



金寶電子  
KINPO ELECTRONICS, INC.

# 2022 SUSTAINABILITY REPORT



# Table of Contents

## Foreword

- P.03 About this Report
- P.04 ESG Performance and Affirmation 2022
- P.05 Message from Management
- P.06 Cover Story

## 01 Operations and Performance



- P.09 1.1 Company Profile
- P.09 1.2 Operating Locations
- P.09 1.3 Operational Overview

## 02 ESG Governance



- P.12 2.1 ESG Governance Organization
- P.13 2.2 Sustainability Blueprint and UN Sustainable Development Goals
- P.14 2.3 Analysis of Material Topics
- P.16 2.4 Stakeholder Communication
- P.17 2.5 Major Initiatives and Involvement

## 03 Corporate Governance



- P.19 3.1 Corporate Governance
- P.23 3.2 Risk Management
- P.26 3.3 Ethical Management and Compliance

## 04 R&D and Innovation



- P.30 4.1 R&D and Green Design
- P.33 4.2 R&D Patents
- P.34 4.3 Quality Management

## 05 Environmental Sustainability



- P.40 5.1 Climate Change Risk & Management
- P.44 5.2 GHG Management
- P.46 5.3 Energy Management

## 06 Partnerships



- P.49 6.1 Customer Service
- P.51 6.2 Restricted Substance Management
- P.52 6.3 Responsible Mineral Management
- P.52 6.4 Sustainable Supply Chain

## 07 Employee Wellbeing



- P.55 7.1 Human Resource Management Policy
- P.63 7.2 Salaries & Benefits
- P.65 7.3 Staff Development
- P.66 7.4 Employee Communication
- P.67 7.5 Employee Health
- P.70 7.6 Employee Participation

## 08 Social Engagement



- P.75 8.1 Caring for the Underprivileged
- P.77 8.2 Education Programs
- P.79 8.3 Caring for the Local Community and Volunteer Services

## Appendix



- P.81 Independent Limited Assurance Report
- P.82 GRI Standards Indicator Comparison Table
- P.84 SASB Standards Comparison Table
- P.84 UN Global Compact Comparison Table
- P.85 Management System Certificate
- P.86 Environmental Sustainability Indicators
- P.89 Social Inclusion Indicators
- P.93 Sustainable Governance Indicators

## About this Report

### Editorial Principles

Founded in 1973, Kinpo Electronics, Inc. (hereinafter Kinpo, the Company, we or us) has been upholding the business philosophy of "Innovation, Harmony and Excellence" and pursuing the goal of corporate sustainability.

We are committed to achieving stable operation and steady profitability, protecting our investors, taking care of our employees, providing a good working environment, encouraging our staff to participate in charity activities, and striving for energy saving, carbon reduction and environmental sustainability.

This is our 10th "Sustainability Report," which is intended to communicate our economic, social and environmental efforts and achievements to Kinpo' stakeholders.



◀ Download Kinpo's sustainability reports

Company website: <https://esg.kinpo.com.tw/sustainability-reports-download>

### Report Period

The period covered by this Report falls within the financial year 2022 (from January 1, 2022 through December 31).

### Scope of the Report

The scope of this Report encompasses the headquarters (Shenkeng Office, Tianmu Office, Nanjing E. Rd. Office, Daye Office and Hsinchu Office), factories in China, the Philippines, Thailand, Malaysia, Brazil, Mexico and the USA, covering more plants than in the 2021 Sustainability Report. Additionally, for the sake of complete expression of the issues and demonstration of performance, some of the projects will look back from 2018 to 2022.

### Management Approach

The data and financial results presented in this Report are based on financial reports audited by independent auditors. All financial figures are expressed in New Taiwan dollars, with financial data disclosed on the basis of IFRSs. Other data in the Report were obtained from our compilation and calculation, and are described in the usual way and rounded off to the nearest NT dollar. The data or contents disclosed in this Report were provided by each responsible department to the report editorial team for compilation. The completed Report was forwarded to the heads of departments and the President for confirmation, before presented to the Chairman for review and to the Board of Directors for approval to conclude the internal review process.

### Compliance / Reference Guide

- Global Reporting Initiative (GRI): GRI Sustainability Reporting Standards (GRI Standards)
- Sustainability Accounting Standard Board (SASB): Electronic Manufacturing Services and Contract Manufacturing
- Taiwan Stock Exchange (TWSE): Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
- United Nations: Sustainable Development Goals (SDGs)
- Financial Stability Board (FSB): Task Force on Climate-related Financial Disclosures (TCFD)
- United Nations Global Compact

### Third-Party Verification

This report is prepared in accordance with GRI Standards while Ernst & Young Taiwan was engaged to perform a limited assurance as prescribed in the Statement of Assurance Engagements Standards No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (which was developed based on the International Standard on Assurance Engagements (ISAE) 3000) published by the Accounting Research and Development Foundation in Taiwan. Please refer to the Appendix for the Assurance Report of Independent Auditors.

The financial information disclosed in this Report is based on the annual financial statements audited by Ernst & Young Taiwan. The information security, environmental and health and safety management systems contained are subject to regular internal audits as well as external audits under ISO System Management.

### Publication

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Company Website: <http://www.kinpo.com.tw>

## ESG Performance and Affirmation 2022

### Environmental Sustainability

- Obtained CDP climate change management grade (B)
- Awarded the leadership grade (A-) for the first time in the CDP Supplier Engagement Rating (SER)
- Named the "Excellent Green Procurement Vendor" by the New Taipei City Government for three consecutive years
- Renewable energy accounted for 5.2% of total electricity consumption
- Green design projects lead to total carbon reduction of 36,549tCO<sub>2</sub>e, total electricity saving of 948,830kWh and total waste reduction of 8,895 tonnes
- Signed up to the Science Based Targets initiative (SBTi)
- Became a Task Force on Climate-related Financial Disclosures (TCFD) Supporter
- Participated in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum

#### Corresponding to SDGs



### Corporate Governance

#### No breaches of anti-competitive practices, antitrust or anti-monopoly in the last three years Enhancing Value and Creating New Successes

- The revenue in 2022 hit a five-year high at NT\$181,414 million

#### Establishing a Thorough Information Security Management System

- Appointed a Chief Information Security Officer to coordinate and promote information security policies and resource deployment to sustain information security governance
- The year 2022 saw no consequential information security incidents

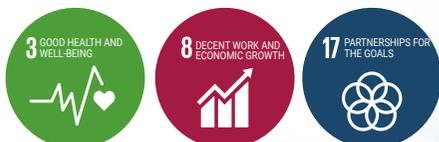
#### Consolidating Resources, Staying Innovative

- Hosted an innovative proposal competition with estimated cost savings of over NT\$330 million

#### Strengthening Corporate Governance

- Established risk management policies and procedures
- Corporate governance rating range 21%-35%

#### Corresponding to SDGs



### Social Inclusion

#### Happy Workplace

- Introduced an e-learning platform, with 11,889 attendances and 3,376 borrowings at the online library
- Provided a maternity subsidy program of NT\$66,000, totaling NT\$3,102,000
- Organized a fitness walking activity with 245 participants to promote the physical and mental health of staff

#### Reaching out to the Rural Areas and Sending Love to the Disadvantaged

- Children's "Dreams Come True" Project: 78 staff members registered as adopters and donated a total of NT\$544,000
- End-of-year donation drive: 140 staff members participated, raising NT\$627,400 in total
- "Spread the Love with Supplies" campaign: about 160 employees took part in the event, benefiting 200 people

#### Encouraging Staff Participation to Build a Better Society

- "Donate Blood, Share Love" event: 96 staff members participated and 136 bags of blood were collected
- Organized a "Mid-Autumn Festival Caring for Local Seniors" activity: 65 seniors and 7 volunteers sang songs and ate mooncakes together to celebrate the festive season
- Organized the "Autumn Visit to Guanyin Mountain": A total of 245 employees took part in the event
- Adopted the "Beautification of Jingmei Riverbank": a total of 21 rounds were held and 660 staff members were mobilized to clean up 78.385 kg of waste.

#### Corresponding to SDGs



## Message from Management

The Global Risk Report 2022 predicts the top 10 risks in the next 10 years, the first three being environmental risks such as "climate action failure," "extreme weather" and "biodiversity loss," while the short and medium-term threats are technological risks such as "digital inequality" and "cybersecurity failure." To deepen its corporate resilience to cope with the risks that ensue, Kinpo has made every effort to minimize the impact of risks by promoting environmental sustainability, building a happy workplace and a better society, and strengthening corporate governance.

### Actively Promoting Environmental Sustainability

As the largest electronics foundry in South East Asia, in addition to implementing various mitigation and adaptation measures, Kinpo has become a TCFD Supporter in 2022 and is also on board with the SBTi, aiming to achieve a carbon neutrality target by 2030 at our headquarters. We have also signed up to the TNFD Forum to do our part in maintaining biodiversity in the face of the greater economic and social implications of biodiversity loss. We continue to develop green design, ranging from the use of materials, the production and packaging of our products to the final transportation, to gradually cut down on the consumption of resources. In addition, we are also expanding the use of renewable energy to minimize energy consumption, with 5.2% attained from renewable sources by 2022.

### Creating a Happy Workplace and a Better Society

Employees are the greatest asset of a company. In the year 2022, when COVID-19 was still rampant, the health of our employees is of utmost importance to us. We have set up a digital health management platform to disseminate health-related information and to enable employees feeling unwell or diagnosed with the disease to notify the Company immediately. We care for the physical, mental and spiritual health

of our staff by organizing various activities such as hiking and fitness walking, and we continue providing baby bonuses to back up our staff. We are also doing our part to narrow the digital divide by helping disadvantaged groups and working on education programs through projects such as the "Dreams Come True" project. Moving forward, we will keep up the "All Staff for Good" spirit and encourage our staff to take up social service in addition to their work to give a helping hand to the local community and make more contributions to the progress and development of the community.

### Enhancing Corporate Governance for the Future

As the social landscape evolves, environmental, social and corporate governance (ESG) performance of a company has become an indicator of its growth prospects. During the pandemic, we continued to bolster our corporate governance and, thanks to the efforts of our staff, we reached a five-year high in revenue in 2022. In view of the rising risk of network security caused by working at home separately, the Company also stepped up its information security management and appointed a chief information security officer in 2022 to coordinate and promote policies and deploy resources to mitigate the potential operational risks posed by information security issues. ESG has become a growing trend among enterprises, and stakeholders will be more concerned about a company's climate commitments, while sustainability will become one of its core values. As such, let's work together to make Kinpo a sustainable business for a better tomorrow.

Kinpo Electronics Chairman  
Hsu, Sheng-Hsiung

Kinpo Electronics President  
Chen, Wei-chang



## Cover Story — Driving Net Zero Emissions towards the Next 50 Years of Kinpo

### Target: Carbon neutrality at Headquarters by 2030 and Net Zero by 2050

#### • Net Zero Emissions Pathway Targets

Kinpo focuses on climate change issues, identifies associated risks and opportunities, and commits to low carbon transformation. As the Group approaches its 50th anniversary<sup>1</sup>, Kinpo is pledging to work with its global consumer electronics supply chain partners to "move towards net zero emissions."

As the most trusted partner of global technology companies, Kinpo has responded to the SBTi initiative in 2022, based on evidence from UN climate scientists in recent years that our impact and influence on the planet has led to an era of climate emergency.

Setting science-based carbon reduction targets is an essential first step towards net-zero emissions, and Kinpo expects in September 2023 to propose a review of its SBT targets for all of its existing business locations, and to map out its carbon reduction strategy for 2030 in order to make progress towards a net-zero emissions vision.

### Short-, Medium-, and Long-Term Goals for Kinpo's Net-Zero Emissions Pathway



金寶集團  
KINPO GROUP



SCIENCE  
BASED  
TARGETS



#### Short-term

- Independent inventory of GHG volumes since 2008
- All of plants passed ISO 14064-1:2018 certification in 2022
- Advocated for SBTs in 2022
- Submitted SBTs for review in 2023

#### Medium-term

- Achieve SBT target (1.5°C) by 2030
- Carbon neutrality at headquarter by 2030

#### Long-term

- Towards a net zero emissions target by 2050

#### • Net Zero Emission Strategies Enhancing Energy Efficiency

Kinpo has introduced Industry 4.0 technologies to boost its competitiveness, such as automated guided vehicles (AGVs), robotic arms and intelligent manufacturing management, and its SMT process is now completely automated. Moreover, we have also adopted the ISO 50001 Energy Management System to raise the performance of energy saving, such as improving and retiring high energy-consuming equipment and replacing LED lamps, aiming at an annual energy saving of 10%.



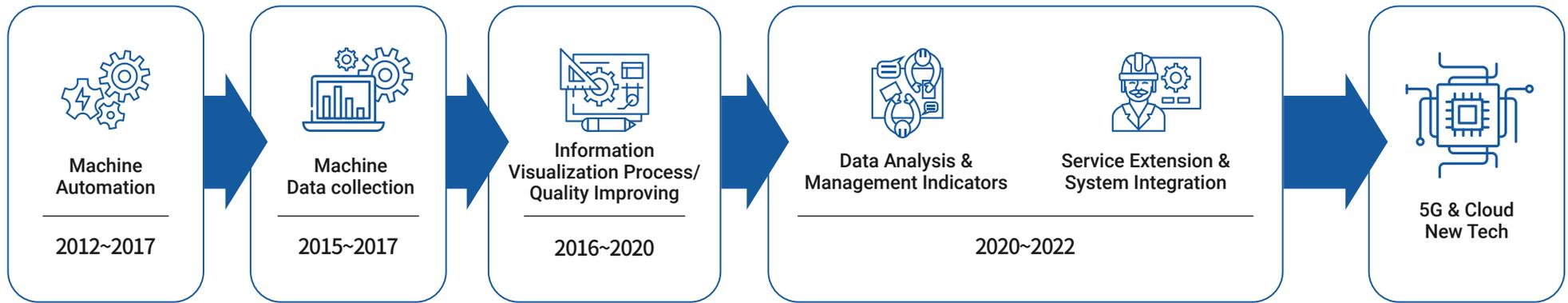
▲ Robotic arm



▲ Automated guided vehicle (AGV)

<sup>1</sup> The date of April 23, 2023 marks the 50th anniversary of the founding of Kinpo Electronics, Inc.

## Kinpo's Journey to Industry 4.0



### Increasing the Share of Renewable Energy Use

Kinpo has prioritized energy management to drive down energy demand, followed by raising the proportion of renewable energy use in an effort to move towards RE100. Currently, Kinpo has executed a program that includes assessing the feasibility of installing renewable energy facilities at its plants around the world, negotiating power purchase agreements with renewable energy providers, and purchasing renewable energy certificates, with a total of 5.2% of electricity used derived from renewable sources in 2022.

Low Carbon Energy Category	Proportion of use in 2021	Proportion of use in 2022
Self-built renewable energy facilities	0.1%	0.6%
Power purchase agreements	0%	0.4%
Renewable energy certificates	3.4%	4.3%
<b>Total</b>	<b>3.5%</b>	<b>5.2%</b>

### Internal Carbon Pricing

To achieve our net zero emissions target by 2050, Kinpo has reviewed the internal carbon pricing scheme in 2022 and set an internal carbon price of US\$10/tonne<sup>2</sup>. The internal carbon price will be adjusted on an ongoing basis, and takes effect from 2023. It is incorporated as a management indicator to serve as a reference for capital investment, operational transformation strategies and major decisions to accelerate the transition to a low carbon footprint.

### Value Chain Management

There are two main Scope 3 emissions from Kinpo, namely "upstream raw material sourcing" and "electricity use for downstream sale of products." For the upstream supply chain, we continue pushing for sustainability management of our supply partners and coaching them on their GHG inventory capabilities. We are currently undertaking a survey of the GHG emissions of the top 70% of suppliers in terms of purchase value, and are planning to render assistance to our supply partners in reducing the carbon footprint of their sale of raw materials.

In terms of electricity usage in downstream sale of products, albeit being a specialist contract manufacturer with product design primarily on the customer side, the Company is still actively working with customers to adopt green design concepts at the product design stage to raise the energy efficiency of products sold, with a combined reduction in carbon emissions of 36,549 tCO<sub>2</sub>e in 2022 for product projects.

### Carbon Removal Technologies and Carbon Credits

We will continue to stay focused on the development of carbon removal technologies, such as new energy sources and carbon capture, as well as the carbon credits market, to look at ways to offset residual emissions and achieve a net-zero emissions vision through investment in new technologies or the purchase of carbon credits.

<sup>2</sup> Kinpo's internal carbon pricing is based on the expected starting levy recommended in the report "Carbon Pricing Options for Taiwan" conducted by a team at the London School of Economics and Political Science commissioned by the Environmental Protection Administration, Executive Yuan, with the press release available at <https://enews.epa.gov.tw/Page/3B3C62C78849F32F/9b187f3c-d175-4dd7-9cc0-d8f79bfaf10d>.

# 01



# Operations and Performance



- P.09 1.1 Company Profile
- P.09 1.2 Operating Locations
- P.09 1.3 Operational Overview

## 1.1 Company Profile

Founded in 1973 as a computer manufacturer, Kinpo has grown over the past 50 years to operate 24 manufacturing facilities worldwide, employing over 50,000 workers and spanning the fields of electronic computing, printing and peripherals, storage products, plastic molds, home appliances and networking products. In recent years, we have consistently devoted ourselves to Factory 4.0 smart manufacturing by advancing the development of advanced production systems such as AGVs and automated navigation vehicles, which not only improves production efficiency and yield, but also lowers human-made risks and labor costs, making us the most trusted partner for global high-tech brands.

## 1.2 Operating Locations

Kinpo has built up a solid manufacturing technology over the years and has production sites across the world, including in China, South East Asia, Central and South America, providing customers with products and services of the highest caliber. In addition, we have manufacturing sites in close proximity to the market to bring down logistics costs for our customers and achieve carbon reduction along the supply chain. We use a highly efficient ERP platform to strengthen our internal management and to keep our customers informed of the accurate information on cargo transportation. Through the app data management system, we are able to break the time and space constraints and create a win-win situation for both the Company and our customers by means of a real-time management application system.

## Kinpo Global Factory Map - Locations Worldwide

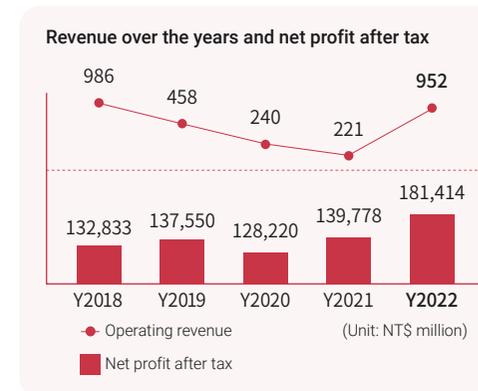


## Basic Company Information

<b>Company Name</b>	Kinpo Electronics, Inc.
<b>Stock Code</b>	TWSE 2312
<b>Headquarters Address</b>	10F., No.99, Sec. 5, Nanjing E. Rd., Taipei City 105
<b>Management Team</b>	Chairman: Hsu, Sheng-Hsiung; President: Chen, Wei-chang
<b>Headcount</b>	55,810
<b>Lines of Business</b>	Manufacturing, processing and trading of consumer electronic products, network communication products and video products, etc.
<b>Date of Incorporation</b>	April 24, 1973
<b>Capitalization</b>	NT\$14.9 billion
<b>Operating Revenue</b>	NT\$181.414 billion
<b>Company Website</b>	<a href="https://www.kinpo.com.tw/">https://www.kinpo.com.tw/</a>

## 1.3 Operational Overview

### Financial Performance



### Operating Share of Product

	2019	2020	2021	2022
Consumer electronics	98.18	97.61	97.16	99.07
Other	1.82	2.39	2.84	0.93
Total	100	100	100	100

(Unit: %)

## Products and Services



### Electronic calculators

Kinpo has competitive advantages in design and manufacture, price, production and marketing to help customers maximize market share.



### Home networking products

Demand for upgrades grew with the launch of UHD or TV 4K video streaming subscription services.



### Household vacuum cleaners and hairdressing appliances

In the aftermath of the COVID-19 pandemic, public awareness of hygiene and infection prevention has risen, driving market demand; and altering people's preference to visit hair salons, reducing the frequency of going out for hairdressing, and creating a new norm of using various hairdressing appliances at home, leading to a steadily growing market for hairdressing electricals.



### Printers and peripherals

Demand for low-end printers grew significantly due to printing needs for remote work and distance learning.



### Plastic molds

Production process optimization and manufacturing automation can reduce hand labor reliance and personnel costs.



### Storage products

Non-PC storage operations continued to grow through new business development in demand for cloud and enterprise storage.

\*Note: For upstream, midstream, and downstream industry links, please refer to the 2022 Annual Report V, Operations - 1. Business - 2) Industry Overview



# ESG Governance



P. 12 2.1 ESG Governance Organization

P. 13 2.2 Sustainability Blueprint and UN Sustainable Development Goals

P. 14 2.3 Analysis of Material Topics

P. 16 2.4 Stakeholder Communication

P. 17 2.5 Major Initiatives and Involvement

## 2.1 ESG Governance Organization

Under the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, Kinpo has formulated our Sustainable Development Best Practice Principles and set up a Sustainability Committee across all units by incorporating its strategic blueprint of sustainable governance, people-oriented harmony, and innovation- and production-friendly environment into the Company's operational development. The Committee is comprised of senior executives of the Company and is divided into three functional ESG working groups, which are mandated to promote and integrate ESG-related initiatives into the daily operations of the Company and report regularly to the Board of Directors, thereby contributing to the realization of corporate governance, social and environmental sustainability.

### Sustainability Management Organization Chart



### Kinpo ESG Working Groups

Environmental Sustainability Team		Social Inclusion Team		Sustainable Governance Team
<b>Supply Chain Management</b>	<b>Sustainable Production</b>	<b>Employee care</b>	<b>Social Engagement</b>	<b>Corporate Governance</b>
Responsible Minerals Management	GHG Management	Friendly Workplace	Disadvantaged Care	Economic Performance
Restricted substance management	Energy Management	Remuneration and Benefits	Charity Events	Ethical Management
Supply Chain Sustainability Management	Green Product Design	Labor Relations	Community Engagement	Compliance
Green procurement	Water Resource Management	Education and Training		Information Security
Local Purchasing	Waste Management			Intellectual Property Rights

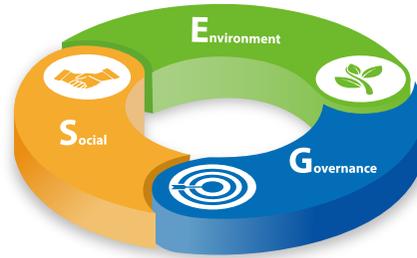
### Sustainability Management Organization and Operations

Organization	Frequency of Meetings / Issuance	Responsibilities
Board of Directors	Irregular 5 times in 2022	Providing regular guidance and supervision of the Company's sustainable development and performance depending on its operational status and current development.
Sustainability Committee	Semi-annually	<ul style="list-style-type: none"> <li>Chaired by the President and comprised of the Company's senior executives, and being the highest decision-making and executive committee for the company's sustainability, and engaging in two-way communication with the Board of Directors to enhance its effectiveness.</li> <li>Optimizing the use of the Company's external development (e.g. changes in regulations, economy, market, general environment) and internal resources (e.g. corporate development, corporate vision) and laying down the Company's sustainable development goals and visions.</li> </ul>
ESG Working Group	Monthly	Based on the three aspects of corporate governance, environmental sustainability and social inclusion, a working group is formed by the heads of relevant departments to report monthly to the president on the implementation and results of ESG promotion projects.
	Bi-weekly	ESG working group members engage with each other to achieve cross-departmental resource integration and related facilitation work.
Sustainability Report	Quarterly	Reporting on the practices of benchmark companies and their recommendations in the three areas of corporate governance, environmental sustainability and social inclusion, as a platform for internal communication among staff.

## 2.2 Sustainability Blueprint and UN Sustainable Development Goals

We concentrate on the three pillars of environment, social, and governance (ESG), together with our commitment to employees and the value chain, and integrate the UN Sustainable Development Goals (SDGs) with our core vision and philosophy to develop short-, medium-, and long-term strategies and action plans and build a comprehensive framework for sustainability.

### Sustainability Strategy Axes



#### Environment Sustainability

Innovative Production, Friendly Environment



#### Social Inclusion

People-oriented & Harmonious



#### Sustainable Governance

Sustainable Governance & Excellence



Core ESG	Five Topics	Strategy	SDGs	Corresponding GRI Topics	Corresponding Report Sections
Economic	Corporate Governance	Ethical Management Regulatory Compliance Risk Management Internal Control Economic Performance Information Security		GRI201: Economic Performance GRI205: Anti-corruption	Chapter 3 Corporate Governance Chapter 6 Partnerships
Environmental	Environmental Sustainability	Energy Management Water Resources Chemicals		GRI302: Energy GRI303: Water and Effluents GRI305: Emissions GRI306: Waste	Chapter 5 Environmental Sustainability
Social	Social Engagement	Caring for the Disadvantaged Local Care		N/A	Chapter 8 Social Engagement
	Employee Care	Respect for Human Rights Occupational Health & Safety Work-Life Balance Human Resource Cultivation		GRI202: Market Presence GRI401: Employment GRI403: Occupational Health and Safety GRI404: Training and Education GRI405: Diversity and Equal Opportunity GRI406: Non-discrimination GRI408: Child Labor	Chapter 7 Employee Wellbeing
	Value Chain Relationships	Customer Commitment Supplier Management  Innovative R&D Green Manufacturing Quality Management		GRI308: Supplier Environmental Assessment GRI414: Supplier Social Assessment  GRI416: Customer Health and Safety GRI417: Marketing and Labeling GRI418: Customer Privacy	Chapter 6 Partnerships  Chapter 4 R&D Innovation

## 2.3 Analysis of Material Topics

Kinpo identified key stakeholders according to the AA1000 SES Stakeholder Engagement Standard and sorted out the sustainability issues that are of concern to stakeholders by distributing questionnaires on sustainability issues and impact analysis. Unlike previous analyses of stakeholder interest levels and notable impacts on the economic, environmental and social context, in 2022 we applied the GRI Standards 2021 to look into the real and potential, positive and negative effects, and likelihood of occurrence of each material topic. The examination of the material topics not only allowed for rolling adjustments to internal sustainability management strategies and objectives, but also enhanced external communication, and served as a reference basis for the preparation of our Sustainability Report.

### Material Topic Analysis Process



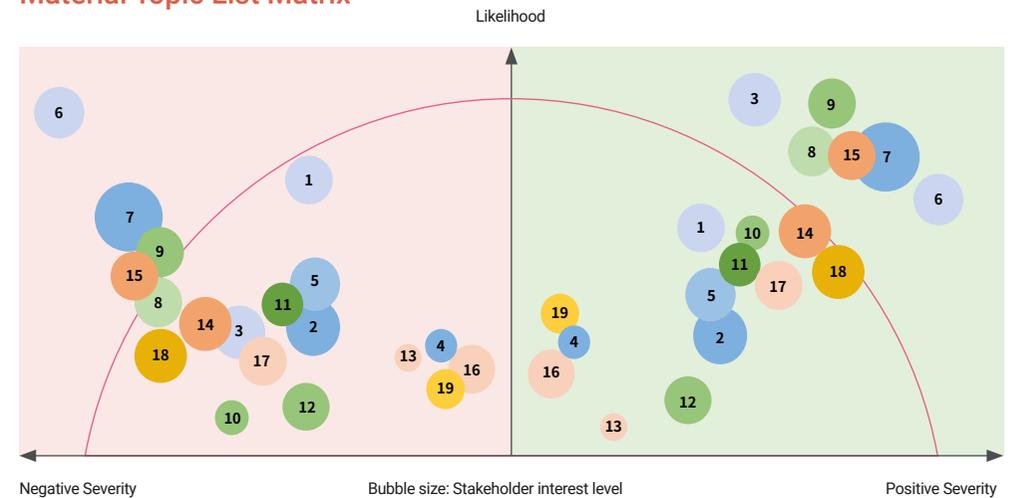
We have revamped our list of material topics based on the previous year's material topics, taking into account the SASB, the TCFD proposal, the S&P ESG Rating, and key economic, social and environmental issues on a global scale and among peers. Following a selection process, we have narrowed down the list to 19 topics for 2022, including 6 on environmental sustainability, 6 on social inclusion and 7 on sustainable governance.

### Kinpo's List of Material Topics for 2022

Environmental Sustainability (E)	Social Inclusion (S)	Sustainable Governance (G)
<ul style="list-style-type: none"> <li>Climate Strategy</li> <li>Energy Management</li> <li>Water Management</li> <li>Waste Management</li> <li>Air Pollution Management</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Product Responsibility</li> <li>Talent Attraction &amp; Retention</li> <li>Diversity &amp; Inclusion</li> <li>Human Capital Development</li> <li>Occupational Safety &amp; Health</li> <li>Social Impact</li> </ul>	<ul style="list-style-type: none"> <li>Economic Impact</li> <li>Ethical Management</li> <li>Sustainable Supply Chain</li> <li>Tax Management</li> <li>Innovation Management</li> <li>Information Security</li> <li>Quality Management</li> </ul>

We distributed questionnaires on sustainability issues and impact analysis to examine the level of stakeholder interest in each material topic and the positive and negative, actual and potential impacts and likelihood of occurrence. Based on the results of the analysis, we ranked Kinpo's material topics and adapted the materiality of the topics with the professional advice of external consultants. The issues outside of the red semi-circle are Kinpo's material topics as assessed.

### Material Topic List Matrix



Negative / Positive		Negative / Positive		Negative / Positive	
1	Economic Impact	8	Climate Strategy	14	Product Responsibility
2	Ethical Management	9	Energy Management	15	Talent Attraction & Retention
3	Sustainable Supply Chain	10	Water Management	16	Diversity & Inclusion
4	Tax Management	11	Waste Management	17	Human Capital Development
5	Innovation Management	12	Air Pollutant Management	18	Occupational Safety & Health
6	Information Security	13	Biodiversity	19	Social Impact
7	Quality Management				

Based on the results of the material topics analysis, our list of material topics was reviewed by the Sustainability Committee and confirmed by consensus. In 2022, Kinpo identified 6 material topics, including 2 on the environment, 1 on society and 3 on governance.

## Kinpo's Material Topics for 2022

Aspects	Material Topics	Corresponding GRI Topics	Significance to Kinpo and Coping Strategies	Corresponding Report Sections
Environmental Sustainability (E)	Climate Strategy	GRI 201 Economic Performance	By taking action to support international initiatives and national policies, Kinpo identified the risks and crises associated with climate change, built resilience to climate change in advance, and mitigated the risk of financial impact. We introduced a TCFD framework and energy management approach and set medium and long-term energy-saving targets and maintained a PDCA cycle to ensure that energy-saving goals were reached.	Chapter 5 Environmental Sustainability
	Energy Management	GRI 302 Energy	Kinpo has adopted an international management system to improve the operation of its energy system and to ensure that energy management runs efficiently.	Chapter 5 Environmental Sustainability
Social Inclusion (S)	Talent Attraction & Retention	GRI 202 Market Presence GRI 401 Employment	Talent is the fundamental and most valuable asset of an enterprise, and we need to establish a comprehensive recruitment and retention strategy and plan to ensure that we do not lose key personnel due to their retirement, booming job markets or poaching by other companies. Kinpo has built a diverse and inclusive workplace environment through multiple and innovative recruitment channels to bring in talented people from around the world, and is dedicated to building a happy workplace and joining forces with customers for mutual sustainable growth.	Chapter 7 Employee Wellbeing
Sustainable Governance (G)	Sustainable Supply Chain	GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Through sustainable supply chain management, Kinpo partners with its suppliers and customers to create stable and mutually beneficial relationships that create operational performance while lessening its impact on the environment and society.	6.4 Sustainable Supply Chain
	Quality Management	GRI 417 Marketing and Labeling	By upgrading quality in all aspects of R&D, production and management, Kinpo is able to consistently provide quality products and services to enhance the Group's core competitiveness and create a win-win situation with our customers. Insisting on the quality policy of "providing products and services that satisfy our customers, doing the job right from the outset, and constantly seeking to improve quality," we have established a comprehensive and sustainable quality management system through various quality management certifications to ensure that we furnish customers with products and services of the highest caliber and boost the overall competitiveness of our industrial chain.	4.3 Quality Management
	Information Security	GRI 418 Customer Privacy	Kinpo attaches great importance to information security, ensuring the stability and security of information and compliance with legal regulations through sound systems and effective monitoring. We hold ourselves to a high standard by continuously refining our internal management and obtaining ISO information security certification to protect the confidentiality, integrity, and availability of our information, and the reliability of our information equipment and network systems. Further, we raise our employees' awareness of information security and ensure that these resources are guarded against interference, destruction, intrusion, or any adverse actions and attempts that may compromise the interests of our customers and the Company.	3.2.1 Information Security Management

## 2.4 Stakeholder Communication

By referring to the GRI Standards and adopting the AA1000 Stakeholder Engagement Standard (SES) as the criteria for determination, Kinpo has identified 6 major stakeholders, including employees, customers, suppliers, government agencies, shareholders/investors, and the media, based on an analysis of the five essential principles of accountability, influence, intensity, frequency of communication, and dependency. By consistently communicating with stakeholders through various channels and responding to their needs, we make sure that the direction of the Company's operations meets the expectations of our stakeholders.

### Stakeholder Communication Outcomes for 2022

Stakeholder	Significance to Kinpo	Key Communication Issues	Communication Channels and Contact Points	Frequency	Our response and actions in 2022
 <p>Employees</p>	Talent is the most important asset of our Company, and through the efforts of our staff worldwide, Kinpo has established itself as a first-class company in the world.	Labor Rights Labor Relations Compensation & Benefits Training & Education Environment Safety & Health	<ul style="list-style-type: none"> <li>Labor safety and health meetings</li> <li>Employee Welfare Committee</li> <li>Employee Satisfaction Survey</li> <li>Newcomer Satisfaction Survey</li> <li>Performance Interviews and Appraisals</li> <li>Staff Suggestion Box</li> </ul> <p>Contact Person: Ms. Hsu Opinion@kinpo.com.tw</p>	Organized quarterly Organized monthly Announced regularly Processed immediately	<ul style="list-style-type: none"> <li>3 labor safety and health meetings</li> <li>5 employee Welfare Committee meetings</li> <li>Conducted performance appraisals as planned, one each in the first and second half of the year</li> <li>Conducted employee communication through the "CEO Communication Platform," 5 times in total</li> <li>7 employee grievance cases</li> </ul>
 <p>Customers</p>	In the spirit of customer orientation and satisfying customer needs, we deliver the best services and products through continuous innovation.	Products & Services Workers' Rights Energy Management & Reduction Environment Safety & Health Risk Management	<ul style="list-style-type: none"> <li>Customer Satisfaction Survey</li> <li>Customer questionnaires or on-site audits</li> <li>Global maintenance centers and after-sales service</li> <li>International electronics fair</li> <li>Customer new product launches</li> </ul> <p>Contact Person: Mr. Hsiao Customer@kinpo.com.tw</p>	Annually As needed	<ul style="list-style-type: none"> <li>5,898 service requests processed by the brand's global service call center, including 934 repair service requests</li> </ul>
 <p>Suppliers</p>	Suppliers provide excellent products and services to Kinpo and the two sides work together towards sustainability on the basis of mutual trust and cooperation.	Products & Services Supplier Management	<ul style="list-style-type: none"> <li>Supplier Web portal</li> <li>Supplier ratings</li> <li>Supplier audits/contractor assessments</li> <li>Supplier conferences</li> </ul> <p>Contact Person: Mr. Hsu Ethics@kinpo.com.tw</p>	Annually Quarterly As needed	<ul style="list-style-type: none"> <li>Required suppliers to sign a "Conflict Minerals Policy Statement" and conducted Responsible Minerals Investigations on the supply chain</li> </ul>
 <p>Government agencies</p>	We respond to the regulatory needs of local governments and strive to create a good working environment.	Regulatory Compliance Environment Safety & Health Energy Management & Reduction Grievance Mechanisms	<ul style="list-style-type: none"> <li>Official documents / questionnaires</li> <li>Awards Competitions</li> <li>Compliance briefings/seminars</li> </ul> <p>Contact Person: Investor@kinpo.com.tw</p>	Occasionally	<ul style="list-style-type: none"> <li>Replied to the TWSE and FSC 20 times</li> <li>Replied to the Securities and Futures Investors Protection Center 4 times</li> </ul>
 <p>Shareholders/ investors</p>	By injecting capital and engaging in corporate governance, Kinpo is able to go further on the road to sustainability.	Economic Performance Corporate Governance & Rule of Law Compliance	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Investor conferences</li> <li>Investor meetings</li> <li>Telephone/email communication platform</li> <li>Market Observation Post System</li> </ul> <p>Contact Person: Invest@kinpo.com.tw</p>	Annually Occasionally	<ul style="list-style-type: none"> <li>The management team communicated with the directors, supervisors and accountants on 4 occasions</li> <li>Held 1 shareholder briefing</li> <li>Held 1 investor conference</li> </ul>
 <p>Media</p>	With the media as a watchdog for corporate sustainability, we capitalize on the media channels to create a positive corporate image and influence.	Innovation Market Image Charity Activities	<ul style="list-style-type: none"> <li>Press conferences</li> <li>Press releases / statements</li> <li>Questionnaires / Interviews</li> </ul> <p>Contact Person: Investor@kinpo.com.tw</p>	Occasionally	<ul style="list-style-type: none"> <li>250 news exposures</li> </ul>

## 2.5 Major Initiatives and Involvement

- 台北市進出口商業同業公會 | Importers and Exporters Association of Taipei
- 台灣區電機電子工業同業公會 | Taiwan Electrical and electronic Manufacturer's Association
- 中美經濟合作策進會 | ROU-USA Business Council
- 中華文化總會 | The General Association of Chinese Culture
- 海峽兩岸經貿文化交流協會 | Straits Economic & Cultural Interchange Association
- 中華民國三三企業交流會 | The Third Wednesday Club
- 新北市護理師護士公會 | New Taipei City Nurses Association
- 中華民國公開發行公司股務協會 | Taiwan Stock Affairs Association
- 中華民國品質學會 | Chinses Society for Quality
- 中國民國勞資關係協進會 | Association of Industrial Relation
- 中華卓越經營協會 | Chinese Excellent Management Association (CEMA)
- SEDEX 供應商道德資料交換資料庫 | Suppliers Ethical Data Exchange (SEDEX)
- 責任商業聯盟 | Responsible Business Alliance (RBA)
- 台灣氣候聯盟 | Taiwan Climate Partnership
- 氣候相關財務揭露支持者 | TCFD supporter
- 自然相關財務揭露 | Taskforce on Nature-related Financial Disclosures (TNFD)
- 科學基礎減碳目標倡議 | Science Based Targets initiative (SBTi)

\* We are members of all the above associations.



# Corporate Governance



- P. 19 3.1 Corporate Governance
- P. 23 3.2 Risk Management
- P. 26 3.3 Ethical Management and Compliance

Founded on the principles of ethical management, Kinpo endeavors to develop a sound corporate governance system, practice business ethics, abide by the legal requirements of all business locations, and foster a corporate culture of honesty, transparency and accountability, aiming at the four corporate governance objectives of strengthening the board structure, optimizing corporate governance, implementing corporate sustainability and upgrading information security.

	Short-term 2022-2024	Mid-term 2025-2029	Long-term 2030-2050
<b>Goals for Corporate Governance</b>			
Strengthen Board Structure	<ul style="list-style-type: none"> <li>Pursue the goal of younger Board members</li> <li>Enhance the independence of Board members from each other</li> <li>Increase the proportion of women on the Board</li> </ul>	<ul style="list-style-type: none"> <li>Add external evaluation of the performance of the Board at least once every three years</li> <li>Raise the number of independent directorships to 1/3</li> <li>Over 1/2 of the independent directors serve no more than 3 consecutive terms</li> </ul>	<ul style="list-style-type: none"> <li>Set up a Risk Management Committee to manage the Company's risks in a systematic manner</li> <li>Establish non-statutory functional committees, e.g. Nomination Committee, Sustainability Committee, etc.</li> </ul>
Enhance Corporate Governance	<ul style="list-style-type: none"> <li>Continue to enhance corporate governance practices as required by government authorities and improve the performance in the Corporate Governance Evaluation</li> <li>Continue to promote the signing of commitments to ethical management by directors and managers</li> <li>Continue to promote and provide diversified continuing education programs for directors</li> <li>Provide diversified channels for participation in shareholders' meetings, including participation via video link as added in the Articles of Incorporation</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate climate change into corporate risk management and identify the risks associated with climate change through the TCFD</li> <li>Step up external communication and increase the number of investor conferences to reach out to investors</li> </ul>	<ul style="list-style-type: none"> <li>Maintain technological innovation to differentiate the Company from peers and gain market share</li> </ul>
Implement Corporate Sustainability	<ul style="list-style-type: none"> <li>Obtain third-party certification for Sustainability Reports</li> <li>Publish Sustainability Reports in English</li> </ul>	<ul style="list-style-type: none"> <li>Get recognition from domestic ESG awards</li> </ul>	<ul style="list-style-type: none"> <li>Get recognition from international ESG awards</li> </ul>
Upgrade Information Security	<ul style="list-style-type: none"> <li>Protect customer privacy with zero complaints</li> <li>Continuously upgrade the ISO27001 Information Security Management System</li> <li>Heighten the awareness of information security among all staff and continually improve to minimize risks</li> </ul>	<ul style="list-style-type: none"> <li>Build a consistent information security governance system across the Group's business units</li> </ul>	<ul style="list-style-type: none"> <li>Establish the Group's information security joint defense system to deliver management synergies</li> </ul>

### 3.1 Corporate Governance

Kinpo values operational transparency and corporate governance. In compliance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations, the Company also places emphasis on establishing an effective corporate governance structure, stepping up the functions of the Board of Directors, protecting shareholders' rights and interests, undertaking internal control and auditing, and enhancing information transparency. In addition, by adhering to the Company's Ethical Corporate Management Best Practice Principles, we have instituted various systems and practices to uphold the spirit of corporate governance in order to boost the Company's operational performance and achieve corporate sustainability.

We will continue our efforts to upgrade the functions of the Board of Directors by raising its efficiency; to shape a corporate governance culture by carrying out an assessment; to press shareholders for action by setting up a comprehensive stakeholder liaison platform; and to enhance corporate governance disclosure by improving the quality of non-financial information disclosure.

The Board of Directors is the highest governing body of the Company and the body for making major operational decisions. It is charged with overseeing the operations of the Company under the law and its charter to ensure that the Company functions in compliance with the law and its bylaws and the shareholders' meeting exercises its powers and responsibilities, as well as providing professional strategies and advice to the management in order to create greater benefits for shareholders and protect the interests of all stakeholders.

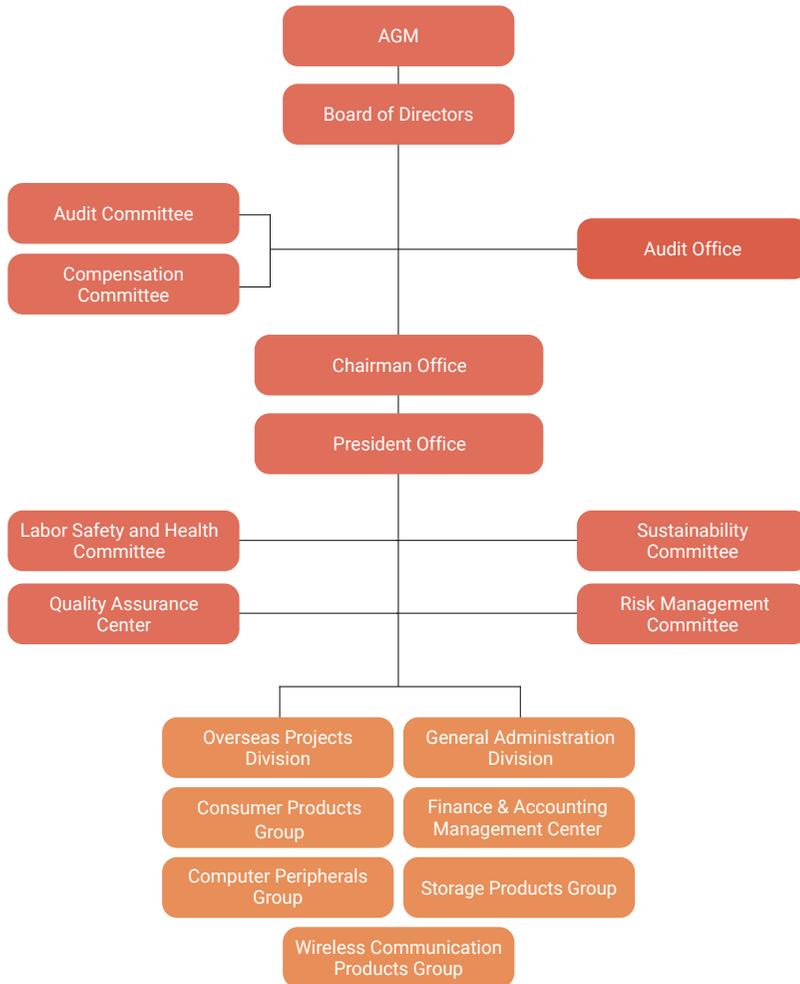
The Chairman of the Company does not concurrently hold any of senior management positions in the Company and the management is headed by professional managers to ensure that operational and management performance targets are met.

### Kinpo's Corporate Governance Strategy

Topic	Corresponding to Corporate Governance Requirements	Content
Regulatory Compliance	Comply with international requirements	Regularly search for international sustainability guidelines and incorporate them into corporate governance planning, and developed a corporate governance charter as required by the competent authorities as a guiding principle for internal corporate governance.
Division of Competences	Strengthen Board functions Foster a sustainable corporate culture	The Board of Directors is composed of members with diverse expertise, backgrounds and experience, and a Compensation Committee and an Audit Committee are established to provide professional advice on corporate governance to the management team and to regularly keep track of operational performance.
Performance Appraisal	Upgrade Board functions Improve corporate governance	Participated in the "Evaluation of Corporate Governance of TWSE/TPEX Listed Companies" by the competent authorities, formulated strategies to strengthen corporate governance, and laid down the "Rules for Performance Evaluation of Board of Directors" to regularly evaluate the performance of the board members and functional committees every year.
Information Disclosure	Boost information transparency	Hold a board meeting at least once a quarter to review the Company's operational performance and discuss important strategies, and make important board resolutions available on the Market Observation Post System and the Company's website for investors to obtain important information about the Company in real time.
Communication & Interaction	Enhance stakeholder communication	The Company holds AGMs and investor conferences on a regular basis to communicate directly with investors and shareholders on corporate governance issues, and prepares and publishes annual reports and CSR reports on the Company's website, while announcing the "Communication and Contact Channels for Stakeholders" on the website to facilitate two-way communication between stakeholders and the Company.

## Sustainable Governance Structure

Established under the President Office, the Sustainability Committee and the Risk Management Committee regularly report to the Board of Directors on economic, environmental and social (including human rights) policies, management principles, impact management, and the Company's overall risk assessment and management practices in relation to sustainable development, with the relevant developments presented to the Board of Directors on May 13, 2022.



## Membership of the Board and Committees

Name/Title	Member			Diversity					Gender	Age
	Board of Directors	Audit Committee	Compensation Committee	Operating Decisions	Leadership	Industry Expertise	Macroeconomy & International Perspectives	Law & Financial Accounting		
Hsu, Sheng-Hsiung/Chairman	V			V	V	V	V	V	Male	>65
He, Mei-yue/Director	V			V	V		V	V	Female	>65
Ke, Chang-chi/Director	V				V		V	V	Male	>65
Hsu, Chieh-cheng/Director	V					V	V	V	Male	<55
Chen, Hsin-tso/Director	V			V	V	V	V		Male	<55
Chen, Wei-chang/Director	V			V	V	V	V		Male	55-65
Chiu, Ping-he/Director	V			V	V	V	V		Male	>65
Hung, Yung-cheng/Director	V			V	V	V	V		Male	>65
Hsieh, Fa-ta/Independent Director	V	V	V	V	V	V	V	V	Male	>65
Huang, Chih-peng/Independent Director	V	V	V	V	V	V	V	V	Male	>65
Wu, Tsung-fan/Independent Director	V	V	V	V	V	V	V	V	Female	>65

Notes:

1. This is the 19th term of the Board of Directors, which runs from June 27, 2022 to June 26, 2025.
2. A complete list of the Board members' backgrounds, education and work experience, continuing education, meeting operations and other corporate positions has been published in the Company's annual report, on the website and on the Market Observation Post System. Please refer to the Annual Report 2022, III. Corporate Governance Report - 2, Directors, President, Deputy President, Assistant Vice Presidents, Heads of Departments and Branches.
3. Please refer to the Company's website for the diverse background of membership of the Board of Directors.



◀ Kinpo Annual Report 2022



◀ Kinpo Board Members

### 3.1.1 Operation of the Board and Shareholders' Meeting

#### Board Composition

Kinpo's Board members are nominated based on basic criteria and values, professional knowledge and skills, and the nomination eligibility and evaluation criteria for director candidates are clearly defined, taking into account diverse professional backgrounds, genders and fields of work. The Board also sets out an appropriate approach to diversity considering the Company's operations, business model and development needs, with priority given to specialization and complementarity in each field, in order to improve the Company's board structure.

The Board of Directors of the Company comprises a wide range of specialists with outstanding expertise and experience in the industry, academia and management. We believe that a professional, diverse and independent Board composition will help boost the performance of the Board's governance. The Board currently consists of 11 directors, including 3 independent directors, with women currently holding 2 seats on the directorship and independent directorship, accounting for 18.2% of the total number of directors. Their age breakdown is 18.2% for those aged below 55, 9.1% between 55 and 65 and 72.7% over 65.

#### Operation of Board of Directors

The Board of Directors is mandated to exercise its powers and responsibilities under the relevant laws and regulations, the Company's by-laws and the resolutions of the shareholders' meetings, to set the Company's specific business policies and to oversee the performance of the Company's management team. Also, it provides the Company with specialist advice on operational, technical and financial matters in a spirit of supreme independence, and jointly assumes responsibility for the strategy, operation and supervision of the Company. When a Board meeting is called, the auditing officer is expected to attend and report on the implementation of the audit activities and, depending on the items on the agenda, the person in charge of a certain project is required to be present to answer inquiries.

The Board meets regularly to deliberate on various operational matters of the Company and publishes the contents of the discussions as required by law, and observes the internal conflict of interest avoidance system if the directors' own interests are involved, with the actual attendance rate of directors exceeding 85% in 2022. (For information on the operation, content of meetings and conflict of interest avoidance, please refer to the Annual Report, III. Corporate Governance Report - 4. The State of the Company's Implementation of Corporate Governance - 3) The state of the Company's implementation of corporate governance, any deviation of such implementation from the Corporate Governance Best-Practice Principles for TSEC/TPEX Listed Companies, and the reason for any such deviation).

#### Performance Evaluation of Board of Directors

In order to implement corporate governance and enhance the functions of the Board of Directors, the Company has instituted the "Rules for Performance Evaluation of Board of Directors and Functional Committees," whereby an internal evaluation of the board was conducted from 2021 onwards, and the performance of the Board of Directors, board members and functional committees (audit and remuneration committees) is evaluated on a regular basis once a year. Also, an external evaluation is scheduled to be undertaken at least once every three years and the results will be published in the annual report. The most recent evaluation period was from January 1, 2022 through December 31, 2022 and the results were presented on a 5-point scale, with 1 being extremely poor and 5 being extremely good.

Measurement of Performance Evaluation	Performance Indicators	Average Score	Overall Assessment
Overall Board of Directors	A. Involvement in the Company's operations B. Improving the quality of board decisions C. Composition and structure of the Board D. Selection and continuing education of directors E. Internal control	4.74	The Board was actively involved in the running of the Company and has generally functioned well, in line with corporate governance
Individual Board Members	A. Mastery of the Company's objectives and tasks B. Awareness of directors' responsibilities C. Involvement in the Company's operations D. Internal relationship management and communication E. Directors' expertise and continuing education F. Internal control	4.77	Positive comments on the efficiency and effectiveness of the Board in all aspects

Directors' remuneration comprises four elements, including emoluments, retirement pensions, directors' honoraria and business execution fees, and represented 2.62% of the net income of the Company in the 2022 financial statements. (For related information, please refer to the Annual Report 2022, III. Corporate Governance Report - 3. Remuneration to Directors, President and Deputy President for the Most Recent Year - 1) Remuneration and bracket of directors and independent directors.)

Number of Meetings	<ul style="list-style-type: none"> <li>5 Board meetings were held in 2022 to discuss topics such as the Company's business strategy and governance operations.</li> <li>Over 85% actual attendance at Board meetings in 2022.</li> </ul>
Sustainability Topics	<ul style="list-style-type: none"> <li>The Sustainability Committee regularly communicates with the Board of Directors on sustainability-related topics, and in March 2022, the Board was briefed on the planning and progress of issues such as risk management policies and procedures and the Corporate Social Responsibility Best Practice Principles.</li> <li>In 2022, the incident involving the management rights of former director Shen, Shi-rong raised public concern and debate. During the discussion of the relevant motions, interested parties were excused from the Board meetings and did not participate in the discussion or voting pursuant to the Rules of Procedure for Board of Directors Meetings.</li> </ul>

## Key Management

In its key management development plan, Kinpo focuses on the organizational and human capabilities required for the Company's future development goals, emphasizing that the successor should have excellent strategic planning and operational abilities, as well as the belief and practice of its core values (innovation, harmony and excellence). Senior managers are rotated across the Group to deepen their expertise and increase the breadth and depth of their practical application. In addition, the Board of Directors regularly discusses the performance and development plans of senior managers to ensure that their development is aligned with the direction of the organization.

## Succession Plan

The Company initiated its succession plan 13 years ago by grooming professional managers to serve in key positions in the Company's investees and the Company, as well as serving on the Company's Board of Directors to familiarize them with the operations of the Board. The Group's senior managers are trained and nurtured through rotation and assignment in order for the Company to seek out a full range of talent and to strengthen the future management team in a planned and targeted manner. Currently, the President and Group CEO are being taken over by senior managers in the Group through transfer and promotion, and the succession plan is being relaunched.

## Operation of Shareholders' Meeting

Kinpo values the interaction and communication channels among its investors and promotes a more forward-looking operation and sustainable development of the Company by way of shareholders' meetings. In 2022, we convened one shareholders' meeting and one investors' conference. To enhance the transparency of information disclosure in the annual report, an English version thereof and the shareholders' meeting agenda handbook have been published simultaneously for stakeholders' inspection since 2021. (For the major resolutions of the shareholders' meetings, the implementation thereof after the meetings and the name list of major shareholders, please refer to Kinpo's Annual Report 2022, III. Corporate Governance Report - 4. Corporate Governance Operations - 11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.)

The Kinpo website also has an investor section. For information on investor conferences, please refer to the financial information, and for information on shareholders' meetings, please refer to the shareholders' section.



Investor Conference

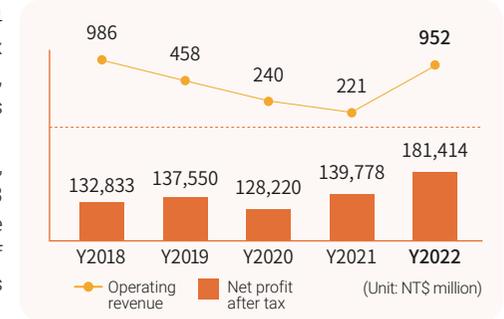


Shareholders' Meeting

## Operational Performance

The Company's revenue in 2022 stood at NT\$181,414 million, up 29.79% from 2021, and net profit before tax in 2022 was NT\$1,634 million, up 79.76% from 2021, with revenue growth primarily driven by new customers and new business.

As approved by the Board of Directors on March 10, 2023, a cash dividend of NT\$440,245,264 (NT\$0.3 per share) was distributed to shareholders from the Company's 2022 earnings, and a cash dividend of approximately NT\$300 per thousand shares was distributed as stock dividends.



### 3.1.2 Functional Committees

The Board of Directors is the supreme governing body of the Company and the body that makes major operational decisions, and is assisted by the various committees set up to provide oversight and quality decision-making. The Board is charged with overseeing the operations of the Company under the law and its charter to ensure that the Company functions in compliance with the law and its bylaws and the shareholders' meeting exercises its powers and responsibilities, as well as providing professional strategies and advice to the management in order to create greater benefits for shareholders and protect the interests of all stakeholders.

### Operation of Audit Committee

The Company established the Audit Committee to enhance corporate governance and strengthen the professional functions of the Board of Directors and laid down the Audit Committee Charter. The Audit Committee is composed of three independent directors, namely Hsieh, Fa-ta, Huang, Chih-peng, and Wu, Tsung-fan, and elected Hsieh, Fa-ta as convenor.

Our Audit Committee regularly communicates with the Company's independent auditors on an annual basis regarding the results of the review or audit of its quarterly financial statements and other matters required to be addressed by law and conducts scrutiny of independence regarding the selection of the independent auditors and the audit and non-audit services rendered by them. The internal auditing officer of the Company regularly submits audit summary reports to the Audit Committee according to the annual audit plan. The Audit Committee also periodically evaluates the Company's internal control system, the compliance of the internal auditors and the Company with relevant laws and regulations, and the existing or potential risk management of the Company. During the period covered by this report, no motion was not passed by the Audit Committee and there were no instances in which the independent directors should recuse themselves from motions in which they had an interest. 6 meetings were held in 2022 and the actual attendance rate of the Audit Committee members was 100%. (For the operation of the Audit Committee and the results of its resolutions, please refer to the Annual Report 2022, III. Corporate Governance Report - 4. Corporate Governance Operation - 2) Operation of Audit Committee)

## Operation of Remuneration Committee

Composed of three independent directors, the Remuneration Committee of the Company is tasked to regularly evaluate and set the compensation of directors and managers and periodically examine the policies, systems, standards and structures of performance evaluation and compensation of directors and managers, so as to integrate the payout with the performance of individuals and the Company's operation, achieve the reasonableness of the payout and attract and retain outstanding talents. In 2022, the Remuneration Committee met 4 times and the actual attendance rate of the committee members was 100%. (For the operation of the Remuneration Committee and the results of its resolutions, please refer to the Annual Report 2022, III. Corporate Governance Report - 4. Corporate Governance Operation - 4) Composition, Responsibilities and Operation of the Company's Remuneration Committee)

Remuneration for the Company's Board of Directors and top management is not yet linked to sustainable performance and will be brought to the Remuneration Committee for deliberation when the time is right.

## Performance Evaluation of Functional Committees

Measurement of Performance Evaluation	Performance Indicators	Average Score	Overall Assessment
Functional Committee -Audit Committee	A. Involvement in the Company's operations B. Awareness of functional committee responsibilities C. Improving the quality of decision-making in functional committees D. Functional committee composition and selection of members E. Internal control	4.82	The functional committees have generally functioned well, in line with corporate governance and have been effective in enhancing the Board's functions.
Functional Committee -Remuneration Committee	A. Involvement in the Company's operations B. Awareness of functional committee responsibilities C. Improving the quality of decision-making in functional committees D. Functional committee composition and selection of members	4.87	

Note:  
The assessment results are categorized into 5 levels: No. 1: Extremely poor (strongly disagree); No. 2: Poor (disagree); No. 3: Moderate (average); No. 4: Good (agree); No. 5: Extremely good (strongly agree)

## 3.2 Risk Management

Kinpo's risk management policy aims to identify risk factors beforehand that may adversely affect operations, and, following appropriate assessment and handling procedures, to mitigate, reduce and prevent losses from occurring. This enables us to detect and warn of risks in a timely manner, in response to changes in the internal and external environments, so that we can cope with risk in time within the scope of our business activities across our global locations.

## Risk Assessment and Management

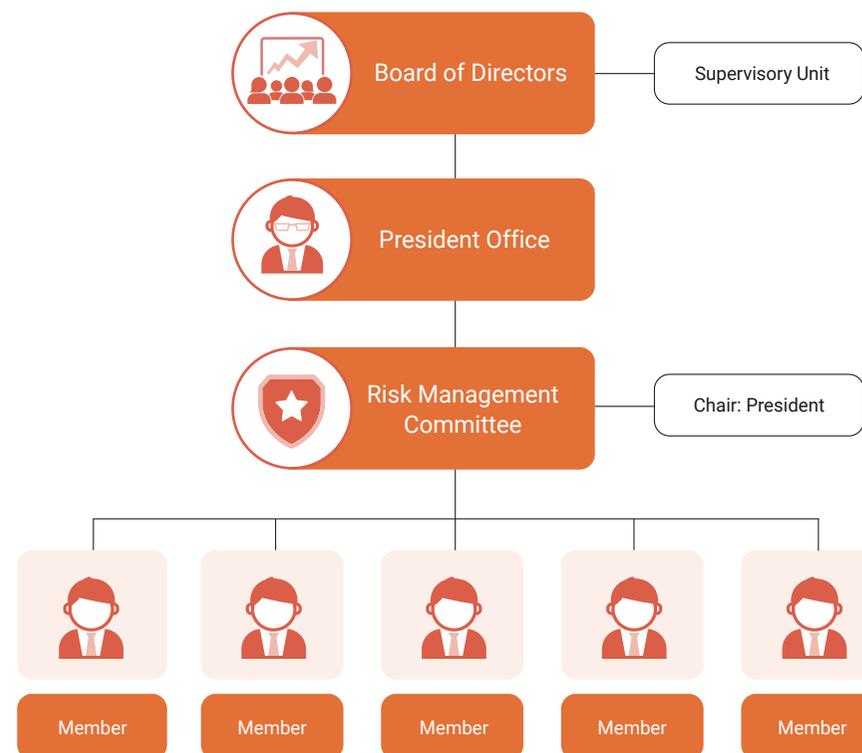
The Risk Management Committee is the highest risk management body in the Company, with the President as the top executive. It holds regular meetings to prevent risks identified by each business unit and to verify the effectiveness of the implementation of various programs, as well as to consider various risks from the overall perspective of the Company.

The Risk Management Committee, of which the heads of the business units are members or appoint members, is responsible for the following:

1. Conveying risk information in a timely and accurate manner
2. Ensuring the effective enforcement of risk regulations in the unit
3. Providing recommendations and actions to address risks in response to changes in the external environment and internal strategies

The Company reports to the Board of Directors at least once a year on matters relating to the risk management situation, and the implementation status in 2022 was presented to the Board of Directors on March 10, 2023.

## Organization Chart of Risk Management Committee



## Kinpo's Material Risk and Management Policy Risk and Management Policy

Material Topic	Risk Assessment Item	Description	Countermeasure	Opportunity	
 Environment	Environmental Impact	A risk occurs that interrupts the Company's production and prevents it from operating normally, resulting in loss of personnel and property.	Ensure the effectiveness of energy management, increase energy efficiency, reduce pollution emissions and environmental impact by implementing process safety management and institutionalization, and introducing international management systems.	Tapping into the green sector to scale up the use of renewable energy and cutting carbon production.	Chapter 5 Environmental Sustainability
	Climate Change		<ol style="list-style-type: none"> <li>1. Support international initiatives and national policies through action; identify the risks and risks associated with climate change using the TCFD framework and gear up for climate change resilience.</li> <li>2. Scrutinize the impact and reducing the risk to the Company through ISO 14064 GHG Management and the Science Based Targets (SBT).</li> </ol>	Promoting green manufacturing and continuing to adopt new technologies to increase energy use and reduce GHG emissions.	
 Society	Occupational Safety	The risk of non-compliance with the law may result in personnel injury in serious cases and result in negative perception and opinion of the Company by members of the public and supply chain partners.	<ol style="list-style-type: none"> <li>1. Proactively strengthen injury prevention measures and improve poor health conditions through ISO 45001 Occupational Health and Safety Management certification.</li> <li>2. Conduct regular fire drills and occupational safety education training every year to develop staff's emergency response and self-safety management skills.</li> </ol>	Complying with international conventions and laws of different countries to create a safe working environment and a happy workplace.	7.5 Employee Health
	Human Rights Risks		<ol style="list-style-type: none"> <li>1. Ensure that labor policies conform to domestic and international human rights conventions and local government regulations.</li> <li>2. Hold regular labor meetings to communicate and reach consensus on issues related to the application of human rights policies, labor environment and conditions, policies and remuneration packages to ensure transparency and smooth communication between management and employees.</li> </ol>	Creating a friendly and inclusive workplace where employees have the opportunity to fulfill their potential, receive reasonable pay and create a positive employer image.	7.1 Human Resource Management Policy
 Governance	Operational Disruption Risk	Disruptions to operations due to implications for the safety of staff and equipment.	Evaluate emergencies (e.g. epidemic hazards, fires or typhoons) that may impinge on staff, equipment and the environment to the extent that they may disrupt operations, and develop precautionary measures to minimize their occurrence.	Properly managing operational risks, protecting our key assets - our employees - while increasing stakeholder confidence in Kinpo's operations, and ensuring that business partnerships are protected for suppliers and customers.	7.5 Employee Health
	Interest Rate Variations	Floating rate investments in loans and receivables, fixed rate and floating rate borrowings.	Analyze the extent of the impact on Kinpo's profit or loss for items exposed to interest rates at the end of the financial reporting period, including floating rate investments and borrowings and assuming they are held for one fiscal year, when interest rates rise/fall by 10 basis points.	Anticipating the effect of interest rate fluctuations on finance.	Chapter 3 Corporate Governance
	Exchange Rate Movements	In relation to operating activities (where revenue or expenses are denominated in a currency different from the Company's functional currency) and net investments in foreign operating entities.	Regularly examine the differences between assets and liabilities denominated in non-functional currencies and manage exchange rate risk under forward exchange contracts, the amounts of which are based on Kinpo's capital needs by currency.	Keeping the effect of exchange rate fluctuations at bay on cash flows and asset values.	Chapter 3 Corporate Governance
	Information security	Loss of important corporate assets, or even disruption of operations or damage to property, undermining the foundations of sustainability.	Establish an Information Security Management System (ISMS) that meets international standards and protects the confidentiality, integrity, availability and continuity of the Company's information assets and reasonably mitigates the Company's operational risks.	Keeping to the information security policy and regularly reviewing the operation of the information security system to build a solid and efficient customer image.	3.2.1 Information security management

### 3.2.1 Information Security Management

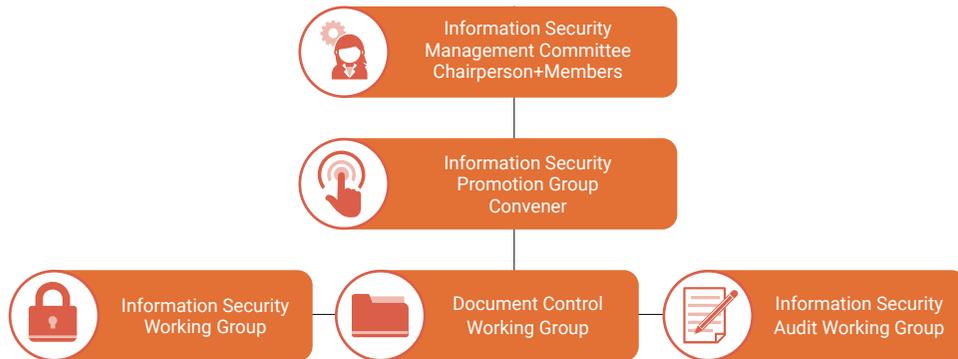
#### Information Security Policy

Kinpo obtained ISO 27001 Information Security certification in 2021, with a view to maintaining the confidentiality, integrity and availability of the Company's information, the reliability of its information equipment (including computer hardware, software, peripherals) and network systems, raising awareness of information security among employees, and ensuring that these resources are safeguarded from interference, destruction, intrusion, or any adverse acts and attempts that may compromise the interests of customers and the Company. In 2022, we further set our information security objectives, stepped up self-audits and regular evaluation and improvement of our information security management system, and continued to lower information security risks. In November of the same year, we announced the appointment of a chief information security officer to coordinate and promote information security policies and resource deployment, and to continually execute information security governance. In 2022, no cyber attacks or incidents occurred that had dealt a major blow to the Company's business and operations, nor were we involved in any related legal cases or regulatory investigations.

#### Organization of Information Security Committee

The Information Security Committee is comprised of the President or his or her designated officer as the chairperson, who serves as the chief information security officer and meets at least once a year for management review and on an ad hoc basis as needed. The information security implementation results for 2022 were handed over to the Board of Directors on March 10, 2023.

#### Organization Chart of Kinpo's Information Security Committee



#### Information Management Performance 2022

In 2022, customers' information security requirements were satisfied to the fullest extent and customers were informed of the audits, including the production environment at each plant.

Influential Information Security Events 0%

Social Engineering Exercise Pass Rate

85.1%

Information Security Education Training

- 8 EDM and Info Security Video promotions
- 5 info security awareness sessions for info sensitivity projects
- 2 info security training courses

#### Information Security Management

Info Security Items	Measures	Management Performance 2022
Network Protection	<ul style="list-style-type: none"> <li>• Build a centralized firewall data analysis platform</li> <li>• Build NDR real-time network detection system</li> <li>• Build a network management/information security data middle office</li> <li>• Email APT defense</li> <li>• Intelligence joint defense</li> </ul>	<ol style="list-style-type: none"> <li>1. Centralized firewall data analysis platform: conducted centralized cross-device information analysis, gave real-time incident notification and reduced information security risk.</li> <li>2. Network security detection: discovered potential information security risks.</li> <li>3. Network management/information security data middle office: Realized big data to strengthen information security strategy.</li> <li>4. Email APT defense: guarded against advanced and persistent email penetration attack, with the ability to protect URLs and analyze email attachments to lower the information security risk of email channels.</li> <li>5. Intelligence joint defense: performed TW/CERT and ExtraHop intelligence joint defense to enhance defense capability.</li> </ol>
System Management	<ul style="list-style-type: none"> <li>• Continuously promote ISO 27001 Information Security Management System</li> </ul>	<ul style="list-style-type: none"> <li>• Passed the renewal of the ISO 27001 audit certification with no major and minor non-conformities.</li> </ul>
Software Protection	<ul style="list-style-type: none"> <li>• NGAV anti-virus software/server MDR service</li> <li>• Compliance software check platform</li> </ul>	<ol style="list-style-type: none"> <li>1. Implemented outgoing mail checks for sensitive projects: reduced the risk of leakage of customers' sensitive information, with no leakage of customers' information in the year.</li> <li>2. Introduced a software licensing and monitoring platform: enhanced the visualization of the use of related R&amp;D software, checked the use of illegal software, and ensured that the software was legally licensed for use.</li> </ol>
Hardware Protection	<ul style="list-style-type: none"> <li>• Network equipment/server upgrade</li> <li>• Server / Web vulnerability scanning</li> </ul>	<ol style="list-style-type: none"> <li>1. Regularly ran two server /website vulnerability scans and occasional vulnerability scans for major threats, with timely fixes to strengthen protection measures.</li> <li>2. Arranged at least one information asset value check every year, conducted risk assessment, compiled operational impact analysis report, and continuously carried out operational risk plans and drills for high-risk items.</li> </ol>
Regular Testing	<ul style="list-style-type: none"> <li>• Email social engineering walkthrough</li> <li>• Server / Web vulnerability scanning</li> <li>• Outbound mail check for sensitivity projects</li> </ul>	<ol style="list-style-type: none"> <li>1. Email social engineering walkthrough: sampled 282 employees, with a target pass rate of 85.1%, supplemented by education and training with a target pass rate of 95% for the next period.</li> <li>2. Regularly ran server /website vulnerability scans and occasional vulnerability scans for major threats, with timely fixes to strengthen protection measures.</li> <li>3. Outgoing mail check for sensitivity projects: reduced the risk of leakage of customers' sensitive information, with no leakage of customers' information in the year.</li> </ol>
Group Joint Defense	<ul style="list-style-type: none"> <li>• Regular Group IT meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Regular Group IT meetings: synchronized information security policies to enhance the Group's information security joint defense.</li> </ul>

#### Information Security Incident Management

To mitigate the risk of information security events and disruptions to operations, and to protect critical operations from major information system failures or disasters, we develop business continuity plans, based on operational impact analysis and risk assessment, including emergency response, system recovery and information business recovery operations. Additionally, we regularly perform business continuity exercises every year. In 2022, we conducted mock exercises on "core API Server service outage" and "core database unavailability" for network management and application development scenarios, and the exercises' RTO (recovery time objective) was within the scope of the plan. No influential information security incident occurred in 2022.

### 3.3 Ethical Management and Compliance

#### Employee Ethics and Conduct

Sound corporate governance is fundamental to the sustainable operation of the Company. To ensure that the Company operates with ethical practices and adheres to the law, we disclose the policy on ethical management in its internal by-laws, annual statements, corporate website, or other promotional materials, and establish corresponding internal regulations for different target groups. In addition, we also organize internal training courses on ethical management and regularly promote our core values to enhance employees' awareness and step up corporate governance.

Kinpo also keeps an eye on international policies and laws that have a potential bearing on the Company's business and finances, and formulates various corporate governance rules and practices. When staff have doubts about regulations or penalties, the business unit can file an application on their behalf, requesting the Legal and Intellectual Property Center to render advice for reference. When the business unit receives the penalty document, it will in principle forward it to the legal affairs department for validation, and where necessary, the department will assist in making representations on behalf of the business unit, with the final outcome to be settled by the business unit itself. The business unit shall apply for the payment of fines, if any, from the finance department. The year 2022 saw no financial loss as a result of penalties imposed.

Applicable to	Compliance	Management activities
 Board of Directors	1. Rules of Procedure for Board of Directors Meetings 2. Board by-laws 3. Codes of Ethical Conduct 4. Ethical Corporate Management Best Practice Principles 5. Procedures for Ethical Management and Guidelines for Conduct	1. Established a system of disqualification for interest, so that any director or a juristic person represented by a director that has a stake in any agenda item to the detriment of the interests of the Company may not participate in discussion or voting on that agenda item. 2. In 2022, the directors and managers took out liability insurance with a sum insured of US\$30 million to protect the interests of all shareholders and mitigate the Company's operational risk.
 Management / Employees	1. Codes of Ethical Conduct 2. Ethical Corporate Management Best Practice Principles 3. Procedures for Ethical Management and Guidelines for Conduct	1. Staff must sign the Staff Integrity Statement. 2. Managers must sign Statement of Ethical Management. 3. 1,135 employees in total attended ethical business training sessions in 2022, for an aggregate of 1,135 hours. 4. The execution for 2022 was reported to the Board of Directors on March 10, 2023, and the Company continues to educate its employees on the concept of ethical business practices and to step up measures in the Procedures for Ethical Management and Guidelines for Conduct.
 Customers	1. International and industry standards 2. Commercial contracts	Before entering into relationships with other companies, assess their legitimacy and whether they have a history of unethical practices to ensure that they do not ask for, offer or accept bribes.
 Suppliers/Contractors	1. Supplier Code of Conduct 2. Confidentiality contract 3. Procurement contract 4. Responsible Business Alliance (RBA) Code of Conduct	The vendor shall sign an anti-bribery statement and agree to accept the relevant measures as stipulated in the statement, such as criminal prosecution, punitive penalties, immediate cessation of dealings, rescission or termination of the contract or agreement in question.

#### Code of Ethics and Anti-Corruption

Kinpo has instituted an anti-corruption and anti-bribery policy, which has been announced by the President Office and published on the official website, setting out clear and uniform rules and making it clear to the public that our employees will not accept any bribes or other improper benefits from any form of request, and that all

employees and newcomers must take part in confidentiality and integrity training. We also require our external partners to subscribe to an anti-bribery statement, which prohibits them from bribing our employees, relatives or friends. If any damage is caused by a breach of the code of ethics, we will seek compensation pursuant to the statement signed by the partner and take necessary legal action. In addition, a complaints channel has been put in place to receive and investigate any allegations of corruption and bribery, and any violations of the anti-corruption and anti-bribery policy found to be committed by our staff and business partners will be dealt with in a rigorous manner. In 2022, there were no incidents of corruption reported through formal channels or suspected cases of improper receipt of benefits, and staff education and training will continue to be enhanced.



◀ Kinpo's Anti-Corruption and Anti-Bribery Policy

Category	Description	Management	Performance 2022
Anti-Corruption, anti-bribery	1. Losses due to corruption of employees. 2. Termination of cooperation with business partners due to corruption offenses.	Developed an anti-corruption and anti-bribery policy to establish a clear and consistent anti-corruption and anti-bribery code.	1. 1,327 employees in total attended confidentiality and integrity training sessions in 2022, for an aggregate of 663.5 hours. 2. The Company received no corruption or bribery reports from official channels.
Anti-trust practices	Involving anti-competitive, antitrust and monopolistic conduct.	Raised staff awareness of compliance with the law and prevented legal risks and adverse effects arising from breaches of the law.	There were no breaches of ethical, antitrust or anti-competitive practices.
Breach of environmental laws and regulations	Penalties for violations of environmental laws and regulations.	Any matters related to regulations can be brought forward by the business unit, on which the legal affairs office can offer advice.	The Company committed a punishable offense in 2021. On March 17, 2022, we received a penalty letter from the FSC due to the Board of Directors' approval of a motion to transfer treasury shares to employees. Currently, we have engaged a lawyer to prepare a administrative appeal pleading to file the administrative appeal with the Executive Yuan (please refer to P.57 of the Annual Report 2022).
Breach of social and economic laws and regulations	Penalties for violations of social and economic laws and regulations.		
Violation of product and service information labeling	Penalties for violation of the law on the labeling of information on products and services.		
Prohibition of child labor and labor coercion	1. Penalties for unlawful employment of workers of local minimum employment age. 2. Penalties for inhumane treatment of employees for forced labor.	Strengthened the identification and verification of the identity of candidates at the time of recruitment, enhanced staff education and training, and enforced equal treatment.	No incidents of discrimination or violation of child labor.
Privacy and intellectual property rights	Leakage of privacy or intellectual property due to man-made negligence or faulty hardware.	Kept a tighter grip on information security risks and enhanced backup and protection capabilities.	No infringement of privacy and intellectual property rights.

## Whistleblowing System and Whistleblower Protection

Employees who come across illegal or unethical practices in the workplace can report them through the proper channels. Kinpo has set up a whistleblowing box, and has established specific reporting channels, handling procedures, rewards and punishments in the "Code of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct," "Employee Grievance Handling Regulations" and "Reward and Punishment Management Regulations." The President Office and the Auditing Office collect the complaints from the whistleblowing mailboxes, with the former responsible for case allocation and management and the latter assisting with auditing. A dedicated department and staff are assigned to investigate and handle complaints in a protected and confidential manner. Personnel who have a conflict of interest in the case should also recuse themselves from the investigation. The officer involved in the probe must maintain the confidentiality of the person filing the report. The rights of the person lodging the complaint should be protected and the person (s) concerned should be safeguarded against improper treatment or retaliation.

Kinpo Whistleblower Box ▶ [response@kinpo.com.tw](mailto:response@kinpo.com.tw)

### 3.3.1 Internal Control and Audit System

Kinpo has set up an independent auditing office under the Board of Directors to assist the Board and managers in inspecting and reviewing deficiencies in internal control systems and gauging the effectiveness and efficiency of operations. When performing internal audit duties, internal auditors should provide timely suggestions for improvement to ensure that the internal control system is applied effectively on an ongoing basis and that the efficient operations, reliable reporting and compliance with relevant laws and regulations are achieved and serve as the basis for reviewing and amending the internal control system. Upon submission of audit reports and tracking reports for approval, they are forwarded to the independent directors for review and inspection at the end of the next month following the conclusion of the audit items. In addition to reporting audit results to the independent directors on a regular basis, the internal auditing officer also attends regular Board meetings to brief Board members on the execution of audit activities. Meanwhile, the auditing office supervises and urges and assists each unit to conduct self-assessment and inspection of the internal control system annually to make sure that the Board and managers are aware of the effects of the operation. Furthermore, the appointment and dismissal of the internal auditing officer is subject to the approval of the Board of Directors and in accordance with the Corporate Governance Best Practice Principles laid down by the Company, the appointment and dismissal, appraisal and remuneration of the internal auditors shall be presented by the auditing officer to the Chairman for ratification.

The auditing office prepares an audit plan based on risk assessment and regulations, turns it in to the Board of Directors for endorsement before implementation, and conducts ad hoc audits or reviews as necessary. According to the annual audit plan, the internal auditors execute the operation plan for individual audit cases and disclose the deficiencies and irregularities of the internal control system found by the audit in the audit report, providing timely suggestions for rectification, and following up after the report is filed. A total of 54 audit items in the 2022 audit plan endorsed by the Board of Directors have been completed and filed.

## Internal Control and Audit Process



The audit report and tracking report are submitted to each of the independent directors for review after they have been handed over to the Chairman. The independent directors may contact the auditing officer if they need further information or instructions. The Company holds quarterly meetings of the Audit Committee and the Board of Directors, at which the auditing officer is required to attend and present a summary report of the quarterly audits. We also convene separate meetings annually with directors, internal auditing officers and independent auditors, with the internal auditing officers reporting separately to the independent directors on auditing activities and annual planning and other matters required by law. (For the Audit Committee's report and communications, please refer to the Annual Report 2022, III. Corporate Governance Report - 4. Corporate Governance Operation - 2) Audit Committee Operation)



### 3.3.2 Tax Policy

#### Tax Policy

Kinpo's finance and accounting management center is the tax administration unit and its accounting department is responsible for the execution of all types of taxes. In processing various tax returns, they are assigned responsibility under a tiered delegation of authority and given approval for appropriate vetting powers, assess the tax implications of major transactions and decisions, and appoint or seek advice from external professional tax consultancies as warranted by business purposes. Tax policies are instituted by the center, while our business locations observe the tax regulations of their respective countries or regions, and regularly discuss with external specialist tax consultants and keep track of amendments to local tax laws in order to devise strategies accordingly. To enhance the functional and operational capabilities of tax specialists, relevant personnel are assigned to attend various taxation training courses every year to keep themselves up-to-date with the latest policies and regulations and to catch up with trends of legislative changes.

In order to pursue sustainability and fulfill corporate social responsibility, and to uphold the principles of professional ethics and ethical management, Kinpo has adopted the following tax policies to implement tax governance:

1. Compliance: We comply with the tax laws and regulations of the jurisdictions in which we operate and the spirit of the legislation, and we file tax returns honestly to fulfill our tax obligations.
2. Transparency of information: We disclose tax information in our financial statements as required to ensure transparency of information.
3. Conventional transactions: Transactions between affiliated companies are conducted under conventional transaction principles and in conformity with internationally accepted Transfer Pricing Guidelines published by the Organisation for Economic Co-operation and Development (OECD).
4. Proactive communication: We build mutual trust and respect with the tax authorities.
5. Comprehensive decision making: The effects of taxation are taken into consideration in all important decisions of the Company.
6. Legal tax savings: We receive legal and transparent tax saving incentives for tax planning and refrain from resorting to tax havens or low-tax countries for tax avoidance purposes.
7. Risk management and control: When formulating and executing tax policies, we assess the risks involved and take appropriate measures.

#### Tax Payment

All of Kinpo's locations operate under the local tax laws, with tax information in our financial reports also disclosed in accordance with the relevant regulations and standards to enhance the transparency of our tax information. In view of the upcoming imposition of a global minimum corporate tax rate, which is complex and will have considerable implications for the Company, we have been engaged in discussions with external specialist tax consultants to ensure proper compliance with the relevant legislation.

#### Effective Tax Rate over the Years





# R&D and Innovation



P. 30 4.1 R&D and Green Design

P. 33 4.2 R&D Patents

P. 34 4.3 Quality Management

Kinpo's commitment to foundry technology is backed by a philosophy of innovation and beyond, and we continue to inject R&D resources to cater for the production needs arising from the changing trends in technology and lifestyles. To encourage our staff to think out of the box and be innovative, we held an innovative proposal competition. The innovative proposal competition is akin to the idea of "amoeba organization" often cited by the Chairman of the Board of Directors, whereby innovation feeds innovation, so that each project can be extended from solving a single problem to systemic and holistic innovation, and build a proactive, positive, harmonious, innovative and productive organizational culture from the bottom up.

The Company adopted a new system of Product Lifecycle Management (PLM) in 2022. In addition to mitigating the environmental impact of the manufacturing process and the continued use of sustainable materials, we also take into account the final packaging and transportation of the products in the design process to reduce the carbon footprint and impact at the design stage.

On top of our commitment to technological research and development of our own products in order to move towards ODM with high technology content, we are also pursuing product innovation and quality improvement in our new business activities. Going forward, our R&D program will continue to be directed towards this goal, and we will consistently devote our resources to product technology enhancement and the development of products related to smart homes, artificial intelligence (AI) and semantic integration in a stable manner.

### Short-, Medium-, and Long-term Goals for Green Design

#### Short-term 2022-2024

- Zero violations of hazardous substances
- R&D methodology design
- C2C certification of products
- Green design guidelines

#### Mid-term 2025-2029

- Life cycle assessment
- Development of carbon-equivalent negative products

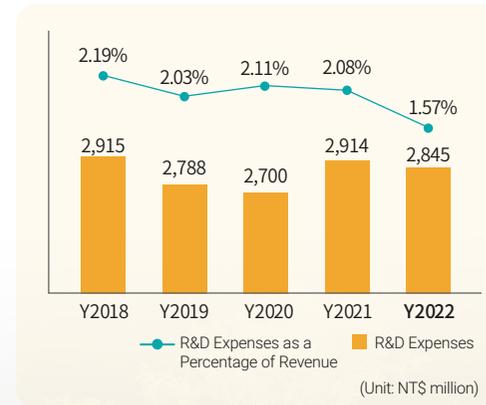
#### Long-term 2030-2050

- Building a sustainable materials library
- Towards a circular economy

## 4.1 R&D and Green Design

With "Innovation and Excellence" as its core value and based on its solid expertise in foundry, Kinpo keeps focused on the development of the industry and injects R&D resources to cope with the production needs under the trend of technological advances and changing lifestyles. In recent years, the Group has committed significant resources to innovation, with a combined sum of NT\$2,845 million injected to R&D in 2022, representing 1.57% of our revenue in 2022, with 5,083 R&D technical staff employed.

### R&D Expenses over the Years and as a Percentage of Revenue



### R&D Costs and Staff 2020-2022

Year	2020	2021	2022
Costs (NT\$ million)	2,700	2,914	<b>2,845</b>
Percentage of Revenue	2.11%	2.08%	<b>1.57%</b>
R&D Technical Staff (Person)	4,178	4,977	<b>5,083</b>

Kinpo's range of products includes electronic calculators, home networking products, home vacuum cleaners and hairdressing appliances, printing and peripherals, plastic molds, storage products and more. However, with the evolution of technology and the advent of AI tools (ChatGPT), the demand for network bandwidth has grown substantially while the demand for network products and applications continues to expand. As such, we are planning short-, medium-, and long-term deployment for applications in different bandwidths for wired (fiber) and wireless communications (5G/LEO/WiFi).

### Short-, Medium-, and Long-term Goals for Innovation in Network Product Development

#### Short-term

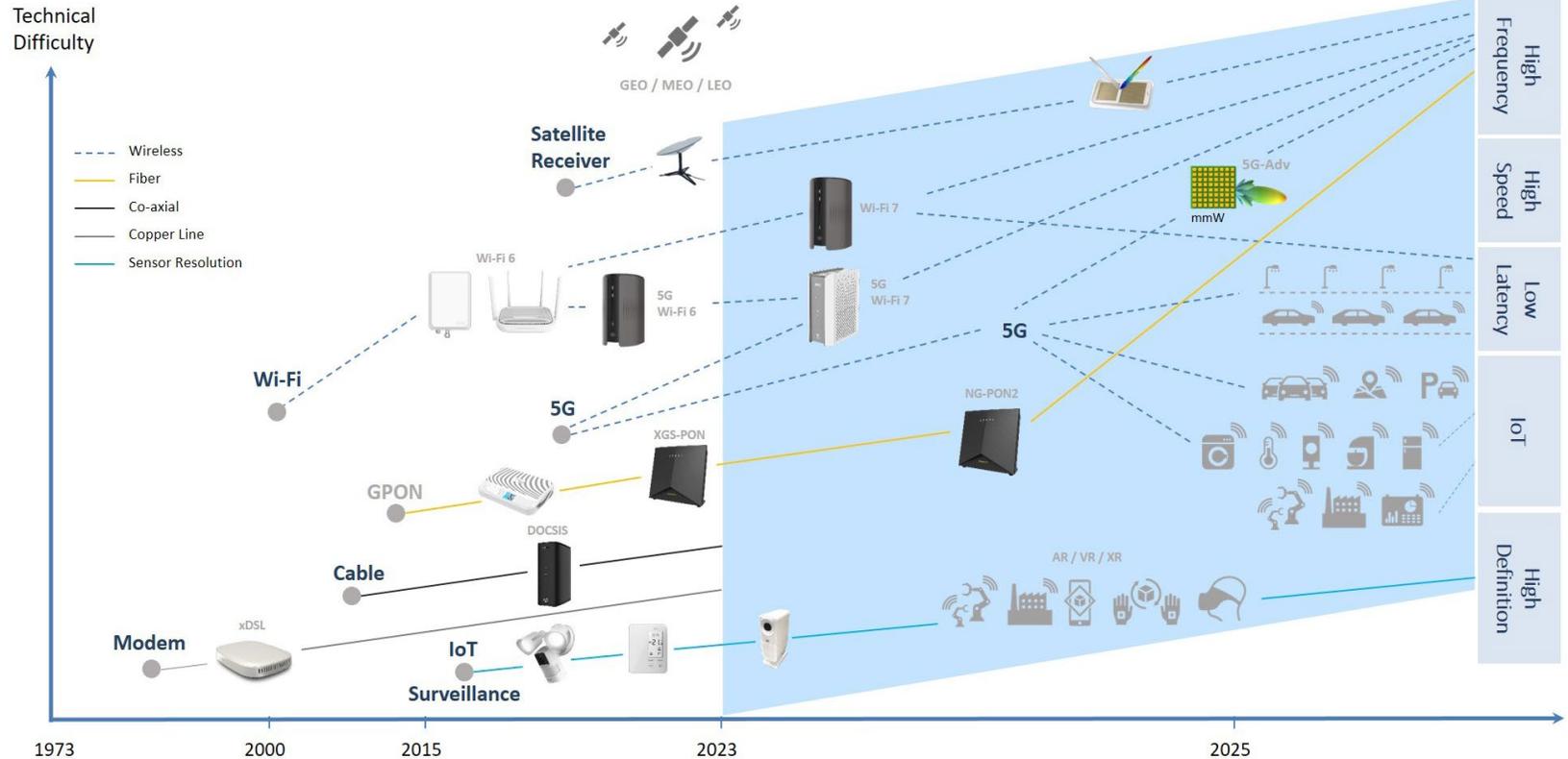
- Network products should focus on existing communication technologies such as PON, DSL, WiFi, STB, IPCAM, etc. to meet customer needs.
- Concentrate on the development of network products in vertical applications: IoT, cloud computing, big data, AI, etc. to cater to the needs of different sectors.

#### Medium-term

- Satellite communications: Develop products in the field of low earth orbit (LEO) satellites.
- 5G networks: Develop products and service programs to support smart cities, smart factories, smart transportation, etc.
- 5G mmWAVE (millimeter wave): Apply to industrial automation, self-driving in vehicle-to-everything, etc.
- IoT applications: Combine regional wireless and multi-wireless technologies with smart home, smart transportation, smart healthcare products, etc.
- Energy storage technology: Develop battery storage products.
- Surveillance systems: Develop high-resolution image sensors, face recognition technology, etc.

#### Long-term

- Resource Renewability
- Green materials use
- Process intelligence / digitalization
- Derivative products
- Green energy collaboration in industry



### Innovative Proposal Competition

To motivate our employees to push back the boundaries of innovation and make it the driving force behind Kinpo's progress, we established an innovation network in 2021 and debuted an innovative proposal competition to inspire our internal employees to participate in product development and innovation and continuous process revamp to boost quality and management and create a proactive, positive, harmonious, innovative, quality and productive organizational culture. The competition continued into its third edition in 2022 and received 79 entries, including 42 in the product innovation category and 37 in the process innovation category, generating a total of NT\$338 million in benefits for the Company.

Year	2021	2022
Product & Technology Innovation	16 entries	42 entries
Process Innovation	50 entries	37 entries
Total	66 entries	79 entries
Estimated Benefits	Savings of approx. NT\$26 million	NT\$338,189,218

## Green Product Design Achievements 2022

Dedicated to environmental sustainability, Kinpo continues pushing towards energy saving and other environmental concepts from product design, production, packaging, sales and service. In response to the trend of sustainability, our green product design aims to "introduce low-carbon products and move towards a circular economy" in the medium to long term, and our green design in 2022 delivered results in three directions: sustainable materials, sustainable production, and green packaging and transportation.

### 1. Sustainable materials - using low environmental impact materials

- Boosted energy efficiency of networking products, WiFi Gateway: 1.06%; Ethernet Switch: 2.16%; IP-STB: 13.37%.
- Reduced natural resource exploitation by RCP resin replacement.
- Increased the proportion of recycled plastics in products.
- Eliminated reset key design to cut down on the use of metal and rubber materials.

### 2. Sustainable production - minimizing environmental impacts from manufacturing processes

- Eliminated Reset Key for calculator products to cut waste.
- Eliminated supplier packaging materials for printer parts to reduce waste.

### 3. Green packaging and transportation - promoting green packaging and transportation

- The design of packaging boxes incorporated pallet arrangement, increasing the average pallet area usage to 85% and raising the average transport capacity by 75%.
- Eliminated PE bags and sealing stickers for internal packaging, and eliminated hanging card packaging and color box wrapping design for external packaging, minimizing the use of plastic materials.
- Switched to 100% recycled material pallets (recycled paper, straw) for laminated wood pallets.
- PCBs were transported in crates for reuse.

## Product Green Design Results 2022

Total Carbon Reduction

36,549 tCO<sub>2</sub>e

Total Electricity Savings

948,830 kWh

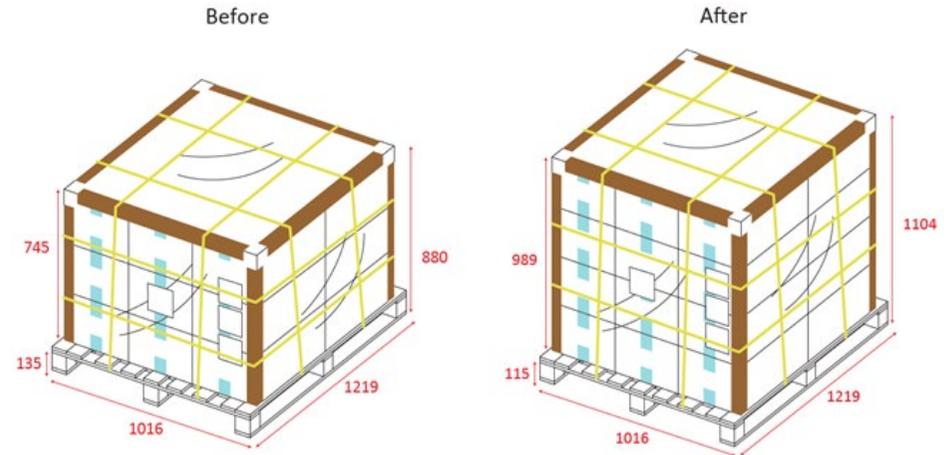
Total waste reduction

8,895 tonnes

## Green Design Case

### Increase in Pallet Stacking Quantity

In 2021, our factory shipped a total of 16,128 crates to our customers. For a 3-layer (3L) high shipment, one 20ft standard container and one 40ft container were required, giving a total carbon footprint of 3,826 tCO<sub>2</sub>e. In 2022, by switching to a 4-layer (4L) shipping method, only one 40ft container was needed with 2,551kg of carbon emissions, saving 33% of the total carbon emissions without affecting the quality of transport.



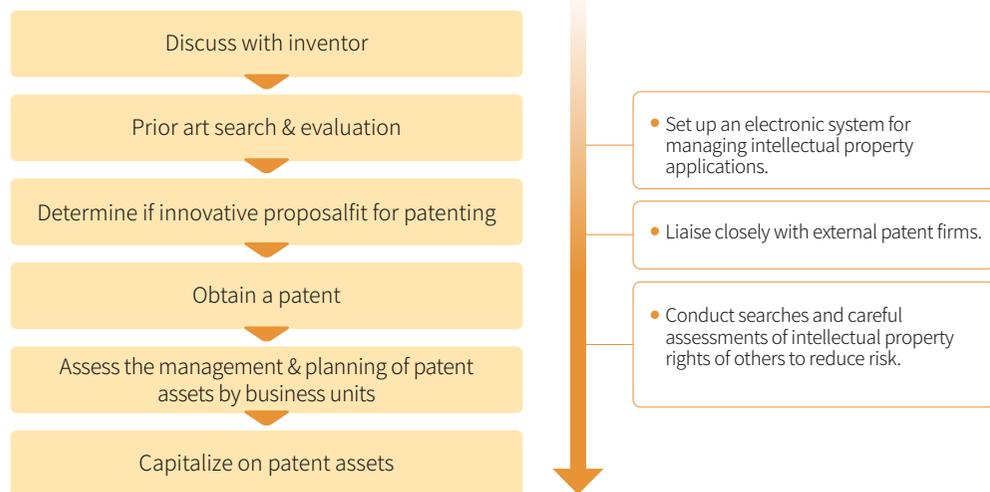
### AUTODESK Moldflow Analysis for Carbon Reduction

The original production yield of the customer was 30%-50%. By adopting data-based moldflow analysis to identify issues such as thickness reduction, changes in melt-filling trends, and improvements in centrally located entrapped air, production yields went up to 90% and the runner system went from 6.8 grams down to 5.6 grams, reducing waste generation by 17% and cutting production cycles by 30%. The results equate to a reduction in carbon emissions by 75.74 grams of CO<sub>2</sub>-eq per hour per unit of product at each stage of manufacturing.

## 4.2 R&D Patents

In the information age, intellectual property is known as the "currency of the 21st century". For the effective management of the Company's intellectual property, we have instituted "Intellectual Property Management Measures" and set up the Intellectual Property Management Department, which is tasked with patent applications, intellectual property management and legal matters. Meanwhile, to encourage our employees to value our in-house intellectual property and respect the intellectual property of others, we have laid down the "Invention and Creation Regulations" to motivate our staff to file patent applications.

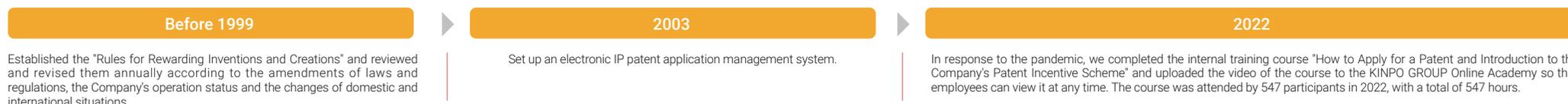
### Kinpo's Rewards for Inventions



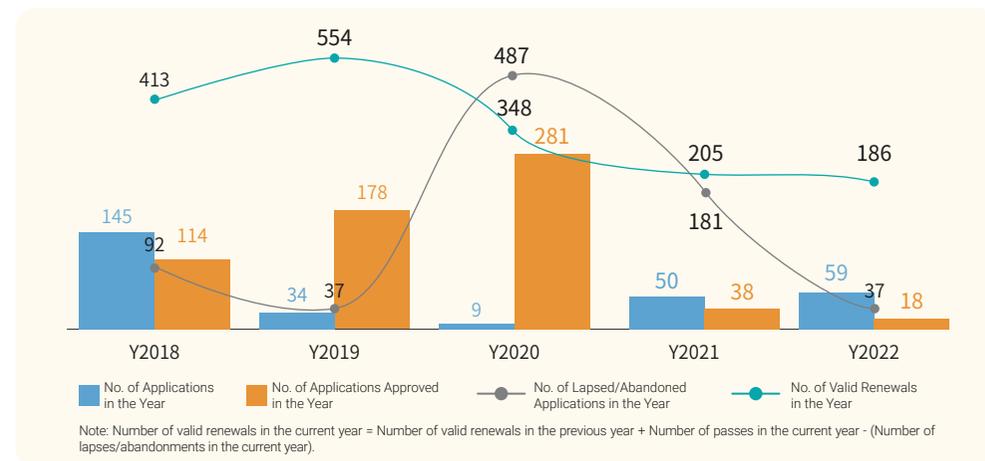
### Patent Protection and Management

To protect confidential information and trade secrets, and to establish transparent, practical and effective guidelines for compliance, the Company has established a classification scheme for confidential information, which is divided into four levels: public, internal, confidential and restricted, with patents classified as confidential. We also employ the "Kinpo Material System - Patent Related System" for control purposes, asking the business unit whether they want to continue maintaining the patent and trademark before it expires, so that we can confirm the actions to be taken. Due to some revamps in our internal operating policies, the number of active renewals has seen a bigger change in the year. Of the 59 patent applications filed, 18 were granted, 37 were invalidated/abandoned and 186 were validly renewed in 2022.

### Kinpo Intellectual Property Development



### Number of Applications in the Year



### Benefits of Patenting Strategy

1. Encouraging R&D: Using the incentive system to stimulate employees' creativity, so that employees can demonstrate their R&D capabilities through patents, while employees can receive real feedback, making it a positive cycle.
2. Realization of R&D capabilities: Kinpo's R&D capabilities can be realized through patents, and the patent protection can be secured at the same time as the exhibition of technical capabilities.
3. Corporate competitiveness and sustainability: Kinpo's premium products, coupled with patent protection, are the key to sustaining our competitiveness and ensuring sustainable growth.
4. Keeping ahead of competitors: Through the accumulation of patents, we can preclude rivals from imitating our products and protect the rights of our customers, so that Kinpo's products can keep ahead of competitors' in the market and maintain our competitive edge.
5. Reducing the risk of litigation: Further reducing the risk of patent litigation by increasing the negotiating leverage in the event of litigation through different types of cumulative patents.
6. Cross-licensing leverage: As a bargaining chip with other companies, the two parties can consider cross-licensing each other's patents during negotiations to achieve a win-win outcome.
7. Additional revenue: the patent can be licensed to other companies for further royalties, or transferred to other companies for a patent transfer fee, creating extra economic benefits for Kinpo.

### 4.3 Quality Management

Quality excellence and customer satisfaction are the foundation of Kinpo's management philosophy. We have established the following quality policies to ensure that our quality management system conforms to customer and regulatory requirements.

#### Kinpo Quality Policy

 Provide products and services that satisfy our customers

 Get the job done right at the outset

 Strive to excel and improve on quality

### Quality Management

To ensure that Kinpo's product design, sales and customer service activities are clearly governed by regulations to achieve quality assurance, customer satisfaction and compliance with legal requirements, we have adopted a quality management policy. The policy not only enables material approval, procurement, product design and manufacturing and shipments to conform to quality management standards, but also verifies the operation of our quality management mechanism through regular internal audits and external third-party audits, and continuously improves the management process at all stages of review.

### Quality Control Strategy

Kinpo formulates quality policies and maps out company-wide short-, medium-, and long-term quality processes and system operations to make sure that the quality of design, processes, personnel, materials, and equipment are kept under control, that the quality of products and services produced meet specifications and provides customers with appropriate confidence, and regularly reviews the achievement and improvement status of the Company and each business unit.

### Education & Training

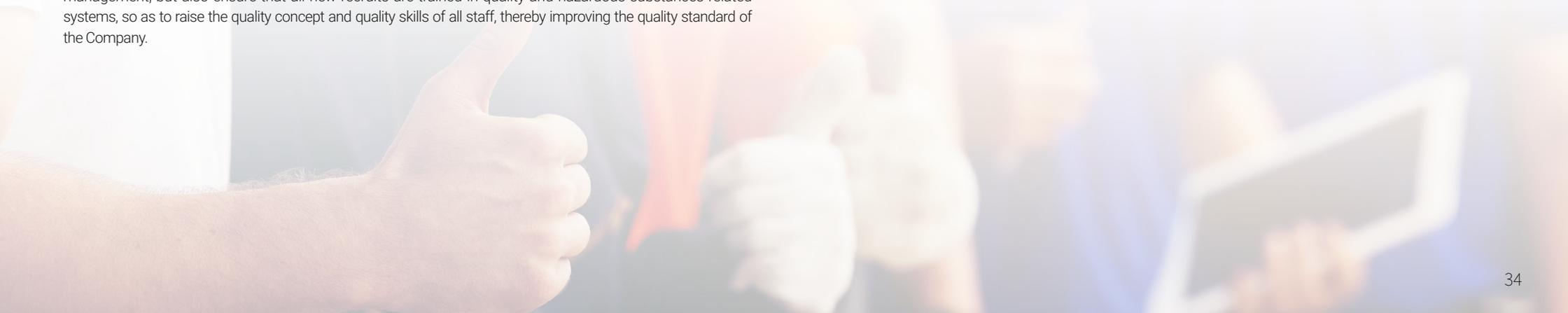
We also strengthen our quality culture and the quality management skills of all staff by arranging quality education and training every year. These efforts not only enhance the professional functions of our existing staff in quality management, but also ensure that all new recruits are trained in quality and hazardous substances related systems, so as to raise the quality concept and quality skills of all staff, thereby improving the quality standard of the Company.

### Quality Education Training Outcomes 2022

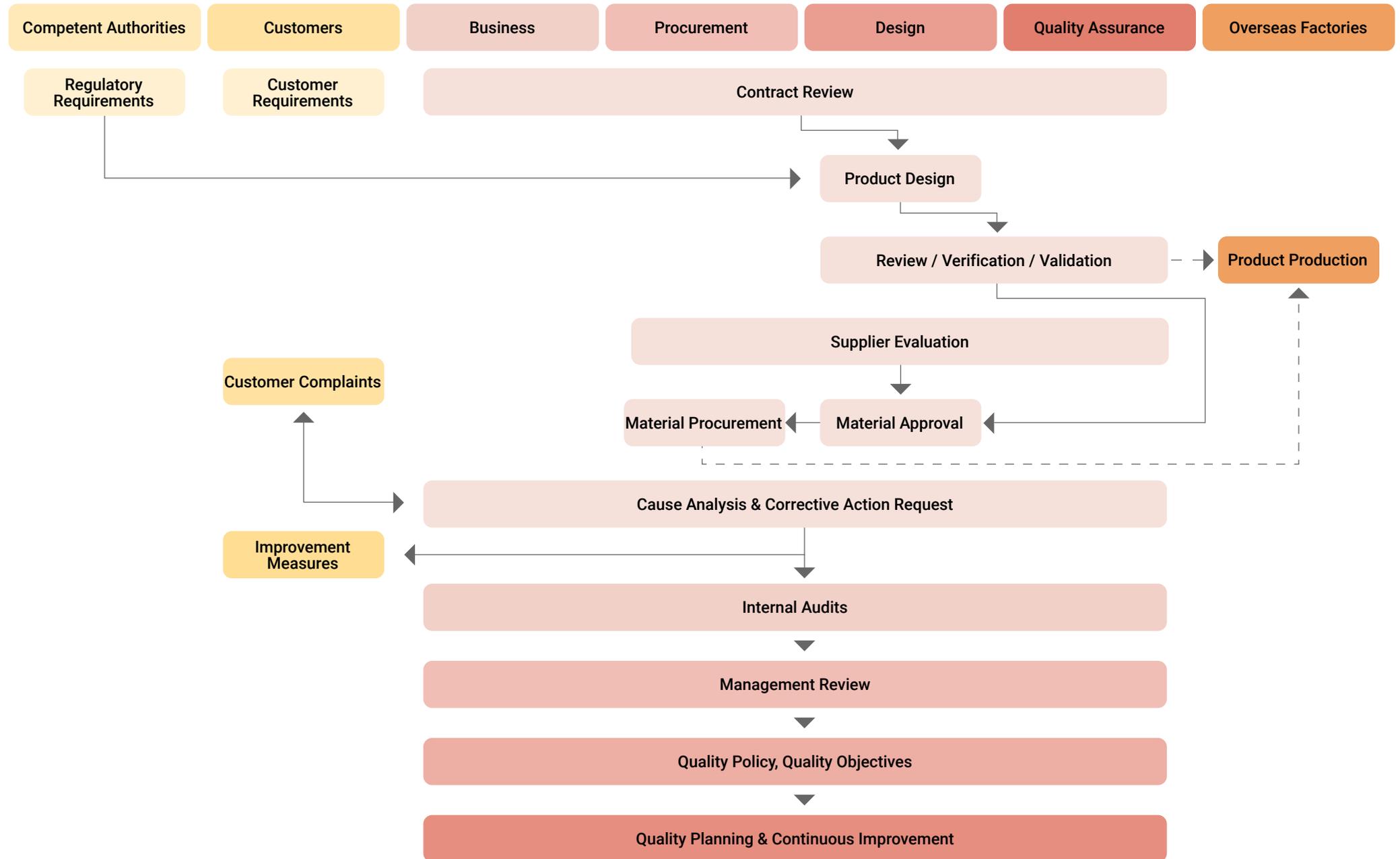
Quality Education Training Course 2022	Trainees	No. of trainees (person)
Introduction to Quality and Harmful Substances and CSR System	Newcomers	174
Six Sigma Yellow Belt Online Training Series	Newcomers	174
3rd Party Report Interpretation Training and Introduction to Regulations_2 stages	BU heads and staff	341
Annual Hazardous Substances Regulations Education Training_2 stages	BU heads and staff	202
8D Problem Analysis and Measures	BU heads and staff	100
PDCA	BU heads and staff	203

### Management System Operation

Based on the framework of the ISO 9001 Quality Management System, Kinpo makes every stage from the production cycle to the shipment of the products under strict quality control. As our product range grows, we have phased in quality management system certifications such as TL 9000 for the communications industry, IATF 16949 for the automotive industry, ISO 13485 for medical devices and AS 1900 for the aerospace industry to meet the requirements of different sectors. We carry out internal audits twice a year and one third-party external audit activity on a scheduled basis to secure compliance with ISO 9001 through validation of our quality management system. In 2022, we did not commit any violations of product or service regulations that resulted in fines or warnings, nor did we act in contravention of voluntary agreements or have any serious quality defects that led to large-scale product recalls.



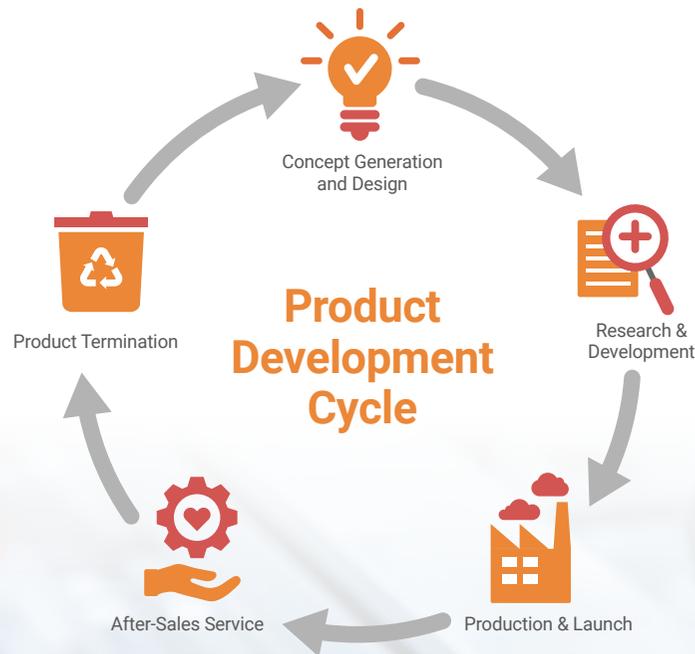
### Quality Management Flow Chart



## Product Lifecycle Management (PLM)

In line with the President's continuous advocacy of "Breakthrough & Innovate for the Future," Kinpo, as a global leader in specialized electronic manufacturing services, is not only promoting Industry 4.0 digital transformation, but also introducing Product Lifecycle Management (PLM) system in 2022. We kicked off the introduced project in April, completed testing and data transfer in December, and expect to have it go live in the first quarter of 2023. Meanwhile, we have also introduced it into companies such as Kinpo, Cal-Comp Electronics & Communications Co and XYZprinting, Inc. The PLM system creates a standardized and consistent R&D process management platform to standardize the new product development workflow. Through a source management model, we integrate product information provided by various units into a more complete, accurate and consistent product information flow, effectively coordinating the work of global, interdepartmental development teams, staying on top of design quality and timelines, and improving communication and collaboration efficiency.

The key modules of the PLM system involve new product development data management, part numbering, part classification, approval management, product structure management, engineering change management, etc. It is also connected to existing corporate systems such as eProject, eDQM, ERP (enterprise resource planning) for financial information and CIS. R&D staff can search for material codes or bills of materials (BOMs) via a unified system platform to access centrally managed operations, improving efficiency and ensuring product compliance. Going forward, Kinpo will manage demand, specifications, manufacturing, sales, after-sales service and the final end of life (EOL) from the initial design of a product, all under one roof, regardless of division or business unit, allowing consistent information and transparent processes throughout the product lifecycle, creating the product data management platform.



### PLM Projects

- Product Information Management
- Part No./BOM Management
- Product Change Management
- Project / Document Management Integration
- Green Product Management Integration

Establish a unified R&D data management platform

Integrate product-related information through system integration

Improve product development workflow

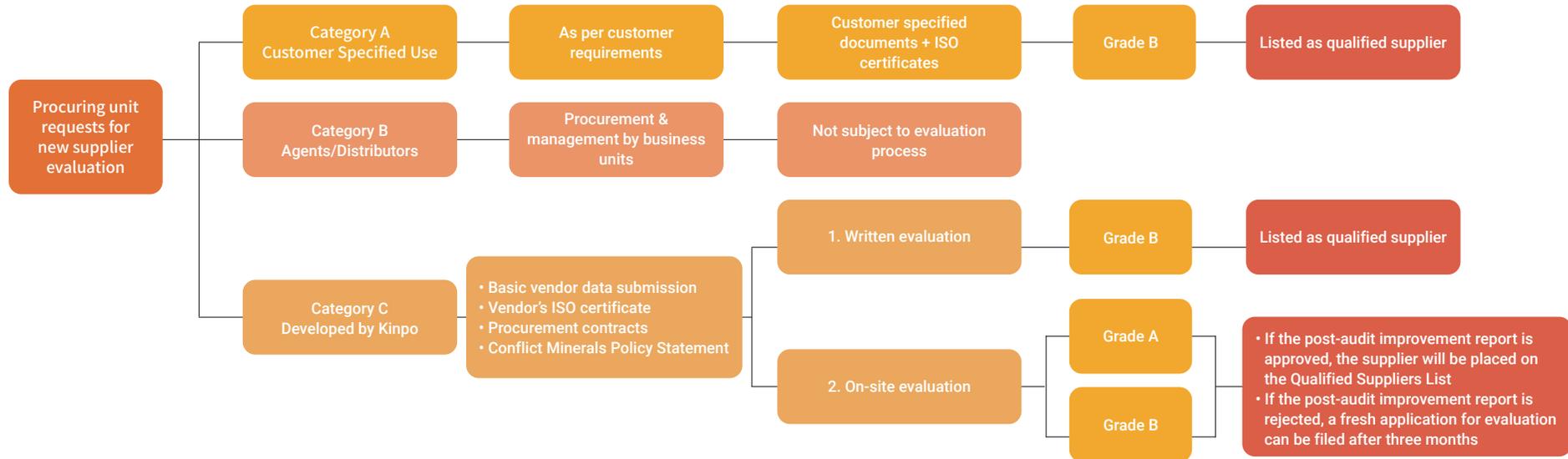
Data transfer

1. A standard and unified process management platform
2. Achieve reusability and centralized data management
3. Control of product history and version records
4. System management for repositioning and integration

## New Supplier Evaluation

All new suppliers to Kinpo are required to enter into a procurement contract which contains basic supplier information (e.g. company profile, existing customer base) and accompanying documents Environmental Protection Guarantee, Intellectual Property Rights Guarantee, Conflict of Minerals Policy Statement, ISO Quality Management System Certificate, etc. to ensure that new suppliers adhere to our quality standards. New suppliers are expected to conduct a prior self-assessment based on Kinpo's new supplier audit checklist, which covers quality management systems, process quality control, product green design requirements such as the EU RoHS Directive, and product design and development process control. In 2022, new suppliers were evaluated with a 100% pass rate after rectification.

## New Supplier Evaluation Process



## Regular Supplier Delivery Quality Rating

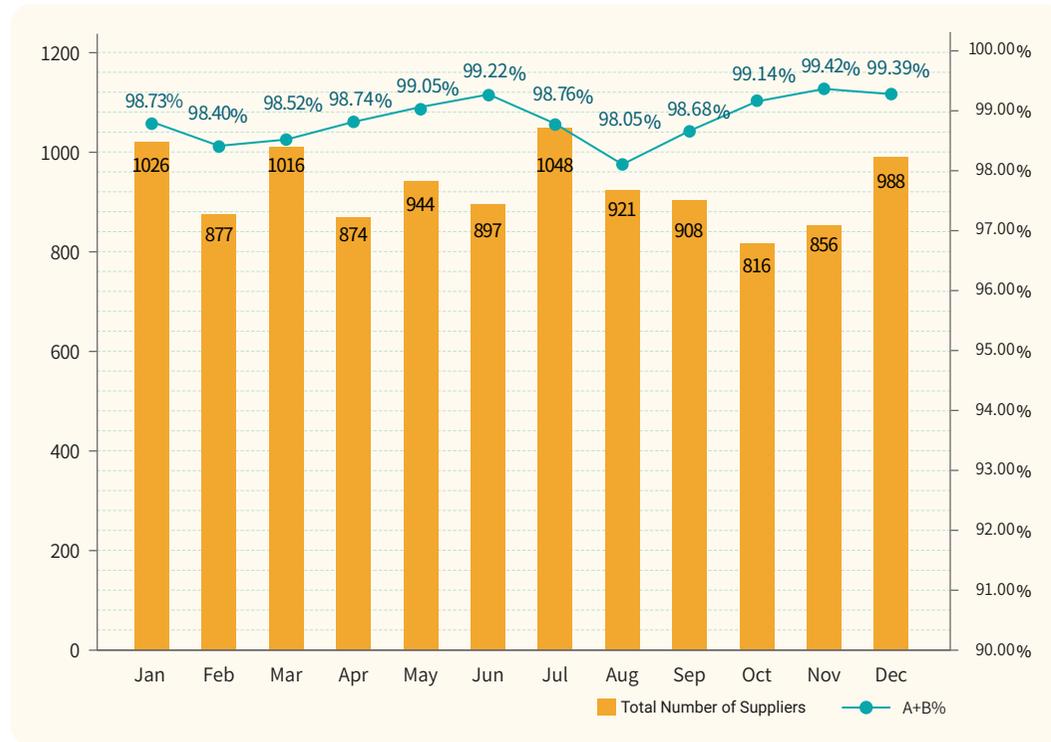
On the 10th of every month, the KINPO GROUP Quality Assurance Center collects and compiles the monthly report of the previous month's supplier's delivery quality ratings across its factories worldwide. The rating items are divided into three categories: incoming material quality, process material quality abnormalities, and whether the improvement/prevention measures for material quality abnormalities are answered in a timely manner (8D response), etc., with the total rating score being 100 points. No weighting is set for each evaluation item and deduction of points are adopted for all items. The evaluation results are classified into four levels: A (Excellent), B (Pass), C (Observation) and D (Counseling). For suppliers that got a fail with a C or D rating, our incoming quality control (IQC) unit at the factory will request the submission of improvement measures or improvement plans, and if necessary, the IQC unit will refer the case to our headquarter to urge them to improve.

We will continue to keep a close watch on the quality of our suppliers' deliveries. The KINPO GROUP's QA Center, the procuring units of our business units and the IQC units at the factory are working together to upgrade suppliers with C and D grades to A and B grades, with the goal of continued amelioration in product quality. In 2022, suppliers rated A and B each month exceeded 98%, hitting a yearly high of 99.42% in November and a total average of 98.84% for the year for A and B rated suppliers combined. In 2023, we will keep making progress towards the goal of having 100% of Kinpo's suppliers rated A or B.

## Supplier Rating Grades and Scoring Ranges

Grade	Scoring Range	Description
A (Excellent)	Score $\geq$ 91	For good responsiveness to improvement measures for delivery quality and material quality abnormalities, they are recommended as first choice when new orders are available.
B (Pass)	90 > Score $\geq$ 81	For fair responsiveness to improvement measures for delivery quality and material quality abnormalities, current procurement can be maintained.
C (Observation)	71 > Score $\geq$ 80	For a supplier placed on the list of warning, the IQC unit at the factory will ask the supplier to submit an improvement report.
D (Counseling)	70 > Score	For a supplier placed high on the list of concerns, the IQC unit at the factory will ask the supplier to submit an improvement plan and will also request the procuring unit together to urge the supplier to cooperate with continual improvement.

### Monthly Supplier Delivery Quality Ratings 2022



### Supplier Annual Review

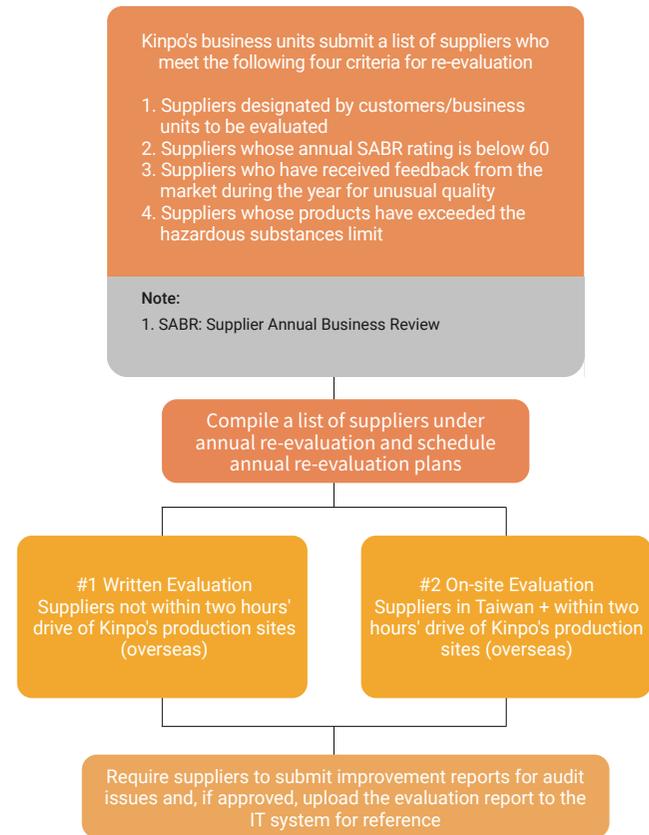
The KINPO GROUP QA Center conducts an annual supplier review in December each year with the criteria for re-evaluation as follows:

- A. Suppliers designated by customers/business units to be evaluated
- B. Suppliers whose annual Supplier Annual Business Review (SABR) rating is below 60
- C. Suppliers who have received feedback from the market during the year for unusual quality
- D. Suppliers whose products have exceeded the hazardous substances limit

The KINPO GROUP's QA Center schedules annual audits, performs annual supplier re-evaluations, produces audit reports and findings, and requests suppliers to submit improvement reports in order to progress towards the goal of continuous improvement. Depending on the list of suppliers to be re-evaluated and the area where their production plants are located, the KINPO GROUP's QA Center will arrange for on-site evaluation or written review.

By using a dedicated checklist called "Supplier Score Sheet - Annual Re-evaluation," we conduct annual re-evaluations on quality management systems, process quality control, product green design requirements such as the EU RoHS Directive, labor rights, health and safety, environmental protection, ethics, corporate sustainability performance, etc. After the re-evaluation, suppliers will be urged to send in improvement measures accompanied by relevant supporting information for the audit issues. In 2022, we conducted an annual re-evaluation of our suppliers, with a 100% pass rate after improvement.

### Supplier Annual Re-evaluation Process



### Supplier Conference

To continuously improve the quality of the supply chain, Kinpo holds an annual supplier conference in the fourth quarter of each year. The participating suppliers include raw material suppliers of electronics, electrical machinery, plastic injection products, metal stamping parts, packaging materials, etc. At the annual supplier conference, agenda items include the results of the annual supplier evaluation, and in 2022, new sustainability-related topics such as sustainable supply chain management, green products, hazardous materials management, and the introduction of a new green product management system were added. Kinpo is working with its supply partners to boost sustainability resilience and mitigate supply chain sustainability risks.



# Environmental Sustainability



- P.40 5.1 Climate Change Risk & Management
- P.44 5.2 GHG Management
- P.46 5.3 Energy Management

As sustainability issues diversify, the focus of stakeholders on environmental sustainability is no longer limited to pollution prevention and management. With rapid industrialization and massive depletion of resources, no one is immune to the effects of global resource scarcity and climate change.

Kinpo adopts "Innovative Production, Friendly Environment" as our environmental sustainability promotion strategy, and is active in addressing the issues of sustainable environmental management, climate change and net zero emissions, pushing forward the two major projects of "Energy Management" and "Towards Carbon Neutrality" in order to achieve the goal of environmental sustainability.

### 2022-2030 Environmental Sustainability Promotion Goals

Topics	Short-term		Medium-term	Long-term	
	Goals 2022 (Statement of Achievement)	Goals 2023-2024		Goals 2025-2027	Goals 2028-2030
GHG Management	<ul style="list-style-type: none"> <li>Pass ISO 14064 at 100% of sites (100% pass)</li> <li>Submit SBT pledge (committed to initiative on 2022/9)</li> </ul>	<ul style="list-style-type: none"> <li>KINPO GROUP 50th Anniversary Climate Declaration</li> <li>Adopt internal carbon pricing</li> <li>Introduce ISO 14067</li> </ul>	<ul style="list-style-type: none"> <li>Propose a carbon-neutral pathway</li> <li>Submit SBT targets</li> <li>CDP Leadership</li> </ul>	<ul style="list-style-type: none"> <li>Achieve SBT interim targets</li> <li>Commit to SBT NET ZERO goals</li> <li>Propose NET ZERO roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Carbon-neutral at headquarters</li> <li>Hold SBT temperature rise below 1.5°C</li> </ul>
Energy Management	<ul style="list-style-type: none"> <li>Establish energy baseline and targets (100% of sites set energy saving targets)</li> <li>Establish energy monitoring system (system already in place at headquarters)</li> </ul>	<ul style="list-style-type: none"> <li>Set renewable energy targets</li> <li>RE100 Initiative</li> <li>Introduce ISO 50001</li> </ul>	<ul style="list-style-type: none"> <li>Establish an energy monitoring system (overseas sites)</li> <li>Acquire ISO 50001 at the plant</li> </ul>	<ul style="list-style-type: none"> <li>Save 30% on electricity at headquarters</li> </ul>	<ul style="list-style-type: none"> <li>Save 50% of electricity at headquarters</li> <li>RE100 at headquarters</li> <li>100% use of electric company cars at headquarters</li> </ul>

## 5.1 Climate Change Risk & Management

Kinpo, a key player in the global electronics supply chain, has included climate change as part of the Company's risk management issues to address its impact carefully ahead of the net zero era. We adopted the TCFD in 2021, which discloses climate change management and actions in terms of "governance," "strategy," "risk management" and "metrics and targets" with a view to preventing and mitigating the impacts of climate change. Kinpo has officially signed up as a TCFD Supporter in 2022.



About

Recommendations

Publications

Support TCFD

News

Resources

Company	Sector	Industry	Location	Region	Date
KINPO Electronics, INC	Industrials	Electrical Equipment	Taiwan	Asia Pacific	July 2022



TCFD website

### 5.1.1 Climate Change Governance & Framework



### 5.1.2 Climate Change Strategy

Through the TCFD framework, we identify the risks and opportunities associated with climate change, analyze the potential impact on our operations and finances, and grasp the opportunities for transformation, thus formulating coping strategies for moving towards carbon neutrality, practicing energy management, strengthening green product design, and promoting sustainable supply chain management, and reaching out to our operating locations worldwide.

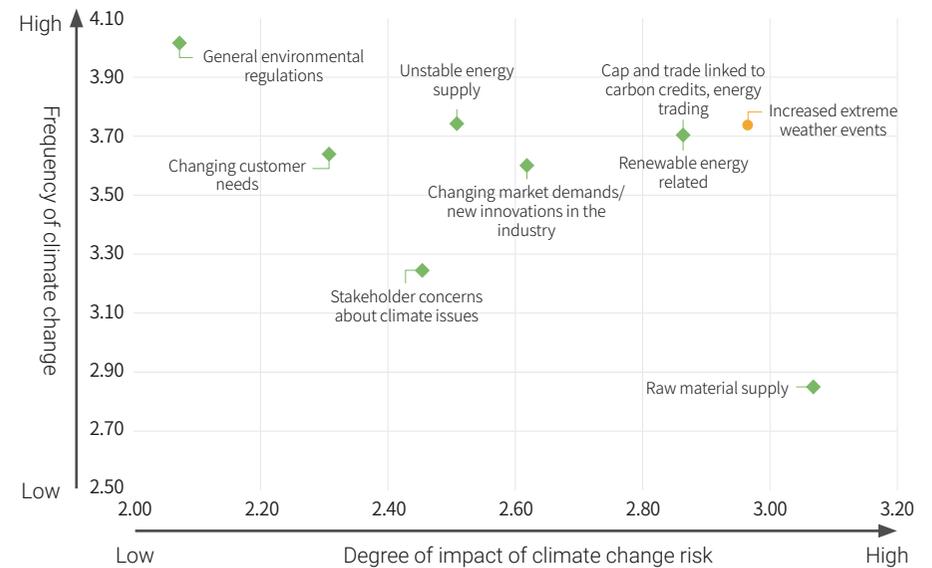
### 5.1.3 Climate Change Risk Management

According to the TCFD guidelines, we have prepared a process for identifying climate change risks by taking stock of risk items, ranking their significance, and setting up response strategies and disclosures (please refer to the diagram below for details).

#### Risk Identification Process



#### Climate Change Risk Matrix



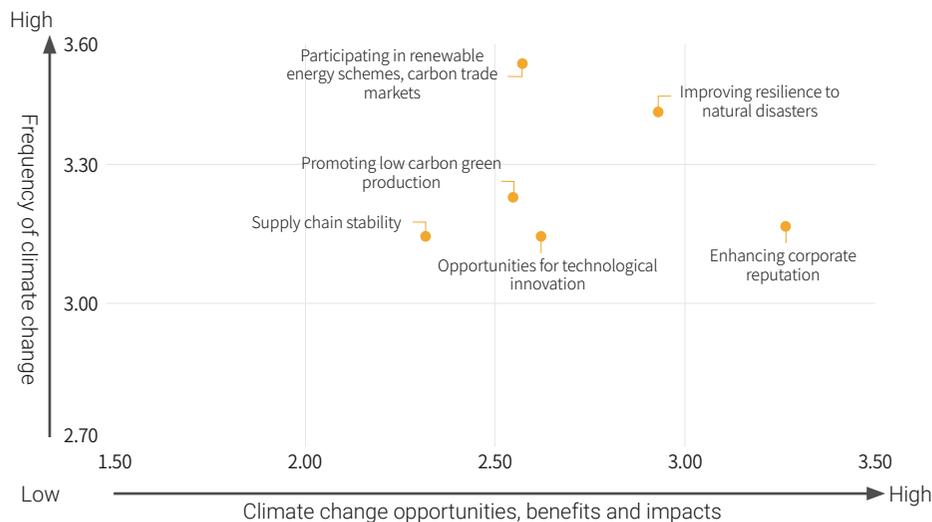
## Climate Change Risk Statement

Type		Physical	
Item	Description	Financial Impact	Coping Strategies
Increase in extreme weather events	Disruption of plant operations due to extreme weather conditions such as tornadoes, hurricanes, typhoons, and heavy rainfall in the vicinity of the plant	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Decrease in revenue</li> <li>Loss of assets</li> </ul>	<ol style="list-style-type: none"> <li>Establish Business Continuity Management (BCM) and develop Business Continuity Plans (BCPs) for various types of extreme weather.</li> <li>Conduct regular emergency response plan exercises and evaluate the potential impact of extreme weather on the plant and adjust preventive measures.</li> <li>Incorporate climate change factors into the assessment of new plants to avoid risk impacts.</li> </ol>

Type		Transition	
Item	Description	Financial Impact	Coping Strategies
Cap and trade linked to carbon credits, energy trading	Costs associated with the purchase of carbon credits, carbon fees, carbon taxes, or carbon trading and offsets for production sites as a result of government mandates or regulations	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>Keep an eye on various countries' GHG management policies (e.g. GHG emission command and control, carbon trading, carbon offset, carbon tax, carbon fee, etc.)</li> <li>Set SBT targets and map out a GHG reduction pathway that meets the goal of limiting global warming to 1.5C or below.</li> <li>Actively diffuse low-carbon technologies, such as process optimization or equipment replacement, and increase the share of renewable energy to reduce GHG emissions from energy sources.</li> <li>Introduce low carbon building assessment for new buildings to lower GHG emissions.</li> <li>Adopt internal carbon pricing and integrate carbon reduction results with operational performance indicators to accelerate the transition to a low carbon footprint.</li> </ol>
Renewable energy related	Tighter regulations on renewable energy in the future, increased demand in the market and additional costs	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>Keep an eye on the trend of renewable energy legislation and changes in the renewable energy trading market worldwide.</li> <li>Promote energy-saving projects, adopt ISO 50001, and establish an internal energy-saving incentive mechanism (e.g. innovative proposal competition) to reward units for effective energy saving or R&amp;D of energy-saving technologies to cut energy demand.</li> <li>Evaluate multiple channels to acquire renewable energy, e.g. production sites building their own renewable energy generation, signing long-term power purchase agreements and renewable energy certificates, etc.</li> </ol>
Changing market demand/new innovations in the industry	Inability to innovate with market demand and possible substitution by emerging technologies/industries; old processes/technologies unable to meet the requirements of low-carbon products	<ul style="list-style-type: none"> <li>Decrease in revenue</li> </ul>	<ol style="list-style-type: none"> <li>The R&amp;D unit introduces green product design to develop low-carbon products that fit market needs, such as raising the share of recycled materials, boosting product energy efficiency, and extending product lifecycle.</li> <li>Commit to new product and technology development, such as AI-integrated products, home automation products, etc.</li> <li>Lead supply chain partners in low-carbon transition and set supply chain carbon reduction targets to lower the carbon footprint of products.</li> </ol>

Type		Transition	
Item	Description	Financial Impact	Coping Strategies
Unstable energy supply	Delays in production schedules due to unstable energy supply/transportation, government policies restricting power supply, etc.	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>Install UPS system in the factory and regularly check it and activate it when the power is unstable or out of service.</li> <li>Search and identify alternative energy sources suited to production activities to minimize the impact of power restrictions.</li> <li>Conduct energy-saving diagnostics on major processes, electrical systems, and critical technical equipment, and drive technical consultation and technological revamps to explore energy-saving potential.</li> </ol>
Raw material supply	Higher raw material costs or insufficient supply	<ul style="list-style-type: none"> <li>Increase in operating costs</li> </ul>	<ol style="list-style-type: none"> <li>Establish an alternative supply channel to diversify the sources of raw material supply to mitigate the risk of material disruption from a single supplier.</li> <li>Regularly review supply chain supply risks and evaluate supplier alternatives.</li> </ol>
Changing customer demand	Customer requirements for environmental friendliness in the production process	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>Introduce clean energy, promote and maintain ISO 14001 Environmental Management System, QC 080000 Hazardous Substances Management System, ISO 50001 Energy Management System, etc.</li> <li>Consider waste reduction and resource reuse at the design stage, and introduce environmentally friendly materials and low-pollution alternative materials.</li> <li>Organize regular green seminars to build the environmental knowledge and capability of our staff.</li> <li>Develop environmental friendly product design capabilities through industry-academia collaboration.</li> </ol>
General environmental regulations	Tightening of general environmental regulations or special hazards/chemicals regulations, resulting in increased environmental costs or mandatory shutdowns	<ul style="list-style-type: none"> <li>Increase in operating costs</li> <li>Increase in capital expenditure</li> </ul>	<ol style="list-style-type: none"> <li>Follow PDCA principles to ensure effective environmental management through ISO 14001.</li> <li>Comply with the relevant environmental laws and regulations of the government authorities in the locations where we are based. Continuously optimize pollution control equipment and introduce low-polluting raw materials to improve pollution generation at source.</li> </ol>
Stakeholder concerns about climate issues	Stakeholders (e.g. NGOs, authorities in importing countries, brand customers, etc.) requesting the publication of corporate environmental information and declarations of reductions (e.g. GHG volumes, environmental pollution, etc.)	<ul style="list-style-type: none"> <li>Increase in operating costs</li> </ul>	<ol style="list-style-type: none"> <li>Strengthen the communication channels for stakeholders, such as multimedia design and interactive functions, ESG section on the website, electronic version of the report, social media platform, etc.</li> <li>Actively participate in international initiatives (SBT) and sustainability assessments (CDP) to publicly reveal the management and effectiveness of climate issues.</li> </ol>

### Climate Change Opportunity Matrix



### Description of Climate Change Opportunities

Item	Description	Response Strategies
Improving resilience to natural disasters	<ol style="list-style-type: none"> <li>Drought and extreme heat - improving water and energy efficiency.</li> <li>Flood - Flooding scenario analysis, managing in-plant flood risk.</li> <li>Other natural disasters - developing crisis management procedures and build disaster preparedness and response systems.</li> </ol>	<ol style="list-style-type: none"> <li>Implement water and energy-saving measures and introduce the ISO 50001 Energy Management System to continuously optimize energy saving.</li> <li>Raise the foundations or locate major process equipment on higher floors for sites at high risk of flooding or typhoons.</li> <li>Establish Business Continuity Management (BCM) and Business Continuity Planning (BCP) for all types of extreme weather.</li> </ol>

Item	Description	Response Strategies
Enhancing corporate reputation	Proactively proposing climate change measures to reduce risk impacts and help improve sustainability performance domestically and internationally, increasing stakeholders' trust in Kinpo.	<ul style="list-style-type: none"> <li>Accelerate the following measures to enhance climate change adaptation and mitigation:                             <ol style="list-style-type: none"> <li>Actively invest in green product design, energy-efficient plant management (ISO 50001), and increased use of renewable energy.</li> <li>Strengthen plant infrastructure and introduce Business Continuity Plans (BCP).</li> </ol> </li> <li>Actively participate in external sustainability organizations such as RBA and CDP, and make stakeholders more aware of relevant actions through Kinpo's sustainability website, sustainability reports, etc.</li> </ul>
Participating in renewable energy schemes, carbon trade markets	<ol style="list-style-type: none"> <li>Increasing energy diversification and improving the energy mix.</li> <li>Access to public sector incentives, GHG offsetting cooperation, and carbon trade market.</li> </ol>	<ol style="list-style-type: none"> <li>Implement an energy management system to reduce electricity consumption in product manufacturing processes.</li> <li>Expand the use of renewable energy, such as assessing the feasibility of building renewable energy in factories and negotiating power purchase agreements with renewable energy providers.</li> <li>Evaluate carbon trade mechanisms and carbon credits purchase channels in different countries.</li> </ol>
Promoting low-carbon green production	<ol style="list-style-type: none"> <li>Improving energy efficiency to save operating costs.</li> <li>Developing a Supplier Code of Conduct for Sustainability and implementing an evaluation mechanism.</li> <li>Recycling raw materials and increasing the use of recycled materials.</li> </ol>	<ol style="list-style-type: none"> <li>Introduce product green design to improve production efficiency and establish a recycling mechanism to extend the product life cycle.</li> <li>Evaluate the carbon footprint of our products to keep track of the carbon emissions over the product life cycle and assess the potential for improvement.</li> </ol>
Opportunities for technological innovation	Products that meet energy-saving regulations, meet more energy-efficient features, and bring down overall costs can increase customer willingness to place orders and create revenue growth.	<ol style="list-style-type: none"> <li>Increase investment in product R&amp;D to develop innovative low-carbon products to match customer needs.</li> <li>Develop innovative product design capabilities through industry-academia collaboration.</li> <li>Organize regular seminars on technical innovation to enhance the knowledge and capability of our staff.</li> </ol>
Supply chain stability	Maintaining close cooperation with supply chain partners can strengthen the sustainable resilience of the supply chain, reduce the risk of non-compliance with energy-saving regulations, and lower manufacturing costs.	<ol style="list-style-type: none"> <li>Incorporate ESG into supply chain evaluation items, conduct regular on-site/written audits, and track and improve high-risk items.</li> <li>Assist suppliers in sustainability guidance (e.g. GHG inventory, energy-saving improvement, etc.) to enhance the sustainability of the supply chain.</li> </ol>

### Quantitative Scenario Analysis of Physical and Transition Risk

#### Extreme Weather Events - Flooding

Taiwan is susceptible to severe climate change and flooding during typhoons and rainy seasons. As a result, we adopt the information from the National Science & Technology Center for Disaster Reduction - Disaster Risk Adaptation Platform to estimate the mid-century (2036-2065) climate scenarios for the flooding risk analysis of the plant in Shenkeng, taking into account flooding hazard, vulnerability and exposure. We estimate that the repair cost for damage to the equipment at the Shenkeng plant in the event of flooding would be approximately NT\$1,900,000.

Therefore, to prevent future extreme weather events from causing flooding at the plant, which could result in repair costs and disruption of operations, we will map out a contingency policy based on the results of this analysis and carefully assess the potential hazards to produce a management and action plan.

#### Carbon Costs

Potential carbon-related costs and emission controls will bring financial impact to Kinpo going forward. We analyzed the costs by referring to three climate change scenarios: IEA Stated Policies Scenario (STEPS), IEA Sustainable Development Scenario (SDS), and IEA Net Zero Emissions by 2050 Scenario (NZE), together with four carbon fee scenarios from the Taiwan Environmental Protection Administration, EU Emissions Trading System, NGFS 2050 Net Zero and NGFS Nationally Determined Contribution.

In our final assessment, we adopted the IEA Sustainable Development Scenario (SDS) as the carbon reduction pathway and set action plans and targets.

### 5.1.4 Climate Change Metrics and Targets

1. We regularly assess the potential for flooding and develop preventive measures.
2. Baseline for GHG emissions: We raised the GHG emissions coverage rate from 64% to 100% in 2022 and our plants were all certified to ISO 14064.
3. Setting GHG reduction targets: We have set an SBT for the short term, with a target commitment letter submitted in 2022 and a target to be presented and approved in 2023, and a carbon neutrality target for the medium to long term.
4. Energy conservation and energy creation: (1) Energy conservation: We continue with the energy reform project and expect to adopt ISO 50001 in 2023; and (2) renewable energy: We have started assessing the feasibility of self-built renewable energy at our plants worldwide, negotiating power purchase agreements with renewable energy providers, and will continue to raise the share of renewable energy use worldwide, with 5.2% registered in 2022.
5. Strengthened communication with stakeholders: We participated in the international organization CDP rating and received a B- in 2021 and a B in 2022, indicating that our climate change management is gradually gaining external recognition.
6. Green product design: We had 24 green design projects for 2022, which led to a total carbon reduction of 36,549 tCO<sub>2</sub>e, a total electricity saving of 948,830 kWh, and a total waste reduction of 8,895 tonnes.
7. Enhancing the sustainable resilience of the supply chain: We created a sustainable risk assessment mechanism for the supply chain in 2022, and finished risk assessments for 43 key suppliers.

### GHG Emissions by Plant 2019-2022

Our GHG emissions in 2022 were verified at 15,500 tons CO<sub>2</sub>e for Scope 1 and 232,616 tons CO<sub>2</sub>e for Scope 2, representing 6% and 94% of total emissions respectively. With the opening of new plants in Thailand and the Philippines, our GHG emissions (Scope 1 and Scope 2) went up by 6% in 2022 compared to 2021. By continuing to push for energy-saving programs to boost energy efficiency and raise the share of renewable energy use, we lowered our GHG emissions intensity to 1.37 tCO<sub>2</sub>e/NT\$ million in 2022, by 19% from 2021.

Factory/ Scope	2019			2020			2021			2022		
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total
Taiwan	219	2,338	2,557	199	1,863	2,062	310	2,319	2,629	8,132	2,358	10,490
China	787	39,173	39,960	1,094	76,363	77,457	1,143	61,179	62,321	580	50,051	50,631
Thailand	2,545	65,053	67,598	2,777	59,196	61,973	1,416	81,883	83,299	1,604	93,310	94,914
Philippines	1,033	49,171	50,204	1,197	29,729	30,925	4,463	71,257	*75,720	2,983	79,320	82,303
Malaysia	-	-	-	-	-	-	57	5,137	5,194	188	5,314	5,502
Brazil	171	8,288	8,459	209	7,274	7,483	141	2,548	2,690	708	0	708
Mexico	103	2,487	2,590	120	2,601	2,721	560	2,115	2,675	1,305	2,040	3,345
USA	-	-	-	-	-	-	2	237	239	1	224	225
<b>Total</b>	<b>4,858</b>	<b>166,511</b>	<b>171,369</b>	<b>5,596</b>	<b>177,026</b>	<b>182,622</b>	<b>8,092</b>	<b>226,675</b>	<b>*234,767</b>	<b>15,500</b>	<b>232,616</b>	<b>248,116</b>

\*Kinpo's Sustainability Report 2021 revealed total GHG emissions of 223,841 tons of CO<sub>2</sub>e in 2021, as the Philippines factory revised its GHG emissions to 75,720 tons of CO<sub>2</sub>e after a third-party ISO 14604 verification, so the total GHG emissions in 2021 were corrected to 234,767 tons CO<sub>2</sub>e.

Unit: tons CO<sub>2</sub>e

### 5.2 GHG Management

At the 26th UN Climate Summit (COP26), countries agreed to the Glasgow Climate Pact, which aims to limit global warming to 1.5°C. Kinpo subscribed to the SBTs in 2022 in support of the Glasgow Climate Pact and is scheduled to submit its SBTs in 2023 and to plan progressively towards the medium to long term targets of carbon neutrality at headquarters by 2030 and net zero by 2050.

We aim to achieve the establishment of SBTs in the following ways:

#### 1. Establishing a baseline for KINPO GROUP GHG emissions

We are promoting a GHG inventory of our factories worldwide, raising the coverage of GHG emissions from 64% to 100%, and ensuring the credibility of our data through third party verification of ISO 14064.



▲ The Rooftop of the Factory 1



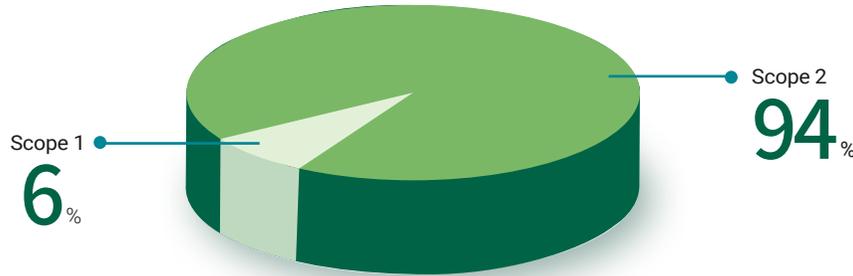
▲ The Rooftop of the Factory 3



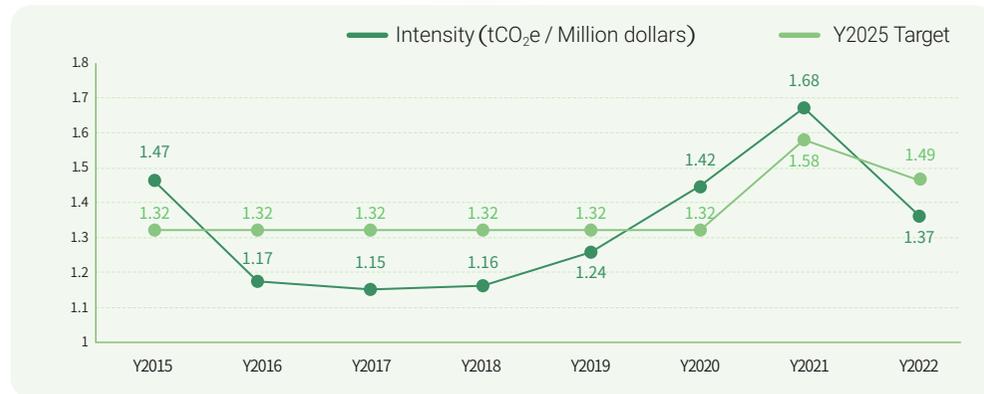
▲ The Rooftop of the Dining Room

### Share of GHG Emissions in Scope 1 and Scope 2 in 2022

(Unit: %)



### GHG Emission Intensity



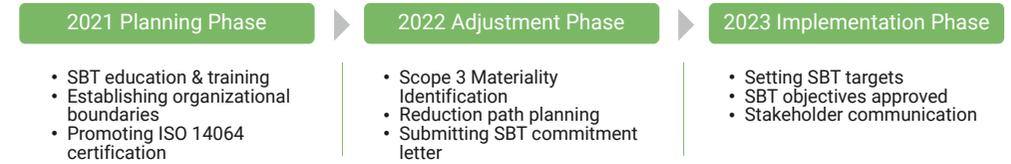
\* Kinpo's Sustainability Report 2021 revealed GHG emission intensity of 1.37 tCO<sub>2</sub>e/NT\$ million in 2021, and as its total GHG emissions in 2021 were corrected to 234,767 tons of CO<sub>2</sub>e, the GHG emission intensity in 2021 was amended to 1.68 tCO<sub>2</sub>e/NT\$ million.

### Scope 3 GHG Emissions in 2022

We conducted the Scope 3 inventory in line with the principles of the GHG Protocol Scope 3. In addition we identified the Company's significant indirect emissions sources based on quantitative significance, influence, data availability and accuracy, and included other significant indirect emissions sources in the inventory based on the results of the identification. In 2022, our four Scope 3 emissions were verified, with the total emissions amounting to 497,372 tonnes and the highest GHG emissions being from the purchase of goods and services, followed by the use of products sold.

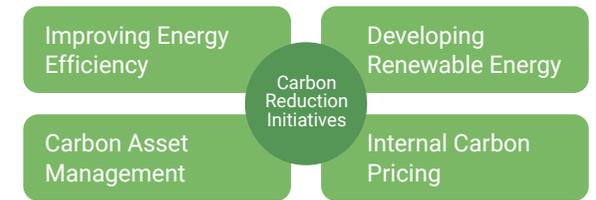
Sources of GHG Emissions	GHG Emissions (tons CO <sub>2</sub> e)
Employee commuting (company car)	320
Business trips (staff on business travel by air)	244
Procure of goods and services (procure of raw materials)	259,585
Use of products sold (electricity consumed by customers)	237,223
<b>Total</b>	<b>497,372</b>

### 2. Adoption of Scientific Methods



### 3. Development of Carbon Reduction Initiatives

Given the ever-changing industry structure and technology trends, companies must continue to innovate in order to operate sustainably. As a corporate citizen, Kinpo is dedicated to driving GHG reduction in the following ways:



- Energy Efficiency:** We continue to embed energy-saving and carbon-reduction measures at our plants, such as process optimization, improvement and retirement of energy-hungry equipment, and will introduce the ISO 50001 Energy Management System in 2023 to drive energy-saving projects in a systematic manner.
- Development of Renewable Energy:** We are expanding the generation/use of renewable sources by self-build or power purchase agreements (PPA) with a 5.2% share of renewable energy use in 2022.
- Internal Carbon Pricing:** In order to accelerate the transition to a low carbon footprint, we are pushing for the internal carbon pricing, which is set at the cost of reducing GHG emissions required to meet our future carbon neutrality target, and was approved by the Sustainability Committee in 2022 as an internal carbon price of US\$10 per metric tonne of CO<sub>2</sub>-eq for a one-year trial period in 2023, serving as a reference for investment, business transformation strategies and major decisions. The internal carbon pricing will be modified on an ongoing and rolling basis to reach the carbon neutrality target.
- Carbon Asset Management:** In order to achieve the long-term goal of net zero emissions, apart from investing in new carbon removal technologies, another option is to purchase carbon credits to offset residual GHG emissions and plan carbon asset management early to avoid operational risks.

### 5.3 Energy Management

We are dedicated to managing and improving energy efficiency in order to achieve our goal of sustainable development. To this end, we pledge to provide the necessary resources to fulfill this energy policy.

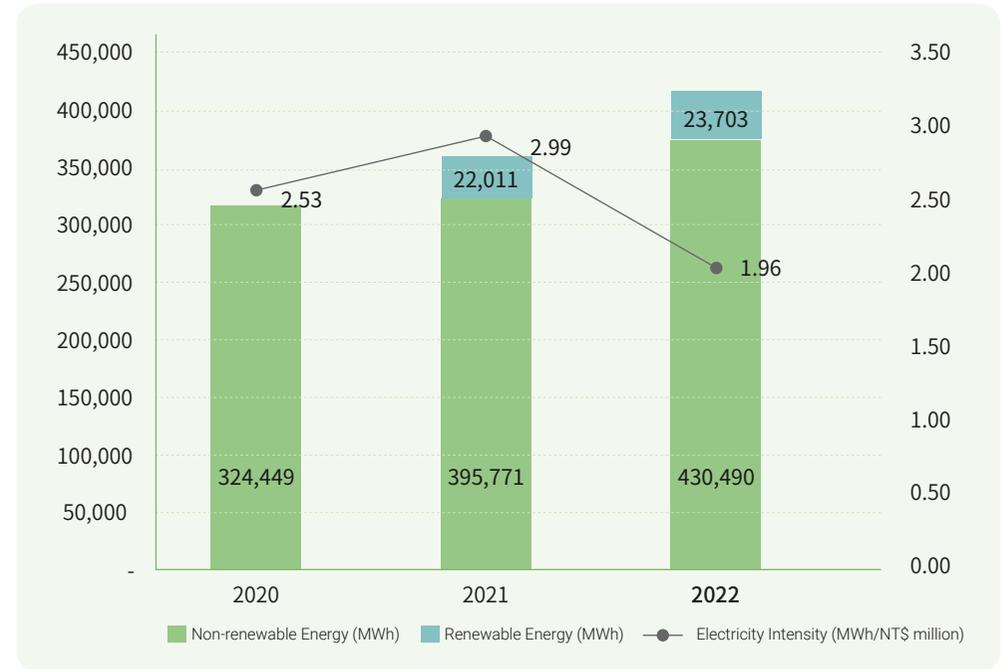
#### Kinpo's Energy Policy

- 
**Regulatory Compliance**  
 Comply with government energy regulations and other relevant requirements, and honor voluntary energy-related commitments.
- 
**Reduction of Energy Consumption**  
 Commit to energy conservation and energy efficiency, support the procurement of energy-efficient products and services, and the use of renewable energy.
- 
**Continual Improvement**  
 Review and enhance energy efficiency on a regular basis to ensure that targets are met by setting and tracking indicators.
- 
**Enhanced Communication**  
 Promote energy-saving education and training to raise awareness of energy saving among staff and establish good communication channels to consistently convey the Group's energy policy to stakeholders.

The KINPO GROUP should periodically examine and update its energy policy to ensure that it remains effective and aligns with the Group's sustainable development objectives.

In 2022, Kinpo's energy use was predominantly electricity (97.86% of company-wide energy use), with very low usage of natural gas, LPG, motor gasoline and diesel (less than 3%, see Appendix - Environmental Sustainability Indicators). Our total electricity consumption in 2022 was 15% lower than in 2021 and our electricity intensity per unit of revenue was approximately 34% lower than the previous year. We also continue to plan for increased investment in renewable sources, with renewable energy use growing to 8% of total electricity consumption in 2022 against 2021.

### Electricity Consumption and Intensity of Use for the Last Three Years



We continue to promote our energy management strategy by cutting our own energy consumption, boosting energy efficiency and heightening staff awareness of energy savings.

#### Cutting Energy Consumption

- Newly procured equipment with high energy efficiency as a priority
- Energy management in office space (automatic switching of lighting sensors, air-conditioning set above 26°C)

#### Boosting Energy Efficiency

- Equipment automation
- Upgrading equipment performance
- Raising production yields

#### Heightening Staff Awareness of Energy Savings

- Environmental education courses
- Energy saving and carbon reduction presentation sessions

## Shenkeng Plant Actively Invests in Energy-saving Equipment Upgrading

The HQ Shenkeng Plant received a grant from the Energy Efficiency Performance Guarantee Program of the Bureau of Energy, Ministry of Economic Affairs to inject over NT\$10 million in energy saving initiatives, resulting in a total saving of 823,000 kWh (-21.3%) in 2021. By adjusting the contracted capacity and electricity savings, our electricity bill was reduced by NT\$1.93 million (-15.5%) compared to the previous year, and the savings were channeled into improvement measures to boost energy efficiency and achieve a virtuous cycle. Carbon emissions after power savings also dropped by 413.1 tonnes of CO2 emissions (-21.3%) from the previous year, which is equivalent to 27.5 hectares of forest carbon absorption.



## Kinpo's Presentation Session for Energy Saving and Carbon Reduction in Factories across Asia

In order to share and learn from each other, we hosted a presentation session on energy saving and carbon reduction in Asian factories, where eight factories in Changan, Wujiang, Yueyang, Shenkeng, FPIP, LIMA, Petchaburi and Mahachai, shared their practices in energy conservation and carbon reduction. The Changan plant has already installed a rooftop solar power system and the Philippines and Thailand premises are in the planning stage to introduce it soon, while all plants have also switched to solar streetlights. In addition, the Changan plant has taken the lead in setting up a digital energy monitoring system, which will serve as a model for energy monitoring and management at all sites. Apart from retiring old equipment, energy saving can also be achieved through management practices that lower energy consumption or save electricity. After the event, the headquarters compiled the content presented by each factory into a 29-item energy saving and carbon reduction tutorial on air conditioning, air compressor, lighting, management mode and heat/cooling energy, and distributed it to all factories for their reference. We hope that through the exchange activities, our factories can tap more energy-saving space and take the first step towards Kinpo's commitment to the Scientific Based Target (SBT).

### Air Conditioning-9 Options

- Replace old water chiller with efficient inverter water chiller
- Reduce the number of start-ups by managing multiple machines in parallel
- Install intelligent management system
- Off-peak cold storage and cost saving
- Frequency conversion of motors and fans to save energy
- Isolation in air-conditioned areas
- Cooling tower cleaning and maintenance
- Fine tune start-up temperature for air conditioning, radiator, etc. (1-2 oC upwards)
- Adjust air exchange per outside air temperature

### Management Model-7 Options

- Introduce rooftop solar panels
- Introduce digital energy monitoring and management
- Adjust the capacity of transformers and contracts based on monitoring data
- Count loads and disperse them to reduce electricity consumption during peak hours
- Install time controllers or sensor switches for water dispensers and area lighting
- Centralize production lines, consolidate and adjust utility systems
- Increase batch workload and reduce the number of jobs in the production line

### Air Compressor-5 Options

- Replace old air compressors with inverter energy saving air compressors
- Connect air compressors in parallel to save energy
- Install intelligent management system
- Pressure regulation without affecting production line
- Regular leak checks

### Heat/Cold Energy-4 Options

- Nitrogen tank residual refrigerant recovery
- Heat pump residual heat recovery
- Switch from oil/coal fired boilers to natural gas boilers or heat bumps
- Hot/chilled water storage tanks and pipeline insulation, injection machine insulation

### Lighting - 4 Options

- Switch from old mercury/halogen lamps to LED lamps
- Switch from T8 to T5 fluorescent lamps
- Switch to solar street lights for the factory
- Move the lights to the right place to reduce the number of lights on



# Partnerships



P. 49 6.1 Customer Service

P. 51 6.2 Restricted Substance Management

P. 52 6.3 Responsible Mineral Management

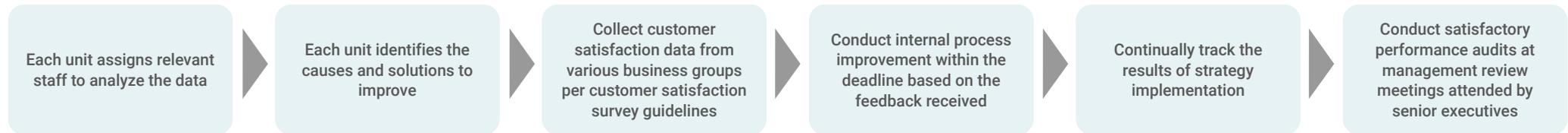
P. 52 6.4 Sustainable Supply Chain

## 6.1 Customer Service

As a customer-oriented company, Kinpo offers quality products and services, integrity and continuous improvement, and is constantly seeking to provide better and more specialized services to our customers through innovation, harmony and excellence, in an effort to raise customer satisfaction.

Every year, we perform regular customer satisfaction surveys in four dimensions: "Business Management Performance," "R&D Engineering Capability," "Quality Management Capability," and "Factory Management Capability," and we also conduct quarterly business reviews (QBR) with our customers to discuss and respond to their expectations. We have established an effective communication channel for customer feedback, using strategies such as technological innovation, enhanced specialist training and a feedback mechanism to respond immediately, accurately and quickly to product and service feedback. Moreover, we also keep track of improvement measures and results through management reviews and internal audits by senior executives. By constantly improving ourselves, we are able to progressively boost customer satisfaction.

### Kinpo's Customer Satisfaction Survey Process



### Customer Satisfaction Survey Results

We maintain a close partnership with our customers and provide genuine responses to customer satisfaction, with a 100% response rate to our customer satisfaction surveys for two straight years in 2021 and 2022. In the 2022 Customer Satisfaction Survey, we administered the questionnaire to 46 respondents and conducted QBRs with 8 customers, of which the average satisfaction score was 4.27, above the target value of 4, while in the customer QBR survey, 7 respondents outperformed the 2021 survey, and 1 new customer joined the QBR. We will continue to liaise with our customers, pay attention to their needs and feedback, and gradually boost customer satisfaction levels.

Grade	Score
Excellent	5
Good	4
Fair	3
Poor	2
Bad	1



### Average Scores of the Four Capability Indicators in Recent Years

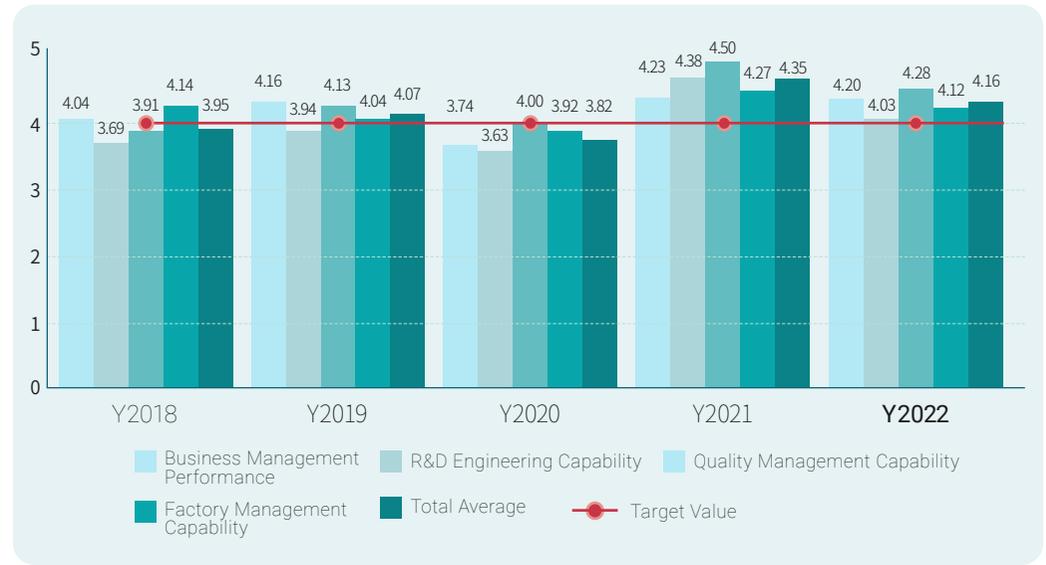
Compared to 2021, all of our four competency indicators showed positive growth, with the most notable growth by 0.49% in factory management capability, primarily owing to better production planning and on-time delivery of products than our customers' expectations. This was followed by R&D engineering capability, which grew by 0.47%, and other areas including business management performance and quality management capability, which gained 0.46%.



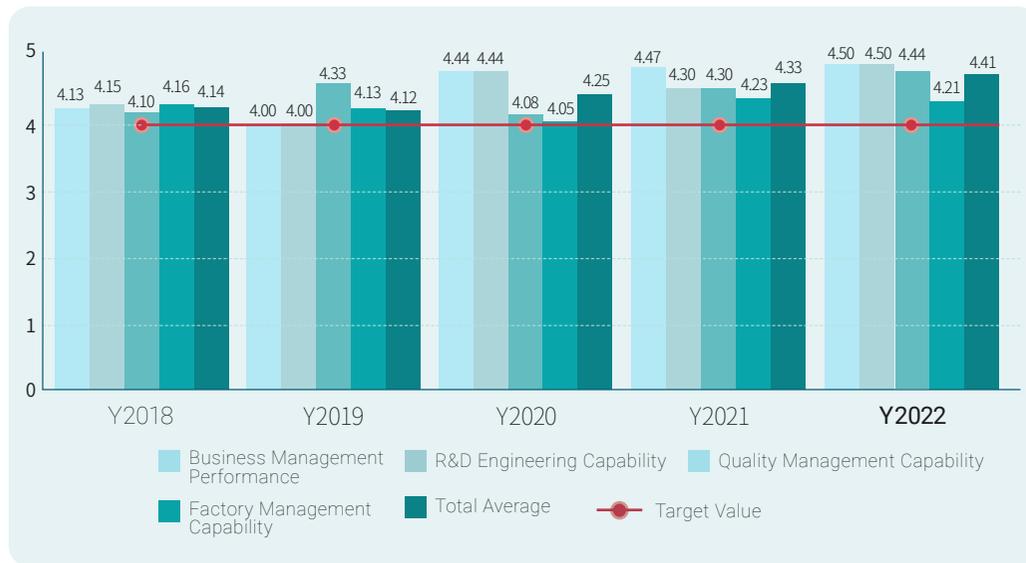
### Customer Satisfaction Survey-Product Category (Netcom)



### Customer Satisfaction Survey-Product Category (Storage)



### Customer Satisfaction Survey-Product Category (Computer)



### Customer Satisfaction Survey-Product Category (Printing)



## 6.2 Restricted Substance Management

Kinpo is in full compliance with the restrictions and bans on hazardous substances and responsible mineral sourcing and keeps its customers informed. All of our products conform to international safety standards and international environmental regulations, with compliance information marked on the product or packaging as required by environmental regulations in the region of shipment (e.g. EU RoHS Directive, EU WEEE Directive, EU REACH, SONY SS-00259, Chinese Measures for the Control of Pollution from Electronic Information Products, CE Certification, FCC Certification, BSMI Certification, etc.). We did not commit any breaches of information and labeling requirements or voluntary agreements for products and services in 2022.

### Establishment of the IECQ QC 080000 Hazardous Substance Process Management System

We introduced the IECQ QC 080000 Hazardous Substances Process Management System to ensure that all processes from design to production abide by quality and hazardous substances regulations. According to the IECQ QC 080000 standard, we regularly collect and disseminate the latest international green laws and regulations as well as customers' requirements on the management of hazardous substances, and adopt green product design (product design that does not use hazardous substances) at the design and development stage and establish green product process management to minimize the use of hazardous substances and implement product green policies and environmental protection. We regularly review compliance with our Hazardous Substance (HS) procedures, maintain the effectiveness of our management mechanism, identify high and low risk materials, publish a list of restricted substances, and hold supplier conferences periodically to publicize our quality and HS reduction policies and requirements to ensure suppliers continue to adhere to the KINPO GROUP's Code of Conduct. We also perform annual audits of QC080000 compliance through an external third-party certification body to make sure that the Group's business units are effectively managing hazardous substances.

### Green Supply Chain Risk Management

To make sure that the parts and products supplied by our suppliers fulfill the Company's or customers' hazardous substance (HS) standards, Kinpo has developed a Green Product Management (GPM) system to systematically manage green supply chain risks. Suppliers can provide a Declaration of Non-use of Hazardous Substances and test reports directly through the system platform, speeding up component compliance audits, enabling more efficient supply chain management and staying on top of parts' compliance status with international regulations. Through the system, we can also select capable suppliers to continuously deliver compliant electronic and mechanical components, produce green products, and increase the satisfaction and trust of our international customers. In addition, we have also embedded the Product Lifecycle Management (PLM) system to keep abreast of the quality and timeline of the entire product lifecycle, integrate existing management mechanisms and information systems, and establish a product information management platform to enhance our core competitiveness.

## e-Management

1. Green Product Management System (GPM System): Through the GPM system developed in-house to suit our own needs and extended to each business group in parallel, we can expedite component compliance audits and boost the efficiency of hazardous material management in our supply chain.
2. Halogen-free Identification Code: Our design and R&D staff as well as incoming quality control (IQC) in the factory can clearly identify the material properties through the halogen-free identification code.
3. Green Design: We have brought in the green design and green manufacturing requirements of our customers at the product design and manufacturing stages to lessen the impact on the environment and conduct supply chain hazardous substance compliance surveys for more effective and better control of hazardous substances.
4. Product Lifecycle Management System (PLM system): By adopting the PLM system, we can keep tabs on the quality and timeline of the entire product lifecycle, integrate existing management mechanisms and information systems, and establish a platform for product information management.



**Green Product Management System**

**Launch** MENU>Group related>SRM

**System Features**

- GPM customer ID in place of customer name
- Application of FMD (Full Material Disclosure) to customer specifications and compliance system initial review
- Multiple investigation methods to shorten recognition time
- Test report system card controller/checking (including report maintenance and age setting)
- Common material HSF data sharing
- PLM Transfer of compliance results back to PLM

**CLICK** 

## Education and Training

Kinpo regularly collects and identifies international hazardous substances regulations and responsible mineral initiative (RMI) standards and conducts compliance checks to verify status. Through e-Learning or internal online courses, staff are able to access international regulatory information in real time to enhance organizational knowledge and effectiveness, regardless of location or pandemic. A total of 13 training sessions were held in 2022.



### Percentage of Product Revenues Containing IEC 62474 Reportable Substances

In 2022, Kinpo's own product, XYZ printer, contained 100% of IEC 62474 notifiable substances. We continuously monitors whether each substance exceeds the reporting thresholds set out in the IEC 62474 DSL and manages them through the aforementioned regulations for the restriction of the use of substances.

Revenue from products containing reportable substances (NT\$ thousand)	332,265
Total revenue from electrical and electronic products (NT\$ thousand)	332,265
Percentage of reportable substances	100%

### Weight of Recovered End-of-Life Products and Electronic Waste

In 2022, Kinpo's own product XYZ printer was sold to Europe, whose waste/scrap was recycled by an external European recycler, with a recycling rate of 100% and a total recycling weight of 14,341.4 kg in 2022.

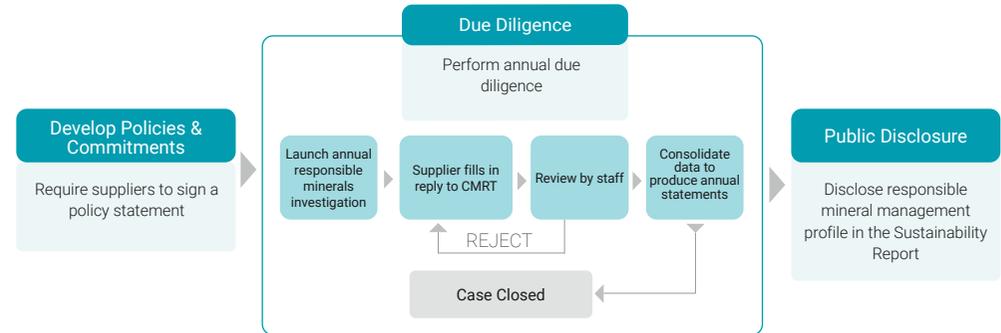
## 6.3 Responsible Mineral Management

As a member of the RBA, Kinpo adheres to the five principles of the RBA Code of Conduct, including Labor, Health and Safety, Environment, Ethics and Management Systems. We also abide by the RBA's Responsible Sourcing Code and are committed to transparent disclosure of conflict minerals included in our products and components in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Mineral from Conflict-Affected and High-Risk Areas, requiring suppliers to disclose information on the smelters of gold, tungsten, tin, tantalum, cobalt and other minerals used in the supply chain using the Conflict Minerals Reporting Format as part of our corporate citizenship and social responsibility.

To enable responsible sourcing of minerals, suppliers are expected to sign up to the Responsible Minerals Policy Statement for their first partnership with us. We perform responsible minerals probes on an ongoing annual basis across our supply chain using the management tools published in the RMI - Responsible Minerals Reporting Template, including Conflict Minerals Reporting Template (CMRT) and Extended Minerals Reporting Template (EMRT). In addition, we check whether minerals such as tin, tantalum, tungsten, gold, cobalt and mica are used as raw materials for our products, disclose information on the source of minerals and identify whether smelters come from Conflict-Affected and High-Risk Areas (CAHRAs) to ensure that their minerals and metals are supplied from legitimate sources in order to meet

our commitment to corporate citizenship and comply with the RBA Code of Conduct. In 2022, we achieved a 100% completion rate of due diligence, all of which satisfied the Conflict Free Minerals requirement, and all of our new suppliers subscribed to the Conflict Minerals Policy Statement.

### Responsible Minerals Investigation Process



## 6.4 Sustainable Supply Chain

### Supplier Sustainability Management Strategy

Kinpo's supplier management and selection process includes the four areas of QDCS, namely Quality, Delivery, Cost and Service. Starting in 2022, we incorporated sustainability issues into our supplier management. New suppliers are required to sign a procurement contract (containing a supplier code of conduct), a conflict minerals declaration, and an environmental protection guarantee to ensure that new suppliers comply with Kinpo's sustainability guidelines. Established suppliers identify the sustainability risks of key suppliers through a sustainable supply chain management process and introduce coaching mechanisms to improve supplier performance. At our annual supplier conference, we communicate our commitment to and requirements for sustainability to our suppliers, and Kinpo joins forces with our supplier partners to progress towards high quality supply and sustainability goals.

	Short-term 2022-2024	Mid-term 2025-2029	Long-term 2030-2050	
Value Chain Management	<ul style="list-style-type: none"> <li>Promote supply chain sustainability ratings</li> <li>All key suppliers sign COC</li> <li>GHG inventory</li> </ul>	<ul style="list-style-type: none"> <li>All key suppliers sign COC</li> <li>Set supply chain carbon reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>All key suppliers comply with Kinpo sustainable procurement guidelines</li> <li>Establish an ISO 20400 compliant sustainable procurement supply chain</li> </ul>	



◀ KINPO GROUP Suppliers' Code of Conduct

## Sustainable Supply Chain Management Process

Carried out through a PDCA cycle, our supply chain sustainability management aims to establish core strategies to manage the sustainability risks in the supply chain, ensure suppliers meet Kinpo's standards and improve the sustainability performance of suppliers.



**Plan**

- Establishing a sustainable supply chain management strategy



**Action**

- Improvement Plans



**Do**

- Supplier risk assessment



**Check**

- Audit Confirmation

▲ Supply Chain Sustainability Management P.D.C.A. Cycle

### Plan-Sustainable Supply Chain Management Strategy

As a member of the Responsible Business Alliance (RBA), Kinpo has developed the KINPO GROUP Suppliers' Code of Conduct in accordance with the RBA Code of Conduct as the overarching principle of sustainable supply chain management to identify and manage supply chain sustainability risks and enhance the sustainability of the supply chain.

### Do-Supplier Risk Assessment

We conduct a Sustainability Assessment Questionnaire (SAQ) audit for key suppliers (excluding agents, RBA members, affiliates, etc.) whose purchase amount constitutes over 70% of our total procurement spend. The items assessed include labor rights, health and safety, environmental protection, corporate sustainability performance and management systems, and through analysis, we identify high-risk suppliers and issues of particular concern. The assessment results are categorized into three levels: Level A (low risk): ≥81 points; Level B (medium risk): 61-80 points; and Level C (high risk): <60 points.

### Check-Audit Confirmation

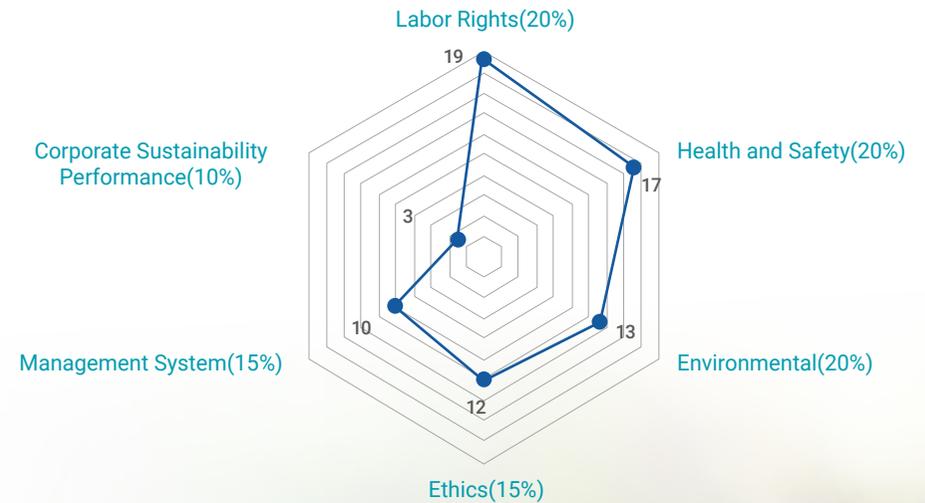
For high-risk suppliers, we undertake on-site audits and request for improvement, and within one week of the audit, we will issue a Corrective Action Request for the supplier to make rectifications and reply within one month, and follow up until the case is closed.

### Action-Improvement Plan

By identifying high risk issues through risk analysis, we create educational materials based on our own experience to share with our supplier partners.

## Key Supplier Management Outcomes 2022

Kinpo in 2022 selected 49 critical tier 1 suppliers that accounted for more than 70% of the total purchase amount in 2021 and administered sustainability assessment questionnaires with a 100% recovery rate and they were rated overall as medium risk. We identified two high risks: in the area of environmental protection, 75% of suppliers did not implement carbon inventories in line with the ISO 14064 international standard; and in the area of corporate sustainability performance, 50% did not publish sustainability reports. In 2023, we will also share Kinpo's experience in driving sustainable development with our suppliers, so that we can together respond early, improve weaknesses, avoid potential crises and further give a boost to the sustainability of our supply chain.





# Employee Wellbeing

P. 55 7.1 Human Resource Management Policy

P. 63 7.2 Salaries & Benefits

P. 65 7.3 Staff Development

P. 66 7.4 Employee Communication

P. 67 7.5 Employee Health

P. 70 7.6 Employee Participation

Employees are an essential asset to a company and a key to staying competitive. Founded over 40 years ago, Kinpo has become the largest electronics foundry in Southeast Asia. Our employees are the backbone of our sustainable development, and taking care of them is the foundation of our human resources development. We are also seeking talented people from around the world to join us in building a happy workplace, serving customers and growing business sustainably.

Kinpo is devoted to creating the optimal and safe working environment, listening to the voices of our employees, and understanding their needs, and in 2022, when COVID-19 remained rampant, we achieved the following performances:

1. The headquarters won the 1111 Job Bank's Happy Enterprise Award for the second consecutive year.
2. E-health management platform: We built an online notification system for abnormal health conditions and confirmed COVID-19 of employees working from home, and a push system to disseminate abnormal body temperature of employees in each plant of KINPO GROUP, and to release health-related information from time to time.
3. Satisfaction rating of 9 out of 10 for the administration and general affairs management department by headquarter staff.

## 7.1 Human Resource Management Policy

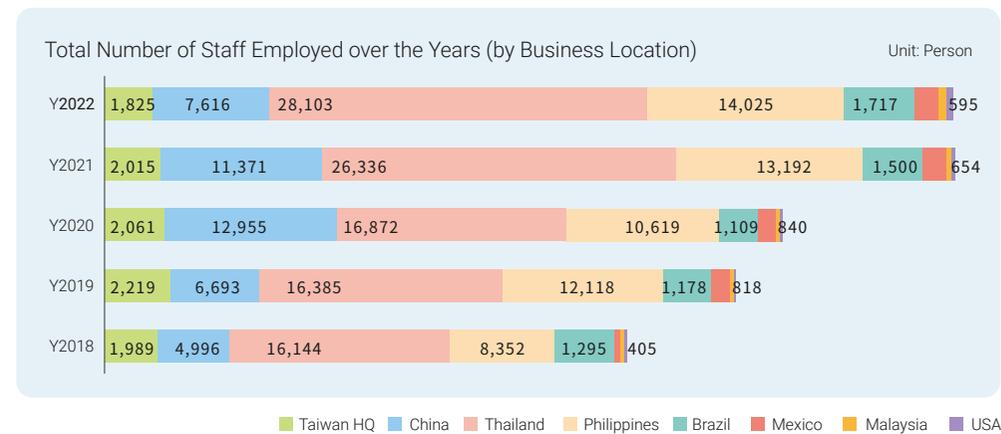
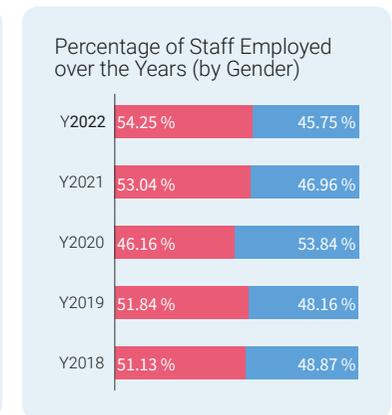
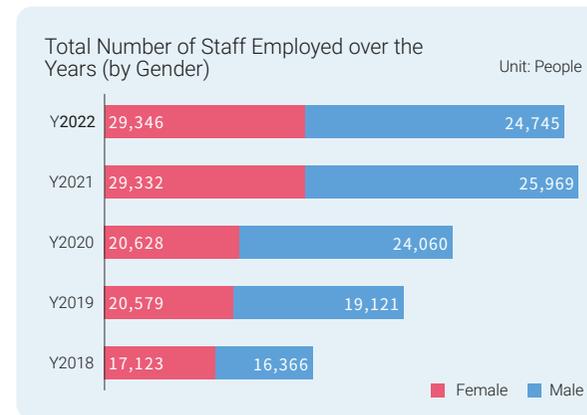
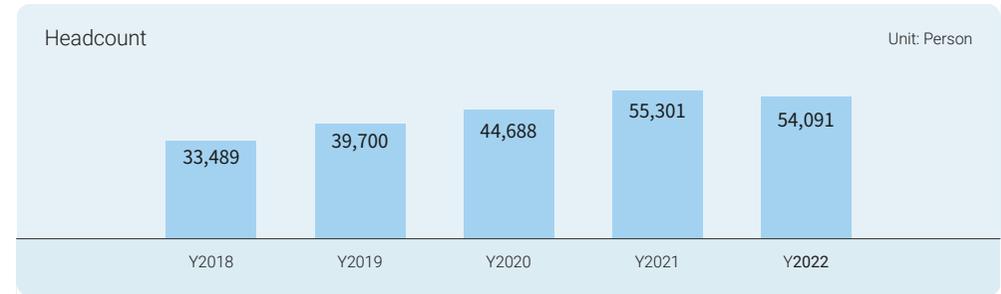
With the belief that employees are the fundamental and most valuable asset of a company, Kinpo respects the uniqueness of each employee and sees "people" as a strategic resource that can create advantages for the organization. In human resources management, we treat all employees fairly, humanely and systematically, and establish appropriate communication channels to give employees the opportunity to express their views. Additionally, we continue to strive for a balance between work and quality of life for our employees, creating an equal and harmonious working environment where they can excel in the right positions. The functional human resources policies are as follows:

- Employment Policy: We correctly assess the human resource needs of the organization and conduct internal and external selection in an open, fair and equitable manner to select like-minded people to join the Company and realize the concept of "the right person for the right position".
- Training and Development Policy: Through a wide range of learning tools and a robust training and development system, we strengthen employees' willingness and ability to work, enhance their personal performance to achieve corporate goals.
- Compensation and Benefits Policy: We offer compensation and benefits that are fair externally, internally and personally based on market trends and operational considerations.
- Employee Relations: We provide quality labor conditions, working environment, communication channels, employee assistance and foster a quality corporate culture to align employee goals with organizational goals, enhance employee happiness and create maximum benefits for employees and employers.

## Human Resource Analysis

Our Company is headquartered in Taiwan and has set up business units by product, as well as R&D departments and management centers with varying functions, while establishing manufacturing sites in China, Thailand, the Philippines, Brazil, Mexico, Malaysia, and the United States. Each year, headquarter and overseas manufacturing bases draw up staffing requirements for the following year based on operational forecasts, which are subject to the approval of the headquarter's president.

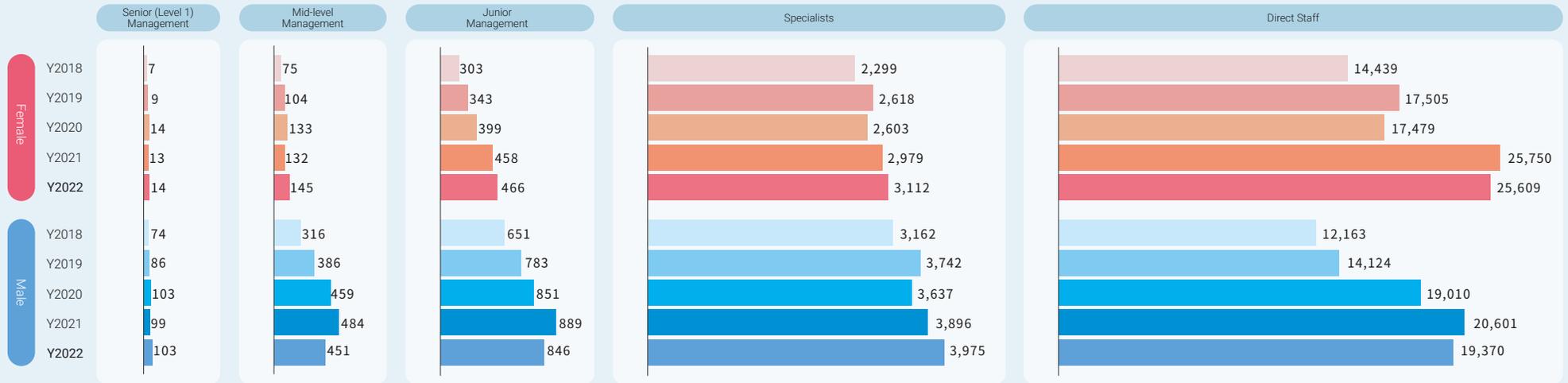
## Workforce Profile



Note: Three plants in Yueyang, China opened sequentially from 2019-2020, hence the increase in headcount in 2021.

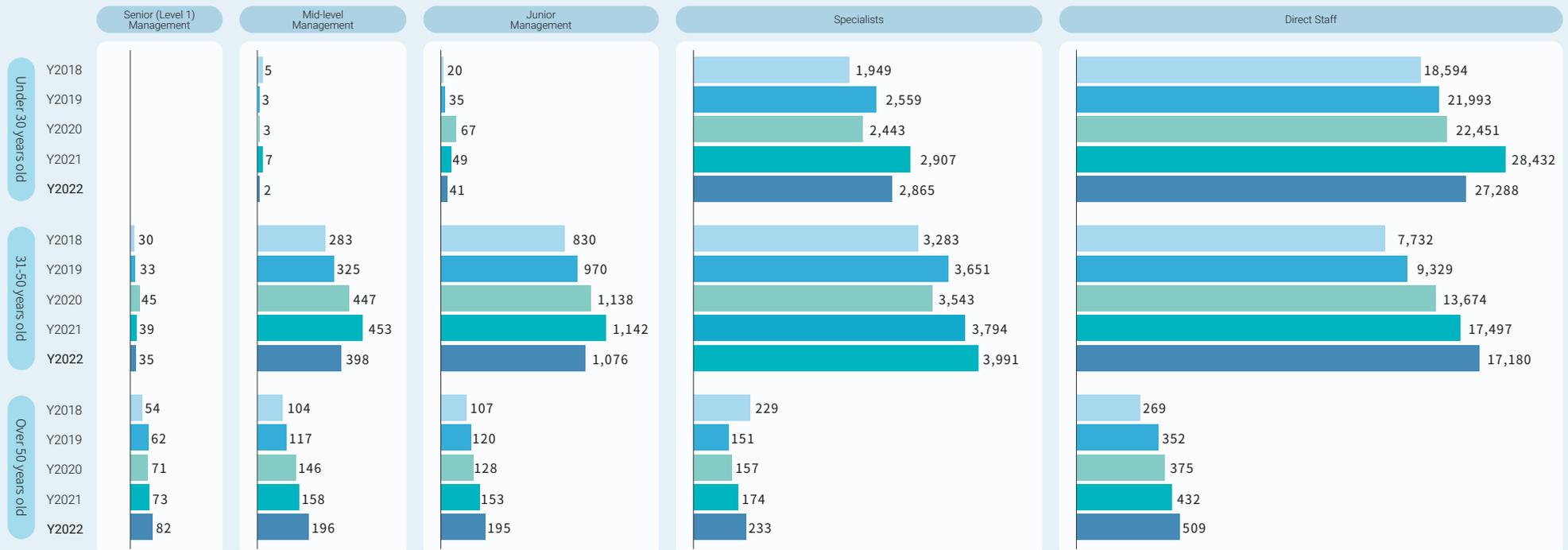
Number of Staff by Position over the Years (by Gender)

Unit: Person

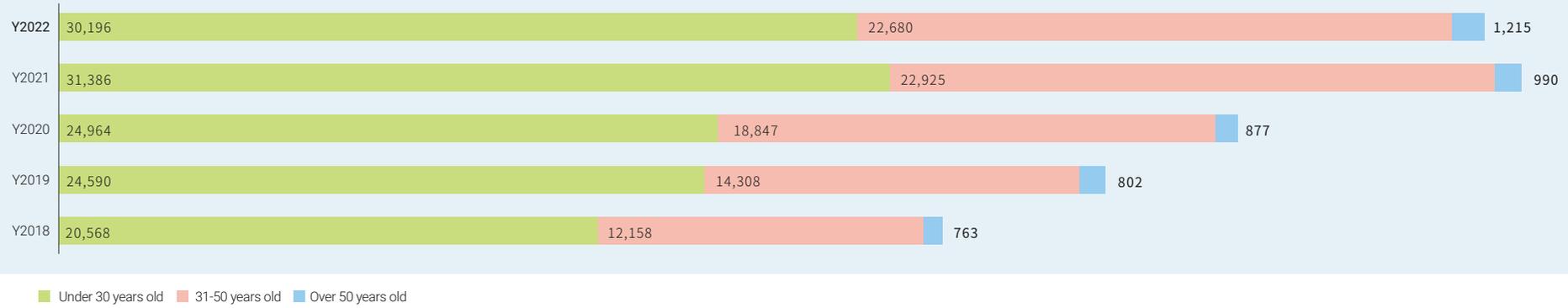


Number of Staff by Position over the Years (by Age)

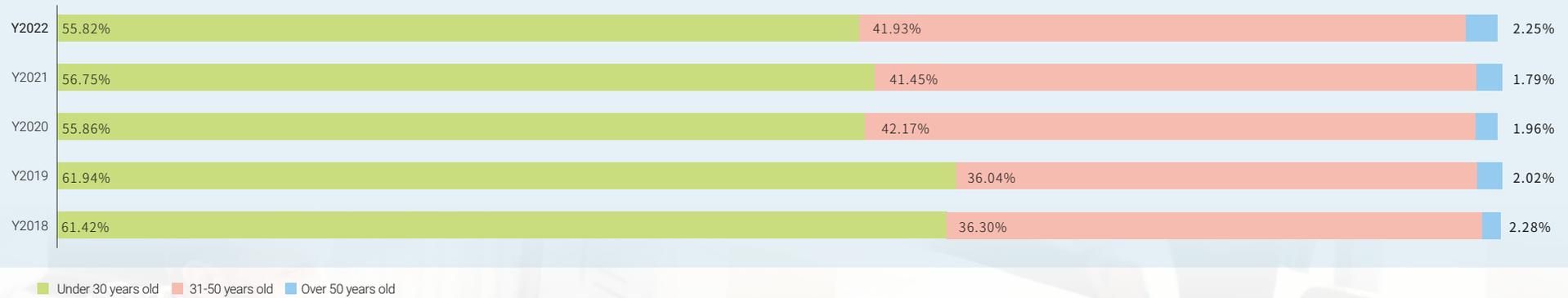
Unit: Person



Total Number of Staff Employed over the Years (by Age) Unit: Person

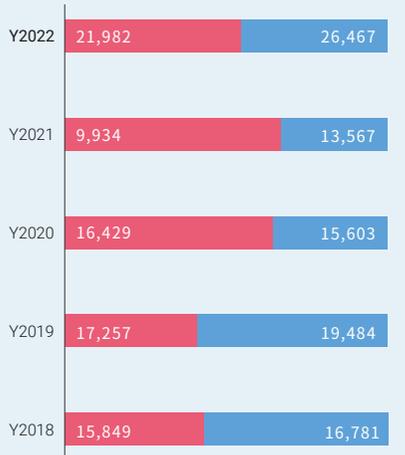


Percentage of Staff Employed over the Years (by Age)



Permanent Workers (Non-fixed Term)

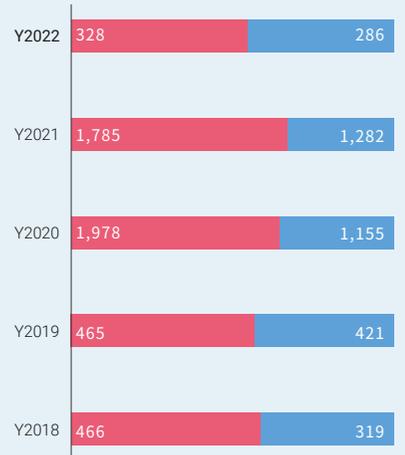
Unit: Person



Female Male

Temporary Workers (Fixed-term Contract)

Unit: Person



Female Male

Workers without Guaranteed Hours

Unit: Person



Female Male

Group Staff Education over the Years

Unit: Person



Below high school High school Bachelor Master

Employment for People with Disabilities

As regards the employment of the physically and mentally challenged, in line with the efforts of various governments to facilitate the employment of people with physical and mental disabilities, our headquarters has collaborated with social welfare organization Eden Social Welfare Foundation to recruit visually impaired persons to give massage to our staff, so as to help them relieve their tense muscles and achieve the effect of relaxation and elimination of fatigue. We currently employ 18 people with mental and physical disabilities, including 7 with mild, 4 with moderate and 7 with severe and very severe disabilities, working in various units in administration, research and development, information and cost analysis. Employees with physical and mental disabilities employed in overseas factories mainly assist in the assembly and manufacturing departments on the production line and are assigned to work according to their level (Level 1, 2 or 3) and physical condition.

Human Resource Mobility

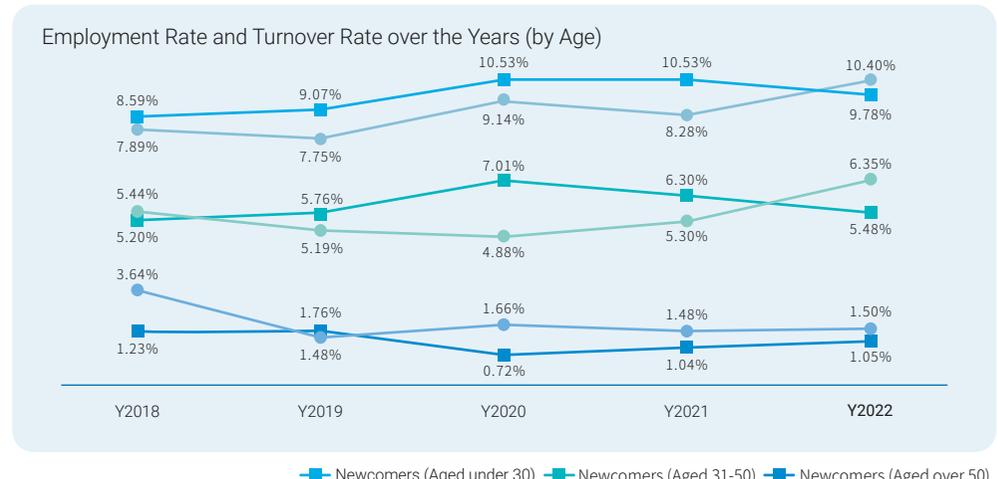
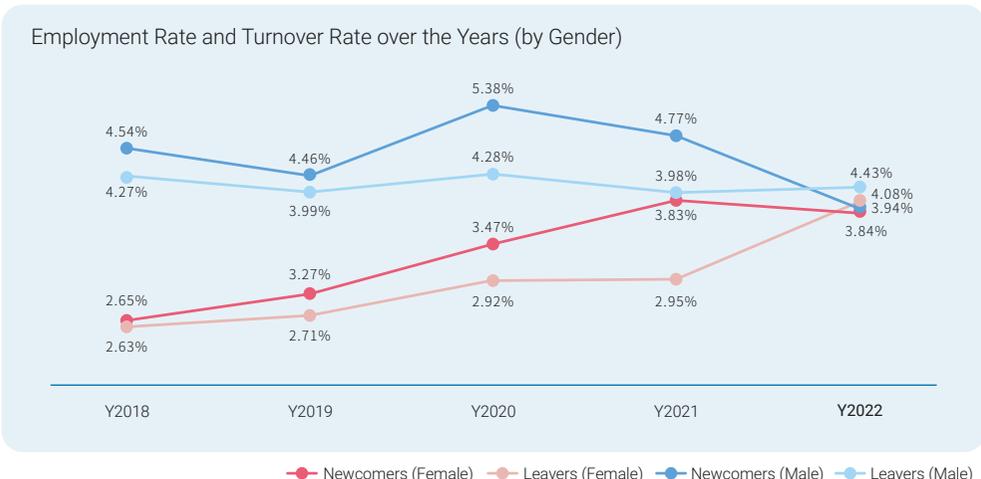
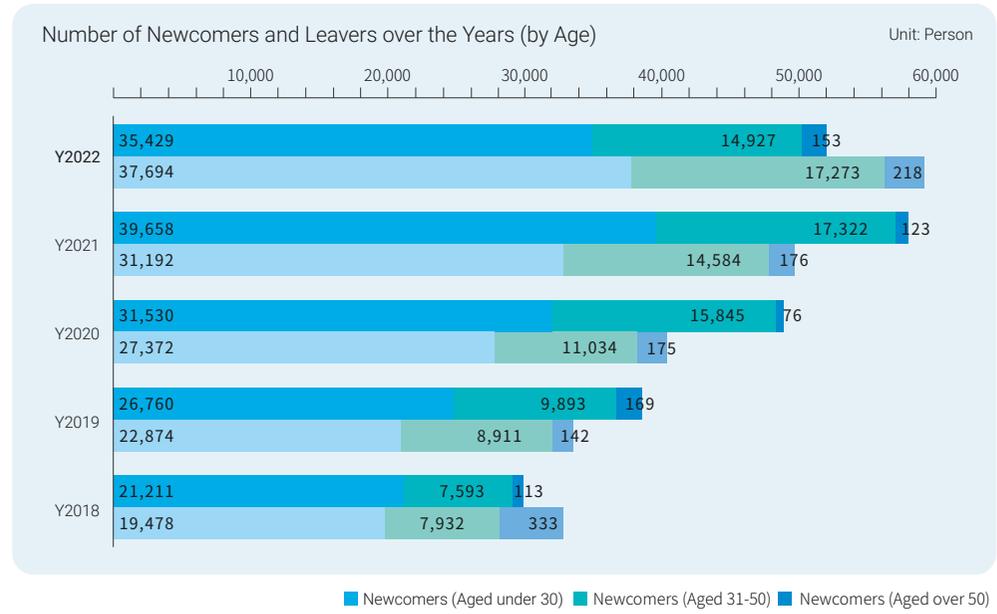
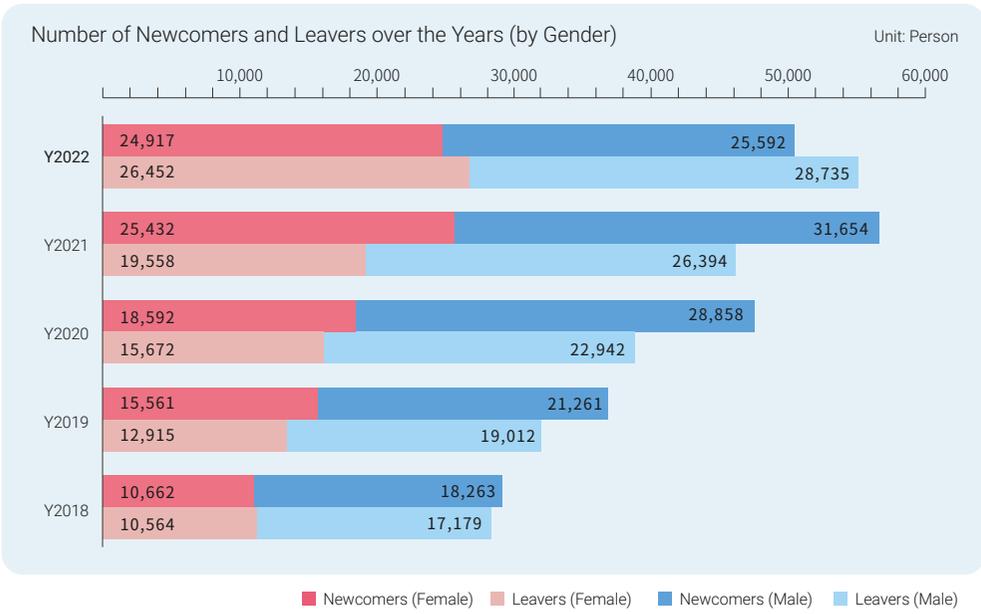
The Company sets its recruitment targets according to the current year's industrial situation and employment needs. In 2022, our headquarters responded to job seekers' questions openly, transparently and immediately through our external recruitment website, while our overseas factories scouted for the best talent by profiling their own recruitment needs.

Newcomers are given an orientation session on the day they report for work, and are introduced to the internal and external environment and hardware and software of the Company to help them adapt to the unfamiliar environment and to provide them with guidance and assistance in their duties. For those who wish to leave the Company, our human resources staff will meet with them to understand their needs and reasons for departure, keep a proper record of the interview, and duly urge them to stay on.

Significance to the Company / Management Policy	Founded on the idea that talent is the fundamental and most valuable asset of a company, Kinpo has built a diverse and inclusive workplace through diverse and innovative recruitment channels to bring in talented people from all over the world, and is committed to building a happy workplace and contributing to the sustainable growth of our customers and the Company together.
Policies and Commitments	The Company has set up a responsible unit to take charge of relevant matters, adhering to the relevant labor laws and regulations and international human rights conventions in the places where the Group's factories are based, and striving to protect the rights of employees. Through a fair and open selection mechanism, our employment policy does not differentiate nor discriminate in any form under any circumstances, and we provide reasonable remuneration packages, comprehensive welfare programs, a sound talent cultivation system and staff wellbeing scheme to effectively enhance work efficiency and team cohesion.
Goals	<ol style="list-style-type: none"> <li>Short-term goals                             <ul style="list-style-type: none"> <li>Create an equal and harmonious workplace to enable employees to give full play to their talents in suitable positions and promote retention of talents, with a retention rate of over 70%.</li> <li>Implement employee care and provide various benefit packages.</li> </ul> </li> <li>Medium and long-term goals.                             <ul style="list-style-type: none"> <li>Set up a better performance appraisal system to motivate staff by awarding them more competitive rewards.</li> <li>Comply with the relevant labor laws and international human rights conventions in each of the Group's operating locations to remain free from human rights violations and discrimination.</li> <li>Take care of the physical and mental health of our employees and design a more flexible benefit package based on their needs.</li> </ul> </li> </ol>

### Age of Newcomers/Leavers

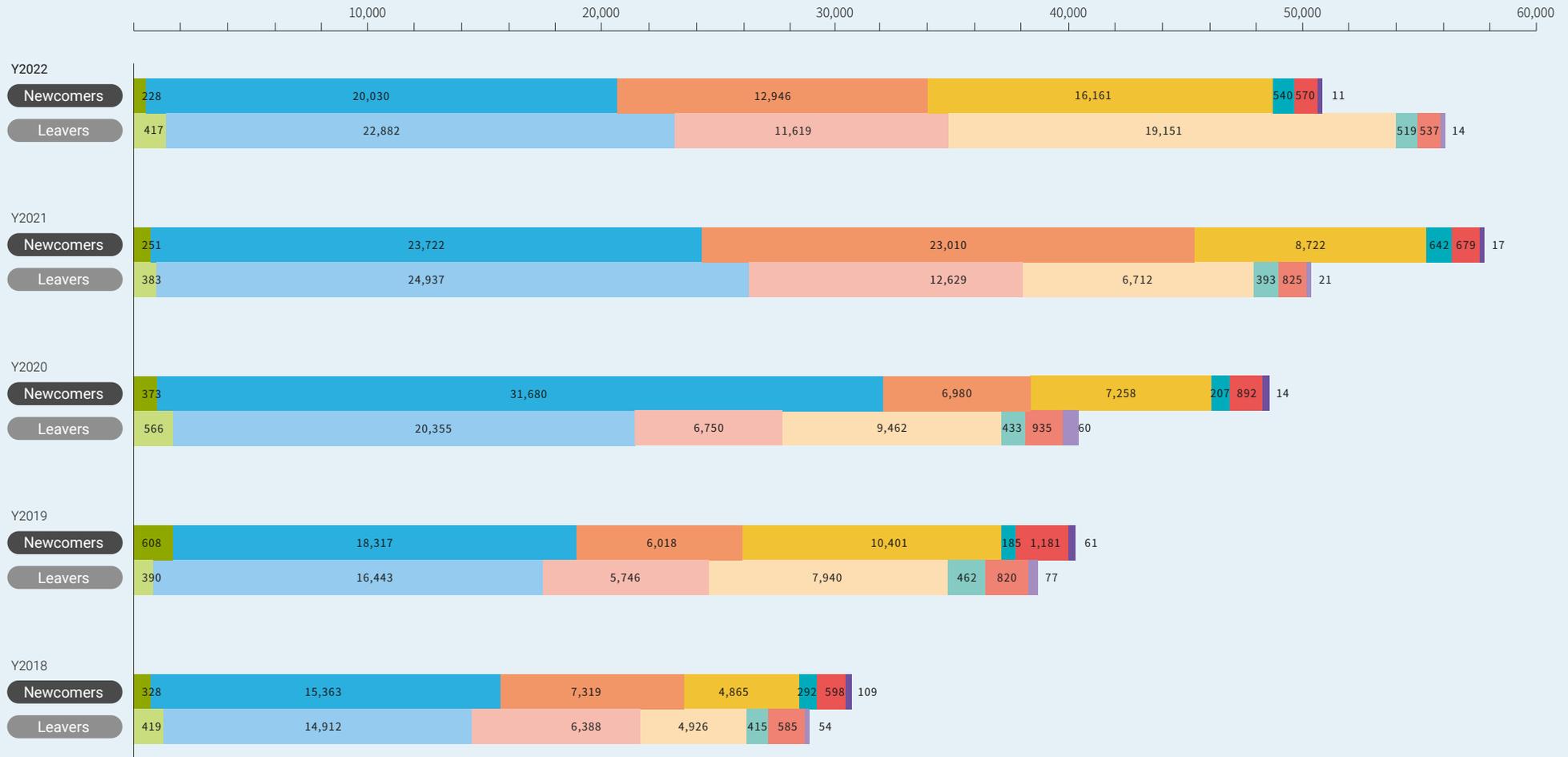
According to the employment rate and turnover rate of each plant over the past five years shown in the table below, the three plants in Yueyang, China opened one after another in 2020 and recruited a large number of workers, so the employment rate was higher than in other years. In 2022, due to a downturn in the macro environment, each plant downsized its workforce, leading to a higher turnover rate, which should be a temporary phenomenon and should return to normal in 2023.



\*Notes:  
 1. Employment rate is the 12-month average of the total number of newcomers/annual average.  
 2. Turnover rate is the 12-month average of the total number of leavers/annual average.  
 3. The number of newcomers/leavers rose due to the opening of the three plants in Yueyang, China from 2019-2020 onwards.

Number of Newcomers and Leavers over the Years (by Operating Location)

Unit: Person



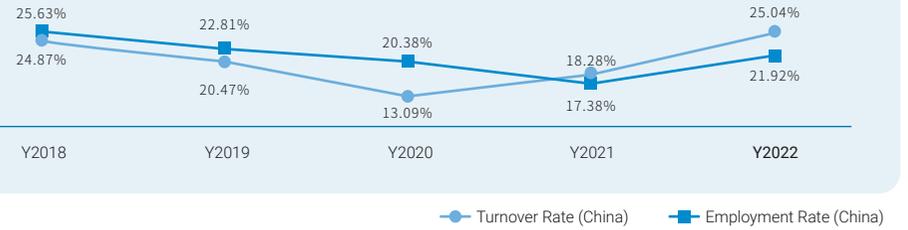
Employment Rate and Turnover Rate over the Years-Taiwan(by Operating Location)

Unit: %



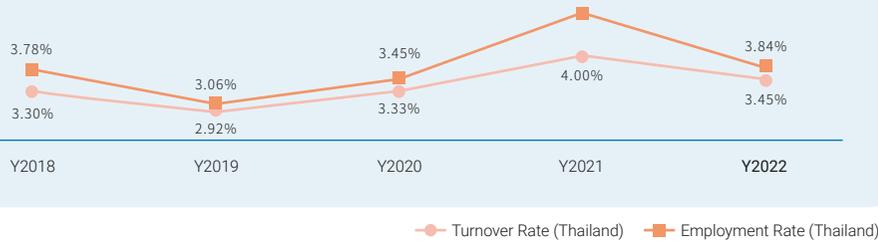
Employment Rate and Turnover Rate over the Years-China(by Operating Location)

Unit: %



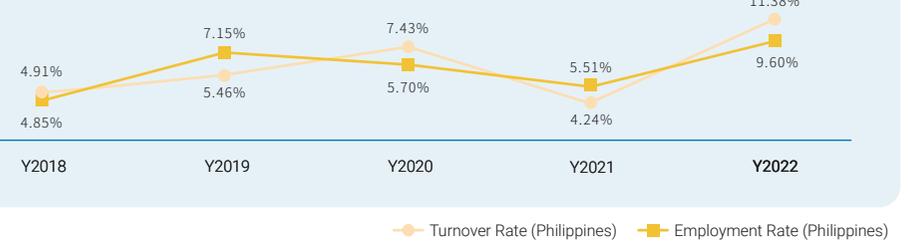
Employment Rate and Turnover Rate over the Years-Thailand(by Operating Location)

Unit: %



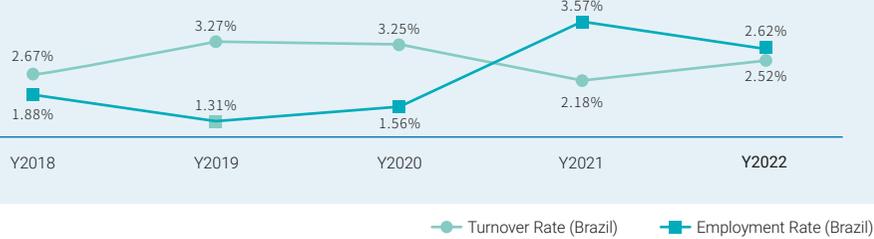
Employment Rate and Turnover Rate over the Years-Philippines(by Operating Location)

Unit: %



Employment Rate and Turnover Rate over the Years-Brazil(by Operating Location)

Unit: %



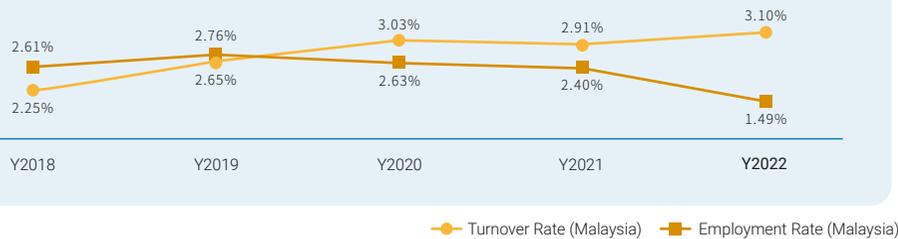
Employment Rate and Turnover Rate over the Years-Mexico(by Operating Location)

Unit: %



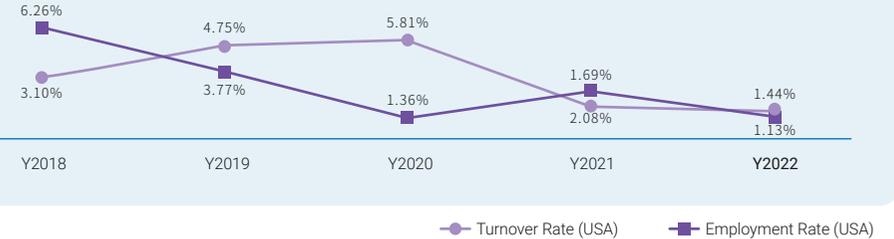
Employment Rate and Turnover Rate over the Years-Malaysia(by Operating Location)

Unit: %



Employment Rate and Turnover Rate over the Years-USA(by Operating Location)

Unit: %

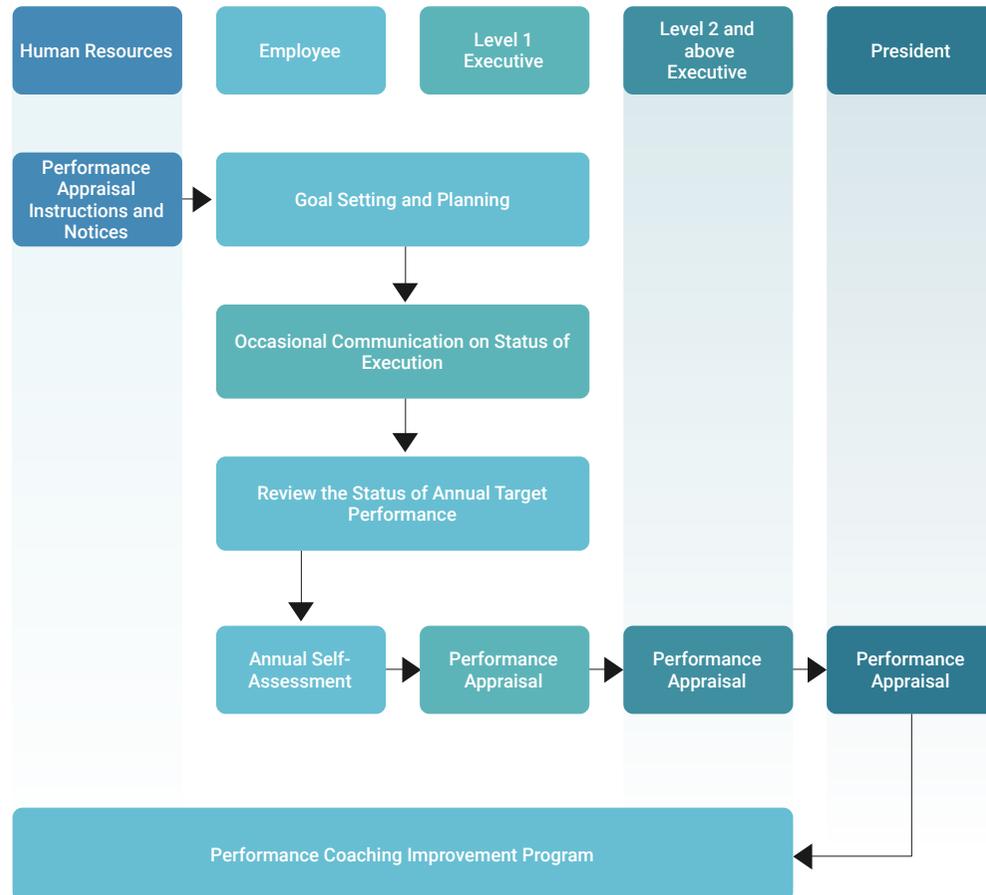


## Performance Appraisal and Job Rotation

To understand the performance of our staff and to provide a basis for promotion, training and development, salary adjustment, staff remuneration and performance improvement, we have established the "Staff Performance Management Regulations" and conduct half-yearly appraisals of our staff. We also have an internal transfer mechanism in place, which allows staff to be transferred to other units if they meet the following criteria:

1. In the event of a change in the organization of a department, the staff of the department may be transferred to other units of the same department based on their professional qualifications and wishes.
2. Where a department intends to downsize, the staff chosen for redundancy may be transferred to other units in different departments according to their qualifications and wishes.
3. To nurture outstanding talents, the department head will select and arrange for them to be transferred to different units for training, so as to cultivate them into all-round personnel.

### Kinpo's Performance Appraisal Process (Excluding Newcomers)



## Promotion Mechanism

To make the most of human resources and their capabilities, and to motivate employees to deliver excellent performance, the Company has created a comprehensive internal promotion mechanism to ensure a smooth promotion mechanism across all positions and to cater for the development needs of the Company and its employees, so as to enhance the core competitiveness of the Company and its employees, thereby boosting the Company's operational performance.

### Human Rights Management

Kinpo abides by the labor-related laws and regulations in all of the locations where it operates worldwide, and makes reference to the spirit and basic principles of human rights protection enshrined in international human rights conventions such as the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and the International Labour Organization Conventions, and strictly implements the Responsible Business Alliance Code of Conduct to protect the human rights of all its employees, including regular employees, contract and temporary workers, and interns.

The Company's human rights policy applies to the Company and its domestic and foreign subsidiaries and other enterprise organizations affiliated with the Group over which it exercises substantial control, and is applied as follows:

1. Prohibition of Discrimination: We eliminate unlawful discrimination on the grounds of race, color, age, gender, sexual orientation, religion, disability, trade union membership or political affiliation and to ensure equal opportunities in employment.
2. Prohibition of Child Labor: We do not use child labor and do not accept any suppliers or outsourcers who use child labor.
3. Respect for Employee Freedom: We prohibit any form of forced labor.
4. Reasonable Pay and Benefits: We provide employees with basic pay and benefits that meet or exceed the requirements of local laws and regulations.
5. Diverse and Inclusive Workplace: We protect the labor rights of disadvantaged groups such as indigenous people, women, migrant workers, contract workers and people with disabilities.
6. Healthy, Safe and Friendly Workplace: We provide a safe, healthy and harassment-free workplace.
7. Maintain the Physical and Mental Health of Employees: We support and assist our employees in maintaining their physical and mental health and work-life balance.
8. Keep Communication Channels Open: We have established an open management style and communication environment that encourages frank expression of opinions.
9. Respect for Privacy: We make sure that the collection and use of personal information conforms to regulatory requirements.
10. Continued Improvement: We regularly review and evaluate relevant risks and effectiveness and optimize management measures.

Upholding the philosophy that human resources are the fundamental and most valuable asset of an enterprise, we respect the uniqueness of each individual and comply with the relevant labor laws and international human rights conventions in each of the Group's factories. We are committed to protecting the human rights of our employees and have instituted reasonable remuneration packages, comprehensive welfare programs, a sound talent cultivation system and appropriate communication channels. Therefore, during the reporting period, we did not commit any human rights offenses such as child labor, forced labor, labor disputes, breach of gender equality and sexual harassment.

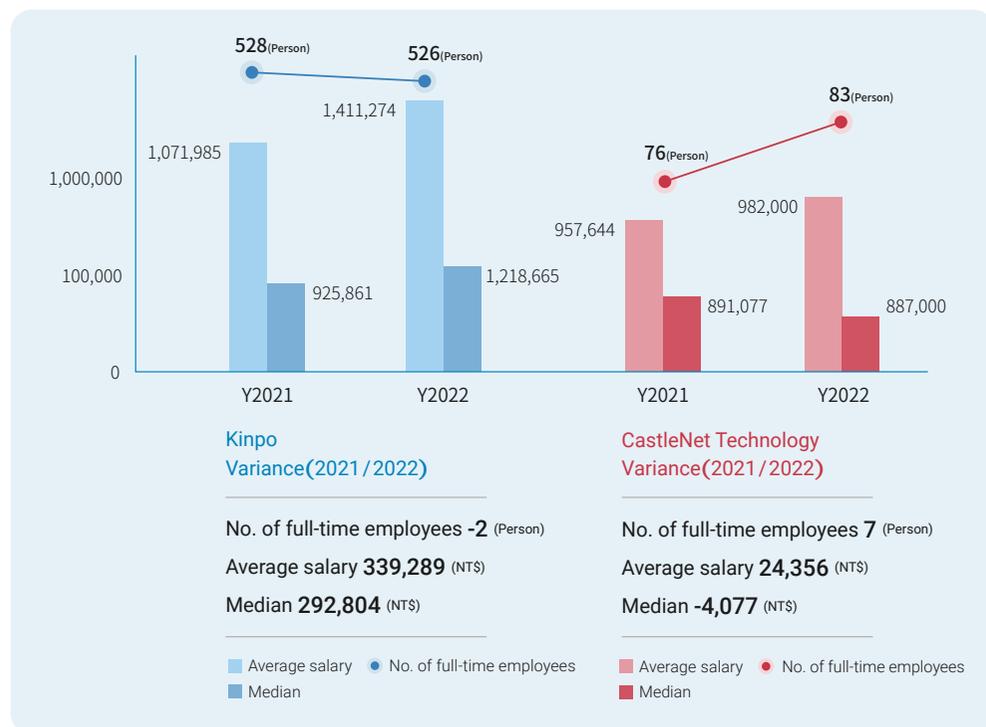
## 7.2 Salaries & Benefits

### Descent Salary

The Company has established a remuneration management regulation that combines the employee performance appraisal system with bonus payment standards, and provides year-end bonuses based on operational conditions and individual performance, and shares the Company's profits with employees. On top of providing social, medical and retirement benefits as required by the government, we also offer a wide range of benefits in order to win the hearts and minds of our staff, so that they can contribute to their work. In addition, we abide by government regulations and operate with ethical principles in order to attain our goal of sustainable business and prosperity.

According to the Taiwan Stock Exchange, listed companies are required to disclose the number of full-time employees who do not hold executive positions, average salary, median salary and the difference between the first three items and those in the previous year. The increase in average and median salaries in 2022 was mainly due to the growth in the Company's pre-tax profit in 2022 and the corresponding increase in the amount of employee compensation contributions. In addition, staff salaries rose by 3% in 2022, resulting in higher salaries than in 2021.

### Full-Year Average and Median Salary



### Better-than-Statutory Benefits

Item	Plant	Content
Flexible Working Hours	HQ / USA	Employees may arrange their own commuting time within their time slots.
Employee Remuneration / Bonus	HQ / Mexico/ Brazil	Payments are based on the Company's annual operating status and individual performance.
Employee Stock Option Certificates	HQ	Benefits based on individual performance.
Kpi Performance Bonus	HQ	Payments based on individual performance.
Maternity Allowance	HQ	Maternity allowance of NT\$1,000.
Maternity Bonus	HQ	Apart from the employee himself/herself, the employee's children are also entitled to a maternity bonus of NT\$66,000 per newborn baby.
Club Grants	HQ	Application for club grants.
Scholarships	HQ	Employees and their direct descendants who are enrolled at senior grades in elementary schools, junior high schools, senior high schools, vocational high schools and tertiary institutions at home or abroad, and whose academic results meet the required standards, are eligible to apply for scholarships.
Language Learning Bonus	HQ	2-year bonus for those who pass the certification and meet the criteria.
Volunteer Leave	HQ	Volunteers can apply for volunteer leave during the working hours if they participate in volunteer activities organized by the Company.
Epidemic Childcare Leave	HQ	In response to an upsurge in COVID-19 cases and the closure of schools, staff were granted epidemic care leave to take care of children at home.
Vaccination Leave	HQ	To encourage staff to be vaccinated against COVID-19, paid vaccination leave is provided on the same day and the next day.
Staff Transport	HQ / Philippines / Brazil / Mexico / Malaysia	The Company provides shuttle bus service for staff to and from work and overtime.
Staff Meals	HQ / China / Thailand / Philippines / Brazil / Mexico	Staff lunch is provided on working days.
Stress Relief Massage	HQ	The Company employs visually impaired masseurs to provide stress relief massage services.
Travel Allowance	HQ	Travel allowance for staff.
Year-End Bonus	HQ / China / Thailand / Malaysia	Based on individual salary ratio/performance/annual employment ratio.
Lunar New Year and Birthday Bonus	HQ / China / Thailand / Philippines / Brazil / Mexico	Birthday and Lunar New Year bonus / gifts for staff.
Staff Gathering / Raffle	HQ / China / Thailand / Philippines / Brazil / Mexico / Malaysia	Spring party, year-end banquet, raffle.
Annual Health Check	HQ / China / Philippines / Thailand / Brazil / Mexico / Malaysia	Free staff health check.
Staff Referral Bonus	China	Referral bonus for newcomers.
Medical Benefits	HQ	Medical benefits for staff.
Night Shift Allowance	China / Thailand / Philippines / Malaysia / Brazil / Mexico	Night shift allowance.
Lunar New Year Retention Bonus	China	Bonus for no absence during Lunar New Year and return to work on time.
Full Attendance Bonus	China / Philippines / Thailand / Brazil / Mexico / Malaysia	Full attendance bonus to motivate staff.

\*Factory descriptions:  
 China: Factory in China; Thailand: Factory in Thailand; Philippines: Factory in Philippines; Brazil: Factory in Brazil; Mexico: Factory in Mexico; Malaysia: Factory in Malaysia; USA: Factory in USA.  
 \*Applicable to all full-time staff.

## Retirement System

Under the Labor Standards Act and the Labor Pension Act, Kinpo's headquarter has laid down the "Employee Retirement Regulations," under which employees are required to contribute to their pension accounts, and actuaries are appointed to prepare actuarial reports on pensions on a regular basis in order to safeguard the rights and interests of employees claiming pensions in the future. The new labor pension scheme applied to all those who have joined the Company since July 1, 2005 according to the Labor Pension Act.

## Maternity Allowance at Headquarters

Starting from 2011, all regular employees or children of employees at the headquarters received a subsidy of NT\$66,000 for each newborn child, and in 2022, a total of 47 people were granted a birth allowance, with a total amount of NT\$3,105,000 awarded for maternity bonus. From 2011 to 2022, a total of 802 employees received maternity bonus and the total amount of the maternity bonus amounted to NT\$52,932 K.

Year	Number of Recipients (Person)	Amount of Benefit (NT\$)
2018	74	4,884,000
2019	63	4,158,000
2020	58	3,828,000
2021	53	3,498,000
2022	47	3,102,000

## Employee Welfare Committee

As required by law, the Company allocates 0.05% to 0.15% of its monthly turnover to the Employee Welfare Committee, which uses the funds to provide various benefits to its employees. We have also set up an "Employee Welfare Committee," which is comprised of both employers and employees, with members of the committee being elected by and from among the departments. The committee holds regular meetings to discuss and implement matters and activities related to staff welfare and to design staff welfare activities, including the provision of benefits such as Labor Day cash gifts, birthday cash gifts, wedding and funeral allowances, education grants and scholarships for children, company tours and annual year-end banquets to cater for the daily needs of staff.

## Headquarters Staff Welfare Programs and Input Costs

Item	2019	2020	2021	2022	Remarks
Benefits (Marriage, Funeral, Maternity and Hospitalization)	748,500	740,600	722,100	439,000	Paid by Employee Welfare Committee
Travel Allowance	3,228,645	1,522,792	2,917,349	0	
Festival and Birthday Bonus	8,829,000	7,220,000	6,834,000	8,684,231	
Scholarships for Employees' Children	556,000	558,500	359,000	678,000	
Club Grants	247,927	166,656	137,537	60,299	
Departmental Social Events and Lunar New Year Gifts	7,549,960	10,335,574	0	8,230,362	Paid by Company
Year-end Party	4,190,000	10,655,444	6,406,000	6,815,793	
Professional Certification and Language Learning Bonus	7,634,503	6,292,200	4,822,531	4,329,668	
<b>Total</b>	<b>32,984,535</b>	<b>37,491,766</b>	<b>22,198,517</b>	<b>29,237,353</b>	

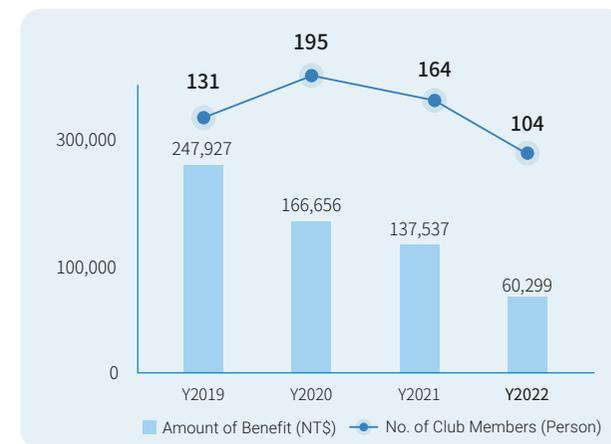
\* No company tours in 2022 due to the COVID-19 outbreak.

## LOHAS at KINPO GROUP

Dedicated to keeping a work-life balance for our staff, we organize outdoor activities to help them relax and relieve their work pressure, and the Lifestyles of Health and Sustainability (LOHAS) stimulates their creativity and vitality, making them more motivated and enthusiastic at work. With the gradual lifting of the pandemic restrictions in the second half of 2022, we expected our employees to actively engage in outdoor activities while staying safe, such as fitness walking, to boost their immune system. Of the 292 people enrolled in outdoor events of 2022, a total of 245 people showed up, representing an 84% turnout rate.

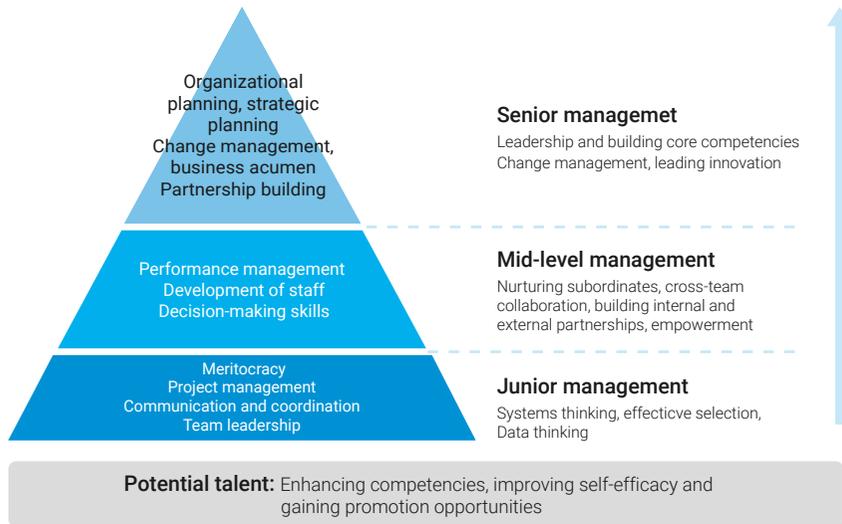
## Staff Clubs

To attend to the physical and mental health of our staff, we encourage them to form their own clubs to relieve their stress, consolidate staff camaraderie and foster family relationships by participating in activities. In 2022, three clubs organized sports and athletic contests and other activities beneficial to the physical and mental health of our employees, with a total of 104 participants and a funding of approximately NT\$60,000. (Please refer to 7.6 Employee Participation for the results of other activities at the headquarters and plants).



## 7.3 Staff Development Complete Training Plan

Guided by the belief that "Employees are the fundamental and most valuable asset of a company," Kinpo is committed to providing quality nurturing and development opportunities to help our employees grow stronger. By inspiring our employees to attain their personal and career goals, build on their professional capabilities and added value, and enhance their work performance, we are able to achieve a win-win situation for both employees and the organization. Kinpo focuses on career planning and talent cultivation for its employees, mapping out training and development strategies for all levels, and actively encouraging employees to attend various training courses to continually boost their competitiveness and contribute to the Company.



Kinpo offers a wide range of programs and resources to help employees realize their self-worth, thereby fostering their identification with the organization and enabling them to grow, thrive and excel together. To fine-tune our staff training programs and to keep them attuned to the needs of the workplace, we design a training needs questionnaire each year to serve as a reference for the direction of training in alternate years, with the goal of helping the organization to continuously improve the value of their people and their competitive edge, as well as helping employees to achieve high levels of productivity and effectiveness. In the meantime, through the Company's internal basic training (including but not limited to: newcomer training, Group quality-based training, fire drills, legal and information security related courses, etc.), internal training courses for each function (including without limitation: core functions, management functions courses, tool skills training, language training, etc.), external training, and on-the-job training in the department, we have embedded mandatory training courses and credits in the promotion criteria for each job rank, in a bid to strengthen the professional knowledge, skills and expertise and learning motivation of our employees and enhance their performance and continued growth. To broaden the scope of our training and to boost the internationalization of our talent, we have offered additional courses in English and Thai to help our staff enhance their soft language skills.

## KINPO GROUP Online Library

Kinpo has partnered with HyRead ebook in building the Group's online library, providing staff with more access to ebooks. The KINPO GROUP Online Library offers a wide range of magazines and books for self-study and further study. Not only are their specialist knowledge reinforced, but through the use of technology and mobile apps, staff can study anytime and anywhere, utilizing fragmented time to enhance their learning output.

## KINPO GROUP Online Academy

With the ever-changing environment, digital transformation has become an integral part of business. Kinpo's headquarters has also introduced an online learning platform, KINPO GROUP Online Academy, which features convenient, flexible, diverse learning resources, including language training, tools and skills series (e.g. Excel and PowerPoint), soft-skills seminars (e.g. emotional management, workplace stress relief, etc.) and industry trend seminars to cater to the different needs and learning styles of employees. Our digital learning transformation model will also be extended to other overseas plants of the Group, furnishing employees with more diverse learning channels to enrich their skills and knowledge.

KINPO GROUP Online Library	Purchased 20 books and 4 magazines (updated monthly) for staff to read, with 3,376 check-outs in 2022.
KINPO GROUP Online Academy	Added 7 new online courses in 2022, with 11,928 attendees and 14,440.5 hours of study.

## Education and Training Delivery Results



## 7.4 Employee Communication Promoting Harmonious Labor Relations

Employees are the most fundamental and valuable assets of a company, while harmonious labor relations and a friendly working environment are the strength driving a company's constant growth. Dedicated to the management philosophy of "Innovation, Harmony and Excellence," Kinpo has attached special significance on labor relations since its inception in 1973. On top of its management philosophy revealing the idea of "harmony," the Company also seeks to understand the voices and thoughts of its employees at all levels through various communication channels in its daily operations. To enhance two-way communication between management and employees and to foster good labor relations, we have built up various channels of communication within the Company, through which employees can express their views and suggestions to senior management, thus eliminating misunderstandings and barriers, and enabling employees' ideas and opinions to be responded to and dealt with immediately.

Channel	Content
KINPO GROUP EIP	Set up the Company's intranet site to publish important corporate news, regulations and activities.
CEO Forum	The CEO issues statements by signature explaining the Company's vision and near-term plans to staff on a monthly basis.
Youtube Video Channel	A Youtube video channel was set up on the YouTube platform, featuring videos of the Company's executives' talks and important events for employees to watch.
TV Wall	A TV wall was set up at each major entrance of the Shenkeng plant to broadcast the Company's initiatives and activities and invite staff to join.
WeChat Public Official Account across Plants	Set up a dedicated public account for each plant to disseminate information on plant-related activities.



▲ TV Wall



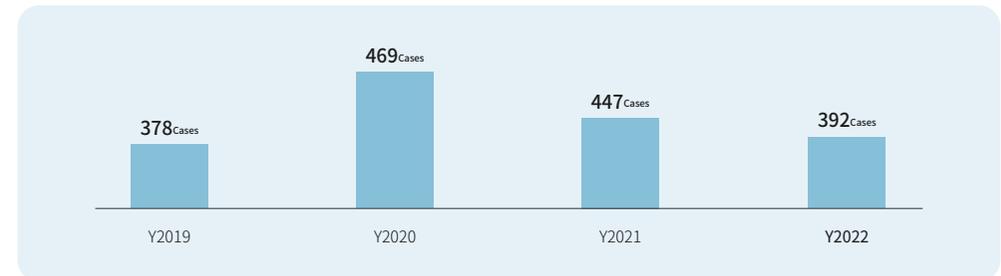
▲ KINPO GROUP EIP

## Create Diverse Communication Channels

The Company provides a wide range of channels for reporting and filing complaints to prevent unlawful, unethical and other violations of government regulations and corporate rules, and has set up an employee mailbox as a way for employees to voice their problems and receive suggestions. Alternatively, employees can lodge a complaint or report to their BU head, local auditing officer, human resources officer, legal officer, local report box, or suggestion box, and the relevant officer will respond and handle the matter appropriately. We are committed to safeguarding the rights and interests of our employees, and we have instituted various policies that take into consideration the rights and interests of our employees so that they are fully protected. The Company expects its employees to live up to its corporate culture of "Innovation, Harmony and Excellence." The Company has maintained harmonious labor relations with each of its plants, and the work rules are governed by the relevant laws and regulations, and the notice period for the departure of employees is regulated under the Labor Standards Act. In 2022, we did not suffer any losses due to labor disputes.

Communication Channels	Description
Physical Mailbox	Physical mailboxes in each plant.
Online Complaints	A mailbox on the Company's intranet site for staff to fill in forms and express their views directly online.
E-mail	A dedicated e-mail address at <a href="mailto:CEO_Andrew@kinpogroup.com">CEO_Andrew@kinpogroup.com</a> for employees to send their opinions.

## Staff Communication and Feedback



## Improving employee communication channels to create a harmonious corporate atmosphere - Kin Hsiao-pang, the employee consultation channel at Yueyang Plant

Kinpo's Yueyang plant has established a communication channel called "Kin Hsiao-pang" by combining the characteristics of its staff with multi-dimensional thinking. "Kin Hsiao-pang" is a product of corporate culture that integrates with the characteristics of the times. The lively and down-to-earth slogan: "Kin Hsiao-pang calls you, if you have a problem, call me" makes employees feel it approachable and accessible. The staff can submit their opinions and suggestions in two ways: online - by scanning the QR code, and offline - through the staff consultation room - to cater to their different needs.

The "Kin Hsiao-pang" began operations on July 22, 2022. Questions, whether collected online or offline, are tracked on the same day with feedback given, and if assistance is required from other departments, answers and replies are generally given within three working days. Through the "Kin Hsiao-pang," we have been able to foster positive interactions between the plant and our staff, providing immediate help to solve their problems and minimizing their external complaints, thus enhancing their sense of well-being.



▲ Kin Hsiao-pang accepts employees' consultations and answers employees' questions.

## Labor Organization / Employee Welfare Committee

Kinpo and most of its plants have a well-established Employee Welfare Committee, which is composed of elected representatives from each department and holds regular meetings to discuss relevant topics. The committees conduct relevant employee welfare measures and activities from time to time to create a work-life balance for employees through various events. In 2022, the Employee Welfare Committee met 5 times.

Item	Taiwan	China	Philippines	Thailand	Brazil	Mexico
Total Number of Participants	44	47	16	32	27	9
Number of Labor Representatives	22	32	12	24	23	5
Number of Management Representatives	22	15	4	8	4	4
Ratio of Labor to Management	5 : 5	6.8 : 3.2	7.5 : 2.5	7.5 : 2.5	8.5 : 1.5	5.5 : 4.5

\*The plant in Malaysia and the US have not set up a labor union, so no information is available.

## 7.5 Employee Health Environmental Safety and Health Policy

- Comply with the relevant national and governmental environmental and safety and health laws and regulations.
- Promote environmental and safety and health management-related education and training activities to enhance employees' awareness of environmental and safety and health issues and facilitate their participation and implementation.
- Consistently improve environmental and health and safety performance through pollution prevention, accident prevention, energy conservation and responsible care.
- Focus on pollution source control, process waste reduction and improve safety and hygiene facilities to achieve pollution prevention and risk reduction.
- Establish good communication channels to communicate our environmental, safety and health policies to employees, suppliers, related organizations and the public.

## Occupational Safety Management System

To put into practice the occupational safety and health practices, Kinpo has built an occupational safety and health management system in accordance with ISO 45001:2018 and produced an occupational safety and health manual and related procedures to systematize the relevant management mechanisms and operational processes. We conduct ISO 45001 internal and external audits every year and remedy any deficiencies detected in the audits to ensure the efficient operation of our occupational safety and health system and to fulfill our environmental safety and health policy and objectives.

With the exception of the plants in Mexico and the United States, all other plants are ISO 45001 certified. 1,448 people are employed at the Shenkeng plants at Kinpo and Cal-Comp Electronics & Communications, with a coverage rate of 86% at the headquarters in Taiwan.

## Occupational Safety and Health Committee

In accordance with ISO 45001, the Company has set up an internal safety and health promotion group with representatives elected by each unit to develop the ability to carry out various safety and health operations and implement safety and health management through education and training. All BU heads convene the Occupational Safety and Health Committee meeting on a quarterly basis to discuss the implementation of safety and health practices through the Occupational Safety and Health Committee and post the minutes on the Company's intranet site for public access by all employees.

## Risk Identification and Assessment

Through the ISO 45001 Hazard Identification & Risk Procedure, we identify potential safety and health risks in the workplace and develop appropriate control measures to reduce the incidence of occupational hazards and diseases. Risk identification and assessment includes routine and non-routine operations. The risk level is determined by the combination of the severity and likelihood of a hazard event, and where the risk level is rated high, engineering improvements and management measures are applied to lessen the likelihood of a hazard event occurring or to alleviate the severity of the consequences. In 2022, we conducted improvements to the high-risk level rated 1 in the risk identification and assessment. As the extension cords in some of our offices at headquarters have been in use for many years, we have instituted a safety regulation and management plan for the procurement of extension cords and replaced them with the ones that conform to national regulations, so as to prevent electric shocks.

## Occupational Safety and Health Education and Training

We are devoted to protecting the health and safety of our employees. We provide a safe and suitable workplace and take an active role in disseminating safety and health information to heighten employees' safety awareness. We have made safety and health education and training courses compulsory for new recruits, teaching them how to avoid possible injuries and emergency response techniques at work, so that they can have a proper and professional consciousness of safety and lower the chance of hazards when they start working.

We educate our staff on occupational safety and health through workplace safety promotion campaigns and internal training, by engaging experts to give lectures at our factory, as well as through our intranet site, e-mails and bulletin boards. In addition, we have set up a comprehensive emergency response procedure and notification mechanism to protect the health and safety of our employees.

### Occupational Safety Education and Training at Headquarters 2022

Category	Course Title	Target Audience	No. of people
Safety and Health Training	Occupational Safety and Health Education Training for Newly Employed Workers	New staff	125
	Biological Hazards Prevention for Workers	Current staff	912
	On-the-job Training for Occupational Safety and Health Personnel	Occupational safety and health staff	3
Fire Training	Fire Safety Training	Newly employed staff and self-defense fire organization staff	264
	Incoming Fire Prevention Manager Training	Fire prevention manager	1
First Aid Training	On-the-job Training for First Responders	First responders	39

## Safety Management Measures

We are committed to providing a safe and comfortable working environment for our staff and to ensuring their safety and health. To safeguard the safety of the factory grounds, we do so by the following means:

- Employees are required to swipe their cards to enter the factory and wear identification cards for identification purposes.
- Vehicles leaving the factory are thoroughly inspected for the trunk, boot, cab, roof and the body to see if the release permit matches the goods.
- All areas are equipped with surveillance cameras with infrared alarms installed at the perimeter for infrared detection and timely reporting of irregularities.
- Security guards patrol the plant 24 hours a day to eliminate potential safety hazards.
- CCTV cameras are installed to ensure the safety of our personnel and assets.

## Contractor Safety and Health Management

We continue to practice contractor safety and health management. In accordance with the Occupational Safety and Health Act, we communicate the construction safety and health requirements to our contractors prior to their operations at the plant, and undertake pre-, mid-, and post-construction inspections to prevent occupational hazards at Kinpo's workplaces. In addition, the contractor can communicate with our Occupational Safety and Health Office at any time on matters pertaining to construction safety and health, in order to safely complete all contracted tasks.

## Occupational Injury Information by Plant

To gain knowledge of the causes and effects of accidents, we have laid down the Accident Investigation and Occupational Injury Handling Procedures to probe into and analyze the source of hazards and keep them in check so as to prevent them from occurring and mitigate the risk of injury to personnel, loss of property and increased costs. For near-miss events that do not result in casualties, property loss or process interruptions, but do cause alarm, we encourage our staff to react promptly while immediately developing preventive measures to pre-empt accidents.

	Y2018	Y2019	Y2020	Y2021	Y2022
Hours Worked in a Year (Hours)	75,300,432.0	93,942,896.0	95,957,192.0	115,664,176.0	120,743,552.0
Number of Occupational Injury Mortalities (Person)	-	-	1	-	-
Number of Serious Occupational Injuries (Person)	19	19	17	14	10
Number of Lost Time Injuries (Cases)	1,544	1,089	1,005	1,016	740
Number of Restricted or Transferred Days without Days away from Work (Cases)	7	11	26	14	8
Number of Near Miss Incidents (Cases)	1	11	-	4	1
Number of Workdays Lost (Days)	710	819	1,939	1,683	794
Number of Recordable Occupational Injuries (Cases)	132	132	179	125	110
Average Number of Staff (Person)	34,000	37,857	43,878	54,658	56,649

	Y2018	Y2019	Y2020	Y2021	Y2022
Occupational Injury Mortality Rate	-	-	0.00	-	-
Serious Occupational Injury Rate	0.05	0.04	0.04	0.02	0.02
Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR)	0.35	0.28	0.37	0.22	0.18
Days Away/Restricted or Job Transfer Rate (DART)	4.12	2.34	2.51	1.78	1.24
Near Miss Frequency Rate (NMFR)	0.00	0.02	-	0.01	0.00
Lost Workday Rate (LWD)	1.84	1.74	4.04	2.91	1.31
Occupational Injury Rate	0.00	0.00	0.00	0.00	0.00

Unit: %

Notes:

1. The new plant in Yueyang, China commenced operation and staff were not familiar with the operation of the production line, resulting in a higher injury rate. With continuous education and training and process improvement, the injury rate has been brought down.
2. Occupational injury mortality rate = (number of occupational injury mortalities x 200,000) / hours worked in a year.
3. Serious occupational injury rate = (number of serious occupational injuries) x 200,000/hours worked in a year.
4. Total Recordable Incident Rate (TRIR) or Lost Time Incident Rate (LTIR) = ((number of recordable occupational injuries + number of lost time injuries) x 200,000) / hours worked in a year.
5. Days Away/Restricted or Job Transfer Rate (DART) = ((number of lost time injuries + number of restricted or transferred days without days away from work) x 200,000)/hours worked in a year.
6. Near Miss Frequency Rate (NMFR) = (number of near miss incidents x 200,000) / hours worked in a year.
7. Lost Workday Rate (LWD) = (number of workdays lost x 200,000)/hours worked in a year.
8. Occupational injury rate = number of recordable occupational injuries/average number over the year.

## Employee Health Screening and Follow-Up

We are concerned about the physical and mental health of our employees. We produce health newsletters regularly and send them to all employees via e-mail to enhance their knowledge of health care. We also offer free annual health checks for all employees, and give health advice and support through on-site consultations with doctors, with a dedicated department building a health check-up database to track their health status.

On top of the health check-ups required by law, our headquarters in 2022 took the initiative to add a number of cancer screening programs for our staff, such as liver cancer, colorectal cancer and male and female cancer screening, so that they can be informed of their health conditions. We also arranged health checks for staff with a high incidence of occupational diseases, tracked and managed those with abnormal test values, and provided necessary individual health advice and guidance to enable them to keep track of their health status.

### Staff Health Promotion Program

Annual Health Check	2019	2020	2021	2022
Annual Staff Health Check	1,909	1,338	1,612	1,541
Mammography	73	64	84	75
Pap Smear	192	170	181	206
On-site Consultations with Doctors	61	40	122	136
Influenza Vaccination	218	234	256	263

Aiming to encourage staff to maintain a healthy fitness level and cope with the results of medical check-ups, the headquarters organized a health talk program "Stay Active, Keep Fit" in early 2023. 62 staff members signed up for the program with a satisfaction rate of 4.64.

In line with the government's Tobacco Hazards Prevention Act and its ongoing efforts to promote smoking cessation, health care workers from the Shenkeng District Health Center visited the Shenkeng premises in late 2022 to advocate smoking cessation and control.

### Group Meal Safety Regulations

Our Company pays attention to the food safety of our staff, hoping to let our staff eat with peace of mind and protect their health.

- Inspect group meals monthly.
- Keep samples of each meal for 72 hours and keep them monitored by special staff.
- Educate staff on food hygiene and safety.
- Group meal kitchen managers are certified in food safety management.
- Group meal kitchen staff hold a food and beverage service health certificate.

## Care for Female Employees

Kinpo is concerned with the issue of female employees, emphasizing diversity and inclusion, echoing gender equality, and enhancing the welfare and rights of women in the workplace through various means.

- A breastfeeding room and unlimited breastfeeding leave during working hours are available for female employees.
- We provide maternity leave, pregnancy check-up leave, paternity leave and leave without pay for childcare as required by law.

### Number of Applications/Reinstatements for Unpaid Parental Leave for Raising Children at Headquarters

	2018	2019	2020	2021	2022
Number of Workers Eligible for Unpaid Parental Leave (Person) (A)	128	107	90	82	69
Number of Applicants for Unpaid Parental Leave (Person) (B)	13	17	15	10	15
Number of Workers Projected to be Reinstated in the Year (Person) (C)	12	19	12	16	14
Number of Workers Actually Reinstated (Person) (D)	9	13	6	7	10
Number of Workers Still in Employment 12 Months after Reinstatement (Person) (E)	9	12	5	5	4
Application Rate for Unpaid Parental Leave (B)/(A)	10.16%	15.89%	16.67%	12.20%	21.74%
Rate of Reinstatement upon Expiry of Unpaid Leave (D)/(C)	75.00%	68.42%	50.00%	43.75%	71.43%
Retention Rate One Year after Reinstatement (E)/ Previous Year (D)	0.00%	133.33%	38.46%	83.33%	57.14%

	2018	2019	2020	2021	2022
Number of Workers Eligible for Unpaid Parental Leave (Person) (A)	162	156	149	144	135
Number of Applicants for Unpaid Parental Leave (Person) (B)	1	1	6	4	7
Number of Workers Projected to be Reinstated in the Year (Person) (C)	2	1	3	4	4
Number of Workers Actually Reinstated (Person)(D)	2	1	-	4	2
Number of Workers Still in Employment 12 Months after Reinstatement (Person) (E)	2	1	-	4	-
Application Rate for Unpaid Parental Leave (B)/(A)	0.62%	0.64%	4.03%	2.78%	5.19%
Rate of Reinstatement upon Expiry of Unpaid Leave (D)/(C)	100.00%	100.00%	0.00%	100.00%	50.00%
Retention Rate One Year after Reinstatement (E)/ Previous Year (D)	0.00%	50.00%	0.00%	0.00%	0.00%

\*Due to the frequent inter-company transfer of staff between headquarters and subsidiaries, information on double counting for 2019-2021 was corrected in 2022.

## Human Factors Engineering

Based on the musculoskeletal symptom checklist completed by our employees, for those employees whose most painful and uncomfortable sites are scored  $\geq 3$  and whose symptoms are work-related, our occupational safety staff or doctors will choose the appropriate checklist according to the characteristics of the employee's work to assess the risk of human factors at work. For those who are at high risk, the medical office will arrange a consultation with a doctor to provide medical and job congruence advice.

According to the musculoskeletal symptom checklist completed by our employees in 2022, the infirmary will arrange a consultation with a doctor on site for 85 employees whose most painful and uncomfortable sites are scored  $\geq 3$  and whose symptoms are work-related using the KIM assessment form and provides relevant health education information.

## Overload

Based on the results of the annual personal health risk assessment and work hazard risk assessment, if a worker is at high risk, the medical office will arrange a consultation with a doctor on site. At the same time, we will make a comprehensive assessment of the risk of illness caused by abnormal workloads and provide medical and job congruence advice, taking into account personal health and work hazard data.

According to the results of the personal health risk assessment and work hazard risk assessment for the year 2022, 129 employees were classified as being at medium or high risk, and the medical office scheduled meetings and consultations with doctors when they were stationed every month at the factory and provided relevant health education information.

## Unlawful Assault

Kinpo has declared zero tolerance for workplace violence to ensure the physical and mental health of all employees, to prevent internal and external workplace violence against all employees in the performance of their duties, and to build a work culture of safety, dignity, non-discrimination, mutual respect and tolerance, and equal opportunity. All employees can report cases of workplace abuse through the complaint hotline and mailbox, and there were no workplace abuse cases at Kinpo in 2022.



## 7.6 Employee Participation

### (1) Earth Day 2022 Series Activities

In response to Earth Day 2022, Kinpo organized a series of activities such as "Beautification of Jingmei Riverbank" and "Turning Waste Batteries into Love" on April 22nd, calling on everyone to be aware of the environmental damage.

#### (1-1)

#### "ESG Commitment to the Local Environment" - Jingmei Riverbank Beautification Campaign

A river gives birth to a city and we think about how we can give to the local environment. Kinpo's headquarter is located at the bank of Jingmei River. On World Earth Day, we invited our executives and staff to participate in the "Jingmei Riverbank Beautification Campaign" to give back to Shenkeng, picking up rubbish and taking care of the flowers and plants, and preserving the Jingmei Riverbank next to the Shenkeng plant, so as to protect the earth in a practical way. A total of about 50 staff members participated in the event, with a number of executives bringing their departmental staff along for the ride.

Chih-kuan Hu, Vice President of Quality Assurance Center, said, "The Company has been conducting greenhouse gas inventories at all of our plants to minimize the harm to the earth through scientific means.



We are also happy to be able to do something for the earth by bending down and collecting rubbish."

Kuo-lun Lo, Vice President of the CE Products Division, said, "It's great to protect the planet, starting with our closest neighborhoods, and with the beautiful scenery of the riverbank, it's good for the body and mind to get out of the office and take a walk during our free time."

Many employees said, "I've been working here for so long, but I didn't know that the riverbank behind the office was so beautiful, so I feel much better when I take a walk." It was impressive that when the staff were helping to pick up the rubbish from the



riverbank at Jingmei River, one of the neighbors who was exercising came up to the staff and said, "Thank you for your efforts, it was very nice of you to do that!" We believe that ESG efforts in the community are not only about removing litter, but also about spreading the love for the earth to our neighbors and staff.

**(1-2) "Little Batteries, Big Love" - Waste Batteries Spread Love**

Waste batteries are small in size and contain harmful substances. If they are not properly recovered and disposed of indiscriminately, they will pollute water and land and cause serious harm to the environment. As some electronic appliances in offices and homes are powered by dry batteries, a lot of used batteries have accumulated over a long period of time. To drive up the battery recovery rate and increase people's willingness to reclaim batteries, the Group gathered used batteries on Earth Day and put up battery recycling bins on the way to and from work to step up the promotion of battery recycling and help employees to cultivate a good habit of recovering used batteries.



In addition to the used batteries in the office and at home, the Group also solicited the participation of suppliers, such as the Group's information equipment suppliers and public relations firms for events, who have enthusiastically responded to the campaign and expressed their willingness to continue to play a part. We also issued certificates of appreciation to encourage suppliers to become Kinpo's partners in promoting ESG and creating a better future together.

The "Little Batteries, Big Love" - Waste Batteries Spread Love campaign collected 66 kilograms of used batteries and exchanged them for alcohol, wet tissues and other epidemic prevention supplies, which were donated by the Hsu Chao Ying Foundation to children in need, transforming the efforts and achievements of environmental protection into love and care for the community.



**(2)Earth Hour - Lights Out One Hour**

In 2007, the World Wide Fund for Nature (WWF) launched the world's largest voluntary carbon reduction campaign in Sydney, advocating the turning off of non-essential electric lights for one hour on the last Saturday of March, from 8:30pm-9:30pm local time. More than 192 countries, as well as Taipei 101 and over 18,000 other global landmarks, have joined in this international crusade for environmental protection.



On March 26th, Kinpo's Taipei headquarters turned off its exterior signage and non-essential lighting, and its president, executives and employees held signs calling on everyone, regardless of age or class, to demonstrate their ability and responsibility to change the world in the face of global climate change by "turning off the lights."

**(3)Stair Climbing Competition**

To encourage staff to ascend the stairs more and take the elevator less, the Group organized a stair climbing activity, which not only saved electricity but also prevented them from sitting in office for long hours and urged them to exercise more to keep themselves fit.

A series of promotional activities were carried out to enhance the willingness of our staff to mount the stairs. Firstly, to provide good air quality in stairwells, we relocated the smoking area to a zone that did not affect the air quality in stairwells, in accordance with the LEED standard for green buildings, which stipulates that smoking areas should be 8 meters away from building openings. Secondly, in order to give our staff a suitable brightness and a good mood when climbing the stairs, the WELL Healthy Building Standard recommends that the stairwell should be adorned with beautiful pictures to add to the aesthetic appeal. The addition of scenic images in the stairwell, combined with explanatory text of the SDGs, slogans to promote stair climbing and the Company's sustainable ESG policy, means that the stairwell is no longer drab and monotonous. Last but not least, we held a stair climbing activity to discover the fun of stair climbing together.

The event was developed by the information department, using NFC sensors and the Group's internal app – KINPO GROUP eFrom to collect points, with each floor climbed being recorded with a swipe of a card. The event featured the "Jade Mountain Award," "Snow Mountain Award," "Hehuanshan Award" and "Yangmingshan Award" and prizes were presented during the three-month period of the event according to the status of the stair climbing points collected. The staff responded enthusiastically and could be seen on the staircases before and after work and during lunch break.



A total of 430 staff members participated in the event, mounting an accumulated total of over 200,000 stairs, equivalent to 67 Taipei 101 skyscrapers, and consuming over 20,000 calories.



#### (4) My Story with Dragon Boat Festival at Kinpo Yueyang Plant

The Yueyang plant was closed for three days during the Dragon Boat Festival in 2022. During the epidemic, apart from encouraging employees to spend the festival in their hometown instead of gathering in groups, we also held a Dragon Boat Festival TikTok contest. Staff were invited to take videos of their Dragon Boat Festival at Yueyang, such as making glutinous rice dumplings and dragon boat races, and upload them to the TikTok platform, containing a hashtag "My Story with Dragon Boat Festival at Kinpo Yueyang Plant." The videos uploaded consisted of clips of one's family life when making glutinous rice dumplings, as well as clips of the Company's quality policy, material management, plant production and other responsibilities of different departments combined with the traditions of the Dragon Boat Festival, which were very creative. A total of 175 people signed up for the event, with one first prize winner, five second prize winners and 20 third prize winners named, making 26 award recipients altogether. This activity has enriched the leisure time of the workers and contributed to the positive image and good reputation of our Company due to the massive circulation on TikTok.



#### (5) Bringing Your Family on a Green Building Tour

Kinpo invited the Taiwan Green Building Council to organize a green building tour for our staff at the Beitou Library, one of the most iconic diamond-grade green buildings in Taipei. This event not only gave us an insight into the practical application of energy saving, carbon reduction and green building, but also enabled us to lead the next generation to learn about sustainable development and care for the planet through practical actions. Additionally, we have extended the reach of the event by inviting family members of our employees to join us. We originally scheduled one event, but due to the overwhelming registration, a second one was later added and held. The two events were attended by 80 staff and their families and created a profound significance in raising environmental awareness and sustainability practices.



#### (6) Kinpo Games at Philippine Plants

Exercise not only promotes good health and relieves work stress, but also fosters camaraderie and vitality among fellow staff members. Kinpo Philippines held a sports day on September 24 and 25, where CPPH and KPPH plants competed in badminton, volleyball and basketball, allowing employees to show off their sporting prowess. Despite the fact that there were winners and losers on the field, there was no pressure on the players during the game and they all enjoyed getting to know others in the factory outside of work hours and even formed friendships and bonds after the game.



The badminton championship was won by B1-KPPH, the men's basketball championship by B2-KPPH, the volleyball championship by B2-KPPH and the team chant competition championship by CPPH. Regardless of whether they won the title or not, the staff had a great time and were very satisfied throughout the day, boosting their mental health and team spirit besides working.



## (7) Father's Day Video Competition at Philippine Plants

The Fair Work Committee of the Philippine Plants organized a Father's Day video competition in June with the theme "Dancing with Children." Staff members eagerly took part in the event, and among the many entries submitted, the committee picked a few outstanding videos and uploaded them to Facebook for staff members to vote on, not only to choose their favorite videos, but also to show their support for their fellow workers. Finally, the committee awarded prizes and bonuses to the top three winners with the most number of likes.

Filipinos are very family-oriented and the love of family is what keeps us going. The award recipients all said that the event provided more interaction between their families and thanked them for their dedication. They also mentioned that the money they received from their children's participation would be kept and used by the children.



## (8) Flea Market - Turning Old Favorites at Home into New Ones for Someone else

In a bid to inspire our employees to practice the sustainable spirit of sharing resources and giving back to the community, we hosted a free-admission Christmas bazaar selling second-hand items for the first time to drive the cycle of love. We urged our staff to donate unused items from their homes so that those who need them can have access to them directly and recycle the resources. The bazaar not only allowed our workers to choose their favorite items but also enabled us to make a contribution to the rural areas together, to put into practice the concept of love and reuse, and raised NT 2,220.





# Social Engagement



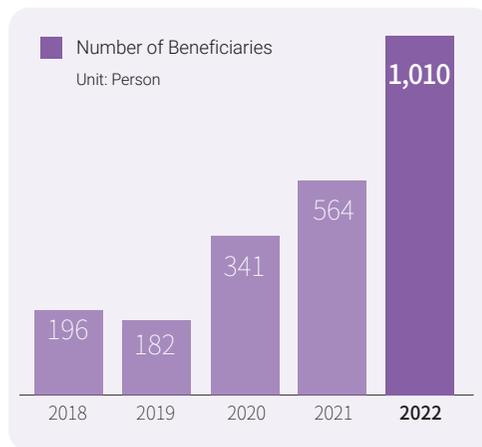
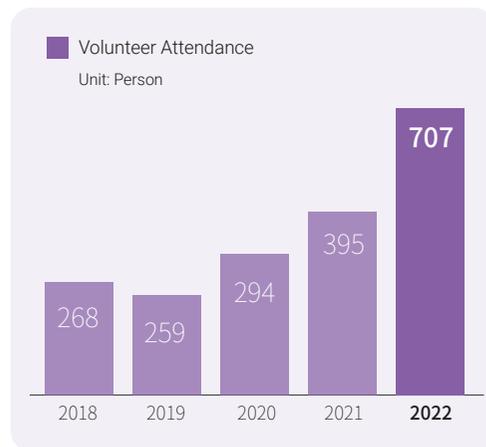
- P.75 8.1 Caring for the Underprivileged
- P.77 8.2 Education Programs
- P.79 8.3 Caring for the Local Community and Volunteer Services

For the Chinese characters “企業” (enterprise), if you take away radical “人” (people) out of “企,” you get “止” (stop). As such, it is clear that people are the most important asset of a business. We are therefore convinced that social inclusion and community involvement are an integral part of corporate development. Kinpo is not only committed to promoting a diverse and inclusive workplace culture, but also actively participates in activities organized by the Hsu Chao Ying Foundation and pushes for various charity services. These services include caring for the vulnerable seniors and families in the community, education programs (e.g. the Dreams Come True project), support for the local community, volunteer services, etc. Moreover, we also encourage our staff to spend their time outside work to engage in social service work, so as to realize the spirit of “all employees for charity” and the concept of corporate and social integration. “All employees for charity” will be an essential direction for our Company going forward, and we will continue to dedicate ourselves to making more contributions to the progress and development of society.

In 2022, 345 sports water bottles were donated by the headquarters and a total of NT\$1,191,400 was contributed by staff. The foundation ran nine events altogether, with 707 volunteers participating and 1,010 beneficiaries.

Staff Participation in Volunteer Activities

Effect of Charity Activities



## 8.1 Caring for the Underprivileged

### 1. Showing care for the elderly in the community

The Company has been working in collaboration with the Hsu Chao Ying Foundation for a long time to look after the older people in Shenkeng District, whose health has been deteriorating due to the outbreak of the pandemic, which has precluded them from eating meals with others. With the aim of facilitating more communal dining and social interaction among elderly people, the Hsu Chao Ying Foundation and the Company’s volunteers organized a meal bonus donation ceremony at the Tuku Village in Shenkeng District, where they chatted and sang with seniors to motivate them to go out more frequently. In this loving and caring event, we not only hoped to make elderly members feel the warmth and care of the community, but intended to raise more people’s concern about the living conditions of the disadvantaged groups in the area, thereby promoting social inclusion and progress. Let’s put into practice the power of caring, so that everyone can feel the festive coziness and happiness.



### 2. "Spreading Love with Supplies, Warming Hearts with Love" - Helping Disadvantaged Families Have a Happy Lunar New Year

In the run-up to the Lunar New Year, to ensure that every vulnerable family in Taiwan could have a safe and secure Lunar New Year, the Hsu Chao Ying Foundation enlisted the help of our workers to help disadvantaged families in New Taipei City, whether they were infants, new immigrants raising children on their own, frail elders living alone, sick and disabled young adults, or children who were deprived of adequate food. We reached out to them and showed them how caring and kind the community is.

The campaign was attended by about 160 workers and benefited 200 people.



### 3. "Donate Food for Good" - Caring for Underprivileged Families

Our Company and the Hsu Chao Ying Foundation are devoted to advancing good causes and bringing comfort and care to more people in need. In the days leading up to the Lunar New Year, we were especially concerned about children from disadvantaged families and launched the "Donate Food for Good" campaign to provide them with food and love. We believe that every power can make a difference, and we hope that through this project, we could spark a flame of hope for the children so that they could have a better future. In 2022, a total of 75 staff members rallied together to lend a helping hand to 100 disadvantaged families in the Shenkeng District Office and 17 vulnerable children in Shenkeng, benefiting 117 underprivileged households in total.



### 4. "Reaching out to Remote Areas and Letting Love Shine" - Heping Elementary School

The Company's 2022 AGM gift - an eco-friendly foldable water bottle - is not only environmentally friendly, but also sporty and popular with shareholders. To enable more children to enjoy a healthy and vibrant life, the Company donated the gift to schools in rural areas, including Nanhe Elementary School in Pingtung County, Guanyin Elementary School in Taoyuan, and Heping Elementary School in Shiding District, New Taipei City. These water bottles would not only accompany the children in their summer training program or summer camps to enjoy the outdoors together, but more importantly, they would help them to appreciate the importance of environmental protection and sports. During the visit to Heping Elementary School, the staff personally presented water bottles to the children, while the children expressed their welcome and gratitude for Kinpo's visit with an enthusiastic flag dance.

About 10 staff members echoed the efforts in 2022.



### 5. Spreading Love on Mid-Autumn Festival and Finding Happiness

To give the seniors in Shenkeng an unforgettable Mid-Autumn Festival, not only did we donate pineapple cakes and pomelos, but we also accompanied them with cheerful greetings, warm smiles and joyful performances. Through our activities, we aimed to show our care and warmth to the elders in the community, and at the same time demonstrate our commitment and responsibility to society. A total of 6 volunteers participated in 2022, benefiting 70 people in all.



### 6. Community Service and Care for the Disadvantaged at Brazil Plant

The Brazil Plant volunteers visited the Moacyr Alves shelter for people with intellectual disabilities in April, where the Company and staff donated 65 kilograms of food and 65 children's books and had fun with the shelter's residents. Through the charity Sopão Solidário, about 1,000 servings of soup (450 liters) and porridge (200 liters) were offered to patients, children and families in need outside the three hospitals in Manaus, in the hope of spreading love and warmth to those in distress through the provision of food and patient company.



## 8.2 Education Programs

### 1. “Forge Ahead with the Vigor and Vitality of the Tiger” - The Exhibition of the Year of the Tiger Prints at Jingtong Elementary School

The Hsu Chao Ying Foundation is concerned with the diverse development of children in rural areas and hopes that they can fulfill their potential and find self-confidence in doing so. Despite its remote location and small student population, Jingtong Elementary School in Pingxi District, New Taipei City, was financially backed by the foundation to nurture children's diverse talents. The prints on display were not only a beautiful piece of art, but also an expression of the children's endless creativity and potential. Every staff who stopped by to admire them also left words of encouragement, letting the children know that their efforts had been recognized, supported and appreciated, and hoping that their future journey would be filled with confidence and hope. **The year 2022 saw the works of 9 children on show.**



### 2. Painting a Miracle for Charity

The Hsu Chao Ying Foundation has a long history of helping rural schools develop their arts and cultural identity by providing professional and stable teachers to build up their character and expertise. The foundation enlisted the support of our fellow workers who were willing to sponsor education in the rural areas by donating NT\$100 per person to replenish the drawing tools needed by the children of the remote communities, and who joined hands to provide learning resources so that they could learn and develop their talents. **In 2022, a total of 200 staff members responded and 200 students benefited.**



### 3. Children's Day - “Live Your Dreams Project”

As disadvantaged children may not receive adequate support in their daily lives due to their home environment, the Hsu Chao Ying Foundation aims to raise awareness of the needs of underprivileged children and we therefore invited our fellow members to join us for the event on Children's Day. Through this event, we joined hands to deliver care and support to underprivileged children, giving them confidence and courage in their future learning journey. **In 2022, 37 employees took part, helping a total of 48 disadvantaged children.**



## 4. "Dreams Come True Project" - Living the Dream with Children

Many factors, such as rural location, family background and financial situation, should not stand in the way of a child's happy growth and learning. We are there for these children with a positive and loving heart! The foundation hopes to build children's self-confidence through encouragement and companionship, while nurturing their skills and talents, developing their interests and abilities for future development, and helping them take on the challenges of life with courage.

**In 2022, the foundation's Dreams Come True program raised NT\$544,000 from 78 staff members to help make children's dreams come true.**



◀ Dreams Come True Project

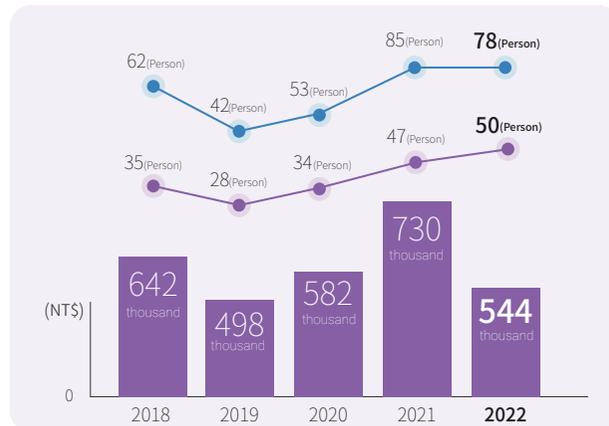
### Hsiao-tung (nickname)

Hsiao-tung's mother raises four children on her own and often feels physically and mentally exhausted while working to provide for the family and looking after the children. Hsiao-tung, who is a lovable girl, helped out at her mother's stall during holidays and after school on weekdays, and took care of her younger siblings, but the hard work she did often put her in tears in the dead of night. Fortunately, Hsiao-tung's story was brought to the attention of the Hsu Chao Ying Foundation's Dreams Come True program, which made it possible for the foundation to lend a helping hand. With the monthly allowance, Hsiao-tung has been able to ease the financial pressure on her family and finally join her peers after school to have fun learning and developing her talents and potential, thus enriching her life journey!



### Dreams Come True Project (2018~2022)

- Amount of Donation (NT\$)
- Children Adopted (Person)
- Headcount (Person)



### En-en (nickname)

En-en hails from a lower-middle-income family. Her father is a laborer on construction sites out of town for many years, while her mother looks after four children and lives in dire straits. Fortunately, the children are all well behaved, and En-en is an excellent class leader at school and a good assistant to the teacher! Also, En-en excels in the field of art, with a keen eye for detail and the courage to experiment and be creative! With the financial backing of the Hsu Chao Ying Foundation's Dreams Come True project, En-en has had the opportunity to receive one-on-one professional instruction from an art teacher, and with her gratitude to her adopters, she has taken her studies more seriously and we believe that she will shine one day in the art field!



### Hsiao-chun (nickname)

Hsiao-chun's family was originally well off, with his father working in construction and his mother as a homemaker. When a bad check bounced, Hsiao-chun's father had to take on someone else's debts and the family was left in the lurch, moving house overnight and living in constant fear. After moving many times and changing schools, Hsiao-chun told his mother that he did not want to live like this, so the family settled in Longtan District, Taoyuan, and his parent worked only odd jobs to support the family.

On one occasion, Hsiao-chun noticed that some people at school was practicing aerobic gymnastics and he always went to the exercise room to watch them practice. When the teacher found out, she asked him to come and try it out. She discovered that the boy had excellent flexibility and was a natural gymnast despite being a senior, so she approached Hsiao-chun's father about the matter. It was a pity that the father turned down the offer because of the family's poor financial situation, but later, the Dreams Come True project changed Hsiao-chun's life.

With monthly subsidies from the program and occasional visits from the Hsu Chao Ying Foundation, Hsiao-chun practices for hours every day, even on holidays. Hsiao-chun's hard work has earned him many victories in competitions, winning both individual and team categories, with her best result being first place in the nation.



## 8.3 Caring for the Local Community and Volunteer Services

### 1. "Jingmei River Charity Care Project" - Adopting a Riverbank

Kinpo has initiated the "Jingmei River Charity Care Project," which was held regularly every other week, including litter picking and flower maintenance, inviting staff to do their part for a sustainable environment and raising awareness and action for environmental protection and beautification. This activity not only improved the working environment and quality of work for the staff, but also enhanced their job satisfaction and engagement, and helped to preserve the environment in the long run.

We believe that the riverbank clean-up campaign would spread the concept of caring for the earth to every one of our employees and neighbors. These efforts would not only improve the quality of life and living experience of the people in the local community, but also help to stimulate social participation and responsibility, and indirectly build up a good social image of Kinpo and facilitate the establishment and development of a harmonious relationship between the Company and the community. Residents in the neighborhood applauded Kinpo's dedication and left messages of appreciation on the local Shenkeng Facebook group, further enhancing the Company's image, cohesiveness and solidarity. In 2022, 21 sessions were staged, with 660 participants and about 80 kg of refuse cleared out.

We will continue to contribute to Jingmei River and follow the SDGs agenda, believing that the power of goodness can continue to have a positive impact. Moving forward, we also intend to bring in neighboring primary schools to volunteer and participate in environmental protection to heighten public awareness of the importance of environmental issues.



### 2. "Bag Recycling" - Paper Bag Reuse Project

Disposable plastic bags are commonly used in daily life. To cut down on overuse, our Taipei headquarters launched the "Bag Recycling" paper bag reuse project by inviting employees to collect unused paper bags from their homes and turn them in to the Company's "Paper Bag Bank," so that instead of using plastic bags when needed, they can choose to take the paper bags from the bank and then put them back when not in use. Apart from the Company's internal use, surplus paper bags were also donated to establishments that used recycled paper bags, including Heping Island Park, Charles Handmade Baking, Renliju Restaurant and Decathlon sporting goods retailers, allowing the influence to extend not only within the Company but also to the community at large, creating a force for change.



### 3. COVID-19 Supplies Donation at Thailand Plant

The COVID-19 outbreak dealt a heavy blow to Thailand. The Thailand plants, in a spirit of love, gave away 500 sets of antigen test kits (ATK), 500 sets of full-face PPE masks, and 500 N95 masks to 5 health promotion hospitals including Sa Phang Health Promoting Hospital in March. In addition, 600 bottles of drinking water were donated to the Khao Yoi Physiotherapy Center and the Elderly Field Hospital in the hope that together we could survive the pandemic and return to a healthy and happy life as soon as possible.





# Appendix



P.81 Independent Limited Assurance Report

P.82 GRI Standards Indicator Comparison Table

P.84 SASB Standards Comparison Table

P.84 UN Global Compact Comparison Table

P.85 Management System Certificate

P.86 Environmental Sustainability Indicators

P.89 Social Inclusion Indicators

P.93 Sustainable Governance Indicators

# Independent Limited Assurance Report



安永聯合會計師事務所

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## 會計師獨立確信報告

金寶電子工業股份有限公司 公鑒

### 一、確信範圍

本事務所接受金寶電子工業股份有限公司(以下簡稱金寶電子)之委任,對 2022 年度永續報告書中所選定之永續績效資訊進行有限確信並出具報告。

有關金寶電子所選定之標的資訊及其適用基準,詳附件一。

#### 管理階層責任

金寶電子管理階層應依據適當之基礎編製 2022 年度永續報告書,參考全球永續性報告協會(Global Reporting Initiatives, GRI)所發布之 GRI 報導準則(GRI Standards),並應設計、執行及維護與報告編製相關之內部控制,以蒐集並揭露報告書內容。

#### 本事務所責任

本事務所係依照財團法人中華民國會計研究發展基金會所發布之確信準則第 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」之要求規劃並執行有限確信工作。

### 二、確信工作

有限確信案件中執行政序之性質及時間與適用於合理確信案件不同,其範圍亦較小,所取得之確信程度明顯低於合理確信案件。為取得有限確信,本事務所於決定確信程序之性質及範圍時曾考量金寶電子內部控制之有效性,但目的並非對金寶電子內部控制之有效性表示意見。

為作成有限確信之結論,本事務所已執行下列工作:

- 與金寶電子之管理階層及員工進行訪談,以瞭解金寶電子編製附件一所選定之標的資訊之流程、攸關之內部控制與資訊系統;
- 透過訪談、檢查相關文件,以瞭解金寶電子之主要利害關係人及利害關係人之期望與需求、雙方具體之溝通管道,以及金寶電子如何回應該等期望與需求;
- 針對報告中所選定之永續績效資訊進行分析性程序;蒐集並評估其他支持證據資料及所取得之管理階層聲明;如必要時,則抽選樣本進行測試;
- 閱讀金寶電子之永續報告書,確認其與本事務所取得關於企業永續整體履行情況之瞭解一致。

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### 三、先天限制

因永續報告書中所包含之非財務資訊受到衡量不確定性之影響,選擇不同的衡量方式,可能導致績效衡量上之重大差異,且由於確信工作係採抽樣方式進行,且任何內部控制均受有先天限制,故未必能查出所有業已存在之重大不實表達,無論是導因於舞弊或錯誤。

### 四、品質管制與獨立性

本事務所遵循品質管制準則第 1 號「會計師事務所之品質管制」之規範,建立並維護完備之品質管制制度,包含遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。本所亦遵循會計師職業道德規範中有關獨立性及其他道德規範之規定,該規範之基本原則為正直、公正客觀、專業能力及盡專業上應有之注意、保密及專業態度。

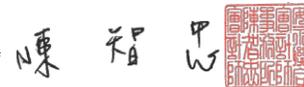
### 五、結論

依據本事務所執行之程序及所獲取之證據,未發現金寶電子所選定之永續績效資訊有未依照適用基準編製而須作重大修正之情事;且本事務所未發現金寶電子 2022 年度永續報告書有未依據 GRI 準則核心選項編製而須作重大修正之情事。

安永聯合會計師事務所

會計師:陳智忠

民國 112 年 6 月 27 日



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附件一:

編號	頁次	內文標題	標的資訊	適用基準																																																						
1		符合性確信	金寶電子揭露 2022 年度永續報告書係依照全球永續性標準委員會(Global Sustainability Standard Board, GSSB)所發布之 GRI 永續性報導準則(GRI Standards)之「GRI 準則 2021」編製。	GRI 永續性報導準則(GRI Standards)—GRI 準則 2021																																																						
2	88	半度用水量	2022 年度台灣廠區用水量為 43.87 百萬公升	GRI Standards 303-5 耗水量 2022 年度台灣廠區以百萬公升為單位之總耗水量																																																						
3	90	員工組成	2022 年度台灣廠區員工組成(依性別): <table border="1"> <thead> <tr> <th>性別</th> <th>男性</th> <th>女性</th> <th>總數</th> </tr> </thead> <tbody> <tr> <td>全職員工</td> <td>1,050</td> <td>768</td> <td>1,818</td> </tr> <tr> <td>兼職員工</td> <td>7</td> <td>-</td> <td>7</td> </tr> <tr> <td>合計</td> <td>1,057</td> <td>768</td> <td>1,825</td> </tr> </tbody> </table>	性別	男性	女性	總數	全職員工	1,050	768	1,818	兼職員工	7	-	7	合計	1,057	768	1,825	GRI Standards 207- 員工 2022 年度台灣廠區員工組成																																						
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## GRI Standards Indicator Comparison Table

Statement of Use	Kinpo published its Sustainability Report 2022 against the GRI Standards for the period from January 1, 2022 through December 31.		
GRI 1 Version in Use	GRI 1: Foundation 2021	GRI Sector Standards	No applicable GRI Sector Standards

Disclosure	Corresponding Report Sections	Omission	Page
<b>GRI 2: General Disclosures 2021</b>			
<b>The Organization and its Reporting Practices</b>			
2-1 Organizational details	1.1 Company Profile		P.09
2-2 Entities included in the organization's sustainability reporting	About this Report		P.03
2-3 Reporting period, frequency and contact point	About this Report		P.03
2-4 Restatements of information	About the Report No significant changes to Kinpo information during the reporting period		P.03
2-5 External assurance	Appendix - Independent Limited Assurance Report		P.81
<b>Activities and Workers</b>			
2-6 Activities, value chain and other business relationships	1.3 Operational Overview 6.4 Sustainable Supply Chain		P.09 P.52
2-7 Employees	7.1 Human Resource Management Policy		P.55
2-8 Workers who are not employees	7.1 Human Resource Management Policy		P.55
<b>Governance</b>			
2-9 Governance structure and composition	2.1 ESG Governance Organization 3.1 Corporate Governance 3.1.1 Operation of Board and Shareholders' Meeting		P.12 P.19 P.21
2-10 Nomination and selection of the highest governance body	3.1.1 Operation of the Board and Shareholders' Meeting		P.21
2-11 Chair of the highest governance body	3.1 Corporate Governance		P.19
2-12 Role of the highest governance body in overseeing the management of impacts	2.1 ESG Governance Organization 3.1 Corporate Governance		P.12 P.19
2-13 Delegation of responsibility for managing impacts	2.1 ESG Governance Organization 3.1 Corporate Governance		P.12 P.19
2-14 Role of the highest governance body in sustainability reporting	About this Report 2.1 ESG Governance Organization 3.1 Corporate Governance		P.03 P.12 P.19
2-15 Conflicts of interest	3.1.1 Operation of the Board and Shareholders' Meeting 3.3 Ethical Management and Compliance		P.21 P.26
2-16 Communication of critical concerns	3.1.1 Operation of the Board and Shareholders' Meeting 3.3 Ethical Management and Compliance		P.21 P.26

2-17 Collective knowledge of the highest governance body	2.2 Sustainability Blueprint and UN Sustainable Development Goals 3.1.1 Operation of the Board and Shareholders' Meeting		P.13 P.21
2-18 Evaluation of the performance of the highest governance body	3.1.1 Operation of the Board and Shareholders' Meeting		P.21
2-19 Remuneration policies	3.1.1 Operation of the Board and Shareholders' Meeting 7.2 Salaries & Benefits		P.21 P.63
2-20 Process to determine remuneration	3.1.1 Operation of the Board and Shareholders' Meeting 7.2 Salaries & Benefits		P.21 P.63
2-21 Annual total compensation ratio	Omission	Kinpo is not disclosing its maximum annual total remuneration for the time being due to pay confidentiality rules.	
<b>Strategy, Policies and Practices</b>			
2-22 Statement on sustainable development strategy	Message from Management 2.2 Sustainability Blueprint and UN Sustainable Development Goals		P.05 P.13
2-23 Policy commitments	3.1 Corporate Governance 3.2 Risk Management 6.4 Sustainable Supply Chain 7.1 Human Resource Management Policy		P.19 P.23 P.52 P.55
2-24 Embedding policy commitments	2.1 ESG Governance Organization 2.2 Sustainability Blueprint and UN Sustainable Development Goals 6.4 Sustainable Supply Chain 7.1 Human Resource Management Policy		P.12 P.13 P.52 P.55
2-25 Processes to remediate negative impacts	3.3 Ethical Management and Compliance 4.1 R&D and Green Design 5.1 Climate Change Risk & Management 6.4 Sustainable Supply Chain 7.3 Staff Development Chapter 8 Social Engagement		P.26 P.30 P.40 P.52 P.65 P.75
2-26 Mechanisms for seeking advice and raising concerns	3.3 Ethical Management and Compliance		P.26
2-27 Compliance with laws and regulations	3.3 Ethical Management and Compliance		P.26
2-28 Membership associations	2.5 Major Initiatives and Involvement		P.17
<b>Stakeholder Engagement</b>			
2-29 Approach to stakeholder engagement	2.4 Stakeholder Communication		P.16
2-30 Collective bargaining agreements	Kinpo did not enter into any collective bargaining agreement in 2022.		
<b>GRI 3: Material Topics 2021</b>			
3-1 Process to determine material topics	2.3 Analysis of Material Topics		P.14
3-2 List of material topics	2.3 Analysis of Material Topics		P.14
3-3 Management of material topics	2.3 Analysis of Material Topics		P.14

## Material Topics

GRI Standards	Disclosure	Corresponding Report Sections	Page
<b>Climate Strategy</b>			
3-3 Management of material topics		Chapter 5 Environmental Sustainability	P.40
201 Economic Performance	201-2 Financial implications and other risks and opportunities due to climate change	5.1 Climate Change Risk & Management	P.40
305 Emissions	305-1 Direct (Scope 1) GHG emissions	5.2 GHG Management	P.44
	305-2 Energy indirect (Scope 2) GHG emissions	5.2 GHG Management	P.44
	305-3 Other indirect (Scope 3) GHG emissions	5.2 GHG Management	P.44
305 Emissions	305-4 GHG emissions intensity	5.2 GHG Management	P.44
	305-5 Reduction of GHG emissions	5.2 GHG Management	P.44
<b>Energy Management</b>			
3-3 Management of material topics		5.3 Energy Management	P.46
302 Energy	302-1 Energy consumption within the organization	5.3 Energy Management Appendix - Environmental Sustainability Indicators	P.46 P.86
	302-3 Energy intensity	5.3 Energy Management Appendix - Environmental Sustainability Indicators	P.46 P.86
	302-4 Reduction of energy consumption	5.3 Energy Management	P.46
<b>Talent Attraction &amp; Retention</b>			
3-3 Management of material topics		Chapter 7 Employee Wellbeing	P.55
202 Market Presence	202-2 Proportion of senior management hired from the local community	7.1 Human Resource Management Policy Appendix - Social Inclusion Indicators	P.55 P.89
401 Employment	401-1 New employee hires and employee turnover	7.1 Human Resource Management Policy Appendix - Social Inclusion Indicators	P.55 P.89
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.2 Salaries & Benefits	P.63
	401-3 Parental leave	7.5 Employee Health	P.67
<b>Sustainable Supply Chain</b>			
3-3 Management of material topics		4.3 Quality Management 6.4 Sustainable Supply Chain	P.34 P.52
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	6.4 Sustainable Supply Chain	P.52
	308-2 Negative environmental impacts in the supply chain and actions taken	6.4 Sustainable Supply Chain	P.52
414 Supplier Social Assessment	414-1 New suppliers that were screened using social criteria	4.3 Quality Management	P.34
	414-2 Negative social impacts in the supply chain and actions taken	4.3 Quality Management	P.34
<b>Quality Management</b>			
3-3 Management of material topics		4.3 Quality Management	P.34
417 Marketing and Labeling	417-1 Requirements for product and service information and labeling	4.3 Quality Management 6.2 Restricted Substance Management	P.34 P.51
	417-2 Incidents of non-compliance concerning product and service information and labeling	4.3 Quality Management No violations in 2022.	P.34
<b>Information Security</b>			
3-3 Management of material topics		3.2.1 Information security management	P.25
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2.1 Information security management No violations in 2022.	P.25

## Topics of Ongoing Interest

GRI Standards	Disclosure	Corresponding Report Sections	Page
<b>Water Management</b>			
303 Water and Effluents	303-3 Water withdrawal	Appendix - Environmental Sustainability Indicators	P.86
	303-4 Water discharge	Appendix - Environmental Sustainability Indicators	P.86
	303-5 Water consumption	Appendix - Environmental Sustainability Indicators	P.86
<b>Waste Management</b>			
306 Waste	306-3 Waste generated	Appendix - Environmental Sustainability Indicators	P.86
	306-4 Waste diverted from disposal	Appendix - Environmental Sustainability Indicators	P.86
	306-5 Waste directed to disposal	Appendix - Environmental Sustainability Indicators	P.86
<b>Product Responsibility</b>			
301 Materials	301-3 Reclaimed products and their packaging materials	6.2 Restricted Substance Management	P.51
416 Customer Health and Safety	416-1 Assessment of the health and safety impacts of product and service categories	4.3 Quality Management 6.2 Restricted Substance Management	P.34 P.51
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	4.3 Quality Management No violations in 2022.	P.34
<b>Diversity &amp; Inclusion</b>			
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	7.1 Human Resource Management Policy Appendix - Social Inclusion Indicators	P.55 P.89
<b>Human Capital Development</b>			
201 Economic Performance	201-3 Defined benefit plan obligations and other retirement plans	7.2 Salaries & Benefits	P.63
404 Training and Education	404-1 Average hours of training per year per employee	7.3 Staff Development	P.65
406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	7.1 Human Resource Management Policy 7.5 Employee Health	P.55 P.67
<b>Occupational Safety &amp; Health</b>			
403 Occupational Health and Safety	403-1 Occupational health and safety management system	7.5 Employee Health	P.67
	403-2 Hazard identification, risk assessment, and incident investigation	7.5 Employee Health	P.67
	403-3 Occupational health services	7.5 Employee Health	P.67
	403-4 Worker participation, consultation, and communication on occupational health and safety	7.5 Employee Health	P.67
	403-5 Worker training on occupational health and safety	7.5 Employee Health	P.67
	403-6 Promotion of worker health	7.5 Employee Health	P.67
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	7.5 Employee Health	P.67
	403-9 Work-related injuries	7.5 Employee Health	P.67
	<b>Ethical Management</b>		
205 Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	3.3 Ethical Management & Compliance	P.26
206 Anti-competitive Behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.3 Ethical Management & Compliance	P.26
<b>Tax Administration</b>			
207 Tax	207-1 Approach to tax	3.3.2 Tax Policy	P.28

## SASB Standards Comparison Table

Topic	Metric	Code	Corresponding Report Sections
Water Management	(1) Total water withdrawn (10 <sup>3</sup> m <sup>3</sup> ) (2) Total water consumed (10 <sup>3</sup> m <sup>3</sup> ) (3) Percentage of total water withdrawn in regions with High or Extremely High Baseline Water Stress (%) (4) Percentage of total water consumed in regions with High or Extremely High Baseline Water Stress (%)	TC-ES-140a.1	Appendix - Environmental Sustainability Indicators
Waste Management	Amount of hazardous waste from manufacturing, percentage recycled	TC-ES-150a.1	Appendix - Environmental Sustainability Indicators
Labor Practices	(1) Number of work stoppage (2) Total days idle	TC-ES-310a.1	7.4 Employee Communication
Labor Conditions	(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees TRIR = Number of recordable incidents x 200,000 ÷ hours worked in a year NMFR = Number of near miss incidents x 200,000 ÷ hours worked in a year	TC-ES-320a.1	7.5 Employee Health
	Percentage of (1) entity's facilities and (2) Tier 1 supplier facilities audited in the RBA Validated Audit Process (VAP) or equivalent, by (a) all facilities and (b) high-risk facilities	TC-ES-320a.2	7.5 Employee Health
	(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 nonconformances, broken down for (i) the entity's facilities and (ii) the entity's Tier 1 supplier facilities	TC-ES-320a.3	7.5 Employee Health
Product Lifecycle Management	Weight of end-of-life products and e-waste recovered, percentage recycle	TC-ES-410a.1	6.2 Restricted Substance Management
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TC-ES-440a.1	6.3 Responsible Mineral Management

## UN Global Compact Comparison Table

Classification	10 Principles	Report Content / Description	Corresponding Report Sections
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights.	Kinpo supports and respects international human rights and has a corresponding human rights management policy and manifesto.	7.1 Human Resource Management Policy
	Make sure that they are not complicit in human rights abuses.	Kinpo aims for "zero violations" in the areas of anti-discrimination, anti-sexual harassment, anti-bullying, prohibition of forced labor and prohibition of child labor as part of its human rights management policy and manifesto. As a member of the RBA, Kinpo adheres to the RBA Code of Conduct and supports the RBA's Responsible Mineral Sourcing.	6.3 Responsible Mineral Management 7.1 Human Resource Management Policy
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Kinpo supports freedom of association and recognizes the right to collective bargaining.	Chapter 7 Employee Wellbeing
	The elimination of all forms of forced and compulsory labor.	Kinpo prohibits all forms of forced and compulsory labor.	Chapter 7 Employee Wellbeing
	The effective abolition of child labor.	Kinpo prohibits child labor.	3.3 Ethical Management and Compliance Chapter 7 Employee Wellbeing
	The elimination of discrimination in respect of employment and occupation.	Kinpo eliminates discrimination in employment and occupation.	7.1 Human Resource Management Policy
Environment	Businesses should support a precautionary approach to environmental challenges.	Kinpo has established a climate change risk identification process as per the TCFD guidelines, and set up a response strategy and made disclosures by taking stock of risk items and ranking their significance.	5.1 Environmental Policy
	Undertake initiatives to promote greater environmental responsibility.	Kinpo has established a climate change risk identification process as per the TCFD guidelines, and set up a response strategy and made disclosures by taking stock of risk items and ranking their significance.	5.1 Environmental Policy
	Encourage the development and diffusion of environmentally friendly technologies.	Kinpo minimizes the environmental impact of its manufacturing process and continues using sustainable materials, taking final product packaging and transportation into account to lower the environmental footprint and mitigate environmental impact from the design stage.	4.1 R&D and Green Design
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Kinpo works against corruption in all its forms, including extortion and bribery.	3.3 Ethical Management and Compliance

## Management System Certificate

Scope	Standard	Validation Status										
		Taipei / Taiwan	Changan / China	Wujing / China	Yueyang / China	MAH / Thailand	PET / Thailand	LIMA/ Philippines	FPIP/ Philippines	SD / USA	Reynosa / Mexico	Manaus / Brazil
Quality	ISO9001 Quality Management Systems	V	V	V	V	V	V	V	V	V	V	V
	TL9000 Communication Industry Quality Management						V				V	
	IATF 16949 Automotive Quality Management System					V	V					
	ISO 13485 Medical Devices Quality Management Systems							V		V		
	ISO17025 Laboratory Quality Management System					V						
	AS 9100 Aerospace Quality Management System									V		
	ANSI ESD S20.20 Electrostatic Discharge Control Certification					V	V					
Environment	ISO14001 Environmental Management Systems		V	V	V	V	V	V	V		V	V
	IECQ-QC080000 Hazardous Substance Process Management System	V	V	V			V	V				
	ISO14064 GHG Accounting & Verification	V	V	V	V	V	V	V	V	V	V	V
Operations	ISO22301 Business Continuity Management Systems								V			
Occupational Safety	ISO45001 Occupational Health and Safety Management Systems	V	V	V	V	V	V	V	V			V
Information	ISO 27001 Information Security Management Systems	V										

## Environmental Sustainability Indicators

### 1. Environmental Management Cost Statistics (Unit: NT\$)

	2021				2022			
	Investment in Pollution Control Equipment	Pollution Control Cost	Waste Disposal Fees	Costs of Management Activities	Investment in Pollution Control Equipment	Pollution Control Cost	Waste Disposal Fees	Costs of Management Activities
Taiwan	-	-	41,900.00	-	-	-	58,100.00	-
China	24,816,202.33	12,783,637.19	1,044,945.72	939,401.57	2,910,849.48	1,855,702.89	12,642,118.71	1,223,929.10
Thailand	-	399,060.27	351,822.35	-	-	561,931.90	216,512.37	-
Philippines	-	-	2,819,384.79	-	-	-	5,480,399.95	-
Brazil	396,253.49	83,864,805.84	3,873,253.83	367,998.08	497,822.33	55,677,584.28	2,980,859.54	415,911.60
Mexico	-	-	47,783.54	-	-	-	31,057.72	-
Malaysia	47,609.60	174,965.28	287,186.31	74,204.03	151,071.21	280,576.76	286,533.84	208,515.17
USA	-	-	529,010.00	-	-	-	595,217.51	-
Total	25,260,065.42	97,222,468.58	8,995,286.55	1,381,603.67	3,559,743.03	58,375,795.84	22,290,799.64	1,848,355.86

### 2. Non-renewable Fuel Use

	2020			2021					2022				
	LNG (10³m³)	Diesel (L)	Total electricity consumption (mWh)	LNG (10³m³)	LPG (kg)	Motor Gasoline (L)	Diesel (L)	Total electricity consumption (mWh)	LNG (10³m³)	LPG (kg)	Motor Gasoline (L)	Diesel (L)	Total electricity consumption (mWh)
Taiwan	-	-	3,865.00	-	-	15,601.68	3,964.93	4,619.47	-	-	10,952.46	3,538.69	4,522.60
China	135.00	31,000.00	90,437.00	71,522.53	-	12,281.45	11,638.40	104,827.89	113,725.00	-	11,377.62	9,172.80	91,763.62
Thailand	-	8,000.00	119,491.00	-	119,470.00	10,307.00	330,979.77	167,825.25	-	110,326.84	9,062.73	252,194.69	211,096.74
Philippines	-	163,000.00	87,708.00	-	52,800.00	7,778.04	117,676.35	104,443.93	-	90,450.00	544.48	29,840.01	114,315.03
Brazil	-	13,000.00	17,797.00	-	17,120.00	10,228.45	10,122.47	20,161.00	-	15,260.00	8,198.02	12,541.50	19,429.00
Mexico	20.00	6,000.00	5,151.00	-	537,316.00	2,000.00	800.00	6,850.40	-	12,017.00	2,632.00	600.00	6,424.66
Malaysia	-	-	-	-	-	-	-	8,781.12	-	-	-	-	6,813.08
USA	-	-	-	-	33.07	181.70	-	273.33	-	21.77	135.52	-	278.70
Total (Original Unit of Statistics)	155.00	221,000.00	324,449.00	71,522.53	726,739.07	58,378.32	475,181.92	417,782.40	113,725.00	228,075.61	42,902.83	307,887.69	454,643.42
Total (GJ)	5.84	7,767.18	1,168,016.40	2,693.25	36,677.94	1,905.19	16,700.55	1,504,016.65	4,282.43	11,510.80	1,400.14	10,820.90	1,636,716.31
Share of each type of energy in total use (%)	0.0005	0.66	99.34	4.53	61.66	3.20	28.08	96.29	0.26	0.69	0.08	0.65	98.32

### 3. Electricity Consumption (Unit: mWh)

	2020	2021							2022						
	Non-renewable electricity (purchased)	Non-renewable electricity (purchased) (A)	Renewable electricity (own use) (B)	Renewable electricity (purchased) (C)	Total Renewable electricity consumption (without purchase of renewable energy certificates) (D)=(B)+(C)	Total Electricity consumption (E)=(A)+(D)	Renewable energy certificate (F)	Total non-renewable electricity consumption (without renewable energy certificate) (G)=(A)-(F)	Non-renewable electricity (purchased) (A)	Renewable electricity (own use) (B)	Renewable electricity (purchased) (C)	Total Renewable electricity consumption (without purchase of renewable energy certificates) (D)=(B)+(C)	Total Electricity consumption (E)=(A)+(D)	Renewable energy certificate (F)	Total non-renewable electricity consumption (without renewable energy certificate) (G)=(A)-(F)
Taiwan	3,865.00	4,619.47	-	-	-	4,619.47	-	4,619.47	4,522.60	-	-	-	4,522.60	-	4,522.60
China	90,437.00	104,827.89	-	-	-	104,827.89	-	104,827.89	89,224.69	2,538.93	-	2,538.93	91,763.62	-	91,763.62
Thailand	119,491.00	167,825.25	-	-	-	167,825.25	-	167,825.25	211,096.74	-	-	-	211,096.74	-	211,096.74
Philippines	87,708.00	104,443.93	-	-	-	104,443.93	-	104,443.93	114,315.03	-	-	-	114,315.03	-	114,315.03
Brazil	17,797.00	20,161.00	-	-	-	20,161.00	20,161.00	-	19,429.00	-	-	-	19,429.00	19,429.00	-
Mexico	5,151.00	5,000.40	-	1,850.00	1,850.00	6,850.40	-	5,000.40	4,689.54	-	1,735.13	1,735.13	6,424.66	-	4,689.54
Malaysia	-	8,781.12	-	-	-	8,781.12	-	8,781.12	6,813.08	-	-	-	6,813.08	-	6,813.08
USA	-	273.33	-	-	-	273.33	-	273.33	278.70	-	-	-	278.70	-	278.70
Total	324,449.00	370,715.91	-	1,850.00	1,850.00	417,782.40	20,161.00	395,771.40	450,369.36	2,538.93	1,735.13	4,274.06	454,643.42	19,429.00	433,479.29

Note: Kinpo started using renewable energy in 2021.

4-1 Water Management (by Total Volume)  
(Unit: Million Liters)

Water Consumption	2019	2020	2021	2022
Taiwan	38.2	42.5	42.96	43.87
China	652.02	2,267.56	706.85	417.33
Thailand	577.76	534.36	643.70	671.69
Philippines	659.65	606.88	667.50	927.95
Brazil	0.80	0.91	1.11	0.68
Mexico	8.20	11.35	9.25	5.86
Malaysia	26.03	23.05	28.60	26.58
USA	2.53	0.71	0.50	1.00
Total	3,855.41	6,897.03	4,119.62	2,094.96

4-2 Water Management (by Type)  
(Unit: Million Liters)

	2022		
	Water Withdrawal	Water Discharge	Water Consumption
Taiwan	43.87	43.87	-
China	417.33	201.46	215.87
Thailand	671.69	671.69	-
Philippines	927.95	822.28	105.67
Brazil	0.68	0.68	-
Mexico	5.86	5.86	-
Malaysia	26.58	2.96	23.62
USA	1.00	-	1.00
Total	2,094.96	1,748.80	346.16

5-1 Waste Management (by Total Volume)  
(Unit: Tonnes)

	2019		
	Domestic Waste	General Industrial Waste	Hazardous Waste
Total	14,826.20	8,966.82	8,094.24

	2020		
	Domestic Waste	General Industrial Waste	Hazardous Waste
Total	6,163.04	12,493.03	10,282.36

	2021		
	Domestic Waste	General Industrial Waste	Hazardous Waste
Total	10,373.18	15,674.12	2,223.19

	2022		
	Domestic Waste	General Industrial Waste	Hazardous Waste
Total	2,224.42	12,978.47	3,872.31

5-3 Waste management (by Way of Disposal)

Plant/Type	Domestic Waste	Hazardous Waste	General Industrial Waste
Taiwan	80% incineration, 20% recovery Handled off-site	-	-
China	100% incineration for power generation Handled off-site	100% incineration Handled off-site	100% recovery & recycling Handled off-site
Thailand	90% recovery, 10% burial Handled off-site	70% incineration, 30% recovery Handled off-site	100% recovery Handled off-site
Philippines	60% recovery, 40% burial Handled off-site	Disposal & clearance Handled off-site	100% recovery Handled off-site
Brazil	70% recovery, 30% incineration Handled off-site	70% recovery, 30% incineration Handled off-site	70% recovery, 30% incineration Handled off-site
Mexico	100% incineration Handled off-site	70% incineration, 30% recovery Handled off-site	100% recovery Handled off-site
Malaysia	100% disposal in a certified landfill Handled off-site	100% recovery & recycling Handled off-site	100% recovery Handled off-site
USA	60% recovery, 40% burial Handled off-site	100% specialist collection and clearance Handled off-site	100% recovery Handled off-site

5-2 Waste Management (by Type) (Unit: Tonnes)

	Domestic Waste						General Industrial Waste								Hazardous Waste				
	Recovery & Recycling		Direct Disposal				Recovery & Recycling			Direct Disposal					Recovery & Recycling	Direct Disposal			
	Recycling	Other Recovery	Incineration (with energy recovery)	Incineration (without energy recovery)	Burial	Other Disposal	Recycling	Other Recovery	Prepare for Reuse	Incineration (with energy recovery)	Incineration (without energy recovery)	Burial	Other Disposal	Recycling	Incineration (with energy recovery)	Incineration (without energy recovery)	Burial	Other Disposal	
Taiwan	-	-	84.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
China	-	138.36	-	805.60	-	16.38	25.76	4,677.76	-	39.97	-	-	-	-	5.43	91.34	-	3.20	
Thailand	-	-	547.10	-	-	-	-	149.97	5,208.51	-	-	-	-	0.30	19.74	-	13.62	138.47	
Philippines	0.16	0.32	-	-	396.15	-	216.09	1,699.95	-	38.47	-	8.66	-	-	-	-	-	914.19	
Brazil	-	-	-	216.65	-	-	107.82	-	433.94	-	0.87	-	8.07	-	3.87	10.25	-	2,662.43	
Mexico	-	-	-	-	19.54	-	311.69	-	-	-	-	-	8.80	0.68	-	3.29	-	0.04	
Malaysia	-	-	-	-	-	-	16.80	-	-	-	-	25.34	-	3.88	-	0.01	-	-	
USA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	0.58	
Total	0.16	138.68	631.10	1,022.25	415.69	16.38	678.16	6,527.67	5,642.45	78.44	0.87	34.00	16.87	4.85	30.04	104.90	13.62	3,718.90	

## Social Inclusion Indicators

### 1-1 Number of Staff (by Gender)

		2018	2019	2020	2021	2022		
						Taiwan	Overseas	Total
Headcount (Person)	Female	17,123	20,579	20,628	29,332	768	28,578	29,346
	Male	16,366	19,121	24,060	25,969	1,057	23,688	24,745
	Total	33,489	39,700	44,688	55,301	1,825	52,266	54,091
Pct (%)	Female	51.13%	51.84%	46.16%	53.04%	1.42%	52.83%	54.25%
	Male	48.87%	48.16%	53.84%	46.96%	1.95%	43.79%	45.75%

### 1-2 Number of Staff (by Age)

		2018	2019	2020	2021	2022		
						Taiwan	Overseas	Total
Headcount (Person)	Under 30	20,568	24,590	24,964	31,386	152	30,044	30,196
	31-50	12,158	14,308	18,847	22,925	1,276	21,404	22,680
	Over 50	763	802	877	990	397	818	1,215
	Total	33,496	39,700	44,688	55,301	1,825	52,266	54,091
Pct (%)	Under 30	61.42%	61.94%	55.86%	56.75%	0.28%	55.54%	55.82%
	31-50	36.30%	36.04%	42.17%	41.45%	2.36%	39.57%	41.93%
	Over 50	2.28%	2.02%	1.96%	1.79%	0.73%	1.51%	2.25%

### 1-3 Number of Staff (by Business Location) (Unit: Person)

	2018	2019	2020	2021	2022
Taiwan	1,989	2,219	2,061	2,015	1,825
China	4,996	6,693	12,955	11,371	7,616
Thailand	16,144	16,385	16,872	26,336	28,103
Philippines	8,352	12,118	10,619	13,192	14,025
Brazil	1,295	1,178	1,109	1,500	1,717
Mexico	405	818	840	654	595
Malaysia	163	154	146	149	129
USA	145	135	86	84	81

### 1-4 Staff by Education (Unit: %)

Education	2018	2019	2020	2021	2022
Master or above	2.26%	1.97%	1.73%	1.69%	1.03%
Bachelor	19.77%	21.45%	19.27%	18.47%	18.44%
High School	27.54%	32.31%	39.40%	34.91%	32.56%
Below High School	50.43%	44.27%	39.60%	44.93%	47.97%

### 1-5 Number of Staff (by Full-time/Part-time) (Unit: Person)

		2018	2019	2020	2021	2022		
						Taiwan	Overseas	Total
Permanent Workers	Permanent Workers (Non-fixed Term) (F)	16,781	19,484	15,603	13,567	768	25,699	26,467
	Permanent Workers (Non-fixed Term) (M)	15,849	17,257	16,429	9,934	1,050	20,932	21,982
Temporary Workers	Temporary Workers (Fixed-term Contract) (F)	319	421	1,155	1,282	-	286	286
	Temporary Workers (Fixed-term Contract) (M)	466	465	1,978	1,785	7	321	328
Workers without Guaranteed Hours	Workers without Guaranteed Hours (F)	23	674	3,870	3,930	-	2,593	2,593
	Workers without Guaranteed Hours (M)	51	1,399	5,653	4,751	-	2,435	2,435
Workers from Employment Agency	Workers from Employment Agency	-	-	-	22	-	19	19
Full-time Workers	Full-time Workers (F)	9,586	12,841	14,720	16,322	768	14,564	15,332
	Full-time Workers (M)	9,433	12,224	14,442	13,510	1,050	10,863	11,913
Part-time Workers	Part-time Workers (F)	16	30	24	35	-	55	55
	Part-time Workers (M)	24	29	31	35	7	33	40

### 1-6 Number of Staff (by Multiple Indicators)

	2018	2019	2020	2021	2022		
					Taiwan	Overseas	Total
% of Local Senior Executives	81.48%	73.68%	48.72%	46.43%	30.77%	28.21%	58.97%
% of Female Business Executives	42.25%	40.79%	53.54%	48.15%	37.50%	7.69%	45.19%
% of STEM Females	1.11%	1.00%	0.85%	0.70%	0.24%	0.48%	0.73%
Number of LGBTQI+ Members	-	-	-	-	-	-	-
Number of Staff with Disabilities	62	84	138	241	25	227	252
Number of Aboriginal Workers	-	-	-	-	-	-	-
Number of All Executives	1,426	1,711	1,959	2,075	893	1,132	2,025
Number of All Female Executives	385	456	546	603	246	379	625
Number of All Non-executives	32,063	37,989	42,729	53,226	932	51,134	52,066
Number of Annual Average Staff	34,000	39,035	43,878	54,658	1,907	54,742	56,649

### 2-1 Number of staff (by Position/Gender) (Unit: Person)

		2018	2019	2020	2021	2022		
						Taiwan	Overseas	Total
Senior (Level 1) Management	Female	7	9	14	13	10	4	14
	Male	74	86	103	99	51	52	103
Mid-level Management	Female	75	104	133	132	51	94	145
	Male	316	386	459	484	205	246	451
Junior Management	Female	303	343	399	458	185	281	466
	Male	651	783	851	889	391	455	846
Specialists	Female	2,299	2,618	2,603	2,979	522	2,590	3,112
	Male	3,162	3,742	3,637	3,896	410	3,565	3,975
Direct Staff	Female	14,439	17,505	17,479	25,750	-	25,609	25,609
	Male	12,163	14,124	19,010	20,601	-	19,370	19,370

2-2 Number of staff (by Position/Age) (Unit: Person)

		2018	2019	2020	2021	2022		
						Taiwan	Overseas	Total
Senior (Level 1) Management	Under 30	-	-	-	-	-	-	-
	31-50	30	33	45	39	12	23	35
	Over 50	54	62	71	73	49	33	82
Mid-level Management	Under 30	5	3	3	7	-	2	2
	31-50	283	325	447	453	141	257	398
	Over 50	104	117	146	158	115	81	196
Junior Management	Under 30	20	35	67	49	2	39	41
	31-50	830	970	1,138	1,142	443	633	1,076
	Over 50	107	120	128	153	131	64	195
Specialists	Under 30	1,949	2,559	2,443	2,907	150	2,715	2,865
	31-50	3,283	3,651	3,543	3,794	680	3,311	3,991
	Over 50	229	151	157	174	102	131	233
Direct Staff	Under 30	18,594	21,993	22,451	28,423	-	27,288	27,288
	31-50	7,732	9,329	13,674	17,497	-	17,180	17,180
	Over 50	269	352	375	432	-	509	509

3-1 Incoming and Outgoing Staff (by Gender)

		2018	2019	2020	2021	2022			5-year average %
						Taiwan	Overseas	Total	
Newcomer (Number & %)	Female	10,662	15,561	18,592	25,432	115	24,802	24,917	-
		2.65%	3.27%	3.47%	3.83%	0.02%	3.82%	3.84%	3.41%
	Male	18,263	21,261	28,858	31,654	113	25,479	25,592	-
		4.54%	4.46%	5.38%	4.77%	0.02%	3.93%	3.94%	4.62%
	Total	28,925	36,822	47,450	57,086	228	50,281	50,509	-
		7.20%	7.73%	8.85%	8.60%	0.04%	7.75%	7.78%	8.03%
Leaver (Number & %)	Female	10,564	12,915	15,672	19,558	160	26,292	26,452	-
		2.63%	2.71%	2.92%	2.95%	0.02%	4.05%	4.08%	3.06%
	Male	17,179	19,012	22,942	26,394	257	28,478	28,735	-
		4.27%	3.99%	4.28%	3.98%	0.04%	4.39%	4.43%	4.19%
	Total	27,743	31,927	38,614	45,952	417	54,770	55,187	-
		6.90%	6.70%	7.20%	6.92%	0.06%	8.44%	8.50%	7.25%
Voluntary Leaver (Number & %)	Female	8,832	11,291	13,804	15,193	156	21,973	22,129	-
		2.20%	2.37%	2.57%	2.29%	0.02%	3.39%	3.41%	2.57%
	Male	13,894	15,991	19,835	21,096	231	22,865	23,096	-
		3.46%	3.36%	3.70%	3.18%	0.04%	3.52%	3.56%	3.45%
	Total	22,726	27,282	33,639	36,289	387	44,838	45,225	-
		5.66%	5.73%	6.27%	5.47%	0.06%	6.91%	6.97%	6.02%

### 3-2 Incoming and Outgoing Staff (by Age)

		2018	2019	2020	2021	2022			5-year average %
						Taiwan	Overseas	Total	
Newcomer (Number & %)	Under 30	21,211	26,760	31,530	39,658	76	35,353	35,429	-
		8.59%	9.07%	10.53%	10.53%	0.02%	9.76%	9.78%	9.70%
	31-50	7,593	9,893	15,845	17,322	137	14,790	14,927	-
		5.20%	5.76%	7.01%	6.30%	0.05%	5.43%	5.48%	5.95%
	Over 50	113	169	76	123	15	138	153	-
		1.23%	1.76%	0.72%	1.04%	0.10%	0.95%	1.05%	1.16%
Leaver (Number & %)	Under 30	19,478	22,874	27,372	31,192	83	37,611	37,694	-
		7.89%	7.75%	9.14%	8.28%	0.02%	10.38%	10.40%	6.81%
	31-50	7,932	8,911	11,034	14,584	288	16,985	17,273	-
		5.44%	5.19%	4.88%	5.30%	0.11%	6.24%	6.35%	5.43%
	Over 50	333	142	175	176	46	172	218	-
		3.64%	1.48%	1.66%	1.48%	0.32%	1.18%	1.50%	1.95%
Voluntary Leaver (Number & %)	Under 30	16,385	19,659	24,138	24,652	82	30,877	30,959	-
		6.64%	6.66%	8.06%	6.55%	0.02%	8.52%	8.54%	7.29%
	31-50	6,245	7,511	9,354	11,511	274	13,833	14,107	-
		4.28%	4.37%	4.14%	4.18%	0.10%	5.08%	5.18%	4.43%
	Over 50	96	114	115	126	31	126	157	-
		1.05%	1.18%	1.09%	1.06%	0.21%	0.86%	1.08%	1.09%

### 3-3 Incoming and Outgoing Staff (by Operating Location) (Unit: Person & %)

		Newcomers					Leavers				
		2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Taiwan	328	608	373	251	228	419	390	566	383	417	
	1.37%	2.28%	1.51%	1.04%	1.04%	1.76%	1.46%	2.29%	1.58%	1.90%	
China	15,363	18,317	31,680	23,722	20,030	14,912	16,443	20,355	24,937	22,882	
	25.63%	22.81%	20.38%	17.38%	21.92%	24.87%	20.47%	13.09%	18.28%	25.04%	
Thailand	7,319	6,018	6,980	23,010	12,946	6,388	5,746	6,750	12,629	11,619	
	3.78%	3.06%	3.45%	7.28%	3.84%	3.30%	2.92%	3.33%	4.00%	3.45%	
Philippines	4,865	10,401	7,258	8,722	16,161	4,926	7,940	9,462	6,712	19,151	
	4.85%	7.15%	5.70%	5.51%	9.60%	4.91%	5.46%	7.43%	4.24%	11.38%	
Brazil	292	185	207	642	540	415	462	433	393	519	
	1.88%	1.31%	1.56%	3.57%	2.62%	2.67%	3.27%	3.25%	2.18%	2.52%	
Mexico	598	1,181	892	679	570	585	820	935	825	537	
	12.30%	12.03%	8.85%	8.65%	7.98%	12.04%	8.35%	9.28%	10.51%	7.52%	
Malaysia	51	51	46	43	23	44	49	53	52	48	
	2.61%	2.76%	2.63%	2.40%	1.49%	2.25%	2.65%	3.03%	2.91%	3.10%	
USA	109	61	14	17	11	54	77	60	21	14	
	6.26%	3.77%	1.36%	1.69%	1.13%	3.10%	4.75%	5.81%	2.08%	1.44%	

#### 4-1 Staff Training (by Amount/Hours/Attendance)

	2018	2019	2020	2021	2022
Training Fee (NT\$)	2,197,277	2,361,858	2,359,321	4,096,077	5,971,925
Total Number of Sessions (Stage)	1,439	452	1,228	2,050	2,594
Total Hours of Training Given	88,193	21,992	185,161	259,684	267,557
Total Hours of Training Received	93,374	21,992	196,646	282,446	339,487
Total Number of Attendances	17,417	7,140	19,257	36,364	59,680
Average Training Cost Per Person (NT\$)	126	331	123	113	100
Average Training Hours Received	5	3	10	8	6

### Sustainable Governance Indicators

#### Number of Patent Applications, Approvals and Renewals (Unit: Cases)

	2018	2019	2020	2021	2022
Number of Applications in the Year	145	34	9	50	59
Number of Applications Approved in the Year	114	178	281	38	18
Number of Lapsed/Abandoned Applications in the Year	92	37	487	181	37
Number of Active Renewals in the Year	413	554	348	205	186

#### 4-2 Staff Training in Hours (by Operating Location) (Unit: Hours)

		Staff Training				
		2018	2019	2020	2021	2022
Training Hours	Taiwan	23,333.5	21,992.0	12,748.5	35,571.0	43,157.0
	China	40,757.0	46,807.0	151,416.0	194,195.0	162,932.0
	Thailand	12,015.0	11,848.0	10,382.0	9,978.0	11,542.0
	Philippines	4,376.0	1,707.0	1,158.6	1,845.1	2,419.0
	Brazil	4,524.0	8,972.5	2,520.0	11,440.3	40,526.2
	Mexico	2,210.0	9,063.0	6,831.0	6,262.0	4,603.0
	Malaysia	502.0	245.0	102.0	92.0	864.0
	USA	508.4	246.0	2.5	301.0	1,514.2
	Average Training Hours	Taiwan	12.02	10.34	6.06	17.69
China		8.16	6.99	11.69	17.08	21.39
Thailand		0.74	0.72	0.62	0.38	0.41
Philippines		0.52	0.14	0.11	0.14	0.17
Brazil		3.49	7.62	2.27	7.63	23.60
Mexico		5.46	11.08	8.13	9.57	7.74
Malaysia		3.08	1.59	0.70	0.62	6.70
USA	3.51	1.82	0.03	3.58	18.69	



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