

Chicony®

Chicony
POWER TECHNOLOGY

XAVI®



2017-2018

Chicony Group Corporate Social
Responsibility Report

群光集團企業社會責任報告書



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Editorial Principles

The geographical scope 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 the seven major production plants in mainland China (Chicony's Dongguan, Suzhou and Chongqing factories; Chicony Power's Dongguan, Chongqing and Suzhou factories and XAVi's Suzhou factory). We are committed to highlighting and presenting important issues in this report.

Report Period and Scope	The disclosure period of this report is from January 1, 2017 to December 31, 2018. In addition to collecting and exposing information on key issues of Chicony Group in the environmental, social and economic areas, we also take stock of all the issues regarding Chicony that concern the stakeholders. In order to provide you with clear and complete access to important information and issues during the reading of this report, some of the content will go back to before January 1, 2017 and also cover events after December 31, 2018.
Report Release Time	<p>This is the third CSR report published by Chicony Group. This report contains no</p> <p>Current release : published in Aug 2019 Previous release : published in Aug 2017 Next release : scheduled for publication in Aug 2021</p>
Reporting Principles	The content structure of this report follows the GRI Standards published by the Global Reporting Initiative (GRI) in October 2016; and refers to the RBA Responsible Business Alliance Code of Conduct version 6.0.1, Best Practice Principles for TWSE/GTSM Listed Companies, the UN Global Compact and the ISO 26000 Social Responsibility Guidelines for the preparation and disclosure.

The dates mentioned in the report use Common Era year. Financial data is in New Taiwanese Dollars (NTD) and mainly from the consolidated financial statements certified by the accounting firm PricewaterhouseCoopers Taiwan.

Third-Party Assurance

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

Contact Us

Information about the Chicony's corporate social responsibility, including the contents of this report, can be viewed and downloaded from the Corporate Social Responsibility (CSR) section of the official website of the Group and of any of its subsidiaries.

Your attention, support and participation are our biggest source of motivation in implementing corporate social responsibility. We value the opinions of all stakeholders, you can provide us with suggestions and expectations through Chicony's established channels of communication. Thank you for your contribution to Chicony's continuous improvement.



Chicony Electronics



Chicony Power

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Chicony Electronics Co., Ltd. (CSR) :

<https://www.chicony.com.tw/chicony/tw/csr>

Chicony Power Technology Co., Ltd. (CSR) :

<https://www.chiconypower.com/en/home/CSR>

From the Management Team

To all members of Chicony,

2018 was a year of steady progress and continuous improvement for Chicony. We continue to adhere to our core concepts, including continuing to create company value, enhancing the interests of shareholders and all stakeholders; maintaining good corporate governance, strictly abide by business ethics, abide by laws and regulations; provide employees with safe and healthy working environment, and encourage employees to participate in social welfare activities; strive to promote the concept of corporate social responsibility, pursue sustainable development together with partners and customers; develop environmentally friendly energy-saving products, implement environmental protection actions to reduce environmental impact. Everyone at Chicony is not only committed to his/her own position, but are also united as one, allowing Chicony Group to grow steadfastly businesswise and continue to develop with a more international outlook.

Since 2014 we have incorporated two affiliated companies Chicony Power and XAVi Technologies into the Group's CSR reporting scope. To date this is the third issue that we have published. In the past five years we have reviewed the stakeholders profile and determined the ranking of major issues from a more macroscopic and holistic perspective. In 2016, in order to build a closer relationship within the group, Chicony consolidated its subsidiaries scattered in different regions by moving its operating headquarters to the new smart building in Sanchong District, New Taipei City.

Since 2013, Chicony Group has had the great honor of being included consecutively in 《Common Wealth》Magazine's Taiwan Top 2000 large manufacturers. After years of hard work in the field of components, Chicony's five major products rank first in the world, including notebook keyboards, desktop keyboards, camera modules, notebook power supplies and network surveillance cameras, as Chicony continues to play an important role in the global electronics industry supply chain. In addition, Chicony has been actively evolving in recent years, also achieving good results in diverse fields, including smart homes, e-sports products and multiple automotive electronic products, which will also be an important growth driver for Chicony in the future.

We believe in giving back to society. In order to ensure sustainable development of the environment, Chicony actively implements and follows environmental protection measures, strives to reduce the environmental impact factors that may arise during manufacturing and operation, including issuing the "conflict free metal declaration" and stays vigilant at every level in the supply chain and shoulder the responsibility of guarding our green planet. The Group's green and intelligent thinking is also displayed in the operation headquarters building. In 2017, it won the "Platinum Award", the highest honor of Taiwan Intelligent Building Association – TIBA Awards and garnered the "Platinum Award" representing Taiwan at the 2018 Asian Pacific Intelligent Green Building Alliance (APIGBA) Awards. We hope that through the results of our own practice, we will drive more people to pay attention to the environmental and economic win-win benefits

brought by smart green buildings. Other greening indicators such as daily energy saving, carbon dioxide reduction, waste reduction, water resources, sewage and other improvements are also recognized, however, we do not regard this as a job completion, but as a milestone in keeping our planet green and to continue to work harder to move forward in the environmentally friendly direction.

Each of the members at Chicony is one of the most important stakeholders that we value. Chicony people have jointly achieved the kinetic energy center for sustainable development. Therefore, we are committed to providing care for every member and constructing a friendly and diverse working environment became our most important task. In addition to salary, the group plans a number of welfare measures for employees. In addition to providing travel subsidies, education and training and a variety of community activities, there are also a variety of measures to meet the needs of employees, such as the Childbirth Incentive Program. The Group's "employee residence" construction project is scheduled to be completed in the first quarter of 2020, offering employees the opportunity for preferential price acquisition as additional benefit beside salary.

In our 36 years in business, Chicony has demonstrated its determination to continue to develop in Taiwan by actively participating in various domestic and foreign social welfare activities, the Chicony-Taipei Tech Laboratory with the National Taipei University of Technology was created as an effort to contribute to industry upgrade by cultivating more R&D talent. 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. We will gladly face all challenges, fulfill our social civic responsibilities and hope to create a better and more sustainable future jointly with all our stakeholders.



Group Chairman **Kent Hsu**



Chicony President
Chicony Power Chairman
XAVi Chairman **Roger Lu**

Chicony Gro



up Overview



Chicony Group Overview

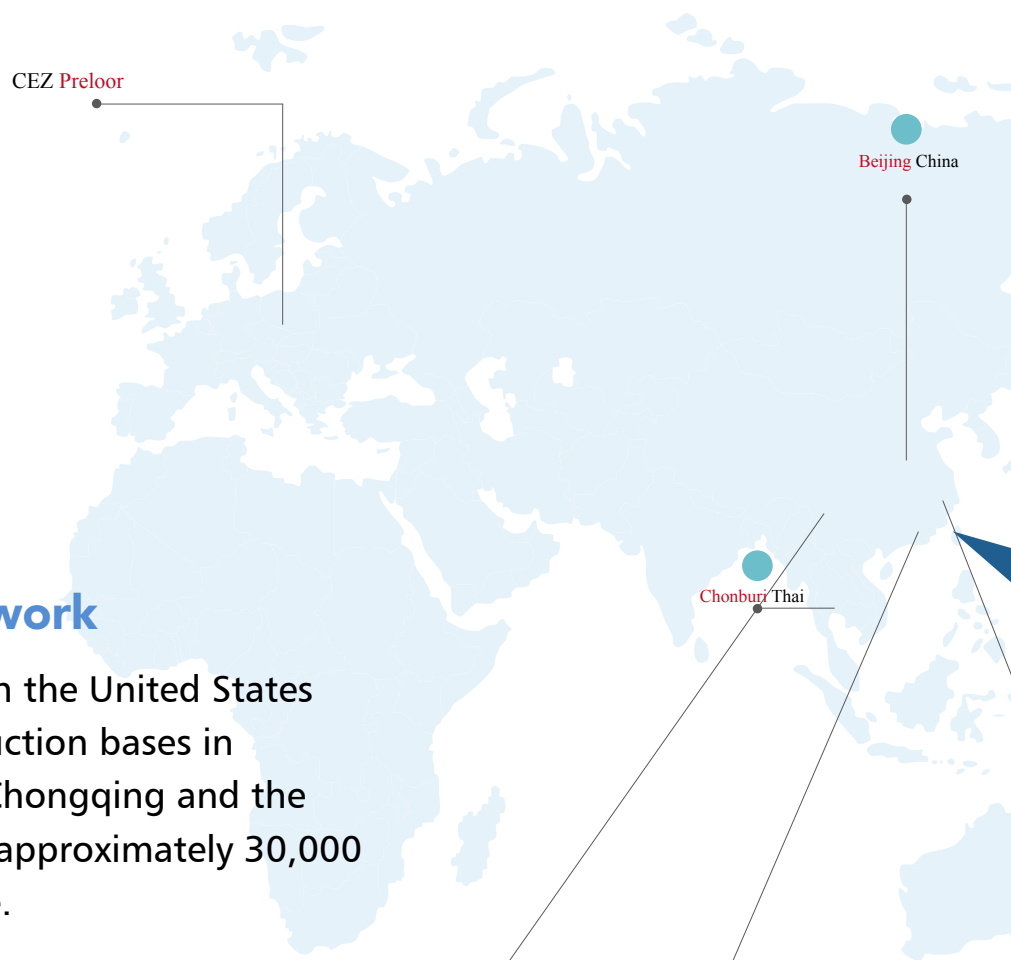
Group Profile

After 30 years of hard work and operation, the company has become a transnational enterprise in Europe. The company also has branches in the US and Japan. The four major product lines are i

Chicony Power's main products include switching power supply, cloud server power supply and communication equipment for telecommunication companies, business users, medium and small in manufacturing worldwide. Today, Chicony continues to innovate and advance to offer more c

Worldwide Network

With business bases in the United States and Japan, and production bases in Suzhou, Dongguan, Chongqing and the Czech Republic, with approximately 30,000 employees worldwide.



● China

Mass Production Bases



Chongqing City



Dongguan City



Wujian

with manufacturing bases in Suzhou, Dongguan and Chongqing in China and in the Czech Republic in input devices, portable keyboard modules, visual and image products as well as camera lens modules.

LED lighting power modules. XAVi is mainly dedicated to the development and production of network all enterprises, “SOHO” s and general household internet users. Chicony and its subsidiaries are leaders comprehensive products and services to relevant industries around the world.



Chicony Group Overview

Sub-product Orientation

Chicony Electronics Co., Ltd.

Key Products & Technologies

Input devices for computers, portable keyboard modules, Video imaging products, video module products.

1. Input Devices



2. Moblie Keyboard



3.Video Imaging Products



4.Camera Module

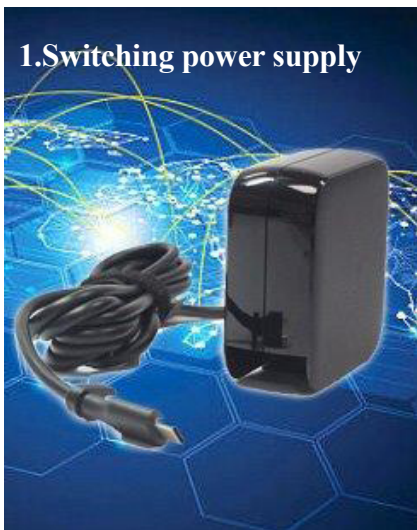


Chicony Power Technology Co., Ltd

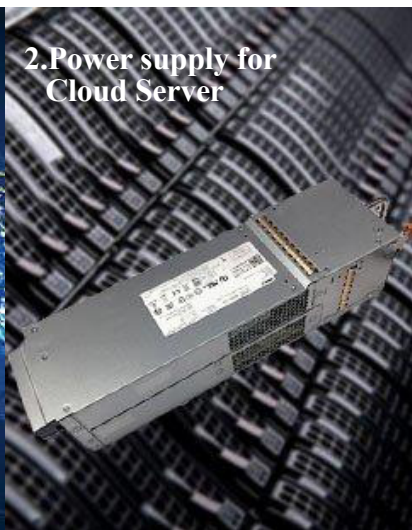
Key Products & Technologies

Switching power supply, cloud server power supply, LED lighting power module, etc.

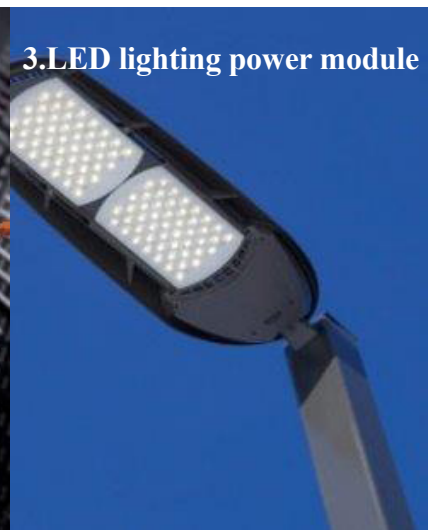
1.Switching power supply



2.Power supply for Cloud Server



3.LED lighting power module



XAVi Technologies Corporation

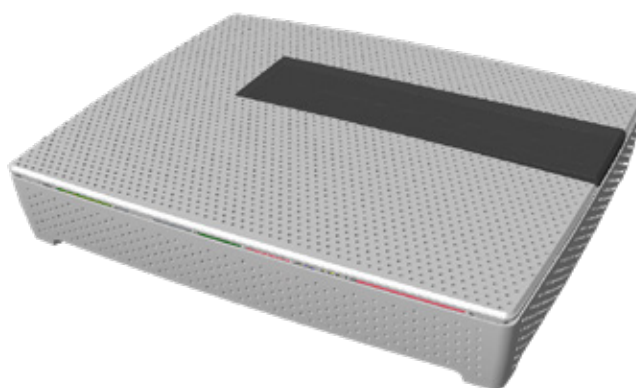
Key Products & Technologies

Active/passive high-integration digital optical fiber products, ultra-high-speed digital subscriber line small office and customer equipment, IP/Android/IP+DVB set-top (STB) products.

1. Multimedia(STB)



2. Broadband Communication,

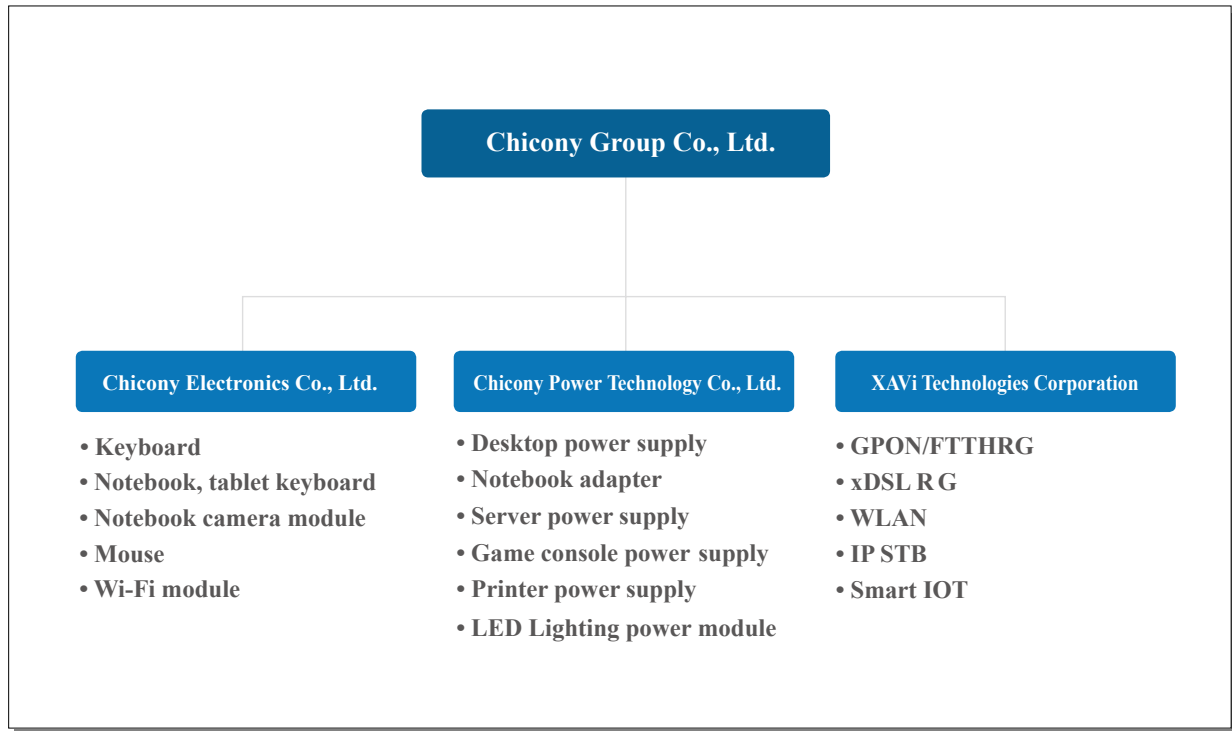


3.Active/passive high-integration digital optical fiber products.



Chicony Group Overview

About Chicony Group



Consolidated Financial Statements of Chicony Group

Item	2017	2018
Sales Revenue	78,155,686	87,260,406
Operating Costs & Expenses	73,586,356	82,610,870
Net Operating Profit (Operating Income)	4,569,330	4,649,536
Current Net Profit (after tax)	4,872,216	3,978,909
Research and Development Expenses	2,949,604	2,515,632

Remark Unit: NTD1,000/year

Management Team

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.

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	Position	Name
Chicony Electronics Co., Ltd.	Chairman	Kun-Tai Hsu
	President	Chin-Chung Lu
	Director	Kun-Tai Hsu \ Chin-Chung Lu \ Ming-Hsien Tsai \ Tzu-Ching Li \ Chia-Sheng Liu
	Independent Director	Yen-Sung Li \ Ming-Chieh Lin \ Chia-Hsiang Chu
	Audit Committee	Yen-Sung Li \ Ming-Chieh Lin \ Chia-Hsiang Chu
Chicony Power Technology Co., Ltd.	Chairman	Chin-Chung Lu
	President	Kuo-Hua Tseng
	Director	Chung-Ming Huang
	Independent Director	Yu-Hsuan Fu \ Tu-Kung Tsai \ Te-Cheng Chiu
XAVi Technologies Corporation	Chairman	Chin-Chung Lu
	Director	Kun-Tai Hsu \ Chen-Yao Hsu \ Wei-Chin Li \ Chin-Chung Lu \ Chiu-Lung Chen \ Tzu-Ching Li \ Chien-Yu Huang \ Yung-Chang Chou
	Supervisor	Mei-Yi Tsai \ Yu-Ling Lin \ Tzu-Ching Li

CSR Commitment & Guideline



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CSR Commitment & Guidelines

1. Enhance the company's value and promote industrial development through continuous innovation, and strive to maintain the positive profitability of investors and related stakeholders.
2. Implement corporate governance principles, strictly abide by moral integrity, and follow legal norms.
3. Create a work environment that makes employees feel at ease, safe and healthy, and encourage employees to participate in social welfare activities.
4. From procurement, product development to daily operations, we comply with environmental regulations and strive to reduce environmental impact.
5. Work with partners and customers to pursue sustainable development and expand the scope of corporate social responsibility.

Chicony follows the four principles of "Implementing Corporate Governance", "Developing a Sustainable Environment", "Maintaining Social Welfare" and "Strengthening Corporate Social Responsibility Information Disclosure" to promote relevant CSR practices, Chicony Group CSR Code of Conduct is the basis for regulating business ethics, employee health and safety and environmental management systems. In addition, Chicony also follows strictly the norms and standards set forth by the Responsible Business Alliance (RBA). As multinational enterprise with global presence, we also hold the sustainable development goals of the United Nations as our own efforts and development direction to ensure that we can achieve a win-win goal in parallel with corporate growth and sustainable development.

Environment	Social Equity	Corporate Governance
Continue to promote the ISO 14001 safety and health system and obtain ISO 45001 certification. Qunguang Group Smart Green Building won the diamond certification.	Obtained ISO 27001 information security management certification, and released the "ISMS Control Measures Policy" in May 2017	In the 4th and 5th listing company governance evaluation, both Chicony Electronics and Chicony Power obtained the second level of assessment (6%-20%)



In the process of implementing corporate social responsibility, Chicony identified 10 types of important stakeholders by reference to the dependency, accountability, closeness, influence and multiple expectations of AA1000 Stakeholder Engagement Standard (SES). The thorough identification of the issues and the diversified communication channels enable us to instantly understand the expectations of stakeholders for Chicony and ensure that the opinions of all parties are clearly understood and responded. Chicony believes that by continuing to establish links with various stakeholders, it can gain more thinking space about innovation, operation and sustainable development and to achieve comprehensive progress.

Step One : Identification of Sustainability Issues

The report working group took stock of the Group's past concerns and tracked the international issues such as GRI and industry trends such as RBA.

Step Two : Issues Sorting by Stakeholder Participation

Through interviews, questionnaires, and topical identification meetings to determine the ranking of major issues collected from internal and external stakeholders.


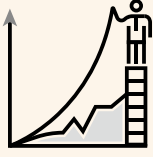


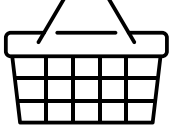
Step Three : Issue Disclosure and Boundary Confirmation

Convene report meeting for issue disclosure and boundary evaluation.

Step Four : Issue Review and Stakeholder Feedback

After the report content is completed, the report working group will conduct a repeated review to ensure the correctness of the information. In addition, multiple communication channels are used to respond to relevant issues as a decision reference, and the operation of the multiple communication channels is reviewed and continuously updated according to requirements.

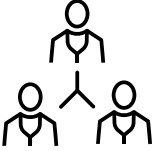

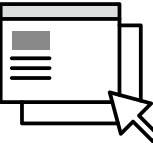


Communication Channels for Stakeholders

Stakeholder	Major Issues	
 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"> ◆ Transparency ◆ Implementation of CSR ◆ Investor relations ◆ Sustainability innovation
 Employee	<ul style="list-style-type: none"> ◆ Salary and welfare ◆ Respect for human rights(including user account and network management, personal account authorization management) ◆ Personnel development and training ◆ Occupational safety ◆ Work and personal life balance 	<ul style="list-style-type: none"> ◆ Labor relations (including ESS salary information) ◆ Childcare leave application assistance ◆ Electronic format of forms in recruitment ◆ Maintenance of computer equipment ◆ Information system operation ◆ Implementation of internal control
 Customer	<ul style="list-style-type: none"> ◆ Product & service pricing and quality ◆ Transparency of marketing information ◆ Regulation and certification compliance ◆ Customer privacy and information security ◆ Ethics and integrity ◆ Feedback and communication mechanism(include grievance mechanism) 	<ul style="list-style-type: none"> ◆ CSR implementation ◆ Sound corporate finance ◆ Environmental policies/ Management ◆ Environmental performance (carbon management, water resource management) ◆ Green product
 Government and Competent Authority	<ul style="list-style-type: none"> ◆ Law compliance ◆ Information transparency ◆ Corporate governance/risk management 	<ul style="list-style-type: none"> ◆ Participation in public policy-making ◆ Give back to local community ◆ Legislation changes ◆ Labor inspection
 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 ◆ Policy on restricted or prohibited substances 	<ul style="list-style-type: none"> ◆ E-solution technology development application ◆ Supplier CSR evaluation ◆ Hardware and software prices ◆ Product information and warranty ◆ Quality of goods delivered, delivery period and pricing

Communication Channels and Grievance Mechanism

	<ul style="list-style-type: none"> ◆ Shareholder conference ◆ Investor conference ◆ Annual financial reports ◆ Investment institution symposium ◆ Business conference 	<ul style="list-style-type: none"> ◆ Electronic communication platform (such as corporate website) ◆ CSR report ◆ Investor visits ◆ Internal control manual
<p>platform)</p> <p>ance</p> <p>ular use</p> <p>ment</p> <p>ol system</p>	<ul style="list-style-type: none"> ◆ Online employee discussion platform ◆ Regular in-person meetings (employer-employee meeting, forum) ◆ Regular e-newsletters and announcement posting ◆ Employee satisfaction survey 	<ul style="list-style-type: none"> ◆ Employee suggestion channels (employee hotline) ◆ Training ◆ Employee counseling office ◆ Employee welfare committee ◆ Internal audit meeting/Audit report/internal control self-review ◆ Applications and surveys from time to time
<p>ment system</p> <p>ource, waste</p>	<ul style="list-style-type: none"> ◆ Online service platform ◆ Customer audit and product approval statement ◆ Customer satisfaction monitoring or survey ◆ Customer meetings and instant feedback 	<ul style="list-style-type: none"> ◆ Questionnaire/survey ◆ Participation in seminars for suppliers organized by customer ◆ CSR website, report
<p>aking</p>	<ul style="list-style-type: none"> ◆ Law and regulations seminars and hearings ◆ Corporate financial reporting ◆ Provide related reports when requested and cooperate with inspections ◆ Competing authority conference ◆ Industry development conference ◆ Technology-related professional R&D and initiatives 	<ul style="list-style-type: none"> ◆ Audit business website reporting system ◆ Amend the company's relevant rules and regulations as required ◆ Participate in labor safety and health committee meetings ◆ Law compliance – audit plan
<p>ment and</p> <p>anty</p> <p>livery</p>	<ul style="list-style-type: none"> ◆ Supplier convention ◆ Information exchange platform, RBA related website ◆ Periodic review reporting or meeting ◆ Supplier survey, audit, counseling, workshop 	<ul style="list-style-type: none"> ◆ Occasional educational training ◆ Occupational safety and health lectures, seminars ◆ On-site audit ◆ E-solution new product briefing session

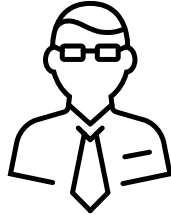
Communication Channels for Stakeholders

Stakeholder	Major Issues	
 <p>External Consultant</p>	<ul style="list-style-type: none"> ◆ Corporate governance ◆ Law compliance (including RBA/ISSO/OHSAS and other related certification and advisory business on Production safety/Clean production/energy-saving and carbon reduction, etc. ◆ Financial/non-financial information transparency 	<ul style="list-style-type: none"> ◆ Talent supply ◆ Information disclosure transparency ◆ Computer system requirements and planning ◆ Corporate operating profile, operational performance
 <p>Community /Non-profit organizations</p>	<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 ◆ Pollution prevention
 <p>Media</p>	<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 (response to major accidents or disasters) ◆ Disaster prevention and response
 <p>Schools and Academic Institutions</p>	<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
 <p>Industry Associations</p>	<ul style="list-style-type: none"> ◆ Implementation of CSR conduct ◆ Business ethics 	<ul style="list-style-type: none"> ◆ Communication and cooperation willingness ◆ Investment of resources

Communication Channels and Grievance Mechanism

<p>ncy r changes</p> <p>rating and</p>	<ul style="list-style-type: none"> ◆ Periodic review reporting ◆ Unscheduled meetings 	<ul style="list-style-type: none"> ◆ E-Mail ◆ Telephone interview
<p>system</p>	<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
<p>s (including saster</p> <p>system</p>	<ul style="list-style-type: none"> ◆ Press conference 	<ul style="list-style-type: none"> ◆ Press release
<p>ment</p>	<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 ◆ Corporate mentor
<p>ion</p>	<ul style="list-style-type: none"> ◆ General assembly ◆ Industry development and technology seminars 	<ul style="list-style-type: none"> ◆ Professional aliance initiatives

Organizational chart of Chicony CSR Committee



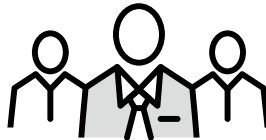
Chairman

Kent Hsu, Chairman



Vice chairman

Chicony President
Roger Lu Chicony Power Chairman
XAVi Chairman

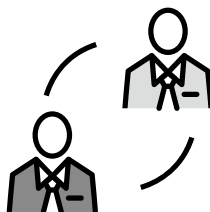


Committee Members

General managers of Chicony Group subsidiaries



Corporate Governance



Customer Relations and
Supplier Management



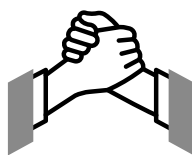
Green Product

Sustainable Management Strategy and Policy

The CSR committee in Chicony is comprised of senior executives from our subsidiaries and is chaired by the top leader of the Group. It is committed to promoting various issues of interest to stakeholders, including corporate governance, customer relations and supplier management, and green products. Environmental protection, employee care, and social welfare; CSR meetings are held between the production plants and the headquarters to grasp the development of major CSR issues in the region where the plant is located, and to implement various improvements. Chicony also communicate with customers and suppliers through diversified communication channels to discuss and exchange ideas how to improve the CSR's various approaches.



Environmental Protection



Employee Care



Social Welfare

Sustainable Management Strategy and Policy

Chicony does through internal and external identification procedures, such as questionnaires, corporate data analysis, stakeholder contacts, etc., and refers to the GRI guidelines, AA1000 standards of accountability, Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, ISO26000 Social Responsibility Guidance Standard to define important issues for sustainable development, planning management strategies and implementation practices, and reviewing the development performance of CSR at Chicony from time to time.

Impact on economic, environment and social aspects (Degree of impact)	Impact on stakeholder evaluation and decision making (Degree of attention)		
	Low	Medium	High
	High	<ul style="list-style-type: none"> Financial performance Operational overview Labor relations (employment relationship) Customer privacy and information security Product service quality 	
	Medium	<ul style="list-style-type: none"> Supply chain management Major incidente and disaster response Degree of information transparency 	<ul style="list-style-type: none"> Integrity Corporate governance and risk management Corporate image management Law Compliance Occupational safety and health Respect for human rights Charitable activities Research and development green product
Low	<ul style="list-style-type: none"> Investing resources and organizing participation Political donation Public policy participation 	<ul style="list-style-type: none"> Salary and benefits Environmental protection and pollution prevention Opinion response mechanism 	<ul style="list-style-type: none"> Corporate social responsibility actions Investor relations Talent Cultivation

A total of 26 topics of interest were summarized, including 20 major issues¹. This report used each of the GRI Standards for comparison in order to achieve the completeness and relevance of the information disclosure, and according to the resolution of the work report group, seven major issues were selected, including labor relations (employment relations), customer privacy and information security, product service quality, environmental protection and pollution prevention, integrity ethics, corporate governance and risk management and occupational safety and health, as key issues of concern. The cross reference of the major issue matrix with the GRI Standards indicators is shown below:

Topic of the issue and GRI specific topic cross reference table		
Priority	Key Issue of Concern	Corresponding GRI Standards specific topics
High attention High impact	Labor Relations (Employment Relations)	401-2 Benefits for full-time employees (excluding temporary or part-time employees)
		401-3 Parental leave
	Customer Privacy and Information Security	418-1 Complaints filed after confirmation that violation of customer privacy or loss of customer information did occur
	Product Service Quality	No corresponding specific topic
High attention Medium impact	Environmental protection and Pollution prevention	305-1 Direct (Scope 1) greenhouse gas emissions
		305-2 Indirect (Scope 2) greenhouse gas emissions
Medium attention Medium impact	Integrity ethics	205-1 Operation base where corruption risk assessment has been carried out
	Corporate governance and Risk management	No corresponding specific topic
	Occupational Safety and Health	403-1 Worker Representatives of workers in the safety and health committee formed by labor and capital

¹An issue is considered to be "key" when its degree of impact and/or degree of attention is above the medium level, as shown in the cross reference table where the box is shaded.

Code of Conduct and Organizational Initiative

We believe that corporate social responsibility is not static, but dynamic development that is constantly evolving. In order to not only pursue better goals, but also to contribute to the sustainable development of the overall industrial environment, we constantly review the expectations of stakeholders and review the management policies and practices of the Group's sustainable operations, we maintain close interaction with customers, supply chains and peers, and consult external consultants, non-profit organizations and take part in public and industry associations and respond to international initiatives, etc.,

Initiative Name	Name of the organization that joined the membership in 2017 and 2018
<ul style="list-style-type: none"> ✧ Responsible Business Alliance (RBA) CDP - Carbon Disclosure Project ✧ Declaration of Minerals Conflict-Free ✧ ISO 14001 Environmental Management ✧ ISO 14064 Greenhouse gases Management ✧ OHSAS 18001 Occupational Health and Safety Management ✧ C-TPAT Counter-terrorism Certification ✧ ISO 45001 Occupational Safety and Health Management System ✧ ISO 27001 Information Security Management 	<ul style="list-style-type: none"> ✧ Taiwan Electrical and Electronic Manufacturers' Association
	<ul style="list-style-type: none"> ✧ Taiwan Stock Affairs Association
	<ul style="list-style-type: none"> ✧ Taipei Computer Association
	<ul style="list-style-type: none"> ✧ Taipei Bar Association
	<ul style="list-style-type: none"> ✧ Industrial Safety and Health Association of the R.O.C.



CEO Mailbox

Chicony Group engages in commercial activities based on the concept of fairness, honesty, trustworthiness and transparency. In order to effectively implement the policy of honesty and trustworthiness, the company has created a direct mailbox to the CEO for prevention of the occurrence of dishonesty. This management method is not only available to those inside Chicony but also to all manufacturers (including its subsidiaries) that have purchase transactions with Chicony and their supervisors, shareholders, managers and employees, as well as those with substantial control capabilities or other stakeholders.

In order to implement effectively this management method, the procurement department holds a seminar at least once a year for each stakeholder or at the same time as the supplier conference. The venue must prepare a CEO Mailbox information card. The person in charge must bring the official seal to participate in the seminar. At the same time, participants must sign the "Manufacturer Integrity Commitment Letter"; for those cannot participate the event in person, the person in charge must sign and send back the declaration to demonstrate its commitment to integrity management and anti-corruption.

The administrative department shall hold a "doing business with integrity" meeting for procurement personnel, confirm the receipt of the information card, and sign the "Letter of Integrity Commitment" ; for the new employees, this method shall be explained at the education and training meeting, each new employee shall sign to receive the information card and sign the "Letter of Integrity Commitment"



This management method is not only available to those inside Chicony but also to all manufacturers (including its subsidiaries) that have purchase transactions with Chicony and their supervisors, shareholders, managers and employees, as well as those with substantial control capabilities or other stakeholders.

Customer Satisfaction and Ser



vice



Keeping the Momentum for Change and Innovation

In its 30 years of existence, while already possessing mature technologies and leading products, Chicony has continuously sought new changes in the ever-changing environment to provide products and services that best meet the needs of the contemporary society. In 2018, Chicony ranked 43th in the top 100 corporate patent applications of the Intellectual Property Office of the Ministry of Economic Affairs, an improvement compared to 50th place in 2017, and the ranking for this two-year period is also higher than the 73th place obtained in 2016. Chicony submitted a total of 79 applications for patent in the invention, new type and design categories, compared with 63 in 2017 and 48 in 2016, an increase by 16 and 31 respectively. Chicony Power applied for a total of 86 patents in 2017 and 2018, , also a greater number than the 69 in 2015 and 2016, proving Chicony's capability in keeping the momentum for innovation.

Customer Service

Customer Satisfaction Survey

Customer feedback is one of the important indicators when Chicony develops its products. In order to gain insight into customer needs, we regularly conduct customer satisfaction surveys to demonstrate the entrepreneurial spirit of striving for progress and expect to continuously surpass ourselves. Chicony regularly conducts satisfaction surveys with customers on a quarterly, semi-annual and annual basis. It also actively provides quarterly business reviews (QBR) of key customers using scale comparison. After statistical compilation and analysis, the data are made available to the relevant business units such as sales, quality control, and R&D for them to continue to track and monitor and as a reference for improving product quality and customer satisfaction in the future. Individual case follow-ups for further and closer interaction are also done by regularly sending e-mails, conference calls, video conferencing and personal visits. Customer suggestions are collected and reported to management, striving to solve the problems for customers.



No Quality No Sales

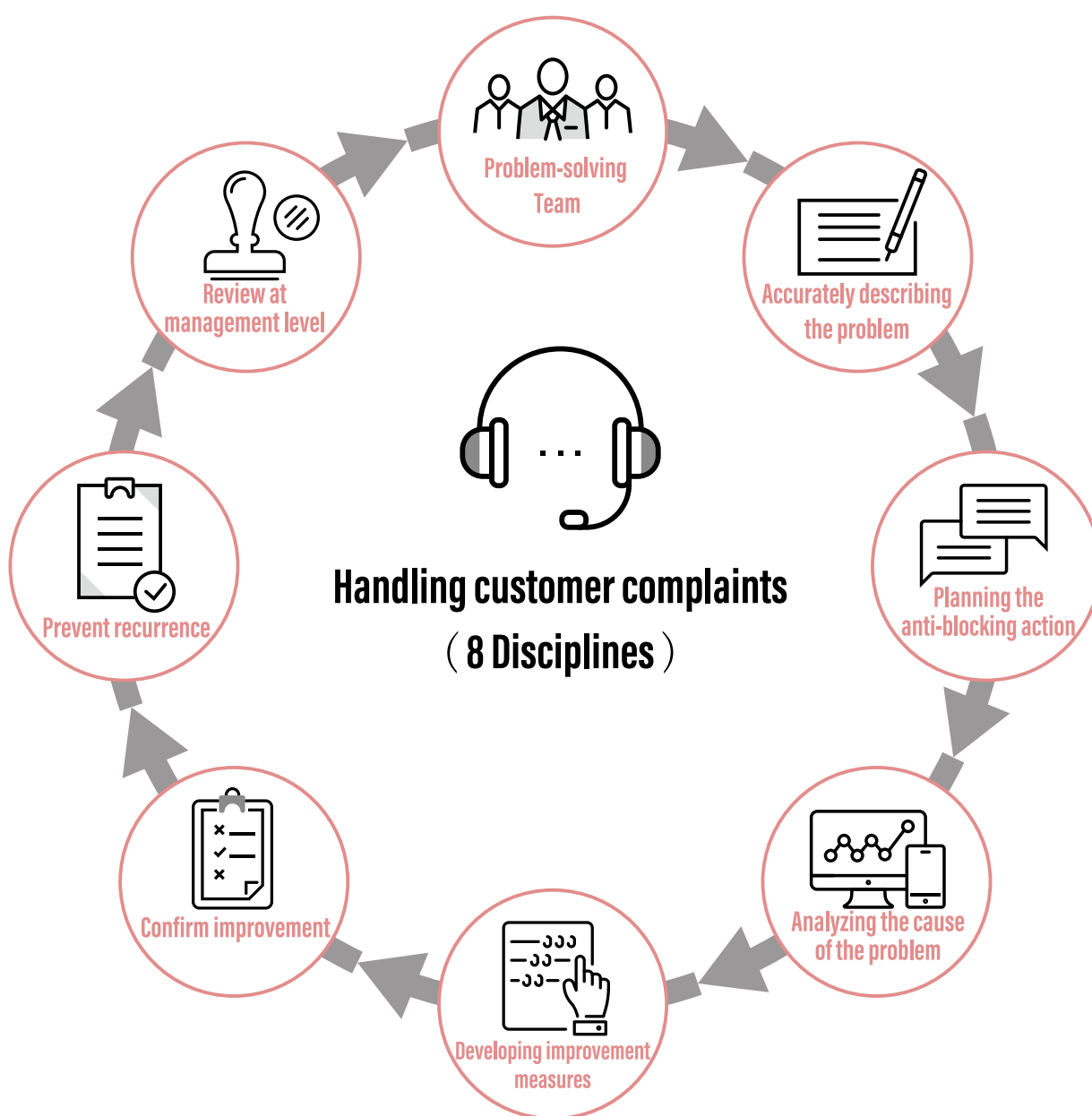


Total Customer Satisfaction



Endless Improvement and Innovation

In dealing with customer complaints, Chicony has adopted the rigorous 8D principles (8 Disciplines). The specific steps include forming a problem-solving team, accurately describing the problem, planning the anti-blocking action, analyzing the cause of the problem, developing improvement measures, confirming the improvement effect, and preventing recurrence and review at management level. This process enables us to handle customer complaints in a more complete and effective manner and is applicable for any complaints regarding product quality, service or product returns.



Total Quality Management

Chicony's Total Quality Management (TQM) means multi-link system management from pre-opening to post-production, including product quality testing and analysis, quality stability and quality maximization, energy saving and the development of green energy, customer communication and feedback, product service implementation and optimization are all within the scope of Chicony's total quality management.

In the quantitative production phase of the product, we screen the products with six standard deviation indicators and rely on the Lean Manufacturing and VA/VE (Value Analysis / Value Engineering) to reduce the cost and waste of the manufacturing process. On the customer service side, we have established the customer quality service team "CQS team", which includes full-time service team for key customers and field service personnel on the ODM factory sites to understand customer issues and provide solutions.



Protect Customer Information

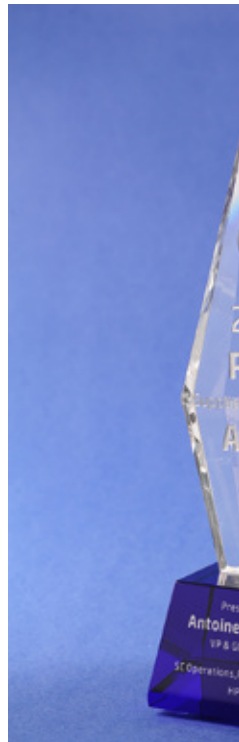
In the age of the Internet, the number of cyber attacks by third parties has increased, and security protection has become increasingly difficult. Therefore, in addition to establishing a complete network and computer security protection system, such as firewalls and anti-virus software, the company has regular updates; it also organizes information security education training and promotion when appropriate. Whenever it is necessary to outsource the handling of information, Chicony always provides the information security requirements beforehand and requires manufacturers to comply with information security and confidentiality.



In 2017 and 2018, there were no complaints about violation of customer privacy or the loss of customer information.



Customer Satisfaction and Service



The awards represent the recognition and affirmation of Chicony's customers. In the competitive and innovative electronics manufacturing industry, the annual awards also give Chicony more confidence in meeting customer needs and provide best service possible. The awards from customers in 2017 and 2018 are as follows:

Year	Total Number
2017	22
2018	17



Environmentally Sustainable M



Management Policy



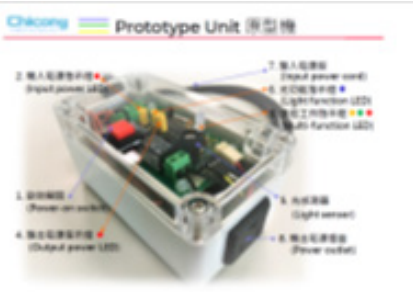
Environmentally Friendly Contribution

While pursuing the growth and innovation, Chicony Group also makes a lot of efforts at the level of environmental sustainability, including actively researching and developing environmentally-friendly and energy-saving products, implementing environmental protection, reducing possible environmental impacts in the operation process, and echoing the European Union (RoHS, REACH) and international customers regarding banned substance specifications. Chicony has reached consensus with its partners in its vast and tight-knit industry network regarding environmental management, to together safeguard our green planet in addition to complying with the laws and regulations and reaching balance with customers needs.

Green product development - Intelligent Temperature Control Soldering Iron Controller








New product development is the lifeblood of an enterprise. Establishing a safe, environmentally and user friendly and internal R&D environment is the basis for shaping a virtuous cycle of new product development. At Chicony, the development of green products has always been our goal. We hope that at the same time as the production yield and efficiency are improved, we will also reduce waste production and environmental pollution sources to maximize the benefits of green energy conservation.

In 2018, Chicony Power successfully developed an intelligent temperature control soldering iron controller. This device can automatically identify the use status of the soldering iron, and achieve the functions of automatically switching to sleep, shutdown and automatic wake-up, achieving energy saving, environmental protection and convenience. The controller also has the automatic lighting control system function used in Chicony Intelligent Green Energy Building to shutdown the temperature control soldering iron during off-hours if no human activities are detected, which not only improves the safety of electricity consumption, but also is the best demonstration that energy saving can start from a small place.

Product	Feature description
<p>intelligent temperature control soldering iron controller</p> 	<ol style="list-style-type: none">1. Automatically identify the use status of the soldering iron, switch between sleep, shutdown and wake-up.2. With the intelligent lighting control system function of the intelligent building, it can improve the safety of electricity consumption while saving energy.3. Significant savings of up to 92% in energy consumption.

Energy-saving procurement and quality control measures

Chicony's headquarters in Taiwan is mainly responsible for technology research and development and business development. The production base is located in mainland China with seven major production plants located in southern, eastern and central China. Most of the items purchased by the Group are semi-finished products, but also including raw materials such as plastics, iron, aluminum, tin, etc., as well as food, transportation, security, cleaning and other services. Whether it is the Taiwan headquarters or the production plants in mainland China, we are committed to the principle of "local procurement", which saves transportation costs and reduces the energy consumption that may occur during transportation.

Designated Item		Priority Procurement Project		
First category	Second category	Third category	others	
		 Energy Saving Label  Water Saving Label  Green building materials label	 Carbon label  Carbon reduction label	
<ul style="list-style-type: none"> Complying with environmental regulation standard. 	<ul style="list-style-type: none"> Not in the first category, products meet the environmental benefits of recyclable materials, low pollution or energy saving. 	<ul style="list-style-type: none"> Complying with government's environmental protection standards, including the Energy Bureau of the Ministry of Economic Affairs, the Water Resources Department of the Ministry of Economic Affairs, and the Institute of the Ministry of the Interior. 	<ul style="list-style-type: none"> Carbon reduction label: The product promises to reduce greenhouse gas emissions in recent 3 years. Carbon label: Expose the greenhouse gas emissions generated during the life cycle 	

The environmental management thinking is mature and has been in operation for many years. In addition to echoing the relevant banned substances regulations of the European Union (RoHS, REACH) and international customers, the self-discipline management mechanism comes from the environmental management network formed by the supply chain partners, thereby serving as a friendly environment. We will do our utmost to further reduce the impact on the ecosystem in addition to complying with the law and reaching a balance with our customers.

Chicony Group also requires new or existing suppliers to sign the RBA Code of Conduct Compliance Statement, the Manufacturers' Integrity Commitment Declaration, the Conflict Minerals Declaration, and fill out the relevant background information survey form. The RBA Code of Conduct, current legal and regulatory requirements and customer requirements all must be respected. Human rights reviews are conducted within two years for the next major suppliers, and suppliers are required to response for on-site audit issues.



The RBA Code of Conduct



Supplier signing



Grievance report

After completing the above three steps of screening, the company can be approved as a new partner through the general manager of the business unit. In the future, it will also conduct regular inspections, go to the factory audit from time to time, and establish a self-evaluation mechanism to achieve a ring growth momentum with suppliers.

If a zero-tolerance project is found, such as child labor, forced labor, corporal punishment, bribery, underpaid wages, document falsification that has significant CSR risks, suppliers that refuse immediate improvement or refuses to accept audit/inspection, the purchasing department is immediately notified to do further processing and is also recommended to consider suspending or terminating its dealings.

99 on-site audits to suppliers were conducted in 2017 and 79 in 2018. Every year, we hope to use on-site audits to ensure the implementation of the RBA Code of Conduct and to give the supplier management more practical influence; between 2017 and 2018, there was only one case that ended in termination of cooperation of a supplier that was audited in 2018, where severe deficiencies in labor conditions did not comply with the related RBA Code of Conduct. Other suppliers are continuously making the necessary improvements.

On-site audits to suppliers were conducted in 2017

99

On-site audits to suppliers were conducted in 2018

79

Strict Quality Control policy and Information Security

In terms of quality control, we conduct factory site assessments, using rigorous grading evaluations on quality, delivery, price, yield, environmental safety and social responsibility, and QQR (Quarterly Quality Review) of some suppliers. SCAR (Supply Corrective Action Request) allows quick responses to anomalies, allowing suppliers and Chicony engineering teams to immediately block problems, improve mechanisms and control the production processes.



For the production plants in mainland China, Chicony gradually developed electronic management practices, such as facial recognition and password requirement where relevant identity data is required to enter specific areas for related procedures. Suppliers must ensure that they comply with the ISMS system to ensure the safety of our information assets and to comply with ISO/IEC 27001 certification accepted by us. By continuously improving management equipment, Chicony possesses the labor area distinguishing and backtracking information functions to ensure the availability, integrity and confidentiality of information assets.



Energy saving and carbon reduction

Energy conservation and carbon reduction are not only the responsibility of the government or individuals, but also the responsibility of everyone at Chicony. After more than 30 years of development, Chicony Group has an environmental supervision department, which is responsible for integrating the green parts database and building a comprehensive and independent green management from R&D, procurement, manufacturing to the overall supply chain. It not only implements energy conservation and carbon reduction in the Taipei headquarters workplace environment, the control of the production plants is also unrelenting. At the same time, by improving internal management processes and hardware equipment, we are striving to mitigate the negative impact on the environment during the operation process. The Chicony Group Green Building, which was built in 2016, is the most concrete case in point. At first, Chicony followed the international trend energy saving. Now, Chicony hopes to become the leader of Taiwan enterprises to promote sustainable green energy.

Environmental output and input performance information

Total information and performance of greenhouse gas emissions (Chicony Electronics)												
Gas emission quantification	Chicony Electronics Dongguan Plant				Chicony Electronics Suzhou Plant				Chicony Electronics Chongqing Plant			
Year	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	654.8	458.1	528.5	599.8	4,825.4	4,406.4	3,766	3,846.6	1,072.9	1,099	867.4	826.1
Scope 2 : Indirect greenhouse gas emissions	15,650.7	12,768	14,422.2	15,681.4	32,936.8	30,657.9	36,830	39,343.3	5,624.9	5,713	5,029.4	4,326.9
Scope 1 + Scope 2 Total	16,305.6	13,226.1	14,950.8	16,281.2	37,762.2	35,064.4	40,596	43,189.9	6,697.8	6,812	5,896.8	5,153
Greenhouse gas emission intensity	0.0009	0.0011	0.001	0.0007	0.0019	0.0018	0.0023	0.0023	0.0026	0.0021	0.002	0.0013
Other gas emissions output information and performance (Chicony Electronics)												
Methane CH ₄ Emissions	311.6	180.3	260.8	296.8	1,295.4	1,127	1,141	861.7	286.2	277	86.7	79
Nitrous Oxide N ₂ O Emissions	3.0	2.7	3.2	2.9	31.9	23.5	22	16.7	3	3	2.4	2.4
Hydro Fluorocarbon HFCs Emissions	100	99	100.1	120.6	0.03	0.1	0	1,262.2	657	657	656.7	656.7

Environmental output and input performance information

Gas emission quantification	Chicony Electronics Headquarter			
Year	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	This is the first time to disclose the data of the Headquarter.		127.4	75.1
Scope 2 : Indirect greenhouse gas emissions			2,189.6	2,253.4
Scope 1 + Scope 2 Total			2,317	2,328.5
Greenhouse gas emission intensity			0.0001	0.0003
Other gas emissions output information and performance (Chicony Electronics Headquarter)				
Methane CH4 Emissions	This is the first time to disclose the data of the Headquarter.		51.1	0.0025
Nitrous Oxide N2O Emissions			0	0
Hydro Fluorocarbon HFCs Emissions			72.1	72.6

Total information and performance of greenhouse gas emissions (Chicony Power)								
Gas emission quantification	Chicony Electronics Dongguan Plant				Chicony Electronics Suzhou Plant			
Year	2015	2016	2017	2018	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	461.9	408.4	334.9	355	174.2	192.6	222.3	196.4
Scope 2 : Indirect greenhouse gas emissions	30,927.3	30,042.1	28,797.5	27,600.2	9,349.8	10,149.9	13,901.1	14,576.6
Scope 1 + Scope 2 Total	31,389.2	30,450.5	29,132.4	27,955.2	9,524.1	10,342.4	14,123.4	14,773
Greenhouse gas emission intensity	0.0027	0.0026	0.0028	0.0026	0.0012	0.0013	0.0067	0.0052
Other gas emissions output information and performance (Chicony Power)								
Methane CH4 Emissions	350.9	318.8	266.4	286.4	112.6	128.5	155.5	130.3
Nitrous Oxide N2O Emissions	0.07	0.02	0.02	0.02	1.6	1.7	1.9	2.2
Hydro Fluorocarbon HFCs Emissions	58.9	58.9	38.5	38.5	8.2	8.2	8.3	8.3

Environmentally Sustainable Management Policy

Gas emission quantification	Chicony Power Chongqing Plant			
Year	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	This is the first time to disclose the data of the Headquarter.		485	624.6
Scope 2 : Indirect greenhouse gas emissions			7,082	12,077
Scope 1 + Scope 2 Total			7,567	12,701.6
Greenhouse gas emission intensity			0.0031	0.0023
Other gas emissions output information and performance (Chicony Power)				
Methane CH4 Emissions	This is the first time to disclose the data of the Headquarter.		70.9	202.2
Nitrous Oxide N2O Emissions			0	0
Hydro Fluorocarbon HFCs Emissions			393	393

Gas emission quantification	Chicony Power Headquarter			
Year	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	This is the first time to disclose the data of the Headquarter.		72.6	29.8
Scope 2 : Indirect greenhouse gas emissions			1,610.6	1,444.0
Scope 1 + Scope 2 Total			1,683.6	1,473.8
Greenhouse gas emission intensity			0.00006	0.000052
Other gas emissions output information and performance (Chicony Power Headquarter)				
Methane CH4 Emissions	This is the first time to disclose the data of the Headquarter.		46.3	0
Nitrous Oxide N2O Emissions			0	0
Hydro Fluorocarbon HFCs Emissions			26.3	29.8

Gas emission quantification		XAVi Headquarter		
Year	2015	2016	2017	2018
Scope 1 : direct greenhouse gas emissions	This is the first time to disclose the data of the Headquarter.		9.3	0.9
Scope 2 : Indirect greenhouse gas emissions			167.4	154.4
Scope 1 + Scope 2 Total			176.7	155.4
Greenhouse gas emission intensity			0.000068	0.000056
Other gas emissions output information and performance (XAVi Headquarter)				
Methane CH4 Emissions	This is the first time to disclose the data of the Headquarter.		8.4	0
Nitrous Oxide N2O Emissions			0	0
Hydro Fluorocarbon HFCs Emissions			0.9	0.9

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

Note (2) : The GHG emissions disclosed in this report are for Headquarters of Group subsidiaries Chicony Electronics, Chicony Power and XAVi and the main production plants in mainland China of Chicony Electronics and Chicony Power.

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 2018 Chicony's Taiwan headquarters and the plants in China produced total GHG emissions of () tCO₂e. Of these, () % (tCO₂e) came from externally purchased electricity (Scope 2); Scope 1 emissions from vehicle fuel, emergency generator and steam boilers accounted for () % (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) : In 2017, the entire Group was certified by a third party.

Environmentally Sustainable Management Policy

Energy and Resource Inputs Information									
Chicony Electronics Headquarter						Chicony Electronics Dongguan Plant			
Category	Unit	2015	2016	2017	2018	2015	2016	2017	2018
Electricity Consumptio	MWh/Year	1,622.9	5,289.9	7,859.6	4,067.5	15,597.2	13,400.4	15,364.4	17,551.9
Energy Intensity (Electricity consumption / Revenue)		N/A	N/A	N/A	N/A	0.0009	0.0011	0.099	0.0008
Domestic consumption by kitchens/dormitories LPG consumption (LPG)	kg/year	0	0	0	0	6,096	5,716	6,348.5	4,434.5
Natural gas (LNG) Consumption	M3/Year	0	0	0	0	0	0	0	0
Gasoline consumption	KL/year	N/A	N/A	0	0.06	34.1	32	39.5	34.3
Diesel Consumption	KL/Year N/A	N/A	N/A	1.4	0.9	40	20	10	22.7
Portable Water Consumpti	KL/Year	20,124	37,240	35,469	35,828.7	613,000	242,040	318,110	377,940

Energy and Resource Inputs Information									
Chicony Electronics Suzhou Plant						Chicony Electronics Chongqing Plant			
Category	Unit	2015	2016	2017	2018	2015	2016	2017	2018
Electricity Consumptio	MWh/Year	40,687.9	37,872.7	36,680.2	48,656.1	5,578.8	6,004.2	5,449.6	6,165.9
Energy Intensity (Electricity consumption / Revenue)		0.002	0.002	0.0021	0.0025	0.0022	0.0019	0.0019	0.0015
Domestic consumption by kitchens/dormitories LPG consumption (LPG)	kg/year	3,646	3,395	0	0	N/A	N/A	N/A	N/A
Natural gas (LNG) Consumption	M3/Year	1,283,225.3	1,252,138.7	921,742.8	609,973.6	31,032	21,032	15,735	7,328.7
Gasoline consumption	KL/year	144.5	126.8	134.5	97	34.4	36.4	32.7	32.7
Diesel Consumption	KL/Year N/A	81.8	31.8	0.1	27.3	0.09	0.07	6.8	7.2
Portable Water Consumpti	KL/Year	757,894.2	691,000.3	633,872	674,347.7	100,413	96,536	90,403	85,950

Energy and Resource Inputs Information

		Chicony Power Headquarter				Chicony Power Dongguan Plant			
Category	Unit	2015	2016	2017	2018	2015	2016	2017	2018
Electricity Consumptio	MWh/Year	1,646.5	1,493.5	3044.6	2606.5	33,476.1	30,780.8	33192.1	31,812.1
Energy Intensity (Electricity consumption / Revenue)		N/A	N/A	0.0001	0.000089	0.0029	0.0026	0.0032	0.0010
Domestic consumption by kitchens/dormitories LPG consumption (LPG)	kg/year	0	0	0	0	4,856	5,388	5,810	5,449
Natural gas (LNG) Consumption	M3/Year	0	0	0	0	0	0	0	0
Gasoline consumption	KL/year	N/A	N/A	0	0	N/A	N/A	0	0
Diesel Consumption	KL/Year N/A	N/A	N/A	0	0	1.6	0.8	1,500	2,000
Portable Water Consumpti	KL/Year	26,749	20,741	20,129	20,234	473,217	454,941	402,510	413,745

Note (1): 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 Information

Chicony Power Suzhou Plant						Chicony Power Chongqing Plant				
Category	Unit	2015	2016	2017	2018	2015	2016	2017	2018	
Electricity Consumptio	MWh/Year	13,290.5	14,427.7	17,192	18,027	This is the first time to disclose relevant data.		9,301.2	11,522.5	
Energy Intensity (Electricity consumption / Revenue)		0.0017	0.0018	0.0079	0.0062			0.027	0.032	
Domestic consumption by kitchens/dormitories LPG consumption (LPG)	kg/year	Included in Chicony Electronics Suzhou Plant						0	0	
Natural gas (LNG) Consumption	M3/Year	Included in Chicony Electronics Suzhou Plant		81,910	79,460			0	0	
Gasoline consumption	KL/year	23.8	24.9	25.4	23.1			3,159.2	3,351.3	
Diesel Consumption	KL/Year N/A	Included in Chicony Electronics Suzhou Plant		0.9	2.4			0.016	0.02	
Portable Water Consumpti	KL/Year	167,666	122,837	133,153	123,175				53,010	65,202

Environmentally Sustainable Management Policy

Energy and Resource Inputs Information					
XAVi Headquarter					
Category	Unit	2015	2016	2017	2018
Electricity Consumptio	MWh/Year	140	135	138	142
Energy Intensity (Electricity consumption / Revenue)		N/A	N/A	N/A	N/A
Domestic consumption by kitchens/dormitories LPG consumption (LPG)	kg/year	0	0	0	0
Natural gas (LNG) Consumption	M3/Year	0	0	0	0
Gasoline consumption	KL/year	N/A	N/A	N/A	N/A
Diesel Consumption	KL/Year N/A	N/A	N/A	N/A	N/A
Portable Water Consumpti	KL/Year	753	740	747	723

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 portable water resource consumption.

Note (2) : The energy intensity formula is "electricity consumption divided by revenue (1000 NTD/year). The lower the value represents 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.



※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.

Annual Waste Output Information																	
Category		Chicony Headquarter (including Chicony Power & XAVI)				Chicony Electronics ongguan Plant				Chicony Electronics Suzhou Plant				Chicony Electronics Chongqing Plant			
Year		2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
General Waste	Reusable	0.4	0.5	12	8.6	128.5	80.9	118.6	136.8	354.5	336.9	315.6	310.7	110.5	258.4	189.1	223.4
	Non-reusable	25.1	24.4	105	99.2	527.8	576	573	576	449.3	354.6	333.5	318.4	0	0	156	116
	Total	25.5	24.9	117	107.8	656.3	656.9	691.6	712.8	803.8	691.5	649	629.1	110.5	258.4	345.1	339.4
Hazardous Waste	Reusable	0	0	0	0	7.5	5	0	0	0	0	0	0	0	0	0	0
	Non-reusable	9	8.8	10	6	0	0	6.1	6	6.5	8.3	8.7	8.4	8.3	9.4	2.9	5.2
	Total	9	8.8	10	6	7.5	5	6.1	6	6.5	8.3	8.7	8.4	8.3	9.4	2.9	5.2

Annual Waste Output Information													
Category		Chicony Power Dongguan Plant				Chicony Power Suzhou Plant				Chicony Power Chongqing Plant			
Year		2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
General Waste	Reusable	103.1	31.6	17.8	17.6	787.4	791.8	798.8	795.4	This is the first time to disclose relevant data.		933	1,030.5
	Non-reusable	2.6	2.3	0	0	312	376	380	540			90.3	120
	Total	105.5	33.9	17.8	17.6	1,099.4	1,167.8	1,178.8	1,335.4			1,023.3	1,150.5
Hazardous Waste	Reusable	0	0	2	2	0	0	0	0			0	0
	Non-reusable	1.7	2.5	3	5	10	11.5	0	0			6.03	6.00
	Total	1.7	2.5	5	7	10	11.5	0	0			6.03	6.00

Environmentally Sustainable Management Policy

Annual Energy-Saving Management Information and Performance (Chicony Electronics)

		Chicony Electronics Suzhou Plant			
	Unit	2015	2016	2017	2018
Air Compressor waste heat recovery	Electricity (MWh / year)	0	0	1,770	3,339.1
Air Compressor waste heat recovery	t-CO ² e / year	0	0	1,439	2,007
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	0	0	0	0
Switched to LED light fixture (Ceiling ligh)	t-CO ² e / year	0	0	0	0
Replace energy efficiency level 2	Electricity (MWh / year)	0	209.1	443.1	305
Replace energy efficiency level 2	t-CO ² e / year	0	169.9	0	247

Annual Energy-Saving Management Information and Performance (Chicony Electronics)

		Chicony Electronics Dongguan Plant			
	Unit	2015	2016	2017	2018
Air Compressor waste heat recovery	Electricity (MWh / year)	274.3	213.6	237.6	231.4
Air Compressor waste heat recovery	t-CO ² e / year	245.7	191.3	212.9	212.5
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	130.4	20.9	9.42	0.00
Switched to LED light fixture (Ceiling ligh)	t-CO ² e / year	116.9	18.7	8.44	0.00
Replace energy efficiency level 2	Electricity (MWh / year)	201.9	94.4	0	25.3
Replace energy efficiency level 2	t-CO ² e / year	180.9	84.6	0	23.2
Upgrade pump to frequency conversion	Electricity (MWh / year)	177.6	0	0	292.3
Upgrade pump to frequency conversion	t-CO ² e / year	159.1	0	0	268.4

Annual Energy-Saving Management Information and Performance (Chicony Electronics)

		Chicony Electronics Chongqing Plant			
	Unit	2015	2016	2017	2018
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	130.3	40.2	32.3	0
Switched to LED light fixture (Ceiling ligh)	t-CO ² e / year	124	38.3	29.7	0

Annual Energy-Saving Management Information and Performance (Chicony Power)

		Chicony Power Dongguan Plant			
	Unit	2015	2016	2017	2018
Air Compressor waste heat recovery	Electricity (MWh / year)	100.6	100.1	42.4	49.2
Air Compressor waste heat recovery	t-CO ₂ e / year	90.2	89.7	36.8	41.9
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	172.2	66.7	3.5	4.6
Switched to LED light fixture (Ceiling ligh)	t-CO ₂ e / year	154.3	59.7	3	3.9

Annual Energy-Saving Management Information and Performance (Chicony Power)

		Chicony Power Suzhou Plant			
	Unit	2015	2016	2017	2018
Air Compressor waste heat recovery	Electricity (MWh / year)	N/A	N/A	708	1,335.6
Air Compressor waste heat recovery	t-CO ₂ e / year	N/A	N/A	573.5	1,081.9
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	70	60	42	92
Switched to LED light fixture (Ceiling ligh)	t-CO ₂ e / year	56.8	48.7	34	74.6

Annual Energy-Saving Management Information and Performance (Chicony Power)

		Chicony Power Chongqing Plant			
	Unit	2015	2016	2017	2018
Switched to LED light fixture (Ceiling ligh)	Electricity (MWh / year)	N/A	N/A	40	32.5
Switched to LED light fixture (Ceiling ligh)	t-CO ₂ e / year	N/A	N/A	92	74.8

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.

Environmental Accounting Information

Category	Chicony Headquarter				Chicony Electronics Dongguan			
	2015	2016	2017	2018	2015	2016	2017	2018
Cost of waste disposal	176.4	226.8	20	0	464.3	464.3	27	569
Cost of emissions treatment	0	0	0	0	150	150	0	0
Remedial environmental expenditure	50	100	0	0	0	0	0	0
Preventive environmental expenditure	301.5	405	256	464	85.5	90	0	7
Environmental management expenditure	2,705	3,000	2,421	4,184	2,981.7	2,981.7	3,873	4,565

Unit: NTD \$1,000/Year

Environmentally Sustainable Management Policy

Unit: NTD \$1,000/Year

Environmental Accounting Information								
	Chicony Electronics Suzhou Plant (including XAVI)				Chicony Electronics Chongqing Plant			
Category	2015	2016	2017	2018	2015	2016	2017	2018
Cost of waste disposal	3,636	2,967	0	593	166.8	197.2	0	0
Cost of emissions treatment	941.9	1,176.1	0	0	0.00	0.00	0	0
Remedial environmental expenditure	1,850	4,770.4	0	0	120.1	975.5	0	0
Preventive environmental expenditure	2,674	721.9	1,265	1,878	262.5	394	0	0
Environmental management expenditure	7,077	6,453.7	7,594	8,841	2,040	2,280	9	12

Environmental Accounting Information								
	Chicony Power Headquarter				Chicony Power Dongguan Plant			
Category	2015	2016	2017	2018	2015	2016	2017	2018
Cost of waste disposal	35	45	53	33	1,500	1,750	2,213	2,327
Cost of emissions treatment	0	0	0	0	1,450	1,500	0	0
Remedial environmental expenditure	0	0	185	204	500	550	0	9
Preventive environmental expenditure	100	100	31	21	1,050	1,150	410	137
Environmental management expenditure	2500	2500	2,788	2,798	850	900	2,635	2,538

Environmental Accounting Information								
	Chicony Power Suzhou Plant				Chicony Power Chongqing Plant			
Category	2015	2016	2017	2018	2015	2016	2017	2018
Cost of waste disposal	350	500	793	723	This is the first time to disclose the data of the Headquarter.		492	633
Cost of emissions treatment	0	0	0	0			30	31
Remedial environmental expenditure	0	0	0	0			0	43
Preventive environmental expenditure	0	0	142	463			31	64
Environmental management expenditure	0	0	945	1,506			615	657

Note (1) : 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 cleaning expenses.


Note (2) : Unit: NTD \$1,000/Year.

Note (3) : During the 2017 – 2018 period, there was no fines related to environmental legislation violations.



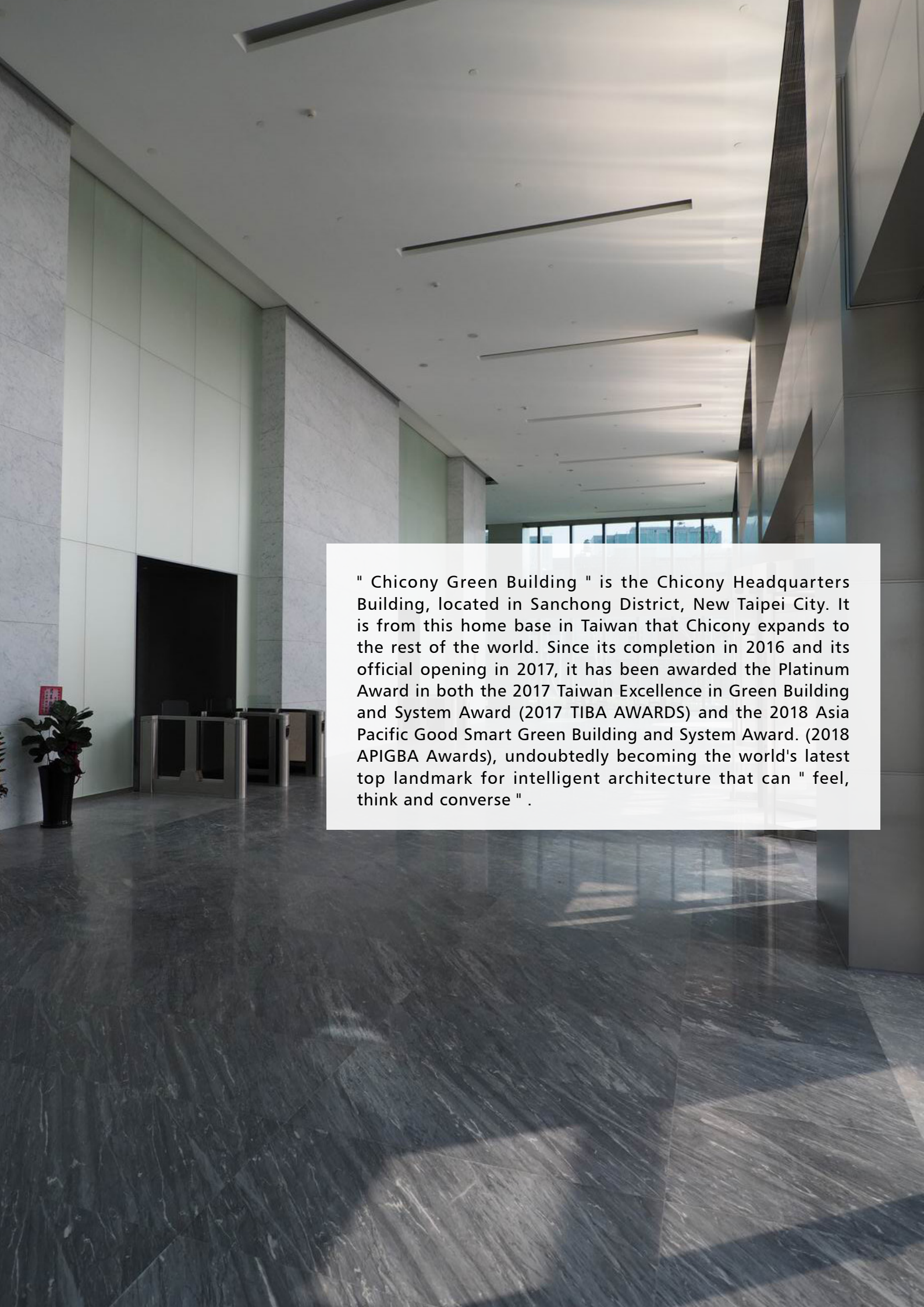


Further Evolving Intelligence China



nt Green Energy

icony Green Building

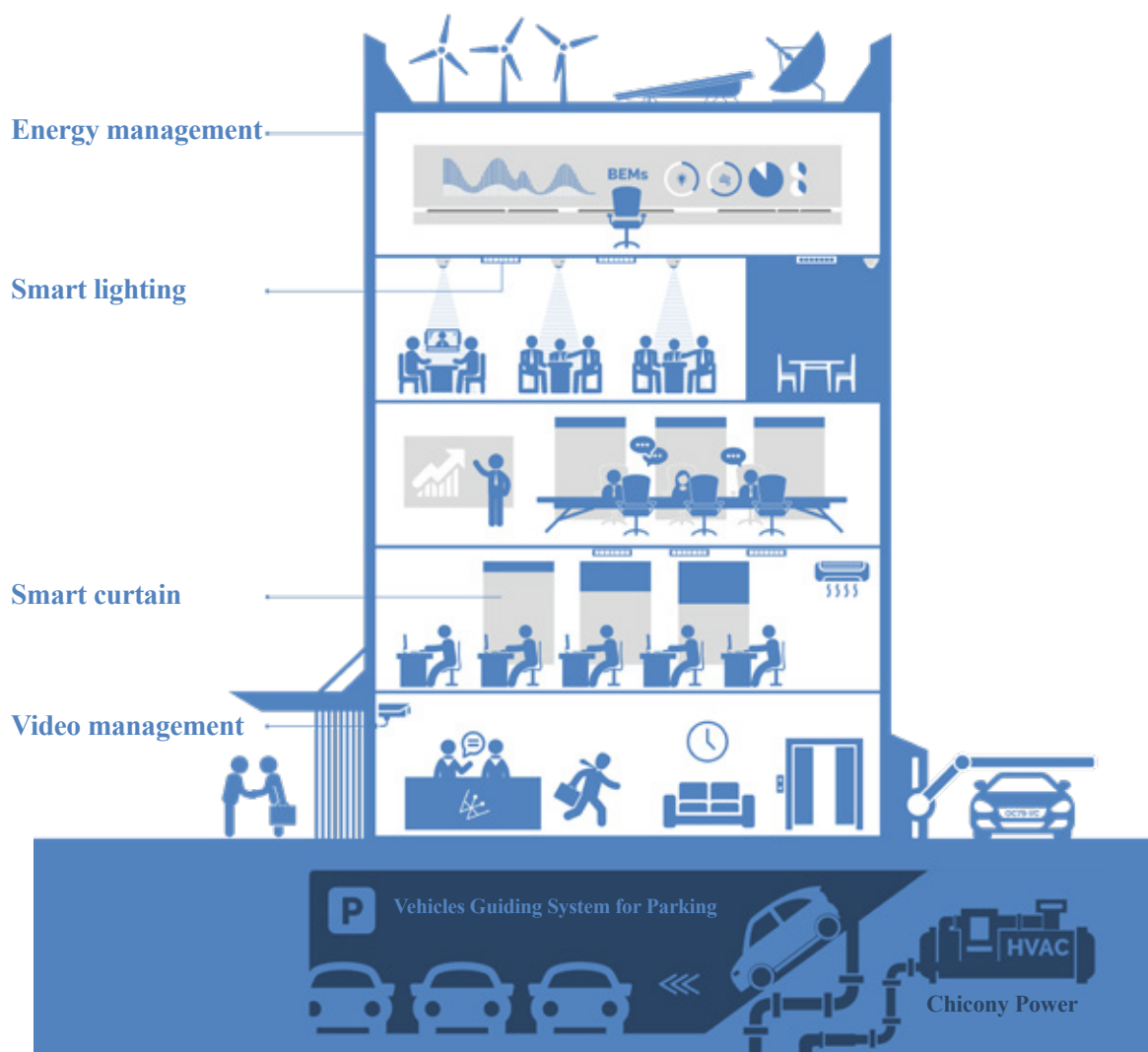


" Chicony Green Building " is the Chicony Headquarters Building, located in Sanchong District, New Taipei City. It is from this home base in Taiwan that Chicony expands to the rest of the world. Since its completion in 2016 and its official opening in 2017, it has been awarded the Platinum Award in both the 2017 Taiwan Excellence in Green Building and System Award (2017 TIBA AWARDS) and the 2018 Asia Pacific Good Smart Green Building and System Award. (2018 APIGBA Awards), undoubtedly becoming the world's latest top landmark for intelligent architecture that can " feel, think and converse " .

Intelligent Measures and Results

1. From the perspective of employees, the Chicony Intelligent Green Building is closer to people and creates a quality working environment.
2. Promote maximize the energy saving of the building to contribute to the welfare of society while reducing the operating costs of the enterprise.

The Chicony Intelligent Green Building uses the exclusively developed IWA intelligent building system that takes advantage of solar energy, air, water, wind power and other natural resources and integrates them seamlessly with energy management, intelligent lighting system, smart curtain system, image security system, parking guidance systems and air conditioning optimization system. It emphasizes the intelligent building concept of human-machine interaction, integrating water resources, electricity and other energy needs, achieving the goal of optimizing total resource utilization, and achieving high energy-saving and carbon-saving effects.



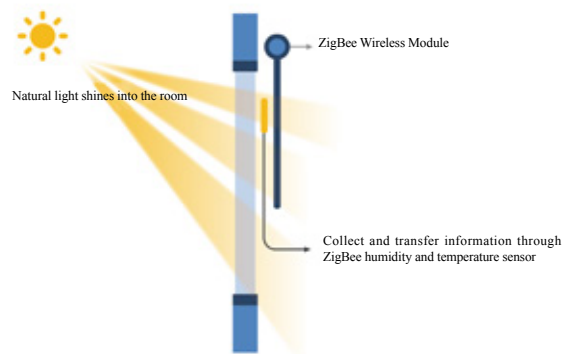
Using the lighting system as example, the Chicony building is capable of adjusting lighting to the outside environment appropriately. Together with the smart curtain system, curtain positions are automatically adjusted based on intelligent logic calculation performed according to the angle of the sun. The integration of outdoor and indoor environmental information, combined with the temperature conditions, allows the building to optimize the minimum operating energy consumption while maintaining comfort.



Smart Curtain System

We know the directions of light

The system is capable of automatically adjusting the curtain positions through intelligent logic calculation performed according to the outdoor humidity information and the angle of the sun in the area. Together with the thermometer, it can link with the Air Conditioning Optimization System and effectively reduce the energy consumption while improving the comfortableness.



Wireless Control

Adopt ZigBee Wireless Communication Technology as the information transfer structure to reduce the cost of pipeline construction.

Smart Calculation

Perform automated control logic of curtain according to different latitudes and longitudes, times and directions of building.

Remote Monitor

Provide real-time information monitor and remote control through Web or mobile app

System Integration

IWA Smart Building system integrating function can link air-conditioning and security systems and realize a more intelligent integrated service.

IWA Smart Curtain System

Since the IWA system was put in operation, the energy consumption reduced by about 50% compared to before use. In addition to greatly saving the operating costs of enterprises, we can make good use of natural resources and further contribute to the sustainable development of the environment.

Save about **50%**

In 2017 and 2018, Chicony Intelligent Green Building achieved excellent results in energy saving and carbon reduction

Year	KW / Year Used	Ping / Year Used	KW/Ping	KW increase/ decrease	Percentage %
2017	7,859,640	155,313	50.61	-4.45	-9 %
2018	7,874,920	170,618	46.16		

Honor

1. In 2017, won the "Platinum Award", the highest honor award of the 2017 TIBA Awards.
2. In 2018, won the "Platinum Award", the highest honor award in the Asia Pacific Intelligent Building and System Product Award (2018 APIGBA Awards).



2017 TIBA Awards



APIGBA
Asia Pacific Intelligent
Green Building Alliance

亞太地區智慧綠建築聯盟
Asia Pacific Intelligent Green Building Alliance

Although the total electricity consumption was higher in 2018 than in 2017, the reason is that the use of the number of pings (area) had increased. If it is converted to the electricity used per ping, it was reduced by 9%, thus achieved the benefit of carbon reduction. This fruitful result is attributed to the implementation of the savings strategy, which is briefly explained below:

1. Air conditioning system load management

Since the building is a large central air-conditioned building, it is difficult to have a standardized quantitative basis because there is no fixed indoor use mode or air-conditioning mode and ENVLOAD regulations also can't be applied. Therefore, Chicony uses an on demand application air-conditioning energy saving plan which approval is given after review. Rigorous management of room temperature ($25\pm 2^{\circ}\text{C}$), in parallel with the use of pre-cooling³, air conditioning ice storage systems to save energy and reduce electricity costs.

The energy-saving design allowed efficiency improvement by 42% compared to before. This is the energy saving of equipment technology. In the ventilation design, the Chicony Intelligent Green Building opens the fresh air system at 5:30 every morning to pre-eliminate the hot air, which can also reduce the air conditioning load.

2. Efficiency management of energy-saving equipment

◎ **Fan coil :**
Efficiency management of energy-saving equipment, energy saving 40%

Energy saving **40**

◎ **Elevator :**
The electric power regenerative system was added to replace the traditional brake resistors, so that the elevators simultaneously generated power while in operation. The power regeneration rate was 26.8%.

Power regeneration **26.8** %

◎ **Honeycomb curtains :**
Make good use of honeycomb insulation curtains: Open at 6 o'clock every morning to reduce the accumulation of solar radiant heat and reduce radiant heat conduction by 30%, thereby reducing the air conditioning load.

Radiant heat conduction by **30** %

◎ **Total heat exchanger :**
This is a device that improves the indoor air quality by introducing outside air, and now reduces the heat loss of fresh external gas exchange by 12%.

Loss of fresh external gas exchange by **12** %

◎ **Glass curtain :**
The shading coefficient⁴ is 0.25, which is lower than the green building specification of 0.35, which effectively blocks solar radiant heat.

◎ **Ice storage air conditioner :**
From June to October, it can save at least 60% of the energy requirements of the air conditioning host during the day.

Can save at least **60** %

3. Future energy saving plan

◎ **Lighting :**
Lighting energy saving regulation and saving rate.

³ High floors 38, 39F 6:00AM turn on air conditioning, overall air conditioning: 7:00AM open, can effectively reduce the RT number of air conditioning load during daytime peak hours

⁴ The lower the shading coefficient, the better the ability to block solar radiant heat

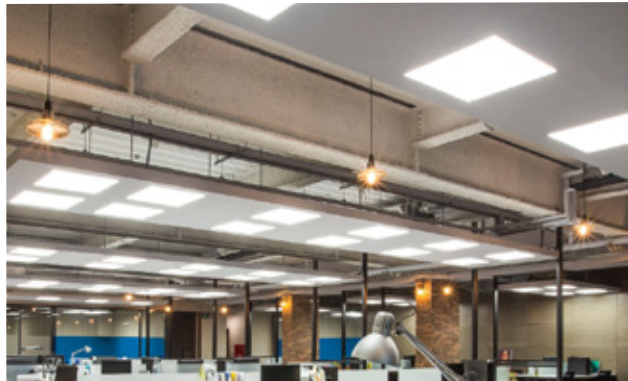
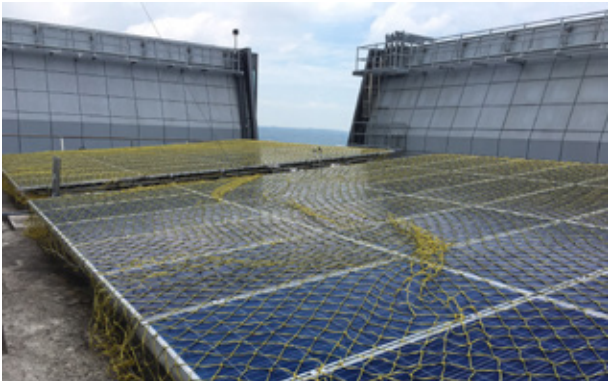
Future energy saving plan

1. Set the energy saving KPI for the next year in accordance with actual energy consumption situation of the year.
2. Review the energy saving KPI every month. If saving was not possible, find out the reasons through the organization and improve it. .
3. Organize and analyze the power of each floor (including lighting and sockets) and the electricity consumption records of air conditioners. If there are any abnormalities, reflect them in time and find out the reasons.
4. The equipment operation control time change must be approved by the management supervisor.
5. Operation management records need to be retained and analyzed.
6. The equipment maintenance plan shall be implemented to ensure the efficiency of equipment use.
7. Make good use of various management tools.
8. Electricity demand is divided into three levels of control: through clear definition of corresponding practices, effective control of power demand, maintained within the contract capacity of 1200KW.

Level 1: Stop the induced fan with a total load of 1120KW

Level 2: Total load up to 1155 KW to stop the full heat exchanger

Level 3: Total load up to 1170KW public area FCU set room temperature increased by 2°C



Social Sustainability Everlasti



ng Care



Benefit and Contribution

Chicony has been deeply involved in the Taiwan society for 30 years, its achievements are only possible because of the support and affirmation of every link in the society. Over the years, Chicony has contributed back to the society with gratitude, including education promotion, local development, and care for the disadvantaged. We have spread the resources and love of the group into all corners of Taiwan, starting from taking up our civic duties as citizens and together create social sustainability.



Education Promotion

Education promotion receives the highest proportion of the Group's attention in sustainable projects in the society, because we believe that education is the cornerstone for cultivating talents and long-term development. We start from education, build a bridge between academics and industry and inject innovation energy into the industry

In 2018, Qunguang was invited by the National Taipei University of Science and Technology and the National Chengchi University to set up scholarships and lectures, and sponsored the Paper Windmill Culture and Education Foundation to hold the "Paper Windmill 368 Township Urban Children's Art Project" and cooperated with the AAEON Cultural and Educational Foundation that established the "Chicony Art Corridor", regularly exhibiting and introducing the works of the painters for the cultural and artistic enrichment of our daily lives.



Category	Project		
University Talent Cultivation	National Taipei University of Science and Technology R & D New Talent Scholarship (Chicony Group)	TWD	12,300,000
	National Chengchi University Creativity Lecture	TWD	500,000
Foundation	Paper Windmill Culture and Education Foundation " Paper Windmill 368 Township Urban Children's Art Project "	TWD	2,000,000
	Creative Education and Management Foundation	TWD	500,000
	Grassroots Influence Foundation	TWD	500,000
	AAEON Foundation	TWD	172,000
Total	15,972,000		



Social Sustainability Everlasting Care

Contribution to Local Community

Contribution to local community is mainly divided into local development and disaster relief donations; and when large-scale social incidents occur, such as the Formosa Fun Coast Explosion and the Tainan earthquake, Chicony also participated with donations and provided employment opportunities.

Category	Project	Amount
In-situ development	New Taipei City Xianse Temple Foundation	TWD 300,000
Disaster relief donation	20180206 Hualien disaster relief Hualien County Social Assistance Account	TWD 10,000,000
Total		10,300,000



Care for the Disadvantaged

Chicony's concern for the the disadvantaged starts from the surrounding environment, disease prevention and treatment, physical and mental disorders, and family support are all issues of concern. Not only does Chicony organizes and promote donations, but its employees also set up a community assistance organization called " Chicony Humanitarian Club" , adhering to the philosophy of " to help others is to help oneself and to help complete life" , helping those in need regardless of age or class. It shows the social value atmosphere of Chicony from the inside out and how we are deeply connected with the society. We believe that enterprises and society are a community of coexistence, mutual prosperity and mutual influence. Caring for the weak is not only the sharing of resources, but also sharing of the goodwill and creating meaningful existence.

Category	Project	Amount
Disease Prevention	Liver Disease Prevention & Treatment Research Foundation	TWD 2,000,000
	Taiwan Health Foundation	TWD 4,000,000
	Tzih Huai Social Welfare Foundation	TWD 2,000,000
Family Assistance	Scholarship/The Guardian Angel Project	TWD 492,000
	The Orphan Welfare Foundation 2018 Ride for Love event, 2018 Little Stars Painting Competition, Orphan Welfare Foundation 50th Anniversary Appreciation Concert, 50th Anniversary Charity Sale event, summer vacation visits to Chicony Intelligent Green Building.	TWD 418,011
	Andrew Charity Association Caring for vulnerable families and children's growth project.	7,000
	Chung Yi Social Welfare Foundation material donation, charity stall adoption and kermesse ticket purchase.	TWD 58,000
	Chaochou Daycare Resource Center Caring Heart fundraising event.	TWD 8,700
	Tzih Huai Social Welfare Foundation Family Giftbox charity sale.	TWD 26,200
	Suang Lien Palliative Care Center.	TWD 2,500,000
Total		11,509,911

Scholarship / The Guardian Angel Project



(Peer donation)

2017
Period Total TWD 204,000

(Peer donation)

2018
Period Total TWD 282,000

2018 Little Stars Painting Competition



2018 Ride for Love event



2018 Ride for Love event, 2018 Little Stars Paiting Competition, Orphan Welfare Foundation 50th Anniversary Appreciation Concert, 50th Anniversary Charity Sale event, summer vacation visits to Chicony Intelligent Green Building

TWD

198,011

Scholarship / The Guardian Angel Project



2018 Chung Yi foundation carnival



活動時間：2018.5.5(六) 10:00~16:00

活動地點：花博公園 花海廣場
(捷運圓山站1號出口)

愛心專線：(02)2930-2600

參與方式：



忠義基金會簡介

因應兒童少年成長階段不同的身心發展需求，忠義採分齡分期服務方式設置數個家園，提供兒童緊急短期安置、兒童及青少年中長期安置、以及國內外收養諮詢與媒合等服務；透過完整的服務體系，來到忠義的孩子都能再次重拾生活、就學、醫療的保障，並且感受到家的溫暖，甚至有機會透過收出賣的安排，重新找到新的家庭，持續幸福的成長。
南部教字第1061364706號

主要贊助單位：SiliconMotion 慧榮科技 主辦單位：忠義基金會



愛心園遊會



忠義基金會FB



Blood donation

Members of Chicony also rolled up their sleeves to donate blood as a practical contribution to the society.

In 2017, a total of
225 people

357
(Bags of Blood)

In 2018, a total of
273 people

468
(Bags of Blood)



Baking with Love lunch boxes

" Baking with Love lunch boxes " from the Children Are Us Foundation were ordered and distributed to blood donors. In the future, we will also organize regular blood donation activities for employees to make a contribution to Taiwan's emergency rescue.

Chaochou Daycare Resource Center - Caring Heart fundraising event



Jupy Tsao 分享了潮州托育資源中心的貼文。

4月24日 · 3



潮州托育資源中心 新增了 2 張相片。

4月21日 · 高雄市 Chaochou · 3

🎉🎉🎉感謝~#群光電子股份有限公司

今日收到7大箱由北部募集的愛心玩具分享

日後將由「玩具外賣車」送達至偏鄉給孩子們囉~

🥰分享玩具、分享愛🥰

#潮州托育資源中心

#承辦單位 美和科技大學

#主辦單位 屏東縣政府

說這專頁讚



Total TWD 8,700

Employee Care and Development



ent



Career Development and Friendly Workplace

Co-create Career Value with Employees

Chicony's presence spans Asia, Europe and the Americas. Currently, there are about 30,000 dedicated professionals worldwide working for Chicony. Chicony is committed to all employees and strictly abides by the RBA Code of Conduct, International Labor Convention and the Global Sullivan Principles, which do not use race, gender, age, beliefs, and political positions as criteria for employee retention, salary and benefits, performance appraisal, and job promotion, and also ensure that adjustments can be made in real time as the law changes.



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)



2017 : 27,413 person

2018 : 26,225 person

⁵ The data is the total number of annual payrolls, including person(s) who moved during the year

Employee Nationality		
Year	2017	2018
Taiwan	1,602 人	1,661 人
China	25,800 人	24,556 人
Other	11 人	8 人



Ratio of Employee Composition		
Year	2017	2018
Regular contract employee	 9,850	9,939
	 9,228	9,468
Temporary Employee	 1,312	1,248
	 890	791
Ratio (Male/Female)	1.103	1.09

Ratio of Management Gender ⁶		
Year	2017	2018
Persons	 598	572
	 112	87
Ratio (M/F)	5.34	6.57



⁶ Management includes assistant manager and above positions.

Employee Care and Development



Parental Leave Data Information⁷

Chicony Electronics			
2017			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2017	78	50	128
No. of applicants for Unpaid Parental Leave in 2017	3	16	19
No. of people that should be reinstated after taken parental leave in 2017 (A)	3	12	15
No. of people who were reinstated in 2017 (B)	3	12	15
Reinstatement Rate (B/A)	100%	100%	100%
No. of people who were reinstated after taken unpaid parental leave in 2016 (C)	1	2	3
Parental Leave applicants reinstated in 2016 and completed 1 year of reinstatement in 2017. (D)	1	0	1
Retation Rate (D/C)	100%	0%	33%



⁷ Parental leave information.

Chicony Electronics			
2018			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2018	67	41	109
No. of applicants for Unpaid Parental Leave in 2018	0	5	5
No. of people that should be reinstated after taken parental leave in 2019 (A)	0	3	3
No. of people who were reinstated in 2018 (B)	0	2	2
Reinstatement Rate (B/A)	0%	67%	87%
No. of people who were reinstated after taken unpaid parental leave in 2017 (C)	3	12	15
Parental Leave applicants reinstated in 2017 and completed 1 year of reinstatement in 2018. (D)	2	11	13
Retation Rate (D/C)	67%	92%	87%

Parental Leave Data Information⁷



Chicony Power			
2017			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2017	84	26	110
No. of applicants for Unpaid Parental Leave in 2017	1	3	4
No. of people that should be reinstated after taken parental leave in 2017 (A)	1	2	3
No. of people who were reinstated in 2017 (B)	0	1	1
Reinstatement Rate (B/A)	0%	50%	33%
No. of people who were reinstated after taken unpaid parental leave in 2016 (C)	0	1	1
Parental Leave applicants reinstated in 2016 and completed 1 year of reinstatement in 2017. (D)	0	1	1
Retation Rate (D/C)	N/A	100%	100%

⁷ Parental leave information.



Chicony Power			
2018			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2017	86	30	116
No. of applicants for Unpaid Parental Leave in 2017	0	5	5
No. of people that should be reinstated after taken parental leave in 2017 (A)	0	2	2
No. of people who were reinstated in 2017 (B)	0	2	2
Reinstatement Rate (B/A)	N/A	100%	100%
No. of people who were reinstated after taken unpaid parental leave in 2016 (C)	0	1	1
Parental Leave applicants reinstated in 2016 and completed 1 year of reinstatement in 2017. (D)	0	1	1
Retation Rate (D/C)	N/A	100%	100%

Employee Care and Development

Parental Leave Data Information⁷

XAVi			
2017			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2017	7	3	10
No. of applicants for Unpaid Parental Leave in 2017	0	0	0
No. of people that should be reinstated after taken parental leave in 2017 (A)	0	0	0
No. of people who were reinstated in 2017 (B)	0	0	0
Reinstatement Rate (B/A)	N/A	N/A	N/A
No. of people who were reinstated after taken unpaid parental leave in 2016 (C)	0	0	0
Parental Leave applicants reinstated in 2016 and completed 1 year of reinstatement in 2017. (D)	0	0	0
Retation Rate (D/C)	N/A	N/A	N/A

⁷ Parental leave information.

XAVi			
2018			
			Total
No. of candidates qualified for Unpaid Parental Leave in 2018	6	3	9
No. of applicants for Unpaid Parental Leave in 2018	0	1	1
No. of people that should be reinstated after taken parental leave in 2019 (A)	0	1	1
No. of people who were reinstated in 2018 (B)	0	1	1
Reinstatement Rate (B/A)	N/A	100%	100%
No. of people who were reinstated after taken unpaid parental leave in 2017 (C)	1	0	0
Parental Leave applicants reinstated in 2017 and completed 1 year of reinstatement in 2018. (D)	0	0	0
Retation Rate (D/C)	0%	N/A	N/A

Employment Relationship and Career Development

Maintaining and improving the quality of the employment relationship is an issue of extreme importance to Chicony. In addition to ensuring the performance of our members, we also provide from the most basic labor rights, education and training to welfare system to our employees. Chicony hopes to maintain cohesion and symbiosis between the Group and the employees, to maintain and continuously improve the quality of the employment relationship.

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, our HR department will continue to following-up by phone or email and if health factors are involved, it will provide medical treatment referrals.



















Employment Procedure as Follows





Hiring	Transfer	Departure response
<ol style="list-style-type: none"> 1. Execute according to the employee recruitment selection method. 2. Applicable candidates : The employees of the Headquarter, overseas factories, and overseas branches where to be stationed. 3. The human resources department coordinates the talent needs and draws up the annual human resources plan. 4. Publish job vacancies through the multi-disciplinary pipeline. 5. Recruit and review with local regulations and the needs of each unit. 	<ol style="list-style-type: none"> 1. Upon the recommendation of the head of the unit and the HR department, the supervisor will first consult the employee and obtain the consent. 2. After obtaining the consent, the HR personnel fill in the personnel change application form, and the petition is transferred and transferred to the unit supervisor for signing. 3. Notify the employee of the change time, and announce the change of the month at the end of each month. 	<ol style="list-style-type: none"> 1. Inform the resignation and transfer information during the announcement period in accordance with local regulations. 2. The human resources department assists in the exit interview, understands the reasons, and tries to stay. 3. After the resignation, the staff will continue to be cared for. If there are health factors, they will also assist in follow-up medical treatment. 4. Set up each duty agent to respond to the flow of personnel. The operation shall not be affected due to the departure of personnel.

Employee Care and Development

Average Hours of Training Received

Region of Operation		Chicony Electronics							
		Headquarter		Dongguan Plant		Suzhou Plant		Chongqing Plant	
Year		2017	2018	2017	2018	2017	2018	2017	2018
Gender									
Average hours of training for Management		3.9	1.7	4.7	1.9	21.1	14.6	22.1	14.7
Average hours of training for non-management		42.1	13.5	26.9	16.5	7.3	3.7	4.5	2.7

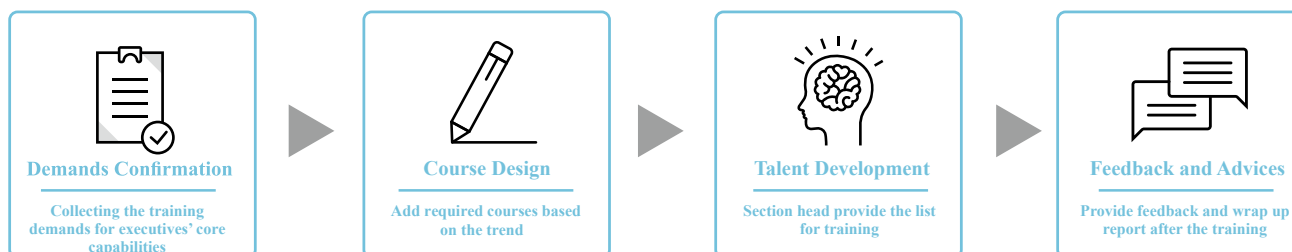
Region of Operation		Chicony Power							
		Headquarter		Dongguan Plant		Suzhou Plant		Chongqing Plant	
Year		2017	2018	2017	2018	2017	2018	2017	2018
Gender									
Average hours of training for Management		5.5	4.9	10.0	8.0	6.6	4.6	5.0	3.7
Average hours of training for non-management		2.7	2.7	10.3	10.2	36.4	19.8	43.8	26.1

Region of Operation		XAVi			
		Headquarter		Dongguan Plant	
Year		2017	2018	2017	2018
Gender					
Average hours of training for Management		12.1	2.6	7.7	1.8
Average hours of training for non-management		12.2	10.8	7.7	6.5

Complete Vocational Training, Online Synchronous Learning

Chicony focuses on the development of a complete and diverse education and training system. In addition to detailed planning for management and general employees, it also includes on-the-job training programs, such as job rotations and overseas assignments, depending on the department and position. During the project experience, through the continuous guidance and feedback of the supervisors and senior colleagues and departmental colleagues, every member of Chicony can continue to improve in their respective positions and support each other's progress. In addition, we also provide career planning for retired employees to achieve spiritual satisfaction and personal value through continuous contribution to the profession.

According to the needs of the organization, in 2017, both the management and the general staff have corresponding curriculum arrangements. The management team, the middle-level supervisors focus on strengthening talent management, such as team management, interpersonal communication, selection and leadership, planning and cultivation; senior executives focus on the improvement of decision-making and resilience, including industry trend development, risk and crisis management. In addition, general employees also receive personalized courses based on different job functions.



In 2018, Chicony also introduced the E-Learning system, enabling staff members to conduct more diversified vocational training effectively. Including before April 2018, the Group EMT online course, the Chicony DCD test system, and the Group training blueprint were all online. The human resources departments of the subsidiaries also uploaded all the courses in 2017 into the system. MIS also completed combining the training system, the employee website and the signing system. From May 2018, the Chicony classroom courses, external training courses, newcomers training, fire safety and health training and management articles are available online. In the second half of 2018, the group's knowledge sharing space will be launched, and other in-house lecturer online courses will be launched.



Employee Care and Development

After the implementation of the course, the Human Resources Department will make a closing report through feedback from each participant. Among them, 2017 and 2018 course satisfaction includes four major aspects: course evaluation, lecturer evaluation, administrative arrangement and study evaluation. Adjustment to curriculum is made in accordance with employee demand to ensure that the career development curriculum offered by Chicony to continue to evolve and meet actual needs.

In addition to the above, the Group's education and training system also includes on-the-job training links, such as job rotations, overseas assignments, and continuous tracking of market demand and adjustment curriculum guidelines. In 2017, Chicony provided patent training for non-managerial R&D personnel. According to the advice of patent consultants, the different projects were divided into two phases, which enabled the colleagues to obtain complete knowledge training from theory to practice.

Phase	Objective	Course Name	Hours	Target
Phase One	Establish the correct patent concept	Get to know about patent/Introduction to patent application	3 hr	non-managerial R&D personnel
		Interpretation of patent specifications	3 hr	
Phase Two	Establish practical operational capabilities	Patent search practice	3 hr	
		Introduction to patent infringement and analysis	3 hr	

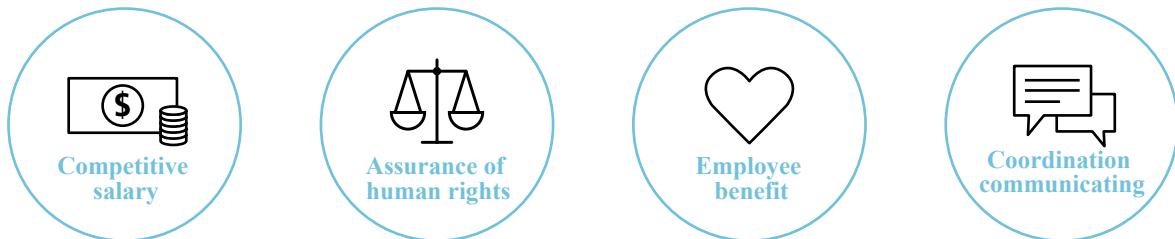
Audit and Evaluation

For the newcomers, there will be an appraisal system at the expiration of the trial period. An annual performance appraisal is conducted for all employees. Through a fair and transparent appraisal system, it can not only enhance individual competitiveness, but also serve as an important reference for the development of personal career ability.



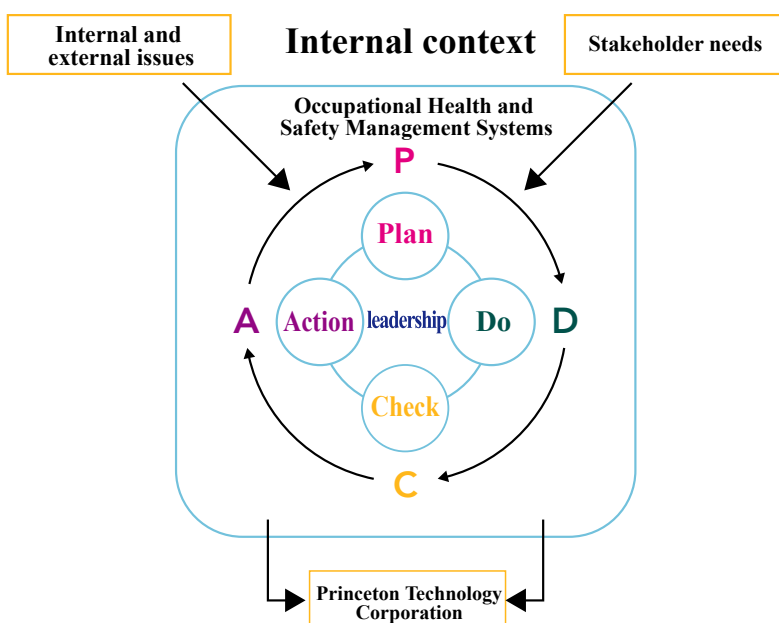
Employee Care and Healthy Living

In recent years, employees' working environment and healthy living has become one of the hot topics of discussion in Taiwan. Chicony is committed to providing the best happiness value to every loyal Chicony member. We hope to jointly achieve the goal of sustainable development.



Occupational Health and Safety Committee

The Group has established the Industrial Safety and Health Service since 2010 to coordinate workplace safety and health issues. In addition, all factories in China have set up safety and health committees and responsible specialists to implement important issues such as safety and health improvement and supervision of injury rate. In addition to the company's internal parallel management, it also assists supply chain audits and workplace health promotion issues. In addition, Chicony has introduced four environmental safety management systems in 2017, including ISO 14064-1, ISO 14001, ISO45001 and OHSAS18001.



Employee Care and Development

Proportion of workers on the EHS Committee

Company and Plant	Chicony Headquarter		Chicony Electronics Dongguan Plant		Chicony Electronics Suzhou Plant		Chicony Electronics Chongqing Plant	
Year	2017	2018	2017	2018	2017	2018	2017	2018
%	75%	82%	82%	82%	83%	83%	85%	86%

Proportion of workers on the EHS Committee

Company and Plant	Chicony Power Headquarter		Chicony Power Dongguan Plant		Chicony Power Suzhou Plant		Chicony Power Chongqing Plant	
Year	2017	2018	2017	2018	2017	2018	2017	2018
%	78%	78%	81%	81%	80%	80%	80%	80%

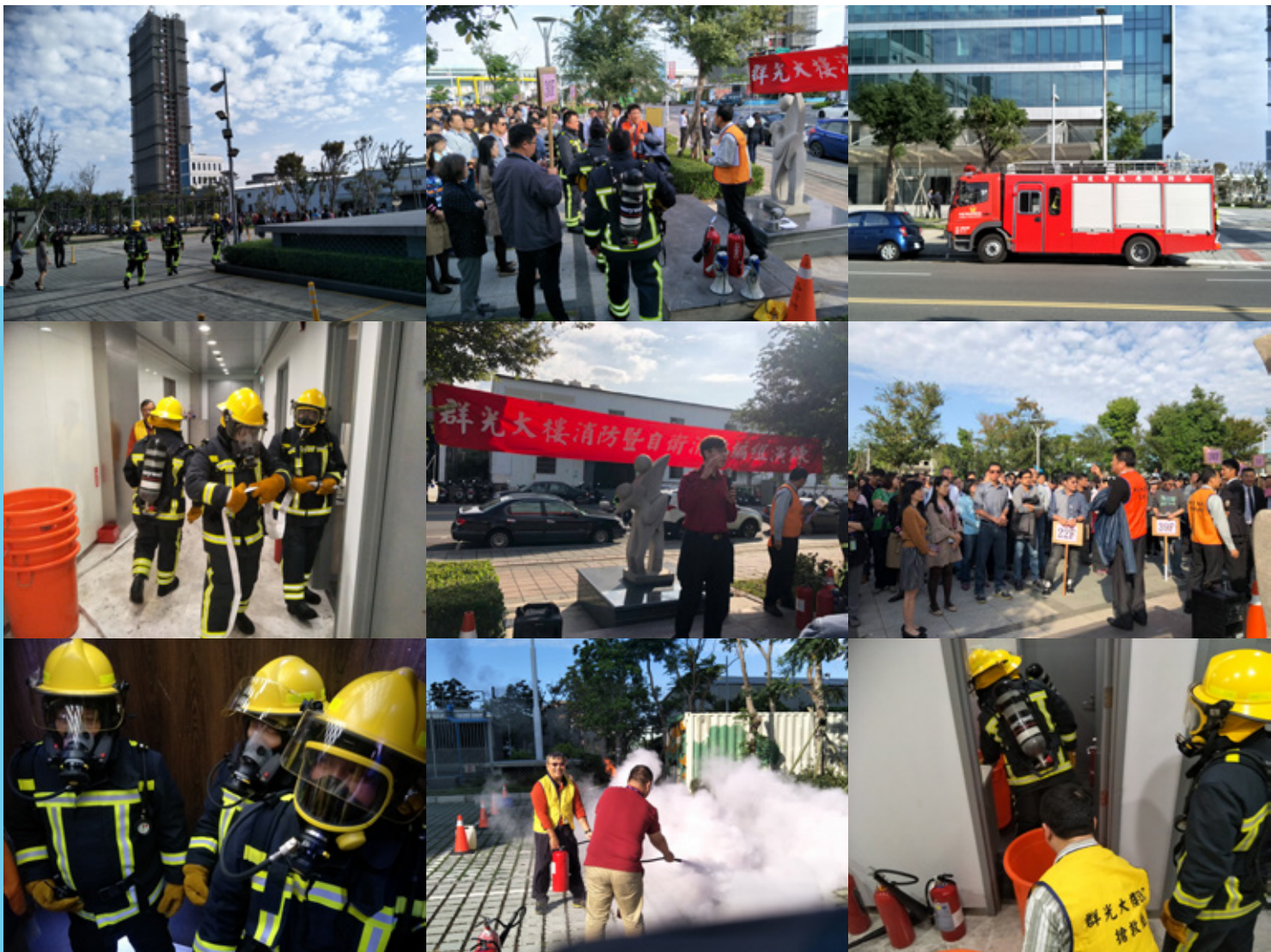
Proportion of workers on the EHS Committee

Company and Plant	XAVi Headquarter		XAVi Suzhou Plant	
Year	2017	2018	2017	2018
%	77%	77%	71%	71%

Occupational Disasters and Work-related injuries

Disaster Prevention Drill

During the planning stage of the Intelligent Green Building, Chicony already simultaneously considered various handling methods for emergencies and accidents. In 2017, the focus was on the fire prevention measures of the Intelligent Green Building. The Taipei area implemented 18 training sessions. In addition to being able to respond to a variety of emergencies, employees are familiar with the Emergency Response Manual. In 2018, the Group implemented 115 fire extinguishers tests at all levels, a total of 110 tested qualified, equivalent to a 96% pass rate. For the seven tenants in the Intelligent Green Building, 100 fire-fighting trainings on a case-by-case basis were given, plus all new employees, a total of 600 people completed fire fighting training.





Firefighting Response Team to Hsinchu to Conduct

In 2018, Chicony also sent a group of 15 people from its firefighting response team to Hsinchu to conduct relevant fire training to train and foster their ability to respond to accidents. At the end of 2018, emergency response drills were also carried out. All people in the building (including tenants) needed to be evacuated to the open space on the 1st floor to implement the emergency response mechanism. In addition to regular training, the Chicony Firefighting Response Team, in addition to receiving professional training, also have the necessary hardware, including a total of three sets of European firefighting suits as well as the SCBA air breathing apparatus. In addition to the disaster prevention drills for newcomers training in mainland China, there are also training related to fire prevention.

Safety Performance

Under the efforts of the security officers of the Chicony Building and the various projects, the following results were achieved :

Year 2018

Test Items	Audit Results
Audit Performance	The security officers planned to complete the 21F~39F audit and the B4F~RF public area audit. At present, there are mainly three main fault items, 32 lesser faults, and 32 observed faults; a total of 67, with an improvement rate of over 95%, and continued auditing.
Regular Meeting Discussion	Hold monthly meetings of the Safety and Health Committee and Safety Officer, and integrate relevant gaps and promote overall improvement in performance and effectiveness.
Electrical/chemical safety performance	Improve the safety of the extension cord/electric soldering iron and electrical appliances/chemical safety, and check the relevant hazard label (prevent 12 sources of risk).
Hazard source elimination performance	Strengthen the regular inspection/announcement and 5S sorting of each floor to improve safety management and eliminate potential hazards.
Testing Operation	<ol style="list-style-type: none"> 1. Property insurance risk (flooding potential) survey 2. Infrared thermal image scanning project, a total of 283 checkpoints were verified, 3 had anomaly and were corrected and completed in time. 3. The Group's overall "Fire Inspection Report" and "Building Public Safety Inspection" are all qualified. 4. Earthquake fixation project
Law and regulation update	Produce the latest safety and hygiene codes and implement its disclosure to all employees

Year 2017

Test Items	Audit Results
Audit Performance	The security officers completed the 21F~39F audit and the B4F~RF public area audit. 14 main fault items, 49 lesser faults, and 55 observed faults; a total of 118 were detected and corrected, with an improvement rate of over 95%.
License Performance	All 20 security officers completed the course and obtained license for the safety and health operation supervisor, 100% pass rate.
Electrical/Chemical Safety Performance	Improve the safety of the extension cord/electric soldering iron and electrical appliances/chemical safety, and check the relevant hazard label (prevent 12 sources of risk).
Classroom training	<ol style="list-style-type: none"> 1. Fire-fighting actual fire-fighting training: 1,233 person/times; the class attendance rate is over 86%. 2. Classroom training for emergency responders (including fire protection system): The group has a total of 400 training person/sessions.
Elimination of hazardous risk performance	Strengthen the regular inspection/announcement and 5S sorting of each floor to improve safety management and eliminate potential hazards.
ISO Environmental safety system certificatio	In 2018 obtained SGS certification including ISO14064-1/ISO14001/OHSAS18001 systems which improves CSR performance and meeting customer requirements.
Chicony Firefighting Team	Establish a contingency process SOP/notification process/build respond equipment/train respond team.

Healthy Lifestyle

Health management and promotion program

Employee health management and promotion plan, guarding the health of all members of Chicony, including medical office, counseling room and medical staff in the production plants.

In addition to regularly inviting professional physicians for weekly in-house visits, health talks and health checks for employees, those at high risk for cardiovascular diseases or other high-risk conditions, Chicony also provides treatments and follow-ups. In 2018, the number of services provided by factory doctors also reached 281 cases.



In addition, the supervisors are also required to conduct employee work hours inspections, fill out the self-overload checklist, and provide consultation and prevention manuals in the infirmary, assist in the referral and follow-up of high-risk groups, and provide peer-to-peer decompression activities. Programs, such as aerobic dancing, occasional Pilate and aerobic classes, etc., the actual participation rate after the class registration has more than 80% attendance rate.



Female Employee Care

Globally, gender-related declarations and actions are being carried out in various corners. Countries are committed to real gender equality. Women’ s inconvenience due to gender in the workplace can be achieved through corporate efforts. Chicony always made efforts to meet female employee needs, such as a more-friendly breastfeeding room, maternity incentive system, and Pap smear for screening are also offered.

Year 2017

26cases

Maternal protection services such as prenatal, postpartum and lactation

Year 2018

15cases

Maternal protection services such as prenatal, postpartum and lactation

Year 2017

70cases

Pap smear Participation Rate

Year 2018

51cases

Pap smear Participation Rate

Such as a more-friendly breastfeeding room, maternity incentive system, and Pap smear for screening are also offered.



Employee Care and Development

Employee Care

Employee Benefits

Talents are the most valuable assets of Chicony. We understand that only the support and efforts of our employees can make supporting the big Chicony family and its brilliant achievements possible. The Employee Welfare Committee has the following activities and plans :

Item	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	Sports activities : baseball, basketball, table tennis and bowling tournaments. Charity activities : monetary donation 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 networking activities : Autumn tourism, the stars of Chicony. (Excellent employees from mainland China who have been with Chicony for more than 10 years are invited to visit Taiwan)
Employee Assistance	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.



Among the work projects of the Welfare Committee, the most popular activities are the social club activities. Currently, there are five clubs active and receive more than NTD300,000 annually in funding. The sports activities held every year are especially grand. In addition to being able to improve relationship and share the interests among employees, the tournament format add more fun to the physical hard work.



Art and cultural

In 2017, the Chicony Intelligent Green Building began to set up an art and cultural corridor to enhance the artistic atmosphere of the working environment, so that employees can enjoy the creation of different artists at work. Here, the office is not just an office, but the art corridor on each floor adds beauty and new vitality to the work environment.

Happy Family Project

Employee Benefits

Chicony takes care of not only the individual employees, but also the happiness of the family together with the employees. For this reason, the Happy Family muproject has emerged as the times require, providing support for maternity protection, family care support, family relationships, and emotional bonding.



Maternity Protection

1. Consultation with 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.



Since the increase in the amount of maternity incentives in 2013, 124 applicants have applied to date. In 2017 and 2018, there were 23 and 17 applications respectively, supporting employees to form a family, and entering the next stage of life.

Applicant has
applied for so far 2013

124 Cases

Applicant has
applied for so far 2017

23 Cases

Applicant has
applied for so far 2018

17 Cases



Four blue binder rings are visible at the top of the page, each with a circular hole in the center. The rings are arranged horizontally and are part of a larger blue binder or folder.

Appendix

GRI Indicator Cross-reference Chart

General Exposure-core Options		
General Exposure	Exposures	Page Number / Url And Descriptions
Group Overview		
102-1	Name of the organization	Chicony Group
102-2	Activities, brands, products, and services	P12
102-3	Location of headquarters	TA
102-4	Location of operations	P10-11
102-5	Ownership and legal form	More information on 2018 Chicony Group annual report
102-6	Markets served	P10-11
102-7	Scale of the organization	P10-12
102-8	Information on employees and other workers	P78-99
102-9	Supply chain	P41-43
102-10	Significant changes to the organization and its supply chain	No relevant circumstances
102-11	Precautionary Principle or approach	P18-21
102-12	External initiatives	P28,P41,P78
102-13	Membership of associations	P28
strategies		
102-14	Statement from senior decision-maker	P6-7
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	P18,P28
102-18	Governance structure	
Stakeholder communication		
102-40	List of stakeholder groups	P24
102-41	Collective bargaining agreements	Chicony Group has no Union organization, so no signing related group agreement. However, Chicony regularly held Labor-management conference to promote communication between employers and employees; Group employees are officially signed the Labor Contract.
102-42	Identifying and selecting stakeholders	P18-19
102-43	Approach to stakeholder engagement	P20-21
102-44	Key topics and concerns raised	P26-27

Reports		
102-45	Entities included in the consolidated financial statements	more informations on 2018 Chicony, Chicony Power Technology, and XAVi Technology annual reports.
102-46	Defining report content and topic Boundaries	P4-5
102-47	List of material topics	P27
102-48	Restatements of information	No relevant circumstances
102-49	Changes in reporting	No relevant circumstances
102-50	Reporting period	P4
102-51	Date of most recent report	P4
102-52	Reporting cycle	Once every two years
102-53	Contact point for questions regarding the report	P5
102-54	Claims of reporting in accordance with the GRI Standards	Core Options
102-55	GRI content index	P100-102
102-56	External assurance	Core Options
Management Policy		
103-1	Explanation of the material topic and its Boundary	P26-27,P4
103-2	The management approach and its components	P25
103-3	Evaluation of the management approach	P25
Specific Subject Disclosure		
General Exposure	Exposures	Page Number / Url And Descriptions
201 Economic Performance		
201-3	Defined benefit plan obligations and other retirement plans	P94-87,P85
203 Indirect Economic Shock		
203-2	Significant indirect economic impacts	P66-67
205 Anti-corruption		
*205-1	Operations assessed for risks related to corruption	P29
302 Energy		
302-1	Energy consumption within the organization	P48-50
302-4	Reduction of energy consumption	P52-53,P58-63

GRI Indicator Cross-reference Chart

305 Emission		
*305-1	Direct (Scope 1) GHG emissions	P44-47
*305-2	Energy indirect (Scope 2) GHG emissions	P44-47
305-4	GHG emissions intensity 13	P44-47
305-5	Reduction of GHG emissions 14	P44-47
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	P44-47
401 Labor Relationship		
*401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	P94-97
*401-3	Parental leave	P80-82
403 Occupational Health&Safety		
*403-1	Occupational health and safety management system	P88
404 Training& Education		
404-1	Average hours of training per year per employee	P84-85
404-3	Percentage of employees receiving regular performance and career development reviews	P84-85
405 Employee Diversity and Equal Opportunities		
405-1	Diversity of governance bodies and employees 6	P84-85
418 Customer Privacy		
*418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P35

原価	3,427,282	27,538,736	461,612,488	59,981,172	42,470,660
	544,594	497,019,435	451,145,172	42,470,660	27,051,955
	...	481,445,903	353,910,848	190,286,626	3,789,108
	...	370,223,764	53,311,244	29,543,201	1,730,369
	49,296,298	4,228,750	7,623,138
	27,244,729	97,234,324	379,111
	47,373,040	5,714,304	1,896,979
	1,989,492	4,228,789	17,511,081
	2,116,082	1,826,264	8,608,090
	1,463,137	4,091,600	1,313,183
	196,038	2,699,960	410,700
	25,535,617	1,027,490	223,368
	5,613,443	4,585,953	268,675
	3,077,635	1,508,318	198,783
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	5,344,397	164,978	835,770
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INDEPENDENT ASSURANCE OPINION STATEMENT

Chicony Group 2017-2018 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 verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of 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 2017-2018 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the Chicony Group's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000 Assurance Standard (2008) with 2018 Addendum 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 2017-2018 Corporate Social Responsibility Report provides a fair view of the Chicony Group CSR programmes and performances in 2017 and 2018. 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 2017-2018 economic, social and environmental performance information are fairly represented. The CSR performance information 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 AA1000AS (2008) with 2018 Addendum. 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 AA1000AS (2008) with 2018 Addendum and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

Methodology

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

- a 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.
- 15 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, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that Chicony Group has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. 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 material topics that will substantively influence and impact the assessments, decisions, actions and performance of Chicony Group and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the Chicony Group'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 continually provides the opportunity to further enhance Chicony Group's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the Chicony Group's responsiveness issues.

Impact

Chicony Group has Identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. Chicony Group has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the Chicony Group's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

Chicony Group provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Chicony Group's social responsibility and sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS (2008) with 2018 Addendum in our review, as defined by the scope and methodology described in this statement.

Responsibility

The 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 experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 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
2019-06-05

bsi.



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2017-2018

**Chicony Group Corporate Social
Responsibility Report**

群光集團企業社會責任報告書

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