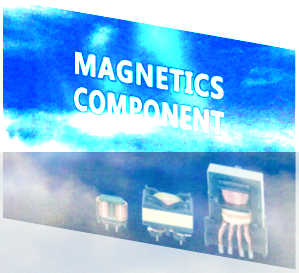
2022 Chicony Power Technology Sustainability Report











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About this Report

Chicony Power Technology Co., Ltd. (hereinafter referred to as Chicony Power) published this report in accordance with the GRI Standards (GRI Universal Standards 2021) announced by Global Sustainability Standard Board (GSSB) to disclose the Company's 2022 operational performance results and future plans, and to truly present Chicony Power's sustainability philosophy and goals to all stakeholders who are concerned about Chicony Power's operations. Chicony Power will continue to publicize all levels of social, environmental, and corporate governance information in the future for the public to understand Chicony Power's overall operating activities and future progress and prospect.

CSR Reporting Principles

The information of this report was disclosed based on the GRI Universal Standards (2021). In addition, the SASB (Sustainability Accounting Standards Board) indices were also adopted. For details, please refer to the GRI Content Index in Appendix 1 and the SASB Index in Appendix 2 of this report.

Reporting Period

The disclosed time period of this report is the year 2022 (1st January to 31st December 2022); the disclosed content includes Chicony Power’s CSR actions and performances in relation to corporate governance, environmental protection, and society as well as the Company’s responses to stakeholders’ issues of concern.

Scope of the Report GRI 2-2、GRI 2-4

The financial data presented in this report came from Chicony Power's consolidated financial/revenue reports. The scope of non-financial data/performance disclosure was focused on the production/operating bases listed below, which was the same as the 2021 report boundary. For any data revised due to errors generated during the previous reporting period, explanatory notes shall be provided in corresponding chapters or sections.

1. Chicony Power Headquarters
2. Chicony Power - Dongguan Factory
3. Chicony Power -Suzhou Factory
4. Chicony Power -Chongqing Factory
5. Chicony Power -Thailand Factory

Quality of Information and Data

The disclosed statistics of this report were obtained from the Company’s own statistics and surveys except the financial data which was open information certified by CPAs and was presented in values commonly used for description. The figures in the financial statements disclosed in this report were calculated in New Taiwan Dollars, while performances in relation to occupational safety and health were expressed with internationally recognized indicators.

Verification of the Report GRI 2-5

This report has been complied in accordance with the new-version GRI Universal Standards (2021). The direction of information disclosure is in line with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", "United Nations Sustainable Development Goals (SDGs)", and other relevant international standards.

Bureau Veritas Taiwan Branch was entrusted to conduct verification on this report and to issue the assurance statement. The verification results showed that the report complies with the core items disclosed in GRI Standards and AA1000ASv3 Series of Standards for Type 1- moderate level assurance.

Contact Us GRI 2-3

We welcome you to read Chicony Power’s 2022 ESG Report. GRI and SASB content index and material-issue disclosure index have been provided in this report for easier access to relevant information.

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

Chicony Power Technology Co., Ltd. ESG Working Group

This report was published in June, 2023 (We will continue to publish the Sustainability Report on a yearly basis.

Chicony Power Technology Co., Ltd.
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Message from Chairman & President GRI 2-22, GRI 2-23 and GRI 2-24

In 2022, despite the multiple challenges of spreading COVID-19 pandemic, rising geopolitical risks, and slacking global economy, Chicony Power still successfully broke through all restrictions by virtue of all employees' untiring efforts, and achieved remarkable performance with its revenue and profit hitting record highs again. In the past few years, the Company has been active in adjusting its product structure by focusing on high-value and high-growth products, and actively expanding the market for cloud-intelligence-related products, which has not only enhanced the Company's ability to cope with global economic fluctuations, but has also helped improve the Company's overall profitability.

When exerting efforts to create value for the industry, we always pay attention to issues such as climate change, environmental protection, etc., and regard energy saving and carbon reduction as real actions instead of just slogans. Therefore, we have been working on smart energy efficient solutions for years, and are committed to developing green products and technologies to achieve energy saving and consumption reduction, and also promoting solutions such as smart factory, smart manufacturing, etc. to achieve further energy efficiency. By adhering to "sound corporate governance", "safeguarding employees' human rights and welfare", "creating product's value/profit and protecting the earth" and "social and humanistic participation" as our core dimensions, Chicony Power firmly believes that only by establishing a sustainable business model and management framework can we achieve success in long-term operations.

Sound Corporate Governance

Sound corporate governance played a key role in the changing environment that the whole world was faced with in 2022. In response to the situations where extreme production capacity and raw material shortages occurred in the first half, and the supply chain's excess inventory pressure appeared due to globally economic slack-off in the second half, the Company's management team promptly adjusted their management directions by strictly controlling inventory levels and adjusting the Debt to Asset Ratio. As of the end of 2022, the Debt to Asset Ratio had dropped significantly to 54.1%, which is the first time that the Company's debt ratio had been lower than 60% since its establishment in 2008. The amount of inventory had also returned to the 2020-year-end level, showing that the Company's corporate quality is far stronger than before. According to TWSE's records, Chicony Power has been ranked within top 20% of the Corporate Governance Evaluation among TWSE/TPEx-listed companies for 8 of the past 9 years.

In addition, Chicony Power was ranked within the top 100 carbon-competitive enterprises in a survey conducted by Business weekly in 2022, and was ranked within the top 5 enterprises that had achieved the most carbon reduction within three years. Moreover, Chicony Power started to compile the 2021 Report on its own in 2022 (the previous reports were the Group's editions), and this report won the Company the TCSA Taiwan Corporate Sustainability Awards – Sustainability Report Bronze Award (Electronics/Information Products Manufacturing Sector). These achievements have demonstrated our determination and performance in sustainable development.

Safeguarding Employees' Human Rights and Welfare

Chicony Power strives to fulfill its corporate social responsibilities. We support and join the Responsible Business Alliance (RBA), and comply with its code of conduct to safeguard employees' human rights and welfare. Additionally, Chicony Power has followed the "Universal Declaration of Human Rights" and the International Labor Organization's Fundamental Conventions to formulate its human rights policy. We hope to fully demonstrate our respect and protection of human rights through acting in accordance with the human rights protection spirit and fundamental principles proclaimed in these international conventions.

We attach great importance to employee health. In addition to biennial regular health check-ups for employees and the provision of executive-level health examination packages for managerial staff, the advanced health examination package was extended last year to senior employees with over 15 years of tenure. Furthermore, starting in 2023, this advanced package will be available to employees with over 10 years of tenure, and in 2024, to those with over 5 years of tenure, with a frequency of once every three years. This initiative aims to provide employees with comprehensive health care benefits. Besides, in order to ensure a safe work environment for all employees, we emphasize employees' safety educational training, and organize different training sessions and related safety drills to meet the needs of different operating environment in the Headquarters and all factories. The safety training and drills are all correctly carried out on a regular basis.

Creating Product's Value/Profit and Protecting the Earth

Power supply unit is an energy bridge connecting the grid electricity system and the electronic products, and is widely applied in many areas. Chicony power is committed to developing high-efficiency and recyclable & reusable power supply solutions in response to the important role that power supply units play in energy saving and carbon reduction. With the aim of improving power supply unit efficiency, the Company has step by step initiated the introduction of the third-generation semiconductor materials GaN (gallium nitride) / SiC (silicon carbide). Such materials' excellent properties of fast switching speed and low RDS(ON) can effectively improve power supply units' conversion efficiency. It can also help reduce the size of transformer, which is a power supply unit's core component, to half of its original size, by which the use of materials shall be reduced, implying that product's weight and thickness can be reduced. This shall not only significantly reduce the use of mechanism materials, but shall also reduce the carbon emissions from transportation. In terms of recycling and reuse, we have increased the use of Post-Consumer Recycled Plastic (PCR) in power adapters' plastic shells. The percentage of PCR plastics used in production has increased from less than 1% in 2018 to 26.1% in the end of 2022, which has effectively reduced burdens on the environment and avoided waste of resources.

LED technology is energy-efficient and environmentally friendly. Chicony Power has been dedicated to the LED product sector for over a decade. In addition to providing design and module development for various interior and exterior automotive lighting in collaboration with original equipment manufacturers (OEMs), Chicony Power has achieved significant advancements in laptop keyboard backlighting technology. With a focus on Mini LED keyboard backlight module research and development, Chicony Power has successfully developed a unique technology that enables the keyboard backlight module to save over 50% of power consumption while delivering enhanced visual effects. This distinctive technology has earned recognition from major international corporations, and production and shipment have been underway since January 2023.Regarding the materials used in the backlight module, Chicony Power adopts recycled plastics, which are applied to various layers of the backlight module. The company completed mass production validation and commenced shipments in 2022.

In addition to power supply products and LED applications, Chicony Power has developed the "IWA (Intelligent Wireless Access) Smart Building Integrated Management Platform" based on data analysis and Artificial Intelligence of Things (AIoT) technology. The platform has incorporated elements such as eco-friendliness, social responsibilities, corporate governance into product design & planning, soft and hard service application integration, and professional energy consulting services, through which a complete solution with sustainable value shall be provided for customers in the global market. As indicated in the General Guide for Taiwan's 2050 Net-zero Emissions Pathway and Strategies announced in March 2022, by 2030, new publicly-owned buildings shall meet the requirements for "Level 1 Building Energy Efficiency" or "Near-Zero-Carbon Building", and by 2040, 50% of existing buildings shall be updated to "Level 1 Building Energy Efficiency" or "Near-Zero-Carbon Building". In terms of building performance efficiency, lighting and air conditioning are the two major issues that need to be solved; however, the traditional passive energy-saving and carbon-reducing building design can no longer meet future needs, and the "smart" active energy-saving and carbon-reducing technologies shall be employed to further achieve the goal of "Near-Zero-Carbon Building". Chicony Power's smart building solutions have been employed in several iconic buildings and electronics manufacturers' plants in Taiwan, allowing users to effectively grasp real-time energy usage information, and further use smart solutions for adjustment and control to achieve the effect of energy saving and carbon reduction.

Social and Humanistic Participation

In addition to promoting product's value chain progress and taking concrete carbon reduction actions, Chicony Power realizes that, as a corporate citizen, promoting social development is also an important responsibility of the Company. Chicony Power encourages employees to participate in public benefits activities, for example, the Group's blood donation campaign, charity sale and various donation activities for employees to practice social care with actions. Chicony Power also value the cultivation of talent. The Company has maintained a long-term industry-academia collaboration relationship with National Taipei University of Technology, and many well-known professionals and experts such as Professor Yen-Shin Lai, a famous scholar in the electricity and electronics areas, etc. In addition to a sponsorship of NT$ 5 million every year for research, the Company also provides scholarships and work placement opportunities for outstanding students. Students with excellent performance during their work placement may choose to be permanent employees of the Company after their graduation, through which the Company's R&D energy shall be conserved, and a win-win result shall be attained. The work placement programs were further extended to Taipei Tech's Department of intelligent Automation Engineering and National Chengchi University's Department of Business Administration in 2022 to provide more diversified job competency practice opportunities. Chicony Power has designed a complete course blueprint for employees' internal training, and has provided industrial graduate programs with some excellent colleges/universities such as National Taipei University of Technology, National Cheng Kung University, etc. for in-service employees to upgrade their study. The full amount of tuition fee shall be paid by the Company to ease employees' financial strain so that they can concentrate on the study and achieve self-growth.

Conclusion

The remark "The key to solving environmental problems lies in enterprises" made by the World Business Council for Sustainable Development (WBCSD) stressed that enterprises are playing a critical role in solving environmental problems. This is also a faith that we uphold all the time. In the past year, we not only focused on profit performance, but also worked hard to promote the practice of sustainable development. Such efforts have realized many important advances, and have also laid a solid foundation for Chicony Power's sustainable development. Sustainable development is a long journey that requires our continuous efforts and progress. We commit ourselves to deepening the concept of sustainable development, and integrating it into the core of our corporate missions. We clearly understand that it is not enough to pursue profit alone. We have a share of the responsibility to create value for society, and to promote sustainable environmental and economic development.



Chairman Lu, Chin-Chung



President Tseng, Kuo-Hua

2022 Key Performance Summary

Corporate Governance Performance

1. The 2022 annual revenue reached NT$41,066,110 thousands, hitting another record high.
2. The 2022 EPS was NT$8.22, hitting another record high. The ratio of return on equity (ROE) was as high as 27.3%.
3. Chicony Power has been ranked within top 20% of the Corporate Governance Evaluation among TWSE/TPEx-listed companies for 8 of the past 9 years.
4. Chicony Power was ranked within the top 100 carbon-competitive enterprises in a survey conducted by Business weekly in 2022, and was ranked within the top 5 enterprises that had achieved the most carbon reduction within three years.
5. Chicony Power started to compile the 2021 Report on its own in 2022 (the previous reports were the Group's editions), and this report won the Company the TCSA Taiwan Corporate Sustainability Awards – Sustainability Report Bronze Award (Electronics/Information Products Manufacturing Sector)
6. In 2022, no incidents that posed hazards to the Company's information security occurred; no complaints came from external parties that had been confirmed by the Company; nor did any complaints received from governing agencies.

Sustainable Value Chain Performance

1. The percentage of PCR plastics used in production has increased from less than 1% in 2018 to 26.1% in the end of 2022, which has effectively reduced burdens on the environment and avoided waste of resources.
2. 65W switching power supply units' ISO 14067 product carbon footprint verification has been completed.
3. The number of green patent filing has reached 530 since 2018 till 2022. The cumulative number of patent publication is 464.



Environmental Protection Performance

1. Chicony Power won the 1st "New Taipei Exemplar Enterprise Award – Energy Exemplar Group" in 2022.
2. Chicony Power's Dongguan Factory, Chongqing Factory and Suzhou Factory have obtained the ISO 50001:2018 certification in the past two years.
3. Chicony Power has formulated reduction strategies to achieve the SBT (Science Based Targets) goals for the carbon reduction responsibility it needs to assume. The strategies were approved by SBTi in July 2021, and the review of SBT goals was completed in 2022.
4. The reduction of GHG absolute emissions and GHG emissions intensity both achieved the SBTi-reviewed 2022 goals. The Scope 1 + Scope 2 emissions reduced by 16.3% compared to the base year emissions (the SBTi-reviewed 2022 goal was 8.4%); Scope 3 (Use of sold products) reduced by 28% compared to the base year emissions (the SBTi-reviewed 2022 goal was 5.0%).

Social Responsibility Performance

1. Adjust the tenure criterion for baby subsidies application: The original tenure requirement for baby subsidies application was three years or more; now the minimum tenure has been lowered to one year.
2. The "Incentive Measures for Having and Raising Children" was announced in 2013. As of 2022, a total of 80 persons-counts have been benefited, with a total subsidy amount reaching NT$ 5,540,000.
3. Chicony Power's (including the Headquarters' and all factories') total training hours were 166,838 hrs, and the total training investment was NT$ 21,191,869.
4. The "Deep-cultivation Training Development Plan" for R&D personnel provided 15 training courses in 2022, with the total training hours reaching 61 hrs.

Health and Safety Performance

1. The 2022 Disabling Injury Severity Rate (SR) in the Headquarters and all factories was reduced compared to 2021.
2. In 2022, the Company made the advanced health check-up package available for employees with a tenure of 15 years or longer, and will further make it available for employees with a tenure of 10 years or longer in 2023.
3. With long-term efforts in promoting the Company's exercise culture and caring for employees' physical and mental health, Chicony Power obtained the "Sports Enterprise Certification" in 2022.

Chicony Power's approaches in response to SDGs:

SDGs	
	**Ensure people's health and promote the well-being of all ages** 3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases, and combat hepatitis, water-borne diseases and other communicable diseases. 3.6 By 2030, halve the number of global deaths and injuries from road traffic accidents. 3.8 Achieve universal health coverage (hereinafter referred to as UHC), including financial risk protection, access to quality essential health-care services, and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1.Administer flu vaccination 2.Smear tests / mammography for female employees 3.On-site doctor consultation services (once a month) 4.Employee health examination every two years 5.Health check-up package for supervisors 6.Health check-up package applicable to employees with a tenure of 15 years or longer 7.Grade-based health tracking and blood test abnormal result recheck	6.2 Comprehensive Employee Health Management

SDGs	
	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** 4.4 By 2030, substantially (for x%) increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1.Provide diversified courses 2.Continue the optimization of all employees' professional competencies and organize corresponding training at the same time. 3.Maintain long-term industry-academia collaboration with National Taipei University of Technology, and provide scholarships and work placement opportunities for outstanding students.	5.4 Talent Cultivation and Training 5.5 Social Participation

SDGs	
	**Ensure access to affordable, reliable, sustainable and modern energy for all.** 7.2 Increase substantially the share of renewable energy in the global energy mix by 2030.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
2022 Chicony Power Suzhou Factory's renewable solar electricity: 1,354.12 MWh	4.2 Energy Management

SDGs	
	**Promote inclusive and sustainable economic growth to achieve comprehensive and productive employment and to help people have a good job.** 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.8 Protect labor rights, and promote safe and secure working environments of all workers, including migrant workers, particularly women migrants, and those in precarious employment.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1. Set up Occupational Safety and Health Committee, and create a safe and healthy work environment 2. Ensure the compliance with Child Labor Prohibition Policy and regulations related to labor, health & safety, environment, corporate ethics, etc.	5.2 Human Rights Protection 5.3 Employee Benefits and Remuneration 6. Workplace Health and Safety

SDGs	
	**Make cities and human settlements inclusive, safe, resilient and sustainable.**

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1.Power supply unit is an energy bridge connecting the grid electricity system and the electronic products, and is widely applied in many areas. Chicony power is committed to developing high-efficiency and recyclable & reusable power supply solutions in response to the important role that power supply units play in energy saving and carbon reduction. 2.Chicony Power provides LED-related applications, including LED backlight modules, automotive lighting, etc., which are energy efficient and eco-friendly 3.Chicony Power has developed the "IWA Smart Building Management Platform" based on data analysis and AIoT technologies, which can achieve the goal of energy saving and carbon reduction through smart adjustment and control.	3.1 Green and Sustainable Design

SDGs	
	**Ensure sustainable consumption and production patterns.** 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1.Green Patent Deployment 2.High efficiency and low temperature-rise power solutions 3.The use of Post-Consumer Recycled Plastic (PCR) has been increased in the design of power adapters' plastic shells. 4.LED product applications 5.Smart Building Solutions/Smart Green Energy Factory 6.Chicony Power has formulated the "Restricted Substance Control Standard" to provide suppliers and internal teams of procurement, quality control, R&D, etc. with guidelines for hazardous substance control. 7.Chicony Power regularly tracks and declares waste volume and sets waste reduction goals under the operation of ISO 14001: 2015 environmental management systems. The wastes produced in Chicony Power's Headquarters and factories are all disposed of in accordance with local environmental regulations.	3.1 Green and Sustainable Design 3.2 Raw Material Management 4.4 Waste Management

SDGs	
	**Take urgent action to combat climate change and its impacts** 13.2 Integrate climate change measures into national policies, strategies, and planning. 13.3 Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
1.Introduce the SBT (Science Based Target)reduction goals, and estimate future reduction goals based on current carbon emissions to effectively and gradually improve annual carbon emissions. 2.Introduce the TCFD framework to identify climate risks and opportunities; establish measurement indicators and goals for management to strengthen the Company's climate issue governance ability	4.1 Climate Change and Energy Management

SDGs	
	**Promote peaceful and inclusive societies for sustainable development; provide access to justice for all; and build effective, accountable and inclusive institutions at all levels** 16.5 Substantially reduce corruption and bribery in all its forms.

Chicony Power's approaches in response to SDGs	Corresponding Chapter
Chicony Power always uphold "integrity" in all business activities. Corruption and any form of fraud shall never be allowed. Additionally, a clear and effective disciplinary system has been established to ensure that employees shall never accept any form of request or agreed payment, nor shall they receive any bribes or other improper interests.	2.6.2 Ethical Management

01



Material Issues and Stakeholder Engagement

1. Material Issues and Stakeholder Engagement GRI 2-29, GRI 3-1, GRI 3-2 and GRI 3-3

1.1 Material Issue Analysis

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

Implementation Steps	Content	Result
Step 1. Identify target objects for communication	Sent the "Stakeholder Identification Questionnaire" designed based on the five principles highlighted in AA1000 Stakeholder Engagement Standard, which are Dependency, Influence, Responsibility, Diverse Perspectives and Tension, to taskforce members. According to the questionnaire statistical results approval by the Sustainability Development Committee, 6 types of stakeholder groups have been confirmed based on their significance, which are investors (shareholders and board of directors), governing agencies, customers, suppliers, nonprofit organizations and employees.	6 major stakeholder groups
Step 2. Collect sustainability issues	Reference: International sustainability regulations, development goals and standards, including GRI (Global Reporting Initiative) Standards, SASB (Sustainability Accounting Standards Board) indicators, SDGs (Sustainable Development Goals), TCFD (Task Force on Climate-related Financial Disclosures) framework, Sustainable investment indicators, CDP (Carbon Disclosure Project); and 25 sustainability issues that have been summarized and listed by the taskforce in the process of stakeholder communication.	25 sustainability issues
Step 3. Survey the tension of stakeholders' concern	The taskforce identified the closely related and influential stakeholders by surveying the tension of the 6 stakeholder groups' concern about the 25 sustainability issues through "2022 Chicony Power Stakeholder ESG Questionnaire". A total of 33 valid questionnaires have been collected from stakeholders, including investors (shareholders and board of directors) (6), governing agencies (2), customers (3), suppliers (7), nonprofit organizations (1) and employees (14).	33 valid questionnaires being collected
Step 4. Determine material issues	After examining the results obtained in Step 3 and making adjustments based on management team's recommendation, the taskforce selected 10 sustainability issues of high-level concern as the current year's material issues for which a Materiality Matrix was created, and reported the result to the Sustainability Development Committee and Board of Directors.	10 material issues
Step 5. Assess the significance of impact	After Step 1~ Step 4 were implemented and completed during the period from November 2022 to January 2023, the taskforce further assessed the economic, environmental and corporate governance impacts of the 10 material issues through an "Impact Assessment Questionnaire", then gave scores to the positive/negative impacts, and analyzed the material issues' impact boundary and involvement level in the value chain. Through this step, Chicony Power confirmed that the 10 material issues are the ones with significant impact on the Company.	3 critical indicators
Step 6. Determine the sequence of issues and the content to be disclosed	The taskforce determined the sequence of the material issues based on their impact intensity, and described the material issues' response strategies, short-/medium-/long-term goals, achieved performance and management guidelines in this report in accordance with each issue's reporting requirements. The 10 material issues corresponded to 13 GRI topics in total.	13 GRI topics

◇Collect sustainability issues

In order to identify Chicony Power's potentially material topics, we have searched the sustainability-related issues contained in internationally accepted sustainability standards and regulations (GRI, TCFD, SASB, etc.), SDGs, messages revealed during the interaction with stakeholders, etc., and confirmed 25 issues, whose impacts shall be further explored.

1. Source of Issues

Internationally accepted sustainability standards and regulations	Consult internationally accepted sustainability standards such as GRI sustainability reporting standards, TCFD (Task Force on Climate-related Financial Disclosures) framework, etc.
SDGs	Assess the 17 goals of SDGs and the associated 169 targets to screen out the contribution actions that Chicony Power may take.
Responsible investment principles	SASB (Sustainability Accounting Standards Board) Standards, etc.
Interaction with stakeholders	Issues of stakeholders' concerns — the stakeholders include governing agencies, shareholders, nonprofit organizations, suppliers, employees and customers.

2. The 25 sustainability topics are listed in the table below, among which

Environment(E)	Society(S)	Corporate Governance (G)
• Air Pollution Management/Air Quality	★ Occupational Safety and Health Management	★ Business ethics, Ethical management
• Water resource management	• Diversity and equal opportunity	• Legal compliance
★ Waste management	★ Talent development and educational training	• Operational risk and risk management
• Circular production	★ Employment	• Sustainable development strategies
• Sustainable products	• Community participation and development	★ Supply chain management
★ Climate change and energy management	• Human rights	★ Economic performance
★ Green products and services (Hazardous substance management)	★ Customer privacy & information security	• Product design and life cycle management
• Ecological impact	• Product quality and safety	• Technological innovation and market layout (business model flexibility)
	• Marketing model and product labeling	

3. Impact Significance Assessment

The Sustainability Development Committee taskforce has assessed the influence brough by the 10 material issues on economy, environment and corporate governance, and conducted a comprehensive assessment of the actual/potential and positive/negative degree of influence and likelihood of occurrence of such impacts. The assessment results were preliminarily summarized. After being adjusted based on the management team's recommendation, the impacts were sequenced based on their materiality to Chicony Power in 2022.

（1）Assessment Procedures:

①Quantify the impact:

Various issue-related units have given 1~5 points to the material issues' economic, environmental and social impacts and positive/negative impacts, which were then compiled by the Sustainability Development Committee taskforce. As the overall assessment process is complicated, only three examples are listed below:

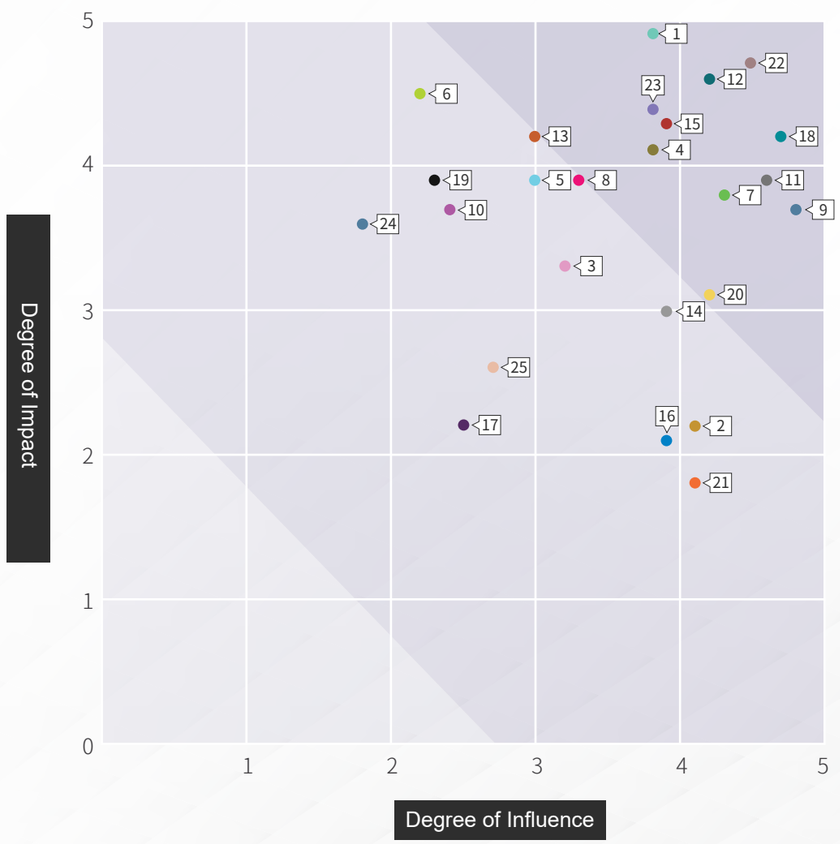
Material Issues	Environment			
	Degree of Influence		Likelihood of Occurrence	
	Positive	Negative	Positive	Negative
Climate change and energy management	5	4	4	3

Material Issues	Social (or Human Rights)			
	Degree of Influence		Likelihood of Occurrence	
	Positive	Negative	Positive	Negative
Occupational safety and health management	5	3	4	2

Material Issues	Corporate governance			
	Degree of Influence		Likelihood of Occurrence	
	Positive	Negative	Positive	Negative
Economic Performance	5	3	5	3

②Determine impact sequence:

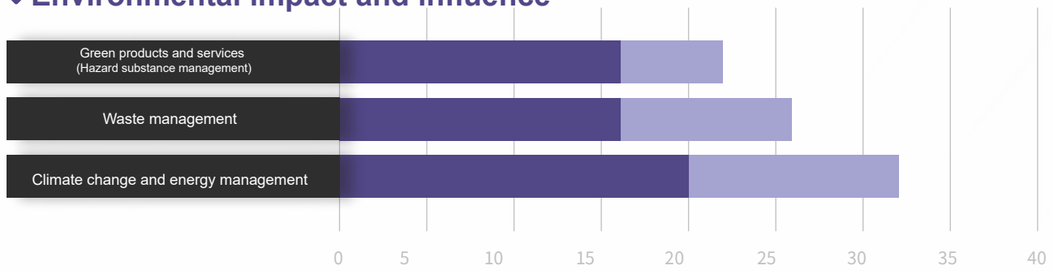
The Sustainability Development Committee taskforce,after calculating the 25 material issues' quantitative impacts and comprehensively considering the management team's recommendation, has obtained the assessment results illustrated in the figures/charts below:



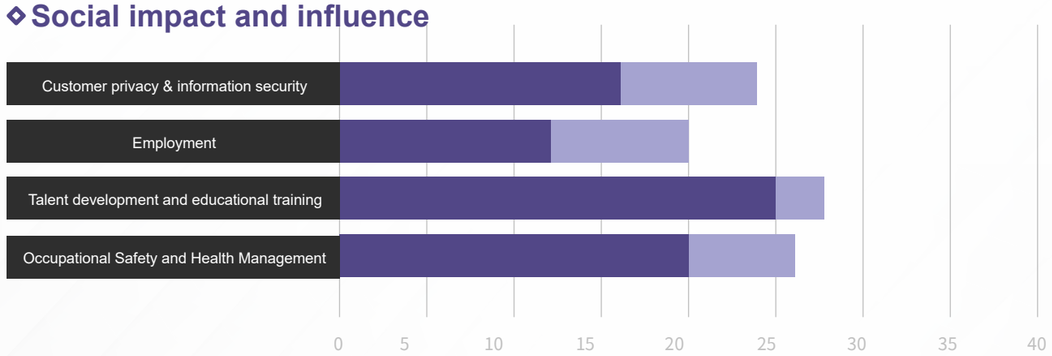
1.Climate change and energy management	9.Occupational Safety and Health Management	18.Business ethics, Ethical management
2.Air Pollution Management/Air Quality	10.Diversity and equal opportunity	19.Legal compliance
3.Water resource management	11.Talent development and educational training	20.Operational risk and risk management
4.Waste management	12.Employment	21.Sustainable development strategies
5.Ecological impact	13.Community participation and development	22.Supply chain management
6.Sustainable products	14.Human rights	23.Economic performance
7.Green products and services (Hazardous substance management)	15.Customer privacy & information security	24.Product design and life cycle management
8.Circular production	16.Product quality and safety	25.Technological innovation and market layout (business model flexibility)
	17.Marketing model and product labeling	

The evaluation results are quantified by multiplying the level of impact (ranging from 0 to 5 points) with the probability of occurrence (ranging from 0 to 5 points) to determine the positive or negative impact score.

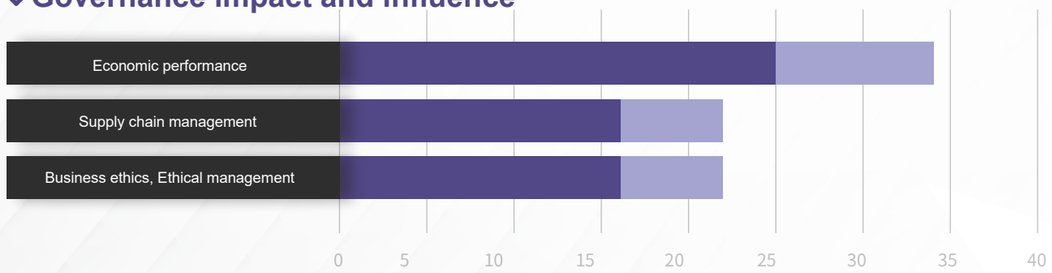
◇Environmental impact and influence



◇Social impact and influence



◇Governance impact and influence



Positive Impact Negative Impact

4. Conduct regular reviews

Chicony Power's sustainability topics have been identified and obtained through internal impact assessment, comprehensive consideration of stakeholders' perspectives and other relevant procedures, and then confirmed and finalized after being reported to the Sustainability Development Committee and the Board of Directors. We will keep interacting with stakeholders on a regular and irregular basis to monitor the positive/negative impacts caused by Chicony Power, and understand internal/external stakeholders' expectations for us. Moreover, we will conduct materiality identification on a yearly basis to comprehensively consider the Company's internal/external perspectives and obtain the material topics that need to be emphasized by the Company.

Chicony Power has formulated management guidelines and developed action plans for its material topics, and has established goals and metrics through figure-based measurement strategies to keep regular track of implementation outcomes. As for other non-material topics, Chicony Power has followed the existing management procedures and measures to disclose related indicators for stakeholders to understand Chicony Power's overall sustainability achievements.

Chicony Power identified 10 material issues in 2022. In terms of environmental aspect, compared with 2021, a new issue "waste management" has been added. This is because the issue of circular economy has begun to receive attention in recent years, and the significance of waste management has increased significantly. With respect to social issues, the issue of "Community Participation and Development" was not classified as a material issue in 2022 due to its reduced significance. In contrast, "Customer Privacy & Information Security" has been emphasized by the Company and included in this year's material issues with its increasing significance in consideration of the hackers' attacks that enterprises have been faced with, and the widespread cyber-information/communication threats and product security issues in recent years. As for corporate governance, since the 2021 material issue of "Operational Risk and Risk Management" has been internalized into the Company's business philosophy, it was not listed as a material issue in 2022.

Dimension	Material issue	Significance to Chicony Power
Environment	Waste management	Chicony Power is committed to developing green energy products, reducing the use of harmful substances, and creating lead-free processes/production lines. During business operation, the Company is committed to reducing the consumption of energy and resources, keep regular track of waste generated, set waste reduction goals, raise the awareness of resource recycling to achieve the goal of saving energy and saving Earth.
	Climate change and energy management	
	Green products and hazardous substance management	

Dimension	Material issue	Significance to Chicony Power
Society	Occupational safety and health management	Maintaining workplace safety and health and creating employee health management programs are the first-line guarantee of Chicony Power for employees.
	Talent development and educational training	Talented personnel's long-term development will be the Company's ultimate goal. With comprehensive supporting mechanisms and training programs as well as the learning channel of industrial graduate programs provided for outstanding employees, employees can upgrade their knowledge and connect what they learned with actual practices to solve possible challenges at work. Moreover, Chicony Power also offers soft courses for employees to choose, enabling employees to enhance non-work-related knowledge. By introducing university student work placement programs through industry-academia collaboration and exchange, the foundation of talent cultivation shall be solidified, and graduands shall find a smoother way to connect to their future career.
	Employment	Employees are Chicony Power's most important partners; we attach great importance to the work environment, development and care of employees. Chicony Power has established diversified internal communication channels, and continues to promote various projects that improve employee relations in the hope of creating a good work environment for employees.
	Customer privacy & information security	Chicony Power attaches great importance to information security. With well-established systems and effective monitoring measures, financial services stability and security shall be maintained. This shall not only ensure the Company's compliance with laws and regulations, but shall also help the Company continuously improve internal management with high standards to enhance customers' trust in Chicony Power, and create a positive influence on the economy. In terms of human rights, complete information security defense systems shall reduce the leakage risks of the Company's and customers' information, and shall help employees and customers feel secure.
Corporate Governance	Business ethics; Ethical management	Incorporate stability, honesty and integrity into business operations; establish a sound corporate governance structure, and promote relevant measures to protect the rights and interests of all stakeholders.
	Supply chain management (Materials procurement and efficiency)	View suppliers as important partners for sustainable growth, and carry out sustainable supply chain management to reduce operating risks and costs, thereby continuously providing responsible and quality services to customers.
	Economic performance	Maintaining stable financial performance is Chicony Power's commitment to all stakeholders.

Scope of 2022 Material Issue Impact

●Direct Impact ◎Induced Impact ○Business Relations

Dimension	Material Issues	Material Topics Corresponding GRI Standards	Corresponding Chapters	Degree of involvement and scope of impact					
				Investors	Governing agencies	Customers	Suppliers	Nonprofit organizations	Employees
Environment	Waste management	GRI 306 Waste	4.4 Waste management	◎	◎	●	◎	◎	●
	Climate change and energy management	GRI 305 Emissions GRI 302 Energy	4.1 Climate change and energy management	●	◎	●	◎	◎	●
	Green products and hazardous substance management	-	3.1 Green and sustainable design	●	◎	●	◎	◎	●
Society	Occupational safety and health management	GRI 403 Occupational safety and health	6.1 Occupational safety and health	◎	●	◎	◎	◎	●
	Talent development and educational training	GRI 404 Training and education	5.4 Talent cultivation and training	◎	◎	●			●
	Employment	GRI 202 Market presence GRI 401 Employment GRI 405 Diversity and equal opportunity	5.1 Employee structure 5.2 Human rights protection	●	●	◎			●
	Customer privacy & Information security	GRI 418 Customer privacy	2.7 Information Security Management	●	◎	●			●
Corporate Governance	Business ethics, Ethical management	GRI 2-15 Conflicts of interest GRI 2-16 Communication of critical concerns	2.4 Implementation of ethical management	●	◎	●	●		●
	Supply chain management (Materials Procurement and Efficiency)	GRI 204 Procurement practices GRI 308 Supplier environmental assessment GRI 414 Supplier social assessment	3.2 Supply chain management	●	◎	●	○	◎	●
	Economic Performance	GRI 201 Economic Performance	2.3 Operational performance	●	◎	●	◎	◎	●

1.2 Stakeholder Communication

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

Bases on the principle of "Dependency, Influence, Responsibility, Diverse Perspectives and Tension", the following parties are defined as Chicony Power's major stakeholders: investors (shareholders, board of directors), governing agencies, customers, suppliers, non-profit organizations and employees. There are no significant changes in the Company's major stakeholders in comparison with those specified in the 2021 Report. The Company shall carry out stakeholder interaction/communication and engagement through diversified channels on a regular or irregular basis to understand stakeholders' expectations, and obtain the information required for the assessment of sustainability issues and impacts:

Stakeholder	Significance to Chicony Power	Engagement method and frequency
Investors (including shareholders, board of directors, etc.)	Create stable profits and Return on Investment (ROI), and demonstrate performance in sustainable governance.	Regularly Shareholders Meeting, Board Meeting, Annual Report, ESG Report (yearly), investor briefing (quarterly), and financial reports (quarterly) Not regularly The Company's website
Governing agencies	Comply with laws and regulations, cooperate with government policies, and respond to stakeholders' expectations for Chicony Power.	Not regularly Market Observation Post System, official documents, policy advocacy meetings, and onsite inspections
Customers	Every piece of feedback from customers is an important nutrient for Chicony Power to develop and improve customer relationships. Understand customers' comprehensive needs and opinions in depth through analysis and review for subsequent improvement.	Regularly Internal quality & review meetings, customer satisfaction surveys Not regularly Business visits, business meetings, technical seminars
Suppliers	Chicony Power and its business partners have established a win-win relationship and a mutually beneficial value chain, through which a balanced ESG partnership has been reinforced to jointly create a new business model and enhance sustainable competitiveness.	Regularly Regular suppliers meetings, audits, appraisal and guiding assistance Not regularly Grievance/complaint channels for suppliers, and technical seminars
Non-profit organizations	Fulfill corporate social responsibilities, incorporate the principle of "Giving back to Society" into the Company's core operations, provide solutions to environmental and social problems, and create positive influence.	Not regularly ESG@chiconypower.com、 Physical communication mailing address: 30F, No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City 241.
Employees	Chicony Power pays close attention to employees' needs, and has created a friendly working environment and conducted hazard identification and risk assessment to reduce potentially dangerous incidents, and reinforce corporate cohesion. Moreover, the Company takes care of employees' health and protects employees' human rights by continuously optimizing the health examination system and improving relevant gender equality measures.	Regularly Labor-management meetings, and monthly meeting/weekly meeting/Labor Representatives Meeting held in each factory Not regularly Immediate supervisors, dedicated personnel of the Administrative Management Division, the Company's bulletin board, Employee Mailbox, employee workshops, employees' grievance channels, training sessions, and policy advocacy meetings



02

Corporate Governance

2. Corporate Governance

The Company always upholds the principles of "No Quality, No Sales" and "Customers Come First". It is Chicony Power's long-term commitment to actively create positive influences on society and environment while giving full play to the industry's value. Chicony Power continues strengthening its corporate governance to protect shareholders' rights and interests as well as other stakeholders' benefits.

Dimension	Corporate Governance (G)	Social (S)
Material Issues	Operational Risk and Economic Performance	Customer Privacy & Information Security
Management Mechanisms	1.Formulate the "Risk Management Policies and Procedures" for each responsible unit to identify, analyze, assess, monitor, respond to, and report its risks based on its business-related risk characteristics and impact levels, and improve the countermeasures being taken. 2.Set up prevention measures such as Whistleblowing Mailbox, rewarding / disciplinary systems, etc. 3.Establish complete strategies, management actions, etc. to enhance operational performance, and achieve the Company's continuous and stable growth. 4.Obtain the ISO 27001 information security certification. Continually improve the security systems through the PDCA (Plan-Do-Check-Act) model. 5.Identify and monitor the risks that may impact the Company's sustainable development, and take relevant management strategies and corresponding measures such as risk transfer, reduction, avoidance, etc. to minimize potential risks, or even turn the risks into operational opportunities.	
Commitment/ Policy	1.Establish a corporate culture of ethical management, and provide customers with the best-quality products and services. 2.Abide by the "Ethical Corporate Management Best Practice Principles" for the enterprise to be accountable to stakeholders. 3.Continue to strengthen the Company's cyber (information / communication) security to ensure the confidentiality, integrity, availability and compliance of relevant information, thereby protecting the rights and interests of the Company's customers, shareholders, employees and suppliers.	

Dimension	Corporate Governance (G)	Social (S)
2022 Evaluation Mechanisms and Achievements	1.Internal audits. 2.CPAs' auditing and attesting. 3.Information security incidents or complaint incidents	1.The 2022 annual revenue reached NT$41,066,110 thousands, hitting another record high. 2.The 2022 EPS was NT$8.22, hitting another record high. The ratio of return on equity (ROE) was as high as 27.3%. 3.Chicony Power has been ranked within top 20% of the Corporate Governance Evaluation among TWSE/TPEx-listed companies for 8 of the past 9 years. 4.Chicony Power was ranked within the top 100 carbon-competitive enterprises in a survey conducted by Business weekly in 2022, and was ranked within the top 5 enterprises that had achieved the most carbon reduction within three years. 5.Chicony Power started to compile the 2021 Report on its own in 2022 (the previous reports were the Group's editions), and this report won the Company the TCSA Taiwan Corporate Sustainability Awards – Sustainability Report Bronze Award (Electronics/Information Products Manufacturing Sector) 6.In 2022, no incidents that posed hazards to the Company's information security occurred; no complaints came from external parties that had been confirmed by the Company; nor did any complaints received from governing agencies.
Medium-/Long-term Goals	1.Continue to make ethics and integrity be the core value of the Company's culture, and ensure that all employees and managerial personnel of the Company can always carry out business activities in an ethical way. 2.Continue to aim at the achievement of zero violations of integrity and corruption. 3.Strengthen corporate governance, carry out continuous operation management to enhance corporate value and ensure the maximization of shareholders' interests. 4.Pay close attention to the international trends that are connected with the Company's governance, and protect the rights and interests of all stakeholders to achieve comprehensively sustainable management and the demonstration of corporate value. 5.It is estimated that the revenue from IWA (Intelligent Wireless Access) and Smart Building Management Platform may grow by more than 50% in 2023. It is expected that the Company's revenue will continuously increase in the next few years. With the vigorous development of the Internet of Things (IoT) and artificial intelligence (AI), it is expected that the new business of smart applications shall bring momentum for Chicony Power's long-term growth. 6.Strengthen the five functions of information security management technology: Identify, Protect, Detect, Respond, and Recover, and adopt various information security management solutions and procedures to further enhance the information security defense level.	
Complaint Mechanisms	Whistleblowing Mailbox, Finance Department, and Office of Information Security Management	

2.1 Company Overview GRI 2-1

- **Date of Incorporation:** The Company was founded on December 24, 2008, and is one of the world's top five power supply product leading manufacturers. The Company is affiliated to Chicony Group. Its major shareholder is Chicony Electronics whose stake is about 52%. Stock code: 6412.
- **Registered Capital:** NT$ 3,953,883,900 (2022/12/31)
- **2022 annual revenue:** NT$41,066,110 thousands, showing an annual growth rate of 1.7%, and hitting a record high.

Chicony Power Technology Co., Ltd. (hereinafter referred to as Chicony Power) provides customers with one-stop power supply solutions for NB, desktops, servers/cloud applications, Smart Home/AIoT products, communication products, video game consoles, consumer products, etc. With advantages in possessing cost and product quality combined with advanced technologies, the Company assists OEM (Original Design Manufacturer) customers in their manufacturing. By systematically integrating manufacturers with end-customers, the Company can meet the needs of the market in a timely manner.

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

By upholding the principles of "No Quality, No Sales" and "Customers Come First", the Company's power supply products are all designed to meet "UL, CAS, NEMKO, FIMKO, DEMKO, SEMKO, Japan PSE, and European TUV safety certification requirements, and US FCC Class B/CISPR standards", and the ISO 9001/ISO 14001/ISO 14064-1/ISO 45001 certifications have also been obtained. In 2022, two products' carbon footprint inventory and quantification were completed based on the ISO 14067: 2018 standards. The Company's products have been sold to the world's major manufacturers in Hong Kong, Singapore, Japan, Korea, the United States, the United Kingdom, Europe, etc., and have been recognized for the good quality.

Headquarters and Major Production Bases

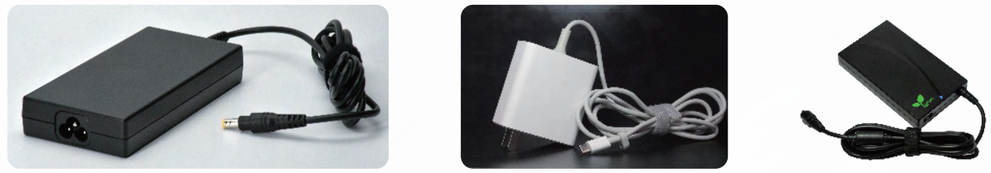
- **Location of the headquarters:** 30F, No.69, Sec. 2, Guangfu Rd., Sanchong District, New Taipei City, Taiwan (Chicony Smart Green Building)

Major Production Bases:

1. Chicony Power - Dongguan Factory (plant area: 63,623 m2)
2. Chicony Power - Suzhou Factory (plant area: 96,296 m2)
3. Chicony Power - Chongqing Factory (plant area: 39,477 m2)
4. Chicony Power - Thailand Factory (plant area: 20,628 m2)

Major Products

1 Switching power supply units



2 R&D, manufacturing and trade of LED application products



3 IWA Smart Building Management Platform



Percentages of Major Products in Operating Revenue

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

Year / Product items	2020		2021		2022	
	Production Volume (thousand units)	Sales Amount (NT$ thousands)	Production Volume (thousand units)	Sales Amount (NT$ thousands)	Production Volume (thousand units)	Sales Amount (NT$ thousands)
Electronic parts & components	142,112	27,708,029	155,606	32,745,796	119,198	33,475,699
Consumer & other electronics	29,067	6,700,552	28,810	6,958,037	20,643	6,554,039
Others	0	454,446	1	660,145	0	1,036,372
Total		34,863,027		40,363,978		41,066,110

Unit: Thousand units/NT$ (thousands)

Financial Supervisory Commission

「Guidelines for Determining Sustainable Economic Activities」

Although the general economic activities of Chicony Power are currently not applicable to the announced items, the company voluntarily discloses the relevant information as shown in the following table:

A.The main economic activities that the company recognizes for its operations accounted for the following percentage of total revenue in the past year	Electronic parts & components	Consumer & other electronics	IWA Smart Building Management Platform	Others
	81.5%	16.0%	1.3%	1.2%
B.The company is determining whether its main economic activities are applicable to the "Ordinary Economic Activities" and "Forward-looking Economic Activities" defined in this guideline.	Not applicable.	Not applicable.	Forward-looking Economic activities.	Not applicable.
C.To determine whether an economic activity aligns with sustainable practices, consider the following three conditions:	-	-	-	-
1.Does it meet the technical screening criteria for "substantial contribution to climate change mitigation"?	-	-	Compliant	-
2.Does it comply with the requirement of "no significant harm to the other five environmental objectives"?	-	-	Compliant	-
3.Does it meet the criteria of "no significant harm to social security"?	-	-	Compliant	-
D.Is there an improvement plan in place?	-	-	-	-

The main contents disclosed by Chicony Power are as follows:

1. One economic activity that falls under the scope of this guideline is the IWA Smart Building Management Platform, accounting for 1.3% of the total revenue.
2. There is one economic activity that complies with this guideline, which is the IWA Smart Building Management Platform, accounting for 1.3% of the total revenue.

Number of Employees

The total number of employees is 8,493 (including employees in the Taipei Headquarters and Dongguan Factory, Suzhou Factory and Chongqing Factory in China as well as Thailand Factory, but not including short-term dispatched workers). The number of male employees is 4,243 (accounting for 50% of the total number of employees); while the number of female employees is 4,250 (accounting for 50% of the total number of employees) (statistics as of 2022.12.31).

2.2 Global Market Layout

According to the survey data collected by MTC (US) about the world's power supply OEM and communication product market, Chicony Power was ranked among the world's top five major manufacturers, and is one of the leading manufacturers in the market.

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

Sales Area		2020		2021		2022	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Domestic Sales		330,307	0.95	556,977	1.38	728,063	1.77
Exports	Asia	32,820,582	94.14	34,010,839	84.26	29,780,364	72.52
	America	1,308,925	3.75	3,496,396	8.66	7,432,715	18.10
	Europe	375,914	1.08	453,212	1.12	675,674	1.65
	Others	27,299	0.08	1,846,554	4.58	2,449,294	5.96
	Subtotal	34,532,720	99.05	39,807,001	98.62	40,338,047	98.23
Total		34,863,027	100.00	40,363,978	100.00	41,066,110	100.0

Unit: NT$ thousands

Note: Some of the 2021 figures in the table are revised data.

Bases around the World (including the Headquarters, R&D Center and Production Bases)



Note: Thailand Factory is currently operating on a leased plant area. Operations on the self-owned plant area are scheduled to commence after September of this year.

According to the Company's global deployment, Taiwan and Hong Kong serve as the main R&D and sales center, while China and Thailand serve as dedicated production bases. With the aim of building local connection with customers and be close to the target market, the Company shortens product delivery time through the operations of global just-in-time warehouse supply system (e.g. setting up warehouses in Asia, America, Czech Republic, etc.) to provide customers with stable and fast supply of goods. This system helps customers minimize stocks and reduce fund illiquidity, meets customers' requirements in quality, price, delivery time and location, and provides customers with the best logistics support services and technologies.

2.3 Sustainable Development and Value

Power products is a midstream product category of the electronics industry chain. Chicony Power has been playing the bridging role in the industrial chain to link up upstream manufacturers and downstream customers, through which products' quality and efficiency can be continuously optimized and upgraded through all supply chain partners' efforts. With respect to the customer side, Chicony Power can offer the latest technology information and suggestions to customers, including the improvement of efficiency and the application of eco-friendly materials, for example, the market trend for using institutional recycled materials and the percentage of such materials used in production, and the enhancement of power factor to reduce grid transmission power loss, etc. With Chicony Power's well-established reputation among customers, most of the suggestions have been approved and adopted by customers. In terms of the collaboration with other supply chain manufacturers, Chicony Power has maintained a long-term partnership with its suppliers. In addition to requiring suppliers to enhance the eco-friendliness of their materials and manufacturing processes, Chicony Power also provides suppliers with new ideas and technologies to jointly develop new materials with upgraded efficiency and eco-friendliness. Moreover, Chicony Power also collaborates with the academia field to explore more advanced ideas and technologies such as upgraded converting structures and devices with improved efficiency. Some of the world's major manufacturers such as TI (Texas Instruments), NXP (NXP Semiconductors), etc. had collaborated with Chicony Power in the development of high-efficiency devices. Additionally, through the collaboration with academic units such as National Taipei University of Technology, etc. the Company aims to develop a whole-new high-efficiency converting structure in the following five years.

As indicated in the reports compiled by the United Nations Environment Programme (UNEP), the electricity consumption and carbon emissions of buildings in the world account for 40% of the world's total electricity consumption and 21% of carbon emissions. Particularly, the more developed a country is, the higher the percentages of electricity consumption and carbon emissions that its buildings account for will be. Thus, improving building energy efficiency will be a way to reduce global electricity consumption and carbon emissions. The business territory of Chicony Technology Group's affiliates encompasses not only the manufacturing of computer peripheral products and network communication products and services, but also businesses related to real estate development, department stores/shopping centers, electronics products distribution channels, brand hotels, commercial/office buildings, and residential buildings, through which the Company has accumulated extensive experiences in the construction industry. Being optimistic about the future demand for smart energy saving applications, Chicony Power established its "Smart Building Business Department" in 2016. The Department mainly provided services for various types of buildings belonging to the Group's affiliates in the early stage, yet it has started serving customers outside the Group in recent years.

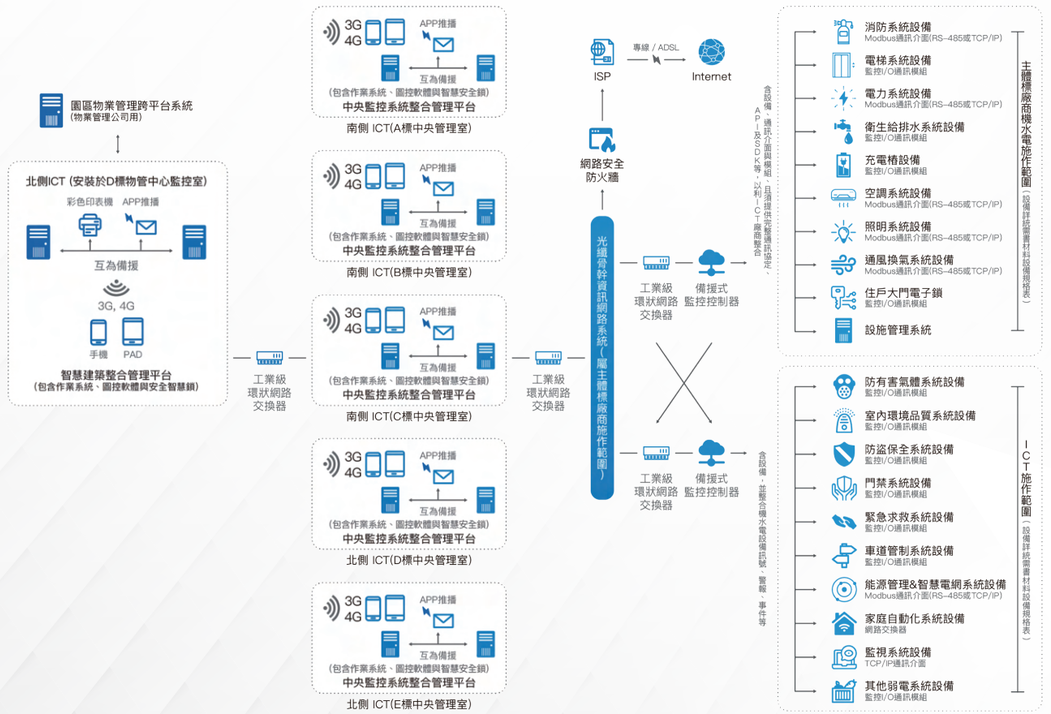
Chicony Power's comprehensive smart building and energy management solutions have earned several smart building bidding projects for the Company in recent years. In addition to the Group's "Chicony Smart Green Building", "Chicony Power Suzhou Factory", "Chicony Power Thailand Factory", "Chicony Star Residential Building", and "Chicony Electronics Thailand Factory", the Company has also extended its services to some iconic residential complexes and complex-type commercial/office buildings such as "Taipei Twin Towers", "Kuang Tzu Po Ai Public Housing Community", "t-HUbTaipei", "New Taipei City's Danhai Dwelling Community", "Kaohsiung's Qingfeng Dwelling Community", etc. Chicony Power is also active in collaborating with well-known architects and construction companies for the completion of some building application projects, including companies' headquarters, hospitals, department stores/shopping centers, etc., and has discussed agency/distribution business with some famous distribution service providers. Moreover, the Company is also deploying and expanding its post-pandemic overseas business channels. By focusing on low-carbon and energy-saving active control technologies, Chicony Power's solutions for buildings' sustainable maintenance and operation shall be further developed, through which the Company can fulfill its corporate ESG responsibility to facilitate global carbon reduction.

Among the numerous smart building projects, the Company would like to use the project of "Kuang Tzu Po Ai Public Housing Community" to illustrate the achievements being attained after introducing Chicony Power's IWA System:

The Kuang Tzu Po Ai Public Housing Community is located in Xinyi District, Taipei City. Its predecessor was "Kuang Tzu Po Ai Yuan", which was named based on its philosophy of "Extensive Compassion (Kuang Tzu) and Broad Love (Po Ai)". Through Taipei City Government's planning, the spirit of extensive compassion and broad love has been embodied in the Kuang Tzu Po Ai Public Housing Community, the largest public housing site in Taipei City. With the introduction of smart building and green energy design, Kuang Tzu Po Ai Public Housing Community has become one of the exemplars of smart public housing communities in Taiwan, in which the ESG has been realized (environmental protection, giving back to society, and building intellectualization).

Kuang Tzu Po Ai Public Housing Community has introduced Chicony Power's IWA System to carry out integrated management covering the scope of smart building, property management staff, and facilities equipment. In terms of ESG's environmental sustainability aspect, the IWA platform enables personnel to stay on top of the operating status of buildings' electromechanical equipment. Moreover, the equipment can be automatically controlled based on the data collected through sensors to avoid switching on too much equipment and wasting energy. In addition, reclamation / reuse systems such as solar panels, rainwater recovery system, etc. shall be installed in the community to achieve sustainable development through green energy. The IWA Facility/Property Management System applied in Kuang Tzu Smart Public Housing Community shall realize the Community's ESG governance. Traditionally, personnel should be dispatched to inspect the operations of equipment. The handwritten inspection records and information gap between personnel had caused inconvenience for management. With the introduction of Chicony Power's IWA platform, not only information transparency and remote information control can be achieved, the management scope can also be extended from equipment management to personnel management, for example, staff's clock-in system and community services such as the sending and receiving of residents' post and delivery items so that unnecessary manpower can be saved and related carbon footprints can be reduced.

Structure Diagram of IWA Smart Building Management Platform Applied in Kuang Tzu Po Ai Public Housing Community



Environment

1. Through the "Power & Energy Flow Diagram", the energy used in all systems and all areas can be monitored and controlled, and multi-level energy use analysis can be precisely conducted.
2. Through the operation of control logic, the system can control equipment's switches when demand is unloaded to avoid excessive electricity consumption during peak hours.
3. Install reclamation / reuse systems such as solar panels, rainwater recovery system, etc. to reduce the consumption of water and electricity.
4. Activate small-unit and specific area's ventilation and air conditioning control based on the environment's air quality, temperature and humidity status to avoid turning on too many devices and wasting energy.

Social

1. Employ automated monitoring systems in the Central Control Room, and use APP to achieve zero-distance control, thereby reducing the labor and time required for patrolling.
2. Equipment automation: Air conditioning, lighting and other equipment or devices can automatically adjust themselves based on the data collected through sensors for residents to enjoy a comfortable life.
3. Residential security: Install SOS and anti-duress buttons, and provide functions to link with cameras to increase security in all scenarios.
4. Building intellectualization: Equip buildings with elements of comfortableness and security, and make buildings closer to humanities and smarter to meet people's needs.

Governance

1. Incorporate BIM (Building Information Modeling) technologies with the maintenance function of Building and Facility Management System: The system can digitalize a building's complete information such as construction materials and equipment into a 3D management model. Through a full-life-cycle management mechanism, the records of changes associated with all attached parts in a building can be easily checked so that the management of the building will not be affected by the changes in managing units or contact personnel, and the complete information about the building's construction materials and equipment at various stages can be conveniently checked.
2. Through the facility management platform, all equipment can be managed in an integrated manner to reduce out-of-sync data among different inspectors.
3. Through the property management platform, residents' daily needs can be conveniently managed, for example, affairs related to post items, delivery items, rental/borrowing application for public areas, etc. to reduce reception counter staff's workload and enhance the work efficiency.

2.4 Operational Performance GRI 201-1

In 2022, the whole world was affected by inflation, poor economic conditions, and the variants of COVID-19 viruses. Fortunately, with the gradually increased vaccination coverage, and the vaccines and anti-virus medicines developed by countries, the severe symptoms caused by the pandemic have already been tackled, and the case fatality rate has been effectively reduced through worldwide vaccination. Now we are in a so-called post-pandemic era where mankind has been able to co-exist with the viruses, and the global economic activities have gradually recovered. In response to the rapid changes and fierce competition in the industrial environment, Chicony Power keeps monitoring the market's development trends, and continues the investment in the innovation and technology R&D for power supply products. Besides, the Company is also actively expanding the development of cloud-intelligence-related products to meet the power system needs for Smart Home, AIoT, and the growing eSports industry as well as AI-based big data centers and servers.

On the whole, despite the overall economic and industrial challenges in 2022, the Company's annual revenue was stably maintained, and brilliant performance was achieved. In the past few years, Chicony Power has been active in adjusting its product structure by concentrating resources on products with high value or high-growth rate. Currently, the item that has made the most significant contribution to the Company's profit growth is the high-margin cloud intelligence application. The revenue brought by the application increased by 23% last year, and its percentage of the overall revenue exceeded 50% for the first time, indicating that its revenue contribution has surpassed other traditional PC-related applications.

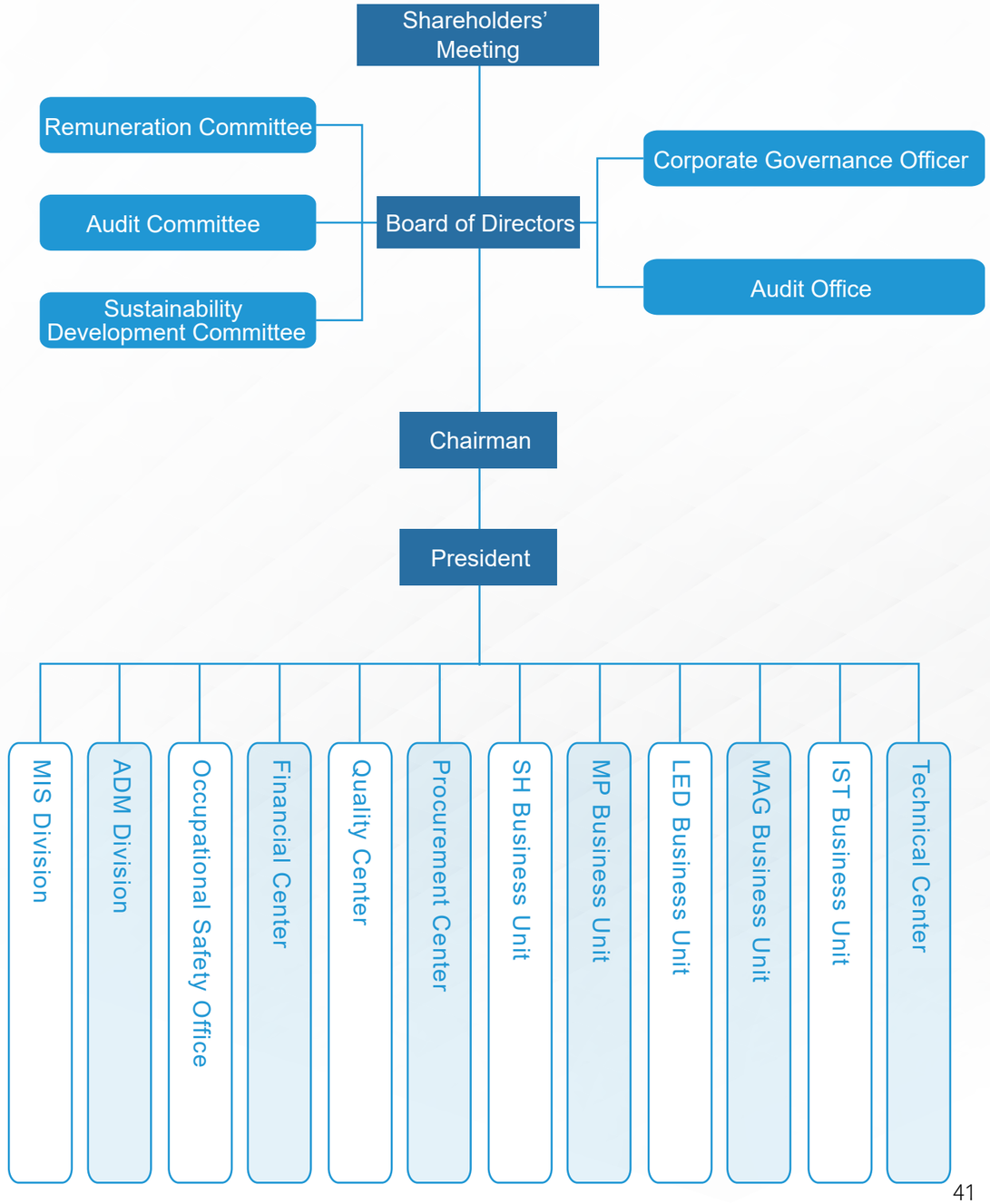
The 2022 annual revenue was NT$ 41.066 billion, with an annual increase rate of 1.7%. The EPS was NT$ 8.22 with an annual increase of 13.9%, demonstrating an eye-catching performance. With the benefit from product portfolio optimization and operational efficiency improvement, Chicony Power's eight important financial indicators all hit record highs in 2022, including consolidated revenue, gross profit, operating profit, profit after tax, earnings per share, net operating profit margin, net profit margin, and return on equity (ROE).

Item \ Year	2019	2020	2021	2022
Operating Revenue	34,415,370	34,863,027	40,363,978	41,066,110
Operating Cost	28,780,982	28,443,674	33,225,466	33,437,239
Gross Profit	5,634,388	6,419,353	7,138,512	7,628,871
Operating Expenses	3,434,219	3,593,434	3,687,506	3,711,395
Operating Profit	2,200,169	2,825,919	3,451,006	3,917,476
Non-operating Revenue and Expenditure	19,638	-104,462	128,659	145,814
R&D Expense	1,649,361	1,964,482	1,792,787	1,812,638
Profit before tax	2,219,807	2,721,457	3,579,665	4,063,290
Income Tax Expense	501,917	594,237	751,190	816,693
Net Income	1,717,890	2,127,220	2,828,475	3,246,597
Earnings per share (NT$ Dollars)	4.51	5.52	7.22	8.22

Unit: NT$ thousands

2.5 Organization for Corporate Governance

2.5.1 Organization for Corporate Governance GRI 2-9



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

❖ 2.5.2 Operation of Board of Directors GRI 2-10, GRI 2-11, GRI 2-12 and GRI 2-13

1. Board Independence and Diversity

Chicony Power has followed the " Corporate Governance Best Practice Principles " and considers candidates' gender, age, nationality, cultural background, etc., to appoint professionals with rich operational or academic experiences in various industries to be members of the Board. The Board consists of 7 directors, of which three are independent directors (43%); one director is concurrently serving as the Company's employee (14%); and two directors are female (29%). As for board members' age distribution, there are 3 directors aged 55-65, and 4 directors aged 65-75.

Four meetings were called by the Board in 2022 to review and supervise the Company' s critical decisions regarding economic, social and environmental issues to maximize benefit for shareholders. If the meeting items involve interests issues related to certain directors or the corporations such directors represent, the critical content of the issues shall be explained in that board meeting. If there is a concern that the Company's interests might be affected, such directors shall not be allowed to join the discussions and voting, and shall recuse themselves to avoid conflicts of interest. Moreover, they shall not act on behalf of other directors to exercise their voting rights.

Title	Name	Gender	Education	Current position/ Main experiences
Chairman	Lu, Chin-Chung	Male	Department of Business Administration, National ChengChi University MBA, National ChengChi University	President of Chicony Electronics Co., Ltd. Chairman (Legal Representative) of XAVi Technologies Corporation Director of Clevo Co., Ltd.
Director	Tseng, Kuo-Hua	Male	Department of Industrial Engineering, National Taipei University of Technology Master of Science, National Taipei University of Technology	President of Chicony Power Technology Co., Ltd. President of Li Shin International Enterprise Corp. Factory Director of Lite-On Electronics Inc.
Director	Huang, Yueh-Chao	Female	National Xinying Industrial Vocational High School	Chairman of Di Jia Investment Co., Ltd. Chairman of Di Jia Construction and Development Co., Ltd. Chairman Hungtzu Construction Development Co., Ltd.
Director	Lee, Tse-Ching	Female	Department of Senior Accounting, National Taipei University of Business	Director of Chicony Electronics Co., Ltd. Director of XAVi Technologies Corporation Senior accountant of Beitou Huanan Hotel Accounting Director of Taipei City Mingcheng Hotel
Independent Director	Tsai, Duh-Kung	Male	Department of Industrial Engineering, National Taipei University of Technology	Chairman of Powertech Technology Inc. Director of Greatek Electronics Inc. President of Taiwan Region of AST Computer Co., Ltd. Chairman of Kingston Technology Corporation
Independent Director	Hong, Ching-Shan	Male	Business Administration Group, Department of Business, National Taiwan University Master of Accounting and Law, National Chengchi University	Independent director of Yuanta Securities Co., Ltd. Independent director of Yuanta Commercial Bank Co., Ltd. Independent director of HannStar Display Corp. Deputy Head of PwC Taiwan Deputy Managing Director of Taiwan CPA Association
Independent Director	Sun, Chin-Feng	Male	Department of Mining and Metallurgy, National Taipei University of Technology MBA, University of Michigan MS, Wayne State University	Independent director of Wonderful Hi Tech Co., Ltd. Independent director of Hua Eng Wire & Cable Co., Ltd. Independent director of Tah Tong Textile Co., Ltd. President of SAGA Unitek Ventures Assistant vice president of Chongjin Venture Capital Co., Ltd.

Implementation of Board diversity

Diversified Core Items / Name of Director	Nationality	Gender	Age		Concurrently Serving as an Employee	Term of Office for Independent Director			Business Management	Accounting & Finance	Management Administration	Crisis Management	Industrial Knowledge	International Market Knowledge	Leadership Decision
			56—65	66—75		Under 3 years	3~9 years	More than 9 years							
Lu, Chin-Chung	R.O.C.	Male	✓						✓	✓	✓	✓	✓	✓	✓
Huang, Yueh-Chao	R.O.C.	Female	✓						✓	✓	✓		✓	✓	✓
Tseng, Kuo-Hua	R.O.C.	Male		✓	✓				✓	✓	✓	✓	✓	✓	✓
Lee, Tse-Ching	R.O.C.	Female		✓						✓	✓		✓	✓	✓
Tsai, Duh-Kung	R.O.C.	Male		✓				✓	✓	✓	✓	✓	✓	✓	✓
Hong, Ching-Shan	R.O.C.	Male		✓		✓			✓	✓	✓	✓	✓	✓	✓
Sun, Chin-Feng	R.O.C.	Male	✓			✓			✓	✓	✓	✓	✓	✓	✓

2. Board Performance Evaluation GRI 2-18

The Company has formulated "Measures for the Board of Directors Performance Evaluation" to carry out corporate governance and improve the function and operational efficiency of the board of directors. As stipulated in the Measures, the board shall perform at least one performance evaluation per year on the Board of Directors, members of the board, and various functional committees. The evaluation shall focus on the evaluatees' participation degree in the Company's operations, selection/appointment of directors and their continuing training, internal control, etc. External evaluations shall also be conducted in the future to evaluate the Board's performance in a more objective way.

Frequency of Evaluation	Scope of Evaluation	Approach of Evaluation
At least one evaluation per year	The Board, individual board members and functional committees	1. The Board's self-evaluation 2. Board members' self-evaluation 3. Functional committees' self-evaluation
Content of Evaluation		
1.The Board's performance evaluation	2. Directors' self-evaluation	3. Functional committee performance evaluation
A. Participation degree in the Company's operations B. The Board's decision-making quality C. The Board's composition and structure D. Selection/appointment of directors and their continuing training E. Internal control	A. Grasp of goals and tasks B. Awareness of a director's role and responsibilities C. Participation degree in the Company's operations D. Internal relationship management and communication E. Director's professionalism and continuing training F. Internal control	A. Participation degree in the Company's operations B. Awareness of functional committee responsibilities C. The functional committee's decision-making quality D. The functional committee's composition and the selection/appointment of its members E. Internal control

3. Continuing Training and Education for the Board of Directors GRI 2-17

As required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE and TPEx Listed Companies", it is advisable that newly-appointed directors/supervisors shall take a minimum of 12 hours training in the inaugural year, and a minimum of 6 hours training per year from the following year onwards.

In 2022, the total training hours for directors were 46 hours, with an average of 6.6 hours per director, which was longer than the recommended criterion of 6 hours stipulated in the Directions.

Title	Name	Date	Host by	Course Name	Duration
Chairman	Lu, Chin-Chung	2022/02/11	CLEVO CO.	ESG Sustainable New Economy	2
		2022/03/04	Taiwan Corporation Governance Association	Corporate Governance and Securities Regulations	3
		2022/11/01	Taiwan Corporation Governance Association	Trends in Corporate Sustainability Governance and Analysis of Net Zero Challenges	3
		2022/11/10	CLEVO CO.	Explanation of Liability Insurance for Directors, Supervisors and Officers	2
Director	Huang, Yueh-Chao	2022/9/08	Taiwan Corporation Governance Association	Practical Issues of Non-arm's Length Transaction that Directors and Supervisors Should Pay Attention to.	6
Director	Tseng, Kuo-Hua	2022/9/08	Taiwan Corporation Governance Association	Practical Issues of Non-arm's Length Transaction that Directors and Supervisors Should Pay Attention to.	6
Director	Lee, Tse-Ching	2022/9/08	Taiwan Corporation Governance Association	Practical Issues of Non-arm's Length Transaction that Directors and Supervisors Should Pay Attention to.	6
Independent Director	Tsai, Duh-Kung	2022/9/08	Taiwan Corporation Governance Association	Practical Issues of Non-arm's Length Transaction that Directors and Supervisors Should Pay Attention to.	6
Independent Director	Hong, Ching-Shan	2022/07/14	Taiwan Securities Association	Anti-Money Laundering and Countering Terrorism Financing (Including Insider Trading Prevention Propaganda)	3
		2022/10/07	Taiwan Stock Exchange Corporation	Release Conference: Reference guide for Independent Director & Audit Committee	3
Independent Director	Sun, Chin-Feng	2022/06/29	Taiwan Corporation Governance Association	Personal Facing CFC Response Part One: Know Yourself and the Enemy	3
		2022/10/19	Securities and Futures Institute	Seminar on Legal Compliance in Stock Trading for Inside	3
Corporate Governance Officer	Chen, Hsueh-Yi	2022/02/18	Accounting Research and Development Foundation	Legal Liability and Case Analysis of the New "Commercial Case Adjudication Act"	3
		2022/02/22	Accounting Research and Development Foundation	How to Analyze the Key Financial Information of Enterprises and Strengthen the Ability of Crisis Early Warning	6
		2022/02/24	Accounting Research and Development Foundation	Practical Analysis of "Sustainability Report" under the Corporate Governance 3.0 Policy	3

◇2.5.3 Audit Committee

The Audit Committee of Chicony Power is composed of 3 Independent Directors. The Audit Committee aims to assist the Directors in supervising the quality as well as the integrity of the accounting, auditing, financial reporting operations and financial controls implemented by the Company. The Audit Committee holds meetings on a regular basis, and the main items discussed in the meetings include:

1. Review of financial reports.
2. Evaluation of effectiveness of internal control systems.
3. Attesting CPAs' independence, contractual engagement, compensation, etc.
4. Critical assets or derivatives trading
5. Loans of funds.
6. Revise the "Operating Procedures for Loans of Funds", "Handling Procedures for Acquisition or Disposal of Assets", "Regulations on Endorsement/Guarantee", "Handling Procedures for the Engagement in Derivatives Trading", and formulate policies and procedures for risk management
7. Matters involving directors' personal interests.
8. Management of the Company's existing or potential risks.

Four Audit Committee meetings were called in 2022. Committee members' attendance is listed in the table below:

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

◇2.5.4 Remuneration Committee GRI 2-19 and GRI 2-20

Chicony Power's Remuneration Committee is composed of three independent directors, which holds at least two meetings per year to assess and examine whether the Company's internal remuneration system complies with relevant regulations, and can attract and retain excellent personnel.

The Committee shall loyally perform the following duties with the care of a good administrator, and submit their suggestions to the Board for discussion:

1. Regularly review the Company's "Remuneration Committee Charter" and offer suggestions for revision.
2. Formulate and regularly review the annual and long-term performance objectives for the Company's directors and managers, as well as the policies, system, criteria and structure of remuneration.
3. Regularly evaluate the performance objective achievement status of the Company's directors and managers, and set up the content and amount of the said personnel's individual remuneration.

When performing the duties specified in the preceding paragraph, the Committee shall follow the principles listed below:

1. Ensure that the Company's remuneration arrangements comply with relevant regulations, and can attract and retain excellent personnel.
2. The performance evaluation and remuneration of directors and managers shall be implemented by reference to the average pay levels in peer companies and by considering the following criteria: the individual's time commitment, the responsibilities being assumed, personal goal achievement status, performance in other positions, remuneration offered by the Company in recent years for same level positions, and the personnel's performance evaluated based on the achievement of the Company's short-term and long-term business objectives and the Company's financial status as well as the Company's overall business performance and the reasonableness of future risk correlation.
3. Directors and managers shall not be directed to be engaged in any acts that are beyond the boundary of the Company's risk appetite for the pursuit of remuneration.
4. The percentage of bonuses given for directors' and senior manages' short-term performance, and the timing for some variant remuneration payments shall be determined by considering the industry-specific characteristics and the nature of the Company's business.
5. Members of the Committee are not allowed to join the discussion and voting of decisions regarding their own remuneration.

Two remuneration Committee meetings were called in 2022. Committee members' attendance is listed in the table below:

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

Directors and Managers Remuneration Policy

The compensation for Chicony Power's directors (including independent directors) includes compensation and remuneration from distributable surplus earnings. The compensation shall be first discussed by the Remuneration Committee, and then reported to the board of directors for resolution. The remuneration from distributable surplus earnings shall be determined by the Remuneration Committee based on regulations stipulated in the Company's Articles of Incorporation. The distributable surplus earnings should be limited to an amount not greater than 1% of a given year's earnings. The Committee shall discuss the proposed amount and the distribution principles by considering directors' participation degree in the Company's operations, and the value of the directors' contribution. The finalized proposals after discussion shall be submitted to the Board for resolution.

The remuneration for managers such as the President, Senior Executive Vice Presidents, etc. includes salary, bonus, employee compensation, regulated appropriated severance pay, etc. Managers' salaries are discussed and determined based on factors such as the position being taken, the manager's academic and practical business experiences, and the responsibilities being assumed, and by reference to the salary level for the same job adopted by peer companies. Bonuses and employee remuneration payments are determined after discussion based on individual manager's various performance indicator achievements, which include financial indicators (such as the Company's operating revenue and profitability performance achievement of the year) and non-financial indicators (such as the manager's personal performance appraisal results, personnel management performance and other special contributions or significant negative incidents). The Remuneration Committee shall discuss the proposed amount, which shall be distributed after being determined by the board of directors.

Performance bonuses for Chicony Power's directors and managers are given by reference to the average levels adopted by peer companies, and by considering the Company's operating achievements and the contribution made by the directors and managers to the Company's performance. Other factors such as the remuneration amount, payment methods, the Company's future risks, the operational responsibility being assumed and its relevance to the overall performance, etc. shall also be comprehensively considered when determining bonus payments.

❖2.5.5 Sustainability Development Committee GRI 2-14, GRI 2-16 and GRI 2-22

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

The Sustainability Development Committee members' responsibilities include:

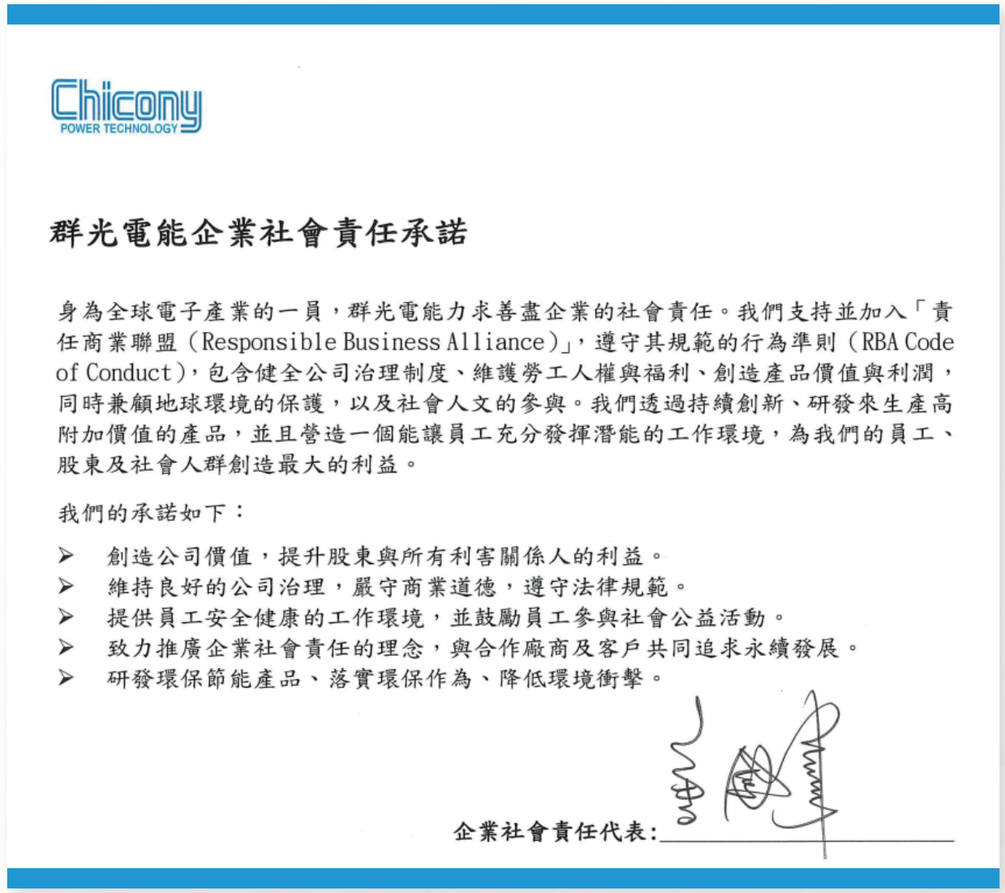
1.Define CSR, environmental protection and climate change issues, determine sustainable development direction and goals, and formulate corresponding management guidelines and specific promotion plans.
2.Promote and implement tasks related to the Company's ethical management risk management, etc.
3.Regularly report to the board of directors on the implementation achievements for sustainable development.
4.Other affairs assigned to the Committee according to the Board's resolutions.

The Sustainability Development Committee held one meeting on November 2, 2022, in which all members are present. The meeting focused on the compilation results of 2021 Sustainability Report and the task planning for 2022 Sustainability Report. In addition, the operation status of tasks including "sustainable development", "ethical management", "stakeholder communication" and "risk management policies and procedures" was also reported in the meeting.

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

1.Occurrence of a disaster, group protest, strike, environmental pollution, cyber (information / communication) security event, or any other material event, resulting in any of the following situations: Where the company incurs a material loss or impact;
2.Where a relevant authority orders suspension of work, suspension of business, termination of business, or revokes or voids a permit pertaining to pollution;
3.Where the administrative fines for one single event have accumulated to NT$1 million or more.

No material and critical events happened to Chicony Power in 2022.



Chicony POWER TECHNOLOGY

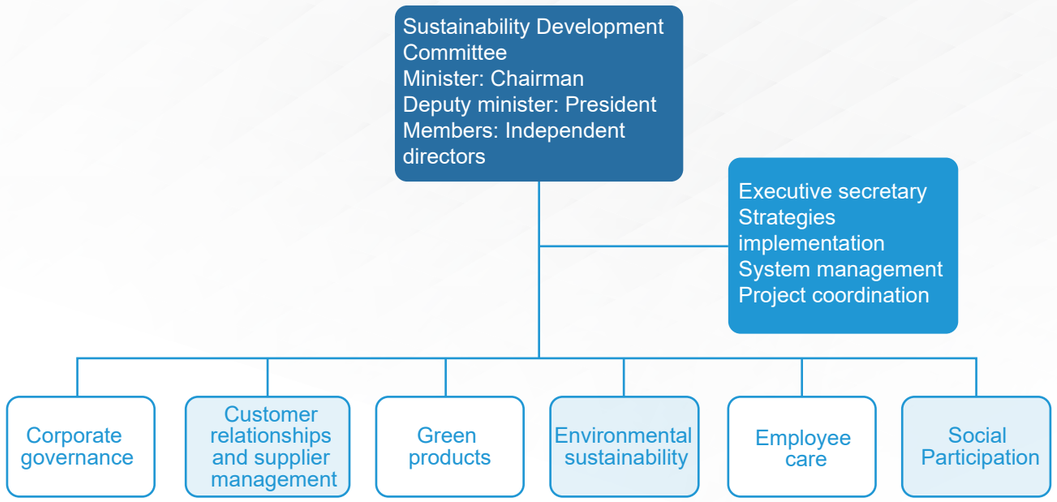
群光電能企業社會責任承諾

身為全球電子產業的一員，群光電能力求善盡企業的社會責任。我們支持並加入「責任商業聯盟（Responsible Business Alliance）」，遵守其規範的行為準則（RBA Code of Conduct），包含健全公司治理制度、維護勞工人權與福利、創造產品價值與利潤，同時兼顧地球環境的保護，以及社會人文的參與。我們透過持續創新、研發來生產高附加價值的產品，並且營造一個能讓員工充分發揮潛能的工作環境，為我們的員工、股東及社會人群創造最大的利益。

我們的承諾如下：

- 創造公司價值，提升股東與所有利害關係人的利益。
- 維持良好的公司治理，嚴守商業道德，遵守法律規範。
- 提供員工安全健康的工作環境，並鼓勵員工參與社會公益活動。
- 致力推廣企業社會責任的理念，與合作廠商及客戶共同追求永續發展。
- 研發環保節能產品、落實環保作為、降低環境衝擊。

企業社會責任代表：



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

◇2.5.6 Membership of Associations and Initiatives GRI 2-28

The "E.SUN ESG and Sustainability Initiative" was jointly launched by E.SUN and like-minded corporate partners by signing the "Sustainable Development Advocacy" in 2021, in the hope of taking practical actions to cope with pressing climate change issues. The initiative advocates controlling GHG emissions to mitigate impact on climate and environment, and implementing an array of ESG measures to promote the United Nations Sustainable Development Goals (SDGs). As an enterprise committed to promoting ESG concepts, Chicony Power believes that an enterprise needs not only rapid growth, but also needs to facilitate the realization of corporate sustainability and responsibility to exert its positive influence, which is the value for an enterprise's sustainable existence. Therefore, Chicony Power joined the "E.SUN ESG and Sustainability Initiative" in 2022.

E.SUN ESG and Sustainability Initiative


永續發展倡議書

群光電能科技股份有限公司與玉山銀行共同致力於追求永續發展，我們以實踐ESG，推動聯合國SDGs永續發展目標為己任，持續發揮影響力。

群光電能科技股份有限公司承諾，針對氣候變遷採取行動，控制溫室氣體排放，減緩對氣候的影響，於2022年盤查用電或排碳狀況，規劃投入資源，採取具體節電或減碳行動。

- 進行溫室氣體盤查並通過14064-1:2018驗證，訂定減碳目標
- 加入國際倡議組織：SBTi
- 加入國際倡議組織：CDP
- 2025年每百萬營收之碳排放強度降低12.5%

玉山銀行承諾2050年前成為淨零排放銀行，依循國際標準建立氣候風險治理架構，完善各項氣候風險管理機制，並且積極發展永續金融，透過支持再生能源及綠建築，輔以逐步撤煤等方式，同時持續提升自身能源使用效率，發揮金融影響力，共同迎向美麗家園。

我們以成為世界一等的企業公民為願景，以永續作為重要發展策略，攜手志同道合的夥伴，透過價值連結擴大多企業共同為經濟、環境、社會均衡發展努力，邁向更多元更有韌性的永續未來！

群光電能科技股份有限公司 董事長

玉山銀行 董事長


Sustainable Development Advocacy

CHICONY POWER TECHNOLOGY CO., LTD. and E.SUN Commercial Bank are devoted to sustainable development. Our mutual purpose is to fulfill ESG principles, promote SDGs and exert influence.

CHICONY POWER TECHNOLOGY CO., LTD. is committed to taking action against climate change. We promise to control the emission of greenhouse gases to alleviate environmental impact. We would inventory electricity usage or carbon emission in 2022, and devote resources to taking concrete actions on energy saving and carbon reduction. We aim to :

- Obtain ISO 14064-1:2018 certification, and set carbon reduction targets.
- Join international advocacy organizations: SBTi
- Join international advocacy organizations: CDP
- Reduce 12.5% carbon emission intensity per million sales revenue before 2025.

E.SUN commits to net zero emissions by 2050, establishes a climate change governance structure in accordance with international standards and continually improves the management mechanism for climate change risks and opportunities. We also develop sustainable finance business and support renewable energy and green buildings, phasing out coal-related industries. Towards to a more beautiful homeland through impact financing.

E.SUN endeavors to become a first-rate global corporate citizen, integrate sustainability as a key business strategy. We will work together with likeminded partners in exerting positive influence to our economy, environment and society. Build a more diversity and resilience sustainable future.

CHICONY POWER TECHNOLOGY CO., LTD. Chairman

E.SUN Bank Chairman Joseph Huang

With the aggravating environmental impacts caused by global climate change, more and more global standards have been set to regulate the impacts that enterprises create on the environment, which in turn makes stakeholders' concerns keep changing with new provisions and guidelines. In recent years, Chicony Power has been reviewing relevant standards applicable in global markets and the issues that stakeholders are concerned about to re-assess the Company's internal sustainable operations strategies. In the meanwhile, we also pay attention to regulations set by relevant organizations, and strive to maintain good relationships with customers, suppliers, and peer companies. Moreover, professional advisors and several nonprofit organizations are also appointed to offer advice for the Company's ongoing achievements of sustainable development goals. The initiatives which Chicony Power joined in 2022, and the organizations that the Company has participated in are listed in the table below:

Title of Initiative	Organizations that the Company has joined (as of 2022)	Degrees of participation
◎ Responsible Business Alliance (RBA) ◎ Science Based Targets initiative (SBTi) ◎ E.SUN ESG and Sustainability Initiative ◎ Taiwan Climate Partnership	Taipei Computer Association	Member
	Taiwan Electrical Contractors Association (TECA)	Member

2.6 Risk Management and Ethical Management

◇2.6.1 Risk Management Procedures

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

The implementation units have proposed their management/control strategies and approaches for identified and potential risks. The Company's "Sustainability Development Committee " reported to the board of director on November 2, 2022. The report included the environmental, social and corporate governance material issues related to the Company's operations, and the implementation status of corresponding risk management measures.

Risk Category	Potential Risks	Management Strategies and Approaches
Climate Risk	Dramatic changes in weather patterns; Production is affected by natural disasters, water shortages, or power outages	1.The Company's factories communicate with local governments, and request to be listed as priority areas for electricity and water supply. 2.Invest resources in disaster prevention measures, and conduct regular service and maintenance. 3.Conduct Risk Effectiveness Assessment for regions where raw material suppliers are located. 4.Introduce relevant energy management systems to factories, and evaluate the possibility of renewable energy facilities installation. 5.Set flood-prevention & dewatering systems and emergency response measures in all factories.
Environmental Risk	Global warming (GHG emissions increase)	1. Conduct GHG inventory and obtain third-party certification: The Taipei Headquarters, Suzhou Factory, Chongqing Factory and Dongguan Factory are all ISO-14064 certified. 2. Set science-based carbon reduction targets (SBT), which **was approved on August 10, 2022**. Continue the implementation of various energy saving and carbon reduction measures in the Taipei Headquarters and all factories. 3. Increase R&D investment in products with high energy efficiency to reduce products' carbon emissions. 4. Increase the percentage of eco-friendly materials used in products to reduce the generation of non-recyclable waste.
Occupational Safety and Health Risk	Employee workplace safety	1. The Taipei Headquarters, Suzhou Factory, Chongqing Factory, Dongguan Factory and Thailand Factory have all obtained ISO 45001 occupational safety and health management systems certification. 2. Regular onsite patrols and inspections are carried out by the EHS teams in the Taipei Headquarters and all factories to reduce hazards and risks. 3. Conduct work environment monitoring to ensure that the workplace environment will not affect the health of employees.
	Fire/ explosion risk	1. Disciplinary measures have been formulated for violations of safety regulations related to electric soldering iron and high temperature heating equipment (such as heat gun, hot glue gun, etc.), and employees are required to pay high attention to fire/explosion hazards. 2. In addition to the existing management/control measures for soldering irons, the "Soldering Iron Real-name System" has been implemented from this year onwards, which requires the labels of users or keepers to be displayed to ensure that every soldering iron is well kept and maintained. 3. Adding foolproof cover to countdown timer: For the existing high temperature heating equipment that cannot automatically cool down, an automatic power off countdown timer should be installed. Moreover, in order to avoid countdown timer failure caused by operator's wrong touch when setting or switch-ing-off the timer, protection covers have been provided for operators to use on the countdown timers to reduce the chance of wrong touch.
	COVID-19 pandemic	1. Develop "COVID-19 Response & Control Plan", and designate occupational medical and nursing personnel to work with the Administrative Management Division to implement the Plan. 2. Establish a pandemic prevention reporting system for the Administrative Management Division to keep track of employees' health status in a timely manner. 3. Conduct health care and tracking for high-risk employees, and pay attention to employees' health conditions at all times. 4. Conduct regular environmental disinfection to provide a healthy environment for employees.

Risk Category	Potential Risks	Management Strategies and Approaches
Information Risk	Information system anomalies Malicious intrusion into and destruction of the system by external attacks	1. Set up security measures such as firewall, antivirus software, cloud ATP (Advanced Threat Protection) email protection solutions, etc. for the system. IT personnel conduct regular checking and testing, and build up complete anti-intrusion and anti-virus mechanisms. 2. Detect the websites that the Company's users access, and block anomalous connections. 3. Perform firewall and internal network vulnerability scanning on a quarterly basis, and patch vulnerabilities based on the scanning report results. 4. Strengthen disaster prevention, monitoring, reporting mechanism, anomalies management, and regular disaster recovery drills as well as implement backup mechanisms. 5. Conduct quarterly advocacy of information security to raise the awareness of information security among employees. Introduce the ISO 27001 systems; the certification is scheduled to be obtained in 2023.
Financial Risk	Risks of exchange rate fluctuations	For USD receivable / payable positions from goods purchase and sales, natural hedging through mutual offsetting shall be adopted. For USD net positions after offsetting and the possible flows generated in the future, the Company will keep monitoring the global economic conditions, stay on top of global exchange rate trends, and hedge the risks through timely forward foreign exchange transactions.

◇2.6.2 Ethical Management GRI 2-25 and GRI 2-26

Employee Code of Ethical Conduct

Chicony Power has formulated the "Employee Code of Ethical Conduct" based on the RBA (Responsible Business Alliance) regulations and the "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/TPEx Listed Companies", which encompasses the regulations on anti-corruption/bribery, insider trading, intellectual property, proper information preservation / disclosure, etc. With the aim of promoting employees' awareness of business ethics and legal compliance consciousness, Chicony Power has incorporated "Employee Code of Ethical Conduct" into the required courses for all employees, for which re-training is conducted on a yearly basis to deepen employees' consciousness of business ethics. The managerial personnel are required to act as a good role model to lead all employees to demonstrate due ethical standards while exerting their professional abilities. Through an annual self-evaluation mechanism for corporate internal control, employees are required to examine their awareness of the "Employee Code of Ethical Conduct" to strengthen the effectiveness of the overall internal control system.

System for Employees' and Stakeholders' Whistleblowing

Chicony Power always uphold "integrity" in all business activities. Corruption and any form of fraud shall never be allowed. Additionally, a clear and effective disciplinary system has been established to ensure that employees shall never accept any form of request or agreed payment, nor shall they receive any bribes or other improper interests.

1. Formulate the "Regulations on the Implementation of Whistleblowing and Complaint-filing", and provide channels for whistleblowing and complaint-filing, including:
   - ✓ "Whistleblowing / Complaint-filing Mailbox" — Address: 20F, No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City 241.
   - ✓ "Whistleblowing / Complaint-filing E-mail Address": Hotline@chiconypower.com, which shall be managed and processed by Administrative Management Division's supervisor. The whistleblower's personal information and the content of whistleblowing shall be kept confidential. If any of the Company's personnel is found or reported to be involved in any unethical acts, an investigation team shall be formed to investigate the violation. If the alleged violation of relevant laws or the Company's ethical management policies and regulations is verified, the infringer shall be immediately asked to stop the violation acts, and the case shall be appropriately handled depending on its severity. When necessary, the Company shall enter into legal proceedings to claim damages to protect the Company's reputation and interests. A specific rewarding system for whistleblowing has also been established. For encouragement criteria, please refer to the "Employee Rewarding and Disciplinary Measures".

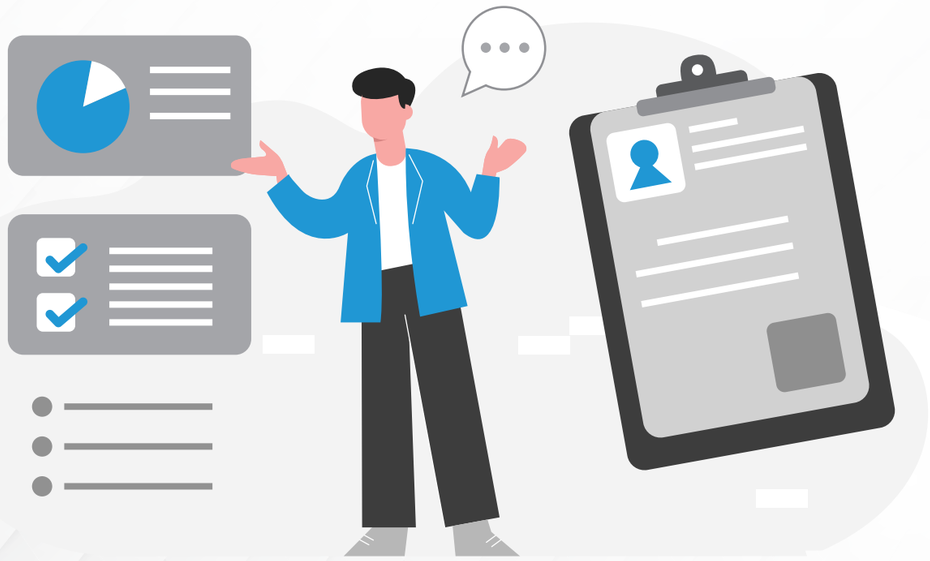
   No incidents involving the violation of "Employee Code of Ethical Conduct" occurred in 2022.
2. As stipulated in the "Regulations on the Implementation of Whistleblowing and Complaint-filing", the Company shall formulate standard operating procedures for the acceptance and investigation of a whistleblowing case. The Administrative Management Division's supervisor shall be in charge of the handling, investigation and response of/to the whistleblowing and complaint-filing incidents, and the whistleblower's personal information and the content of whistleblowing shall be kept confidential.
3. The whistleblower's personal information and the content of whistleblowing shall be kept confidential, and the whistleblower shall be protected from being treated inappropriately due to the whistleblowing.

2.6.3 Legal Compliance GRI 2-27

Strict compliance with laws and regulations in business operations is a practice of corporate social responsibility, and one of the keys to sustainable operations. Since Chicony Power is providing products and services in various markets around the globe, with a view to ensuring the compliance with regulations applicable in the global market, the Company has set up legal affairs units to pay close attention to any regulatory formulation and development, by which the Company might be affected. In addition, a system to assess the Company's compliance with laws, policies and regulations has also been established to assist all units in implementing various laws and regulations. Moreover, relevant personnel shall conduct legal identification and management to monitor the laws and regulations in relation to business operations, environmental protection, services, etc. Additionally, a principle has been formulated that for any criminal law incident or administrative law incident that poses a penalty to the Company, or any event that seriously affects the Company's operations, such incidents or events shall be disclosed in the CSR Report to fulfill the goal of balanced reporting and information transparency.

No material violations occurred in 2022.

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



2.7 Cyber (Information/Communication) Security Management GRI 418-1

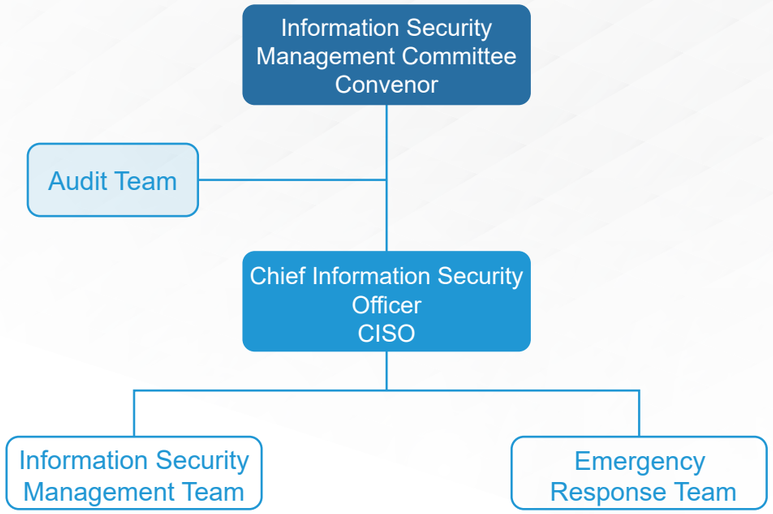
Customer privacy and confidential information protection is the main reason for customers' willingness to establish a long-term partnership with Chicony Power. Therefore, the Company is committed to safeguarding customers' information and protecting the rights and interests of customers.

2022 Information Security Management

1.Employees' biannual social engineering email drills and testing have been completed.
2.One online social engineering training session has been conducted.
3.No complaints about the infringement of customers' confidential information occurred in 2022.
4.No information-security-related complaint documents were received from external and supervisory agencies.

Cyber (information/communication) Security Organizational Structure:

In order to improve cyber security management, Chicony Power has set up an Information Security Management Committee. The Company's Information System Division's top supervisor serves as the convener of the committee, and the chief information security officer is responsible for the promotion of information security policy and the allocation of relevant resources. In addition, two dedicated information security technical personnel from the Information Security Management Team have also been designated to ensure that the management regulations set for cyber security shall be effectively and continuously executed and implemented. In the event of emergency or serious incidents, an Emergency Response Team shall be separately formed to be in charge of the planning for emergency response. The organizational structure is illustrated in the diagram below:



Cyber (information/communication) Security Management Mechanisms:

The Company’ s cyber security management mechanisms are established based on the Need-to-know principle to protect all customers’ privacy and confidential information. Relevant protection mechanisms and measures are implemented through three focuses, which are People, Process and Technology. The mechanisms are summarized in the table below:

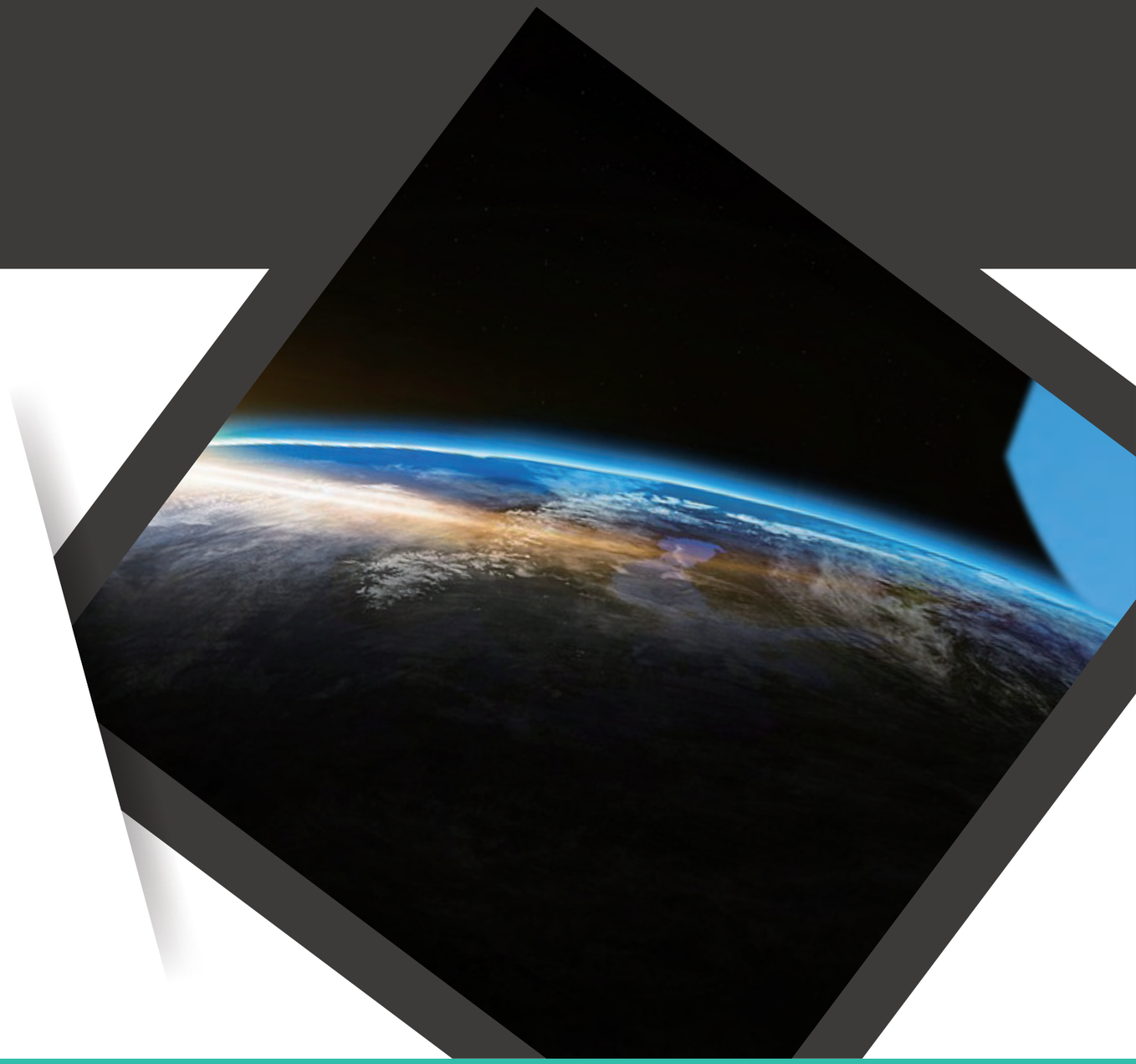
People	● In addition to the information security advocacy sessions organized for new employees, the Company also conduct regular information security promotion and training sessions for all employees to strengthen their awareness of customer privacy and related confidential information. ● Set up a corporate information security organization directly under the President's authority to integrate the operations of the three focuses – People, Process and Technology. Treat customer privacy and relevant confidential information with the highest standard caution, and make sure that relevant activities and measures have been correctly implemented to ensure the protection of customer privacy and confidential information.
Process	● All employees are required to sign a Confidentiality Statement before joining the Company. ● Before the consent (authorization) is obtained from a customer's project staff, it is prohibited to disclose any of the customer's information through any means to non-related personnel inside and outside the Company. Moreover, the principle of "Least Privilege" shall always be followed. ● Throughout the process starting from a project's commencement, advancement, finalization, and even until the product's production is terminated, customer privacy and relevant confidential information shall always be strictly protected.
Technology	● In response to various information security threats such as malware, Botnet (Zombie Network), virus, worm, hack attacks, etc., the Company shall continuously strengthen network equipment security, manage software, improve the anti-virus/anti-hacking deployment, and establish the entire company's anti-virus and anti-hacking platforms. ● Set access control mechanisms for all systems and customer’ s project information. Only authorized work-related personnel are allowed to access relevant information.

Cyber (Information/Communication) Security Management Actions:

With the aim of enhancing application systems' security and reducing potential risks, vulnerability scanning shall be performed on quarterly basis for host systems and network equipment, and system patching shall be conducted for significant and high-risk vulnerabilities. Moreover, IT personnel shall conduct packet analysis every six months for collected information-security-related data, and eliminate identified anomalous packets. In addition, the Company has introduced several fortifying mechanisms such as computer asset management system, server records and network traffic data collection and analysis system as well as the mechanism of Two-Factor Authentication (2FA) and Multi-factor Authentication (MFA) to reduce the incidence of anomalous events involving confidential or sensitive data. Besides, we continue to conduct business email intrusion filtering, real-time monitoring of anomalous firewall and antivirus records, and server threat detection and response services in our daily operations to achieve the real-time monitoring of anomalies and continuous reinforcement of cyber security management mechanisms.

The Company conducts one training session on information security awareness and two social engineering drills every year, in which cyber security protection topics and lessons from actual cases are provided to strengthen employees' information security awareness. With the aim of continuously ensuring the security of customer privacy and confidential information on the basis of existing well-established information security management foundation, the Company started to establish ISO 27001 compliant cyber security management systems in October 2022. The establishment tasks include the formulation of cyber security policy and related 4 levels' management documentation, the employment of the PDCA method to continuously improve the overall cyber security environment, and the setting of measurable cyber security goals to regularly examine and evaluate goal achievement status. The ISO 27001 certification is scheduled to be obtained in July 2023.





03

Sustainable Value Chain

3. Sustainable Value Chain

We have introduced the concept of green design into new products' R&D. The R&D units develop design that can improve products energy efficiency, comply with relevant chemical/hazardous substance regulations, and use as many renewable and recyclable materials as possible. Chicony Power has formed a critical strategic collaboration partnership with its suppliers. In addition to providing customers with valuable products and services, we also pay attention to the social and environmental value we can create, and strive to build a sustainable supply chain. Through cooperation and collaboration, Chicony Power shall assume the social and environmental responsibilities with the supply chain.

Dimension	Environmental (E)	Corporate Governance (G)
Material Issues	Green Products and Services (Hazard Substance Management)	Supplier Management
Management Mechanism	1. Provide suppliers and internal teams of procurement, quality control, R&D, etc. with guidelines for hazardous substance control based on the "Restricted Substance Control Standard". Clearly specify the substances subject to Chicony Power's environmental management (including prohibited substances, restricted substances, self-managed substances and substances other than applicable items). 2. Incorporate suppliers' performance in labor rights, environmental protection, and safety & health management into assessment and audit criteria based on the "Supplier Management Procedures". Moreover, improvement measures are developed based on assessment results to assist suppliers in making continuous progress in the hope of improving the quality of sustainable supply chain management, and reducing supply chain operational risks to build	
Commitment / Policy	1.View suppliers as important partners for sustainable growth; carry out sustainable supply chain management to reduce operating risks and costs. 2.Endeavor to develop green energy products, and reduce the manufacturing processes and production lines involving the use of hazardous substances.	
2022 Evaluation Mechnisms and Achievements	1.The percentage of PCR (Post-Consumer Recycled)plastics used in production has increased from less than 1% in 2018 to 26.1% in the end of 2022, which has effectively reduced burdens on the environment and avoided waste of resources. 2.65W power supply units' ISO 14067 product carbon footprint verification has been completed. 3.The number of green patent filing has reached 530 since 2018 till 2022. The cumulative number of patent publication is 464.	
Medium- / Long-term Goals	1.Continue to increase the PCR (Post-Consumer Recycled) plastics usage percentage. 2.Apply the concept of product lifecycle in green design to continuously develop low-carbon products.	
Complaint Mechanism	Central Purchasing/Procurement Center, all factories' procurement departments	

3.1 Green and Sustainable Design

Green Patent Deployment

The promotion of global net-zero goals relies on innovative technological advancement. Innovative green technologies are playing a core role in Chicony Power's product development. The Company is committed to developing green technologies that can achieve power saving and energy consumption reduction. Moreover, the Company also encourages employees to apply for patent-filing by offering patent-filing bonuses and patent-acquisition bonuses. The patent-related performance is evaluated on a yearly basis, and winners of the Award for Best Inventor of the Year shall be selected and publicly recognized in the year-end banquet. In addition, with the aim of achieving the Company's medium- and long-term (3 to 5 year) goals, the patent-related statistics of the most five recent years shall be reviewed to plan the deployment for future energy efficiency technology development.

Energy saving and carbon reduction is the requirement focused for various types of power products in the industry. Chicony Power has been specialized in power supply unit production and technology R&D over the years, and has accumulated multifaceted technological capacities and integration experiences. In the most five recent years, the number of green patent filing focusing on power-supply-related core products has reached 353, and the cumulative number of patent publication has reached 324.

Chicony Power is not only a professional in power supply products, it is also an expert in the areas of lighting and optics with long years of industrial experiences. The LED products have been applied in laptops, PCs, smart phones, peripheral electronics products, and even automotive lights, where innovative and highly feasible lighting and backlight solutions and design can be realized, and high quality can be maintained when the produces are introduced to mass production. In the most six recent years, the number of green patent filing focusing on LED optics has reached 125, and the cumulative number of patent publication has reached 79.

Chicony Power's IWA smart building integration management platform launched a "carbon emission management system " and a "facilities and property management system" in 2022. The systems are designed to work with Chicony Power's energy management system and smart building control system to assist the building manager in searching carbon emission hotspots and effectively monitoring building's power-using and carbon-emitting equipment, thereby enhancing company's building control efficiency and achieving the goal of GHG emission reduction as well as proving a more complete solution for buildings' sustainable maintenance and management. The number of green patent filing focusing on mart buildings has reached 52, and the cumulative number of patent publication has reached 61.

Number of green patent filing over the years

Category		2018	2019	2020	2021	2022	Total
Power supply unit	Circuit	58	54	34	40	27	213
	Process	40	38	39	19	4	140
Smart Building		17	12	13	10	0	52
LED Optics		2	38	40	24	21	125

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

Number of green patent publication over the years

Category		2018	2019	2020	2021	2022	Total
Power supply unit	Circuit	41	43	52	46	23	205
	Process	13	24	28	40	14	119
Smart Building		8	10	16	17	10	61
LED Optics		9	11	18	20	21	79

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

High efficiency and low temperature-rise power solutions

Power supply unit is one of the most important components of electronic products, serving as an energy bridge connecting the grid electricity system and the electronic products, and being widely applied in areas such as industry, business, medical services, households, etc. With the significant usage volume and frequency of this product, the power saving effect it achieves shall be comparatively remarkable, making it play an ultra-important role in electronic products' energy saving and carbon reduction. Currently, there are three directions for power supply unit's energy saving technology development, which are high efficiency, low temperature and recycling/reusing.

The Company has step by step initiated the introduction of the third-generation semiconductor materials GaN (gallium nitride) / SiC (silicon carbide). With the excellent properties of fast switching speed and low RDS(ON), the third-generation semiconductors can effectively improve power supply units' conversion efficiency. It can also help reduce the size of transformer, which is a power supply unit's core component, to half of its original size, by which the use of materials shall be reduced, implying that product's weight and thickness can be reduced. This shall not only significantly reduce the use of mechanism materials, but shall also reduce the carbon emissions from transportation.

In order to cope with the heat dissipation problem brought by product miniaturization, our design team has tried to achieve better heat dissipation effect through heat dissipation system optimization and the active exploration of new material applications. For example, we have conducted the assessment of carbon nanotubes and graphene applications. Being carbon's allotropes, both carbon nanotubes and graphene possess high thermal conductivity and can collaboratively realize three types of heat dissipation effects, which are conduction heat dissipation, radiation heat dissipation and convection heat dissipation, to create a more balanced and efficient heat dissipation effect and effectively reduce the use of metal heat sinks.

We have increased the use of Post-Consumer Recycled Plastic (PCR) in the design of power adapters' plastic shells. The percentage of PCR plastics used in production has increased from less than 1% in 2018 to 26.1% in the end of 2022, which has effectively reduced burdens on the environment and avoided waste of resources. With the aim of achieving continuous improvement and assessment, the Company conducts sampling and testing for every batch of products in accordance with relevant management requirements and regulations for quality assurance and environmental protection to ensure that the products can comply with relevant requirements and regulations after they are mass produced. Thus, Chicony Power's products can progress towards the direction of sustainability.

	2018	2019	2020	2021	2022
Percentage of PCR (Post-Consumer Recycled) plastics usage	＜1%	8.8%	9.6%	19.9%	26.1%

LED Product Applications

LED is energy-efficient and eco-friendly, and can be extended to a variety of product applications. In response to the trend where major car manufacturers are adopting LED car light modules in their products, in addition to the simple interior lights, third brake lights, tail lights, rear fog lights and daytime running lights, energy-efficient LED modules are also used in headlights, for which more complex technologies are required. Chicony Power can provide and cooperate with car manufacturers to carry out various interior/exterior lighting design and module product development. We have design teams specializing in design related to modeling/optics/structure/electronics/heat dissipation, etc. to carry out independent development and production. The Company has collaborated with several automobile manufacturers in Mainland China to develop LED headlight module products, for which mass production has been introduced.

Mini LED, with maturing technologies, has been gradually used in various products in recent years, including gaming laptops, gaming monitors, high-end TVs, etc., indicating that a new trend for Mini LED applications is gradually emerging. The characteristics of more uniform light emission and lower power consumption have help Mini LED technologies be gradually applied in more extensive areas. In terms of laptop keyboard backlight technology, Chicony Power has developed a unique Mini LED keyboard backlight module technology, which can save more than half of the power consumption of the keyboard backlight and achieve better visual effects. This unique technology has been acknowledged by major international manufacturers, and shall be used in the latest mid-/ high-end laptops, for which mass production shall be initiated in January 2023. It is estimated that the power consumption reduction from the shipment of Mini LED keyboard backlight modules this year shall reach the carbon reduction effect of 142,000 trees, which is equivalent to the carbon reduction effect achieved by a 11.4-hectare forest in one year.

Chicony Power has collaborated with the world's major plastic material factories to use PCR (Post-Consumer Recycled) materials on the materials of each layer of the backlight modules. The use of these materials has all been certified. Currently, two keyboard backlight modules have completed mass production verification, and the shipment has started.

With the rise of online shopping, the massive consumption of disposable packaging materials has become a huge burden on the environment. Governments of various countries have also gradually paid attention to the issue of packaging reduction. The backlight module is a part that makes up a laptop computer. Usually, the assembled parts are packaged in disposable cartons. With the aim of reducing packaging material waste, Chicony Power has collaborated with brand manufacturers to design a type of recyclable outer cartons and inner packaging for the shipment of LED backlight modules. The outer cartons and inner packaging shall be reclaimed when the goods are delivered to laptop assembly plants. Such procedures shall not only save the cost for a large quantity of disposable cartons, but shall also reduce damage to the environment. According to calculation results, from 2020 when the outer box recycling and reuse measure was introduced to the end of 2022, a total of about 645 tons of paper consumption has been reduced, which is equivalent to reducing the felling of 15,480 trees.

Smart Building Solutions/Smart Green Energy Factory

Chicony Power, with its leading strength in energy management knowledge and technology, has been actively working on its deployment of technologies related to "Smart & Green Solutions" since years ago. The most typical core product is the IWA (Intelligent Wireless Access) smart building integration management platform. The platform has incorporated elements such as eco-friendliness, social responsibilities, corporate governance into product design & planning, soft and hard service application integration, and professional energy consulting services, through which a complete solution with sustainable value shall be provided for customers in the global market.

The concept of "Sustainable Cities and Communities" and the expectation for smart cities has penetrated into our society. For example, in order to achieve the goal of 2050 net zero, the central government announced two important phased milestones in the General Guide for Taiwan's 2050 Net-zero Emissions Pathway and Strategies in March 2022. As stipulated in the announcement, by 2030, new publicly-owned buildings shall meet the requirements for "Level 1 Building Energy Efficiency" or "Near-Zero-Carbon Building"; by 2040, 50% of existing buildings shall be updated to "Level 1 Building Energy Efficiency" or "Near-Zero-Carbon Building". In terms of building performance efficiency, lighting and air conditioning are the two major issues that need to be solved. Traditionally, passive energy-saving and carbon-reducing building design is adopted to achieve carbon reduction goals. But in the future, in addition to the traditional passive energy-saving and carbon-reducing building design, the "smart" active energy-saving and carbon-reducing technologies shall be employed to further achieve the goal of "Near-Zero-Carbon Building".

Chicony Power has accumulated extensive professional experiences in the areas of smart management and AI applications, and has possessed the capabilities to provide one-stop and comprehensive services. Such services include project design planning, smart integration management platform, smart control system, smart device/equipment, etc. provided based on Chicony Power’s top-down independent R&D commitment. In this framework, buildings’ critical systems such as energy/carbon emission management system, smart lighting system, air conditioning energy efficiency system, smart shading system, facilities & property management system, etc. can all operate in an independent way. Moreover, these systems can be integrated into Chicony Power's IWA smart building integration management platform to further implement multi-system smart connecting control to improve the overall effect of carbon reduction and energy saving. In addition, the "Open Application Programming Interface (API)" approach can be used to connect different brands' equipment and devices for them to run smoothly. By basing on data analysis and Internet of Things technologies, systems such as air conditioning, lighting, electricity, access control, water supply/drainage, fire safety, surveillance, property management, power, facilities management, etc. can be integrated to comply with smart building's evaluation indicators including infrastructure, maintenance management, safety and disaster prevention, energy efficiency management, health and comfort, smart innovation, etc., to achieve the goals of high efficiency, energy saving and carbon reduction. Through Chicony Power's smart application solutions, the Company's relevant hard service equipment, including logic controller, sensor, smart meter, communication converter, wireless gateway, etc. can be used to facilitate various soft service systems for the soft and hard services to be connected in a seamless manner, which shall greatly reduce the time that system builders spend in system integration, and shall maximize the operational efficiency of soft and hard services. Chicony Power's smart building solutions have been employed in several iconic buildings and electronics manufacturers' plants in Taiwan, allowing users to effectively grasp real-time energy usage information, and further use smart solutions for adjustment and control to achieve the effect of energy saving and carbon reduction.

3.2 Raw Material Management

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

Chicony Power's major production factories (Suzhou, Chongqing and Dongguan) all have obtained the QC 080000 (Hazardous Substance Process Management) certification. The "process-oriented" approach is adopted for the management of hazardous substance use in products, by which the hazardous substances contained in the manufactured or supplied products can be identified, managed, controlled, quantified and reported when new manufacturing processes or operations are being developed. The Company pays constant attention on the changes in important regulations applicable in the global market such as RoHS2.0 (2011/65/EU & 2015/863/EU), REACH-SVHC, Halogen-Free, SONY-SS00259, etc., and synchronously updates related contents in internal control documents.


Chicony
POWER TECHNOLOGY

DOCUMENT CENTER
07-02-2018
Chicony Power Technology

Restricted Substance Control Standard

(環境管理物質標準)

DOC Number : HPT-01-043

Revision : 25

Level : 密

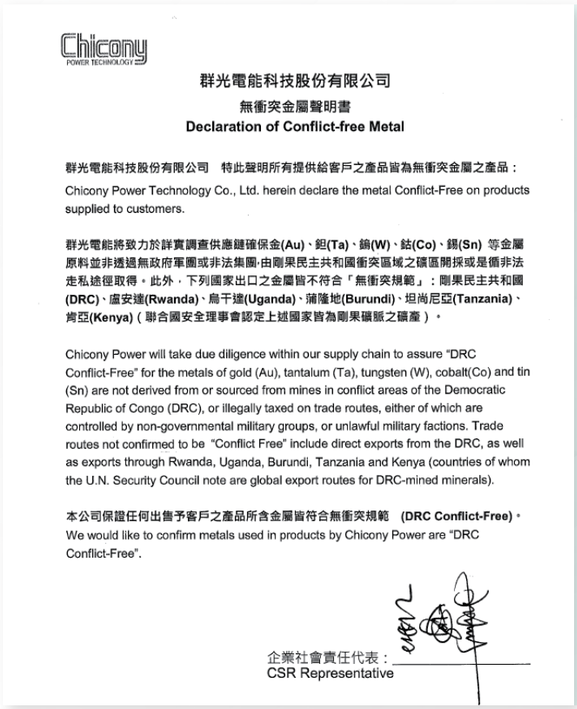
Chicony Power's "Restricted Substance Control Standard" has specified:

1.Hazardous substances and halogen-free products controlled by EU RoHS Directive
2.Prohibited substances in the future
3.Prohibited substances in manufacturing processes
4.EU's newly launched chemical regulations: REACH SVHC - the Candidate List of Substances of Very High Concern

In addition, Chicony Power has also formulated the "Green Supplier Evaluation Standards" to define evaluation content and methods. If a supplier fails to meet the standards, it needs to improve to reach the standards set by Chicony Power within one year."

Evaluation Content	Evaluation Method
Comply with the requirements of relevant national policies, regulations and standards	Check the qualified supplier’s self-declaration statement to confirm if there have been any serious safety or environmental accidents in the past three years.
Achieve the national or local requirements for pollutant emissions and total pollutant control goals, that is, energy consumption indicator requirements such as wastewater, waste, waste gas and noise standards and carbon emissions indicators.	Check the qualified supplier’s "Environmental Audit Checklist" and "Environmental Protection Guarantee Declaration"
Possess certifications of the Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001) and Occupational Safety and Health Management Systems (ISO 45001)	Check the qualified supplier’s relevant certificates or supporting documents .
A Hazardous Substance Management Control System has been established	Check the qualified supplier’s enterprise QC 080000 certificate, or system documents generated in the process of hazardous substance control, such as GP
Products should meet the GB/T 26572 limit requirements for six restricted substances (lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers)	Conduct tests based on the GB/T 29786 or IEC62321-8 standards and issue test reports, or provide proof of compliance, or related agreements.
In product's homogeneous materials, the content of diethylhexyl phthalate (DEHP), benzyl butyl phthalate (BBP), di-n-butyl phthalate (DBP), diisobutyl phthalate (DIBP) shall not exceed 0.1% of the mass concentration.	Conduct tests based on the GB/T 29786 or IEC62321-8 standards and issue test reports, or provide proof of compliance, or related agreements.
Products containing refrigerants or foaming agents need to use eco-friendly refrigerants and foaming agents	Provide the refrigerant's or foaming agent's composition list
Different raw materials/materials and parts (components) are easy to be separated from each other	Check explanatory documents
Use less or no coating, painting or other processes on parts (components)	Check explanatory documents

Evaluation Content	Evaluation Method
Labelling is required for plastic parts (components)	Check explanatory documents
The total amount of lead, cadmium, mercury, and hexavalent chromium in packaging materials shall not exceed 100mg/kg	Provide packaging material's hazardous substance test report
Labelling in accordance with the GB/T18455 standards is required for product packaging	Check the labelling on packaging
Packaging materials of different types can be separated by using general tools or by hand	Check explanatory documents



Chicony POWER TECHNOLOGY

群光電能科技股份有限公司

無衝突金屬聲明書

Declaration of Conflict-free Metal

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

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

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

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

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

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

企業社會責任代表：

CSR Representative

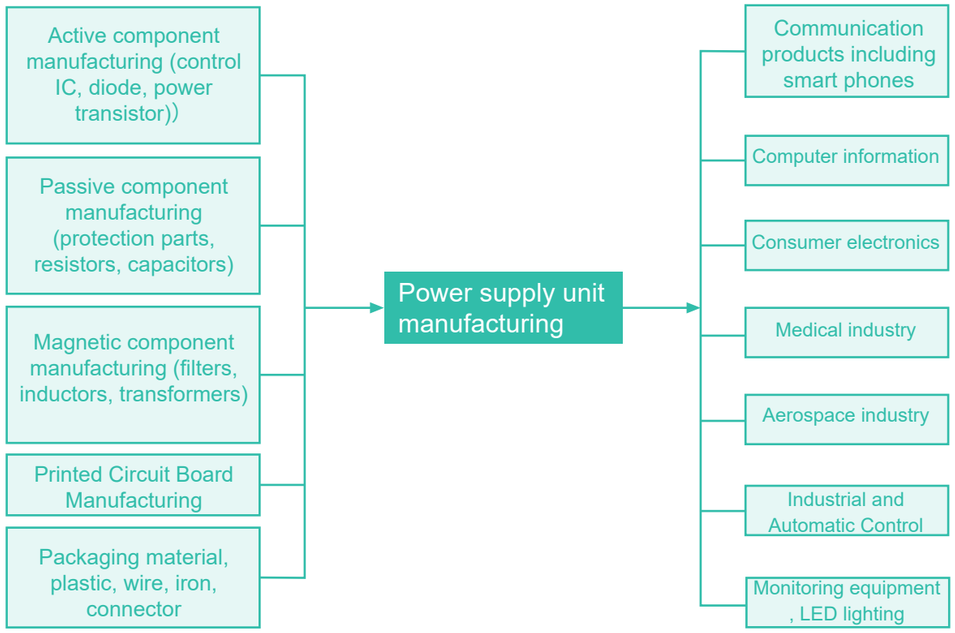
We have also required all suppliers to sign documents such as《Commitment Statement on RBA Code of Conduct》,《Letter of Undertaking of Integrity for Suppliers》,《Declaration of Conflict-free Minerals》, etc., and demanded supplier partners to carry out reviews and control measures in relation to labor rights, environmental protection, ethical management, safety and health risk management, etc. These actions shall not only reduce the operational risks and costs between the Company and the suppliers, but shall also ensure that suppliers can understand Chicony Power's sustainability requirements and precisely abide by their commitments.

3.3 Supply Chain Management GRI 2-6

3.3.1 Local Procurement Principle GRI 204-1

Chicony Power's major products include various types of power supply units. A stable power supply unit is not only the key to the normal operation of a product, but also a factor that may affect the product's service life; thus, it can be likened to the heart of electronic products.

Diagram illustrating the industry's upstream, midstream and downstream relationship in power supply unit manufacturing



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

Chicony Power has established stable supply relationships with major raw material suppliers, by which stable material source and good quality can be ensured, and delivery time and price can be controlled. The Company's materials-related units also strictly control the delivery time of raw materials based on order-taking situation to reduce inventory-holding costs. Therefore, we can work with suppliers to overcome the fluctuations in the overall environment and reduce possible operational risks.

The main production factories of Chicony Power are located in Mainland China and Thailand. In order to reduce carbon emissions from transportation, Chicony Power upholds the principle of "local procurement" and strives to find the nearest suppliers based on the production needs of individual factory to minimize the transportation distance of raw materials. The 2022 material purchase percentages from local suppliers and overseas suppliers in each factory are shown in the table below.

Factory	Item	Amount percentage	Item	Amount percentage
Chicony Power - Dongguan Factory	Purchase percentage from local suppliers	40%	Purchase percentage from overseas suppliers	60%
Chicony Power - Suzhou Factory		63%		37%
Chicony Power - Chongqing Factory		39%		61%
Chicony Power - Thailand Factory		30%		70%

※Many of Chicony Power's important raw materials are get from overseas. The Company is committed to increasing the percentage of local procurement. However, being affected by the impact of inflation in 2022, the cost of overseas raw materials rose significantly, resulting in an increase in the percentage of overseas procurement. Since there are more electronic parts production sites around the Suzhou Factory, it was less affected.

3.3.2 Criteria for New Supplier Assessment GRI 308-1 and GRI414-1

Raw materials supplied by suppliers shall directly affect Chicony Power's products, services, and operations. Moreover, suppliers' social responsibility actions will also indirectly affect Chicony Power's reputation or potential risks. Therefore, Chicony Power has formulated "Supplier Management Procedures" to standardize supply chain management procedures, based on which suppliers' performances in relation to labor rights, environmental protection, and safety & health management are incorporated into assessment and audit criteria. Moreover, improvement measures are developed based on assessment results to assist suppliers in making continuous progress in the hope of improving the quality of sustainable supply chain management, and reducing supply chain operational risks to build sustainable partnerships.

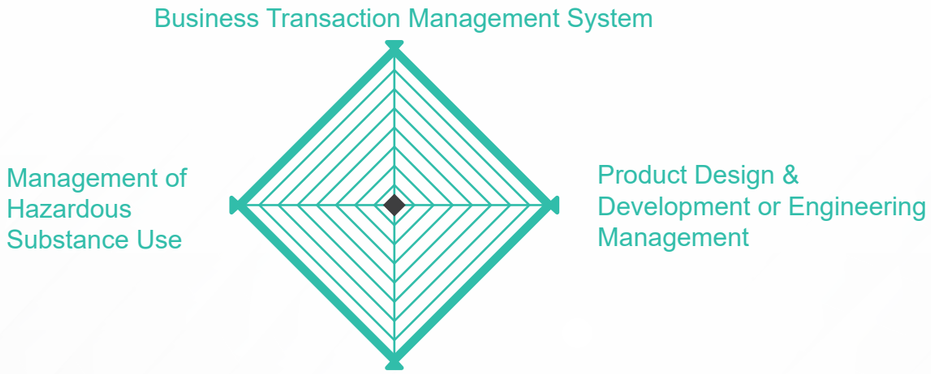
In order to choose suitable and excellent suppliers, assessments of suppliers' quality assurance system management, business transaction management, product research & development, and HSF (Hazardous Substances Free) management shall be carried out in accordance with "Operating Procedures for New Supplier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

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

2.Timing of Supplier Assessment: Assessments shall be conducted when the Company has needs for new technologies or new parts, or for quality requirements, cost requirements, or delivery requirements.

3. Content of Supplier Audit:

The said Supplier Assessment Audit Team should conduct assessments/audits focusing on four major dimensions, which are suppliers' business transaction management system, product design and development or engineering management, management of hazardous substance use, and quality assurance system management. The key points of assessments/audits are described in the table below. 16 new suppliers joined the Company's supplier list in 2022, and all of them have completed the four-major-dimension assessment/audits.



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

4. Supplier's Scoring Result:

For suppliers participating in Chicony Power's assessments, if an overall score of 80~100 is given after Supplier Assessment Audit Team's assessment, the supplier will be recognized as Approved; if an overall score of 70~79 is given, the supplier will be recognized as Conditionally Approved; if the score given by any one of the Supplier Assessment Audit Team members is under 70, or the overall score is under 70, the supplier will be deemed as Not Approved. Being affected by the COVID-19 pandemic, there were 16 new suppliers applying for joining the Supplier Assessment in 2021. Please refer to the table below for details of the supplier assessment results.

Scoring Results of 2022 New Supplier Assessment

Level		Description	Achievement Detail	
			Number of suppliers	Percentage
Approved	Score rate is 80% to 100%	A new supplier being given an overall score of 80~100 shall be recognized as an Approved supplier, and can proceed to subsequent business collaboration with the Company.	15	94%
Conditionally Approved	Score rate is 70% to 79%	A new supplier being given an overall score of 70~79 shall be recognized as a Conditionally Approved supplier, and should complete required improvements and pass the assessment again for being able to proceed to subsequent business collaboration with the Company.	1	6%
Not Approved	Score rate is under 70%, or any of the single score rate is under 70%	A new supplier being given an overall score under 70 shall be deemed as a Not Approved supplier, and is not allowed to collaborate with the Company, nor can it submit assessment application within 6 months.	0	0%

In 2022, Chicony Power's 37 Tier 1 suppliers were audited through online reviews (including SAQ self-assessment) or onsite inspections based on RBA-equivalent standards. All of them were classified as low-risk level. A total of 180 deficiencies were identified, of which 138 were listed as primary deficiencies, and 42 were listed as secondary deficiencies. 104 deficiencies were closed, and 76 remained under tracking. In addition to requiring and auditing Tier 1 suppliers to comply with the RBA standards, Chicony Power is also acting as a good role model to have its production factories all receive the RBA Silver Award Certification. It is hoped that this achievement will become an exemplar for suppliers to emulate, and to establish a sustainable value chain with us.

Audit results for Tier-1 suppliers (by reference to the RBA standards)

Deficiency Category	Under tracking	Closed
Primary deficiency	69	69
Secondary deficiency	7	35

RBA Silver Award Certification


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology (SuZhou) Co. Ltd

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

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

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

Robert F. Lederer
CEO, RBA


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology(Chongqing)Co., Ltd

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

Completed the RBA Validated Audit Process, achieving SILVER Status without any priority findings, earning a score of 160.7

Validated Audit Report: VAR-20210609-CN-04A01-2
Audit date: June 9, 2021
Certificate issue date: June 28, 2021
Expiration date: June 11, 2023

Robert F. Lederer
CEO, RBA


Responsible Business Alliance
Advancing Sustainability Globally

Recognition that

Chicony Power Technology (Dong Guan) Co. Ltd

Xincheng Scientific Industrial Gardan Liaobu Town, Dong Guan, Guanggong, 523651, China

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

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

Robert F. Lederer
CEO, RBA

3.4 Customers' Recognition

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

The regular appraisal/feedback and positive audit results received from customers are Chicony Power's main motivation to achieve continuous customer service improvement, maintenance of high-performance output, and comprehensive quality control. As the best partner of customers, Chicony Power aims to maximize customer satisfaction by grasping market trends and providing professional product designs. Moreover, Chicony Power has continuously received many awards from partners since the Company was established. The awards that Chicony Power received from partners in 2022 are shown in the table below.



2022 Smart Manufacturing System Award



2022 Extraordinary Partner



2022 Certificate of Excellence



2022 Sustainability Award



2022 Best Partner Award

Chicony
POWER TECHNOLOGY



04

Environmental Protection

4. Environmental Protection

Chicony Power upholds the spirit of "CSR Code of Conduct" and views the response to climate change as the Company's responsibility for sustainable operations, and strives to become a leading manufacturer of green components and consumer electronics. The SBT (Science Based Target) and TCFD (Task Force on Climate-related Financial Disclosures) have been introduced, and the reduction targets for waste management and water resource management have also been determined.

Dimension	Environmental (E)
Material issues	Waste management; Climate Change and Energy Management
Management Mechanisms	1. Introduce SBT and TCFD programs for the regular inventory and disclosure of climate change risk and opportunity management. 2. Designate suitable personnel in the organization's bases to continue promoting various energy-saving and carbon-reduction projects and keep regular track of the implementation status. In addition, increase the use of renewable energy in accordance with local and international regulations and standards. 3. Regularly track and declare waste volume and set waste reduction goals under the operation of ISO 14001: 2015 environmental management systems.
Commitment /Policy	1. Keep continuous track of the achievements of the SBT carbon reduction goals set with 2020 as the base year. 2. Set a goal of 3% for annual waste generation intensity decrease by reference to the SBTi carbon reduction methods with 2020 serving as the base year (unit: metric tons/NT$ million). 3. Set a goal of 3% for annual water withdrawal intensity decrease by reference to the SBTi carbon reduction methods with 2020 serving as the base year (unit: cubic meter/NT$ million).
2022 Evaluation Mechanisms and Achievements	1. Chicony Power won the 1st "New Taipei Exemplar Enterprise Award – Energy Exemplar Group" in 2022. 2. Chicony Power's Dongguan Factory, Suzhou Factory and Chongqing Factory have obtained the ISO 50001:2018 certification. 3. The SBT (Science Based Target) carbon reduction goals formulated by Chicony Power was submitted to SBTi in 2021, and the goal review was completed in August 2022. 4. The reduction of GHG absolute emissions and GHG emissions intensity both achieved the SBTi-reviewed 2022 goals. The Scope 1 + Scope 2 emissions reduced by 16.3% compared to the base year emissions (the SBTi-reviewed 2022 goal was 8.4%); Scope 3 (Use of sold products) reduced by 28% compared to the base year emissions (the SBTi-reviewed 2022 goal was
Medium- / Long-term Goals	1.The SBT GHG reduction goals set by Chicony Power are as follows: (1)Reduce Scope 1 and Scope 2 GHG absolute emissions by 42%, and corresponding GHG emissions intensity by 56.8% by 2030. (2)Reduce Scope 3 (Use of sold products) GHG absolute emissions by 25%, and corresponding GHG emissions intensity by 44.2% by 2030. 2.Chicony Power places great importance on waste management. The waste reduction goals set by reference to SBTi carbon reduction methods are as follows: By taking 2020 as the base year, the waste intensity shall decrease by 30% by 2030. 3.Chicony Power also places great importance on water resource management. The water withdrawal reduction goal set by reference to SBTi carbon reduction methods is as follows: By taking 2020 as the base year, the water withdrawal intensity shall decrease by 30% by 2030.
Complaint Mechanism	Administrative Management Division

GHG Absolute Emissions Reduction Goals and Confirmed Achievements

	2020 - Base year	2022				2030 - Target year	
Item	Emissions in SBTi-reviewed base year (unit: tCO2e)- year (unit: tCO2e))	Emissions (unit: tCO2e)	Reduction percentage compared to base year	SBTi-reviewed 2022 goal	Goal achieved in 2022 or not	Emissions (unit: tCO2e)	Reduction percentage compared to base year
Scopes 1 & 2	46,521	38,925	-16.3%	-8.4%	Goal achieved	26,982	-42%
Scope 3	32,167,148	23,164,138	-28.0%	-5.0%	Goal achieved	24,125,361	-25%

GHG Emission Intensity Reduction Goals and Confirmed Achievements

	2020 - Base year	2022				2030 - Target year	
Item	Emission intensity in base year of SBTi review (Unit: tCO2e/ NT$ million)	Emission intensity(Unit: tCO2e/NT$ million))	Reduction percentage compared to base year	SBTi-reviewed 2022 goal	Goal achieved in 2022 or not	Emission intensity(Unit: tCO2e/NT$ million))	Reduction percentage compared to base year
Scopes 1 & 2	1.410	0.948	-32.8%	-13.7%	Goal achieved	0.607	-56.8%
Scope 3 (Use of sold products)	972.77	564.069	-42.0%	-10.5%	Goal achieved	542.88	-44.2%

Waste Intensity Reduction Goals and Confirmed Achievements

	2020 - Base year	2022				2030 - Target year	
Item	Waste intensity (Unit: metric ton/NT$ million)	Waste intensity (Unit: metric ton/NT$ million)	Reduction percentage compared to base year	2022 goal set by reference to SBTi carbon reduction methods	Goal achieved in 2022 or not	Waste intensity (Unit: metric ton/NT$ million)	Reduction percentage compared to base year
Waste intensity	0.088	0.083	-6.3%	-6.0%	Goal achieved	0.062	-30%

Water Withdrawal Intensity Reduction Goals and Confirmed Achievements

	2020 - Base year	2022				2030 Goal	
Item	Water withdrawal intensity (Unit: m3/ NT$ million)	Water withdrawal intensity (Unit: m3/ NT$ million)	Reduction percentage compared to base year	2022 goal set by reference to SBTi carbon reduction methods	Goal achieved in 2022 or not	Water withdrawal intensity (Unit: m3/ NT$ million)	Reduction percentage compared to base year
Water withdrawal intensity	22.179	16.01	-27.8%	-6.0%	Goal achieved	15.53	-30%

4.1 Climate Change Risks and Opportunities

4.1.1 Climate-related Financial Disclosures GRI 201-2

Resilience to climate change is an important element for business operations. In addition to strengthening resilience and adaptability to climate change, Chicony Power will reduce the possible impacts caused by disasters, and make efforts to mitigate the impacts of greenhouse gas emissions on the external environment. Chicony Power started to submit the CDP questionnaire in 2018 as a response to international investors' concerns on the Company's climate governance. Chicony Power was given a B-score (Management-band) in 2022 (Management-band: Indicating that a company has taken concrete actions to solve environmental issues, reduce climate risks, and realize related opportunities.)

In terms of specific implementation, Chicony Power's "Sustainability Development Committee's" has been set by the board of directors. The organization's climate resilience has been incorporated into the Company's key management objectives through "Sustainability Development Committee's" operation and under the "Board's" supervision. Climate risks and opportunities have been identified by following the TCFD framework announced by FSB (Financial Stability Board). Metrics and management objectives have also been established based on the identification results, which shall be gradually integrated into the Company's operating decisions to carry out GHG adaptation and mitigation tasks, and to strengthen the Company's capability for climate governance. In addition, the Company conducts regular communication with stakeholders to control the financial impact of climate risks on the Company's operations.

Relevant explanations are listed in the table below.

Item	The Company's management actions	Content	Relevant actions taken in 2022
Governance	The Board's supervision	Chicony Power set up Sustainability Development Committee under the board of directors, and an "ESG Working Group" under the committee, serving as the highest management organization responsible for climate issues. Three independent directors are in charge of the supervision of issues related to environment (E), society (S) and corporate governance (G). The Sustainability Development Committee reports to the Board on a yearly basis about the Company's sustainability achievements in relation to Environment (E), Society (S), and Corporate Governance (G), in which the monitoring and governance of climate-related risks and opportunities are included.	Topics discussed this year included the operation status of submitting SBT goals and passing SBTi reviews, revising the Sustainable Development Best Practice Principles, "Corporate Social Responsibility", "Ethical Management", "Communication with Stakeholders" and "Risk Management Policies and Procedures", and the task planning for the annual Corporate Sustainability Report.
	Managerial personnel's roles and responsibilities	In order to solve issues arising from climate change and challenges in implementing environmental management, the managerial personnel should propose annual goals and implementation plans for relevant issues to the Sustainability Development Committee, coordinate relevant units to activate the plans and track progress on a regular basis, and submit implementation results to the Sustainability Development Committee.	Chicony Power follows the spirit of "Chicony Group CSR Code of Conduct" to promote climate change adaptation and response strategies.The ESG Working Group submitted the "issues related to climate change and energy" to the Sustainability Development Committee in the fourth quarter of 2022, and then the Sustainability Development Committee reported to the Board of Directors.

Item	The Company's management actions	Content	Relevant actions taken in 2022
Strategy	Identification of short-, medium-, and long-term risks and opportunities	Chicony Power introduces the identification of climate-related risks and opportunities based on internal carbon reduction plans, conducts comprehensive inventory and assessment of short-, medium-, long-term impacts of the risk and opportunity issues on the Group's operations, and follows existing internal objectives to manage the schedule. By definition, short-term is less than 3 years, medium-term is 3-5 years, and long-term is longer than 5 years. There were 10 material climate risks and 8 opportunities being identified for Chicony. Please refer to the "Climate Risk and Opportunity Matrix" for detailed information.	With the aim of actively managing climate issues, the ESG Working Group takes the responsibility for identifying climate risks, and assessing and responding to climate impacts within their respective responsibility scopes. The Group submits relevant data and reports to Sustainability Development Committee once a year.The Group submitted relevant data and reports to Sustainability Development Committee in the fourth quarter of 2022.
	Financial impacts caused by risks/ opportunities	Chicony Power regularly tracks the possible financial impacts on the organization's operations caused by various climate risks and opportunities to control the operational and financial of climate change and enhance the organization's climate resilience.	The three material risks with highest tension of concern identified by the ESG Working Group are "Changes in customer behavior", "Requirements and supervision of existing products and services", and "Changes in rainfall patterns/dramatic changes in weather patterns". The financial impacts include "Increase of operating costs (Raw materials and R&D)", "Decrease of revenue (due to increased production costs)", "Decreased revenue due to operational disruption and disaster prevention investment and insurance costs", etc.The three material opportunities with highest tension of concern are "Adopting more efficient production and distribution procedures", "Entering new markets", and "Developing or expanding low carbon products and services". The financial influences include "Revenue increase coming from resource utilization efficiency", "Benefits such as operating cost reduction, etc.", "Revenue increase (coming from order value increase)", etc.
	Scenario Analysis	Conduct assessment and analysis of different scenarios based on international sustainability trends, amendments to policies and regulations, market demand, etc., and take response actions and introduce relevant control/management measures based on the impact simulation results.	Chicony Power's SBTi goals set based on the 1.5 degree-C scenario advocated by the Paris Agreement has been approved. The Company has conducted analysis to find out the possible carbon reductions required by 2030, and the influences caused by relevant measures taken for goal achievement.
Risk Management	Risk and Opportunity Management Procedures	ESG Working Group follows the "Operating Procedures for Risk Assessment" (which has been integrated into the corporate risk management system) to assess the impacts of each climate risk and opportunity on the Company's operations, strategies, and financial planning.Identify material risks and opportunities based on impact possibilities and impact degrees, and assess the impacts of each climate risk and opportunity on the Company's operations, strategies, and financial planning. The possible financial impacts on the organization's operations caused by each issue under various scenarios are regularly updated, based on which relevant committee members and teams shall develop management approaches for the material risks being identified.	Take the "Risk Management Policy and Procedures" approved by the Board of Directors as the highest guiding principles for corporate risk management. Identify the risks that may affect the sustainable development of the company. Screen out the scope for risk management, and monitor potential risks and implement preventive measures to strengthen risk management.- Facilitate TCFD projects, identify climate risks and opportunities, take inventory of existing control measures and strengthen future control measures to reduce the impact of climate change.The ESG Working Group reported to the Sustainability Development Committee in the fourth quarter of 2022, and then the Sustainability Development Committee reported to the Board of Directors on the corresponding risk management strategies and approaches.
	Integration of Existing Risk Management Systems	Chicony Power views climate change risk as one of the material risks faced by the Company’s operations, and thus integrates operational risk into corporate risk management system. Risk management meetings are held, and reports are regularly made to the Board of Directors.	Seed personnel from various units hold workshops/meetings to identify climate risks and opportunities, propose management/control strategies and approaches for identified and potential risks, conduct inventory of existing management/control measures, and strengthen future management/control measures to reduce climate change impacts.
Indicators and Goals	Indicators for Risk and Opportunity Assessment	Chicony Power's climate-related risk and opportunity assessment indicators include environmental items such as SBTi carbon reduction targets achievement degree, GHG emissions, use of energy/resource, water consumption, waste, etc.	Chicony Power started to introduce the SBT and TCFD projects in 2020. All factories continue to conduct GHG inventories, and use emission intensity (per million revenue's emissions) as a GHG indicator.To achieve energy and resource conservation, Chicony Power also invests in factory facilities/equipment and improves production equipment efficiency to reduce GHG emissions.

Item	The Company's management actions	Content	Relevant actions taken in 2022
Indicators and Goals	Goal setting and result reviewing	Chicony Power has set up active emission intensity reduction goals to mitigate the impact of GHG emissions from operations on climate change. In addition, in order to increase the Company's operational resilience when faced with climate incidents, Chicony Power is also active in the development for product performance improvement and the use of green energy. Moreover, the Company also strives to lead upstream / downstream supply chain partners to create a supply chain of more sustainable value with its own influence.	Chicony Power has set up its GHG reduction goals, which have been reviewed and approved by the SBTi. Estimate Chicony Power's carbon reduction responsibility by completing the SBT 1.5 degree C reduction target setting based on the simulated scenario for global warming to be limited to 1.5°C, including the reduction of total Scope 1 and Scope 2 GHG emissions, decrease of GHG emission intensity, and incorporation of Scope 3 "Product Use Phase Emissions" into carbon reduction KPIs.
	Internal carbon pricing issues		The Company had not implemented any internal carbon pricing mechanism as of 2022. However, in response to the trend that many countries have already formulated their carbon price policies, the Company has conducted a pre-assessment of relevant carbon price risks derived from the SBT carbon reduction quantitative requirements through the scenarios of Net-Zero 2050, 1.5℃, and NDC (Nationally Determined Contributions). The scenarios are used to estimate the impacts of future carbon-reduction risks and the pressure form expected carbon price increase, which can be a reference for the Company's carbon-reduction planning and operational decisions in the future.
	Carbon Offset and Renewable Energy Certificates (RECs)		The total international Renewable Energy Certificates (I-RECs) purchased by Chicony Power in 2022 were 5,645 MWh.

◇ Climate Change Response Strategies

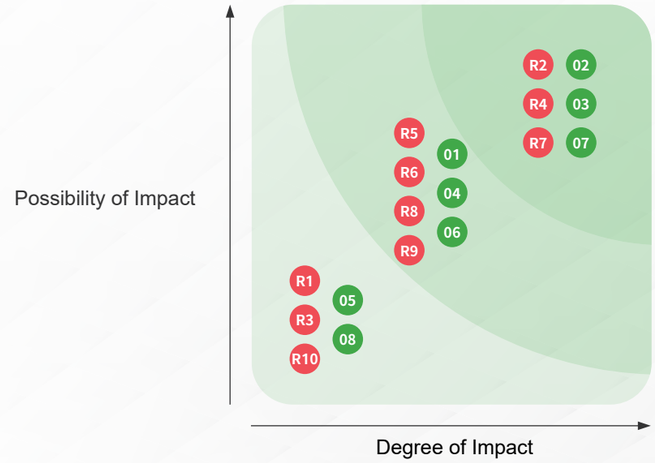
Chicony Power has introduced mechanisms to identify climate-related risks and opportunities, conduct comprehensive inventory and assessment of short-, medium-, and long-term impacts of the risk and opportunity issues on the Corporate Group's operations, and follow existing internal goals to manage the schedules. By definition, short-term is less than 3 years, medium-term is 3-5 years, and long-term is longer than 5 years. Three material climate risks and three opportunities have been identified.

In addition, in order to mitigate the external impact of GHG emissions, Chicony Power has formulated its SBT (Science Based Target) carbon reduction goals based on the simulated scenario where global warming shall be limited to 1.5°C developed by the International Energy Agency (IEA) . The goals were submitted to SBTi in 2021, and the goal review was completed in August 2022. For details, please refer to : https://sciencebasedtargets.org/companies-taking-action

◇ Climate Risk Management

The ESG Working Group identifies material risks and opportunities based on impact possibilities and impact degrees, and assesses the impacts of each climate risk and opportunity on the Company's operations, strategies, and financial planning. The Group shall report to the Sustainability Development Committee, and relevant committee members and teams shall develop management approaches for the material risks being identified. Chicony Power views climate change risk as one of the material risks faced by the Company's operations, and thus has integrated operational risk into its corporate risk management systems and environmental management systems. Through the Climate Risk Matrix assessment, Chicony Power has identified three risks and three opportunities, details of which are listed in the table below:

Climate Change Risk and Opportunity Matrix



Climate Risks

R1	Increase of the price for GHG emissions	R6	Products and services are replaced by low-carbon technologies
R2	Requirements and supervision of existing products and services	R7	Shifts of consumers/customers/investors preferences
R3	Regulatory requirements in relation to renewable energy and water	R8	Increased severity of extreme weather incidents such as typhoons, floods, etc.
R4	Changes in customer behavior	R9	Changes in rainfall patterns/dramatic changes in weather patterns
R5	Increase in raw material cost	R10	Rise in average temperature

Climate Opportunities

Opp 1	Adopting more efficient transportation methods	Opp 5	Development of climate adaptation and insurance solutions
Opp 2	Adopting more efficient production and distribution procedures	Opp 6	New products and services R&D and innovation
Opp 3	Switching to buildings with better energy efficiency	Opp 7	Entering new markets
Opp 4	Developing or expanding low carbon products and services	Opp 8	Participation in renewable energy programs and efficiency improvement

Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies							
Material Risk and Opportunity Item			Issue Description	Term	Scope	2022 impact analysis based on 2021 financial information	Management/ Control Measures
Transitional Risk	Market Risk	Changes in customer behavior	With the rise of environmental awareness and the energy-saving incentives implemented in various countries, consumers are setting stricter and stricter product energy efficiency requirements for electronic products. In addition to gradually demanding the use of eco-friendly plastics, consumers tend to buy products that meet regulatory standards and even higher standards than regulatory ones. The mainstream power supply 80 PLUS standards applicable in the market also gradually progress towards Platinum or Titanium certification. If the Company cannot overcome the technical challenges, the market position and share shall be affected.	Short	Factory Market Supply Chain	The R&D investment for critical products' energy efficiency improvement accounted for about 2.4% of the overall operating cost.	1. Continue the communication with customers, shareholders, etc. to stay on top of market information 2. Conduct customer satisfaction surveys to grasp market demand information 3. Increase R&D investment in products with high energy efficiency 4. Increase the percentage of eco-friendly materials used in products
Transitional Risk	Policy and Regulatory Risk	Require ments and supervsion of existing products and services	Chicony Power's R&D and sales of key power supply products have been influenced by the stricter energy-efficiency specifications for power supply products applicable in many countries in recent years. For example, the European Union enforced the External Power Supply (EPS) Specifications ErP (EC) No 278/2009" on April 1, 2020; the US Department of Energy (DOE) is also planning the latest energy efficiency standards for EPS. Improvement of conversion efficiency and reduction of standby power consumption shall become the focuses for manufacturers' R&D. Additionally, regulations on prohibited substances in products and customers' requirements for eco-friendly materials shall increase the costs for product testing and stock keeping. If the Company does not have corresponding development capabilities and product planning, product unit price and margin may be affected, and the market share may shrink accordingly.	Short	Factory	Chicony Power's additional investment in new energy products' safety certification was about NT$ 400,000.	1. Increase R&D investment in products with high energy efficiency 2. Product design progresses towards higher standards than existing regulatory requirements 3. Green Product Team keeps track of international regulations

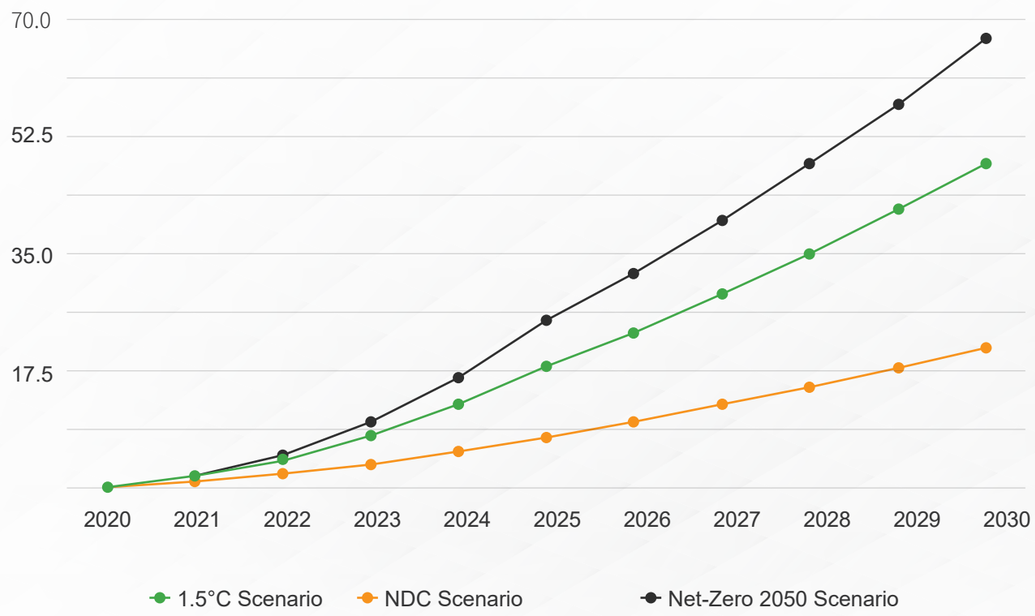
Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies							
Material Risk and Opportunity Item			Issue Description	Term	Scope	2022 impact analysis based on 2021 financial information	Management/ Control Measures
Physical Risk	Chronic Risk	Changes in rainfall patterns/ dramatic changes in weather patterns	Conduct assessment of flooding risks through the WRI Aqueduct Water Risk Atlas - Riverine Flood Risk model. Chicony Power's production bases in China (Dongguan, Chongqing and Suzhou) and Thailand (Bang Pakong, Chachoengsao) are located in high riverine flood risk areas. Frequent local floods may affect factories' material receiving and goods shipping transportation, by which the production and shipping schedules may be delayed, and the transport and warehousing costs shall increase. In addition, regional power restrictions were implemented in China due to unstable power supply in 2021. Although all factories have been equipped with emergency generators, yet if the power restrictions last too long, the power generation capacity may not be able to meet the whole factory's electricity needs, and thus the risks of delayed raw material transportation and goods delivery may occur.	Long	Factory Market Supply Chain	Factories' climate-related flood-prevention and insurance expenditure acoounted for about 0.01% of the operating cost.	1.Communicate with government and request to be listed as priority areas for electricity and water supply 2.Invest resources in disaster prevention measures, and conduct regular service and maintenance 3.Conduct Weather-caused Risk Effectiveness Assessment for regions where raw material suppliers are located 4. Introduce relevant energy management systems to factories, and evaluate the possibility of constructing renewable energy facilities on our own. 5. Anti-backflow flood-prevention gates have been installed in Suzhou Factory, which shall allow water to be dischrged from the plant area but stop water entering into the plant area. Factories are all equipped with emergrncy flood response equipment such as sand-bags, water pumps, tools for clearing blockage, etc.
Opportunity	Resource Utilization Efficiency	Adopting more efficient production and distribution procedures	In addition to focusing on enhancing its own core competitiveness and product R&D capabilities, Chicony Power has been developing automated production and in-line testing equipment in recent years to improve production efficiency & quality, reduce labor costs, and minimize waste generation. Chicony Power has accumulated the ability to design, develop and improve the automated machinery and equipment used in production. With continuous R&D and improvement, the process technology and yield of production lines have been enhanced. Currently, all factories of Chicony Power have step by step introduced the use of automation equipment, and continuing to enhance the overall operating efficiency. In 2021, Chicony Power's Suzhou Factory introduced the IWA system –a system developed by the Company. Through the system's smart energy management, a production model with maximized efficiency has been realized.	Medium	Factory	The investment in automated production lines accounted for about 0.1% of the operating cost. The overall automation upgrade will reduce unnecessary labor input every year, the benefit of which shall account for about 0.1% of the operating revenue.	1. Continue to increase the percentage of automated production, improve production efficiency, and enhance product quality. 2. Continue the R&D and upgrade for product manufacturing process to improve production efficiency and product quality.

Description of Chicony Power's Climate Risks and Opportunities and Relevant Response Strategies							
Material Risk and Opportunity Item			Issue Description	Term	Scope	2022 impact analysis based on 2021 financial information	Management/ Control Measures
Opportunity	Market	Entering new maarket	Chicony Power is activly investing in the development of smart ennergy-efficient building control systems and the area of environmental sensors to effectively help users control buildings' important equipment in an intellectualized way, and manage / apply various building data to enhance users'comfort and productivity, and reduce buildings' operation costs. In addition, Chicony Power chooses to follow the smart building open communication protocol standards BACNet instead of the traditional closed system. The application can be extended to factories, residential communities, shopping centers, etc., and has been successfully recognized by customers in Japan, Southeast Asia, China, etc. It has gradually entered the international market, realizing the true "building smartization" and achieving the goal of sustainable energy saving. Being impacted by the pandemic in 2021, the overseas smart energy-efficient system market was slightly affected; however, the overall market demand still follows an increasing trend.	Medium	Market	Chicony Power's investment aiming at climate-change-responding new products and soft-service / hard-service equipment accounted for about 0.9% of the operating cost. The Company will continue the investment in R&D for smart integration platforms, envirnmental sensors and controllers. It is expected that the additional revenue brought by relevant products every year shall reach NT$ 100 million or so.	1. Continue the development of power products for smart homes and green buildings to connect with the global trend of smart energy saving 2. Continue to recruit outstanding personnel and strengthen employees' professional training to enhance the Company's overall R&D strength
Opportunity	Product and service	Developing or expanding low carbon products and services	In response to the development of vehicle electrification and " electronification", Chicony Power continues its deployment of commercial vehicle LED automotive lighting and modules. With the standardized specifications for product sizes, connectors and traditional light sources adopted in the automotive light repair/ maintenance market, users will be encouraged to replace the traditional lights with LED headlights. Among the lighting products, the LED high beam/low beam modules consume only about 30% (30W) of the energy consumed by the original H7 quartz-halogen lights (100W), allowing lighting technologies to be more extensively applied, and an era of Chicony Power's green automotive lighting and modules to be started.	Medium	Market	The investment in automotive products accounted for about 0.5% of the operating cost. Being driven by the growth of domestic and international new-energy car market, Chicony Power will continue the investment in the R&D for relevant automotive products to continuously enhance the profit from automotive products.	1. Stay on top of market trends, and develop products for new applications to increase the Company's profits 2.Continue to collaborate with internationally well-known manufacturer customers and suppliers, grasp advanced key technologies, and stay on top of market development directions to create technological advantages. 3. Accelerate products' domestic and international quality certification to enhance the Company's competitiveness in international market 4. Continue to recruit outstanding personnel and strengthen employees' professional training to enhance the Company's overall R&D strength

Note 1: The results of climate-related financial impact analysis may vary due to the scope being evaluated, scenario assumption, data scope and availability, etc. Thus, it is advisable to deliberately assess the applicability when citing relevant data.
Note 2: Ministry of Economic Affairs

◇ Transitional risks – Carbon price scenario analysis

Chicony Power has not introduced any carbon pricing mechanism as of 2022. However, in response to the trend that many countries have already formulated their carbon price policies, the Company has conducted a pre-assessment of relevant carbon price risks derived from the SBT carbon reduction quantitative requirements through the scenarios of Net-Zero 2050, 1.5℃, and NDC (Nationally Determined Contributions). The scenarios are used to estimate the impacts of future carbon-reduction risks and the pressure form expected carbon price increase, which can be a reference for the Company's carbon-reduction planning and operational decisions in the future.



Note: Carbon prices under various scenarios are preliminarily determined based on the NGFS (Network for Greening the Financial System) model; the price of each year is then estimated through the Interpolation Method.

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

Chicony Power follows the ISO 14064-1: 2018 standards to inventory the GHG emissions from its Headquarters and other factories. The GHG emission status can be correctly grasped through the GHG inventory system. After the internal verification is completed, an impartial third-party verifying agency shall be entrusted to perform external verification in accordance with set standards, through which complete inventory procedures shall be established.

Chicony Power's 2022 operational boundaries include: Chicony Power Taipei Headquarters, Chicony Power Dongguan Factory, Chicony Power Suzhou Factory, Chicony Power Chongqing Factory, and Chicony Power Thailand Factory. Since Chicony Power Thailand Factory's new plant is still in construction, the ISO 14064-1: 2018 inventory for Thailand Factory has not been performed, but is scheduled to be completed in 2025. Other factories have all completed their inventories. The factories' emissions data and certification documents are shown as follows:

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

Year	2020	2021	2022
Category 1 (metric tons CO2e/year)	1,563.10	2,715.26	2,937.72
CO2 (metric tons CO2e/year)	574.66	899.54	1,022.59
CH4 (metric tons CO2e/year)	264.08	428.57	844.76
N2O (metric tons CO2e/year)	6.51	4.65	2.99
HFCs (metric tons CO2e/year)	717.85	1,382.50	1,067.39
PFCs (metric tons CO2e/year)	0.00	0.00	0.00
SF6 (metric tons CO2e/year)	0.00	0.00	0.00
NF3 (metric tons CO2e/year)	0.00	0.00	0.00
Category 2 (metric tons CO2e/year)	44,957.89	50,880.35	35,987.75
Category 1 + Category 2 (metric tons CO2e/year)	46,520.99	53,595.62	38,925.47
Total consolidated revenue (Unit: NT$ millions)	34,863.03	40,363.98	41,066.11
Emissions intensity (metric tons CO2e / NT$ million)	1.33	1.33	0.95

Note 1: Some of the 2020 and 2021 typographical errors have been corrected in this table.

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

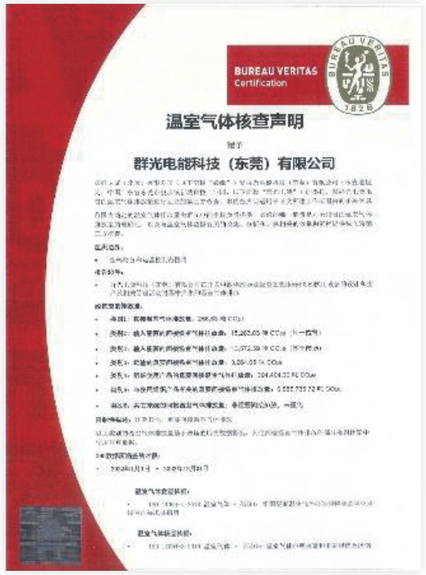
Headquarters and other factories	Total		
Year	2020	2021	2022
Category 3: Indirect greenhouse gas emissions from upstream transportation	289,581.72	259,174.08	18,124.19
3-1 Upstream raw material transportation and distribution (4)	280,974.99	253,336.26	13,119.36
3-2 Business trips (6)	90.64	112.40	114.43
3-3 Employees' commuting (7)	1,713.88	722.45	697.46
3-4 Downstream transportation and distribution (9)	6,802.21	5,002.97	4,192.95
Category 4: Indirect greenhouse gas emissions from products used by the organization	475,073.20	993,389.71	421,379.43
4-1 Procurement of goods and services (1)	466,400.10	982,775.34	416,975.71
4-2 Capital goods (2)	4,198.60	438.00	190.43
4-3 Fuel- and energy-related activities (3)	4,055.46	4,167.15	3,236.19
4-4 Waste generated in operations (5)	232.78	6,009.22	37.15
4-5 Upstream leased assets (8)	186.26	0.00	939.95
Category 5: Indirect greenhouse gas emissions from the use of products associated with the organization	34,957,921.92	44,168,906.64	23,164,138.43
5-1 Processing of sold products (10)			
5-2 Use of sold products (11)	34,943,501.30	44,154,628.33	23,152,176.84
5-3 End-of-life treatment of sold products (12)	14,216.78	14,218.71	11,924.33
5-4 Downstream leased assets (13)	203.84		37.25
Category 6: Other indirect emissions			
Total emissions	35,722,576.84	45,421,470.44	23,603,642.06
Total consolidated revenue (Unit: NT$ millions)	34,863.03	40,363.98	41,066.11
5-2 (11) Emissions intensity (metric tons CO2e / NT$ million)	1,002.31	1,093.91	563.78

Note 1: The GHG emissions has been calculated by means of the operational control method.
Note 2: The original base year was 2017; in response to the revision of ISO 14064-1, 2020 was used as the new base year.
Note 3: The 2022 GWP values came from the IPCC AR6 Report.
Note 4: The GHG emissions intensity (metric tons CO2 e / Total consolidated revenue (NT$ million)) has been used as an indicator for greenhouse gas management.
Note 5: Some of the 2020 and 2021 typographical errors have been corrected in this table.

Verifying Institute's Explanatory Description



Chicony Power –
Taipei Headquarters 2022



Chicony Power -
Dongguan Factory 2022



Chicony Power -
Suzhou Factory 2022



Chicony Power -
Chongqing Factory 2022

Chicony Power's GHG reduction goals set through SBTi are as follows:
Reduce Scope 1 and Scope 2 GHG absolute emissions by 42%, and corresponding GHG emissions intensity by 56.8% by 2030.
Reduce Scope 3 (Use of sold products) GHG absolute emissions by 25%, and corresponding GHG
emissions intensity by 44.2% by 2030.

	2020	2022				2030 Goal	
Item	Emissions in SBTi-reviewed base year (unit: tCO2e)	Emissions(unit: tCO2e)	Reduction percentage compared to base year	SBTi-reviewed 2022 goal	Goal achieved in 2022 or not	Emissions (unit: tCO2e)	Reduction percentage compared to base year
Scopes 1& 2	46,521	38,925	-16.3%	-8.4%	Goal achieved	26,982	-42%
Scope 3 (Use of sold products)	32,167,148	23,164,138	-28.0%	-5.0%	Goal achieved	24,125,361	-25%

GHG Emission Intensity Reduction Goals

	2020 - Base year	2022				2030 Goal	
Item	Emission intensity(Unit: tCO2e/NT$ million)	Emission intensity(Unit: tCO2e/NT$ million)	Reduction percentage compared to base year	SBTi-reviewed 2022 goal	Goal achieved in 2022 or not	Emission intensity (Unit: tCO2e/NT$ million)	Reduction percentage compared to base year
Scopes 1& 2	1.410	0.948	-32.8%	-13.7%	Goal achieved	0.607	-56.8%
Scope 3 (Use of sold products)	972.77	564.069	-42.0%	-10.5%	Goal achieved	542.88	-44.2%

Carbon Footprint

Consumption behaviors may cause enormous impact on climate change. The concept of carbon footprint can help enterprises, individuals and households evaluate the carbon footprints being left by the decisions being made. When people are aware that they can have a say in the operating methods of environmental systems, they may change their attitudes in response to climate change issues. Chicony Power believes that the product lifecycle carbon footprint evaluation shall help the Company confirm its green development strategies and directions. Thus, in 2022, Chicony Power's Suzhou Factory and Chongqing Factory carried out the carbon footprint verification for their major product – power supply units.

Chicony Power 2022 Product Carbon Footprint Verification					
Verification Basis		Product	Model	System Boudary	GHG emissions
Suzhou Factory	ISO14067 : 2018	Switching power supply units 	A065RP57P -DL01-A0	The lifecycle stages of the verified product: from cradle to gate Covering the life cycle from natural resource extraction until product production	5.24 kgC02e
Chongqing Factory	ISO14067 : 2018	Switching power supply units 	A065RP25P .HWOI	The lifecycle stages of the verified product: from cradle to gate Covering the life cycle from natural resource extraction until product production	5.24 kgC02e



Chicony Power Suzhou Factory 2022 ISO 14067：2018



Chicony Power Chongqing Factory 2022 ISO 14067：2018

4.1.3 Environmental Management

The purpose of environmental management is to establish a system to assist enterprises in identifying possible environmental problems and improving them to reduce the impacts on the environment in the whole product life cycle, starting from design & development throughout production, sales, product use and final disposal. Through the improvement of production methods, reduction of energy consumption & raw material waste, etc., the enterprise's production efficiency is expected to be improved and the revenue be increased. The spirit of the environmental management system focuses on a process of continuous improvement. By formulating environmental policies, setting goals, implementing planned tasks, and conducting audits and reviews, the substantive purpose of environmental improvement is expected to be achieved. Thus, ISO 14001 emphasizes the establishment of environmental management systems so that enterprises can continuously improve their environmental performance. Chicony Power's 2022 operational boundaries include: Chicony Power Taipei Headquarters, Chicony Power Dongguan Factory, Chicony Power Suzhou Factory, Chicony Power Chongqing Factory, and Chicony Power Thailand Factory. Since Chicony Power Thailand Factory's new plant is still in construction, the ISO 14001: 2015 certification for Thailand Factory has not been processed, but is scheduled to be completed in 2025. Other factories have all been ISO 14001: 2015 certified. The factories' certification documents are shown as follows:



Chicony Power - Taipei Headquarters



Chicony Power - Dongguan Factory



Chicony Power - Suzhou Factory



Chicony Power - Chongqing Factory

◇ 4.2 Energy Management GRI 302-1, GRI 302-3 and GRI 302-4

The energy used in Chicony Power primarily comes from purchased electricity. Other fuels such as liquefied petroleum gas, petrol, diesel, etc. are mainly used in company vehicles, fork-lifts, canteens, boilers in dormitories, etc. The 2022 total energy consumption was 114,468.47GJ.

◇ 4.2.1 The energy consumption details are listed in the table below:

（1) 2020~2022 Energy Consumption Statistics – Headquarters and all factories

Energy Consumption (Original unit)

	2020	2021	2022
Total electricity consumption (1000 kWh)（1+3）	56,799.03	80,369.00	74,009.92
1. Purchased electricity (1000 kWh)	56,799.03	80,369.00	72,655.80
2. Purchased green electricity and certificates (1000 kWh)	0.00	400.00	5,645.00
Percentage of purchased electricity	100.00%	100.00%	98.17%
3. Self-generated solar power (1000 kWh)	0.00	0.00	1,354.12
Renewable energy usage rate (including purchased electricity and self-generated electricity)	0.00%	0.50%	9.46%
Liquefied Petroleum Gas (LPG) (kg)	4,787.00	5,696.00	5,939.00
Liquefied natural gas (LNG) (cubic meters)	198,381.00	336,750.12	370,961.00
Petrol (1000 liters)	46.58	54.36	30.70
Diesel (1000 liters)	11.98	13.06	78.91

Note 1: Some of the 2020 and 2021 typographical errors have been corrected in this table.

Energy Consumption (Unit: GJ)

	2020	2021	2022
Total electricity consumption（GJ）（1+3）	204,476.52	289,328.39	266,435.71
1. Purchased electricity（GJ）	204,476.52	289,328.39	261,560.88
2. Purchased green electricity and certificates（GJ）	0.00	1,440.00	20,322.00
Percentage of purchased electricity	100.00%	100.00%	98.17%
3. Self-generated solar power（GJ）	0.00	0.00	4,874.83
Renewable energy usage rate (including purchased electricity and self-generated electricity)	0.00%	0.50%	9.46%
Liquefied Petroleum Gas（GJ）	241.70	287.59	299.86
Liquefied natural gas（GJ）	7,451.19	12,648.33	13,933.30
Petrol（GJ）	1,520.16	1,774.05	1,001.75
Diesel（GJ）	420.93	458.87	2,773.23
Total energy consumption（GJ）	214,110.51	304,497.25	284,443.84
Total consolidated revenue (Unit: NT$ millions)	34,863.03	40,363.98	41,066.11
Energy Consumption Intensity (GJ/NT$ millions)	6.14	7.54	6.93

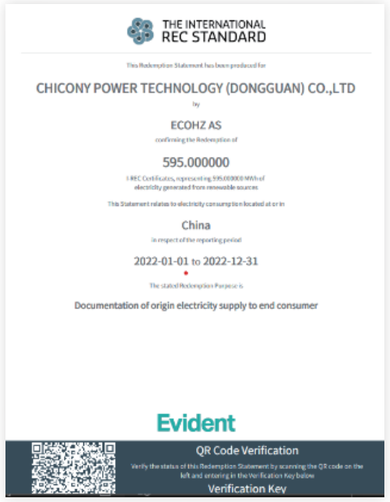
Note 1: The heating values were determined by reference to figures announced by the Bureau of Energy, including: Electricity: 860,000 kcal/1000 kWh, Liquefied Petroleum Gas (LPG): 12,062 kcal/kg, Liquefied Natural Gas (LNG): 9,000 kcal/ m3, Petrol: 7,800 kcal/L, and Diesel: 8,400 kcal/L. 1 kcal = 4,186 joules; 1 GJ = 1 billion joules.
Note 2: Some of the 2020 and 2021 typographical errors have been corrected in this table.

（2) Chicony Power Suzhou Factory – 2022 Solar Power Renewable Electricity Statistics

Unit: MWh

Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
60.20	60.20	60.20	60.20	60.20	140.43	161.90	154.31	112.12	116.43	74.39	80.95	1,354.12

(3) In addition to energy efficiency management, the Suzhou Factory also voluntarily purchased 2400MWh of renewable energy, and Dongguan Factory voluntarily purchased 3245MWh of renewable energy. The relevant documents are shown as follows:



Chicony Power Dongguan Factory Renewable Energy Certificates (RECs)



Chicony Power Suzhou Factory Renewable Energy Certificates (RECs)

◇ 4.2.2 Energy Efficiency Improvement Measures

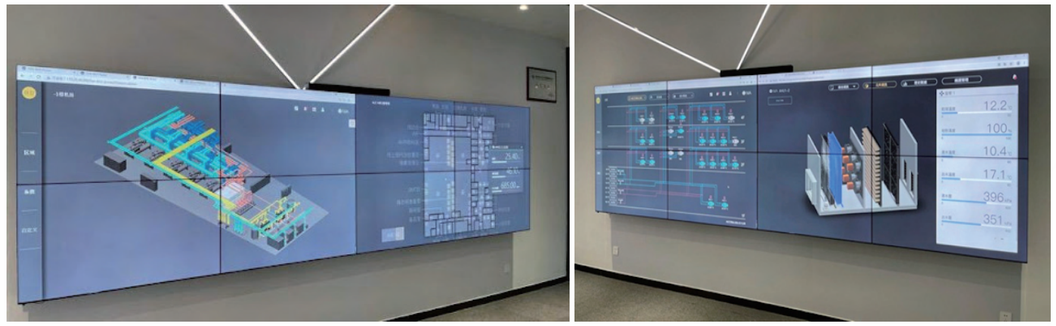
Chicony Power's Headquarters and factories (since Thailand Factory's new plant is still in construction, this report did not include Thailand Factory's data) always pay attention to the impacts of their production and operation activities on climate change, and formulate strategies and goals for the Company's energy conservation and carbon & greenhouse gas reduction. Each year's energy consumption reduction data is obtained by comparing the current year's consumption with the consumption before power-saving measures were taken.

Factory	Power saving measures	2021 Power Saving (1000 kWh)	2022 Power Saving (1000 kWh)
Chicony Power - Dongguan Factory	1. Air compressor upgrade (replace an old air compressor with a two-stage rotary screw compressor)	630.00	570.00
	2.Workshop lighting's energy saving (switch off the corresponding production line and its lighting, and keep only the basic lighting during the 20-minute lunch break every day)	2647.00	2405.60
	3. The traditional resistive load used in old burn-in (aging) room is modified to the ESR load with a recovery rate of more than 85%.		526.03
	4. Replace screw chiller units with maglev chiller units; cooling without friction		191.90
Chicony Power - Suzhou Factory	1. Water chiller and air compressor heat recovery system	3051.30	2521.40
	2. Lighting improvement in toilets, tea rooms and passageways	51.49	80.10
	3. Ventilation time-switch control for street lights and toilets in area A of the factory	65.62	106.73
	4.Automatic control & operation for cooling towers	115.51	165.21
	5. Energy-efficiency improvement for air handling unit's permanent-magnet motor	321.49	250.29
	6. Energy-efficiency improvement for process exhaust ventilation equipment's permanent-magnet motor	193.39	168.84
	7. Add new vents to air handling units	765.98	1012.19
	8. Solar power generation	674.21	1362.13
	9. APF harmonic improvement	1962.18	1536.74
	10. ERS power recovery	1954.14	1753.57
Chicony Power - Chongqing Factory	1. Use LED to replace traditional lighting devices	70.52	91.32
	2. Increase the chilled water leaving temperature of water chillers (6℃-7℃)	96.35	110.99
	3. Detect compressed air leaks	40.00	47.73
	4. Use automatic temperature-controlled fans for water cooling towers	73.53	395.02
	5. Install timer switches for street lights	29.41	48.69
	6. Lighting improvement in various areas		26.34
	7. Burn-in (aging) cabinet's energy recover system for power saving		2602.00
Total power saving（MWh）		12742.12 Note 1	15972.80
Total power saving（G J）		45871.62	57502.09

Note 1: Correction of 2021 typographical error.

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

Suzhou Factory's Energy Saving Measures



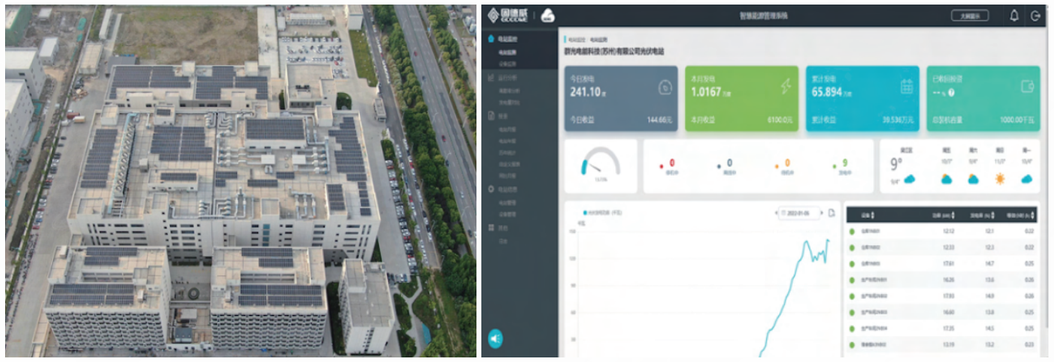
IWA Smart Building Integrated Management Platform



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



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



Solar power generation and smart energy management system

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



认证证书

证书号：11420EnMS5011R0M

兹证明

群光电能科技（东莞）有限公司

统一社会信用代码：91441900712213450 6

注册地址：东莞市寮步镇新城科技工业园

生产/办公地址：广东省东莞市寮步镇新城科技工业园

能源管理体系符合标准

ISO 50001:2018

RB/T 119-2015 能源管理体系 机械制造企业认证要求

能源管理体系适用范围

开关电源供应器及配套之变压器、LED 照明设备的生产（涉及 CCC 的产品依据该公司 CCC 证书）过程所涉及的能源管理活动

能源绩效及能源管理体系边界见附件

北京东方纵横认证中心有限公司

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



萬泰認證

认证证书

群光电能科技（苏州）有限公司

江苏省吴江经济开发区同津大道2589号

建立的管理体系，按照以下标准评审合格，特发此证。

认证标准

GB/T23331-2020 idt ISO50001:2018

RB/T101-2013

认证范围

电源供应器生产所涉及的能源管理

GB/T23331

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



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

◇ 4.3 Water Resource Management

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

In recent years, the overall rainfall pattern has changed significantly due to climate change. When faced with increasingly severe climate changes, a business should evaluate its water demand and production capacity, and consider factors such as regional water shortage, etc. Thus, Chicony Power also proposes solutions to water issues. A total of 5,888 cubic meters of water resources were recovered in Suzhou Factory through condensate and rainwater recovery systems, which is the most notable achievement.

2020~2022 Water Withdrawal Statistics - Headquarters and all factories

Factory water withdrawal (m3/year)	2020	2021	2022
Chicony Power – Taipei Headquarters	5,516.76	5,276.29	5808.12
Chicony Power - Dongguan Factory	315,792.00	324,457.00	299122
Chicony Power - Suzhou Factory	326,323.59	260,733.00	226974
Chicony Power - Chongqing Factory	120,209.00	102,729.00	103,053.00
Chicony Power -Thailand Factory	5,381.00	12,166.00	22310
Total water withdrawal (m3/year)	773,222.35	705,361.29	657,267.12
Total consolidated revenue (Unit: NT$ millions) Note1	34,863.03	40,363.98	41,066.11
Total water withdrawal intensity (Water withdrawal / Total consolidated revenue)	22.18	17.48	16.01

Note 1: Correct the unit of consolidated revenue into NT$ millions.

Note 2: Some of the 2020 and 2021 water volume typographical errors have been corrected in this table.

Set 2020 as the base year by reference to SBTi carbon reduction methods, and set 3% as the goal for the year-on-year decrease of annual water withdrawal (unit: m3/NT$ million).

	2020 - Base year	2022				2030 Goal	
Item	Base year water withdrawal intensity (Total water withdrawal/Total consolidated revenue) (unit: m3/NT$ million)	Water withdrawal intensity (unit: m3/ NT$ million)	Reduction percentage compared to base year	2022 Goal	Goal achieved in 2022 or not	Water withdrawal intensity (unit: m3/ NT$ million)	Reduction percentage compared to base year
Water withdrawal intensity	22.179	16.01	-27.8%	-6.0%	Goal achieved	15.53	-30%

2022 Water Consumption Statistics - Headquarters and all factories

	Water Withdrawal	Water Discharge	Water Consumption
Chicony Power – Taipei Headquarters	5,808.12	4,646.50	1,161.62
Chicony Power - Dongguan Factory	299,122.00	254,253	44,869.00
Chicony Power - Suzhou Factory	226,974.00	192,933	34,041.00
Chicony Power - Chongqing Factory	103,053.00	87,595.05	15,457.95
Chicony Power -Thailand Factory	22,310.00	17,848.00	4,462.00
Total Volume	657267.12	557275.546	99991.574
Total consolidate revenue(unit: NT$ millions)	41,066.11		
Water consumption intensity (Water consumption/Total consolidated revenue)	2.43		

Note 1: Since no water volume measuring facilities have been installed in the Taipei Headquarters and other factories, the water discharge volume is estimated to be 80-90% of the water withdrawal volume. (average: 84.8%)

Water recovery in Chicony Power - Suzhou Factory Year: 2022 (Unit: m³)

Item	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Recovered rainwater	0	226	291	93	187	177	35	147	173	124	164	16	1,633
Recovered condensate water	19	29	22	144	2	656	1,528	1,240	390	63	98	64	4,255

A total of 5,888m³ of water resources were recovered through condensate and rainwater recovery systems in the whole year.





Suzhou Factory's condensate and rainwater recovery systems

◇ 4.4 Waste Management GRI 306-3, GRI 306-4 and GRI306-5

Under the operation of ISO 14001:2015 environmental management systems, Chicony Power conducts regular tracking and reporting of the amount of waste being generated, and sets waste reduction goals. The wastes produced in Chicony Power's Head Office and factories are all disposed of in accordance with local environmental regulations. The Company's waste removal & disposal service providers did not engage in any violation of laws/regulations and agreements in 2022. The waste management of Chicony Power – Taipei Headquarters is uniformly implemented by Chicony Electronics Taipei Headquarters. The amount of waste generated and disposal methods in other factories from 2020 to 2022 are shown in the tables below.

(1) Chicony Power - Dongguan Factory

Total Waste (metric tons / per year)		2020	2021	2022	Final disposal method
General waste	Reusable	378.87	361.10	285.90	Recycling
	Non-reusable	180.00	175.00	65.70	Burying
	Total	558.87	536.10	351.60	
	Recycling percentage	67.8%	67.4%	81.3%	Recycling
Hazardous waste	Reusable	0.00	0.00	4.575	Burying
	Non-reusable	18.00	8.73	1.485	
	Total	18.00	8.73	6.06	
	Recycling percentage	0.0%	0.0%	75.5%	

(2) Chicony Power - Suzhou Factory

Total Waste (metric tons / per year)		2020	2021	2022	Final disposal method
General waste	Reusable	835.80	1,246.94	1,013.37	Recycling
	Non-reusable	175.00	309.69	336.87	Incineration
	Total	1,010.80	1,556.63	1,350.24	
	Recycling percentage	82.7%	80.1%	75.1%	
Hazardous waste	Reusable	0.00	0.00	0.00	
	Non-reusable	8.23	19.04	22.89	
	Total	8.23	19.04	22.89	Incineration
	Recycling percentage	0.0%	0.0%	0.0%	

(3) Chicony Power - Chongqing Factory

Total Waste (metric tons / per year)		2020	2021	2022	Final disposal method
General waste	Reusable	1,220.39	1,181.30	1,096.84	Recycling
	Non-reusable	199.00	309.00	270.00	Burying
	Total	1,419.39	1,490.30	1,366.84	
	Recycling percentage	86.0%	79.3%	80.2%	
Hazardous waste	Reusable	0.00	0.00	0.00	
	Non-reusable	26.27	26.80	6.00	
	Total	26.27	26.80	6.00	Incineration
	Recycling percentage	0.0%	0.0%	0.0%	

(4)Chicony Power - Thailand Factory

Total Waste (metric tons / per year)		2020	2021	2022	Final disposal method
General waste	Reusable	17.78	142.08	244.69	
	Non-reusable	21.52	4.47	12.48	Recycling
	Total	39.30	146.55	257.17	Incineration
	Recycling percentage	45.2%	96.9%	95.1%	
Hazardous waste	Reusable	0.00	0.00	30.19	
	Non-reusable	0.00	1.76	10.57	Recycling
	Total	0.00	1.76	40.76	Outsourced disposal: Incineration, Burying
	Recycling percentage	0.0%	0.0%	74.1%	

(5) Total waste of all Chicony Power Factories

Total Waste (metric tons / per year)		2020	2021	2022
General waste	Reusable	2,452.84	2,931.42	2,640.80
	Non-reusable	575.52	798.16	685.05
	Total	3,028.36	3,729.58	3,325.85
	Recycling percentage	81.0%	78.6%	79.4%
Hazardous waste	Reusable	0.00	0.00	34.77
	Non-reusable	52.50	56.33	40.95
	Total	52.50	56.33	75.71
	Recycling percentage	0.0%	0.0%	45.9%

Set 2020 as the base year by reference to SBTi carbon reduction methods, and set 3% as the goal for the year-on-year decrease of annual waste intensity (unit: metric ton /NT$ million).

	2020 - Base year	2022				2030 Goal	
Item	Base year waste intensity (Total waste/Total consolidated revenue) (Unit: metric ton/NT$ million)	Waste intensity (Unit: metric ton/NT$ million)	Reduction percentage compared to base year	2022 Goal	Goal achieved in 2022 or not	Waste intensity (Unit: metric ton/NT$ million)	Reduction percentage compared to base year
Waste intensity	0.088	0.083	-6.3%	-6.0%	Goal achieved	0.062	-30%



05

Employee Care and Community Participation

5. Employee Care and Social Participation

Employees are the foundation for Chicony Power's sustainable operation. Their wellbeing and growth are the key factors for our continuous advancement. We believe firmly that a caring and supportive environment shall not only facilitate individuals' development but shall also motivate their creativity and passion for work. Therefore, we are committed to providing employees with comprehensive benefits plans, training and development opportunities.
Moreover, we are active in participating in charitable activities and public benefits actions to give back to society and take on the responsibilities of a corporate citizen, hoping that through the collaboration and interaction with other fields of society, a better and more sustainable future shall be realized.

Dimension	Social(S)
Material Issues	Employment, Talent Development and Educational Training, Community Participation and Development
Management Mechanisms	1.Values employees' voice, and sets up various communication channels for employees to understand the Company's ongoing and real-time status, and to express their opinions or concerns regarding work and workplace. 2.Formulate "Measures for Education and Training Management" based on employees' expertise fields and positions as well as the Company's operating goals. 3.Chicony Power has designed a complete course blueprint for Group-level training and the Company's internal training. Moreover, industrial graduate programs are also jointly implemented by the Company and some excellent colleges/universities such as National Taipei University of Technology, etc. for in-service employees to upgrade their study, and the Company will pay the full amount of the tuition fee.
Commitment / Policy	1.With the aim of fulfilling corporate social responsibility and protecting the basic human rights of all employees, customers and stakeholders, the Company follows principles proclaimed in international human rights conventions, and respects the internationally recognized basic human rights. 2.Continuously implement the education and training system to enhance entire workforce's quality, thereby improving the Company's competitiveness and strengths. 3.Implement industry-academia collaboration and assist disadvantaged groups to demonstrate Chicony Power's CSR practices.
2022 Evaluation Mechanisms and Achievements	1.Lower the tenure criterion for baby subsidies application: The original tenure requirement for baby subsidies application was three years or more; now the minimum tenure has been lowered to one year. 2.The "Incentive Measures for Having and Raising Children" was announced in 2013. As of 2022, a total of 80 persons-counts have been benefited, with a total subsidy amount reaching NT$ 5,540,000. 3.Chicony Power's total training hours were 166,838 hrs, and the total training investment was NT$ 21,191,869. 4.The "Deep-cultivation Training Development Plan" provided 15 training courses in 2022, with the total training hours reaching 61 hrs.
Medium- / Long-term Goals	1.Create a friendly work environment to foster a sense of belonging and a sense of happiness among employees. 2.Continuously increase the education and training hours.
Complaint Mechanism	Administrative Management Division

5.1 Employee Structure GRI 2-7 and GRI 2-8

◇5.1.1 Employee Diversity Structure and Distribution GRI 405-1

Chicony Power is committed to creating a safe, clean and happy work environment for employees. We treat all employees equally, and strive to uphold and respect local labor laws and internationally recognized human rights norms. It is also hoped that employees can treat their jobs and relevant personnel based on the principles of ethics and integrity to safeguard the Company's and customers' business secrets, and provide customers with the bast quality products and services.

As of the end of 2022, the number of Chicony Power's employees has reached 8,493. Most of the employees are under the age of 50, accounting for more than 80% on average. Most of the managerial personnel are 30 to 50 years old. The managerial positions are all served by local personnel. Due to factors such as industry characteristics, job market conditions, etc., male employees account for a high percentage of R&D staff in the Taipei Headquarters, while the sex ratios vary in other factories due to local work patterns and job market conditions.

Factory		Taipei Headquarters	Dongguan Factory	Suzhou Factory	Chongqing Factory	Thailand Factory
Number of employees at the end of the year		695	2,130	3,043	1,744	881
Nationals	Male	489(70.4%)	1,083(50.8%)	1,750(57.51%)	711(40.77%)	209(23.72%)
	Female	204(29.4%)	1,047(49.2%)	1,293(42.49%)	1,033(59.23%)	659(74.80%)
	Others	0	0	0	0	0
Foreign nationals	Male	1(0.1%)	0	0	0	11(1.25%)
	Female	1(0.1%)	0	0	0	2(0.23%)
Non-fixed term contract personnel (Permanent employees)	Male	490(70.5%)	292(13.71%)	173(5.69%)	156(8.95%)	213(24.18%)
	Female	205(29.5%)	184(8.64%)	114(3.75%)	238(13.65%)	668(75.82%)
Fixed term contract personnel (Temporary employees)	Male	0	791(37.14%)	1,577(51.82%)	555(31.82%)	0
	Female	0	863(40.51%)	1,179(38.74%)	795(45.58%)	0
Casual employees	Male	0	0	0	0	0
	Female	0	0	0	0	0
Full-time employees	Male	490(70.5%)	1,083(50.8%)	1,750(57.51%)	711(40.77%)	213(24.2%)
	Female	205(29.5%)	1,047(49.2%)	1,293(42.49%)	1,033(59.23%)	668(75.8%)
Part-time employees	Male	0	0	0	0	0
	Female	0	0	0	0	0
Age structure (%)	<30	101(14.5%)	486(22.8%)	1,753(57.61%)	804(46.10%)	507(57.55%)
	30~50	519(74.7%)	1,447(67.9%)	1,223(40.91%)	922(52.87%)	363(41.20%)
	>50	75(10.8%)	197(9.30%)	67(2.20%)	18(1.03%)	11(1.25%)

Factory		Taipei Headquarters	Dongguan Factory	Suzhou Factory	Chongqing Factory	Thailand Factory
Number of employees at the end of the year		695	2,130	3,043	1,744	881
Number of employees with disabilities (Taipei Headquarters)		8	0	0	0	13
Managerial personnel (position level of deputy managers or above)	Male	131	153	84	29	18
	Female	34	126	43	9	1
Technical personnel (R&D personnel)	Male	242	253	371	202	69
	Female	53	75	100	106	102
All other employees	Male	117	677	1295	480	126
	Female	118	846	1150	918	565

The non-employee workers, and other non-employed workers who perform operations in Chicony Power Taipei Headquarters are mainly contractors, with whom a contractual relationship has been established by the Company. Chicony Power does not directly engage any dispatched labor. The monthly average number of personnel entering the Company to perform operations was about 250.

The number of personnel entering the Company to perform operations in months of 2022 is as follows:

Month	01	02	03	04	05	06	07	08	09	10	11	12
Month Number of personnel	83	110	124	146	325	483	452	174	80	56	369	598

◇5.1.2 Personnel Recruitment GRI 401-1

Chicony Power recruits excellent workforce from all over the world through various channels on the basis of employees' career development and the Company's operational strategies, which include industry-academia collaboration training programs with colleges and universities, and the employment promotion programs launched by the government. The COVID-19 pandemic starting from early 2020 and still lingering in the end of 2022 had indirectly affected the production of the Company's factories in China, resulting in an unprecedented turnover. Fortunately, as the pandemic came under control, the number of employees of factories in China has gradually become stabilized.

Description of Chicony Power's personnel recruitment, job transfer / reassignment, and resignation/unpaid leave mechanisms:

Recruitment mechanisms	1. The Company's recruitment is implemented in accordance with the "Regulations on Employee Recruitment and Appointment". 2. The recruitment mechanisms are applicable to employees of the Headquarters, and expatriate employees in overseas factories and overseas branches. Human Resource Department takes full charge of determining manpower demand to formulate annual human resource plans, and releasing job vacancy information through diversified recruitment channels. 3. Implement recruitment and review in accordance with local regulations and based on the needs of various units.
Job transfer / reassignment	1. A job transfer or reassignment shall be carried out based on the suggestions proposed by related unit supervisor(s) and the Human Resource Department. The supervisor shall consult the employee about the transfer or reassignment first, and obtain consent from the employee. 2. After the employee's consent is obtained, the "Application Form for Change in Position Designation" shall be filled out by human resource department, which shall then be signed and confirmed by supervisors of outgoing and incoming units.
Resignation/ unpaid leave mechanisms	1. The Company should be informed of the information about resignation or unpaid leave within the announcement period required by local regulations. 2. Human Resource Department shall assist in conducting resignation interviews to find out reasons for resignation and the possibility of retention. 3. Set up substitutes for all positions in response to employee turnover so that the Company's operations shall not be affected by personnel's resignation.

Statistics of 2022 new hires employment rate and employee turnover

Factory		Chicony Power Taipei Headquarters		Chicony Power Dongguan Factory		Chicony Power Suzhou Factory		Chicony Power Chongqing Factory		Chicony Power Thailand Factory	
Number of employees at the end of the year		695		2,130		3,043		1,744		881	
Number of new employees		108		3,931		3,272		2,143		1,293	
Gender	Male	85	78.70%	2,385	60.67%	1,885	57.61%	1,277	59.59%	309	23.90%
	Female	23	21.30%	1,546	39.33%	1,387	42.39%	866	40.41%	984	76.10%
Age	<30	39	36.11%	1,558	39.63%	2,690	82.21%	1,771	82.64%	863	66.74%
	30~50	64	59.26%	2,243	57.06%	582	17.79%	372	17.36%	424	32.79%
	>50	5	4.63%	130	3.31%	0	0.00%	0	0.00%	6	0.46%
New employee hiring rate		15.5%		184.51%		107.53%		122.88%		146.77%	
Total number of employees leaving their jobs		83		5,314		3,816		2,114		940	
Gender	Male	57	68.67%	3,094	58.22%	2,235	58.57%	1,254	59.32%	207	22.02%
	Female	26	31.33%	2,220	41.78%	1,581	41.43%	860	40.68%	733	77.98%
Age	<30	15	18.07%	1,919	36.11%	3,129	82.00%	1,736	82.12%	591	62.87%
	30~50	59	71.08%	3,139	59.07%	682	17.87%	378	17.88%	349	37.13%
	>50	9	10.84%	256	4.82%	5	0.13%	0	0.00%	0	0.00%
Employee turnover		11.9		239.72%		125.41%		121.20%		106.70%	

5.1.3 Unpaid Paternity Leave GRI 401-3

Chicony Power provides substantive care and assistance to the employees who need to take care of their children, which include unpaid leave arrangements, relevant subsidies, etc. The 2022 retention rate was higher than the previous year. Chicony Power has provided comprehensive employee care mechanisms for employees who need to look after their children can take care of their family while maintaining their jobs. It is hoped that employees' retention rate will increase year by year.

Statistics of Chicony Power Employee Unpaid Paternity Leave

Year	2020			2021			2022		
Gender	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees eligible for unpaid paternity leave of the year	19	9	28	26	7	33	57	18	75
Number of employees applying for unpaid paternity leave during the year	0	5	5	3	2	5	0	5	5
Number of employees supposed to resume work in the year (A)	0	3	3	1	2	3	0	3	3
Number of employees resuming work in the year (B)	0	2	2	1	2	3	0	1	1
Work resumption rate (B/A)	0%	67%	67%	100%	100%	100%	0	33%	33%
Number of employees who resumed work in the previous year after taking unpaid paternity leave (C)	0	5	5	0	5	5	2	2	4
Number of employees who resumed work in the previous year after taking unpaid paternity leave, and had been working for one year after work resumption (D)	0	4	4	0	2	2	1	1	2
Retention rate (D/C)	0	80%	80%	0	40%	40%	50%	50%	50%

Note: The Unpaid Paternity Leave statistics shown in this report only presented data gathered from the Taipei Headquarters.

Note: Number of employees eligible for unpaid paternity leave of the year: Employees eligible for unpaid paternity leave in the year were all counted.

5.2 Human Rights Protection

5.2.1 Human Rights Policy GRI 2-23

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

Human Rights Policy	Specific Measures
Labor Rights: Protection of labor rights: The labor contracts signed by employees and the Company are all formulated in accordance with relevant local laws and regulations.	1. Provide equal employment opportunity in accordance with Employment Management Measures, regardless of race, gender, religion, color, nationality, age, political affiliation, gender identity, pregnancy status, disability status, social background, etc. All employees should complete the signing of labor contracts on the day when they start their jobs in the Company. 2. All employment relationship changes shall be dealt with in accordance with relevant labor laws.
No Forced Labor: 1.Chicony Power signs written labor contracts by law when an employment relationship is established, in which it is clearly stated that the employment relationship is established based on the premise of mutual agreement, and there must not be any forced labor, human trafficking or slavery. 2.Chicony Power's supplier partners are also required to avoid any forms of forced labor.	1. Forced overtime is strictly prohibited. For overtime required for business needs, employees can apply for overtime through online systems by themselves, and the overtime hours should not exceed the limits regulated by labor laws. 2. The Company has signed the "Declaration of Conflict-free Minerals" to ensure that its products do not use illegal conflict minerals from Congo and its neighboring countries and regions. 3. According to Supplier Management Procedures, all major raw material suppliers should sign the Declaration of Conflict-free Minerals, and should also be evaluated and audited to confirm if they are involved in any forced labor or not.
Prohibition of Child Labor: The employment of children under the age of 16 is strictly prohibited by Chicony Power. Young workers over the age of 16 but under the age of 18 are not allowed to engage in work that is possibly dangerous or may involve health hazards, nor are they allowed to work at night or overtime.	1. The first screening criterion for recruitment is age requirement. Those under the age of 16 will not be included in the shortlist of candidates. 2. An interviewee is required to fill out the Form of Basic Personnel Information before interview, the content of which will be confirmed by interview supervisors and HR staff on the day of the interview. 3. The personal data should be checked again on the day of hiring registration, and be reviewed before the labor/health insurance application is submitted.
Working Hours A worker's working hours shall not exceed the maximum allowed by local laws. Unless it is an emergency or unusual situation, the working hours per week shall not exceed 60 hours. Employees should be allowed to have at least one day off every seven days.	1. Set working hour standards in accordance with local labor laws to avoid excessive overtime hours and affect employees' physical and mental health. 2. If working hours need to be adjusted, basing on the premise of not violating the laws, the adjustment can be implemented after a consensus is reached through negotiating via labor-management meetings.

Human Rights Policy	Specific Measures
Remuneration and Benefits: Wages paid to employees should comply with relevant wage laws, including regulations on minimum wage, overtime pay and statutory benefits. Using salary deduction as a punitive disciplinary approach is prohibited.	1. The remuneration standards should be set by reference to the overall level in the market, the Company's financial status and the organization's structure. The overall remuneration should be determined based on employees' individual professional competencies, job responsibilities, work performances and achievement status of the Company's operating goals. The starting salary is higher than the basic salary regulated by the government. The principle for salary calculation lies in a comprehensive consideration of employees' expertise and the positions being held. 2. Using salary deduction as a punitive disciplinary approach is prohibited.
Humane Treatment: Cruel and inhumane treatment of employees is not allowed, which includes any form of sexual harassment, sexual abuse, physical punishment, mental or physical oppression or verbal abuse as well as the threat of any of such conducts.	1."Whistleblowing / Complaint-filing Mailbox": The Administrative Management Division's supervisor is in charge of the affairs related to the Mailbox. 2."Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties": The Administrative Management Division takes the main responsibility for reviewing and handling relevant cases. Carry out the communication and awareness-promotion between supervisors and employees to avoid workplace violence. 3."Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment": The Administrative Management Division takes the main responsibility for grievance cases acceptance, investigation, and review. Strengthen the establishment of a gender-friendly work environment, and adhere to the principle that strictly prohibits any form of sexual harassment. Moreover, complainants' information should be strictly protected in accordance with the management procedures to protect the employees who raise a grievance or make a complaint.
Anti-discrimination: Any forms of discrimination, visible or invisible, are all prohibited by Chicony Power. The Company clearly stipulates that employees' appointment, appraisal and promotion shall not be affected by employees' race, religion, gender beliefs, political affiliation, age, marital status, etc.	1. Establish a complete performance appraisal system composed of objective performance criteria and open appraisal procedures. 2. In order to encourage employees to make continuous improvement, the Company takes the annual performance appraisal results as the main basis for salary adjustment, bonus distribution, job transfer/appointment, training/development and job improvement. Any forms of discrimination, visible or invisible, are all prohibited.

The above human rights policy has been explained during new employee educational training. In 2022, the total hours of Chicony Power's human-rights-related educational training was 18,009 hours.

Factory	Taipei	Dongguan	Suzhou	Chongqing	Thailand
Hours	231	4,244	7,927	3,021	2,586

5.3 Employee Benefits and Remuneration

◇5.3.1 Employees' Remuneration and Benefits Measures GRI 401-2

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

Year	2019	2020	2021	2022
Number of non-managerial employees	701	764	768	716
Average salary of non-managerial employees	1,415	1,488	1,616	1,771
Median salary of non-managerial employees	1,182	1,297	1,352	1,537

Unit: NT$ Thousands

Note: In 2022, the ratio of Chicony Power Taipei Headquarters' highest personal annual total remuneration to the median of the organization's other employees' annual total remuneration was 29.3:1. (The remuneration includes employee compensation, bonuses, employee-bonuses and welfare grants.)

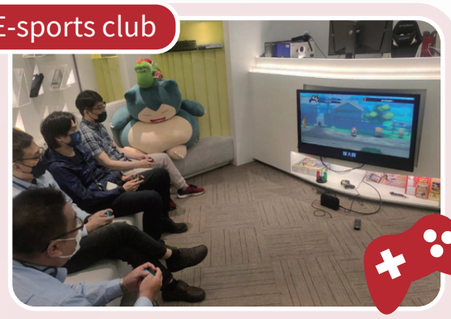
Moreover, in order to ensure the quality of life of employees, Chicony Power has set a salary level which is better than that of peer companies in the industry as a compensation for employees' hard work, and the salary will be adjusted on an annual basis by reference to the prevailing level in the market.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

Stock Bonus – sharing the Company's business achievements	Enable employees to participate in the Company's operational performance, and share the Company's profits.
Annual Salary Adjustment and Performance Bonus	1. Conduct salary adjustment on an annual basis based on the Company's business operations and the prevailing salary level in the market 2. Give three-major-festival performance bonuses based on the Company's business operations and employees' performance 3. Allowance and bonus: Pension allocation, annual special leaves, employees' regular health examination, meal allowance, and parking allowance
Subsidy for Having and Raising Children	Lactation rooms are provided for female employees. Financial incentives are offered to encourage employees to have children. A financial incentive of NT$ 66,000 will be offered for the second child; a financial incentive of NT$ 88,000 will be offered for the third child; and a financial incentive of NT$ 128,000 will be offered for the fourth (or any child born after the fourth) child. The original tenure requirement for baby subsidies application was three years or more; the minimum tenure was lowered to one year in 2022.

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

Employee Insurance	Insurance: Besides Labor/Health Insurance, the Company also provides Group Insurance, the premium of which is paid by the Company.
Employee Assistance Programs	Employee Retirement Arrangement, Employee Emergency Allowances & Condolences Program, and Employee Travel Allowances
Festival Bonus & Gift	Give out May 1st Coupon, Chinese New Year Coupon, Dragon Boat Festival Coupon, Moon Festival Coupon and Birthday Coupon as well as gifts (on irregular basis) based on annual budget.
Employee Activities	1.Diverse club activities 2.Lucky prize draw in year-end banquets 3.Set up "Happy Farm" in factory area for employees to enjoy the joy of harvesting.

E-sports club





Basketball club





Diverse club activities

Bowling club





LOHAS club





Board game club





Aerobic exercise club





Happy Farm in factory area



◇5.3.2 Employee Communication and Care and Complaint Mechanism GRI 2-15

Chicony Power always place great importance on employee benefits, and maintains a harmonious labor-management relationship. In addition to the compliance with requirements stipulated in the Labor Standards Act and other relevant laws, we also provide employees with benefits that are better than regulatory requirements. Moreover, with the aim of enhancing internal communication efficiency and encouraging employees to propose their suggestions, besides the regular internal communication meetings held in various units, the Company has also set up communication channels for employees to express their opinions or suggestions related to their questions or suggestions. The channels are listed as follows:

1. Employee Mailbox: Receiving and responding to employees' grievances.
2. Email notification: Informing employees of the Group's announcements and forwarding letters from top management to employees.
3. Employee Workshop: The workshops allow all employees to have a two-way conversation with top level managers, which are mainly organized by the Administrative Management Division and jointly implemented by all related units.
4. Bulletin board: Providing information about employee-related policies, health & safety and corporate activities
5. Consulting Room: Providing one-to-one consultation
6. Labor-management Meeting: Management representatives communicate with labor representatives on a quarterly basis.
7. "Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties": The Administrative Management Division takes the main responsibility for reviewing and handling relevant cases.
8. "Management Directions for Workplace Sexual Harassment Preventive Measures, Grievance and Punishment": The Administrative Management Division takes the main responsibility for grievance cases acceptance, investigation, and review.
9. Labor union: Labor unions have been set in Chicony Power's Dongguan Factory, Suzhou Factory and Chongqing Factory. No collective bargaining agreement has been signed. Committee representatives are elected in accordance with China's "Regulations on Labor Union's Fundamental Organization Election Affairs" to facilitate communication through regularly-held internal meetings. The Labor Union status of the factories is listed in the table below: **(GRI 2-30)**

Factory	Taipei Headquarters	Dongguan Factory	Suzhou Factory	Chongqing Factory	Thailand Factory
Total number of employees	No labor union has been set in the Headquarters, so no collective bargaining agreement has been signed. The communication is carried out in the form of Labor-Management Meeting (composed of five management representatives and five labor representatives)	2,130	3,043	1,744	The communication is carried out in the form of Employees' Welfare Committee in Thailand Factory.
Number of Committee representatives		125	200	94	

Currently no labor union has been set in the Headquarters, so issues related to employees' benefits and rights are all stipulated in the Company's administrative regulations, and decisions are made in the quarterly labor-management meetings.

5.4 Talent Cultivation and Training

◇5.4.1 Cultivating and Developing Diversified Talent GRI 404-1

Chicony Power is committed to personnel training and talent development to facilitate the achievement of business goals and the Company's sustainable development. The educational training system covers six dimensions, including "New employee training", "Leadership & management", "General competency", "Professional skills", "On-the-job training", and "Self-inspiration", for which diversified courses have been provided. Moreover, industry-academia collaboration has also been carried out to cultivate diversified talents and provide extensive career development opportunities.

Educational Training System					
New employee training	**Leadership & management**	**General competency**	**Professional skills**	**On-the-job training**	**Self-inspiration**
Company introduction	Top-level management	Sales & marketing	Power supply units	Mentor Systemtraining	On-the-job training
Introduction to Personnel System	Middle-level management (advanced-level)	Project management	LED	Job rotation	Foreign Language Learning
Introduction to Company's Benefits and Environment	Middle-level management (junior-level)	R&D	Magnetic component		Life enriching lectures
Introduction to Information System	Operative-level management	Procurement management	Smart building		Magazines and journals
Safety/Fire Fighting Training		Human resources			

In terms of leadership and management, the training combines the scopes of talent cultivation and employee career development planning to provide on-the-job training sessions for all-levels managerial personnel to reinforce their leadership and management ideas so that they can lead their teams to achieve the Company's goals. The Company organizes training courses in relation to management, professional skills, general competencies and technical seminars every year based on the organization's operational development needs to enhance employees' competitiveness.

	Management & Leadership				General Competency				
	Top-level management	Middle-level management (advanced)	Middle-level management (junior)	Operative-level management	Sales & marketing	Project management	R&D	Procurement management	Human resource
Cultivating Ability	Decision-making ability Change-response ability	Leadership Analysis ability Ability to be decisive Creativity	Team management capability Interper-sonacommu-nication skills Talent-recognizing ability Cultivation ability Leadership Planning ability	Problem-solving Improvement ability Guidance ability Expression skills	Interpersonal communication Customer service Negotiation skills Global perspectives	Interpersonal communication Professional control & management Analysis ability	Creative thinking Technical writing Professional management	Interpersonal communication Negotiation skills Global perspectives	Interpersonal communica-tion Employee relationship Profes-sion-related laws & regulations

In 2022, the total number of Chicony Power's employees was 8,493 (on the job as the end of the year). The total employee training hours were 166,838 hours, and the average per capita training hours were 18.26 hours. the total training investment was NT$ 21,191,869.

Yearly educational training statistics of all factories

Operation Unit			Taipei Headquarters		Dongguan Factory		Suzhou Factory		Chongqing Factory		Thailand Factory	
Gender			Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2020	Average training hours for managerial positions		2.13	0.9	3.2	2.9	16.5	14.3	22	20	1	0
	Average training hours for general positions		12.29	9.08	18.08	18.03	19.7	17.2	63	58	9	9
	Average training hours for dedicated personnel		18.95	9.17	12.6	11.8	20.3	16	24	24	0	9
2021	Average training hours for managerial positions		0.79	0.35	3.23	3.1	17.1	15.8	27	26	16	0
	Average training hours for general positions		12.12	8.77	22.11	22	34.4	41.8	48	46	8	8.02
	Average training hours for dedicated personnel		14.84	8.24	11.6	10.5	14	12	15	24	6.91	7.22
2022	Average training hours for managerial positions		7.87	5.91	3.3	3	19.9	22.5	16	8	18.35	1.25
	Average training hours for general positions	ALL	12.48	6.37	16.38	16	65.9	47.3	17	27	8.64	9.68
		echnical & engineering	13.04	8.2	18.94	18.5	82.4	48.2	19	33	10.23	9.92
		General administration	8.57	5.35	2.67	2.65	11	6.7	12	10	6.9	5.61
	Average training hours for dedicated personnel		9.67	5.54	12.3	12	21	15.5	16	18	15	16.5
2020 Total training hours			7,420		52,833		26,166		33,521		1,739	
2021 Total training hours			5,636		73,215		49,369		34,275		9,470	
2022 Total training hours			6,834		40,680		78,208		27,517		13,599	

《Note 1》Managerial Level refers to a position level of deputy managers or above in the Taipei Headquarters; in factories, it refers to a position level of deputy section supervisor or above.

《Note 2》Technical & engineering: Personnel related to R&D, engineering, manufacturing, and QA technology

《Note 3》General administration: Personnel related to business/sales, finance, administrative management, information, legal affairs, customs affairs and PMC.

《Note 4》Training for dedicated personnel includes courses about professional skills or regulatory requirements (personnel with professional certificates such as accounting personnel, auditing personnel, EHS personnel, first-aiders, ISO seed personnel, etc.)

《Note 5》NA indicates that no statistics were compiled in the year, or there are no corresponding dedicated personnel.

Talented personnel are the cornerstones for a company's success. Chicony Power believes that only when employees can give full play to their strengths in their positions shall the Company gain a foothold in the world's green technology leading team to make valuable contributions to the world. Therefore, the promotion of educational training is always a key task in Chicony Power's operations. Since supervisors/managers are playing an important role in educational training and talent cultivation, in order to strengthen supervisors' (or managers') management mindset and leadership to lead their teams to achieve the operating strategic goals entrusted by the Company, the Company has made a lot of efforts in the training for management competency cultivation and development. Through the collaboration with professional advisors, learning resources have been obtained; in addition, middle- and top-level managers are encouraged to share their experiences in relevant training occasions.

ESG Consensus Formation

With the aim of comprehensively promoting the Company's ESG sustainability development policies, a top-management ESG Workshop was organized in 2022, and the whole process and content was video-recorded for unattended personnel to learn online to form a consensus throughout the Company. In addition, in order to promote the concept of green packaging materials, the Company invited guests from Yuen Foong Paper Co., Ltd. to have a sharing meeting with Chicony Power's procurement and mechanism & packaging material design personnel to strengthen employees' green packaging concepts and awareness.

ESG Workshop



Workshop on green packaging materials



Deep-cultivation Training Development Plan for R&D Personnel

The Company initiated the "Deep-cultivation Training Development Plan" for R&D personnel in 2020 to cooperate on the R&D Department's workforce recruitment from university/college graduates. The training includes a series of courses related to practices of power supply unit design, practices of design verification, practices of safety certification and patents, etc., with the Company's senior R&D personnel serving as lecturers to deepen R&D personnel's professionalism and accelerate personnel's technical advancement and development. A total of 15 courses were conducted in 2022, with training hours totaling to 61 hrs.

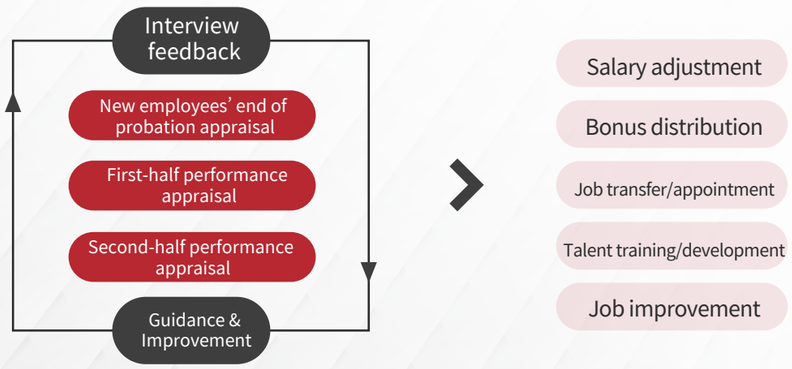
Employment Start Date	The Third Month	The Sixth Month	The First Year	The Third Year
Mentoring Period	Incubation Period	Upgrading Period	Development & Tracking	On-the-job Further Study
Three-month mentoring period for employees to familiarize themselves with and adapt to the environment	Incubation period for R&D skills: Cultivate skills through practical product design and developmentTraining	Arrangement and development of R&D project training Conduct regular training achievements presentations to upgrade R&D skills and capabilities	Continue the development and track training effectiveness	Arrangement of on-the-job further study Taipei Tech's industrial graduate programs

Action Plans		
	Regular professional practice training course	Group's R&D competency training course
	Monthly R&D professional practice technology discussions & Manufacturers' technical seminars	
	Quarterly Workshops	Biannual Performance Interviews

5.4.2 Performance Appraisal System GRI 404-3

Employee's Personal Performance and Development

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



Employee Appraisal Framework	Timing of Appraisal	Content
End of Probation Appraisal	3 months after the job is taken	When new employees start their jobs in the Company, the Company will arrange mentors to assist them in adapting to the work environment and carrying out their designated jobs. After an employee has joined the Company for three months, an appraisal shall be conducted to evaluate the employee's "ability", "attitude", and "moral quality". Through interviews, the supervisor shall understand the employee's adaption to the workplace and if there are any associated problems, for which assistance and feedback shall be given in a timely manner.
Interim Performance Appraisal	July	The appraisal is conducted through three major job-related dimensions, which are common core items, management competency and professionalism, based on employees' job categories and ranks. Improve employees' and the organization's performance through employee's self-evaluation, supervisor's review, and performance interview. Feedback and guidance shall be offered for the improvement suggestions or solutions proposed by employees during performance interviews.
End-of-Period Performance Appraisal	December	

Annual Performance Appraisal

With the aim of achieving the organization's business goals, the Company conducts two performance appraisals every year, and divides the appraisal items into three dimensions, which are common core items, management competency and professionalism, based on employees' job categories and ranks. The performance appraisals focus on the evaluation of and feedback for past performance, and the determination of direction and goals for next-stage tasks and development. Through performance interviews, effective two-way communication can be carried out and constructive feedback can be offered for employees to make further progress, and thus sustainable talent development and cultivation shall be realized.

Common core appraisal items	Management competency items	Professional competency items		
		General position	General position	R&D
Creativity Work/design quality Goal setting and achievement Effective communication & teamwork Support for company policies Occupational safety and health Energy saving and emission reduction Moral integrity	Planning and organizing ability Problem analysis and solving ability Ability for leadership development and successor plans	Professional knowledge	Customer relationship	Professional knowledge
		Work efficiency Work willingness and attitudes Self-growth & learning indicators		

Percentage of employees receiving performance appraisal in 2022

Factory	Headquarters in Taiwan		Dongguan Factory		Suzhou Factory		Chongqing Factory		Thailand Factory	
Category	First half	Second half	First half	Second half	First half	Second half	First half	Second half	First half	Second half
Managerial position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.0%
General position	100.0%	100.0%	81.7%	91.9%	100.0%	100.0%	100.0%	100.0%	98.1%	98.8%

Factory	Headquarters in Taiwan		Dongguan Factory		Suzhou Factory		Chongqing Factory		Thailand Factory	
Category	First half	Second half	First half	Second half	First half	Second half	First half	Second half	First half	Second half
Male	100.0%	100.0%	78.1%	91.8%	100.0%	100.0%	100.0%	100.0%	98.35%	97.95%
Female	100.0%	100.0%	87.4%	92.1%	100.0%	100.0%	100.0%	100.0%	97.20%	98.70%

5.5 Social Participation

5.5.1 Industry-academia Collaboration

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

1.Utilize the resources obtained through industry-academia collaboration, of which the soft/hard service equipment is invested by Chicony Power, while the R&D efforts are contributed by the Center's members. The cultivated R&D personnel shall in turn help the Company's future development, and the students can receive their final stage training in advance prior to their entry of actual workplace. Moreover, the R&D achievements shall be handed to the Company for technical integration, through which a win-win result shall be created.

2.The innovative technologies acquired in the R&D process can apply for industrial-niche-based patents, which shall be given back to the Company.

Moreover, the Company has been offering scholarships for students for years, which provides NT$200,000 per semester for each selected master's student, and NT$250,000 per semester for each selected doctoral student. Students are also offered paid work-placement opportunities to work in the Headquarters' R&D unit or to be a trainee supervisor in the factories so that they can put theories into real practice, and to narrow the gap between theories and practices.

Items and associated expenditure in relation to the industry-academia collaboration between Chicony Power and Taipei Tech are listed in the table below:

Item	Investment period	Investment amount
Master's degree programs in Taipei Tech's College of Electronics Industrial Technology	2008~2022	12,050,000
Donation of robotic arms and other objects to Taipei Tech; "Chicony - Taipei Tech R&D Center" related expenditure, scholarships	2014~2022	22,237,199
Industry-academia collaboration projects carried out by Chicony Power and Taipei Tech	2014~2022	20,406,252

In addition, Chicony Power has built a long-term collaboration relationship with Taipei Tech's Department of Electrical Engineering by providing students with work placement opportunities to help students connect to their future career, and to fulfill the Company's corporate social responsibility and the commitment of sustainable talent cultivation. A total of 16 students did their work placement in 2022. Students with excellent performance during their work placement may choose to be permanent employees of the Company after their graduation, through which the Company's R&D energy shall be conserved, and a win-win result shall be attained. The work placement programs were further extended to Taipei Tech's Department of intelligent Automation Engineering and National Chengchi University's Department of Business Administration in 2022 to provide more diversified job competency practice opportunities.



Industry-academia collaboration achievement presentation



Workplace experience training

5.5.2 Blood donation campaign and disadvantaged group care

By upholding the belief of "Take from society, give back to society", Chicony Power organizes two blood donation campaign every year. In order to reduce cluster infection risks for COVID-19 pandemic prevention, this campaign was suspended in the first half of 2022; yet it was resumes in the second half of the year when the pandemic was slow down. Free lunch boxes were prepared for the employees participating in the campaign to thank for their kindness. It is hoped that such campaigns can help raise awareness of blood donation among the public to cope with the blood shortage in blood banks, and shall reinforce our employees' sense of social responsibility.

Blood donation campaign









In addition to blood donation campaigns, we organize two charity stall-selling activities in the Company's ground-floor lobby every month as well as some charity sale activities (held on an irregular basis). These activities are always enthusiastically responded by employees, the revenue from which are used to support disadvantaged groups to maintain their smooth operations. We firmly believe that caring for disadvantaged groups is not only our responsibility, but also one of our value elements. It is hoped that we can integrate and utilize our resources to give back to society in a more efficient way.

Charity Stall-selling Activity





Charity Sale





Chicony
POWER TECHNOLOGY



06

Workplace Health and Safety

6. Workplace Health and Safety

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

Dimension	Social(S)
Material Issues	Occupational safety and health management
Management Mechanism	1.Chicony Power is committed to building a safe workplace in accordance with various standard procedures required by ISO 45001:2018 Occupational Safety Management Systems to enable every employee to work under safe conditions. 2.The Administrative Management Division and all factories' onsite units have established various standard operating procedures for workplace safety and employee health management. Besides, regular educational training on safety and health and simulation exercises aiming at the education, training and promotion of management related to work environment, equipment and hazardous substances are held to ensure the safety and health of employees.
Commitment / Policy	1.Chicony Power demands that every part of the production must strictly abide by the safety operating standards, employees' safety awareness must be reinforced, and workplace safety should never be overlooked. The internal managerial units must thoroughly analyze causes of occupational accidents, and figure out prevention strategies and post-incident management measures. 2.Pay continuous attention to employees' health, and help track and monitor various health risk factors.
2022 Evaluation Mechanisms and Achievements	1.The 2022 Disabling Injury Severity Rate (SR) in the Headquarters and all factories was reduced compared to 2021. 2.With long-term efforts in promoting the Company's exercise culture and caring for employees' physical and mental health, Chicony Power obtained the "Sports Enterprise Certification" in 2022. 3.Chicony Power's Chongqing Factory received the certification of "Healthy Enterprise" from Chongqing City's Hygiene and Health Committee in 2022.
Medium-/Long-term Goals	" Zero Work Accident", "Zero Work Safety Incident", and "Zero Accident" are the goals that we strive to achieve.
Complaint Mechanism	Administrative Management Division

6.1 Occupational Safety and Health

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

As an enterprise, providing employees with a safe and healthy work environment is one of Chicony Power's basic obligations. The Company, including the Headquarters in Taiwan and major production bases in China (Dongguan Factory, Suzhou Factory and Chongqing Factory), has followed the spirit of occupational safety and health management systems to systematically implement occupational safety and health management tasks, and has obtained the ISO 45001 certification. All factories have set up safety and health management units, and have appointed professional personnel to be responsible for the planning, promotion, supervision , auditing, etc. for health and safety management affairs. In Mainland China and Thailand, where the Company's major production sites are located, safety and health management units have been set directly under the region's top executives. In Taiwan, where the Company's R&D and business centers are located, has been designated to be in charge of the Administrative Management Division directly under the authority of the President. All factories have followed local regulatory requirements to set up their occupational safety and health committees. The Committee is formed by both the labor and the management, which regularly holds meetings to review, discuss, coordinate, and give suggestions on safety and health management affairs. The goals expected to be achieved through the occupational safety and health management systems include:

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

6.1.2 Hazard Identification and Risk Assessment GRI 403-2

In order to effectively implement the Company's safety & health management, Chicony Power improves safety & health management efficiency by means of ongoing hazard identification and risk assessment as well as proper preventive measures or necessary control measures to avoid the occurrence of workers' injuries or accidents in relation to operation procedures, activities, products, services, facilities, etc., in which factory personnel's and stakeholders' safety and health may be affected and financial losses may occur. The above mentioned "workers" include employees (fixed/non-fixed term contract employees), contractors, suppliers, interns, etc. The levels of unacceptable risks are determined based on the assessment results obtained through the Headquarters' and all factories' "Procedures for Hazard Identification and Risk Assessment". Engineering control measures shall be taken first for the unacceptable risks. As for the risk identification and assessment for contractors' operating personnel, the operations' risks and control methods shall be discussed in construction meetings or tool box meetings.

With respect to the procurement of new equipment or changes to manufacturing processes, change management procedures shall be implemented to conduct safety assessment and increase safety or protective measures prior to the procurement of new machinery/equipment, or take source control measures such as assessing and using low-hazard chemicals to substitute for high-hazard chemicals, etc. to ensure the safety and health of personnel and the whole factory. Regular hazard identification and risk assessment shall be conducted for operating procedures, and control measures shall be taken for unacceptable risks. For operations with high hazardous risks and hazard degree, responsible units shall submit applications in advance. Only when relevant units' approval is obtained shall the operations be performed.

If employees realize that there exists certain concern about imminent danger while they are performing job duties, they can, without endangering other workers' safety, stop work operations and escape to a safe place at their discretion in accordance with regulations stipulated in "Occupational Safety and Health Act". Additionally, in the event of occupational accidents in factories, reporting and investigation should be conducted in accordance with "Management Procedures for Accident Reporting and Investigation" as the basis for improvement. The process of reporting/complaint-filing must be objective, fair and impartial; and the interests and privacy of victims and reporting persons must be completely protected.

2022 occupational accidents and work-related injuries in Chicony Power's Taipei Headquarters and other factories are listed in the table below:

Year	2020	2021	2022
Total number of work-related injury cases	15	10	17*
Number of direct work-related injury cases (Injuries by being pressed, smashed, pricked, gashed, cut, caught)	15	10	7
Number of indirect work-related injury cases (Traffic accident, falling-over, injured when participating in company's activities)	0	0	10

Note: The number of work-related injury cases increased in 2022; in fact, the main injuries were caused by traffic accidents and personnel's falling-over. There were seven cases identified to be directly work-related, indicating that the improvement measures taken in 2021 were effective so that the number of direct work-related injury cases decreased.

Company/Factory	Chicony Power - Taipei Headquarters			Chicony Power - Dongguan Factory		
	2020	2021	2022	2020	2021	2022
Disabling Injury Frequency Rate - FR (number of disabling injuries/million work hours)	0	0	0	0.8589	0.6603	1.1518
Disabling Injury Severity Rate - SR (loss of work days/ million work hours)	0	0	0	12.78	9.64	29.79
Total Injury Severity Score	0	0	0	0.0118	0.0798	0.0184
Loss of work days	0	0	0	74	73	207
Number of accidents	0	0	0	6	5	8
Hours of leaves	19,123.5	11,624.0	14,705.0	315,567.2	372,169.1	347,398.24
Total attendance hours	1,492,000	1,315,392	1,308,551	5,789,856	7,571,675	6,945,299.92
Absence rate (AR)	1.28%	0.88%	0.73%	5.45%	4.92%	5.00%
Percentage of fatal occupational injuries	0%	0%	0%	0%	0%	0%
Occupational Disease Rate (ODR)	0	0	0	0	0	0

Company/Factory	Chicony Power - Suzhou Factory			Chicony Power - Chongqing Factory		
	2020	2021	2022	2020	2021	2022
Disabling Injury Frequency Rate - FR (number of disabling injuries/million work hours)	1.0256	0.73	0.47	0.7636	0.2290	0.44
Disabling Injury Severity Rate - SR (loss of work days/ million work hours)	15.38	14.94	5.74	1.91	0	0.22
Total Injury Severity Score	0.0158	0.1000	0.02	0.0382	0	0
Loss of work days	105	102	60	5	0	2
Number of accidents	7	4	5	2	1	1
Hours of leaves	12,047.6	14,626.6	72186	48,103	23,700	21733.5
Total attendance hours	6,825,192	6,825,192	10435299	2,619,219	4,366,693	4,504,444
Absence rate (AR)	0.18%	0.21%	0.02%	1.84%	0.54%	0.48%
Percentage of fatal occupational injuries	0%	0%	0%	0%	0%	0%
Number of Occupational Disease/Disorder	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0

Company/Factory	Chicony Power – Thailand Factory		
	2020	2021	2022
Disabling Injury Frequency Rate - FR (number of disabling injuries/million work hours)	0	0	1.56
Disabling Injury Severity Rate - SR (loss of work days/ million work hours)	0	0	49.37
Total Injury Severity Score	0	0	0.08
Loss of work days	0	0	95
Number of accidents	0	0	3
Hours of leaves	2,877	30,791	44,930
Total attendance hours	175,712	896,072	1,924,10
Absence rate (AR)	0.13%	3.44%	4
Percentage of fatal occupational injuries	0%	0%	0.023%
Number of Occupational Disease/Disorder	0	0	0%
Occupational Disease Rate (ODR)	0	0	0

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

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

Calculation explanation:

1. Disabling Injury Frequency Rate - FR(FR, Disabling Frequency Rate)=Number of Disabling Injuries*106/Total work hours
2. Disabling Injury Severity Rate - SR(SR, Disabling Severity Rate)= Loss of work days*106 Total work hours
3. Total Injury Severity Score = √(FR*SR/1000)
4. Absence rate (AR) = Days of Sick/Personal Leave / Total work days × 100%
5. Occupational Disease Rate (ODR) = Total number of people with occupational diseases ×106 / total work hours

6.1.3 Educational Training on Occupational Safety and Health GRI 403-5

With the aim of improving workers' safety and health knowledge and accident-response ability, in addition to organizing relevant safety and health training sessions in accordance with regulatory and operational requirements, the Company also uses email, posters on bulletin boards, safety knowledge Q&A, etc. to enhance employees' awareness of work environment hazards and the safety and health knowledge and concepts required for accident prevention to avoid the occurrence of occupational accidents. In 2022, the educational training carried out by Chicony Power in its major business sites in Taiwan, Mainland China and Thailand included new employees' and on-the-job personnel's safety and health training sessions (containing courses related to hazardous chemicals, machinery/equipment operation, electrical safety, respiratory protection, etc.), certificates/licenses required by laws and regulations, emergency response and fire-safety training, personnel's safety training for the introduction of new equipment or technologies, etc. All training sessions were carried out in local languages or the languages that foreign-national employees use, and post-training tests were arranged to evaluate the effectiveness of the training sessions.

In addition, in order to improve contractors' in-plant safety management, Chicony Power has formulated the Contractor Safety, Health and Environmental Protection Regulations, requiring that all contractors that enter the Company's factory areas should comply with relevant occupational safety and health laws and the Company's regulations. Contractors' personnel should receive required occupational safety and health training and pass tests as well as sign the Hazard Notification Form before entering the factory area for relevant operations.

Employees' Occupational Safety and Health Training



6.2 Comprehensive Employee Health Management GRI 403-3 and GRI 403-6

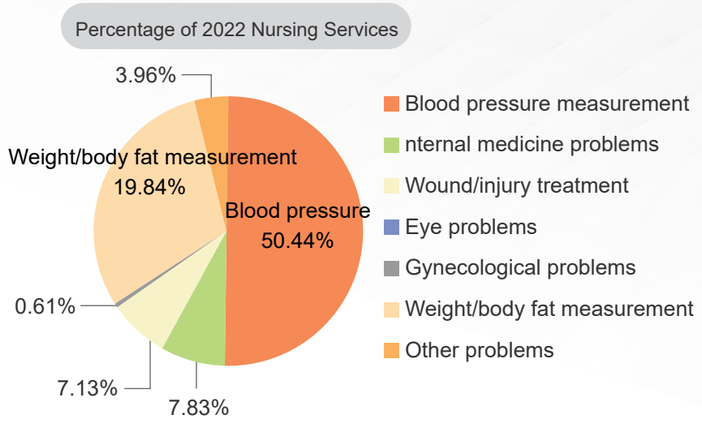
6.2.1 Health Management

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

I. Employee health management, on-site consultation and stress relieving services	1.Provide nursing services to promote workplace health programs and carry out emergency care. 2.Administer flu vaccination 3.Smear tests / mammography for female employees 4.Workplace maternity protection services 5.Provide "Epidemic Prevention Kit" to employees who travel on business (N95, medical face masks, protective devices, etc.) 6.On-site doctor consultation services (once a month) 7.Stress Relieving Station (massage services offered by visually impaired masseurs) is available for employees to relax and relieve stress as well as support disadvantaged workers.

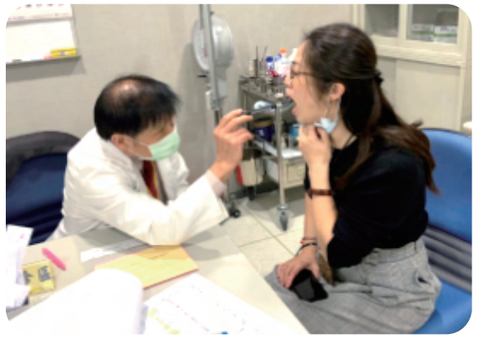
Nursing Services													
Statistics of Nursing Service Cases	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Blood pressure measurement	44	22	29	12	2	22	16	27	200	12	24	163	573
Internal medicine problems	10	5	14	7	10	2	4	12	7	7	5	6	89
Wound/injury treatment	7	6	13	4	6	12	3	5	8	5	4	8	81
Eye problems	0	0	0	1	1	0	0	0	0	0	0	0	2
Gynecological problems	1	0	1	4	0	1	0	0	0	0	0	0	7
Weight/body fat measurement	0	0	0	0	0	0	1	0	173	5	0	160	339
Other problems	3	0	3	10	7	3	4	2	2	2	6	3	45
Total							1136						

Percentage of 2022 Nursing Services





Flu vaccination





Smear tests / mammography





Workplace maternity protection services					
Year	Pregnancy	Postpartum	Breast-feeding	Postpartum unpaid paternity leave	Total (persons)
2022	4	6	1	2	13





Provide "Epidemic Prevention Kit" to employees who travel on business





2022 On-site Doctor Consultation Services													
Month	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
Number of consultees	8	4	2	5	2	12	2	19	5	4	8	4	75

Stress Relieving Station (Fully booked every week)



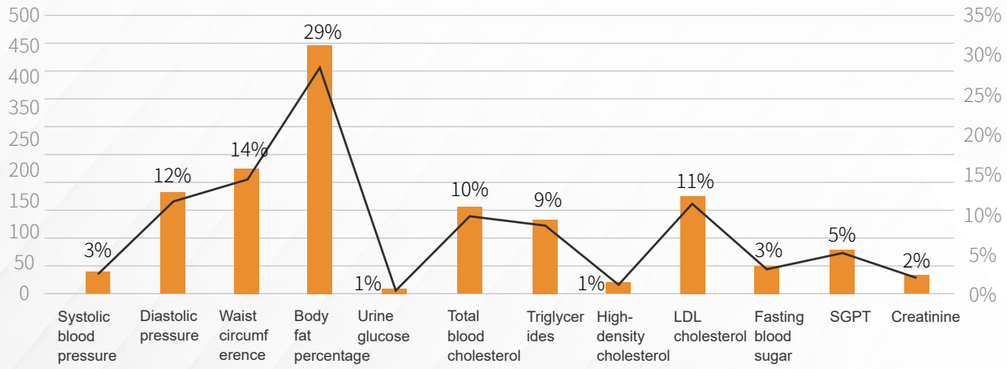


II. Employee health examination, grade-based tracking and blood test abnormal result recheck	1.Employee health examination every two years 2.The Company has provided supervisors with advanced health check-up package for consecutive years. In 2022, the Company made this advanced health check-up package available for employees with a tenure of 15 years or longer, and will further make it available for employees with a tenure of 10 years or longer in 2023. 3.Grade-based health tracking and blood test abnormal result recheck

Regular employee health examination





6.2.2 Health Promotion Plan

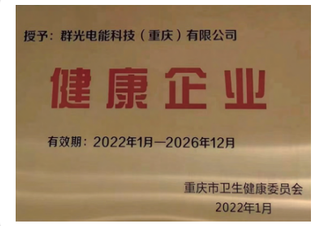
Chicony Power believes that employees are an integral part of a successful company, and employees' health and work ability are closely related to the competitiveness of the company. In order to promote the physical health of employees, we encourage employees to exercise regularly, participate in club activities, and cultivate a sports culture in the Company, which won the "Sports Enterprise Certification" for the Taipei Headquarters in 2022. Chongqing Factory also received the certification of "Healthy Enterprise" from local government in 2022.

"Sports Enterprise Certification" and "Healthy Enterprise Certification"

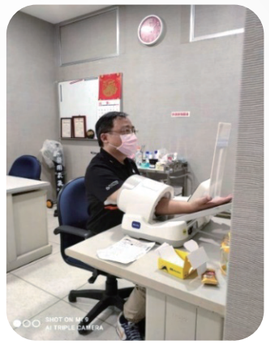








As indicated by the analysis of employees' 2022 health check results, we noticed that nearly 30% of employees had the problem of excessive body fat. In response to this situation, we held an event called "Weight Loss Party" to conduct a weight loss competition within a period for more than 2 months. This activity attracted 173 employees to participate, of which 106 employees successfully achieved the goal of losing 2 kg in two months. A total weight loss of more than 500 kg has been achieved, burning more than 3.88 million calories. It is hoped that the employees participating in this competition can continue to maintain healthy living habits, and be happy and enthusiastic at work and in life to greet every day with confidence.





Appendix



Appendix 1 GRI Content Index

Appendix 2 SASB Index

Appendix 1 GRI Content Index

Statement of Use	Chicony Power has followed the GRI Standards to report relevant content of the period from January 1, 2022 to December 31, 2022.
GRI Standards	GRI 1:Foundation 2021
Applicable GRI Sector Standards	N/A

GRI 2				
Indicator	**Disclosure Status**	**Corresponding Report Section or Description**	**Description Omission**	**Page No.**
1. Organization and reporting				
2-1	Organizational details	2-1 Company Overview		32
2-2	Entities included in the organization's sustainability reporting	About this Report		04
2-3	Reporting period, frequency and contact point	About this Report		04
2-4	Restatements of information	About this Report		04
2-5	External assurance for the report	About this Report		04
2. Activities and workers				
2-6	Activities, value chain and other business relationships	3-3 Supply Chain Management		70
2-7	Employees	5-1 Employee Structure		111
2-8	Workers who are not employees	5-1 Employee Structure		111
3. Governance				
2-9	Governance structure and composition	2-5-1 Organization for Corporate Governance		41
2-10	Nomination and selection of the highest governance body	2-5-2 Operation of Board of Directors		42
2-11	Chair of the highest governance body	2-5-2 Operation of Board of Directors		42
2-12	Role of the highest governance body in overseeing the management of impacts	2-5-2 Operation of Board of Directors		42
2-13	Delegation of responsibility for managing impacts	2-5-2 Operation of Board of Directors		42
2-14	Role of the highest governance body in sustainability reporting	2-5-5 Sustainability Development Committee		48
2-15	Conflicts of interest	2-6-2 Ethical Management		54
2-16	Communication of critical concerns	2-5-5 Sustainability Development Committee		48

GRI 2				
Indicator	**Disclosure Status**	**Corresponding Report Section or Description**	**Description Omission**	**Page No.**
3. Governance				
2-17	Collective knowledge of the highest governance body	2-5-2 Operation of Board of Directors		42
2-18	Evaluation of the performance of the highest governance body	2-5-2 Operation of Board of Directors		42
2-19	Remuneration policies	2-5-4 Remuneration Committee		46
2-20	Process to determine remuneration	2-5-4 Remuneration Committee		46
2-21	Annual total compensation ratio	5-3-1 Employees' Remuneration and Benefits Measures		117
4. Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Message from Chairman & President, 2-5-5 Sustainability Development Committee		6 48
2-23	Policy commitments	Message from Chairman & President 5-2-1 Human Rights Policy		6 114
2-24	Embedding policy commitments	Message from Chairman & President		06
2-25	Processes to remediate negative impacts	5-3-2 Employee Communication and Care 2-6-2 Ethical Management		120 54
2-26	Mechanisms for seeking advice and raising concerns	5-3-2 Employee Communication and Care 2-6-2 Ethical Management		120 54
2-27	Compliance with laws and regulations	2-6-3 Legal Compliance		56
2-28	Membership of associations	2-5-6 Membership of Associations and Initiatives		50
5. Stakeholder engagement				
2-29	Approach to stakeholder engagement	1. Material Issues and Stakeholder Engagement		18
2-30	Collective bargaining agreements	5-3-2 Employee Communication and Care		120

GRI 3 Material Topics 2021				
Indicator	**Disclosure Status**	**Corresponding Report Section or Description**	**Description Omission**	**Page No.**
3-1	Process to determine material topics	1. Material Issues and Stakeholder Engagement		18
3-2	List of material topics			18
3-3	Management of material topics			18

GRI Content Index Disclosures	Chapter	Note
Topic Standard 200/300/400		
GRI 200 Economic		
GRI 201 Economic Performance (2016)		
201-1 Direct economic value generated and distributed	2.-4 Operational Performance	37
GRI 202 Market Presence (2016)		
202-2 Proportion of senior management hired from the local community	5-1-1 Employee Diversity Structure and Distribution	111
GRI 204 Procurement Practices (2016)		
204-1 Proportion of spending on local suppliers	3-3-1 Local Procurement Principle	70

GRI Content Index Disclosures	Chapter	Note
Topic Standard 200/300/400		
GRI 300 Environmental		
GRI 302 Energy (2016)		
302-1 Energy consumption within the organization	4.2 Energy Management	96
302-3 Energy intensity	4.2 Energy Management	96
302-4 Reduction of energy consumption	4.2 Energy Management	96
GRI 305 Emissions (2016)		
305-1 Direct (Scope 1) GHG emissions	4-1-2 Greenhouse Gas Management	90
305-2 Energy indirect (Scope 2) GHG emissions	4-1-2 Greenhouse Gas Management	90
305-3 Other indirect (Scope 3) GHG emissions	4-1-2 Greenhouse Gas Management	90
305-4 GHG emissions intensity	4-1-2 Greenhouse Gas Management	90
GRI 306 Waste (2020)		
306-3 Waste generated	4-4 Waste Management	105
306-4 Waste diverted from disposal	4-4 Waste Management	105
306-5 Waste directed to disposal	4-4 Waste Management	105
GRI 308 Supplier Environmental Assessment (2016)		
308-1 New suppliers that were screened using environmental criteria	3-3-2 Criteria for New Supplier Assessment	71

GRI Content Index Disclosures	Chapter	Note
Topic Standard 200/300/400		
GRI 400 Social		
GRI 401 Employment (2016)		
401-1 New employees and resigned employees	5-1-2 Personnel Recruitment	112
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5-3-1 Employees' Remuneration and Benefits Measures	117
401-3 Parental leave	5-1-3 Unpaid Paternity Leave	114
GRI 403 Occupational Safety and Health (2018)		
403-1 Occupational safety and health management system	6-1-1 Occupational Safety and Health Management System	133
403-2 Hazard identification, risk assessment and incident investigation	6-1-2 Hazard Identification and Risk Assessment	133
403-3 Occupational health services	6-2 Comprehensive Employee Health Management	137
403-4 Worker participation, consultation and communication on occupational safety and health	6-1-1 Occupational Safety and Health Management System	133
403-5 Worker training on occupational safety and health	6-1-3 Educational Training on Occupational Safety and Health	136
403-6 Promotion of worker health	6-2 Comprehensive Employee Health Management	137
403-8 Workers covered by an occupational safety and health management system	6-1-2 Hazard Identification and Risk Assessment	133
403-9 Work-related injuries	6-1-2 Hazard Identification and Risk Assessment	133
403-10 Work-related ill health	6-1-2 Hazard Identification and Risk Assessment	133
GRI 404 Training and Education (2016)		
404-1 Average hours of training per year per employee	5-4-1 Cultivating and Developing Diversified Talent	121
404-3 Percentage of employees receiving regular performance and career development reviews	5-4-2 Performance Appraisal System	124
GRI 405 Diversity and Equal Opportunity		
405-1 Diversity of governance bodies and employees	5-1-1 Employee Diversity Structure and Distribution	111
GRI 414 Supplier Social Assessment		
414-1 New suppliers that were screened using social criteria	3-3-2 Criteria for New Supplier Assessment	71
GRI 418：Customer Privacy (2016)		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2-7 Information Security Management	57

TWSE's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" (2022.09.22)					
Appendix 1-14 Metrics for Sustainability Disclosure—Other Electronics Industry					
NO.	Metric for Disclosure	Category	2022 Disclosure	Unit	Note
1	Total energy consumption, percentage of grid electricity, and renewable energy usage rate	Quantitative	4-2 Energy Management		96
2	Total water withdrawal and total water consumption	Quantitative	4-3 Water Resource Management		102
3	The weight of hazardous waste from manufacturing, and the recycling percentage	Quantitative	4-4 Waste Management		105
4	Explain the occupational accident categories, number of people being affected, and relevant percentages	Quantitative	6-1 Occupational safety and health		133
5	Disclosure of product life cycle management: Including weight of scrap products and e-waste, and percentage of recycling (Note 1) Note 1: Including the sale of scraps or other recycling methods; relevant descriptions should be provided.	Quantitative	4-4 Waste Management (No relevant data available)		105
6	Description of the risk management associated with the use of critical materials	Qualitative description	3-2 Supply Chain Management		67
7	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations	Quantitative	N/A		
8	Production volume of the main product under the company's product category	Quantitative	2-1 Company Overview		32

TWSE's "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" (2022.09.22)	
Appendix 2 The risks and opportunities that climate change poses to the company and the related countermeasures taken by the company.	
Item	Implementation Status
1. Describe the Board's and the Management's supervision and governance for climate-related risks and opportunities.	4-1-1 Climate-Related Financial Disclosures
2. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-, medium- and long-term).	4-1-1 Climate-Related Financial Disclosures
3. Describe the financial impact of extreme climate events and transformation actions.	4-1-1 Climate-Related Financial Disclosures
4. Describe how to incorporate climate risk identification, assessment and management procedures into overall risk management systems.	4-1-1 Climate-Related Financial Disclosures
5. If scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts being used should be explained.	4-1-1 Climate-Related Financial Disclosures
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and goals adopted to identify and manage physical risks and transitional risks.	4-1-1 Climate-Related Financial Disclosures
7. If internal carbon pricing is used as a planning tool, the basis for price-setting should be stated.	Internal carbon pricing not used
8. If climate-related goals are set, information such as the activities covered, GHG emission scope, planned schedule, annual progress, etc. should be explained. If carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon credits used for offset or the number of renewable energy certificates (RECs) should be stated.	4-1-1 Climate-Related Financial Disclosures
9. GHG inventory and verification (separately indicated in 1-1).	

Appendix 2 SASB Index (Hardware)

Code	Index Description	Chapter & Description
1. Product Security		
TC-HW 230a.1	Description of approach to identifying and addressing data security risks in products.	For details, please see 2.6 Risk Management and Ethical Management, and 2.7 Information Security Management.
2. Employee Diversity & Inclusion		
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	For details, please see 5.1.1 Employee Diversity Structure and Distribution.
3. Product Lifecycle Management		
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances.	In response to relevant domestic/international laws and regulations on environmental protection and prohibited substances, we keep updating Chicony Power's environmental management and substance standards on a regular basis, and comply with the requirements listed in the IEC 62474 Declarable Substance List (DSL). After excluding products of other non-electronic parts/components (accounting for 1.7%), the revenue percentage of products with declarable substances is 98.3%.
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent.	Since Chicony Power's main products are not end products, the EPEAT Label aimed for end electronics/electrical products certification cannot be obtained.
TC-HW-410a.3	Percentage of eligible products, by revenue, meeting ENERGY STAR® criteria.	Since Chicony Power's main products are not end products, the ENERGY STAR® Label aimed for end electronics/electrical products certification cannot be obtained.
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled.	Since Chicony Power's main products are not end products, the data is hard to be collected.
4. Supply Chain Management		
TC-HW 430a.1	Percentage of Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities.	More than 80% of Chicony Power's 37 Tier 1 suppliers were audited through online reviews (including SAQ self-assessment) or onsite inspections based on RBA-equivalent standards. All of them were classified as low-risk level. A total of 180 deficiencies were identified, of which 138 were listed as primary deficiencies, and 42 were listed as secondary deficiencies. 104 deficiencies were closed, and 76 remained under tracking.
TC-HW 430a.2	Tier 1 suppliers' (1) non-conformance rate with the RBA Validated Audit Process (VAP) or equivalent, and (2) associated corrective action rate for (a) priority non-conformances and (b) other non-conformances.	

Code	Index Description	Chapter & Description
5. Materials Sourcing		
TC-HW 440a.1	Description of the management of risks associated with the use of critical materials.	Chicony Power defines gold (Au), tantalum (Ta), tin (Sn) and tungsten (W) and their derivatives as critical materials. For details on the management and performance of conflict minerals, please see 3.2 Supply Chain Management.

Activity Metrics

Code	Activity Metric	Chapter & Description
TR-AP-000.A	Number of units produced by product category.	The Company's major products include electronic parts/components, consumer and other electronics, and other related products. The production volume and sales amount are listed in the table below:

Year	2022	
Product items	Production Volume	Sales Amount
Electronic parts & components	119,198	33,475,699
Consumer & other electronics	20,643	6,554,039
Others	0	1,036,372
Total		41,066,110

TR-AP-000.B	Area of manufacturing facilities.	The Taipei Headquarters serves as the R&D Center; the major production/manufacturing bases are listed as follows: 1. Chicony Power - Dongguan Factory (plant area: 63,623 m^2) 2. Chicony Power - Suzhou Factory (plant area: 96,296 m^2) 3. Chicony Power - Chongqing Factory (plant area: 39,477 m^2) 4. Chicony Power - Thailand Factory (plant area: 20,628 m^2)
TR-AP-000.C	Percentage of production from owned facilities.	All products (100 %) are produced/manufactured at Chicony Power's own premises.

INDEPENDENT ASSURANCE STATEMENT

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

Introduction and objectives of work

Bureau Veritas Certification Taiwan has been engaged by **CHICONY POWER TECHNOLOGY CO., LTD.** to conduct an independent assurance of its **CHICONY POWER TECHNOLOGY CO., LTD. 2022 Sustainability Report**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **CHICONY POWER TECHNOLOGY CO., LTD. 2022 Sustainability Report** are the sole responsibility of the management of **CHICONY POWER TECHNOLOGY CO., LTD.** Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

Scope of work

The assurance process was conducted in line with the requirements of the AA1000 Assurance Standard V3, Type Ⅰ - AccountAbility Principles and Performance Information engaged. The scope of work included:

- Data and information included in **CHICONY POWER TECHNOLOGY CO., LTD. 2022 Sustainability Report** for the **1st January, 2022 to 31st December, 2022**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)[1]
  - Inclusivity
  - Materiality
  - Responsiveness
  - Impact
- Evaluation of the Report against the principles of Stakeholder Inclusiveness, Sustainability Context, Materiality, Completeness, Balance, Comparability, Accuracy, Timeliness, Clarity, and Reliability, as defined in the GRI Sustainability Reporting Standards.

The levels of assurance have been applied as Moderate assurance.

Methodology

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

1. Interviews with relevant personnel of **CHICONY POWER TECHNOLOGY CO., LTD.** ;

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

2. Review of documentary evidence produced by **CHICONY POWER TECHNOLOGY CO., LTD.** ;
3. Review performance data listed in report with sampling basis;
4. Visits to 1 site located in Taiwan (New Taipei City);
5. Review of **CHICONY POWER TECHNOLOGY CO., LTD.** data and information systems for collection, aggregation, analysis and review.

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

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

Our findings

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

- The information and data included in **CHICONY POWER TECHNOLOGY CO., LTD. 2022 Sustainability Report** are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of **CHICONY POWER TECHNOLOGY CO., LTD.** 's activities over the reporting period;
- The information is presented in a clear, understandable and accessible manner, and allows readers to form a balanced opinion over **CHICONY POWER TECHNOLOGY CO., LTD.** 's performance and status during the **1st January, 2022 to 31st December, 2022**;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- **CHICONY POWER TECHNOLOGY CO., LTD.** has established appropriate systems for the collection, aggregation and analysis of relevant information;

Alignment with the principles of AA1000 Accountability Principle (2018)

Inclusivity

CHICONY POWER TECHNOLOGY CO., LTD. has processes in place for engaging with key stakeholders including socially responsible investors, clients, employees, supply chain and local community; and has undertaken a number of formal stakeholder engagement activities in 2022 covering a range of material topics such as Economic, Social and Environment.

Materiality

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

Responsiveness

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

Impact

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

Report Structure

CHICONY POWER TECHNOLOGY CO., LTD. does fully provide the information to achieve the GRI Standards and SASB in accordance, and the performance indices do correspond and can be cross referenced to the content of relevant GRI Standards and SASB.

Key areas for ongoing development

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

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

Limitations and Exclusions

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

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

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

Statement of independence, impartiality and competence

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2022 full year revenues reached 5.7 billion euros. The Group's adjusted net profit for 2022 reached 533.9 million euros.

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

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

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

Bureau Veritas Certification Taiwan

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4 June 2023

AA1000
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技術審查: 日期: 4/June/2023

查證人員: 日期: 4/June/2023


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