

Chicony®

# ESG

## 2023 Chicony Sustainability Report



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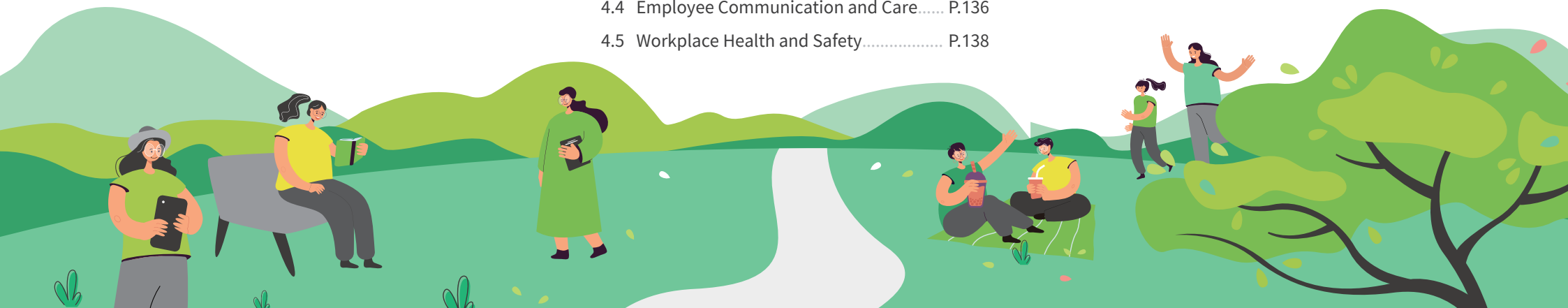
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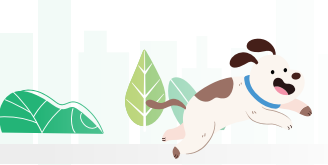
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## About This Report

Chicony Electronics Co., Ltd. publishes its sustainability report in June of every year to convey the Company’s sustainability management philosophy and goals, and the environmental, social and governance (ESG) performance achieved during the year to all stakeholders. This Report was released in June 2024 to disclose Chicony Electronics’ sustainability performance during the period from January 1, 2023, to December 31, 2023.

## Scope of Disclosure

The scope of this Report covers 99% of Chicony Electronics’ consolidated operating revenue.

### Scope of 2023 Sustainability Report

Performance Disclosure		Name	Abbreviation		
Financial Performance	Sustainability Performance				
-		Chicony Electronics Co., Ltd. and its various bases, Chicony Power Technology Co., Ltd. and its various bases, and XAVi Technologies Corporation and its various bases	Chicony Group		
V	V	Chicony Electronics Co., Ltd. and its various bases	Chicony, CEC, the Company		
		Taipei Headquarters	Taipei HQ		
		Production Sites	Dongguan Factory (Area: 569,367 ft <sup>2</sup> )	Main Production Sites	CEM2
			Maorui Factory (Area: 731,773 ft <sup>2</sup> )		MR
			Suzhou Factory (Area: 1,517,107 ft <sup>2</sup> )		CEM3
			Chongqing Factory (Area: 419,515 ft <sup>2</sup> )		CEM5
	Thailand Factory (Area: 1,062,570 ft <sup>2</sup> )		CET		
	CEZ (Area: 31,463 ft <sup>2</sup> )	Other Sites			
(Note)	Yangmei Warehouse, Taichung Office, Kaohsiung Office, CAI, and CEJ				
	Chicony Power Technology Co., Ltd. and its various bases	Chicony Power, CP			
		XAVi Technologies Corporation and its various bases	Xavi		

Note : Other sites is planned to include in the Report in 2025. For the sustainability performance of the subsidiaries (Chicony Power Technology Co., Ltd. and XAVi Technologies Corporation), please refer to their sustainability reports.



## Reporting Guidelines

### 1 Sustainability Performance

- Global Reporting Initiative (GRI) - GRI Standards 2021. Report has passed third-party verification, confirming its compliance with AA1000 Assurance Standard: v3 - Type 1 moderate level assurance (please refer to Chapter 6.6: Assurance Statement).
- The Sustainability Accounting Standards Board (SASB) Index for the Hardware industry Sustainable Development Best Practice Principles for
- TWSE/TPEX Listed Companies, Guidance on Social Responsibility ISO 26000
- Task Force on Climate-related Financial Disclosures, TCFD
- Task Force on Nature-related Financial Disclosure, TNFD

### 2 Financial Performance

The financial performance has been indicated through open information attested by the CPAs of PwC Taiwan. Unless otherwise specified, the New Taiwan Dollar is adopted as the currency unit for presentation. The 2021–2023 reference exchange rates for RMB were 4.3315, 4.4228, and 4.3939; the 2021–2023 reference exchange rates for Thai Baht were 0.8735, 0.8507, and 0.8954.

## Explanation of Data Variations


Chapter 3	Correction of typographical errors from the previous edition: Energy Consumption, Water Withdrawal, and Waste Volume
Chapter 4	Correction of typographical errors from the previous edition: Lost Time Incident Rate (LTIR), Disabling Injury Severity Rate, Total Injury Severity Score, and Absentee Rate


## Contact Information


**Chicony Electronics Co., Ltd.** **Chicony®**



Corporate Sustainability Development Committee,  
ESG Sustainability Office

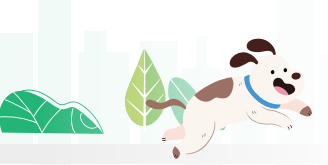
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 No. 69, Section 2, Guangfu Road, Sanchong District, New Taipei City

 +886-6626-6788 #17602

 [CSR@Chicony.com](mailto:CSR@Chicony.com)

-  Chicony Electronics official website : <https://www.chicony.com/chicony/tw/>
-  Chicony Electronics ESG website : <https://www.chicony.com/chicony/tw/csr>



## Message from the Chairman

Officially founded in 1983, Chicony celebrated its 40th anniversary in 2023. This year marked a significant juncture: as the Company looked ahead to its next 40 years in business, this was also the year when many sustainability issues burst onto the scene. Faced with the global trend of sustainability, Chicony has continued to demonstrate excellent profitability based on its stable and robust business operations; furthermore, the Company has exerted its influence to promote multiple sustainability projects and joined hands with various stakeholders so as to join the international effort to achieve global sustainability goals.

In 2023, with the Board of Directors' support, Chicony set its 2050 Chicony Net-zero and 2030 RE100 goals, building on the SBTi goals set in 2022 and further demonstrating the Company's determination to achieve the goal of net-zero emissions. Moreover, in 2023, the Company earned a score of A- from CDP for the first time, confirming that Chicony Electronics' environmental practices have advanced to the Leadership Level.

To achieve the goal of net-zero emissions, the Company follows three steps: Inventory, Decarbonization, and Offset, utilizing its previous experience with decarbonization to develop the pathways for carbon reduction. Regarding the Inventory step, Chicony completed relevant inventories covering 99% of its consolidated revenue scope in 2018, and it expects to complete the inventory for the remaining 1% of the revenue scope in 2024, so that the net-zero goals cover the entire corporate scope.



Regarding the Decarbonization step, the Company has begun promoting the Chicony Green Octagon, which aims to carry out comprehensive carbon reduction through eight decarbonization pathways that cover all of the Company’s bases, aspects, and value chains. This starts with the promotion of the Company’s green buildings and extends to the continuous reinforcement of green life, green products, green marketing, green procurement, green logistics, green production, and green reclamation, achieving the decarbonization goals step by step. Moreover, with the aim of strengthening all units’ resolve to decarbonize, a range of KPIs focused on the eight decarbonization pathways and 36 corresponding items have been established, taking 2023 as the base year and 2033 as the target year to match up with the planning for net-zero goals. In the future, the latest implementation results will be reported to the Corporate Sustainable Development Committee on an annual basis so that the Committee can continuously track the sustainability promotion status at various bases and sites. As for the Offset step, in addition to the continuous effort to reduce carbon emissions, when needed, the Company will purchase the most appropriate and compliant carbon credits to offset emissions.

In 2023, Chicony’s scope 1 and scope 2 carbon emissions were reduced by 30% compared with 2022, achieving the preset annual goals. The reduction in carbon emissions was mainly attributable to the Company’s active use of renewable electricity, after joining RE100. Renewable power facilities have been constructed at all major factories, except for those in which required facilities cannot be installed due to certain factors. Such facilities are in use at the CEM2 and CEM5; additionally, the Company has purchased renewable electricity and renewable energy certificates (RECs). In 2023, renewable electricity usage accounted for more than 40% of the overall power consumption. In addition to scope 1 and scope 2 emissions, scope 3 carbon emissions are also a focus of the Company’s decarbonization practices. Chicony began to establish the ISO 14064 Carbon Management System and ISO 14067 Product Carbon Footprint System in 2023. The former has already been implemented, and it is hoped that the latter will help facilitate the step by step management of suppliers’ carbon issues after its implementation.



In response to the official issuance of International Financial Reporting Standards (IFRS) S1 and S2 in 2023, the Company reactivated its Task Force on Climate-related Financial Disclosures (TCFD) project; at the same time, the Company initiated the Taskforce on Nature-related Financial Disclosures (TNFD) project and declared itself as a TNFD adopter. The second TCFD report and the first TNFD report are scheduled to be published in 2025.

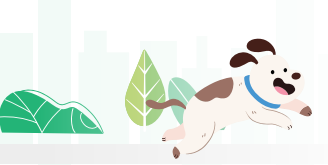
In addition to GHG management, the Company also pays attention to waste management issues. In 2023, the Company chose its CET as the demonstration site to promote UL 2799A Zero Waste to Landfill Validation. The Company hopes that international validation system will facilitate the development of efficient waste recycling mechanisms, allowing waste to be recycled and reused to effectively extend products' lifecycles. Relevant approaches will be gradually extended to other factories in the future.

Chicony provides various communication channels and mechanisms to receive suggestions and requirements from external stakeholders; these include suppliers sharing meetings, Chicony Mailbox, and more. Through long-term communication, the Company has established common beliefs and mutual trust between itself and its customers, employees, and suppliers so that collaborative efforts can be made to create sustainable value chains. For internal stakeholders - employees - the Company is active in shaping a work environment that is suitable for employees' work and lives by providing various psychological counseling services, a diverse and nondiscriminatory workplace, and a remuneration system superior to that of peer companies. The Company holds employee communication meetings every year to listen to employees' suggestions, then announces responses and improvement measures to meet employees' needs, thereby creating strong cohesion among employees. This is one of the major factors that helps Chicony's revenue consecutively hit record highs.



Chicony continues to create co-prosperity and collective benefits with stakeholders based on the spirit of ethical management. In 2023, consolidated revenue reached NT\$98.323 billion, net income reached NT\$7.464 billion, and earnings per share (EPS) reached a record high of NT\$10.35. Additionally, the Company's overall sustainability performance has gradually been recognized by various external rating systems, enabling the Company to be selected as a constituent of the TWSE Taiwan Mid-Cap 100 index, the TIP Taiwan ESG Index, the Corporate Governance 100 Index, the FTSE4Good Emerging Index, etc. To demonstrate the Company's determination to promote sustainability practices, in 2024, Chicony officially established its ESG Sustainability Office and installed the Chief Sustainability Officer (CSO) and Vice Sustainability Officer, who report directly to the Corporate Sustainable Development Committee. Through these actions, the Company conveys its spirit of sustainable operations to all stakeholders, and its commitment to move toward the next 40 years with all stakeholders.





## Contribution to UN SDGs



### Ensure healthy lives and promote well-being for all at 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's Approaches

- Conduct regular health checks.
- Organize health lectures.
- On-site physician services.

#### Chapter(s)

4.5.3 Comprehensive Employee Health Management



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

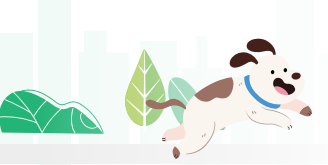
- 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

#### Chicony's Approaches

- Continue the optimization of all employees' professional competencies, and concurrently organize corresponding training.
- Facilitate industry-academia collaboration.

#### Chapter(s)

4.2.2 Diversified Training Courses



Achieve gender equality and empower all women and girls

- 5.1** End all forms of discrimination against all women and girls everywhere.
- 5.c** Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Chicony's Approaches

- The Company had a total of 18,575 full-time and part-time employees in 2023, among whom the percentage of female employees was 57.48%, and the percentage of female managerial personnel was 16%, indicating an increase of 1.43 percentage point compared to 2022.
- Advocacy and training on "Human Rights Commitment" and other related topics were continuously conducted in 2023 for current and new employees.

Chapter(s)

4.1.1 Human Resource Structure



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

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

Chicony's Approaches

- The renewable electricity usage rate in 2023 (including grid / purchased electricity and self-generated electricity) reached 43%.

Chapter(s)

3.1.7 RE100 Implementation



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

- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.
- 8.8** Protect labor rights and promote safe and secure working environments of all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Chicony's Approaches

- Establish an Occupational Safety and Health Committee to create a safe and healthy work environment.
- Ensure compliance with the Child Labor Prohibition Policy and other regulations related to labor, health & safety, environment, corporate ethics, etc.

Chapter(s)

4.3 Employee Remuneration and Benefits

4.4 Employee Communication and Care

4.5 Workplace Safety and Health



Ensure a sustainable consumption and production patterns

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

Chicony's Approaches

- Adopt the 4R Strategy in developing and designing new products to maintain environmental sustainability :
  - Reduce** : Product design that is aimed at reducing raw material consumption.
  - Reuse** : Ensure that product design can maximally facilitate product functions.
  - Recycle** : Use recyclable and reusable raw materials for product design.
  - Replace** : Use new raw materials to replace currently adopted petroleum-product-based raw materials.

Chapter(s)

2.1 Sustainable Product Design



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's Approaches**

- Commitments to SBTi, RE100 by 2030, and Net Zero by 2050
- The Chicony Green Octagon was launched in 2023, taking 2023 as the base year and 2033 as the target year to develop eight decarbonization pathways that cover all aspects of Chicony's operations.

**Chapter(s)**

3.1 Climate-Related Financial Disclosures



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

**16.5** Substantially reduce corruption and bribery in all their forms.

**Chicony's Approaches**

- Require suppliers and all employees to sign the Letter of Undertaking of Integrity and complete the Employee's Conflicts of Interest Declaration Form. The training and advocacy activities promoted in 2023 included :
  - (1) Letter of Undertaking of Integrity and Employee's Conflicts of Interest Declaration Form: Achieved a control and signing rate of 100%
  - (2) Internal/external education and training conducted in Taiwan: 2,618 participants.

**Chapter(s)**

1.5 Implementation of Ethical Management



★ 2023 Highlight



FTSE4Good  
TIP Taiwan ESG Index

FTSE4Good TIP Taiwan  
ESG Index



FTSE4Good

FTSE4Good Emerging Index



The 15th TCSA Corporate Sustainability  
Report Awards: Bronze Award



TIP  
Taiwan Index Plus

TIP Taiwan ESG Index



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES



DISCLOSURE INSIGHT ACTION

A- Climate Change

B Water Security

B Supplier Engagement Rating



## 8 Identification of Stakeholders and Material Topics

Chicony is committed to promoting sustainable development, and understands that each stakeholder’s expectations of the Company influences the organization’s achievement of its sustainability goals. Therefore, Chicony places great emphasis on communication with stakeholders, obtaining stakeholders’ opinions, and adjusting its sustainability approaches in a timely manner in response to stakeholders’ expectations.




### ◦ Identification of Material Topics

With the aim of formulating specific responses to stakeholders’ expectations, global sustainable development trends, government laws/regulations, and internal opinions, Chicony has followed the GRI reporting principles and incorporated the EU concept of double materiality to confirm (1) the degree of stakeholders’ concern regarding sustainability issues, (2) the degree to which the sustainability issues impact Chicony, and (3) the impact of the sustainability issues on the economy, the environment, and people (including their human rights). Through this process, Chicony has confirmed the disclosure scope of the sustainability report while simultaneously reviewing its sustainability performance and responding to the aforementioned stakeholders. The Company conducts the identification of material topics every 2 years. The comprehensive identification process will be carried out in 2024; adjustments will be made as appropriate through internal management procedures during the years when material topic identification is not scheduled to be conducted.





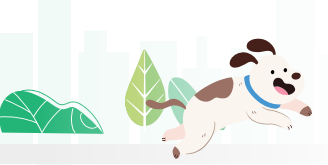
### Analysis Process of Material Topics

#### Continuously identify and assess operational impacts

 <p>Understand organizational context</p>	<p>The Company designed its identification questionnaire based on the five principles highlighted in the AA1000 Stakeholder Engagement Standard (AA1000SES), i.e., Responsibility, Influence, Tension, Diverse Perspectives, and Dependency. The questionnaire was distributed to 42 of the Company’s internal employees (of various units), who examined 10 categories of stakeholders to identify Chicony 5 major stakeholders: customer, employee, supply chain, shareholders/investors, and competent authorities.</p>
 <p>Identify actual and potential impacts</p>	<p>By referencing various external sustainability regulations and standards (as listed below), relevant laws/regulations, issues of stakeholders’ concern, value chains, industry characteristics, etc., 22 sustainability issues have been summarized, including 7 environmental issues, 6 social issues, and 9 governance issues.</p> <ol style="list-style-type: none"> <li>1. Internationally accepted sustainability standards: GRI, SASB, TCFD, TNFD, and IFRS</li> <li>2. International initiatives: SDGs, RBA and RE100</li> <li>3. International rating/scoring frameworks: CDP, S&amp;P Global, MSCI, Sustainalytics, and FTSE4Good</li> </ol>
 <p>Assess impact significance</p>	<p>Questionnaires were distributed to the 5 categories of stakeholders in order to identify the actual and potential positive and negative impacts of the 22 sustainability issues on Chicony, both internally and externally. A total of 99 questionnaires were collected, including 6 from customers, 51 from employees, 41 from supply chain (distributors/suppliers/contractors), and 1 from shareholders/investors.</p>

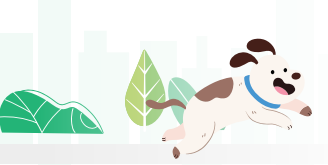
#### Determine the material topics for reporting

 <p>Sequence the significant impacts for prioritized reporting</p>	<p>Based on the questionnaire results, the Company sequenced, discussed, and determined 12 sustainability issues of moderate- and high-level concern as this year’s material topics. The material topics based on questionnaire results were connected to 15 GRI topics in order to describe each material topic’s response measures; short-, medium-, and long-term goals; performance achieved; and management guidelines.</p>
 <p>Determine material topics</p>	<p>The material topics were approved by higher level managers and submitted by the ESG Sustainability Office to the Corporate Sustainable Development Committee meeting held in May 2024.</p>



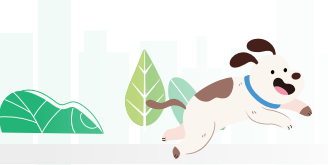
2023 Stakeholder Communication Implementation

Target of communication	Purpose and significance of communication	Issue of concern	Communication approach and frequency
Customers	High quality products and services are the key to instilling brand confidence among distribution channel partners and consumers; therefore, it is essential for Chicony to adhere to the principle of “Customers Come First” and provide excellent quality products and services.	<ul style="list-style-type: none"> <li>• Climate Strategy</li> <li>• Green Product</li> <li>• Human Rights &amp; Employment</li> <li>• Occupational Safety &amp; Health</li> <li>• Supply Chain Management</li> <li>• Customer Relationship Management</li> <li>• Innovative Product</li> <li>• Product Quality</li> </ul>	<p><b>Regularly</b> Suppliers Annual/Quarterly Review (QBR/CBR), RBA VAP audits, and ESG Report</p> <p><b>Irregularly</b> Customer audits, business meetings, and technical seminars</p>
Employees	Chicony pays close attention to employees’ needs, and has created a friendly working environment, conducted hazard identification and risk assessments to reduce potentially dangerous incidents, and reinforced 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.	<ul style="list-style-type: none"> <li>• Happy Workplace</li> <li>• Human Rights &amp; Employment</li> <li>• Occupational Safety &amp; Health</li> <li>• Employee Career Planning</li> <li>• Diversity &amp; Inclusion</li> </ul>	<p><b>Regularly</b> Labor–management meetings (quarterly), monthly meetings, weekly meetings, and Labor Representatives Meetings held in each factory</p> <p><b>Irregularly</b> Immediate supervisors, dedicated personnel of the Human Resources Department, the Company’s bulletin board, Employee Mailbox, employee communication meetings, employees’ grievance channels, training sessions, and policy advocacy meetings</p>



Target of communication	Purpose and significance of communication	Issue of concern	Communication approach and frequency
Supply chain (distributors/suppliers/contractors)	Chicony 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.	<ul style="list-style-type: none"> <li>• Climate Strategy</li> <li>• Green Product</li> <li>• Energy Management</li> <li>• Occupational Safety &amp; Health</li> <li>• Supply Chain Management</li> <li>• Ethical Management</li> </ul>	<p><b>Regularly</b> Regular suppliers meetings, audits, and guidance</p> <p><b>Irregularly</b> Suppliers Grievance channels, technical seminars</p>
Shareholders/Investors	Create stable profits and Return on Investment (ROI), and demonstrate sustainable governance.	<ul style="list-style-type: none"> <li>• Climate Strategy</li> <li>• Green Product</li> <li>• Biodiversity</li> <li>• Economic Performance</li> <li>• Sustainability Governance</li> <li>• Risk Management</li> </ul>	<p><b>Regularly</b> Shareholders Meeting (annually), Board Meeting (4 meetings in 2023), Annual Report (annually), ESG Report (investor briefing), and financial reports (quarterly)</p> <p><b>Irregularly</b> Market Observation Post System (MOPS) and the Company’s official website</p>
Competent authorities	Comply with laws and regulations, cooperate with government policies, and respond to stakeholders’ high standards and expectations for Chicony.	<ul style="list-style-type: none"> <li>• Climate Strategy</li> <li>• Waste Management</li> <li>• Air Pollution Management</li> <li>• Water Resource Management</li> <li>• Biodiversity</li> <li>• Human Rights &amp; Employment</li> <li>• Occupational Safety &amp; Health</li> <li>• Social Participation</li> <li>• Legal Compliance</li> <li>• Sustainability Governance</li> </ul>	<p><b>Irregularly</b> Official documents, policy advocacy meetings, and onsite inspections</p>

Note : For the results of communication with various stakeholders, please refer to each chapter’s content related to stakeholder engagement actions and results.

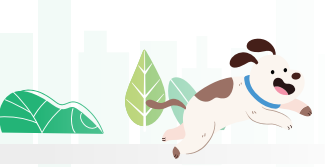


In 2023, Chicony identified 12 material topics from among 22 sustainability issues, including 3 environmental topics (E), 4 social topics (S), and 5 governance topics (G).

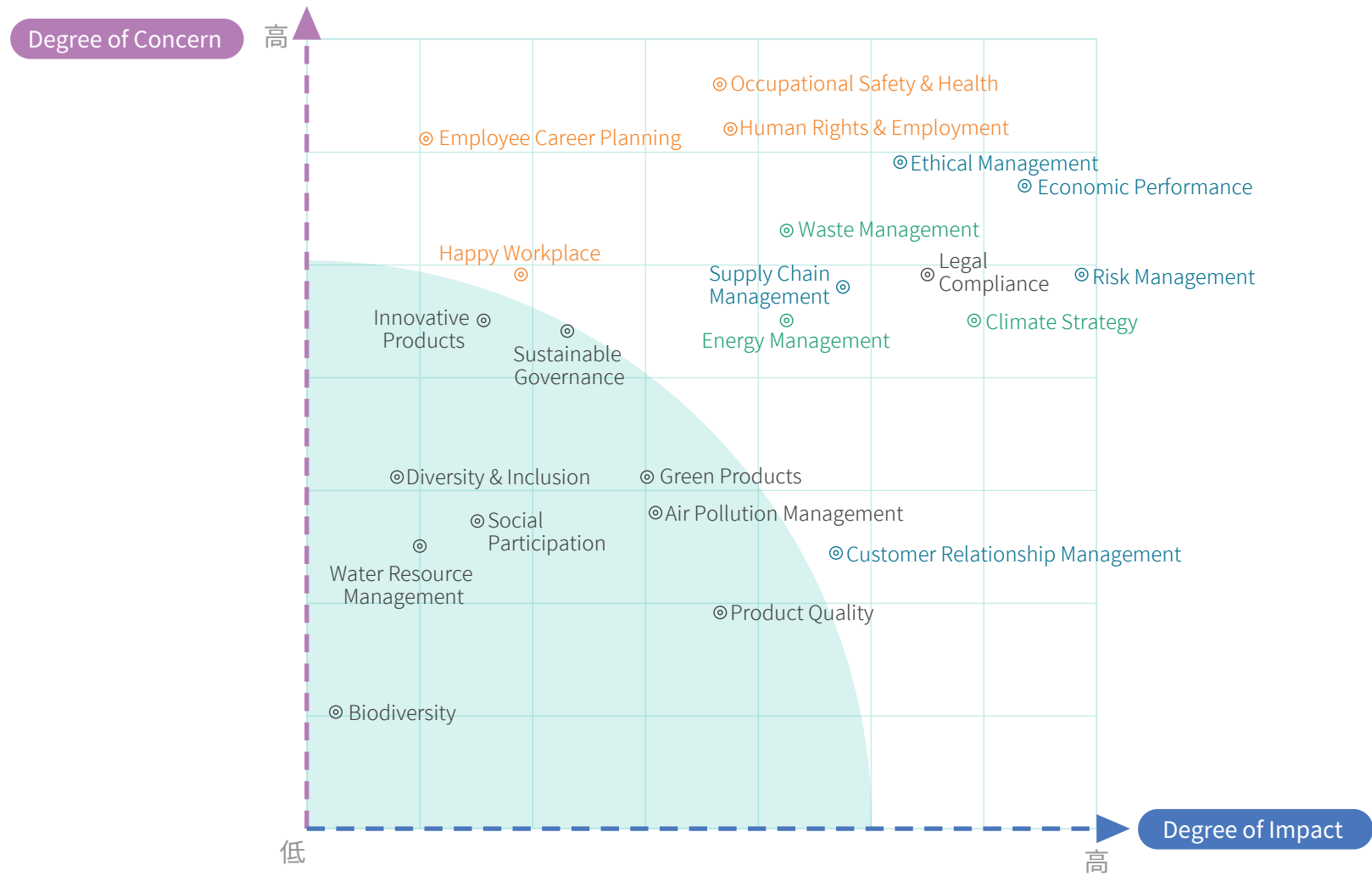
- Environmental : The three material topics are the same as those from the previous year. The titles have been adjusted to better respond to social expectations.
- Social : “Customer Privacy and Information Security” has been shifted from the social material topic category to the governance material topic category, comprehensively adding further emphasis to “Customer Relationship Management”. This year, “Human Rights” and “Employment” were integrated into a single material topic: “Human Rights & Employment”. As sustainability issues continue to expand around the world, employees pay more attention to how their companies take care of them. Therefore, “Happy Workplace” has been added to this year’s identification results.
- Governance : As the various risk issues become increasingly complex, stakeholders are paying more attention to how companies respond to risks. Therefore, “Risk Management” has been added to this year’s identification results.

**22 Sustainability Topics and 12 Material Topics**

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>◆ Climate Strategy</li> <li>◆ Energy Management</li> <li>◆ Waste Management</li> </ul>	<ul style="list-style-type: none"> <li>◆ Occupational Safety &amp; Health</li> <li>◆ Human Rights &amp; Employment</li> <li>◆ Happy Workplace</li> <li>◆ Employee Career Planning</li> </ul>	<ul style="list-style-type: none"> <li>◆ Economic Performance</li> <li>◆ Risk Management</li> <li>◆ Ethical Management</li> <li>◆ Supply Chain Management</li> <li>◆ Customer Relationship Management</li> </ul>
<ul style="list-style-type: none"> <li>✓ Air Pollution Management</li> <li>✓ Water Resource Management</li> <li>✓ Green Products</li> <li>✓ Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>✓ Diversity &amp; Inclusion</li> <li>✓ Social Participation</li> </ul>	<ul style="list-style-type: none"> <li>✓ Sustainability Governance</li> <li>✓ Legal Compliance</li> <li>✓ Innovative Products</li> <li>✓ Product Quality</li> </ul>



### Matrix of Chicony Material Topics





# 01

Company Overview and Corporate Governance





Material Topics

Business ethics, Economic performance, Customer Relationship Management



Policy / Commitment

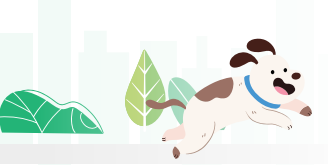
Establish an effective governance framework to facilitate sound corporate governance systems and continue to reinforce corporate governance goals through multiple internal policies.

1. Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct: Urge employees to take “integrity” as the highest standard for business ethics to reduce possible corruption and other fraudulent incidents.
2. Articles of Incorporation and Corporate Governance Code : Continue to strengthen various corporate governance systems, including the reinforcement of Board functions and effective sustainability governance.
3. Risk Management Policy : Establish a complete “Three Lines of Defense” risk governance system to define, analyze, assess, and respond to various possible risks and reduce their impacts on the Company.
4. Information Security Policy : Fortify the Company’s cyber (information/communication) security through PDCA procedures to protect the confidentiality, integrity, and availability of various information related to customers, employees, and suppliers.



Action Plan

1. Continue to expand production capacity and invest resources in high value-added products.
2. Continue to conduct ethical-management-related education and training, and provide unobstructed channels for whistleblowing/reporting.
3. Continue to implement and promote information security projects and enhance information security protection measures.



Stakeholder Engagement Actions and Results

1. Consecutively served as a constituent of TWSE’s Taiwan Mid-Cap 100 Index, the TIP Taiwan ESG Index, and the Corporate Governance 100 Index in 2023.
2. In 2023, consolidated revenue reached NT\$98.323 billion, net income reached NT\$7.464 billion, and earnings per share (EPS) reached NT\$10.35.
3. No incidents involving ethical management violations (bribery, corruption, collusion, etc.) event in 2023.



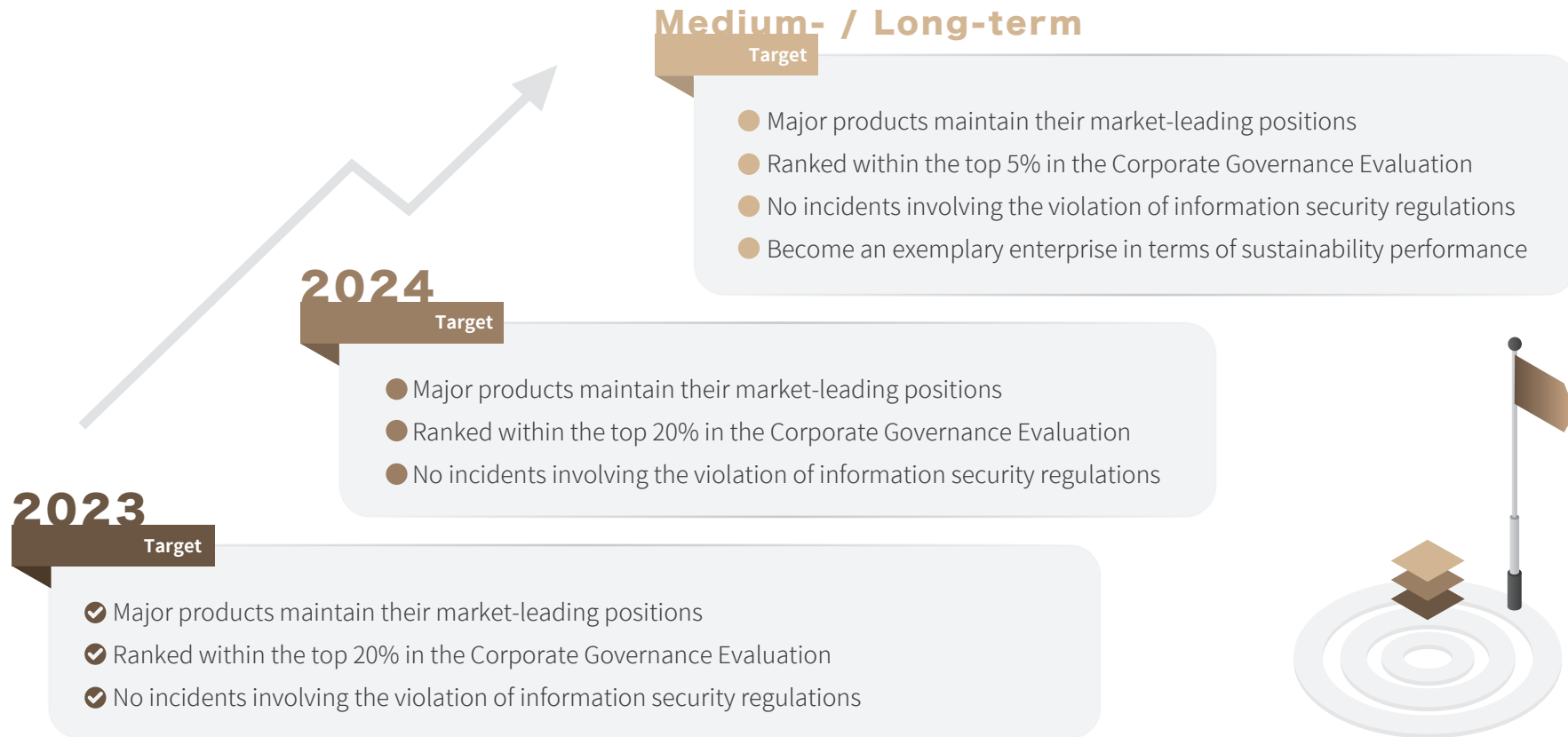
Tracking Mechanism

1. Integrate integrity and ethical values into the Company’s business strategies and formulate misconduct prevention measures in cooperation with legal and regulatory systems.
2. Identify sustainability risks, confirm responsible units, and regularly track implementation results.
3. Implement Chicony’s human rights commitment and guidelines through education, training, and whistleblowing & complaint mechanisms.
4. Establish management procedures that comply with the ISO 27001 information security system and verify various information security projects and their results.



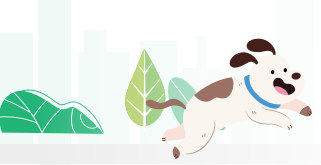
Authority

Financial and Administrative Department, Investor Relations Division, Auditing Office, Computer Center, and Administrative Department



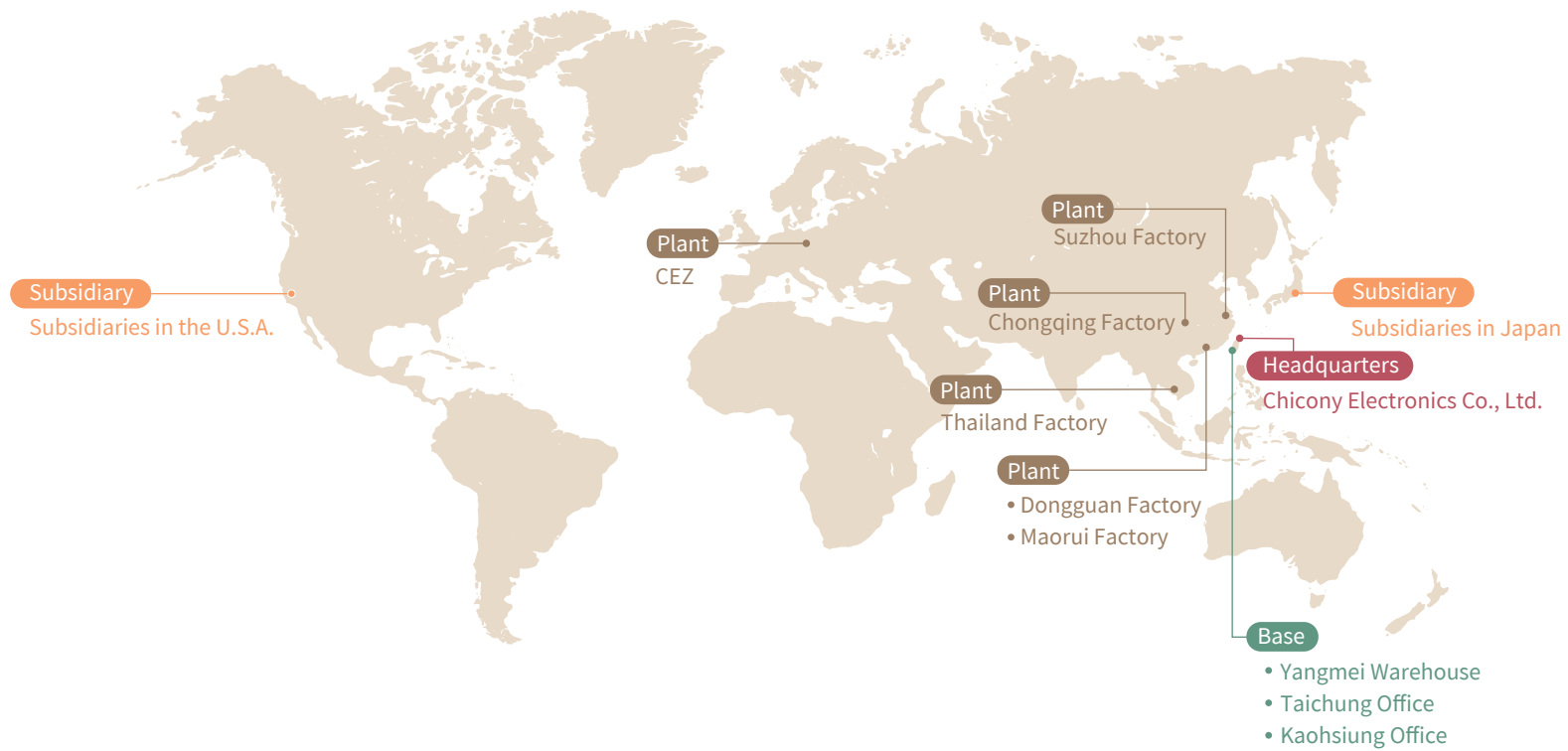
### 1.1 Overview of Chicony

Chicony was founded in February 1983, and was initially listed on the TWSE stock exchange in 1999 (stock code : 2385). The Company has been operating for more than 40 years with its business bases located in Asia (Taiwan, Mainland China, Thailand, and Japan), Europe (the Czech Republic), and America (the U.S.A.). Its subsidiaries, Chicony Power Technology and XAVi Technologies Corporation, are also listed companies in Taiwan. By adhering to the business principle of “No Quality, No Sales”, Chicony delivers top-quality services to customers and continuously achieves revenue growth to meet the expectations of stakeholders.



Chicony's business development is based on computer peripheral products and consumer video/imaging products. The Company focuses its production on four major product lines: input device products, mobile keyboard modules, video/imaging products, and camera modules, and serves as a leading manufacturer for keyboards, webcams, and laptop camera modules in the global market. We sell the completed products to downstream assembly plants or brand owners and other technology industry leaders.

### Operating Bases





### Business Philosophy



Constantly achieve customer satisfaction

Constantly seek benefits for employees

Constantly explore corporate development opportunities

Constantly shape people's happiness

### Corporate Culture



Customers Come First

Respect Individuals

Seek Excellence

Benefit People

### Management Approaches



Customer-oriented

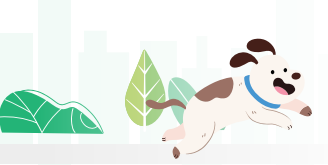
Humanistic Management

Management by Objectives

Quality Innovation

### Operational and Financial Performance

A sound financial constitution is the key to a company's sustainable operations, and the backing needed to support the continuation of the Company's various sustainability projects. Each year, the Company's various departments formulate operating budget and capital expenditure budget plans, and submit the plans to the senior management for approval. The operational status is reported to the Board of Directors and discussed in various operational review meetings so that the operational and budget implementation progress and results can be constantly monitored. Additionally, the Company appoints independent CPAs to regularly check the Company's financial status and internal control implementation. The Company evaluates the appointed CPAs' independence and suitability on an annual basis in accordance with the Corporate Governance Best Practice Principles and with reference to the Audit Quality Indicators (AQIs). The accounting firm issues a 'Letter of Communication with the Governance Unit' every year, which includes a declaration of the Chief CPA's role and responsibilities, and a declaration of the auditing CPAs' independence. The Company's stock affairs unit conducts regular checks to confirm that the appointed CPAs do not hold any shares of the Company, nor do they hold any positions in the Company, thereby evaluating the CPAs' independence, and the evaluation results are reported to the Board of Directors.



## Financial Summary

Unit: NT\$1,000

	2020	2021	2022	2023
Total Assets	75,441,996	83,726,387	87,064,489	90,832,585
Total Liabilities	42,770,314	47,692,591	44,724,209	44,618,928
Total Shareholders' Equity	32,671,682	36,033,796	42,340,280	46,213,657

Note: Data is taken from consolidated statements

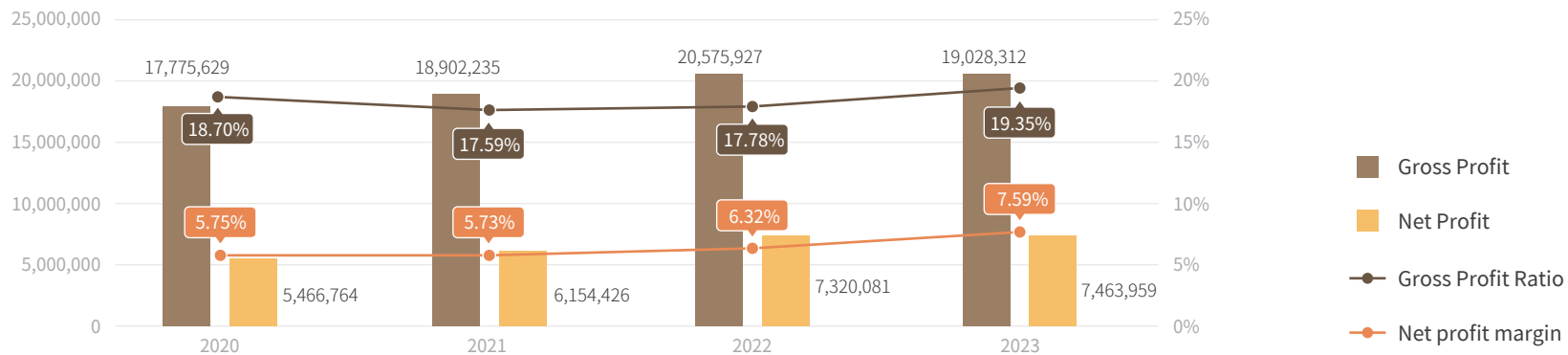
[Annual Report](#)

[Financial Report](#)

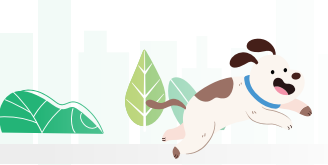


## Operational Performance

Unit: NT\$1,000



Note: Data is taken from consolidated statements; the profit after tax shall be attributable to owners of the parent company.



### Economic Value Distribution

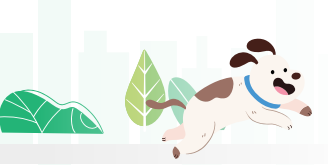
Unit: NT\$1,000

	2021	2022	2023
Direct Economic Value Generated (Revenue)	107,474,079	115,748,378	98,322,545
Economic Value Distributed (Sum of 1–5)	99,577,875	108,985,013	94,558,374
1. Payments to Providers of Capital (Interest Payments and Cash Dividends)	4,746,135	5,536,684	6,779,534
2. Operating Costs	88,571,844	95,172,451	79,294,233
3. Employee Wages and Benefits	5,215,211	5,701,773	5,544,408
4. Payments to Government by Country	1,029,554	2,564,839	2,932,310
(1) Taiwan	871,819	1,298,220	1,417,737
(2) Mainland China (RMB 1,000)	170,214	261,788	322,195
(3) Thailand (THB 1,000)	7,631	2,399	2,682
(4) Others	76,507	106,742	96,479
5. Community Investments (NTD)	15,131	9,266	7,889
Economic Value Retained	7,896,204	6,763,365	3,764,171

Note : 1. Data is taken from consolidated statements

2. As specified in the GRI Standards, payments to government include various taxes and penalties, but exclude deferred taxes.

3. Regions classified as “Others” include Hong Kong, the Czech Republic, Japan, the U.S.A., etc.

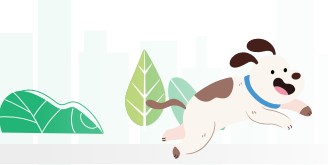


### ◦ Overview of Operations

In 2023, due to continued global economic fragmentation and supply chain restructuring, combined with aggravated climate change and intensified geopolitical risks, commodity prices were pushed up, and global economic and trade development was affected. The Company has made long-term efforts in operating its three major business departments, which are keyboards, imaging products/cameras, and power supplies, and non-traditional PC products now account for 57% of the overall revenue. In 2023, imaging products for consumer applications were slightly affected by decreased global end-market demand; nevertheless, the demand for upgrades and replacements of laptops, desktop computers, and other related products used for commercial and enterprise applications remained normal, which helped promote the stable demand for keyboards. Moreover, Generative AI is expected to bring new momentum to the PC market and promote the replacement trend.

The Company will incorporate more AI functions into its camera module products in the future to enhance the products' added value. With respect to on-device AI-based imaging products such as commercial security cameras that can benefit from the National Defense Authorization Act (NDAA), driving monitoring systems (DMSs) for fleet management, Smart Home IP CAM and doorbell cameras, and other related products, these products are shining and glowing in the market, and they will expectedly bring strong growth force to on-device AI-based imaging products. The subsidiary, Chicony Power Technology, continues its efforts to develop products for server power systems, smart building solutions, cloud applications, low Earth orbit (LEO) satellite communications, etc. The other subsidiary, XAVI Technologies Corporation, focuses on digital audiovisual products, artificial intelligence of things (AIoT), broadband communications, wireless communications, and other related products, which are expected to drive a new wave of growth in the future.

Looking ahead to 2024, the Company will actively react to rapid changes in the industry and challenges arising from the external environment by integrating the Group's resources and devoting itself to the R&D and marketing of its existing niche products, including keyboards, power supplies, and digital imaging products. As for non-PC products, the Company will continue to invest resources in potential markets and high value-added applications in the hope of creating steady growth for overall revenue and profitability.



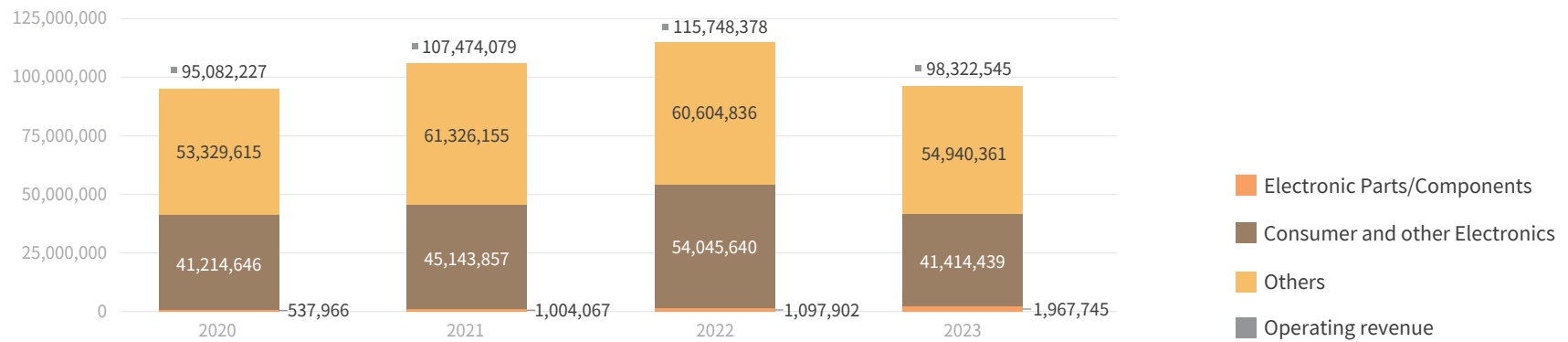
## Major Products

- Input device products
- Video Image products
- Mobile Keyboard modules
- Camera Modules

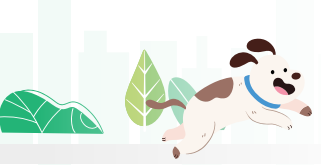


## Revenue from Major Products

Unit: NT\$ 1,000



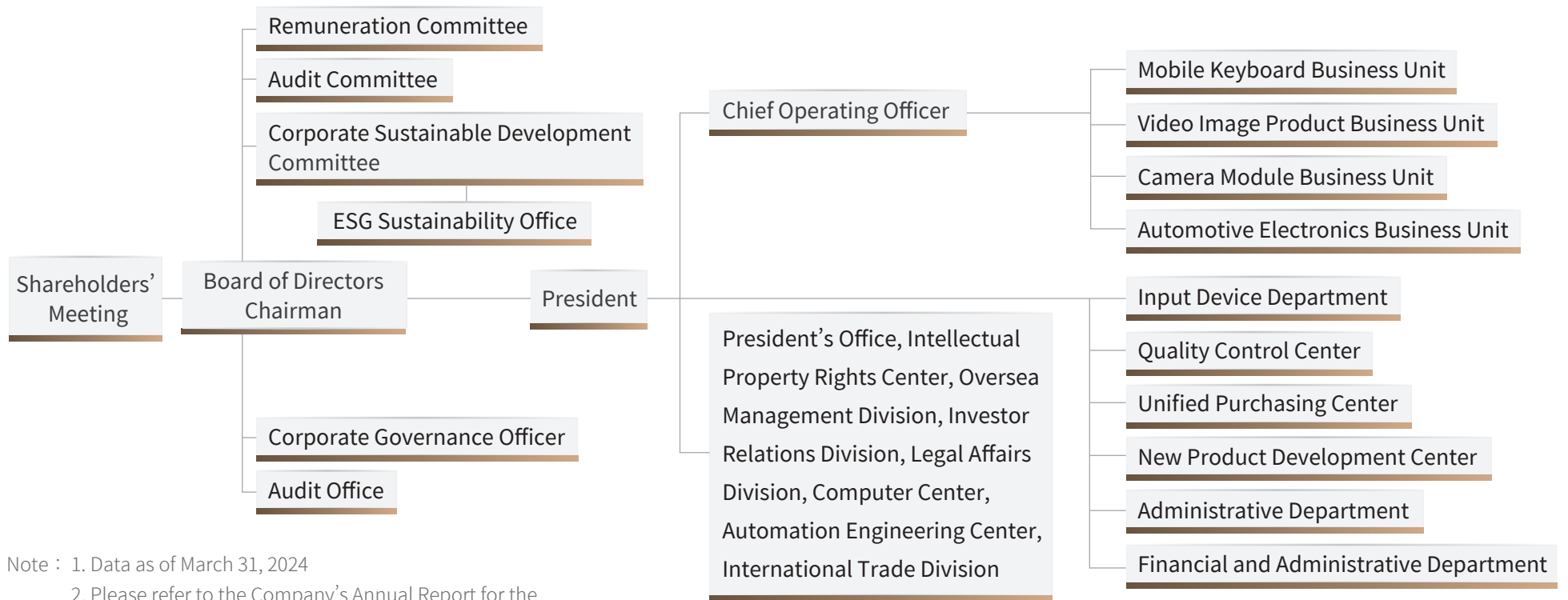
Note : Please refer to the Annual Report for product production/sales volume and value.



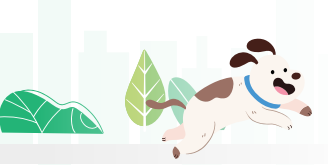
## 1.2 Corporate Governance Framework

The Board of Directors is the Company’s highest governance unit. Its subordinate units comprise three functional committees, which are the Remuneration Committee, the Audit Committee, and the Corporate Sustainable Development Committee. A complete governance framework has been established under the Board of Directors (BOD), which enables the Company to comprehensively handle its business strategies and operational performance to respond to various risk changes and create sustainable value for the Company. The Company’s corporate governance performance was ranked within the top 6-20% in the 9th Corporate Governance Evaluation held in 2023.

### Chicony Corporate Governance Framework



Note : 1. Data as of March 31, 2024  
 2. Please refer to the Company’s Annual Report for the business scope of each department/unit.



◦ Operation of the Board of Directors

Chicony’s directors are elected in accordance with the Company’s relevant internal regulations. In accordance with the [Articles of Incorporation](#), the director election shall be conducted based on a candidate nomination system. The candidates’ basic criteria, values, professional knowledge, and skills shall be considered in accordance with the [Corporate Governance Best Practice Principles](#) to ensure that the overall Board of Directors is equipped with eight major capabilities. The election shall be completed through the shareholder meeting in accordance with the [Regulations on Director Election](#), and the elected directors must comply with the [Company's Board Diversity Policy](#).


In 2023, the Company’s Board was composed of eight directors, among whom there was one female director, accounting for 12.5% of the directors. 100% of directors are over 50 years old. The Board includes one director who concurrently serves as an employee of the Company (executive director), four directors who do not hold any positions at the Company (non-executive directors), and three independent directors. The position of Chairman is served by a non-executive director. The Chairman and the Company’s President are not the same person, nor do not have a spousal relationship, nor are they relatives within the first degree of kinship (please refer to the Company's Annual Report for details).


The BOD convened four meetings in 2023, and directors’ average attendance rate was 100%. Recusal provisions due to conflicts of interest have been stipulated in accordance with the [Procedural Rules for Board Meetings](#) for proposal voting. If a proposal involves the interests of a certain director or the corporation the director represents, the director shall explain the critical content of their stake in the proposal at that board meeting. If there is a concern that the Company’s interests might be affected, the director will not be permitted to participate the discussion and voting, and they shall recuse themselves to avoid conflicts of interest. Moreover, to ensure stakeholders’ maximum interests, the director shall not act on behalf of other directors to exercise the voting rights.


To ensure that Board functions can match up with the Company’s development needs and external trends, all directors are required to participate in courses every year through various continuing education channels to enhance the Board’s overall knowledge level. In 2023, directors completed a total of 50 hours of continuing education, and the average length of training for each director was 6.25 hours, which complied with the standards recommended by regulations.



 **Functional Committees**

**Audit Committee**  

 The Committee is composed of three independent directors who assist the Board of Directors in supervising the quality and integrity of the Company’s accounting, auditing, financial reporting processes, and financial control implementation. [Audit Committee Charter](#)

**Remuneration Committee**  

 The Committee is composed of two independent directors and one external independent personnel who assess and examine whether the Company’s internal remuneration system complies with relevant regulations and can attract and retain excellent talents. [Remuneration Committee Charter](#)

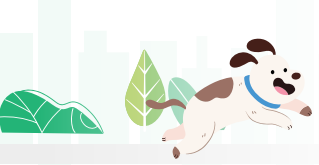
**Corporate Sustainable Development Committee**  

 The Committee is chaired by the Chairman and there are five other committee members. It is dedicated to handling various sustainability issues of stakeholders’ concern and helping ensure that the Company always complies with relevant international standards. [Corporate Sustainable Development Committee Charter](#)

Note : For detailed information about each functional committee's operations, please refer to the Company's Annual Report.

 **Board meeting and functional committee meeting attendance rates**

	Board of Directors	Audit Committee	Remuneration Committee	Corporate Sustainable Development Committee
Number of Meetings	4	4	3	1
Average Attendance Rate	100%	100%	100%	100%

Note : The average attendance was calculated based on both actual attendance and proxy attendance. Please refer to the Company’s Annual Report for details.



◦ Director Performance Evaluation System

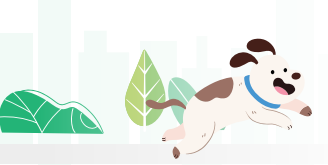
With the aim of effectively evaluating the Board’s operational efficiency, the Company has formulated the **Measures for the Board of Directors Performance Evaluation**. Every year, the Board and all functional committees are evaluated based on five major aspects, and the Board members are evaluated based on six major aspects. The evaluation items include Board members’ performance on issues of sustainability risks and climate risks. Additionally, external performance evaluation is also planned on a continuous basis (for detailed evaluation results, please refer to the Company’s Annual Report).

◦ Policy on Director and Manager Remuneration

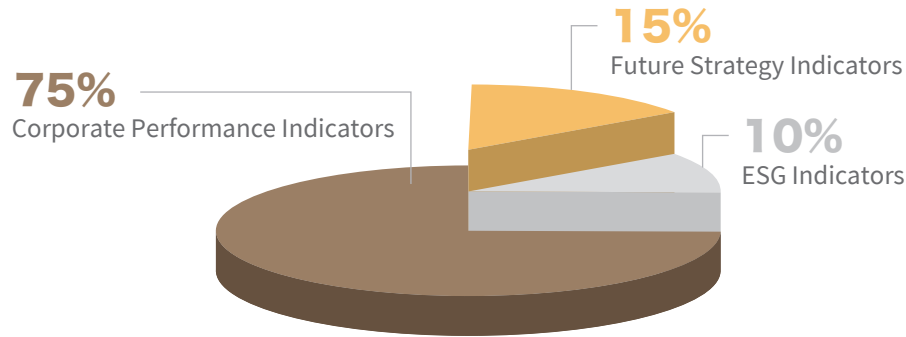
In principle, the director and manager remuneration policy should comply with the Company’s corporate governance guidelines. As regulated in the **Articles of Incorporation**, the Remuneration Committee shall deliberate on the remuneration for directors and managers on a quarterly basis by referencing peer companies’ remuneration levels. Moreover, they must ensure that the remuneration can reasonably reflect the personnel’s contribution to Chicony, the Company’s business performance, risk control, and goal achievement status, etc. The remuneration proposal is finalized by the Board of Directors, and then submitted and reported to the shareholder meeting.

No less than 11% of a given year’s pretax profit (before distribution of employee and director compensation) shall be appropriated as the Company’s employee compensation, and no more than 1% of the said pretax profit shall be appropriated as director compensation. In 2023, director compensation accounted for 0.94% of the net income.

The salary structure for managers is strongly connected to corporate performance and individual performance indicators. The remuneration contains fixed cash compensation, floating stock options, stock bonuses (for profit and ownership sharing), and other incentives. The recruitment incentive system is not applicable to managers, but to employees who rank below the director level; through this system, employees can receive various recruitment incentives when new employees are recruited through their recommendation. The remuneration and compensation, once paid, shall not be subject to clawback unless for reasons involving legal violations. The retirement benefits for directors and managers are the same as those enjoyed by general employees. In 2022, the Company started to incorporate ESG indicators into the performance evaluation for directors, managers, and other employees so as to encourage the active promotion and implementation of various ESG issues by the entire employee body.



### Manager Performance Evaluation Aspects



Note : The Company’s managers include the President, Vice President, and supervisory personnel with a rank above assistant vice president.

#### ◦ Shareholders’ Rights and Interests

The equality standard of ‘One Share, One Vote’ is applicable to all shareholders of Chicony. The Company adopts a cumulative voting system that benefits small shareholders. Proposals are determined through voting on a one-by-one basis, and the results should be announced immediately after the voting is completed. Through shareholder meetings, shareholders can exercise their voting rights to participate in corporate decision-making processes. The Investor Relations Division has also been established to strengthen the communication with shareholders.

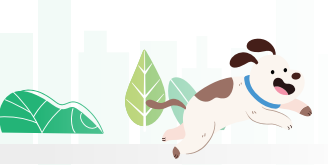
### 1.3 Sustainability Management System

With the aim of implementing concrete measures for sustainability-related ESG issues, Chicony established a functional committee-the Corporate Sustainable Development Committee-under the Board of Directors in accordance with the **Company’s Corporate Governance Best Practice Principles** in 2021, and formulated the **Corporate Sustainable Development Committee Charter**, the **Sustainable Development Best Practice Principles**, and the **Regulations for Sustainability Report Compilation and Reporting Management** as the basis for the Company’s sustainability promotion.

#### ◦ Sustainability Management Framework

##### 1 Board of Directors

The BOD serves as the highest-level promoter for the Company’s sustainable governance. All functional committees and business operating units should submit reports related to various ESG issues to Board meetings, including corporate governance, financial operations, industrial strategies, GHG, climate change, ethical management, information security, employee remuneration, etc.

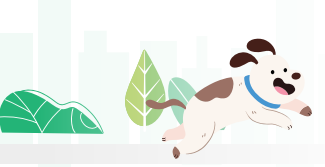


## **2 Corporate Sustainable Development Committee**

The Committee was established in 2021, and convened has one meeting per year. In 2023, the Committee passed a proposal stating that two meetings shall be held per year from 2024 onwards to strengthen the promotion of sustainability issues. Contents and results of committee meetings should be submitted to the Board as required by relevant regulations. Contents discussed in 2023 included the promotion status of various sustainability projects, the review and approval of the Chicony 8 Greens Project, 2050 Net Zero and 2030 RE100 goals, and the Sustainability Report. The ESG Sustainability Office has been established under the Corporate Sustainable Development Committee; it is led by the Chief Sustainability Officer (CSO) and the Deputy Sustainability Officer to continuously promote various sustainability projects.

## **3 ESG Sustainability Office**

The Company officially established its ESG Sustainability Office in 2024 based on the original ESG Task Force, with some of the Task Force members continuing to serve as members of the Office. The Office is in charge of the Company's promotion of sustainability issues. The Corporate Governance Officer concurrently serves as the Chief Sustainability Officer (CSO), and the top supervisor of the Administrative Management Department serves as the Deputy Sustainability Officer. The Office directly reports to Corporate Sustainable Development Committee members on relevant ESG affairs, including the compilation of the sustainability report, the promotion of various ESG projects, biannual implementation progress, and subsequent promotion planning. Furthermore, in 2023, the Office began to report to the Board of Directors on climate change issues on a quarterly basis and submit summarized proposal content to the Corporate Sustainable Development Committee for approval and recordation.



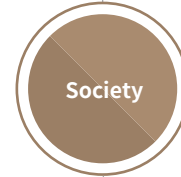
## Corporate Sustainable Development Committee Framework

### Corporate Sustainable Development Committee

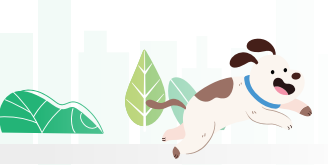
- Chairperson: the Chairman
- Deputy chairperson: the President
- Members: Corporate Governance Officer and independent directors

### Executive secretary - ESG Sustainability Office

- Implementation of strategies and guidelines
- System management
- Project coordination



Green products	Environmental Sustainability	Employee Care	Public Welfare	Corporate Governance	Customer relationships and supplier management
<ul style="list-style-type: none"> <li>• Business Unit</li> <li>• Quality Assurance Center</li> <li>• Central Procurement Center</li> </ul>	<ul style="list-style-type: none"> <li>• Business Unit</li> <li>• New Product Development Center</li> <li>• Administrative Department</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative Department</li> <li>• Business Department</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative Department</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Management Department</li> <li>• Investor Relations Division</li> <li>• Audit Office</li> <li>• Administrative Department</li> </ul>	<ul style="list-style-type: none"> <li>• Business Unit</li> <li>• Quality Assurance Center</li> <li>• Central Purchasing / Procurement Center</li> </ul>
<ul style="list-style-type: none"> <li>• Raw Materials Control</li> <li>• Green Materials</li> <li>• Product Design</li> </ul>	<ul style="list-style-type: none"> <li>• Pollution Source Management</li> <li>• GHG Management</li> <li>• Energy Management</li> <li>• Climate Change Management</li> <li>• Renewable Energy Management</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration &amp; Benefits</li> <li>• Labor-management Relations</li> <li>• Talent Cultivation</li> <li>• Occupational Health And Safety</li> </ul>	<ul style="list-style-type: none"> <li>• Communication With Local Residents,</li> <li>• Supporting Disadvantaged Groups</li> <li>• Participation In Public Welfare Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Sustainable Operations</li> <li>• Ethics And Integrity</li> <li>• Business Performance</li> <li>• Risk Control</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier Management</li> <li>• Customer Satisfaction</li> <li>• Promotion Of Product Visibility</li> </ul>



### 1.4 Sound Risk Management

With the aim of effectively and completely managing various risks, the Company’s Risk Management Policy was approved by the Audit Committee and passed by the Board in 2021. According to the policy, the BOD shall serve as the highest decision-making unit, and the President shall serve as the convenor of risk management plans to develop a duty and authority allocation framework by reference to the ‘Three Lines of Defense’ approach to risk management. The implementation results shall be regularly reported to the Board of Directors. The 2023 report was made in November 2023.

※ Duty and Authority Allocation Framework for Risk Management

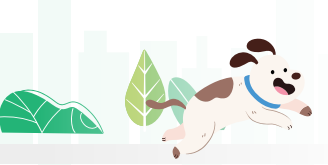
#### Duty and Authority Allocation Framework for Risk Management





**Material Risk Identification and Response Measures Taken in 2023**

Responsible Unit	Risk Category	Latent Risk	Management & Control Strategies and Response Measures Taken in 2023
Financial and Administrative Department	Financial Risk	Exchange Rate Fluctuation Risk	Hedge risks for foreign currency positions through forward foreign exchange transactions to reduce foreign currency exposure.
Computer Center	Information Risk	Ransomware Risk	(Please refer to 1.6 Information Security Management)
Administrative Department	Human-factor Disaster Risk	Fire accident	Conduct fire and disaster prevention advocacy activities, education, and training every year; regularly log fire safety equipment checks/maintenance reports and conduct fire drills and training; perform quarterly infrared scanning inspection and improvement for the distribution boards at all bases and sites to ensure electrical, construction, and operational safety, and reduce the likelihood of various possible fire accidents.
	Natural Disaster Risk	Earthquakes, rainfall, and typhoons	Continue the implementation of earthquake-prevention and earthquake - response drills; carry out preparation and prevention measures for heavy rainfall and typhoons; reinforce prevention measures for earthquakes, floods, typhoons, and power outages; and set up response teams to implement emergency response SOP.
	Environmental Risk	Environmental Load	(Please refer to Chapter 3 Net-zero and Environmental Sustainability Strategies)
	OS & H Risk	Management System Implementation Risk	(Please refer to 4.5 Workplace Safety and Health)
Various business and management units	Operational Risk		(Please refer to the Company's Annual Report)



◦ **Legal Compliance**

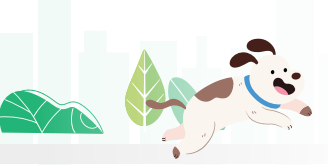
All risk responsible units shall pay close attention to the laws and regulations related to the scope of their duties and authorities. Additionally, the Legal Affairs Division has been set up to establish comprehensive legal/regulatory and policy compliance assessment systems and help implement various regulations. By reference to the DJSI (Dow Jones Sustainability Index) jointly launched by S&P Dow Jones Indices and RobecoSam, the Company adopts US\$10,000 as the criterion for the disclosure of fined incidents. No major legal violation occurred in 2023. There were two fined incidents in which the fines were lower than the specified criterion, and for which adjustments have been made to meet regulatory requirements.



**1.5 Implementation of Ethical Management**

By consulting the regulations stipulated by the Responsible Business Alliance (RBA) and the ISO 37001 Anti-bribery Management System, Chicony has developed its Ethical Corporate Management Best Practice Principles and Code of Ethical Conduct, based on the Company’s Sustainable Development Best Practice Principles. The principles and code serve as guidelines for promoting Chicony’s commitment to ethical management and its core value of integrity. They also provide the foundation for the company’s relevant management regulations and systems, including the Management Regulations for Anti-Collusion and Conflict of Interest Prevention, the Integrity Statement, and whistleblowing/reporting systems for ethical management. In 2023, there were no incidents or legal proceedings involving corruption, anti-competitive behavior, antitrust, or monopolistic practices.

The ethical management issues covered by relevant codes and policies include corruption, bribery, kickbacks, commissions, illegal political donations, improper charitable donations, unreasonable gifts, improper advantages, unfair competition, and other acts that may illegally infringe upon Chicony’s assets or shareholders’ rights and interests.



With the aim of effectively carrying out ethical management/governance and reinforcing employees’ ethical consciousness to control fraudulence risks and avoid relevant illegal incidents, externally, the Company requires all suppliers to sign the Integrity Statement; internally, the Company requires all employees to sign the Integrity Statement and complete the Employee Conflicts of Interest Declaration Form. Additionally, the Company is active in promoting various training and advocacy sessions. The promotion results achieved in 2023 are listed as follows :

1. Integrity Statement and Employee Conflicts of Interest Declaration Form: Achieving a control/management and signing rate of 100%.
2. Headquarters’ ethical management advocacy and training : 57 people, 69 hours



### Ethical management advocacy sessions and participants

	Number of sessions			Number of participants		
	Employee	Supplier	Total	Employee	Supplier	Total
CEM2	1	1	2	30	20	50
MR	1	1	2	60	59	119
CEM3	15	2	17	1,450	152	1,602
CEM5	4	2	6	214	70	284
CET	19	4	23	439	124	563
Total	40	10	50	2,193	425	2,618

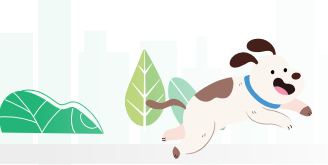
#### ◦ Whistleblowing/Reporting and Grievance/Complaint Channels

The Company has established complete and diversified whistleblowing/reporting and grievance/complaint channels to deal with various stakeholders’ suggestions, reporting, and grievances/complaints in a timely manner, through which managerial personnel can comprehensively communicate with stakeholders, and the advocacy of various issues can be reinforced.



Grievance Chanel	Chicony Mailbox	Management Procedures for the Prevention of Wrongful Harm during the Execution of Job Duties	Management Regulations on Prevention Measures, Complaints, and Punishment for Workplace Sexual Harassment	Employee Annual Communication Meeting
Acceptance Topic(s)	1. Legal compliance, anti-corruption 2. Labor, human rights 3. Customer, product 4. Environment	1. Legal compliance, anti-corruption 2. Labor, human rights	1. Labor, human rights	1. Legal compliance, anti-corruption 2. Labor, human rights 3. Customer, product 4. Environment
Accepting Unit	CEO or his authorized representative	HR Division	HR Division	HR Division
Responsible Unit(s)	Auditing Office, HR Division	HR Division	HR Division	HR Division
Description	<ol style="list-style-type: none"> <li>The Company's whistleblowing/reporting procedures comply with whistleblower protection systems designed to protect whistleblowers from unfair treatment, retaliation, or threats.</li> <li>Those who violate the Company's internal regulations such as the Employee Code of Ethical Conduct, Work Rules, etc. shall be judged and punished based on the contents of violations.</li> <li>Conduct internal reviews of violation causes and submits improvement reports to relevant units, thereby appropriately amending internal/external management policies and procedures.</li> <li>For cases involving legal violations, legal affairs units shall provide the Auditing Office with legal advice and help obtain the President's instructions for the cases to enter into legal proceedings.</li> <li>Regularly reports to the BOD on investigation results and the disciplinary measures taken.</li> <li>Strengthens internal/external advocacy, education, and training to prevent the occurrence of similar incidents.</li> </ol>			
2023 Implementation Results	<p>Complainants' information is kept strictly confidential to protect employees who raise a grievance or make a complaint. With the exception of opinions conveyed during employee communication meetings, no grievance/complaint cases were received in 2023. Employees from various units were encouraged to freely ask questions and put forward opinions on employee benefits enhancing solutions. CEO together with VP-level and assistant-general-manager-level supervisors attended the meetings and responded to the questions and solutions in person. Issues covered included staff canteen, new preferential programs offered by the Employee Welfare Committee, installing charging piles in parking lots, etc.</p>			

Note : The Chicony Mailbox is also applicable to all companies that have transactions with the Company, and the companies' directors/supervisors, shareholders, managers, and employees as well as those with de facto control over the said companies, or other stakeholders.



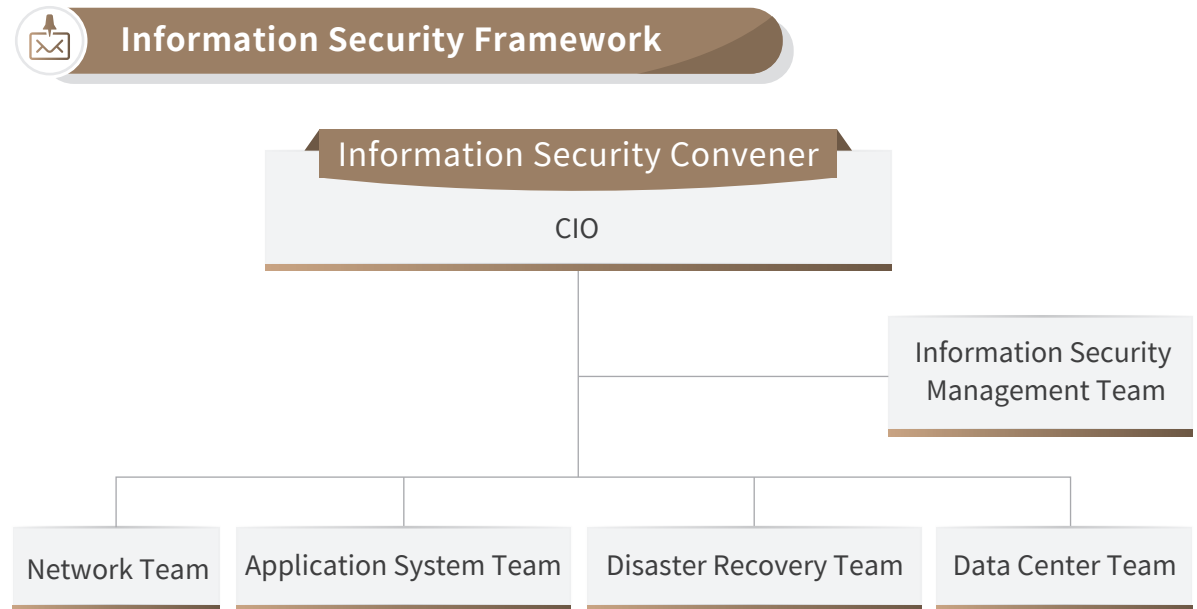
### 1.6 Information Security Management

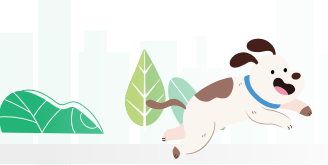
Chicony has set up an Information Security Management Committee with the Chief Information Officer (CIO) serving as the convener and heads of various nits serving as committee members, totaling 35 information security personnel. The Company introduced the ISO 27001 Information Security Management System and obtained the associated certification in 2017. The PDCA (Plan-Do-Check-Act) management procedures have been implemented to meet the requirements for the management system’s objectives. The original ISO 27001 certificate was renewed in 2023, and it is valid until October 31, 2025.

The Company has joined Taiwan Computer Emergency Response Team/Coordination Center (TWCERT/CC), CIO Support Association, and Taiwan Chief Information Security Officer Alliance to share and obtain information security intelligence, grasp industry dynamics, and enhance overall information security joint defense and response capabilities.

#### Information Security Framework

The Information Security Committee holds regular meetings to review and discuss the implementation of relevant measures and makes an annual report to the BOD on the implementation results. The 2023 report was presented on November 3, 2023. Chicony will continue to carry out the planning and promotion of relevant information security issues to realize the information security vision stipulated in the Company's Cyber (Information/Communication) Security Policy.





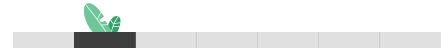
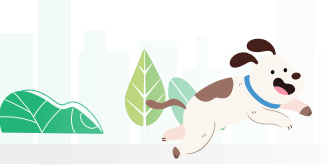
### Cyber (Information/Communication) Security Policy

- ◆ Establish and continuously improve information security management systems.
- ◆ Provide related or required resources, and appropriately allocate responsibilities / authorities.
- ◆ Ensure the confidentiality, integrity, and availability of the Company's information.

#### ◦ Information Security Management Actions

##### 1 Work-from-home Security Mechanisms

Although the post-pandemic era began in 2023, the work-from-home security mechanisms established during the COVID-19 outbreak are still in normal operation as a precaution for future changes, which include conducting regular inventory of information assets and updating asset lists, maintaining work-from-home information systems' cyber security, and so on.



**2 Continue to improve employees' information security literacy**

The Company conducts social engineering drills and recovery drills annually, and carries out relevant information security advocacy meetings on a quarterly basis. Additionally, a reinforced rule that requires all new employees, after being registered in the Company's human resources system, to participate in online information security training courses and sign an information confidentiality agreement has been implemented since June 2023. In 2023, a total of 162 participants and 220 training hours completed the annual online/in-person information security educational training courses.

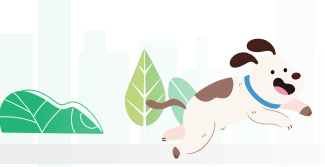
**3 Information Security Protection and Remote Backup Drills**

The Company has established backup or monitoring mechanisms and drill procedures for important information systems. Vulnerability scanning is conducted regularly, and system patching is performed for moderate- and high-risk vulnerabilities. The MDR (Managed Detection and Response) System has also been introduced to reduce the incidence of confidential or sensitive information/data anomalies. No information security violation incidents occurred in 2023.

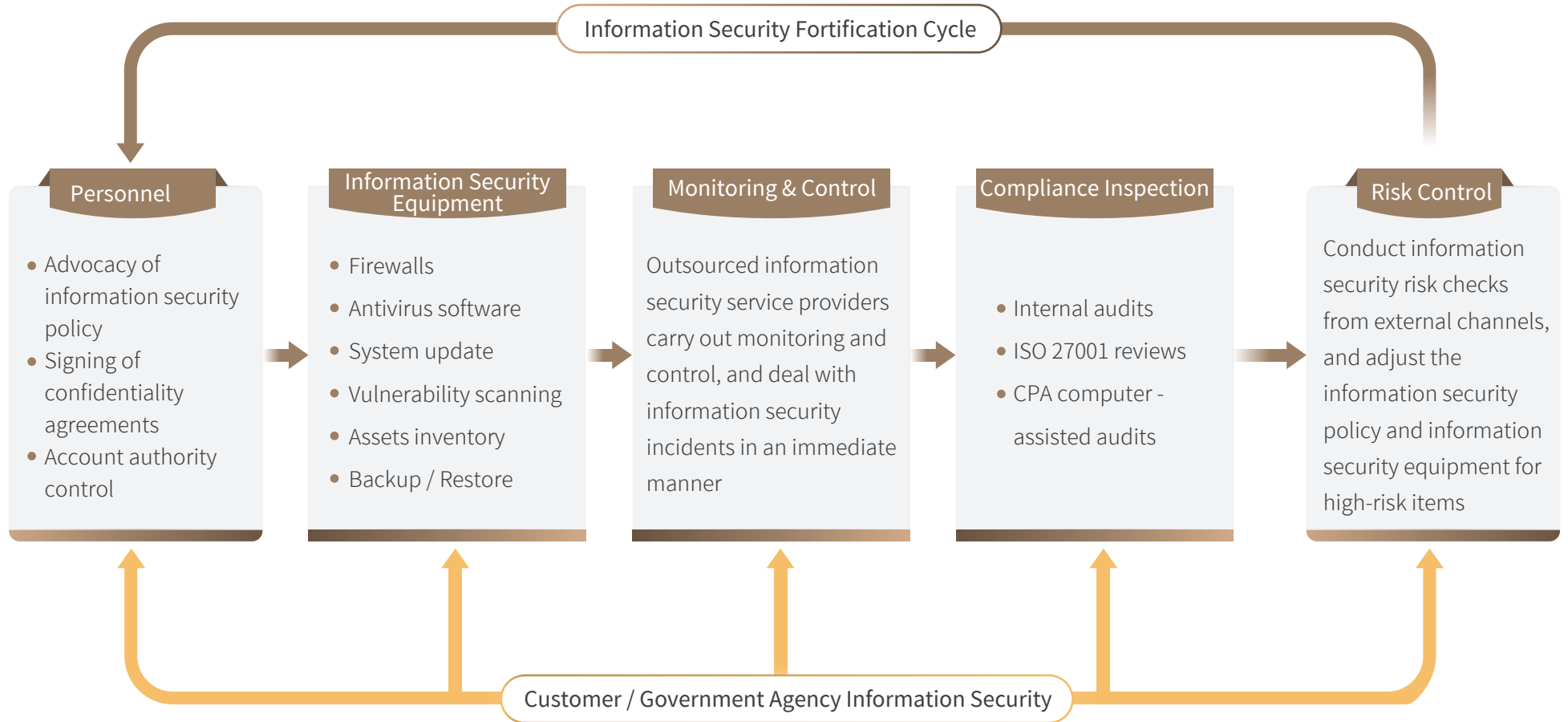
The Company has formulated regulations on the operating procedures and approval authorities related to the application for internal computer data access and use, ensuring that the use of computer data is properly and effectively controlled to prevent the data from being improperly accessed and used.

**4 Customer Information Security**

The protection of confidential information and customer privacy is one of the factors that helps maintain the long-term partnership between the Company and its customers. Therefore, striving to protect customer information security is the most important cyber security management goal that the Company can achieve to establish long-term mutual trust and partnership with customers.



### Information Security Fortification Cycle



# 02

## Sustainable Value Chain





Material Topics

Green Products and Services, Supply Chain Management



Policy / Commitment

Carry out sustainable supply chain management, procure low-carbon and eco-friendly raw materials to produce green products and services, and reduce operating risks and costs to fulfill the Chicony Green Octagon and Net-zero commitments.

1. Supplier Code of Conduct and Procurement Management Procedures: Follow the fundamental supply chain management regulations to effectively manage various supply chain affairs.
2. Conflict Minerals Declaration: Declare not to use any conflict minerals and actively manage possible risks involving the use of conflict minerals.
3. Chicony Green Octagon: Set up various green goals, including green product and green procurement goals; develop and promote various decarbonization plans to progress toward Chicony’s Net-zero goals one step at a time.



Action Plan

1. Implement Chicony Green Octagon projects to promote and achieve green product and green procurement goals.
2. Promote product carbon footprint projects to understand product-related carbon emissions and formulate decarbonization pathways.
3. Identify Tier 1 suppliers, promote sustainable supply chain practices one step at a time, and carry out green procurement.



Stakeholder Engagement Actions and Results

- 1. Major production bases have all received RBA Factory of Choice recognition.
- 2. The Chicony Green Octagon goals were announced on the first floor of the HQ Building, and a kick-off ceremony was held.
- 3. The Company continued to fulfill its Conflict Minerals Declaration.



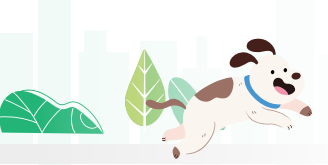
Tracking Mechanism

- 1. The implementation progress of Chicony Green Octagon goals is reported to the Company's Corporate Sustainable Development Committee and the Annual Strategy Meeting on a yearly basis.
- 2. The Company follows sustainable supply chain schemes to continuously promote the Supplier ESG Questionnaire and Supplier Self-assessment Form, addressing Tier 1 suppliers and then to Tier 2 suppliers to ensure that suppliers' sustainability promotion aligns with the Company's goals.
- 3. The Company continues to promote the ISO 14067 Product Carbon Footprint System, and keep track of R&D units' carbon footprint calculation and decarbonization planning progress based on Chicony Green Octagon goals.
- 4. The Company continues to promote the RMI (Responsible Minerals Initiative) Conflict Minerals Due Diligence.



Authority

Unified Purchasing Center, BU R&D Department, and Administrative Department



### Medium- / Long-term

Target

- Achieve Chicony Green Octagon medium- and long-term green product and green procurement goals
- Link the ISO 14067 Product Carbon Footprint System with other carbon management systems, and automate the systems
- Promote exemplary products that conform to ISO 14068 standards based on carbon footprint inventory results
- Promote sustainable supply chain and effectively collect suppliers' carbon emissions information
- No use of conflict minerals

### 2024

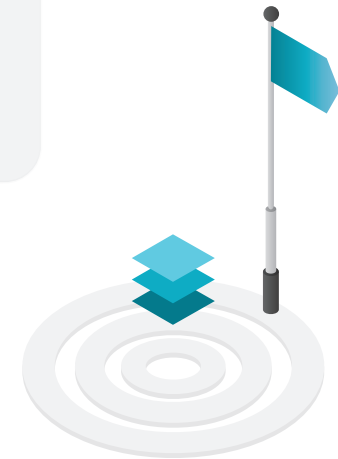
Target

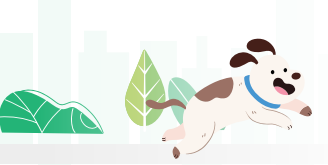
- Achieve the current year's Chicony Green Octagon green product and green procurement goals
- Obtain three key products' carbon footprint verification certificates
- Launch of the ISO 14067 Product Carbon Footprint System
- 100% of new suppliers complete the Supplier ESG Questionnaire
- No use of conflict minerals

### 2023

Target

- ✓ Activate the planning of key products' carbon footprint inventory
- ✓ Complete the identification of Tier 1 suppliers
- ✓ No use of conflict minerals



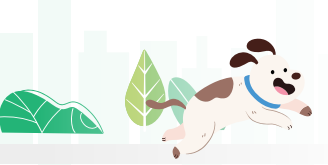


## 2.1 Sustainable Product Design

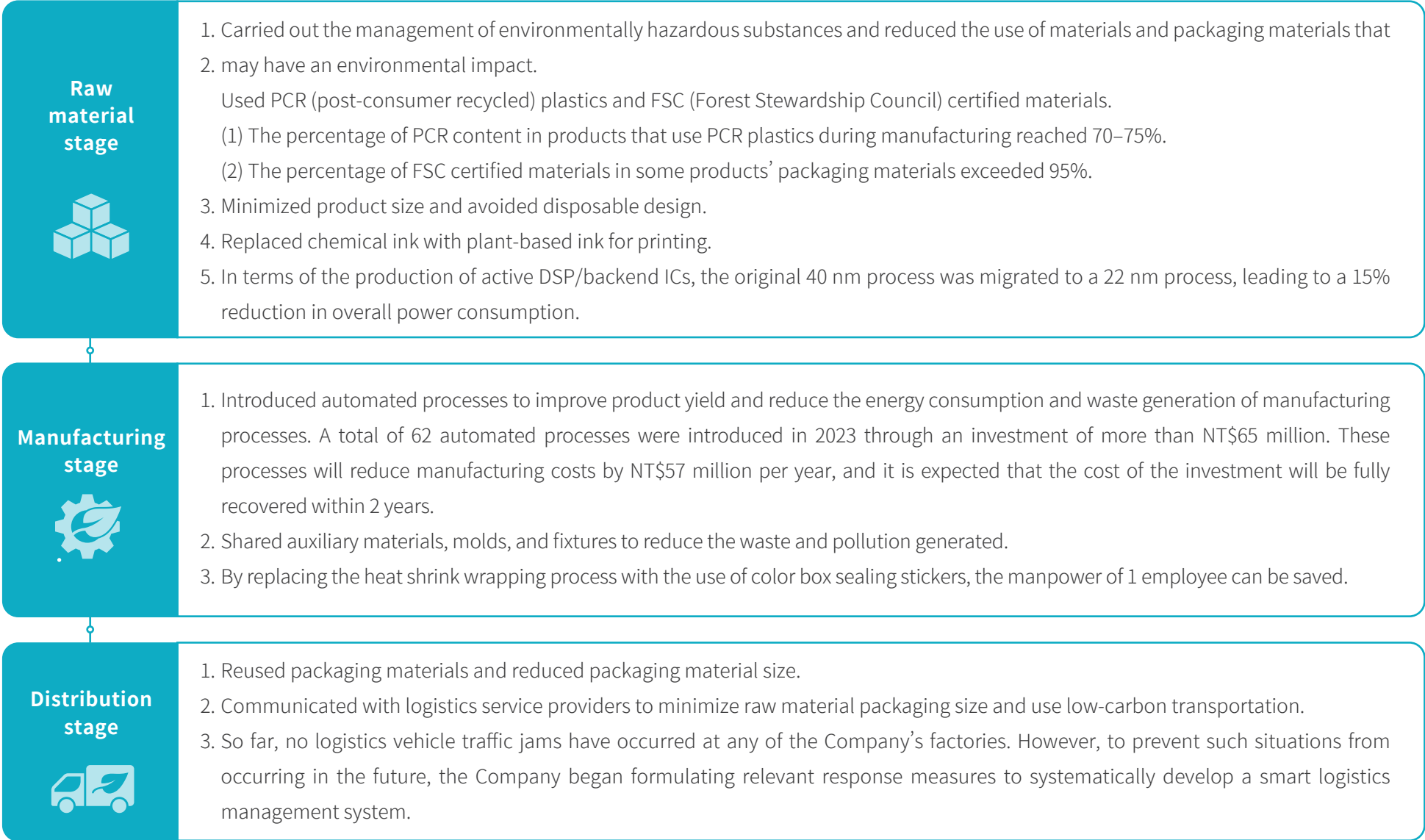
In addition to considering the profit created by products, the Company also places emphasis on Product Life Cycle (PLC) thinking, i.e., the concept of Cradle to Grave. This process starts from product design and follows the product through the five stages of the product life cycle: raw material, manufacturing, distribution, utilization, and disposal stage. While preserving product function, quality, and service life to fulfill customers' basic requirements, the Company also focuses on products' eco-friendliness through comprehensive green product transformation, and adheres to the KISS (Keep It Simple, Stupid) principle by using fewer packaging materials and reducing the complexity of product design.

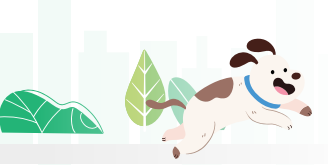
The Company adopts the 4R Strategy in new product development and product design to achieve sustainable development while protecting the environment :

- Reduce** Adopt product design that is aimed at reducing raw material consumption.
- Reuse** Ensure that product design can facilitate product functions.
- Recycle** Use recyclable and reusable raw materials for product design.
- Replace** Use new raw materials to replace currently adopted petroleum-product-based raw materials.



### Implementation Results of Each Life-cycle Stage





Utilization stage



1. Reduced product energy consumption, extended product service life, and improved consumer satisfaction.
2. Overview of exemplary products :
  - (1) Green mouse and presenter: The size of the product has been reduced to save raw materials. It can be used as a wireless mouse or a wireless presenter (air mouse). A 1-minute charge can sustain the device’s continuous wireless operation for more than 3 hours, and a 10-minute charge can sustain the device’s continuous wireless operation for more than 18 hours.
  - (2) IoT Smart Meter Reading System: The system employs artificial intelligence imaging technologies to identify the readings on electricity meters, water meters, and gas meters, and sends the data back to the cloud or to users, which saves transportation time for meter readers and users when checking meters.

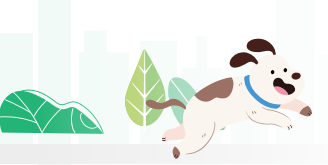
Disposal stage






1. Sought out suitable recyclers for electronic waste (e-waste) and end-of-life products to facilitate the products’ next life cycle. The total volume recycled in 2023 was 1,205 tons, through which a recycling subsidy of nearly RMB 3 million has been received.
2. Established packaging material recycling mechanisms, and introduced renewable design.

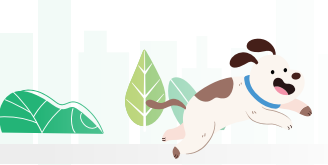
Product Carbon Footprint

Chicony completed the carbon footprint inventory for one camera lens product in 2023, and obtained a third-party verification statement. The Company also initiated five carbon footprint inventory projects for five other products, three of which are scheduled to be completed in the first half of 2024. Each BU has developed at least one exemplary product of its own. The Company will help equip business department employees with the capability to respond to the basic inventory requirements of customers or other external agencies in the future.



Completed carbon footprint inventories products

Product	Carbon Footprint	Description
Computer video camera module CKFJH2321004332LH (certificate obtained)	0.60 kgCO <sub>2</sub> e	1. This product is a video camera module, for which a Cradle to Gate inventory has been completed and an associated ISO 14067: 2018 verification statement has been obtained. 2. This product uses relatively low-carbon raw materials in its raw material stage. Most of its carbon footprint (72%) arises from its manufacturing stage.
Webcam CZA815 	29.53 kgCO <sub>2</sub> e	1. This product is a complete product, for which a Cradle to Grave inventory has been completed. 2. This product features low power consumption and relatively non-complex manufacturing processes. Most of its carbon footprint (87%) arises from its raw materials stage.
Keyboard Module DLM20F73USJ698W 	1.56 kgCO <sub>2</sub> e	1. This product is a keyboard module, for which a Cradle to Gate inventory has been completed. 2. The carbon footprint of the raw material stage and the manufacturing stage are roughly the same, with the "raw material" stage accounting for 52% and the "manufacturing" stage accounting for 48%.
Keyboard KGR1568 	13.12 kgCO <sub>2</sub> e	1. This product is a complete product, for which a Cradle to Grave inventory has been completed. 2. This product features low power consumption and relatively non-complex manufacturing processes. Most of its carbon footprint (86%) arises from its raw materials stage.



As indicated in the inventory results of the core products for which the inventory has been completed, the raw materials stage is where most of the environmental impact took place, followed by the manufacturing stage, showing that most of the Company’s products can bring benefits of low power consumption and energy efficiency to users. The inventory results will help the Company make product decarbonization plans in the future.

When moving toward Chicony’s Net-zero goals, the Company realizes that data collected through paperwork is not enough to respond to the world’s rapidly changing net-zero trends. Therefore, in 2023, the Company began collaborating with external suppliers to establish the Chicony ISO 14064 Carbon Management System and ISO 14067 Product Carbon Footprint System. Currently the establishment of the ISO 14067 Product Carbon Footprint System is still in progress, and is scheduled to be completed in 2024. It is expected that the system will effectively help reduce the complexity of product carbon footprint calculation procedures and facilitate connections among the Company’s internal systems to effectively achieve the goals of automation and manual inventory cost reduction.

## **2.2 Supply Chain Management**

The supply chain is one of Chicony’s most important strategic partners. The company delivers high-value products and services to its customers while also emphasizing Environmental, Social, and Governance (ESG) initiatives to build and maintain a sustainable supply chain. Internally, Chicony Electronics’ actions pertaining to the overall sustainable supply chain are led by the Chief Purchasing Officer. As a member of the Responsible Business Alliance (RBA), by consulting relevant RBA regulations, the Company has formulated its Supplier Code of Conduct and established Procurement Management Procedures and other related systems to carry out supply chain management.

### **2.2.1 Supply Chain Composition**

Chicony has four major BU, which are the IPD, MKB, VIP, and CM. The major products include keyboards, computer cameras, mobile camera modules, NB built-in camera modules, digital cameras, cloud-based cameras, etc.



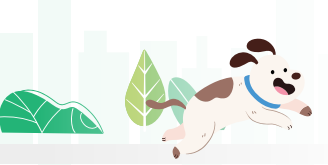
When receiving procurement requests from BU, the HQs’ Unified Purchasing Center seeks suitable suppliers and negotiates procurement prices, based on which business departments place orders with the suppliers on their own to specify procurement quantities. As for other miscellaneous items, the Company’s factories carry out inquiries and price negotiation on their own. To reduce the risks of raw material supply interruptions and supply chain disruption, the Company maintains at least two suppliers for each raw material. A long-term strategic relationship has been established with various suppliers to ensure a stable supply of materials.

### Major Raw Materials Used by Business Departments

Four Major Business Departments	Major Raw Materials
IPD	Plastic, hardware materials, electronic materials, and rubber
MKB	Plastic parts (keycap, scissor), membrane switches, iron (aluminum) plates, rubber, and electronic materials
VIP	Sensor, digital signal processor (DSP), ASIC, LCD screen, camera lens, DDR memory, flash memory, and WiFi
CM	Sensor, digital signal processor (DSP), camera lens, and flash memory

#### Green Procurement

The Company initiated the Chicony Green Octagon project in 2023 to carry out comprehensive decarbonization measures through eight major aspects of the Company’s operations. Because the carbon emissions from upstream raw material procurement serve as a critical constituent of Chicony’s overall carbon emissions, the Company implements Green Procurement—one of the 8 Greens—to reduce carbon emissions generated from upstream raw material procurement. The decarbonization measures are aimed at three major goals: green procurement, local procurement, and green suppliers.



1 Green Procurement

The Company consulted Taiwan’s Green Procurement System for Private Enterprises and Organizations. Starting in 2023, the Company has required its procurement units to implement green procurement. The Company also plans to formulate the Directions for Green Procurement, through which green procurement will be incorporated into relevant management systems instead of just being a KPI set by various departments/units. The results of the first inventory conducted in 2023 are listed in the table below.

% of Green Procurement Amount and Suppliers in 2023

% of Green Procurement Amount	% of Green Procurement Suppliers
16%	8%

- 註：
- Internal transfers were excluded when calculating the above percentages, and the CEZ was not included in the scope of calculation.
  - Definition of green procurement: The procurement of PCR, PIR materials / packaging materials, PIR materials, water - based paints, environmental - protection - related consultations, renting instead of buying, renewable energy, LED tube lights, bicycles (including electric bicycles), electric vehicles, and various eco-labels.
  - % of green procurement amount = Total green procurement amount ÷ Total procurement amount x 100%
  - % of green procurement suppliers = Number of green procurement suppliers ÷ Total number of suppliers x 100%



## 2 Local Procurement

To reduce carbon emissions from upstream transportation and relevant delivery costs, promote local development, and efficiently obtain after-sales service, the Company is active in promoting its local procurement policy by deploying most of its suppliers in factories' neighboring areas.

Due to continuous product transformation and innovation in recent years, demand for the Company's eSports series and multifunctional video/imaging products has been growing, and the use of precision electronic materials has been increasing year by year. However, the impact of the pandemic and regional wars throughout the world has led to a shortage of metal components, resulting in constant price increases for electronic materials. Therefore, the Company will continue to search for partner suppliers to reduce relevant costs.

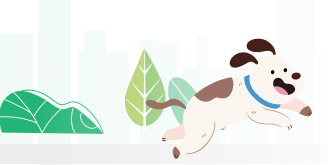
### % of Local Procurement Amount and Suppliers in 2023

	% of Local Procurement Amount	% of Local Procurement Suppliers
A BU	80%	90%
B BU	90%	92%
C BU	9%	28%
D BU	32%	76%
Total	58%	72%

- Note :
1. Internal transfers were excluded when calculating the above percentages, and the CEZ was not included in the scope of calculation.
  2. Local: Taiwan for Taiwan, Mainland China for Mainland China, and Thailand for Thailand.
  3. % of local procurement amount = Total local procurement amount ÷ Total procurement amount x 100%
  4. % of local procurement suppliers = Number of local procurement suppliers ÷ Total number of suppliers x 100%

## 3 Green Supplier

To achieve effective sustainable supply chain promotion, in the first stage, the Company focuses on its critical suppliers (please refer to section 2.2.2: Supply Chain Management for details) as the scope of promotion. Green supplier identification has been conducted, and the selected suppliers will be encouraged to make continuous efforts in developing "green" (eco-friendly) products.



## 2.2.2 Supply Chain Management

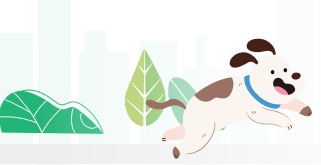
### Sustainable Supply Chain Management

The Company selects suppliers based on criteria such as quality, lead time, degree of coordination, etc. Those selected are listed as supplier candidates, and further assessed through sustainable supply chain management procedures. A supplier can only be deemed qualified after passing the Company's new supplier sustainability assessment.

#### 1 Scope of Promotion

In 2023, under the guidance of the Chief Purchasing Officer and head of the Quality Assurance Center, the Company selected its Tier 1 Critical Suppliers from among its raw material suppliers by sequencing the suppliers in order of procurement amount (with stakeholder-associated transactions being excluded), and listing the parts/components used in various business departments. On this basis, in principle, at least one supplier was selected as the Company's Tier 1 Critical Supplier for each part/component.

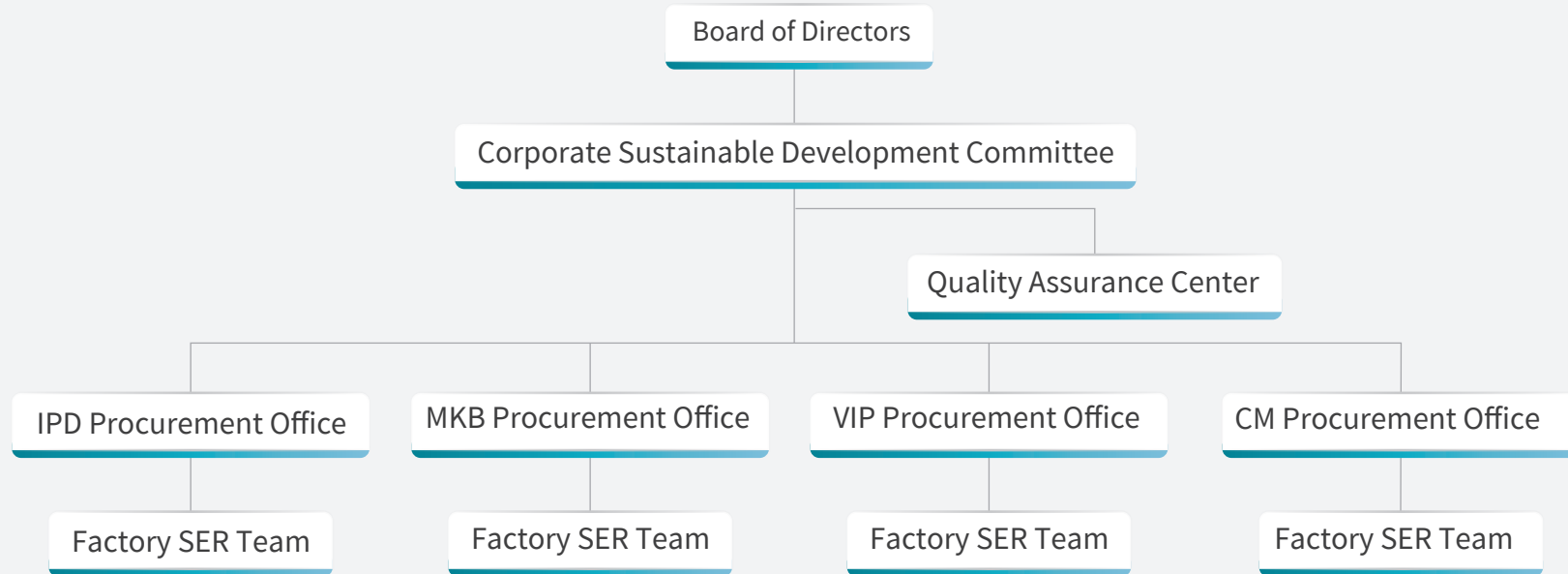
The Company has a total of 946 raw material suppliers, among whom 84 suppliers have been categorized as Tier 1 Critical Suppliers. The procurement amount with Tier 1 Critical Suppliers accounted for 49% of the total transaction amount, indicating significant representativeness of all suppliers. The 84 Tier 1 critical Suppliers were the first supplier group to be targeted for the implementation of sustainable supply chain and supply chain carbon management. Additionally, all new suppliers are required to undergo basic assessments. Please refer to the content below.



## 2 Sustainable Supply Chain Framework

The Board of Directors serves as the top overseeing unit for Chicony’s sustainable supply chain promotion. Day-to-day operations are led by the Chief Purchasing Officer, with the support of the head of the Quality Assurance Center. Subordinate units include business departments’ procurement units and quality assurance centers, with each factory’s mission-oriented Social-environmental Responsibility Team (SER Team) acting as an onsite implementation unit to jointly promote sustainable supply chain management. The implementation results are compiled and reported to the Corporate Sustainable Development Committee on a yearly basis, and further reported in the Board Meeting.

### Sustainable Supply Chain Management Framework





### 3 Sustainable Supply Chain Management Mechanisms

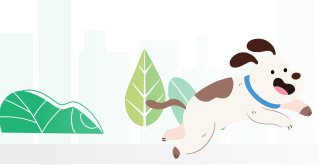
The Company has established three raw materials management mechanisms, which are the Restricted Substance Control Standards, Prohibited and Restricted Substances, and Conflict Minerals in response to relevant domestic and international regulations related to the environment and prohibited substances, and the restricted substances listed in the IEC (International Electrotechnical Commission) 62474 Declarable Substance List (DSL).

Additionally, the Company has formulated and required all suppliers to sign the Commitment Statement on RBA Code of Conduct, the Supplier Integrity Statement, and the Conflict Minerals Declaration. All suppliers completed the signing of the aforementioned documents in 2023.

Implementation of the aforementioned supplier-related measures is supervised and confirmed through each factory's SER Team to ensure that suppliers' procurement practices comply with global trends, regulations, and customer requirements.

### 4 Supplier Review through Multi-dimensional Supplier Self-Assessment Questionnaire

The Company launched the Supplier ESG Questionnaire self-assessment mechanism in 2022. The questionnaire is composed of three major parts, which are ESG (sustainability), RBA (Responsible Business Alliance), and BCP (Business Continuous Plan). The content covers environmental issues, labor practices, human rights assessment, social assessment, and other related dimensions. It is hoped that through the questionnaire survey, the Company can understand suppliers' multifaceted management procedures, progress planning, actions being taken, and effectiveness. A total of 227 questionnaires were collected in 2023. All new suppliers will be expected to complete the questionnaire in 2024, and a separate questionnaire will also be issued to evaluate critical suppliers.



## 5 Supplier Evaluation Mechanisms

In order to continuously evaluate suppliers' operating status and develop plans for various supplier sustainability guidance mechanisms, factories' SER Teams are designated to carry out various supplier audits. To facilitate the supply chain's sustainability transformation, the ESG Sustainability Office also participates in audit activities on an irregular basis, depending on audit conditions.

### (1) Document-based auditing

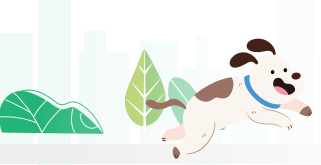
After collecting the Supplier ESG Questionnaire, if there are any concerns about the content, a document-based audit will be conducted to confirm the relevant content. With an aim to prepare for possible risks in advance, the Company plans to define high-, moderate-, and low-risk suppliers in 2024 based on content disclosed through the questionnaire.

### (2) In-person or online auditing and third-party auditing

Chicony has formulated the Supplier Self-assessment Form based on the RBA Code of Conduct and suppliers' self-assessment questionnaires (SAQs), and it further confirms suppliers' operating status during in-person and online audits. A third-party auditor may also be invited to join the audit as requested by the customer.

### (3) 2023 Performance

In 2023, a total of 220 suppliers were audited, achieving an implementation rate of 66%. Identify items lacking in social aspects (labor, ethics, system management) and environmental aspects (health, safety, environment) based on the RBA Code of Conduct. According to the severity of the deficiency, it is divided into three categories: significant, major and minor. There were a total of 386 deficiencies, of which 256 were amended and 130 were not. There were a total of 47 significant deficiencies, with an improvement rate of 55%. The improvement rate of major and minor defects was 68%. Suppliers should deliver an immediate improvement action plan (CAP) to ensure feedback on the understanding and implementation of the RBA guidelines and continuous improvement and feedback. If a zero-tolerance item is discovered, such as: child labor, involuntary labor, corporal punishment, bribery, insufficient wage payment, forgery of documents and other major risks and the supplier refuses to make immediate improvements, SER team will immediately notify and recommend that the procurement department consider suspending or terminating the transaction with the supplier.



6 Collaborative Development with Suppliers

Chicony continues to hold in-person and online supplier conferences at various factories to convey and explain the Company’s organizational vision, Chicony’s human rights policy (please refer to Chapter 4: Employee Relations and Care), and Chicony Mailbox management regulations to help suppliers understand more about Chicony. Additionally, the requirements that suppliers need to fulfill are also explained at the conferences, including the practice of the Responsible Business Alliance Code of Conduct (RBA COC) and RMI (Responsible Minerals Initiative) Conflict Minerals Due Diligence. This is done to encourage suppliers to jointly support and pay attention to various sustainability issues, and keep moving toward the vision of a sustainable supply chain.

RBA Factory of Choice

Chicony joined the Electronic Industry Citizenship Coalition (EICC) in 2011 and became an EICC member to support the Electronic Industry Citizenship Declaration, and commit to establishing a work environment that respects workers’ human rights, promotes labor rights, protects the environment, and values business ethics. After the EICC reorganized to become the Responsible Business Alliance (RBA) in 2017, Chicony continued to promote and participate in various projects, which not only helped the Company’s factory operations meet customer requirements, but also encouraged suppliers to achieve the same goals and advance with Chicony. Chicony became involved in the RBA Factory of Choice (RBA FOC) Evaluation Project in 2021, through which the Company implements relevant evaluation-oriented measures to continuously upgrade itself, including new knowledge training sessions, establishing improvement goals, establishing proper communication mechanisms, in-plant improvement programs (such as setting up a staff fitness center, introducing an AI-based canteen payment system, installing electric vehicle charging piles in parking lots, etc.).

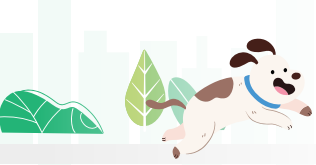
The Company’s CEM3 was recognized as an RBA Factory of Choice in 2021, followed by CEM2, CEM5, and CET in 2022, and MR in 2023. The five important production bases have all obtained the certification based on the same standards, which will help establish a reference system for the management of various bases in the future.



▲ CEM2’s RBA FOC Certificate



▲ MR’s RBA FOC Certificate



▲ CEM3's RBA FOC Certificate



▲ CEM5's RBA FOC Certificate



▲ CET's RBA FOC Certificate

Conflict Minerals Due Diligence

Chicony is an electronics manufacturer that uses a large variety and quantity of metal substances in its products. However, some minerals mined and sold by some organizations in a few countries or regions involve violations of laws and/or human rights. To ensure that the Company uses no such minerals, Chicony has announced its Conflict Minerals Declaration and worked with supply chain partners to require raw material original manufacturers and agents to investigate and check the smelters in major producing areas on a yearly basis, based on the lists of qualified smelters provided by the RMI (Responsible Minerals Initiative) and the Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT) formulated by RMI to ensure that the raw materials being used comply with the latest smelters lists.

According to the 2023 smelters information disclosed through tracking conducted by Chicony's downstream raw material original suppliers or agents of various product models, 221 smelters were declared in suppliers' CMRT information, including 91 gold smelters, 62 tin smelters, 35 tungsten smelters, and 33 tantalum smelters; and 44 cobalt smelters were declared in the EMRT information. Although the Russia-Ukraine war continued in 2023, due to restructuring of the smelter supply chain, the overall supply of metal electronic components was not significantly affected. In 2023, 48 smelters failed to be included in the RMI approved smelters lists. In response to these findings, the Company activated due diligence and tracking mechanisms, and required supplier partners to investigate the status of the smelters their upstream original manufacturers were dealing with, and immediately develop plans to replace the unapproved smelters to ensure that prohibited minerals from unapproved smelters were not accidentally used.

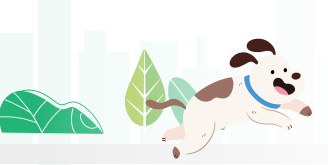


## • **Conflict Minerals Declaration** •

The U.S. SEC (Securities and Exchange Commission) officially issued “conflict minerals” regulations on August 22, 2012, requiring U.S. listed companies to disclose information about their use of four minerals: gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and their derivatives in products produced during the previous year before May 31 of each year. Chicony Electronics is committed to performing conflict minerals due diligence, and promises not to use conflict minerals based on its commitment to corporate social responsibility and compliance with the requirements of customer/supplier management principles. “Conflict minerals” refers to minerals/metals including gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt, etc. and their derivatives sourced from the Democratic Republic of Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, Kenya, and their neighboring countries, which directly or indirectly fund armed criminal organizations and result in human rights violations, forced labor, and violent conflicts. Therefore, Chicony strongly requests and advocates supply chain partners to jointly collect conflict minerals information and perform conflict minerals due diligence in the supply chain in accordance with the Conflict Minerals Reporting Template (CMRT) developed by the Responsible Minerals Initiative (RMI) (formerly known as the Conflict-Free Sourcing Initiative) and the Smelter and Refiner Lists published by RMI, which list the smelters and refiners that meet auditing standards.

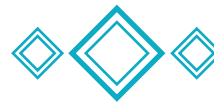
### • **Scope of Application**

Chicony’s Conflict Minerals Declaration is applicable to the Company, the Company’s domestic/overseas subsidiaries, and supplier partners. Through the Supplier Conference, the Sustainability Report, and announcements on the Company’s official website, it is hoped that supply chain partners will work with Chicony to attain consistent policies that support the Conflict Minerals Declaration, and jointly carry out and complete conflict minerals due diligence in the supply chain in accordance with the Conflict Minerals Reporting Template (CMRT) developed by RMI and the Smelter and Refiner Lists published by RMI, which list the smelters and refiners that meet auditing standards.



◦ Commitment and Implementation Guidelines

1. The Company does not accept conflict minerals from the Congo and its neighboring countries and regions.
2. The Company’s domestic/overseas subsidiaries shall establish conflict mineral management mechanisms and management measures to ensure that the gold, tantalum, tin, tungsten and cobalt contained in the products do not come from conflict minerals.
3. The Company and its supplier partners in the industry will propose requirements for Conflict Minerals Due Diligence every year.
4. The Company shall ensure that the aforementioned conflict minerals are not used in the Company’s products and end-customers’ products.



### 2.3 Customer Management & Feedback

The Company’s business units actively monitor market trends, formulate product R&D strategies, and establish diverse channels to communicate with customers. These channels include regular meetings, weekly meetings, official websites, service hotlines, e-mail, etc. The “137 System” is adopted to instantly respond to issues raised by customers related to manufacturing processes, quality, delivery scheduling, and SER issues.

- ✔ Within 1 day: Confirm the questions raised by customers.
- ✔ Within 3 days: Find out the key points of the issues raised by customers and propose corresponding handling procedures and schedules.
- ✔ Within 7 days: Solve the problems and incorporate related issues into risk control item lists to prevent the recurrence of the problems.



Additionally, the Company requires business personnel to proactively meet and communicate with customers on a monthly or weekly basis for status updates, and furthermore, to explain and promote new R&D and innovation items to customers as early resource deployment for the development of various new projects in the future.

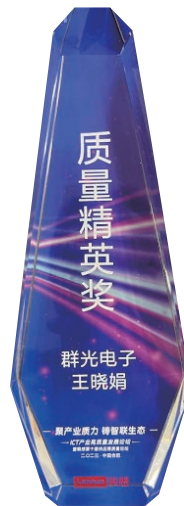
The Quarterly Business Review (QBR) conducted by customers is the basis for the Company's technical R&D, system improvement, and structural modification, through which the Company can continuously make improvements and build a win-win partnership with customers.



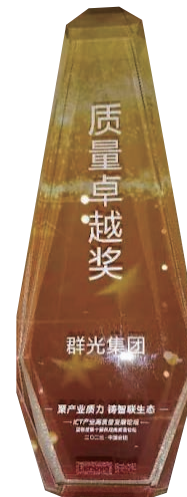
▲ LCFC Perfect Quality awards ceremony



▲ HP Supplier Brand Award



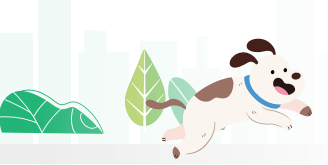
▲ Lenovo Quality Elite Award for individual winners



▲ Lenovo Quality Excellence Award



▲ Lenovo Regional Champion Award



## 2.4 Participation in Sustainability Initiatives and Associations

In response to rapid changes in the global supply chain and industrial environment, and the increasingly intensified impact of climate change on the environment, international organizations and institutions have collaboratively launched initiatives and formulated codes and standards to regulate the impacts brought by enterprises on the environment, which has accordingly contributed to constant changes in the issues of stakeholders' concern.

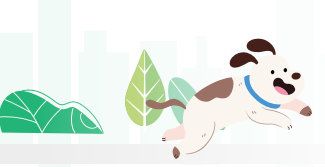
With the aim of facilitating business development, issue focus expansion, legal/regulatory compliance, industrial exchanges, talent cultivation, and a deep commitment to sustainability and climate change issues, Chicony continuously checks relevant international standards and codes, along with issues of stakeholders' concern, and participates as a member in relevant associations and organizations. In recent years, Chicony has participated in SBTi, TCFD, TNFD, and other relevant international initiatives as well as climate-change-focused organizations such as Taiwan Climate Partnership, etc. Furthermore, the Company officially joined the RE100 initiative and became a member in 2023 (please refer to section 3.1.7 for details).

It is hoped that through participation in organizations and initiatives, the Company can stay on top of sustainability-related industrial information and collaborate with partners in the organizations/initiatives to exert a positive influence and achieve sustainability and collective benefits for the industry and the Earth.

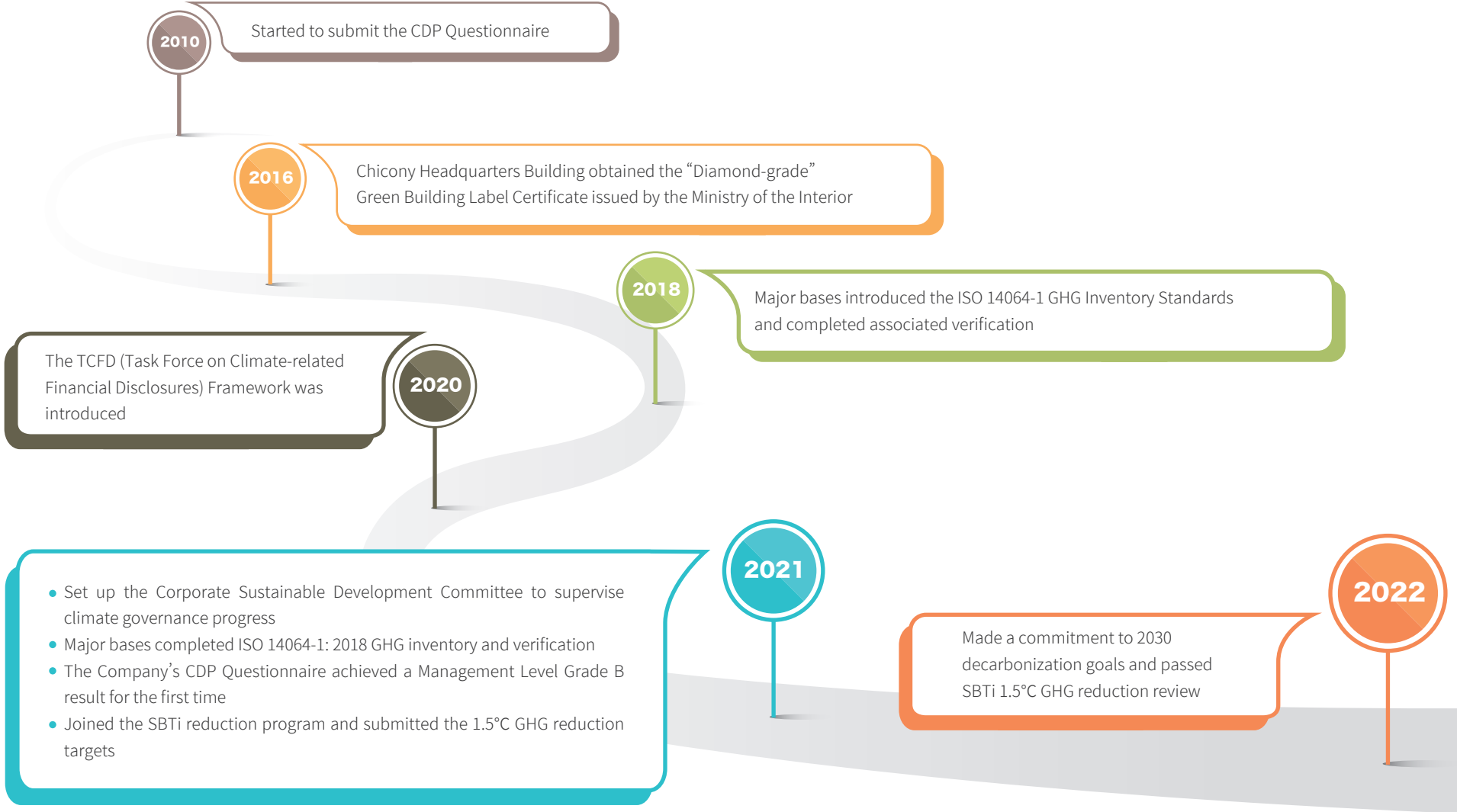
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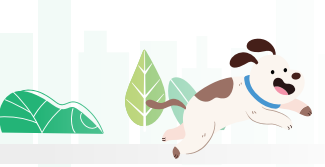
## Net-zero and Environmental Sustainability Strategies





### Climate Strategy Milestones





### 03 Net-zero and Environmental Sustainability Strategies



2023

The promotional actions and goals of the following projects were set after related proposals were passed and approved by the Corporate Sustainable Development Committee and the Board of Directors in November 2023.

- Joined the RE100 initiative and made a commitment to achieve 100% renewable electricity (RE100) by 2030.
- Made a commitment to 2050 Net Zero goals
- Launched the “Chicony Green Octagon” decarbonization project by taking 2023 as the base year and 2033 as the target year to achieve goals through eight major aspects.
- Published the first TCFD Report, and continued to promote the TCFD project to quantify climate-related impacts on Chicony’s finances
- Introduced the TNFD (Taskforce on Nature-related Financial Disclosures) Framework
- Introduced carbon management platforms to carry out digitalized carbon emission management.



2024

- Set up the ESG Sustainability Office, and appointed Chief/ Deputy Chief Sustainability Officer to accelerate the promotion of enterprise sustainability
- Chicony Headquarters Building obtained the “Near Zero Building” Label from Ministry of Interior
- Completed the quantification of climate-related financial impact
- Completed the “Locate” and “Evaluate” phased actions of the TNFD – LEAP approach (please refer to section 3.4: Biodiversity)
- Became a member of the TNFD Forum
- Became one of the TNFD Adopters and made a commitment to publish a TNFD Report aligned with the TNFD Framework in 2025

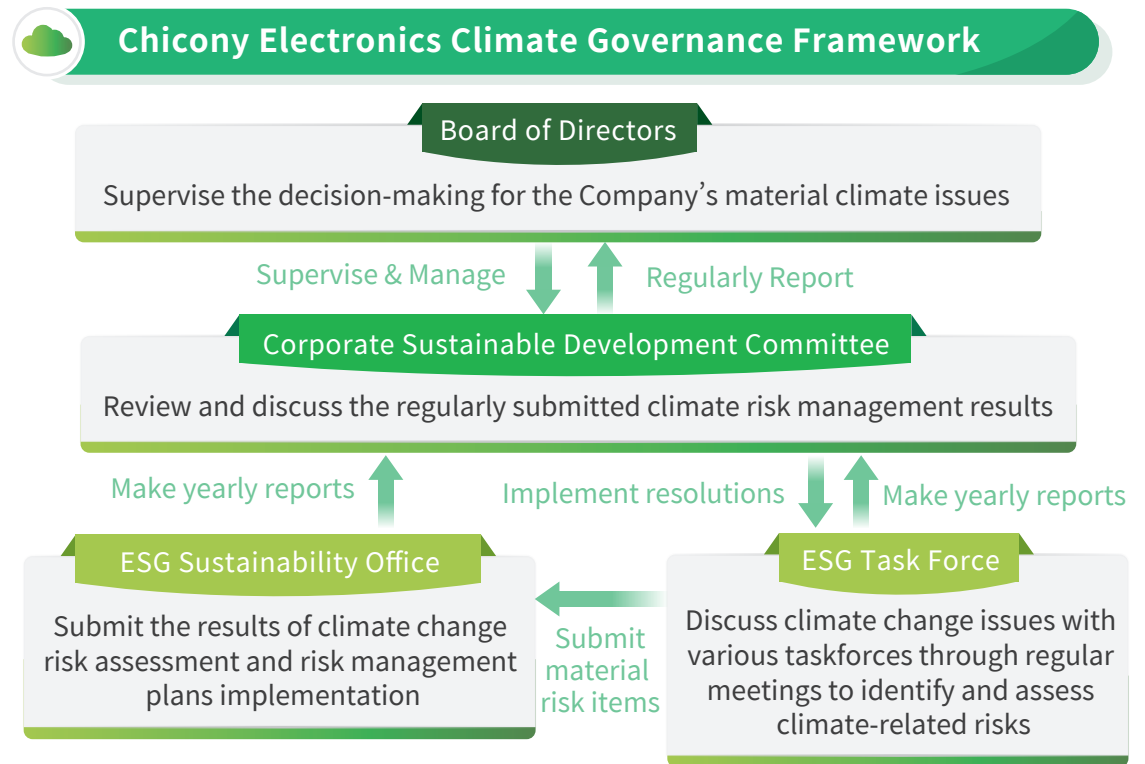


### 3.1 Task Force on Climate-Related Financial Disclosures (TCFD)

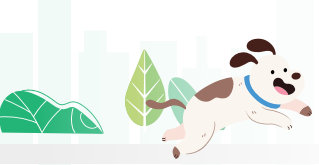
As the 2023 UN Climate Change Conference (COP28) closed on December 12, 2023, a final resolution and commitment to “transition away from all fossil fuels” was made, indicating that the global climate change and low-carbon market transformation shall be accelerated. In response to the risks accompanying the transition to a low-carbon economy and the opportunities derived from the transition, Chicony Electronics continuously consults the framework recommended by the TCFD (Task Force on Climate-related Financial Disclosures), adjusts relevant scenario analysis on a rolling basis to monitor and grasp the climate-related risks and opportunities that Chicony Electronics is faced with, and formulates appropriate adaptation and mitigation strategies based on identification results.

#### 3.1.1 Climate Risk Management

The Board of Directors is Chicony Electronics’ highest climate governance unit, which supervises the Company’s decision-making for overall climate-related issues. The Corporate Sustainable Development Committee is the principal management unit for climate governance, under which the ESG Sustainability Office and six ESG taskforces have been established. The Chief Sustainability Officer (CSO) and Deputy CSO are responsible for leading the taskforces in cross-departmental management of the climate -related issues and regularly submitting implementation result documents, data, and management achievements to the Corporate Sustainable Development Committee. These documents are discussed by the Committee and then reported to the Board of Directors.



Note : The Company’s various types of environmental issues are also incorporated into the climate governance framework for management and reporting.



### 3.1.2 Assessment of Climate Change Risks and Opportunities

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

#### **STEP 01** Identify climate-related risks and opportunities

By consulting the TCFD Implementation Guide and relevant international reports, and considering the Company's operational characteristics, we summarized 9 transition risks, 5 physical risks, and 8 opportunity issues with the overall scope covering product applications, the supply chain, adaptation and mitigation activities, emerging technology R&D and investment, operating processes, etc.

#### **STEP 02** Scenario Analysis

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

##### **1. Transition Scenario: IEA NZE 2050**

The analysis was conducted under a scenario where the global energy sector has achieved net zero emissions by 2050. Therefore, the analysis focused on how the Company should respond to the impacts of a low-carbon economy in various industries on its operations.

##### **2. Physical Scenario: IPCC SSP5-8.5**

The analysis was conducted under a scenario where almost no climate policies had been adopted and GHG emissions had reached the highest level. Therefore, the analysis focused on simulating the adaptation actions taken by the Company's production bases in response to the scenario's possible extreme climate factors.



### ! Transition Risk Scenario Analysis Framework

**Raw Material Suppliers**

Upstream raw material costs increase due to the market change

- ▶ Although PCR plastic or PIR metal is currently not mass-market, the medium- and long-term production volume is expected to grow.

**Peer Competition**

Peer companies in transition

- ▶ Actively meet customers' goals
- ▶ Peer companies continue to develop energy-efficient and low-carbon products and other new business models

**Emerging Customers**

Investment in Emerging Industries

- ▶ Invest resources in the electric vehicle industry in response to the rise of emerging markets
- ▶ Explore new adaptation solution markets in response to extreme climate impacts

**Energy Providers**

Required operational expenditure is impacted by trends

- ▶ The renewable energy price or cost remains considerably high in certain regions where some of the Company's factories are located

**Chicony**

Industrial trends, technologies, and tendencies in response to climate change transition

- ▶ Achieve the climate goals set by the Company
- ▶ Manufacturing processes should transition towards automation and intelligentization
- ▶ Product R&D and design should consider low carbon, low power consumption, or other related characteristics

**Current customers**

Major brand customers

- ▶ Customers begin to seek low-carbon packaging materials / low - carbon - footprint products; additionally, specific requirements might be set for products' use-phase energy efficiency

**Government**

<p><b>Legal systems and risk-related regulations</b></p> <ul style="list-style-type: none"> <li>▶ Formulation of carbon-fee-related regulations</li> <li>▶ Regulations related to the Carbon Border Adjustment Mechanism (CBAM)</li> <li>▶ Higher standards for energy efficiency certification</li> </ul>	<p><b>Policies that promote climate opportunities</b></p> <ul style="list-style-type: none"> <li>▶ The government promotes relevant policies to encourage renewable energy (wind power) and electric vehicles</li> <li>▶ Incentive policies for low-carbon factories</li> </ul>
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**Investors**

Legal systems and risk-related regulations

- ▶ Low-carbon/eco-friendly businesses become an investment requirement
- ▶ Better sustainability performance may help the Company be linked with some indices



**STEP 03** Identify climate-related material risks and opportunities

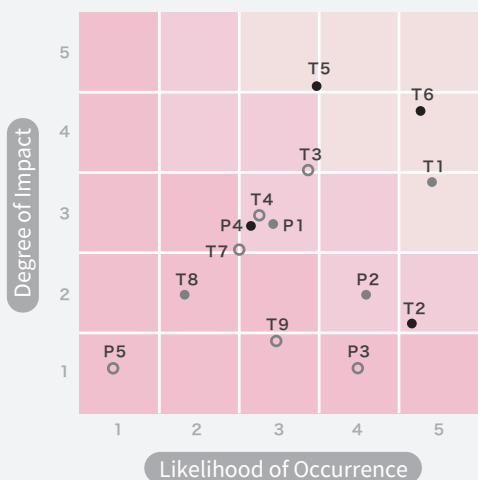
Chicony has conducted risk identification based on occurrence time, likelihood of occurrence, and degree of impact of the aforementioned risk and opportunity issues. Moreover, assessments based on each taskforce’s professional duty have been conducted, and 16 meetings have been held to convert the assessment results into climate-related risks and opportunities matrices, thereby completing the identification of material risks and opportunities.

**STEP 04** Formulate risk management response measures and keep track of implementation progress through indicators and goals

For material climate risks and opportunities, the taskforces have formulated response measures, tracking indicators, and short-, medium-, and long-term goals (please refer to section 3.1.3: Climate Risk and Financial Impact Analysis). Additionally, relevant implementation progress has been regularly tracked in accordance with risk management procedures.



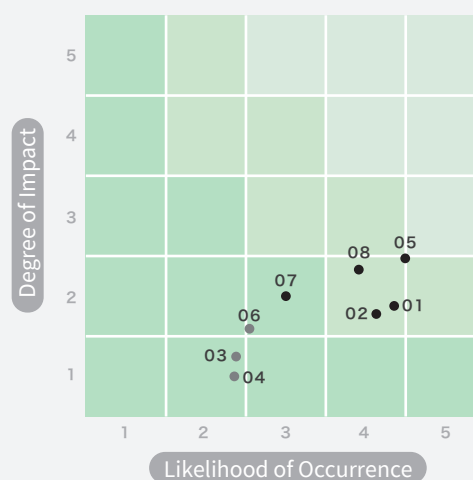
**Chicony Climate-related Risks Matrix**



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



**Chicony Climate-related Opportunities Matrix**



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



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

Physical Risks		
Code	Risk Type	Risk Issue
P1	Acute	Production facilities impacted by extreme weather incidents
P2	Acute	Supply chain deployment costs increase due to the impact of extreme weather incidents
P3	Chronic	Production processes impacted by water shortage incidents
P4	Chronic	Power consumption increased or personnel attendance affected due to extremely high temperature
P5	Chronic	Factories located in low-lying areas submerged due to rising sea levels

Opportunities		
Code	Opportunity Type	Opportunity Issue
01	Resource efficiency	Expand the scale of automated production and collaborate with distributors
02	Resource efficiency	Improve production facilities' energy and resource utilization efficiency
03	Energy source	Continue to develop or purchase low-carbon energy
04	Resource efficiency	Adopt measures that conform with electricity-related incentive policies
05	Products/services	Meet customers' requirements for renewable materials
06	Products/services	Develop extreme climate adaptation plans
07	Markets	Deploy resources for the electric vehicle market
08	Markets	Participate in local governments' low-carbon factory incentive programs



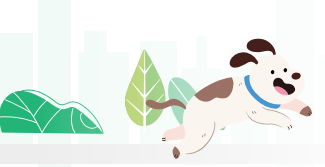
### 3.1.3 Climate Risk and Financial Impact Analysis

Climate-related Risks and Opportunities	Scenario	Incident for Scenario Analysis	Impact on Chicony's Operations	Response Strategy	Chicony's Management Indicators and Goals
T6 Transition Risk: Value chain's decarbonization goals that meet customers' requirements	1.5°C IEA NZE 2050	<ul style="list-style-type: none"> <li>Under the low-emission scenario, the Scope 3 goals set by major customers will impact Chicony's products.</li> <li>Under the low-emission scenario, technical advancements will help the percentage of PCR plastic exceed 30% in the medium and long run, but the cost may be high in the short run.</li> </ul>	<ul style="list-style-type: none"> <li>Products' failure to meet customers' requirements may impact revenue performance.</li> <li>Higher percentage requirements for eco-friendly materials used in products will increase operating costs and R&amp;D expenses.</li> </ul>	<ul style="list-style-type: none"> <li>Business departments' R&amp;D units continue to invest resources in the development and strength testing of products made with eco-friendly materials. Procurement units have responded to the situation by exploring substitute material resources, and carrying out advance deployment of new raw materials.</li> </ul>	<p>Percentage of eco-friendly material weight in the raw materials and packaging materials of marketed products, taking 2023 as the base year:</p> <p>The goal for raw materials by 2025 is 8%</p> <p>The goal for packaging materials by 2025 is 12%</p> <p>The goal for raw materials by 2030 is 31%</p> <p>The goal for packaging materials by 2030 is 46%</p>
O5 Opportunity: Meet customers' requirements for renewable materials		<ul style="list-style-type: none"> <li>Major brand owners of PC, NB, and related consumer electronics all have needs for green products. If Chicony can meet customers' product and design requirements, revenue from green products will increase.</li> </ul>			
T1 Transition Risk: Respond to local energy control laws/regulations and the Company's reduction goals by implementing response measures and purchasing renewable energy (or installing renewable-energy-related facilities)		<ul style="list-style-type: none"> <li>Under the low-emission scenario, in order to align with global net-zero trends, the percentage of renewable energy in the global energy sector should reach 80%.</li> </ul>	<ul style="list-style-type: none"> <li>The purchase of renewable energy will be necessary to meet reduction goals. This will impact product cost structure and increase operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Factories follow energy management systems to develop yearly energy conservation plans.</li> <li>The Headquarters expands the scope of renewable energy certificate/energy attribute certificate purchases and modifies procurement strategies on a rolling basis.</li> </ul>	<p>Taking RE100 progress as a management indicator and 2023 as the base year:</p> <p>The percentage of renewable energy will reach 40% by 2025</p> <p>The percentage of renewable energy will reach 100% by 2030.</p>



Climate-related Risks and Opportunities	Scenario	Incident for Scenario Analysis	Impact on Chicony's Operations	Response Strategy	Chicony's Management Indicators and Goals
O8 Opportunity: Participate in local governments' low-carbon factory incentive programs	1.5°C IEA NZE 2050	<ul style="list-style-type: none"> <li>Under the low-carbon-emission scenario, most governments will use the income from carbon-related funds to launch incentive policies, thereby encouraging enterprises to join relevant programs and apply for carbon reduction incentives.</li> </ul>	<ul style="list-style-type: none"> <li>By meeting the requirements set under relevant incentive policies, Chicony can receive incentives and increase its operating revenue.</li> </ul>	<ul style="list-style-type: none"> <li>Factories follow energy management systems to develop yearly energy conservation plans.</li> <li>The Headquarters expands the scope of renewable energy certificate/energy attribute certificate purchases and modifies procurement strategies on a rolling basis.</li> </ul>	Continue to check the incentive policies applicable in the areas where the Company's factories are located.
O1 Opportunity: Expand the scale of automated production and collaborate with distributors		<ul style="list-style-type: none"> <li>Under the low-emission scenario, by improving production efficiency, emissions from the global energy sector can be reduced by 16%.</li> </ul>	<ul style="list-style-type: none"> <li>Through automation and intelligentization, production efficiency will be enhanced and raw material consumption will be decreased, thereby reducing operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>The Automation Engineering Center collaborates with factories to continuously discuss the feasibility of automation for various processes.</li> </ul>	One innovative/automated solution is introduced to factories every year.
P1 Physical Risk Production facilities impacted by extreme weather incidents	4°C SSP 5-8.5	<ul style="list-style-type: none"> <li>Under the extremely high-emission scenario, during 100-year floods, the water depths in CEM3 and CET would reach 0.53 m and 0.39 m, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Since some factory sites are located near main flood control channels or in low-lying areas, property losses or production interruption might occur in the event of floods.</li> </ul>	<ul style="list-style-type: none"> <li>Plans have been developed to elevate the foundations of factory sites located in low-lying areas, and to equip the sites with flood defense equipment.</li> <li>Factory sites located near main flood control channels have been relocated after the Company communicated with local government authorities.</li> </ul>	The goal is to maintain business continuity and prevent factory production capacity from being affected.

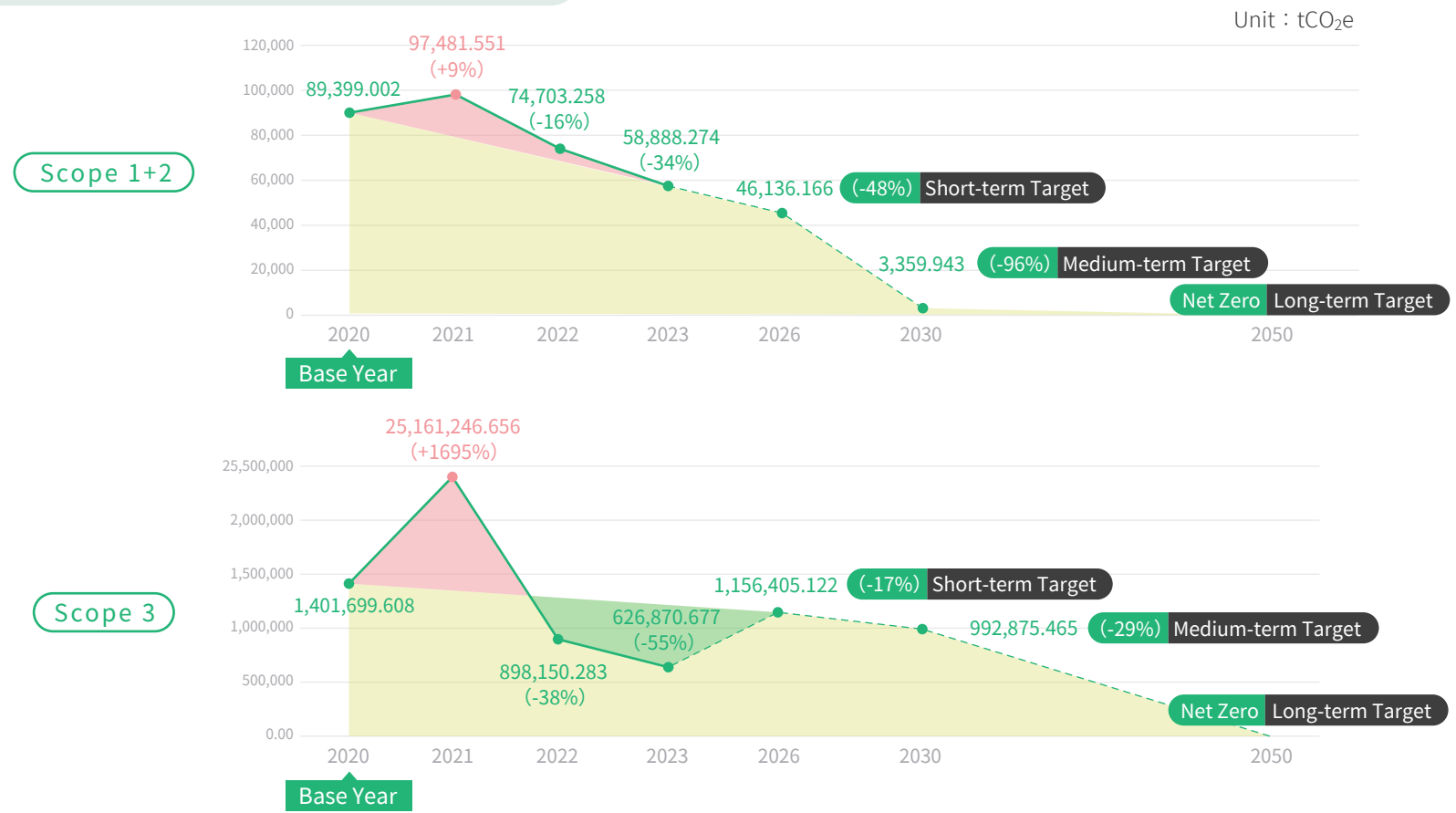
Note : 1. The IEA NZE scenario considers the temperature rise by 2050 at a 50% confidence level.  
 2. The SSP5-8.5 scenario considers the temperature rise by the end of the 21st century.  
 3. The Company's financial impact quantitative analysis is scheduled to be completed in 2024; the detailed results will be described in the Company's second TCFD Report, which is scheduled to be published in 2025.



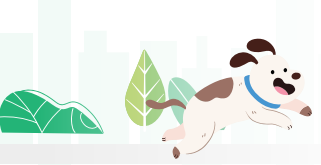
3.1.4 Net-zero Emission Actions and Strategies

As of the end of 2023, the Company has made commitments to SBTi, RE100 by 2030, and Net Zero by 2050. Various carbon emissions / decarbonization goals are summarized in the chart below.

**0** Chicony's Net-zero Roadmap



- Note :
1. The percentages in parenthesis indicate the differences compared with base year values.
  2. Scope of data: the headquarters and main production sites. For two TWSE listed subsidiaries CP and XAVi, data is not included in.
  3. Scope 3 and SBTi goals were achieved in 2022, and might be adjusted during regular SBTi goals submission.



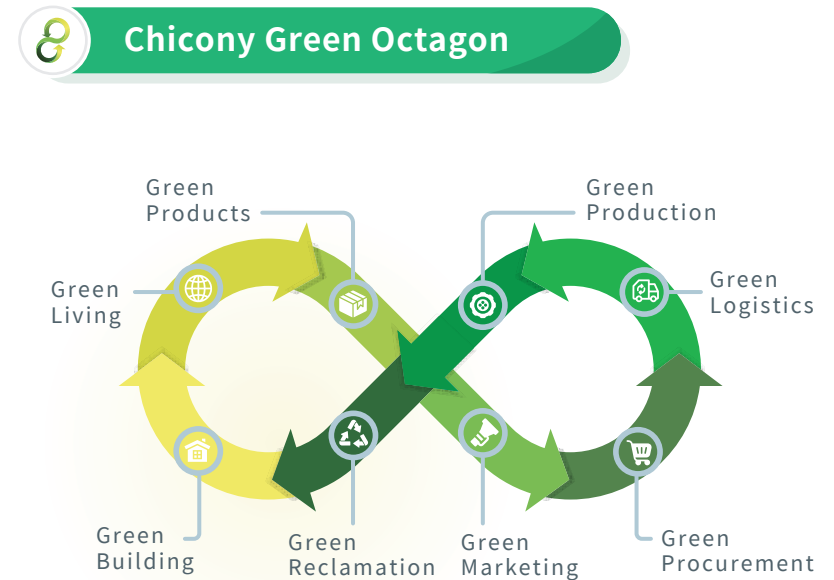
Chicony takes practical actions and follows SBTi pathways to implement three major steps for carbon reduction—inventories, decarbonization, and offset-to systematically achieve the Company’s 2050 net-zero goals. In addition to the three steps, internal carbon pricing mechanisms will also be gradually introduced. In 2023, the Company conducted future carbon price prediction for the first time by referencing the Network for Greening the Financial System (NGFS). According to the “orderly scenarios” provided in the Integrated Assessments Models (IAMs), the estimated carbon cost is NTD 4,722.97 (US\$154.64) / tCO2e. Chicony will continue to evaluate suitable prices to promote relevant internal mechanisms in the future.

Inventory

Chicony has carried out annual GHG inventory and verification at its major bases since 2018. The comprehensive 2023 inventory will be completed in 2024, and will cover 100% of the consolidated-revenue scope (not including the revenue of subsidiaries CP and XAVi). Verification of the comprehensive inventory is scheduled to be completed in 2025.

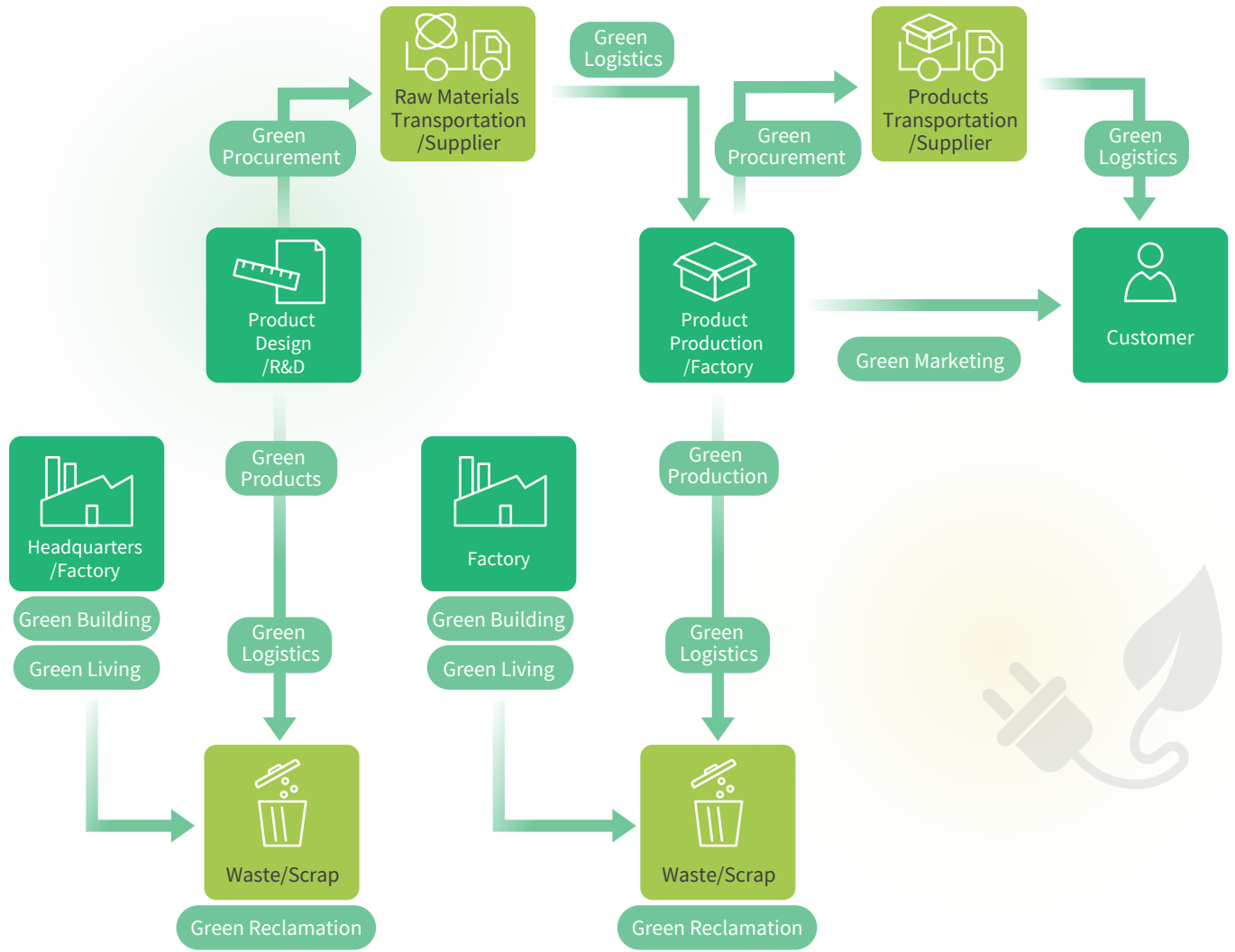
Decarbonization - Chicony Green Octagon

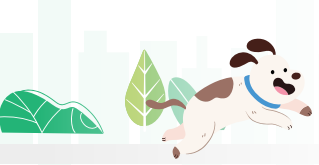
The Chicony Green Octagon project was launched in 2023. Taking 2023 as the base year and 2033 as the target year, eight decarbonization strategies were developed, which cover all aspects of Chicony’s operations. A total of eight major goals and 36 sub-goals have been set, which were reported to and approved by the Corporate Sustainable Development Committee and the Board of Directors in November 2023 and May 2024, respectively.





### Value Chains Covered by Chicony Green Octagon





**1 Green Building**

Promote green buildings, construct renewable power generation systems, and purchase renewable energy to achieve the goal of factory intelligentization and greening. The Company’s renewable electricity usage reached 43% in 2023 (please refer to section 3.1.7: RE100 Promotion).

**2 Green Living**

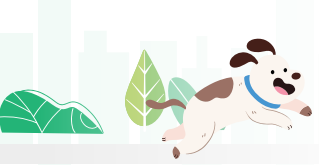
Comprehensively introduce the green concept into various aspects of operations, for example, using electric company cars, setting up more charging piles, promoting the use of public transport, encouraging vegetarian meals and plastic reduction, adjusting business trip and commuting models, etc. to effectively reduce scopes 1 and 3 GHG emissions. In 2023, the Company had 48 leased or self-owned company cars, 3 of which were electric vehicles. Plans are in place to gradually replace 45 of the company cars with electric vehicles in the future.

**3 Green Products**

Products are the largest source of the Company’s GHG emissions (Category 11), accounting for 43.63% of the overall emissions in 2023. Only by adhering to the principles of green, eco-friendliness, and circularity throughout products’ entire lifecycle—from product design to product waste disposal—can product carbon emissions be effectively reduced and net zero goals achieved (please refer to section 2.1: Product Sustainable Design).

**4 Green Marketing**

Reinforce employees’ awareness of sustainability issues through educational training, and strengthen the collaboration with sales units to improve the way that sales personnel respond to sustainability issues. In 2023, Chicony worked with subsidiaries CP and XAVi as well as the Industrial Technology Research Institute (ITRI) to provide a series of sustainability-themed courses that facilitate the realization of a sustainable future (please refer to section 4.2.2 Diversified Training Courses).



**5 Green Procurement**

The supply chain is the second largest source of the Company’s carbon emissions, and sustainable supply chain is the focus of the current sustainability issues. In 2023, a total of 84 suppliers were identified as Chicony’s significant suppliers. These suppliers will serve as the target for the Company to carry out its phase-one sustainable supply chain management to achieve the goal of green procurement (please refer to section 2.2.1 Supply Chain Composition).

**6 Green Logistics**

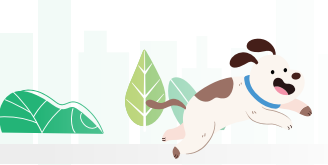
Logistics service providers help deliver upstream raw materials to the Company’s factories and the Company’s products to downstream customers. Logistics-related carbon emissions can be reduced through warehousing, transportation, packaging, distribution, and other related processes. The Company will continue to negotiate with logistics companies to adopt electric trucks, low-carbon fuels, or other related measures for transportation.

**7 Green Production**

The Company aims to reduce pollution generated by production processes, thereby achieving the goal of green production. It utilizes a variety of approaches, including energy efficiency enhancement, power consumption reduction, and promotion of automated production. Various energy conservation and carbon reduction projects will be continuously implemented in the future. Moreover, the Company will also consider various locations’ local regulations to create voluntary carbon credits and carbon assets.

**8 Green Reclamation**

The Company will actively carry out the 3R Policy (Reduce, Reuse and Recycle) by promoting waste reduction, water and waste reclamation (recycling and reuse), and other related measures. A UL2799 Zero Waste to Landfill project was first implemented in 2023, achieving a waste diversion rate of 79%. Continuous efforts will be made to achieve a diversion rate of 90% in 2024 (please refer to section 3.3.1 Waste Management).



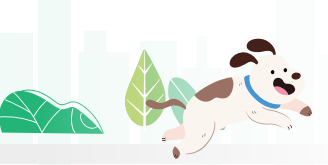
- Offset

As required by SBTi standards, in the event of decarbonization difficulty, the Company could purchase carbon offsets credits to achieve the net-zero goals. Chicony has joined Climate Impact X (CIX), a global carbon exchange and marketplace headquartered in Singapore, and will continue to observe market conditions to choose quality carbon credits when needed to complete relevant verification and meet product carbon neutrality (ISO 14068) standards.

### **3.1.5 Disclosure of Greenhouse Gas Emissions**

The Company follows ISO 14064-1 GHG inventory standards as well as GHG Protocol’s Corporate Standard to take inventory of various bases’ GHG emissions every year, and obtain certification of verification accomplishment from the third-party institute. In 2023, a trial inventory extending to other bases was conducted for the first time, including the CEZ, Yangmei Warehouse, Taichung Office, Kaohsiung Office, U.S. Branch, and Japan Branch, with the scope of inventory covering the entire company. Verification of the entire company’s 2024 GHG emissions is scheduled to be conducted in 2025.

The company's Scope 1 greenhouse gas emissions primarily originate from the combustion of natural gas in plant boilers, the use of company vehicles, and the fugitive emissions from refrigerants. Scope 2 emissions are all derived from purchased electricity. Considering the operational characteristics of each plant and the specific needs of the industry, there are a total of 12 items in Scope 3 inventory and verification, with the major contributors being the procurement of products and services and the use of sold products. There are no biogenic emissions within the inventory scopes.



The overall (Scope 1, 2, 3) GHG emissions by Chicony as a whole in 2023 were 685,758.9509 tCO<sub>2</sub>e, indicating a decrease of 30% compared with 2022. Direct GHG emissions and indirect GHG emissions from energy (Scope 1 and 2) were 58,888.274 tCO<sub>2</sub>e, achieving a decrease of 21% compared with 2022. The reduction was mainly a result of the Company’s active response to the 2030 RE100 goals after joining the initiative. The Company purchased 45,609 MWh of renewable electricity in 2023, increase by 29,519 MWh comparing with that in 2022, achieving a total emissions reduction of 16,420.288 tCO<sub>2</sub>e. Moreover, various energy conservation and carbon reduction projects have been promoted to reduce the energy consumption during the production process, and high-carbon-footprint raw materials are scheduled for gradual replacement to meet customers’ requirements.

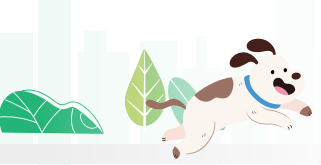
**Direct and Indirect GHG Emissions (Scope 1, 2)**

Unit : tCO<sub>2</sub>e

	2021	2022	2023
Scope 1 (Category 1) Direct GHG Emissions	7,273.251	7,555.208	6,830.725
Scope 2 (Category 2) Indirect GHG Emissions	90,208.300	67,148.049	52,057.549
<b>Total</b>	<b>97,481.551</b>	<b>74,703.258</b>	<b>58,888.274</b>
<b>GHG Intensity</b>	<b>0.907</b>	<b>0.645</b>	<b>0.599</b>

Note :

1. In 2023, the Scope 1 GHG emissions by type: CO<sub>2</sub> at 2,401.128 tCO<sub>2</sub>e; CH<sub>4</sub> at 1,578.403 tCO<sub>2</sub>e; N<sub>2</sub>O at 13.909 tCO<sub>2</sub>e; HFCs at 2,837.285 tCO<sub>2</sub>e; NF<sub>3</sub>, PFCs, and SF<sub>6</sub> at 0 tCO<sub>2</sub>e.
2. The statistical method used was the Operational Control Method, and the GWP values were adopted from the 2023 IPCC AR6 report.
3. The source of the electricity emission factor was the announced local electricity emission factors at each site. Other relevant factors were derived from data published by local operators, the government, and IPCC.
4. Scope of data: HQ and main production sites. For subsidiaries CP and XAVi, data can be referenced in their sustainability reports respectively. The data coverage rate based on consolidated revenue is 99%. The verification coverage rate is 99%.
5. Emission intensity = total emissions ÷ consolidated revenue, unit: tCO<sub>2</sub>e/million NTD.



**Indirect GHG Emissions (Scope 3)**

Unit : tCO<sub>2</sub>e

		2021	2022	2023
Category 3 Indirect GHG Emissions from Transportation	Upstream Transportation and Distribution (4)	206,392.444	9,541.072	10,617.748
	Business Travel (6)	200.596	190.408	599.474
	Employee Commuting (7)	2,941.048	2,605.204	1,414.420
	Downstream Transportation and Distribution (9)	63,001.517	22,441.985	11,001.678
Category 4 Indirect GHG Emissions from Products Used by Organization	Purchased Goods and Services (1)	767,998.037	449,068.360	283,407.128
	Capital Goods (2)	23,556,357.210	6,920.226	3,527.806
	Fuel- and Energy-related Activities (3)	9,331.629	6,397.792	5,775.930
	Waste Generated in Operations (5)	729.212	935.381	688.166
	Upstream Leased Assets (8)	1,668.670	1,111.309	955.604
Category 5 Indirect GHG Emissions Associated with the Use of Products from the Organization	Processing of Sold Products (10)	8,425.831	Not significant and unquantified	Not significant and unquantified
	Use of Sold Products (11)	534,864.362	389,194.337	299,245.816
	End-of-life Treatment of Sold Products (12)	298.318	185.078	2,268.814
	Downstream Leased Assets (13)	9,005.330	9,559.131	7,368.092
Category 6 Indirect GHG Emissions from other Sources	Investments	32.453	Not significant and unquantified	Not significant and unquantified
<b>Total</b>		<b>25,161,246.656</b>	<b>898,150.283</b>	<b>626,870.677</b>

- Note : 1. The statistics were obtained through the Operational Control Method, with the GWP values sourced from the 2023 IPCC AR6 Report.  
 2. Scope of data: the headquarters and main production sites. For subsidiaries CP and XAVi, data can be referenced in their sustainability reports respectively. The data coverage rate based on consolidated revenue is 99%. The verification coverage rate is 99%.  
 3. The numbers in parenthesis are categories classified based on the GHG Protocol Scope 3 Evaluator Tool.  
 4. Thailand Factory's 2021 total emissions show a significant peak because all of the factory's capital goods invested for plant construction were recognized and listed in that year.



ISO 14064 Carbon Management System

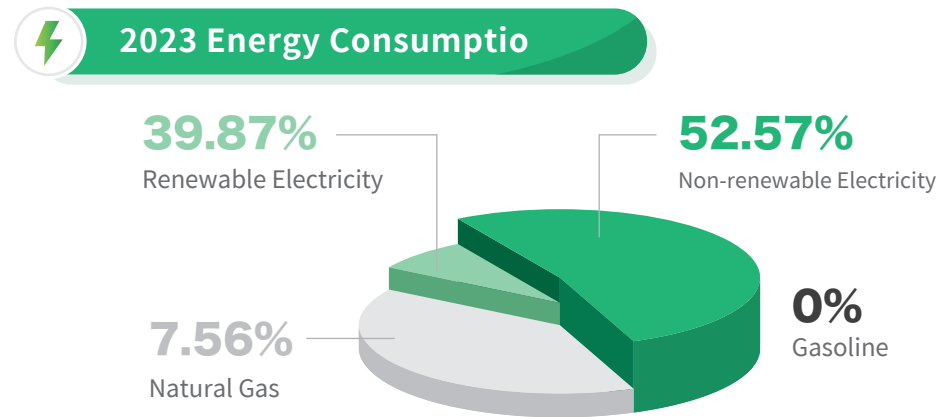
When moving toward Chicony’s net zero goals, the Company realizes that the data collected through paperwork is not enough to respond to the rapidly changing global net-zero trends. Therefore, in 2023, the Company began collaborating with external suppliers to establish the Chicony ISO 14064 Carbon Management System and ISO 14067 Product Carbon Footprint System. The ISO 14064 Carbon Management System was launched in 2024 to monitor and control various bases’ carbon emissions on a monthly basis.



▲ Chicony ISO 14064 Carbon Management System Data Dashboard

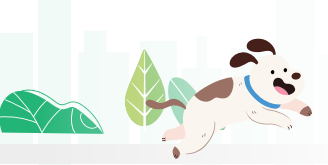
3.1.6 Energy Management

Chicony has required all factories to promote the ISO 50001 Energy Management System since 2022. The Headquarters and major production bases all completed relevant third-party certification in 2023. The major constituent of Chicony’s energy consumption is purchased electricity. Fossil fuels are mainly used for emergency generators, forklifts, company vehicles, dormitory boilers, etc. The total energy consumption in 2023 was 423,846.23 GJ, representing a 9% decrease compared with 2022. This was due to the Company’s active purchase of renewable energy, which effectively helped reduce energy consumption. There were 43 energy saving project conducted in 2023, and 41,912.59 GJ of energy was saved comparing with 2022. Energy intensity increase 7.1% due to revenue decrease.



Unit : GJ

Non-renewable Electricity	222,821.34
Renewable Electricity	168,986.32
Natural Gas	32,031.49
Gasoline	3.98
Diesel	3.10
<b>Total Energy Consumption</b>	<b>423,846.23</b>



 **Energy Consumption**

	2021	2022	2023
Total Electricity Consumption	470,307.95	428,994.17	391,807.66
Purchased Electricity	433,948.35	370,883.47	222,821.34
Purchased Renewable Electricity	36,359.60	57,923.36	164,190.58
Percentage of Purchased Electricity	99.99%	99.96%	98.78%
Self-generated Solar Electricity	37.12	185.79	4,795.74
Self-generated Wind Electricity	1.55	1.55	0
Percentage of Renewable Electricity	7.73%	13.55%	43.13%
Liquefied Petroleum Gas (LPG)	164.28	830.62	0
Natural Gas	31,964.51	36,038.18	32,031.49
Gasoline	4.07	3.02	3.98
Diesel	3.72	3.33	3.10
Total Energy Consumption	502,444.52	465,869.32	423,846.23
Energy Consumption Intensity	4.68	4.02	4.31

- Note :
1. Scope of data: HQ and major production bases; the disclosed data has achieved a coverage rate of 99%, calculated based on the scope of consolidated revenue. Energy consumption outside of the organization was not calculated.
  2. The heating values were determined by referencing figures announced by the Bureau of Energy.
  3. The main reason for the significant LPG drop is that CEM2 and CET had stopped leasing out dormitories to supervisors.
  4. Energy consumption intensity = Total energy consumption ÷ Consolidated revenue; Unit: GJ/NT\$ millions.



The Company has promoted various energy conservation and carbon reduction measures at various bases and sites for a long time, through which reduction of energy consumption, carbon emissions, and energy expenditure have been achieved. Energy management systems have been established at the HQ and CEM2 to monitor the real-time energy consumption of various pieces of equipment. Plans are in place to install updated energy management systems at CET’s second plant, which is currently under construction; this plant will become a model for other major factories.

**Energy Conservation and Emission Reduction Project in 2023**

	Projects	Savings (NTD)
Production Improvement	12	6,364,855
Equipment Improvement	17	10,028,790
Energy Management	14	20,797,038
<b>Total</b>	<b>43</b>	<b>37,190,683</b>

**3.1.7 RE100 Promotion**

Chicony Group joined the RE100 initiative in 2023, and declared that the Group as a whole will achieve 100% renewable electricity by 2030. The percentage of renewable energy use has gradually increased through self-installed solar panels, renewable power purchase agreements (PPAs), and the purchase of Energy Attribute Certificates (EACs).



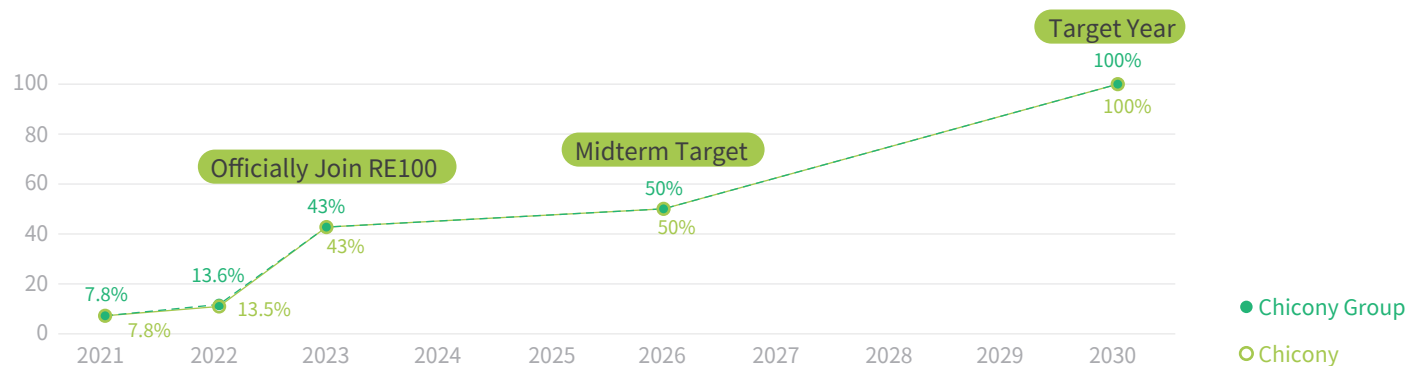
▲ RE100 Members’ Meeting – Taiwan

The total electricity consumption by Chicony Group (including subsidiaries CP and XAVi) in 2023 was 195,050 MWh, of which the consumption of renewable electricity was 82,922 MWh, accounting for 43%. The consumption and corresponding percentage of each renewable electricity source is as follows: self-installed solar panels: 3,012 MWh (2%), hydropower from International Renewable Energy Certificate (I-REC): 7,017 MWh (3%), solar power from I-REC: 71,393 MWh (36%), and solar power from China’s Green Energy Certificate (GEC): 1,500 MWh (2%).



The total electricity consumption by Chicony in 2023 was 108,836.67 MWh, of which the consumption of renewable electricity was 46,941.16 MWh, accounting for 43%. The consumption and corresponding percentage of each renewable electricity source is as follows: self-installed solar panels: 1,332.16 MWh (1%), and solar power from I-REC: 45,609 MWh (42%).

### Chicony Group's Renewable Electricity Consumption Roadmap



Note : As required by RE100 regulations, the whole Chicony Group shall join the initiative as one entity. Thus, the RE100 targets and scope of promotion cover the whole Group, including Chicony, CP, and XAVi.

Chicony plans to install solar panels at the HQ and major production bases. In addition to self-installed solar panels, the Company is also collaborating with external contractors to complete installation at some of the factories.

### Solar Panel Installation Status

	HQ	CEM2	MR	CEM3	CEM5	CET
Current State	In operation	In operation	Solar panels cannot be installed due to comprehensive consideration	Installation in progress	In operation	Installation completed; license review in progress
Installed Capacity	24 kW	820 kW		1,260 kW	1,260 kW	1,290 kW




▲ Solar panels at CEM5



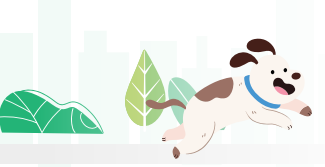
▲ Solar panels at CEM3

### 3.2 Water Resources Management

Chicony’s HQ and major production bases have all obtained ISO 14001 environment management system certification, and established relevant water resources management systems in accordance with the ISO 14001 framework to implement water resources management, water resources risk identification, goal setting, and water conservation actions. In the Chicony Green Octagon project launched in 2023, the “Green Production” sub-project aims to reduce year-on-year water consumption by 3% from 2025 onward, and the “Green Reclamation” sub-project aims to increase the year-on-year water reclamation rate by 3%, which will be continuously promoted after the target year stated in the Company’s Water Security Policy.

  
**Water Security Policy**

- ◆ During the period from the base year of 2021 until the target year of 2024, the Company will reduce water consumption per NT\$1,000,000 production value by 5% per year.
- ◆ Carry out good water management to provide a safe, clean, compliant water supply and drinking water.
- ◆ Promote environmental and ecological safety/security, pay attention to climate change issues, and commit to preventing the occurrence of water-security-related accidents and hazardous incidents.

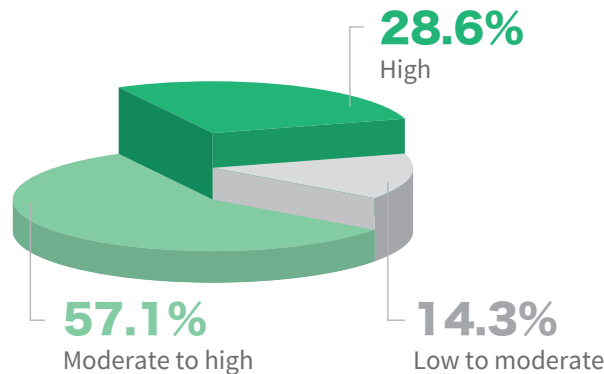


### 3.2.1 Water Risk Identification

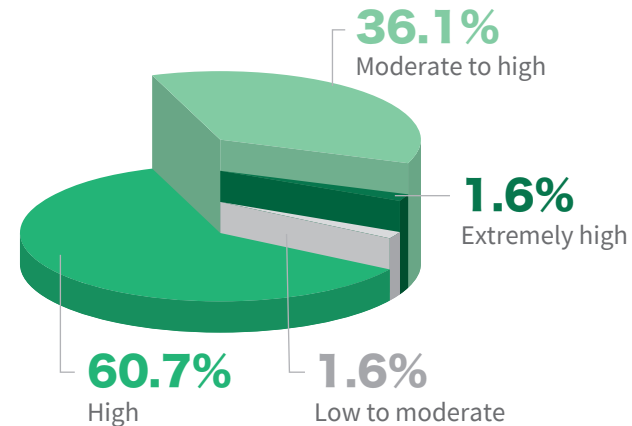
Chicony is active in improving water efficiency and value, reducing environmental impacts on water resources, and increasing the use of recycled water. With the aim of precisely grasping the water risk levels at Chicon’s factories located in different parts of the world, the Company has adopted the water risk assessment tools provided by the World Resources Institute (WRI) to identify the possible water risks faced by its factories and the production sites of its top 50 major suppliers. The water risk identification was conducted by referencing the water-related physical risks recommended in the TNFD framework, including the five major water resources indicators—water stress level, riverine flooding risk, coastal flooding risk, untreated connected wastewater, and coastal eutrophication potential (CEP).

#### Water risk identification for Chicony bases and the top 50 major suppliers

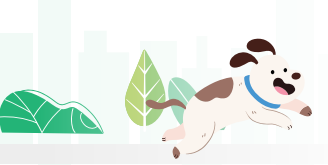
Chicony Operation Sites



Supplier



Note : 1. Chicony’s operation sites/bases includes HQ, CEM2, MR, CEM3, CEM5, CET and CEZ.  
2. The top 50 major suppliers were determined by sequencing the Company’s 84 Significant Suppliers from 2023 according to total procurement amount.



In terms of the water stress level indicator, the Company's CEM3 and CET have been assessed as being located in high water stress areas. However, as water stress is defined as “the ratio of overall water demand to water supply in the area”, water resources risks are only more likely to occur when a factory is located in a high-water-stress area and belongs to a higher water-consumption industry, which causes the factory to compete with local ecosystems for water resources.

Therefore, further scenario analysis of local water supply changes in the river basins where the factories are located has been conducted based on the Weathernews database, and assessments linked with water consumption indicators of CEM3 and CET have also been performed. Since the water consumption by both CEM3 and CET constitutes far less than 1% of the overall water consumption in the areas where they are located, the likelihood that the two factories will be impacted by local water resources conditions is not high. Chicony will continue to promote various water conservation measures, including internal water saving practices, reinforced wastewater classification systems, process water consumption reduction, and reuse of recycled/reclaimed water to cope with possible water risks.

Water Supply in CEM3 and CET Areas

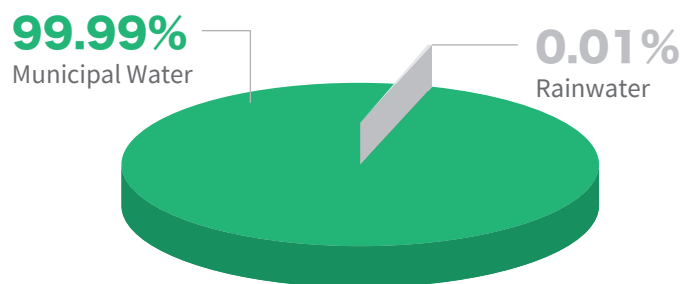
	Area’s water supply under SSP5-8.5 scenario (10,000 tons/day)	Factory’s annual water withdrawal (10,000 tons/day)	Percentage of area’s overall water supply
CEM3	1,099.79	0.230	0.021%
CET	4,508.09	0.031	0.001%



### 3.2.2 Water Resources Management Performance

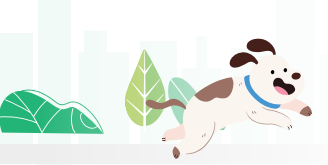
The major source for Chicony’s water withdrawal is tap water, with a small portion coming from recovered rainwater. The water consumption is mainly for employees’ daily needs, air-conditioning facilities, and factory equipment. With the exception of a very small proportion of the equipment that needs to use purified water, most of the equipment uses tap water directly. The domestic sewage produced is treated through proper sewage treatment facilities, and then discharged to the sewage system. The total water withdrawal in 2023 was 1,288.510 ML, representing a 19% reduction compared with 2022; the water withdrawal intensity was 0.0131, representing a 5% reduction compared with 2022 and achieving the goal stated in the Company’s Water Security Policy. The reduction was mainly a result of the Company’s continuous efforts in checking water pipeline leakage, promoting water conservation programs, and implementing water saving techniques for manufacturing processes. It is worth mentioning that the Company constructed water reclamation (recycling and reuse) systems at CEM2 and CEM3 in 2023, which significantly helped enhance the factories’ water recovery rates, and extend the recycling to other water sources other than rainwater and swimming pool water. No incidents involving water leakage occurred in 2023.

#### Water Withdrawal in 2023



Unit : Megaliters

Surface Water	0
Municipal Water	1,288.394
Groundwater	0
Rainwater	0.116
<b>Total Withdrawal</b>	<b>1,288.510</b>

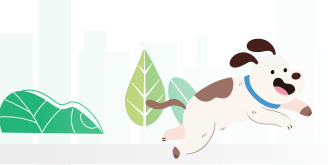


**Water Withdrawal and Water Consumption**

Unit : Megaliters

	2021	2022	2023
Surface Water	0	0	0
Municipal Water	1,632.817	1,599.559	1,288.394
Groundwater	0	0	0
Rainwater	0.006	0.009	0.116
Renewable Water	0	0	0
Total Water Withdrawal	1,632.822	1,599.560	1,288.510
Total Water Discharge	1,412.523	1,363.655	1,038.962
Total Water Consumption	220.293	235.905	249.548
Recycled Water	0.006	0.009	38.745
Water Recovery Rate	0.0004%	0.0006%	3.01%
Water Withdrawal Intensity	0.0152	0.0138	0.0131

- Note :
1. Scope of data : HQ and major production bases; the disclosed data has achieved a coverage rate of 99%, calculated based on the scope of consolidated revenue.
  2. A factory’s water discharge is estimated to be 80–90% of its water withdrawal.
  3. Sources for water recovery include rainwater and swimming pool water. Water recovery rate = recovered water volume ÷ total water withdrawal.
  4. Water withdrawal intensity = Total water withdrawal ÷ Consolidated revenue; Unit: Megaliters/NT\$1,000,000.
  5. The testing of total dissolved solids has been regularly conducted for the Company’s withdrawn and discharged water. Since no special manufacturing processes are involved, and only domestic wastewater is discharged, the concentration of total dissolved solids in overall water withdrawal and discharge are both ≤1,000 mg/L.
  6. CEM3 is the Company’s only base located in a high-water-stress area. Its total water withdrawal in 2023 was 842.06 megaliters, and total water consumption was 13.67 megaliters.



### 3.3 Environment Management

#### 3.3.1 Resource and Waste Management

All the Company’s bases have followed the ISO 14001 framework to establish relevant waste management systems. These systems focus on controlling waste generation from sources, and require R&D and procurement units to prioritize the use and purchase of raw materials with low environmental impact and reduce the use of hazardous substances. Moreover, the Company chooses legal waste disposal service providers to handle the generated waste and actively promotes waste recycling and reuse or resale to extend the materials utilization cycle.

Chicony formulated its Waste Reduction Policy in 2022 to continuously promote waste reduction. The Company’s total waste volume in 2023 was 5,922.98 metric tons, representing a 16.57% increase compared with 2022. The waste intensity was 0.0602 metric tons/NTD1,000,000 revenue, representing a 37% increase compared with 2022. The increase in total waste was mainly due to the discontinuance of the split working measure after the COVID-19 pandemic and the increase of employees’ in-person attendance days. The main reason for waste intensity increase was the drop in overall revenue. No waste contractors were involved in any legal or agreement violations in 2023. The goals stated in the Company’s Waste Reduction Policy have all been achieved.



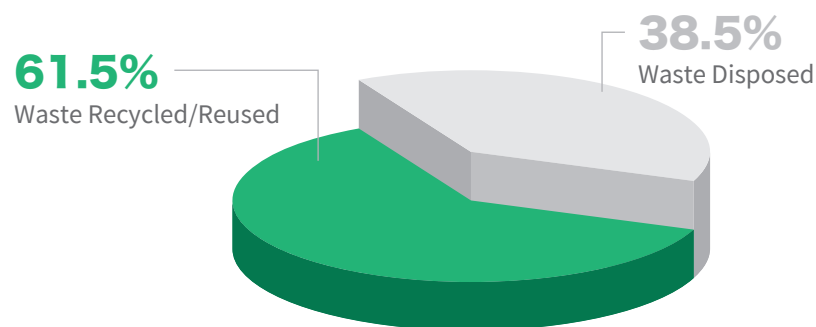
### Waste Reduction Policy

- ◆ During the period from the base year of 2021 until the target of year 2024, the Company will reduce
  - ◆ Hazardous waste and solid waste volume per NTD 1,000,000 production value by 5% per year.
  - ◆ 100% legal treatment and disposal of hazardous waste and solid waste.
- Meet environmental regulations and customers' requirements, commit to the development of "Cleaner Production" and green products.

Under the Chicony Green Octagon project launched in 2023, the "Green Production" sub-project aims to reduce year-on-year waste generation by 3% from 2025 onwards, and will be continuously promoted after 2024. In the "Green Reclamation" sub-project, four waste-reduction-related goals have been set: (1) Major production bases will gradually obtain the UL 2799A Zero Waste to Landfill Validation; (2) The waste diversion rate will exceed 80%; (3) Waste management systems will be gradually established; and (4) Value chains will achieve the planned waste reuse goals.

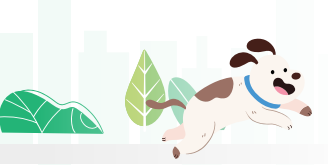


### Waste Generated in 2023



Unit : tons

Waste Recycled/Reused	3,642.22
Waste Disposed	2,280.76
<b>Total Waste</b>	<b>5,922.98</b>



 **Waste Statistics**

Unit : tons

		2021	2022	2023
Waste Recycled / Reused	General Industrial Waste			25.35
	Industrial Waste	1,854.19	2,303.40	2,231.89
	Hazardous Industrial Waste			23.52
	<b>Subtotal</b>	<b>1,854.19</b>	<b>2,303.40</b>	<b>2,280.76</b>
Waste Disposed	Waste Incinerated with Energy Recovery			867.32
	Waste Incinerated without Energy Recovery	2,131.43	2,777.38	202.21
	Waste Landfilled			2,092.69
	Waste otherwise disposed			480.00
	<b>Subtotal</b>	<b>2,131.43</b>	<b>2,777.38</b>	<b>3,642.22</b>
<b>Total Waste</b>		<b>3,985.62</b>	<b>5,080.78</b>	<b>5,922.98</b>
<b>Ratio of Total Waste Recycled/Reused</b>		<b>46.52%</b>	<b>45.34%</b>	<b>38.51%</b>
<b>Waste Intensity</b>		<b>0.0371</b>	<b>0.0439</b>	<b>0.0602</b>

Note : 1. Scope of data: HQ and major production bases; the disclosed data has achieved a coverage rate of 99%, calculated based on the scope of consolidated revenue.


2. Waste intensity = Total waste ÷ Consolidated revenue; Unit: metric tons/NT\$ millions.

3. The 2021 Headquarters data only covered Chicony. The scope of data has been extended to the whole HQ Building since 2022.

4. Typographical errors have been corrected for 2021 and 2022 total waste data. The calculation method for 2023 waste intensity has been adjusted.

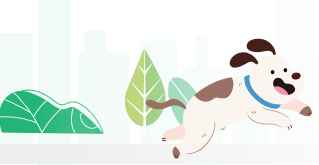


In 2022, the Company chose its CET as a model to introduce the standards of the UL 2799A Environmental Claim Validation Procedure (ECVP) for Zero Waste Classification. About 50% of the waste generated at the Thailand Factory went landfilled in 2022. Through the implementation of the UL 2799A project in 2023, various waste reuse and recycling programs were promoted, and companies specializing in generating energy through waste incineration were contracted; this helped the CET achieve a diversion rate of 79% (validated by UL 2799A in 2023), with only 21% of its waste being landfilled, representing a significant volume reduction of 30%. The diversion rate will continue to be increased in 2024. The CEM3 also followed the standards to reduce its landfilled waste and enhance its waste diversion rate. Moreover, the Company made engagement with value chain partners to effectively recycle and reuse profitable electronic waste and scraps, achieving a total recycling value of RMB 2.93 million.

 **2023 Electronic Waste and Scraps Statistics**

Weight of Scrap	Non-recyclable / Non-reusable (kg)		480
	Recyclable / Reusable	Weight (kg)	140,338
		Sale value (RMB)	RMB 1,981,178
	Total weight (kg)		140,818
Electronic Waste	Non-recyclable / Non-reusable (kg)		68,791
	Recyclable / Reusable	Weight (kg)	995,617
		Sale value (RMB)	RMB 949,354
	Total weight (kg)		1,064,408
Total recycled weight (kg)		1,205,225	
Total recycling value (RMB)		RMB 2,930,532	

- Note :
1. The scope of statistics covers the Company’s major production bases.
  2. The scrap statistics of CEM2 and CET were not compiled in 2023, but will be compiled in 2024.
  3. CEM5’s electronic waste was sold by item in 2023 with the weight not being measured. Weight statistics will be compiled in 2024.
  4. Due to data incompleteness, the recirculation percentage cannot be disclosed for the time being.



### **3.3.2 Air Pollution Management**

Chicony’s factories have all followed local environmental regulations and requirements to obtain air pollutant emission permits and conducted regular testing to monitor their air pollution conditions. It is examined and estimated that the total air pollutants in 2023 weighed approximately 6 metric tons, primarily consisting of volatile organic compounds (VOCs) and particulate matter (PM), mainly originating from the painting process.

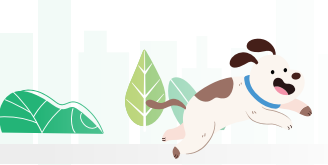
- Note :
- 1. Emissions of hazardous air pollutants (HAPs), perfluorocarbons (PFCs), persistent organic pollutants (POPs), and ozone-depleting substances (ODS) were all 0.
  - 2. Nitrogen oxides (NOx) and sulfur oxides (SOx) primarily originate from diesel combustion in generators. However, since generators are only activated in emergency situations (such as power outages) and are not a regular source of emissions, they are not considered major emission sources.

## **3.4 Biodiversity**

### **3.4.1 Biodiversity Policy and Initiatives**

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

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



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

### 3.4.2 Locate : Interface with Nature

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

#### STEP 01 Operation site analysis

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



**STEP 02** Overlapping various biodiversity-related map data to identify biodiversity-sensitive areas

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

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

Sensitivity Identification	Title / Source of Map
Key Biodiversity Areas (KBA)	Key Biodiversity Area (KBA)
	World Database on Protected Areas (WDPA)
	Nature 2000 protected area network
	Ramsar Convention on Wetlands
	Global Biodiversity Information Facility (GBIF)
Water Risk	Taiwan Ecological Network
	Aqueduct Global Maps
Ecosystem Intactness	Biodiversity Intactness Index (BII)
	Global Biodiversity Information Facility (GBIF)



Note : Application of the aforementioned map data will be comprehensively presented in the 2025 TNFD Report.



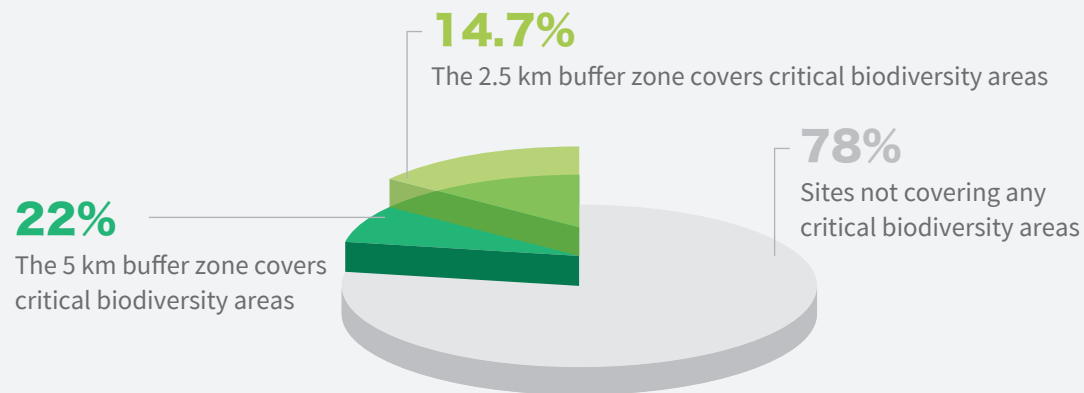
**STEP 03**

Obtain the result of identified priority locations

Set the value chain’s critical factory sites and the key biodiversity areas identified in Step 2 as priority locations as recommended by the TNFD standards so that the Company can conduct subsequent evaluations of the value chain’s dependencies and impacts.



**Identification results of value chain priority location**

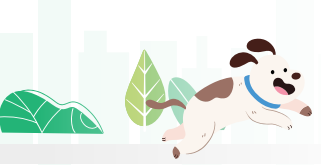


Note : The scope of analysis covers Chicony’s operation sites/bases and the top 50 major suppliers, for a total of 68 bases.

1. Chicony’s operation sites/bases encompass Chicony HQ and factories in various locations, including the HQ, CEM2, MR, CEM3, CEM5, CET, and CEZ.
2. The top 50 major suppliers were determined by sequencing the Company’s 84 Critical Suppliers from 2023 according to total procurement amount.

**3.4.3 Evaluate : Dependencies and Impacts**

Operations and development of enterprises and their value chains rely on the ecosystem services provided by the natural environment. However, the process of operations and development may also have positive or negative impacts on ecosystem services. By bringing positive impacts to the environment, enterprises and their value chains can enhance the reliability and efficiency of ecosystem services, and vice versa. In response to electronics industry’s long and complex value chains, in addition to identifying the suppliers on which Chicony has high dependency in the location analysis step, it is also necessary to carry out departmental-level analysis aligned with environmental assets and production system services so as to facilitate subsequent nature-related risk and opportunity analyses.



## Industry dependency and impact identification in value-chain-level

Chicony			Scale	Dependency					Impact					
				Supply services		Regulate and support services			Changes in the use of land/freshwater/seawater	Resource overconsumption	Climate change	Pollution	Invasive alien species and other issues	
				Energy	Substances	Flow regulation	Maintenance of physical, chemical and biological conditions	Mitigation of waste, toxic substances and other nuisances						
Packaging materials	Cradle to gate	Pulp and paper industry		VL	VH	M	L	L	L	VH	VH	VH	L	
	Manufacturing			VL	H	VL	VL	VL	VL	M	VH	H	VL	
Plastic parts	Cradle to gate	Manufacture of Fibers		VL	VH	H	L	M	L	VH	VH	VH	L	
	Manufacturing			VL	M	L	VL	L	VL	L	L	H	VL	
	Cradle to gate	Manufacture of Chemical Products		VL	VH	H	L	H	M	VH	VH	VH	M	
	Manufacturing			VL	L	L	VL	VL	VL	L	H	M	VL	
	Cradle to gate	Manufacture of Rubber Products		VL	VH	H	L	M	M	VH	VH	VH	M	
	Manufacturing			VL	L	L	VL	VL	VL	M	H	H	VL	
	Cradle to gate	Manufacture of Non-metallic Products		VL	VH	M	VL	M	VH	VH	VH	VH	VH	
	Manufacturing			VL	L	VL	VL	VL	M	L	H	M	L	
Metal parts	Cradle to gate	Manufacture of Basic Iron and Steel		VL	VH	H	L	L	L	VH	VH	VH	VH	
	Manufacturing			VL	L	L	VL	VL	VL	M	VH	H	L	
	Cradle to gate	Manufacture of Fabricated Metal Products		VL	VH	H	L	M	H	VH	VH	VH	VH	
	Manufacturing			VL	L	L	VL	VL	L	M	VH	H	L	
電子零組件	Cradle to gate	Manufacture of Machinery		VL	H	M	VL	L	VL	H	VH	VH	H	
	Manufacturing			VL	L	VL	VL	VL	VL	L	M	H	L	
	Cradle to gate	Manufacture of Computer /Electronic/Optical		VL	H	VL	VL	L	VL	L	M	VH	M	
	Manufacturing			VL	L	VL	VL	VL	VL	VL	VL	M	L	
Chicony	Manufacturing	Manufacture of Computer /Electronic/Optical		VL	L	VL	VL	VL	VL	VL	VL	M	L	
Downstream	Use-phase	Keyboard/mouse products		VL	L	VL	VL	VL	VL	VL	VL	VL	M	L
		Video imaging/camera products		VL	L	VL	VL	VL	VL	VL	VL	VL	M	L
		LED automotive lighting products		VL	L	L	VL	L	VL	L	H	H	L	
		Brand products		VL	VL	L	VL	VL	VL	VL	L	L	M	VL

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



By following TNFD recommendations and ENCORE database, the dependent ecosystem services and impact factors associated with Chicony’s value chain industries have been summarized. In order to trace value chain industries’ dependency and impact levels, the Company followed TNFD recommendations and used the EXIOBASE database to create an input-output model, through which the upstream industries were divided into two categories: Cradle to Gate and Manufacturing. Then, materiality analysis, hotspot mapping and sequencing were conducted based on procurement scale data. Results are listed as follows :

1 Dependencies

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

2 Impacts

- ① Pollution: water pollutants, soil pollutants, solid waste, and air pollutants
- ② Climate change: greenhouse gas emissions
- ③ Change in the usage of Land/freshwater/seawater : Land use
- ④ Resource overconsumption: water resource utilization

◦ Establishment of Dependency & Impact Pathways for Chicony Operating Activities

In order to understand the correlation between the dependencies and impacts with the Company, Chicony established dependency pathways and impact pathways for factory operations by referencing the Natural Capital Protocol and the TNFD Implementation Guide.

1 Dependency Pathway

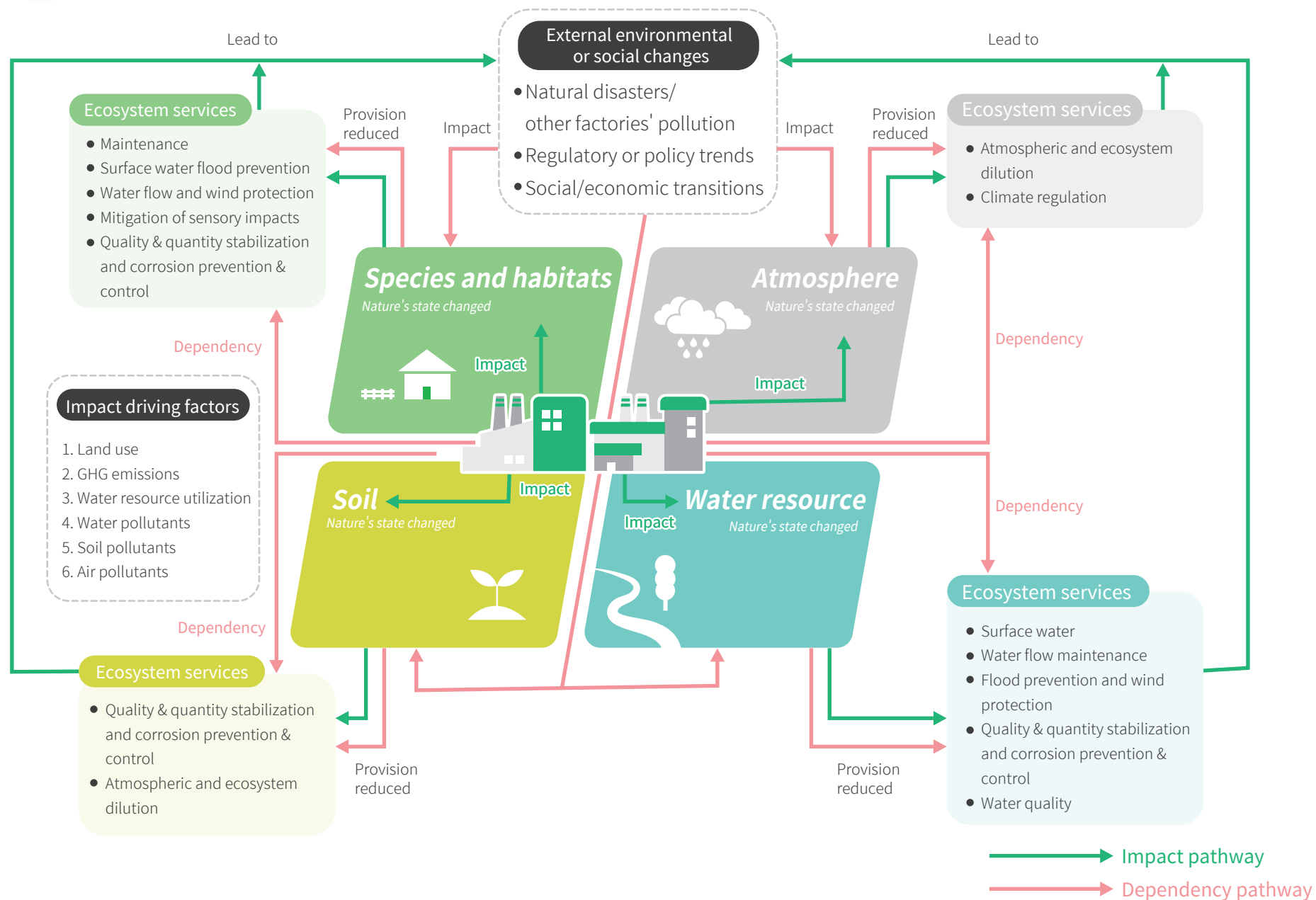
Potential external environmental or social changes may impact nature’s state, lead to changes in the ecosystem services that the Company relies on, and further affect Chicony’s operating activities.

2 Impact Pathway

The impact driving factors of Chicony’s operating activities may cause changes to nature’s state, lead to reduction or loss of ecosystem services, and further trigger external environmental or social changes.



### 03 Net-zero and Environmental Sustainability Strategies

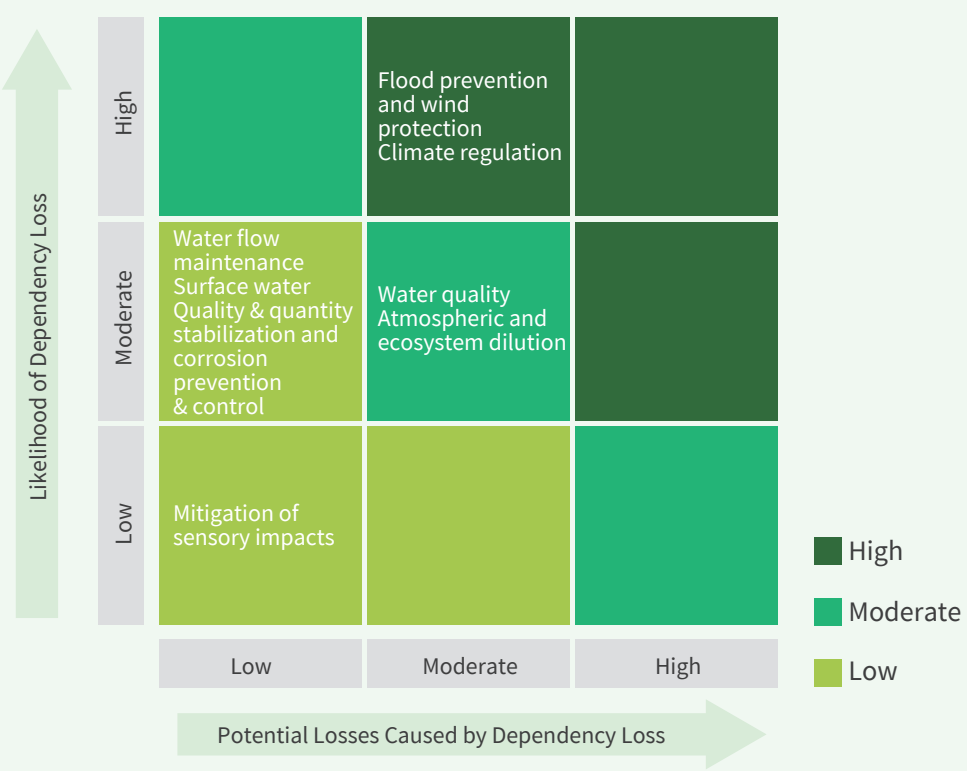




◦ Dependency and Impact Materiality Analysis

In consideration of the importance of ecosystem services and the impacts caused by external factors, the Company further evaluated the basis of the nature-related risks it faces to see if the risks will cause loss or disruption to ecosystem services, and further cause latent physical and material losses to the Company’s operations. For the ecosystem services on which Chicony has high dependency, as indicated in the evaluation results, monitoring indicators will be established to prevent the loss of relevant ecosystem services and the generation of further nature-related risks for the Company.

**Self-operations Dependency Material Matrix**

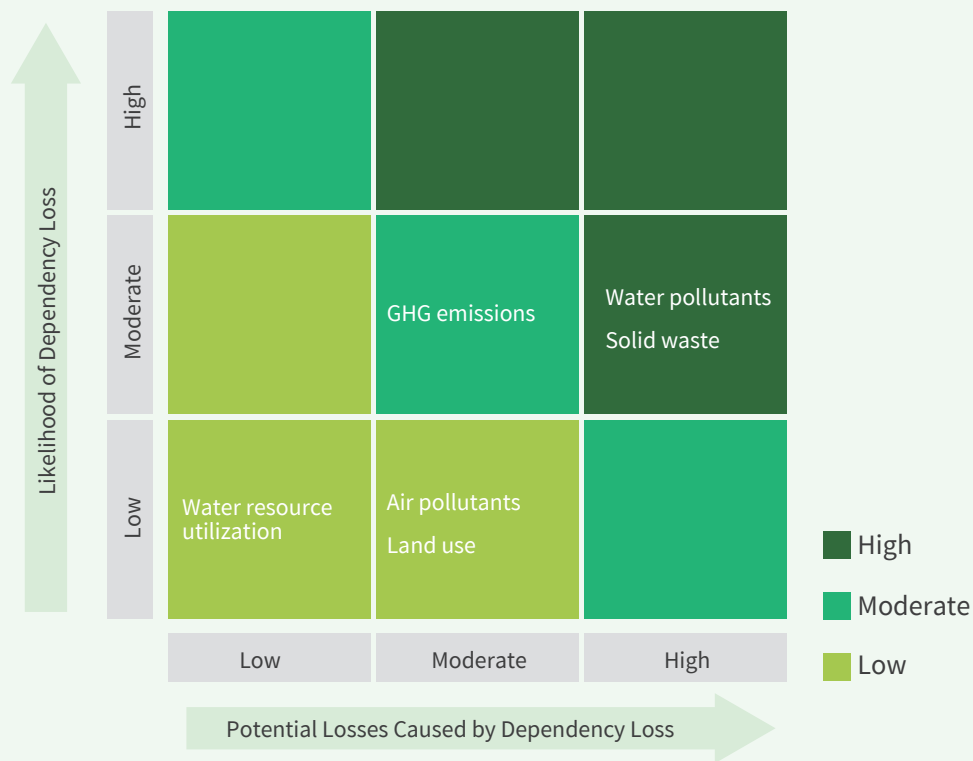


Evaluation Factor	Concrete Actions
Likelihood of Dependency Loss	Describe whether manufacturing process functionality will suffer any losses in the event that ecosystem services are disrupted, and incorporate the establishment of basic control measures into the scope of evaluation.
Potential Losses Caused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



By simulating the impact pathway, it was predicted that the impact driving factors will lead to ecosystem service reductions, affect society, and further impact the Company’s business operations. Therefore, by considering various evaluation factors together with internal and external stakeholders’ perspectives and the informational data identified through the ENCORE system, the material impact driving factors were identified. For moderate- and high-level impact driving factors, indicators and baselines will be formulated, based on which continuous monitoring will be carried out to reduce the impacts on natural capital.

### Self-operations Impact Material Matrix



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



With respect to land-use-related impact driving factors, the habitat quality model based on the software InVEST (Integrated Valuation of Ecosystem Services and Tradeoffs) recommended in the TNFD Implementation Guide was adopted to check whether the quality changes in critical species' habitats in areas where the Company's factories are located correlate with the Company's operating activities. Additionally, evaluations were conducted based on stakeholders' perspectives.

### Species of Concern and Focuses of Habitat Changes

	HQ	CET	CEZ
InVEST Model Analysis			
Management Perspective	High-level attention required	Low-level attention required	Moderate-level attention required
Stakeholder Perspective	Highly concerned	Moderately concerned	Highly concerned

From positioning analysis, we observed that the perimeter of some strongholds overlapped with important biodiversity areas. Through the InVEST model assessment, the areas of concern contained EN, VU, and NT species defined in the IUCN Red List. In addition, from the perspective of external stakeholders, value chain customers may increase their attention to the biodiversity of relevant sites. We will continue to track and pay attention to the changes in biodiversity and habitats at relevant sites.

#### Future Outlook

We established dependency and impact pathways for its operating activities and identified material ecosystem services and impact driving factors for the current year. The scope of evaluation will be extended to value chains next year, and scenario analysis will be adopted to identify nature-related risks and opportunities to complete the identification of material nature-related risks. The identification results will be integrated into the Company's overall risk management system and procedures to facilitate comprehensive risk management. Meanwhile, the Company will continue to develop collaboration plans to work with value chain partners or stakeholders in factories' surrounding areas to move toward the Company's goals of 'No Net Loss' and 'Net Positive Impact'.

# 04

Employee Relations and Care





Material Topics

Occupational health and safety management, talent development, education and training, employment, and human rights



Policy / Commitment

Employees are the cornerstone for a company’s continuous progress. To maintain a happy workplace and employees’ occupational health and safety, the Company strives to establish effective mechanisms and procedures to enhance employees’ happiness and safety.

1. Human Rights Policy: The policy places prioritized emphasis on labor rights and interests by supporting employees through practical actions, inviting employees to share in the Company’s achievements, and developing a work environment of diversity, equity, and inclusion.
2. Measures for the Management of Education and Training: Strengthens employees’ career competency and professional knowledge through a comprehensive education and training system, thereby enhancing the Company’s overall competitiveness.
3. Employee Retirement Guidelines: These guidelines express gratitude for employees’ dedication to the Company and help ensure that they maintain a certain standard of living after retirement.
4. Environmental Health and Safety Policy: Promotes occupational health and safety systems to create a safe and healthy workplace that ensures employee health and safety.



Action Plan

1. Continue to improve benefits measures and maintain salary competitiveness.
2. Continue to implement comprehensive education and training to enhance corporate competitiveness.
3. Continue to carry out occupational health and safety advocacy and training, and reinforce environmental safety to ensure employee safety.



Stakeholder Engagement Actions and Results

1. The average and median employee salary remained among the top three in the industry in 2023.
2. The 2023 employee turnover rate dropped by nearly 32% compared to 2022.
3. The number of occupational accidents involving employees in 2023 decreased by 3 compared to 2022.



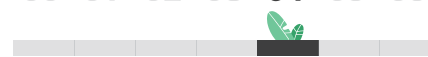
Tracking Mechanism

1. Conduct monthly HR meetings to keep track of various human resources data.
2. Identify human rights risks and regularly track the results achieved through mitigation and adaptation measures.
3. Carry out Chicony’s human rights commitments and action guidelines through education and training as well as reporting/whistleblowing and complaint/grievance mechanisms.
4. Establish management procedures that comply with the ISO 45001 Occupational Health and Safety Management System; the Headquarters and major production bases obtain relevant certification every year.



Authority

Office of Human Resources, Office of Industrial Safety & Health, and Health Center



### Medium- / Long-term

Target

- The average and median employee salary remain among the top three in the industry
- Turnover rate outperforms the industry average
- No reports or complaints related to human rights violations

### 2024

Target

- The average and median employee salary remain among the top three in the industry
- Turnover rate continues to decrease
- No reports or complaints related to human rights violations

### 2023

Target

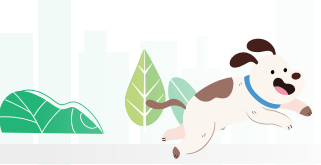
- ✓ The average and median employee salary remain among the top three in the industry
- ✓ Turnover rate continues to decrease
- ✓ No reports or complaints related to human rights violations



## 4.1 Human Resources Structure and Human Rights Protection

### 4.1.1 Human Resources Structure

Chicony had a total of 18,575 full-time and part-time employees worldwide as of the end of 2023. The percentage of female employees was 57.48%, and the percentage of female managerial personnel was 16%, indicating an increase of 1.43% compared to 2022. As a company in the electronic parts and components industry, the Headquarters' staff is primarily R&D and managerial personnel, with male employees accounting for a higher percentage of the overall human resources. As for the factories, to maintain production line operations, female employees account for a higher percentage of the overall human resources. Chicony's human resources structure has been trending younger, with employees aged 50 and younger accounting for more than 90% of the overall manpower on average.

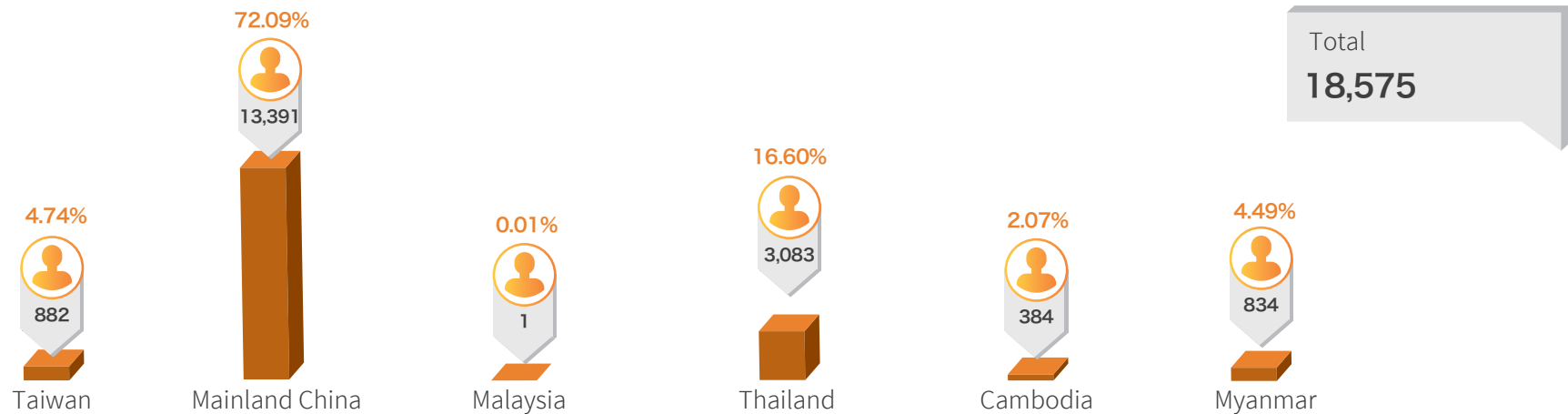


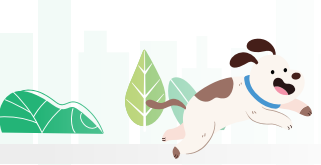
**2020-2023 Human Resources Structure**

	2020		2021		2022		2023	
Male	7,504	44.00%	7,407	43.83%	7,030	42.77%	7,899	42.52%
Female	9,552	56.00%	9,509	56.27%	9,406	57.22%	10,675	57.47%
Others	0	-	0	-	1	0.01%	1	0.01%
F:M	0.79		0.78		0.75		0.74	
Total	17,056		16,899		16,437		18,575	
Percentage of employees with disabilities (%) (Taiwan)	7	0.04%	7	0.04%	7	0.04%	7	0.04%
Percentage of employees with disabilities (%) (Overseas)	26	0.15%	26	0.15%	32	0.19%	112	0.60%

Note : 1. Regarding the F:M ratio, F includes female and other gender identities.  
 2. The definition of employees with disabilities reaffirmed in 2023 to make the data more accurate.

**Employees' Nationalities in 2023**





 **Management Positions Structure**

	2020		2021		2022		2023	
	Number	Ratio	Number	Ratio	Number	Ratio	Number	Ratio
Male	378	86.30%	392	87.11%	393	85.43%	420	84%
Female	60	13.70%	58	12.89%	67	14.57%	80	16%
F:M	0.15 : 1		0.15 : 1		0.17 : 1		0.19 : 1	
Total	438		450		460		500	

Note : According to the Company’s Articles of Incorporation, top management including supervisory personnel with a rank of assistant general manager or higher, and managerial personnel with a rank of deputy manager or higher.

 **Management Positions Structure in 2023**

	Junior Management		Middle Management		Top Management	
	Number	Ratio	Number	Ratio	Number	Ratio
Male	279	82.5%	93	84.5%	48	92.3%
Female	59	17.5%	17	15.5%	4	7.7%
Total	338	67.6%	110	22%	52	10.4%

Note : Top management: assistant general manager or higher; Middle management: director-level managers; Junior management: manager- or deputy manager-level.



 **Human Resources Structure in 2023**

		HQ		CEM2		MR		CEM3		CEM5		CET		Total	
Nationals	Male	538	68.80%	538	53.59%	1,371	45.02%	3,579	49.36%	734	34.01%	684	15.78%	7,444	40.08%
	Female	242	30.95%	454	45.22%	1,662	54.58%	3,628	50.03%	1,414	65.52%	2,398	55.32%	9,798	52.75%
	Other	1	0.13%	0	-	0	-	0	-	0	-	0	-	1	0.01%
Foreign nationals	Male	0	-	12	1.20%	12	0.39%	43	0.59%	10	0.46%	378	8.72%	455	2.45%
	Female	1	0.13%	0	-	0	-	1	0.01%	0	-	875	20.18%	877	4.72%
Non-fixed term contract personnel (Permanent employees)	Male	532	68.03%	335	33.37%	506	16.62%	299	4.12%	197	9.13%	999	23.04%	2,868	15.44%
	Female	238	30.43%	233	23.21%	561	18.42%	142	1.96%	348	16.13%	2,811	64.84%	4,333	23.33%
	Other	1	0.13%	0	-	0	-	0	-	0	-	0	-	1	0.01%
Fixed term contract personnel (Temporary employees)	Male	5	0.64%	215	21.41%	877	28.80%	3,323	45.83%	547	25.35%	63	1.45%	5,030	27.08%
	Female	4	0.51%	221	22.01%	1,101	36.16%	3,487	48.09%	1,066	49.40%	461	10.63%	6,340	34.13%
Casual employee	Male	1	0.13%	0	-	0	-	0	-	0	-	0	-	1	0.01%
	Female	1	0.13%	0	-	0	-	0	-	0	-	1	0.02%	2	0.01%
Full-time employees (Formal employees)	Male	538	68.80%	550	54.78%	1,383	45.42%	3,622	49.95%	744	34.48%	1,062	24.50%	7,899	42.52%
	Female	243	31.07%	454	45.22%	1,662	54.58%	3,629	50.05%	1,414	65.52%	3,273	75.50%	10,675	57.47%
	Other	1	0.13%	0	-	0	-	0	-	0	-	0	-	1	0.01%
Part-time employees (Informal employees)	Male	0	-	0	-	0	-	0	-	0	-	0	-	0	-
	Female	0	-	0	-	0	-	0	-	0	-	0	-	0	-
Age structure	<30	63	8.06%	168	16.73%	547	17.96%	2,677	36.92%	823	38.14%	3,010	69.43%	7,288	39.24%
	30-50	555	70.97%	743	74.00%	2,182	71.66%	4,465	61.58%	1,292	59.87%	1,298	29.94%	10,535	56.72%
	>50	164	20.97%	93	9.26%	316	10.38%	109	1.50%	43	1.99%	27	0.62%	752	4.05%
<b>Total</b>		<b>782</b>		<b>1,004</b>		<b>3,045</b>		<b>7,251</b>		<b>2,158</b>		<b>4,335</b>		<b>18,575</b>	

Note : Data as of the end of the year.



### 4.1.2 Personnel Recruitment

Chicony recruits excellent talent from different places through various channels based on the Company’s operational strategies and employees’ career development plans. These channels include industry–academia training programs jointly provided by the Company and colleges/universities, collaborative internship programs, and employment promotion programs launched by the government.



#### Recruitment Approaches

##### Recruitment mechanisms



The Headquarters’ Office of Human Resources takes full charge of talent deployment and annual human resources planning based on business bases’ local laws and various departments’ needs. It publicizes job vacancy information through multiple recruitment channels, including 104 Job Bank, 1111 Job Bank, etc. to carry out recruitment and relevant review tasks.

##### Job transfer/reassignment

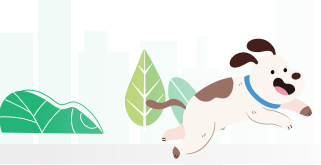


Based on suggestions proposed by unit supervisors and the human resources department, after supervisors obtain employees’ consent, the human resources department fills out the Application Form for Change in Position Designation, which is signed and confirmed by the employees’ supervisors before and after reassignment.

##### Resignation/unpaid leave mechanisms



1. Give notice of resignation or unpaid-leave suspension within the announcement period as required by various business bases’ local laws.
2. Business bases’ human resources departments assist in conducting exit (resignation) interviews to grasp the reasons for employees’ resignation and assess the possibility of retention.
3. Designate substitutes for vacant positions to ensure that personnel’s resignation or unpaid-leave will not significantly impact the Company’s operations.



### Number and Percentage of New Employees in 2023

		HQ	CEM2	MR	CEM3	CEM5	CET	Total
Gender	Male	34	159	1,551	9,968	788	292	12,792
	Female	15	63	1,630	8,934	826	1422	12,890
Age	<30	24	151	1,002	11,076	1,140	1424	14,817
	30-50	20	71	1,962	7,824	474	289	10,640
	>50	2	0	217	2	0	1	222
Total		49	222	3,181	18,902	1,614	1,714	25,682
New employee hiring rate		6.27%	22.11%	104.47%	260.68%	74.79%	39.54%	138.26%

Note : 1. The number of new employees refers to the number of the Company’s newly recruited formal employees.  
 2. Percentage of new employees = Number of new employees ÷ Total number of employees



### New Employee Turnover in 2023

		HQ	CEM2	MR	CEM3	CEM5	CET	Total
New Employees		49	222	3,181	18,902	1,614	1,714	25,682
Number of New Employee Turnover	Male	1	136	1,062	7,073	416	110	8,798
	Female	1	44	833	5,650	349	725	7,602
	<30	0	128	688	8,040	555	707	10,118
	30-50	2	52	1,095	4,682	210	128	6,169
	>50	0	0	112	1	0	0	113
Total		2	180	1,895	12,723	765	835	16,400
New Employee Turnover		4.08%	81.08%	59.57%	67.31%	47.40%	48.72%	63.86%

Note : New employee turnover = Total number of job-leaving new employees ÷ Number of new employees



 **Employee Turnover in 2023**

		HQ	CEM2	MR	CEM3	CEM5	CET	Total
Gender	Male	41	454	1,011	9,173	683	607	11,969
	Female	15	271	923	7,805	734	1,972	11,720
Age	<30	6	411	680	10,207	940	1,952	14,196
	30-50	43	300	1,142	6,734	460	619	9,298
	>50	7	14	112	37	17	8	195
Total		56	725	1,934	16,978	1,417	2,579	23,689
Turnover		7.16%	72.21%	63.51%	234.15%	65.66%	59.49%	127.53%

Note : 1. The number of job-leaving employees refers to the number of the Company’s job-leaving formal employees.  
 2. Turnover = Number of job-leaving employees ÷ Total number of employees

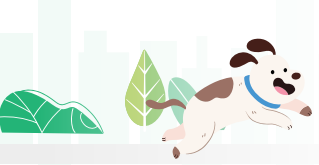
**4.1.3 Unpaid Parental Leave**

Chicony provides substantive care and assistance including unpaid leave arrangements and relevant benefits/subsidies to employees who need to take care of their children. It is hoped that through comprehensive employee care mechanisms, employees who need to look after their children can take care of their family while keeping their jobs. In 2023, a total of six employees applied for unpaid parental leave, and the work resumption rate was 100%, showing a significant increase of 29% compared with 2022.

 **Statistics of 2020-2023 Employee Unpaid Parental Leave**

	2020			2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Entitled to Parental Leave	57	31	88	53	21	74	54	17	71	58	22	80
Number Applied	1	5	6	2	5	7	0	3	3	2	4	6
Number Should Returned	0	6	6	3	6	9	0	1	1	2	3	5
Number Returned	0	4	4	2	5	7	0	1	1	2	3	5
Return Rate	-	67%	67%	67%	83%	78%	0%	100%	100%	0%	100%	100%
Returned over One Year	0	3	3	0	4	4	1	4	5	0	1	1
Retention Rate	-	60%	60%	0%	100%	100%	50%	80%	71%	0%	100%	100%

Note : 1. Return Rate = Number Returned ÷ Number Should Return  
 2. Retention Rate = Returned over 1 Year ÷ Number Returned Last Year

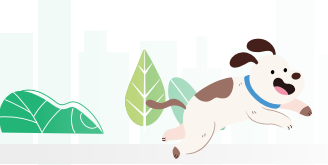


#### **4.1.4 Human Rights Policy**

Chicony has employees all over the world. Creating a healthy environment for employees to work and providing employees with comprehensive care are the goals of our efforts. The Company respects and follows the Universal Declaration of Human Rights, the United Nations Global Compact, the UN Guiding Principles for Business and Human Rights, and the fundamental conventions of the International Labor Organization. On this basis, the Company formulated the Chicony Electronics Human Rights Policy, which was signed by the Chairman in 2020, undertaking that the Company shall not determine employees' employment retention, salary and benefits provision, performance appraisal, and job promotion on the basis of race, gender, age, belief, or political affiliation. Prompt adjustments will be made in response to amendments to laws and regulations to ensure the equality of employees' labor rights.

The Company completed its initial employee human rights advocacy and due diligence assessment of the Headquarters and major production bases in 2021. Additionally, in the process of supplier reviews, suppliers' human rights risk assessments have been conducted based on RBA standards, and practical mitigation measures have been taken to continuously advocate and supervise human rights performance among supply chain partners. Human rights policy advocacy and related courses were conducted for all employees in 2023.

It is hoped that by practicing the spirit and principles of the human rights policy, Chicony can create a fair, non-discriminatory, safe and healthy workplace and work environment where all employees (including permanent employees, contract employees, trainees/interns, and disadvantaged workers) can be treated with dignity, respect, and fairness, and enjoy a sense of belonging in an environment of health, safety, and inclusion. No complaints or incidents involving human rights violations occurred in 2023.



- Human Rights Risk Identification and Mitigation Measures

The Company performs human rights due diligence on an irregular basis through the identification of potential human rights risk issues and risk assessments, and the formulation and implementation of risk mitigation and remedial measures based on assessment results to reduce impacts and fulfill its human rights commitment. The due diligence procedures are as follows :

**STEP 01** Identify potential human rights risk issues

Describe human-rights-related risks based on RBA audit rules, and identify material human rights issues.

**STEP 02** Conduct risk assessments

Conduct self-assessments of risks based on RBA review rules.

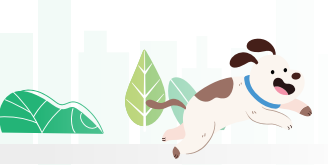
**STEP 03** Formulate risk mitigation or remedial measures

Formulate risk mitigation or remedial measures and carry out corrective action plans based on implementation results for continuous improvement and tracking.



Human Rights Risk Identification Results

Risk Issue	Mitigation Measures	Remedial Measures	Objectives	2023 Implementation Results
Diversity in employment and non-discrimination in the workplace	<ol style="list-style-type: none"> <li>1. Formulate Human Rights Policy and Employment Management Measures to ensure diversity in employment and non-discrimination during the recruitment process.</li> <li>2. Encourage all business units to employ diverse talents from different ethnic groups.</li> <li>3. Promote and carry out the recruitment of employees with disabilities.</li> <li>4. Build a barrier-free and friendly work environment.</li> </ol>	<ol style="list-style-type: none"> <li>1. Provide training on interview guidelines for all unit heads, and emphasize that questions involving discrimination or non-work-related issues cannot be asked.</li> </ol>	<ol style="list-style-type: none"> <li>1. Diversity in employment Provide equal</li> <li>2. opportunity in the workplace Increase the total number of employees with disabilities year by year</li> </ol>	<ol style="list-style-type: none"> <li>1. The female employment rate was roughly the same as that of the previous year.</li> <li>2. The percentage of female managerial personnel increased by 1.43% compared with 2022.</li> <li>3. The number of employees with disabilities increased by 80.</li> </ol>
Forced labor and child labor prohibition	<ol style="list-style-type: none"> <li>1. Precisely confirm new employees' identities</li> <li>2. Convey the Company's employment requirements to labor agencies, suppliers, etc.</li> <li>3. Reinforce employee human rights management and concern for employees of all nationalities.</li> </ol>	<ol style="list-style-type: none"> <li>1. New employees are required to provide their identity documents for verification on the first day at work.</li> <li>2. HR systems set up foolproof mechanisms to give alerts and stop file creation if a new employee is not of legal working age.</li> <li>3. Supplier investigations are conducted every year to ensure suppliers' precise implementation of zero-child-labor recruitment procedures.</li> <li>4. Zero-fee recruitment: Optimize the recruitment process and management procedures, and carry out the zero-fee policy</li> </ol>	<ol style="list-style-type: none"> <li>1. Prohibition on the recruitment of child labor</li> <li>2. Prohibition on involuntary labor Zero-fee recruitment</li> </ol>	<ol style="list-style-type: none"> <li>1. No instances of forced labor or child labor occurred in 2023.</li> </ol>



Risk Issue	Mitigation Measures	Remedial Measures	Objectives	2023 Implementation Results
Working hours	<ol style="list-style-type: none"> <li>1. Make production order forecasts in advance for reasonable overtime scheduling.</li> <li>2. Strengthen material management and control to reduce employee overtime.</li> </ol>	<ol style="list-style-type: none"> <li>1. Set up alerts and notifications in the attendance system.</li> <li>2. Review the statements of weekly overtime hours and working days.</li> <li>3. Cultivate employees' multitasking skills to balance employees' overtime hours and help employees to avoid working overtime.</li> </ol>	<ol style="list-style-type: none"> <li>1. Help employees achieve a work-life balance and maintain physical and mental health</li> </ol>	<ol style="list-style-type: none"> <li>1. The alerts and notifications of the attendance system achieved 100% accuracy.</li> <li>2. Tracking rate of employees working overtime reached 93%.</li> </ol>
Employee Health Management	<ol style="list-style-type: none"> <li>1. Encourage employees to take paid leave to achieve a work-life balance.</li> <li>2. Workplace wrongful harm investigation.</li> <li>3. Provide mental health guidance through printed literature and various channels to help employees manage stress and maintain physical and mental health.</li> </ol>	<ol style="list-style-type: none"> <li>1. Inventory high-risk impact factors and understand employees' current state.</li> <li>2. Conduct health assessment questionnaire surveys and implement regular tracking of employees with health problems.</li> </ol>	<ol style="list-style-type: none"> <li>1. Safe and healthy work environment</li> <li>2. Employee health management and promotion</li> </ol>	<ol style="list-style-type: none"> <li>1. The care and tracking rate of employees with high-risk health problems reached 83%.</li> </ol>

## 4.2 Cultivating and Developing Diversified Talents

### 4.2.1 Campus Visits - Industry-Academia Collaboration and Campus Recruitment

With the aim of cultivating potential talents, Chicony has collaborated with the Department of Electronic Engineering at Taipei University of Technology for several years to offer the Industry-Academia Collaboration Training Program, and it has collaborated with the Department of Mechanical Engineering at Ming Chi University of Technology since 2023 to promote off-campus internship programs. Through these programs, the Company selects suitable interns and places them in suitable job positions, in the hope that the interns will master their own skills during the internship and learn from permanent R&D personnel's competencies and expertise. Moreover, the interns can be familiarized with Chicony's culture and environment, making them an excellent source of potential future employees for the Company.



The Taipei University of Technology Industry–Academia Collaboration Training Program has been jointly carried out by the Workforce Development Agency of the Ministry of Labor, technical universities/colleges, and cooperative enterprises. The program integrates the university curriculum (freshman year to senior year of university) with skills training and verification implemented by the Workforce Development Agency of the Ministry of Labor (freshman year) and onsite work placements at cooperative enterprises (sophomore to junior year), enabling interns to collect high-level academic knowledge, verify their technical skills, and upgrade their capabilities while at their work placement companies. The Ming Chi University of Technology Off-campus Internship Program is a practical application of MCUT’s unique “sandwich teaching” educational philosophy, which allows students to acquire practical skills and flexibly utilize the knowledge learned from university classes through work placements or internships at companies, thereby enhancing students’ problem-solving skills and perseverance, and narrowing the gap between theories and practice.

Chicony also participates in key college/university campus job fairs held in March every year. In addition to increasing the Company’s recruitment presence, these events provide an opportunity for the Company to bridge the gap with students through face-to-face interaction, alleviate doubts through communication, and assist students in the early planning of their career roadmap by helping them understand relevant industry characteristics and different job options.



Taipei University of Technology Industry–Academia Collaboration Training Program - Interns’ Study Plan

Year	Planned Schedule
Freshman	Study at Taipei Tech Complete skills training and obtain certification through the Workforce Development Agency of the Ministry of Labor
Sophomore	Work placements at companies during the day (compulsory) Night and weekend classes at Taipei Tech
Junior	Work placements at companies during the day (compulsory) Night and weekend classes at Taipei Tech
Senior	Decide whether to continue the work placement based on interns’ performance, willingness, and companies’ needs. Interns can also prepare for further study or earn supplementary credits for graduation.



### Ming Chi University of Technology Off-campus Interns' Study Plan

Year	Planned Schedule
Freshman	Study at MCUT
Sophomore	Study at MCUT
Junior	Work placements at companies; no need to return to MCUT for study
Senior	Return to MCUT to complete credits

Note : As of 2023, the cumulative number of interns was 24.



▲ Personnel from the Department of Electronic Engineering at Taipei University of Technology visit interns at the Company



▲ CET's Management Department participates in a campus recruitment event held at Chulalongkorn University



▲ CET's Management Department participates in a campus recruitment event held at Chulalongkorn University

#### 4.2.2 Diversified Training Courses

The Company regards talent cultivation and development as the key to corporate competitiveness and has formulated the Measures for the Management of Education and Training to develop comprehensive education and training systems. The Office of Human Resources organizes various education and training courses every year in accordance with the Measures, and it proposes associated training plans in response to various departments' needs to assist employees in improving their professional and management skills and realizing self-growth.

The Company has established a learning blueprint with different modules based on employees' fields of expertise and positions to match up with the Company's operating goals, human rights policy, and sustainable development goals. Moreover, by integrating on-the-job training (OJT), job rotation, knowledge sharing, soft power cultivation, the Learning & Knowledge Network, and other arrangements, an academy of competitiveness for Chicony has been established in the hope that all employees can be skillful both in theory and practice and keep growing with the Company. Due to the COVID-19 pandemic, the number of yearly courses and new employee training sessions conducted by the Headquarters and factories in Mainland China decreased significantly in 2022, but returned to normal in 2023, reaching a total of 1,325,788 training hours, with the average per capita training hours reaching 71.37 hours/ 8.92 days.



### 1 New Employee Training

With the aim of helping new employees get to know Chicony quickly, reducing their feelings of unease, and assisting them in demonstrating professional capabilities as soon as possible, the Company provides new employee training sessions focused on the following three aspects.



Courses such as “Chicony Group Introduction”, “Introduction to the Personnel System”, and “Overview of the Company’s Benefits Policy” assist new employees in fitting in and adapting to the work environment at Chicony.



Courses such as “Explanation of the Chicony Building System”, “Overview of Chicony Building’s Internal Environment”, “Fire Safety and Fire Fighting Training”, and “Introduction to the Factory Environment” help new employees get familiar with their new environment and understand work environment safety.



Courses such as “Ethical Corporate Management Best Practice Principles” (including anti-collusion and prevention of conflicts of interest), “Advocacy of Human Rights Commitment”, and “Personal Data Protection Policy” help new employees understand the Company’s basic regulations and protection mechanisms.

### 2 Professional Competency Training

To help strengthen employees’ various professional skills, the Company has developed a range of professional courses and relevant license/certificate training programs along with a variety of general courses and thematic lectures. Chicony’s aim is to enhance employees’ overall knowledge, production capabilities, and core competitiveness through participation in professional and non-professional courses and lectures.



### Professional courses

The Company has designed and implemented on-the-job education and training courses for various professional fields, including “R&D Creativity Stimulation Techniques” for R&D personnel, “Business Presentation Skills” for business and sales personnel, “Project Management” for project management personnel, etc. A total of 4–7 courses have been designed for each field so that employees can upgrade their professional competencies and give full play to their strengths in their positions.



### Thematic lectures / workshops

The Company designs many thematic lectures/workshops with diverse content for employees, including lectures on laws and regulations, health lectures, and parent–child relationship workshops, etc. The diversity of speakers is also considered, and includes university professors, Internet celebrities, psychological counselors, etc., through which employees can gain new knowledge about work and life. Furthermore, topics such as “ESG Workshop”, “Sexual Harassment Prevention”, “Workplace Anti-Bullying”, etc. are also organized to strengthen Chicony’s implementation and advocacy of environmental sustainability protection and the human rights policy.



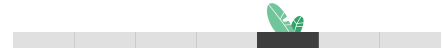
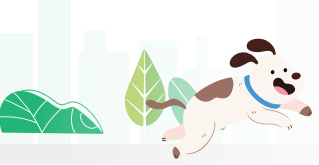
### General courses

The Company arranges a variety of general courses every year based on internal and external environments to help develop employees’ soft power and hard power, including “Language Training”, “Communication Skills”, “Emotion and EQ Management”, etc. Additionally, multiple sessions of “EHS Workshops”, “Fire Safety Training”, and “First Aid Training” are organized every year to ensure that employees are fully aware of the hygiene, safety, and health conditions of their work environment.



### Sustainable supply chain courses

Sustainable supply chain courses, such as RBA On-line e-Learning Academy courses and training sessions provided by customers’ suppliers, enhance the professional competencies of employees serving in relevant positions. Furthermore, these employees can share relevant regulations with the Company’s supply chain partners.



### 3 Management Capability Training

Managerial personnel of different ranks need to possess different competencies as required by the scope of their management and decision-making levels. Therefore, the Company has developed different on-the-job education and training to meet different competency requirements.

#### Top management

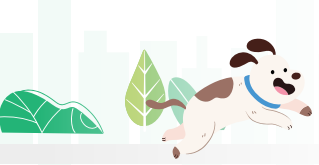
Cultivate personnel’s leadership, decision-making ability, and innovation skills through courses such as “Leadership Techniques”, “Systematic Thinking and Decision-making”, “Innovative Thinking and Creative Management”, etc.

#### Middle management

Cultivate personnel’s team management ability, subordinate cultivation ability and planning ability through courses such as “Personnel Selection and Interview Skills”, “Techniques to Guide and Motivate Subordinates”, “Discover and Solve Employees’ Problems”, etc.

#### Junior management

Cultivate personnel’s problem-solving skills, expression skills and instructional skills through courses such as “Problem Analysis and Solution”, “Expression and Presentation Skills”, “Instructional Techniques for Work”, etc.



#### 4 Successor Training

The Company has made long-term efforts in carrying out succession plans for important management positions through knowledge transfer, on-the-job training, job reassignment, etc. to cultivate successors with management and team leadership capabilities.

To conduct potential successors' management competency evaluation, the Company has established a digitized-information-based competency model that incorporates the suggested qualities and competencies required for various positions. A critical competency development blueprint has also been established. By conducting cross comparisons between potential successor candidates' evaluation results and the critical competency development blueprint, individualized learning blueprints can be developed for potential successor candidates. A total of 130 attendees participated in the training programs conducted during the second half of 2023, with the total training length reaching 775 hours.

The Company will continue to quantify the effectiveness of personnel development through regular competency evaluations and adjust individual development plans based on the demonstrated effectiveness; these methods will be combined with existing arrangements and planning such as knowledge transfer, on-the-job training, job reassignment, etc. to cultivate the management talents needed for the future.

#### ◦ Green Marketing

The Company initiated the Chicony Green Octagon project in 2023 to carry out comprehensive decarbonization measures through eight major aspects of the Company's operations. Realizing that employees can only jointly market Chicony and Chicony's products when they have a basic understanding of green and decarbonization issues, the Company requires every employee to receive an average of at least 0.5 hours of sustainability-related education and training per year through the "Green Marketing" aspect of the 8 Greens. The Headquarters is also required to hold at least two sustainability-related lectures every year to move toward a green future with all employees.



To achieve the aforementioned goals, in 2023, the Company collaborated with the Industrial Technology Research Institute (ITRI) on a net-zero course series. The course, totaling 47 hours, is jointly lectured by 15 top lecturers from Taiwan’s academia and industry, and will be held in early 2024 over 16 consecutive weeks. All Chicony Group factories and business departments are required to designate supervisor-level employees to attend the entire course. Through lectures, in-class discussions, and after-class tests, it is hoped that all supervisors will absorb the course’s net-zero knowledge and become net-zero seeds for their units to pave Chicony’s sustainability and net-zero path.

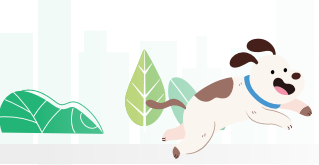
Furthermore, the Company initiated several projects in 2023, including the establishment of a carbon management platform, product carbon footprint inventory, TCFD/TNFD projects, etc., for which various types of sustainability-themed education and training sessions were offered to internal employees. A total of 262 attendees participated, for a combined 477 training hours.

 **Average Employee Training Hours**

	HQ				CEM2				MR				CEM3				CEM5				CET				Average	
	2022		2023		2022		2023		2022		2023		2022		2023		2022		2023		2022		2023		2022	2023
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female		
Middle, Top Management	1.6	3.2	10.6	8.2	71.0	0.0	3.2	0.0	0.0	-	0.0	-	0.4	0.0	0.4	0.0	6.4	-	0.4	-	0.0	0.0	0.0	-	3.8	7.5
Junior Management	7.5	13.8	12.9	10.5	23.6	0.0	6.9	-	4.3	16.5	3.6	16.5	10.6	10.8	0.3	0.0	1.6	3.0	1.3	2.0	0.3	0.0	33.2	32.5	9.0	11.2
R&D	5.9	5.1	4.7	3.6	0.0	-	-	-	19.4	14.0	4.8	4.6	39.2	11.1	84.1	95.7	1.6	0.8	1.9	1.2	0.0	-	1.0	-	12.2	27.5
Business/Sales	9.9	7.7	12.5	9.3	-	0.0	-	-	-	24.7	-	4.7	0.5	3.4	85.3	90.6	0.0	1.1	1.0	1.8	-	-	-	-	6.0	42.7
Production	-	-	-	-	17.8	70.4	15.9	17.1	21.9	27.5	23.2	20.5	19.0	20.7	306.4	45.1	10.9	4.3	6.0	3.9	28.0	5.9	3.7	4.2	17.9	75.8
Administration	13.5	10.2	9.3	6.8	1.3	9.6	42.4	66.8	30.9	26.4	2.7	2.6	43.3	66.9	79.1	85.2	6.1	1.9	1.3	1.9	2.6	1.8	2.6	3.9	25.7	37.0
Dedicated Personnel	10.2	11.3	4.5	0.5	14.5	11.5	8.0	8.0	12.8	0.0	16.0	-	19.1	43.7	23.0	70.7	24.0	-	16.0	-	14.5	11.5	12.0	12.0	16.7	14.4
<b>Total</b>	<b>5,702.1</b>		<b>6,731.4</b>		<b>57,948.0</b>		<b>20,049.0</b>		<b>45,102.0</b>		<b>63,845.0</b>		<b>113,458.0</b>		<b>1,206,950.0</b>		<b>12,291.0</b>		<b>9,689.0</b>		<b>57,788.0</b>		<b>18,524.0</b>		<b>6.5</b>	<b>71.4</b>

Note : 1. Due to a drop in the number of new employees, the total training hours at the CEM2, CEM5, and CET decreased.

2. Average training hours = total training hours ÷ number of employees at the end of the year



### 4.2.3 Work Performance Appraisal System

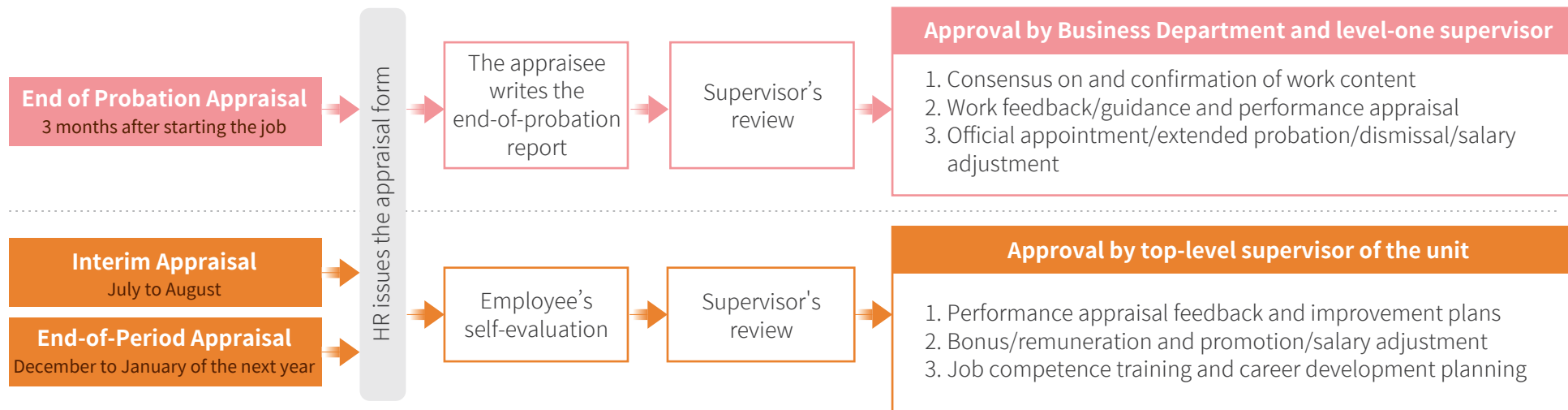
Chicony is committed to providing employees with fair promotion opportunities and clear career development pathways. The Company’s performance appraisal system is characterized by its objective performance criteria, fair appraisal process, reasonable appraisal results, and measures for continuous performance improvement. According to the appraisal system, supervisors regularly evaluate and give feedback on the actual work achievements of their subordinate employees. In addition to recognizing subordinates’ work performance, supervisors assist employees in their career development and provide suitable planning for employees with high potential.

With the aim of encouraging employees to seek excellence, the performance appraisal is focused on three aspects, which are common core items, management items, and professional items based on the employee’s employment tenure, position, and competency. The appraisal results are adopted as the principal reference for salary adjustment, bonus distribution, job transfer/reassignment, training and development planning, and work improvement. Through performance interviews, supervisors can have two-way communication with and give feedback to employees, which serves as preparation for the sustainable development and cultivation of talent.

Since 2022, the Company has incorporated ESG indicators as one of the employee performance appraisal considerations in the hope of encouraging employees to recognize the importance of ESG issues. The completion rate of formal employees’ work performance appraisal reached 100% in 2023. Chicony has also comprehensively promoted the use of the e-Appraisal system to enhance performance management efficiency, reduce manual operation and time costs, and promote paperless decarbonization actions.

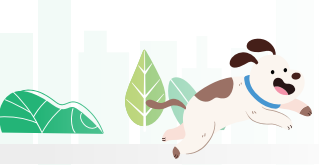


### Performance Appraisal System



### Performance Appraisal Items

Common core appraisal items	Management competency items	Professional competency items		
		General position	Business/sales	R&D
<ul style="list-style-type: none"> <li>• Creativity</li> <li>• Work/design quality</li> <li>• Goal setting and achievement</li> <li>• Effective communication &amp; teamwork</li> <li>• Support for company policies</li> <li>• Industrial health and safety, energy conservation and emission reduction (ESG)</li> <li>• Moral integrity</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and organizing ability</li> <li>• Problem analysis and solving ability</li> <li>• Ability for leadership development and successor plans</li> </ul>	Professional knowledge	Customer relationship	Professional knowledge
		<ul style="list-style-type: none"> <li>• Work efficiency</li> <li>• Willingness to work and attitude</li> <li>• Self-growth and learning indicators</li> </ul>		



### 4.3 Employee Remuneration and Benefits

#### 4.3.1 Employee Remuneration

Chicony’s employee remuneration policy is formulated by the human resources department by referencing peer companies’ remuneration levels; in accordance with the Company’s Human Rights Policy, the remuneration of all employees, both new hires and current workers, is determined irrespective of gender, race, political affiliation, ideology, religious beliefs, sexual orientation, or marital status, with consideration focused on the supply and demand of the labor market and the Company’s internal balance. The Company offers salaries that are higher than the minimum wage levels regulated by each base’s local regulations on the premise of ensuring a living wage for all employees. Individual employee salary levels are determined based on the Company’s organizational structure, the employee’s professional skills, duties, performance, and the Company’s operating status.

The Company’s remuneration system has been reviewed by the independent directors of the Remuneration Committee. The remuneration policy for directors and managers is also formulated in accordance with the regulations set by the Remuneration Committee, and has been approved by the Committee. (Please refer to section 1.2: Corporate Governance Framework for details)

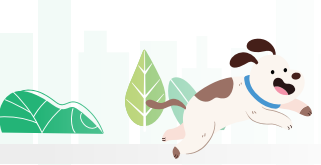


#### Remuneration Average and Median of Non-managerial Employees

Unit : NT\$

	2020	2021	2022	2023
Annual remuneration average	1,750,000	1,764,000	1,958,000	2,099,000
Annual remuneration median	1,516,000	1,482,000	1,676,000	1,808,000
Number of non-managerial full-time employees	790	788	773	821

Note : The scope of statistics is the data submitted in accordance with TWSE regulations. The term “non-managerial employees” adopted here refers to employees other than managers with a rank of assistant general manager or higher.



### Annual Total Compensation Ratio in 2023

Total Compensation of the Highest-paid Individual : Median Total Compensation for Other Employees	48 : 1
Percentage Increase in Total Compensation of the Highest-paid Individual : Median Percentage Increase in Total Compensation for Other Employees	0.56 : 1



### Annual Total Compensation Ratio in 2023

	2023
Deputy Manager and Above (Female : Male)	0.94 : 1
Other Employees (Female : Male)	0.85 : 1

- Note :
1. The ratios are obtained by comparing the basic salary of female employees with that of male employees of the same position and level, not including other bonuses or incentives.
  2. Scope of statistics: Employees in Taiwan.



### Salary Comparison to Market Level

	2023
Male Entry-level Salary : Minimum Wage	1.21 : 1
Female Entry-level Salary : Minimum Wage	1.21 : 1

- Note :
1. Scope of statistics: Employees in Taiwan.
  2. Data source of market-level wage: The basic minimum wage announced by the Directorate General of Budget, Accounting and Statistics

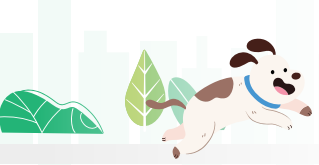
#### 4.3.2 Employee Benefits

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



### Employee Benefits

	Content
Festival Vouchers and Gifts	Vouchers and gifts are distributed based on the annual budget, and include Labor Day gift vouchers, Chinese New Year gift vouchers, Dragon Boat Festival gift vouchers or rice dumplings, Moon Festival gift vouchers or mooncakes, and birthday gift vouchers.
Employee Activities	<ol style="list-style-type: none"> <li>1. Sports activities: Fitness, table tennis, billiards, Chinese chess games, badminton, basketball games</li> <li>2. Charitable activities: Liver Disease Prevention &amp; Treatment Research Foundation activities, Orphan Welfare Foundation activities, and scholarship/guardian angel projects.</li> <li>3. Other activities encouraging communication and exchange: Work-commencement party after Chinese New Year, year-end banquet lucky prize draw activity, outdoor barbecue, and parent-child games/activities</li> </ol>
Employee Assistance Programs	Employee retirement plan, emergency assistance and condolences plan, and employee travel allowances
Employee Insurance	<ol style="list-style-type: none"> <li>1. Insurance: In addition to the mandatory labor/health insurance, the Company also provides group insurance, life insurance, hospital insurance, accident medical insurance, and cancer insurance, along with out-of-pocket programs for employees' family members (spouses, children, and parents).</li> <li>2. Group Insurance: For all employees; the insurance premium is paid by the corporate group.</li> </ol>
Incentive Measures for Having and Raising Children	For permanent employees who have worked at the Company for at least 1 year, a financial incentive of NT\$66,000 is offered for the birth of the second child; a financial incentive of NT\$88,000 is offered for the third child; and a financial incentive of NT\$128,000 is offered for the fourth child (and every child after the fourth). For couples working in the same Group, only one person can apply. This incentive program was launched in 2013; to date, the Company has received a total of 121 applications and distributed a total amount of NT\$8,378,000.
Seniors Employment/ Training and Planning for Retirees	In response to the government's Middle-aged and Elderly Employment Promotion Act, which aims to effectively enhance participation in the labor force by middle-aged and older adults, promote the re-employment of older adults, encourage intergenerational cooperation and experience transmission, and create a friendly workplace atmosphere for middle-aged and older adults, the Company has made plans for employees approaching retirement age to extend their work tenures. The application was first made available in February 2021, and as of 2023, there have been 11 eligible applicants.



### ◦ Retirement Systems

The Company has established retirement systems in compliance with local regulations to ensure that the pension system covers 100% of employees. For the amounts of annual pension allocations, please refer to the Company's Financial Report, Section 13: Pensions. With the exception of employees who chose to determine their benefits plans under the old pension system prior to July 1<sup>st</sup>, 2005, the new pension system is applicable to all other employees. The Headquarters has formulated the Employee Retirement Guidelines in accordance with the Labor Standards Act and the Labor Pension Act to serve as the basis for pension funds allocation and retirement benefits provision. The aforementioned Guidelines are applicable not only to the Headquarters and general employees but also to the President and all managers, and no additional resignation payment or retirement benefits are offered.

### 🔗 4.4 Employee Communication and Care

The Company has set up various communication channels for employees to understand the Company's real-time situation and express their opinions or concerns regarding their work and workplace.

1. Employee Mailbox: Receives and responds to employee grievances.
2. E-mail notifications: Informs employees of the Group's announcements and forwards letters from top management to employees.
3. Employee Communication Meeting: The meetings, which are mainly organized by the Administrative Management Department and jointly implemented by all related units, allow all employees to have a two-way conversation with top level managers.
4. Bulletin Board: Provides information about employee-related policies, health and safety, and corporate activities.
5. Consulting Room: Provides one-on-one consultation.
6. Labor Union and Labor-Management Meetings: Management representatives communicate with labor representatives on a quarterly basis.
7. Chicony Mailbox: The Audit Office is responsible for case investigation and review.
8. Management Procedures for the Prevention of Wrongful Harm During the Execution of Job Duties: The Office of Human Resources is responsible for case review and handling.
9. Management Regulations on Prevention Measures, Complaints, and Punishment for Workplace Sexual Harassment: The Office of Human Resources is responsible for grievance case acceptance, investigation, and review.



Employee communication at the Company’s CEM2, MR, CEM3, and CEM5 is primarily carried out through labor unions. Representatives are elected in accordance with the Regulations on the Fundamental Organizational Election Affairs of Labor Unions of the People’s Republic of China to hold regular internal meetings and facilitate employee communication.



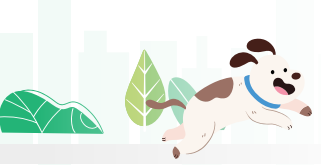
**Labor Union Operations in Various Factories**

	HQ	CEM2	MR	CEM3	CEM5	CET
Total number of employees	No labor union has been set; however, labor-management meetings are regularly convened and attended by five management representatives and five labor representatives.	1,150	3,033	7,209	2,001	No labor union has been set; however, Employee Welfare Committee meetings are regularly convened for employee communication
Number of committee representatives		69	15	11	13	

The Headquarters has formulated relevant administrative regulations to specify the benefits and interests of Headquarters employees. Labor-management meetings are held on a quarterly basis (four meetings were held in 2023) to confirm the implementation of labor benefits and related policies. In the event of significant operational changes, all employees are informed within the shortest notice period as required by various local laws and regulations.

The Company has set up the Chicony Mailbox (formerly known as the CEO’s Mailbox, renamed in 2022) to realize and promote the principles of Fairness, Honesty, Promise-keeping and Transparency, facilitating the anonymous disclosure of all dishonest acts and the subsequent handling thereof. The Chicony Mailbox is not only available for use by Chicony’s employees; this communication tool is open to all Chicony’s upstream/downstream partner firms, directors, shareholders, and other stakeholders, enabling them to directly convey information concerning any wrongful acts or violations to the Company’s top management (e.g., the President).

The Company holds at least one advocacy meeting per year for each stakeholder group to promote the purpose and operational instructions of the Chicony Mailbox to employees at various factories. Chicony Mailbox advocacy meetings are also held at various production bases for employees of certain positions and all new employees. Participating employees receive an advocacy card after the meeting.



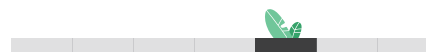
## 4.5 Workplace Health and Safety

### 4.5.1 Occupational Health and Safety Management System

With the aim of maintaining factory safety, a good work environment, and employee health, the Company has formulated the Environmental Health and Safety Policy to promote the implementation of occupational health and safety management systems and effectively manage and provide a work environment that prioritizes employee health and safety. The policy is also aimed at preventing occupational injuries/accidents, reducing workplace hazards and occupational diseases, and comprehensively examining and supervising work environment safety to comply with local government regulations and the Company’s policy requirements.

The Headquarters and all factories have established dedicated units to be responsible for the establishment of the ISO 45001 Occupational Health and Safety (OH&S) Management System. These units develop plans to pass the systems’ verification, supervise and offer suggestions for OH&S planning, and deliberate on OH&S-related issues to create a culture of health and safety that can continuously improve the Company’s OH&S performance. The goals to be achieved through the ISO 45001 OH&S Management System are as follows :

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 OH&S Management System, procedures, products, materials, organizational structures, etc. do not create new hazards or OH&S risks.
3. Promote safe operating (work) habits.
4. Obtain financial and operational benefits or advantages derived from OH&S performance improvements such as fewer lost days due to occupational injuries, reduced insurance premium rates, etc.



The scope of the OH&S Management System covers all employees, contractors, suppliers, interns, etc. Hazard identification, risk assessment, operational audit, accident investigation, and other related management items are implemented based on the content regulated by the OH&S Management System for various operations. In 2023, Chicony was not involved in any cases where workers died from occupational injuries or were judged to be ill with occupational diseases or to have suffered severe occupational injuries. The Company will continue to provide employees with a safe and worry-free work environment to achieve and maintain the goal of zero accidents in the workplace.

The major hazards and risks at the HQ and the various factories have been identified in accordance with the Procedures for Hazard Identification and Risk Assessment, revealing that occupational injuries are mainly caused by traffic accidents, being pressed, smashed, pricked, gashed, scratched, etc. For any occupational accidents occurring in factories, reporting and investigation is conducted in accordance with the Management Procedures for Accident Reporting and Investigation, with the aim of future improvement.

Other non-employed workers working at the Headquarters include contractors, property management personnel, and staff canteen personnel. The Company does not directly engage any dispatched labor.

**Statistics of Occupational Injuries and Accidents**

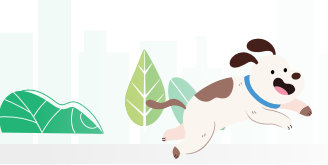
	Number of Cases	Percentage
Traffic	2	9%
Falling object	1	4%
Being caught/drawn in	2	9%
Being pressed/smashed	1	4%
Being pricked/gashed/scratched	7	30%
Fall (trip)	5	22%
Electric shock	2	9%
Contact with hazardous substances	1	4%
Other	2	9%
<b>Total</b>	<b>23</b>	<b>100%</b>

Note : Non-employee workers are not counted. Other work-related injuries include one case of fainting and death during a business trip and one case of transportation injury.

**Statistics of Occupational Injuries and Accidents**

	Number of Cases	Percentage
Taiwan	0	0%
Mainland China	14	61%
Thailand	9	39%
<b>Total</b>	<b>23</b>	<b>100%</b>

Note : Non-employee workers are not counted.



### Statistics of Occupational Injuries

	Taiwan			Mainland China			Thailand			Whole Company		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Occupational Injury Cases	0	0	0	18	21	14	3	5	9	21	26	23
Lost Days	0	0	0	934	677	724.5	4	16	2	938	693	726.5
Lost Time Incident Rate (LTIR)	0	0	0	0.55	0.70	0.49	0.44	0.44	0.95	0.51	0.61	0.58
Disabling Injury Severity Rate	0	0	0	28.64	22.68	25.48	0.59	1.41	0.21	22.93	16.23	18.34
Total Injury Severity Score	0	0	0	0.13	0.13	0.11	0.016	0.025	0.014	0.11	0.099	0.10
Absentee Rate % (AR %)	0.48%	0.50%	0.58%	0.45%	0.53%	0.49%	4.07%	0.0011%	11.51%	1.04%	0.39%	3.12%
Occupational Injury/ Disease Fatality Rate	0	0	0	0	0	0.035	0	0	0	0	0	0.025
Number of Occupational Diseases	0	0	0	0	0	0	0	0	0	0	0	0
Occupational Disease Rate (ODR)	0	0	0	0	0	0	0	0	0	0	0	0

- Note :
1. Lost Day: Loss of work days caused by occupational injuries.
  2. Lost Time Incident Rate (LTIR) = Occupational Injury Cases × 1,000,000 ÷ Total Work Hours.
  3. Lost Day Rate (LDR) = Lost Days × 1,000,000 ÷ Total Work Hours.
  4. Total Injury Severity Score = (LTIR × LDR/1000)<sup>(0.5)</sup>.
  5. Absentee Rate (AR) = Absentee Days ÷ Total Work Days (including sick leave, occupational injury leave, and menstrual leave)
  6. Occupational Injury/Disease Fatality Rate = Death Toll from Occupational Injuries/Diseases × 1,000,000 ÷ Total Work Hours.
  7. Occupational Disease Rate (ODR) = Total Number of People with Occupational Diseases × 1,000,000 ÷ Total Work Hours.



### 4.5.2 Education and Training on Occupational Health and Safety

The Safety Officer and Safety Staff System has been established at the Headquarters and major factories. The Headquarters' Industrial Health and Safety Division and each factory's management department conduct irregular work-site audits and offer reminders and suggestions for correction in a timely manner. The audit results are reviewed at monthly meetings. The audit scope covers employees, contractors, suppliers, interns, etc.

Through the control of high-risk safety factors in factories and the establishment of a safe production management framework that meets the minimum regulatory requirements, the Company has enhanced five safe production capabilities, including its safety risk identification and assessment capability; near-miss inspection, elimination, and prevention capability; advocacy, training, and education capability; daily protection and safeguarding capability; and anomaly handling and investigation capability.



#### Occupational Health and Safety Education and Training Items

Training Item	Participating Personnel
General environmental health and safety education and training	New employees
New employee education and training	New employees
Safety Staff Monthly Meeting	Safety Officer
On-the-job safety education (fire safety, chemicals)	All factory personnel
Plant area fire drills	All factory personnel
Education for outsourced contractors (concerning suppliers, chemicals, and canteen food)	Contractors
Professional personnel training: Including re-training for first-aid providers, forklift operators, supervisors in charge of organic solvent operations, and health and safety operation supervisors	Professional personnel
Fraud prevention, road safety, and water safety training	All factories



### 4.5.3 Comprehensive Employee Health Management

The Company firmly believes that employee health is an indispensable element of a company's success. To create a quality work environment, the Company has provided a full range of sports and recreation facilities at the Headquarters and major production bases, including a basketball court, Health Center, swimming pool, and spa. Additionally, various club activities are offered, including a yoga club, basketball club, and jogging club.

The Company has also established a comprehensive and thoughtful baby-care environment and unpaid parental leave measures to meet employees' needs. Physicians are invited to provide regular onsite services at the Headquarters' clinic. Basic health examinations are provided every 2 years for general employees, and comprehensive health checks are available for senior employees. Additionally, health-themed lectures and related activities are organized on an irregular basis, and visually impaired masseurs are appointed to offer massage services in spaces arranged by the Company. Massage services are provided 2 days a week for 36 employees, which assists visually impaired masseurs in giving full play to their professional skills, sustains their economic and living needs, and prevents them from being isolated from society.

The Company has established onsite clinics and consulting rooms at the Headquarters and major production bases and appointed medical and nursing personnel to provide health services for factories' full-time employees.



**1 Employee Health Management and Emergency Care**

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



**Number of Nursing Services (by month)**

	1	2	3	4	5	6	7	8	9	10	11	12	Total
Number of cases	22	45	68	53	56	75	48	58	40	52	82	71	670
Percentage	3.3%	6.7%	10.1%	7.9%	8.4%	11.2%	7.2%	8.7%	6.0%	7.8%	12.2%	10.6%	100%

Note : The scope of data covers the Headquarters.



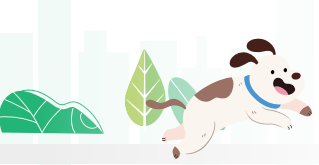
**Maternity Protection Services**

Item	Visits-counts	Percentage
Pregnancy	8	28.6%
Postpartum	10	35.7%
Breastfeeding	4	14.3%
Parental leave within 1 year after childbirth	6	21.4%
Total	28	100%

Note : The scope of data covers the HQ.

**2 Health Examination and Anomaly Grading and Tracking**

- (1) Take charge of annual workplace health examinations
- (2) Health status grading and tracking of 10 major health anomalies
- (3) On-site physician services and tracking consultation



### 3 On-site Physician Service and Infectious Disease Prevention

- (1) On-site physician services
- (2) Advocacy of workplace infectious disease prevention

Onsite services are available for all employees, including employees in need of maternity protection, employees with overload problems, employees with ergonomic (musculoskeletal) problems, employees diagnosed as ill after business trips, employees involved in traffic accidents while commuting to/from work, consultation for senior supervisors about their health examination reports, health examinations for new employees, and tracking/consultation services for employees with high-risk health problems (e.g., hypertension, diabetes, hyperlipidemia, and gout). On-site physician services achieved 91 visits in 2023.

### 4 Health Promotion Plans

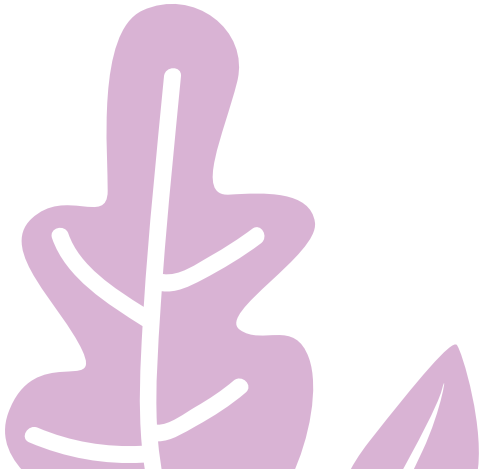
With the aim of encouraging employees to exercise and maintain their physical health, personnel scheduled for promotion are required to pass a physical fitness test. The five test items comprise a 1500 m run, a 500 m swim, push-ups, sit-ups, and 18 holes of golf, any two of which may be selected for testing. Those who are not tested or do not pass the tests within a specified timeframe are encouraged to continue their fitness training to maintain physical health.

The Company is active in building a comprehensive workplace exercise culture and encouraging employees to develop exercise habits to relieve various pressures encountered in life. To encourage employees to participate in exercise activities together, the President of the Company calls upon excellent road runners to join the annual road running event, which gives full play to their strengths while reinforcing cohesion within the Chicony team.

Chicony has been promoting workplace health activities and encouraging corporate sports culture over the years, and it obtained the Sports Enterprise Certification granted by the Sports Administration for the first time in 2021 (valid until 2024). The Sports Enterprise Certification allows the Company to receive free sports lectures and technology-based fitness testing services provided by the Sports Administration, which will facilitate employees' participation in fitness activities.

# 05

Social Feedback and Participation





## 5.1 Do One Thing for the Tamsui River Initiative - 2023 Wetland Event

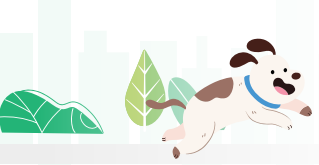
“Let’s go to Lujiaoxi Constructed Wetland and Protect the Water Environment Together!”

The annual “Do One Thing for the Tamsui River” initiative event has been organized by CommonWealth Magazine’s CSR@CommonWealth since its launch in 2019. This initiative is aimed at encouraging more people to pay attention to issues concerning the Tamsui River and participate in related actions. More than 400 companies have responded to the initiative so far, and Chicony is no exception. We met with other water-system companies and teachers from the Lujiaoxi Patrol Team on May 29, 2023. Through guided tours and onsite participation, our experience in this beautiful wetland inspired us to become guardians of the local environment and to coexist and grow with nature.

Lujiaoxi Wetland was formerly a landfill. After rehabilitation, it became a constructed wetland that treats 120,000 tons of urban wastewater every day, playing an important role in purifying the water of Dahan River. The wetland has become a habitat for hundreds of species, including birds, insects, fish, plants, and amphibians. We believe that participation in the event will not only help protect Tamsui River’s ecological environment, but will also introduce more people to this precious wetland, and encourage them to work together to preserve this treasure of nature.

Chicony will continue to support this campaign and pay attention to the issue of river pollution. As a responsible water-system citizen enterprise, we will actively participate in the public governance of the Tamsui river system to build a mutually beneficial habitat for creatures that live there. After signing to support the Tamsui River Convention in 2022, Chicony has continuously taken the following actions to fulfill its promise to “Do One Thing for the Tamsui River”:

- Reduce the use of disposable packaging materials, avoid excessive product packaging, and become a green supply chain member.
- Devotedly implement green procurement, including sustainable commodities, renewable electricity, and low-carbon products.



### 5.2 Care for the Disadvantaged

“Taking from society, giving back to society” is the fundamental principle behind Chicony’s ardent commitment to fulfill its social responsibilities. We take care of the disadvantaged and serve the society. While exploring opportunities for future development, we also actively participate in various charitable and public service activities. Moreover, we encourage employees to join hands with the Company to collectively fulfill corporate social responsibility, benefitting the community through various public welfare activities and forwarding kindness to those in need.

The Company continued its support for various domestic cultural development activities in 2023 by investing NT\$16 million in the TC-1 Culture Fund. Additionally, funds were regularly invested for art exhibitions at the Company’s Chicony Gallery (NT\$126,000), various activities (such as performance and equipment expenditure for year-end banquets and Family Day, totaling NT\$3,490,000), and donations.



#### Donations to Non-profit Organizations

Title of Organization	Total Amount (NT\$)
AAEON Foundation (Art Gallery Exhibition at Chicony Building)	7,889,000
New Taipei City Sanchong Xianse Temple Foundation	
Taiwan Ladies Professional Golf Association (TLPGA) – _ Sponsorship for 2023 Wistron Women’s Tennis Open	
Liver Disease Prevention & Treatment Research Foundation	
Taiwan Health Foundation	
Tzih Huai Social Welfare Foundation	
Tzu Gui Hepatobiliary Medicine Research Foundation	
NTNU and NTU EMBA Men’s Singers Concert— Vocal music scholarships and grants	
Others from abroad sites of Chicony	



Moreover, the Company’s employees have formed the People Caring Club, which integrates and optimally utilizes the Company’s resources to collaborate with external welfare organizations. Through the Club’s actions, Chicony can give back to society while expanding its social influence.



**People Caring Club Activities and Donations**

Activities and Donations		Participants	Total Amount (NT\$)
Charity sales activities	Chung Yi Social Welfare Foundation’s Charity Fair, Children Are Us Foundation, Joyce Meredith McMillan Foundation, Taiwan Association for Visually Impaired People, The First Social Welfare Foundation’s Ai-sing Development Center, Yu-Cheng Social Welfare Foundation Jixian Shelter Workshop, New Taipei Autism Association, and Hsinchu City Indigenous Association for the Disabled	525	980,219
Donations	Students assistance grants to Tzih Huai Social Welfare Foundation, supplies donations to Eden Social Welfare Foundation’s New Taipei City (Sanchong) Ai-yueh Center, and donations to Orphan Welfare Foundation’s LOVE ORPHAN Round-the-Island Cycling Event		
Supplies purchase/donation	Taiwan Fund for Children and Families (TFCF) Penghu Center, Garden of Hope Foundation’s Kaohsiung Resource Sharing Center, Chung Yi Social Welfare Foundation, National Yulin Special School’s Diaper Club, Orphan Welfare Foundation’s A Brave Step towards Career Project, Mennonite Social Welfare Foundation’s Eastern Taiwan Elder Care Project, Andrew Charity Association, Taitung Luanshan Classroom 530, Boyo Social Welfare Foundation, Garden of Mercy Foundation’s club, and Peace Foundation		
Other activities	Fundraising and charity sales for Orphan Welfare Foundation’s Mom and Cook Project		
	Orphan Welfare Foundation’s Mom and Cook event		
	Orphan Welfare Foundation’s visit to the Chicony Building		
	Orphan Welfare Foundation’s annual Angel Fundraiser and promotion for Parent–Child Day charity market		



▲ Moon Festival charity sale (at Chicony Building ground floor lobby)



▲ Orphan Welfare Foundation's visit to the Chicony Building



▲ Orphan Welfare Foundation's visit to the Chicony Building



▲ Chung Yi Social Welfare Foundation's Charity Fair



▲ Supplies donations to Andrew Charity Association

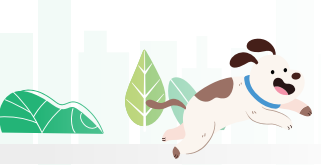


▲ Garden of Hope Foundation - donation of 19 boxes of supplies

# 06

Appendix





## 6.1 Material Topics Index

Material Topics	Value Chain Impact Assessment			Related GRI Standards	Management Guidelines and Related Information	
	Supply Chain	The Company	Customer		Corresponding Chapter	Page
Climate Strategies	●	●	●	GRI 305: Emissions 2016	3.1 Task Force on Climate-Related Financial Disclosures (TCFD)	71
Energy Management		●		GRI 302: Energy 2016	3.1.6 Energy Management	86
Waste Management	●	●		GRI 306: Waste 2020	3.3.1 Waste Management	95
Occupational Safety and Health	●	●		GRI 403: Occupational Health and Safety 2018	4.5.1 Occupational Health and Safety Management System	138
Human Rights & Employment	●	●		GRI 202: Market Presence 2016 GRI 401: Employment 2016 GRI 402: Labor/Management Relations 2016 GRI 406: Non-discrimination 2016 GRI 408: Child Labor 2016 GRI 409: Forced or Compulsory Labor 2016	4.1 Human Resources Structure and Human Rights Protection	112
Happy Workplace		●		GRI 202: Market Presence 2016 GRI 405: Diversity and Equal Opportunity 2016	4.2 Cultivating and Developing Diversified Talents	123
Employee Career Planning		●		GRI 404: Training and Education 2016	4.2 Cultivating and Developing Diversified Talents	123
Economic Performance	●	●	●	GRI 201: Economic Performance 2016 GRI 202: Market Presence 2016	1.1 Overview of Chicony	23
Risk Management	●	●	●	Self-set index : Risk Management Policy	1.4 Sound Risk Management	37



Material Topics	Value Chain Impact Assessment			Related GRI Standards	Management Guidelines and Related Information	
	Supply Chain	The Company	Customer		Corresponding Chapter	Page
Ethical Management	●	●	●	GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive Behavior 2016	1.5 Implementation of Ethical Management	39
Supply Chain Management	●	●	●	GRI 204: Procurement Practices 2016 GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016	2.2 Supply Chain Management	54
Customer Relationship Management		●	●	GRI 418: Customer Privacy 2016	1.6 Information Security Management	42
Water Resources Management	●	●		GRI 303: Water and Effluents 2018	3.2 Water Resources Management	90
Biodiversity	●	●	●	GRI 304: Biodiversity 2016	3.4 Biodiversity	99

Note : In addition to the original material topics, two voluntary disclosure topics – water resources management and biodiversity – have been added to the Report.

## 6.2 GRI Standards Index

Statement of use	Chicony has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	N/A



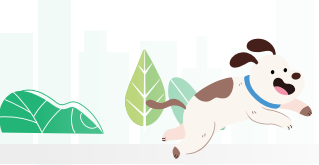
Disclosure		Chapters	Pages
<b>GRI 2 : General Disclosures 2021</b>			
<b>The organization and its reporting practices</b>			
2-1	Organizational details	About the Report	02
2-2	Entities included in the organization’s sustainability reporting	About the Report	02
2-3	Reporting period, frequency and contact point	About the Report	02
2-4	Restatements of information	About the Report	02
2-5	External assurance	About the Report	02
<b>Activities and workers</b>			
2-6	Activities, value chain and other business relationships	2.2.1 Supply Chain Composition	54
2-7	Employees	4.1.1 Human Resources Structure	112
2-8	Workers who are not employees	4.1.1 Human Resources Structure	112
<b>Governance</b>			
2-9	Governance structure and composition	1.2 Corporate Governance Framework	30
2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance Framework	30
2-11	Chair of the highest governance body	1.2 Corporate Governance Framework	30
2-12	Role of the highest governance body in overseeing the management of impacts	1.4 Sound Risk Management	37
2-13	Delegation of responsibility for managing impacts	1.4 Sound Risk Management	37
2-14	Role of the highest governance body in sustainability reporting	1.3 Sustainability Management System	34
2-15	Conflicts of interest	1.2 Corporate Governance Framework	30
2-16	Communication of critical concerns	1.4 Sound Risk Management	37
2-17	Collective knowledge of the highest governance body	1.2 Corporate Governance Framework	30
2-18	Evaluation of the performance of the highest governance body	1.2 Corporate Governance Framework	30
2-19	Remuneration policies	1.2 Corporate Governance Framework	30
2-20	Process to determine remuneration	1.2 Corporate Governance Framework	30
2-21	Annual total compensation ratio	4.3.1 Employee Remuneration	133



Disclosure		Chapters	Pages
<b>GRI 2 : General Disclosures 2021</b>			
Strategy, policies and practices			
2-22	Statement on sustainable development strategy	Chairman’s Message	04
2-23	Policy commitments	4.1.4 Human Rights Policy	119
2-24	Embedding policy commitments	1.5 Implementation of Ethical Management	39
2-25	Processes to remediate negative impacts	1.5 Implementation of Ethical Management	39
2-26	Mechanisms for seeking advice and raising concerns	1.5 Implementation of Ethical Management	39
2-27	Compliance with laws and regulations	1.4 Sound Risk Management	37
2-28	Membership associations	The Company holds memberships in 11 associations that comply with the standards recommended by this GRI index.	
Stakeholder engagement			
2-29	Approach to stakeholder engagement	Identification of Stakeholders and Material Topics	13
2-30	Collective bargaining agreements	4.4 Employee Communication and Care	136

## Material Topics

Disclosure		Chapters	Pages
<b>GRI 3 : Material Topics 2021</b>			
3-1	Process to determine material topics	Identification of Stakeholders and Material Topics	13
3-2	List of material topics	Identification of Stakeholders and Material Topics	13
3-3	Management of material topics	Identification of Stakeholders and Material Topics	13



Disclosure		Chapters	Pages
<b>Material Topic : Climate Strategies</b>			
<b>GRI 305 : Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	3.1.5 Disclosure of Greenhouse Gas Emissions	83
305-2	Energy indirect (Scope 2) GHG emissions	3.1.5 Disclosure of Greenhouse Gas Emissions	83
305-3	Other indirect (Scope 3) GHG emissions	3.1.5 Disclosure of Greenhouse Gas Emissions	83
305-4	GHG emissions intensity	3.1.5 Disclosure of Greenhouse Gas Emissions	83
305-5	Reduction of GHG emissions	3.1.5 Disclosure of Greenhouse Gas Emissions	83
305-6	Emissions of ozone-depleting substances (ODS)	No use of related substances.	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.3.2 Air Pollution Management	99
<b>Material Topic : Energy Management</b>			
<b>GRI 302 : Energy 2016</b>			
302-1	Energy consumption within the organization	3.1.6 Energy Management	86
302-2	Energy consumption outside of the organization	3.1.6 Energy Management	86
302-3	Energy intensity	3.1.6 Energy Management	86
302-4	Reduction of energy consumption	3.1.6 Energy Management	86
302-5	Reductions in energy requirements of products and services	3.1.6 Energy Management	86
<b>Material Topic : Waste Management</b>			
<b>GRI 306 : Waste 2020</b>			
306-1	Waste generation and significant waste-related impacts	3.3.1 Resource and Waste Management	95
306-2	Management of significant waste-related impacts	3.3.1 Resource and Waste Management	95
306-3	Waste generated	3.3.1 Resource and Waste Management	95
306-4	Waste diverted from disposal	3.3.1 Resource and Waste Management	95
306-5	Waste directed to disposal	3.3.1 Resource and Waste Management	95



Disclosure		Chapters	Pages
<b>Material Topic : Occupational Health and Safety</b>			
<b>GRI 403 : Occupational Health and Safety 2018</b>			
403-1	Occupational health and safety management system	4.5.1 Occupational Health and Safety Management System	138
403-2	Hazard identification, risk assessment, and incident investigation	4.5.1 Occupational Health and Safety Management System	138
403-3	Occupational health services	4.5.3 Comprehensive Employee Health Management	142
403-4	Worker participation, consultation, and communication on occupational health and safety	4.5.2 Education and Training on Occupational Health and Safety	141
403-5	Worker training on occupational health and safety	4.5.2 Education and Training on Occupational Health and Safety	141
403-6	Promotion of worker health	4.5.3 Comprehensive Employee Health Management	142
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.5.2 Education and Training on Occupational Health and Safety	141
403-8	Workers covered by an occupational health and safety management system	4.5.1 Occupational Health and Safety Management System	138
403-9	Work-related injuries	4.5.1 Occupational Health and Safety Management System	138
403-10	Work-related ill health	4.5.1 Occupational Health and Safety Management System	138
<b>Material Topic : Human Rights &amp; Employment</b>			
<b>GRI 202 : Market Presence 2016</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.3.1 Employee Remuneration	133
<b>GRI 401 : Employment 2016</b>			
401-1	New employee hires and employee turnover	4.1.2 Personnel Recruitment 4.2.1 Campus Visits - Industry–Academia Collaboration and Campus Recruitment	116 123
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3.2 Employee Benefits	134
401-3	Parental leave	4.1.3 Unpaid Parental Leave	118



Disclosure		Chapters	Pages
<b>Material Topic : Human Rights &amp; Employment</b>			
<b>GRI 402 : Labor/Management Relations 2016</b>			
402-1	Minimum notice periods regarding operational changes	The Company has given relevant notices in accordance with each base’s local regulations.	
<b>GRI 406 : Non-discrimination 2016</b>			
406-1	Incidents of discrimination and corrective actions taken	No occurrence of relevant incidents.	
<b>GRI 408 : Child Labor 2016</b>			
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.4 Human Rights Policy	119
<b>GRI 409 : Forced or Compulsory Labor 2016</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.4 Human Rights Policy	119
<b>Material Topic : Happy Workplace</b>			
<b>GRI 202 : Market Presence 2016</b>			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.3.1 Employee Remuneration	133
<b>GRI 405 : Diversity and Equal Opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	4.1.1 Human Resources Structure	112
405-2	Ratio of basic salary and remuneration of women to men	4.3.1 Employee Remuneration	133
<b>Material Topic : Employee Career Planning</b>			
<b>GRI 404 : Training and Education 2016</b>			
201-1	Direct economic value generated and distributed	1.1 Overview of Chicony	23



Disclosure		Chapters		Pages
<b>Material Topic : Employee Career Planning</b>				
<b>GRI 404 : Training and Education 2016</b>				
201-2	Financial implications and other risks and opportunities due to climate change	3.1.2 Assessment of Climate Change Risks and Opportunities		72
201-3	Defined benefit plan obligations and other retirement plans	4.3.2 Employee Benefits		134
201-4	Financial assistance received from government		Taiwan	Mainland China
			NT\$	CN¥
		Tax relief and tax credits	184,876,477	16,492,924
		Subsidies	2,531,403	7,216,960
		Investment, R&D, and other relevant types of grant	-	21,965,039
		Awards	-	12,805,852
		Total	187,407,880	58,580,775
The total amount received was NT\$444,805,947. No financial assistance has been received from governments in other regions.				
<b>GRI 202 : Market Presence 2016</b>				
202-2	Proportion of senior management hired from the local community	4.1.1 Human Resources Structure		112
<b>Material Topic : Risk Management</b>				
<b>Self-set Index</b>				
Self-set	Material Risk Identification and Management	1.4 Sound Risk Management		37
Self-set	Risk Management Mechanisms	1.4 Sound Risk Management		37



Disclosure		Chapters	Pages
<b>Material Topic : Ethical Management</b>			
<b>GRI 205 : Anti-corruption 2016</b>			
205-1	Operations assessed for risks related to corruption	1.5 Implementation of Ethical Management	39
205-2	Communication and training about anti-corruption policies and procedures	1.5 Implementation of Ethical Management	39
205-3	Confirmed incidents of corruption and actions taken	No occurrence of relevant incidents. (1.5)	
<b>GRI 206 : Anti-competitive Behavior 2016</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No occurrence of relevant incidents.	
<b>Material Topic : Supply Chain Management</b>			
<b>GRI 204 : Procurement Practices 2016</b>			
204-1	Proportion of spending on local suppliers	2.2.1 Supply Chain Composition	54
<b>GRI 308 : Supplier Environmental Assessment 2016</b>			
308-1	New suppliers that were screened using environmental criteria 7 Disclosure	2.2.2 Supply Chain Management	58
308-2	Negative environmental impacts in the supply chain and actions taken	2.2.2 Supply Chain Management	58
<b>GRI 414 : Supplier Social Assessment 2016</b>			
414-1	New suppliers that were screened using social criteria	2.2.2 Supply Chain Management	58
414-2	Negative social impacts in the supply chain and actions taken	2.2.2 Supply Chain Management	58
<b>Material Topic: Customer Relationship Management</b>			
<b>GRI 418: Customer Privacy 2016</b>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.6 Information Security Management	42



Disclosure		Chapters	Pages
<b>Voluntary Disclosure Topic : Water Resources Management</b>			
<b>GRI 303 : Water and Effluents 2018</b>			
303-1	Interactions with water as a shared resource	3.2.1 Water Risk Identification	91
303-2	Management of water discharge-related impacts	3.2.1 Water Risk Identification	91
303-3	Water withdrawal	3.2.1 Water Risk Identification	91
303-4	Water discharge	3.2.1 Water Risk Identification	91
303-5	Water consumption	3.2.1 Water Risk Identification	91
<b>Voluntary Disclosure Topic : Biodiversity</b>			
<b>GRI 304 : Biodiversity 2016</b>			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3.4.1 Biodiversity Policy and Initiatives	99
304-2	Significant impacts of activities, products and services on biodiversity	3.4.2 Locate the Interface with Nature (Locate)	100
304-3	Habitats protected or restored	3.4.2 Locate the Interface with Nature (Locate)	100
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	3.4.2 Locate the Interface with Nature (Locate)	100
<b>GRI 101 : Biodiversity 2024</b>			
101-1	Policies to halt and reverse biodiversity loss	3.4.1 Biodiversity Policy and Initiatives	99
101-2	Management of biodiversity impacts	3.4.3 Dependency & Impact Analysis (Evaluate)	102
101-3	Access and benefit-sharing	3.4.2 Locate the Interface with Nature (Locate)	100
101-4	Identification of biodiversity impacts	3.4.3 Evaluate Dependencies & Impacts (Evaluate)	102
101-5	Locations with biodiversity impacts	3.4.2 Locate the Interface with Nature (Locate)	100
101-6	Direct drivers of biodiversity loss	3.4.3 Evaluate Dependencies & Impacts (Evaluate)	102
101-7	Changes to the state of biodiversity	-	
101-8	Ecosystem services	-	



### 6.3 SASB Standards Index

Code	Metric	Chapters	Pages
<b>Sustainability Disclosure Topics &amp; Metrics</b>			
<b>Product Security</b>			
TC-HW-230a.1	Description of approach to identifying and addressing data security risks in products	1.6 Information Security Management	42
<b>Employee Diversity &amp; Inclusion</b>			
TC-HW-330a.1	Percentage of gender and racial/ethnic group representation for (1) management, (2) technical staff, and (3) all other employees	4.1.1 Human Resources Structure	112
<b>Product Lifecycle Management</b>			
TC-HW-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	2.1 Product Sustainable Design	50
TC-HW-410a.2	Percentage of eligible products, by revenue, meeting the requirements for EPEAT registration or equivalent	2.1 Product Sustainable Design	50
TC-HW-410a.3	Percentage of eligible products, by revenue, certified to an energy efficiency certification	2.1 Product Sustainable Design	50
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered; percentage recycled	3.3.1 Waste Management	95
<b>Supply Chain Management</b>			
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	2.2.2 Supply Chain Management	58
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	2.2.2 Supply Chain Management	58
<b>Materials Sourcing</b>			
TC-HW-440a.1	Description of the management of risks associated with the use of critical materials	2.2.2 Supply Chain Management	58

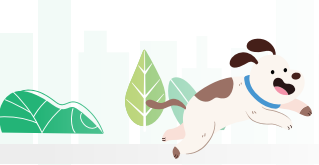


Code	Metric	Chapters	Pages
<b>Sustainability Disclosure Topics &amp; Metrics</b>			
<b>Activity Metrics</b>			
TC-HW-000.A	Number of units produced by product category	1.1 Overview of Chicony	23
TC-HW-000.B	Area of manufacturing facilities (quantitative)	About the Report	02
TC-HW-000.C	Percentage of production from owned facilities	1.1 Overview of Chicony	23

## 6.4 Tables of Domestic/International Sustainability Standards

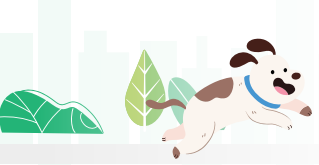
### Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Disclosures	Chapters
Chapter 1. General Principles	1. Company Overview and Corporate Governance
Chapter 2. Exercising Corporate Governance	1. Company Overview and Corporate Governance
Chapter 3. Fostering a Sustainable Environment	1. Company Overview and Corporate Governance
Chapter 4. Preserving Public Welfare	5. Social Feedback and Participation
Chapter 5. Enhancing Disclosure of Sustainable Development Information	Identification of Stakeholders and Material Topics 1. Company Overview and Corporate Governance
Chapter 6. Supplementary Provisions	1. Company Overview and Corporate Governance



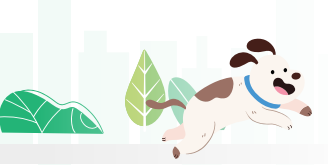
Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

Appendix 1-14 Sustainability Disclosure Indicators - Other Electronic Industries				
No.	Indicator	Indicator Type	Annual Disclosure	Unit
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	3.1.6 Energy Management	Gigajoules (GJ), percentage (%)
2	Total water withdrawn, total water consumption	Quantitative	3.2.1 Water Risk Identification	Thousand cubic meters (m <sup>3</sup> )
3	Total hazardous waste generated and percentage recycled	Quantitative	92.165 tonnes, 25.52%	Metric tons (t), percentage (%)
4	Types of, number of employees in and rate of occupational accidents	Quantitative	4.5.1 Occupational Health and Safety Management System	Percentage (%), quantity
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	2.1 Product Sustainable Design	Metric tons (t), percentage (%)
6	Description of the management of risks associated with the use of critical materials	Qualitative description	2.2.2 Supply Chain Management	Not applicable
7	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	No occurrence of relevant incidents.	Reporting currency
8	Production by product category	Quantitative	Please refer to the Company's Annual Shareholder Meeting Report.	Varies by product category



Appendix 2 Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.1.1 Climate Risk Management
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.1.2 Assessment of Climate Change Risks and Opportunities
3. Describe the financial impact of extreme weather events and transformative actions.	3.1.2 Assessment of Climate Change Risks and Opportunities
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1.1 Climate Risk Management
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	3.1.2 Assessment of Climate Change Risks and Opportunities
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	3.1.3 Climate Risk and Financial Impact Analysis
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	3.1.3 Climate Risk and Financial Impact Analysis
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.1.4 Net-zero Emission Actions and Strategies
9. Greenhouse gas inventory and assurance status.	6.5 GHG Inventory and Assurance Status



Guidance on Social Responsibility ISO 26000

Disclosures		Chapters
Organizational Governance	Decision-making processes and structures	1. Company Overview and Corporate Governance
Human Rights	Due diligence	4. Employee Relations and Care
	Human rights risk situations	
	Avoidance of complicity	
	Resolving grievances	
	Discrimination and vulnerable groups	
	Civil and political rights	
	Economic, social and cultural rights	
Labor Practices	Fundamental principles and rights at work	4. Employee Relations and Care
	Employment and employment relationships	
	Conditions of work and social protection	
	Social dialogue	
	Health and safety at work	
The Environment	Human development and training in the workplace	3. Net-zero and Climate Strategies
	Prevention of pollution	
	Sustainable resource use	
Fair Operating Practices	Climate change mitigation and adaptation	1. Company Overview and Corporate Governance
	Protection of the environment, biodiversity and restoration of natural habitats	
	Anti-corruption	
	Responsible political involvement	
	Fair competition	
Promoting social responsibility in the value chain		
Respect for property rights		



Disclosures		Chapters
Consumer Issues	Fair marketing, factual and unbiased information and fair contractual practices	1. Company Overview and Corporate Governance
	Protecting consumers' health and safety	
	Sustainable consumption	
	Consumer service, support, and complaint and dispute resolution	
	Consumer data protection and privacy	
	Access to essential services	
	Education and awareness	
Community Involvement and Development	Community involvement	4. Employee Relations and Care 5. Social Feedback and Participation
	Education and culture	
	Employment creation and skills development	
	Technology development and access	
	Wealth and income creation	
	Health	
	Social investment	

### 6.5 GHG Inventory and Assurance Status


Basic information of the company	Minimum required disclosure under the Sustainable Development Roadmap for TWSE/TPEX Listed Companies
<input type="checkbox"/> Capital of NT\$10 billion or more, iron and steel industry, or cement industry <input checked="" type="checkbox"/> Capital of NT\$5 billion or more but less than NT\$10 billion <input type="checkbox"/> Capital of less than NT\$5 billion	<input checked="" type="checkbox"/> Inventory for parent company only <input checked="" type="checkbox"/> Verification for parent company only <input checked="" type="checkbox"/> Inventory for all consolidated entities <input checked="" type="checkbox"/> Verification for all consolidated entities



Scope 1	Total Emission (Metric tons CO <sub>2</sub> e)	Intensity (CO <sub>2</sub> e/\$1,000)	Assurance body	Description of assurance status
Parent	6,830.7253	0.1567	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
Subsidiaries	2,722.0278	0.0497	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
<b>Total</b>	<b>9,552.7531</b>	<b>0.2064</b>		
Scope 2	Total Emission (Metric tons CO <sub>2</sub> e)	Intensity (CO <sub>2</sub> e/\$1,000)	Assurance body	Description of assurance status
Parent	52,057.5488	1.1941	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
Subsidiaries	33,575.3785	0.6135	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
<b>Total</b>	<b>85,632.9273</b>	<b>1.8076</b>		
Scope 3	Total Emission (Metric tons CO <sub>2</sub> e)	Intensity (CO <sub>2</sub> e/\$1,000)	Assurance body	Description of assurance status
Parent	626,870.6768	14.3791	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
Subsidiaries	20,699,310.0456	378.2323	SGS, CQC	Verification is conducted based on the ISO 14064-1 standards.
<b>Total</b>	<b>21,326,180.7223</b>	<b>392.6113</b>		



## 6.6 Assurance Statement



**INDEPENDENT ASSURANCE STATEMENT**

**To: The Stakeholders of CHICONY ELECTRONICS CO., LTD.**

**Introduction and objectives of work**

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

This information and its presentation in the CHICONY ELECTRONICS CO., LTD. 2023 Sustainability Report are the sole responsibility of the management of CHICONY ELECTRONICS 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 1 - AccountAbility Principles engaged. The scope of work included:

- Data and information included in CHICONY ELECTRONICS CO., LTD. 2023 Sustainability Report for the 1<sup>st</sup> January, 2023 to 31<sup>st</sup> December, 2023;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Accountability Principle (2018)<sup>1</sup>
  - 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 ELECTRONICS CO., LTD. ;

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



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2. Review of documentary evidence produced by CHICONY ELECTRONICS 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 ELECTRONICS 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 ELECTRONICS CO., LTD. 2023 Sustainability Report are accurate, reliable and free from material mistake or misstatement;
- The Report provides a fair representation of CHICONY ELECTRONICS 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 ELECTRONICS CO., LTD. 's performance and status during the 1<sup>st</sup> January, 2023 to 31<sup>st</sup> December, 2023;
- The Report properly reflects the organisation's alignment to and implementation of the AA1000 Assurance Standard V3 principles of Inclusivity, Materiality, Responsiveness and Impact in its operations. Further detail is provided below;
- CHICONY ELECTRONICS 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 ELECTRONICS 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 ELECTRONICS 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**



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

**Report Structure**

**CHICONY ELECTRONICS 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, SASB and TCFD.

**Key areas for ongoing development**

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

- Relationship between highest governance body and ESG aspects could be improved; (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 ELECTRONICS CO., LTD.**) and statements of future commitment.

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



**Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with more than 195 years history in providing independent assurance services. Bureau Veritas 2023 full year revenues reached 5.9 billion euros. The Group's adjusted net profit for 2023 reached 930.2 million euros.

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

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

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

**Bureau Veritas Certification Taiwan**

3F-B, No. 16, Nanjing E. Rd., Sec. 4, Songshan District, Taipei 10553, Taiwan R.O.C.  
11 June 2024



**AA1000**  
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Technical Reviewer: lin

Date: 11/June/2024

Lead Verifier: Ava Liu

Date: 11/June/2024





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