

| 2015-2016

Chicony Group Corporate Social Responsibility Report

群光集團企業社會責任報告書



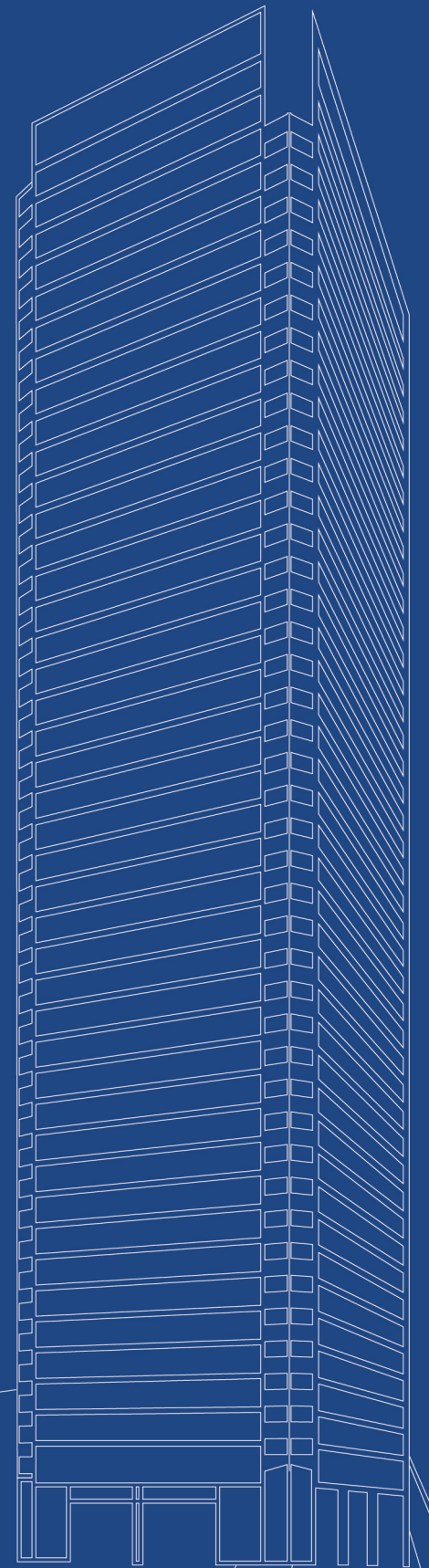
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Chicony Group is deeply honored to be able to share with stakeholders our business performance results from 2015 to 2016. Over last two years, we continued to uphold our motto of “No Quality, No Sales” to provide worldwide service through domestic sales and direct and indirect export. In this edition, we also proudly pre



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Editorial Principles

Reporting Period and Boundary

This report is primarily a disclosure of The Group's business developments in the economic, environmental and social aspects while all stakeholders are considered from January 1, 2015, through to December 31, 2016. To give you a better understanding while reading this report, some of the performance data would traced back before January 1, 2015, or beyond December 31, 2016.

The geographic boundary of this report includes Chicony Electronics Co., Ltd. ("Chicony Electronics"), Chicony Power Technology Co., Ltd. ("Chicony Power"), and XAVi Technologies Corporation ("XAVi") in Taiwan, and six factories in China (Chicony's Dongguan, Suzhou and Chongqing factory; Chicony Power's Dongguan factory; and XAVi's Suzhou factory). Part of the content also expands the scope of disclosure to our partners to encompass the industry supply chain.

Publication

This is the 2nd CSR report to be published by Chicony group. This report contains no corrections on the previous edition and will be released biennially from this year.

Current release : Published in Aug, 2017 (English edition)

Previous release : Published in October, 2015

Next release : To be published in July, 2019

Third-Party Assurance

External verification and assurance of this report was carried out by British Standards Institution (BSI) subsidiary in Taiwan in accordance with GRI G4 Core Options and AA1000 Accountability Principles (Type 1). The BSI independent assurance opinion statement is included in the Appendix.

Reporting Principles

This report was prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines; editing and disclosure were carried out in accordance with the Electronic Industry Citizenship Coalition (EICC) Code of Conduct 5.1, Best Practice Principles for TWSE/GTSM Listed Companies, the United Nations, Global Compact and ISO 26000 Social Responsibility Guide. The content index of the four above indicators and guidelines are provided in Appendix. The dates mentioned in the report are based on the Gregorian calendar. Financial data is in New Taiwanese Dollars (NTD) and have been certified by the accounting firm PricewaterhouseCoopers Taiwan

Contact Us

The Chinese and English editions of the CSR report can be viewed and downloaded from the CSR section of Chicony and its subsidiaries' corporate websites.

Thank you so much for continually considering our commitment as well as practices on Chicony's CSR path. If you have any suggestions or criticisms to make, please do not hesitate to contact us through the following methods. Your involvement makes an invaluable contribution to our continued efforts towards sustainable development.

CSR Team, Chicony Group

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Complaints : EMB@chicony.com.tw Chicony Group CSR website : <https://goo.gl/MiFVdv>



From the Management team

To Every Chicony Partner Who Supports Our Sustainable Development :

In 2012, Chicony Electronics, a member of the Chicony Group, published its first corporate social responsibility report. In 2014, the “CSR Code of Conduct” was approved by the Group’s Board of Directors and we decided to continue expanding the boundaries of our CSR disclosure by including our two affiliated companies Chicony Power and XAVi Technologies. It’s been four years since the launch of our first CSR report, the concerted effort by our management team and our colleagues has enabled Chicony Group to examine our future development through a more perfected organizational structure as well as more internationalized sustainability thinking.

Since 2013, Chicony Group has had the great honor of being included consecutively in 《CommonWealth》 Magazine’s Taiwan Top 2000 large manufacturers. Beside of continuing to grow within the electronics industry, consolidating our position as leader in the fields of computer peripheral equipment and digital imaging, including camera module, multiple-function products with wireless communication technology, we have further expanded into other fields such as eSports and intelligent living, by investing in R&D for eSports equipment, UAV and sports camera, and obtaining representation of intelligent life products. In order to follow through on our philosophy of green R&D, we have invested in energy-saving product categories such as LED lighting and green building solutions. We are not limiting ourselves to meeting customer needs under basic requirements, but strive to provide to our customers high value-added products and services that are also more efficient and friendly to society and to the environment.



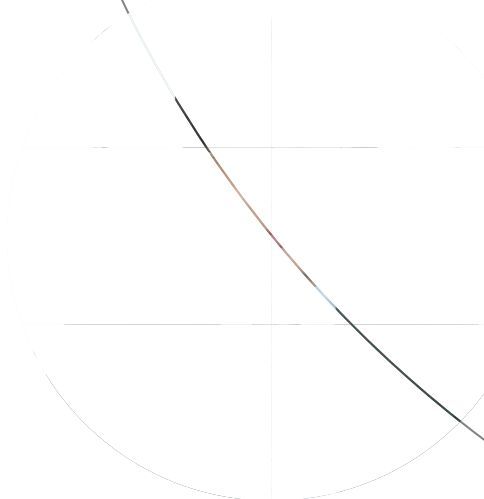
In 2016, the top leadership of Chicony was honored to be included in 2016 Taiwan TOP 50 CEO by 《Harvard Business Review》 and ranked No.1 in the electronic components group. This great achievement was only possible due to the professionalism, dedication and hard work of our strong team over thirty-thousand employees, who propels the Group’s sustainable development. For this reason, this CSR report returns to “people” value and strive to give every partner the best care and attention, protect and provide worker rights and benefits, build friendly and diversified working environment. In addition to vacation travel subsidies, training and a wide range of community activities, we also provide supporting measures such as natalivity incentives to meet the varied needs of our employees. Chicony Group aspires for each and every one of our people to work and live



Chairman Kent Kun-Tai Hsu



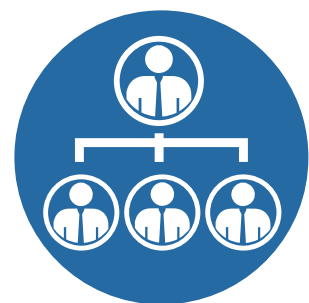
happily, giving back to society while contributing to the enterprise. Regarding environmental sustainable development, Group subsidiaries will together shoulder the responsibility of safeguarding our green home, actively develop environmentally friendly energy-saving products, follow-through with the implementation of environmental protection measures to reduce potential impact to the environment during operations and issue a “Declaration of Metal Conflict-Free” to strictly control every stage of the supply chain. In 2016, we were awarded the Diamond Badge for Green Building by the Taiwan Architecture & Building, receiving unanimous acclaim in many indicator categories such as green energy, carbon dioxide reduction, waste reduction, water resource and sewage, this was a major milestone in the Group’s continuous efforts in environmental sustainability. To fulfill our corporate social responsibility ideals, Chicony Group also actively participated in various domestic and foreign social welfare activities and set up with the National Taipei University of Technology the Chicony-Taipei Tech Laboratory to cultivate more R&D talent needed for the improvement of the industry as whole. As a member of the Electronic Industry Citizenship Coalition (EICC), we established the Corporate Social Responsibility Committee in 2014 to support and comply with its Code of Conduct (EICC Code of Conduct) and pledged to begin in 2017, to hold semi-annual CSR-related meetings to meet the objectives of the EICC Code of Conduct, to continue the pursuit of the highest value in corporate sustainability under the four core values of "enforcing corporate governance", "safeguarding human rights and welfare of workers", "creating product values and profits, while taking into account the protection of Earth's environment" and the "social and cultural participation".



As we are about to go into our 35th year in business, we expect to prove our determination to keep rooted in Taiwan and strive to build a lasting cooperation with all sectors of the society in sustainable development. In addition to contribution to the national economic development, we will continue to focus our enterprise’s development on values such as green innovation, intelligent living, worker welfare and social welfare. Chicony Group will keep all internal and external communications channels open to welcome encouragement, criticism and advice from the public and turning them into the motivation force for progress. Through this report, we sincerely invite you to join us in making progress for sustainable development.

Vice Chairman and President Mao - Kuei Lin,

The Chicony Group is a global multinational enterprise, with subsidiaries include Chicony Electronics Co., Ltd., Chicony Power Technology Co. Ltd. and XAVi Technologies Corporation. The headquarters in Taiwan is responsible for research & development and business development while China is the main production base.



Approximately Thirty Thousand Employees


Key Products & Technologies

Input devices for computers and smart devices, Portable keyboard modules, Multi-function video image products, Camera modules, etc.

Key Products & Technologies


Adapter, High Power, Lighting Driver

1.Adapter

A black power adapter with a coiled cable and a USB Type-C connector, set against a blue background with a network diagram.

2.High Power

3. Lighting Driver



XAVi Technologies Corporation

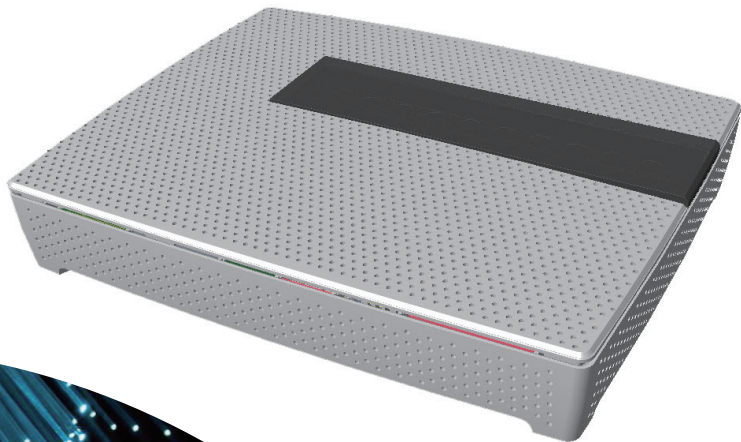
Key Products & Technologies

Active / Passive highly integrated digital fiber products, xDSL., G.fast/FTTdp Distribution Point (DP) and Client-Premises Equipment (CPE), IP / Android / IP + DVB STB set-top box products, Multimedia(STB), Broadband Communication, etc.

1. Multimedia(STB)

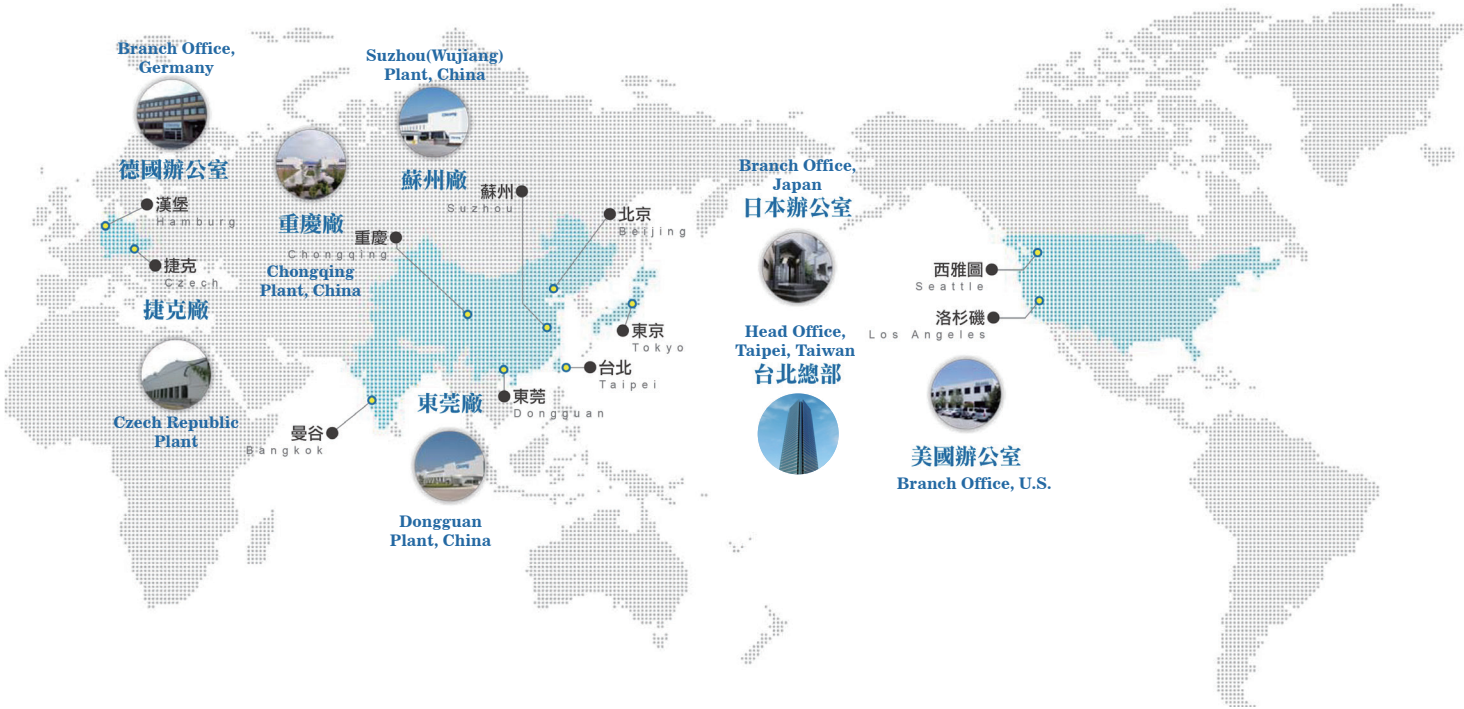


2. Broadband Communication,



Global Layout

With subsidiaries in the U.S.A., Germany and Japan; and production plants in China (Suzhou, Dongguan and Chongqing,) as well as in the Czech Republic.



Consolidated Financial Statements of Chicony Group

Item	2015	2016
Sales Revenue	80,663,369	77,018,060
Operating Costs & Expenses	76,058,106	71,989,983
Operating Profit (Operating Income)	4,605,263	5,028,077
Current Net Profit (after tax)	4,393,240	4,309,071
Research and Development Expenses	2,225,418	2,310,824

Remark (1) : Unit : NTD : 1,000/year
Remark(2) : In addition to the disclosure scope (Chicony Electronics, Chicony Power, XAVi Technologies and the six production sites in China), this consolidated financial statements also include data of "Mao-Rui" production plant.

Chicony Group CSR Commitment & Guidelines

Sustainable Commitment from Chicony Group

The Group implements CSR practices in accordance with our four main principles of "enforcing corporate governance", "developing a sustainable environment", "supporting social welfare" and "strengthening information disclosure". The Chicony Group CSR Code of Conduct is set out to further regulate and improve areas such as labor, health, safety, the

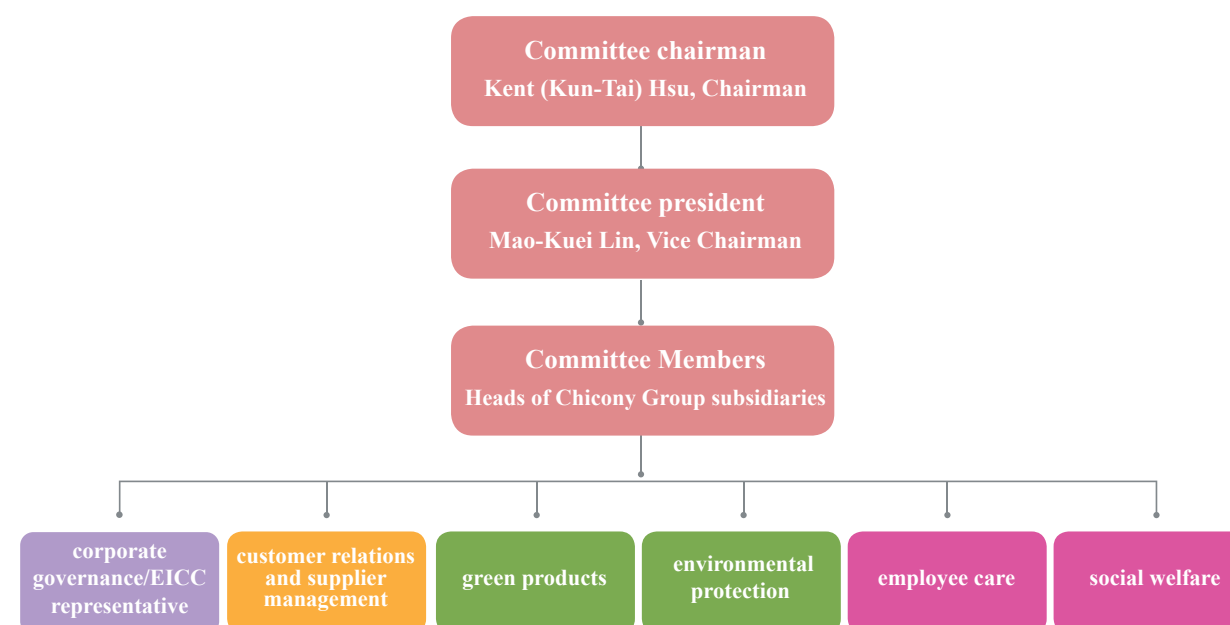
environment, management system and business ethics, in addition to strictly abide to the EICC Code of Conduct from Electronic Industry Citizenship Coalition, all aimed at meeting our sustainable operation goals.

Management and Strategies

The Group has set up a corporate social responsibility committee that is fully authorized by the board of directors. The CSR committee comprises of senior executives from our subsidiaries and is chaired by the top leader of the Group. It meets from time to time to promote the various issues in response to the expectations of the stakeholders, including corporate governance, customer relations and supplier

management, green products, environmental protection, employee care and social welfare, etc. Starting in 2017, CSR meetings will be held every six months by the production plants and the Taipei headquarters, so as to stay on top of the major issues identified at each plant, and to implement measures for various improvements.

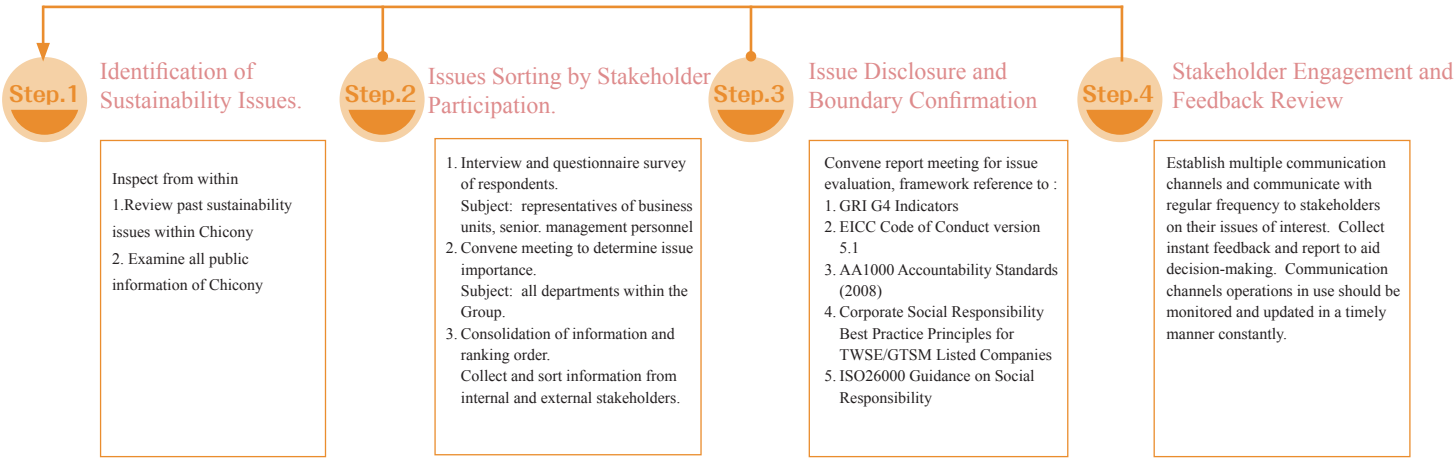
Organizational Chart of Chicony CSR Committee



- ◎ Create corporate value to enhance the interest and returns of investors and stakeholders.
- ◎ Maintain sound corporate governance, uphold morals and ethics, and comply with law and regulations.
- ◎ Provide a safe and healthy working environment and encourage employees to engage in social welfare activities.
- ◎ Join with our partners and customers in promoting social responsibility and creating a sustainable value chain.
- ◎ Develop green energy-saving products and follow friendly-environment practices, to reduce environmental impact.

Major Issues and Boundary of Scope

For Chicony Group’s sustainability, it is necessary to identify important issues, plan management mechanism and implementation practices and to review them at regular intervals. The following is a description of the relevant major issues and scope boundary procedure for the development of corporate social responsibility.



Stakeholder Engagement and Feedback Review

Establish multiple communication channels and communicate with regular frequency to stakeholders on their issues of interest. Collect instant feedback and report to aid decision-making. Communication channels operations in use should be monitored and updated in a timely manner constantly. Through the above issue identification procedure, we have constructed ten key types of stakeholders (shown in Table of major issues and channels of interest of the stakeholders), and compiled a list of 25 issues of concern, of which 18 are considered key issues¹, this report was done using GRI G4 indicators for cross references to ensure the completeness and appropriateness of this information disclosure.

¹ An issue is considered to be “key” when its degree of impact is above the medium level as shown in the Major Issue Matrix.

The cross reference of the major issue matrix with the GRI G4 indicators is shown below :

Impact of Issue	High		<ul style="list-style-type: none">• Ethics and integrity.• Occupational safety & hygiene.	<ul style="list-style-type: none">• Customer privacy and information security• Product and service quality• Financial performance• Feedback response mechanism• Employee relations• Supply chain management• Investor relations• Talent cultivation
	Medium	<ul style="list-style-type: none">• Major incident and disaster response	<ul style="list-style-type: none">• Salary and benefits• Law compliance• Environmental protection and pollution prevention• Corporate governance and risk management• Green products• Information transparency	<ul style="list-style-type: none">• Business performance• Respect for human rights
	Low	<ul style="list-style-type: none">• Corporate image management• Public policy participation• Investment of resources and organizational membership• Political contribution• Charity activities	<ul style="list-style-type: none">• Research and development	
		Low	Medium	High
	Issue Degree of Concern			

G4 Issues Materiality





Priority	Main issues	Material Aspects of GRI G4
High Concerns High Impacts	Customer privacy and Information security	Customer Privacy (PR)
	Product and service quality	Product and Service Labeling (PR)
		Customer Health and Safety (PR)
	Financial performance	Economic Performance (EC)
	Feedback response mechanism	Environmental Grievance Mechanisms (EN)
		Labor Practices Grievance Mechanisms (LA)
		Human Rights Grievance Mechanisms (HR)
		Grievance Mechanismsfor Impacts on Society (SO)
	Employee relations	Employment (LA)
		Labor / Management Relations (LA)
		Freedom of Associationand Collective Bargaining (HR)
	Supply chain management	Supplier Environmental Assessment (EN)
		Supplier Assessment for Labor Practices (LA)
		Supplier Human Rights Assessment (HR)
		Supplier Assessmentfor Impacts on Society (SO)
	Investor relations	Economic Performance(EC)
		Market Presence(EC)
	Talent cultivation	Training and Education(LA)
High Concerns Moderate Impacts	Business performance	Economic Performance (EC)
		Market Presence (EC)
	Respect for human rights	Non-discrimination (HR)
		Freedom of Associationand Collective Bargaining (HR)
		Child Labor(HR)
		Forced or Compulsory Labor(HR)
		Supplier Human Rights Assessment(HR)
		Assessment (HR)
Moderate Concerns High impacts	Ethics and integrity	General Standard - Ethics and Integrity
		Anti - corruption (SO)
	Occupational safety & hygiene	Occupational Health and Safety (LA)
Moderate Concerns Moderate Impacts	Salary and benefits	Market Presence (EC)
		Diversityand Equal Opportunity (LA)
	Law compliance	Compliance (EN)
		Compliance (SO)
		Compliance (PR)
	Environmental protection and pollution prevention	Energy (EN)
		Emissions (EN)
		Effluents and Waste (EN)
		Overall (EN)
	Corporate governance and risk management	General Standard - Governance
	Green products	Products and Services (EN)
	Information transparency	Product and Service Labeling (PR)







Aspect Scope and Definition of Major						
GRI Category & Aspect			Internal	External		
			Chicony Group	Suppliers and Contractors	Industry Associations/ Schools	Customers Local
Economy	EconomicPerformance		●			
	Market Presence		●			
Environment	Energy		●	○		
	Emissions		●	○		
	Effluents and Waste		●			
	Products and Services		●			●
	Compliance		●	●	●	●
	Overall		●			
	Supplier Environmental Assessment		●	●		
	Environmental Grievance Mechanisms		●	●		●
Social	Labor Practices and Dignified Labor	Employment	●	○		
		Labor / Management Relations	●			
		Occupational Health and Safety	●	○		
		Training and Education	●	○		
		Diversity and Equal Opportunity	●	○		
		Supplier Assessment for Labor Practices	●	●		
		Labor Practices Grievance Mechanisms	●	●		
	Human Right	Non - discrimination	●	●		
		Freedom of Association and Collective Bargaining	●	○		
		Child Labor	●	●		
		Forced or Compulsory Labor	●	●		
		Human Rights Assessment	●			
		Supplier Human Rights Assessment	●	●		
		Human Rights Grievance Mechanisms	●	●		
	Society	Anti-corruption	●	●		
		Compliance	●			
		Supplier Assessment for Impacts on Society	●	●		
		Grievance Mechanisms for Impacts on Society	●	●		●
	Product Responsibility	Customer Health and Safety	●			●
		Product and Service Labeling	●			●
		Customer Privacy	●			●
		Compliance	●			●

Note (1) Disclosure to client and neighbor community is based on the angle of impact
Note (2) It is of importance and is being disclosed at this time ○ it is of importance and will be disclosed in the future
Note (3) Resulted from interviews and questionnaire feedback, the corresponding major issues which are not disclosed at this time include: on the economic level, indirect economic impact and procurement practices; on the environmental level, raw materials, water, biodiversity, and transportation; on the social level, pay equality, investment, preservation practices, indigenous rights, local communities, public policy, anti-competitive behavior, marketing communication.

Major Issues to Stakeholders and Communication Channels

Multiple channels and grievance mechanism help us to respond timely and make policy adjustments accordingly.
Chicony stakeholders' major issues and channels for communications are tabled below :

Stakeholder	Major Issues	Communication Channels and Grievance Mechanism
 Investor	<ul style="list-style-type: none"> Stock price Business performance Financial performance Corporate governance (including the implementation of the internal control system)/ Risk management(including safety and health risk management) 	<ul style="list-style-type: none"> Shareholder conference Investor conference Annual financial reports Investment insitution symposium Business conference Electronic communication platform such as corporate website CSR report Investor visits
 Employee	<ul style="list-style-type: none"> Salary and welfare Respect for human rights(including user account and network management, personal account authorization management) Development and training Occupational safety Work and personal life balance 	<ul style="list-style-type: none"> Labor relations(including ESS salary information platform) childcare leave Electronic format of forms in regular use Maintenace of computer equipment Information system operation Implementation of internal control system Online employee discussion platform Regular in-person meetings(employer-employee meeting, forum) Regular e-newsletters and announcement posting Employee satisfaction survey Employee suggestion channels employee hotline Training Employee counseling office Employee welfare committee
 Customer	<ul style="list-style-type: none"> Product & service pricing and quality Transparency of marketing information Regulation and certification compliance Customer privacy Ethics and integrity Feedback and communication mechanism(include grievance mechanism) 	<ul style="list-style-type: none"> CSR implementation Sound corporate finance Environmental policies/ Management system Environmental performance(carbon management, water resource, waste management) Green product Online service platform Customer audit and product approval statement Customer satisfaction monitoring or survey Customer meeting 080 free service hotline and telephone communication with appointed personnel Participation in seminars for suppliers organized by customer CSR website, report
 Government and Competent Authority	<ul style="list-style-type: none"> Law compliance Transparency Corporate governance/risk management 	<ul style="list-style-type: none"> Participation in policy-making Give back to local community Legislation changes Law and regulations seminars and hearings Corporate Industry development conference Labor safety and health committee meetings

 Supplier / Contractors	<ul style="list-style-type: none"> Work environment Occupational safety and health Fair purchase practice Create win-win relations Response to conflict mineral Product carbon footprint Policy on restricted or prohibited substances 	<ul style="list-style-type: none"> E-solution technology development and application Supplier CSR evaluation Hardware and software prices Quality of after-sales service Product information and warranty Quality of goods delivered, delivery period and pricing 	<ul style="list-style-type: none"> Supplier convention Information exchange platform, EICC related website Periodic review reporting or meeting Supplier survey, audit, counseling, workshop 	<ul style="list-style-type: none"> Occupational safety and health lectures, seminars On-site audit E-solution new product briefing session Telephone or E-Mail
 External Consultant	<ul style="list-style-type: none"> Corporate governance Law compliance Financial/non-fiancial information transparency 	<ul style="list-style-type: none"> Talent supply Information disclosure transparency Computer system requirements or changes and planning Corporate operating profile, operating and profit performance 	<ul style="list-style-type: none"> Periodic review reporting Meeting 	<ul style="list-style-type: none"> E-Mail Telephone interview
 Community / Non-profit organizations	<ul style="list-style-type: none"> Environmental protection Talent cultivation Charity activities Corporate image management 	<ul style="list-style-type: none"> Information update Career opportunities Disaster prevention and response system Pollution prevention 	<ul style="list-style-type: none"> Sponsorship of art, cultural or environmental protection activities Participation in social rescue activities Visit local organizations 	<ul style="list-style-type: none"> Volunteer team Exchange channels such as website and e-mail Awareness promotion sessions CSR report and website
 Media	<ul style="list-style-type: none"> Industry development trends Corporate image and brand management Product service information 	<ul style="list-style-type: none"> Information transparency Social Responsibility effectiveness (including response to major accidents or disaster events) 	<ul style="list-style-type: none"> Press conference 	<ul style="list-style-type: none"> Press release
 Schools and Academic Institutions	<ul style="list-style-type: none"> Investment of resources Research cooperation Internship, on-site visit opportunities Talent recruitment and retention 	<ul style="list-style-type: none"> Pollution prevention strategy Green product management Corporate sustainability management 	<ul style="list-style-type: none"> Internship program Seminars Telephone and e-mail Scholarship 	<ul style="list-style-type: none"> On campus recruitment R&D center project
 Industry Associations	<ul style="list-style-type: none"> Implementation of CSR conduct Ethics and Integrity 	<ul style="list-style-type: none"> Communication and coopeartion willingness Investment of resources 	<ul style="list-style-type: none"> General assembly Industry development and technology seminars 	<ul style="list-style-type: none"> Professional alliances

Code of Conduct and Organizational Initiative

In order to constantly monitor and strengthen the management of our sustainable development policy, we keep close contact with our customers, the supply chain and industry partners, consulting with our external consultants and non-profit organizations, attending industrial

organizations as well as actively responding to international initiatives. As we embark the road to the fulfillment of our CSR, we strive to achieve greater goals and be able to contribute to the sustainable development of the entire industry at the same time.

Initiative Name	Organization Name
* EICC Code of Conduct * Carbon Disclosure Project (CDP) * Declaration of Minerals Conflict-Free * ISSO 14001 Environmental Management * ISO 14064 Greenhouse gases management * OHSAS 18001 Occupational Health and Safety Management	※ Taiwan Electrical and Electronic Manufacturers' Association
	※ Taiwan Stock Affairs Association
	※ Electronic Industry Citizenship Coalition
	※ Taipei Computer Association
	※ Taichung Computer Association
	※ Industrial Safety and Health Association of the R.O.C.
	※ North Electronic Human Resource Association (NeHR)
	※ Taiwan CIO Association
	※ Inter-Pacific Bar Association
	※ Taipei Bar Association
	※ Taiwan Lighting Fixture Export Association
	※ Taiwan Intelligent Building Association
	※ Taiwan Electrical Contractors Association



Environmental Sustainability




The Chicony Group has been in business for over 30 years. The Group established an environmental protection department that supervises the integration of green parts database and the comprehensive green management, from the source with R&D and follows through all the way covering procurement, production down to the entire supply chain. We adapted additional measures such as improving internal management procedures, hardware and equipment to further reduce possible negative impact on the environment

by our operations. The Chicony Smart Building, an investment project concluded in 2016 is a specific sample of our commitment. This chapter will present the Group’s main approach on achieving environmental sustainability, including green product development, environment and material management and energy-saving data, the subsequent chapter containing information about the construction and the operation of Chicony Smart Building will be unveiled as well.

Green Product Development

Green product development is an important part of green production. From 2015 to 2016, as part of the Chicony’s continued internal efforts, the Group not only developed

many innovative products that are both practical and environmentally friendly, but also actively dedicated to the advancement of green technology.

Product	Development Notes
<p>Green NFC Module (NFC : Near Field Communication)</p> 	<p>Problem : Today’s wireless computer peripherals depend on battery as energy source. Battery life is limited, it is not an environmental-friendly material.</p> <p>Development : Utilize NFC modules on existing computer or mobile phone systems, without need of batteries and rely on NFC Tag coils to generate power to operate the electronic components on the device. Also use NFC for data transmission, allowing the host and the device to communicate through the signal transmission.</p> <p>In addition, innovative electronic board design, tough software design, body design and antenna optimization design ensure maximum power transmission efficiency.</p> <p>Application : This green energy module can be applied to keyboard, mouse or other NFC products and devices, such as mobile phone related applications as well as touchpad.</p>
Technology	Development Note
A new generation of ultra high speed (G.fast) home gateway technology	Use existing copper cable network laid by telecommunication operators and upgrade it to meet the fiber optic transmission rate.
A new generation of smart green application of R & D plan	Combine the lower energy consumption Bluetooth Low Energy(BLE) and longer range transmission LoRa wireless technology to continue to advance in smart green energy applications

Environmental Management Thinking

Chicony’s environmental management level goes hand in hand with international progress, we not only response to EU RoHS ², REACH ³ directives and related restricted substance guidelines of international customers, but our subsidiaries have also developed our own environmental management system and has been put in use to mutually regulate and grow together with our supply chain partners.

Case in point, Chicony Power has set up the “Environmental Controlled Substances Standard” to help to reduce potential harm to the environment or to humans. The "Environmental Controlled Substances Standard" serves as guideline of hazardous substances control to suppliers and internal procurement, quality control and R & D teams, preventing materials, components and parts containing harmful substances to be mixed into products through programs of banning or restricted use of certain substances, substance self-management and target groups. Chicony Electronics has introduced halogen-free materials and production process and implemented control procedures with factories and suppliers, so as to expand reach to meet compliance with laws and regulations, customer specifications, protect the environment and mitigate the impact on ecosystems.

² The Restriction of Hazardous Substances in Electrical and Electronic Equipment

³ Registration,Evaluation, Authorization, and Restriction Chemicals

Waste Control/Waste Management

The waste produced by Chicony Group is divided into general waste and hazardous waste, the control methods are as follows :



※ General waste includes domestic waste and recyclable waste. Domestic waste is placed at designated locations for disposal by public sanitation authorities. Recyclable waste is mainly generated during the production process such as used paper packaging, material trays and wasted parts, are collected by certified vendors for recycling.



※ Hazardous waste produced during the production process such as wipe cloths containing chemicals, solder spatter and used containers (e.g. ink and glue cans or bottles), are collected by certified vendors to incinerate in accordance with regulations. Solid waste are sorted then bagged or placed in anti-spill tanks during storage and management processes to prevent secondary pollution.

Energy-saving Practices

The Group is committed to process reengineering, equipment upgrades and specific changes in behavior, to improve energy-saving results. Chicony Power Dongguan plant achieved excellent results in reducing electricity consumption of its living quarters. From 2015 to 2016, the total saving in two years reached nearly 1,800 thousand kWh, enough to supply over 5,900 Taiwan households for a month⁴. As part of our lighting energy-saving program, the Group replaced conventional T8 and T5 fluorescent lights with LED lights and the smart lighting cloud management system co-developed by Chicony Electronics and XAVi Technologies continues to work to improve efficiency for the Group.

Energy Efficiency

Dongguan Plant (Chicony Electronics)

From 2015 to 2016, the total saving in two years reached nearly **1,800** thousand kWh, enough to supply over **5,900** Taiwan households for a month⁴

The Group's diversified management in its manufacturing plants also includes the continuous promotion of regular inspection and maintenance of compressed air leakage and air pressure pipeline, replacing high energy consumption equipment parts, switching to level 2 energy efficiency equipment, etc., the absorption dryers in the compressed air systems at each plant are being progressively replaced by heater systems, reducing power consumption by 94 MWh per year.

In addition, the autonomous energy-saving measures implemented by individual plants are also achieving great results. At the factories in Dongguan, the heat generated during the operation of air compressors is recovered to supply hot water to employee dormitories. This saved around 313.65 MWh of electricity in 2016, and an equivalent of

196.12 t-CO₂e per year in reduced emissions. In terms of renewable energy, the solar energy system installed in the Taipei headquarters building is 5.8kW (20 panels of poly crystalline silicon 290W). The estimated power generation capacity is 6418kWh per year. In terms of water resource conservation, the factory plants are continuously monitoring usage and replacing the control switch float of the air conditioning cooling water to avoid wastage from overflow; the Group is progressively replacing faucets and flush toilets at its facilities as part of its everyday water saving efforts.

In addition to the above mentioned measures, in response to the Group's expanding organization and increasing workforce, we have also implemented carpool and shuttle buses at fixed locations to further reduce carbon emission while commuting and during business travel.



Lighting Energy Saving



Heat Energy Using



Renewable Energy



Water Energy Saving

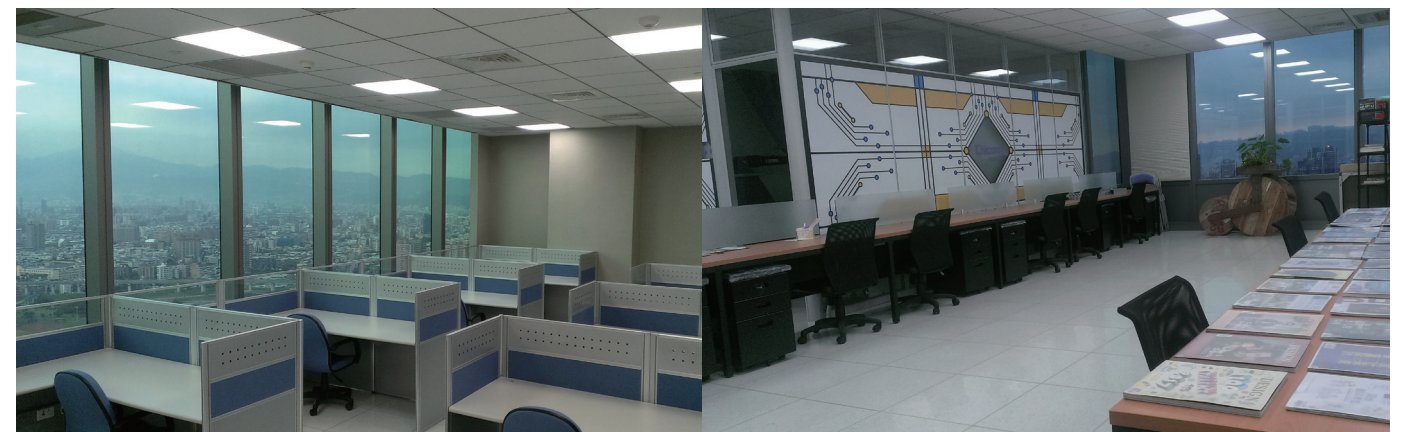


Energy Saving and Carbon Reduction

E-Office Operations⁴

The Group is continuing the use of E-forms system, in recent years we have expanded accounts for Product Material Control (PMC) / Purchasing (PUR) / Incoming Quality Assurance(IQA), eliminated the need of printing when

issuing documents such as notices for engineering change (ECN)/design change(DCN)/CAP, further reducing paper and ink output and improving administrative efficiency.



⁴ Reference taken from Taiwan Product Carbon Footprint Information Network by Taiwan EPA (<https://cfp.epa.gov.tw/carbon/defaultPage.aspx>)

E-Office Operations

Item	2015	2016	Remark
Reduction by adopting e-forms	2 million documents	2.09 million documents	1 document = 3 sheets of A4 size paper
Reduction of paper usage	26.2 tons	27.38 tons	1 sheet of A4 = 4.3659g
Reduction of cut-down trees	 630 trees	 657 trees	1 ton of paper = 24 full-grown trees
Carbon reduction	 40,800 kg CO ₂ e	 42,636 kg CO ₂ e	3.4kg CO ₂ e/ A4,80g (210mm x 297mm) 500 sheets per pack
Cost reduction from paper saving	 840,000 NTD	 877,800 NTD	500-sheet pack of A4 = 70NTD (70NTD is long-term contract price)



Chicony Group, which received IECQ QC080000 and ISO 14001 international certifications in 2012, established the “Chicony Group Green Parts Database” and has been for a long time operating under the principles of "non- purchase", "non-acceptance", "non-design", "non-production", "non-leak" of any hazardous substances from the production process. In addition, in order to improve the Group’s efficiency during

product design process, the Group has developed the Product Data Management (PDM) system which contains "Product Design Resume", "Product Information Management" and "Process Management System" functions, allowing all departments to access and share the information they need for product R&D, improving the use efficiency of both human and material resources.

Data Output and Performance Reports

Whether it is at its headquarters in Taiwan or at the factory plants in China, Chicony Group continues our environmental protection efforts in all aspects, including upgrading of equipment and strengthening by-product ⁵ reduction and prevention.

⁵By-products refer to un-intended products produced during the production process, usually referring to substances that are not environmental-friendly, such as gases, wastewater and toxins.

Environmental Protection Output and Performance Results

Greenhouse Gas Emissions Output and Performance										
Quantitative Indicator	Dongguan Plant (Chicony Electronics)		Suzhou Plant (Chicony Electronics)		ChongqingPlant (Chicony Electronics)		Dongguan Plant (Chicony Power)		Suzhou Plant (Chicony Power)	
Year	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Scope1 : Direct GHG emissions	654.83	458.07	4,825.37	4,406.43	1072.91	1099.02	461.88	408.36	174.24	192.59
Scope2 : Indirect GHG emissions	15650.72	12,768.04	32,936.84	3,0657.92	5624.88	5713.0	30927.27	30042.10	9349.84	10149.85
Sum of Scope 1 and Scope 2	16305.55	13226.11	37,762.21	35,064.35	6612.69	6812.02	31389.15	30450.46	9524.0778	10342.4445
GHG Emission Intensity	0.0009	0.0011	0.0019	0.0018	0.0026	0.0021	0.0027	0.0026	0.0012	0.0013
GHG Emission Intensity										
Methane (CH4) emissions	311.56	180.27	1,295.43	1,126.97	286.20	277.00	350.91	318.82	112.56	128.45
Nitrous Oxide (N2O) emissions	2.95	2.69	31.94	23.54	3.00	3.00	0.07	0.02	1.59	1.66
Hydro Fluorocarbon (HFCs) Emissions	99.94	98.95	0.03	0.1	657.00	657.00	58.85	58.85	8.16	8.16

Note (1) : The unit for emissions is t-CO₂e/year.

Note (2) : The GHG emissions disclosed in this report are for the main production sites of Group subsidiaries such as Chicony Electronics,Chicony Power and XAVi in China. No GHG emissions from Taiwan headquarters. The XAVi Suzhou plant data was consolidated with the Chicony Electronics Suzhou plant.

Note (3) : The formula for calculating GHG emission intensity is "emissions (t-CO₂e/year) divided by revenue (1000 NTD/year)" (GHGs emitted per unit of revenue). The lower the value the more environmental-friendly it is.

Note (4) : Based on the results of the GHG inventory, in 2016 Chicony's Taiwan headquarters and the plants in China produced total GHG emissions of 95,895 tCO₂e. Of these, 93% (tCO₂e) came from externally purchased electricity (Scope 2); Scope 1 emissions from vehicle fuel, emergency generator and steam boilers accounted for 7% (t-CO₂e).

Note (5) : For other indirect GHG emissions produced from outsourced activities (Scope 3), the difficulty in gathering such data and the involvement of the external supply chain means this currently consists mainly of qualitative inventories. The primary sources of Scope 3 emissions at Chicony include outsourced \ operations which are not owned or controlled by the Group such as the cafeterias, transportation vehicles, the removal of sludge and waste. It also includes other company operations such as employee commuter services, official travel and business trips.

Note (6) : Except for Taiwan headquarters and the Suzhou plant where the inventory audit was self-performed, all other plants were audited by a third party. It is expected that all audits will be performed by a third party.

Energy and Resource Inputs							
		Chicony Electronics HQ		Chicony Electronics Dongguan Plant		Chicony Electronics Suzhou Plant	
Category	Unit	2015	2016	2015	2016	2015	2016
Electricity Consumption	MWh/Year	1622.94	5289.88	15,597.20	13,400.40	40,687.90	37,872.66
Energy Intensity (Electricity consumption / Revenue)		N/A	N/A	0.0009	0.0011	0.0020	0.0020
Domestic consumption bykitchens/dormitories LPG consumption	kg/year	0	0	6,096.00	5,716.00	3,646.00	3,395.00
LNG consumption	m3/year	0	0	0	0	1,283,225.30	1,252,138.67
Gasoline Consumption	KL/year	N/A	N/A	34.12	31.96	144.51	126.78
Diesel consumption	KL/year	N/A	N/A	40.00	20.00	81.80	31.80
Water Consumption	KL/year	20,124.00	37,240.00	613,000.00	242,040.00	757,894.20	691,000.30

Note (1) : The energy intensity individually for the headquarters of Chicony Electronics, Chicony Power and XAVi is hard to calculated given their revenues were consolidated with the factory plants.

Note (2) : The relevant information of gasoline and diesel consumption is hard to retrieve as Chicony Electronics, Chicony Power and XAVi all used leased office spaces during the period of disclosure.

Energy and Resource Inputs					
		Chicony Electronics Chongqin Plant		Chicony Power Headquarters	
Category	Unit	2015	2016	2015	2016
Electricity Consumption	MWh/Year	5,578.80	6,004.20	1,646.47	1,493.45
Energy Intensity (Electricity consumption / Revenue)		0.0022	0.0019	N/A	N/A
Domestic consumption bykitchens/dormitories LPG consumption	kg/year	N/A	N/A	0	0
LNG consumption	m3/year	31,032.00	21,032.00	0	0
Gasoline Consumption	KL/year	34.41	36.39	N/A	N/A
Diesel consumption	KL/year	0.09	0.07	N/A	N/A
Water Consumption	KL/year	100,413.00	96,536.00	26,749.00	20,741.00

Note : Chicony Chongqin Plant employed outside caterer to deliver employee meals, there is no central kitchen inside the plant so the accurate LNG data was

Energy and Resource Inputs					
		Chicony Power Dongguan Plant		Chicony Power Suzhou Plant	
Category	Unit	2015	2016	2015	2016
Electricity Consumption	MWh/Year	33,476.07	30,780.83	13,290.46	14,427.65
Energy Intensity (Electricity consumption / Revenue)		0.0029	0.0026	0.0017	0.0018
Domestic consumption bykitchens/dormitories LPG consumption	kg/year	4,856.00	5,388.00	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
LNG consumption	m3/year	0	0	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
Gasoline Consumption	KL/year	N/A	N/A	23.82	24.89
Diesel consumption	KL/year	1.6	0.8	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
Water Consumption	KL/year	473,217.00	454,941.00	167,666.00	122,837.00

Note : Chicony Power Dongguan Plant does not use gasoline inside the factory and employee transportation is outsourced so the gasoline consumption was hard to calculate.

Energy and Resource Inputs					
		XAVi HQ		XAVi Suzhou Plant	
Category	Unit	2015	2016	2015	2016
Electricity Consumption	MWh/Year	140.00	135.00	4,181.09	6,692.32
Energy Intensity (Electricity consumption / Revenue)		N/A	N/A	0.0015	0.0014
Domestic consumption bykitchens/dormitories LPG consumption	kg/year	0	0	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
LNG consumption	m3/year	0	0	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
Gasoline Consumption	KL/year	N/A	N/A	N/A	N/A
Diesel consumption	KL/year	N/A	N/A	consolidated with the Chicony Electronic Suzhou Plant	consolidated with the Chicony Electronic Suzhou Plant
Water Consumption	KL/year	753	740	50,332.16	81,161.90

Note (1) : The energy and resource input data disclosed in this report are for the main production sites of Group subsidiaries such as Chicony Electronics, Chicony Power and XAVi in China. The XAVi Suzhou plant data was consolidated with the Chicony Electronics Suzhou plant; there are no production activities at the Taiwan headquarters so the only inputs are routine electricity and water resource consumption.

Note (2) : The energy intensity formula is "electricity consumption divided by revenue (1000 NTD/year). A lower value is better for environmental protection and energy conservation.

Note (3) : XAVi Suzhou Plant does not use gasoline, its transportation is outsourced together with Chicony Electronics Suzhou Plant so it was hard to calculate the gasoline consumption by XAVi factory personnel alone. Also, the factory space is leased, the power generator uses diesel and it is consolidated with Chicony Electronics Suzhou plant, it was not hard to calculate alone.

Annual Waste Output Information									
Category		Chicony Electronics Headquarters		Chicony Electronics Dongguan Plant		Chicony Electronics Suzhou Plant		Chicony Electronics Chongqin Plant	
Year		2015	2016	2015	2016	2015	2016	2015	2016
General Waste	Reusable	0.40	0.50	128.53	80.89	354.5	336.85	110.5	258.4
	Non-reusable	25.10	24.40	527.80	576.00	449.3	354.63	0	0
	Total	25.50	24.90	656.32	656.89	803.8	691.48	110.5	258.4
Hazardous Waste	Reusable	0	0	7.53	5.04	0	0	0	0
	Non-reusable	9.00	8.80	0	0	6.5	8.28	8.34	9.39
	Total	9.00	8.80	7.53	5.04	6.5	8.28	8.34	9.39

Annual Waste Output Information											
Category		Chicony Power Headquarters		Chicony Power Dongguan Plant		Chicony Power Suzhou Plant		XAVi Headquarters		XAVi Suzhou Plant	
Year		2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
General Waste	Reusable	1.30	1.35	103.06	31.62	0	0	Disposed by management of leased building		64.705	121.534
	Non-reusable	0.35	0.40	2.6	2.3	787	765			0.05	0.04
	Total	1.65	1.75	105.54	87.17	787	765			65.315	122.164
Hazardous Waste	Reusable	0	0	0	0	0	0	Disposed by management of leased building		consolidated with the Chicony Electronics Suzhou plant	consolidated with the Chicony Electronics Suzhou plant
	Non-reusable	0	0	1.65	2.45	10	11.5			consolidated with the Chicony Electronics Suzhou plant	consolidated with the Chicony Electronics Suzhou plant
	Total	0	0	1.65	2.45	10	11.5			consolidated with the Chicony Electronics Suzhou plant	consolidated with the Chicony Electronics Suzhou plant

Annual Energy-Saving Management Information and Performance								
Unit		Air Compressor waste heat recovery		Air Compressor waste heat recovery		Replacement with energy-saving LED lighting fixture		Replacement with energy-saving LED lighting fixture
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
Chicony Electronics Dongguan Plant	2015	274.29	2015	245.74	2015	130.43	2015	116.85
	2016	213.57	2016	191.34	2016	20.86	2016	18.69
		Replace energy efficiency level 2 equipment		Replace energy efficiency level 2 equipment		t-CO ₂ e/year		Upgrade with inverter pump
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
	2015	201.86	2015	180.85	2015	177.57	2015	159.08
	2016	94.43	2016	84.6				

Annual Energy-Saving Management Information and Performance								
Unit		Replacement with energy-saving LED lighting fixture		Replacement with energy-saving LED lighting fixture		Replace energy efficiency level 2 equipment		Replace energy efficiency level 2 equipment
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
Chicony Electronics Suzhou Plant	2016	209.41	2016	169.87	2015	396.45	2015	321.52
					2016	317.54	2016	257.52

Annual Energy-Saving Management Information and Performance				
Unit		Replacement with LED lighting fixture		Replacement with LED lighting fixture
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
Chicony Electronics Chongqin Plant	2015	130.3	2015	123.98
	2016	40.2	2016	38.25

Annual Energy-Saving Management Information and Performance								
Unit		Air Compressor waste heat recovery		Air Compressor waste heat recovery		LED Light Replacement (LED Ceiling light)		LED Light Replacement (LED Ceiling light)
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
Chicony Power Dongguan Plant	2015	100.64	2015	90.16	2015	172.22	2015	154.29
	Suzhou Plant	100.08	2016	89.66	2016	66.67	2016	59.73
		LED Light Replacement (Assembly Line LEDT8)		LED Light Replacement (Assembly Line LEDT8)		Maintenance and improvement of air compressor conduit leaks		Maintenance and improvement of air compressor conduit leaks
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	conduit leaks	Year	t-CO ₂ e/year
	2015	17.78	2015	15.93	2015	111.11	2015	99.54
	2016	14.44	2016	12.94	2016	104.44	2016	93.57
		Electrical system changes for cost-saving in living quarters		Electrical system changes for cost-saving in living quarters		Aging wiring system improvement		Aging wiring system improvement
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year
	2015	996.91	2015	893.13	2015	477.78	2015	428.04
	2016	741.89	2016	664.66				
		Replace energy-intensive equipment with energy-saving equipment		Replace energy-intensive equipment with energy-saving equipment				
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year				
	2015	97.1	2015	86.99				
Unit		LED Light Replacement (LED Ceiling light)		LED Light Replacement (LED Ceiling light)		Maintenance and improvement of air compressor conduit leaks		Maintenance and improvement of air compressor conduit leaks
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year

Note (1): The unit for electricity calculation is MWh/year. The unit for emissions is t-CO₂e/year.
Note (2): The energy management data disclosed in this report are for the main production sites of Group subsidiaries such as Chicony Electronics, Chicony Power and XAVi in China. The XAVi Suzhou plant data was consolidated with the Chicony Electronics Suzhou plant.

Chicony Power Dongguan Plant	2015	70	2015	56.78	2015	40	2015	32.45
	2016	60	2016	48.67	2016	24	2016	19.47
		Electrical system changes for cost-saving in living quarters		Electrical system changes for cost-saving in living quarters				
	Year	Electricity (MWh/year)	Year	t-CO ₂ e/year				
	2015	250	2015	202.8				
	2016	130	2016	105.46				

Environmental Accounting						
	Chicony Electronics HQ		Chicony Electronics Dongguan Plant		Chicony Electronics Suzhou Plant	
Category	2015	2016	2015	2016	2015	2016
Cost of waste disposal	17.64	22.68	46.43	46.43	363.6	296.70
Cost of emissions treatment	0	0	15.00	15.00	94.19	117.61
Cost of emissions treatment	5.00	10.00	0	0	185.00	477.04
Preventive environmental expenditure	30.15	40.50	8.55	9.00	267.40	72.19
Environmental management expenditure	270.50	300.00	298.17	298.17	707.70	645.37

Environmental Accounting				
	Chicony Electronics Chongqin Plant		Chicony Power Headquarters	
Category	2015	2016	2015	2016
Cost of waste disposal	16.68	19.72	3.50	4.50
Cost of emissions treatment	0.00	0.00	N/A	N/A
Cost of emissions treatment	12.01	97.55	N/A	N/A
Preventive environmental expenditure	26.25	39.40	10.00	10.00
Environmental management expenditure	204.00	228.00	250.00	250.00

Environmental Accounting				
	Chicony Power Dongguan Plant		Chicony Power Suzhou Plant	
Category	2015	2016	2015	2016
Significant fines for environmental violation	0	0	0	0
Cost of waste disposal	150.00	175.00	35.00	50.00
Cost of emissions treatment	145.00	150.00	N/A	N/A
Cost of emissions treatment	50.00	55.00	N/A	N/A
Preventive environmental expenditure	105.00	115.00	N/A	N/A
Environmental management expenditure	85.00	90.00	N/A	N/A

Note (1) : Disclosed here are the environmental accounting for Group subsidiaries Chicony Electronics, Chicony Power and XAVi. XAVi Suzhou plant was consolidated with Chicony Electronics Suzhou plant.

Note (2) : Remedial environmental expenditure includes environmental levies; preventive environmental expenditure includes environmental inspection by occupational safety and health associations; environmental management expenditure includes the operation of the industrial safety and health office, waste disposal and building janitors expenses.

Note (3) : Unit: NTD \$10,000.

Note (4) : During the 2015 – 2016 period, there was no fines related to environmental legislation violations.



Special Feature

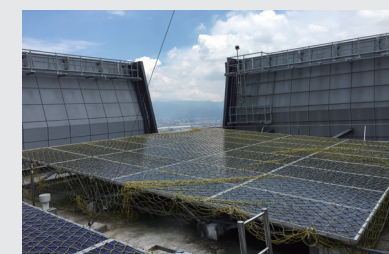
A New Milestone- Microview of Chicony Group's Green Building

In response to New Taipei City government's core transformation policy for turning the vicinity on both sides of the Erchong Floodway into a waterfront urban area, in 2016 Chicony completed the construction of Chicony Group Green Building located in Sanchong District of New Taipei City, to which was certified as a Diamond Level Green Building.

In this special feature, the Group will showcase the results of our Green Building, revealing both inside and outside of the building structure, related green technologies applied, and the friendly welfare facilities

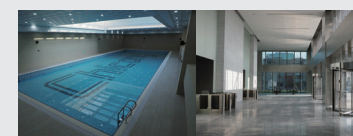
Building Case File

Green rooftop, mainly to regulate building temperature and reduce power consumption of AC system.



Ledge, solar power system equipment

8-32F shock absorbers are placed in all four corners of the middle section floors of the building as the main earthquake resistance treatment of the building structure.



Swimming pool, dry and steam sauna located on basement level 1 is part of the recreation options offered to the employees. Chicony is considering opening the facilities to the public as a community giveback measure.



Staff canteen on the 17th Floor, a wide variety of food selections at discounted prices are offered at the staff canteen located on the 17th floor to ensure healthy eating of the employees.



Sculpture Plaza



Wind Power



Playground

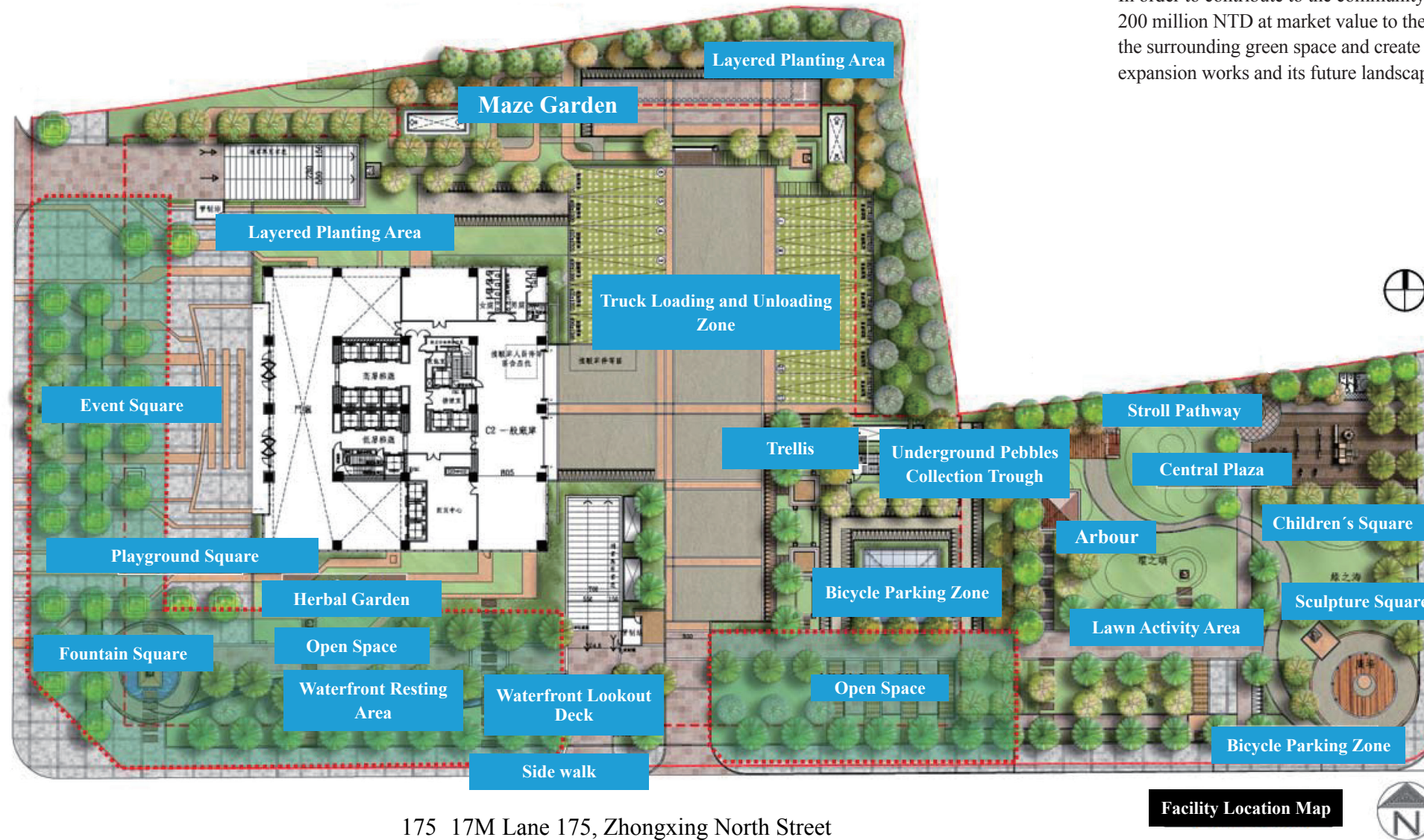


Arbor

Building Surrounding Description

The Group voluntarily reduced the building coverage ratio to 15%, and the floor area to 1,814 sqm. The height of the building totals 181.6 meters, and has 39 floors above the ground, plus 4 underground. The saved areas were used to install 20 to 24 meters of pedestrian walkway, open plazas and green landscaping space. We also donated 3,075 square

meters of green space worthy of more than 200 million NTD market value to the New Taipei City for creating a children's playground and greenpark, taking on all the maintenance duties of it's facilities and community surroundings, as well as garden and landscape management.



175 17M Lane 175, Zhongxing North Street

Note : Property transfer registration of the donated park land was completed on 22-01-2013.

Each area will have its themed landscaping scheme, shaped with high quality of surroundings to attract passerby's attention. All footpaths will be lined with plants, special pavement design will be applied at the intersections and meeting points to serve as direction guides.



Other relevant planning ideas are as follows :

Provide an intimate feel, comfort and functionality to outdoor space, and increase the probability of use



Barrier - free space :

Use slopes in public spaces to regulate height differences, increase accessibility and make the space more user-friendly



Planting design :

Trees will be the main type of plants used, easy management and maintenance will be the main criteria for selecting ground cover and shrubs, the overall design will focus on abundance of flowers and texture variety to enhance the sensorial quality of the landscape.

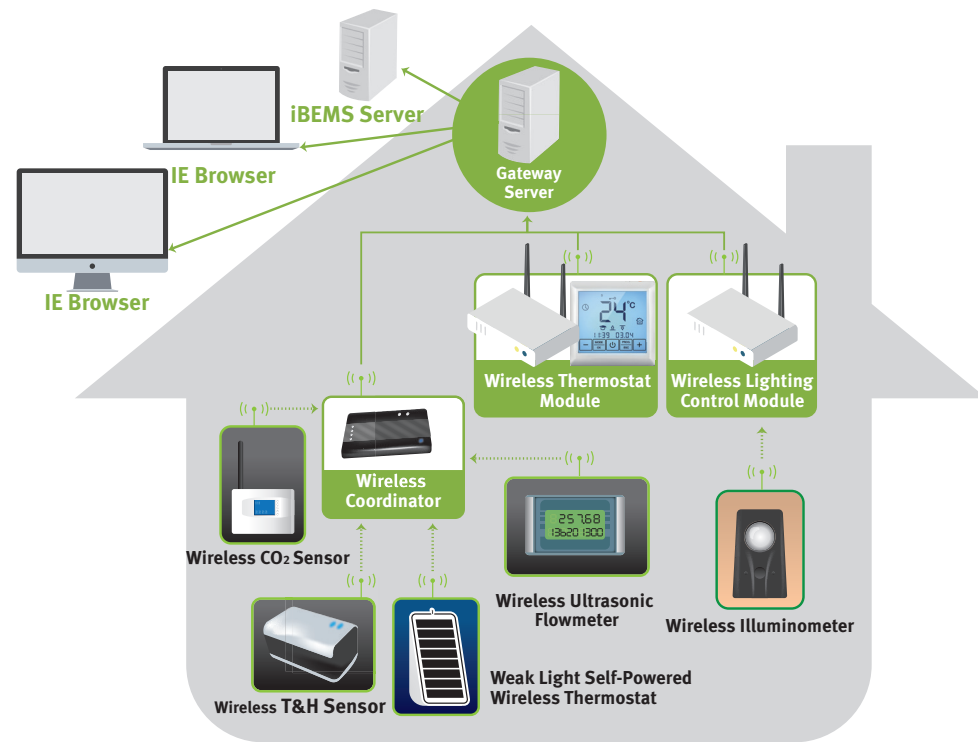
In order to contribute to the community, Chicony voluntarily donated 3,075 square-meter of land that is worth more than 200 million NTD at market value to the New Taipei City for creating children's recreation and green park, to increase area of the surrounding green space and create more recreational space for the public. Chicony will also be responsible for the park expansion works and its future landscaping and maintenance.



Software and Hardware Description

In addition to be certified diamond level due to achieving compliance with a number of indicators, Chicony Group also incorporated several products and expertise of its subsidiaries in Chicony Green Building to improve smart energy efficiency, such as cooperation with the Industrial Technology Research Institute, the introduction of the Intelligent Building Energy Management System (iBEMS), which includes

iCentre for data collection and analysis, web program for user control and management of energy saving systems, and iExpert intelligent control for actual energy-saving solution execution. The three programs assist the users to detect unreasonable power usage in the building through artificial intelligence and statistics collection.

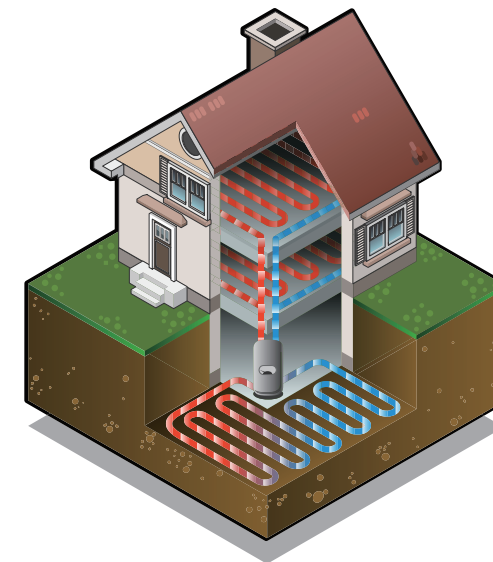


The Three Main Programs of iBEMS

iCentre Data Collection Program	collects power consumption data through wireless or wired sensors, the data is stored in back-end database for analysis.
Intelligent Energy Management Web Program	is the main system of iBEMS that offers easily operable web interface to users for programing and monitoring of energy saving solutions.
iExpert Intelligent Control Program	is a system for the execution of energy saving solutions that includes consumption control for FCU, AHU, AC water temperature and intelligent scheduling.

The building also has power feedback system, heat pump control system and other control devices installed, which capable of reducing power consumption of equipment such as elevators and swimming pools to a minimum; compared with conventional elevators, elevators that use electric power feedback can save 30% to 50% on power consumption. The power converted by when the cabin goes into the brake mode can be returned to the building or elevator power system; heat

pump system is mainly used for providing hot water to the indoor swimming pool and sauna, which uses the waste heat collected from cooling water system in 24-hour period to heat the water. In regards to energy saving from lighting, in areas where natural daylight is available, artificial lighting is adjusted accordingly. Automatic person detection and intelligent positioning of lighting are also employed to create an energy-saving intelligent lighting system.



Power feedback system and heat pump control system

Power feedback system can save

30%-50%

on power consumption










Chicony Building Emergency Response Manual

The Emergency Response Manual is designed to ensure that employees are able to effectively reduce the impact of disasters through a clear division of labor and protect their own safety and preserve the property of the enterprise during emergency and accidents, in order to achieve the ultimate goal of sustainable development. In December 2016, Chicony

Group planned and held a Chicony Building Fire Safety and Escape training exercise in accordance with existing legal regulations and executed in accordance with the emergency response manual to ensure that employees are capacitated to handle all kinds of emergent situations.



Appendix: Chicony Group Green Building Features

Green Building Target Indicators ⁶	Chicony Group Green Building Features
 Green Area	The main green area surrounds the building and contains a large number of trees combined with shrubs and turf to achieve ecological stratum. The selected plant species are mainly native to Taiwan.
 Soil Water Content	Regular soil water retention design is adopted by the entire building, appropriate plant species are selected in accordance with the location and function.
 Daily Energy Savingt	With the exception of the data machine room on the third floor, all HVAC host systems are split ice storage system and AC air supply method for each area is chosen in accordance with area size and purpose. Cooperation with the Industrial Technology Research Institute, the introduction of the Intelligent Building Energy Management System (iBEMS), energy saving management through cloud, evaluate and improve results of all targets. For more details please refer to Software and Hardware Description in this section.
 Carbon Reduction	The building used mainly SC (pure steel) and SRC (steel reinforced concrete) as building materials, which are different from the traditional reinforced concrete construction. Steel structure has the advantages of being recyclable, less energy consumption and lower pollution during working process, reducing carbon emission during construction ⁷ . In terms of non-metal construction materials, lower carbon emission recycled cement was used.
 Waste Reduction	Waste produced during construction were treated using measures such as washing, sludge sedimentation and sprinkler spray, for air pollution, measures such as dust cover and fences were used.
 Waste Reduction	The flush toilet, wall-mounted urinal and automatic faucet used in the entire building are certified by the Water Resources Bureau of Ministry of Economic Affairs and the building has rainwater storage facilities where rainwater is filtered and used for gardening irrigation.
 Sewage and Garbage Treatment	The building has separate drain systems for rainwater and sewage, sewage goes directly into the sewage sewer. The measures for the disposal of garbage and kitchen waste inside the building include providing the recycling and collection containers for tableware and food stuff to be collected and processed by the meal suppliers.

⁶For more details on Green Building Targets please consult Taiwan Architecture & Building website <http://gb.tabc.org.tw/modules/pages/target>

⁷ http://m.myhousing.com.tw/index.php?option=com_flexicontent&view=items&cid=1011:2011-11-24-03-35-23&id=38962:scsrcrc

Social Sustainability



Employee Care



The Group has a worldwide presence with sites across Asia, Europe and the USA with currently more than 30,000 professionals spread around the world each contributing their talent and serving together as the foundation for Chicony Group's sustainable development. We pledge to all Chicony members to strictly abide by the EICC Code of Conduct, the International Labor Convention and the Global Sullivan Principles.

Race, sex, age, religion, creed or political position are not part of the criteria for determining salary and benefits, performance appraisal and promotion or transfers to ensure equal employment rights of all Chicony employees.





Analysis of Talent Structure

Note: This disclosure covers only employees in Taiwan and China. It does not include employees in Europe and the USA



Number of Employees (number of employees at the end of the year)	
2015 : 25,936	2016 : 24,259










Employee Nationality		
Year	2015	2016
	1634	1606
	24,290	22,641
Other Regions	12	12

Unit : person

Ratio of Employee Composition			
Year		2015	2016
Regular Employee		14,085	13,045
		11,850	11,212
Temporary Employee		1	2
		0	0

Unit : person

Ratio of Management Gender		
Year	2015	2016
	780	1032
	203	216
Ratio (M/F)	3.842	4.778

Company	Chicony Electronics			Chicony Power			XAVi		
Year	2015								
Category			Total			Total			Total
2015 No. of applicants for Unpaid Parental Leave and Reinstatement.	2	6	8	0	3	3	0	0	0
2015 No. of applicants scheduled for reinstatement (A)	0	5	5	0	2	2	0	0	0
2015No. of applicants retained (B)	0	2	2	0	2	2	0	0	0
Retention Rate (B/A)	0%	40%	40%	0%	100%	100%	0%	0%	0%
No. of applicants for Unpaid Parental Leave and Reinstatement and who did reinstate in 2014. (C)	1	2	3	2	0	2	0	0	0
Parental Leave applicants reinstated in 2014 and completed 1 year of reinstatement in 2015. (D)	1	2	3	1	0	1	0	0	0
Retention rate (D/C)	100%	100%	100%	50%	N/A	50%	0%	0%	0%
Year	2016								
Category			Total			Total			Total
2016 No. of applicants for Unpaid Parental Leave and Reinstatement	2	16	18	1	3	4	1	0	1
2016 No. of applicants scheduled for reinstatement (A)	2	12	14	0	3	3	0	0	0
2016 No. of applicants retained (B)	2	11	13	0	1	1	0	0	0
Retention Rate (B/A)	100%	92%	93%	0%	33%	33%	0%	0%	0%
No. of applicants for Unpaid Parental Leave and Reinstatement and who did reinstate in 2015. (C)	0	5	5	0	2	2	0	0	0
Parental Leave applicants reinstated in 2015 and completed 1 year of reinstatement in 2016. (D)	0	5	5	0	2	2	0	0	0
Retention rate (D/C)	0%	100%	100%	0	100%	100%	0%	0%	0%

Employment Relationship and Career Development

It is our conviction that talent is an irreplaceable asset and also our partners for growth. Through upholding labor rights and providing multi-dimensional training and benefits, we can maintain cohesion and symbiosis between the Group and

the staff, allowing the employees to be not only productive but also achieve their goals in life and prosper together with the Group.

Employment System

Chicony Group has comprehensive procedures related to personnel such as recruitment, hiring, transfer and promotion, suspension and resignation. In addition to staff recruitment and selection methods, if a department management wants to make personnel changes, it can make recommendations to HR division obtaining prior consent from the staff in consideration; the HR division will then provide assistance

to make the transfer possible. In regards to resignation or suspension, in addition to make the necessary notifications required by law, the Group will also take further steps to understand the reason for leaving and the possibility of retaining the employee through interview and assistance. Once an employee has left, the Group will continue following up and if health factors are involved, it will

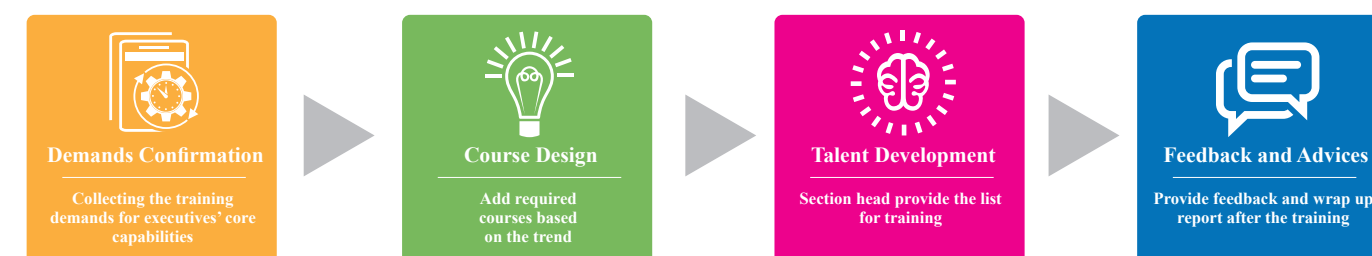
Chicony Group College of Competitiveness

The Chicony Group houses a wide range of professional specialties and develops a wide range of products. The College of Competitiveness offers multidimensional course programs created to meet the needs of different functions, departments and management positions, to provide the resources needed and to assist members of Chicony in achieving their personal goals⁸.

communication skills for the sales team, and workshop and seminars on planning for innovation, trend insight and technology implementation for the R&D team.

Detailed planning of the curriculum framework is made for both the management and general staff, for the management members, the main focus are team management, interpersonal communication, talent identification and leadership, planning and mentoring, decision-making and adaptability; for the general staff, the course is designed according to its functions, such as marketing and sales skills, persuasion and













In addition to the above-mentioned training system design, the College of Competitiveness also includes on-the-job training, such as job rotation, overseas stations, project internships, so every member of the Chicony Group can benefit from the guidance and feedback of the management, senior colleagues and peers, to improve and grow under the care of the Chicony family. In addition, we also provide career planning for retired employees, enabling them to attain spiritual satisfaction and prove their self-worth through making continuous contribution in their area of expertise⁹.























⁸ After each course, the management prepares a final report based on the feedback from the trainees and make course adjustments based on needs to ensure motivation for progress of the College of Competitiveness. The average score of satisfaction for courses offered in 2015 was 9.3 (full score is 10). In 2016 the average score of satisfaction raised to 9.5, proving close effective interaction between the College of Competitiveness and the members of Chicony staff.





⁹ During 2015 to 2016, there were two cases of senior management members transitioning to consultants, one in R&D and the other one in financial division.

Average Hours of Training Received

Taiwan Headquarters												
Region	Chicony Electronics				Chicony Power				XAVi			
Year	2015		2016		2015		2016		2015		2016	
Gender ¹⁰												
Average hours of training for Management ¹¹	3.7	0.8	6.9	1.6	9.5	6.8	11.9	7.6	18.2	3.6	18.3	2.5
Average hours of training for non-management employees	3.2	3.2	4.9	5.2	10.1	10.3	11.4	5.9	11.5	4.1	11.8	3.8

Chicony Electronics												
Region	Chicony Electronics				Chicony Power				XAVi			
Year	2015		2016		2015		2016		2015		2016	
Gender												
Average hours of training for Management	11.7	4.8	12.6	5.4	26.7	4.4	24.7	4.0	3.1	1.1	3.2	1.2
Average hours of training for non-management employees	16.2	11.4	16.2	13.6	4.8	5.97	5.51	6.42	1.9	2.3	1.7	2.7

Chicony Power								
Region	Dongguan Plant				Suzhou Plant			
Year	2015		2016		2015		2016	
Gender								
Average hours of training for Management	42.0	8.0	40.0	10.0	2.7	0.6	1.8	0.5
Average hours of training for non-management employees	15.8	9.2	15.5	9.5	10.0	7.1	8.6	5.6

XAVi Technologies				
Region	Suzhou Plant			
Year	2015		2016	
Gender				
Average hours of training for Management	5.0		10.0	
Average hours of training for non-management employees	12.5		13.6	

¹⁰ The number of hours of training for men and women is estimated according to the gender ratio of the job. In the future we will adjust the internal computing process to more accurately reflect the actual situation and useful to curriculum planning.

¹¹ In Taiwan headquarters, management is deputy manager level and above, in China, section chief and above.

Performance Appraisal and Competency Assessment

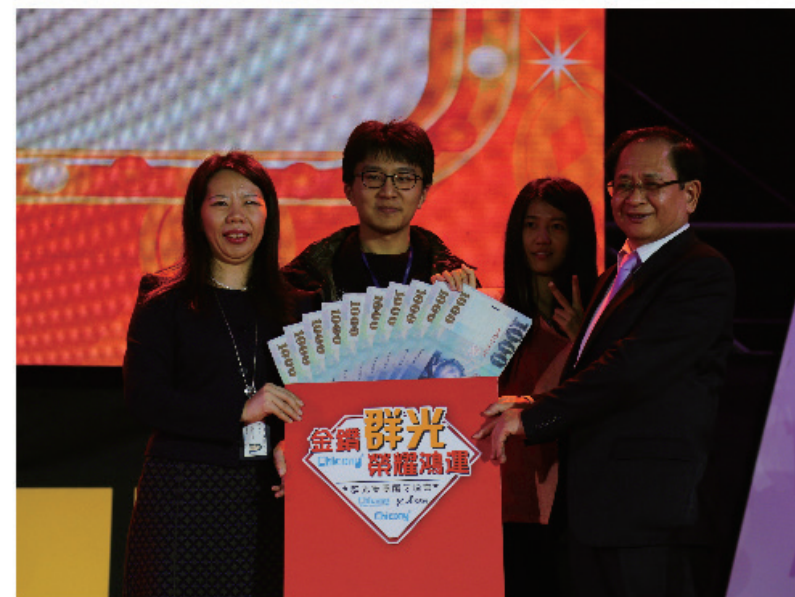
There are two types of performance appraisal, the trial period completion appraisal and the annual performance appraisal. At the end of the trial period, evaluations are given by the evaluation supervisor and the top management assisted by the HR division. Annual evaluations are conducted in July and again in December, with the exception of the staff on parental

leave or employees with less than a full year at current position, all employees must be evaluated. We hope that an open, fair and transparent evaluation and competency assessment system can stimulate individual competitiveness as well serve as an important reference for personal career development planning.

Occupational Safety, Employee Rights and Benefits

Since the passing of Labor Safety and Health Act in 1974, Taiwan has become increasingly more attentive to issues related to occupational environment and health of workers. The Chicony Group, based on the belief of “people first”,

is fully dedicated to ensure the mental and physical health of all its employees in their work environment, a win-win sustainable development goal for both employer and employees⁹.



Health Management and Promotion Plan

The employee health management and promotion plan aims at safeguarding the health care of all Chicony Group members. We provide timely care of physical and mental health through medical clinics, counseling rooms and plant medical personnel, we regularly invite health care professionals to give health seminars and schedule health check-ups, provide treatment and follow-ups for employees

with high health risks such as the three-hyper condition. In addition, the Group has continued requiring supervisors to view staff work hours, complete fatigue self-evaluations, distribute fatigue consultation and prevention handbooks provided by the medical clinic, assist high-risk groups for referral and follow-up check-up and provide colleagues with physical and mental decompression activities and programs.

Employee Mental Health Management

Assessment and tracking of employees with high risk for fatigue are performed by professional physicians and health care workers.

Organize Health Seminars

Health issues and management seminars and courses are offered to assist employees to improve quality of their professional and personal lives.



Employee Health Management

Assessment and tracking of employees with high risk for fatigue are performed by professional physicians and health care workers.

Relaxation and Decompression

We have sports and leisure organizations and provided employee spaces such as gym, canteen, breakroom and massage stations to help employees to decompress and relax, to reaching balance between work and living.



Employee Welfare

Chicony Welfare employees is not only reflected in the hardware equipment upgrades and the mechanism renewal, but we have further asked the question: "how to make Chicony employees feel happy because of the Chicony

Group?" Therefore, it came the Worker Welfare Committee ("Welfare Committee"). The planning of worker welfare activities is organized as follows:

Category	Amount
Holiday Gifts	Around \$1,000 ~ \$3,000 are distributed each time based on the annual budget. We also provide gift vouchers for Labor Day, Chinese New Year, Dragon Boat Festival, Mid-Autumn Festival and birthdays.
Employee Activities	Sporting activities : Road running, hoop machine competitions, ten-pin bowling competitions. Charity activities : Donation of money to the "Saving Star" Children's Home, donation of money and goods to the Chung Yi Social Foundation, and donation of money to the Xinzhuang Animal Shelter. Other friendship activities : Escape games, matchmaking events.
Employee Assistance Program	Employees' retirement arrangements, emergency assistance for employees and employee travel subsidies.
Employee Insurance	Insurance: Apart from labor and national health insurance, we also offer group insurance, life insurance, hospital cover, accident insurance and cancer insurance. Dependents can also be enrolled at own cost. Group Insurance: All employees are enrolled with premiums paid by the Group.



Environment, Safety and Health Committee

Chicony Group created the Industrial Safety and Health Service since 2010 to oversee all workplace EHS matters and for the purpose of pursuing two-way transparency and more timely communication. Each plant in China has their own safety and health committees and EHS officers, monthly meetings are held to report on plant EHS

accomplishments, also to assist the supply chain audit and to promote workplace EHS issues. During the period of disclosure by this report, the percentage of workers in the EHS committees has shown positive overall improvement compared to the previous period.

Proportion of workers on the EHS Committee									
Company & Site	Chicony Electronics HQ			Chicony Electronics Dongguan Plant			Chicony Electronics Suzhou Plant		
Year	2014	2015	2016	2014	2015	2016	2014	2015	2016
%	80%	81%	81%	61%	77%	77%	82%	82%	82%

Proportion of workers on the EHS Committee						
Company & Site	Chicony Electronics Chongqin Plant			Chicony Power HQ		
Year	2014	2015	2016	2014	2015	2016
%	87%	89%	89%	89%	89%	89%

Proportion of workers on the EHS Committee						
Company & Site	Chicony Power Dongguan Plant			Chicony Power Suzhou Plant		
Year	2014	2015	2016	2014	2015	2016
%	68%	76%	81%	80%	80%	80%

Proportion of workers on the EHS Committee						
Company & Site	XAVi HQ			XAVi Suzhou Plant		
Year	2014	2015	2016	2014	2015	2016
%	N/A	N/A	N/A	71%	71%	71%

Note : No EHS committee has been established at XAVi due to total number of employees have not yet reached the legal requirement for mandatory EHS committee.

Occupational Disasters and Injuries

Chicony Electronics								
Region	Taiwan HQ		Dongguan Plant		Suzhou Plant		Chongqin Plant	
Year	2015	2016	2015	2016	2015	2016	2015	2016
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours(total)	0.75	1.61	1.36	1.35	0.10	0.23	0.17	0
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours(male workers)	1.03	2.3	1.8	1.92	0.05	0.08	0.37	0
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours (female workers)	0	0	0.73	0.69	0.18	0.46	0	0
Severity Rate (SR) Work days lost/ million working hours(total)	166	45	1.62	2.87	2.74	6.29	7.23	0
Severity Rate (SR) Work days lost/ million working hours(male workers)	227	64	2.26	3.83	2	2.31	15.65	0
Severity Rate (SR) Work days lost / million working hours (female workers)	0	0	0.73	1.71	3.96	12.25	0	0
Total injury index	0.35	0.27	0.05	0.06	0.02	0.04	0.04	0
Absenteeism Rate (AR)	0.58%	0.43%	0.24%	0.44%	0.34%	0.39%	0.51%	0.58%

Chicony Power							XAVi			
Region	Taiwan HQ		Dongguan Plant		Suzhou Plant		Taiwan HQ		Suzhou Plant	
Year	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours(total)	0	0	0.56	0.34	1.25	2.09	0	4.71	0	0
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours(male workers)	0	0	0.63	0.42	1.51	2.74	0	5.66	0	0
Disabling Frequency Rate (FR) No. of disabling injuries/million working hours (female workers)	0	0	0.43	0.23	0.9	1.1	0	0	0	0
Severity Rate (SR) Work days lost/ million working hours(total)	0	0	5.08	3.62	7.12	16.96	0	5.66	0	0
Severity Rate (SR) Work days lost/ million working hours(male workers)	0	0	5.17	5.16	8.61	21.95	0	1.13	0	0
Severity Rate (SR) Work days lost / million working hours (female workers)	0	0	2.79	1.13	4.81	9.33	0	0	0	0
Total injury index	0	0	0.05	0.04	0.09	0.19	0	0.18	0	0
Absenteeism Rate (AR)	0.64%	0.75%	0.22%	0.21%	0.29%	0.31%	0.8%	0.6%	0.32%	0.27%

Note (1) : Disabling Frequency Rate (FR) = Number of disabling injuries * 106/total working hours.
Note (2) : Disabling Severity Rate (SR) = Number of days lost due to disabling injuries * 106/total working hours.
Note (3) : Total injury index = te (SR) = Numb
Note (4) : The total injury index was calculated for every 1 million work hours based on the critical occupational injury statistics index published by the Council of Labor Affairs, Executive Yuan. It is 5 times that of the International Labor Organization (every200,000 working hours).
Note (5) : Absenteeism Rate (AR) = Days absent due to sick or personal leave/ total working days x 100%.

The Happy Family Project

The Group takes care of not only its employees as individuals, but also supports together with them the responsibility of providing happiness to their families, to this end, the “Happy Family” project came into being, providing assistance in maternity protection, family care support, family

relations and emotional bonding promotion. Since the Group raised the childbirth incentive, over 60 employees applied for the reward. The Chicony Group awarded over 2 million NTD in incentives, encouraging employees to build family and move into the next stage of life.



Maternity Protection

1. Consultation wit Ob. Gyn./medical specialists
2. Breast Feeding/Milk Collection Rooms
3. Special agreements with medical clinics and/or hospitals
4. Tension-relief massages by sight - impaired specialists



Family Care Support

1. Childbirth Incentive Program
Second Child : 66,000 NTD
Third Child : 88,000 NTD
Fourth Child : 128,000 NTD
2. Counseling and guidance for first - time parents



Family Relations and Emotional Bonding Promotion

1. Parent - child day trips.
2. Employee travel subsidies.

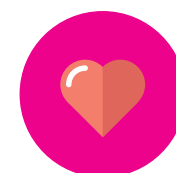
Social Concern

Chicony Group believes that in order for a corporation to be firmly placed in the society, we must first root ourselves; we project our corporate resources and love into every corner in Taiwan, starting from fulfilling our civic responsibility as a citizen

Education Promotion

The main axis of Chicony’s social contribution and public welfare is divided into three areas, concern for the disadvantaged, local feedback and education promotion, of which education occupies higher proportion for the purpose of bridging academia and industry to inject innovation force into the industry.

The Chicony Group established a joint R&D center with Taipei Tech in 2014 based on the core thinking of "Research in Taipei Tech, start up in Chicony Group", providing not only abundant resources and support to research talents during their course of academic pursuit but as well as paid internship and future hiring opportunities, so that students can devote themselves to innovation research and development with security, guaranteeing retention of talent in Taiwan and injecting needed energy into the industry to make it thrive.



Concern for the Disadvantaged



Local feedback



Education Promotion

Period	2015		2016	
	1st Semester of Year	2nd Semester of Year	1st Semester of Year	2nd Semester of Year
Amount rewarded	2.3 million	3.15 million	3.15 million	0.65 million
No. of persons rewarded	5	14	14	10

Note : Ph.D. students with NT\$1.5 million and Master's degree students NT\$800,000



Concern for the Disadvantaged

Self-motivated concern for the disadvantaged by our staff shows how Chicony Group is surrounded from inside out by good social values such as kindness. Our object of caring is regardless of age or class, we actively show our care to disadvantaged groups whether it is physical or mental disabilities or social adjustment disorders, hoping to contribute our efforts for the greater good and bring more caring and warmth to the society.



Massage station

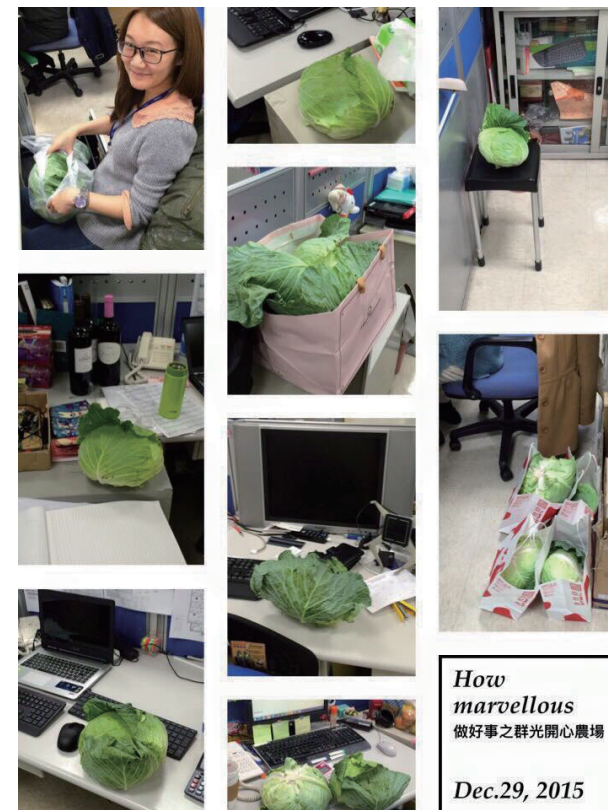


Charity-Shelter for disabled

Donation to the Good Liver Foundation and become “Good Liver” ambassador
Group blood donation activity
Purchase cabbage directly from producers
Order meals prepared by shelters for the mentally & physically disabled
Mid-Autumn Festival gifts to charity organizations
Cooperation project with the visually impaired group – massage station
Donation to Suang Lien Presbyterian Church, sponsored the Shiloah Chorus of the blind
Donation to Suang Lien Foundation for the Visually Impaired



Blood donation



Purchase cabbage from the producer



Chicony Humanitarian Club



Harmony Home Association - Donation of milk powder and diapers



Collaborating with the Orphan Welfare Foundation – Assisted 20 orphaned children

Humanistic Education Foundation



Humanistic Education Foundation – Visited the Sanchong Youth Basecamp



CHC collaborating with the Orphan Welfare Foundation - the Little Stars Music Event



Local Feedback

It is always a major challenge for the government and the place of occurrence when a major disaster strikes a community, the Chicony Group, as an electronics industry benchmark enterprise in Taiwan, has assumed responsibility of being the local guardian, providing immediate and effective response when disasters strike. When the explosion accident occurred at the Formosa Fun Coast in 2015, Chicony responded within ten days by making donations and issuing relevant measures for working together with the local community to get through difficulties



Year	item	Donation content
2015	Two-way assistance to injured victims of the Formosa Fun Coast Explosion Accident.	10 million NTD donation to New Taipei City government Cooperation with the Sunshine Welfare Foundation to provide priority hiring of the burn victims.
2016	Assist salvage efforts of the Tainan Weiguan Building collapse due to earthquake.	10 million NTD donation to Tainan city government
2016	Assist victims of the Meinong earthquake disaster.	5 million NTD to the Social Assistance Fund account set-up by the Social Bureau of Tainan city government for the victims

Donation Recipients	Amount in NTD
New Taipei City Xianse Temple Foundation	\$21,225,000
Taipei Medical University Shuang Ho Hospital	
Children's Culture and Arts Foundation	
Liver Disease Prevention & Treatment Research Foundation	
Taiwan Health Foundation	
Tzih Huai Social Welfare Foundation	
Good Liver Organization	
Jiaobu Elementary School, Yuanli township, Miaoli County	
Suang Lien Presbyterian Church	
Suang Lien Foundation for the Visually Impaired	
Presbyterian Church in Taiwan MacKay Memorial Hospital Taitung Branch	
Taiwan Alzheimer's Disease Foundation	
Shuang Ho Hospital (built and operated by Taipei Medical University)	
Donation in kind to the Social Work Office of Taiwan University Hospital	



Chicony Group and its Partners



In order to maintain our corporate governance structure, with the Code of Conduct serving as highest guiding principle, the Group has set up a "Board of directors", a "Remuneration Committee" and a "CSR Committee", just as the subsidiaries

have done in accordance with respective needs, to provide sound governance and the best decision-making for the overall development of the Group.

Board of Directors

In accordance with the Code of Corporate Governance Practices, the Group has appointed to the Board of Directors members of various industrial undertakings experienced professionals with strong academic background, taking into account as well criteria such as gender, age, nationality and culture. The Group encourages the directors to participate in courses for further learning, the courses are mainly organized by the Taiwan Corporate Governance Association¹³, the courses are multidimensional and include topics such as corporate governance and CSR trends, the latest development trend in international anti-tax evasion BEPS and criminal risk management. The directors are required to take at least two courses during the term and the duration to exceed at least seven hours.

Members of the Board of Directors adhere to the "Code of Integrity" to avoid conflicts of interest. In order to raise the standard of reviewing the management status and operational efficiency within the Group¹⁴, the Board of Directors proposed and adopted the "Board Performance Evaluation Method" and the assessment methods in June 2015. In addition, follow-up on the implementation of corporate governance policies by the Group's divisions is done by the Audit Office, which reports directly to the Board of Directors and is responsible for risk management and the implementation of the Group's internal control system, including CSR-related performance monitoring.

Company	Title	Name ¹⁵
Chicony Electronics Co., Ltd	Chairman	Kun - Tai Hsu
	Vice Chairman and President	Mao - Kuei Lin
	Director	Jin - Zong Lu, Quan - Bin Wei, Ming - Xian Tsai, Jia - Sheng Liu, Song - Ping Liu
	Supervisor (End the trem of service on 7th June)	Chin-Shun Huang (Legal Representative, Jing Yuan Investment Co., Ltd.) Su-Cheng Chang, (Legal Representative, Hua Tai Investment Co., Ltd.) Chi-Hsuang Ku, (Legal Representative, Dong Ling Investment Co., Ltd.)
	Supervisor (Start the term of service on 8th June)	Mao - Kuei Lin Guo - Hua Tseng Legal Representative, Dong Ling Investment Co., Ltd. : Su-Cheng Chang,
Chicony Power Technology Co., Ltd.	Chairman and CEO	Mao - Kuei Lin
	Director and President	Guo - Hua Tseng
	Director	Zhen - Wei Wang, Zhong - Ming Huang
	Independent Director	Yow - Shiuam Fu, Duh - Kung Tsai, Te - Chen Chiu
	Supervisor	Jin - Zong Lu, Quan - Bin Wei, Shun - De Wei
XAVi Technologies Corporation	Chairman and CEO	Mao-Kuei Lin
	Director	Kun - Tai Hsu, Cheng - Yao Hsu , Rui-An Huang ¹⁶ , Hui - Chin Lee, Song - ping Liu, Ru - Fang Wu
	Supervisor	Jin - Zong Lu, Quan - Bin Wei, Shun - De Wei

¹³ Organizers of B.O.D. members training courses include: Accounting Research and Development Foundation, Taiwan Academy of Banking and Finance, Taiwan Securities and Futures Institute, Taiwan Securities Association, etc.

¹⁴ The attendance rate by members of the Board from the 2016 term to date is 93.75% at Chicony Electronics, 79.81% at Chicony Power. Major decisions by the Board of Directors can be consulted in the annual reports. Chicony Electronics http://www.chicony.com.tw/ch/info2_5.php, Chicony Powers http://www.chiconypower.com.tw/ch/Investor_financial_psc.php

¹⁵ The average age of the members of the board is 58 years old, gender ratio is M:F/9:1

¹⁶ Mr. Wang Zhen-wei, Director of Chicony Power, took office on July 18, 2016, replacing Mr. Du Tian-hai; Lin Xiu-li, Director of XAVi, resigned in 2016/02/02 and Huang Rui-an was elected to take his place on 2016/06/16

Remuneration Committee

In order to ensure the independence of each committee member, we believe that a sound compensation structure is a key factor to attract high-level talent and improve the overall quality of employees. The Chicony Group Remuneration Committee was established in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or

Traded Over the Counter”, its chief responsibilities include using annual and long-term performance evaluations of directors, supervisors and managers as well as the opinions of stakeholders such as investors, employees and customers deciding the compensation policy and standard, taking into consideration as well of the performance appraisals for individual compensation adjustments

Risk Management

Chicony Group’s risk management includes constant monitoring of the eight main risk factors: external market, supply of material, talent, production R&D, customer credit and collection, foreign exchange rate, corporate finance and

MIS system. In addition to the classification of the risks for management, the Group also monitors closely the external market changes and internal operation status to ensure our ability for timely responses.



Customer Relations and Quality Control

In order to gain insight into customers’ needs, Chicony Group conducts customer satisfactory surveys on a regular basis. The LED Business Division of Chicony Electronics had a target score of 8 points (the total is 10 points) for each of the category in the second half of 2015, the actual average score obtained was 7.17 points and it went up to 8.09 in the first semester of 2016, demonstrating our corporate spirit of striving for progress by obtaining successful result beyond the target. Chicony Electronics uses individual customer feedback from the Quarterly Business Review (QBR) to obtain scoring, once the data has been computed and analyzed, the results are provided to the sales, quality control, R & D and other responsible units continue to track and monitor, using them as future reference for enhancing product quality and customer satisfaction. At the same time, specific individual case follow-ups are also performed with key accounts and the feedback is reported to the management.





Total Quality Control Management

Chicony's total quality control means system-wide quality management to cover every step of the way, from the beginning of the project, during design and after mass production, including in depth exchange with customers to fully understand their needs, performing a variety of product testing and analysis to maximize product quality stability and making the best product possible. Quality improvement efforts are continued even once mass production begins with rigorous product quality screening based on 6-Sigma. Lean manufacturing and Value Analysis/Value Engineering (VA/VE) are also applied to reduce cost and waste during production to maximize end value for the customer.

In addition to rigorously implement Total Quality Management (TQC), we have also a "Customer Quality Service Team" (CQS Team), including dedicated team to service key customers and on-site customer service staff at

our ODM plants, all to ensure our ability to understand and provide solutions to customer problems in a timely manner.

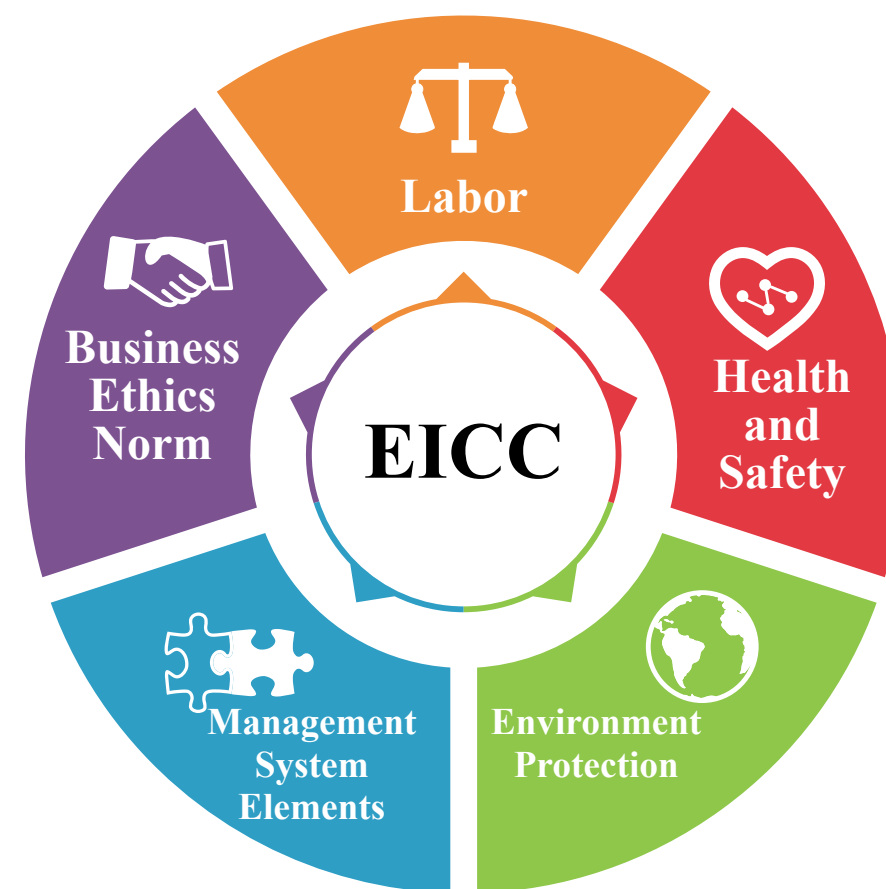
To protect the competitiveness of customer products and safeguard customer intellectual property and patent protection are part of our customer relations management. We not only have adopted the Control Objectives for Information and Related Technology (COBIT) framework and an organizational "IT Security Management Guidelines" is in place, but also we sign non-disclosure agreements (NDA) with our assigned teams and customers and have extended the scope to cover project team members as well as suppliers. We organize personal data protection seminars as part of our training program and have formulated the "Personal Data Protection and Control Regulations" to further stable sustainable development and mutual growth with our partners.

Supplier Management and Audit

The Group's headquarters are responsible for R&D and sales development. The main production sites are located in China with the six main plants spread between Huanan, Huadong and Huazhong regions. Chicony Electronics, Chicony Power and XAVi production sites around the world generally purchase semi-finished components from suppliers along with small amounts of plastics, iron, tin, aluminum and silver. Other suppliers include food service, transportation, building security, office equipment maintenance, janitorial service, etc. Our Taiwan headquarters and China plants all strive to follow the principle of "local purchasing".

We encourage suppliers to self-manage with EICC Code of Conduct¹⁷, and further construct a material control

mechanism for Chicony Group's "Material standard for Environmental Management", "Restricted Substances" and "Conflict Minerals"¹⁸ to ensure that supplier procurement not only meets international standards and customer requirements, but also produce green value chain sustainability. In order to strengthen supervision, in addition to the Industrial Safety and Health Service as the environmental supervision department, project audit teams will also be formed integrated by R&D, QC, procurement, HR, Audit Office, environmental safety and health centers and other departments to evaluate issues such as quality, delivery time, price, yield, environmental safety and health and social responsibility. Irregularities will be reported through SCAR (Supplier Corrective Action Request) to

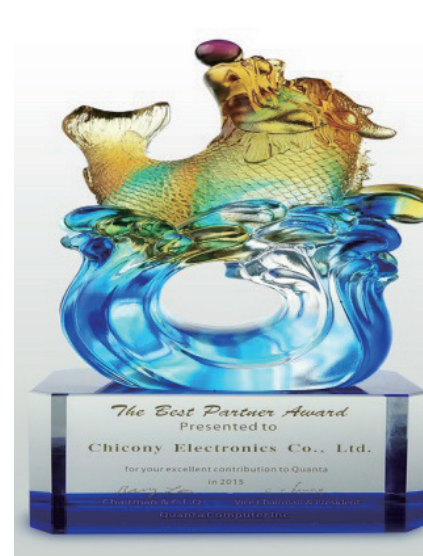
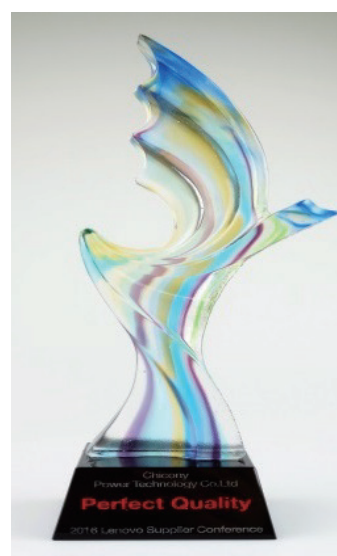
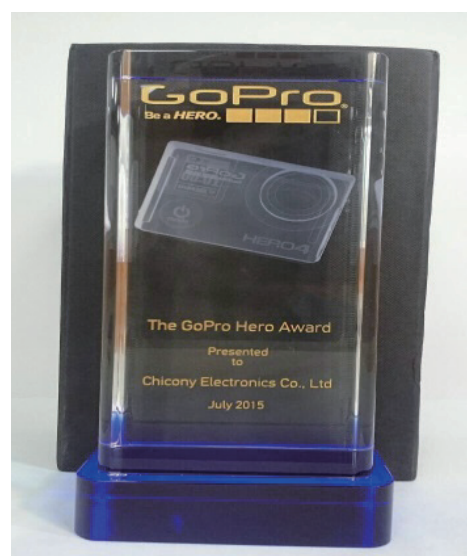


¹⁷ New suppliers are required to sign the EICC statement and verify conformity to bilateral agreement by using self-assessment questionnaire, audits performed by QC on the quality, production process and social performance. The audit plan is based on on-site inspections. Only those who pass the audit 100% will be included in the supplier list, and be given a Chicony Group official certificate of conformity to certify that during the report period there were no relevant violations.

¹⁸ Management mechanism is designed based on referencing OHSAS 18001, ISO 14001, QC080000, EU RoHS, REACH and others. Management mechanism for prohibited and restricted substances (including prohibited substances, restricted substances, self-managed substances), to prevent harmful substances mixed into materials, components, parts and products of Chicony Group products. Material Standards for Environmental Management: for Chicony production plant and supply chain partners to choose production and packaging materials that are less toxic to the environment; conflict mineral management mechanism: require all supply chain partners to sign "conflict-free mineral statement."

Recognition from our customers

Year	Key Awards
2015	<ul style="list-style-type: none"> • Commonwealth magazine- Taiwan's 2000 manufacturing sector No. 45 (Chicony Electronics) • Commonwealth magazine- Taiwan's 2000 manufacturing sector No. 123 (Chicony Power) • Green Building Diamond level certification by Taiwan Architecture and Building Center for Chicony Group Green Building • Liaobu Town People's Government - "excellent enterprise of outstanding contribution" • Dongguan City, China- "Advanced Foreign Enterprise" • Suzhou Wujiang District - excellent enterprise in labor management" • Wujiang District Economic and Technological Development Zone (Tongli township)- "Human Resource Management Excellent Enterprise
2016	<ul style="list-style-type: none"> • No. 21 of Top 50 Best Welfare listed companies in Taiwan • Harvad Business Review - No. 24 among Top 50 Best Performance Corporations in Taiwan • Chongqing Jiangjin District People's Government - "Jiangjin District Enterprise Development Top 50" • Shuangfu New District Management Committee - "Advanced Collective Annual Award in Work Safety" • Chongqing City Shuangfu New District Management Committee- "Advanced Collective Annual Award in Human Resources Management" • Wujiang District Economic and Technological Development Zone Management Committe - Excellent Enterprise in Production Safety • Dongguan City Economic and Information Bureau - "Dongguan City Enterprise Energy Management Center (Category C)



Appendix

INDEPENDENT ASSURANCE OPINION STATEMENT

Chicony Group 2015-2016 Corporate Social Responsibility Report

The British Standards Institution is independent to Chicony Group (hereafter referred to as Chicony Group in this statement) and has no financial interest in the operation of Chicony Group other than for the assessment and assurance of this report.

This independent assurance opinion statement has been prepared for Chicony Group only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by Chicony Group. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to Chicony Group only.

Scope

The scope of engagement agreed upon with Chicony Group includes the followings:

- 1. The assurance scope is consistent with the description of Chicony Group 2015-2016 Corporate Social Responsibility Report.
- 2. The evaluation of the nature and extent of the Chicony Group's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Chicony Group 2015-2016 Corporate Social Responsibility Report provides a fair view of the Chicony Group CSR programmes and performances during 2015-2016. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Chicony Group and the sample taken. We believe that the 2015-2016 economic, social and environmental performance indicators are fairly represented. The CSR performance indicators disclosed in the report demonstrate Chicony Group's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that Chicony Group's description of their approach to AA1000 Assurance Standard and their self-declaration of 'in accordance' with the GRI G4 guidelines: the Core option were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- review of issues raised by external parties that could be relevant to Chicony Group's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 10 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality and Responsiveness as described in the AA1000 AccountAbility Principles Standard (2008).

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G4 sustainability reporting guidelines is set out below:



Inclusivity

This report has reflected a fact that Chicony Group has sought the engagement of its stakeholders. The participation of stakeholders has been initiated in developing and achieving an accountable and strategic response to sustainability. The reporting systems are being developed to deliver the required information. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the Chicony Group's inclusivity issues.

Materiality

Chicony Group publishes sustainability information that enables its stakeholders to make informed judgements about the organization's management and performance. In our professional opinion the report covers the Chicony Group's material issues.

Responsiveness

Chicony Group has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for Chicony Group is developed and provides the opportunity to further enhance Chicony Group's responsiveness to stakeholder concerns. Issues that stakeholder concern about have been responded timely. In our professional opinion the report covers the Chicony Group's responsiveness issues. However, the future report should be further enhanced by the following areas:

- Encouraging to work towards a type 2 of AA1000AS (2008) engagement with a view to providing the reliability of sustainability performance information that stakeholder concerns.

GRI-reporting

Chicony Group provided us with their self-declaration of 'in accordance' with the G4 sustainability reporting guidelines: the Core option (at least one Indicator related to each identified material Aspect). Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Chicony Group's social responsibility and sustainability issues.

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the Chicony Group's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead Auditors and Carbon Footprint Verifiers experienced in industrial sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu
Managing Director BSI Taiwan
2017-06-06



 AA1000
Licensed Assurance Provider
000-4

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GRI G4 (GSD) General Standard Disclosures

Strategy and Analysis

GRI	General Standard Disclosures	page	External assurance
G4-1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	3-4, 9-13	68-69
G4-2	Description of key impacts, risk and opportunities.	3-4, 12-13	68-69

Organizational Profile

GRI	General Standard Disclosures	page	External assurance
G4-3	Name of the organization	5	68-69
G4-4	Primary brands, products, and services	6	68-69
G4-5	Location of the organization's headquarters.	6	68-69
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	7-8	68-69
G4-7	Nature of ownership and legal form	5-6	68-69
G4-8	Market served	5-8	68-69
G4-9	Scale of organisation	5-6 、41-42	68-69
G4-10	Breakdown of workforce	42	68-69
G4-11	Percentage of total employees covered by collective bargaining agreements	No Union. However, Chicony group has communication channel for labor and capital(Please refer to "Major Issues to stakeholders and Communication Channels")	68-69
G4-12	Describe the organization's supply chain	64	68-69

G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Chicony completed the construction of Chicony Smart Building on 28th of February, 2015. The building is located between Section 2, Guangfu Road and Alley 175 of Zhongxing Street in SanchongDistrict. In May 2015, Chicony Smart Building was certified by Taiwan Architecture & Building Center (TABC) as a Diamond leveled green building.	68-69
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	61	68-69
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	17	68-69
G4-16	List memberships of associations and national or international advocacy organizations in which the organization.	17	68-69

Identified Material Aspects and Boundaries

GRI	General Standard Disclosures	page	External assurance
G4-17	Report coverage of the entities in the consolidated financial statement	5-6	68-69
G4-18	Process for defining the report content and the aspect boundaries	11-12	68-69
G4-19	List all the material Aspects identified in the process for defining report content.	12-13	68-69
G4-20	For each material Aspect, report the Aspect Boundary within the organization.	14	68-69
G4-21	For each material Aspect, report the Aspect Boundary outside the organization.	14	68-69
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No mistake detected this time.	68-69
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.	2Prior to October 2016, the data were from the old building, since October 2016, the data collected belonged to the new building.	68-69

Stakeholder Engagement

GRI	General Standard Disclosures	page	External assurance
G4-24	List of stakeholder groups engaged by the organization	15-16	68-69
G4-25	The basis for identification and selection of stakeholders with whom to engage.	11-12	68-69
G4-26	Approaches to stakeholder engagement	15-16	68-69
G4-27	Response to key topics and concerns raised	15-16	68-69

Report Profile

GRI	General Standard Disclosures	page	External assurance
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	1	68-69
G4-29	Date of most recent previous report (if any)	2	68-69
G4-30	Reporting cycle (such as annual, biennial)	2	68-69
G4-31	Contact point for questions	2	68-69
G4-32	In accordance' option, the GRI content index and external assurance	2 、 Appendix	68-69
G4-33	Policy and current practice regarding external assurance	2	68-69

Governance

GRI	General Standard Disclosures	page	External assurance
G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	60	68-69
G4-35	The process for delegating authority for sustainability topics	10 、 59-60	68-69
G4-36	Executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	10	68-69
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	10	68-69

G4-38	Composition of the highest governance body and its committees.	60	68-69
G4-39	Report whether the Chair of the highest governance body is also an executive officer.	Not holding multiple roles.	68-69
G4-40	Nomination and selection processes for the highest governance body and its committees.	60	68-69
G4-41	Avoiding conflicts of interest.	60	68-69
G4-42	Report the highest governance bodys' and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	9-10, 60	68-69
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	60	68-69

GRI	General Standard Disclosures	page	External assurance
G4-48	The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	Individual annual CSR reports need to be approved by the board of directors prior to release.	68-69
G4-49	Process for communicating critical concerns to the highest governance body	10 、 60	68-69

Ethics and Integrity

GRI	General Standard Disclosures	page	External assurance
G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	9 、 17	68-69
G4-57	Mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	Matters of great importance for stakeholders and communication channels. In addition, HR shall be responsible to receive all cases and collaborate with audit units. In 2017, an external reporting mailbox was made available online.	68-69
G4-58	Mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	Matters of great importance for stakeholders and communication channels. In addition, HR shall be responsible to receive all cases and collaborate with audit units	68-69

GRI G4 Specific Standard Disclosures(SSD)

Economic

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA – Economic Performance			6 、 59-61	—	68-69
Economic Performance	G4-EC1	Direct economic value generated and distributed	6	—	68-69
	G4-EC2	Risks and opportunities due to climate change	20 、 31	—	68-69
DMA - Market Presence			42	—	68-69
Market Presence	G4-EC5	Rations of standard entry level wage by gender compared to local minimum wage at significant locations of operations	Superior to local laws and regulations, not affected by gender difference	—	68-69

Environment

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Energy			19	—	68-69
Energy	G4-EN3	Energy consumption within the organization	25-26	—	68-69
	G4-EN5	Energy intensity	25-26	—	68-69
	G4-EN6	Reduction of energy consumption	29-30	—	68-69
	G4-EN7	Reductions in energy requirements of products and services	20 、 29-30	—	68-69
DMA - Emissions			19 、 25	—	68-69
Emissions	G4-EN15	Direct greenhouse gas emissions (scope 1)	25	—	68-69
	G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	25	—	68-69
	G4-EN18	Greenhouse gas emissions intensity	25	—	68-69
	G4-EN19	Reduction of greenhouse gas emissions	29-30	—	68-69
DMA - Effluents & Waste			21	—	68-69
Effluents & Waste	G4-EN23	Total weight of waste by type and disposal method	28	—	68-69
DMA - Product and Service			20	—	68-69
Product and Service	G4-EN27	Mitigation of environmental impacts of products and services	20 、 29 - 30	—	68-69

DMA - Compliance			9	—	68-69
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	No related matters	—	68-69
DMA - Overall (Environmental Performance)			19	—	68-69
Overall (Environmental Performance)	G4-EN31	Total environmental protection expenditures and investments by type	31	—	68-69
DMA - Supplier Environmental Assessment			64	—	68-69
Supplier Environmental Assessment	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	64	—	68-69
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	64	—	68-69
DMA - Environmental Grievance Mechanisms			All related matters shall be handled by HR.	—	68-69
Environmental Grievance Mechanisms	G4-EN34	Grievances about environmental impacts through formal grievance mechanisms	All related matters shall be handled by HR, no grievance related matters at this time.	—	68-69

Social—Labor Practices and decent work

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Employment			41、44、48	—	68-69
Employment	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operations	48、51	—	68-69
	G4-LA3	Return to work and retention rates after parental leave, by gender	43	—	68-69
DMA - Labor/ Management Relations			44	—	68-69
Labor/ Management Relations	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specigied in collective agreements	46	—	68-69

DMA - Occupational Health and Safety			46、49	—	68-69
Occupational Health and Safety	G4-LA5	Percentage of workforce represented in formal joint management worker health and safety committees	49	—	68-69
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender.	50	—	68-69
DMA - Training and Education			44	—	68-69
Training and Education	G4-LA9	Average hours of training per year per employee by gender, and by employee category	45	—	68-69
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	44	—	68-69
	G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Formal employees, except those who have been in employed for less than one year or are on childcare leave, are accounted in the ratio of regular performance and career development reviews, gender is not a factor of consideration.	—	68-69
DMA - Diversity and Equal Opportunity			41	—	68-69
Diversity and Equal Opportunity	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	42、60	—	68-69
DMA - Supplier Assessment for Labor Practice			64	—	68-69
Supplier Assessment for Labor Practice	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	64	—	68-69
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	64	—	68-69
DMA - Labor Practice Grievance Mechanisms			15-16、64	—	68-69
Labor Practice Grievance Mechanisms	G4-LA16	Grievances about labor practices through formal grievance mechanisms	No grievance cases about labor practices	—	68-69

Social—Human rights

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Nondiscrimination			41 、 64	—	68-69
Nondiscrimination	G4-HR3	Total number of incidents of discrimination and corretive actions taken	No grievance cases about discrimination	—	68-69
DMA - Freedom of Association and Collective Bargaining			41 、 64	—	68-69
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	41 、 64	—	68-69
DMA - Child Labor			41 、 64	—	68-69
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	No issues related to child labor	—	68-69
DMA - Forced or Compulsory Labor			41 、 64	—	68-69
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	No issues related to child labor	—	68-69
DMA - Assessment			41 、 64	—	68-69
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	Chicony Group strickly follows EICC and CFSi to execute "Conflict-free Smelter Program". Chicony also asks all its suppliers to sign the agreement and 100% execute it.	—	68-69
DMA - Supplier Human Rights Assessment			64	—	68-69
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	64	—	68-69
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain	64	—	68-69
DMA - Human Rights Grievance Mechanisms			49 、 64	—	68-69
Human Rights Grievance Mechanisms	G4-HR12	Grievances about human rights through formal grievance mechanisms	No cases related to human rights violation	—	68-69

Social- Society

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Anti-corruption			9-10	—	68-69
Anti-corruption	G4-SO4	Communication and training on anti-corruption policies and procedures	Propagating the concept of anti-corruption and company's standpoint during suppliers' Conference; Department supervisors will educate employees.	—	68-69
	G4-SO5	Confirmed incidents of corruption and actions taken	No related matters	—	68-69
DMA - Anti-competitive Behavior			9-10	—	68-69
Anti-competitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No related matters	—	68-69
DMA - Compliance			9-10	—	68-69
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	No related matters	—	68-69
DMA - Supplier Assessment for Impacts on Society			64	—	68-69
Supplier Assessment for Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	64	—	68-69
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain	64	—	68-69
DMA - Grievance Mechanisms for Impacts on Society			64	—	68-69
Grievance Mechanisms for Impacts on Society	G4-SO11	Grievances about impacts on society through formal grievance mechanisms	No grievance cases related to impact on society	—	68-69

Social—Product

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Customer Health and Safety			20 、 25	—	68-69
Customer Health and Safety	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvements	20 、 25	—	68-69
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their cycle, by type of outcomes	No issues related to product non-compliance and harm to customers	—	68-69

DMA - Product and Service Labeling			62	—	68-69
Product and Service Labeling	G4-PR3	Product information required by procedures	No related matters	—	68-69
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	No related matters	—	68-69
	G4-PR5	Results of surveys measuring customer satisfaction	62	—	68-69
DMA - Customer Privacy			63	—	68-69
Customer Privacy	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No related matters	—	68-69
DMA - Compliance			9-10	—	68-69
Compliance	G4-PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	No related matters	—	68-69

Others

Aspect	GRI	DMA & indicator	page	Omission	External assurance
DMA - Research & Development			20、52	—	68-69
Research & Development	Chicony-RD1	Put efforts into eco-friendly and sustainable research projects, turn research results into revenue and value.	20	—	68-69
	Chicony-RD2	Improve industry-academic cooperation and technology development.	52	—	68-69
DMA - Charity			53-58	—	68-69
Charity	Chicony-CH1	Social Contribution and Charitable Activities about Health Promotion and Disease Prevention, Minority Groups and Charity Initiatives.	53-58	—	68-69

Corporate Social Responsibility Best Practice Principles for TWSE/GTSMListed Companies Index

Principle	Report Section	page
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	Businesses should uphold the freedom of association and he effective recognition of the right to collective bargaining	Chicony Group CSR Commitment & Guidelines (Major Issues to stakeholders and communication channels)	9-10
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