

2021 Chicony Power Technology Sustainability Report





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◆ About this Report GRI 102-49

Chicony Power Technology Co., Ltd. (hereinafter referred to as Chicony Power) published this Report in accordance with the GRI Standards announced by Global Sustainability Standard Board (GSSB) to disclose the Company's 2021 operational performance results and future plans to all stakeholders who are concerned about Chicony Power's operations, in which Chicony Power's philosophy and goals of sustainable operations have been truly presented. Chicony Power will continue to publish all levels of social, environmental, and corporate governance information in the future for the public to understand Chicony Power's overall operational activities and future progress and prospect.

◆ CSR Reporting Principles GRI 102-54

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

◆ Reporting Period GRI 102-50 and GRI 102-52

The disclosed period of this report is the year 2021 (1st January to 31st December 2021); the disclosed content includes Chicony Power's CSR actions and performances about corporate governance, environmental protection, and society as well as the Company's responses to stakeholders' issues of concern.

◆ Scope of the Report GRI 102-10

- 1 Chicony Power-Taipei Head Office
- 2 Chicony Power-Dongguan Factory
- 3 Chicony Power-Suzhou Factory
- 4 Chicony Power-Chongqing Factory
- 5 Chicony Power-Thailand Factory



Quality of Information and Data GRI 102-48

The disclosed statistics of this report were obtained from the Company's statistics and surveys except for the financial data which was open information certified by CPAs and was presented in values commonly used for description. The figures in the financial statements disclosed in this report were calculated in New Taiwan Dollars, while performances in relation to occupational safety and health were expressed with internationally recognized indicators. From 2021 onwards, Chicony Power has published its own ESG Report. For any differences between the information disclosed in this Report and that in Chicony Group's 2019-2020 CSR Report, notes have been added to the texts of relevant sections in this Report.

Verification of the Report

This Report was formulated by following the GRI Standards set by Global Reporting Initiative (GRI): The disclosure of information also agreed with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", "UN's Sustainable Development Goals (SDGs)" and other international standards.

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

Contact Us GRI 102-51 and GRI 102-53

You are welcome to read Chicony Power's 2021 ESG Report. This Report has been built with the GRI Content Index service and Material Issue Disclosure service. The issuance of the report shall be continued every year. The next report shall be issued in June 2023.

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

Chicony Power Technology Co., Ltd.

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In recent years, Taiwan's technology industry has faced a double challenge of COVID-19 pandemic and geopolitical tensions. However, with all employees' efforts and commitment, Chicony Power has overcome the unfavorable situation and had its revenue and profit hit record highs for three consecutive years. Over the past few years, in addition to continuing the development of existing PC power products, the Company is also actively exploring the market of high-value products in relation to cloud intelligence, etc. This will not only strengthen the Company's ability to withstand economic fluctuations but will also help improve the Company's overall profitability.

Actively creating positive influences on society and the environment while giving full play to the industry's value is always Chicony Power's long-term commitment. In view of the threat and impact of extreme climate on human life, the Company has been actively working on its deployment of technologies related to "Smart Living and Green Energy Saving" since a few years ago. With products in relation to the Smart Building Management Platform, LED applications, etc., elements such as energy management, eco-friendliness, etc. have been integrated into the Company's operations. Moreover, Chicony Power focuses on four core aspects of its operations, which are "sound corporate governance", "protecting employees' human rights and benefits", "protecting the earth environment while creating product value and profit", and "social and cultural participation/engagement", and pursues the highest value of corporate sustainability through its ongoing innovation and continuous improvement.

Sound Corporate Governance

Chicony Power continues strengthening its corporate governance to protect shareholders' rights and interests as well as other stakeholders' benefits. In addition to ongoing reinforcement of the Board's operations and functions, the Company also actively increases the number of female directors. The percentage of female directors has been raised to 29% since last year to enhance board member diversity. Besides the Board's operations and functions, an ESG Committee has also been set up. Through the participation of top-level management and external independent directors, sustainable development promotion will be continuously strengthened. The Company also continues the reinforcement of information disclosure. In addition to enhancing the timeliness of financial information disclosure, the Company holds at least one investor briefing every quarter. Moreover, this year's ESG Report is published by the Company itself rather than being published by the Group. With the aim of carrying out ethical management, the Company has established management mechanisms to prevent conflicts of interest, and has formulated "Management Measures for Anti-collusion and Conflicts of Interest" to avoid the occurrence of collusion and unwarranted benefits. Channels for whistleblowing and complaints have also been set up to strengthen the Company's ethical management. According to TWSE's records, Chicony Power has been ranked within the top 20% of the Corporate Governance Evaluation among TWSE/TPEX-listed companies for 7 of the past 8 years.

Protecting Employees' Human Rights and Benefits

Chicony Power follows the "Universal Declaration of Human Rights" and the International Labor Organization's Fundamental Conventions to formulate its human rights policies. The Company manifests its responsibility to respect and protect human rights with its actual actions, and treats and respects all employees with dignity, hoping that all employees, male or female, can receive the same opportunities and be treated equally. The Company also creates a safe and comfortable work environment for employees. By adopting the smart building system designed and developed by Chicony Power, the Headquarters Building provides a high-quality and healthy office environment for employees, and achieves the maximum energy consumption efficiency for the environment. The factory dormitories in Mainland China can accommodate 8 employees in a room, where air conditioning, ventilation (fan) equipment, and two sets of bathroom facilities are provided to maintain the quality of living for employees. Moreover, protecting employees from any harm is always an issue that Chicony Power puts much emphasis on. The Company attaches great importance to employees' safety education and training. Different training courses are provided for different work environments, and regular safety training and drill programs are also implemented. Through the "Safety Officer/Safety Staff" mechanism established in the Head Office and all factories, audits are regularly conducted and operating environments are continuously improved to ensure a safe and healthy work environment for all employees.

Protecting the Earth Environment while Creating Product Value and Profit

As indicated in the reports compiled by the United Nations Environment Programme (UNEP), the electricity consumption and carbon emissions of buildings in the world account for 40% of the world's total electricity consumption and 21% of carbon emissions. Particularly, the more developed a country is, the higher the percentages of electricity consumption and carbon emissions that its buildings account for will be. Thus, improving building energy efficiency will be a way to reduce global electricity consumption and carbon emissions. In view of this trend, Chicony Power has developed an "IWA Smart Building Integrated Management Platform" based on data analytics and AIoT technologies to bring benefits of reduced energy consumption and increased maintenance and management efficiency to buildings. Chicony Power also introduced the IWA system to the newly established Suzhou Factory. High-grade energy-efficient technologies and equipment have been employed in Suzhou Factory's design and construction, which helps achieve the sustainability management goals of smartization, energy management, and carbon reduction in the factory area. According to the Company's estimates, Suzhou Factory's annual greenhouse gas emissions can be significantly reduced by about 1/3 compared with the existing old factories. Additionally, Suzhou Factory has implemented effective classification and treatment for industrial waste generated from business operations and general domestic waste. This achievement has also been certified by internationally recognized agencies, for example, the UL2799 Zero Waste to Landfill Platinum Certification was obtained in October 2021. In order to improve factory operational efficiency and carry out digital transformation, the Company has step by step put the information application systems in the cloud to facilitate personnel's operations of production/manufacturing equipment, equipment maintenance, etc. This enables equipment users, maintenance personnel, and supervisors to identify and solve problems through the cloud in a timely manner based on their roles and responsibilities, thereby improving the overall efficiency of equipment, minimizing equipment anomaly time, and reducing factory operating costs. Suzhou Factory's achievements in using AIoT to build an advanced manufacturing industry have been recognized by the public, making it be included in "the first batch of four-star cloud enterprises in Jiangsu Province in 2021" by the Jiangsu Provincial Government.

In terms of LED applications, Mini LED, with its features of more uniform illumination and lower power consumption, has been gradually used in NB products. The unique technology developed by Chicony Power for Mini LED keyboard backlight module can save more than half of the power consumption of the keyboard backlight and achieve better visual effects. In addition, to reduce packaging material waste, recyclable outer cartons and inner packaging have been designed for the shipment of LED backlight modules, which will save the cost of a large number of disposable cartons, and will also reduce damage to the environment. According to statistics, the Company's outer carton recycling & reuse measures helped reduce about 240 tons of paper in 2021, which is equivalent to 34,000 trees being saved. The Company will continue to achieve the goal of reducing more than 300 tons of paper in 2022.





Social and Cultural Participation/Engagement

By upholding the belief of "Take from society, give back to society", Chicony Power has incorporated social and community commitment into its fulfillment of corporate sustainability responsibility. The Company donated second-hand laptops to disadvantaged students last year in hope that students can stay on top of the latest information in an easier way, and can smoothly connect with the world. Moreover, Chicony Power encourages employees to participate in social benefit activities. The Company also organizes regular charity sales and various donation activities for employees to have opportunities to help disadvantaged people.

Chicony Power attaches great importance to personnel training and cultivation, and has been actively promoting industry-academia collaboration. The "Chicony-Taipei Tech R&D Center" was established in 2014, through which the Company works with many professional faculty members such as the well-known Professor Yen-Shin Lai in the area of power electronics, etc. to carry out industry-academia collaboration. Besides sponsoring NT\$5,000,000 for research every year, the Company also provides scholarships and work placement opportunities for outstanding students. Cumulatively more than NT\$10 million has been invested and numerous talents in the industry have been cultivated since 2017. The Company also actively cultivates talents from schools by providing students with scholarships and various work placement opportunities, through which industry-academia connection can be facilitated, and students can put theories into real practice, and can find a job smoothly after graduation. In addition to down-to-earth personnel training and industry-academia collaboration, Chicony Power also conducts training on professional skills and provides diversified general-topic courses for employees to have diverse learning opportunities in their time after work. Employees are also encouraged to enhance their own strengths by participating in industrial graduate programs or courses provided by external training institutions.

Conclusion

UN General Assembly's description of sustainable development is as follows: "Sustainable development is a model that allows contemporary human beings' needs and wishes to be basically met, and also preserves development opportunities for future generations." As a member of the global village, Chicony Power will continue its efforts in achieving the SDGs, and sincerely looks forward to working with all stakeholders to contribute strength to sustainable development.



Chairman Roger Lu

呂建宗



President Peter Tseng

陳建宗



01 | Material Issues and Stakeholder Engagement



01 Material Issues and Stakeholder Engagement

1-1 Identify stakeholders and their communication channels GRI 102-40, GRI 102-42 and GRI 102-43

Stakeholders' demands are the key to an enterprise's sustainability and success. Chicony Power believes that communicating with stakeholders, understanding stakeholders' needs and expectations, and responding accordingly can assist an enterprise in reviewing and planning short-term, medium-term and long-term strategies, and creating the value of the enterprise to stakeholders, thereby bringing about new business opportunities for sustainable operations.

By following the AA1000 Stakeholder Engagement Standard (AA 1000 SES), the following key stakeholders have been identified by Chicony Power's various departments together with the stakeholders that were invited to join the identification: investors/shareholders, board of directors, competent authorities, customers, suppliers, neighboring communities, and employees.

Stakeholder	Communication Channel	Frequency
Employees	1.Direct supervisors	Regular/Irregular
	2.Dedicated staff of Administrative Management Division	
	3.The Company's website	
	4.The Company's bulletin board	
	5.Employee Mailbox	
	6.Employee workshops/ Management and Labor Council	
	7.Communication meetings held by various organizations (e.g., Monthly Meeting/Weekly Meeting/Labor Representatives Meeting)	
	8.Employees' grievance channels	
	9.Employees' Welfare Committee	
	10.Training courses and policy advocacy meetings	
Investors / Shareholders	1.Annual shareholders' meetings	Once a year
	2.Regularly publish quarterly financial reports/annual reports in accordance with regulations	Four times a year
	3.Investor briefings	At least one briefing per quarter
	4.Face to face meetings, video conferencing or conference calls	Irregular; any time
	5.Respond to the inquiries and needs received via phones or e-mails	Irregular; any time
	6.Disclose important information on the Company's external websites	Irregular; any time

Stakeholder	Communication Channel	Frequency
Board of director	1.Board of director	5 meetings/in 2021
	2.Audit Report	Regular
	3.Annual internal control declaration	Regular
	4.Audit Committee	4 meetings/in 2021
	5.Compensation Committee	2 meetings/in 2021
Customers	1.Customer Audits	Regular/Irregular
	2.Various business meetings	
	3.Suppliers Annual/Quarterly Review	
	4.Technical seminars	
	5.Sustainability Report	
Suppliers	1.Regular meetings with suppliers	Regular/Irregular
	2.Regular audits, appraisals and guidance	
	3.Suppliers' grievance channels	
	4.Technical seminars	
Competent authority (Financial Supervisory Commission, Taiwan Stock Exchange, Environmental Protection Administration, Labor inspection agencies)	1.Market Observation Post System	Irregular
	2.Telephones	
	3.E-mail	
	4.Official documents	
	5.Information meetings	
	6.Written letters	
	7.Policy advocacy meetings	
	8.On-site inspections	
Social/ Neighboring communities	1. Grievance hotline	Irregular
	2.The Company's website	
	3.Charity sale activities	
	4.Donations	
	5.Disadvantaged group care	
	6.Blood donation campaigns	

◆ 1-2 Procedures for the Identification of Material Issues and Scope Boundaries GRI 102-46 and GRI 102-47

Chicony Power follows the GRI Standards to carry out steps of identification, assessment, validation and review, and conduct materiality analysis to determine the scope of the Report's disclosure and the Company's internal and external major sustainability challenges, based on which the effectiveness of sustainable operations shall be comprehensively reviewed.

STEP 01

Identification (Sustainability)

By following GRI Standards, global initiatives and UN's SDGs as well as the Company's business objectives, Chicony Power has summarized 28 sustainability issues that it should focus on, including 8 environmental issues, 12 social issues, and 8 corporate governance issues.

STEP 02

Assessment (Materiality)

Chicony Power assesses the tension of concern and degree of impact in relation to the sustainability issues through questionnaire survey (67 questionnaires being collected) completed by employees, suppliers, investors, competent authorities, and people of neighboring communities.

STEP 03

Validation (Completeness)

Determine material issues: 10 material issues have been identified based on the comprehensive assessment results of questionnaire survey on internal and external issues and weighting analysis. In addition, the GRI Standards are followed as the basis for the disclosure of the enterprise's Sustainability Report and the accurate response to stakeholders.

STEP 04

Review (Sustainability)

The identified material issues to GRI Standards are targeted, on which the disclosures of Corporate Sustainability Report shall be based so as to precisely respond to stakeholders with management programs for each material issue.

Summary of the questionnaires on various issues raised by the stakeholders, including the following issues:

Environment

Climate Change and Energy Management
Air pollution/Air Quality Management
Water Resource Management
Waste Management
Ecological Impact
Sustainable Products
Green Products and Services
(Hazard Substance Management)
Circular Production

E

Society

Occupational safety and health management
Attracting and retaining talented personnel
Diversified and equal opportunities
Human Resource and Talent Development
Labor-management relations
Community participation and development
Human rights
Customer privacy
Information security
Distribution channels and prices
Product quality and safety
Marketing models and product labeling

S

Corporate governance

Business Ethics and Ethical Management
Legal Compliance
Operational Risk and Risk Management
Sustainable Development Strategies
Supply Chain Management
Economic Performance
Product Design and Life
Cycle Management
Technological Innovation and Market
Layout (business model flexibility)

G

Chicony Power's ESG Material Issues Survey



There were 10 material issues identified in 2021. The significance of these 10 material issues to Chicony Electronics is as follows: GRI 102-46

Dimension	Material Issue	Significance to Chicony Power
Corporate Governance	Operational Risk and Risk Management	Incorporate stability, honesty and integrity in business operation; establish a sound corporate governance structure and promote related work to protect the rights and interests of all stakeholders.
	Business Ethics and Ethical Management	
	Economic Performance	Maintaining stable financial performance is Chicony's commitment to all stakeholders.
	Supply Chain Management	View suppliers as important partners for sustainable growth; carry out sustainable supply chain management to reduce operating risks and costs, thereby continuing to provide responsible and quality services to our customers
Environmental	Climate change and energy management	Chicony Power is committed to developing green energy products, reducing the use of harmful substances, and creating lead-free processes/production lines. The Company is also committed to reducing the consumption of energy and resources during business operations to achieve the goal of saving energy and saving Earth. Conducts regular tracking and reporting of the amount of waste being generated, sets waste reduction goals, and raises the awareness of resource recycling to achieve the goal of saving energy and saving Earth.
	Green Products and Services (Hazard Substance Management)	
Social	Labor-management Relations	Employees are Chicony Power's most important partners; we attach great importance to the work environment and employee development and care. The Company es...
	Occupational safety and health management	Maintaining workplace safety and health and creating employee health management programs are the first-line guarantee of Chicony for employees.
	Human Resource and Talent Development	Talented personnel's long-term development will be the Company's ultimate goal. With comprehensive supporting mechanisms and training programs as well as the learning channel of industrial graduate programs provided for outstanding employees, employees can upgrade their knowledge and connect what they learned with actual practices to solve possible challenges at work. Moreover, Chicony Power also offers soft courses for employees to choose from, enabling employees to enhance non-work-related knowledge. By introducing university student work placement programs through industry-academia collaboration and exchange, the foundation of talent cultivation will be solidified, and graduands can find a smoother way to enter the workplace.
	Community Participation and Development	Chicony Power continues its efforts in charitable activities and cares for disadvantaged groups, for example, donating laptops to disadvantaged children so that they won't be affected by the information gap. Moreover, under the pandemic's severe challenges, medical resources have become relatively insufficient particularly the blood shortage in blood banks. Not being afraid of the pandemic, Chicony Power's employees still do their part in supporting the medical resource system by responding to blood donation campaigns. The Company will continue its commitment to community in the future through more specific actions, which will aim at the promotion of sustainable development of society, and the protection of disadvantaged groups to achieve the goal of "Take from society, give back to society".


Scope of Material Issue Impact GRI 102-46

● Direct Impact ◎ Induced Impact ○ Business Relations

Dimension	Material Issues	Corresponding GRI Standards	Corresponding Chapters	Degree of involvement and scope of impact					
				Investor	Competent Authority	Customer	Supplier	Neighboring Community	Employee
Corporate Governance	Operational Risk and Risk Management	GRI 102-15	2.6 Operational Risk Management	●	●	●	◎		●
	Business Ethics and Ethical Management	GRI 102-16	2.3 Sustainable Development and Value	●	◎	●	●		●
	Economic Performance	GRI 201-1	2.4 Operational Performance	●	◎	●	○		●
	Supply Chain Management	GRI 102-9 GRI 102-10 GRI 204-1 GRI 308-1 GRI 414-1	3.3 Supply Chain Management	●		●	●		◎
Environmental	Climate change and energy management	GRI 201-2 GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4	4.1 Climate Change and Environmental Management	●	●	●	◎	◎	●
	Green Products and Services (Hazard Substance Management)	GRI 102-11	3.1 Green Product Design 3.2 Raw Material Management	◎	◎	●	◎		●
Social	Occupational safety and health management	GRI 403-1~ GRI 403-10	6.1 Occupational Safety and Health 6.2 Comprehensive Employee Health Management	◎	●	●	◎		●
	Human Resource and Talent Development	GRI 404-1 GRI 404-3	5.4 Personnel Training	◎	◎	◎			●
	Labor-management Relations	GRI 405-1	5.1.1 Structure and Distribution of Employee Diversity	●	●	◎		◎	●
	Community Participation and Development	Voluntary Disclosure	5.5 Community Participation		●	●	◎		●

Sustainability Performance

Chicony Power's Responses to the United Nations Sustainable Development Goals (SDGs)

SDGs		Chicony Power's approaches in response to SDGs	Corresponding Chapter
	Ensure people's health and promote the well-being of all ages	<ol style="list-style-type: none"> ① Regular health checks ② Organize health lectures ③ On-site doctor services 	6-2 Comprehensive Employee Health Management
	Ensure non-discriminatory, fair and high-quality education, and promote lifelong learning	<ol style="list-style-type: none"> ① Build up a comprehensive system for training ② Continue the optimization of all employees' professional competencies and organize corresponding training at the same time. ③ Provide intern job opportunities to facilitate industry-academia collaboration 	5.4 Talent Development and Training
	Promote inclusive and sustainable economic growth to achieve comprehensive and productive employment and to help people have a good job.	<ol style="list-style-type: none"> ① Set up Occupational Safety and Health Committee to create a safe and healthy work environment ② Ensure compliance with Child Labor Prohibition Policy and regulations related to labor, health & safety, environment, corporate ethics, etc. 	5-2 Human Rights Protection 5-3 Employee Compensation and Benefit 6. Building a Safe Workplace
	Make cities and human settlements inclusive, safe, resilient and sustainable.	Chicony Power has developed an "IWA Smart Building Integrated Management Platform" based on data analytics and AIoT technologies. The introduction of the Smart Building System has brought benefits of reduced energy consumption and increased maintenance and management efficiency to buildings.	3-1 Green Products and Patents
	Ensure a sustainable consumption and production model	<ol style="list-style-type: none"> ① Increase the use of Post-Consumer Recycled Plastic (PCR) in the design of power adapters' plastic shells ② Smart Green Energy System Application ③ LED Product Application ④ Green Patent Program 	3-1 Green Products and Patents
	Adopt emergency measures to respond to climate change and its impacts	<ol style="list-style-type: none"> ① Introduce SBTi to estimate future reduction targets based on current carbon emissions, thereby effectively and gradually improving annual carbon emissions. ② Introduce TCFD, conduct regular inventory and disclosure of management-related climate change risks and opportunities, and build a comprehensive climate risk management and communication mechanism. 	4-1 Climate Change and Environmental Management





02 | Corporate Governance



Management Guidelines GRI 103-1 、 GRI 103-2 、 GRI 103-3

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Corporate Governance	Operational Risk and Risk Management	Formulate "Risk Management Policies and Procedures"; each responsible unit identifies, analyzes, assesses, monitors, responds to, and reports its risks based on its business-related risk characteristics and impact levels, and improves the countermeasures being taken.	Identify and stay on top of the risks that may impact corporate sustainable development, minimize possible risks through relevant management strategies and countermeasures such as risk transfer, mitigation, avoidance, etc., and even turn risks into business opportunities.
	Business Ethics and Ethical Management	Abide by the "Ethical Corporate Management Best Practice Principles" for the enterprise to be accountable to stakeholders	Establish a corporate culture and sound systems of ethical management
	Economic Performance	Maintain the enterprise's stable operation and continuous profitability to achieve the purpose of sustainable operation	The Board of directors regularly monitors the Company's financial performance and efficiency, and commissions professional CPAs to conduct financial reports attesting.

Responsible Unit

Finance Center

Corporate Governance Performance

In 2021, Chicony Power's eight important financial indicators all hit record highs, including consolidated revenue, gross profit, operating profit, profit after tax, earnings per share, net operating profit margin, net profit margin, and return on equity (ROE). The Company was also ranked within the top 6%~20% of the Corporate Governance Evaluation among TWSE-listed companies by TWSE in 2021.

Year	2019	2020	2021
Operating revenue (NT\$ thousands)	34,415,370	34,863,027	40,363,978
EPS (NT\$)	4.51	5.52	7.22

Future Goals

01

Continue to expand the market share of high-wattage/high-value power supply products, and actively explore the customer market for new products.

02

Continuously develop and upgrade product manufacturing processes to improve production efficiency and product quality. Develop automatic control equipment to reduce the deviations caused by manual operations and improve product yield, by which Chicony Power's principle of "No Quality, No Sales" can be maintained. Moreover, high value-added power supply products' economies of scale advantages can be reinforced, and the product production efficiency can be improved.

03

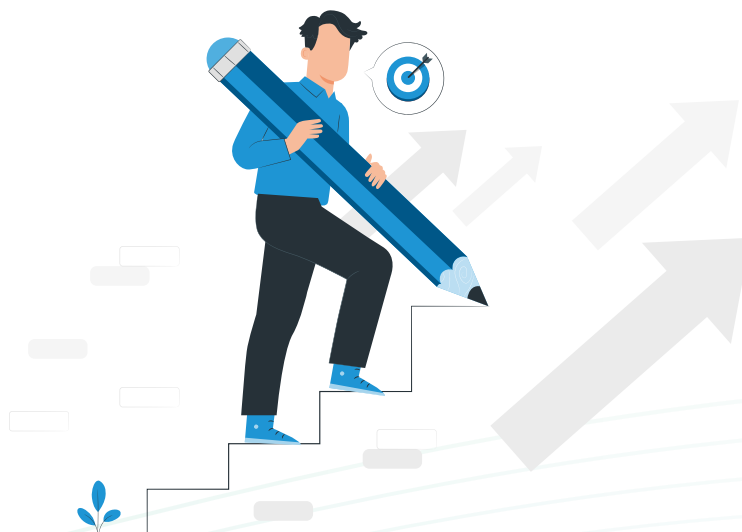
Continue to collaborate with internationally well-known manufacturer customers and suppliers, grasp advanced key technologies, and stay on top of market development directions to create technological advantages.

04

Continue the development of power products for Smart homes and green buildings to align with the global trend of smart energy saving.

05

Enhance the Board and various committees' members' competency diversity and professionalism.





◆ 2-1 Profile of Chicony Power GRI 102-1, GRI 102-2, GRI 102-3 and GRI 102-5

◆ 2-1-1 The Company's Basic Information

Chicony Power was founded on December 24, 2008, and is the world's third-largest power supply product leading manufacturer. The Company is affiliated with Chicony Group. Its major shareholder is Chicony Electronics whose stake is about 52%. The Company was registered as an emerging stock company on January 3, 2013, and was TWSE-listed on November 8, 2013 with stock code of 6412.

Chicony Power provides customers with one-stop power supply solutions for NB, desktops, servers/-cloud applications, Smart Home/AIoT products, communication products, video game consoles, consumer products, etc. With advantages in possessing cost and product quality combined with advanced technologies, the Company assists OEM customers in their manufacturing. By systematically integrating manufacturers with end customers, the Company can meet the needs of the market promptly.

In addition to continuing to expand power products' market share, Chicony Power, with its leading strength in energy management knowledge and technology, has been actively working on its deployment of technologies related to "Smart Living and Green Energy Saving" for years ago. The core products include "LED applications" and "Smart Building" products and solutions, which integrate elements such as eco-friendliness, social responsibilities, etc. into product design & planning, software/hardware application integration and professional energy consulting services to provide a complete solution with sustainable value.



Chicony Power Technology Co., Ltd.

Basic Information

Date of establishment	December 2008
Location of headquarters	30F, No.69, Sec. 2, Guangfu Rd., Sanchong District, New Taipei City, Taiwan (Chicony Smart Green Building)
Factories	Chicony Power- Dongguan Factory, Chicony Power- Suzhou Factory, Chicony Power- Chongqing Factory, and Chicony Power- Thailand Factory
Registered Capital	NT\$ 3,953,883,900
Consolidated operating revenue (2021)	NT\$ 40,363,978 thousands

Major products

- | | |
|--|---|
| 1 Switching power supply units | 2 Other electronic parts/components/ devices |
| 3 R&D, manufacturing and trade of LED application products | 4 Smart Building Integrated Management Platform |

Total number of employees

The total number of employees is 8,886[including employees in Taipei Head Office and Dongguan Factory, Suzhou Factory and Chongqing Factory in China as well as Thailand Factory, but not including short-term dispatched workers]. The number of male employees is 4,443 (accounting for 50% of the total number of employees); while the number of female employees is 4,429 (accounting for 50% of the total number of employees) (statistics as of 2021.12.31).

2-1-2 Chicony Power's Major Shareholders GRI 102-5

Name of Shareholder	Number of shares being held	Shareholding percentage
Chicony Electronics Co., Ltd.	206,706,594	52.28%
Li, Cih- Jing	24,362,547	6.16%
Swedbank Robur Globalfond	10,725,000	2.71%
Investment account of PineBridge Global Fund managed by Standard Chartered Bank Business Department	8,225,181	2.08%
Lin, Yan-Li	7,890,315	2.00%
Lin, Yi-Qing	7,883,324	1.99%
Fiduciary trust account — Lin, Yi-Qing managed by Taishin International Bank	5,000,000	1.26%
Fiduciary trust account — Lin, Yan-Li managed by Taishin International Bank	5,000,000	1.26%
Di Chia Investment Co., Ltd.	4,105,273	1.04%
Peter Tseng	4,074,434	1.04%

2-1-3 Membership of Associations and Initiatives GRI 102-12 and GRI 102-13

With the aggravating environmental impacts caused by global climate changes, more and more standards have been formulated around the globe to regulate the impacts that enterprises create on the environment, which also makes stakeholders' concerns keep changing with time. In recent years, Chicony Power has been reviewing relevant standards applicable in global markets and the issues that stakeholders are concerned about to re-assess the Company's internal sustainable operations strategies. In the meanwhile, we also pay attention to regulations set by relevant organizations, and strive to maintain good relationships with customers, suppliers, and peer companies. Moreover, professional advisors and several nonprofit organizations are also appointed to offer advice for the Company's ongoing achievements of sustainable development goals. The organizations which Chicony Power joined and the standards being implemented in 2021 are as follows:

Title of Initiative	Organizations Joined in 2021	Degrees of participation
© Responsible Business Alliance (RBA)	Taipei Computer Association	Member
	Taiwan Electrical Contractors Association (TECA)	Member

2-2 Global Market Layout GRI 102-4

According to the survey data collected by MTC (US) about the world's top 15 power supply unit manufacturers' market shares, Chicony Power was ranked among the world's top ten major manufacturers, and is one of the leading manufacturers in the market. In the world's power supply unit OEM and communication equipment market, the Company was ranked among the top three.

Chicony Power takes Taiwan as the Group's operations center, being in overall charge of the Group's business strategy, operational planning, market expansion and order-taking & sales, and being responsible for the planning, design and development of new products and new technologies. The Company effectively utilizes regional resources in its deployment of global marketing, logistics, production and technical service bases based on an operating model where Taiwan is the main R&D and sales center, while China and Thailand are dedicated production bases. With the aim of building a local connection with customers and being close to the target market, the Company shortens product delivery time through the operations of a global just-in-time warehouse supply system (e.g., setting up warehouses in Asia, America, the Czech Republic, etc.) to provide customers with a stable and fast supply of goods. This system helps customers minimize stocks and reduce fund illiquidity, meets customers' requirements in quality, price, delivery time and location, and provides customers with the best logistics support services and technologies.

Unit: NT\$ thousands

Sales Area		2019		2020		2021	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Domestic Sales		167,079	0.49	330,307	0.95	556,977	1.38
Exports	Asia	30,349,643	88.18	32,820,582	94.14	35,836,310	88.79
	America	3,300,507	9.59	1,308,925	3.75	3,496,396	8.66
	Europe	575,633	1.67	375,914	1.08	453,212	1.12
	Others	225,08	0.07	27,299	0.08	21,083	0.05
	Subtotal	34,248,291	99.51	34,532,720	99.05	39,807,001	98.62
Total		34,415,370	100.00	34,863,027	100.00	40,363,978	100.00

By upholding the principles of "No Quality, No Sales" and "Customers Come First", the Company's power supply products are all designed to meet[UL, CAS, NEMKO, FIMKO, DEMKO, SEMKO, Japan PSE, and European TUV safety certification requirements, and US FCC Class B/CISPR standards], and the ISO 9001/ISO 14001/ISO 45001 certifications have been obtained. The Company's products have been sold to the world's major manufacturers in Hong Kong, Singapore, Japan, Korea, the United States, the United Kingdom, Europe, etc., and have been recognized for their good quality.



2-3 Sustainable Development and Value GRI 102-16

With the joint efforts of the management team and all employees over the years, Chicony Power has become a multinational electronic part/component manufacturer in the market. We have branch offices in major countries around the world such as the United States, Japan, etc. The major production bases are located in Mainland China, and the total number of employees exceeds 8,000. We understand that as a large multinational corporation, we must undertake our corporate social responsibilities. Thus, we support and carry out the RBA Code of Conduct to protect employees' human rights and benefits, develop eco-friendly and energy-efficient products, promote energy conservation and carbon reduction, and reduce the impact brought by product manufacturing on the environment.

Concerning social participation and engagement, we actively make efforts and participate in various domestic and international social benefit activities. Chicony Power has also sponsored and supported several public welfare agencies and disadvantaged groups for years, including the donation of laptops to Pingtung Sun-Door Charity School to support disadvantaged children, the purchase activity to support the private St. Raphael Opportunity Center in Tainan, the purchase of red envelopes to support Yu-Cheng Social Welfare Foundation, the purchase of soy sauce to support Taiwan Foundation for the Blind, etc., hoping that these institutions can have sufficient resources to accomplish their noble missions.

Chicony Power views employees as its most important asset. The Company has long been committed to creating a safe and comfortable work environment and living space for employees, particularly for female employees' health and safety, hoping that employees can develop their careers without worrying. The Company's remuneration and benefits for employees are better than the average level in the market.

According to TWSE's information released at the end of June 2022 about TWSE/TPEx-listed companies' non-managerial full-time employees' salaries, Chicony Power's non-managerial employees' average salary was higher than NT\$1.61 million, allowing employees to live a financially secure life. In order to cultivate talents and align with individual employees' career development, we have designed a complete training course blueprint for employees. Moreover, industrial graduate programs and business-education cooperation work placement projects are also jointly implemented by the Company and some excellent colleges/universities such as the National Taipei University of Technology, etc. Through the provision of student scholarships and the company's internal educational training system, it is hoped that talented personnel can be attracted and employees' self-learning and development can be encouraged. Moreover, to increase national competitiveness in the future, Chicony Power also offers a high amount of financial incentives to encourage employees to have babies.

Chicony Power will focus on the development of green products and the establishment of a worker care system in the future to ensure corporate sustainable development and the fulfillment of corporate social responsibilities. We will move towards the next stage with all partners, and looks forward to receiving support, suggestions, and encouragement from the public.



When seeking an increase of revenue and profit, Chicony Power also actively promotes the fulfillment of corporate social responsibility. The Company promises to fulfill its ESG commitments in labor-management relations, employee care, corporate governance, environmental protection and social benefit, compliance with government laws and regulations, work rights protection, improvement of workplace health and safety, green product development, environmental impact reduction, the undertaking of social and environmental responsibilities, etc. to meet stakeholders' expectations.



Environment

Chicony Power has responded to the responsibility and attention on climate change and global warming required for an enterprise with its solid actions and full participation. We adopt Science Based Targets (SBT) to set medium- and long-term carbon reduction objectives, and make pledges to follow the framework developed by the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose climate-change-related information and corresponding risks and opportunities as a response to the initiative of Carbon Disclosure Project (CDP).



Social

As a global corporate citizen, Chicony Power upholds the Responsible Business Alliance (RBA) Code of Conduct and other internationally recognized human rights norms including "Universal Declaration of Human Rights", "International Labour Organization" and "UN Guiding Principles on Business and Human Rights", and follows the above-mentioned guidelines and principles as well as local laws and regulations applicable in the places of business operations to formulate its fundamental labor standards and stipulates "Human Rights Policy" as guidelines for the practice of corporate social responsibility.



Governance

Chicony Power has activated the operation of the ESG Committee since 2021. The Committee is directly under the Board of Directors, leading all first-level managerial personnel to promote the implementation of corporate social responsibility, and create opportunities for sustainable development through continuous innovation, ongoing improvement, and development of high-value-added products. With the aim of carrying out ethical management, the Company has established management mechanisms to prevent conflicts of interest, and has formulated "Management Measures for Anti-collusion and Conflicts of Interest". All indirect employees are required to sign the "Letter of Undertaking of Integrity" to avoid collision. Channels for whistleblowing and complaints have also been set up to strengthen the Company's ethical management. Four sessions of the "Information Workshop on Ethical Management and Insider Trading" were organized in 2020, and the number of participants reached 653.

2-4 Operational Performance GRI 102-45 、 GRI 201-1

Being affected by the COVID-19 pandemic since 2020, the need for working from home, distance learning, stay-at-home entertainment, etc. keeps staying high. In the future, "home" will become an activity base for work and life, by which a new post-pandemic way of life will be formed, and it is estimated that the demand for electronic components will continue to increase. With the advent of COVID-19 vaccines, vaccination appears to have begun to curb the spread of the pandemic, showing a prospect for the global economy to recover from the pandemic.

The Company's 2021 EPS was NT\$7.22 with an annual increase of 30.8%. The ratio of return on stockholders' equity was as high as 27.4%. With the benefit of product portfolio optimization and operational efficiency improvement, Chicony Power's eight important financial indicators all hit record highs in 2021, including consolidated revenue, gross profit, operating profit, profit after tax, earnings per share, net operating profit margin, net profit margin, and return on equity (ROE).

Item \ Year	2019	2020	2021
Operating Revenue	34,415,370	34,863,027	40,363,978
Operating Cost	28,780,982	28,443,674	33,225,466
Gross Profit	5,634,388	6,419,353	7,138,512
Operating Expenses	3,434,219	3,593,434	3,687,506
Operating Profit	2,200,169	2,825,919	3,451,006
Non-operating Revenue and Expenditure	19,638	-104,462	128,659
R&D Expense	1,649,361	1,964,482	1,792,787
Profit before tax	2,219,807	2,721,457	3,579,665
Income Tax Expense	501,917	594,237	751,190
Net Income	1,717,890	2,127,220	2,828,475
Earnings per share (NT\$ Dollars)	4.51	5.52	7.22

Unit: NT\$ thousands

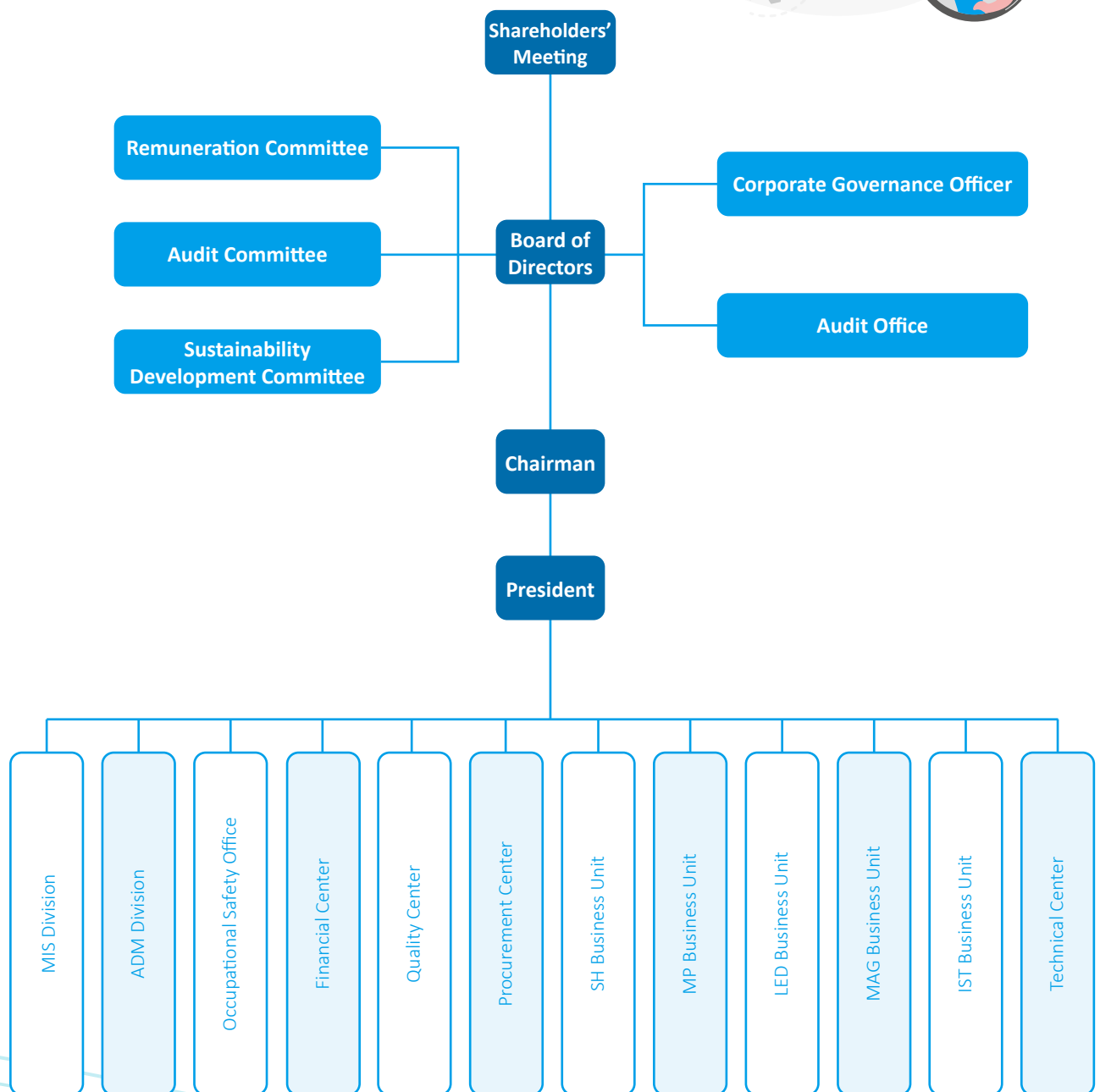
Percentages of Major Products in Operating Revenue

Revenue and Corresponding Percentage Item	2019		2020		2021	
	Operating revenue	Percentage accounting for revenue (%)	Operating revenue	Percentage accounting for revenue (%)	Operating revenue	Percentage accounting for revenue (%)
Electronic parts & components	25,538,856	74.21%	27,708,029	79.48%	32,745,796	81.13%
Consumer & other electronics	8,666,264	25.18%	6,700,552	19.22%	6,958,037	17.24%
Others	210,250	0.61%	454,446	1.3%	660,145	1.63%
Total	34,415,370	100%	34,863,027	100%	40,363,978	100%

Unit: NT\$ thousands



- ◆ 2-5 Corporate Governance Organization
- ◆ 2-5-1 Corporate Governance Organization GRI 102-18



Department	Primary 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 smart 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 Operation of Board of Directors

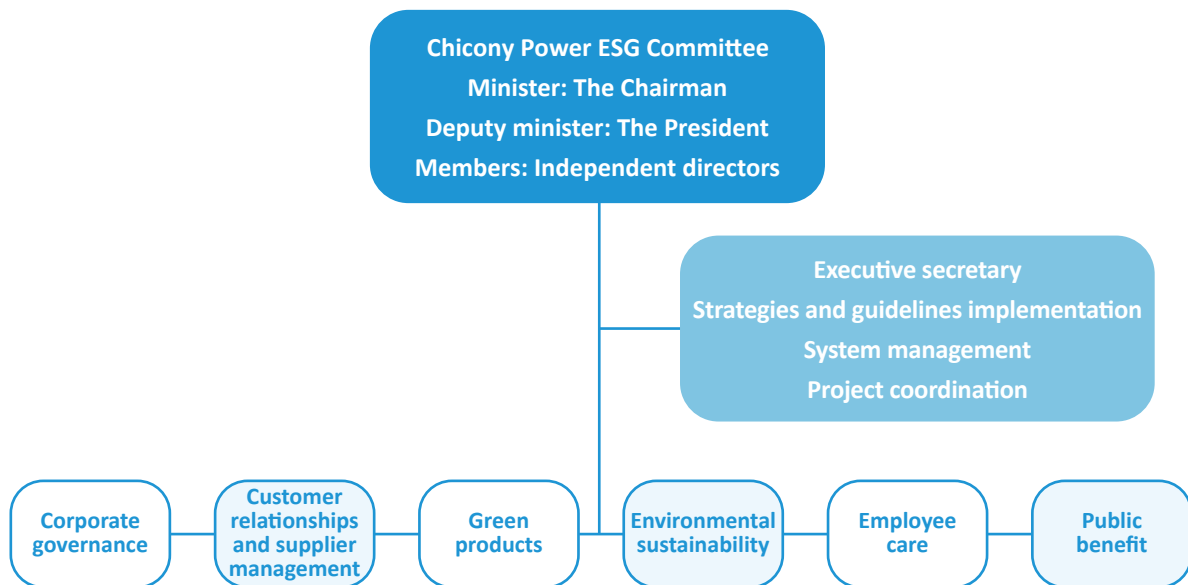
Chicony Power follows [Corporate Governance Code] and considers candidates' gender, age, nationality, cultural background, etc., to appoint professionals with rich operational or academic experiences in various industries to be members of the Board. Five meetings were called by the Board in 2021 to review and supervise the Company's critical decisions regarding economic, social and environmental issues to maximize benefit for shareholders. If the meeting items involve stakeholder issues related to certain directors or the corporations such directors represent, the critical content of the stakeholder issues should be explained in that board meeting. If there is a concern that the Company's interest may be affected, the directors should not join discussion and voting, and should avoid being present during the discussion and voting, nor should they vote on behalf of other directors.

Position Title	Name	Gender	Education	Main Experiences
Chairman	Roger Lu	Male	Department of Business Administration, National ChengChi University MBA, National ChengChi University	Chicony Electronics Co., Ltd., President Chairman : - XAVI Technologies Corporation, (Legal Representative) - Unikey Electronics Co., Ltd.
Director	Peter Tseng	Male	National Taipei University of Technology Master of Institute of Industrial Management, Taipei University of Technology	Chicony Power Technology Co., Ltd., President Li Shin International Enterprise Corp., President Lite- On Electronics Inc., Factory Director
	Huang, Yueh-Chao	Female	National Xinying Industrial Vocational High School	Chairman : - Dijia Investment Co., Ltd. - Dijia Construction Development Co., Ltd. - Hungtzu Construction Development Co., Ltd.
	Lee, Tse-Ching	Female	National Taipei University of Business	Beitou Huanan Hotel, Senior Accounting Taipei City Mingcheng Hotel, Accounting Director
	Tsai, Duh-Kung	Male	Department of Industrial Engineering, National Taipei College of Technology	Powertech Technology Inc., Chairman Greatek Electronics Inc., Director Taiwan Region of AST Computer Co., Ltd., President Kingston Technology Corporation, Chairman
	Hong, Ching-Shan	Male	Business Administration Group, Department of Business, National Taiwan University Master of Accounting and Law, National Chengchi University	Independent Director: - Yuanta Securities Co., Ltd. - Yuanta Commercial Bank Co., Ltd PwC Taiwan, Deputy Head Taiwan CPA Association, Deputy Managing Director
	Sun, Chin-Feng	Male	Department of Mining and Metallurgy, National Taipei University of Technology MBA, University of Michigan MS, Wayne State University	Independent Director : - Wonderful Hi-Tech Co., Ltd. - Hua Eng Wire and Cable Co., Ltd. Saga Unitek Ventures Co., Ltd., President Chongjin Venture Capital Co., Ltd., Assistant VP

Note: The Board consists of 7 directors, of which three are independent directors (43%); one director is concurrently serving as the Company's employee (14%); and two directors are female (29%). As for board members' age distribution, there are 3 directors aged 55-65, and 4 directors aged 65-75.

2-5-3 ESG Committee

Chicony Power formulated the "ESG Committee Charter" in accordance with the "CSR Code of Conduct" in 2021 as a framework for practicing corporate sustainability. The Committee aims to align with the global trend of balancing environmental, social and corporate governance development, undertake a corporate citizen's responsibilities, increase contribution to the country's economy, improve the quality of life of employees, communities and society, and facilitate the CSR-based competitive advantages. In order to fulfill corporate social responsibilities, the Company respects social ethics and pays attention to the rights of other stakeholders. We also value the factors associated with environment, society and corporate governance when seeking sustainable operations and profitability, and incorporate them into the Company's management and operations.



Team	Responsible Unit(s)	Functions
Corporate governance	President's Office, Business Department, Central Purchasing/Procurement Center, Finance Center, Administrative Management Division	Corporate governance, sustainable operation, ethics and integrity, business performance and risk control
Customer relationships and supplier management	Business Department, Central Purchasing/Procurement Center, Quality Center	Supplier management, customer satisfaction and product promotion by increasing visibility
Customer relationships and supplier management	Business Department, Central Purchasing/Procurement Center, Quality Center, Intellectual Property Division	Raw materials control, green materials, and product design
Environmental sustainability	Business Department, Administrative Management Division, Central Purchasing/Procurement Center	Pollution source management, greenhouse gas management, energy management, climate change adaptation/management, and renewable energy management
Employee care	Business Department, Administrative Management Division	Remuneration & benefits, labor-management relations, talent cultivation, and occupational health and safety
Social benefit	Administrative Management Division, Welfare Committee	Communication with local residents, supporting disadvantaged groups, and participation in charitable activities



2-6 Risk Management GRI 102-15

The scope of the Company's all-level risk management covers the business activities involving operations, finance, environment, hazardous events, climate change, etc. The procedures of identification, measurement, monitoring, reporting, etc. for various risks should be adjusted along with changes in the business environment, items and activities in a timely manner. In order to realize sound corporate governance, implement risk management for business operations, and ensure the completeness of the Company's risk system, the Company has formulated "Risk Management Policy and Procedures", which was approved by the Board of Directors on August 5, 2021, as the highest guiding principles for corporate risk management.

The implementation units have proposed their management/control strategies and approaches for identified and potential risks. Moreover, the Company's "ESG Committee" reported to the Board on November 3, 2021 on the material business-related environmental, social, and corporate governance issues as well as the operation and implementation of risk management.

Risk Category	Potential Risk	Management/Control Strategies and Approaches
Climate Risk	Changes in rainfall patterns/dramatic changes in weather patterns	<ol style="list-style-type: none"> 1. Management/control measures: Chicony Power will continue the investment in relevant disaster prevention measures, and conduct regular equipment/facilities service and maintenance to mitigate the possible impact of climate disasters. 2. Taipei Headquarters will increase flood-prevention equipment and maintenance personnel, including purchasing sandbags, adding fixing metal brackets to roller shutter doors/adding metal protection shields to revolving doors at the entrance, typhoon-prevention tools and management/maintenance personnel. 3. The Company's factories will increase flood-prevention equipment and maintenance personnel, including purchasing dewatering pumps and sandbags, and assigning management/maintenance personnel.
Environmental Risk	Global warming (GHG emissions increase)	<ol style="list-style-type: none"> 1. Conduct GHG inventory and obtain third-party certification: Taipei Head Office, Suzhou Factory, Chongqing Factory and Dongguan Factory are all ISO-14064 certified. 2. Carry out the SBT (Science Based Targets) carbon reduction target setting, which is expected to be submitted to the SBTi (Science Based Targets Initiative) by the end of 2021. Continue the implementation of various energy-saving and carbon reduction measures in Taipei Headquarters and all factories.
Occupational Safety & Health Risk	Employee workplace safety	<ol style="list-style-type: none"> 1. Taipei Head Office, Suzhou Factory, Chongqing Factory, and Dongguan Factory have all obtained ISO 45001 occupational safety and health management systems certification. 2. Regular worksite patrols and inspections are carried out by the EHS Team in Taipei Headquarters and all factories to reduce hazards and risks.

Risk Category	Potential Risk	Management/Control Strategies and Approaches
Occupational Safety & Health Risk	Fire/explosion risk	<ol style="list-style-type: none"> 1. Punitive measures have been formulated for violations of safety regulations related to electric soldering iron and high-temperature heating equipment (such as heat guns, hot glue guns, etc.), and employees are required to pay serious attention to fire/explosion hazards. 2. In addition to the existing management/control measures for soldering irons, the "Soldering Iron Real-name System" has been implemented from this year onwards, which requires the labels of users or keepers to be displayed to ensure that every soldering iron is well kept and maintained. 3. Adding a foolproof cover to countdown timer: For the existing high temperature heating equipment that cannot automatically cool down, an automatic power-off countdown timer should be installed. Moreover, in order to avoid countdown timer failure caused by the operator's wrong touch when setting or switching-off the timer, protection covers have been provided for operators to use on the countdown timers to reduce the chance of wrong touch.
	COVID-19 pandemic	<ol style="list-style-type: none"> 1. Cooperatively follow the government's pandemic-control policies, and implement working-from-home strategies for severe pandemic situations to reduce cluster infection risks. 2. Develop "COVID-19 Response & Control Plan", and designate occupational medical and nursing personnel together with Administrative Management Division to implement the Plan. 3. Conduct health care and tracking for high-risk employees, and pay attention to employees' health conditions at all times. 4. Set up "Self-health Management Pandemic-control Zone" exclusively for employees who are subject to self-health management, allowing employees to work while implementing self-health management. 5. Conduct regular environmental disinfection to provide a healthy environment for employees.
Information Security Risk	<ol style="list-style-type: none"> 1. Information system anomalies 2. Malicious intrusion into and destruction of the system by external attacks 	<ol style="list-style-type: none"> 1. Set up security measures such as firewall, antivirus software, cloud email protection solutions, etc. for the system. IT personnel conduct regular checking and testing, and build up complete anti-intrusion and anti-virus mechanisms. 2. Detect the websites that the Company's users access, and block anomalous connections. 3. Perform firewall and internal network vulnerability scanning every quarter, and patch vulnerabilities based on the scanning report results. 4. Strengthen disaster prevention, monitoring, reporting mechanism, anomalies management, and regular disaster recovery drills as well as implement backup mechanisms. 5. Conduct quarterly advocacy of information security to raise the awareness of information security among employees.
Financial Risk	Risks arising from exchange rate fluctuations	For USD purchase/sales positions and RMB receivable/ payable positions, natural hedging through mutual offsetting shall be adopted. For USD net positions after offsetting and the possible flows generated in the future, the Company will keep monitoring the global economic conditions, stay on top of global exchange rate trends, and hedge the risks through timely forward foreign exchange transactions.



03 | Sustainable Value Chain



Management Guidelines GRI 103-1, GRI 103-2 and GRI 103-3

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Corporate Governance	Supply Chain Management	View suppliers as important partners for sustainable growth; carry out sustainable supply chain management to reduce operating risks and costs	According to "Supplier Management Procedures", all major raw material suppliers need to be reviewed, assessed and audited to control their risks and ensure their sustainable management. By reviewing, assessing, and auditing suppliers' environmental/labor/human rights/social performances, appropriate suppliers can be selected and the responsibility of a prudent administrator can be fulfilled.
Environmental	Green Products and Services (Hazard Substance Management)	Endeavor to develop green energy products, reduce the use of hazardous substances, and emphasize HSF (Hazardous Substance Free) production lines	Follow "Hazardous Substance Management Procedures" and announce HSF Policy as the basis for compliance. Take effective control measures for designing, manufacturing, testing and supply chain management, and establish corresponding management systems.

03 Sustainable Value Chain

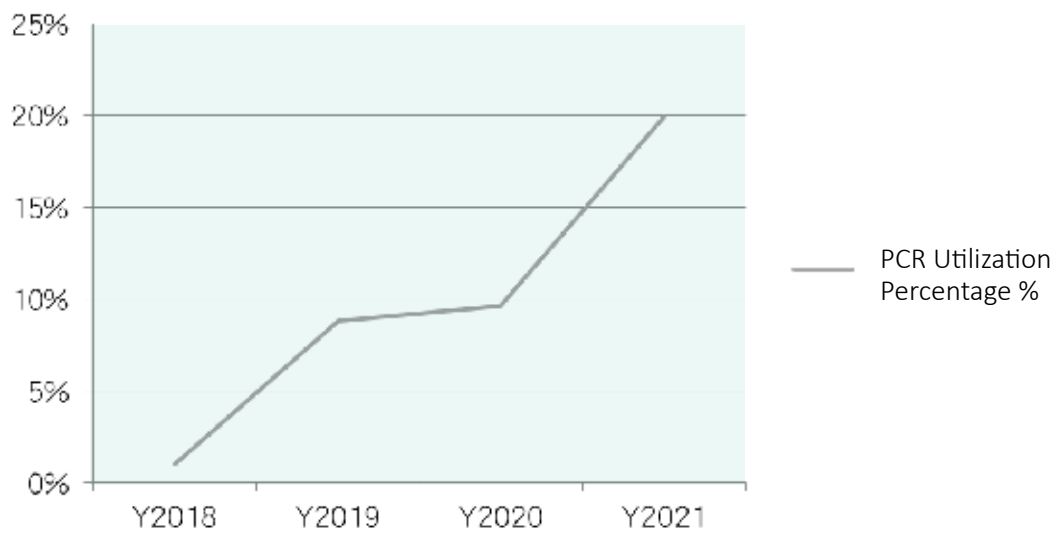
3-1 Green Products and Patents GRI 102-11

With respect to the research and development of new products, the Company introduces the concept of green design for products. Relevant R&D units develop designs that can improve products' energy efficiency and meet compliance with chemical/hazardous substance regulations, and use renewable and recyclable materials wherever possible. What is particularly notable in the past two years is the increased use of Post-Consumer Recycled Plastic (PCR) in the design of various power adapters' plastic shells. The percentage of PCR plastics used in production was less than 1% in 2018, then 8.8% in 2019, 9.6% in 2020, and 19.9% by the end of 2021, effectively reducing burdens on the environment by less production of plastics and waste of resources. With the aim of achieving continuous improvement and assessment, the Company conducts sampling and testing for every batch of products in accordance with relevant management requirements and regulations for quality assurance and environmental protection to ensure that the products can comply with relevant requirements and regulations after they are mass-produced. Thus, Chicony Power's products can progress towards the direction of sustainability.

Plastic shells of power adapters

	2018	2019	2020	2021
Percentage of Post-Consumer Recycled (PCR) Plastics Utilization	<1%	8.8%	9.6%	19.9%

PCR Utilization Percentage %

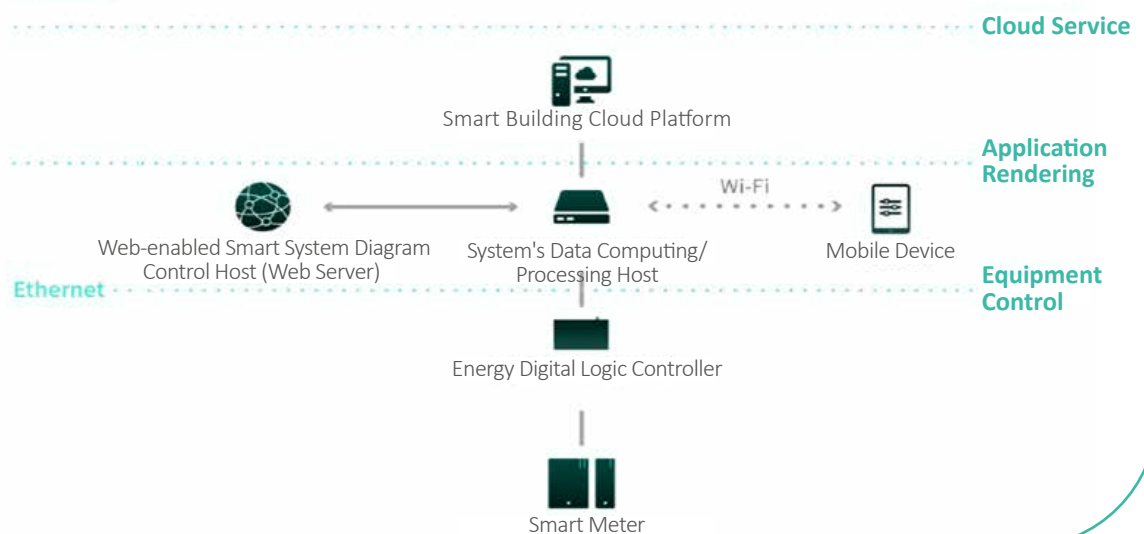


Smart Green Energy System Application

As indicated in the reports compiled by the United Nations Environment Program (UNEP), the electricity consumption and carbon emissions of buildings in the world account for 40% of the world's total electricity consumption and 21% of carbon emissions. Particularly, the more developed a country is, the higher the percentages of electricity consumption and carbon emissions that its buildings account for will be. Thus, improving building energy efficiency will be a way to reduce global electricity consumption and carbon emissions. In view of this trend, Chicony Power has developed an "IWA Smart Building Integrated Management Platform" based on data analytics and AIoT technologies to bring benefits of reduced energy consumption and increased maintenance and management efficiency to buildings.

With the experience obtained through Chicony Smart Green Building, Chicony Power introduced the concept of smart green energy into its Suzhou Factory which officially started operation in the first quarter of 2021. High-grade energy-efficient technologies and equipment have been employed in Suzhou Factory's design and construction, including advanced water recovery system, water-saving equipment, heat recovery system to reduce natural gas usage, high-efficiency power-saving equipment, etc. In addition, solar power generation equipment with a capacity of about 900kW has been installed in the roof space of the Factory Building, Warehouse Building and Dormitory Building. In order to improve factory operational efficiency and carry out digital transformation, Chicony Power has step by step put the information application systems in the cloud to facilitate personnel's operations of production/manufacturing equipment, equipment maintenance, etc. This enables equipment users, maintenance personnel and supervisors to identify and solve problems through the cloud in a timely manner based on their roles and responsibilities, thereby improving the overall efficiency of equipment, minimizing equipment anomaly time, and reducing factory operating costs. Suzhou Factory's achievements in using AIoT to build an advanced manufacturing industry system have been recognized by the public, making it be included in "the first batch of four-star cloud enterprises in Jiangsu Province in 2021" by the Jiangsu Provincial Government.

System Structure

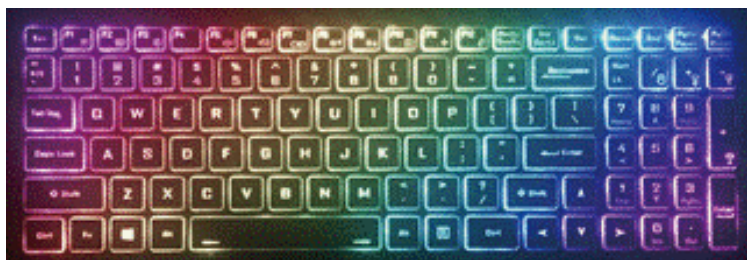


LED Product Application

Mini LED, with its features of more uniform illumination and lower power consumption, has been gradually used in NB products in recent years. The unique technology developed by Chicony Power for the Mini LED keyboard backlight module can save more than half of the power consumption of the keyboard backlight and achieve better visual effects. In addition, with the aim of reducing packaging material waste, recyclable outer cartons and inner packaging have been designed for the shipment of LED backlight modules, which will save the cost of a large number of disposable cartons, and will also reduce damage to the environment.

According to statistics, the Company's outer carton recycling & reuse measure introduced in 2020 has helped reduce about 160 tons of paper, which is equivalent to 24,000 trees being saved. The Company will continue to achieve the goal of reducing 240 tons of paper in 2021.

Recently, major car manufacturers have changed the lights that use traditional bulbs to products that use LED modules. Chicony Power began designing and manufacturing headlights' LED daytime running lights (DRL) and position lights, which consume only about 18% of the energy consumed by the original quartz-halogen lights, for car manufacturers 5 years ago. The Company has mass-produced full LED headlight modules since 2020, among which the LED high beam/low beam modules consume only about 30% of the energy consumed by the original quartz-halogen lights. In addition to working with car manufacturers by providing various LED light designs and manufacturing services, the Company's LED products can also help energy conservation for the earth.



Green Patent Program

"Chicony Power Patent Management and Incentive Regulations" has been formulated to encourage and reward employees' inventions and creations, enhance employees' enthusiasm for technological innovation, and protect the Company's R&D achievements to increase the product value and competitiveness of the Company and its subsidiaries. The "Chicony Power Patent Management and Incentive Regulations" not only covers patent-related affairs about patent authorization, patent confirmation, and patent maintenance but also includes systems for patent search, patent analysis, etc. to avoid accidentally breaching others' patents in the R&D process, thereby comprehensively protecting and managing the Company's various patent affairs. Moreover, with the aim of recognizing employees with excellent patent-filing performance, the Company selects winners of Award for Best Inventor of the Year, and gives prize money, award certificates or trophies to the best inventors in public events as an encouragement. Besides giving extra acknowledgment to those with excellent performance, it is also hoped that all employees can be encouraged and inspired to actively obtain patents to protect their R&D and innovation achievements.

With the aggravation of climate change and the energy crisis, green technologies have become the core of the Company's product development. The Company actively encourages the patent filing for all green technologies, through which the Company can assist and work with customers in environmental protection and energy conservation, and can also enhance the competitiveness of the Company's products and technologies. In addition to the efforts in green energy technologies for energy saving and consumption reduction for core power supply products such as power supply units, chargers, etc., the Smart Building System that the Company has been cultivating in recent years also adds a new spirit of energy efficiency and power saving to new & old buildings through AIoT technologies. Table 1 shows that the number of "Power Supply Unit Category" green patent filings has reached 400 since 2017 till now, and the number of "Smart Building Category" green patent filings also reached 70-plus. It is notable that the number of "LED Optics Category" green patent filings, which is another emerging product technology of the Company, is nearly 130, demonstrating the Company's determination to develop green energy technologies, and the efforts in protecting its core technologies.

Table 1: Number of green patent filings over the years*

		2017	2018	2019	2020	2021	Total
Power Supply Unit	Circuit	54	58	54	34	40	243
	Process	32	40	38	39	19	168
Smart Building		24	17	12	13	10	76
LED Optics		24	2	38	40	24	128

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

3-2 Raw Material Management GRI 102-11

Chicony Power has formulated the "Restricted Substance Control Standard" as guidelines for hazardous substance control implemented by suppliers and internal teams of procurement, quality control, R&D, etc. By clearly specifying the substances subject to Chicony Power's environmental management (including prohibited substances, restricted substances, self-managed substances and substances other than applicable items), parts materials, components, modules, secondary materials and packaging materials containing hazardous substances can be prevented from being mixed into Chicony Power's products to achieve the compliance with domestic/foreign laws & regulations and customers' requirements, and the purpose of protecting the global environment and reducing impacts on the ecosystem.

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



Chicony Power's "Restricted Substance Control Standard" has specified:

01

Hazardous substances' restrictions/prohibited items, and halogen-free products' limit standards

02

Prohibited substances in the future

03

Prohibited substances in manufacturing processes

3-3 Supply Chain Management GRI 102-9 and GRI 102-10

3-3-1 Supply Chain Management Policy

Chicony Power's major products are power supply units, whose major raw materials include power cords, capacitors, fans, heat sinks, semiconductors, transformers, plastic cases, printed circuit boards, insulating plates, sockets, etc. The Company requires that the raw materials provided by suppliers should meet Chicony Power's product quality characteristics, and comply with international standards such as Restriction of Hazardous Substances (RoHS), HSF-related regulations, etc. to enhance the competitiveness of Chicony Power's products.

Raw materials supplied by suppliers will directly affect Chicony Power's products, services, and operations. Moreover, suppliers' social responsibility actions will also indirectly affect Chicony Power's reputation or potential risks. Therefore, Chicony Power has formulated "Supplier Management Procedures" to standardize supply chain management procedures, based on which suppliers' performances in relation to labor rights, environmental protection, and safety & health management are incorporated into assessment and audit criteria. Moreover, improvement measures are developed based on assessment results to assist suppliers in making continuous progress in the hope of improving the quality of sustainable supply chain management, and reducing supply chain operational risks to build sustainable partnerships. In 2021, the industry remained under the impact of global raw material shortages; thus, how to solve the problem of lack of materials in the supply chain will be a big challenge. In addition to activity tracking the supply status of raw materials, Chicony Power has established stable supply relationships with major raw material suppliers, by which stable material source and good quality can be ensured, and delivery time and price can be controlled. The Company's materials-related units also strictly control the delivery time of raw materials based on the order-taking situation to reduce inventory-holding costs in the hope of coping with the material shortage crisis and avoiding the operational risks caused by material shortages.

3-3-2 Carry Out Local Procurement Principle GRI 204-1

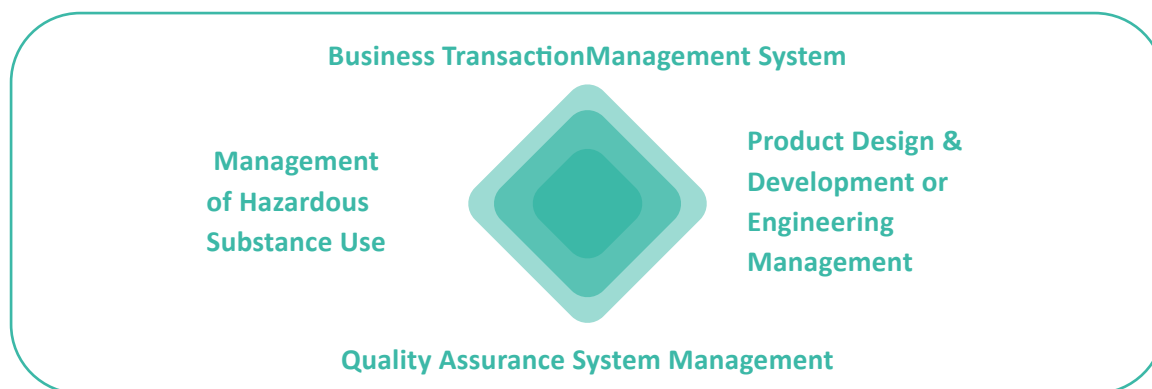
The main production factories of Chicony Power are located in Mainland China. In order to reduce carbon emissions from transportation, Chicony Power upholds the principle of "local procurement" and strives to find the nearest suppliers based on the production needs of individual factory to minimize the transportation distance of raw materials. The material purchase percentages from local suppliers and overseas suppliers in each factory are shown in the table below.

Factory	Item	Amount percentage	Item	Amount percentage
Chicony Power - Dongguan Factory	Purchase percentage from local suppliers	77%	Purchase percentage from overseas suppliers	23%
Chicony Power - Suzhou Factory		36%		64%
Chicony Power - Chongqing Factory		40%		60%
Chicony Power - Thailand Factory		30%		70%

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

In order to choose suitable and excellent suppliers, assessments of suppliers' quality assurance system management, business transaction management, product research & development, and HSF management carried out in accordance with "Operating Procedures for New Supplier Assessment".

- ① **Supplier Assessment Audit Team:** The team is composed of staff from central procurement center, quality control, green products, component engineering, and R&D units. The eligibility of the auditors should be confirmed, and the assessments should be completed before orders are officially placed.
- ② **Timing of Supplier Audit:** Audit will be conducted when the Company has needs for new technologies or new parts, or for quality requirements, cost requirements, or delivery requirements.
- ③ **Content of Supplier Audit:** The said Supplier Audit Team should conduct audits focusing on 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 assessments/audits are described in the table below.



Business Transaction Management System	1. Management of orders and lead time/delivery time 2. Supplier management and trade security management 3. Management of communication information between the two parties 4. Supplier's social & environmental responsibility management and EHS management	
Product Design & Development or Engineering Management	1. Organization and functionality 2. Raw material approval and management/control 3. Customer sample approval and management/control 4. Trial run management/control	5. Prototype management/control 6. Safety standards management/control 7. Management/control of product reliability 8. Change management 9. Management/control of product eco-friendliness testing report
Quality Assurance System Management	1. Quality system management 2. Document/data management 3. Training 4. Procurement quality management 5. Warehouse material management	6. Process control 7. Management of product final verification 8. Calibration management 9. Storage/transportation control
Management of Hazardous Substance Use	1. Planning for Hazardous Substance Process Management System 2. Realization of HSF products 3. Supervision, measurement, analysis, and improvement	

④ Supplier's Scoring Result:

For suppliers participating in Chicony Power's audit, if an overall score of 80~100 is given after the Supplier Audit Team's evaluation, the supplier will be recognized as Approved; if an overall score of 70~79 is given, the supplier will be recognized as Conditionally Approved; if the score given by any one of the Supplier Audit Team members is under 70, or the overall score is under 70, the supplier will be deemed as Not Approved. Being affected by the COVID-19 pandemic, 11 new suppliers were applying for joining the Supplier in 2021. Please refer to the table below for details of the supplier assessment results.

Scoring Results of 2021 New Supplier Assessment

Level	Description	Achievement Detail	
		Number of suppliers	Percentage
Approved	Score rate is 80% to 100% A new supplier being given an overall score of 80~100 shall be recognized as an Approved supplier, and can proceed to subsequent business collaboration with the Company.	11	100%
Conditionally Approved	Score rate is 70% to 79% A new supplier being given an overall score of 70~79 shall be recognized as a Conditionally Approved supplier, and should complete required improvements and pass the assessment again for being able to proceed to subsequent business collaboration with the Company.	0	0%
Not Approved	Score rate is under 70%, or any of the single score rate is under 70% A new supplier being given an overall score under 70 shall be deemed as a Not Approved supplier, and is not allowed to collaborate with the Company, nor can it submit an audit application within 6 months.	0	0%

3-4 Customer Relationship Management

With the sales channels established in major markets such as Asia, Europe, America, etc., Chicony Power can actively collect market information, and design and develop products to align with customers' needs. In addition, through frequent technical exchanges with downstream customers, Chicony Power has maintained a well-established long-term partnership with customers, based on which R&D and manufacturing strengths can be further accumulated.

The regular appraisal/feedback and positive audit results received from customers are Chicony Power's main motivation to achieve continuous customer service improvement, maintenance of high-performance output, and comprehensive quality control. As the best partner of customers, Chicony Power aims to maximize customer satisfaction by grasping market trends and providing professional product designs. Moreover, Chicony Power has received many awards from partners every year since the Company was established, and has been highly recognized through the rating and ranking given by partners' various regular appraisals. The awards that Chicony Power received from partners in 2021 are shown as below.

Diamond Award



**Printer Power Quality Award
NB Power Quality Award**





04 | Environmental Protection



04 Environmental Protection

Among the issues that the world is emphasizing, one of the challenges faced by all countries is climate change. No matter which country you are in, you will need to face the impact of climate change. Since the impact of climate change on businesses can not be underestimated, Chicony Power will strengthen its resilience and adaptability to climate change, reduce the possible impacts caused by disasters, and make efforts to mitigate the impacts of greenhouse gas emissions on the external environment. Moreover, the Company upholds the spirit of the "CSR Code of Conduct" and views the response to climate change as the Company's responsibility for sustainable operations, and strives to become a leading manufacturer of green components and consumer electronics. The SBTi (Science-Based Target initiative) and TCFD (Task Force on Climate-related Financial Disclosures) programs have also been introduced. In addition, water resource management and waste management will also be important environmental issues that Chicony Power needs to face. The details of Chicony Power's management guidelines are listed in the table below.

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Environmental	Climate Change and Energy Management	Introduce the SBTi and TCFD programs and conduct regular climate change risk and opportunity management inventory and disclosure	Joined the SBTi and TCFD initiatives in July 2021, and set short-, medium- and long-term goals



Responsible Unit

Administrative Management Division



Environmental Protection and Sustainability Performance

- ① The SBTi and TCFD projects were introduced in 2020 for the Company to conduct regular climate change risk and opportunity management inventory and disclosure. Currently, 3 material climate risks and 3 opportunities have been identified.
- ② Joined the SBTi reduction program in 2021, and submitted the 1.5°C reduction targets for review.
- ③ Participated in the Carbon Disclosure Project (CDP) Climate Change Questionnaire in 2021 and was given a Management Level Grade B
- ④ Set up ESG Committee in 2021, which is composed of the Chairman and the Management Team, and reports to the Board every year
- ⑤ The Taipei Head Office and factories in China all completed ISO 14064-1:2018 validation and verification, which shall be the basis for the implementation of SBTi reduction. Since the Thailand Factory is still in the stage of construction, the GHG inventory and third-party verification have not been conducted.

- ⑥ Suzhou Factory's achievements in using the Smart Building System developed by Chicony Power for energy management/control have been recognized by the public, making it be included in "the first batch of four-star cloud enterprises in Jiangsu Province in 2021" by the Jiangsu Provincial Government.
- ⑦ Suzhou Factory saved 6,499 cubic meters of water in 2021 through condensate and rainwater recovery systems.

Future Strategic Objectives

01

Chicony Power joined the SBTi in 2021, and formulated GHG reduction goals for the next ten years:

- (1) Scope 1 & 2: Taking 2020 as the base year, it is expected that the GHG reduction will achieve the 1.5 °C reduction target by 2030. Scope 1 and Scope 2: Emissions will be reduced by 42%, and per million revenue's emissions intensity will be reduced by 56.8% by 2030.
 - Scope 1: Referring to the GHG emissions owned or controlled by Chicony Power, e.g., direct emissions from stationary/mobile/industrial processes, or emission sources released from man-made systems.
 - Scope 2: Referring to Chicony Power's GHG emissions generated from purchased electricity, heat, steam, or other fossil fuels
- (2) Scope 3: Calculated based on the well-below 2°C (WB2C) target, the Scope 3 emissions will be reduced by 25%, and the per million revenue's emissions intensity will be reduced by 44.19% by 2030.
 - Scope 3: Referring to the indirect emission sources caused by Chicony Power's transportation, the indirect GHG emissions from products used by the organization, the indirect emission sources from the use of Chicony Power's products, and other indirect emission sources
- (3) The water consumption and waste reduction targets are both calculated by taking 2019 as the base year. The ratio of the total annual consumption to the Company's total production value should be reduced by at least 3% compared with the previous year and is expected to decrease by 16.7% by 2025.

02

Conduct regular climate change risk and opportunity management inventory and disclosure based on TCFD conclusions, and build a comprehensive climate risk management and communication mechanism.

4-1 Climate Change and Environmental Management

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

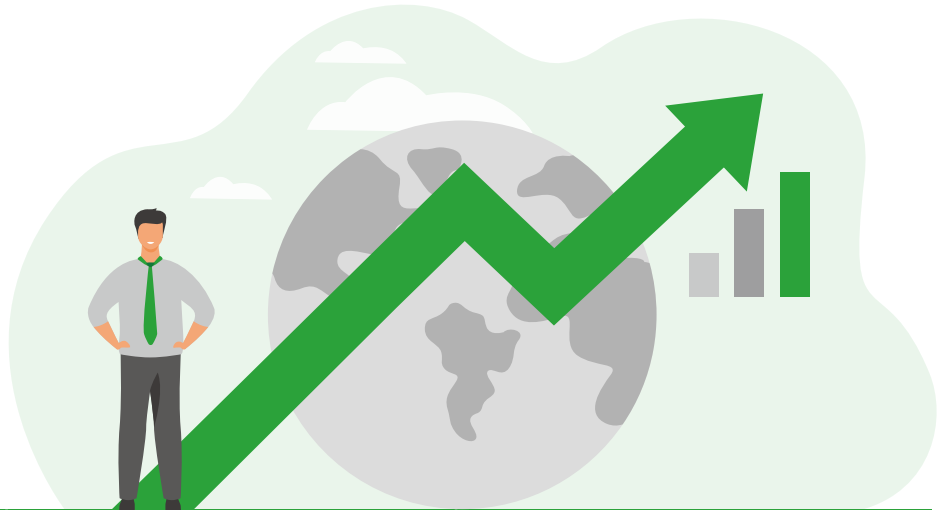
When facing the worsening extreme climate, resilience to climate disasters is an important element for business operations. In addition to strengthening resilience and adaptability to climate change, Chicony Power will reduce the possible impacts caused by disasters, and make efforts to mitigate the impacts of greenhouse gas emissions on the external environment. Chicony Power also submits the CDP questionnaire as a response to international investors' concerns about the Company's climate governance. Last year, the Company, for the first time, employed the framework for climate issues and operational impact disclosure based on the TCFD announced by FSB to identify climate risks and opportunities, and set up assessment indicators and management targets based on the identification results. It is hoped that through effective control of the progress and achievements of actions responding to climate change, the financial impact of climate risk on operations can be reduced.

In terms of the specific implementation, Chicony Power set up ESG Committee based on the Board's resolution in 2021. The organization's climate resilience has been incorporated into the Company's key management objectives through the "ESG Committee's" operation and under the "Board's" supervision. By following the important principles specified in the TCFD framework, the focus on climate resilience will be gradually integrated into the Company's operating decisions to carry out GHG adaptation and mitigation tasks, and to strengthen the Company's capability for climate governance. In addition, the Company conducts regular communication with stakeholders to prevent and adapt to risks arising from climate issues. Relevant explanations are listed in the table below.

Item	The Company's management actions	Content	Relevant actions are taken in 2021
Governance	The Board's supervision	Chicony Power sets up "ESG Committee" under the board of directors, and an "ESG Working Group" under the committee, serving as the highest management organization responsible for climate issues. The Committee consists of 5 directors, of which three are independent directors. The Chairman serves as the minister, the President serves as the deputy minister, and three independent directors serve as committee members. The three independent directors supervise issues of Environment (E), Society (S), and Corporate Governance (G) respectively. The Committee meets quarterly, and reports to the Board of Directors at least once a year.	Chicony Power set up ESG Committee under the Board of Directors in 2021. Issues discussed this year included the submission of SBTi emissions reduction targets, revision of Sustainable Development Best Practice Principles, "Corporate Social Responsibility", "Ethical Management", "Stakeholder Communication" and the operation status of "Risk Management Policy and Procedures" as well as the report on task planning for 2021 CSR Report.
	Managerial level's roles and responsibilities	In order to solve issues arising from climate change and challenges in implementing environmental management, the managerial personnel should propose annual goals and implementation plans for relevant issues to the ESG Committee, coordinate relevant units to activate the plans and track progress on a regular basis, and submit implementation results to the ESG Committee.	In 2021, Chicony Power set up ESG Committee, which made reports on climate-related issues to the board of directors in the same year. Chicony Power follows the spirit of the "CSR Code of Conduct" to comprehensively promote climate change adaptation and response strategies.

Item	The Company's management actions	Content	Relevant actions are taken in 2021
Strategy	Identification of short-, medium-, and long-term risks and opportunities	Chicony Power introduces the identification of climate-related risks and opportunities based on internal carbon reduction plans, conducts comprehensive inventory and assessment of short-, medium-, and long-term impacts of the risk and opportunity issues on the Group's operations, and follows existing internal objectives to manage the schedule. By definition, short-term is less than 3 years, medium-term is 3-5 years, and long-term is longer than 5 years. There were 10 material climate risks and 8 opportunities being identified for Chicony. Please refer to the "Climate Risk and Opportunity Matrix" for detailed information.	With the aim of actively managing climate issues, Chicony Power has set up an inter-departmental Climate Change Working Group, taking the responsibility for identifying climate risks, and assessing and responding to climate impacts within their respective responsibility scopes. The Group submits relevant data and reports to ESG Committee once a year.
	Financial impacts caused by risks/ opportunities	Chicony Power's Climate Change Working Group regularly tracks and updates the financial impacts on the organization's operations caused by various climate risks and opportunities, and assesses the changes in quantified financial impact data after corresponding management/control measures are introduced, by which the operational and financial impacts caused by climate change can be reduced step by step, and the organization's climate resilience can be enhanced.	The inter-departmental Climate Change Working Group has jointly identified 3 material risks with the highest tension of concern, which is "Changes in customer behavior", "Requirements and supervision of existing products and services", and "Changes in rainfall patterns/ dramatic changes in weather patterns". The financial impacts include an "Increase in operating costs (Raw materials and R&D)", "Decrease in revenue (due to increased production costs)", "Decreased revenue due to operational disruption and disaster prevention investment and insurance costs", etc. The 3 material opportunities with the highest tension of concern are "Adopting more efficient production and distribution procedures", "Entering new markets", and "Developing or expanding low carbon products and services". The financial influences include "Revenue increase coming from resource utilization efficiency", "Benefits such as operating cost reduction, etc.", "Revenue increase (coming from order value increase)", etc. We will conduct regular reviews for management and tracking.
	Scenario Analysis	In order to understand the possible financial impacts of climate-related risks on the Company operations, Chicony Power conducts assessment and analysis of different scenarios based on international sustainability trends, amendments to policies and regulations, market demand, etc., and responds to the results of simulated impacts by introducing relevant control/ management measures.	Chicony Power has analyzed and grasped the impacts of possible carbon reductions and the measures taken to achieve the reduction in 2030 based on the SBT Scope 1 and 2 GHG 1.5 degree-C reduction target scenario.

Item	The Company's management actions	Content	Relevant actions are taken in 2021
Risk Management	Risk and Opportunity Management Procedures	Through the discussion by the inter-departmental Climate Change Working Group, Chicony Power identifies material risks and opportunities based on impact possibilities and impact degrees, and assesses the impacts of each climate risk and opportunity on the Company's operations, strategies, and financial planning. The possible financial impacts on the organization's operations caused by each issue under various scenarios are regularly updated, based on which relevant committee members and teams shall develop management approaches for the material risks being identified. Please refer to "Description of Chicony Group's Climate Risks and Opportunities and Relevant Response Strategies" for the assessment results.	The "Risk Management Policy and Procedures" was formulated by the Company in 2021, which has been approved by the Board of Directors and serves as the highest guiding principle for corporate risk management. Risk factor identification is regularly conducted by departments' managerial personnel and employees to identify the risks that may affect corporate sustainable development. Through the identification, the scope of risk management is screened out; then potential risks are monitored and preventive measures are implemented to strengthen risk management. The climate-related management items include "climate change risk", "environmental risk", "natural disaster risk (rainfall risk/typhoon risk)", etc. The "environmental risk" and "natural disaster risk (rainfall risk/typhoon risk)" are of Environment (E) category, for which Industrial Safety Division? The division will facilitate TCFD projects, and Chicony Group's Climate Change Working Group will identify climate risks and opportunities, conduct inventory of existing management/control measures, and strengthen future management/control measures to reduce climate change impacts.
	Integration of Existing Risk Management Systems	Chicony Power views climate change risk as one of the material risks faced by the Company's operations, and thus integrates operational risk into the corporate risk management system. Risk management meetings are held, and reports are regularly made to the Board of Directors.	Seed staff from various units hold workshops/meetings to identify climate risks and opportunities, propose management/control strategies and approaches for identified and potential risks, conduct an inventory of existing management/control measures, and strengthen future management/control measures to reduce climate change impacts.

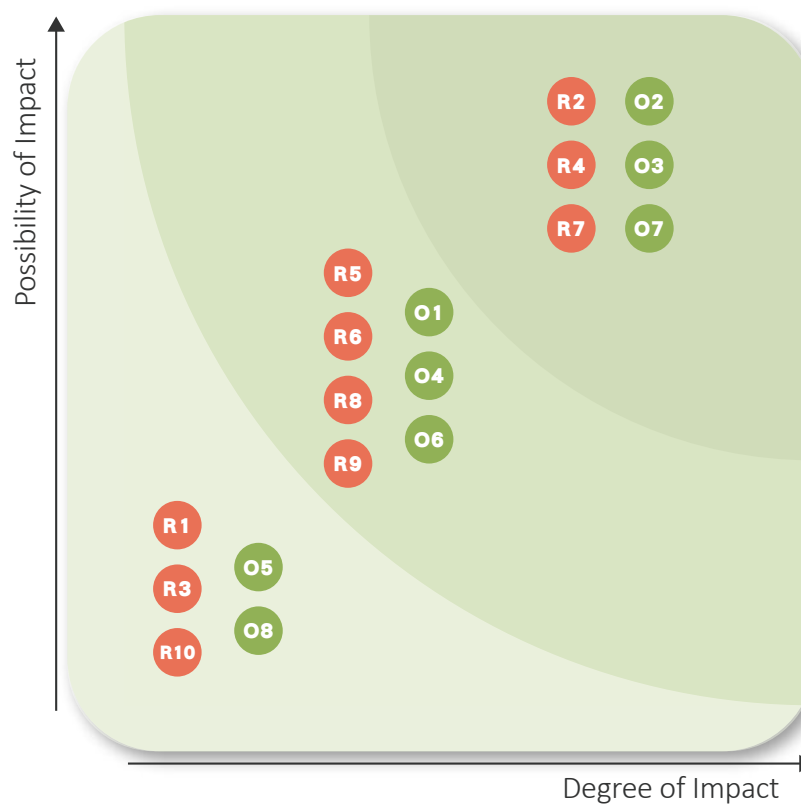


Item	The Company's management actions	Content	Relevant actions are taken in 2021
Indicators and Objectives	Indicators for Risk and Opportunity Assessment	Chicony Power's climate-related risk and opportunity assessment indicators include environmental items such as SBTi carbon reduction targets achievement degree, GHG emissions, use of energy/resource, water consumption, waste, etc. The Company reviews the performance of various environmental indicators year by year to control and improve overall operational efficiency.	The SBT and TCFD projects were introduced in 2020. All factories conduct the GHG inventory, and use Scope 1, Scope 2, and Scope 3 emissions as well as the "per million revenue's emissions intensity" as the calculation units for GHG indicators. To achieve energy and resource conservation, Chicony Power also invests in factory facilities/equipment and improves production equipment efficiency to reduce GHG emissions.
	Objective setting and result reviewing	In order to mitigate the impact of greenhouse gases from operations on climate change, Chicony Power follows the SBT GHG emission targets to set up active emission intensity reduction objectives. In addition, in order to increase the Company's operational resilience when faced with climate incidents, Chicony Power is also active in the development of product performance improvement and the use of green energy. Moreover, the Company also strives to lead upstream/downstream supply chain partners to create a supply chain of more sustainable value with its own influence.	Chicony Power joined the SBTi in 2021, and estimated its carbon reduction responsibility by completing the SBTi 1.5 degree C reduction target setting based on the simulated scenario for global warming to be limited to 1.5°C developed by International Energy Agency (IEA). In addition, the Scope 3 "Product Use Phase Emissions" has also been incorporated into carbon reduction KPIs.

Climate Governance Strategies

Chicony Power introduces the identification of climate-related risks and opportunities, conducts a comprehensive inventory and assessment of short-, medium-, and long-term impacts of the risk and opportunity issues on the Group's operations, and follows existing internal objectives to manage the schedule. By definition, short-term is less than 3 years, medium-term is 3-5 years, and long-term is longer than 5 years. There were 3 material climate risks and 3 opportunities being identified for Chicony.

In addition, in order to reduce the GHG emission impacts on external stakeholders, Chicony Power, by basing on the "2°C Scenario (2DS)" developed by IEA, estimated the carbon reduction responsibility of Chicony Electronics in 2021, and developed reduction strategies to respond to SBT. The initiative was approved in July 2021. The reduction target has also been set, and the SBT target review will be completed in 2022. Please refer to the public website: <https://sciencebasedtargets.org/companies-taking-action> for the details of the review.



Climate Risk

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

Climate Opportunities

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

Climate Risk Management

From 2020 onwards, through the discussion by the inter-departmental Climate Change Working Group, Chicony Power identifies material risks and opportunities based on impact possibilities and impact degrees, and assesses the impacts of each climate risk and opportunity on the Company's operations, strategies, and financial planning. The results of the assessment are submitted to ESG Committee every year for relevant committee members and teams to develop management approaches for the material risks. Chicony Power views climate change risk as one of the material risks faced by the Company's operations, and thus integrates operational risk into the corporate risk management system and environmental management system. Through the Climate Risk Matrix assessment, Chicony Power has identified three risks and three opportunities, details of which are listed in the table below:

Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies						
Material Risk and Opportunity Item	Issue Description		Term	Scope	Impact on the Company	Management/Control Measures
Transformation Risk	Market Risk	Changes in customer behavior	Medium	Factory Market Supply chain	Increase in operating costs (raw materials, R&D)	<ol style="list-style-type: none"> 1. Continue the communication with customers, shareholders, etc. to stay on top of market information 2. Conduct customer satisfaction surveys to grasp market demand information 3. Increase R&D investment in products with high energy efficiency 4. Increase the percentage of eco-friendly materials used in products
	Policy and Regulatory Risk	Requirements and supervision of existing products and services	Medium	Factory	Decrease in revenue (due to increased production costs)	<ol style="list-style-type: none"> 1. Increase R&D investment in products with high energy efficiency 2. Product design progresses towards higher standards than existing regulatory requirements 3. Green Product Team keeps track of international regulations

Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies

Material Risk and Opportunity Item			Issue Description	Term	Scope	Impact on the Company	Management/Control Measures
Physical Risk	Chronic Risk	Changes in rainfall patterns/dramatic changes in weather patterns	According to the results indicated in the long-term & future flood risk analysis through WRI Aqueduct Water Risk Atlas - Riverine Flood Risk, Chicony Power's production bases in China and Thailand are located in high-risk areas. It is necessary to continuously monitor the situation and invest resources in disaster prevention and emergency response measures to avoid impacts on factory operations in the future. In addition, regional power restrictions were implemented in China due to the unstable power supply in 2021. Although all factories have been equipped with emergency generators, yet if the power restrictions last too long, the transportation of raw materials may still be affected, and delivery may be delayed. In the future, if power outages occur due to weather events, the electricity demand of whole factories may not be met due to insufficient power generation capacity. Therefore, the Company should pay attention to the impacts arising from natural disasters caused by climate events and energy supply stability.	Long	Market	Decreased revenue due to operational disruption and disaster prevention investment and insurance costs	<ol style="list-style-type: none"> 1. Communicate with government and request to be listed as priority areas for electricity and water supply 2. Invest resources in disaster prevention measures, and conduct regular service and maintenance 3. Conduct Risk Effectiveness Assessment for regions where raw material suppliers are located 4. Introduce relevant energy management systems to factories, and evaluate the possibility of renewable energy facilities installation 5. Flood-prevention & dewatering systems and emergency response measures have been set in Suzhou Factory
			Continue to simplify and rationalize products' manufacturing process using product design to reduce material loss. The Company has continued to develop automated production and in-line testing equipment in recent years to improve production efficiency & quality, reduce labor costs, minimize waste generation, shorten delivery time, and increase productivity. Moreover, Chicony Power has accumulated the ability to design, develop and improve the automated machinery and equipment used in production, by which the production process can be managed and the product quality can be controlled. With continuous R&D and improvement, the process technology and yield of production lines have been enhanced. In 2021, Chicony Power's Suzhou Factory also used the self-developed IWA system to develop a production model that can achieve maximum product efficiency under smart energy management.	Medium	Factory	Revenue increase coming from resource utilization efficiency	<ol style="list-style-type: none"> 1. Continue to increase the percentage of automated production, improve production efficiency, and enhance product quality. 2. Continue the R&D and upgrade for the product manufacturing process to improve production efficiency and product quality.

Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies

Material Risk and Opportunity Item			Issue Description	Term	Scope	Impact on the Company	Management/Control Measures
Opportunity	Market	Entering new markets	Through "Smart Perception", "Smart Computing", "Smart Control" and "Smart Interaction", the IWA Smart Building Integrated Management Platform can effectively assist users in controlling important equipment in buildings in a smart way, and effectively manage and apply various building data to improve users' comfort and productivity as well as reduce building operations costs. In addition, Chicony Power chooses to follow the smart building open communication protocol standards BACNet instead of the traditional closed system. The application has been extended to factories, residential communities, shopping centers, etc., and has been successfully recognized by customers in Japan, Southeast Asia, China, etc. It has gradually entered the international market, realizing the true "building smartization" and achieving the goal of sustainable energy saving.	Medium	Market	Benefits such as operating cost reduction, etc.	<ol style="list-style-type: none"> 1. Continue the development of power products for smart homes and green buildings to connect with the global trend of smart energy saving 2. Continue to recruit outstanding talent and strengthen employees' professional training to enhance the Company's overall R&D strength
	Products and Services	Developing or expanding low carbon products and services	In response to the development of vehicle electrification and "electronification", Chicony Power continues to invest in product innovation and technology research and development for the early deployment of LED automotive lighting and modules. The use of more energy-efficient LED headlights has become an inevitable trend in current market. The gradual introduction of LED into the Advanced Driver Assistance Systems (ADAS) in Adaptive Front Lighting System (AFS) and Adaptive Driving Beam (ADB) has increased the use of LED lights in vehicle applications. With the standardized specifications for product sizes, connectors and traditional light sources adopted in the automotive light repair/maintenance market, users will be encouraged to replace the traditional lights with LED headlights, providing a source of market potential for Chicony Power in the future.	Medium	Market	Revenue increase (coming from order value increase)	<ol style="list-style-type: none"> 1. Stay on top of market trends, and develop products for new applications to increase the Company's profits 2. Accelerate products' domestic and international quality certification to enhance the Company's competitiveness in the international market 3. Continue to recruit outstanding personnel and strengthen employees' professional training to enhance the Company's overall R&D strength

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

Chicony Power follows ISO 14061-1: 2018 standards to conduct GHG emissions inventory, by which the Company can grasp each factory's emission status through the inventory process and results, and propose feasible solutions for greenhouse gas reduction. In order to enhance the information and reports credibility of GHG inventory and to improve the quality of GHG inventory, an impartial third-party inspection agency is appointed to perform external verification by set standards after the internal verification is completed, through which complete inventory procedures can be established and the data quality can be improved.

The Company calculates GHG emissions using operational control methods. The original base year was 2017; in response to the revision of ISO 14064-1, 2020 is used as the new base year, and the GWP (Global warming potential) values stated in the IPCC (Intergovernmental Panel on Climate Change) Fifth Assessment Report (2013) are used in the calculation.

In order to effectively grasp the amount of GHG emissions, the GHG emission intensity (metric tons CO₂e/total consolidated revenue (NT\$ thousands)) is used as an indicator for GHG management.

Chicony Power's 2020 operational boundaries include: Chicony Power – Taipei Head Office, Chicony Power – Dongguan Factory, Chicony Power – Suzhou Factory, Chicony Power – Chongqing Factory, and Chicony Power – Thailand Factory. Chicony Power – Thailand Factory is not included in the GHG inventory and quantification conducted in 2021 as it is still in the stage of construction.

(1) Category 1 and Category 2 Greenhouse Gas Emissions Status:

Year	2020	2021
Category 1 Direct greenhouse gases (metric tons CO ₂ e/year)	1,560.61	2,699.40
CO ₂ (metric tons CO ₂ e/year)	574.66	892.30
CH ₄ (metric tons CO ₂ e/year)	258.10	428.47
N ₂ O (metric tons CO ₂ e/year)	6.51	4.44
HFCs (metric tons CO ₂ e/year)	673.31	1,374.18
PFCs (metric tons CO ₂ e/year)	0	0.00
SF ₆ (metric tons CO ₂ e/year)	0	0.00
NF ₃ (metric tons CO ₂ e/year)	0	0.00
Category 2 Indirect greenhouse gas from purchased electricity (metric tons CO ₂ e/year)	44,957.71	51,196.68
Category 1 + Category 2 Total greenhouse gas emissions	46,521.01	53,896.08
Total consolidated revenue (Unit: NT\$ thousands)	34,863,027	40,363,978
Category 1 + Category 2 Total greenhouse gas emission intensity (metric tons CO ₂ e/Total consolidated revenue (NT\$ thousands))	0.001334	0.001335



(2) Category 3~Category 6 Other indirect greenhouse gas emissions

Year	2020 (metric tons CO ₂ e/year)	2021 (metric tons CO ₂ e/year)
Category 3: Indirect greenhouse gas emissions from upstream transportation	289,582.25	1,172,889.59
3-1 Upstream raw material transportation and distribution	273,110.93	1,165,524.23
3-2 Business trips	91.66	135.21
3-3 Employees' commuting	1,713.91	734.22
3-4 Downstream transportation and distribution	14,666.79	6,555.94
Category 4: Indirect greenhouse gas emissions from products used by the organization	476,549.62	1,027,186.60
4-1 Procurement of goods and services	466,400.24	1,017,138.29
4-2 Capital goods	4,198.60	456.40
4-3 Fuel- and energy-related activities	4,055.47	3,848.21
4-4 Waste generated in operations	251.84	5,741.88
4-5 Upstream leased assets	1,643.47	1.81
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	34,957,921.94	30,046,071.21
5-1 Processing of sold products	Non-significant and unquantified	Non-significant and unquantified
5-2 Use of sold products	34,943,501.31	30,031,813.71
5-3 End-of-life treatment of sold products	141,216.78	14,218.44
5-4 Downstream leased assets	137.11	39.06
Category 6: Other indirect emissions	Non-significant and unquantified	Non-significant and unquantified

4-1-3 Environmental Management

The purpose of environmental management is to establish a system to assist enterprises in identifying possible environmental problems and improving them to reduce the impacts on the environment in the whole product life cycle, starting from design & development throughout production, sales, product use and final disposal. Since the reduction of environmental impacts will be achieved through the improvement of production methods, reduction of energy consumption & raw material waste, etc., the enterprise's production efficiency is expected to be improved and the revenue is increased at the same time. The spirit of the environmental management system 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 is expected to be achieved, which is not a specific goal that can be achieved with one-off effort like the investment in equipment to reduce and prevent pollution. Thus, ISO 14001 emphasizes the establishment of environmental management systems so that enterprises can continuously improve their environmental performance instead of proposing another set of pollution prevention standards other than existing regulations. Chicony Power's Head Office and other factories (not including Thailand Factory) all obtained ISO 14001:2015 certification as shown below:

Chicony Power - Taipei Head Office



Chicony Power - Dongguan Factory



Chicony Power - Suzhou Factory



Chicony Power - Chongqing Factory



4-2 Energy Management GRI 302-1, GRI 302-3 and GRI 302-4

The energy used in Chicony Power's Head Office and factories in China and Thailand primarily comes from electricity purchased from external providers. Other fuels such as liquefied petroleum gas, petrol, diesel, etc. are mainly used in company vehicles, forklifts, canteens, boilers in dormitories, etc.

	2020	2021
1-1 Electricity (1000 kWh/year)	78,925.723	80,443.115
1-2 Electricity (G joule/year)	284,129.446	289,591.996
2-1 Liquefied Petroleum Gas (LPG) (kg/year)	4,280.000	5,696.00
2-2 Liquefied Petroleum Gas (G joule/year)	216.104	287.600
3-1 Natural gas (NG) (cubic meters/year)	312,631.297	336,750.120
3-2 Natural gas (G joule/year)	11,778.071	12,686.724
4-1 Petrol (1000 liters/year)	8.198	7.861
4-2 Petrol (G joule/year)	0.260	0.257
5-1 Diesel (1000 liters/year)	0.043	9.070
5-2 Diesel (G joule/year)	0.0015	0.319
6. Total energy consumption (GJ)	296,123.890	302,566.896
7. Total consolidated revenue (Unit: NT\$ Thousands)	34,863,027	40,363,978
8. Total energy consumption intensity (GJ/Total consolidated revenue (Unit: NT\$ Thousands))	0.0085	0.0075

4-2-2 Energy Efficiency Improvement Measures

Chicony Power's Head Office and factories (not including Thailand Factory) always pay attention to the impacts of their production and operation activities on climate change, and formulate strategies and goals for the Company's energy conservation and carbon & greenhouse gas reduction.

Factory	Power saving measures	Electricity being saved (1000 kWh)
Chicony Power - Dongguan Factory	1. Air compressor upgrade (replace an old air compressor with a two-stage rotary screw compressor)	630.00
	2. Workshop lighting's energy-saving (switch off the corresponding production line and its lighting, and keep only the basic lighting during the 20-minute lunch break every day)	2,647
Chicony Power - Suzhou Factory	1. Water chiller and air compressor heat recovery system	67.592
	2. Lighting improvement in toilets, tea rooms and passageways	51,492.53
	3. Ventilation time-switch control for street lights and toilets in area A of the factory	65,619.90
	4. Automatic control & operation for cooling towers	115.508
	5. Energy-efficiency improvement for air handling unit's permanent-magnet motor	321.493
	6. Energy-efficiency improvement for process exhaust ventilation equipment's permanent-magnet motor	193.387
	7. Add new vents to air handling units	765.983
	8. Solar power generation	674.207
	9. APF harmonic improvement	1.692
Chicony Power - Chongqing Factory	1. Use LED to replace traditional lighting devices	264.706
	2. Increase the chilled water leaving the temperature of water chillers (6°C-7°C)	308.824
	3. Detect compressed air leaks	408.529
	4. Use an automatic temperature-controlled fans for water cooling towers	73.529
	5. Install timer switches for street lights	29.412
Total electricity saving (KWH)		5,665.111
Total electricity saving (GJ)		20,394.174

Through the self-developed "IWA Smart Building Integrated Management Platform", Suzhou Factory can detect and integrate its management information, which helps achieve the sustainability management goals of smartization, energy management, and carbon reduction in the factory. It is hoped that Chicony Power can fulfill its corporate social responsibilities while pursuing the Company's revenue and profit growth, and can actively exert positive influence to manifest the Company's sustainable social values.

【 Suzhou Factory's Energy Saving Measures 】

IWA Smart Building Integrated Management Platform
Smart Building Integrated Management Platform



Lighting improvement in tea rooms and street light ventilation
time-switch control



Add new vents to air handling units and set
temperature adjustment schedule



時間: 03:30 (hours)
 類型: 外氣風門
 模組名稱: 外氣風門 2
 控制方法: PID控制
 溫度控制
 風門開度: 0 - 100 (0-100%)
 模式: ☒ 製冷 ☐ 製熱
 目標溫度: 23
 PID: kp: 0.01 ki: 0.05 kd: 0
 風門開度來源: 外氣風門 2 風門開度控制策略:
 溫度來源: 回風風門 1 (溫濕度/空氣)

Solar power generation and smart energy management system



With the aim of providing the organization with a framework to integrate energy efficiency and management practices, the implementation of logicalized and consistent standards for energy efficiency improvement will help the organization adopt single and harmonized standards, establish transparency in energy/resource management, and strengthen communication. Therefore, Dongguan Factory and Suzhou Factory successively obtained ISO 50001:2018 certification in the past two years. In addition to energy efficiency management, Suzhou Factory also voluntarily purchased 400 MWh of renewable energy. The relevant documents are shown as below.

Chicony Power - Dongguan Factory's
ISO 50001:2018 certification



Chicony Power – Suzhou Factory's ISO 50001:2018 certification



Suzhou Factory voluntarily purchased 400 MWh of renewable energy



4-3 Water Resource Management

The water used by Chicony Power, due to the industry characteristics, is mainly for employees' daily needs and the factories' peripheral equipment, particularly air-conditioning facilities. The domestic sewage being produced is treated through proper sewage treatment facilities or is directly discharged to the sewage system by local environmental laws, which will not cause any pollution to the environment.

In recent years, the overall rainfall pattern has changed significantly due to climate change. When faced with increasingly severe climate changes, a business should evaluate its water demand and production capacity, and consider factors such as regional water shortage, etc. Thus, Chicony Power also proposes solutions to water issues. A total of 6,499 cubic meters of water resources were recovered in Suzhou Factory through condensate and rainwater recovery systems, which is the most notable achievement. 2019~2021 Head Office's and all factories' water consumption

Water consumption of each site (cubic meter/year or m ³ /year)	2019	2020	2021
Chicony Power – Taipei Head Office	7,014.80	6,733.30	8,756.40
Chicony Power – Dongguan Factory	326,300.00	315,792.00	324,457.00
Chicony Power – Suzhou Factory	150,933.00	134,766.77	260,733.00
Chicony Power – Chongqing Factory	119,303.00	120,209.00	119,587.00
Chicony Power – Thailand Factory	---	5,381.00	12,166.00
Total water consumption (cubic meter/year or m ³ /year)	603,550.80	582,882.07	725,699.40
Total consolidated revenue (Unit: NT\$ thousands)	34,415,370.00	34,863,027.00	40,363,978.00
Total Water Use Intensity (Water consumption/Total consolidated revenue (Unit: NT\$ thousands))	0.0175	0.0167	0.0179

Note 1: Thailand Factory's operation started in 2020.

Suzhou Factory's condensate and rainwater recovery systems





4-4 Waste Management

Besides giving priority to products with less impact on the environment in the initial step of the procurement process and reducing the use of harmful substances, Chicony Power's factories also compile statistics on waste generation every year. In addition to controlling the source, the Company also ensures the proper final disposal of the waste and minimizes waste generation without affecting the Company's operations. The wastes produced in Chicony Power's Head Office and factories are all disposed of in accordance with local environmental regulations. Under the operation of ISO 14001:2015 environmental management systems, the Company conducts regular tracking and reporting of the amount of waste being generated, and sets waste reduction goals. The Company's waste removal & disposal service providers did not engage in any violation of laws/regulations and agreements in 2021. The waste management of Chicony Power - Taipei Head Office is uniformly implemented by Chicony Electronics Taipei Headquarters. The amount of waste generated and disposal methods in other factories from 2019 to 2021 are shown in the table below.

1 Chicony Power – Dongguan Factory

Year (Unit: metric tons)		2019	2020	2021	Final disposal method
General waste	Reusable	397.35	378.87	361.10	Recycling
	Non-reusable	190.00	180.00	175.00	Burying
	Total	421.05	378.87	369.77	---
Hazardous waste	Reusable	0.00	0.00	0.00	Recycling
	Non-reusable	12.00	18.00	8.73	Burying
	Total	12.00	18.00	8.73	---

2 Chicony Power – Suzhou Factory

Year (Unit: metric tons)		2019	2020	2021	Final disposal method
General waste	Reusable	1002.30	835.80	1,246.93	Recycling
	Non-reusable	179.00	175.00	09.69	Incineration
	Total	1,81.30	1010.80	1556.63	---
Hazardous waste	Reusable	0.00	.00	0.00	---
	Non-reusable	13.51	8.23	19.04	Incineration
	Total	13.51	8.23	19.04	---

Suzhou Factory obtained the platinum rating for zero waste to landfill (UL 2799 certification) given by Underwriter Laboratories Inc, UL) in October 2021. The UL2799 Zero Waste to Landfill is an internationally recognized certification, which requires that compliance management, inspections and audits must be conducted for the flow of all waste generated in the enterprise to ensure that waste has been properly recycled, reused, converted, etc. rather than just being buried. Certification can only be obtained when the overall waste conversion rate reaches 80% or higher. According to UL's review and inspection results, Chicony Power - Suzhou Factory's waste conversion rate has reached 100%, and its incineration energy conversion rate is only 4%, which is far below the review threshold of 10%. With this outstanding performance, the highest platinum certification has been granted.

UL2799 Certificate



3 Chicony Power – Chongqing Factory

Year (Unit: metric tons)		2019	2020	2021	Final disposal method
General waste	Reusable	1,031.64	1,220.39	1,181.30	Recycling
	Non-reusable	150.00	199.00	309.00	Burying
	Total	1,181.64	1,419.39	1,490.30	---
Hazardous waste	Reusable	0.00	0.00	0.00	---
	Non-reusable	25.34	26.27	26.80	Incineration
	Total	25.34	26.27	26.80	---

4 Chicony Power – Thailand Factory

Year (Unit: metric tons)		2019	2020	2021	Final disposal method
General waste	Reusable	Production commenced in 2020	17.78	142.08	Recycling
	Non-reusable		21.52	4.47	Incineration
	Total		39.30	146.55	---
Hazardous waste	Reusable		0.00	0.00	---
	Non-reusable		0.00	1.76	Being outsourced
	Total		0.00	1.76	---



05 | Employee Care and Community Participation





05 Employee Care and Community Participation

Management Guidelines GRI 103-1 、 GRI 103-2 、 GRI 103-3

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Social	Talent Development and Training	Formulate "Guideline for Training Management" based on employees' professional fields and positions as well as the Company's operating goals.	<p>① In order to cultivate talents and align with individual employees' career development, Chicony Power has designed a complete course blueprint for Group-level training and the Company's internal training. Moreover, University-Industry collaboration programs are also jointly implemented by the Company and some excellent colleges/universities such as National Taipei University of Technology, National Cheng Kung University, etc. for in-service employees to upgrade their studies, and the Company will pay the full amount of the tuition fee.</p> <p>② For employees who have their own study/training plans, and the study/training can align with their job duty, according to Chicony Power's "Guideline for In-service Employees' Training", the Company will subsidize part of the tuition and miscellaneous fee.</p> <p>③ The Company's internal training system can help employees increase their work-related professional skills so that employees can meet with challenges at work in an easy way. The Company also encourages employees' self-learning and development to enhance their own capabilities.</p>

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Social	Labor relations	Value and respect employee voice and set up various communication channels for employees to understand the company's ongoing and real-time status, and to express their opinions or concerns regarding work and the workplace.	Set up different communication channels/ complaint mechanisms for employees.
	Community participation and development	Implement industry-academia collaboration and assist disadvantaged groups to demonstrate Chicony Power's CSR practices	<ol style="list-style-type: none"> ① Offer scholarships to outstanding master or doctoral students for them to study without worrying, and be able to give full play to their strengths in academic areas. Students are also guaranteed job positions in Chicony Power after graduation so that they can combine academic and practical work together in the workplace. ② With respect to disadvantaged group care, in addition to the care offered by Chicony Power's "People Caring Club " for disadvantaged groups, Chicony Power's Employees' Welfare Committee and Medical Office also coordinate charity sales activities for employees to contribute their kindness. ③ Besides employees' voluntary participation in charity sales activities, Chicony Power also donates laptops to disadvantaged students, through which students are not only financially supported but are also assisted in narrowing the information gap with other students. With the donation of laptops, students can grasp the latest information in a smoother way.

5-1 Employee Structure

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

Due to industry characteristics, job market conditions, etc., male employees account for a high percentage of R&D staff in Taipei Head Office, while the sex ratio differ in other factories due to local work patterns and job market conditions. Chicony Power attaches special importance to the development of young and middle-aged generations, and thus its human resource structure has become younger. Data in the table below shows that employees aged 50 and younger account for more than 95% on average in Chicony Power.

Year		2020	2021
Total number of employees		8,925	8,886
Employee Structure by Nationality	Taiwan	802	729
	China	8,016	7643
	Others	107	544

Factory		Chicony Power - Taipei Head Office				Chicony Power - Dongguan Factory				Chicony Power - Suzhou Factory			
Year		2020		2021		2020		2021		2020		2021	
Number of employees at the end of the year		746		663		2942		3306		3399		2468	
Gender structure (%) (Domestic)	Male	526	70.50	456	68.78	1,528	51.94	1,673	50.60	1,665	48.90	1,300	52.67
	Female	220	29.50	204	30.77	1,391	47.28	1,633	49.40	1,705	50.20	1,168	47.33
Gender structure (%) (Overseas)	Male	0	0	2	0.30	23	0.78	0	0	28	0.82	0	0
	Female	0	0	1	0.15	0	0	0	0	1	0.08	0	0
Age structure (%)	<30	107	14.30	100	15.08	885	30.08	835	25.30	2,160	63.55	1,395	56.52
	30~50	571	76.50	489	73.76	1,947	66.18	2,261	68.40	1,223	35.98	1,061	42.99
	>50	68	9.20	74	11.16	87	2.96	210	6.30	16	0.47	12	0.49

Factory		Chicony Power - Chongqing Factory				Chicony Power - Thailand Factory			
Year		2020		2021		2020		2021	
Number of employees at the end of the year		1721		1892		117		557	
Gender structure (%) (Domestic)	Male	816	47.41	917	48.47	23	19.66	97	17.41
	Female	905	52.59	975	51.53	84	71.79	449	80.61
Gender structure (%) (Overseas)	Male	0	0	0	0	7	5.98	9	1.62
	Female	0	0	0	0	3	2.56	2	0.36
Age structure (%)	<30	1,045	60.72	1,164	61.52	87	74.36	288	51.71
	30~50	670	38.93	680	35.94	26	22.22	264	47.4
	>50	6	0.35	48	2.54	4	3.42	5	0.90

Year		2020	2021
Percentage of fixed-term contract employees	Male	2,573	3,424
	Female	2,562	3,426
Percentage of non-fixed-term contract employees	Male	2,043	1,052
	Female	1,747	1,185
Sex ratio		1.07 : 1	1.11: 1
Number of employees with disabilities (Taipei Head Office)		6	5
Number of employees with disabilities (Overseas factories)		19	42

Operation Site		Chicony Power - Taipei Head Office				Chicony Power - Dongguan Factory			
Gender		Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
2020	Number of managerial employees	132	17.69%	40	5.36%	9	0.31%	1	0.03%
	Number of general employees	379	50.80%	176	23.59%	1285	43.68%	1248	42.42%
	Number of professional personnel	15	2.01%	4	0.55%	257	8.73%	142	4.83%
2021	Number of managerial employees	129	19.46%	30	4.52%	10	0.30%	3	0.08%
	Number of general employees	311	46.91%	171	25.79%	1401	42.38%	1483	44.86%
	Number of professional personnel	18	2.71%	4	0.61%	262	7.93%	147	4.45%

Operation Site		Chicony Power - Suzhou Factory				Chicony Power - Chongqing Factory			
Gender		Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
2020	Number of managerial employees	5	0.15%	8	0.24%	8	0.46%	1	0.06%
	Number of general employees	1535	45.16%	1426	41.95%	802	46.60%	889	51.66%
	Number of professional personnel	356	10.47%	69	2.03%	6	0.35%	15	0.87%
2021	Number of managerial employees	6	0.24%	9	0.36%	9	0.48%	1	0.05%
	Number of general employees	971	39.34%	1109	44.94%	869	45.93%	944	49.89%
	Number of professional personnel	323	13.09%	50	2.03%	39	2.06%	30	1.59%

Operation Site		Chicony Power - Thailand Factory			
Gender		Male	Percentage	Female	Percentage
2020	Number of managerial employees	5	4.27%	0	0%
	Number of general employees	27	23.08%	80	68.38%
	Number of professional personnel	2	1.71%	3	2.56%
2021	Number of managerial employees	6	0.50%	0	0%
	Number of general employees	308	25.95%	820	69.08%
	Number of professional personnel	21	1.77%	32	2.70%

5-1-2 Personnel Recruitment

Chicony Power recruits an excellent talent from all over the world through various channels base on employees' career development and the Company's operational strategies, which include industry-academia collaboration training programs with colleges and universities, and the employment promotion programs launched by the government. The COVID-19 pandemic, which began spreading in early 2020, was still active by the end of 2021, which also indirectly affected the production of the Company's factories in China and resulted in an unprecedented turnover. Fortunately, as the pandemic came under control, the number of employees in factories in China has gradually become stabilized. Moreover, in response to the need for production momentum, the Thailand Factory was established in 2020.

Chicony Power's recruitment, job adjustment/transfer, and resignation/unpaid leave mechanisms

Recruitment mechanism	<ol style="list-style-type: none"> 1. Recruitment is implemented in accordance with "Guideline of Recruitment Management" 2. Targets: Employees of Headquarters, expatriate employees in overseas factories and overseas branches Human Resource Department takes full charge of determining manpower demand and set up annual human resource plans. Release job vacancies information through diversified recruitment channels. 3. Implement recruitment and review in accordance with local regulations and according to the needs of various departments.
Job transfer	<ol style="list-style-type: none"> 1. The department supervisor and Human Resource Department make the suggestion. The supervisor shall consult the employee about the job transfer and obtain consent from the employee. 2. After the employee's consent is obtained, the "Transfer Application Form" shall be filled out by the human resource business partner, which shall then be signed and approved by supervisors of outgoing and incoming departments.
Resignation/unpaid leave mechanism	<ol style="list-style-type: none"> 1. The Company should be informed of the information about resignation and unpaid leave within the announcement period required by local regulations 2. Human Resource Department assists in arranging resignation interviews to find out reasons for resignation and the possibility of retention. 3. Build up talent pool for all positions in response to employee turnover so that the Company's operation would not be affected by personnel's resignation.

Statistics of 2021 Worldwide Employees Employment Rate and Demission Rate

Factory		Chicony Power - Taipei Head Office		Chicony Power - Dongguan Factory		Chicony Power - Suzhou Factory		Chicony Power - Chongqing Factory		Chicony Power - Thailand Factory	
Number of employees at the end of the year		663		3306		2468		1892		557	
Number of new employees		113(100%)		7955(100%)		3111(100%)		891(100%)		1081(100%)	
Gender	Male	86	73.45	4442	55.84	1,600	51.43	514	57.69	283	26.18
	Female	27	26.55	3513	44.16	1,511	48.57	377	42.31	798	73.82
Age	<30	42	37.17	2940	36.96	2,446	78.62	745	83.61	756	69.94
	30~50	66	58.31	4778	60.06	664	21.34	146	16.39	325	30.06
	>50	5	4.52	237	2.98	1	0.04	0	0	0	0
New Hires Employment Rate		17.04%		240.62%		126.05%		47.09%		194.07%	
Total number of employees who resigned (worldwide)		183(100%)		7,548(100%)		3,620(100%)		726(100%)		578(100%)	
Gender	Male	143	78.14	4,387	58.12	1,828	50.50	383	52.75	101	17.47
	Female	40	21.86	3,161	41.88	1,792	49.50	343	47.25	477	82.53
Age	<30	32	17.49	2,934	38.87	2,716	75.02	571	71.21	288	49.83
	30~50	143	78.14	4,465	59.15	902	24.91	146	20.11	264	50.71
	>50	8	4.37	149	1.98	2	0.07	9	8.68	0	0
Employee turnover		27.60%		228.31%		146.68%		38.37%		103.77%	



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

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

Statistics of Chicony Power's Employee Unpaid Paternity Leave

Year	2020			2021		
Gender	Male	Female	Total	Male	Female	Total
Number of employees eligible for unpaid parental leave of the year	19	9	28	26	7	33
Number of employees applying for unpaid parental leave during the year	0	5	5	3	2	5
Number of employees supposed to resume work in the year (A)	0	3	3	1	2	3
Number of employees resuming work in the year (B)	0	2	2	1	2	3
Work resumption rate (B/A)	0%	67%	67%	100%	100%	100%
Number of employees who resumed work after taking unpaid parental leave in the previous year (C)	0	5	5	0	5	5
Number of employees who resumed work after taking unpaid parental leave in the previous year and had been working for one year after work resumption (D)	0	4	4	0	2	2
Retention rate (D/C)	0	80%	80%	0	40%	40%

Note: The Unpaid Paternity Leave statistics are shown in this report only demonstrated data gathered from Taipei Headquarters.
 Note: Number of employees eligible for unpaid parental leave of the year: Employees eligible for unpaid parental leave in the year were all counted.

5-2 Human Rights Protection GRI 412-2

To fulfill corporate social responsibility and protect with the basic human rights of all employees, customers, and stakeholders, the Company follows principles proclaimed in international human rights conventions such as 《Universal Declaration of Human Rights》, 《UN Human Rights Norms For Business》, 《UN Global Compact》, 《UN International Labour Organization》, 《Electronic Industry Code of Conduct》, etc., and respects the internationally recognized basic human rights, including freedom of association, prohibition of child labor, eradication of all forms of forced labor, elimination of discrimination in employment and occupation, no cruel or inhumane treatment of employees, etc. The details are as follows:

Human Rights Policy	Specific Practice
Labor Rights: Protection of labor rights: The labor contracts signed by employees and the Company are all compliance with relevant local laws and regulations.	<ol style="list-style-type: none"> 1. Provide equal employment opportunity in accordance with Guideline of Employment Management, regardless of race, gender, religion, color, nationality, age, political affiliation, gender identity, pregnancy status, disability status, social background, etc. All employees should sign the labor contracts on the day when they start their jobs in the Company. 2. All labor relation changes shall be dealt with by relevant labor laws.
No Forced Labor: <ol style="list-style-type: none"> 1. Chicony Power signs written labor contracts by law when an employment relationship is established, in which it is clearly stated that the employment relationship is established based on the premise of mutual agreement, and there must not be any forced labor, or human trafficking or slavery. 2. Chicony Power's supplier partners are also required to avoid any forms of forced labor. 	<ol style="list-style-type: none"> 1. Forced overtime is strictly prohibited. For overtime required for business needs, employees can apply for overtime pay through online systems by themselves, and the overtime hours should not exceed the limits regulated by labor laws. 2. The Company has signed the "Declaration of Conflict-free Minerals" to ensure that its products do not use illegal conflict minerals from Congo and its neighboring countries and regions. 3. According to Supplier Management Procedures, all major raw material suppliers should sign the Declaration of Conflict-free Minerals, and should also be evaluated and audited to confirm if they are involved in any forced labor or not.
Prohibition of Child Labor: The employment of children under the age of 16 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 possibly dangerous or may involve health hazards, nor are they allowed to work at night or overtime.	<ol style="list-style-type: none"> 1. The first screening criterion for recruitment is the age requirement. Those under the age of 16 will not be included in the shortlist of candidates. 2. An interviewee is required to fill out the form of Personnel Information before the interview, the content of which will be confirmed by interview supervisors and HR staff on the day of the interview. 3. The personal data should be checked again on arrived date, and be reviewed before the labor/health insurance application is submitted.
Working Hours A worker's working hours shall not exceed the maximum allowed by local laws. Unless it is an emergency or unusual situation, the working hours per week shall not exceed 60 hours. Employees should be allowed to have at least one day off every seven days.	<ol style="list-style-type: none"> 1. Set working hour standards in accordance with local labor laws to avoid excessive overtime hours and affect employees' physical and mental health. 2. If working hours need to be adjusted, based on the premise of not violating the laws, the adjustment can be implemented after a consensus is reached through negotiating via management and labor council.



Human Rights Policy	Specific Practice
Compensation and Benefits: Wages paid to employees should comply with relevant wage laws, including regulations on minimum wage, overtime pay and statutory benefits. Using salary deduction as a punishment is prohibited.	<ol style="list-style-type: none"> 1. The compensation standards should be set by reference to the overall level in the market, the Company's financial status and the organization's structure. The overall compensation should be determined based on employees' individual professional competencies, job responsibilities, work performances and achievement status of the Company's operating goals. The starting salary is higher than the basic salary regulated by the government. The principle for salary calculation lies in comprehensive consideration of employees' expertise and the positions being held. 2. Using salary deduction as a punishment is prohibited.
Humane Treatment: Cruel and inhumane treatment of employees is not allowed, which includes any form of sexual harassment, sexual abuse, physical punishment, mental or physical oppression or verbal abuse as well as the threat of any of such conduct.	<ol style="list-style-type: none"> 1. "CEO's Mailbox": The Audit Office takes the responsibility for investigation and review. 2. "Guideline for the Prevention of Harmful during the Execution of Job Duties": The Administrative Management Division takes the main responsibility for reviewing and handling. Carry out the communication and awareness-promotion between supervisors and employees to avoid workplace violence. 3. "Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment": The Administrative Management Division takes the main responsibility for grievance cases acceptance, investigation, and review. Strengthen the establishment of a gender-friendly work environment, and adhere to the principle that strictly prohibits any form of sexual harassment. Moreover, complainants' information should be strictly protected in accordance with the management procedures to protect the employees who raise a grievance or make a complaint.
Anti-discrimination: Any forms of discrimination, visible or invisible, are all prohibited by Chicony Power. The Company clearly announce that employees' hiring, performance review and promotion shall not be affected by employees' race, religion, gender beliefs, political affiliation, age, marital status, etc.	<ol style="list-style-type: none"> 1. Establish a complete employee performance evaluation system composed of objective and performance based evaluation standard procedure. 2. In order to encourage employees to make continuous improvement, the Company takes the annual performance evaluation results as the main basis for salary adjustment, bonus distribution, job transfer, training /development and job improvement. Any forms of discrimination, visible or invisible, are all prohibited.

The above human rights policy has been explained during new employee orientation. In 2021, the total hours of Chicony Power's human-rights-related training were 6,575.5 hours with a completion rate of 100%.

5-3 Employees' Compensation and Benefits GRI 401-2

5-3-1 Employees' Compensation and Benefits Policy

Chicony Power's employee compensation standards are set by the HR department by reference to the overall level in the market, the Company's financial status and the organization's structure. The overall compensation is determined based on employees' professional competencies, job responsibilities, work performances and achievement status of the Company's operating goals. The salaries of new employees will not differ on account of gender, race, political affiliation, ideology, religious beliefs, gender identity or marital status. The starting salary is higher than the basic salary regulated by the government. The principle for salary calculation lies in a comprehensive consideration of employees' expertise and the positions being held.

Managerial/Non-managerial employees

Year	2019	2020	2021
Number of employees	701	764	768
Average salary of non-managerial employees	1,415	1,488	1,616
Median salary of non-managerial employees	1,182	1,297	1,352

Unit: NT\$ Thousands

Moreover, in order to ensure employees' life quality, Chicony Power has set a salary level that is better than peer companies in the industry as compensation for employees' hard-working, and the salary will be adjusted on an annual basis by reference to the prevailing level in the market. The Company also rewards employees with outstanding performance through a performance bonus. Besides, with the aim of promoting the increase of birth rate, the Company also offers incentives to encourage employees to have children. Relevant details are listed in the table below:

Stock Bonus – sharing the Company's business achievements	Enable employees to participate in the Company's operational performance, and share the Company's profits.
Annual Salary Adjustment and Performance Bonus	<ol style="list-style-type: none"> 1. Conduct salary adjustments on an annual basis based on the Company's business operations and the prevailing salary level in the market 2. Give three-major-festival bonuses based on the Company's business operations and employees' performance 3. Allowance and bonus: Pension allocation, annual special leaves, employees' regular health examination, meal allowance, and parking allowance
Subsidy for Having and Raising Children	<p>Lactation rooms are provided for female employees. Financial incentives are offered to encourage employees to have children.</p> <p>A financial incentive of NT\$ 66,000 will be offered for the second child of a permanent employee born after the employee has worked in the Company for more than one year; a financial incentive of NT\$ 88,000 will be offered for the third child, and a financial incentive of NT\$ 128,000 will be offered for the fourth (or any child born after the fourth) child.</p>

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

Employee Insurance	Insurance: Besides Labor/Health Insurance, the Company also provides Group Insurance which is paid by the Company.
Employee Assistance Programs	Employee Retirement Arrangement, Employee Emergency Allowances & Condolences Program, and Employee Travel Allowances
Festival Bonus & Gift	May 1st Coupon, Chinese New Year Coupon, Dragon Boat Festival Coupon, Moon Festival Coupon and Birthday Coupon as well as gifts (on irregular basis) based on annual budget.
Employee Activities	<ol style="list-style-type: none"> 1. Diverse club activities: E-sports club, LOHAS club, bowling club, basketball club, etc. 2. Charity activities: Activities to support Pingtung Sun-Door Charity School, private St. Raphael Opportunity Center in Tainan, Yu-Cheng Social Welfare Foundation, etc. 3. Other activities encouraging communication and exchanges: Family Day, photography award, etc.

【 Activities held by Clubs and Employees' Welfare Committee 】

E-sports Club



Bowling Club



Award-winning Photos



LOHAS Club



5-3-2 Smooth Communication Channels

Chicony Power values employees' voices, and sets up various communication channels for employees to understand the Company's ongoing and real-time status, and to express their opinions or concerns regarding work and the workplace. The Company has provided several two-way channels, including:

- 01 Employee Mailbox:** Receiving and responding to employees' suggestions.
- 02 Email notification:** Informing employees about the Group's announcements and forwarding letters from top-level manager to employees.
- 03 Employee Workshop:** All employees have a two-way conversation with top-level manager, which is mainly organized by Administrative Management Department and jointly implemented by all relevant units.
- 04 Bulletin board:** Providing information about employee-related policies, health & safety and corporate activities
- 05 Consulting Room:** Providing one-on-one consultation
- 06 Employee communication and care through Management and Labor Council:** management representatives communicate with labor representatives on a quarterly basis
- 07 CEO's Mailbox:** The Audit Office takes the responsibility for investigation and review.
- 08 Management Procedures for the Prevention of Harmful during the Execution of Job Duties:** Office of Human Resource takes the main responsibility for reviewing and handling.
- 09 Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment:** Office of Human Resource takes the main responsibility for receiving the submission of grievance, investigation and review.

Labor Unions have been set in Dongguan Factory, Suzhou Factory and Chongqing Factory, in which committee representatives are elected in accordance with China's "Regulations on Labor Union's Fundamental Organization Election Affairs" to facilitate communication through internal meetings held on an irregular basis. The labor union status of all factories is listed in the table below:

Operation Site	Chicony Power - Taipei Head Office	Chicony Power - Dongguan Factory	Chicony Power - Suzhou Factory	Chicony Power - Chongqing Factory	Chicony Power - Thailand Factory
Total number of employees	No labor union has been set in the Head Office, so no collective bargaining agreement has been signed. The communication is carried out in the form of Labor-Management Meeting (composed of five management representatives and five labor representatives)	3,306	2,468	1,892	The communication is carried out in the form of Employees' Welfare Committee in Thailand Factory.
Number of committee representatives		95	206	94	

5-3-3 Response to News Event (layoffs of EMT Business Department's employees)

Chicony Power's EMT Business Department had been established for five years from 2017 to 2021. Its core product was industrial motors in its duration of operation, for which the annual R&D and manufacturing costs were about NT\$200 million to NT\$300 million, but the annual revenue was less than NT\$20 million. After reviewing the strategic planning for the future, the Company realized that the industrial motor business was not compatible with Chicony Power's existing development field which covers power supply products, LED product applications, smart buildings, etc., and its future prospect was not promising. Therefore, the company decided to cut the EMT Business Department after much deliberation. The Department's employees had been transferred to other positions in the Group before the Department was cut. After completing proper communication with the Department's employees, the Company cut the EMT Business Department in September 2021.

5-4 Talent Training GRI 404-1

5-4-1 Diversified Training Courses

Chicony Power attaches great importance to employees' development and regards talent cultivation and development as a competitive advantage. Thus, the Company has organized a complete training system, and developed training courses to help employees improve their professional skills and management capabilities, and to encourage employees' self-growth. Establish a learning blueprint with different modules based on employees' expertise fields and positions as well as the Company's operating goals and human rights policy guidelines, and combine it with arrangements such as OJT (on-the-job training), job rotation, knowledge sharing, soft power cultivation, etc. to create Chicony Power's competitiveness academy. It is hoped that all employees can be skillful both in theory and practice, and can keep growing with the Company. The structure of course planning is explained as follows:

1 Orientation Training for new employees

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

- ① **Basic knowledge:** Provide courses such as "Company Introduction", "Introduction to Human Resource System", and "Introduction to Company's Benefits Policy" to assist new employees in fitting in a new job, and adapting to the work environment in Chicony Power.
- ② **Environment introduction:** Provide courses such as "Instructions on the Office System", "Introduction to the Building's Internal Environment", "Fire Safety/Fire Fighting Training", etc. to help new employees get familiar with the new environment.
- ③ **Corporate governance:** Provide courses such as "Regulations on Anti-collusion and Conflicts of Interest", "Advocacy of Human Rights Commitment", etc. to help new employees understand the Company's norms.
- ④ When new employees start their jobs in the Company, the Company will arrange mentors to assist them in adapting to the work environment and carrying out their designated jobs.

2

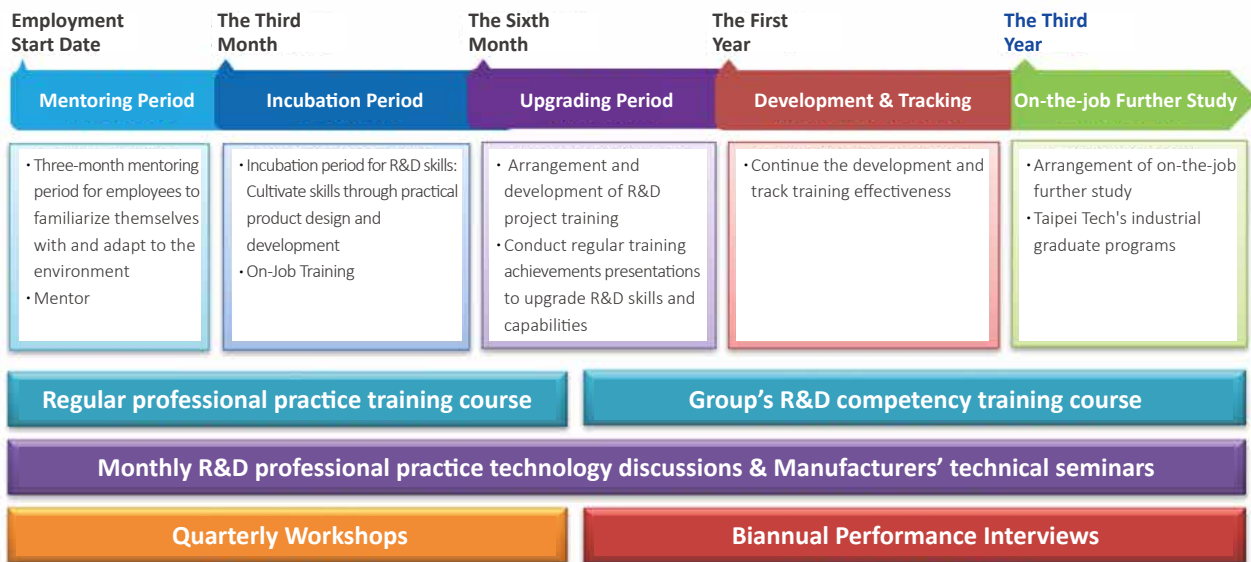
Professional Ability Training

Organize training courses in relation to management, professional skills, job competencies, general knowledge, etc. every year based on the organization's operational development needs to enhance employees' competitiveness.

- ① **Professional courses:** Design and implement on-job training for different professional fields; for example, R&D division' "R&D Creativity Stimulation Techniques", Sales division's "Business Presentation Skills", PM division's "Advanced Project and Risk Management", etc. for employees to update their professional abilities and give full play to their strengths in the workplace through these professional courses.
- ② **Thematic lectures/workshops:** In addition to general professional courses, the Company also organizes many thematic lectures/workshops of diverse content, including seminars focusing on supplier' sharing, health-related lectures for employee health enhancement, topics of parent-child relationship, etc. The diversity of speakers is also considered, including university professors, Internet celebrities, psychological counselors, etc., through which employees can get new knowledge about work and life.
- ③ **General courses:** A range of general courses such as "Language Training", "Communication Skills", "Emotion and EQ Management, etc. are organized every year based on the Company's internal and external environments for employees to develop soft power while enhancing hard power. In addition, multiple sessions of "ESH Workshops", "Fire Safety Training" and "First Aid Training" are also organized every year so that employees can be aware of the hygiene, safety and health conditions of their work environment.

Pili Glove Puppetry Show Workshop**Lecture on Exercise and Health**

Deep-cultivation Training Development Blueprint



- ✓ Power Supply Design Practices
- ✓ Design Verification and Operation Practices
- ✓ Safety Certification and Patent-related Practices



With the aim of further upgrading R&D talent's professional capabilities, the Company launched a Deep-cultivation Training Development Blueprint in 2021, and has received positive feedback. It is hoped that with these training courses, both senior and junior R&D personnel can give full play to their strengths.

3

Management Capability Training

The training courses are divided into three categories according to the position levels, which are operative-level management, middle-level management, and top-level management. Managers of different levels of management should possess different competencies required for their positions based on the scope of management and degree of participation in the Company's decision-making, for which the Company develops in-service training to meet the needs of managers of different levels of management.

- ① **Top-level managers:** Cultivate their leadership, decision-making ability and innovation skills by means of courses such as "Leadership Techniques", "Systematic Thinking and Decision-making", "Innovative Thinking and Creative Management", etc.
- ② **Middle-level managers:** Cultivate their team management ability, subordinate cultivation ability, and planning ability by means of courses such as "Personnel Selection and Interview Skills", "Techniques to Guide and Motivate Subordinates", "Discover and Solve Employee Problems", etc.
- ③ **Operative-level managers:** Cultivate their problem-solving skills, expression skills, and instructional skills by means of courses such as "Problem Analyzing and Solving", "Expression and Presentation Skills", "Instructional Techniques for Work", etc.

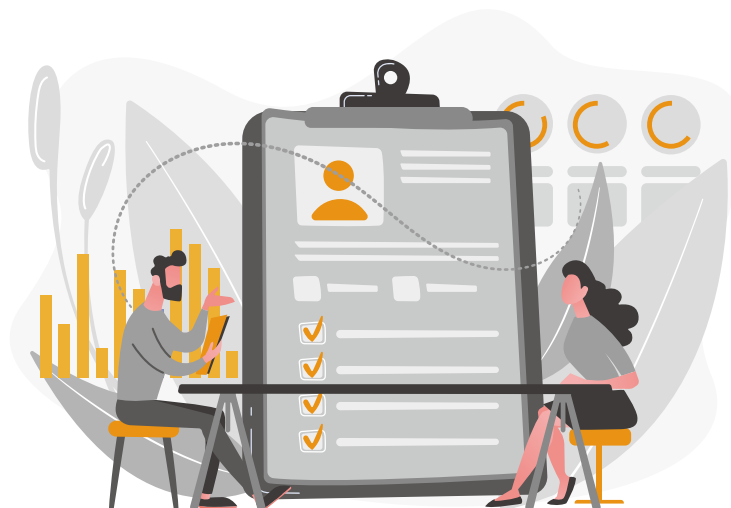
Statistics of Chicony Power's 2020-2021 Training Implementation

Operation Unit	Chicony Power - Taipei Head Office				Chicony Power - Dongguan Factory				Chicony Power - Suzhou Factory			
Year	2020		2021		2020		2021		2020		2021	
Gender	M	F	M	F	M	F	M	F	M	F	M	F
Average training hours for managerial positions	2.13	0.90	0.79	0.35	40.00	35.00	30.00	20.00	13.50	12.50	12.00	12.00
Average training hours for general positions	12.29	9.08	12.12	8.77	35.00	34.00	25.00	20.00	20.50	18.40	36.00	42.00
Average training hours for dedicated personnel	18.95	9.17	14.84	8.24	38.00	36.00	30.00	25.00	20.30	16.00	14.00	12.00

Operation Unit	Chicony Power - Chongqing Factory				Chicony Power - Thailand Factory				Total average hours			
Year	2020		2021		2020		2021		2020		2021	
Gender	M	F	M	F	M	F	M	F	M	F	M	F
Average training hours for managerial positions	18.00	16.00	22.00	29.00	1.78	0.00	16.00	0.00	15.08	12.88	16.16	12.27
Average training hours for general positions	69.00	64.00	48.00	53.00	8.00	8.17	7.84	7.99	28.96	26.73	25.79	26.35
Average training hours for dedicated personnel	24.00	24.00	15.00	24.00	6.05	4.97	8.00	8.00	21.46	18.03	16.34	15.45

5-4-2 Performance Appraisal System GRI 404-3

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



The list of employees for promotion is submitted every year based on employees' performance achievements to actively cultivate and develop managerial talent. The content of the evaluation is listed in the table below.

Structure of Employee Evaluation	Item for Evaluation	Timing of Appraisal	Evaluation Procedures
End of Probation Evaluation	Ability, attitude, and moral character	3 months after arrived date	The Administrative Management Division issues the evaluation form for him/her to write end-of-probation report → Department Leader's Review → Approval of Business Department/Top-level leader of the department → Human-resource process (official appointment/extended probation/dismissal/salary adjustment)
Interim Evaluation	Learning growth indicators, work quality and achievement rate, response capabilities, professional skills, team communication, environmental protection & energy saving, occupational safety & health, and moral integrity	July	The Administrative Management Division issues the evaluation form→Self-evaluation→Preliminary review→Review→Approval→Basis for promotion, salary adjustment, bonus distribution, etc.
End-of-Period Appraisal	Learning growth indicators, work quality and achievement rate, response capabilities, professional skills, team communication, environmental protection & energy saving, occupational safety & health, and moral integrity	December	The Administrative Management Division issues the evaluation form→Self-evaluation→Preliminary review→Review→Approval→Basis for promotion, salary adjustment, bonus distribution, etc.

5-5 Social Participation/Engagement

5-5-1 Industry-academia Collaboration

In order to attract outstanding talent to join our company, we provide training for students and devotedly work on industry-academia collaboration through a variety of channels. The "Chicony- Taipei Tech R&D Center" was established in 2014 to explore new power supply technologies, and to attract companies to invest in the cultivation of next-generation talents for the power supply industry. The future vision of the R&D Center includes:

- ① Utilize the resources obtained through industry-academia collaboration, of which the soft/hard service equipment is invested by companies, while the R&D efforts are contributed by the Center's members. The Center cultivates R&D talent for the companies providing support, and gives the cultivation result back to the supporting companies. The R&D achievements are forwarded to the Company for technical integration, through which a win-win result is created.
- ② The Center applies for patents with industrial niches based on the innovative technologies acquired in the R&D process, and gives the achievements back to the supporting companies.

Chicony Power has been working with National Taipei University of Technology by investing NT\$5 million in research every year since 2020 to jointly cultivate electronics talents for Taiwan. Moreover, the Company has been offering the "Chicony New Talent Scholarship" for years, which provides NT\$200,000 per semester for each selected master student, and NT\$250,000 per semester for each selected doctoral student. Students are also offered paid intern opportunities to work in the Headquarters' R&D department or to be a trainee supervisor in the factories so that they can put theories into real practice, and narrow the gap between theories and practices.

Chicony Power New Talent Scholarship	Year	Amount (NT\$ dollars)
	2020	2,200,000
	2021	1,800,000

Achievement Presentation by Chair Professor of National Taipei University of Technology



5-5-2 Disadvantaged Group Care

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

1

2021 Charity Purchase Activities

With respect to disadvantaged group care, in addition to the care offered by Chicony Power's "People Caring Club" for disadvantaged groups, Chicony Power's Employees' Welfare Committee and Medical Office also coordinate charity sales activities for employees to contribute their kindness.

The "2021 Red Envelope Created by Kids" from Yu-Cheng Social Welfare Foundation



The "Little Prince Biscuit Piggy Bank" from Polio & Agape Shelter Workshop



The "Rice of Hope" from Polio & Agape Shelter Workshop



The "Chen Yuan Ho Local Black Bean Soy Sauce (Two In Gift Box) (Vegan)" from Taiwan Foundation for the Blind





Local farmers' stall-selling activity held by Taipei Beitou Community College's Vegetable Club



3

Donate laptops to Sun-Door Charity School

Besides employees' voluntary participation in charity sales activities, Chicony Power also donates laptops to disadvantaged students, through which students are not only financially supported but are also assisted in narrowing the information gap with other students. With the donation of laptops, students can grasp the latest information in a smoother way.

The President represents the Company to donate laptops to support children in Pingtung Sun-Door Charity School.





06 | Building a Safe Workplace



06 Building a Safe Workplace

Dimension	Material Issue	Management Guidelines and Components	Evaluation of the Management Guidelines
Social	Occupational Safety and Health Management	<p>① Chicony Power is committed to building a safe workplace following various standard procedures required by ISO 45001:2018 Occupational Safety Management System to enable every employee to work under safe conditions.</p> <p>② The Industrial Safety and Health Division and all factories' onsite have established various standard operating procedures for workplace safety and employee health management. Besides, regular training on safety and health and simulation exercises aiming at the education, training, and promotion of management related to the work environment, equipment, and hazardous substances are held to ensure the safety and health of employees.</p>	The Company should focus on equipment operation management, training, and inspection /maintenance routines as well as improvement of the dust collection system to ensure the normal operation of all environmental protection equipment. To carry out the occupational safety policy, relevant investments should be made and objectives should be set every year based on annual objectives to examine the effectiveness of the implementation.

**Responsible Unit**

Administrative Management Division



Future Strategic Objectives

01

Chicony Power upholds the principle of "Improving the safety and health of work environment; protecting employees' safety and reducing occupational injuries" to carry out comprehensive construction in the Company, and step-by-step improve employees' work environment for employees to commit themselves to the workplace without worrying.

02

Chicony Power requires that every part of the production must strictly abide by the safety operating standards, employees' safety awareness must be reinforced, and workplace safety should never be overlooked. The internal managerial departments must thoroughly analyze the causes of occupational accidents, and figure out prevention strategies and post-incident management measures.

03

All units should make work safety as one of their strategic objectives, and aim to achieve the goal of "zero work hour loss due to occupational safety issues".

04

Continuously care for employees' health state, and assist in the tracking and caring of health risk factors.



◆ 6-1-1 Occupational Safety and Health

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

In order to effectively manage and improve the work environment safety of Chicony Power's Head Office and all factories, and to reduce or even eliminate workplace hazards and relevant diseases, an Occupational Safety and Health Management System has been set in the Head Office and all factories to create a safety and health culture that can continuously improve occupational safety and health performance. The objectives to be achieved through the Occupational Safety and Health Management System include:

01

Avoid or minimize the risks arising from events that may cause physical, mental, or adverse health effects on the personnel who are affected by the organization's activities

02

Ensure that changes or alterations to the Occupational Safety and Health Management System, procedures, products, materials, organizational structures, etc. will not create new hazards or OSH risks.

03

Promote safe operating habits.

04

Obtain financial and operational benefits or advantages derived from OSH performance improvements such as reduced work-related injuries and insurance premium rates, etc. The Head Office and factories except for Thailand Factory all obtained ISO 45001:2018 occupational safety and health management systems certification in 2021.

Chicony Power -Taipei Head Office



Chicony Power -Dongguan Factory



Chicony Power - Suzhou Factory



Chicony Power - Chongqing Factory



6-1-2 Hazard Identification and Risk Assessment GRI 403-2

To effectively implement the Company's safety & health management, Chicony Power improves safety & health management efficiency through ongoing hazard identification and risk assessment as well as proper preventive measures or necessary control measures to avoid the occurrence of workers' injuries or accidents about operation procedures, activities, products, services, facilities, etc., in which factory personnel's and stakeholders' safety and health may be affected and financial losses may occur. The above-mentioned "workers" include employees (fixed/non-fixed term contract employees), contractors, suppliers, interns, etc. The main hazards and risks identified by the "Procedures for Hazard Identification and Risk Assessment" carried out in the Head Office and all factories are listed in the table below:

If employees realize that there exists certain concern about imminent danger while they are performing job duties, they can, without endangering other workers' safety, stop work operations and escape to a safe place at their discretion in accordance with regulations stipulated in "Occupational Safety and Health Act". Additionally, in the event of occupational accidents in factories, reporting and investigation should be conducted in accordance with "Management Procedures for Accident Reporting and Investigation" as the basis for improvement. The process of reporting/complaint-filing must be objective, fair and impartial; and the rights and privacy of victims and reporting persons must be completely protected. No major occupational safety accidents occurred in Chicony Power's Head Office and factories in 2021. There were traffic accidents during employees' commute to work at Taipei Head Office. The accidents that happened in other factories were sporadic injuries caused by being caught/drawn in, pressed/smashed, etc. The statistics are shown in the table below:

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

Year	2019	2020	2021
Number of cases	11	15	10
Type	Injuries by being pressed, smashed, pricked, gashed or scratched	Injuries by being pressed, smashed, pricked, gashed or scratched	Injuries by being pressed, smashed, pricked, gashed or scratched

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

Company/Factory	Chicony Power - Taipei Head Office		Chicony Power - Dongguan Factory		Chicony Power - Suzhou Factory	
	2020	2021	2020	2021	2020	2021
Disabling Frequency Rate - FR (number of disability injuries/million work hours)	0	0	0.8589	0.6603	1.0256	0.73
Disabling Severity Rate - SR (loss of work days/million work hours)	0	0	12.78	9.64	15.38	14.94
Total Injury Severity Score	0	0	0.0118	0.0798	0.0158	0.1000
Loss of workdays	0	0	74	73	105	102
Number of accidents	0	0	6	5	7	4
Hours of leaves	19,123.50	11,624.00	315,567.20	372,169.10	12,047.60	14,626.60
Total attendance hours	1,492,000.00	1,315,329.00	5,789,856.00	7,571,675.20	6,825,192.00	6,825,192.00
Absence rate (AR)	1.28%	0.88%	5.745%	4.92%	0.18%	0.21%
Percentage of fatal occupational injuries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Occupational Disease Rate (ODR)	0	0	0	0	0	0

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

Company/Factory	Chicony Power - Chongqing Factory		Chicony Power - Thailand Factory	
	2020	2021	2020	2021
Disabling Frequency Rate - FR (number of disability injuries/million work hours)	0.7636	0.2290	0	0
Disabling Severity Rate - SR (loss of work days/ million work hours)	1.91	0	0	0
Total Injury Severity Score	0.0382	0	0	0
Loss of workdays	5	0	0	0
Number of accidents	2	1	0	0
Hours of leaves	48,103.00	23,700.00	2877.00	30,791.00
Total attendance hours	2,619,219.00	4,366,693.00	175,712.00	896,072.00
Absence rate (AR)	1.84%	0.54%	0.13%	3.44%
Percentage of fatal occupational injuries	0%	0%	0%	0%
Occupational Disease Rate (ODR)	0	0	0	0

6-1-3 Educational Training on Occupational Safety and Health GRI 403-5

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

1 Head Office

The Company participates in the Safety Officer System organized by its parent company Chicony Electronics, and holds meetings regularly. For contractors, in addition to factory-entry hazard notification training, Consultative Organization meetings are also held. Please refer to the table below for relevant content.



Checklist for Safety Officer's Inspection

Year:	Month:	Area/Floor:		
No.	Inspection Item	Conforming or not	Remark	
1	Are the emergency exits and fire doors on all floors always shut? Are the emergency evacuation routes free from obstruction?			
2	Are fire extinguishers placed in designated locations? Is the quantity normal?			
3	Do the extension cords in responsible areas come with circuit breakers? Have the electrical devices which need to be listed for management been correctly listed and had labels or signs posted?			
4	Are anti-fire smoke masks and emergency response vests placed in designated locations? Is the quantity normal?			
5	Has the self-guard fire protection grouping been implemented? Has it been publicized?			
6	Are the safety evacuation indicator lights visible, and do they stay on?			
7	Are smoke damper, air-inlet louver, indoor hydrant, fire extinguisher, and electric control panel being obstructed?			
8	Are there any cigarette smoking/cigarette butt/cigarette smell and other non-conformities found on the responsible floor?			
9	Has the construction work on the floor applied for permission with following regulations, and been supervised and protected during construction?			
10	Has the alteration on the floor been applied for Management of Change (MOC)?			

Training Item	Time/Frequency	Participating Personnel
Safety Officer Meeting	One meeting per month	Safety Officers
Contractor Consultative Organization Meeting	One meeting per month	Contractors
Contractor factory-entry hazard notification	Tuesday & Friday or Nonscheduled	Contractors
Training and advocacy during new employees' hiring registration	Nonscheduled	New employees
Fire drills	One drill per quarter	The whole company

Annual fire emergency evacuation drill



Annual fire emergency evacuation drill



Annual fire emergency evacuation drill



Annual fire emergency evacuation drill



2

Training Items in Factories

Training Item	Training Hours	Participating Personnel
General ESH educational training	48 hrs (4 sessions per month, each session: 1 hr)	Team leaders, etc.
New employee educational training	Nonscheduled	New employees
Safety Staff Monthly Meeting	12 hrs (once per month; 1hr)	All safety staff
Factory area fire drills	2 hrs (once every 6 months; 1 hr)	All factory personnel
On-the-job safety education (fire safety; chemicals)	1 hr (once per year; 1 hr)	Employees of key work positions
Education for outsourced contractors (concerning suppliers, chemicals, and canteen food)	1 hr (once per year; 1 hr)	Suppliers and canteen support staff
Other safety and health educational training (first-aiders)	Nonscheduled	Relevant personnel

Photos - Occupational safety and health training, fire drills, and first-aid training in factories



◆ 6-1-4 Reduction of ESH Impacts on Internal Operations GRI 403-7

The results of hazard identification and risk assessment show that except for the Head Office, the hazards in the factories mostly come from "being caught/being drawn in" and "being pricked/gashed" when operating machines. To reduce injuries to employees, in addition to the introduction of management systems and personnel educational training, we also constantly update machines and facilities to control hazards from the sources. The factories completed several improvement programs in 2021 in the hope of giving employees a safe work environment.

Manufacturing Process Improvement in Factory

Being cut by tape dispensing machine

Risk:

When tape dispensing machines supply tape, employees tend to take the tape with their hands rather than using tools so that their fingers are easily cut by the operating blades.

Improvement Measure:

Self-developed Disc-type Tape Dispensing Machine and Driving System for Disc-type Tape Dispensing Machine have been used in factories. The system can effectively prevent employees from accidentally hurting their fingers when taking the tape from the dispenser, and has successfully obtained a utility patent.





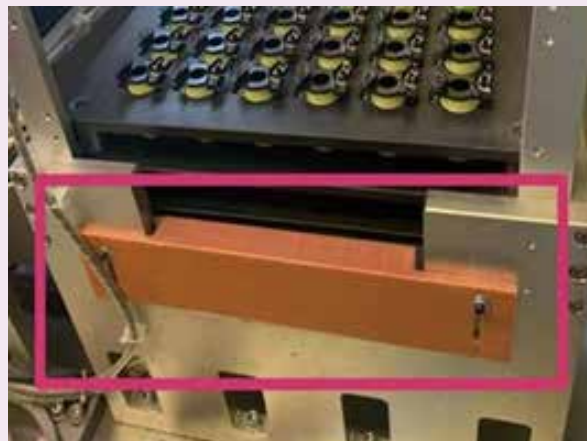
Fingers being caught

Risk:

When an operator reaches out to Full Plate Zone to take materials, if the operator does not notice that the plate in Plate-filling Zone has been filled with materials (after the plate is full, a transportation mechanism will transport the full plate to Full Plate Zone), his/her fingers may be caught by the transportation mechanism.

Improvement Measure:

Gap blockers have been added to all machinery used in that zone, which block machine gaps and prevents hands from getting in.





◆ 6-2 Comprehensive Employee Health Management GRI 403-3 and GRI 403-6

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

1. Employee Health Management and Emergency Care

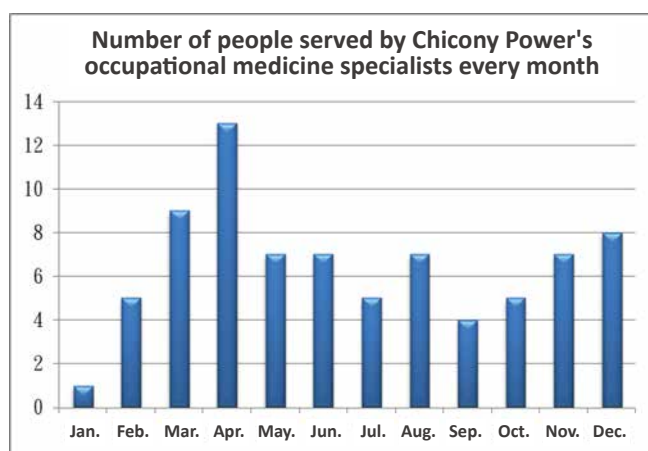
- ① Promote workplace health programs, and take the responsibility for workplace emergency care
- ② Measure employees' height, weight, body fat and blood pressure on an irregular basis, give vaccines, and keep employees' nursing records.
- ③ Develop measures to improve employees' physical problems
- ④ Implement the following major plans: Workplace Maternal Health Protection Plan, Ergonomic Hazards Prevention Plan, Abnormal Workload Induced Disorders Prevention Plan, and Prevention Plan for Wrongful Harm When Performing Job Duties.

2. Health examinations and abnormality grading and tracking

- ① Take charge of workplace health examinations, measure employees' height, weight, body fat and blood pressure on an irregular basis, and give vaccines
- ② Health status grading and abnormality tracking
- ③ On-site doctor services
- ④ COVID-19 prevention

3. On-site doctor services and the prevention of infectious diseases

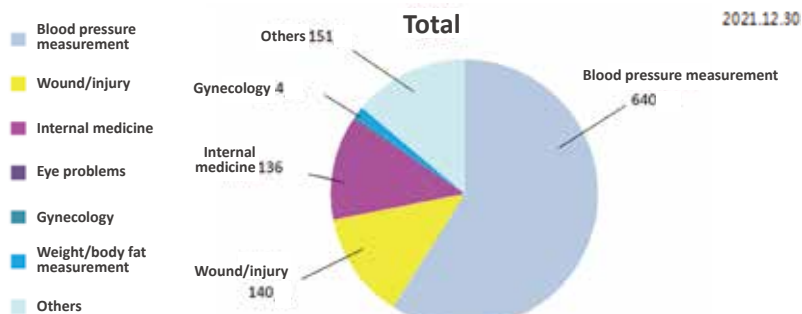
- ① On-site doctor services.
- ② Advocacy for the prevention of workplace infectious diseases.



2021 Occupational Medicine Specialist Consultation Service Statistics															
Month	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Percentage	
Number of consultees	1	5	9	13	7	7	5	7	4	5	7	8	78	100%	

Statistics and Analysis of 2021 Onsite Clinic's Nursing Service Cases – Chicony Power

Statistics of Nursing Service Cases	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total	Percentage
Blood pressure measurement	78	57	81	86	39	23	30	62	65	42	50	27	640	59.00%
Wound/injury treatment	21	23	24	6	4	4	11	14	8	3	13	9	140	12.90%
Internal medicine problems	10	13	13	12	12	3	8	18	10	5	17	15	136	12.53%
Eye problems	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%
Gynecological problems	1	0	0	0	0	0	0	0	0	1	1	1	4	0.37%
Weight/body fat measurement	3	2	3	1	2	0	0	2	0	0	1	0	14	1.29%
Other problems	4	11	10	11	17	21	30	24	7	8	5	3	151	13.91%
Total	2241													100%



4. Health promotion activities and health guidance sessions (the content may be adjusted based on the operational status of individual factories)

- ① Health promotion workshops ② Stress Relieving Station ③ Blood donation campaign
④ Health examinations ⑤ Aerobic exercise ⑥ Club activities ⑦ B1 Health Center

Chicony Power's Aerobic exercise courses



Stress Relieving Station (massage services offered by visually impaired masseurs)



Blood Donation Campaign



Advocacy of pandemic prevention

假期宣導及出遊疫調

From: (Line, Chen) (陳主理)
Sent: Wednesday, June 09, 2021 10:18 AM
To: CHN: (36262@chcon.com)
Subject: 【重要】敬請全體同仁留意「端午假期外出調查表」，並請閱讀「防疫指南」，並請於假期前完成。
Importance: High

Dear All,

再次提醒同仁們，請於本週末「端午假期外出調查表」之同仁應於完成後(每人均應填寫)，敬請大家儘快完成，謝謝。

另外再次呼籲大家，目前疫情仍未緩解，請大家「勤洗手、戴口罩、外出應盡量避免前往人跡密集或空氣污濁之地點、聚會」。

為能滿足及掌握同仁們離廠之行程，敬請每位同仁認真完成以下表單，以便公司能確實掌握計畫性移動之人數，謝謝。

表單連結：<https://forms.gle/3aQmX9cno27rb06>

端午節宅在家

為了保護我們的家人
為了保護第一線人員
避免跨區移動

端午連假期間

少移動、少聚集、少互訪
少聚會、少聚餐、少互訪
居家防疫，敬請配合

一律停止

室內群聚社交聚會
室內群聚社交聚會
室內群聚社交聚會



GRI Content Index Disclosures	Chapter	Disclosure Status
General Disclosures (2016)		
102-1 Name of the organization	2-1 The Company's Profile	
102-2 Activities, brands, products and services		
102-3 Location of headquarters		
102-4 Location of operations	2-2 Global Market Layout	
102-5 Ownership and legal form	2-1 The Company's Profile	
102-6 Markets served by the organization	2-2 Global Market Layout	
102-7 Scale of the organization	2-1 The Company's Profile	
102-8 Information on employees and other workers	5-1 Employee Structure	
102-9 Supply chain	3-3 Supply Chain Management	
102-10 Significant changes to the organization or its supply chain	3-3 Supply Chain Management	
102-11 Precautionary Principle or approach	3-1 Green Products and Patents 3-2 Raw Material Management	
102-12 External initiatives	2-1-3 Membership of Associations	
102-13 Membership of associations	2-1-3 Membership of Associations	
102-14 Statement from decision-maker	Message from Chairman & President	
102-15 Key impacts, risks, and opportunities	2-6 Risk Management	
102-16 Organization values, principles, standards and conduct norms	2-3 Sustainable Development and Value	
102-18 Organization governance structure	2-5 Corporate Governance Organization	

GRI Content Index Disclosures	Chapter	Remark
GRI Management Guidelines (2016)	Explanation on the first page of each chapter	
103-1 Explanation of the material topic and its Boundaries		
103-2 Management Guidelines and its components		
102-40 Stakeholder groups engaged by the organization	1-1 Identify stakeholders and their communication channels	
102-41 Collective bargaining agreements	5-3 Employee Benefits and Remuneration	
102-42 Identifying and selecting stakeholders	1-1 Identify stakeholders and their communication channels	
102-43 Approach to stakeholder engagement		
102-44 Key topics and concerns that have been raised	1-2 Identification and Management of Material Issues	
102-45 Entities included in organization's consolidated financial statements	2-4 Operational Performance	
102-46 Defining the report content and the topic boundaries	1-2 Identification and Management of Material Issues	
102-47 List of material topics		
102-48 Restatements of information	About this Report	
102-49 Changes from previous report		
102-50 Reporting period		
102-51 Date of most recent report		
102-52 Reporting cycle		
102-53 Contact person for questions regarding the report		
102-54 Claims of reporting in accordance with the GRI Standards		
102-55 The GRI content index	Appendix 1 GRI Content Index	
102-56 External assurance for the report	Appendix 2	

GRI Content Index Disclosures	Chapter	Remark
GRI Management Guidelines (2016)	Explanation on the first page of each chapter	
103-1 Explanation of the material topic and its Boundaries		
103-2 Management Guidelines and its components		



GRI Content Index Disclosures	Chapter	Remark
Specific Standard Disclosure 200/300/400		
GRI 200 Economic		
GRI 201 Economic Performance (2016)		
201-1 Direct economic value generated and distributed	2-4 Operational Performance	
201-2 Financial implications and other risks and opportunities due to climate change	4-1-1 Climate-related Financial Disclosures	
GRI 204 Procurement Practices (2016)		
204-1 Proportion of spending on local suppliers	3-2 Supply Chain Management	
GRI 300 Environmental		
GRI 302 Energy (2016)		
302-1 Energy consumption within the organization	4-2 Energy Management	
302-3 Energy intensity	4-2 Energy Management	
302-4 Reduction of energy consumption	4-2 Energy Management	
GRI 305 Emissions (2016)		
305-1 Direct (Scope 1) GHG emissions	4-1 Climate Change and Greenhouse Gas Management	
305-2 Energy indirect (Scope 2) GHG emissions		
305-3 Other indirect (Scope 3) GHG emissions		
305-4 GHG emissions intensity		
GRI 308 Effluents and Waste (2016)		
308-1 Waste by type and disposal method	3-3 Supply Chain Management	
GRI 400 Social		
GRI 401 Employment (2016)		
401-1 New employees and resigned employees	5-1 Employees Overview	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-3 Employee Remuneration and Benefits	
401-3 Parental leave	5-3 Employee Remuneration and Benefits	
GRI 403 Occupational Safety and Health (2018)		
403-1 Occupational safety and health management system	6-1 Occupational Safety and Health Management System	
403-2 Hazard identification, risk assessment and incident investigation	6-1 Occupational Safety and Health Management System	
403-3 Occupational health services	5-5 Comprehensive Employee Health Management	
403-4 Worker participation, consultation and communication on occupational safety and health	5-4 Employee Communication and Care	

GRI Content Index Disclosures	Chapter	Remark
Specific Standard Disclosure 200/300/400		
403-5 Worker training on occupational safety and health	6-1 Occupational Safety and Health	
403-6 Promotion of worker health	5-5 Comprehensive Employee Health Management	
403-7 Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	6-1 Occupational Safety and Health	
403-8 Workers covered by an occupational safety and health management system	6-1 Occupational Safety and Health	
403-9 Work-related injuries	6-1 Occupational Safety and Health	
403-10 Work-related ill health	6-1 Occupational Safety and Health	
GRI 404 Training and Education (2016)		
404-1 Average hours of training per year per employee	5-4 Personnel Training	
404-3 Percentage of employees receiving regular performance and career development reviews	5-4 Personnel Training	
GRI 405 Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	5-1 Employee Structure	
GRI 412: Human Rights Assessment		
GRI 412-2 Employee training on human rights policies or procedures	5-2 Human Rights Policy	
GRI 414 Supplier Social Assessment		
414-1 New suppliers that were screened using social criteria	3-3 Supply Chain Management	

Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies (2021-12-07)	
(1) The number of the corporate's full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year-	5-2-1 Employee Remuneration
(2) Corporate governance in relation to climate-related risks and opportunities; actual and potential climate-related impacts; how to identify, assess and manage climate-related risks; and indicators and objectives used to assess and manage climate-related issues	4-1-1 Climate-related Financial Disclosures



獨立機構保證聲明書

致：群光電能科技股份有限公司之利害關係人

簡介及工作目標

台灣衛理國際品保驗證股份有限公司(Bureau Veritas Certification (Taiwan) Co., Ltd., 以下簡稱台灣衛理)受群光電能科技股份有限公司(以下簡稱群光電能)之委託，執行2021群光電能永續報告書之獨立公正第三方的評估及查證。本保證聲明適用於涵蓋在下述工作範疇之內的相關資訊。

本資訊及其呈現在2021群光電能永續報告書之內容由群光電能管理階層全權負責；台灣衛理並未參與此報告書的擬定工作。我們的職責在於為其內容提供獨立保證。

工作範疇

保證過程依循AA1000 Assurance Standard (AA1000AS) v3，第1類型- AA1000當責性原則及績效資訊查證的要求執行。工作範疇包括：

2021群光電能永續報告書中所含數據與資訊；

用於收集、分析及審查報告資訊之基本報告系統和過程的適當性與穩健性；

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

- 包容性
- 重大性
- 回應性
- 衝擊性

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

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



保證方法

台灣衛理執行下列活動，以作為獨立保證的一部分：

1. 訪談群光電能相關人員；
2. 審查群光電能所產出的文件證據；
3. 在抽樣基礎上稽核群光電能之績效數據；
4. 現場訪視位於台灣-新北市共1處地點；
5. 審查群光電能數據及收集、統合、分析與審查的資訊系統。

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

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

我們的發現

依據我們方法的基礎及上述活動，我們的意見如下：

1. 2021群光電能永續報告書所包括的資訊及數據無重大誤解或錯誤陳述。
2. 2021群光電能永續報告書於報告期間的活動提供了公平的陳述。
3. 資訊以清晰、容易理解及可獲取的方式呈現，使讀者對群光電能於報告期間的績效及狀態能作出平衡的意見。
4. 群光電能已建立用以蒐集、統合相關資訊的系統。
5. 報告適當的反映了組織其運作對AA1000 Assurance Standard (AA1000AS) v3中包容性、重大性、回應性及衝擊性原則的依循與執行。詳如下述：

AA1000 Accountability Principle 原則遵循

包容性

群光電能已建立與主要利害相關人合作的過程，包括員工、客戶、投資人、政府機關、當地社區和供應鏈，並識別出涉及經濟、社會和環境面向之重大主題。



重大性

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

回應性

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

衝擊性

群光電能的管理系統能監督、量測並對其行動如何影響其更廣泛的生態系統負責。

GRI 報告架構

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

持續發展的關鍵領域

基於已執行的工作，我們建議群光電能：

- 可有效的收集利害相關人關切之議題；(包容性)
- 對長期監測指標的資訊系統可適當建立。(回應性)

限制和排除

我們工作所保證的資訊不包括：

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

本獨立聲明不應被仰賴用於偵測報告中可能存在的所有錯誤，遺漏或錯誤陳述。





獨立、公正性及能力的聲明

Bureau Veritas是一家專精於品質、健康、安全、社會及環境管理的獨立專業服務公司，超過190年的歷史中提供獨立保證服務，2021年的全球營收為49.8億歐元。

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

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

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

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

地址：台北市松山區南京東路四段16號3樓B室

日期：2022年6月5日



AA1000
Licensed Report
000-76/V3-LTC2Y

技術審查：

Carter

日期：2022年6月5日

查證人員：

Adrian Lee

日期：2022年6月5日



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 2021 Chicony Power Technology 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 2021 Chicony Power Technology 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 (AA1000AS) v3, Type 1 - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in 2021 Chicony Power Technology Sustainability Report for the 1st January, 2021 to 31st December, 2021;
- 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 Sustainability Reporting Standard
- ards.

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

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





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;
4. Visits to head office located in New Taipei City, Taiwan;
5. Review of Chicony Power Technology Co., Ltd. data and information systems for collection, aggregation.

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 2021 Chicony Power Technology 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, 2021 to 31st December, 2021;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard (AA1000AS) 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, authority, and local community; and covering material topics such as Economic, Social and Environment.



Materiality

The Report addresses the range of environmental, social and economic issues of concern that Chicony 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 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.

GRI report structure

Chicony Power Technology Co., Ltd. does fully provide the information to achieve the GRI Standards 'core' in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards.

Key areas for ongoing development

Based on the work conducted, we recommend:

- Effective stakeholder engagement is encouraged. (INCLUSIVITY)
- Data collection methodology could establish for long-term monitoring KPI. (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 190 years history in providing independent assurance services. Bureau Veritas 2021 full year revenues reached 4.98 billion euros.

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

No member of the assurance team has a business relationship with Chicony 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

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06 June, 2022



AA1000
Licensed Report
000-76/V3-LTC2Y

Technical Reviewer:

Carter

Date: 06/June/2022

Assurer

Adam Lee

Date: 06/June/2022



2021 **Chicony**
POWER TECHNOLOGY
Chicony Power Technology
Sustainability Report

