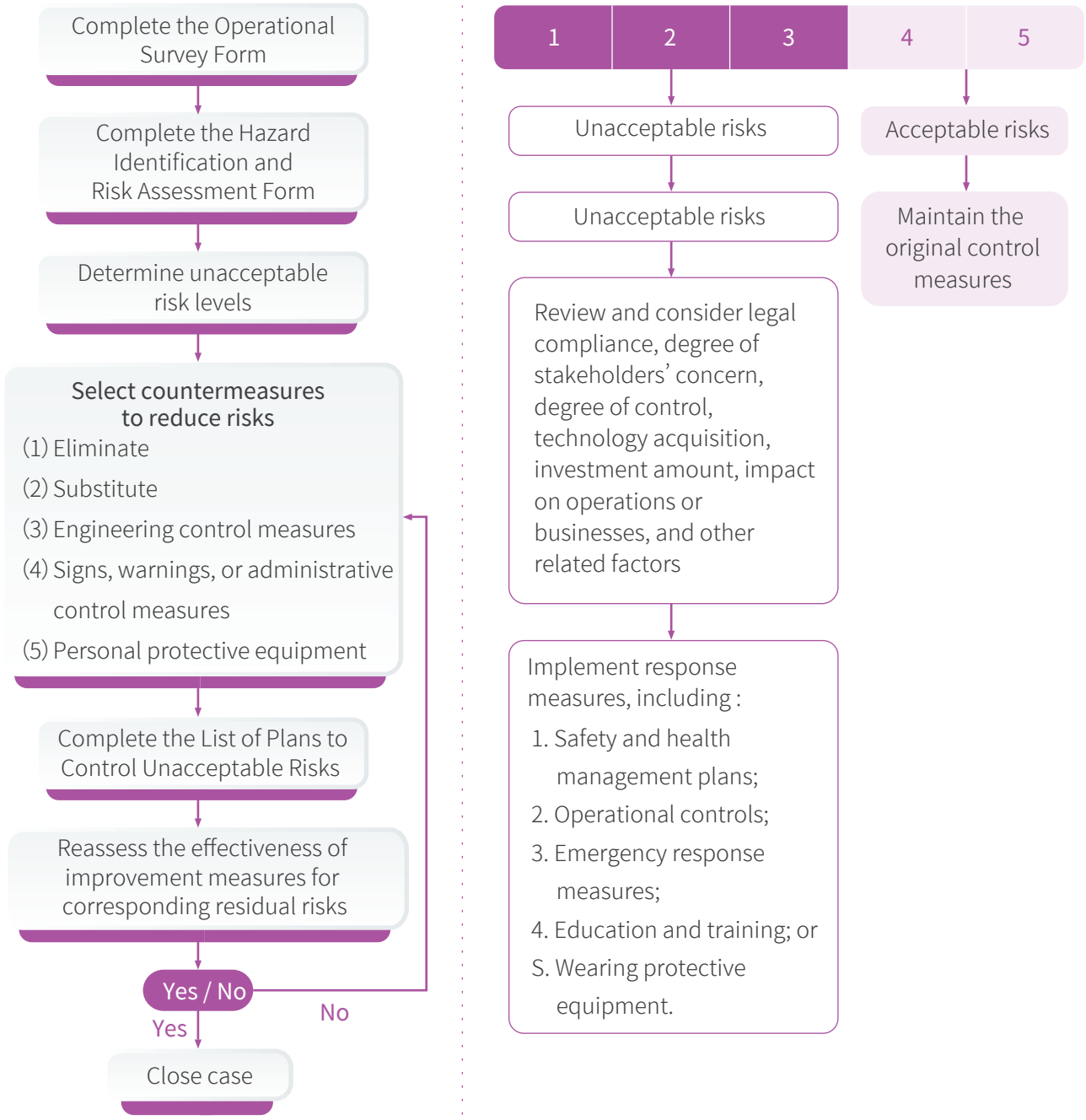
Note : The complete assurance information and verification statements will be disclosed on the company's website : https://www.chiconypower.com/zh-tw/home/CSR (Path: Environmental Protection).



◎ 5.5.2 Hazard Identification and Risk Assessment

In order to effectively implement the Company's health and safety management, Chicony Power improves health and safety management efficiency by means of ongoing hazard identification, risk assessment, and proper preventative actions or necessary control measures. The Company's goal is to avoid the occurrence of worker injuries or accidents caused by operating procedures, activities, products, services, facilities, etc., which may otherwise affect the health and safety of factory personnel and stakeholders and lead to financial losses. The aforementioned "workers" includes employees (fixed/non-fixed term contract employees), contractors, suppliers, and interns. Unacceptable risk levels are determined based on the assessment results obtained through the Procedures for Hazard Identification and Risk Assessment adopted by the Headquarters and all factories. Engineering control measures are prioritized for unacceptable risks. As for the risk identification and assessment of contractors' operating personnel, the operational risks and the control methods are discussed during construction meetings or tool box meetings.

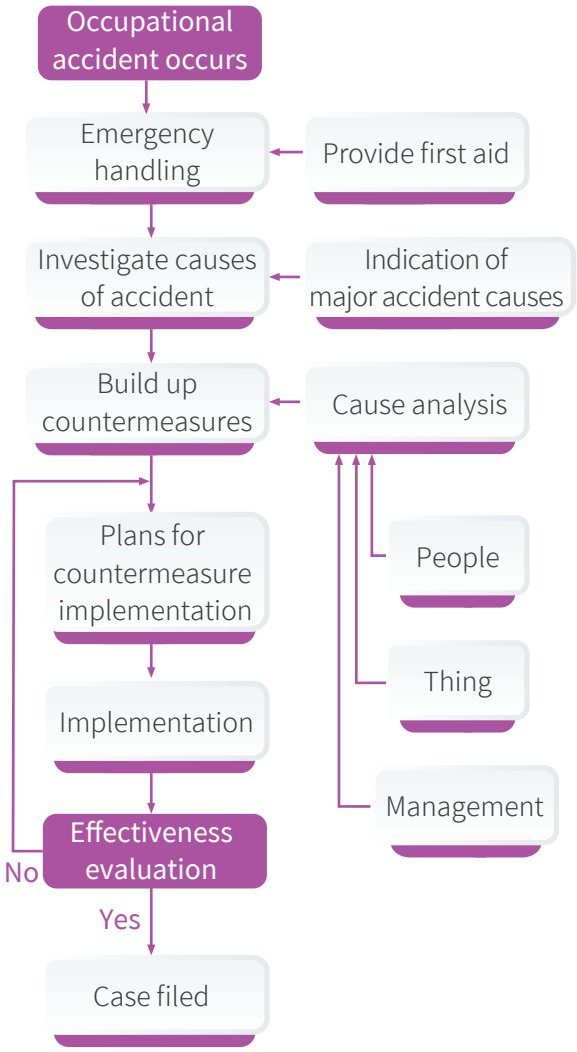
◉ Procedures for Hazard Identification and Risk Assessment



When new equipment is procured or manufacturing processes are changed, change management procedures are implemented to ensure the health and safety of personnel and the factory as a whole. These procedures include pre-procurement safety assessments of the new equipment, the addition of safety/protective measures, and source control measures such as assessing and using low-hazard chemicals as substitutes for high-hazard chemicals. Moreover, regular hazard identification and risk assessments are conducted for all operating procedures, and control measures are taken for unacceptable risks. Furthermore, for operations with higher risks and hazards, responsible units must submit applications in advance; such operations can only be performed after being approved by the relevant units.

If employees discover a concern of imminent danger while performing their duties, in accordance with the Occupational Safety and Health Act, under conditions in which the safety of other workers is not jeopardized, they may terminate work of their own accord and retreat to a safe location, and they shall not be liable for the consequences of such retreat, nor shall they be subject to punitive measures. Additionally, in the event of occupational accidents in factories, reporting and investigation should be conducted in accordance with the Management Procedures for Accident Reporting and Investigation as a basis for improvement. The reporting/complaint-filing process must be objective, fair, and impartial, and the interests and privacy of victims and reporting persons must be completely protected.

◉ Procedures for Accident Reporting and Investigation



Type of events	Definition
Fire/explosion accidents	In-plant fire or explosion accidents
Chemical leakage accidents	In-plant equipment chemical leakage, which may cause personnel safety and health hazards.
Natural disaster accidents	Typhoons, earthquakes, floods, or other severe natural disasters, which may cause personnel safety hazards or equipment/property losses.
Accidents involving personnel injury/death	Accidents where personnel are injured and must be sent to medical institutions for treatment by physicians or other professionals, resulting in work hour loss due to injury, disability, or death.
Traffic accidents	Personnel are involved in traffic accidents on their way to or from work, resulting in injury, disability, or death.
Close calls	1. Incidents not involving illness, personal injury, property damage, process interruption, personnel evacuation or other losses. 2. Incidents where equipment is not operating normally, for which corrective measures should be taken immediately before any accidents occur. 3. Odor caused by the inflow of external air panics people but does not trigger any evacuation. 4. Natural disasters (earthquakes, typhoons, etc.) that panic people, but do not cause personnel injury / death or other losses, nor do they trigger any evacuation. 5. Incidents where personnel suffer minor injuries (only simple first aid treatment is required for the personnel to return to work; no work hour loss is caused). 6. False alarms of the fire safety system or other alarm systems.
Other environmental anomaly accidents	Any other environmental anomalies occurring in the work environment.

◉ The 2023 statistics for occupational accidents and work-related injuries at Chicony Power's Taipei Headquarters and other factories are listed in the table below :

Year	2020	2021	2022	2023
Total number of work-related injuries	15	10	17	20
Number of direct work-related injuries (Injuries caused by being pressed, smashed, pricked, gashed, cut, or caught)	15	10	7	13
Number of indirect work-related injury cases (Traffic accidents, falls, or injuries received while participating in Company activities)	0	0	10	7

Note : The increased number of work-related injuries in 2023 was mainly attributed to the inauguration of Thailand Factory's new plant, which had a relatively large number of new employees who were relatively unfamiliar with machinery operations.

Site/Factory	Chicony Power - Taipei Headquarters			Chicony Power - Dongguan Factory		
	2021	2022	2023	2021	2022	2023
Disabling injury frequency rate (FR) (Number of disabling injuries / Million work hours)	0	0	0	0.66	1.15	0.95
Disabling injury severity rate (SR) (lost work days/million work hours)	0	0	0	9.64	29.79	19.93
Total injury severity score	0	0	0	0.07	0.01	0.13
Lost work days	0	0	0	73	207	105
Number of accidents	0	0	0	5	8	5
Hours of leave	11,624	14,705	13,684	372,169	347,398	543,512
Total attendance hours	1,315,392	1,308,551	1,255,380	7,571,675	6,945,299	5,269,285
Absence rate (AR) %	0.88	0.73	0.71	4.92	5.00	3.06
Percentage of fatal occupational injuries %	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0
Occupational disease rate (ODR) %	0	0	0	0	0	0

Site/Factory	Chicony Power - Taipei Headquarters			Chicony Power - Dongguan Factory		
	2021	2022	2023	2021	2022	2023
Disabling injury frequency rate (FR) (Number of disabling injuries / Million work hours)	0.73	0.47	1	0.22	0.44	0.19
Disabling injury severity rate (SR) (Lost work days / Million work hours)	14.94	5.74	21	0	0.22	0.19
Total injury severity score	0.10	0.02	0	0	0	0
Lost work days	102	60	237	0	2	1
Number of accidents	4	5	6	1	1	1
Hours of leave	14,626	72,186	1,896	23,700	21,734	24,516
Total attendance hours	6,825,192	10,435,299	11,189,742	4,366,693	4,504,444	5,385,422
Absence rate (AR) %	0.21	0.02	0	0.54	0.48	0.46
Percentage of fatal occupational injuries %	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0
Occupational disease rate (ODR) %	0	0	0	0	0	0

Site/Factory	Chicony Power – Thailand Factory		
	2021	2022	2023
Disabling injury frequency rate (FR) (Number of disabling injuries / Million work hours)	0	1.56	1
Disabling injury severity rate (SR) (Loss of work days / Million work hours)	0	49.37	2
Total injury severity score	0	0.08	0
Lost work days	0	95	4
Number of accidents	0	3	8
Hours of leave	30,791	44,930	33,336
Total attendance hours	896,072	1,924,104	1,975,056
Absence rate (AR) %	3.44	0.02	0
Percentage of fatal occupational injuries %	0	0	0
Number of occupational diseases	0	0	0
Occupational disease rate (ODR) %	0	0	0

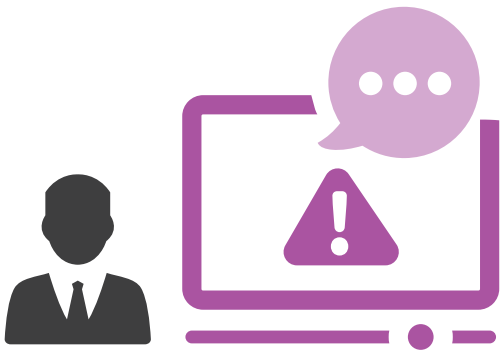
Note：
The work-related injury incidents included in the statistics are those that occurred within the plant areas.

Calculation explanation：

1. Disabling injury frequency rate (FR) = Number of disabling injuries*106 / Total work hours.
2. Disabling injury severity rate (SR) = Loss of work days*106 / Total work hours.
3. Total injury severity score = $\sqrt{}$(FR*S-R/1000).
4. Absence rate (AR) = Days of sick (or personal) leave / Total work days × 100%
5. Occupational disease rate (ODR) = Total number of people with occupational diseases ×106 / Total work hours

Note：

1. Definitions of the information disclosed in these tables are the same as those applied to the headcounts and percentages disclosed in 5.2.1 Employee Diversity Structure and Distribution.
2. According to the GRI-defined hierarchy of controls, the most effective way to control hazards is to eliminate them first. No occupational diseases occurred among employees in 2023.
3. No incidents involving GRI-defined high-consequence work-related injuries occurred in 2023 (work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months).



◎ 5.5.3 Occupational Health and Safety Education and Training GRI 403-5

With the aim of improving workers' health and safety knowledge and accident-response ability and avoiding the occurrence of occupational accidents, in addition to organizing relevant health and safety training sessions in accordance with regulatory and operational requirements, the Company also uses e-mail, bulletin board posters, safety knowledge Q&A, and other methods to enhance employees' awareness of workplace environmental hazards and impart the health and safety knowledge and concepts required for accident prevention. In 2023, the education and training carried out by Chicony Power at its major business sites in Taiwan, Mainland China, and Thailand included health and safety training sessions for new and current employees (with course content focusing on hazardous chemicals, machinery and equipment, hazard identification, and electrical safety), certificates required by laws and regulations, emergency response and fire-safety training, and personnel safety training related to the introduction of new equipment or technology. All training sessions were conducted in local languages or the languages used by foreign-national employees, and post-training tests were arranged to evaluate the effectiveness of the training.

◉ Occupational Health and Safety Education and Training Hours in 2023 :

Site	Taipei	Dongguan	Suzhou	Chongqing	Thailan	Total
Hours	88	1,975	2,538	1,560	6,144	12,305



▲ Fire safety drill



▲ Training on the use of fire extinguishers



▲ First aid training



▲ First-aid knowledge course





▲ Fire accident evacuation drills

Additionally, to improve contractors' in-plant safety management, Chicony Power has formulated the Contractor Safety, Health, and Environmental Protection Regulations, which require that all contractors entering the Company's factory areas comply with relevant occupational health and safety laws and the Company's regulations. Contractors' personnel must receive required occupational health and safety training, pass corresponding tests, and sign the Hazard Notification Form before entering factory areas for relevant operations.

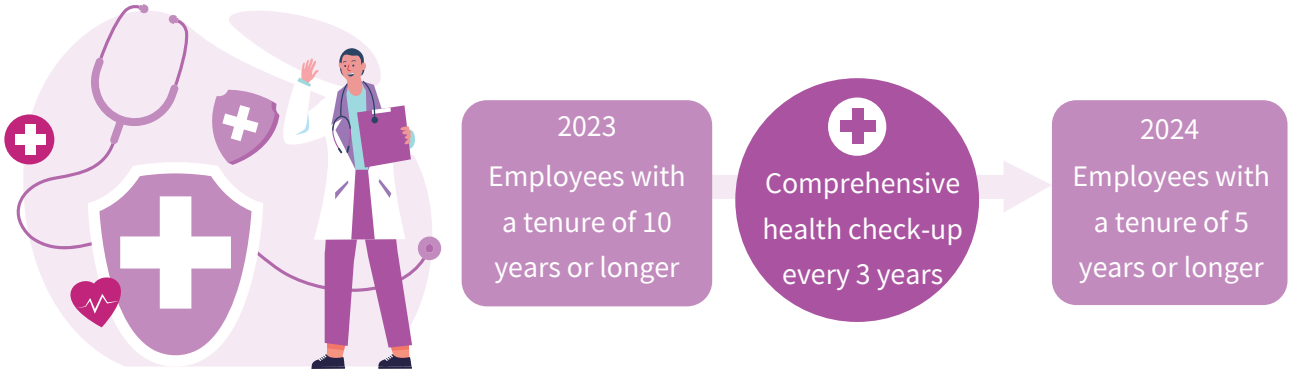
◎ 5.5.4 Health Management GRI 403-3 and GRI 403-6

Employee health has always been greatly emphasized by Chicony Power. The Company has established on-site clinics and counseling rooms and appointed factory physicians and nurses to continuously care for each employee's physical and mental health. The scope of the following information focuses on the Headquarters. Health-related measures taken at the factories may be adjusted as needed in accordance with local laws and regulations.

◦ Employee health examinations, grade-based tracking, and recheck for anomalous blood test results

The Company provides one health examination every 2 years for all employees, which is a benefits-measure that exceeds regulatory requirements. In addition to mandatory health check items, the Company also provides comprehensive health check-up packages for supervisors. In 2023, the advanced health check-up package was made available to all employees with a tenure of 10 years or longer, allowing veteran employees to enjoy the same benefits as supervisors. Starting in 2024, these benefits will be further expanded to cover all employees with a tenure of 5 years or longer.

All data related to the biennial health examination and the advanced health check-up for veteran employees are treated as confidential information. Employee consent must be obtained before releasing these data for use by government agencies, to facilitate work arrangements, or for other needs.



◦ Employee health management, on-site consultation, and stress relief services

(1) Promote workplace health care programs and take responsibility for workplace nursing services or emergency care
(2) Measure employees' height, weight, body fat, and blood pressure on an irregular basis; give vaccines and keep employees' health records.
(3) Develop measures to improve employees' physical problems
(4) Four major prevention plans

◉ Headquarters Clinic Nursing Service Statistics

Statistics of Nursing Service Cases	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Per-centage
Blood pressure measurement	8	9	12	18	21	17	13	17	18	21	18	10	182	32.90%
Internal medicine problems	13	3	8	4	12	6	14	16	14	12	9	10	121	21.90%
Wound/injury treatment	4	12	16	4	10	6	6	14	7	4	7	10	100	18.10%
Eye problems	0	0	1	2	0	0	0	0	1	0	0	0	4	0.70%
Gynecological problems	0	0	2	0	4	0	0	1	1	1	0	1	10	1.80%
Weight/body fat measurement	0	0	0	0	1	2	0	4	4	1	2	2	16	2.90%
Other problems	4	17	11	16	9	11	13	16	4	5	5	9	120	21.70%
Total	553													100%

◉ Flu vaccination

	2020	2021	2022	2023
Company-paid	19	21	26	23
Self-paid	61	40	43	73
Total	80	61	69	96





▲ Pap smears and mammograms for female employees

◉ On-site occupational medicine specialist services

Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Consultations in 2022	8	4	2	5	2	12	2	19	5	4	8	4	75
Consultations in 2023	3	5	7	9	5	5	4	7	7	8	11	7	78

※Health information related to the above health promotion programs is properly retained by occupational nursing personnel. Employee consent must be obtained before releasing these data for use by government agencies, to facilitate work arrangements, or for other needs.



▲ Massage services offered by visually impaired masseurs

5.6 Social Participation

5.6.1 Industry–Academia Collaboration

In order to attract outstanding personnel to join the Company, Chicony Power provides training for students and contributes to industry–academia collaboration through a variety of channels. The Chicony–Taipei Tech R&D Center was jointly established by Chicony Power and National Taipei University of Technology (Taipei Tech) in 2014 to explore new power supply technologies and attract companies to invest in the cultivation of next-generation talent for the power supply industry. The R&D Center's collaborative model is explained as follows :

1. Through the implementation of industry–academia collaboration projects, in which Chicony Power invests soft and hard service equipment and members of the R&D Center devote R&D energy, several R&D projects are jointly carried out every year. The R&D talents cultivated through these projects are prioritized as employment candidates after graduation and connected to R&D applications. This collaborative model allows students to receive their final stage of training before entering the workplace, and the R&D Center's technologies continuously accumulate year by year. The R&D achievements obtained through this program are handed over to the Company for technical integration, thereby creating a win–win result for all parties.
2. Industrial-niche patent applications can be submitted for the innovative technologies acquired during the R&D process, mutually benefiting the Company and the Center.
3. Students participating in the industry–academia collaboration projects are prioritized when applying for Chicony Power scholarships. Selected master's students are awarded NT$200,000 per semester, whereas doctoral student are awarded NT$250,000 per semester. These awards encourage outstanding students to concentrate on relevant academic research and technical innovation.

Features of industry-academia collaboration projects	The Company determines the research direction, which mia serves as the basis for conducting direct collaboration with collaboration R&D engineers. By establishing clear goals and providing projects comprehensive resources, R&D technology and strength can be collaboratively developed to cultivate talent with industry-academia competence.
Scholarships and workplace connection	The Company offers scholarships for master's and doctoral students every semester. These students are prioritized as employment candidates after graduation and connected to R&D applications.

To fulfill corporate social responsibility and facilitate talent cultivation and sustainable development, Chicony Power provides internship opportunities for students every year. In 2023, the Company accepted 10 interns from the NTUT Department of Electrical Engineering, 3 interns from the NTUT 5-year junior college program in Intelligent Automation Engineering, and 3 interns from the NCCU Department of Business Administration, for a total of 16 students. Students experienced workplace settings through paid internships at the Company's R&D headquarters, giving them an advance understanding of on-site work practices and narrowing the gap between theory and practice. If interns wish to continue their partnership with Chicony Power after graduation, they can seamlessly transition to formal positions at the Company. Their internship tenure will be recognized, and they will be offered generous salaries, enabling them to showcase their strengths and giving them a head start in career development.





▲ Workplace Internship Programs

◉ Funds Invested for the Chicony Power–Taipei Tech Industry–Academia Collaboration

Item / (Unit: NT$1,000)	2019	2020	2021	2022	2023	Cumulative Amount
Taipei Tech scholarships	800	2,200	1,800	2,000	1,200	8,000
Industry–academia collaboration projects with Taipei Tech	2,381	5,000	5,000	5,000	5,000	22,381
Taipei Tech's Electronics Industrial Technology Master's Program	960	960	1,280	1,760	1,600	6,560



▲ Professor Yen-Shin Lai — Industry–academia collaboration achievement presentation



▲ Professor Chaur-Yang Chang visits the Company to see the implementation of internship programs

◎ 5.6.2 Blood Drive and Care for the Disadvantaged

Upholding the belief of "take from society, give back to society," Chicony Power organizes two blood drives every year. Additionally, the Company has integrated charity purchases into the blood drive by giving blood donors gifts of appreciation purchased from charity organizations, such as Star Wish Rice (purchased from the Autistic Children Family Care Association), Love Biscuits (purchased from Xiaodou Miao Workshop), and lunch boxes (purchased from TR Bake). Through these actions, Chicony Power hopes to support blood donation and contribute to society—alleviating the blood shortage in blood banks while simultaneously reinforcing employees' sense of social responsibility.





▲ Blood Drive





▲Gifts for blood donors (items purchased from charity sales)

Additionally, Chicony Power invites neighborhood social welfare organizations to set up stalls in the lobby space on the ground floor of the Company's building. Currently, the Company is engaged in long-term partnerships with two organizations: Yu-Cheng Social Welfare Foundation — Tsu-Yu Shelter Workshop (from Wugu District, New Taipei City) and San Love Social Welfare Association's Xiaodou Miao Workshop (from Banqiao District, New Taipei City). The Company also holds periodic charity sales events, which always receive an enthusiastic response from employees. Chicony Power firmly believes that caring for vulnerable groups is more than a responsibility, it is one of the Company's core values, and the Company hopes to mobilize resources to give back to society in a more efficient way.



▲ Regular charity stall activities



▲ Periodic charity sales events

In addition to the Company's own commitment, Chicony Power also partners with Chicony Electronics and XAVi Technologies to participate in various charitable and public welfare activities. This collaborative approach integrates each company's resources to exert collective influence and create changes for more groups in society. Through practical actions such as participating in charity fairs, providing space for joint charity sales, and donating supplies to charity organizations, the Company fulfills its corporate social responsibility and makes continuous efforts for societal wellbeing.





▲ Participation in charity fair activities (Chung Yi Social Welfare Foundation—care for disadvantaged children)



▲ Orphan Welfare Foundation's annual Angel Fundraising and Market event



▲ Joint supplies donation to Share House



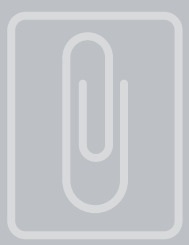
▲ Supplies donations to TFCF Penghu Center

◉ Employees' voluntary contributions in 2023 are listed in the table below :

Region	Neighboring communities (Sanchong and Xinzhuang)	Spreading Kindness throughout Taiwan (Nationwide)	
Beneficiary	• Eden Social Welfare Foundation (Sanchong) • Andrew Charity Association (Xinzhuang)	• Tzih Huai Social Welfare Foundation (Yilan) • Garden of Hope Foundation (Kaohsiung) • Special education school (Yunlin) • Orphan Welfare Foundation (Songshan) • Taiwan Fund for Children and Families (Penghu) • Chung Yi Social Welfare Foundation (Wenshan)	• Peace Foundation (Kaohsiung) • Mennonite Social Welfare Foundation (Hualien) • Luanshan Village Classroom 530 (Taitung) • Boyo Social Welfare Foundation (Nantou) • Garden of Mercy Foundation (Zhongzheng)
Contribution amount (NT$1,000)	19.79	944.73	

Chicony
POWER TECHNOLOGY

Appendix





Appendix 1 GRI Content Index

Statement of Use	Chicony Power has published the 2023 Sustainability Report in accordance with GRI Standards, with the scope of data and information covering the period from January 1, 2023, to December 31, 2023.
GRI Standards	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI 2: General Disclosures 2021				
Indicator	Disclosure Requirement	Corresponding Section of the Report or Description	Reason for Omission	Page No.
1. Organization and reporting				
2-1	Organizational details	2.1 Company Overview		40
2-2	Entities included in the organization's sustainability reporting	About this Report		04
2-3	Reporting period, frequency and contact point	About this Report		04
2-4	Restatements of information	About this Report		04
2-5	External assurance	About this Report		04
2. Activities and workers				
2-6	Activities, value chain and other business relationships	3.1 Value Chain Management		84
2-7	Employees	5.2 Employee Structure and Attraction / Retention		157
2-8	Workers who are not employees	5.2 Employee Structure and Attraction / Retention		157
3. Governance				
2-9	Governance structure and composition	2.5.1 Corporate Governance Framework		51
2-10	Nomination and selection of the highest governance body	2.5.2 Board of Directors Operations		52
2-11	Chair of the highest governance body	2.5.2 Board of Directors Operations		52
2-12	Role of the highest governance body in overseeing the management of impacts	2.5.2 Board of Directors Operations About this Report		52 04
2-13	Delegation of responsibility for managing impacts	2.5.2 Board of Directors Operations About this Report		52 04
2-14	Role of the highest governance body in sustainability reporting	2.5.5 Corporate Sustainable Development Committee		60
2-15	Conflicts of interest	2.5.2 Board of Directors Operations 2.6.2 Ethical Management Operations		52 67

GRI 2: General Disclosures 2021				
Indicator	Disclosure Requirement	Corresponding Section of the Report or Description	Reason for Omission	Page No.
3. Governance				
2-16	Communication of critical concerns	2.8 Material and Critical Events		79
2-17	Collective knowledge of the highest governance body	2.5.2 Board of Directors Operations		52
2-18	Evaluation of the performance of the highest governance body	2.5.2 Board of Directors Operations		52
2-19	Remuneration policies	2.5.4 Remuneration Committee 2.5.2 Board of Directors Operations		59 52
2-20	Process to determine remuneration	2.5.4 Remuneration Committee 2.5.2 Board of Directors Operations		59 52
2-21	Annual total compensation ratio	5.3.1 Employee Remuneration and Benefits Measures		165
4. Strategy, policies and practice				
2-22	Statement on sustainable development strategy	Message from Chairman & President 2.5.5 Corporate Sustainable Development Committee		08 60
2-23	Policy commitments	Message from Chairman & President 5.1.1 Human Rights Policy 5.3.2 Employee Communication and Care and Complaint Mechanisms		08 153 169
2-24	Embedding policy commitments	Message from Chairman & President		08
2-25	Processes to remediate negative impacts	5.3.2 Employee Communication and Care and Complaint Mechanisms		169
2-26	Mechanisms for seeking advice and raising concerns	2.6.2 Ethical Management Operations		67
2-27	Compliance with laws and regulations	2.6.3 Legal Compliance 2.8 Material and Critical Events		70 79
2-28	Membership associations	2.5.6 Membership in Associations and Initiatives		63
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1. Material Issues and Stakeholder Engagement		22
2-29	Collective bargaining agreements	5.3.2 Employee Communication and Care and Complaint Mechanisms		169

GRI 3 : Material Topics 2021				
Indicator	Disclosure Requirement	Corresponding Report Section or Description	Omission Reason /Explanation	Page No.
3-1	Process to determine material topics	1. Material Issues and Stakeholder Engagement		22
3-2	List of material topics			
3-3	Management of material topics			

GRI Content Index Disclosures	Chapter	Page No.
Topic Standard 200/300/400		
GRI 200 Economic		
GRI 201 Economic Performance (2016)		
201-1 Direct economic value generated and distributed	2.4 Operational Performance	48
201-2 Financial implications and other risks and opportunities due to climate change	4.1 Climate-Related Financial Disclosures	110
GRI 202 Market Presence (2016)		
202-2 Proportion of senior management hired from the local community	5.2.1 Employee Diversity Structure and Distribution	157
GRI 204 Procurement Practices (2016)		
204-1 Proportion of spending on local suppliers	3.3.4 Implementation of Local Procurement Principles	99
GRI 205 Anti-corruption 2016		
205-1 Operations assessed for risks related to corruption	2.6.2 Ethical Management	67
205-2 Communication and training about anti-corruption policies and procedures	2.6.2 Ethical Management	67
205-3 Confirmed incidents of corruption and actions taken	No occurrence of relevant incidents	
GRI 206 Anti-competitive Behavior 2016		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No occurrence of relevant incidents	
GRI 300 Environmental		
GRI 302 Energy (2016)		
302-1 Energy consumption within the organization	4.3.1 Energy Consumption Status	127
302-3 Energy intensity	4.3.1 Energy Consumption Status	127
302-4 Reduction of energy consumption	4.3.2 Energy Efficiency Improvement Measures	129

GRI Content Index Disclosures	Chapter	Page No.
Topic Standard 200/300/400		
GRI 300 Environmental		
GRI 303 Water and Effluents 2018		
303-1 Interactions with water as a shared resource	4.4.1 Water Risk Identification	130
303-2 Management of water discharge-related impacts	4.4.2 Water Resources Management	132
303-3 Water withdrawal	4.4.2 Water Resources Management	132
303-4 Water discharge	4.4.2 Water Resources Management	132
303-5 Water consumption	4.4.2 Water Resources Management	132
GRI 304 Biodiversity 2016		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	4.6 Biodiversity	138
304-2 Significant impacts of activities, products and services on biodiversity	4.6 Biodiversity	138
GRI 305 Emissions (2016)		
305-1 Direct (Scope 1) GHG emissions	4.2.1 Greenhouse Gas Management	120
305-2 Energy indirect (Scope 2) GHG emissions	4.2.1 Greenhouse Gas Management	120
305-3 Other indirect (Scope 3) GHG emissions	4.2.1 Greenhouse Gas Management	120
305-4 GHG emissions intensity	4.2.1 Greenhouse Gas Management	120
GRI 306 Waste (2020)		
306-3 Waste generated	4.5 Waste Management	134
306-4 Waste diverted from disposal	4.5 Waste Management	134
306-5 Waste directed to disposal	4.5 Waste Management	134
GRI 308 Supplier Environmental Assessment (2016)		
308-1 New suppliers that were screened using environmental criteria	3.3.2 Guidelines for Supplier Assessments	93
GRI 400 Social		
GRI 401 Employment (2016)		
401-1 New employees and employee turnover	5.2.2 Personnel Recruitment	160
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3.1 Employee Remuneration and Benefits Measures	165
401-3 Parental leave	5.2.3 Unpaid Parental Leave	164

GRI Content Index Disclosures	Chapter	Page No.
Topic Standard 200/300/400		
GRI 400 Social		
GRI 403 Occupational Safety and Health (2018)		
403-1 Occupational safety and health management system	5.5.1 Occupational Safety and Health Management Systems	183
403-2 Hazard identification, risk assessment, and incident investigation	5.5.2 Hazard Identification and Risk Assessment	184
403-3 Occupational health services	5.5.4 Comprehensive Employee Health Management	191
403-4 Worker participation, consultation, and communication on occupational safety and health	5.5.1 Occupational Safety and Health Management Systems	183
403-5 Worker training on occupational health and safety	5.5.3 Educational Training on Occupational Safety and Health	190
403-6 Promotion of worker health	5.5.4 Comprehensive Employee Health Management	191
403-8 Workers covered by an occupational health and safety management system	5.5.2 Hazard Identification and Risk Assessment	184
403-9 Work-related injuries	5.5.2 Hazard Identification and Risk Assessment	184
403-10 Work-related ill health	5.5.2 Hazard Identification and Risk Assessment	184
GRI 404 Training and Education (2016)		
404-1 Average hours of training per year per employee	5.4.1 Cultivating and Developing Diversified Talents	173
404-3 Percentage of employees receiving regular performance and career development reviews	5.4.2 Performance Appraisal System	180
GRI 405 Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	5.2.1 Employee Diversity Structure and Distribution	157
GRI 406 Non-discrimination 2016	No occurrence of relevant incidents	
406-1 Incidents of discrimination and corrective actions taken	5.1.1 Human Rights Policy	153
GRI 414 Supplier Social Assessment		
414-1 New suppliers that were screened using social criteria	3.3.2 Guidelines for Supplier Assessments	93
GRI 418: Customer Privacy (2016)		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Cyber Security Management	67

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (September 22, 2022)

Appendix 1-14 Sustainability Disclosure Indicators—Other Electronic Industries

No.	Indicator	Indicator Type	Annual Disclosure	Unit	Page No.
1	Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	Quantitative	4.3.1 Energy Consumption Status	Gigajoules (GJ), percentage (%)	127
2	Total water withdrawn and total water consumption	Quantitative	4.4.2 Water Resources Management	Thousand cubic meters (m^3)	132
3	Total hazardous waste generated and the percentage recycled	Quantitative	4.5 Waste Management	Metric tons (t), percentage (%)	134
4	Types, number of employees affected, and rate of occupational accidents	Quantitative	5.5.1 Occupational Safety and Health Management Systems	Percentage (%), quantity	183
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste, and percentage recycled (Note 1) Note 1: Descriptions including the sale of scraps and the recycling and processing of waste must be provided.	Quantitative	4.5 Waste Management (No relevant data available)	Metric tons (t), percentage (%)	134
6	Description of the management of risks associated with the use of critical materials	Qualitative description	3.1 Value Chain Management	Not applicable	84
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	N/A	Reporting currency	
8	Production volume of major products by product category	Quantitative	2.1 Company Overview	Varies by product category	40

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies (September 22, 2022)	
Appendix 2: Risks and opportunities posed by climate change to the Company and the relevant measures and countermeasures taken by the Company.	
Item	Implementation Status
1. Describe the Board of Directors' and the Management's oversight and governance of climate-related risks and opportunities.	4.1 Climate-Related Financial Disclosures
1. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium- and long-term).	4.1 Climate-Related Financial Disclosures
1. Describe the financial impact of extreme weather events and transformative actions.	4.1 Climate-Related Financial Disclosures
1. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system.	4.1 Climate-Related Financial Disclosures
1. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts used should be described.	4.1 Climate-Related Financial Disclosures
1. If there is a transition plan for managing climate-related risks, describe the content of the plan and the indicators and targets used to identify and manage physical risks and transitional risks.	4.1 Climate-Related Financial Disclosures
1. If internal carbon pricing is adopted as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing has not been adopted.
1. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	4.1 Climate-Related Financial Disclosures
1. Greenhouse gas inventory and assurance status (separately indicated in 1-1).	

Appendix 2 SASB Index (Hardware)

Code	Index Description	Chapter & Description
1. Product Security		
TC-HW 230a.1	Description of approach to identifying and addressing data security risks in products.	For details, please refer to 2.6: Risk Management and 2.7: Cyber Security Management
2. Employee Diversity & Inclusion		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for management, technical staff, and all other	For details, please refer to 5.2.1: Employee Diversity Structure and Distribution
3. Product Lifecycle Management		
TC-HW-410a.1	Percentage of products, by revenue, that contain IEC 62474 declarable substances.	In response to relevant domestic/international laws and regulations on environmental protection and prohibited substances, Chicony Power's environmental management and substance standards are updated on a regular basis, and the Company complies with the requirements listed in the IEC 62474 Declarable Substance List (DSL). After excluding products categorized as other non-electronic parts/components (accounting for 4.9% of the revenue), 95.1% of products, by revenue, contain declarable substances.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent.	Because Chicony Power's main products are not end products, the EPEAT Label targeting end electronics/electrical products cannot be obtained.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria.	Because Chicony Power's main products are not end products, the ENERGY STAR® Label targeting end electronics/electrical products cannot be obtained.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled.	Because Chicony Power's main products are not end products, the data are difficult to collect.

Code	Index Description	Chapter & Description
5. Materials Sourcing		
TC-HW 230a.1	Description of approach to identifying and addressing data security risks in products.	Chicony Power has conducted online reviews (including SAQ self-assessment) or onsite inspections based on RBA-equivalent standards on all factories' Tier 1 suppliers (totaling 50 companies). All suppliers have been classified as low-risk. In addition to requiring Tier 1 suppliers to abide by RBA standards and conducting relevant audits on suppliers' compliance, Chicony Power also practices what it promotes; all its factories in Mainland China have obtained RBA Silver Award Certification, which will serve as a goal for suppliers to emulate, thereby establishing a sustainable value chain.
TC-HW 440a.1	Description of the management of risks associated with the use of critical materials.	Chicony Power defines gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) and their derivatives as critical materials. For details on the management of conflict minerals and related achievements, please see 3.1.3: Criteria for New Supplier Assessment.

◉ Activity Metrics

<table>
<tr><th>Code</th><th>Activity Metric</th><th>Chapter & Description</th></tr>
<tr><td>TR-AP-000.A</td><td>Number of units produced by product category.</td><td>The Company’s major products include electronic parts/components, consumer and other electronics, and other related products. The production volume and sales amount are listed in the table below :
<table>
<tr><th>Year</th><th colspan="2">2023</th></tr>
<tr><th>Products</th><th>Sales Volume</th><th>Sales Amount</th></tr>
<tr><td>Electronic parts and components</td><td>107,678</td><td>30,442,278</td></tr>
<tr><td>Consumer and other electronics</td><td>15,101</td><td>4,086,283</td></tr>
<tr><td>Others</td><td>0</td><td>1,782,258</td></tr>
<tr><td>Total</td><td></td><td>36,310,819</td></tr>
</table></td></tr>
<tr><td>TR-AP-000.B</td><td>Area of manufacturing facilities.</td><td>The Taipei Headquarters serves as the R&D Center; the major production/manufacturing bases are listed as follows :
Chicony Power - Dongguan Factory (plant area: 63,623 m2)
Chicony Power - Suzhou Factory (plant area: 96,296 m2)
Chicony Power - Chongqing Factory (plant area: 39,477 m2)
Chicony Power - Thailand Factory (plant area: 94,527 m2)</td></tr>
<tr><td>TR-AP-000.C</td><td>Percentage of production from owned facilities.</td><td>All products (100%) are produced/manufactured at Chicony Power’s owned facilities.</td></tr>
</table>

INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of CHICONY POWER TECHNOLOGY CO., LTD.

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by **CHICONY POWER TECHNOLOGY CO., LTD.** to conduct an independent assurance of its **CHICONY POWER TECHNOLOGY CO., LTD. 2023 Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **CHICONY POWER TECHNOLOGY CO., LTD. 2023 Sustainability Report** are the sole responsibility of the management of **CHICONY POWER TECHNOLOGY CO., LTD.** 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 V3, Type Ⅰ - Accountability Principles engaged. The scope of work included:

- Data and information included in **CHICONY POWER TECHNOLOGY CO., LTD. 2023 Sustainability Report** for the **1st January, 2023 to 31st December, 2023**;
- 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)[1]
  - 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 Standards 2021.

The levels of assurance have been applied as Moderate assurance.

Methodology

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

1. Interviews with relevant personnel of **CHICONY POWER TECHNOLOGY CO., LTD.**;
2. Review of documentary evidence produced by **CHICONY POWER TECHNOLOGY CO., LTD.**;
3. Review performance data listed in report with sampling basis;

[1] Published by Accountability: The Institute of Social and Ethical Accountability
http://www.accountability.org

4. Visits to 1 site located in Taiwan (New Taipei City);
5. Review of **CHICONY POWER TECHNOLOGY CO., LTD.** 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 **CHICONY POWER TECHNOLOGY CO., LTD. 2023 Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **CHICONY POWER TECHNOLOGY CO., LTD.**'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 POWER TECHNOLOGY CO., LTD.**'s performance and status during the **1st January, 2023 to 31st December, 2023**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- **CHICONY POWER TECHNOLOGY CO., LTD.** has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

CHICONY POWER TECHNOLOGY CO., LTD. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2023 covering a range of material topics such as Economic, Social and Environment.

Materiality

The Report addresses the range of environmental, social and economic issues of concern that **CHICONY POWER TECHNOLOGY CO., LTD.** 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 POWER TECHNOLOGY CO., LTD. is responding to those issues it has 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 POWER TECHNOLOGY CO., LTD.'s management system can monitor, measure and be accountable for how their actions affect their broader ecosystems.

Report Structure

CHICONY POWER TECHNOLOGY CO., LTD. does fully provide the information to achieve the GRI Standards 2021, TCFD (Task Force on Climate-Related Financial Disclosures) and SASB (Sustainability Accounting Standards Board) in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards 2021, TCFD and SASB.

Key areas for ongoing development

Based on the work conducted, we recommend **CHICONY POWER TECHNOLOGY CO., LTD.** to consider the following:

- Encouraging the organization to communicate with non-important stakeholders can also be included in the survey of sustainability issues, which will help the organization to respond in an integrated manner. (RESPONSIVENESS)

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 POWER TECHNOLOGY CO., LTD.**) 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 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.9 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million 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 POWER TECHNOLOGY CO., LTD.**, 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.

5th May, 2024

AA1000
Licensed Report
000-76/V3-949ZL

Technical Reviewer: Ryan Date: 5/May/2024

Assurer : Wendy Wang Date: 5/May/2024

2023 Chicony POWER TECHNOLOGY

Chicony Power Technology Sustainability Report